

Blaby District Council

Cabinet Executive

Date of Meeting	1 September 2025
Title of Report	Quarter 1 Budget Review 2025/26 This is a Key Decision and is on the Forward Plan.
Lead Member	Cllr. Cheryl Cashmore – Finance, People & Performance
Report Author	Accountancy Services Manager
Strategic Themes	All Themes: Enabling communities and supporting vulnerable residents; Enhancing and maintaining our natural and built environment; Growing and supporting our economy; Keeping you safe and healthy; Ambitious and well managed Council, valuing our people

1. What is this report about?

- 1.1 This report gives Members an overview of the financial performance against the budget for the first quarter of 2024/25.

2. Recommendation(s) to Cabinet Executive

- 2.1 That the financial performance against the budget for the quarter ending 30th June 2025 is accepted.
- 2.2 That Cabinet executive approve the additional budget expenditure of £382,515 listed within 4.1 and approves the increased forecast contribution of £270,876 from General Fund balances.
- 2.3 That the irrecoverable debts set out in paragraph 4.5 are authorised to be written off.

3. Reason for Decisions Recommended

- 3.1 It is good practice that Members have oversight of the Council's financial performance at regular points during the financial year.
- 3.2 To recognise movements in the call on reserves and balances to date, along with potential variances in establishment costs and key income streams that may arise between now and the end of the financial year.

4. Matters to consider

4.1 Background

The Council's original budget was approved on 25th February 2025. The approved budget before contributions from reserves and government grants was £15,781,762. It was agreed that the budget would be supported by a contribution of £111,639 to the General Fund Balance and a contribution of £486,470 from earmarked reserves, resulting in a net expenditure budget of £15,406,931.

Since February, there has been some changes made to the budget, most notably to bring forward unspent budget provision from last financial year, and these are reflected in the working budget shown in column B of Appendix A.

The following table sets out the movement between the original Approved Budget and the latest Working Budget.

	£
Approved budget before contributions from reserves and government grant	15,781,762
<u>Additional funding from Earmarked Reserves</u>	
Unspent budget provision carried forward from 2024/25	3,073,276
<u>Additional Funding from General Fund Balances</u>	
Additional Resources and Capacity	255,272
Enderby Road Industrial Estate Rent Review	46,000
Establishment post regrades and increase in hours	35,964
Oadby and Wigston Health and Wellbeing Partnership	16,360
AV System in the Council Chamber	15,000
Lightbulb no change agreement	12,719
One-off budget changes, individually £10,000 or under	1,200
	19,237,553

A total of £3,073,276 has been carried forward from 2024/25, of which £2,157,731 relates to ring-fenced external funding.

As approved at the Cabinet Executive on 12th May 2025, additional establishment budget of £498,174 was added in relation to additional resource for LGR and some other posts. This is offset against confirmed savings and additional income of £242,902 leaving a net cost of £255,272.

As approved at the Cabinet Executive on 12th May 2025, the Council entered into a lease arrangement in 1978, whereby the Council pays a head lease for all the units on the Enderby Road Industrial Estate. The Council then leases

the units to tenants. A rent review for the lease has been undertaken back dated to 19th July 2024. Negotiations have now completed and the increase in budget required for 2025/26 is £46,000.

As approved at the Cabinet Executive on 12th May 2025, there are 7 posts within the Establishment which are being evaluated, and it is anticipated that these posts will be revised and regraded. The increase required in the establishment budget is an estimate as until the evaluations of the posts have been undertaken and concluded, the exact increase will not be known.

The Oadby and Wigston Health and Wellbeing Partnership was agreed to continue for 2025/26. The Management income has been added to the service budget, and expenditure budget funded from the overhead savings realised in 2024/25. £14,780 had been added to the General Fund at year end.

As approved at the Cabinet Executive on 12th May 2025, an additional revenue budget of £15,000 was added in relation to the annual licence, service and maintenance costs required for the replacement of the AV system in the Council Chamber.

The Lightbulb Service was under review at the original budget setting. As the review has been completed and the agreement made for the service for 2025/26, the budget has been amended to align with this.

4.2 Establishment

At the end of quarter 1, at an overall level, establishment costs amounted to £4,332,918 against a profiled budget of £4,665,079, i.e., under profile by £332,161. An estimate of 3% was built into the budget across services for the potential pay award.

The pay award for Chief Executive, Chief Officers (Directors and Group Managers) and officers on grade 1 to 9 was agreed at 3.2% compared with the 3% budgeted. The agreement was made in July and will be reflected in the quarter 2 update.

The following table shows variances to 30th June 2025.

Portfolio	(Under)/Over £	Note
Leader	(58,948)	1
Finance, People & Performance	(72,629)	2
Neighbourhood Services & Assets	(51,470)	3
Health, Leisure, Climate and Economic Development	(89,170)	4
Housing, Community Safety and Environmental Services	(82,059)	5
Planning, Transformation and ICT	(3,955)	6

Central Provisions	26,070	7
Total Variance	(332,161)	

Reasons for Variances

1. Vacant posts - Local Land Charges Team Leader post was vacant throughout the first quarter. Legal Services Officer role vacant for the first two months of the year.
2. Agency costs incurred within the Benefits, HR and Finance teams, offset against savings in the ICT team due to the delayed go live of the internally managed service. The budget will be reviewed and revised if required during the annual budgets setting process which is undertaken during September/October. Vacant posts in relation to the additional budgeted posts identified in section 4.1.
3. Vacant posts within Building Control throughout the quarter.
4. Vacant posts within Lightbulb and Community, Development, Work & Skills.
5. Vacancies in Environmental Protection and Environmental Health teams.
6. Agency costs incurred in relation to Planning Delivery and Planning Enforcement as a result of the significant increase in planning applications. Vacant posts in relation to the additional budgeted posts identified in section 4.1.
7. This represents the vacancy savings provision, net of central provisions for statutory sick pay, statutory maternity pay, and the apprenticeship levy.

4.3 Key Income

	Working Budget	Profiled Budget	Actual to Date	(Surplus)/ Shortfall
	£	£	£	£
Planning Fees	(1,000,000)	(250,000)	(217,216)	32,784
Building Control Fees	(922,500)	(230,625)	(256,529)	(25,904)
Building Control Partnership	(581,277)	(145,319)	(145,319)	0
Land Charges	(175,000)	(43,750)	(58,126)	(14,376)
Investment Interest	(1,100,000)	(275,000)	(305,333)	(30,333)
Refuse and Recycling	(1,821,664)	(1,585,429)	(1,546,566)	38,863
Car Parks	(234,000)	(58,500)	(77,893)	(19,393)
Leisure Income	(779,012)	(206,404)	(206,404)	0

Total	(6,613,453)	(2,795,027)	(2,813,386)	(18,359)
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NB: brackets indicate excess income.

There are no significant variations between profiled budget and actual at the end of Quarter 1.

4.4 Earmarked Reserves

In addition to the General Fund balance the Council also maintains a number of Earmarked Reserves. Some of these are set aside for specific purposes whilst others have been created to mitigate the uncertainties that still surround local government funding. A detailed breakdown of the movement on Earmarked Reserves during the 1st quarter of the financial year and the forecast to the end of the year appears at Appendix B.

Changes to funding from earmarked reserves highlighted in the table in paragraph 4.1 are reflected in Appendix B.

The balance remaining on the Huncote Major Incident Reserve relates to capital expenditure funded through borrowing. This balance will be amortised in line with Minimum Revenue Provision charges to General Fund.

4.5 Write-off Irrecoverable Debt

The following debts are presented for write-off subject to the approval of Cabinet Executive. Whilst there is delegated authority in place for the Executive Director (Section 151), in consultation with the Portfolio Holder, to write off debts of this nature at an individual level, given the magnitude of the overall total, for transparency purposes it is considered more appropriate for Cabinet to approve the write offs.

As is evident from the following table, there are a number of reasons for the debt being considered to be irrecoverable, including the existence of a debt relief order, individual voluntary arrangements, Company dissolution and all the usual recovery routes having been attempted without success. The Revenue and Benefits team regularly review training guides to ensure they are kept up to date with any change in legislation and any procedural changes, helping to reduce the risk of errors being made. Where the table indicates that recovery action has been exhausted this means that we are unable to obtain a charging order or attachment of earnings, and the use of enforcement agents and other legal means of recovery have proven unsuccessful.

Debt Category	Amount	Reason for Write-off
Council Tax	755.83	Individual Voluntary Arrangement granted
Council Tax	5,226.94	Individual Voluntary Arrangement granted
Council Tax	1,727.42	Individual Voluntary Arrangement granted
Council Tax	3,384.69	Recovery action exhausted
Council Tax	4,449.37	Recovery action exhausted
NNDR	5,631.00	Recovery action exhausted
NNDR	3,934.25	Company Dissolved

Council Tax	3,741.63	Debt Relief Order granted
Council Tax	3,043.97	Individual Voluntary Arrangement granted
Council Tax	2,742.32	Individual Voluntary Arrangement granted
Council Tax	2,648.73	Individual Voluntary Arrangement granted
Council Tax	2,055.86	Recovery action exhausted
Council Tax	2,082.27	Recovery action exhausted
Total	£41,424.28	

If approved, the above debt will be written off against the existing bad debt provision. Council Tax and business rates write offs will flow through the Collection Fund and will impact on the surplus or deficit for the year for all of the major precepting authorities. Blaby's share of the cost of writing off the debt is approximately 8% for Council Tax (£2,549) and 40% for business rates (£3,826).

4.6 Forecast Outturn

The original approved budget allowed for a contribution of £111,639 to be added to General Fund Balances. As shown in Appendix A, this is now a contribution from General Fund Balances of £270,876.

4.7 Significant Issues

In preparing this report, the author has considered issues related to Human Rights, Legal Matters, Human Resources, Equalities, Public Health Inequalities and there are no areas of concern.

5. Environmental impact

- 5.1 In preparing this report the author has considered the impact on the environment and there are no areas of concern.

6. What will it cost and are there opportunities for savings?

- 6.1 Financial implications are included in the main body of this report.

7. What are the risks and how can they be reduced?

7.1

Current Risk	Actions to reduce the risks
Net expenditure may exceed the approved budget due to shortfall in income or overspending	Ongoing budget monitoring to highlight variances.

8. Other options considered

- 8.1 None.

9. Appendix

9.1 Appendix A – Budget Monitoring Statement to 30th June 2025.

9.2 Appendix B – Forecast Reserves Position to 31st March 2026.

10. Background paper(s)

10.1 None.

11. Report author's contact details

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