



**2024/25**

**Quarter Four  
Financial  
Performance**

## 1. Background and Introduction

- 1.1 In accordance with the Council's Financial Procedure Rules and recommended good practice, a quarterly financial report is presented to Members. This is the fourth and final report for 2024/25.
- 1.2 The report summarises overall financial performance for 2024/25 with particular emphasis on the key sources of financial risk to the Council. Specific considerations are as follows:
- **General Fund Revenue Account (Section 2)** – considers budgetary performance on the General Fund Account by looking at variations in income and expenditure and the funding received by the Council.
  - **Efficiency and Savings Plan (Section 3)** – considers progress in achieving the efficiency and savings forecast for 2024/25.
  - **Capital Programme (Section 4)** – provides an update to Members on progress against the Council's Capital Programme and major project funded through the Town Deal Funds and Future High Street Fund.
  - **Treasury Management (Section 5)** – sets out the key statistics in terms of investments and borrowings;
  - **Collection Fund (Section 6)** – considers progress to date in collecting the Council Tax, Business Rates and Sundry Debts.

## 2. General Fund Revenue Budget

- 2.1 This section of the report considers the financial performance of the General Fund Revenue Account against budget by setting out variations in income and expenditure and funding received by the Council.

Area	2024/25 General Fund	
	Estimate £	Band D Council Tax £
Central Services	2,397,680	61.89
Cultural Services	3,555,470	91.78
Environmental Services	8,150,380	210.40
Planning	1,730,040	44.66
Transport	(270,890)	(6.99)
Housing	2,168,480	55.98
<b>Net Cost of Services</b>	<b>17,731,160</b>	<b>457.72</b>
Pensions Liabilities Account	400,000	10.33
Investment Properties	(84,510)	(2.18)
Interest and Investment Income	498,000	12.86
<b>Net Operating Expenditure</b>	<b>18,554,650</b>	<b>478.73</b>
Contribution to/(from) Revenue Reserves	273,000	7.05
Contribution to/(from) Capital Reserves	(1,771,500)	(45.73)
<b>Amount to be met from Government Grant and Local Taxpayers</b>	<b>17,046,150</b>	<b>440.05</b>

- 2.2 The Council approved a General Fund Revenue Budget of £17.046m on 14 February 2024 for 2024/25. The actual and forecast position compared to this budget is continuously monitored by Budget Holders, the Corporate Leadership Team and Portfolio Holders in order to detect any significant variances of expenditure or income from the approved amounts contained in the budget.

- 2.3 The table above shows how this budget has been allocated.
- 2.4 At the close of quarter four a positive variance of £0.020m has been achieved. The projected outturn on the General Fund Revenue Account for the year is £17.026m.
- 2.5 The adverse variances that have occurred at the close of the fourth quarter of 2024/25 include:
- a. Income shortfalls from sales, fees and charges which amount to £0.541m.
  - b. A pay award of £1,290 per employee was agreed that is in excess of the amount provided for in the budget (3.5%), this amounts to a pressure of £0.120m.
  - c. Expenditure on repairs and renewals has amounted to £0.100m greater than the amount budgeted for the financial year.
  - d. Planning appeal costs and advice to £0.172m which was not budgeted for.
  - e. Contributions to reserves of £0.350m have been made as a result of the favourable variance shown below in respect of interest receivable of cash that the Council holds in terms of Town Deal and Future High Street funding. £0.200m of this has been set aside to fund the inspection stage of the Local Plan. The remaining £0.150m has been contributed to the Walley's Quarry Reserve.
- 2.6 These adverse variances have been offset in full by the following favourable variances:
- a. Interest receivable on cash that the Council holds in terms of Town Deal and Future High Street funding totals £0.812m at the close of quarter four.
  - b. Interest payable on borrowing has not been incurred due to the cash that the Council holds in terms of Town Deal and Future High Street funding, this has saved £0.526m.

### **3. Efficiency and Savings Plan**

- 3.1 This section of the report considers the financial performance of the Council's Efficiency and Savings Plan in 2024/25.
- 3.2 The Council's Medium Term Financial Strategy (approved in February 2024) included the five year (2024/25 – 2028/29) Efficiency and Savings Plan targeting savings of £6.885m.
- 3.3 The Efficiency and Savings Plan is set on the need to both reduce expenditure and increase income. The need to grow income is now more of a priority as the Council moves more towards being self-financing. The plan has been developed with the underlying principles of protecting frontline service delivery. It is also intended that the plan is a tool to enable the Council to ensure that its service spending is determined by the established priorities set out in the Corporate Plan.
- 3.4 The 2024/25 budget was set in February 2024 with the assumption of £2.692m of savings in the year. These savings are detailed in the table below:

Category	Amount £'000	Comments
Income	680	Additional sources of income generation and an increased demand for services that the Council charges for
One Council	230	Efficiencies to be generated from the introduction of a new Council operating model and increased performance management
Staffing Related Efficiencies	199	No redundancies are anticipated to arise from these proposals
Good Housekeeping/More Efficient Processes	489	Various savings arising from more efficient use of budgets
Tax Base Increase	424	Increased in Council Tax and Business Rates tax base
Council Tax Increase	164	An assumed 1.99% per Band D equivalent increase in Council Tax
Government Reimbursement	506	Grant in respect of New Homes Bonus and Minimum Funding Guarantee
<b>Total</b>	<b>2,692</b>	

3.5 At the end of quarter four, all savings have been achieved.

#### 4. Capital Programme and Major Projects

- 4.1 This section of the report provides an update to Members on the Council's Capital Programme and major projects funded by the Town Deal Funds and Future High Street Fund.
- 4.2 A mid-year review of the Capital Programme for 2024/25 was undertaken as part of the Efficiency Board and budget setting process in order to identify any projects that may need to be re-profiled from 2024/25 into future years. The revised Capital Programme for 2024/25 totalling £51.295m was approved by Cabinet on 3 December 2024.
- 4.3 The table below shows a high level (service) summary of the General Fund Capital Programme position at 31 March 2025.

Priority	Budget £'000	Actual £'000	Variance £'000
One Council Delivering for Local People	1,969	586	(1,383)
A Successful and Sustainable Growing Borough	15,041	12,102	(2,939)
Healthy, Active and Safe Communities	3,575	1,653	(1,922)
Town Centres for All	30,710	11,893	(18,817)
<b>Total</b>	<b>51,295</b>	<b>26,234</b>	<b>(25,061)</b>

- 4.3 Actual expenditure has totalled £26.234m, £25.061m below that planned. This relates to expenditure that has been rolled forward into 2025/26 (£23.553m) including projects planned under the Town Deals funds that will be progressed during 2025/26 (£18.354m) and the Council's contribution towards the development of York Place (£1.146m). There are also a number of projects whereby costs have been value engineered or whereby a decision has been made not to progress with the project until a future period (£1.507m).
- 4.4 The total capital receipts received this year following the sale of assets amount to £1.411m. A summary of the income is shown in the table below.

<b>Funding</b>	<b>Amount</b>
Proceeds from Right to Buy sales	£0.425m
Asset sales	£0.986m
<b>Total</b>	<b>£1.411m</b>

### **Major Projects Funding**

- 4.5 The Council was awarded Future High Streets Fund funding in June 2021 of £11.0m to progress projects to help future economic growth. The full £11.0m has now been received, all of which has been spent at 31 March 2025, as shown below:

<b>Project</b>	<b>Award (£000's)</b>	<b>Spend (£000's)</b>	<b>Remaining (£000's)</b>
Ryecroft / Site Preparation	3,756	3,756	0
Multi Story Car Park	3,500	3,508	(8)
York Place	3,015	3,015	0
Stones Public Realm	321	317	4
Market Stalls	76	72	4
Project Management	380	380	0
<b>Total</b>	<b>11,048</b>	<b>11,048</b>	<b>0</b>

- 4.6 £23.6m was awarded to the Council via the Town Deals Fund for Newcastle to enable a vision to improve communications, infrastructure, and connectivity in Newcastle-under-Lyme to become a reality. £16.0m has been received to date of which £10.3m has been spent as shown below:

<b>Project</b>	<b>Award (£000's)</b>	<b>Spend (£000's)</b>	<b>Remaining (£000's)</b>
Digital Infrastructure	2,285	225	2,060
Sustainable Public Transport	3,421	582	2,839
Electric Vehicle Charging	400	400	0
Pedestrian Cycle Permeability	950	359	591
Transform Key Gateway Sites	3,810	971	2,839
Astley Centre for Circus	1,810	640	1,170
Digital Society	3,510	2,751	759
Heart into Knutton Village	3,534	2,698	836
Cross Street, Chesterton	2,955	987	1,968
Project Management	925	703	222
<b>Total</b>	<b>23,600</b>	<b>10,316</b>	<b>13,284</b>

- 4.8 £16.9m has also been awarded via the Town Deals fund for Kidsgrove to enable real and lasting economic benefits to be realised in Kidsgrove and the surrounding area. To date £14.5m has been received of which £7.0m has been spent as shown below:

<b>Project</b>	<b>Award (£000's)</b>	<b>Spend (£000's)</b>	<b>Remaining (£000's)</b>
Kidsgrove Sports Centre	2,328	2,328	0
Chatterley Valley West	3,496	3,496	-
Kidsgrove Station	3,638	236	3,402
Shared Services Hub	6,183	153	6,030
Canal Enhancement	420	0	420
Project Management	835	762	73
<b>Total</b>	<b>16,900</b>	<b>6,975</b>	<b>9,925</b>

- 4.9 The Council has been awarded £4.8m (all of which has now been received and spent), over a 3 year period, of UK Shared Prosperity Funding as part of the governments mission to level up

opportunity and prosperity and to overcome geographical inequalities. It also aims to level up people's pride in the places they love and seeing that reflected in empowered local leaders and communities, a stronger social fabric and better life chances. 33 projects have been identified for which spend has completed, as shown below:

<b>Project</b>	<b>Award (£000's)</b>	<b>Spend/Ordered (£000's)</b>	<b>Remaining (£000's)</b>
CML Community Hubs	6	6	0
Newcastle 850 Anniversary	16	16	0
Nature and Wellbeing	21	21	0
Canal Connectivity	106	106	0
Clough Hall Park	186	186	0
Mental Health Worker	89	89	0
Nature Recovery	190	190	0
Epicentre for Circus	100	100	0
Homelessness Hub	1,288	1,288	0
Beat The Street	20	20	0
New Vic Theatre - 850 Event	10	10	0
Kidsgrove Workshop	117	117	0
Community Connector	67	67	0
Promotional Videos/Photos	17	17	0
Honeybox	65	65	0
Volunteering for all	68	68	0
Discharge Officer	89	89	0
BES Enterprise Coaching	82	82	0
Kidsgrove Town Hall	260	260	0
Security Marshalls	33	33	0
Flourishing Keele (KU)	464	464	0
Moving Ahead (KU)	243	243	0
Advanced Digital Technologies	409	409	0
Chamber Growth Hub	28	28	0
Brampton Wedding Venue	44	44	0
Work innovation conference	18	18	0
Community Connects	55	55	0
Feasted	44	44	0
Business Connects	6	6	0
Brampton Business Development	12	12	0
Technical Innovation Upskilling	137	137	0
Tourism Website	15	15	0
Disadvantaged Upskill Project	8	8	0
Green Projects	332	332	0
Project Management	194	194	0
<b>Total</b>	<b>4,836</b>	<b>4,836</b>	<b>0</b>

- 4.10 Several projects within the Town Deals and Future High Streets Fund (e.g. Ryecroft Development, York Place and Chatterley Valley) will require further funding from the Council in addition to the government grants, this will include the Council borrowing to fund these projects.
- 4.11 The Public Works Loan Board (PWLb) borrowing rate is subject to change daily and could have a significant impact on the financial viability if increases in interest rates are forthcoming or may result in considerably less costs in the instances of lower rates being obtained when borrowing is required. Additionally, the level of inflationary demands is also considered on a project-by-project basis.
- 4.12 Rigorous financial challenge and monitoring of each project's expenditure will be required in both the interim and during subsequent construction phases. Financial monitoring will continue to be reported as part of the scrutiny process and will also form part of the quarterly financial report to Cabinet.

## **5. Treasury Management**

- 5.1 This section of the report sets out the key treasury management statistics in relation to the Council's investments and borrowings. This report comprises a high level treasury management summary. The Audit and Standards Committee receives detailed operational updates on treasury management.

### ***Investments***

- 5.2 Cash held at the bank on the 31 March 2025 amounted to £3.054m. Interest earned on investments during 2024/25 amounted to £0.812m at the close of quarter four. The average level of funds available for investment between 1 April 2024 and 31 March 2025 was £14.412m.
- 5.3 The Council has not budgeted to receive investment income in 2025/26. This was due to the expectation that borrowing would have taken place earlier in the financial year, however due to projects being delayed for a number of reasons, funding has remained in the Council's bank account and in turn generated interest.

### ***Borrowing***

- 5.4 External borrowing has not been required during 2024/25 to fund the capital programme.
- 5.5 Although not utilised in recent years, the Council has previously considered the option of long-term borrowing from the PWLB. After the utilisation of capital receipts and internal borrowing, the Council will look to borrow short term from other local authorities in the first instance and will then review any other sources of funding if required.
- 5.6 Advice from the Council's Treasury Management Advisors, Arlingclose, is to continue to utilise internal funding whilst it is available as opposed to borrowing whilst the interest rates are high. This approach also reduces the need to place funding in long term deposits, whilst minimising any potential investment risks.

## **6. Collection Fund**

- 6.1. This section of the report details progress in collecting the Council Tax, Business Rates and Sundry Debt.
- 6.2 Local tax income is collected by billing authorities and paid into local 'collection funds' (the Council is a billing authority). Where there is a shortfall in tax receipts (compared to expected levels), this leads to a deficit on the collection fund. Billing and major precepting authorities are usually required to meet their share of any deficit during the following financial year.
- 6.3 The 2024/25 collection rate was as follows:
- Council Tax – 96.8% of Council Tax was collected by 31 March 2025, compared to a target at the close of quarter four of 97.5%.
  - Business Rates – 97.4% of Business Rates was collected by 31 March 2025, compared to a target at the close of quarter four of 97.4%.
- 6.4 The Council Tax and Business Rates receipts and Section 31 grant are shown below:

<b>Tax</b>	<b>(Surplus)/Deficit at 31.3.25</b>	<b>Council's Share</b>
Council Tax	£0.033m	£0.004m (11%)
Business Rates	(£1.822m)	(£0.729m) (40%)
Business Rates Section 31 Grant	(£1.070m)	(£0.428m) (40%)
<b>Total</b>	<b>(£2.859m)</b>	<b>(£1.153m)</b>