

## HUNTINGDONSHIRE DISTRICT COUNCIL

**Title/Subject Matter:** 2025/26 Finance Performance Report – Forecast at Quarter 3

**Meeting/Date:** Cabinet – 10<sup>th</sup> February 2026

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

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

**Ward affected:** All

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### **Executive Summary:**

This report sets out the forecast outturn for the financial year 2025/26 for both revenue and capital as at the end of quarter 3.

### **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 £27.373m, less contributions from reserves of £2.627m, this is a forecast underspend of £2.026m.

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

### **REVENUE UNDERSPENDS**

**Head of Planning, Infrastructure and Public Protection - underspend of £1.1m, as a result of:** Additional income from Planning Performance Agreements, planning fees and grant income. Additional expenditure on agency staff and the Ukraine support scheme, savings from currently vacant posts and less empty homes expenditure.

**Head of Environmental Services - underspend of £0.8m, as a result of:** Significant increase in income from recycling credits, Green Waste subscriptions, Bulky Waste collections, Street Cleansing and Grounds Maintenance works. There have been increased costs of agency staff, vehicle hire, weekend working and river bank works.

**Head of Finance - underspend of £1.5m, as a result of:** Investment income is above budget because interest rates are remaining higher for longer than expected and a reduction in the Minimum Revenue Provision as a result of rephased schemes in the capital programme.

**Customer Change Director - underspend of £0.4m as a result of:** Additional income expected from Housing Benefit subsidy and Homelessness grants. Also savings from staff costs as a result of efficiencies.

## REVENUE OVERSPENDS

**Chief Executive Officer overspend of £0.4m, as a result of:** Costs relating to pay bargaining and s151 Officer interim cover.

**Head of Economy, Regeneration and Housing – overspend of £0.1m, as a result of:** Additional expenditure because of lift repairs at Huntingdon multi-storey car park. Reduction in car park income, and Economic Development income, offset by savings in car parks business rates, and Civil Parking Enforcement costs.

**Head of Property and Facilities - overspend of £0.8m, as a result of:** Reduced rental income due to vacant properties, and also increased costs from replacing a transformer and ICT equipment costs. Reduced costs of consultants, business rates and utilities.

**Head of Democratic Services and Monitoring Officer - overspend of £0.3m, as a result of:** Additional expenditure as a result of the new Head of Service post, the internal audit contract, the Procurement Manager contract, risk support and staff training. Underspends are forecast on legal costs.

**Head of Communications, Engagement and Public Affairs overspend of £0.1m as a result of:** Additional expenditure on corporate campaigns, on call costs and Local Government Review work.

## CAPITAL FORECAST

The approved gross capital programme for 2025/26 is £14.527m, this total included budgeted rephasings of £2.7m. At the year-end a total of £15.86m was rephased, an additional rephase of £13.16m. The total current budget is £27.687m, (£14.527m plus £13.160m).

The forecast expenditure for 2025/26 is £21.110m, an in-year underspend of £6.577m (this is likely to result in some requests to rephase to 2026/27).

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

## CAPITAL IN-YEAR UNDERSPENDS

Market Town Programme £3.7m, Community Infrastructure Levy grants £2.1m, Estates and Properties £1.4m, vehicle replacements £1.1m, ICT projects £0.3m. CCTV £0.1m, Company Investment £0.1m.

## CAPITAL OVERSPENDS

Civil Parking Enforcement works £0.6m, Solar Canopy and Panels £0.5m (Funded), Disabled Facilities Grants £0.5m (Partly funded), One Leisure Improvements £0.4m, Huntingdon Multi-Storey Car Park lifts £0.1m.

**Recommendations:**

It is recommended that:

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

## PURPOSE OF THE REPORT

1.1 To present details of the Council's financial performance for 2025/2026 as at quarter 3.

- Revenue forecast of an underspend of £2.026m.
- Capital forecast in-year underspend of £6.577m.

## 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 £27.373m, taking into account contributions from reserves of £2.627m this is a forecast underspend of £2.026m (£26.772m less {£27.373 less £2.627m} is -£2.026m).

**Capital** The approved gross capital programme for 2025/26 is £14.527m, this total included budgeted rephasings of £2.7m. At the year end a total of £15.86m was rephased, an additional rephase of £13.16m. 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 variances;

Head of Service	Budget £'000s	Budget c/fwd £'000s	Current Budget £'000s	Forecast Actual £'000s	Reserve Movements £'000s	Forecast Variance £'000s	Commentary on Overspend/Underspend
Chief Executive Officer	1,021	-	1,021	1,409	-	388	Additional costs relating to the NJC pay bargaining and s151 Officer interim cover costs.
Chief Digital & Information Officer	3,090	-	3,090	3,120	(13)	17	Recharges to partners lower than expected, but additional costs due to redundancies, transformation and licence costs, offset by delays in restructure and vacancies.
Head of Economy, Regeneration & Housing	(195)	43	(152)	179	(252)	79	Car park and Economic Development income lower than budgeted. Reduced expenditure on car parks business rates and civil parking enforcement costs offset by lift repairs.
Head of Planning, Infrastructure & Public Protection	2,795	65	2,860	2,268	(498)	(1,090)	Increased income from Planning Performance Agreements, planning fees and grant income. Additional costs from agency staff, Ukraine support scheme,. Savings from vacant posts and empty homes expenditure.
Head of Environmental Services	4,397	40	4,437	3,743	(81)	(775)	Major increase in income from recycling credits, Green Waste subscriptions, Bulky Waste collections, Grounds Maintenance works, Street Cleansing and log sales. Additional costs from agency staff, vehicle hire, weekend working, compensation costs and river bank works. Some savings from vacant posts.
Head of Leisure, Health & Environment	1,085	20	1,105	2,679	(1,527)	47	Income from memberships performing well, as is the Hinchbrook Country Park (HCP) Café income, however income from swim schools and health and fitness have not reached expectations, and also HCP car park income is down. Employee costs at One Leisure higher than budget, but there are savings in Parks employee costs.
Head of Property & Facilities	(2,221)	40	(2,181)	(1,342)	-	839	Reduced rental income due to vacant units, increased costs resulting from replacing a transformer and ICT equipment costs. Reduced costs as a result of vacant posts, reduced costs of consultants, business rates, and utilities.
Head of Human Resources & Officer Development	984	-	984	1,080	(98)	(2)	
Head of Finance	7,618	-	7,618	6,286	(153)	(1,485)	Additional income from investment interest, grants and NDR pool. Reduced cost of Minimum Revenue Provision (MRP) because of delayed capital expenditure.
Head of Democratic Services & Monitoring Officer	1,743	100	1,843	1,975	157	289	Additional expenditure as a result of Head of Service post costs, Internal Audit contract, Procurement Manager contract, risk support and staff training. A reduction in legal costs is also forecast.
Customer Change Director	4,944	-	4,944	4,593	(30)	(381)	Additional income from Housing Benefit subsidy grant and Homelessness. But also additional Homelessness costs. Savings from employee costs as a result of efficiencies.
Head of Communications, Engagement & Public Affairs	247	-	247	343	-	96	Additional costs as a result of Local Government Reorganisation, campaign costs and on call costs and allowances.
Head of Policy, Performance & Emergency Planning	956	-	956	1,040	(132)	(48)	The Place Strategy post is under review due to other immediate priorities. The head of service post is currently vacant
<b>Total</b>	<b>26,464</b>	<b>308</b>	<b>26,772</b>	<b>27,373</b>	<b>(2,627)</b>	<b>(2,026)</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 £2.7m. At the year end a total of £15.86m was rephased, an additional rephase of £13.16m. The total current budget is £27.687m, (£14.527m plus £13.16m). An in-year underspend of £6.577m is forecast.

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

[illegible]

### 3.4 Council Tax and Business Rates Collection

The Council Tax collection rate at the end of quarter 3 (83.43%) is lower than the previous year (83.88%). The Business Rates collection rate at the end of quarter 3 (84.21%) is lower than at the end of quarter 3 in the previous year (85.44%).

The number of working age Council Tax Support claimants at the end of quarter 3 was 5,180 which is 204 more than at the end of quarter 3 in 2024/25 (4,976). The number of pensioner Council Tax Support claimants was 2,806 at the end of quarter 3 in 2025/26, compared to 2,847 for the same period last year.

### 3.5 Miscellaneous Debt Update

The table below shows the debtor analysis as at 31st December 2025.

	Debtor Aged Days Q2							
Service	Current	<90	91 to 180	181 to 365	>365	Future	Total Debt	Total Debt Q2
	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s
C Shared Services	88	-12	-13	0	11	35	109	149
Business Improvement District	1	115	1	1	10	3	131	25
Community Infrastructure Levy	185	15	0	0	0	3,671	3,871	3,647
Commercial Rent	42	17	21	93	348	7	528	518
Community	1	33	1	1	4	1	41	20
Corporate	0	0	0	44	0	0	44	44
Environmental	0	0	0	0	3	0	3	3
Finance	0	2	3	14	18	0	37	38
Housing Benefit Overpayment	0	2	0	0	21	0	23	21
Hinchingbrooke Country Park	1	53	1	1	0	1	57	4
Housing	31	7	14	24	300	47	423	378
Licensing	4	2	5	2	0	18	31	10
Markets	1	1	0	0	1	0	3	3
Mobile Home Park	1	12	2	3	0	20	38	73
Moorings	0	0	1	0	1	3	5	10
One Leisure	45	14	1	1	0	32	93	99
Operations	32	24	46	11	13	17	143	299
Other	0	0	0	0	0	0	0	0
Paxton Pits	0	0	0	0	0	0	0	10
Planning	53	2	8	0	0	246	309	141
Private Sector Housing	0	0	0	0	0	2	2	0
Section 106	0	0	115	0	0	0	115	37
Trade Waste	-20	13	8	2	-10	33	26	95
<b>Total</b>	<b>465</b>	<b>300</b>	<b>214</b>	<b>197</b>	<b>720</b>	<b>4,136</b>	<b>6,032</b>	<b>5,624</b>

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

- 4.1 The implementation of the CIS was seen as a key means by which the Council can generate income to assist it in meeting the forecast gap in the revenue budget.
- 4.2 For quarter 3 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)	(160)	2
<b>Total Cash Investments</b>	<b>(162)</b>	<b>(160)</b>	<b>2</b>
Property Rental Income	(5,030)	(4,269)	761
Loan Interest (On CIS related borrowing)	581	581	0
<b>Total Property Investments</b>	<b>(4,449)</b>	<b>(3,688)</b>	<b>761</b>
<b>TOTAL</b>	<b>(4,611)</b>	<b>(3,848)</b>	<b>763</b>
<b>CIS Borrowing (Maturity Loans from PWLB)</b>			
<b>Property</b>	<b>Maturity Date</b>	<b>Principal Amount</b>	<b>% (Fixed)</b>
Wakefield	26/06/2039	11,963	2.18
Fareham	02/10/2037	5,000	2.78
Rowley Centre	11/03/2039	7,292	2.49

## 5. RECOMMENDATIONS

- Cabinet is invited to **consider and comment** on the revenue financial performance for the financial year 2025/26 quarter 3, 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 3, 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 3, as detailed in Appendix 3

## 6. LIST OF APPENDICES

Appendix 1 – Financial Performance for revenue quarter 3 2025/26.  
Appendix 2 – Financial Performance for capital quarter 3 2025/26.  
Appendix 3 – Treasury and Prudential Indicators quarter 3 2025/26.

## CONTACT OFFICERS

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