

REPORT TO:		Cabinet	
DATE:		24 June 2026	
PORTFOLIO:		Councillor Vanessa Alexander – Resources and Council Operations	
REPORT AUTHOR:		Amanda Fox, Head of Finance Martin Dyson, Executive Director of Resources	
TITLE OF REPORT:		Provisional Financial Outturn Position – Revenue Budget Monitoring - Financial Year 2025/26	
EXEMPT REPORT (Local Government Act 1972, Schedule 12A)	No	Not applicable	
KEY DECISION:	No	If yes, date of publication:	

1. Purpose of Report

- 1.1 The report informs Cabinet of the draft financial spending of the Council up to the end of the financial year in March 2026.
- 1.2 A further report will be provided once all the work is completed if there is any significant change to the position reported here.

2. Recommendations

- 2.1 Cabinet notes the provisional outturn position against the Revenue Budget for 2025/26 and the underspend in year of (£1.337m).
- 2.2 Cabinet agrees to transfer the underspend of (£1.337m) into the Underspends Reserve, noting that £1m has been approved for use within 2026/27 to fund the additional February budget announcements at the 26th February 2026 Council meeting.
- 2.3 Cabinet approves the use of £150k to support and enhance the Brookside project to ensure vital environmental surveys are undertaken, including £50k soil surveys, £62k water surveys and £38k for contingency should any further investigations be required.
- 2.4 Future decisions on usage of any remaining funds to be approved by Chief Executive in conjunction with the Leader and members of the Cabinet.

3. Provisional Revenue Outturn

- 3.1 At the Full Council meeting on 27th February 2025, Council agreed the General Fund Revenue Budget for 2025/26. This set a budget for the Council's total revenue spend in 2025/26 of £17.313m, however budget adjustments in year resulted in a working budget of £17.401m.
- 3.2 The provisional revenue outturn position for the 2025/26 financial year is a total spend for the Council of £16.064m. This gives a revenue underspend on net expenditure of (£1.337m) compared to the latest working budget.

Table 1: Actual Performance Against Budgets

Department	Original Budget £'000	In Year Budget Changes £'000	Working Budget £'000	Provisional Outturn £'000	Provisional Outturn Variance to Working Budget £'000
Environmental Health	941	(1)	941	919	(22)
Environmental Services	5,495	70	5,565	5,508	(57)
Legal and Democratic	1,896	6	1,902	1,862	(40)
Planning and Transportation	712	5	717	566	(151)
Regeneration and Housing	1,604	(203)	1,401	906	(495)
Resources	5,964	179	6,143	6,391	248
Net Cost of Services	16,612	57	16,669	16,152	(517)
Non-Service	865	31	896	(109)	(1,006)
Corporate Savings Target	(164)	0	(164)	-	164
Cabinet Approved Contributions	-	-	-	-	-
Total Net Expenditure	17,313	88	17,401	16,042	(1,358)
Funding	(17,313)	(88)	(17,401)	(17,379)	22
(Under)/Overspend	-	-	-	(1,337)	(1,337)

- 3.3 A total net underspend of (£594k) was reported to Cabinet on 21st January 2026. The provisional outturn shows an increase to the overall net underspend of (£743k), resulting in a total net underspend of (£1.337m), compared with the working budget.
- 3.4 A summary of the changes between the quarter 3 forecast and the provisional outturn are shown in table 2 below. A more detailed breakdown can be seen in APPENDIX 1.
- 3.5 The Final Accounts are still being prepared and will be reviewed by External Auditors once completed. Therefore, the reported underspend of (£1.337m) is provisional and may change.

Table 2: Movements in Forecast During the Quarter

Department	Quarter 3 Forecast Outturn £'000	Provisional Outturn £'000	Changes in Provisional Outturn During Quarter £'000
Environmental Health	975	919	(56)
Environmental Services	5,557	5,508	(49)
Legal and Democratic	1,933	1,862	(71)
Planning and Transportation	720	566	(154)
Regeneration and Housing	1,377	906	(471)
Resources	6,592	6,391	(201)
Net Cost of Services	17,154	16,152	(1,002)
Non-Service	(48)	(109)	(61)
Corporate Savings Target	-	-	-
Total Net Expenditure	17,106	16,042	(1,064)
Funding	(17,700)	(17,379)	321
(Under)/Overspend	(594)	(1,337)	(743)

4. Variance by Service

4.1 Environmental Health

4.1.1 The provisional outturn position for Environmental Health is an underspend of (£22k).

Table 3: Environmental Health – Provisional Outturn 2025/26

Department	Working Budget £'000	Quarter 3 Forecast Outturn £'000	Changes in Outturn During Quarter £'000	Provisional Outturn £'000	Provisional Outturn Variance to Working Budget £'000
Environmental Health	365	392	(7)	385	20
Environmental Protection	576	583	(50)	533	(43)
Total Environmental Health	941	975	(56)	919	(22)

4.1.2 Environmental Health – an overspend of £17k has been recognised through the use of expert and legal advice, along with other small variances of £3k.

4.1.3 Environmental Protection – a (£43k) underspend is largely due to additional income for the Healthy Homes Initiative which was partially offset by staffing and security cost pressures.

4.2 Environmental Services

4.2.1 The provisional outturn position for Environmental Services is an underspend of (£57k).

Table 4: Environmental Services – Outturn 2025/26

Department	Working Budget £'000	Quarter 3 Forecast Outturn £'000	Changes in Outturn During Quarter £'000	Provisional Outturn £'000	Provisional Outturn Variance to Working Budget £'000
Environmental Maintenance	48	46	(74)	(28)	(76)
Accrington Town Centre Development	587	622	169	791	204
Other Environmental Services	140	160	(26)	134	(6)
Parks and Cemeteries	1,285	1,285	(33)	1,252	(33)
Waste Services	3,505	3,444	(89)	3,355	(150)
Total Environmental Services	5,565	5,557	(53)	5,504	(61)

4.2.2 Environmental Maintenance – an underspend of (£76k) has been recognised through underspends in MOT costs and premise cost reductions at Willows Lane.

4.2.3 Accrington Town Centre Development – Whilst underspends have occurred in relation to staffing (£63k), additional costs have been incurred whilst the Market Hall, Market Chambers and Burton chambers were not operational. This has resulted in an overall pressure of £204k.

4.2.4 Other Environmental Services – an underspend of (£5k) has been realised through staffing underspends from the dog warden service.

4.2.5 Parks and Cemeteries - Parks and Open Spaces has recognised a saving of (£94k) from a combination of salary, premises, and additional income underspends. Accrington Crematorium saw a reduction in income of £62k from burials and cremations. A further (£22k) underspend has been recognised by Rhyddings Café due to reduced electricity and repair costs.

4.2.6 Waste Services has recorded a net underspend of (£150k), mainly due to commercial collections providing a (£32k) saving on landfill tax, a (£33k) overachievement of income and staffing underspends amounted to (£80k) and other minor underspends of (£5k).

4.3 Legal and Democratic Services

4.3.1 The provisional outturn position for Legal and Democratic Services is an underspend of (£40k).

Table 5: Legal and Democratic Services – Provisional Outturn 2025/26

Department	Working Budget £'000	Quarter 3 Forecast Outturn £'000	Changes in Outturn During Quarter £'000	Provisional Outturn £'000	Provisional Outturn Variance to Working Budget £'000
Democratic Services	787	761	(40)	721	(66)
Human Resources and Policy	686	680	1	681	(5)
Legal	304	366	(32)	334	30
Management - Legal and Democratic	125	126	(0)	126	1
Total Legal & Democratic	1,902	1,933	(71)	1,862	(40)

4.3.2 Democratic Services – the service had income of (£51k) confirmed from the previous parliamentary elections and staffing underspends across the service accounted for (£15k).

4.3.3 Human Resources and Policy – Community safety had a small pressure of £6k on staffing and supplies and services in relation to domestic violence, this was offset by underspends within Human Resources (£8k) and the Comms team (£3k) due to salary savings and other minor variances.

4.3.4 The Legal and Land Charges functions had a net overspend of £5k due to minor variation and Licensing has a net overspend of £25k due to underachievement of income.

4.4 Planning and Transportation

4.4.1 The provisional outturn position for Planning and Transportation is an underspend of (£151k).

Table 6: Planning and Transportation – Provisional Outturn 2025/26

Department	Working Budget £'000	Quarter 3 Forecast Outturn £'000	Changes in Outturn During Quarter £'000	Provisional Outturn £'000	Provisional Outturn Variance to Working Budget £'000
Building Control	18	38	(0)	38	20
Engineers and Transportation	218	209	(14)	195	(23)
Green Infrastructure	75	16	3	19	(56)
Planning	406	457	(143)	314	(92)
Total Planning & Transportation	717	720	(154)	566	(151)

4.4.2 Building Control - due to recruitment and retention issues, an overspend of £40k has been recognised in the Building Control Business Unit which has been partially offset by additional fee income of (£20k).

4.4.3 Engineers & Transportation – an underspend of (£14k) has been recognised by the Consultancy – Engineering team. This is largely due to a salary underspend of (£6k) and various underspends on supplies and services of (£8k). The Public Transport service has a saving of (£7k) from underspends on cleaning and maintenance. Street Nameplates and other highways maintenance has a small overspend of £4k and off-street parking has recorded a saving of (£5k) from energy costs.

4.4.4 Green Infrastructure – Allotments has made a surplus of (£27k) from an overachievement of income due to high demand and occupancy (£16k) and saving on repairs (£11k). The Environmental Business Unit has made a saving of (£29k) primarily from additional income in relation to Bio net gain grant.

4.4.5 Planning – nationwide issues relating to recruitment and retention continue to cause pressure to the Planning team’s budget, with a overspend of £105k, however this has been offset by additional planning fee income of (£182k) and pathways to planning grant income of (£15k).

4.5 Regeneration and Housing

4.5.1 The provisional outturn position for Regeneration and Housing is an underspend of (£495k).

Table 7: Regeneration and Housing – Provisional Outturn 2025/26

Department	Working Budget £'000	Quarter 3 Forecast Outturn £'000	Changes in Outturn During Quarter £'000	Outturn £'000	Outturn Variance to Working Budget £'000
Facilities	376	598	(277)	321	(55)
Haworth Art Gallery	238	218	(13)	205	(33)
Housing Advice	263	58	(30)	28	(235)
Property	238	261	(93)	168	(70)
Strategic Housing	286	242	(57)	185	(102)
Total Regeneration & Housing	1,401	1,377	(471)	906	(495)

4.5.2 Facilities – additional DFG revenue grant of (£26k) retained for admin expenses. (£42k) net savings due to premises costs under budget for Christmas Decorations and Amenity costs. The Facilities team has also made further savings of (£24k), mainly due to repairs and maintenance costs which were offset by staffing pressures of £43k, plus other minor underspend variances of (£6K).

4.5.3 Haworth Art Gallery – has recognised a surplus of (£33k), mainly due to additional income (£19k) from weddings, events and rental income and reduced premises costs (£14k).

4.5.4 Housing Advice – due to increased costs of administering the grant, the council was able to claim for further eligible costs, resulting in a net surplus of (£235k).

4.5.5 Property – Property had a net underspend of (£70k) and whilst there were staffing overspends of £55k these were off-set by premises underspends of (£64k) due to reduced rates and repairs and maintenance costs, lower supplies and service spend of (£48k) in relation to legal fees, professional fees and legally required budget for removal of horses from Council land and increased income (£13k) from ground rents and other sundry income.

4.5.6 Strategic Housing - has recognised an underspend of (£102k), largely due to additional homelessness prevention grant funding (£67k), salary savings of (£16k), reduced utility costs at Oswaldtwistle Civic Theatre (£7k) and various supplies and services savings of (£12k).

4.6 Resources

4.6.1 The provisional outturn position for Resources is an overspend of £248k.

Table 8: Resources – Provisional Outturn 2025/26

Department	Working Budget	Quarter 3 Forecast Outturn	Changes in Outturn During Quarter	Provisional Outturn	Provisional Outturn Variance to Working Budget
	£'000	£'000	£'000	£'000	£'000
Assurance	590	501	(157)	344	(246)
Benefits and Customer Contact	1,544	2,132	257	2,389	845
Finance	1,314	1,343	(18)	1,325	11
ICT	829	804	(98)	706	(123)
Leisure	935	917	(161)	756	(179)
Management - Resources	931	895	(24)	871	(60)
Total Resources	6,143	6,592	(201)	6,391	248

- 4.6.2 Assurance – a budget saving of (£198k) has been realised from Insurances by recharging corporate insurance costs to services and lower excess provisions being required. A (£2k) underspend has been recognised against staffing budgets within Internal Audit and a (£46k) underspend has occurred due to lower audit fees in year.
- 4.6.3 Benefits & Customer Contact – The service has overspent by £845k, which is due primarily to non-recoverable Housing Benefit claims, legal fees, the correction of forecasts for government grant income, which is no longer receivable and additional spend on IT maintenance. The majority of impacts were either one-off or have been reduced in future budgets.
- 4.6.4 Finance & Exchequer – The service has overspent by £11k due to recruitment and retention issues, which have been partially offset by underspends on premises costs for Scaithcliffe House.
- 4.6.5 ICT – the underspend of (£123k) is due to salary savings from vacancies within the service.
- 4.6.6 Leisure – a budget saving of (£179k) has been realised due to a reduction in management fees incurred.
- 4.6.7 Management - Resources – The service recognised an underspend of (£60k) primarily as a result of staffing underspends and a lower than budgets pensions increase act payment.

4.7 Non-Service and Corporate Savings

4.7.1 The provisional outturn position for Non-Service and Corporate Savings is a net underspend of (£841k).

Table 9: Non-Service and Corporate Savings – Provisional Outturn 2025/26

Department	Working Budget £'000	Quarter 3 Forecast Outturn £'000	Changes in Outturn During Quarter £'000	Provisional Outturn £'000	Provisional Outturn Variance to Working Budget £'000
Interest	(219)	(956)	(17)	(973)	(754)
Minimum Revenue Provision	1,085	1,085	57	1,142	57
Revenue Contribution to Capital	30	4	26	30	0
Net Return on Pension Prepayment	-	(181)	181	-	-
Movement in Bad Debt Provision	-	-	(309)	(309)	(309)
Total Non-Service	896	(48)	(61)	(109)	(1,005)
Corporate Savings Target	(164)	-	-	-	164
Total Corporate Savings Target	(164)	-	-	-	164
Total Non-Service and Corporate Savings	732	(48)	(61)	(109)	(841)

4.7.2 Additional treasury investment income of (£901k) has been achieved due to the increase in interest rates and the significant balances that the Council has been able to invest, largely due to the upfront receipt of capital grants, however this has been offset by leasing interest of £147k.

4.7.3 Minimum Revenue Provision charges have increased this year due to the leasing of specialist vehicles. This has resulted in a pressure of £57k.

4.7.4 Following agreement regarding Hyndburn Leisure debt, a reduction in the overall bad debt provision has resulted in a saving of (£309k).

4.7.5 When Council set the budget for 2025/26 in February 2025, savings of £164k were required to be able to set a balanced budget. In the forecast outturn, any underspends are included in the department areas and therefore no figure should be included in the savings target line, which presents as an overspend.

4.8 Funding

4.8.1 The Council has received lower than anticipated funds during the year of £22k.

Table 10: Funding – Provisional Outturn 2025/26

Department	Working Budget	Quarter 3 Forecast Outturn	Changes in Outturn During Quarter	Provisional Outturn	Provisional Outturn Variance to Working Budget
	£'000	£'000	£'000	£'000	£'000
Council Tax	(6,064)	(6,064)	0	(6,064)	(0)
Non-Domestic Rates	(5,587)	(8,568)	3,115	(5,453)	134
Government Grants	(5,750)	(3,068)	(2,794)	(5,862)	(112)
Total Funding	(17,401)	(17,700)	321	(17,379)	22

4.8.2 Non-Domestic Rates & Government Grants – following the submission of the NNDR3 (final outturn) for Business Rates, the estimated Business Rates and Section 31 grants receivable have been adjusted, resulting in a net deficit of £22k against the budgeted forecast.

4.9 Reserves

4.9.1 As per the last report presented to cabinet at the 21st January meeting, it was expected that reserves would reduce down from the opening resources of £30.225m to £16.849m, predominately through spend on various capital schemes.

4.9.2 The provisional closing balance is £25.093m, an (£8.244m) increase to the January estimate. This is due to a number of factors such as additional grants and capital receipts being received, capital expenditure being slipped into 2026/27 and additional underspends being transferred to reserves for future use.

4.9.3 In total the Council has recorded a decrease of £5.132m in its usable reserves during the year. Movements in reserves are shown in the table below.

Table 11: Reserves – Provisional Outturn 2025/26

Reserve	Opening Balances £'000	Transfers to/From Reserves £'000	Capital Contributions £'000	Used for Capital Financing £'000	Closing Balances £'000
General Fund - Unallocated	2,464	(428)	-	-	2,036
Total Unallocated Reserves	2,464	(428)	-	-	2,036
Balances Set Aside to Fund Specific Future Expenditure	4,291	2,879	-	(729)	6,441
Collection Fund Volatility Reserve	545	(121)	-	-	424
Climate Change Reserve	548	(510)	-	-	38
Communities for Health Funding	53	(42)	-	-	11
Dilapidations Reserve	26	30	-	-	56
Invest to Save	696	819	-	(7)	1,508
Levelling Up and Leisure Investment	6,592	1,433	-	(4,487)	3,538
Planning S106 Fund	294	102	-	(67)	329
Revenue Funding for Capital Schemes	2,638	-	-	-	2,638
Total Earmarked Reserves	15,683	4,590	-	(5,290)	14,983
Capital Receipts Reserve	2,422	-	993	(103)	3,312
Capital Grants Unapplied	9,656	-	9,587	(14,481)	4,762
Total Reserves	30,225	4,162	10,580	(19,874)	25,093

- 4.9.4 Balances set aside to fund specific expenditure – there are a number of schemes held within the reserve. In total £4.445m was transferred into the reserve and £2.294m was used to fund schemes, including capital spend.
- 4.9.5 Business Rates Volatility – following confirmation of the Business Rates due to the authority following the NNDR3 return, £121k was transferred from the reserve to support the revenue position.
- 4.9.6 Climate Change - £510k was drawn down from this reserve to fund climate change initiatives.
- 4.9.7 Communities for Health Funding – £42k was drawn down from this reserve to fund various health initiatives during 2025/26.
- 4.9.8 Dilapidations - £30k was added to this reserve due to underspends from repairs and maintenance budgets across the authority.
- 4.9.9 Invest to Save (Underspends Reserve) – During the year £524k was used to fund various projects agreed within 2025/26 and £1.337m was transferred in from the 2025/26 provisional revenue underspend. The fund will be used to support future commitments.
- 4.9.10 Levelling-Up and Leisure Investment – Whilst a further £1.433m was placed into reserves from grants received, a total of £4.487m was drawn down to finance the capital programme.

4.9.11 Planning S106 Fund – receipts of £102k were credited to the reserve, offset by a total £67k drawdown of reserves used to finance the capital programme.

4.9.12 Revenue Funding for capital schemes – Whilst there was no movement within the reserve during 2025/26, £2.638m remains in place to support future capital programme commitments.

4.9.13 Capital Receipts - £993k was added to the general capital receipts reserve from asset sales during the year. £103k was drawn down from the capital receipts reserve to finance capital expenditure in the year. The final balance of Capital Receipts available is £3.312m.

4.9.14 Capital Grants Reserve – unspent capital grants are added to this reserve and released when expenditure is incurred. Notable expenditure includes, £1.569m for Disabled Facilities grant expenditure, £2.9m was used for Huncoat Garden Village, £1.25m for Leisure estate works, £669k for the Food Waste scheme, £7m for levelling up schemes and £197k for UKSPF schemes. Further grant funding was added to the reserve totalling £9.587m. The balance of capital grants available for future years is £4.762m.

5. **Alternative Options Considered and Reasons for Rejection**

4.10 Not Applicable. This report is for information purposes only.

6. **Consultations**

4.11 Not applicable in this instance.

7. **Implications**

Financial implications (including any future financial commitments for the Council)	As outlined in the report.
Legal and human rights implications	Not Applicable
Assessment of risk	Not Applicable
Equality and diversity implications <i>A Customer First Analysis should be completed in relation to policy decisions and should be attached as an appendix to the report.</i>	Not Applicable

8. Local Government (Access to Information) Act 1985:

4.12 List of Background Papers

Revenue Budget 2025/26 Monitoring – Quarter 3 to end of December 2025 – Cabinet 21st January 2026.

General Fund Revenue Budget, Council Tax Levels and Capital Programme 2025/26 – Council 27th February 2025.

9. Freedom of Information

9.1 The report does not contain exempt information under the Local Government Act 1972, Schedule 12A and all information can be disclosed under the Freedom of Information Act 2000.

APPENDIX 1:

Table 12: Main Variances – Provisional Outturn 2025/26

Main Variances / Movements	Changes Since Last Report - Quarter 3		
	Quarter 3 Forecast Variance	Forecast (Under)/Over Spend	Movement in Variance
	£'000	£'000	£'000
Staffing costs and Pay Pressures Inc Pay Award	87	109	22
Savings on utility costs	(151)	(282)	(131)
Other Premises savings	-	(290)	(290)
Transport Costs	-	(149)	(149)
Additional costs of ICT and Software	169	178	9
Additional costs related to unrecoverable Housing Benefit Claims	198	488	290
Council Tax Recovery	145	209	64
Analysts/Consultants	99	205	106
Third Party payments	-	(204)	(204)
Planning - Refunds of planning application fees	13	15	2
Movements in grant income	(236)	(353)	(117)
Additional Fees and Charges Income	(174)	(99)	75
Other	10	(68)	(78)
Total Net Cost of Services	160	(241)	(401)
<i>Non-Service</i>			
Additional Investment Income	(918)	(932)	(14)
Movement in bad debt provisions required	-	(328)	(328)
Total Non-service	(918)	(1,260)	(342)
Total Corporate Savings Target	164	164	-
Total (Under)/Overspend	(594)	(1,337)	(743)