

PORTFOLIO HOLDER: Cllr David Whipp, Leader's Portfolio

REPORT FROM: Director of Resources

TO: EXECUTIVE

DATE: 17th July 2025

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REVENUE AND CAPITAL OUTTURN 2024/25

PURPOSE OF REPORT

This report is provided to inform the Executive of the Revenue & Capital Outturn position for 2024/25.

RECOMMENDATIONS

Executive is recommended to:-

- (1) Note the Outturn position on the Council's Revenue Budgets for 2024/25 and the Reserve position as set out in Report.
- (2) Approve the proposals for revenue budget slippage of £0.293m from 2024/25 to 2025/26.
- (3) Note the Outturn position on the Council's Capital Programme for 2024/25.
- (4) Approve the proposals for capital budget slippage of £23.590m from 2024/25 to 2025/26.

REASONS FOR RECOMMENDATIONS

- (1-4) To inform the Executive of the revenue and capital outturn for 2024/25 and to approve the budget slippage for 2024/25.

ISSUE

2024/25 Revenue Outturn

1. The net cost of service for 2024/25 as agreed at Council on 26th February 2024 was £16.160m. This excludes the slippage from 2023/24 of £327k, which was agreed by the Executive on 1st August 2024. Once slippage is included the total approved budget for 2024/25 was £16.487m.
2. Adding in corporate Income and expenditure and further funded virements to the budget increases the revised budget to £16.588m. The virements are either funded from grant funding or Council reserves and shown in points (ii) to (v) below;
 - i. Corporate Income & Expenditure
 - ii. Grant Funding
 - iii. Use of Reserves
 - iv. Capital Adjustments
 - v. New Burdens Funding
3. The 2024/25 financial outturn has resulted in an underspend against budget, some of this underspend relates to areas where budget slippage is requested to enable committed works to be carried out in 2025/26. The high-level outturn position and variances are included in the following pages.
4. The Finance team will be reviewing the outturn variances during the summer as part of the 2026/27 budget process. The major variances are increased costs in Property Services, Housing Benefits and higher returns on treasury investments.
5. A summary of the Outturn position is shown in the table below;

Table 1 – 2024/25 Revenue Outturn.

2025/26 outturn	Original Budget	Latest Budget	Actuals	Variance Over / (-)Under Spend	Slippage	Final Over / (-)Under Spend
	£000	£000	£000	£000	£000	£000
Directorate	39	0	87	87	0	87
Policy and Commissioning	97	83	-111	-194	43	-151
Financial Services	4,742	4,887	5,043	156	4	160
Legal and Democratic	1,268	1,447	1,326	-121	117	-4
Property Services	444	440	950	510	0	510
Planning & Regulatory Services	618	668	605	-63	0	-64
Operational Services	6,011	6,194	6,137	-57	129	72
Economic Growth	1,171	1,291	1,205	-86	0	-86
Housing & Environment Health	1,136	1,191	1,215	24	0	24
Liberata Services	0	0	0	0	0	0
- Information Technology	35	186	145	-41	0	-41
- Revenue Services	1,644	1,760	2,193	433	0	433
- Human Resources	19	37	82	45	0	45
- Customer Services	0	-24	-24	0	0	0
Corporate Income and Expenditure	-1,064	-1,572	-2,733	-1,161	0	-1,162
TOTAL Net Revenue Expenditure	16,160	16,588	16,119	-469	293	-177
Contribution to/(-)from Reserves	761	365	365			
Budget Requirement	16,921	16,953	16,484	-469	293	-177
Funding:-						0
Council Tax	-7,190	-7,190	-7,380	-190		-190
Business Rates retention inc S31 grants	-7,395	-7,427	-8,590	-1,163		-1,163
Other Grants	-2,453	-2,453	-2,391	62		62
Total Funding	-17,038	-17,070	-18,361	-1,291	0	-1,291
Budget (-)Surplus/Deficit	-117	-117	-1,877	-1,760	293	-1,468

6. The figures show a final overall surplus of £1.468m with a service underspend position of £177k against the latest budget. This takes into account slippage requests of £293k which are detailed in Appendix A for approval. The figures have also been adjusted for grant funding slippage of £1.711m which is to be carried over to 2025/26 in compliance with the terms of the grant.

7. Major Variance Analysis

- Directorate – £71k of overspend relates to additional costs of Interim S151 Officer and recruitment costs
- Policy and Commissioning – £84k underspend relates to vacant posts and £65k to external funding salary income
- Financial Services – £80k of overspend relates to delays in novation of utilities contracts from PLT and £92k to added years pension costs
- Property Services – £290k of overspend relates to the unbudgeted cost of running Pendle Rise and £195k to the additional relocation costs for Colne Market
- Liberata Revenue Services – £290k of the additional cost relates to the unfunded element of exempt accommodation cost of Housing Benefit. In addition, the budget included £204k council tax support admin grant which has been rolled into the core funding.
- Corporate Income and Expenditure – additional investment income of £1.142m was achieved by the Council.
- Business Rates Retention – additional business rates income of £1.163m, this includes a Pooling gain of £704k with the balance being increased S31 grant relating to business rates reliefs.

Budget Pressures

8. Members are reminded of the financial pressures which the Council needs to deal with over the coming financial years;
- Inflationary pressures
 - Pay award pressure and wider recruitment and retention pressure
 - Impact of the Fair Funding Review and Business Rates Reset
 - Waste Disposal Costs
 - Food Waste
 - Development of the Local Plan
 - Capital Programme Pressure

Savings & Underspends

9. The 2024/25 pay award was budgeted at the same rate as the final agreed settlement for 2023/24 £1,925 increase on all posts below SCP44, and 3.88% on those above SCP44. The Pay Award for 2024/25 was agreed at £1,290 increase on all posts below SCP46, and 2.5% on those above SCP46.

The Pay budgets across the council also had 2% savings targets built in under 'Vacancy Allowance' targets. The report shows an underspend on pay of £158k.

10. There is some upside in income collection within Taxi Licensing, Grounds Maintenance One-off Works and Commercial Property.
11. A final update on the Savings agreed by Council is provided in table 2 below;

Table 2 – Performance against approved savings

Savings Agreed by Council 26th February 2024	Agreed Budget Reduction £'000	Included in 2024/25 Outturn £'000	Difference	Narrative
Add 2.5% Vacancy Factor to net off impact of Pay Award	23	23	0	Met
Reduce Miscellaneous Budgets across Services	265	265	0	Met
Increase Investment Income Budget	463	1,604	1141	Exceeded
Liberate Contract Savings - Net Reduction from Property Services	154	80	-74	Revenue costs of capital projects
Increase Fees & Charges for Building Control	13	17	4	Exceeded
Increase Fees & Charges for Licensing	5	82	77	Demand led Service
Increase Fees & Charges for Parking Permits	3	3	0	Met
Increase Fees & Charges for Pest Control	4	4	0	Met
Increase Fees & Charges for Environmental Health	8	8	0	Met
Increase Fees & Charges for Outdoor Recreation	3	3	0	Met
Increase Fees & Charges for Operational Services	5	5	0	Met
Increase Fees & Charges for Legal Fees	2	0	-2	Demand led Service
Increase Fees & Charges for Estates & Properties	6	6	0	Met
Leisure Trust energy charges novation	70	-10	-80	Novation delays
Increase income target for commercial pest control	60	0	-60	NOT MET
Cancel LCC archaeology	15	15	0	Met
TOTAL	1,102	2,085	983	

Use of Reserves

12. The 2024/25 budget estimated a balancing contribution to reserves of £0.117m and also included a reserves contribution of £0.785m to Business Rates Volatility Reserve from collection fund surpluses at the end of 2023/24. The Revenue underspend and additional funding set out in table 1 increased the net contribution to £2.665m, this includes slippage and ringfenced grants.
13. With the assumed acceptance of both Grant and Budget slippage per Paragraph 6 table 3 below sets out the net movement in reserves.

Table 3 - Reserves

General Reserves	2024/25			
	Balance at 31 March 2024	Transfers In	Transfers Out	Balance at 31 March 2025
	£000's	£000's	£000's	£000's
Budget Strategy	2,510	2,433		4,943
Business Rates Volatility Reserve	1,842	1,022	(261)	2,603
Revenue Grants Received	1,711	1,908	(1,738)	1,881
Revenue Expenditure	878	434	(520)	792
External Funding Receipts	700	99	(25)	774
Inward Investment Reserve	535		(535)	-
One-off Projects Reserve	500			500
Towns Fund Reserve	162		(162)	-
ICT Strategy	159			159
Future High Streets Reserve	138			138
Business Growth Incentive	123			123
Local Development Framework	112			112
Performance	98			98
Growth Sites Development	85			85
Developers' Contributions	71			71
Renewals Reserve	68			68
Insurance/Risk Management	66			66
VAT Partial Exemption	50			50
Community Projects Reserve	12			12
	9,819	5,896	(3,241)	12,474

14. The Council's total Earmarked reserves as at 31 March 2025 is now £12.474m.

Commented [KS1]: Need to include an appendix showing reserve balances

2024/25 Capital Programme

15. A summary of the Outturn position is shown in Table 4 below.

Table 4 – 2024/25 Capital Programme

	Opening Budget £000	Revised Budget £000	Spend to Date £000	Budget Remaining £000
Housing	1,105	2,118	1,304	814
Regeneration	19,223	29,826	11,189	18,637
Council Assets	1,938	2,629	1,205	1,424
Resources	0	23	73	-50
Environmental Services	4,909	3,000	410	2,590
Planning	0	147	14	133
Total Capital Programme	27,175	37,743	14,195	23,548

16. Further details of the programme are shown in Appendix B, the key outcomes are;

a. Disabled Facilities Grant

Spend of £1.3m with £0.805m grant to carrying into future programme.

b. Halifax Road

Site surveys are still ongoing at Halifax therefore development has not yet started.

c. Lomeshaye

Final works are completed. The land was sold to the PEARL joint venture company for final development in the last financial year.

d. Nelson Town Deal

The bulk of the spend relates to the Business Resilience, Accessible Nelson and Revitalised Nelson schemes. In 2024/25 the Council acquired Pendle Rise Shopping Centre and started the process of relocating tenants. The major projects are set to take up more traction in the new financial year for the re-development of Pendle Rise shopping centre, highways improvements under Accessible Nelson schemes, redevelopment of Trafalgar House and improvement works to Wavelengths.

e. Levelling Up Fund

The three Theatre schemes are complete. The Colne Market scheme is also being progressed and is set to be complete towards the end of quarter three in the new financial year.

f. Corporate Property Maintenance

Spend relates to essential works required on the Council and Leisure assets.

g. Vehicle Replacement

Environmental Services continue to need to replace key vehicles each year.

Capital Works – 2024/25 Slippage and 2025/26 Programme

17. Capital Slippage

The majority of slipped projects are grant funded, they include Disabled Facilities Grants, Nelson Town Deal, Colne LUF, Earby flood works and Food waste collection.

None grant funded slipped projects include;

- a. £1.277m Colne LUF match funding.
- b. £1.202m for projects on Leisure Facilities
- c. £0.500m Shareholder loan to PEARL Together for the development of the Further Clough head site.
- d. £1.344m Halifax Road Cemetery site.

- 18.** The council approved 2025/26 Capital programme at its meeting of 20th February 2025. The programme has been revised to include the slippage from 2024/25 of £25.590m and is detailed in Appendix C.

IMPLICATIONS

Policy: There are no policy implications arising directly from this report.

Financial: The financial implications are as given in the report.

Legal: There are no legal implications arising directly from this report.

Risk Management: There are no direct risk management implications arising directly from the contents of this report.

Health and Safety: There are no Health and Safety implications arising directly from this report.

Sustainability: There are no sustainability implications arising directly from this report.

Community Safety: There are no community safety issues arising directly from this report.

Equality and Diversity: There are no equality and diversity issues arising from the contents of this report.

APPENDICES

Appendix A – Revenue Slippage Requests 2024/25

Appendix B – Capital Programme Outturn 2024/25

Appendix C – Capital Programme 2025/26

LIST OF BACKGROUND PAPERS