

## **COUNCIL MEETING – 15 OCTOBER 2025**

### **RECOMMENDATIONS FROM FINANCE SUB COMMITTEE: FIRST FINANCIAL REVIEW OF 2025/26 – APPROVAL OF SUPPLEMENTARY REVENUE ESTIMATES AND SUPPLEMENTARY CAPITAL ESTIMATES**

#### **Recommendations:**

**Council is recommended to**

- 1 approve the Supplementary Revenue Estimate Request for Allocation of Additional Grant Funding over £1,000,000 as per Annex 1, Section 3, Table 1.**
- 2 approve the Supplementary Capital Estimate Request for Allocation of Additional Grant Funding over £1,000,000 as per Annex 1, Section 4, Table 5.**

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**Link to Finance Sub Committee Report and Annexes 1, 2 and 3:**  
**[Finance Sub Committee 10 Sep 2025 - First Financial Review of 2025/26](#)**

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**Extract from the minutes of the meeting of the Finance Sub Committee held on 10 September 2025.**

#### **19 FIRST FINANCIAL REVIEW OF 2025/26**

The committee considered the report which set out the First Financial Review 2025-26 position based on income, expenditure and known commitments as at the end of June 2025. The First Financial Review 2025-26 (FR1) reported a forecasted revenue outturn position as an adverse variance of £3.1m (after the application of planned use of Exceptional Financial Support £25.3m).

It was noted that the value of additional mitigation plans to improve the overall forecast, which had not been reflected as delivered at FR1, were estimated at £2.8m, giving an improved overall forecast of £0.3m overspend. However, the committee noted that should the mitigations not materialise, alongside further risks identified within the report, the forecasted overspend position could increase to £18.7m adverse.

The committee agreed that the overall forecasted revenue overspend of £3.1m remained a significant financial challenge for the Council when considered in addition to the planned use of EFS of £25.3m. It was noted that the Council's reserves (£26.1m) were insufficient to cover the forecasted revenue outturn for 2025-26 without further action. The committee queried the level of confidence

in mitigations materialising before the end of the financial year to ensure a balanced budget could be set in February 2026. It was clarified that work had begun on the Second Financial Review 2025-26 and early indications suggested a stable position. Management controls were in place to ensure mitigation plans remained on track. This included monthly monitoring meetings with senior managers and finance partners and regular briefings within Directorate Management Team meetings and with the Corporate Leadership Team. The committee was assured that should the S151 become significantly concerned with progress and direction of travel, Members would be consulted at the earliest opportunity.

The committee noted that there was ongoing recruitment to fill a number of key vacancies across the Council. Use of consultants had been utilised on an interim basis, particularly within the Change Management Office, to deliver the transformation needed, at pace. Work was underway to add additional, permanent, resource to key services including Children's and Families in order to support the Council's improvement journey to 'Good'.

The committee took the opportunity to thank the S151 Officer and his finance team for their continued hard work and efforts. It was agreed that the FR1 position highlighted significant financial challenges for the Council and Members agreed that they would need to make difficult decisions in the future to set a balanced budget and manage risks.

**RESOLVED (unanimously):**

That the Finance Sub Committee

1. Note the factors leading to a forecast adverse Net Revenue financial pressure of £3.1m against a revised budget of £440.5m (0.7%).
2. Note the contents of Annex 1, Section 2 and review progress on the delivery of the MTFS approved budget policy change items, the RAG ratings and latest forecasts, and to understand the actions to be taken to address any adverse variances from the approved budget.
3. Note the in-year forecast capital spending of £205.5m against an increased capital budget of £208.5m. This was adjusted at outturn following an approved MTFS budget of £173m.
4. **Recommend to Council to approve the Supplementary Revenue Estimate Request for Allocation of Additional Grant Funding over £1,000,000 as per Annex 1, Section 3, Table 1.**
5. Note that the Adults and Health, Children and Families and Environment and Communities committees will be asked to approve the

Supplementary Revenue Estimate Requests for Allocation of Additional Grant Funding over £500,000 and up to £1,000,000 as per Annex 1, Section 3, Table 2.

6. Note the Capital Virements above £500,000 up to and including £5,000,000 as per Annex 1, Section 4, Table 4 to be approved in accordance with the Council's Constitution.
7. **Recommend to Council to approve the Supplementary Capital Estimate Request for Allocation of Additional Grant Funding over £1,000,000 as per Annex 1, Section 4, Table 5.**
8. Note the available reserves position as per Annex 1, Section 5.