

Report for: Overview and Scrutiny Committee – 10th December 2025

Title: Finance Update – Q2 2025/26

Item number: 7

Report

authorised by: Ayshe Simsek, Democratic Services & Scrutiny Manager

Lead Officer: Dominic O'Brien, Principal Scrutiny Officer

Ward(s) affected: All

Report for Key/ N/A

Non Key Decision:

1. Describe the issue under consideration

- 1.1 The report provided sets out the Council's financial position at Quarter 2 of the 2025/26 financial year.
- 1.2 The report was originally published as part of the agenda papers for the meeting of the Cabinet scheduled for 9th December 2025.
- 1.3 The Overview & Scrutiny Committee is considering this report as part of its approach to quarterly finance and performance monitoring.

2. Recommendations

- 2.1 That the Committee give consideration to the contents of the report and, following questions to Cabinet Member for Finance & Corporate Services and the Director of Finance, submits any recommendations that arise to the Cabinet.

3. Background information

- 3.1 Given the Council's challenging financial situation, the terms of reference for Overview and Scrutiny has been updated to allow more prominent focus on budget monitoring and performance. This includes in-year finance and performance monitoring items on a quarterly basis which are scheduled to take place on:
 - 22nd July 2025 – Provisional Financial Outturn report (Q4)
 - 18th September 2025 – Q1
 - **10th December 2025 – Q2**
 - 12th March 2026 – Q3
- 3.2 The scrutiny of the draft Budget for 2026/27 and the Medium Term Financial Strategy (MTFS) for 2026/27-2030/31 took place through the Scrutiny Panels in November 2025 with recommendations considered by the Overview & Scrutiny Committee in January 2026 before being submitted to the Cabinet.

4. Statutory Officers comments

- 4.1 Refer to the Finance Update Q2 report (Cabinet report – Section 12) provided for statutory officer comments.

5. Use of appendices

- 2025/26 Finance Update Quarter 2 (report to Cabinet meeting, 9th Dec 2025)
- Appendix 1 – Children’s Directorate Level Forecast including Savings and Capital forecasts
- Appendix 2 – Adults, Housing and Health Directorate Level Forecast including Savings and Capital forecasts
- Appendix 3 – Culture, Strategy and Communication Directorate Level Forecast including Savings and Capital forecasts
- Appendix 4 – Finance & Resources Directorate Level Forecast including Savings and Capital forecasts
- Appendix 5 – Corporate Directorate Level Forecast including Savings and Capital forecasts
- Appendix 6 – Environment and Residence Experience Directorate Level Forecast including Savings and Capital forecasts
- Appendix 7 – Housing Revenue Account Directorate Level Forecast including Savings and Capital forecasts
- Appendix 8 – Proposed Virements (Revenue and Capital)
- Appendix 9 – Debt Write Off (includes less than £50,000 and greater than £50,000)
- Appendix 10 - Finance Response and Recovery Plan