



<b>Report To:</b>	Cabinet
<b>Date:</b>	24 <sup>th</sup> June 2026
<b>Subject:</b>	Draft Outturn 2025/26
<b>Purpose:</b>	To present the 2025/26 Draft Outturn position for the period ending 31 March 2026.
<b>Key Decision:</b>	No
<b>Portfolio Holder:</b>	Councillor Sandeep Ghosh, Portfolio Holder for Finance and Economic Growth
<b>Report Of:</b>	Russell Stone, Executive Director – Finance (Section 151 Officer)
<b>Report Author:</b>	Nicole Hayes, Head of Finance Delivery - BBC (PSPSL)
<b>Ward(s) Affected:</b>	No
<b>Exempt Report:</b>	No

### Summary

This report sets out a summary of the Council's draft outturn position for 2025/26. This position is subject to any final accounting adjustments as part of the year end process.

### Recommendations

It is recommended that Cabinet:

1. Notes the draft outturn revenue position of a £0.064m underspend for 2025/26 as detailed in Appendix A – Table 1;
2. Approves the reserve transfers as set out in Appendix A – Table 2a;
3. Notes the draft outturn capital position for 2025/26 as detailed in Appendix B – Table 1;

4. Approves the rephrasing of the slippage of the existing capital schemes into future financial years along with the capital addition in 2026/27, as outlined in paragraph 3.1 and 3.2 and in Appendix B – Table 3; and
5. Notes the final BTAC revenue position of £0.104m and the transfer of the surplus to BTAC reserve.

### **Reasons for Recommendations**

- To ensure the Council's draft financial position for 2025/26 is considered and related decisions approved. It is important Cabinet are aware of the financial position of the General Fund to ensure they can make informed decisions that are affordable and financially sustainable for the Council.

### **Other Options Considered**

- None.

## **1. Background**

1.1 Throughout the year quarterly monitoring reports are completed forecasting the expected year end outturn compared to the approved budget. This report provides information on the full year financial performance as of 31 March 2026 and as detailed in the attached Appendices, for the following areas:

- The General Fund Revenue Budget,
- The General Fund Reserve Position,
- The Treasury Performance,
- The Capital Programme.

## **2. Finance Revenue Report**

### **General Fund Draft Outturn**

2.1 The draft outturn position shows an underspend of £0.064m. This represents a significant improvement from the forecast Q1 overspend at year end of £0.829m, reducing to £0.571m at Q2 and further to £0.457m at Q3.

2.2 The forecast position by Service Director and Corporate Areas, which include explanations to the variances is detailed in Appendix A – Table 1.

### **Savings Target Outturn**

2.3 An efficiency target of £1.429m is included in the 2025/26 budget. Saving opportunities have been monitored throughout the year and in light of the outturn position showing an underspend of £0.064m it can be concluded that the savings target set, has been met.

## **Reserves**

- 2.4 The forecast balance of Specific and General Fund Reserves is £19.388m, including the proposed General Fund surplus transfer to the Funding Volatility reserve.
- 2.5 A number of reserve contributions have not been required for 2025/26, due to expenditure anticipated to require funding from reserves has alternatively been met from within existing budgets through robust budget monitoring and the identification of opportunities throughout the year.
- 2.6 Further details are provided in Appendix A – Table 2, 2a and 3.

## **Treasury Management**

- 2.7 Section 2.3 of Appendix A provides details of the Council's Treasury investments as of 31 March 2026. The Council's 2025/26 budget for investment income is £1.722m, the draft outturn position is £2.058m, a favourable variance of £0.336m.

## **3. Finance Capital Report**

- 3.1 As of 31 March 2026, capital expenditure totalled £20.281m against budgeted expenditure of £37.422m an underspend of £17.141m. Due to the nature of capital projects, it is not uncommon for the timelines of large-scale projects to be revised. As a result, existing capital schemes totalling £17.075m of the £17.141m need to be rephased into future years.
- 3.2 In addition, a new provision of £0.150m in 2026/27 has been included for works required at the depot. This will allow for the provision of a dedicated vehicle washing facility which is necessary to ensure the Council meets its statutory obligations as a Waste Collection Authority and to support the safe and effective delivery of the forthcoming weekly food waste collection service. The introduction of food waste collections will result in increased handling of organic material with associated risks relating to hygiene, odour, vermin attraction and cross-contamination. A compliant wash facility will enable regular and thorough cleaning of collection vehicles, helping to maintain public health standards, meet environmental protection requirements and comply with operator licence conditions. It will also support the Council in meeting expected national policy requirements arising from waste and recycling reforms. Also, further improving service resilience and ensuring that vehicles remain fit for purpose, presentable and safe for operatives.
- 3.3 Further details are set out in Appendix B – Table 3.
- 3.4 The 2025/26 capital programme draft outturn position by scheme is detailed in Appendix B – Table 1.
- 3.5 The funding of the capital programme is provided in Appendix B – Table 2.
- 3.6 The 5-year Capital Programme includes provision for Investment and Growth mainly funded through grant funding from Levelling Up Funds, Waste Services investment, IT investment and Disabled Facilities Grants. The main areas of continued investment are:

- Leisure Centre
- Disabled Facilities Grant
- Waste Vehicles and Caddies
- IT Systems
- Pride in Place

Details are provided within Appendix B – Table 4.

#### **4. Conclusion**

4.1. Cabinet are requested to note the draft revenue and capital outturn position, approve the reserves transfer and rephrasing of the capital slippage into future years.

#### **Implications**

##### **South and East Lincolnshire Councils Partnership**

None.

##### **Corporate Priorities**

None.

##### **Staffing**

None.

##### **Workforce Capacity Implications**

None.

##### **Constitutional and Legal Implications**

None.

##### **Data Protection**

None.

##### **Financial**

As contained in this report and the associated appendices.

##### **Risk Management**

None.

##### **Stakeholder / Consultation / Timescales**

No consultation undertaken.

##### **Reputation**

None.

## **Contracts**

None.

## **Crime and Disorder**

None.

## **Equality and Diversity / Human Rights / Safeguarding**

None.

## **Health and Wellbeing**

None.

## **Climate Change and Environment Impact Assessment**

None.

## **Acronyms**

None.

## **Appendices**

Appendices are listed below and attached to the back of the report:

Appendix A	BBC Draft Outturn Finance Revenue Report 2025-26
Appendix B	BBC Draft Outturn Finance Capital Report 2025-26

## **Background Papers**

No background papers as defined in Section 100D of the Local Government Act 1972 were used in the production of this report.

## **Chronological History of this Report**

None.

## **Report Approval**

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