REPORT TO:		Cabinet	
DATE:		05 August 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:		Revenue Budget Monitoring 2026/27 – Quarter 1 to end of June 2026	
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 This report updates Cabinet on the Council's financial performance up to the end of June 2026 for the 2026/27 financial year.

2. Recommendations

2.1 Cabinet notes the forecast underspend against the Revenue Budget for 2026/27 and the underspend in year of (£12k).

2.2 Cabinet approves the use of £50k from revenue reserves to support the capital bid for Green Flag status at Bullough Park. Planned works include boundary treatments, access improvements, interpretation signage, and way-marking upgrades. This funding will be used for a new scheme and will be added to the capital programme for 2026/27.

2.3 Cabinet approves the use of £45k from revenue reserves to support the management costs associated with the Market Chambers development continuing beyond the current funding stream timelines.

3. Revenue Budget Forecast 2026/27

3.1 At the Full Council meeting on 26th February 2026, Council agreed the General Fund Revenue Budget for 2026/27. This set a budget for the Council's total revenue spend in 2026/27 of £17.608m.

3.2 The current forecast spend to the end of the financial year in March 2027 is £17.596m. This brings the forecast underspend for the year against the budget to (£12k). Further analysis of changes in forecast spend are shown in section 4 of the report.

Table 1: Actual Performance Against Budgets

Department	Original Budget £'000	In Year Budget Changes £'000	Working Budget £'000	Forecast Outturn £'000	Forecast Outturn Variance to Working Budget £'000
Environment	4,076	135	4,211	4,269	58
Regeneration and Housing	906	174	1,080	762	(318)
Legal and Democratic	2,739	211	2,950	3,072	122
People and Communities	1,599	25	1,624	1,646	22
Resources	6,217	133	6,350	6,686	336
Net Cost of Services	**15,537**	**678**	**16,215**	**16,435**	**220**
Non-Service	2,070	(678)	1,392	1,160	(232)
Total Net Expenditure	**17,607**	**-**	**17,607**	**17,595**	**(12)**
Funding	(17,607)	-	(17,607)	(17,607)	-
(Under)/Overspend	**-**	**-**	**-**	**(12)**	**(12)**

3.3 Note that the table above and all future reports will now reflect the new organisational structure implemented at the end of 2025/26 and will not reflect previous reports.

3.4 A total net underspend of (£12k) is currently anticipated when compared to the original balanced budget reported to Council on 26th February 2026.

3.5 A summary of the changes between the original budget and quarter 1 forecast are shown in table 2 below.

Table 2: Movements in Forecast During the Quarter

Main Variances / Movements	Changes Since Last Report - Original Budget		
	Original Budget Forecast Variance £'000	Forecast (Under)/ Overspend £'000	Movement in Variance £'000
Staffing Pressures	-	499	499
Additional costs of ICT and Software	-	120	120
Additional costs related to Consultancy Fees	-	50	50
Planning fees	-	(48)	(48)
Corporate Property Income	-	(50)	(50)
Additional Grant Income	-	(34)	(34)
Use of reserves	-	(297)	(297)
Other	-	(20)	(20)
Total Net Cost of Services	**-**	**220**	**220**
Non-Service			
Additional Investment Income	-	(232)	(232)
Total Non-Service	**-**	**(232)**	**(232)**
Total (Under)/Overspend	**-**	**(12)**	**(12)**

4. Variance by Service

4.1 The narrative below provides more detail on the variances from the original budget and the forecast outturn at Quarter 1.

4.2 Environment

4.2.1 The forecast outturn position at quarter 1 for Environment is an overspend of £58k.

Table 3: Environment – Forecast Outturn 2026/27 Quarter 1

Department	Original Budget £'000	In Year Budget Changes £'000	Working Budget £'000	Forecast Outturn Quarter 1 £'000	Forecast Outturn Variance to Working Budget £'000
Environmental Services	92	455	547	561	14
Leisure	648	45	693	693	-
Parks and Open Spaces	1,371	(19)	1,352	1,346	(6)
Waste and Cleansing Operations	2,167	(342)	1,825	1,846	21
Cemeteries	(202)	(4)	(206)	(202)	4
Other	-	-	-	25	25
Total Environmental Health	**4,076**	**135**	**4,211**	**4,269**	**58**

4.2.2 Environmental Services - £14k overspend - The service has a projected overspend of £12k due to recruitment and retention issues, £12k on additional premises related costs and £4k on other small variances. This has been partially offset by additional MOT testing income of (£14k)

4.2.3 Leisure – Leisure is currently on track to spend as per the working budget, although the financial performance of Hyndburn Leisure will continue to be monitored and reported to cabinet as required.

4.2.4 Parks and Open Spaces – (£6k) Underspend – There is currently a projected underspend of (£13k) on employee costs and (£5k) on additional fee income, however this is being partially offset by premises cost pressures of £10k and other small variances £2k.

4.2.5 Waste and Cleansing Operations - £21k Overspend – The service has a projected overspend of £15k on employee related costs, £4k on premises costs and other small variances of £2k.

4.2.6 Cemetries - £4k overspend - There is currently a projected overspend of £44k on employee costs which is partially offset by an underspend on premises costs of (£40k).

4.2.7 Other – £25k overspend - Employee costs in relation to call outs outside of normal working hours projects a £25k pressure, however this will be monitored throughout the year.

4.3 Regeneration and Housing

4.3.1 The forecast outturn position for Regeneration and Housing Services is an underspend of (£318k).

Table 4: Environmental Services – Forecast Outturn 2026/27 Quarter 1

Department	Original Budget £'000	In Year Budget Changes £'000	Working Budget £'000	Forecast Outturn Quarter 1 £'000	Forecast Outturn Variance to Working Budget £'000
Community Safety	133	0	133	143	10
Economic Development	90	154	244	247	3
Grant Funded	-	-	-	-	-
Housing	683	20	703	372	(331)
Total Environmental Health	**906**	**174**	**1,080**	**762**	**(318)**

4.3.2 Community Safety - £10k Overspend – a pressure of £10k is due to increased costs associated with the CCTV system.

4.3.3 Economic Development - £3k overspend – There is a small employee related pressure of £3k.

4.3.4 Grant Funded – For schemes funded from external grant sources, we expect to spend to budget allocations, therefore there are no reported variations at this time.

4.3.5 Housing (£331k) Underspend – the service if forecast to recognise a saving of (£331k), largely due to release of reserves from previous years grant funding (£297k) and from additional grant income available in year to support services (£34k).

4.4 Legal and Democratic Services

4.4.1 The forecast outturn position for Legal and Democratic Services is an overspend of £122k.

Table 5: Legal and Democratic Services – Forecast Outturn 2026/27 Quarter 1

Department	Original Budget £'000	In Year Budget Changes £'000	Working Budget £'000	Forecast Outturn Quarter 1 £'000	Forecast Outturn Variance to Working Budget £'000
Legal and Land Charges	302	71	373	436	63
Member Services	595	(1)	594	575	(19)
Elections	313	3	316	315	(1)
Environmental Health	881	18	899	942	43
Planning	389	112	501	525	24
Building Control	6	5	11	23	12
Engineers and Transportation	217	1	218	218	-
Green Infrastructure	36	2	38	38	-
Total Environmental Health	**2,739**	**211**	**2,950**	**3,072**	**122**

4.4.2 Legal and Land Charges - £63k Overspend – the service is forecasting a pressure of £46k in relation to staffing cover by an agency worker, £11k in relation to licensing income and other small variances of £6k.

4.4.3 Member Services - (£19k) Underspend – There is a forecast saving of (£25k) in relation to staffing costs, which is partially offset by running cost pressures of £6k.

4.4.4 Elections - (£1k) Underspend – the service has a small forecast underspend of (£1k) on staffing budgets.

4.4.5 Environmental Health - £43k overspend – the service is forecasting a total pressure of £43k, this is due to requiring specialist advice in connection to environmental health and protection cases.

4.4.6 Planning - £24k Overspend – The service is forecasting a pressure of £24k due to staffing pressures.

4.4.7 Building Control - £12k Overspend – whilst there are staffing pressure of £45k, these are being partially offset by additional income (£33k).

4.4.8 Engineers and Transportation – the service is currently forecast to breakeven.

4.4.9 Green Infrastructure – the service is currently forecast to breakeven.

4.5 People and Communities

4.5.1 The forecast outturn position for People and Communities is an overspend of £22k.

Table 6: People and Communities – Forecast Outturn 2026/27 Quarter 1

Department	Original Budget £'000	In Year Budget Changes £'000	Working Budget £'000	Forecast Outturn Quarter 1 £'000	Forecast Outturn Variance to Working Budget £'000
Policy and Organisational Development	221	6	227	230	3
Human Resources	356	19	375	399	24
Communities	16	-	16	16	-
Community Safety	61	43	104	99	(5)
Culture and Heritage	440	(35)	405	399	(6)
Grant Funded	184	(10)	174	174	-
Housing Service	23	-	23	23	-
Markets	298	2	300	306	6
Total Environmental Health	**1,599**	**25**	**1,624**	**1,646**	**22**

4.5.2 Policy and Organisational Development - £3k overspend – there is a small variation on staffing budgets of £3k.

4.5.3 Human Resources – £24k overspend - the service is forecasting a pressure within staffing budgets of £24k (this will be offset by savings in the Management team budget, within Resources).

4.5.4 Communities – the service is currently forecast to breakeven.

4.5.5 Community Safety – (£5k) Underspend - there is a small variation on staffing budgets of (£5k).

4.5.6 Culture and Heritage – (£6k) Underspend - there is a small variation on staffing budgets of (£6k).

4.5.7 Grant Funded Projects - the service is currently forecast to breakeven.

4.5.8 Housing Services - the service is currently forecast to breakeven.

4.5.9 Markets - £6k overspend – there is a small pressure of £6k in relation to increased waste disposal charges.

4.6 Resources

4.6.1 The forecast outturn position for Resources is an overspend of £336k.

Table 7: Resources – Forecast Outturn 2026/27 Quarter 1

Department	Original Budget £'000	In Year Budget Changes £'000	Working Budget £'000	Forecast Outturn Quarter 1 £'000	Forecast Outturn Variance to Working Budget £'000
Corporate and Democratic	595	-	595	595	-
Finance and Audit	1,724	18	1,742	1,774	32
ICT	823	11	834	806	(28)
Management Team	603	2	605	568	(37)
Property	779	79	858	990	132
Revs, Bens, and Customer Contact	1,619	23	1,642	1,879	237
Strategic Housing	74	-	74	74	-
Total Environmental Health	**6,217**	**133**	**6,350**	**6,686**	**336**

4.6.2 Corporate and Democratic - the service is currently forecast to breakeven.

4.6.3 Finance and Audit - £32k Overspend – current forecasts assume a pressure of £76k within staffing budgets, partially offset by savings within running costs (£44k).

4.6.4 ICT - (£28k) Underspend – the service is currently forecasting an underspend of (£58k) in relation to staffing budgets, which is offset by additional licence costs of £30k.

4.6.5 Management Team (£37k) Underspend – the service is currently forecasting an underspend of (£37k) in relation to staffing budgets. This is partially offset by a pressure within Human Resources as detailed at 4.5.3 above.

4.6.6 Property £132k Overspend – the service has a pressure of £120k which relates to staffing and £12k in relation to additional cleaning costs.

4.6.7 Revenue, Benefits and Customer Contact - £237k overspend – whilst there are staffing underspends of (£76k), these are off-set by pressures in IT system costs £90k, legal fees £15k and unrecoverable housing benefit payments £203k. There are other minor variations of £5k.

4.6.8 Strategic Housing - the service is currently forecast to breakeven.

4.7 Non-Service

4.7.1 The forecast outturn position for Resources is an underspend of (£232k).

Table 8: Non Service - Forecast Outturn 2026/27 Quarter 1

Department	Original Budget £'000	In Year Budget Changes £'000	Working Budget £'000	Forecast Outturn Quarter 1 £'000	Forecast Outturn Variance to Working Budget £'000
Centrally held budgets	703	(678)	25	25	-
Interest	69	-	69	(163)	(232)
Minimum Revenue Provision	1,294	-	1,294	1,294	-
Contribution to Capital Costs	4	-	4	4	-
Total Environmental Health	**2,070**	**(678)**	**1,392**	**1,160**	**(232)**

4.7.2 Centrally Held Budgets – whilst the majority of budgets have now been transferred out to service budgets, there remains a small balance of £25k that will be distributed shortly, therefore it is projected that the budget will be fully spent.

4.7.3 Interest – (£232k) Underspend - additional treasury investment income of (£232k) is forecast due to favourable interest rates and the significant balances that the Council has been able to invest, largely due to the upfront receipt of capital grants.

4.7.4 Minimum Revenue Provision – at the present time it is assumed that the budget will breakeven.

4.7.5 Contribution to Capital Costs - at the present time it is assumed that the budget will breakeven.

4.8 Funding

4.8.2 There are currently no expected variances on the Council's funding.

Table 9: Funding – Forecast Outturn 2026/27 Quarter 1

Department	Original Budget £'000	In Year Budget Changes £'000	Working Budget £'000	Forecast Outturn Quarter 1 £'000	Forecast Outturn Variance to Working Budget £'000
Council Tax	(6,184)	-	(6,184)	(6,184)	-
Government Grants	(7,468)	-	(7,468)	(7,468)	-
Non-Domestic Rates	(3,955)	-	(3,955)	(3,955)	-
Total Environmental Health	**(17,607)**	**-**	**(17,607)**	**(17,607)**	**-**

4.9 Reserves

4.9.2 As per the 2025/26 outturn report presented to cabinet at the 24th June 2026 meeting, closes balances within reserves stood at £25.091m.

4.9.3 At the present time the forecast call on reserves stands at £14.049m, including reserves to be used to fund capital financing. Forecast movements in reserves are shown in the table below.

Table 10: Reserves – Forecast Outturn 2026/27 – Quarter 1

Reserve	Opening Balances £'000	Transfers to/From Reserves £'000	Capital Contributions £'000	Used for Capital Financing £'000	Closing Balances £'000
General Fund - Unallocated	2,036	-	-	-	2,036
Total Unallocated Reserves	**2,036**	**-**	**-**	**-**	**2,036**
Balances Set Aside to Fund Specific Future Expenditure	6,441	(920)	-	(983)	4,538
Collection Fund Volatility Reserve	424	-	-	-	424
Climate Change Reserve	38	(38)	-	-	-
Communities for Health Funding	11	-	-	-	11
Dilapidations Reserve	56	-	-	-	56
Invest to Save	1508	(554)	-	(489)	465
Levelling Up and Leisure Investment	3,537	(100)	-	(1,037)	2,400
Planning S106 Fund	328	-	-	(1)	327
Revenue Funding for Capital Schemes	2,638	-	-	(2,638)	-
Total Earmarked Reserves	**14,981**	**(1,612)**	**-**	**(5,148)**	**8,221**
Capital Receipts Reserve	3,312	-	-	(2,736)	576
Capital Grants Unapplied	4,762	-	-	(4,553)	209
Total Capital Reserves	**8,074**	**-**	**-**	**(7,289)**	**785**
Total Reserves	**25,091**	**(1,612)**	**-**	**(12,437)**	**11,042**

5. Alternative Options Considered and Reasons for Rejection

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

6. Consultations

6.1 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 *A Customer First Analysis should be completed in relation to policy decisions and should be attached as an appendix to the report.*	Not Applicable

8 Local Government (Access to Information) Act 1985:
8.1 List of Background Papers

General Fund Revenue Budget, Council Tax Levels and Capital Programme 2026/27 – Council 26th February 2026.

Provisional Financial Outturn Position – Revenue Budget Monitoring - Financial Year 2025/26 – Cabinet 24th June 2026

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.