

Appendix 5 – Corporate Budget Forecasts.

- 1.1. The table below provides the full year forecast across the Corporate budgets followed by more detailed explanations for any under or overspends that are forecast for the year.

Management Area	Revised 2025/26 Budget	Total Full Year Forecast	Base Budget (over/under- spend)	Non Delivery of Savings	Q3 Total Variance	Q2 Total Variance	Movement Q2 to Q3
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Corporate Budgets	45,130	48,106	(2,313)	5,289	2,976	2,354	623
Capital Financing Charges (borrowing costs and MRP)	22,072	20,038	(2,034)	0	(2,034)	(2,034)	0
Contingency	7,011	9,734	(2,565)	5,289	2,724	5,188	(2,464)
Treasury Management Charges (borrowing costs and investment income)	17,571	12,214	(5,357)	0	(5,357)	(3,450)	(1,907)
Other Corporate Budgets (BAU)	35,496	34,640	(856)	0	(856)	(1,251)	395
Other Corporate Budgets (Reserve Release)	0	(1,400)	(1,400)		(1,400)	0	(1,400)
Bad Debt Provision	0	9,900	9,900	0	9,900	3,900	6,000
Exceptional Finance Support	(37,020)	(37,020)	0	0	0	0	0

- 1.2. At Quarter 3, the Corporate budgets are reporting a projected overspend of £2.976m, a deterioration of £623,000 compared to Quarter 2.
- 1.3. The forecast for interest payable (treasury management charges) has been revised down because of reduced forecast spend on the General Fund capital programme, compared to the forecast at Quarter 2. Additionally, the detailed review of the current reserve balances and contingencies undertaken by the Corporate Director of Finance and Resources earlier in the year has

now completed. This identified £1.4m from the Grants and Services reserves as available to use to meet in year budget overspends within Directorates. The review also confirmed that there is £2.5m of unapplied contingencies built into the 2025/26 budgets which are now deemed as not required. Both have been reflected in the forecast now presented.

- 1.4. The forecast spend on banking charges has also been revised and explains the majority of the £395,000 change on the 'other corporate budgets' line. Further analysis was undertaken since the last report on the current parking debtor balances held on the council's systems with the aim of calculating a more refined forecast of the provisions that should be set aside for non-collection. This work has indicated that as a minimum an additional £6m should be assumed as required and this has now been built into the Quarter 3 forecasts provided. It must be noted that final year end calculations may highlight that this figure may change further.
- 1.5. All other budget forecasts remain as reported in Quarter 2 and include the impact of the forecast non-achievement of the £5.189m council-wide savings described below.

2025/26 Savings

- 1.6. Against a full year savings target of £5.7m, the forecast delivery on savings is 10%, the table below sets out the full details of the savings and delivery forecast.
- 1.7. The agreed savings target per programme are set out below:
 - Enabling Services £1.0m Target
 - Contract and Procurement £3.0m Target
 - Commercial income £1.29m.

Description	2025/26 FY Savings £'000s	2025/26 Projected Full Year Savings Delivery £'000s	2025/26 Shortfall	RAG Service Saving Status (Delivery of 2025/26 Saving)	Comment on Delivery RAG Status
Enabling Services Review	(1,000)	(100)	(900)	Red	Work has commenced on this programme. Options for 'Project Management', which is not a single function but includes teams/capacity distributed across the council has commenced and a new model within smaller financial envelope will need to be in place for September 2026. The next function to be subject to review is Business Support. This is also underway and Directorate workshops are planned for early 2026 to define the model of business support going forward and within a smaller financial envelope.
Commissioning, Procurement and Contract Management	(3,000)	0	(3,000)	Red	Task and finish groups are in place and opportunities being investigated. The Commissioning Panel is now in place and reviewing all commissioning activity greater than £160,000 and each new / extended commission will need to present options for a 1%, 2% and 5% reduction in spend. Some savings have been achieved through review of existing contracts in 2025/26, although this will be short of the £3m target. This will be reported in the Quarter 4 report since due diligence is underway to ensure no double count with other savings already put forward by services. Directorate targets are being developed based on pipeline of commissioning activity over the next 2 years and these targets are expected to be assigned from April 2026 to enable the full delivery of £9.2m of savings by 2028/29.
Residual reduction in General Fund staffing budgets by 5% in 2025/26	(100)	0	(100)	Red	This is the residual 5% savings that are held corporately and has not been allocated to Directorates and will need to be allocated in 2026/27. It will be mitigated in year through the use of contingency.
Income Generation	(500)	0	(500)	Red	Lack of dedicated resources is holding up the pace of this work and Business cases required for investment will be prepared and delivery going forward and overseen by the Finance Recovery Board.
Previously agreed commercial income savings	(789)	0	(789)	Red	This saving is now being delivered through the wider income generation programme referenced above.

Description	2025/26 FY Savings £'000s	2025/26 Projected Full Year Savings Delivery £'000s	2025/26 Shortfall	RAG Service Saving Status (Delivery of 2025/26 Saving)	Comment on Delivery RAG Status
Digital Together - Corporate Programme	(360)	(360)	0	Amber	This saving has not been allocated and has now been superseded by the Service Modernisation Programme but will be mitigated in year through use of contingency.
TOTAL	-5,749	-460	-5,289	Red	

1.8. Work is underway and part savings have been identified for the three cross cutting savings. These are currently held corporately pending confirmation of which service budgets will be impacted.

Capital Forecasts

SCHEME REF	SCHEME NAME	2025/26 Full year Revised Budget @ Qtr. 2 (£'000)	2025/26 QTR. 3 Budget Adjustment (£'000)	2025/26 Full year Revised Budget @ Qtr. 3 (£'000)	2025/26 Qtr. 3 Forecast Outturn (£'000)	Budget Variance (Underspend) / Overspend (£'000)	RAG Status on: Budget	RAG Status on: Time	RAG Status on: Scope	Variance Btw. Qtr. 3 & Qtr. 2 Forecast (£'000)	Scheme Progress Comments
697	Exceptional Financial Support	37,000	17,000	54,000	54,000	0	Green	Green	Green	0	It is anticipated that the full allocation of EFS will be used in 2025/26.
699	P6 - Approved Capital Programme Contingency	10,256	581	10,837	10,837	0	Green	Green	Green	(10,256)	There have been limited drawdowns from contingency. The decision on whether to carry forward any underspend of the contingency will be made as part of the final outturn position
Corporate Items		47,256	17,581	64,837	64,837	0				(10,256)	

REVISED 2025/26 - 29/30 (GF) CAPITAL MTFS AS AT QUARTER 3

SCHEME REF	SCHEME NAME	2025/26 Revised Budget (£'000)	2026/27 Budget (£'000)	2027/28 Budget (£'000)	2028/29 Budget (£'000)	2029/30 Budget (£'000)	2025/26 (Revised Budget) - 29/30 (£'000) Total
697	Exceptional Financial Support	54,000	0	0	0	0	54,000
699	P6 - Approved Capital Programme Contingency	10,837	5,375	0	0	0	16,212
Corporate Items		64,837	5,375	0	0	0	70,212