

## HUNTINGDONSHIRE DISTRICT COUNCIL

**Title/Subject Matter:** 2025/26 Finance Performance Report – Forecast at Quarter 1

**Meeting/Date:** Cabinet – 16<sup>th</sup> September 2025

**Executive Portfolio:** Executive Councillor for Finance and Resources

**Report by:** Corporate Director (Finance and Resources)

**Ward affected:** All

---

### **Executive Summary:**

This report sets out the forecast outturn for the financial year 2025/26 for both revenue and capital.

### **REVENUE FORECAST**

The current net revenue budget for 2025/26 is £26.772m (Original budget of £26.464m plus brought forward budgets of £0.308m). The forecast net expenditure for 2025/26 is £28.194m, less contributions from reserves of £0.820m, this is a forecast overspend of £0.602m.

The significant variations that contribute to this forecast are as follows;

### **REVENUE UNDERSPENDS**

**Head of Environmental Services; underspend of £0.2m, as a result of;** Additional CCTV income, additional Green Waste subscription income, and savings from unfilled posts (productivity savings). There were also additional agency staff costs in Waste Collection.

**Head of Property and Facilities - underspend of £0.1m, as a result of;** Savings from utilities costs and business rates.

**Head of Finance - underspend of £1.3m, as a result of;** Increased interest receipts, government grants and NNDR Pool receipts.

**Head of Democratic Services and Monitoring Officer - underspend of £0.2m, as a result of;** Savings from vacant posts, canvassers fees and mail costs. Increased costs of legal fees.

**Customer Change Director - underspend of £0.2m as a result of;** Vacant post savings. Both Housing Benefit payment and subsidy received from government have increased.

## **REVENUE OVERSPENDS**

**Chief Executive Officer overspend of £0.6m, as a result of;** Increased consultancy costs re internal audit, risk and control and pay.

**Chief Digital and Information Officer overspend £0.1m, as a result of;** Lower recharges to partners, upgrade and restructure costs.

**Head of Economy, Regeneration and Housing – overspend of £0.1m, as a result of;** Delay to Civil Parking Enforcement income and expenditure.

**Head of Planning, Infrastructure and Public Protection - overspend of £0.2m, as a result of;** Lower planning fees, increased cost of agency staff, offset by vacant posts and lower utilities costs.

**Head of Leisure, Health and Environment - overspend of £1.5m, as a result of;** Costs of One Leisure projects (although these costs will be capitalised if the projects proceed), and lower than budgeted income.

**Head of HR and Officer Development - overspend of £0.1m as a result of;** Increased legal costs and salary costs.

**Head of Communications, Engagement and Public Affairs overspend of £0.1m as a result of;** Increased costs of salaries and recruitment.

## **CAPITAL FORECAST**

The approved gross capital programme for 2025/26 is £14.527m, this total included budgeted rephasings of £2.700m. At the year-end a total of £15.860m was rephased, an additional rephase of £13.160m. The total current budget is £27.687m, (£14.527m plus £13.160m).

The forecast expenditure for 2024/25 is £26.198m, an in-year underspend of £1.489m (this may result in requests to rephase to 2026/27).

The significant variations that contribute to this forecast are as follows;

## **CAPITAL IN-YEAR UNDERSPENDS**

Vehicle replacements £1.4m, Community Infrastructure Levy grants £1.2m, ICT projects £0.3m.

## **CAPITAL IN-YEAR OVERSPENDS**

Civil Parking Enforcement works £0.6m, One Leisure solar panels £0.5m (grant funded), Disabled Facilities Grants £0.2m (grant funded), One Leisure improvement works £0.2m.

**Recommendation(s):**

It is recommended that:

- Cabinet is **invited to consider and comment** on the revenue financial performance for the financial year 2025/26 quarter 1, as detailed in Appendix 1 and summarised in paragraph 3.2.
- Cabinet is **invited to consider and comment** on the capital financial performance for 2025/26 quarter 1, as detailed in Appendix 2 and summarised in paragraph 3.3.
- Cabinet is **invited to consider and comment** on the treasury management activity for 2025/26 quarter 1, as detailed in Appendix 3

## PURPOSE OF THE REPORT

- 1.1 To present details of the Council's financial performance for 2025/2026 as at quarter 1.
- Revenue forecast of an overspend of £0.602m.
  - Capital forecast in-year underspend of £1.489m.

## BACKGROUND

- 2.1 The revenue budget and MTFS for 2025/26 approved in February 2025, assumed a net expenditure budget of £26.464m, since increased by brought forward budgets of £0.308m a total current budget of £26.772m.
- 2.2 A gross capital budget of £14.527m was approved, increased to £27.687m due to additional re-phasing of schemes at the year-end of £13.160m.
- 2.3 The detailed analysis of the 2025/26 forecast outturn is attached at Appendix 1 for revenue, and Appendix 2 for capital.

## FINANCIAL PERFORMANCE

### 3.1 Financial Performance Headlines

The outturn position for the current financial year and the impact of variations will be incorporated within the Medium Term Financial Strategy (MTFS).

**Revenue** The current budget is £26.772m (original budget £26.464m plus budgets brought forward from 2024/25 of £0.308m), the forecast net expenditure is £28.194m, taking into account contributions from reserves of £0.820m this is a forecast overspend of £0.602m (£28.194m less £26.772m less £0.820m is £0.602m).

**Capital** The approved gross capital programme for 2025/26 is £14.527m, this total included budgeted rephasings of £2.700m. At the year end a total of £15.860m was rephased, an additional rephase of £13.160m. The total current budget is £27.687m, (£14.527m plus £13.160m).

### 3.2 Summary Revenue Variances by Service

The table below shows the total variances for each Service and the main reasons for the variance;

Head of Service	Budget £'000s	Budget c/fwd £'000s	Current Budget £'000s	Forecast Actual £'000s	Reserve Movements £'000s	Forecast Variance £'000s	Comments
Chief Executive Officer	1,021	-	1,021	1,602	-	581	Increased costs of audit, risk management and pay bargaining
Chief Digital & Information Officer	3,137	-	3,137	3,258	(13)	108	Lower recharges to partners and upgrade and restructure costs.
Head of Economy, Regeneration & Housing	(195)	43	(152)	196	(275)	73	Delay to Civil Parking Enforcement income and expenditure. Underspend on market rents.
Head of Planning, Infrastructure & Public Protection	2,795	65	2,860	3,154	(90)	204	Lower than budgeted planning fees and use of agency staff. Partly offset by vacant posts, lower utilities costs at the Mobile Home Park, less grants and reduced costs of Empty Homes.
Head of Environmental Services	4,397	40	4,437	4,351	(81)	(167)	Additional CCTV project income and Green Waste subscription fees. Savings from unfilled posts in Grounds Maintenance and Street Cleaning. Increased cost of agency staff in Waste Collection.
Head of Leisure, Health & Environment	1,084	20	1,104	2,579	(16)	1,459	Costs of One Leisure projects £1.4m, but these costs may be capitalised if the projects are approved. Income lower than budgeted for Swim School and Health & Fitness.
Head of Property & Facilities	(2,221)	40	(2,181)	(2,310)	-	(129)	Savings on utilities and business rates
Head of Human Resources & Officer Development	984	-	984	1,107	-	123	Increased legal fees and salary costs.
Head of Finance	7,618	-	7,618	6,684	(381)	(1,315)	Increased income from interest, government grants and NNDR pool. Increased costs of salaries and overtime.
Head of Democratic Services & Monitoring Officer	1,744	100	1,844	1,479	100	(265)	Increased cost of legal support. Savings from several vacant posts, canvassers fees, and hybrid mail costs.
Customer Change Director	4,898	-	4,898	4,727	18	(153)	Housing Benefits payments and subsidy higher. Savings from vacant posts.
Head of Communications, Engagement & Public Affairs	247	-	247	310	-	63	Increased costs of salaries and recruitment.
Head of Policy, Performance & Emergency Planning	955	-	955	1,057	(82)	20	Increased cost of new posts, offset by vacant post savings.
<b>Total</b>	<b>26,464</b>	<b>308</b>	<b>26,772</b>	<b>28,194</b>	<b>(820)</b>	<b>602</b>	

Further analysis of the revenue variance and service commentary are in Appendix 1. This provides the variances by service and comments have been provided by the budget managers.

### 3.3 Capital Programme

The approved gross capital programme for 2025/26 is £14.527m, this total included budgeted rephasings of £2.700m. At the year end a total of £15.860m was rephased, an additional rephase of £13.160m. The total current budget is £27.687m, (£14.527m plus £13.160m).

The table below shows the total variances for each Service and the main reasons for the variances.

Head of Service	Existing and New Bids	Budget Rephase <sup>(1)</sup>	Original Budget	Year End Rephase <sup>(2)</sup>	Net Rephase <sup>(3)</sup>	Growth/Virement	Current Budget	Q1 Actual	Q1 Forecast	Over/(Under)Spend	Comment on Significant Variances
	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	
Chief Digital and Information Officer	395	265	660	593	328	0	988	125	712	(276)	Data Centre rack project currently on hold while procurement options are considered. Additional expenditure on AV equipment but offset by savings on Windows 10 and Public Switched Network projects.
Customer Services	0	0	0	50	50	0	50	0	0	(50)	Voice Bots and Data Warehouse projects are currently delayed.
Facilities	80	0	80	0	0	0	80	374	623	543	Solar Canopy and One Leisure Roof Mounted solar funded from external grants.
Environmental Services	4,871	123	4,994	713	590	0	5,584	485	4,823	(761)	Underspending on vehicle replacements £1.4m, offset by additional expenditure on Civil Parking Enforcement lining.
Community Services	1,600	50	1,650	10	(40)	0	1,610	384	1,768	158	Additional expenditure on improvements, also additional grant expected.
Parks, Countryside & Climate	63	2,161	2,224	2,493	332	0	2,556	20	2,559	3	
Finance	50	0	50	111	111	0	161	0	167	6	
Housing and Regeneration	0	80	80	10,439	10,359	0	10,439	546	10,360	(78)	Updated expenditure as a result of the latest Market Town Project projections.
Leisure and Health	1,365	21	1,386	63	42	0	1,428	112	1,588	160	Additional expenditure forecast relating to condition survey works and plant installations.
Planning	2,706	0	2,706	496	496	0	3,202	93	2,009	(1,194)	Delays to Community Infrastructure Levy funded external projects.
Property and Facilities	697	0	697	893	893	0	1,590	46	1,590	0	
<b>Total</b>	<b>11,827</b>	<b>2,700</b>	<b>14,527</b>	<b>15,860</b>	<b>13,160</b>	<b>0</b>	<b>27,687</b>	<b>2,184</b>	<b>26,198</b>	<b>(1,489)</b>	
<sup>(1)</sup> This is the estimated rephase when the budget is set.											
<sup>(2)</sup> This is the actual rephase at the year end when all costs are known											
<sup>(3)</sup> This is the actual rephase less the budget rephase. Original budget + net rephase + growth = Current budget											

### 3.4 Council Tax and Business Rates Collection

The Council Tax collection rate at the end of quarter 1 (28.57%) is higher than the previous year (28.51%). The Business Rates collection rate at the end of quarter 1 (32.38%) is higher than at the end of quarter 1 in the previous year (32.06%).

The number of working age Council Tax Support claimants at the end of quarter 1 was 5,149 which is 413 more than at the end of quarter 1 in 2024/25 (4,736). The number of pensioner Council Tax Support claimants was 2,826 at the end of quarter 1 2025/26, compared to 2,818 for the same period last year.

### 3.5 Miscellaneous Debt Update

The table below shows the debtor analysis as at 30<sup>th</sup> June 2025.

Service	Debtor Aged Days						Total Debt £000s
	Current	<90	91 to 180	181 to 365	>365	Future	
	£000s	£000s	£000s	£000s	£000s	£000s	
3C Shared Services		9		6	118	16	149
Business Improvement District			1	17	6	1	25
Community Infrastructure Levy		145	14		148	3,340	3,647
Commercial Rent	84	24	113	103	187	7	518
Community	5			1	8	6	20
Corporate		44					44
Environmental					3		3
Finance		14	1	3	17	3	38
Housing Benefit Overpayment					21		21
Hinchingbrooke Country Park	1		1		1	1	4
Housing	3	3	17	28	316	11	378
Licensing		2	4	1	1	2	10
Markets					1	2	3
Mobile Home Park	7	1				65	73
Moorings					1	9	10
One Leisure	10	7	2	2	11	67	99
Operations	16	41	22	10	9	201	299
Other		(1)			1		0
Paxton Pits						10	10
Planning	7	4				130	141
Private Sector Housing							0
Section 106						37	37
Trade Waste	(1)	7		(1)	(4)	94	95
<b>Total</b>	<b>132</b>	<b>300</b>	<b>175</b>	<b>170</b>	<b>845</b>	<b>4,002</b>	<b>5,624</b>

#### 4.0 Update on the Commercial Investment Strategy and Investment Properties

4.1 The Commercial Investment Strategy (CIS) was approved by Cabinet in September 2015 and the CIS Business Plan in December 2015. The implementation of the CIS is seen as a key means by which the Council can generate income to assist it in meeting the forecast gap in the revenue budget. The CIS supplements the income from the legacy estate of investment properties, held for the purpose of generating revenue income.

4.2 For quarter 1 2025/26, the budget and forecast expenditure and income for the CIS and investment properties are:

CIS Investments	Budget £000s	Forecast Outturn £000s	Variance £000s
<b>Cash Investments</b>			
CCLA Property Fund Dividend Income	(162)	(162)	0
<b>Total Cash Investments</b>	<b>(162)</b>	<b>(162)</b>	<b>0</b>
Property Rental Income	(5,030)	(5,030)	0
Loan Interest (On CIS related borrowing)	581	581	0
<b>Total Property Investments</b>	<b>4,449</b>	<b>4,449</b>	<b>0</b>
<b>TOTAL</b>			
<b>CIS Borrowing (Maturity Loans from PWLB)</b>			
<b>Property</b>	<b>Maturity Date</b>	<b>Amount</b>	<b>% (Fixed)</b>
Wakefield	26/06/2039	£11,963,000	2.18
Fareham	02/10/2037	£5,000,000	2.78
Rowley Centre	11/03/2039	£7,292,000	2.49

## 5. RECOMMENDATIONS

- Cabinet is invited to **consider and comment** on the revenue financial performance for the financial year 2025/26 quarter 1, as detailed in Appendix 1 and summarised in paragraph 3.2.
- Cabinet is invited to **consider and comment** on the capital financial performance for 2025/26 quarter 1, as detailed in Appendix 2 and summarised in paragraph 3.3.
- Cabinet is invited to **consider and comment** on the prudential and treasury management indicators for 2025/26 quarter 1, as detailed in Appendix 3.

## 6. LIST OF APPENDICES

Appendix 1 – Financial Performance for revenue quarter 1 2025/26.

Appendix 2 – Financial Performance for capital quarter 1 2025/26.

Appendix 3 – Treasury and Prudential Indicators quarter 1 2025/26.

### CONTACT OFFICER

**Sharon Russell-Surtees, Chief Finance Officer**

Sharon.Russell-Surtees@huntingdonshire.gov.uk