

To: Cabinet
Date: 17 September 2025
Report of: Group Finance Director (Section 151 Officer)
Title of Report: Financial Outturn Report 2024/25

Summary and recommendations	
Decision being taken:	To note the update to the Cabinet on the financial outturn for the year ending 31 March 2025
Key decision:	No
Cabinet Member:	Cabinet Member for Finance and Assets
Corporate Priority:	All areas
Policy Framework:	Corporate Strategy 2024-2028

Recommendation(s): That the Cabinet resolves to:
1. Note the financial outturn and performance of the Council for the year 2024/25 and the recommended transfer of £1.549 million from the risk reserve; and 2. Agree the carry forward requests in respect of the General Fund of £0.083 million in accordance with paragraph 6.

Appendix No.	Appendix Title	Exempt from Publication
Appendix 1	General Fund – March 2025 Outturn	No
Appendix 2	Housing Revenue Account – March 2025 Outturn	No
Appendix 3	Capital Programme Outturn – March 2025	No

Introduction and background

1. This report updates the Cabinet on the financial performance of the Council for the year ending 31st March 2025.

Financial Position Overview

2. **General Fund (GF)** – the final outturn position is a deficit of £1.549 million (“m”) before a recommended equivalent transfer from risk reserves required to balance the fund due to significant cost pressures such as Temporary Accommodation and net cost of housing benefit payments. Further detail is provided in paragraphs 5 to 10 and Appendix 1.
3. **Housing Revenue Account (HRA)** – The 2024/25 outturn position on the HRA is a year end surplus of £2.921m, which is a favourable variance of £9.403m against the original budgeted deficit of £6.482m. This favourable variance is mainly achieved via a lower revenue contribution to capital by £8.69m and an unbudgeted gain on the sale of fixed assets of £6.882m offset by an overspend on repairs of £7.82m. More information is provided in paragraph 11 and in Appendix 2.
4. **Capital Programme** – the final outturn spend for the year 2024/25 is £145.35m, which is 88% of the Latest Budget 2024/25 of £164.884m and a favourable variance of £19.535m. This variance relates to £9.321m slippage of programme activity into 2025/26 and a net underspend of £10.214m on budgeted projects mainly associated with the HRA demand driven spend on communal, internal and external works on council houses. Further detail and analysis are provided in paragraphs 12 to 19 and Appendix 3.

General Fund Revenue Outturn

5. The overall Net Budget Requirement for 2024/25 agreed by the Council in February 2024 was £28.604m after a £1.4m transfer from general reserves.
6. The final outturn position at 31st March 2025 is a deficit of £1.549m as set out in Appendix 1 including a total of £0.083m of General Fund carry forward requests which have been recommended for approval. Carry forward requests have been proposed for the following:
 - Community Champions programme extension to autumn 2025 - £47,000
 - Active Oxfordshire Move Together Community Space - £36,000
7. The General Fund Earmarked Reserves at 31 March 2025 stand at £56.498m of which the most significant earmarked reserves are as follows:

NNDR reserve	£16.711m
Direct revenue funding of capital	£10.406m
Grants reserve	£8.974m
Risk reserve	£6.690m
Property Fund Guarantee Reserve	£2.960m
Employee Cost Reserve	£2.943m

8. The current MTFP provides for exhausting the risk reserve and spending half of the direct funding reserve to fund capital, although usage of the direct funding reserve will depend on the level of slippage within the capital programme and of other resources generated to finance the programme
9. In addition to the above the General Fund Working Balance was £3.6m as at 31st March 2025.

General Fund Variations

10. Main 2024/25 variations to budget include:

- **Housing Services/ Temporary accommodation** – demand continues to fluctuate whilst supply of housing is being increased via a variety of routes, HRA, Private Rented Sector etc. Due to the ongoing TA demand the 2024-25 actual overspend is **£1.89m**. An annual pressure of £1.73m has been included in the base budget within the 2025-26 budget and ongoing MTFP to address the ongoing demand for this category of accommodation.
- **Community Services** – the actual underspend of **£1.067m** against budget for year-end relates mainly to Leisure £0.809m and £0.139m underspend for Community Centres due to East Oxford and Blackbird Leys community centres being closed and out of use due to redevelopment reducing running costs including salaries.

The Leisure underspend comprises:

- a one-off £0.387m favourable variance for the concluded leisure contract as a result of an improved settlement agreement in respect of outstanding debt
- an underspend of £0.543m compared to the budget for the in-year procured SERCO leisure contract relating to savings for utilities of £0.380m and contingency of £0.160m offset by leisure central management cost pressure of £0.057m mainly due to insurance.
- **Information & Technology** – actual adverse variance of £0.895m due mostly to :
 - £1.183m adverse pressure resulting from SCC server hosting costs and the costs of migrating individual systems to an Azure cloud-based platform together with IT absorbing unbudgeted running costs arising from the introduction of new systems commissioned by different service areas. A new SCC contract was agreed in October 2024 which provides mitigation against recurring expenditure at this level.
 - £0.263m one-off contractual payments regarding telephony services, incurred during the delivery of the new contract, which will deliver recurring savings of £0.230m per annum.
 - £0.498m favourable variance from the recharge of ICT salaries to other revenue service areas, £0.058mm and capital schemes, £0.440m

- **Corporate Property** – actual favourable variance of £107k due to :
 - an underspend of £0.224m on maintenance and minor repairs
 - unbudgeted income from Pitch and Site Rents of £0.158m
 - less unbudgeted business rates spend for which a refund may be obtainable in due course
- **Companies Client** - the actual underspend is £2.761m against budget for year-end from the Council's companies which comprises:
 - An additional £0.925m of dividend income compared to budget from ODS due to favourable trading conditions
 - Favourable variance of £1.543m in the Parking Management area relating to additional income across all car parks but most notably from Oxpens, Worcester Street, St Clements
 - Favourable variance of £0.136m in Street Cleansing area principally arising from £0.097m lower than budgeted charges from ODS for the provision of statutory services, £0.030m less than budgeted Council Tax/ Business Rates costs, and a budget for Consultant's Fees that was not utilised.
- **Financial Services** – there is an actual overspend of £1.13m for 2024/25 compared to budget which is mainly attributed to:
 - adverse salary pressures of £0.444m across the service area required for capacity and resilience purposes with staff vacancies and long term absence in key managerial posts including: Incomes Team to deal with increased workloads; Procurement and Payments Teams for administration in the run up to the implementation of the Procurement Act ; unbudgeted establishment charges in the Change Support Team
 - cost pressure of £0.242m from third party services reassessing valuations for business rates collection, most of this cost is recovered from increased business rates income shown elsewhere
 - £0.113m unbudgeted bad debt provision where work continues to secure recovery of the debts
 - internal audit fees over budget by £0.084m due to increased unexpected audit work
 - increased debit & credit card processing fees £0.070m as the council transitions to going cashless
 - £0.070m cost pressure for printing services being decentralised

Many of these pressures are included within the base budget of the Council's 2025/26 MTFP or are considered non-recurring.
- **People** – an actual underspend of £0.166m includes savings of £0.094m related to the reduction in FTE for business partnering resource and apprentice intake being lower than budgeted
- **Corporate Accounts, Service Level Agreements and Contingencies** – there is an overall adverse variance of £1.297m for 2024/25 which arises from a number of variances including:

- **Net cost of housing benefit payments** – the adverse variance of £1.491m for 2024/25 is the overspend on costs related to benefit paid to non-registered provider organisations in respect of supported accommodation. The number of such providers in the city is limited and the service is commissioned largely by bodies outside the City Council i.e. NHS/ Oxfordshire County Council and other District Councils. Whilst the Council will try to mitigate this issue, the extent to which it can do so is limited. There will be an increased impact from 1 April 2025 as a result of working age housing benefit claimants being transferred to Universal Credit. Scrutiny has received a detailed briefing on the City Council's actions to address this matter, although it remains largely outside our control.
- **Interest Payable, Interest Receivable and Investment Income** – a net £0.358m favourable year-end position due to:
 - Lower anticipated general fund borrowing costs circa £30 million than anticipated as a result of slippages in the capital programme
 - Lower interest income from companies than anticipated, largely as a result of the redemption of housing investment company loans during the year
 - Income from HRA internal borrowing related to HRA capital programme prudential borrowing finance. The Council is currently maximising the use of internal cash balances before borrowing externally

Housing Revenue Account (“the HRA”)

11. HRA budgeted deficit agreed by the Council in February 2024 for 2024/25 was £6.482m after a revenue contribution to fund capital of £12.367m. The 2024/25 outturn is a surplus of £2.921m after a reduced revenue contribution of £3.677m to capital, which has experienced slippage in the programme as detailed in paragraph 16. The total favourable variance to budget of £9.403m is mostly due to a change in the mix of appropriations for which there is a favourable variance of £12.6m compared to budget, including the lower than budgeted revenue contribution to capital by £8.69m and a £6.88m gain on the sale of fixed assets; this is offset by a net operating pressure of £3.249m.

Reasons for the variation to budget include:

Income

2024/25 actual income of £58.6m is higher than budget by £1.426m. This is due to:

- **Dwelling Rent** exceeding the budget by £0.671m, due to the transfer of OX Place properties into the HRA and also, since the budget was set, 428 properties have been re-let and moved to formula rent.
- **Service Charges** - an increase of £0.276m: additional income from Leaseholders; unbudgeted £0.097m Major Works; £0.054m based on actual bills compared to estimated charges; plus, additional income from OX Place transfer properties.
- **Garages income** - an increase of £0.070m.

- **Misc Income** - an increase of £0.378m from: Furnished Tenancies £0.150m; Leased properties £0.200m and some grant funding for Tenant Satisfaction Measures New Burdens Payments.

Expenditure

2024/25 actual expenditure of £55.836m is higher than budget by £4.676m. This is attributed to:

- **Management and Services (Stock Related)** – the 2024/25 outturn is an underspend of £1.528m compared to the Latest Budget 2024/25 due to the following:
 - **Salaries** - Savings of £1.188m, namely from Landlord Services, new budget bid of £0.862m added in, new posts to be filled and some existing vacant posts from prior year, recruitment on hold pending Landlord Services Transformation.
 - **Utilities** - a saving of £0.679m, which is due to several credits paid back to us relating to previous years, a total refund of approximately £0.300m to date.
 - **Council Tax** - an overspend of £0.200m on Council tax payments on void properties.
 - **Furnished Tenancy scheme** - an overspend of £0.081m on furniture purchases.
 - **Supplies and Services** - an overspend of £0.178m; this includes a £0.268m overspend on Housing Consultants and a £0.075km saving on court fees.
 - **Insurance premium** - an additional spend of £0.399m.
 - **SLA charges** - a saving of £0.551m
 - **Transfer of stock** – a shortfall on income from OX Place to Landlord Services of £0.031m.
- **Other Revenue Spend (Stock Related)** - overall savings of £0.203m in 2024/25 arising from:
 - savings of £0.530m from underspends, less £0.211m of costs on new developments of which £0.283m relates to abortive costs.
 - a £0.090m purchase card spend in relation to decants and B&B's
 - a £0.026m spend on compensation payments to tenants
- **Misc Expenditure (Not stock related)** - the 2024/25 outturn is an underspend of £0.704m compared to the latest 2024/25 budget. This is due to several budgets not being utilised, namely £0.459m unspent on new developments and £0.210m on general contracted services, plus a further £0.035m across the service area.
- **Bad Debt** - the actual bad debt provision for 2024/25 is £0.773m, which is a favourable variance to budget of £0.158m

- **Responsive & Cyclical Repairs** – this is the largest category of actual expenditure at £20.379m for 2024/25 which is an adverse variance to budget of £7.820m, which is analysed below:
 - **General Minor works** - £2.748m. This is a demand led budget which council officers are trying to reduce in favour of undertaking more planned work.
 - **Asbestos works and fire safety** - £1.145m – due to compliance with Housing regulator new standards and the levels of asbestos clearance and surveys required.
 - **Day to Day** - £1.128m – demand led jobs raised by tenants via the contact centre.
 - **Void works** - £0.788m – significant increase in voids due to increases in number of new homes coming into the HRA from the Development programme.
 - **Electrical upgrades/inspections** - £0.724m – electrical inspections are being moved from a 7 yearly cycle to a 5 yearly to comply with the latest standards.
 - **Repairs and Maintenance Contact Centre** - £0.496m - to cover additional costs for the contact centre calls associated with repairs by ODS

The 2024/25 overspend for repairs is due to an exceptional year following the introduction of significant changes to the compliance standards set by the Housing Regulator. This has required a rapid response by the Council resulting in an increase to the number of specialist surveys carried out, as well as any remedial works required. Notable areas in respect of this are Fire Safety, Asbestos and Electrical Upgrades / Inspections. To address this, overspend the proposed budgets included in the 2025/26 MTFP have been increased to accommodate the expected ongoing planned compliance works which should be at a more managed level going forward. The Council has also undertaken a significant amount of work in Business and Asset Management Planning to compile a comprehensive programme of capital investment that over the longer term will reduce the ad-hoc demand for repairs and maintenance.

We continue to move works where possible into capital programmes and reduce the element of reactive works. A new 5-year capital programme commences from 2025/26.

- **Interest Paid** – a favourable variance of £1.968m due to delays in the delivery of the planned development programme that has resulted in significantly lower borrowing levels and hence lower interest costs.
- **Depreciation** – an overspend to budget of £1.416m. This is an uncontrollable cost linked to the overall value of the homes. The recent increases in valuations of the homes alongside the acquisition of additional homes at Barton Park (circa £40m) has significantly increased the depreciation charge. However, the depreciation charge in the HRA is recycled into the Major Repairs Reserve which is then used for planned maintenance programmes across the HRA estate.

- **Gain on Sale of Fixed Assets** – the 2024/25 actual gain of £6.882m relates to the realisation of the increase in values of properties sold. Every year the HRA properties are valued and any increases / decreases in valuation are recorded on the balance sheet. However, when a property is sold, this increase in value is “realised” as the difference between the historic cost of the property (the original cost plus any subsequent capital investment) and the sales value. As most of the stock is over 50 years old, the base asset values will have increased significantly over the lifetime of the properties.

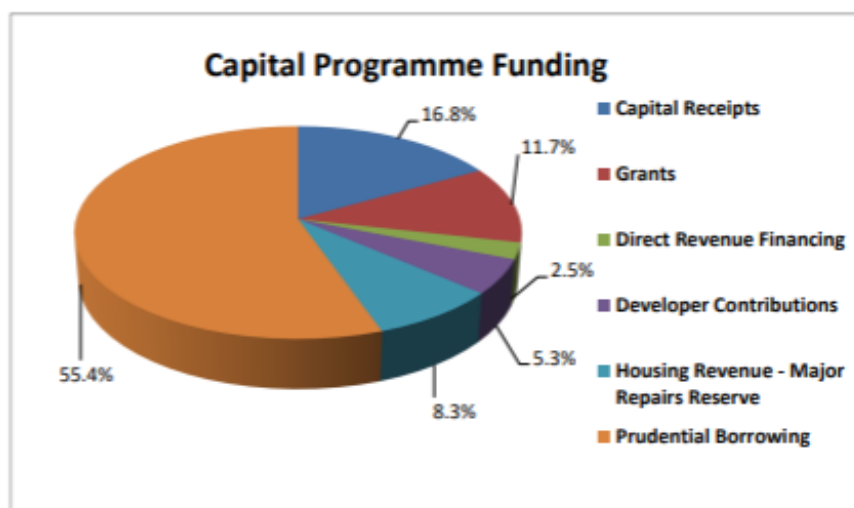
Capital

- The budget for 2024/25, as approved by the Council at its meeting in February 2024, was set at £235.419m. Since this point, some of the required carry forwards of underspends from 2023/24 have been included as well as in-year budget slippages with the budgets reprofiled accordingly which gave rise to a Latest Budget 2024/25 of £164.884m.
- 2024/25 actual spend is £145.35m [HRA: £105.68m, GF £39.67m], which is 88% of the Latest Budget 2024/25 of £164.88m [HRA: £115.98m, GF £48.90m] resulting in an underspend to budget of £19.535m [HRA: £10.30m, GF £9.23m] as shown in Fig.1 and Appendix 3. The underspend of £19.535m comprises £9.32m slippage of programme activity into 2025/26 and a net underspend of £10.214m on budgeted projects.

	Original Budget 2024/25	Latest Budget 2024/25	Actual Spend 2024/25	% Y/E Outturn to Budget	£ Y/E Outturn Variance
General Fund Total	£77,182,456	£48,903,302	£39,671,254	81%	£9,232,048
HRA Total	£158,254,860	£115,980,996	£105,678,424	91%	£10,302,572
Total Capital Programme	£235,437,316	£164,884,298	£145,349,678	88%	£19,534,620

Fig.1

- There has been a concerted focus on monitoring and scheme delivery in 2024/25 resulting in the percentage spend of Latest Budget almost doubling from 45% in 2023/24 to 88% in 2024/25.
- The capital programme in 2024/25 has been funded as follows:



General Fund Capital

16. A summary of the General Fund schemes by project type is shown below in Fig.2 and this provides an insight into the value and range of development projects that the Council is undertaking. It also highlights that 12%-15% of the capital programme relates to Housing Company Loans of which the spend is reliant on the progress of the Housing company development programme.
17. From the start of 2024/25 a revised approach to aligning the OX Place Business Plan with the quarterly Capital Monitoring has been in place and this is realising improved projections in terms of both loans to the company and HRA purchases.

Project Classification	Projects	Latest Budget 2024/25	Actual Spend 2024/25	% Y/E Outturn to Budget	£ Y/E Outturn Variance
Project - Development	32	£16,451,118	£14,161,176	86%	£2,289,942
Project - ICT	26	£2,413,921	£1,458,432	60%	£955,489
Project - Compliance	4	£2,437,745	£1,815,209	74%	£622,536
Project - Other	12	£4,313,394	£3,574,694	83%	£738,701
Rolling Programme	9	£2,396,039	£1,879,945	78%	£516,094
Housing Company Loans	2	£7,344,583	£5,844,583	80%	£1,499,999
Other Capital Spend	14	£13,546,502	£10,937,214	81%	£2,609,288
General Fund Total	99	£48,903,302	£39,671,254	81%	£9,232,048

Fig.2

18. Overall, 81% of the Latest General Fund Capital Budget was spent in 2024/25.

Project type key budgets:

- **Development** – Blackbird Leys Regeneration; East Oxford Community Centre; Covered Market; HIF and Growth Deal Osney Bridge works and Oxford Flood Alleviation Scheme (OFAS).
- **ICT** – MS365 and Cloud Migration; system upgrades
- **Compliance** – Gloucester Green CP(H&S); Old Gas Works Bridges & Waterways.
- **Project Other** – Leisure Invest to Save and Dilaps works; numerous Capital M&E works on City Centre Portfolio.
- **Rolling Programme** – ODS Fleet Replacement Programme; Stock condition surveys; Planned Building Maintenance and Energy Efficiency Initiatives
- **Housing Co. Loans** – both Barton Park and non-Barton Park Loans to OxPlace.
- **Other Capital Spend** - includes Barton Park purchases; OxWED loans; Oxford North Development; Cowley Branch Line; Affordable Housing Supply and Disabled Facilities Grants.

Significant variances for 2024/25 include:

- **Osney Mead Path Works (HIF) & Osney Mead Bridge (Growth Deal)** – £1.758m slippage. These projects have been delayed into 2025/26 due to Judicial Review. A decision was received on 10 March 2025 however an appeal process can occur. Funding remains in place despite the delays.
- **Council salary costs able to be capitalised** - £1.572m variance. This is a rolling programme of work to support a variety of projects and the variance is due to a reduced level of capitalizable staff costs in 2024-25.
- **Housing Company Loans** - £1.50m variance. The latest budget was estimated in case the planned receipts the company was expecting to receive in March 2025 did not materialise. Receipts did materialise therefore there was no need to draw down any loans at the end of 2024/25.
- **IT Projects** - £0.713m variance across projects for 'Information@Work' system renewal/ replacement £0.254m; ICT Feasibility £0.180m; online forms development £0.151m; desktop/laptop renewal £0.112m.
- **Go Ultra Low Oxford-On Street** - £0.495m slippage. The project and payment to Oxfordshire County Council is delayed into 2025-26.
- **Planned Building Improvements** - £0.372 million – this is due to a reduced level of capitalisable maintenance costs in 2024-25 compared to budget. This is a rolling programme of work and the costs will be incurred in future years
- **UK Shared Prosperity Fund Investment Plan** - £0.372m unspent budget to be vired to Covered Market Masterplan programme in 2025/26.
- **Gloucester Green car park** - £0.319m unspent budget; the project is complete with all costs incurred.
- **Old Gas Works Bridge** - £0.313m slippage into 2025/26 for retention payments remaining due

HRA Capital

19. A summary of the HRA schemes by project type is shown in Fig.3 below. This shows that the Project - Other element accounts for approximately 50% of the programme and relates to works required which have been included in the new programme model including items such as Fire Safety, Structural works and decency (damp and mould, etc.). The next most significant element, 35%, of the HRA capital programme is the Other Capital Spend classification; these schemes relate to acquisitions and developments. Approximately 8% of the capital programme is a rolling programme, for example kitchen and bathroom replacements, heating, and electrics etc.

Project Classification	Projects	Latest Budget	Spend to Date	% YE Outturn Variance	£ YE Outturn Vairance
Project - Development	4	£8,346,943	£7,279,708	87%	£1,067,235
Project - Compliance	1	£207,021	£0	0%	£207,021
Project - Other	2	£58,238,879	£50,498,287	87%	£7,740,591
Rolling Programme	23	£9,303,132	£8,906,774	96%	£396,358
Other Capital Spend	11	£39,885,022	£38,993,655	98%	£891,367
HRA Total	41	£115,980,996	£105,678,424	91%	£10,302,572

Fig.3

Significant variances for 2024/25 include:

- **HRA Capital Maintenance programme** - £7.214m underspend to budget. Any works not completed will be addressed within the new planned maintenance programme that commenced in 2025/26.
- **Properties purchased from OCHL** - £0.995m underspend due to slippage on a number of schemes
- **East Oxford development** - £0.809m slippage into 2025/26
- **Oxford North Development** - £0.602m overspent as at 31 March 2025 although the overall programme cost remains on track
- **Next Steps Accommodation Programme** – £0.582m slippage into 2025/26
- **HRA Barton Acquisitions and Regeneration** - £0.524m slippage into 2025/26
- **Juniper** - £0.385m unspent; this scheme has been removed from the programme

Financial implications

20. All financial implications are covered in the body of this report and the Appendices.

Legal issues

21. There are no legal implications arising directly from this report.

Level of risk

22. All risk implications are covered in the body of this report and the Appendices.

Equalities impact

23. There are no equalities impacts arising directly from this report.

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Background Papers: None
