



Report to: Cabinet Meeting - 9 September 2025

Portfolio Holder: Councillor Paul Peacock, Strategy, Performance & Finance

Director Lead: Sanjiv Kohli, Deputy Chief Executive, Director - Resources

Lead Officer: Nick Wilson, Business Manager – Financial Services, Ext. 5317

Report Summary	
Type of Report	Open Report / Non-Key Decision
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 Cabinet:</p> <ul style="list-style-type: none"> (a) note the General Fund projected favourable outturn variance of £0.303m; (b) note the Housing Revenue Account projected unfavourable outturn variance of £0.409m to the Major Repairs Reserve; (c) approve the variations to the Capital Programme at Appendix C; (d) approve the Capital Programme revised budget and financing of £55.240m; and (e) note the Prudential indicators at Appendix F.
Alternative Options Considered	Not applicable.
Reason for Recommendations	To consider the forecast outturn position for the 2025/26 financial year for the Council's General Fund and Housing Revenue Account revenue and capital budgets.

	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.
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1.0 Background

1.1 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.

Current position (as at 30 June 2025): revised budget compared to original budget

- 1.7 As at 30 June 2025, there have been net transfers totalling £0.252m from reserves. Below is a table summarising the reserves movement and which portfolio the budget has been transferred either (to) of from:

Earmarked Reserve	C&E £'m	HWL £'m	HCA £'m	H £'m	PPCR £'m	SPF £'m	SED £'m	Total £'m
Capital Project Feasibility	0	0	0	0	0	0	0.100	0.100
Domestic Homicide Review	0	0	0	0	(0.001)	0	0	(0.001)
Eem Reserve	0	0.005	0	0	0	0	0	0.005
Emergency Planning	(0.045)	0	0	0	0	0	0	(0.045)
Management Carry Forward	0.044	0.036	0.079	0.085	0.066	0.267	0.096	0.673
Repairs And Renewals Fund	(0.108)	(0.008)	(0.006)	(0.041)	(0.036)	(0.323)	(0.005)	(0.527)
Revenue Grants Unapplied	0	0	0	0	0	0.050	0	0.050
Total Earmarked Reserves Movement	(0.110)	0.032	0.073	0.044	0.029	(0.007)	0.191	0.252

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

- 1.8 With reference to the 'Variance' column in Table 3, 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 3: HRA revenue outturn for 2025/26 financial year as at 30 June 2025

	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

- 1.9 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

- 1.10 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

- 1.11 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. Following the meeting of 8 July 2025, the total approved budget was £66.601m including slippage from 2024/25. The additions and amendments that now require approval are detailed in **Appendix C** and summarised as follows:

	General Fund		Housing Revenue Account	
	2025/26 £'m	2026/27 £'m	2025/26 £'m	2026/27 £'m
Additions/Reductions	£1.632	£0.000	£0.000	£0.000
Reprofiles	(£8.500)	£8.500	(£4.493)	£4.493
Total	(£6.869)	£8.500	(£4.493)	£4.493

- 1.12 If these variations are approved, then the revised budget will be reduced to £55.240m. A more detailed breakdown at scheme level, including some comments on projects progress, can be found at **Appendix D** (General Fund) and **Appendix E** (Housing Revenue Account).

Capital Programme Resources

- 1.13 The Capital resources available to the Council are not static. Capital receipts are generated throughout the year, additional grants and contributions are paid to the Council, and borrowing may be increased to fund some projects.
- 1.14 In summary, the revised budget of £55.240m will be financed as follows, with every attempt to minimise the impact on the Council's revenue budget:

	General Fund £'m	Housing Revenue Account £'m	Total £'m
External Grants & Contributions	8.529	1.898	10.427
Capital Receipts	1.214	0.273	1.487
Community Infrastructure Levy	0.100	0.000	0.100
Revenue Contributions	6.591	7.069	13.660
Borrowing	16.999	12.567	29.566
Total	33.433	21.807	55.240

Capital Receipts

- 1.15 The Council has been successful in securing capital receipts for both general fund and HRA in previous years and continues to do so. The current level of capital receipts is detailed in the table below:

	General Fund £'m	HRA Receipts £'m	HRA 1-4-1 Receipts £'m	Total £'m
Balance at 1st April 2025	1.201	0.035	0.059	1.295
Received up to end of June 2025	0.000	0.281	0.421	0.702
Estimated receipts for remainder of the financial year	0.950	0.627	0.940	2.517
Approved for financing	1.214	0.000	0.273	1.487

Available Capital receipts balance at 31 March 2026	0.937	0.943	1.147	3.027
Estimated Receipts 2026/27 - 2028/29	5.956	0.602	0.903	7.461
Approved for Financing 2026/27 - 2028/29	4.445	0.601	0.077	5.123
Estimated Uncommitted Balance	2.448	0.944	1.973	5.365

Prudential Indicators

- 1.16 The Treasury Management Code of Practice 2021 stipulates that quarterly update reports on prudential indicators are now required from 2023/24 onwards.
- 1.17 The prudential indicators are set within the Treasury Management Strategy, Capital Strategy and the Investment Strategy and the three strategies were approved by Audit and Governance Committee on 19 February 2025 and Full Council on 6 March 2025. The summary of the prudential indicators can be found at **Appendix F**.
- 1.18 As can be seen from **Appendix F**, the Council was fully compliant with all of the indicators as set within the Treasury Management Strategy, Capital Strategy and Investment Strategy.

2.0 Proposal/Options Considered and Reasons for Recommendation

- 2.1 To consider the forecast outturn position for the 2025/26 financial year for the Council's General Fund and Housing Revenue Account revenue and capital budgets.
- 2.2 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.

3.0 Implications

- 3.1 In writing this report and in putting forward recommendation's 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.

3.2 Legal Implications (LEG2526/3755)

Cabinet is the appropriate body to consider the content of this report.

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 15 July 2025