



REPORT of DIRECTOR OF FINANCE

to
STRATEGY AND RESOURCES COMMITTEE
20 NOVEMBER 2025

BUDGET MONITORING REPORT – QUARTER 2

1. PURPOSE OF THE REPORT

- 1.1 To provide Members of the Committee with an updated financial position for the Council for the period ended 30 September 2025 (Period 6 / Quarter 2).
- 1.2 This matter is brought forward for consideration with the agreement of the Chairman so that the Council has clarity on the available funding for 2025 / 26 to be able to carry out its operations in a timely manner.

2. RECOMMENDATIONS

That the Committee:

- (i) notes the forecast revenue outturn as at 30 September 2025 is £67k under budget (0.5%) against the net service budget of £13,787k. Further information can be found at **APPENDIX 1** along with reasons for significant variances.
- (ii) notes that additional interest income (£231k) is forecast due to delayed capital expenditure. As a result, the surplus will be transferred to the earmarked reserve.
- (iii) considers the forecast capital outturn as at 30 September 2025 which is for a total capital programme delivery of £5,234k against revised budget of £6,550k. Further information can be found at **APPENDIX 2** along with reasons for significant variances.
- (iv) approves the virements and budget amendments as set out in **APPENDIX 3**;
- (v) approves the movements in Earmarked Reserves set out in **APPENDIX 4**;
- (vi) notes the revenue budget reconciliation in **APPENDIX 5**.

3. KEY ISSUES

- 3.1 The Quarter 2 Budget Monitoring report provides financial forecast for the Council for the full year ending 31 March 2026 including revenue and capital forecasts and the impact of those on retained reserves (general and earmarked). It shows performance closely aligned to budget which demonstrates good financial management in operational areas.

3.2 Director and Directorate structure

- 3.2.1 The new Senior Officer structure with five directors was implemented from 13 October 2025, which is after the period of this report. The report therefore retains the budget accountability previous structure. The reporting structure will be updated from 1 November 2025 and will be reflected in reports from Period 7 (P7) onwards. This report is therefore able to confirm the position handed over to the new senior team, which this report confirms as a positive position.

3.3 Revenue Budget Monitoring – Quarter 2

- 3.3.1 The forecast for the revenue budget projects an underspend of £337k against the 2025/26 budget. There has been some surplus arising from increased interest income along with better than expected receipts from the planning team. Further detail is included in **APPENDIX 1**.

3.4 Capital budget Monitoring – Quarter 2

- 3.4.1 The forecast for the capital budget projects an underspend of £1,316k against the revised 2025/26 Capital programme of £6,550k. The main project details can be found at **APPENDIX 2**.

3.5 Reserves

- 3.5.1 The Council holds a number of earmarked reserves (provisions) for specific purposes and the General Fund Balance as a general unallocated amount.
- 3.5.2 At the start of the year earmarked reserves amounted to £6.6m and the general reserves were £8.6m. Further to some decisions to allocate reserves and the proposed transfer of additional revenue grants received in Q2 to an earmarked reserve, the current position shows earmarked reserves as £5.7m, and general reserves £8.8m – a total of £14.5m. Within the General Fund Balance a ‘core’ reserve of £2.3m is retained as a funding source ‘of last resort’.
- 3.5.3 Movements on these reserves for the year 2025 / 26 are detailed at **APPENDIX 4**.

4. IMPACT ON PRIORITIES AS SET OUT IN THE CORPORATE PLAN 2025 - 2028

4.1 Delivering good quality services.

- 4.1.1 Regular reporting and monitoring of the Council’s financial position is a key control in ensuring the Council makes the best use of its resources and is able to make informed decisions to support our residents.

5. IMPLICATIONS

- (i) **Impact on Customers** – None directly.
- (ii) **Impact on Equalities** – None directly.
- (iii) **Impact on Risk (including Fraud implications)** – None directly.
- (iv) **Impact on Resources (financial)** – The subject of the report.

- (v) **Impact on Resources (human)** – None directly.
- (vi) **Impact on Devolution / Local Government Reorganisation** – The financial position of the council will be scrutinised in advance of reorganisation as part of planning for LGR delivery. This report is written with that scrutiny in mind.

Background Papers: None.

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