

Meeting: CABINET

Agenda Item:

Portfolio Area: Resources and Performance



Date: 17 SEPTEMBER 2025

1ST QUARTER REVENUE AND CAPITAL MONITORING REPORT 2025/26 – GENERAL FUND AND HRA

KEY DECISION

Author – Veronika Mendy/Keith Reynoldson/Rhona Bellis
Contributor – Atif Iqbal, Finance team and budget Managers
Lead Officers – Atif Iqbal
Contact Officer – Atif Iqbal

1. PURPOSE

- 1.1 To update Members on the projected General Fund (GF), Housing Revenue Account (HRA) and Capital 2025/26 net expenditure and seek approval to amend the General Fund, HRA and Capital budgets as part of the quarterly revenue monitoring review.
- 1.2 To update Members on the reserves and balances available to support revenue expenditure and seek approval for revisions to the allocated reserves.

2. RECOMMENDATIONS

General Fund

- 2.1 That the 2025/26 first quarter projected net decrease in General Fund expenditure of £548,850 be approved.
- 2.2 That Members note the proposed movement on reserves as detailed in paragraph 4.2.1

Housing Revenue Account

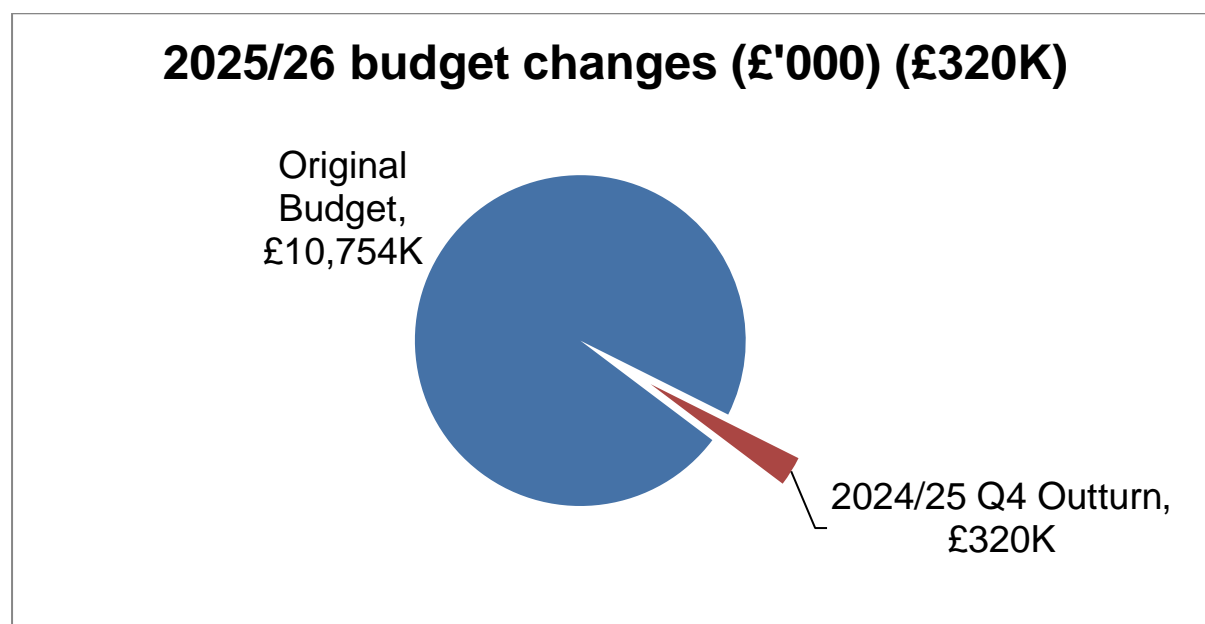
- 2.3 That the 2025/26 first quarter net decrease in HRA expenditure of £35,540 be approved.

Capital Programme

- 2.6. That the General Fund capital budget re-phasing of £9 Million from 2025/26 to future years be approved.
- 2.7. That the Housing Revenue Account capital budget re-phasing of £9 Million from 2025/26 to future years be approved.
- 2.8. That net changes to budgets fully grant funded of (£5K) in paragraph 4.9.2 be noted.
- 2.9. That General Fund and HRA virements in section 4.10 be approved.
- 2.10. That the proposed changes to the funding of the General Fund and HRA capital budgets in section 4.11 be approved.

3. BACKGROUND - GENERAL FUND

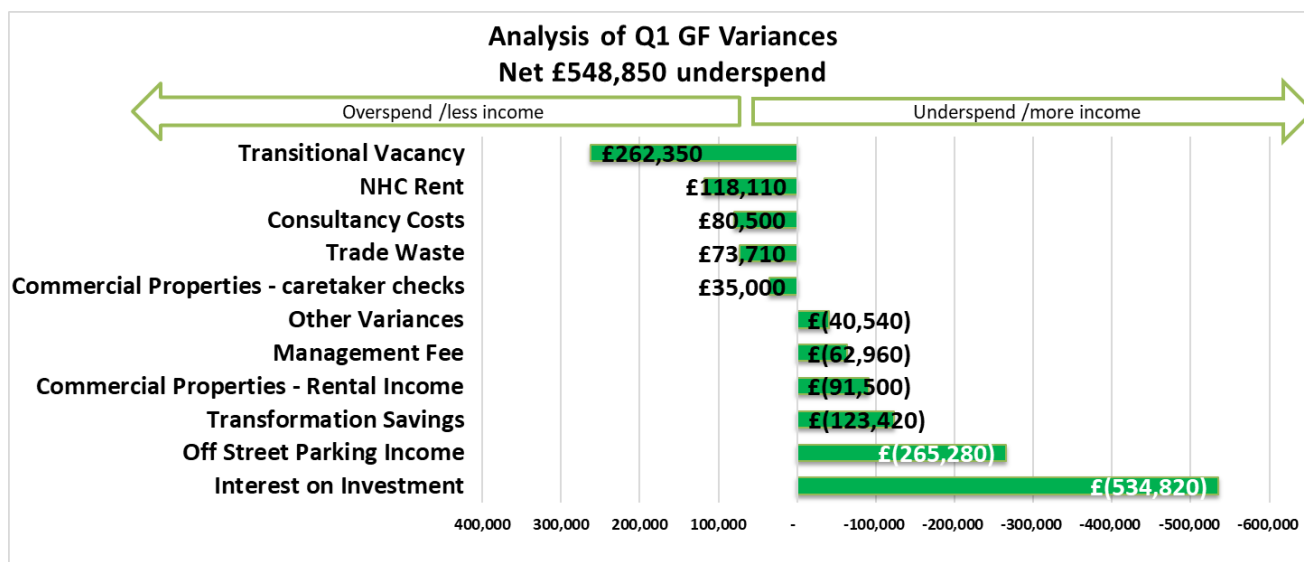
- 3.1. Since the General Fund net budget of £10,753,540 was approved at February 2025 Council, Members have approved net budget changes of £320,390 as detailed in the chart below:



4. REASONS FOR RECOMMENDED COURSE OF ACTION AND OTHER OPTIONS

4.1 General Fund – Budget Review

- 4.1.1 Following the first quarter review of the General Fund budgets officers are projecting a decrease in the forecast budget for the year of £548,850.



4.1.2 The primary reasons for the underspend are detailed below, with a full analysis of less significant minor variances available in Appendix A:

- **Transitional Vacancy £262K Overspend** - 4.5% saving on staffing costs is assumed across most salary budgets, to take account of staff turnover and vacancy periods between leavers and starters. The table below provides a breakdown by service area where the transitional vacancy target is predicted not to be achievable. While this is being realised in Quarter one, it could be that underspends in other services may help to offset this pressure over the remainder of the financial year. The rationale for reporting the TV shortfall at this stage is due to the use of agency staff in some areas to cover vacancies to maintain operational services and a lower turnover of staff in services identified above.

Service	£
SDS Operatives - TV	108,800
SDS Back Office - TV	55,650
Garages - TV	7,980
Museum - TV	7,830
Planning - TV	60,000
Communities - TV	22,090
Total	262,350

- **Noth Hertfordshire College (NHC) Rent £118K Reduced Income** – Members approved the move of the indoor market to Park place and renting to North Herts College the current in door market location. The 2025/26 budgeted assumption was for rent to be payable for the year; however, the indoor market move is now anticipated to be November, with the ensuing works to be completed to St

Georges following that move. This is a timing issue, and the income will be due in 2026/27.

- **Procurement Support and Agency costs £81K Overspend** – this relates £42.5K of one-off expenditure to support the procurement of new Facility Management contracts. This work is part of the Council's Strategic Asset Management plan and covers both Hard FM services (maintenance and building works) and Soft FM services (cleaning and security). The remaining £38K relates to external support for the commercial properties' portfolio lettings. Based on expenditure trends in previous years, this budget is underfunded. The additional cost is more than offset by additional commercial rental income included in this report.
- **Trade Waste £74K Overspend** – The current overspend is attributable to the shortfall in income (£24K) and the underbudgeting of disposal costs (£49K)
 1. The trade waste service continues to expand its customer base, with year-to-date actuals, indicating income will be approximately £50K higher than in 2024/25. While this represents a positive trajectory, income remains £24,390 below the original budget. It is therefore proposed that the income budget be rebased in 2026/27, before applying further uplifts from the planned fees and charges review.
 2. In addition, the budget for trade waste disposal is not aligned with current income levels and requires adjustment. This results in an ongoing pressure of £49,320.
- **Caretaker Checks £35K Overspend** – The caretaking service is being used to checks carried out on void commercial properties, which means a charge to the General Fund of circa £35K. This will be included as part of the 2026/27 budget setting.
- **Other Variances (£41K) Underspend** – A breakdown of these minor variances can be found in Appendix A.
- **Management Fee (£63K) Underspend** – At Quarter four outturn of 2024/25, an adjustment was made to the Leisure Contract to reflect anticipated pressure from utility costs in 2025/26. However, the confirmed contract price for the year was lower than expected, resulting in a £63K underspend.
- **Commercial Properties – Rental Income (£92K) Additional Income** –The Estates team continue to work through rent reviews due, and the current trend is an uplift in rent income of £92K, some of this will have arisen due to a historic backlog of rent reviews. There were five rent reviews completed during the first quarter which resulted in an increase of 28.32% on the existing rents.
- **Business Change Savings (£123K) Underspend** – In September 2023, the Executive considered a report which provided an update on the Future Council 2025 Transformation Programme, including the approval to undertake a series of activity led service reviews of community facing and environmental operations under the Service Delivery and Localities theme. A review covering

the reorganisation of part of two business units (Stevenage Direct Services and Housing & Neighbourhoods), with the objective to realign resources with corporate priorities and deliver the financial saving to help balance the budget including community services and events. To date, the savings have been realised within the Housing & Neighbourhoods, delivering £123K contribution to the General Fund. Further savings are anticipated later in the year as work concludes within the Stevenage Direct Services business unit and the full year future years saving is included in the Medium-Term Financial Strategy to this Committee meeting.

- **Off Street Parking Income (£265K) Additional Income** – The Original 2025/26 income budget was reduced by £200K in recognition of the reduction in parking income post COVID. However, the 2024/25 outturn position (reported July 2025) exceeded the in-year budget, and a similar position is expected for 2025/26. The forecast also includes commercial income from Marshgate Car Park lease extension with Autolus of £97K, and compounding arrangements on Swingate car park.
- **Interest on Investment (£535K) Additional Income** – The increased projection in investment interest relates to:
 1. Additional interest from the Wholly Owned Company Marshgate (WOC) (£305K). The WOC budgeted estimate was £305K for six months, however the loan is now due to be repaid by 31 March 2026 increasing the interest due. The WOC is currently developing homes on the Cortland site.
 2. The level of cash reserves available is higher than estimated (£229K) based on current levels and projected patterns of spend for revenue and capital. The projected interest rate is now 4.5% versus an estimate of 4%.

Other Impacts on the 2025/26 budget

- i. The 2025/26 pay award negotiations between the unions and employers have now been agreed. An increase of 3.2% has been accepted by the unions slightly higher than the estimated 3% included in the budget. The pay award was paid to staff in the August payroll, the additional cost is estimated at circa £50K, but not yet included in the quarterly monitoring adjustments and will be accounted for in the 2nd Quarter Monitoring report to the November Cabinet.
- ii. The cumulative changes made to the General Fund net budget, remain within the £400,000 increase variation limit delegated to the Cabinet.

Executive Delegation - General Fund	£'000
Original Net General Fund Budget	10,754
Previously approved Budget Changes	320
Revised GF Budget agreed	11,074
Quarterly monitoring Q1	(549)
Updated GF Budget	10,525
Within Executive Delegated Limit	628

4.2 Review of General Fund Balances

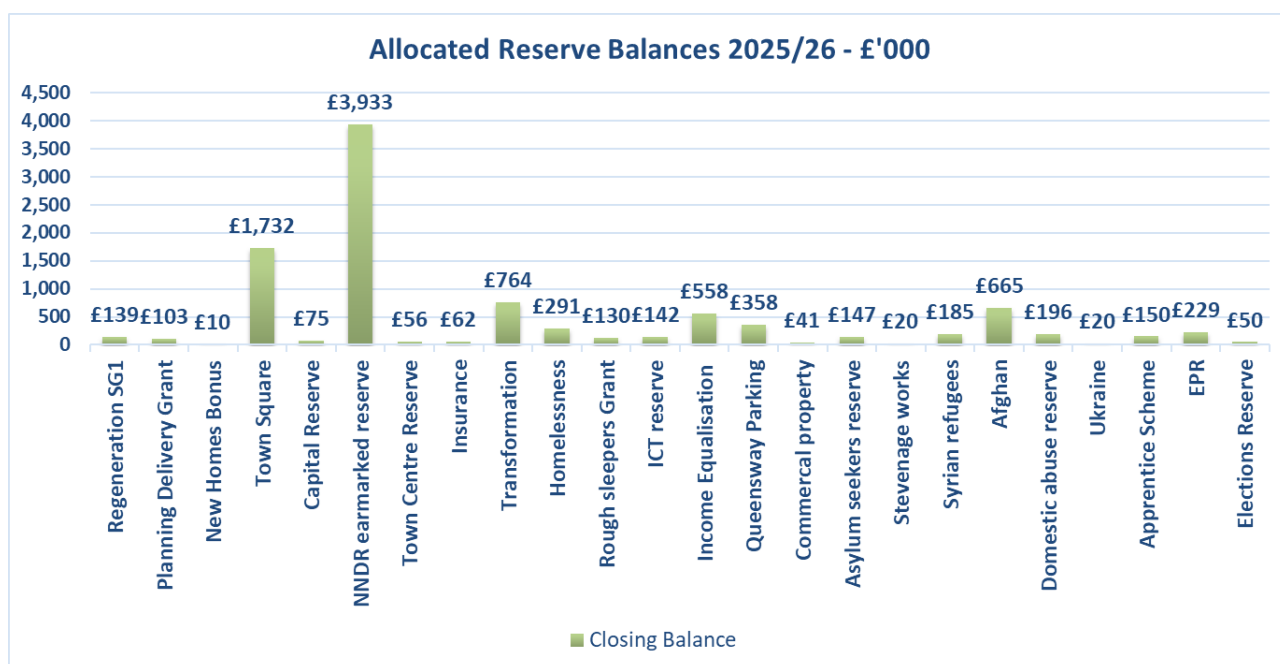
4.2.1 **Allocated Reserves** - these balances are 'ring fenced' and have been set aside for specific purposes. The estimated total value of (revenue) allocated reserves as at 31 March 2026 is **£10,053,508** (31 March 2025, £11,030,040). During quarter one, the following movement between reserves have been recommended.

Reserves	Q1 To Be Approved
Regeneration SG1	(49,860)
Future Councils reserve	(25,710)
EPR	(120,920)
NNDR earmarked reserve	(61,630)
Elections Reserve	10,000
Total	(248,120)

*() represents movement to reserves

- **Regeneration** – The forecast transfer to reserves for the year is based on the latest activity profile for 2025/26.
- **Future Councils Reserve** – to realign the expenditure with available funding. At the current rate of use, it is projected that the reserve will be fully spent by the end of the financial year.
- **Extended Producer Responsibility (EPR) Reserve** – In July 2025, the Council received confirmation of EPR funding to support the net additional costs of collecting household packaging waste. This was a further £120,920 in addition to the £1.078Million the Council was awarded. The extra funding is not guaranteed and has been transferred to the EPR reserve until a scheme is identified and the funding award clear as the additional funding will be subject to PackUK recovering sufficient contributions from producers.
- **NNDR** – The Swingate project has incurred lower borrowing costs than anticipated due to the profile of equity lent to the LLP. Members approved the holding cost of the loan would be met from the NNDR reserve so the resulting underspend will be returned to the earmarked reserve.

- **Elections Reserve** – the funds were used to support Bedwell By-Election held in July 2025.



4.2.2 General Fund Balance – Following the 1st quarter review the General Fund balance as at the 31 March 2026 is now forecast to be £6,800,161.

General Fund Balances	Working Budget £'000
Original Net General Fund Budget	10,754
Approved budget changes	320
Net Working budget approved to Date	11,074
1st Quarter Review	(549)
Total Net Expenditure post Q1 review	10,525
Less core resources at Budget Setting Report	(10,820)
Transfer (to)/from General Fund balances	(295)
General Fund balance 31/3/25	(6,506)
Transfer (to)/from General Fund balances	(295)
Projected General Fund balance 31/3/26	(6,800)
Allocated Revenue Reserves (Paragraph 4.2.1)	(10,054)
Total General Fund Revenue balances (estimated 31/3/26)	(16,854)

4.3 **Review of Savings** – As part of the 2025/26 budget setting, the Council agreed savings of £1.245Million. The table below represents the RAG rated delivery of those schemes.

Target	RAG		% of Target
1,245,450	Delivering	1,142,450	92%
	Partially Achieving	63,000	5%
	Not Achieving	40,000	3%
1,245,450		1,245,450	

- 4.3.1 Based on the first Quarter expenditure position, the Council is on track to deliver the majority of its planned savings. However, a small number of schemes are unlikely to meet their savings targets:

Postage Franking and Bank Charges – while the savings from postage and franking are expected to be fully achieved (£42,950), the saving target of £20,050 for bank charges is not currently on track. The reasons for this shortfall are being investigated, and the findings will be reported in the next quarter.

Indoor Market – the saving linked to the relocation of the indoor market to Park Place was estimated for a full year this is a timing issue and will be realised in 2026/27, (see also para. 4.1.2)

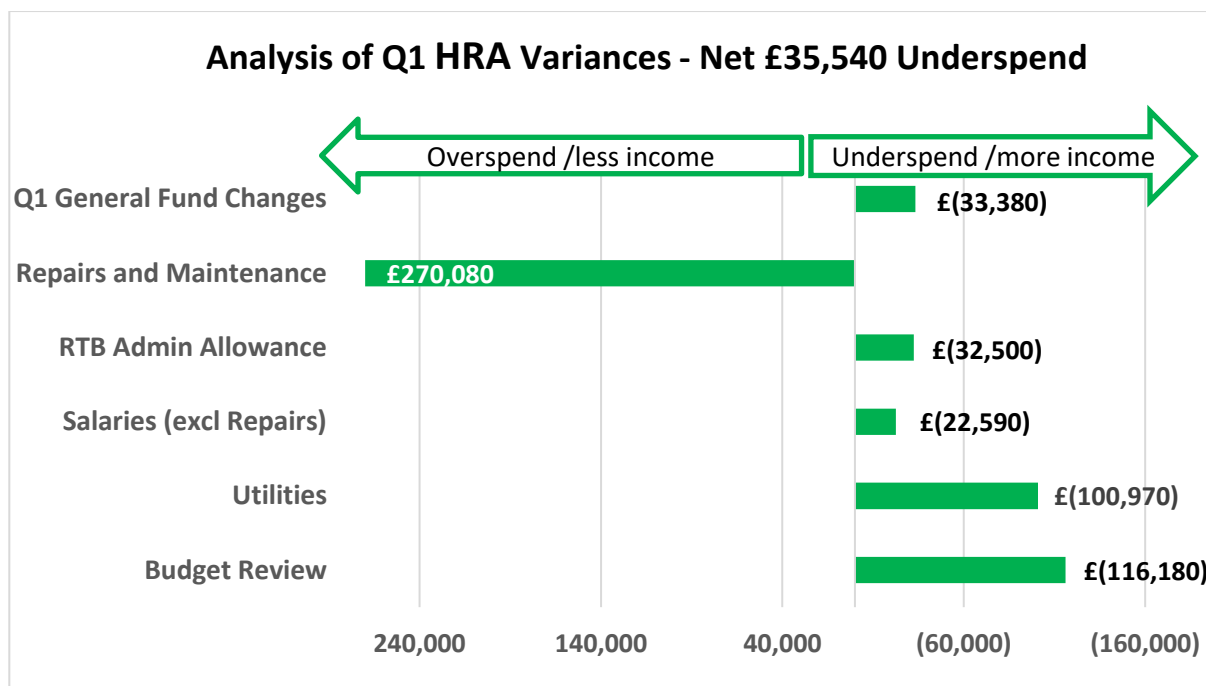
4.4 Housing Revenue Account

- 4.4.1 Since the Housing Revenue Account (HRA) net budget deficit of £668K was approved at Council in January 2025, Members have further approved net changes of £120K shown in the following table.

HRA Working Budget	£'000
Original Budget 2025/26	668
24/25 Q4 Carry Forwards	120
Total Working Budget	788

4.5 Housing Revenue Account - Budget Review

- 4.5.1 Following the first quarter review of revenue budgets officers have identified and projected the following budget movements.



4.5.2 Q1 General Fund Changes (£33K) Underspend. Some of the General Fund proposed changes at Q1 impact budgets that are recharged to the HRA. The net impact of these changes at Q1 is a £33K underspend for the year.

4.5.3 Repairs and Maintenance £270K Overspend. The repairs and maintenance service has an overall £270K increase in expected costs for the year, with the details listed below.

- **Salary Savings (£314K) Underspend** – the latest salary projections show a saving of £314K against the budget. Approximately half of this (£175K) relates to additional budgets included for the provision of a direct service team to provide void repairs. The timing of commencing this service was not finalised when the budget was calculated and it is likely to be later than initially forecast, which has given the saving in this year. This also partly offsets the additional costs highlighted in the void pressure below. The remaining saving relates to vacant posts and the current estimated recruitment timetables.
- **Building safety pressures £335K Overspend** – several areas within the building safety and compliance area are currently showing budget pressures for the year. The largest pressure of £160K is on building safety and compliance, as requirements from new regulations are incorporated into the service. However, there are also increases in lift maintenance, door entry systems and legionella testing. Some of these are as a consequence of programme reviews and the timing of inspection regimes, but mitigating action is being taken to contain costs and many of these areas are being tendered to ensure good value from our specialist contractors. Any ongoing cost impact in this area will be built into the HRA Business Plan revision, but it is anticipated that this can be reduced in coming years.

- **Void pressures £249K Overspend** – there is an estimated pressure of £249K on void repairs for the year. The original budget was substantially reduced from last year's outturn of £3.4Million to £1.75Million on the basis that the work would be part of a tendering process and that there would be an in-house team introduced that would help the Council to reduce costs in this area. However, the timing of the in-house team and technical delays on the tendering process have led to slightly higher costs in the first part of the year. Looking forward it is expected that costs will come down, but this will continue to be monitored in future budget reports.

In summary, the current variance for the first quarter is comparatively low to the overall budget for repairs and maintenance and is still significantly lower than last year's cost. However, as several new contracts have been commenced and this is mainly a demand led service, there is still a high level of risk in this area that will continue to be closely monitored throughout the year.

- 4.5.4 **Right to Buy (RTB) Admin Allowance (£33K) Additional Income.** The RTB regulations allow the Council to deduct £1,300 per property sale from the proceeds to cover the administration process of the scheme. The changes to the discount in November last year from a maximum £102K to £34K prompted a large increase in applications for tenants to buy their homes. It has always been difficult to estimate how many applications will convert to a property sale, but in recent years Stevenage has seen roughly 50% of applications convert to sales. The expected number of property sales was increased in the budget from 35 to 50, recognising this potential spike. However, latest projections indicate sales for the year of between 75 to 100. Therefore, the admin allowance deducted for these sales has been increased by £33K to reflect 75 sales, but this will be reviewed again at Q2. This is expected to be a temporary change, as the lower discount is likely to reduce future sales under this scheme.
- 4.5.5 **Salaries (£23K) Underspend.** At Q1 there has been a very small saving on salaries of £23K, but the revised figures have also allowed for the release of £132K of vacancy allowance included in the budget. The majority of the underspend relates to vacant posts, and the new projection is based on the latest likely recruitment dates for these positions. This projection takes into account the totality of the pay award. This figure excludes the budgets for repairs and maintenance that are detailed in 4.5.3 above.
- 4.5.6 **Utilities (£101K) Underspend.** Latest estimates for utility payments on gas and electricity show a £101K reduction from the original budget of £1.3Million. However, this will need to be reviewed again later in the year, when contract prices are reviewed and to reflect actual usage.
- 4.5.7 **Budget Reviews (£116K) Net Underspend.** As part of budget preparations for 2026/27 senior offices have conducted a review of the current budget. The aim was to begin identifying savings to meet the targets necessary to balance the HRA in the medium term. Some of the items identified for next year also had implications for the current year and these are detailed below.

- **Compensation Payments £30K Overspend** – in recent years these payments have increased and have been funded from other budget underspends. There is also now an increased expectation from regulators that compensation will be paid, where complaints are upheld. For this reason, it is now recognised that in a complex business with an annual turnover of £50Million, it is reasonable to allow for this cost to be permanently budgeted.
- **Decants £10K Overspend** - decant costs can occur for a variety of reasons, but with increased regulatory demands on repairs issues it is likely that this area will come under pressure and the budget has been increased to recognise this changed operating environment.
- **Tenant Engagement £20K Overspend** – following the introduction of regulation by the Regulator of Social Housing, particularly on customer standards, an increased budget is now required to fund tenant engagement and demonstrate a continued commitment to service improvement and consultation with customers.
- **Professional Training £10K Overspend** – as part of recent regulatory changes there is now a specific requirement for social housing providers to ensure that they have properly qualified staff in key positions within the organisation. In recognition of this new requirement, an additional budget has been set aside to ensure that the Council can meet this obligation.
- **Water Rates Agency (£50K) Additional Income** – the Council currently collect the water rates for the majority of tenants on behalf of the water company, less deductions for administering the service. The bills charged to our tenants are identical to if the water company billed them directly, but the Council retain £349K to represent both admin costs and the risks of non-payment. This money is ring fenced to our tenants and is re-invested in the housing service only. As water bills increased substantially, after the original budget was set, the deductions the Council can retain have also increased and a further £50K of income is now anticipated in this year.
- **Climate Change Levy (£108K) Underspend** – the original budget for the climate change levy was initially overstated. This has been corrected, giving a reduction in costs of £108K for the year.
- **Insurance Premium Recharge (£168K) Additional Income** – as part of the final budget review for 2025/26 the latest insurance premium figures were incorporated in the budget, including those recharged to tenants and leaseholders. However, for 25/26 there was a significant increase and while this was included in expenditure, the recharge budget was not increased. This correction has reduced the overall budget by £168K.
- **Stationery Costs (£10K) Underspend** – due to new working arrangements and a natural shift away from paper-based records since the pandemic, the old stationery budgets have been reduced to help offset other spend priorities detailed above.
- **Financial Support £150K Overspend** – due to the current financial pressures facing the HRA, there are many areas that require detailed financial analysis and support. These include completing the HRA Business Plan re-write, accounting for the restructuring of some

services, understanding the financial impact of regulation and policy changes and improving financial reporting for the operational housing managers. In order to achieve these goals an additional £150K has been proposed in the budget for 2025/26. This covers temporary project-based support in the current year and the addition of a permanent finance assistant post in the HRA finance team that mirrors the structure currently in place for the General Fund accounting teams. This will also be reviewed part of 2026/27 budget setting process.

4.6 Housing Revenue Account Balances

4.6.1 Following the first quarter review, the HRA balance is now forecast to be £10.2Million and is above minimum required balances.

Housing Revenue Account Outturn Position	£'000
Working Budget – Council 22nd January 2025	788
1st Quarter Net Projected Overspend	(36)
Projected net Surplus post 3rd Quarter review	752
HRA balance brought forward 1/4/25	(10,926)
Deficit in year	752
Projected HRA balance 31/3/2026	(10,173)
Remaining Cabinet Delegated Limit	536

4.7 Capital Monitoring

4.7.1. The latest revised 2025/26 capital strategy (Q4) was approved by Cabinet on 9 July 2025. The 2025/26 approved budget for each fund was:

- General Fund £61 million
- Housing Revenue Account £52 million

4.7.2. The table sets out the current projected position for the Capital programme 2025/26 and any proposed rephasing of budgets at Q1 into future years.

	2025/26				2026/27		2027/28	
£000	Actual & committed Spend Q1	Q4 Capital Strategy	Q1 Revised Strategy	Variance Q4 v Q1	Re-phased	Revised Strategy	Re-phased	Revised Strategy
Total GF Schemes	15,481	60,626	49,538	(11,088)	8,993	17,432	-	-
Total HRA Schemes	9,292	51,987	42,947	(9,040)	9,040	66,289	-	41,030
Total Capital Programme	24,773	112,613	92,485	(20,128)	18,033	83,721	-	41,030
<i>Re-phase detail:</i>								
Housing Development				(8,993)	8,993		-	

	2025/26				2026/27		2027/28	
£000	Actual & committed Spend Q1	Q4 Capital Strategy	Q1 Revised Strategy	Variance Q4 v Q1	Re-phased	Revised Strategy	Re-phased	Revised Strategy
Regeneration				(2,100)	-			
Leisure				5	-			
Total GF Re-phasing				(11,088)	8,993		-	
New Build (Housing Development)				(9,040)	9,040		-	
Total HRA Re-phasing				(9,040)	(9,040)		-	

Re-phasing

4.8. Re-phasing (re-profiling) of budgets are changes regarding the forecast timing of expenditure from the approved programme, between financial years, with no reported increase or decrease in budget requirement.

4.8.1. Forecasting spend during the year involves making assumptions about future events that may be out of the control of service managers e.g. weather, thus re-phasing is a normal part of capital monitoring.

4.8.2. General Fund – re-phasing £9 million - the main items are explained below:

- Housing Development –
 - The Oval – following a successful £20.4Million (GF and HRA) Homes England grant application, a contractor has now been appointed with works expected to start in October 2025 - £5Million of the initial works budget (GF) has been re-phased into 2026/27 to align with the expected delivery profile. Delays to the project's initial phasing were caused mainly by waiting for the grant application outcome. Grant funding will be claimed monthly in arrears from Homes England up to a maximum of £9.2Million.
 - Kenilworth – Malvern Close - £4Million re-phased into 2026/27 as progress on site has been limited whilst the Department for Transport process a Stopping Up Order to enable works to take place.

4.8.3. HRA – re-phasing £9million - the main items are explained below:

- Housing Development (HRA) –
 - Burwell phase 2 - £750k rephased to 2026/27 as a delayed start on site as a result of pre-commencement conditions discharged by Herts County Council has had an impact on the wide programme.
 - The Oval (HRA) – see also comments in 4.8.2 above, £7.3Million HRA budget has been re-phased to 2026/27 to align with delivery expectations. Homes England Grant funding of £8.4Million will be receivable in April 2026. The balance of awarded grant funding (£2.8Million) will be paid on completion of the project.

- Ellis Avenue – a delay on site has occurred whilst the statutory provider carries out work to relocate a high voltage cable and £1Million has been rephased into 2026/27.

4.9. Virements and Grant funded growth to note.

4.9.1. Members are asked to note the following:

4.9.2. Increase in the budget of £5K due to grant funding received from the Lawn Tennis Association for capital works for Leisure KC052 (Shephalbury Park).

4.10. Budget Removed

4.10.1. The £2.1Million budget for the refurbishment of the Indoor Market to be funded from borrowing is now to be funded from grant funding (TF) using an existing budget, so the budget for borrowing has been removed.

4.11. Capital Financing

4.11.1. The table below sets out the change in the Capital Financing position since Q4, because of changes to the expenditure phasing discussed above.

4.11.2. LEP grant funding of £492,182.78 was received by the council in June 2025 and related to a project completed in 2024/25 (Gunnels Wood). As the funding was in arrears the project was funded using unallocated capital receipts at the end of 2024/25. These capital receipts have now been reinstated.

£000	2024/25			2025/26		2026/27	
	Q4 Capital Strategy	Q1 Revised Strategy	Variance Q4 v Q1	Re-phased	Revised Strategy	Re-phased	Revised Strategy
Total Capital Financing	112,613	92,485	(20,128)	18,033	83,721	-	41,030
Changes detail:							
Capital Receipts			(185)	(424)		-	
Grants and Contributions			(5,005)	5,000		-	
Short Term Borrowing			(5,928)	4,417		-	
Revenue contributions			30	-			
Total GF Financing changes			(11,088)	8,993		-	
Capital Receipts			(9,040)	9,040		-	
Total HRA Financing changes			(9,040)	9,040		-	
Total Capital Financing			(20,128)	18,033		-	

4.12. Capital Receipts Forecast

4.12.1. The table below summaries the current capital receipts forecasts for the General Fund. These include capital receipts already ringfenced for future capital works or for the repayment of short-term internal borrowing.

Table 5: Capital Receipts	Previous Forecast £000	Revised Forecast/Actual £000	Variance £000
Capital Receipts			
Year 2025/26 Forecast	3,730	2,434	(1,296)
Year 2026/27 Forecast	12,926	9,243	(3,683)
Year 2027/28 Forecast	0	19,276	19,276
Grant Total Capital Receipts	16,656	30,953	(4,979)

4.12.2. Until sold, the value of land sales can fluctuate from the forecast as can be seen. The overall increase in the forecast is mainly due to the inclusion of capital receipts from the Swingate JV in 2027/28. Six million general capital receipts have now been slipped from 2026/27 into 2027/28.

5 IMPLICATIONS

5.1 Financial Implications

5.1.1 This report is financial in nature and consequently financial implications are included above. The impact of these changes for future years will be incorporated into the budget setting process.

5.1.2 While the current variance on maintenance costs within the HRA are relatively small (see paragraph 4.5.3), this continues to be an area of high financial risk. The commencement of new contracts and the demand led nature of large parts of the service could lead to a much larger variance over the remaining three quarters of the year. The current forecast has been made on the expected contract prices and assumed volumes of work, but this will continue to be monitored closely in future reports.

5.2 Legal Implications

5.2.1 The objective of this report is to outline the projected General Fund net expenditure, HRA and Capital Strategy for 2025/26 and the impact on the General Fund and HRA balances. While there are no legal consequences at this stage Members are reminded of their duty to set a balanced budget.

5.3 Equalities and Diversity Implications

5.3.1 This report summarises external and internal factors that impact on approved budgets and recommends changes to those budgets in year. Budget changes identified for future years that could adversely impact on groups covered by statutory equality duties will be incorporated into the budget setting process

which includes Equality Impact Assessments (EqIA). None of the budget changes reported will change any existing equalities and diversity policies.

5.4 Risk Implications

- 5.4.1 A risk-based assessment of balances is undertaken and reported to Council as part of the General Fund Budget setting process. Both the General Fund and HRA balances are projected to be above minimum levels.

5.5 Policy Implications

- 5.5.1 The budget framework represents a development of a policy led budgeting approach across Council services and the overall Medium Term Financial Strategy.

5.6 Climate Change Implications

- 5.6.1 The Budget and Policy setting process prioritised growth for climate change. The process should have due regard for climate change implications based on the Council's Climate Change Strategy. There are no direct climate change implications from the budget changes in this report.

6. BACKGROUND PAPERS

BD1 – Final Housing Revenue Account Budget Setting and Rent Report 2025/26 (Council 22 January 2025)

BD2 – General Fund and Council Tax Setting 2025/26 and Final Capital Strategy 2024/25-2028/29 (Council 26 February 2025)

BD3 – 4th Quarter Monitoring Report General Fund, Housing Revenue Account, Capital, and Group Companies 2024/25 (Cabinet 9 July 2025)

Appendices

- A GF Revenue Monitor (Minor Variances)
- B HRA Capital Strategy (2025/26)
- C General Fund Capital Strategy (2025/26)