



Report to: Policy & Performance Improvement Committee - 1 December 2025  
Director Lead: Sanjiv Kohli, Deputy Chief Executive, Director - Resources  
Lead Officer: Nick Wilson, Business Manager – Financial Services

<b>Report Summary</b>	
<b>Report Title</b>	Projected General Fund and Housing Revenue Account Revenue and Capital Outturn Report to 31 March 2026 as at 30 September 2025
<b>Purpose of Report</b>	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.  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.
<b>Recommendations</b>	That the Policy & Performance Improvement Committee note:  (a) the General Fund projected favourable outturn variance of £0.062m;  (b) the Housing Revenue Account projected unfavourable outturn variance of £0.201m to the Major Repairs Reserve;  (c) the Capital Programme revised budget and financing of £46.823m.

## **1.0 Background**

### **1.1 Overview of General Fund Revenue Projected Outturn for 2025/26**

#### **Current position (as at 30 September 2025): variances**

1.1 *Table 1* shows a projected unfavourable variance against the revised budget of £0.359m on Service budgets, with an overall favourable variance of £0.062m that would need to be transferred to the General Fund reserve. This is based on meetings which took place with Business Managers during October, whereby they have analysed actual income and expenditure to 30 September 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 September 2025

	Original Budget £'m	Revised Budget £'m	Projected Outturn £'m	Variance £'m
Climate and the Environment	3.480	3.376	3.136	(0.240)
Health, Wellbeing and Leisure	0.929	1.082	0.849	(0.233)
Heritage, Culture and the Arts	0.895	0.920	0.930	0.010
Housing	0.464	0.447	0.798	0.351
Public Protection and Community Relations	3.282	3.343	3.478	0.135
Strategy, Performance and Finance	9.668	10.355	10.673	0.318
Sustainable Economic Development	2.004	2.318	2.336	0.018
<b>Net Cost of Services</b>	<b>20.722</b>	<b>21.841</b>	<b>22.200</b>	<b>0.359</b>
Other Operating Expenditure	5.120	5.063	5.063	0
Finance & Investment Income/Expenditure	(1.572)	(1.572)	(1.418)	0.154
Taxation & Non-Specific Grant Income	(25.230)	(25.251)	(25.780)	(0.529)
<b>Net Cost of Council Expenditure</b>	<b>(0.960)</b>	<b>0.081</b>	<b>0.065</b>	<b>(0.016)</b>
Transfer to/(from) Usable Reserves	0.316	(0.883)	(0.883)	0
Transfer to/(from) Unusable Reserves	0.644	0.802	0.756	(0.046)
Transfer to/(from) General Reserves	0	0	0.062	0.062

- 1.2 An unfavourable variance of £0.359m is currently being projected on service budgets managed by business managers. This represents 1.62% 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 A favourable variance of £0.073m 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 £0.958m, which represents 4.10% (3.17% as at 30 June 2025) of the total employee budget. This is kept under regular review.
- 1.5 Non-Service expenditure is projected to have a favourable variance of £0.375m against the revised budget of £21.760m. These budgets primarily relate to income from council tax, national non-domestic rates (NNDR, or 'business rates') and investment interest. The favourable variance of £0.529m on Taxation & Non-Specific Grant Income relates to an expected additional surplus from the Nottinghamshire Business Rates pooling arrangements of £0.300m over and above the £1.000m that was budgeted for and a reduction in levy payable to Nottinghamshire County Council of £0.146m. 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 The projected unfavourable variance of £0.154m on the financing and investment line within Non-service elements is primarily due to the timing of Treasury Management decisions and the prevailing interest rate environment, which differs from the forecast. Additionally, there is no forecast dividend from Arkwood.

1.7 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

1.8 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 £0.172m and a reduced transfer to the Major Repairs Reserve of £0.201m:

Table 2: HRA revenue outturn for 2024/25 financial year as at 30 September 2025

	Original Budget £'m	Revised Budget £'m	Projected Outturn £'m	Variance £'m
Expenditure	24.975	25.617	25.262	(0.355)
Income	(31.341)	(31.347)	(30.820)	0.527
<b>Net Cost of HRA Services</b>	<b>(6.366)</b>	<b>(5.730)</b>	<b>(5.558)</b>	<b>0.172</b>
Other Operating Expenditure	0.013	0.013	0.013	0
Finance & Investment Income/Expenditure	4.243	4.243	4.272	0.029
Taxation & Non-Specific Grant Income	0	0	0	0
<b>(Surplus)/Deficit on HRA Services</b>	<b>(2.109)</b>	<b>(1.474)</b>	<b>(1.273)</b>	<b>0.201</b>
<b>Movements in Reserves</b>				
Transfer to/(from) Usable Reserves	(0.263)	(0.898)	(0.898)	0
Transfer to/(from) Unusable Reserves	(6.245)	(6.245)	(6.245)	0
Transfer to/(from) Major Repairs Reserve	8.617	8.617	8.416	(0.201)
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

1.9 The main reasons for the £0.172m unfavourable variance on services are detailed at **Appendix B**. In relation to the unfavourable variance of £0.029m 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 September 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 Sept 2025 £'m	Forecast Outturn £'m
General Fund	35.489	33.433	28.089	7.552	28.089
Housing Revenue Account	23.295	21.807	18.734	4.626	18.734
<b>Total</b>	<b>58.784</b>	<b>55.240</b>	<b>46.823</b>	<b>12.178</b>	<b>46.823</b>

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. The below table details the changes that have been approved and are due to be approved on 9 December 2025 and account for the difference between the Revised budget updated for approval of £46.823m and the original budget of £58.784m above.

<b>Scheme</b>	<b>General Fund £'m</b>	<b>HRA £'m</b>
<b>Original Budget</b>	<b>35.489</b>	<b>23.295</b>
Slippage from 2024/25	4.812	3.004
Quarter 1 approved changes reported to PPIC on 1 September 25	(6.869)	(4.493)
<b>Total Revised Budget</b>	<b>33.433</b>	<b>21.806</b>
<b>Reprofiles to future years</b>		
Provision of 3G Pitches	(0.400)	
Former Belvoir Iron Works	(1.745)	
Castle Gatehouse Project	(2.500)	
Towns Fund - 32 Stodman Street Regeneration	(1.500)	
New Housing Management System		(0.200)
Site Acquisition (Inc RTB)		(0.824)
Phase 6		(0.698)
Phase 6 Cluster 3		(0.500)
Phase 6 Cluster 4		(0.500)
Phase 6 Cluster 5		(0.500)
Other Reprofiles	(0.417)	0.000
<b>Additions/Reductions</b>		
Contribution Mansfield Crematorium Redevelopment	0.212	
Vehicles & Plant	(0.853)	0.853
Ollerton Regeneration Property Acquisition	0.683	
Ollerton Regeneration	0.683	
Private Sector Disabled Facilities Grants	0.250	
Discretionary DFG	0.200	
Decarbonisation		(0.739)
Other changes Additions/Reductions	0.045	0.035
<b>Total Change</b>	<b>(5.344)</b>	<b>(3.072)</b>
<b>Revised budget to be approved</b>	<b>28.089</b>	<b>18.734</b>

1.12 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**

2.1 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.

**Background Papers and Published Documents**

General Fund, Housing Revenue Account Revenue and Capital Monitoring Outturn Report to 31 March 2026 as at 30 June 2025 to Cabinet on 8 September 2025.