
Report To:	Policy & Resources Committee	Date:	12 August 2025
Report By:	Interim Chief Financial Officer	Report No:	FIN/40/25/AE/AB
Contact Officer:	Angela Edmiston	Contact No:	01475 712143
Subject:	Revenue Budget Outturn 2024/25		

1.0 PURPOSE AND SUMMARY

- 1.1 ☐ For Decision ☒ For Information/Noting

1.2 The purpose of this report is to advise Committee of the unaudited outturn of Service Committee Budgets for the year ending 31 March 2025. Furthermore, the report highlights any significant variances between revised budgets, latest Revenue Budget reports and outturn per the 2024/25 Unaudited Accounts.

1.3 The outturn per the Unaudited Accounts shows an underspend for 2024/25 of £95,000 (Appendix 1) for all Budget holding Service Committees. This represents an underspend of 0.06% against 2024/25 revised budget of £165,822,000. This excludes Social Care as budget responsibility sits with the IJB and the IJB CFO. The main areas of overspend includes:

- ELC Partner Providers overspend of £299,000
- School catering provisions overspend of £262,000
- Overspend of £218,000 for Transport Costs within the Education and Communities Committee
- Bad Debt provision within Environment & Regen Committee of £188,000
- £151,000 overspend for Transport Maintenance costs within the Environment & Regeneration Committee
- Flooding and Emergency Works £141,000 overspend

These overspends have been off-set in part by the following underspends:

- Additional turnover savings achieved across the Council of £923,000
- Underspend of Non-Pay contingencies of £211,000
- Underspend within BSU services of £117,000
- An over recovery of School Meal income of £138,000, part of which is due to one-off grant income
- Underspend of £144,000 for PPP Schools Unitary charge

1.4 Appendix 1 shows that the underspend included in the Unaudited Accounts was £19,000 lower than last reported at the Policy & Resources Committee. Appendix 2 provides the material variances for individual Committees and further explanations for the significant variances during the year which are also detailed in section 3.

2.0 RECOMMENDATIONS

- 2.1 It is recommended that the Committee note the Service Committee underspend per the Unaudited Accounts for 2024/25 of £95,000, the reasons for the material variances from budget and the movement of £19,000 since last Committee reports to the unaudited outturn.
- 2.2 It is recommended that the Committee note that officers will identify where there are any matters which will impact on the delivery of the 2025/26 Budget.
- 2.3 It is recommended that the Committee note that further details on the 2024/25 outturn will be submitted to individual Committees as part of the first 2025/26 Revenue Budget Monitoring Reports.

Angela Edmiston
Interim Chief Financial Officer

3.0 BACKGROUND AND CONTEXT

- 3.1 The outturn per the unaudited accounts for 2024/25 was an underspend of £95,000 for all Service Committees. The outturn comprises of a £422,000 underspend within the Policy & Resources Committee offset with overspends of £306,000 within the Environment & Regeneration Committee and £21,000 within Education & Communities. It should be noted that Social Care is not included within this report as all monitoring and reporting is to the IJB and any underspend/overspend is retained by the IJB and as such, does not impact on the Council's reserves.
- 3.2 The main areas of overspend relate to various budget over/underspends within the Environment & Regeneration Committee and the Education & Communities Committee partially off-set with additional turnover savings achieved and an underspend within the Inflation Contingency budget. These main variances are shown in Appendix 1. Appendix 2 provides more details regarding the material variances.
- 3.3 Further details on the 2024/25 outturn will be submitted to individual Committees as part of the first 2025/26 Revenue Budget Monitoring Reports.
- 3.4 The accuracy of budgeting and projections is an important measure of the Council's Financial Management performance. The percentage variance for 2024/25 was an underspend of 0.06% excluding Social Care.
- 3.5 The following table shows the variance from Budget for the last 5 years and the percentage variance against revised revenue budget for the relevant year. From the table it can be seen that overall net spend is very close to budget in percentage terms and reflects the robustness of budget setting/monitoring arrangements.

Year	Variance	Percentage Variance
2020/21*	Underspend £2.370m	1.29%
2021/22	Underspend £1.130m	0.85%
2022/23	Underspend £1.580m	1.11%
2023/24	Overspend £0.545m	0.36%
2024/25	Underspend £0.095m	0.06%

*Includes Social Care

4.0 PROPOSALS

- 4.1 It is proposed that the Committee notes the main variances between the approved Budget, the last Committees projections and out-turn and that these will be reported in more detail to the next cycle of Committees.
- 4.2 The Finance Managers and Budget Holders will review each of the areas of material variance and identify areas which will impact in 2025/26 and beyond.

5.0 IMPLICATIONS

5.1 The table below shows whether risks and implications apply if the recommendations are agreed:

SUBJECT	YES	NO
Financial	X	
Legal/Risk	X	
Human Resources		X
Strategic (Partnership Plan/Council Plan)	X	
Equalities, Fairer Scotland Duty & Children/Young People's Rights & Wellbeing		X
Environmental & Sustainability		X
Data Protection		X

5.2 Finance

Each material variance will be reviewed as part of the 2025/26 Budget Monitoring and, where applicable, the next Budget setting process.

One off Costs

Cost Centre	Budget Heading	Budget Years	Proposed Spend this Report	Virement From	Other Comments
N/A					

Annually Recurring Costs/ (Savings)

Cost Centre	Budget Heading	With Effect from	Annual Net Impact	Virement From (If Applicable)	Other Comments
N/A					

5.3 Legal/Risk

This annual report helps identify areas where budgets may not be appropriate and greater financial focus is required. This assists improved budget management. The Corporate Risk Register has Financial pressures and the impact on future service delivery as the number one risk currently faced by the Council.

5.4 Human Resources

There are no HR implications arising from this report.

5.5 Strategic

This report helps with planning of the 2026/27 Budget and Finance Strategy.

6.0 CONSULTATION

6.1 The CMT have reviewed the report.

7.0 BACKGROUND PAPERS

7.1 None

POLICY & RESOURCESREVENUE BUDGET PROJECTED POSITION TO FINAL OUTTURN

OBJECTIVE ANALYSIS	Approved Budget 2024/25 £000	Revised Budget 2024/25 £000	Projection 2024/25 £000	Projected Over/(Under) Spend 2024/25 £000	Final Over/(Under) Spend 2024/25 £000	Movement from Probable Outturn £000	Variance as % of Revised Budget
Policy & Resources	25,198	22,490	22,160	(365)	(422)	(57)	-1.88%
Environment & Regeneration	21,394	22,249	22,431	182	306	124	1.38%
Education & Communities	116,384	121,083	121,152	69	21	(48)	0.02%
COMMITTEE NET EXPENDITURE EXCLUDING EARMARKED RESERVES (excl HSCP)	162,976	165,822	165,743	(114)	(95)	19	-0.06%

Reasons: Final OutturnPOLICY & RESOURCES

Additional Turnover Savings Achieved	(219)
Computer Software/Hardware Maintenance (ICT) - Renewal Of Contract Costs	57
Bad Debt	(61)
Pay Inflation Contingency	180
Non Pay Inflation Contingency	(391)
Various expenditure (Underspends)/Overspends all under £50k	(62)
Various income (Under-recoveries)/Over-recoveries all under £50k	74

(422)ENVIRONMENT & REGENERATION

Additional Turnover Savings Achieved	(478)
Agency/external consultants (Environmental Services)	84
Bad debt provision	188
Waste collection & disposal net position	90
Increased transport maintenance costs across directorate	151
Flooding & emergency works	141
Increase in Central Repairs	96
BSU net position	(117)
Under recovery in Property Fees from Capital	61
Pottery Street Depot security	86
Various (Underspends)/Overspends all under £50k	4

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Additional Turnover Savings Achieved	(233)
Education Cleaning & Janitors Overspend	128
Education Catering Contract Overspend	106
PPP Unitary Charge Underspend	(144)
Education Transport Overspend	218
ELC Partner Providers Overspend	299
FSM Holiday Payments Underspend	(93)
School Meals Income Over Recovery	(138)
ASN Income from OLAs Over Recovery	(113)
FM Catering Provisions Overspend	262
FM Income Over Recovery	(296)
Various (Underspends)/Overspends all under £50k	25

21Reasons: Movement to Final OutturnPOLICY & RESOURCES

Additional Turnover Savings Achieved	(28)
Various expenditure (Underspends)/Overspends all under £50k	49
Various income (Under-recoveries)/Over-recoveries all under £50k	(17)
Bad Debt	(61)

(57)ENVIRONMENT & REGENERATION

Bad debt provision	78
Increase in Central Repairs	96
BSU net position	(112)
Increased transport maintenance costs across directorate	21
Waste collection & disposal net position	30
Various (Underspends)/Overspends all under £50k	11

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Additional Turnover Savings Achieved	(12)
Schools Lets Bad Debt Provision Movement	(41)
School Lets Income	40
Various (Underspends)/Overspends all under £50k	(35)

(48)

MATERIAL VARIANCES FROM BUDGET (OVER £50,000)

POLICY & RESOURCES COMMITTEE

1. Additional Turnover – Outturn Over Recovery £219,000 (2.41%)

The Chief Executive Directorate achieved additional turnover savings of £219,000. This was mainly due to vacancies with the majority now filled.

2. Computer Software/Hardware Maintenance – Outturn Overspend £57,000 (7.57%)

£57,000 combined budget pressure for software and hardware maintenance. This pressure has been reported to the Policy and Resources Committee within 2024/25 and the Service are currently reviewing the budget to bring back in line for 2025/26.

3. Bad Debt Provision – Outturn Underspend £61,000

Underspend of £61,000 due to reallocation of centrally held 2023/24 BDP to Services.

4. Combined Inflation Contingency – Outturn Underspend £211,000 (18.62%)

Combined Inflation contingency underspend of £211,000; Non Pay inflation underspend of £391,000 off-set with £180,000 overspend for Pay Inflation. Within 2024/25 there had been a reduced call on the Non Pay Inflation contingency due to lower than anticipated calls on the contingency. This has been reflected within 2025/26 budget process.

ENVIRONMENT & REGENERATION COMMITTEE

1. Turnover Savings – Outturn Over Recovery £478,000 (2.78%)

The Environment & Regeneration Committee achieved additional Turnover Savings of £478,000 in 2024/25 This arose due to delays in recruitment and difficulty in recruiting certain posts plus a decrease in overtime and travel. This partly contributed to the Agency cost overspend below. A movement of £10,000 from May Committee.

2. Agency Costs/ Security Costs – Outturn Overspend £170,000 (120%)

An overspend on agency/consultants costs of £84,000 to cover sickness, holidays, and delays in filling vacancies, partly offset by reduced overtime. A further overspend of £86,000 on agency staff to provide security at Pottery Street. A budget pressure of £60,000 to address this matter was approved from 2025/26 in addition to the £50,000 virement previously identified by the service. A movement of (£20,000) from May Committee.

3. Bad Debt Provision – Outturn Overspend £188,000

A movement in the bad debt provision across the Directorate of £188,000. Movement of £78,000 from May Committee.

4. Waste Collection & Disposal – Overspend £90,000 (3.74%)

An overspend in residual and non-contract waste disposal partly offset by an under spend/over recovery on various other waste streams, giving a net projected overspend of £90,000. Due to new legislation, waste upholstered domestic materials and mattresses must be disposed of separately from the general waste. It was agreed in the 2025/26 budget process to fund this pressure from the estimated £1.9million due to be received from the UK Government in 2025/26 arising from the Extended Producer Responsibility for Packaging obligations. A movement of £30,000 from May Committee.

5. Transport Maintenance Costs – Outturn Overspend £151,000 (58.30%)

An overspend of £151,000 across the Directorate on non-routine vehicle maintenance. This is due to an increase in the price of materials and sub-contractors, and a high number of one-off repairs to vehicles that are due for replacement. Movement of £29,000 from May Committee.

6. Flood & Emergency Works – Overspend £141,000 (251.79%)

An overspend in Roads and Grounds Maintenance of £141,000 in emergency works for damage caused by Storm Eowyn. Movement of £37,000 from May Committee.

EDUCATION & COMMUNITIES**1. Turnover Savings – Outturn Under Spend £233,000 (0.25%)**

The Committee out turned at an underspend of £233,000 which is a reduction in costs of £13,000 since last reported to Committee. This is mainly due to an underspend for Teachers of £193,000, due to Additional teacher posts left vacant.

2. FM Catering Provisions – Outturn Over Spend £262,000 (19.4%)

Overspend in Catering Provisions of £262,000. Additional budget was added to Provisions as part of the 2025/26 budget process.

3. PPP Unitary Charge – Outturn Under Spend £144,000 (1.18%)

Underspend of £144,000 due to Credits received for Insurance and Change in Law provisions. No change since last reported to Committee.

4. Transport – Outturn Over Spend £217,000 (9.02%)

Transport costs out turned with an overspend of £217,000 which is a reduction in costs of £2,000 since last reported to Committee. These overspends are due to a combination of historical trends and increased demand.

5. ELC Partner Providers – Outturn Overspend £299,000 (23.09%)

£299,000 overspend within the ELC Partner Providers budget due to the migration of children from Council owned nurseries to private nurseries. No change since last reported to Committee.

6. ASN Income – Outturn Over Recovery £113,000 (24.15%)

Over-recovery of £113,000 for Children placed within Inverclyde ASN Schools by other Local Authorities.