

BUDGET OUTTURN REPORT 2025/26

29/06/2026

**POLICY AND RESOURCES COMMITTEE
29 JUNE 2026**

PART I - NOT DELEGATED

**SUMMARY OF THE FINANCIAL YEAR END POSITION FOR 2025/26
(DoF)**

1 Summary

- 1.1 This report sets out the financial position for the year ending 31 March 2026 for the Council's revenue and capital budgets. The following recommendations are included in the report:
- to carry forward to 2026/27 certain unspent revenue budgets and;
 - to rephase those capital budgets that require completion in 2026/27
- 1.2 The report focuses on the variation between the latest agreed budget and the final expenditure and income for the financial year. An underspend of £0.119m is reported before carry forward requests which will be returned to the Council's General Fund. The updated Medium Term Financial Plan can be seen at Appendix 3.
- 1.3 However, this underspend should be viewed in the context of budget changes agreed during the year. The latest agreed budget was £1.130m lower than the original budget agreed in January 2025, after allowing for carry forwards from 2024/25. During the year the budget was amended to reflect cost pressures primarily arising from the impact of persistently high inflation. This cost pressure included the agreed pay award and increased supplier costs for utilities. Further detail on the budget changes agreed during the year can be found in the Budget Monitoring Reports to Policy and Resources Committee (see background papers listed below).
- 1.4 The original budget included a planned contribution from the General Fund of £0.391m. After allowing for carry forwards from 2024/25 of £0.432m, the contribution required was £0.823m. After allowing for carry forwards from 2025/26, the underspend against the latest budget allows for a contribution to the General Fund of £0.193m.
- 1.5 In addition to the sum being returned to general reserves, there is a contribution from the Economic Impact Reserve at £0.348m as forecast in the budget monitoring throughout the year.
- 1.6 As a result of the outturn, the General Fund Reserve balance stands at £5.182m at the end of the year with the balance on Economic Impact Reserve being £1.047m at year end. This gives total unearmarked reserves of £6.229m at 31st March 2026.
- 1.7 The above position excludes the year end entries relating to the Collection Fund and Housing Benefit payments with the Housing Benefit Reserve and Collection Fund Reserve being used to manage timing differences between payments to and from government and the transactions recognised within the accounts.
- 1.8 The Year End position presented in this report is unaudited and may be subject to change. The Council's accounts for 2025/26 will be audited by Azets LLP during 2026/27.

2 Recommendation

The Policy and Resources Committee recommend to Council:

- That the revenue year end variance after carry forwards of £0.461m be noted.
- That the capital year end position as summarised in paragraph 3.12 and Appendix 3 be noted.
- To approve to carry forward the unspent service budgets from 2025/26 to 2026/27 which total £0.580m to enable completion of projects as detailed at Appendix 2.
- To approve the rephasing of capital projects from 2025/26 to 2026/27 as detailed at Appendix 4.

3 Details

Revenue

- 3.1 The 2025/26 budget as approved by Council on 25 February 2025 was £14.677m. Following carry forwards from 2024/25, the revised budget including carry forwards was £15.109m. The period 10 (end of January) budget monitoring report was presented to this Committee at its meeting on 9 March 2026. The report showed an unfavourable variance of £0.665m when compared to budget, making the latest approved budget for 2025/26 £13.979m with a revised forecast of £14.644m. This report compares the year end position to the latest budget.
- 3.2 The year end position is a net direct cost of services of £13.850m which represents a favourable variance of £0.119m when compared to the latest budget.
- 3.3 Officers are requesting to carry forward £0.580m to enable projects to be completed in 2026/27. Appendix 2 details each carry forward request.
- 3.4 After taking into account the carry forward requests, there is a draw on reserves required of £0.461m when compared to the budget.

3.5 The table below summarises the variance for each committee:

Service Area	Original Budget Plus		Latest Budget £000	Previous Forecast £000	Actual Spend £000	Variation to Latest Budget £000	Variation to Previous Forecast £000
	Original Budget £000	2024/25 Carry Forwards £000					
Leisure	1,173	1,173	1,347	1,407	1,331	(16)	(77)
Sustainability and Climate	331	399	412	470	394	(19)	(77)
Total	1,504	1,573	1,759	1,878	1,725	(35)	(153)

Service Area	Original Budget Plus		Latest Budget £000	Previous Forecast £000	Actual Spend £000	Variation to Latest Budget £000	Variation to Previous Forecast £000
	Original Budget £000	2024/25 Carry Forwards £000					
Community Partnerships	1,075	1,097	1,102	1,151	1,072	(30)	(79)
Economic Development and Planning Policy	886	886	882	941	853	(28)	(88)
Housing	496	496	172	172	179	6	6
Public Services	3,573	3,627	3,817	3,740	3,693	(124)	(47)
Total	6,030	6,106	5,973	6,004	5,797	(176)	(207)

Service Area	Original Budget Plus		Latest Budget £000	Previous Forecast £000	Actual Spend £000	Variation to Latest Budget £000	Variation to Previous Forecast £000
	Original Budget £000	2024/25 Carry Forwards £000					
Resources and Leader	6,948	7,010	6,717	7,141	7,035	318	(105)
Garages and Shops	(1,372)	(1,372)	(1,369)	(1,277)	(1,258)	110	18
Investment Properties	(982)	(982)	(1,017)	(1,017)	(1,128)	(111)	(111)
Vacancy Provision	(180)	(180)	0	0	0	0	0
Salary Contingency	472	697	168	168	0	(168)	(168)
Total	4,885	5,172	4,500	5,015	4,648	149	(367)

Service Area	Original Budget Plus		Latest Budget £000	Previous Forecast £000	Actual Spend £000	Variation to Latest Budget £000	Variation to Previous Forecast £000
	Original Budget £000	2024/25 Carry Forwards £000					
Corporate Costs	2,258	2,258	1,747	1,747	1,690	(57)	(57)
Total	2,258	2,258	1,747	1,747	1,690	(57)	(57)

Total Net Expenditure	14,677	15,109	13,979	14,644	13,860	(119)	(783)
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3.6 The details of all the variances by individual service are shown in Appendix 1.

3.7 Within the Climate Change and Leisure Committee, key variances are:

- An underspend on climate change and sustainability projects due to slippage of projects into 2025/26. Carry forwards have been requested.
- An underspend within Grounds Maintenance due to reduced spend in salary and overtime costs, in addition to a reduction in vehicle maintenance costs following the new fleet being brought into service in 2024/25.

3.8 Key variances within the General Public Services and Community Engagement Committee were:

- Increased income within Decriminalised Parking Enforcement. There has been an increase in volume of Penalty Charge Notices in addition to an increase in Pay & Display car park income and an underspend on professional fees. A carry forward has been requested for future works identified in the 2026/27 programme.
- An underachievement of income for Garden Waste due to the reduced uptake and the transport subsidy entitlement has changed due to the

distance travelled. There has also been extra expenditure on vehicle maintenance.

- Increased income for special collections and new development bins for refuse Domestic.
- There has been a slight increase in the in the recycling gate fees and a reduction in recycling credits for Recycling Kerbside meaning that the Council has received less income.
- Reduced expenditure on Waste Disposal charges and diesel.
- Reduced expenditure on repairs and maintenance and electricity at the Depot.
- Increased expenditure on vehicles maintenance costs and agency costs for Waste Management.
- Underspends against Community Development, Community Safety and Community & Leisure grant budgets due to slippage of projects into 2025/26 and use of external grant funding. Carry forwards have been requested to support Community Safety initiatives in 2026/27.
- Reduced income on Homelessness due to decreased usage of external temporary accommodation.
- A small increase in Licensing income and an underspend on taxi licensing due to falling applicant/operator numbers.
- Increased income on planning application fees.

3.9 Within the Policy and Resources Committee, key variances were:

- A variance on Corporate Management Costs as a result of increased external audit fees arising from the build back work required as a result of disclaimed audit opinions in prior years.
- In Miscellaneous Income and Expenditure there is a combination of miscellaneous historic expenditure arising in the latter part of the year and a budgeted efficiency savings which have been removed from future years budgets.
- Underspends on Asset Management – Property Services relate to salaries due to a vacancy and repairs and maintenance due to works being delayed. Carry forwards have been requested for works at Sarratt Surgery and Baldwins Lane, scoping works at Rickmansworth Town Centre and soft market testing for the parking strategy in South Oxhey in 2026/27.
- An underspend within the Chief Executive’s cost centre on organisational development which is requested to be carried forward in 2026/27.
- An underspend on Insurances due to recovery of prior year insurance recharges and forecast spend which did not materialise.
- Extra income received on Investment Properties due to backdated income following rent negotiations and an underspend on professional fees. A carry forward has been requested for consultancy advice in 2026/27.

- 3.10 Within Corporate Costs, the Council has benefitted from high interest rate levels during the year to the value of £0.057m.

Capital

- 3.11 The revised 2025/26 budget for the capital programme as approved by Council on 24 February 2026 was £26.258m and a forecast outturn of £26.118m. The period 10 (end of January) budget monitoring report was presented to this Committee at its meeting on 9 March 2026 which showed a forecast of £25.938m; following Council approval this forms the updated budget for 2025/26.
- 3.12 The actual spend at 31 March 2026 was £11.235m, which represents an underspend of £14.692m when compared to the latest approved budget. Officers are requesting to rephase £14.831m to complete projects in 2026/27.
- 3.13 Appendix 3 shows the analysis of the capital programme year end position by Committee and over the medium term. The table below shows an analysis of the variance.

Reason	£000
Net (Under)/ Overspend	128
Rephasing	(14,831)
Net Variance	(14,703)

- 3.14 A full list of those projects requesting rephasing with the reason for the request is at Appendix 4.
- 3.15 The most significant variation relates to the budget related to the delivery of Local Authority Housing Fund (LAHF) properties. Rephasing of £10.995m into 2026/27 is required in order to deliver the new housing as part of the LAHF delivery of the garage sites and purchase of additional properties.
- 3.16 Appendix 5 shows the funding of the programme over the medium term. Capital expenditure totalling £31.035m is planned for the period 2026/27 to 2028/29 and built into the medium term financial plan.

4 Reserves

4.1 The table below summarises the position on unearmarked reserves at year end.

Movement on General Fund Balance	2025/26				
	Original	Original Budget plus Carry Forwards from 2024/25	Latest Budget	Previous Forecast	Outturn
	£	£	£	£	£
Balance Brought Forward at 1 April	(4,408,944)	(4,408,944)	(4,408,944)	(4,408,944)	(4,408,944)
Revenue Budget (Surplus)/Deficit for Year	391,329	823,174	(306,384)	358,343	(772,702)
Closing Balance at 31 March	(4,017,615)	(3,585,770)	(4,715,328)	(4,050,601)	(5,181,646)

Movement on Economic Impact	2025/26				
	Original	Original Budget plus Carry Forwards from 2024/25	Latest Budget	Previous Forecast	Outturn
	£	£	£	£	£
Balance Brought Forward at 1 April	(1,382,901)	(1,382,901)	(1,394,545)	(1,394,545)	(1,394,545)
COVID-19 Impact for Year	0	0	0	0	347,587
Closing Balance at 31 March	(1,382,901)	(1,382,901)	(1,394,545)	(1,394,545)	(1,046,958)

Total Reserves Impact	2025/26				
	Original	Original Budget plus Carry Forwards from 2024/25	Latest Budget	Previous Forecast	Outturn
	£	£	£	£	£
Balance Brought Forward at 1 April	(5,791,845)	(5,791,845)	(5,803,489)	(5,803,489)	(5,803,489)
Impact for Year	391,329	823,174	(306,384)	358,343	(425,115)
Closing Balance at 31 March	(5,400,516)	(4,968,671)	(6,109,873)	(5,445,146)	(6,228,604)

5 Options and Reasons for Recommendations

5.1 The recommendations at point 2 enable the Committee to make recommendations to Council concerning their budget.

6 Policy/Budget Reference and Implications

6.1 The recommendations in this report are within the Council's agreed policy but not within agreed budgets. An overall increase requiring the use of the Council's balances must be approved by Council.

7 Financial Implications

7.1 The financial implications are set out within the report.

8 Legal Implications

8.1 There are so specific legal implications arising out of this report. Councils have a statutory duty to regularly monitor their budgets and take actions if necessary to manage any overspends or financial issues. This is governed by the Local Government Act 2003 and the Local Government Act 1972. Specifically, Section 28 of the 2003 Act requires councils to conduct budget monitoring exercises and take remedial actions if needed. The Section 151 officer also has a key role in ensuring proper financial administration and reporting on the budget.

9 Staffing Implications

9.1 None specific.

10 Equal Opportunities Implications

10.1 An EQIA is prepared for when the budget set. The budget monitoring reports monitor performance against the approved budget. An additional EQIA is only required if the budget position necessitates actions that may have an impact upon the original assessment.

11 Climate Change and Sustainability Implications

11.1 The climate change and sustainability implications are prepared for when the budget is set. The budget monitoring reports monitor performance against the approved budget. An additional assessment is only required if the budget position necessitates actions that may have an impact upon the original assessment.

12 Community Safety Implications

12.1 None specific.

13 Public Health implications

13.1 None specific.

14 Customer Services Centre Implications

14.1 None specific.

15 Communications and Website Implications

15.1 The information contained within this report will form part of the published Statement of Accounts for 2025/26.

16 Risk and Health & Safety Implications

16.1 There are no risks to the Council in agreeing the recommendations.

16.2 Key financial and budgetary risks are shown at Appendix 6. A review of these risks is a standing item on the Audit Committee agenda.

16.3 During 2025/26, the Budget Monitoring Reports to Policy and Resources Committee have included information on the impact of inflation on the Council's budget.

16.4 The most significant risk to the budget is the pay award for 2026/27. An update on the estimated financial impact in 2026/27 will be included in the Budget Monitoring report in September. It is likely that the pay negotiations will be protracted, and the final position will remain unknown well into the financial year. The ongoing impact will be managed through the Service and Budget Planning process.

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Background Papers

Liberal Democrat budget proposal and recommendations 24 February 2026
Budget Monitoring report Period 10 (9 March 2026)
Budget Monitoring report Period 8 (26 January 2026)
Budget Monitoring report Period 6 (17 November 2025)
Budget Monitoring report Period 3 (8 September 2025)

APPENDICES

Appendix 1 Outturn by Service 2025/26
Appendix 2 Carry forward requests into 2025/26
Appendix 3 Medium Term Financial Plan 025/26-2028/29
Appendix 4 Capital Programme 2025/26-2028/29
Appendix 5 List of capital schemes to be rephased to 2026/27
Appendix 6 Capital Funding 2025/26 – 2028/29
Appendix 7 Key Financial Risks

