

COUNCIL MEETING – 10 DECEMBER 2025

RECOMMENDATIONS FROM FINANCE SUB-COMMITTEE: APPROVAL OF SUPPLEMENTARY REVENUE ESTIMATE

Recommendation:

That Council approves the Supplementary Revenue Estimate Request for Allocation of Additional Grant Funding over £1,000,000 as per Annex 1, Section 3, Table 1.

Link to Finance Sub-Committee Report and Annexes 1, 2 and 3
[Finance Sub Committee 3 Nov 2025 - Second Financial Review 2025/26](#)

Extract from the minutes of the meeting of the Finance Sub-Committee held on 3 November 2025.

30 Second Financial Review 2025/26

The committee considered the report which set out the Second Financial Review 2025/26 position based on income, expenditure and known commitments as at the end of August 2025. It also identified actions that were being taken to address adverse variances to urgently address the Council's financial sustainability.

The Second Financial Review 2025-26 (FR2) reported a forecasted revenue outturn position as an adverse variance of £2.345m, after the application of planned use of Exceptional Financial Support (EFS) of £25.261m.

Councillor D Brown joined the meeting at 14:06.

It was noted that the value of additional mitigation plans to improve the overall forecast, which had not been reflected as delivered at FR2, were estimated at £1.933m, giving an improved overall forecast of £0.412m 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 £21.191m adverse.

The committee agreed that the overall forecasted revenue overspend of £2.345m remained a significant financial challenge for the Council when considered in addition to the planned use of EFS of £25.261m. It was noted that the Council's reserves (£27.131m) were insufficient to cover the forecasted revenue outturn for 2025/26 without further action.

The committee noted that, in summary, improvements were being made and positive outcomes being achieved, but it was acknowledged that significant further work was required.

The committee queried the term 'temporary virement' in recommendation three. It was clarified that this referred to an authorised transfer of funds that was in-year and affected only the current financial year. At the end of the financial year, the transfer of funds would be reversed and would revert to their original state.

The committee raised concerns around the significant pressures on Adult Social Care budgets, rising healthcare costs and provision of care that may not be eligible for NHS Continuing Healthcare funding. The report referenced budgets in relation to mental health and cognitive care, including dementia. The committee queried the level of NHS contributions and potential future financial pressures. It was clarified that there had been pressure from the NHS in terms of Continuing Healthcare over the summer months. Assessments were complex and once agreed the funding would be backdated. A breakdown of NHS-funded elements was requested for a future meeting, which officers would look into.

The committee welcomed improvements in the financial position from FR1 to FR2 but also stressed the need for continued effort from officers and members on service committees, as there was still significant progress to be made. Reference was made to Adult Social Care and Children's Services where there was a statutory responsibility to deliver support, which it was important to recognise.

The committee welcomed business case briefings and highlighted interest in capital projects going forward. It was stressed that Adult Social Care and Dedicated Schools Grant outcomes depended on the pace of transformation, and all committees needed to monitor progress closely between now and April 2026. Reference was made to the governance changes that would be implemented in May 2026.

The committee took the opportunity to thank the finance team for the report and their continued hard work and efforts. It was acknowledged that service departments were working hard with the finance team to develop mitigation plans and implement the necessary budget changes. The committee recognised the challenges faced and commented that the tasks ahead could not be underestimated.

RESOLVED (unanimously):

That the Finance Sub Committee:

1. Note the factors leading to a forecast adverse Net Revenue financial pressure of £2.345m against a revised budget of £360.198m (0.65%). To note the contents of Annex 1, Section 2 of the report 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 £167.700m against an increased capital budget of £208.491m.
3. Approve the temporary virement of £1.415m budget from the Place Directorate to the Transformation budget, this relates to in year savings delivered of £1.039m to offset third party spend and £0.376m fees and charges.
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 of the report.**
5. Note the Capital Virements above £500,000 up to and including £5,000,000 as per Annex 1, Section 4, Table 4 of the report to be approved in accordance with the Council's Constitution.
6. Note the Capital Budget Reductions as per Annex 1, Section 4, Table 5 of the report.
7. Note the available reserves position as per Annex 1, Section 5 of the report.