

COUNCIL MEETING – 15 OCTOBER 2025

RECOMMENDATIONS FROM CORPORATE POLICY COMMITTEE: FIRST FINANCIAL REVIEW OF 2025/26 – APPROVAL OF SUPPLEMENTARY CAPITAL ESTIMATES

Recommendations:

Council is recommended 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.

Link to Corporate Policy Committee Report and Annexes 1, 2 and 3:
[Corporate Policy Committee 2 Oct 2025 -First Financial Review of 2025/26](#)

Extract from the minutes of the meeting of the Corporate Policy Committee held on 2 October 2025.

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The committee considered the report which provided an update on the forecasted outturn position for the 2025-26 financial year base on income, expenditure and known commitments as at the end of June 2025. The committee noted that the First Financial Review (FR1) forecasted revenue outturn position as an adverse variance of £3.1m (after the application of planned use of conditional Exceptional Financial Support OF £25.3m).

The overall forecasted revenue overspend remained a significant financial challenge for the Council. Reserves at outturn FR1 were reported to be £29.4m, being £6.3 of General Fund Reserves and £23.1m of Earmarked Reserves. The level of reserves was therefore insufficient to cover the current forecasted revenue outturn for the year without any further action.

The committee received an update on the mitigating actions that were being developed to address the shortfall including: a review of borrowing elements to the capital programme to minimise the minimum revenue provision and interest payable, vacancy management, line by line budget reviews and reviewing the costs of placements.

The committee queried the unexpected legal costs and noted that this mostly related to the use of agency staff however plans were underway across the organisation generally to convert agency posts into permanent. It was acknowledged that it was difficult to recruit to some specialised roles such as Children Services lawyers. The committee queried the impact of vacancy

management across services such as the Place Directorate which reported a £4.7m saving due to vacancy management. Officers committed to providing a written response.

Members discussed the financial risks and the need for continued scrutiny and transparency in budget monitoring. The committee agreed that it was essential that Members and Officers worked together to effectively manage the budget and that all mitigating proposals needed to be supported by a robust high-level business case in order to be delivered effectively and safely.

RESOLVED (unanimously):

That the Corporate Policy 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%). 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.
2. 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.
3. Approve the Supplementary Capital Estimate Requests for Allocation of Additional Grant Funding over £500,000 and up to £1,000,000 as per Annex 1, Section 4, Table 4.
4. **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.**
5. Note the available reserves position as per Annex 1, Section 5.