



Report to: Policy & Performance Improvement Committee - 1 September 2025

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Report Summary	
Report Title	Projected General Fund and Housing Revenue Account Revenue and Capital Outturn Report to 31 March 2026 as at 30 June 2025
Purpose of Report	<p>To update Members with the forecast outturn position for the 2025/26 financial year for the Council's General Fund and Housing Revenue Account revenue and capital budgets.</p> <p>To show performance against the approved estimates of revenue expenditure and income; report on major variances from planned budget performance; and report on variations to the Capital Programme for approval; all in accordance with the Council's Constitution.</p>
Recommendations	<p>That the Policy & Performance Improvement Committee note:</p> <ul style="list-style-type: none">a) the General Fund projected favourable outturn variance of £0.303m;b) the Housing Revenue Account projected unfavourable outturn variance of £0.409m to the Major Repairs Reserve; andc) the Capital Programme revised budget and financing of £55.240m.

1.0 Background

Overview of General Fund Revenue Projected Outturn for 2025/26

Current position (as at 30 June 2025): variances

- 1.1 *Table 1* shows a projected unfavourable variance against the revised budget of £0.395m on Service budgets, with an overall favourable variance of £0.303m that would need to be transferred to the General Fund reserve. This is based on meetings which took place with Business Managers during July, whereby they have analysed actual income and expenditure to 30th June 2025 and forecasted forward to the end of March 2026 the additional income and expenditure currently expected to be incurred. Further details of the variances projected against portfolio holder budgets are in **Appendix A**.

Table 1: General Fund revenue outturn for 2025/26 financial year as at 30 June 2025

	Original Budget £'m	Revised Budget £'m	Projected Outturn £'m	Variance £'m
Climate and the Environment	3.480	3.379	3.338	(0.041)
Health, Wellbeing and Leisure	0.929	0.974	0.892	(0.082)
Heritage, Culture and the Arts	0.895	0.955	0.991	0.036
Housing	0.464	0.508	0.489	(0.019)
Public Protection and Community Relations	3.282	3.315	3.397	0.082
Strategy, Performance and Finance	9.668	9.673	10.105	0.432
Sustainable Economic Development	2.004	2.196	2.183	(0.013)
Net Cost of Services	20.722	21.000	21.395	0.395
Other Operating Expenditure	5.120	5.115	5.116	0.001
Finance & Investment Income/Expenditure	(1.572)	(1.572)	(1.570)	0.002
Taxation & Non-Specific Grant Income	(25.230)	(25.251)	(25.906)	(0.655)
Net Cost of Council Expenditure	(0.960)	(0.708)	(0.965)	(0.257)
Transfer to/(from) Usable Reserves	0.316	(0.104)	(0.104)	0.000
Transfer to/(from) Unusable Reserves	0.644	0.812	0.766	(0.046)
Transfer to/(from) General Reserves	0.000	0.000	0.303	0.303

- 1.2 An unfavourable variance of £0.395m is currently being projected on service budgets managed by business managers. This represents 1.88% of the total service budgets. A variance analysis is detailed at **Appendix A**.
- 1.3 There have been significant issues in recruitment seen across the Council over the last few financial years. This has been felt across the Local Government sector, with similar issues being seen in a number of neighbouring authorities. As a result of this, the forecast vacancy savings target for 2025/26 was set at 4%.
- 1.4 An unfavourable variance of £0.143m on employee related expenditure includes £0.885m of vacancy savings target, representing 4% of the total budget for employees within each Business Unit. Actual vacancies forecast currently is a favourable variance of £0.742m, which represents 3.17% of the total employee budget. This is kept under regular review.
- 1.5 Non-Service expenditure is projected to have a favourable variance of £0.652m against the revised budget of £21.708m. These budgets primarily relate to income from council tax, national non-domestic rates (NNDR, or 'business rates') and investment interest. The favourable variance of £0.655m on Taxation & Non-Specific Grant Income relates to an expected additional surplus from the Nottinghamshire Business Rates pooling arrangements of £0.357m over and above the £1.000m that was budgeted for, an additional £0.100m in s31 grant due to additional properties being granted various types of relief and a reduction in levy payable to Nottinghamshire County Council of £0.159m. An additional £0.039m over the budgeted £0.119m is expected to be received in respect of the Internal Drainage Board levy grant.

- 1.6 There is a forecasted favourable variance of £0.046m on the transfer to unusable reserves. This results from a lower Minimum Revenue Provision (MRP) charge than budgeted. The original budget assumed £1.4m of borrowing within the 2024/25 Capital Programme, but actual borrowing was not required due to a £5.734m underspend reported to Cabinet on 8 July 2025. Consequently, the associated £0.046m MRP charge has been deferred.

Overview of Projected Housing Revenue Account (HRA) Outturn for 2025/26

- 1.7 With reference to the 'Variance' column in Table 2, the HRA accounts show a projected unfavourable variance on the Net Cost of HRA Services against the revised budget of £0.355m and a reduced transfer to the Major Repairs Reserve of £0.409m:

Table 2: HRA revenue outturn for 2024/25 financial year as at 30 June 2024

	Original Budget £'m	Revised Budget £'m	Projected Outturn £'m	Variance £'m
Expenditure	24.975	25.509	25.739	0.231
Income	(31.341)	(31.341)	(31.216)	0.125
Net Cost of HRA Services	(6.366)	(5.832)	(5.477)	0.355
Other Operating Expenditure	0.013	0.013	0.013	0
Finance & Investment Income/Expenditure	4.243	4.243	4.297	0.054
Taxation & Non-Specific Grant Income	0	0	0	0
(Surplus)/Deficit on HRA Services	(2.109)	(1.576)	(1.167)	0.409
Movements in Reserves				
Transfer to/(from) Usable Reserves	(0.263)	(0.797)	(0.797)	0
Transfer to/(from) Unusable Reserves	(6.245)	(6.245)	(6.245)	0
Transfer to/(from) Major Repairs Reserve	8.617	8.617	8.208	(0.409)
Total	0	0	0	0

- 1.8 The main reasons for the £0.355m unfavourable variance on services are detailed at **Appendix B**. In relation to the unfavourable variance of £0.054m on the Finance & Investment Income/Expenditure line, this relates to the forecasted earlier than anticipated requirement for external borrowing therefore increasing the interest payable costs.

Overview of Projected Capital Outturn 2025/26

- 1.9 The table below summarises the position for the Capital Programme as at 30 June 2025 and is split between General Fund and Housing Revenue Account.

	Original Approved Budget £'m	Current Approved Budget £'m	Revised Budget updated for Approval £'m	Actual Spend to 30 June 2025 £'m	Forecast Outturn £'m
General Fund	35.489	40.302	33.433	3.384	33.433
Housing Revenue Account	23.295	26.299	21.807	1.615	21.807
Total	58.784	66.601	55.240	4.999	55.240

- 1.10 As projects are developed and spending commitments are made, budget requirements can change. It is a requirement that Cabinet approve all variations to the Capital Programme. The below table details the changes that have been approved and are due to be approved on 9 September 2025 and account for the difference between the Revised budget updated for approval of £55.240m and the original budget of £58.784m above.

Scheme	General Fund £'m	HRA £'m
Original Budget	35.489	23.295
Slippage from 2024/25	4.812	3.004
Reprofiles to future years		
Clipstone Holding Centre	(5.977)	0.000
Southern Link Road Contribution	1.159	0.000
Housing Regeneration Loan Facility	3.000	0.000
Cultural Heart Market Place	(3.510)	0.000
A1 Overbridge Improvements	(2.445)	0.000
Estate Regeneration	0.000	(4.017)
Other Reprofiles	(0.728)	(0.475)
Additions/Reductions		
Castle Gatehouse Project	1.020	0.000
Castle Gatehouse Project	1.020	0.000
Other changes Additions/Reductions	0.611	0.000
Total Change	(6.869)	(4.492)
Revised budget to be approved	33.433	21.807

- 1.11 A more detailed breakdown at scheme level, including some comments on projects progress, can be found at **Appendix C** (General Fund) and **Appendix D** (Housing Revenue Account).

2.0 Implications

In writing this report and in putting forward recommendations, officers have considered the following implications: Data Protection, Digital and Cyber Security, Equality and Diversity, Financial, Human Resources, Human Rights, Legal, Safeguarding and Sustainability, and where appropriate they have made reference to these implications and added suitable expert comment where appropriate.

Background Papers and Published Documents

Except for previously published documents, which will be available elsewhere, the documents listed here will be available for inspection in accordance with Section 100D of the Local Government Act 1972.

General Fund, Housing Revenue Account Revenue and Capital Monitoring Outturn Report as at March 2025 to Cabinet on 8 July 2025.