

Report to: Cabinet Meeting: 21 July 2026
 Portfolio Holder: Councillor Paul Peacock, Strategy, Performance & Finance
 Director Lead: Nick Wilson, Director Financial Services, Revenues & Benefits and S151
 Lead Officer: Andrew Snape, Head of Service - Finance ext. 5523

Report Summary	
Type of Report	Open Report / Non-Key Decision
Report Title	Provisional Financial Outturn Report to 31 March 2026
Purpose of Report	To present to Members the provisional 2025/26 financial outturn position on the Council's revenue and capital budgets, including:- • General Fund Revenue • Housing Revenue Account • Capital Programme • Provisions and Impaired Estimates on Debtors • Usable Reserves • Collection Fund This report provides Members with a summary of actual income and expenditure compared to the revised budget and how any surpluses/deficits have been allocated to/from reserves.
Recommendations	That: (a) the final outturn of revenue and capital spending for 2025/26 be noted; (b) the capital financing proposals as set out in table 5 at paragraph 1.18 of the report, be noted; (c) the Capital Programme reprofiling of £14.289m carried forward into 2026/27, as per appendices E and F to the report, be noted;

	(d) the movement in Provisions and Impaired Estimates on Debtors be noted; and
	(e) the individual contributions to, and withdrawals from, the revenue and capital Usable Reserves, be noted.

1.0 **Background**

Overview of Provisional General Fund (GF) Revenue Outturn for 2025/26

- 1.1 The accounts show a favourable variance of £0.719m on service budgets, with a total favourable variance of £0.801m, over and above the previous budget monitoring report as at 31 December 2025 report agreed transfer of £1.111m to the capital provision earmarked reserve, as follows:-

Table 1: General Fund Revenue Outturn for 2025/26 Financial Year as at 31 March 2026

	Budget £'m	Outturn £'m	Variance £'m
Climate and the Environment	1.816	1.309	(0.507)
Health, Wellbeing and Leisure	0.960	0.672	(0.288)
Heritage, Culture and the Arts	0.668	0.652	(0.016)
Housing	(0.002)	0.136	0.138
Public Protection and Community Relations	3.410	3.216	(0.194)
Strategy, Performance and Finance	9.886	9.228	(0.658)
Sustainable Economic Development	2.248	1.919	(0.329)
Gf Vacancy Factor & Savings	(1.135)	0	1.135
Net Cost of Services	17.851	17.132	(0.719)
Other Operating Expenditure	5.053	5.031	(0.022)
Finance & Investment Income & Expenditure	0.315	(0.218)	(0.533)
Taxation & Non Specific Grant Inc	(25.103)	(25.696)	(0.593)
Net Cost of Council Expenditure	(1.884)	(3.751)	(1.867)
Transfer to/(from) Unusable Reserves	4.253	4.208	(0.045)
Transfer to Capital Provision	0	1.111	1.111
Transfer to/(from) Usable Reserves	(2.369)	(1.568)	0.801
Transfer to/(from) General Balance	0	0	0

1.2

Based on the table above, usable reserves have increased by £0.801m. This increase has been applied to a number of different reserves described at paragraphs 1.25 and 1.26 later in this report. The statutory General Fund balance has not varied during the year and remains at £1.500m, which is in accordance with the Medium-Term Financial Plan approved on 6 March 2025.

- 1.3 The table below shows further detail regarding the variances which make up the additional transfer of £0.801m into Usable Reserves:-

Reason for Variance	Value £'m
Significant favourable variances within the Waste and Recycling department, driven by higher-than-expected income from trade waste, recycling, and garden waste.	(0.373)
Prices of Petrol & Diesel have stabilised since the budget setting for 2025/26 resulting in a favourable outturn variance	(0.121)
Income for resettlement schemes, particularly Homes for Ukraine, is below expectations as the original income budget set at the start of the scheme will not be achieved.	0.170
Temporary Accommodation Council tax void losses have occurred due to empty units.	0.050
Three vacancies within the Health Development Team (Active Lifestyles Project Officer, Regeneration Capital Project Officer and Health Improvement Officer) have been vacant for a significant period throughout the year.	(0.112)
The Active4Today Management fee that was budgeted for, is not needed due to A4T forecasting a surplus in their accounts	(0.104)
A higher number of planning applications have been received during 2025/26 than was originally budgeted for	(0.263)
There is an overall favourable variance on the cleaning contract for the Council's corporate properties.	(0.100)
Favourable variance for utility costs across the Council's corporate properties.	(0.197)
Rental income for Newark Beacon has exceeded budget expectations, driven by higher occupancy levels, which have also helped reduce the Council's business rates costs.	(0.102)
Culmination of other employee favourable variances across the Council.	(0.737)
Vacancy Factor and Notional Savings.	1.135
Other Variances.	0.035
Favourable variance on services	(0.719)
Transfer to the Capital provision earmarked reserve to support the Ollerton Town Centre Regeneration, as per previous budget monitoring report as at 31 December 2025 (24/03/2026 Cabinet)	1.111
Net variance on loss allowance, apprentice levy and corporate contingency.	(0.021)
Net variance on interest receivable and payable.	(0.534)
Additional income from the Nottinghamshire Business Rates Pool.	(0.342)
Additional income from Business Rates on S31 grants and renewable energy plus a reduction in the levy payment to Notts County Council.	(0.169)
Additional grant income over budgeted level for Internal Drainage Board and National Insurance grants during the year.	(0.081)
Reduction in Minimum Revenue Provision due to reduction in actual borrowing required on the capital programme financing.	(0.046)
Additional transfer to Usable reserves	0.801

- 1.4 Further details of the favourable variance on Service Budgets managed by the Business Managers of £0.719m against directorate budgets are in **Appendix A**.
- 1.5 Net Interest receivable showed a favourable variance of £0.534m, driven by the timing of treasury transactions during the year, a longer-than-expected period of higher interest rates, and external borrowing being required later than originally anticipated.
- 1.6 The Taxation and Non-Specific Grant Income within the Non-Service elements shows a favourable variance of £0.593m against the revised budget of £25.103m. These budgets mainly consist of income from council tax, national non-domestic rates (NNDR, or business rates), and grant funding. The favourable variance is largely due to an additional surplus of £0.511m on the NNDR figures, this includes £0.342m from the Nottinghamshire Business Rates pooling arrangements, exceeding the £1.000m originally budgeted, along with a £0.146m increase in Section 31 grants and renewable energy income. Additionally, income from the Internal Drainage Board levy and National Insurance grants is £0.081m higher than the budgeted £0.260m.
- 1.7 The favourable variance of £0.046m on the transfer to unusable reserves is due to 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.

Final position (as at 31 March 2026) compared to previous position (as at 31 December 2025)

- 1.8 The quarter three budget monitoring report to Cabinet projected a favourable variance against the revised budget of £0.385m on Service budgets. This report describes the actual favourable variance, against the revised budget, of £0.719m on Service budgets: an increase of £0.334m. *Table 2* summarises the changes in variance against committee budgets between the two reports. Further details of these changes by Directorate are in **Appendix B**.

Table 2: General Fund Revenue Outturn: Changes in Variance by Committee Between Reports

Net Cost of Services variance as at 31/12/2025 (24/03/2026 Cabinet report)	(0.385)
Climate and the Environment	0.081
Health, Wellbeing and Leisure	(0.029)
Heritage, Culture and the Arts	0.144
Housing	(0.072)
Public Protection and Community Relations	(0.141)
Strategy, Performance and Finance	(0.347)
Sustainable Economic Development	0.030
Net Cost of Services variance as at 31/03/2026 (21/07/2026 Cabinet report)	(0.719)

Carry Forwards

- 1.9 Previous years have seen officers requesting carry forwards of underspends that relate to the timing of payments that have extended past the year-end date of 31st March in year. This year, the s151 Officer has approved £0.989m for the General Fund and £0.617m for the HRA, to be carried forward into 2026/27.
- 1.10 Any unspent conditional grants are dealt with separately and are transferred to the balance sheet for either repayment or expenditure in the following year dependent upon its terms and conditions.

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

- 1.11 The financial outturn position to 31 March 2026 for the HRA before appropriations to reserves is a deficit of £0.243m. *Table 3* summarises these variances.

Table 3: HRA Revenue Outturn for 2025/26 Financial Year as at 31 March 2026

	Revised Budget £'m	Outturn £'m	Variance £'m
Expenditure	26.232	25.555	(0.677)
Income	(31.334)	(30.818)	0.516
Vacancy Factor	(0.274)	0	0.274
Net Cost of HRA Services	(5.376)	(5.263)	0.113
Other Operating Expenditure	3.244	3.533	0.289
Finance & Investment Income/Expenditure	4.335	4.176	(0.159)
Taxation & Non Specific Grant Income	(0.192)	(0.192)	0
(Surplus)/Deficit on HRA Services	2.011	2.254	0.243
Movements in Reserves			
Transfer to/(from) Unusable Reserves	(10.652)	(10.652)	0
Transfer to/(from) Usable Reserves	0.024	0.024	0
Transfer to Major Repairs Reserve - Depreciation	6.368	6.051	(0.317)
Transfer to Major Repairs Reserve – Revenue Contribution	2.249	2.323	0.074
Total	0	0	0

Further details of the variances against HRA budgets are in **Appendix C**.

- 1.13 Further details of the changes in variance between this report and the previous report are in **Appendix D**.

Overview of Provisional Capital Outturn for 2025/26

- 1.14 Capital monies are spent on building or enhancing the Council's asset base. There are rules and regulations regarding what can be classed as capital expenditure, and this spend must be financed separately from the day to day running costs of the Council.

- 1.15 Members approve all variations to the Capital Programme. At its meeting on 24 March 2026, Cabinet approved the revised budget of £53.759m. Further variations increased the budget by £0.243m to a final amount of £53.802m.

Table 4: GF and HRA Capital Outturn for 2025/26 Financial Year as at 31 March 2026

Spend Type	Budget Approved as per Cabinet 24/3/25 £'m	Revised Post Cabinet £'m	Outturn £'m	Variance £'m
GF	14.835	14.878	11.923	(2.955)
GF REFCUS*	3.271	3.271	2.915	(0.356)
GF Total	18.106	18.149	14.838	(3.311)
HRA	16.867	16.867	14.230	(2.637)
HRA REFCUS*	0.000	0.000	0.000	0.000
HRA Total	16.867	16.867	14.230	(2.637)
GF and HRA Total	34.973	35.016	29.068	(5.948)
GF Loan	18.786	18.786	9.601	(9.185)
Total	53.759	53.802	38.669	(15.133)

*REFCUS relates to Revenue Expenditure funded from Capital under Statute i.e. expenditure on non-Council-owned assets e.g. disabled facilities grants.

- 1.16 The table below outlines the key variances across the projects contributing to the total £5.948m referenced above. This excludes the General Fund Loan, as the £13.592m increase in the Housing Regeneration Loan Facility was approved on 20 January 2026. At the time of approval, certain developments were expected to require cash flow before the end of March 2026; however, these have since been delayed: -

Reason for Variance	Value £'m
General Fund	
Information Technology Investment – there is a favourable variance on the website upgrade of £0.124m due to the costs being less than anticipated and delays going live. There was also an additional budget of £0.254m was added at Q3 for SAN and tape libraries, for which there have been delays from the manufacturer, so will be now delivered in August 2026.	(0.415)
Vehicles and Plant – the arrival of the new vehicles was estimated due to long lead in times; however, some didn't arrive until April/May 2026	(0.331)
Woodland Planting Scheme – The legal agreement was not signed and sealed by the end of the financial year. Therefore, the payment will be made in 2026/27	(0.315)
Stodman Street – extensive delays in the national power cable diversions and other site complexities.	(0.928)
Housing Revenue Account	

Roof Replacements – vacancies in the investment team resulted in a reduced capacity within the team.	(0.513)
Yorke Drive Regeneration – Development Agreement was expected to be finalised in December 2025, however it requires a parent company guarantee, once finalised final costs for the JCT can be provided.	(0.610)
HRA Vehicle replacement Programme - the arrival of the new vehicles was estimated due to long lead in times. Some have arrived in April/May with more expected.	(1.052)
Total	(4.164)

- 1.17 To ensure the overall project budget remains intact, it is proposed that reprofiling of £14.289m (£11.903m GF and £2.386m HRA) to 2026/27 as detailed in **Appendices E and F**. This is because there are commitments in place or schemes still expected to start. For clarity, where a scheme has been completed, any remaining budgets will not be carried forward.
- 1.18 Total Capital spend in the year of £38.669m has been financed by a combination of borrowing, external grants and contributions, receipts, major repairs reserve and revenue contributions. It is proposed that Cabinet approve the revised capital financing proposals as summarised in *Table 5*:

Table 5: Proposed 2025/26 GF and HRA Capital Outturn Financing

Source of Financing	GF Programme £'m	HRA Programme £'m	Total £'m
External Grants & Contributions	6.842	0.192	7.034
Capital Receipts non-1-4-1	1.607	0.500	2.107
Capital Receipts 1-4-1	0.000	0.706	0.706
Revenue Contributions	2.074	10.605	12.679
Borrowing	13.916	2.227	16.143
Total Financing	24.439	14.230	38.669

Provisions for Future Liabilities

- 1.19 Provisions are made when an event has taken place that gives the Council an obligation that probably requires settlement, can be reasonably estimated, but where the timing of the payment is uncertain. Good practice requires that any movements in a Provision should be approved separately by Cabinet. The provisions in the table below relate to alterations and appeals against the rateable values (RV) provided for on properties in the National Non-Domestic Rating list (NNDR). The amounts shown in the Statement of Accounts (and hence in the table below) relate to this Council's element for the provision for appeals. 2023/24 saw the release of a refreshed rating list from the valuation office. This is the third such list since rates retention came into effect in April 2013. As a result

of the new list being released, from April 2023 no further appeals for the prior lists are able to be lodged, this in turn has resulted in lower threats to our rating income. During the year 2025/26, £0.575m was charged against the provision in due to RV adjustments in relation to the 2017 and 2023 rating lists and £0.250m was added to the provision (£0.035m was removed from the 2017 list provision and £0.284m was added for the 2023 list provision). 40% of all provisions are applicable to NSDC (£0.230m charge and £0.100m increase therefore £0.130m as the NSDC share). The provisions provided for in *Table 6* are the Council's 40% share, as follows:

Table 6: 2025/26 Movements in GF Provision – NNDR

General Fund Provision (NNDR) – Period of Settlement for Appeals	Balance B/Fwd 01/04/2025 £'m	Movement in Year £'m	Actual Balance 31/03/2026 £'m
Provision for Appeals – NNDR settled within 12 months	(0.304)	(0.187)	(0.491)
Provision for Appeals – NNDR settled after 12 months	(0.317)	0.317	0.000
Provision for Appeals – NNDR Total	(0.621)	0.130	(0.491)

The Council receive external advice (from Analyse Local) relating to the level of provision that should be held. Analyse Local have used their knowledge and understanding from a national perspective to estimate the total liability for the 2023 list. From this national level estimate we have applied an understanding from a more local perspective and experience of previous appeal settlement levels and have adjusted the estimate to £1.229m, the provision for the 2017 list is now zero. This total provision of £1.229m is at Collection Fund level of which this Council recognises 40% (£0.491m) due to its share of the overall NNDR income.

Impaired Estimates on Debtors

- 1.21 Impaired Estimates on Debtors is an estimation of the amount that will remain uncollectable after a certain time period and may require write off in the future accounts of the Council. The calculation is based upon on the age and amounts of debt owed to the Council based on a hierarchical percentage i.e. the older the debt, the greater likelihood of non-collection. Good practice requires that movements in the Impaired Estimates on Debtors should be approved separately by Members. *Table 7* details these:

Table 7: 2025/26 Movements in GF and HRA Impaired Estimates on Debtors

Debtor Type	Balance B/Fwd 01/04/2025 £'m	Write Offs in Year £'m	(Increase) / Decrease in Provision £'m	Actual Balance 31/03/2026 £'m
GF - Sundry Debts	(0.125)	0.057	(0.105)	(0.173)
GF - Housing Benefit	(0.818)	0.026	0.021	(0.771)
GF – Impaired Estimates on Debtors	(0.943)	0.083	(0.084)	(0.944)
HRA - Sundry and Other Debts	(0.015)	0.006	(0.011)	(0.020)
HRA - Former Tenants	(0.385)	0.041	(0.164)	(0.508)
HRA - Current Tenants	(0.091)	0.014	(0.093)	(0.170)
HRA – Impaired Estimates on Debtors	(0.491)	0.061	(0.268)	(0.698)

Usable Capital Reserves

1.22 A Reserve is created for a specific future purpose or to cover contingencies. In accordance with the Code; these Usable Reserves must be separately identified between those that are retained for Capital purposes and those that are retained for Revenue purposes. Again, good practice dictates that any movements in existing reserves, or the creation of any new reserves, be approved by Members.

1.23 Capital reserves are used to fund spend incurred on the approved capital programme. *Table 8* details the position as at 31 March 2026:

Table 8: Capital Reserves used to Fund GF and HRA Capital Programmes as at 31 March 2026

Capital – Type of Reserve Used to Fund Capital Programme	Balance B/Fwd 01/04/2025 £'m	Cont'n in Year £'m	Use in Year £'m	Actual Balance 31/03/2026 £'m	Anticipated balance at 31/03/2030 £'m
Capital - GF					
Usable Capital Receipts	1.201	1.412	1.606	1.007	0.462
Capital Grants Unapplied	13.387	0.565	0	13.952	6.909
Capital – HRA					
Usable Capital Receipts – HRA	0.058	1.635	0.706	0.987	0.484
Usable Capital Receipts - RTB's	0.035	2.089	0.500	1.624	1.580
Capital Grants Unapplied	0	0	0	0	0
Major Repairs Reserve (MRR)	10.502	8.374	15.645	3.231	0.481
Capital - Total	1.201	1.412	1.606	1.007	0.462

Usable Revenue Reserves

- 1.24 Revenue reserves are used to fund anything that is not capital in nature, albeit can be applied to capital expenditure if necessary. They cover such areas as donations, external grants and contributions for future service provision, or specific sums of money held for a specific purpose. The tables below show high level balances against the categories of the reserves that are held for each fund together with current approved commitments and hence a forecast balance. **Appendix G** details the movement on General Fund Reserves and **Appendix H** shows HRA Reserves.

General Fund	Opening Balance £'m	Closing Balance £'m	Commitments £'m	Forecast Balance £'m
Budget funding reserve	(9.013)	(8.925)	5.425	(3.500)
Earmarked for Known Pressure	(8.761)	(8.555)	5.973	(2.582)
Ringfenced	(2.555)	(4.165)	2.116	(2.049)
Un-ringfenced	(13.786)	(13.717)	11.531	(2.186)
Working Balance	(1.500)	(1.500)	0	(1.500)
Total	(35.615)	(36.862)	25.045	(11.817)

- 1.25 Overall the Council has increased its General Fund reserves position by £1.247m. This is attributed to:

	£'m
Brought Forward Reserves balance	35.615
Budgeted increase in reserves	0.316
Contributions to Capital Expenditure	(1.772)
Transfer to Capital Provision (as per Q3 report to cabinet)	1.111
Favourable variance in cost of running Council	0.801
Other movements	0.791
Reserves balance as at 31st March 2026	36.862

HRA	Opening Balance £'m	Closing Balance £'m	Commitments £'m	Forecast Balance £'m
Earmarked for Known Pressure	(5.653)	(5.723)	1.936	(3.787)
Un-ringfenced	(2.000)	(2.000)	0	(2.000)
Total	(7.653)	(7.723)	1.936	(5.787)

- 1.26 Service variances combined with non-service related income and expenditure variances has meant that overall the District Council has increased its Housing Revenue Account reserves by £0.070m. This increase has been identified as being related to:

	£'m
Brought Forward Reserves balance	7.653
Budgeted use of reserves	(0.250)
HRA agreed Carry Forwards	0.384
Unused efficiency savings	0.298
Favourable variance in cost of running HRA	0.070
Other movements	(0.432)
Reserves balance as at 31st March 2025	7.723

The Collection Fund 2025/26

- 1.27 The Collection Fund accounts for the income from the collection of Council Taxes and Business Rates, and the subsequent disbursement to local authority preceptors and central government.
- 1.28 The in-year surplus on the Council Tax account was £1.195m, which reduced the overall position from a deficit of £1.262m at 1 April 2025 to a surplus of £0.067m at 31 March 2026.
- 1.29 The Code prescribes that the Statement of Accounts only show the element of Council Tax that relates to Newark & Sherwood District Council. In this regard, the share of the Council Tax surplus of £0.067m that relates to Newark & Sherwood District Council as at 31 March 2026 is £0.007m. A zero surplus/deficit was estimated during January 2026 meaning no income or expenditure is being managed during 2026/27 from or to Council Tax preceptors.
- 1.30 The in-year deficit on the Business Rates account was £1.161m, which changed the overall position from a surplus of £0.692m at 1 April 2025 to a deficit of £0.469m at 31 March 2026.
- 1.31 The Code prescribes that the Statement of Accounts only show the element of business rates that relates to Newark & Sherwood District Council. In this regard, the share of the business rates deficit that relates to Newark & Sherwood District Council as at 31 March 2026 is £0.188m. The Council declared an estimated deficit as at 31st March 2026 of £0.739m during January 2026, this will be recouped from preceptors during 2026/27. The share of this deficit relating to Newark & Sherwood District Council is £0.295m and has been included within the 2025/26 budget.
- 1.32 Impaired provisions on council tax and business rates debtors is an estimation of the amount that will remain uncollectable after a certain time period. This may be required to be written off in future by all preceptors depending on their share of the Collection Fund. The calculation is based upon on a historical experience of bad debt, i.e. experience shows 0.8% of net liability is written off for council tax, 0.7% for business rates. Where a debt is written off, for every £1.00 in council tax, £0.11p is reflected in the Councils accounts, the remaining balance is split between the remaining preceptors. For every £1.00 of business rates written off, £0.40 is reflected in the Councils accounts.

2025/26 Movements in CF Impaired Estimates on Debtors

Debtor Type	Balance B/Fwd 01/04/2025 £'m	Write Offs in Year £'m	(Increase) / Decrease in Provision	Actual Balance 31/03/2026 £'m
CF - Council Tax Debts	(3.787)	0.547	(1.070)	(4.310)
CF - Business Rates Debts	(0.865)	0.035	(0.106)	(0.936)
CF – Impaired Estimates on Debtors	(4.652)	0.582	(1.176)	(5.246)

Pensions

- 1.33 The details regarding the Council's share of the Nottinghamshire County Council Pension Fund are provided for Members consideration at **Appendix I**.
- 1.34 Barnett Waddingham are the Pension Fund's appointed Actuary and their report sets out the assumptions used to prepare the IAS19 pension figures reported in the Council's accounts. It is best practice to consider these assumptions prior to agreeing their use and inclusion in the Statement of Accounts for 2025/26. The Audit & Accounts Committee considered these at their meeting in April 2026.

2.0 Proposal/Options Considered and Reasons for Recommendation

- 2.1 To approve the Financial Outturn position for the Council for the 2025/26 financial year.

3.0 Implications

- 3.1 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.

Implications Considered			
Yes – relevant and included / NA – not applicable			
Financial	NA	Equality & Diversity	NA
Human Resources	NA	Human Rights	NA
Legal	NA	Data Protection	NA
Digital & Cyber Security	NA	Safeguarding	NA
Sustainability	NA	Crime & Disorder	NA
LGR	NA	Tenant Consultation	NA

Background Papers and Published Documents

Statement of Accounts files & working papers 2025/26

Capital Finance Account's 2025/26 files

Housing Revenue Account's 2025/26 files