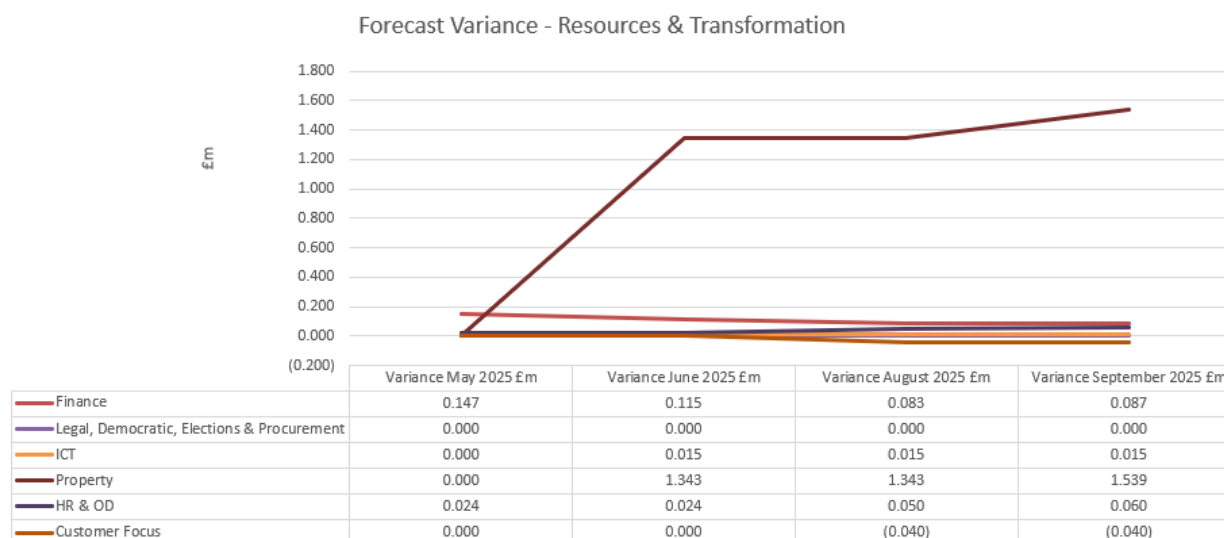


Appendix 2 – Detailed Revenue Narrative on Forecast September 2025

Resources & Transformation

Revenue:

Resources & Transformation are forecasting £1.661m overspend against a budget of £6.891m (24.1%).



Finance

Variation

£0.087m Overspend

The Forecast overspend is primarily due to a forecast overspend in corporate costs relating to bank charges for processing payments electronically. As the council makes more payments electronically these costs increase. The forecast overspend is £0.087m.

The remaining minor variances net each other off with lower than budgeted forecast income from Court Costs and Housing Benefit Overpayments offset by over recovery of grant income.

Variation to August's Forecast
£0.004m

Changes since last month:
Minor variations across the service.
Mitigations will have to be considered as this overspend is as a result of corporate costs.

Legal, Democratic,
Elections Governance
& Procurement

Variation
£0.000m Overspend

Are currently showing no overspend however there is a real risk that overspend occurs. We have increased the income forecast, based on current projection, but this is very much dependent on developers/ planners agreeing s106 agreements. Continued recruitment issues also mean that we continue use locum staff in high-risk areas such planning and litigation.

Variation to August's
Forecast
£0.000m

ICT

Variation
£0.015m Overspend

ICT are currently forecasting minor variations across the service.

Variation to August's
Forecast
£0.000m

Property

Variation
£1.539m Overspend

Property are forecasting an overspend of £1.539m . The main reason for this forecast is :

Property has experienced a shortfall in projected income and higher-than-anticipated costs associated with managing its properties during the current financial period. Income under-recovery is primarily due to slower-than-expected tenant uptake, compounded by broader economic challenges impacting the market and the need to agree competitive lease terms to attract tenants.

Void property costs exceeded budget due to extended vacancy periods and increased operational costs required to maintain the properties in a safe and marketable condition.

We are intensifying marketing efforts to secure new tenants, reviewing cost controls on properties, and updating our financial forecasts regularly to ensure they reflect the most up to date tenancy and property information.

These variances are being actively managed and monitored.

Under-Recovery of Income:

- Slower-than-expected tenant uptake.
- Market challenges affecting the property sector.

Mitigations:

- Intensified marketing to attract occupiers
- Cost control measures across the service.
- Regular review of financial forecasts to reflect current position.
- Ongoing review of procurement and oversight processes.

Variation to August's
Forecast
£0.196m

The service has some increased operational expenditure reflecting material increases, and anticipated increases in cleaning costs partly offset by expected reductions in repair and maintenance expenditure.
The Service is carrying out a thorough review of the portfolio to identify any further mitigations that can be identified.

Customer Focus

Variation
(0.040m) underspend

Customer Focus are forecasting an underspend of (£0.040m) primarily down to holding onto a vacancy which will be filled in Q3.

Variation to August's
Forecast
£0.000m

HR & OD

Variations £0.060m
Overspend

The forecast for September is an overspend of £0.060m by year-end. The overspend reflects the corporate decision not to proceed with changes to the current overtime policy. Other overspends relate to the need to retain resources in the HR team to carry out HR functions.

Variation to August's
Forecast
£0.010m

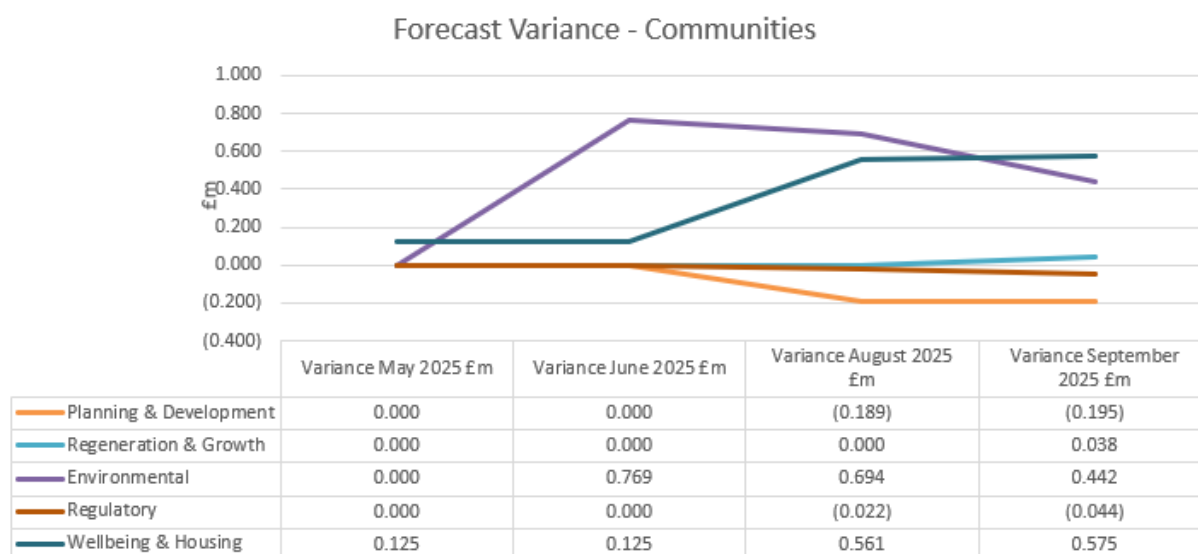
The overspend has increased because HR were holding on to some savings in salaries relating to the graduates, but this has reduced now the graduates have been recruited and are working in Customer Focus.

Communities

Revenue:

Communities are forecasting a £0.816m overspend against a budget of £12.578m, (6.5%).

The directorate recognises the overspend, in particular the pressure around staff sickness and the potential operational impact to waste collections. The team are working hard over the summer period to identify in year mitigations.



Planning & Development

Variation
(£0.195m)
underspend

Building Control is presently forecast to be within budget assisted by income receipts. Planning Policy, Conservation & Design is presently forecast to be overbudget by some £0.079m due to staff resource costs associated with the submission of the Local Plan and its Examination. A reserve is available for the Local Plan Examination that can be called upon if required in due course. Overall, Planning & Development is presently forecast to be well within budget (£0.195m) by the year end. This is mainly due to Development Management fee income being bolstered by the receipts from a number of strategic planning applications. However, the staff resourcing needs for these applications is under review and the indicative under-spend could therefore change significantly before the year end.

Variation to August's
Forecast
(£0.006m)

The current forecast has changed by (£0.006m).
The additional income has brought with it significant additional demand on staff resource from the submitted planning applications. The additional resource needs are under review.

Regeneration & Growth

Variation
£0.038m Overspend

Regeneration & Growth is currently reporting an overspend of £0.038m, primarily due to staffing costs where a full-time post is only partially funded (50%) through the service budget. A review of the team's structure and budget allocation is underway, with the aim of identifying opportunities to mitigate the overspend.

Variation to August's
Forecast
£0.038m

Environmental

Variation
£0.442m Overspend

The forecasted pressure of £0.442m within Environmental Services is largely due to staffing pressures £0.516m within Waste and Recycling primarily as a result of agency staff usage, this continues to be closely monitored and managed alongside HR.

Higher than anticipated residual waste tonnage being direct delivered to Transfer station has resulted in an overspend of £0.094m of which £0.038m relates to 2024/25.

Delays to contract start date for new dry recycling processor have increased costs by £0.089m, this is also a result of a fall in commodity prices worldwide resulting in 67% increase in gate fee.

A reduction in garden waste subscriptions due to a predicted 1,400 less uptake compared to 2024/25 resulting in an under recovery of income of £0.073m.

The income received from sale of glass collected is currently reporting a £0.122m overspend compared to budget, this is due to a 40% reduction in glass rebates received from the processor, due to a reduction in glass income and PRN's (packaging recovery notes) on the international market.

This is partly offset by non-recruitment to vacant posts of (£0.218m) within Environmental Services Admin, Vehicle Maintenance, Landscaping Street Scene and Street Cleansing. A reduction in the

amount of fuel required through usage and price (£0.080m) carrying out additional work on behalf of local partners (£0.017m)

As per the recommendation in the report the Extended Producer Responsibility (EPR) grant budget and forecast has been moved into the service from Executive Matters resulting in a reduction of overspend of (£0.309m).

An increase in vehicle maintenance and repairs of £0.007m and vehicle hire costs of £0.003m have been required for the Street Cleansing vehicles, this as a result of an ageing fleet.

This ageing fleet has also resulted in an increase in overtime carried out which partly results from vacancies within the vehicle workshop team of £0.024m in addition to an increase in annual costs for the fleet management software costs of £0.004m.

A reduction of £0.006m in anticipated income for street markets.

As part of the 2025/26 budget setting process HR proposed a cross-cutting saving reducing the overtime rate from time and a half to plain time during the working week. The policy change is not set to take place in 2025/26, so this has now been identified as a pressure of £0.040m.

Variation to August's
Forecast
£0.057m

An increase in vehicle maintenance and repairs of £0.007m and vehicle hire costs of £0.003m have been required for the Street Cleansing vehicles, this as a result of an ageing fleet.

This ageing fleet has also resulted in an increase in overtime carried out which partly results from vacancies within the vehicle workshop team of £0.024m in addition to an increase in annual costs for the fleet management software costs of £0.004m.

A reduction of £0.006m in anticipated income for street markets.

Environmental services are continuing to investigate ways to mitigate this overspend, to date they include non-recruitment to several vacant posts across the service, a reduction in Arboricultural works carried out at sites, additional work on behalf of local partners, a reduction in training carried out.

This will continue to be monitored and mitigations identified throughout the year including any noncritical services to offset this overspend.

Regulatory

Variation
(£0.044m) Underspend

Regulatory Services and Community Safety are forecasting a small underspend of (£0.044m).

Variation to August's
Forecast
(£0.022m)

We have had confirmation that CDC's contribution to the CCTV monitoring staff costs will be £0.015m less than previously budgeted for 25/26.

Wellbeing & Housing

Variation
£0.575m overspend

The forecast is based on whole year expenses being needed as budgeted and accounts for increased IT license costs, legal fees and the increase in temporary accommodation demand due to rising homelessness.

Variation to August's
Forecast
£0.436m

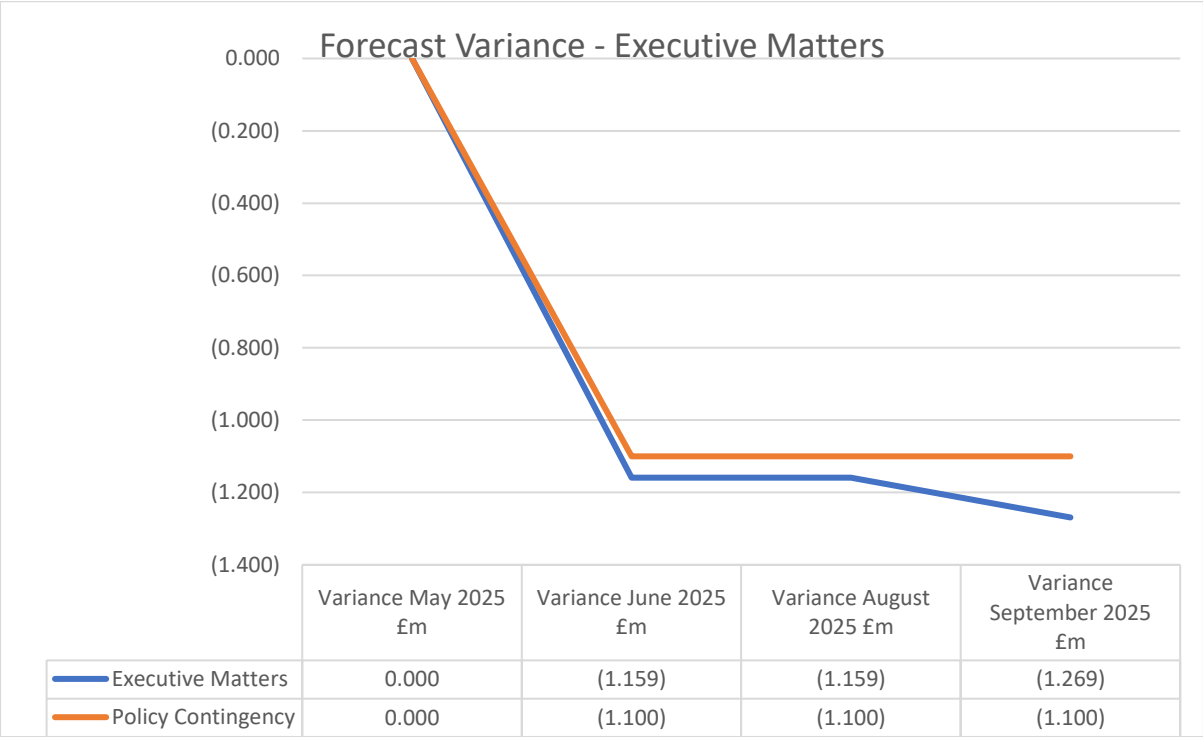
Changes in temporary accommodation provision is likely to increase forecasted costs in the short term, separate from demand pressures, and this is reflected through the new forecast. Potential efficiencies from changes in contractual arrangements within the service are yet to be realised, but are being accelerated, but are not yet forecastable.

Over the course of the year, it may be possible to underspend on some provisions within the budget and reduce the forecasted overspend. Allowing for the increased budget provision for temporary accommodation the scale of the eventual overspend will depend on the demand for temporary accommodation.

Executive Matters

Revenue:

Executive Matters is reporting an underspend of (£1.269m) against a budget of £4.437m (22.2%).



Executive Matters	
Variation (£1.269m) Underspend	Executive Matters are forecasting an underspend of (£1.269m) funding that is due to be received in July, (£0.500m) dividend expected from Graven Hill and an over recovery of net interest of (£0.769m).
Variation to August's Forecast (£0.419m)	

Policy Contingency

Policy Contingency is forecasting an underspend of (£1.100m) against a budget of £2.420m, (45.5%)

Policy Contingency

Variation
(£1.100m)

Policy Contingency includes £1.100m for Market Risk. This has been released (and shown as an underspend) in order to offset overspends in the directorates.

Variation to August's
Forecast
(£0.000m)
