



Policy, Finance and Development Committee	Tuesday, 09 December 2025	Matter for Information and Decision
--	----------------------------------	--

Report Title: **Budget Monitoring Report (Q2 2025/26)**

Report Author(s): **Colleen Warren (Chief Finance Officer / S151 Officer)**
Simon Ball (Finance Manager / Deputy S151 Officer)
Aseel Qassim (Senior Finance Business Partner)

Purpose of Report:	To provide the Committee with the forecast Outturn position for the Council for the financial year 2025/26, at the end Quarter 2, April – September.
Report Summary:	The outturn position for the year on the General Fund is a £580k overspend compared to the revised budget of £7.708m for 2025/26. The outturn for the HRA is an underspend of £117k, compared to the budget of £71k. Spending on the Council's HRA Capital Programme currently shows slippage.
Recommendation(s):	That the Committee: A. Notes the contents of the Quarter 2 report and the Appendices; and B. Approves the carry forward of slippage as shown in the Capital projects.
Senior Leadership, Head of Service, Manager, Officer and Other Contact(s):	Colleen Warren (Chief Financial Officer / S151 Officer) (0116) 257 2759 colleen.warren@oadby-wigston.gov.uk Simon Ball (Finance Manager / Deputy S151 Officer) (0116) 257 2624 simon.ball@oadby-wigston.gov.uk Aseel Qassim (Senior Finance Business Partner) (0116) 257 2890 aseel.qassim@oadby-wigston.gov.uk
Strategic Objectives:	Our Council (SO1)
Vision and Values:	"Our Borough - The Place to Be" (Vision) Resourceful & Resilient (V4)
Report Implications: -	
Legal:	There are no implications directly arising from this report.
Financial:	The implications are as set out in this report.
Corporate Risk Management:	Decreasing Financial Resources / Increasing Financial Pressures (CR1) Reputational Damage (CR4) Economy / Regeneration (CR9)

Equalities and Equalities Assessment (EA):	There are no implications directly arising from this report. EA not applicable
Human Rights:	There are no implications directly arising from this report.
Health and Safety:	There are no implications directly arising from this report.
Statutory Officers' Comments: -	
Head of Paid Service:	The report is satisfactory.
Chief Finance Officer:	The report is satisfactory.
Monitoring Officer:	The report is satisfactory.
Consultees:	• Senior Leadership Team • Heads of Service • Budget Managers
Background Papers:	2025/26 Revenue Budgets, Medium Term Financial Plan and 2025/26 - 2029/30 Capital Programmes – Full Council February 2025
Appendices:	1. General Fund Variance Detail 2. Housing Revenue Account Variances 3. Statement of Movement on Reserves 4. Capital Programmes (General Fund and HRA)

1. Introduction

- 1.1 In February 2025, the Council approved its revenue and capital budgets for the general fund and the HRA for the 25/26 Financial year.
- 1.2 This is the Quarter 2 monitoring report for the 2025/26 financial year and this report details the forecast outturn position for the year. Although inflationary pressures have eased since their peak, they are still running over target at present, and there is considerable pressure on the Council's budgets, most notably due to homelessness, and therefore the ability to deliver services within the budget set by Full Council.

2. Summary

- 2.1 This report covers the General Fund Revenue, Housing Revenue Accounts and the Capital Programmes for the current financial year.
- 2.2 Whilst there are still a number of variables, especially this early in the financial year, based on the latest set of assumptions the forecast outturn position at the end of Quarter 2 for 2025/26 is outlined in Table 1.
- 2.3 The Council has made considerable efforts to achieve a balanced out-turn and whilst this has been largely successful the council has seen overspends due to the national homelessness crisis and the cost of the Council providing temporary accommodation to the homeless in our area.

Table 1

Service	Revised Budget 25/26	Forecast 25/26	Variance 25/26
	£	£	£
Senior Leadership Team	378,400	395,907	17,507
Finance & Resources	3,256,211	3,338,822	82,611
The Built Environment	1,205,214	1,686,275	481,061
Law & Democracy	486,010	464,294	(21,716)
Community & Wellbeing,	(311,818)	(312,025)	(207)
Corporate Assets	552,772	565,000	12,228
Depot	1,047,110	1,078,505	31,395
Customer Services & Business Transformation	1,094,120	1,071,175	(22,945)
Net Revenue Expenditure	7,708,019	8,287,952	579,933
Financed by:			
Funding	8,050,735	8,348,277	297,542
Earmarked Reserves	(197,000)	(514,239)	(17,239)
General Fund Reserve	(145,716)	453,914	599,630
Total Financing	7,708,019	8,287,952	579,933

2.4 The HRA has seen a reduction in expenditure resulting in a favourable variance of £117k as shown below in Table 2.

Table 2

HRA	Revised Budget 25/26	Forecast 25/26	Variance 25/26
	£	£	£
Housing Revenue Account	(4,437,600)	(4,464,485)	(26,885)
Estate Management	2,161,450	2,155,073	(6,377)
Repairs & Maintenance	1,260,090	1,245,870	(14,220)
Older Persons Service & Community Care	132,900	131,970	(930)
Cleaning	193,160	183,439	(9,721)
Capital Charges	761,400	702,300	(59,100)
Net Revenue Expenditure	71,400	(45,832)	(117,232)
Financed by:			
Housing Revenue Reserve	71,400	(45,832)	(117,232)
Earmarked Grants	0	0	0
Total Financing	71,400	(45,832)	(117,232)

3. General Fund and HRA Balances

- 3.1 The General fund outturn is expected to be a deficit of £454k, as opposed to the £146k surplus that was budgeted for.
- 3.2 The HRA outturn shows a favourable variance, making a net contribution to the HRA reserves, in Table 3.

- 3.3 Per item 7.2 of the 2024-25 outturn report, a transfer of £880K from the HRA reserve will be made to an HRA contingency reserve, leaving the HRA reserve at a minimum balance equal to 15% of the budgeted gross income for 2025-26, as is best practise.

Table 3

Balances	Opening Balances 2025/26	Adjustments 2025/26	Forecast Outturn 2025/26	Closing Balances 2025/26
	£	£	£	£
General Fund Balances	(1,540,066)	0	453,914	(1,086,152)
Housing Revenue Account Balances	(1,758,702)	879,889	(45,832)	(924,645)

4. General Fund Revenue Outturn Position 2025/26

- 4.1 Table 4 below shows the major variances. Detailed analysis of the variances are shown in **Appendix 1**.

Table 4 – Major Variances over £30k

Service Area	Team	Q2 Under/ Over spends	Q1 Key reasons for forecast variance
Finance & Resources	Corporate Management Non-Financial	(49,473)	£72K saving on debt charges due to reduced interest rates partly offset by a £17K overall increase in insurance costs.
	Council Tax	45,472	Hired staff for maternity cover and vacant posts
	Housing Benefits	39,026	£27K audit fees from 23/24, £12K cover for long-term sickness
Law & Democracy	Selective Property Licence Scheme	(57,326)	£101K extra income due to increase in size of scheme partly offset by £13K for unbudgeted post necessitated by increase in size of scheme. £30K less recharge for Grants Technical Officer post due to sharply reduced grant for administration of warm homes scheme.
The Built Environment	Homelessness	560,290	Increase in demand for temporary accommodation. Primarily caused by S21 evictions, care leavers and hospital discharges. Pressures caused by statutory rent allowance rates not keeping up with cost of rented property.
	Development Control	(49,974)	£32K vacancy savings and £16K additional income from planning performance agreements

(Continues overleaf)

4.2 Income – The table below details the income as at Quarter 1.

Table 5

	Prior Year Outturn £	Forecast Income 25/26 £	25/26 Budget £	Variance
Law & Democracy				
Environmental Protection	(1,141)	0	0	0
Dog Control Service	(456)	(1,000)	(1,000)	0
Legal and Admin Fees	(19,676)	(22,000)	(25,000)	3,000
Taxi Licences	(236,509)	(205,612)	(209,350)	3,738
Other Licences	(22,438)	(9,720)	(10,900)	1,180
Alcohol and Entertainment Licences	(22,736)	(35,035)	(34,700)	(335)
Gambling Act Licences	(3,116)	(1,772)	(900)	(872)
Selective Property Licence Scheme	(33,530)	(461,000)	(360,000)	(101,000)
The Built Environment				
Planning Application Fees	(165,810)	(273,000)	(273,000)	0
Pre Application advice	(18,598)	(22,500)	(22,500)	0
Corporate Assets				
Allotment Rent	(12,601)	(15,000)	(15,000)	0
Bowls Season Tickets	0	0	0	0
Cricket Pitch	0	0	0	0
Football Rugby	(19,110)	(10,877)	(14,100)	3,223
Pavilion Hire	(37,263)	(24,890)	(24,890)	0
Cemetaries	(150,650)	(150,000)	(150,000)	0
Parking Income	(767,181)	(834,000)	(834,000)	0
Parking Penalties	(51,921)	(11,000)	(11,000)	0
Depot				
White Goods & Special Collections	(30,312)	(28,000)	(28,000)	0
Green Waste	(601,555)	(586,000)	(610,000)	24,000

5. Business Rates

- 5.1 The only element of the Council Funding that is not fully fixed for the year at budget stage is Business Rates. The table below shows the outturn in respect of Business Rates for 2025/26.

(Continues overleaf)

Table 6 – Business Rates 2025/26

	Original Budget 2025/26	Outturn	Variance
	£	£	£
NNDR Income	(5,250,788)	(5,250,788)	0
Tariff	3,885,494	3,885,494	0
Section 31 Grants - Funded Reliefs	(1,353,186)	(1,365,736)	(12,550)
Levy	295,764	308,230	12,466
Renewable energy	(11,456)	(11,456)	0
Previous year's (surplus)/deficit	178,840	178,840	0
Total Financing	(2,255,332)	(2,255,416)	(84)

- 5.2 Due to the complexities of the Collection Fund, it is important to note that the largest element of this position 'NNDR income' is fixed based on the amount forecast at budget setting. Any variance from the actual NNDR income in 2025/26 will impact on the budget in 2026/27, in the form of the surplus/deficit for the previous year. The cumulative deficit at the end of 2024/25, that will impact on the budget in 2025/26 is £660k but this deficit will be split within the pool.

6. Housing Revenue Account (HRA)

- 6.1 For 2025/26 the Councils Housing Revenue Account (HRA) net revenue budget was set with a net contribution from reserves of £71k. As at Q2, it is anticipated that there will be a net surplus of £46k, leaving the HRA reserve at £925k at year end.
- 6.2 The major variances over £30k for the HRA are shown below. Detailed analysis of the variances are shown in **Appendix 2**.

Table 7

Service Area	(Under)/ Overspends	Key reasons for variance
Capital Charges	(59,100)	Impact of slippage of £871K related to the New Housing Initiatives capital project on short-term borrowing costs and interest receivable.

7. Earmarked Reserves

- 7.1 The Council holds a number of earmarked revenue reserves over both the General Fund and HRA. These reserves are sums set aside for specific purposes and to mitigate against potential future known or predicted liabilities. A number of these reserves are budgeted for use over the period of the MTFS.
- 7.2 The £350K increase in general fund earmarked reserves over what was budget for 25/26 is due to an increase in the expected receipts under the Extended Producer Responsibility scheme.

- 7.3 The increase in housing revenue earmarked reserves is due to the movement of £825K to a contingency reserve, as reference in 3.3.
- 7.4 Contributions to/from reserves are noted below and detailed analysis of reserves are shown on **Appendix 3**.

Table 8

Reserves	Opening Balance 01/04/25	Increase	Decrease	Closing Balance 31/03/26
	£	£	£	£
General Fund Earmarked Reserves	(691,172)	(855,239)	0	(1,546,411)
General Fund Grants	(1,032,017)	0	341,000	(691,017)
Housing Revenue Reserves	(974,946)	(2,379,889)	1,963,501	(1,391,334)
1-4-1 Housing Reserve	(1,421,450)	(100,000)	1,000,000	(521,450)

8. Capital Programme

- 8.1 The 2025/26 Capital Programme was set at Full Council in February 2025. Table 9 below shows a summary of the 2025/26 capital programme; the full capital programme is shown in **Appendix 4**.
- 8.2 The outturn for the General Fund capital programme is forecast to be £3.399m. No slippage is expected at this point.
- 8.3 The outturn for the HRA capital programme is £2.965m with slippage of £871k due to a delay on the New Housing Initiatives scheme, as further development options are being investigated.

Table 9 – Capital Programme Summary

Fund	Revised Budget	Outturn	Variance to Budget
	2025/26	2025/26	2025/26
	£'000	£'000	£'000
General Fund Schemes			
Vehicle Refurbishment	1,349	1,378	29
Waste Project	580	608	28
Sports Facilities Improvement Programme	524	524	0
UKSPF	81	81	0
Other	830	807	(23)
GF Total	3,364	3,398	34
Housing Revenue Account			
New Housing Initiatives	1,871	1,000	(871)
Other	1,964	1,965	1
HRA Scheme Total	3,835	2,965	(870)
Total	7,199	6,363	(836)

Details of the Capital Programme financing are included in **Appendix 4**.