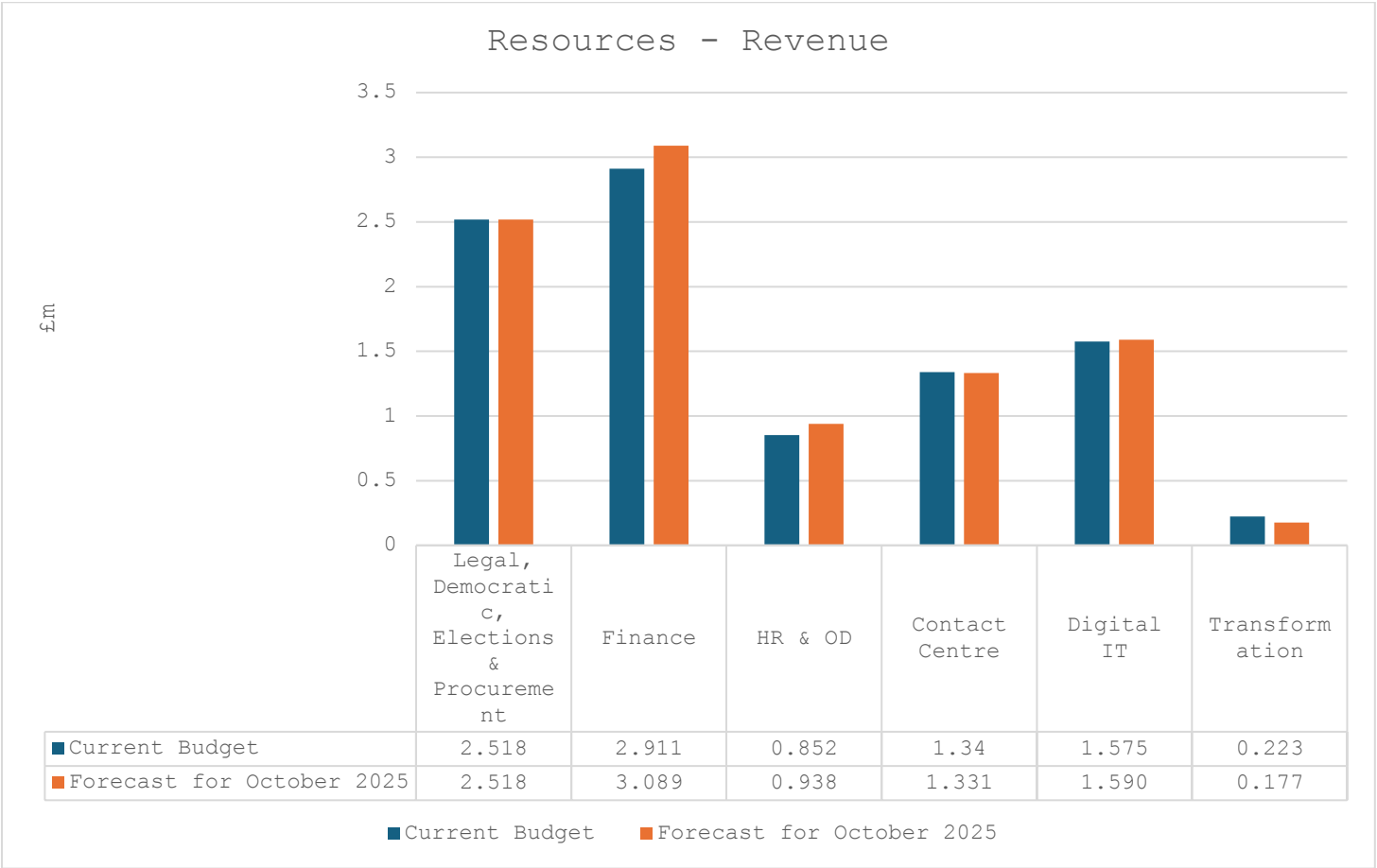


Appendix 1 – Detailed Narrative on Forecast October 2025

Resources

Revenue:

Resources are forecasting £0.224m overspend against a budget of £9.419m (2.38%). The majority of the directorate’s overspend relates to a share of the overtime policy implications, whilst being offset by other minor underspends. Whilst there is limited ability to reduce the actual overspend due to the reason for it occurring, the directorate monitors all spend to minimise any unnecessary costs and spend and embodies the councils aim for striving to excellence in financial management.



<div>Legal, Democratic, Elections & Procurement</div> <div>Variation £0.000m</div>	<div>We 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.</div>
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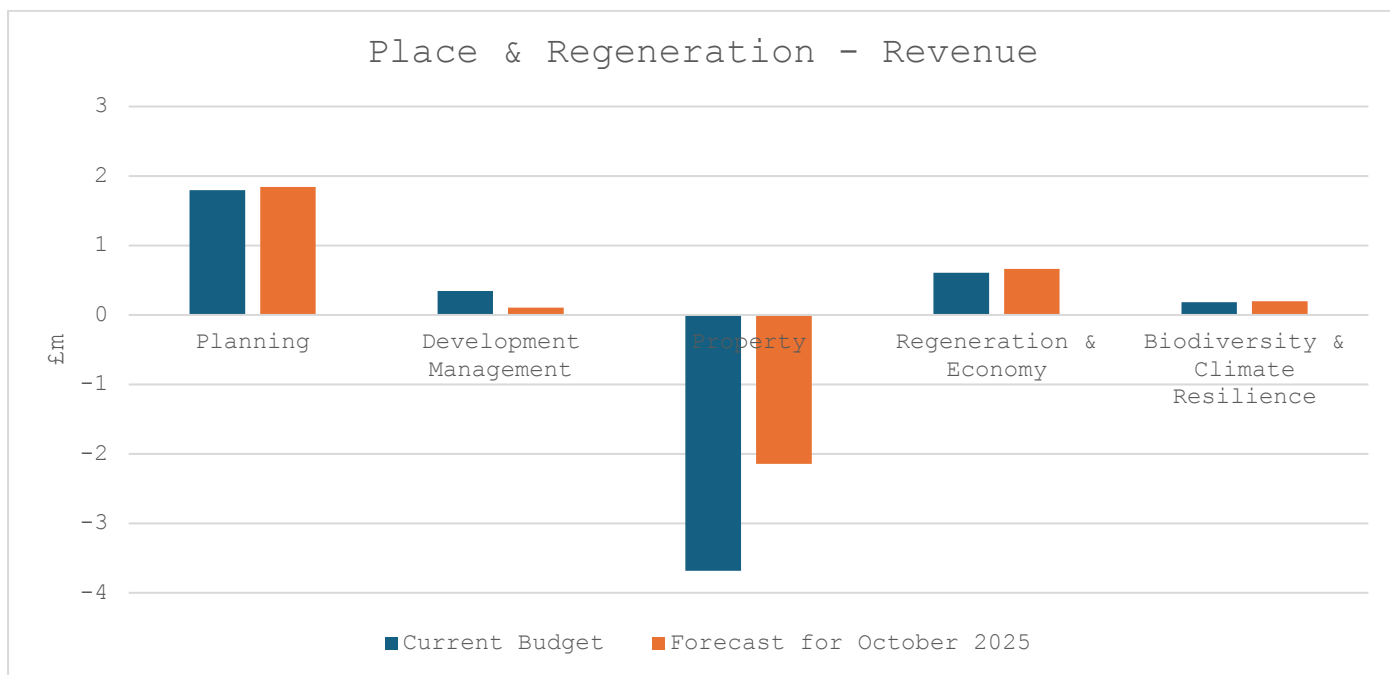
Variations To September's Forecast £0.000m	
<p>Finance</p> <p>Variation £0.178m Overspend</p> <p>Variation to September's Forecast £0.091m</p>	<p>The forecast year end position at Q2 is an overspend of £0.178m. Following the submission of the Mid-year estimate for Housing Benefit Grant to the DWP and including a review of the caseload, despite a reduction in the overall grant payments to be made, we are forecasting a overspend due to increased expenditure on Temporary accommodation and Supported accommodation claims which are not fully grant funded by the Government, but the council has an obligation to pay. Additional New Burdens grant funding has also been received of (£0.069m).</p> <p>Vacancies are being held in the Revenues and Benefits service.</p>
<p>HR & OD</p> <p>Variation £0.086m Overspend</p> <p>Variation to September's Forecast £0.026m</p>	<p>The main driver of the forecasted overspend is the corporate decision not to proceed with changes to the current overtime policy, resulting in the non-delivery of £0.041m savings. Other overspends have emerged during the year, that were not anticipated at the time of budget setting for 2025/26. These overspends include legal costs for employment advice £0.020m, graduate recruitment costs £0.007m, training software licence costs £0.012m and consultants fees relating to the structure project £0.006m</p> <p>The overspend has increased due to more legal costs anticipated and the recruitment costs for the graduates that was not included in previous forecast.</p>
<p>Contact Centre</p> <p>Variation (£0.009) Underspend</p> <p>Variation to September's Forecast (£0.009m)</p>	<p>Customer Services is running to budget. Land Charges is showing a small underspend due to additional income. However, will need to monitor closely as there is a risk that post budget impact on the housing market could reduce income during remainder of financial year.</p>
<p>Digital IT</p> <p>Variation £0.015m Overspend</p>	<p>Minor overspends across the service.</p>

Variation to September's Forecast (£0.000m)	
Transformation	
Variation (£0.046m) Underspend	Underspend is due to current Business Process Analyst Vacancy. Planning to recruit for this in Quarter four of this financial year, assuming greater clarity and stability of pipeline of work for the Transformation PMO.
Variation to September's Forecast (£0.006m)	

Place & Regeneration

Revenue:

Place & Regeneration are forecasting £1.408m overspend against a budget of (0.747m) (-188.5%).



Planning & Development Management	
Planning Variation £0.046m Overspend	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 £79k due to staff resource costs associated with the submission of the Local Plan and its Examination. A
Development	

<p>Management Variation Underspend (£0.239m)</p>	<p>reserve is available for the Local Plan Examination that can be called upon if required in due course. Overall, Planning & Development Management are presently forecast to be well within budget (-£0.193m) 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 remains under review and the indicative under-spend could therefore change significantly before the year end.</p>
<p>Variation to September's Forecast Planning (£0.011m)</p> <p>Development Management £0.013m</p>	<p>The current forecast has changed by £0.002m.</p> <p>The additional income has brought with it significant additional demand on staff resource from the submitted planning applications. The additional resource needs remain under review.</p>
<p>Property</p> <p>Variation £1.539m Overspend</p>	<p>Property is forecasting an overspend of £1.539m. The main reason for this forecast is:</p> <p>Property has experienced a shortfall in projected income and higher-than-anticipated costs associated with managing its properties during the current financial period.</p> <p>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.</p> <p>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.</p> <p>These variances are being actively managed and monitored.</p> <p>Under-Recovery of Income:</p> <ul style="list-style-type: none"> • Slower-than-expected tenant uptake. • Market challenges affecting the property sector. <p>Mitigations:</p> <ul style="list-style-type: none"> • 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.
<p>Variation to September's Forecast £0.000m</p>	<p>The service has some increased operational expenditure reflecting material price increases, and anticipated increases in cleaning costs partly offset by expected reductions in repair and maintenance expenditure.</p>

	The Service is carrying out a thorough review of the portfolio to identify any further mitigations that can be identified.
<p>Regeneration & Economy</p> <p>Variation £0.052m Overspend</p> <p>Variation to September's Forecast £0.014m</p>	<p>Regeneration & Growth is currently reporting an overspend of £0.052m, 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.</p>
<p>Biodiversity & Climate Resilience</p> <p>Variation £0.010 Overspend</p> <p>Variation to September's Forecast £0.007m</p>	<p>The forecasted pressure of £0.010m within Biodiversity & Climate Resilience is largely due to an increase in forecast studies and annual reports required in 2025/26.</p> <p>The annual amount from grants is lower than anticipated of £0.001m and an increase in consultancy costs of £0.006m.</p>

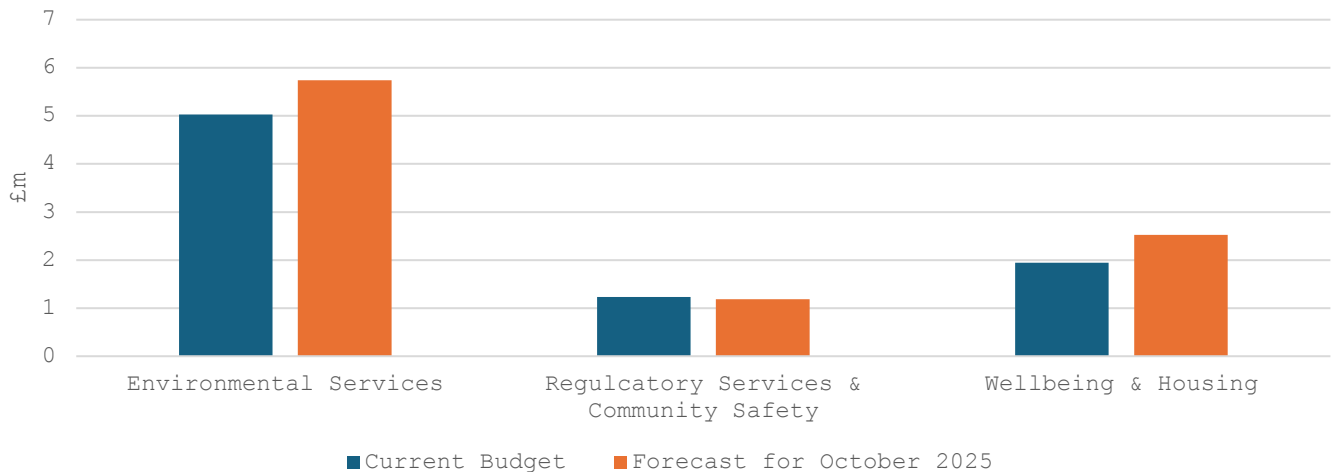
Neighbourhood Services

Revenue:

Neighbourhood Services are forecasting £1.132m overspend against a budget of £8.310m (13.6%).

The forecast overspend should remain stable as whole year costs have been reflected based on the first 6 months activity. Mitigations are being sought where possible and close working across the services to identify programmes that can be slowed or delayed to ease the budget pressures are being sought. The drivers for the overspend are long term sickness in our waste crew, additional temporary accommodation costs, and the delayed delivery of implementing an Agency arrangement in our Leisure Centres

Neighbourhood Services - Revenue



Environmental Services

Variation
£0.606m
Overspend

The forecasted pressure of £0.606m within Environmental Services is largely due to staffing pressures £0.593 within Waste and Recycling primarily as a result of agency staff usage, this continues to be closely monitored and managed alongside HR.

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 an additional pressure of £0.040m within Waste and Recycling.

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 £0.058m.

Recycling Banks are currently reporting an overspend of £0.105m. The reduction in income received from sale of glass collected is also 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 (£0.198m) 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) and 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

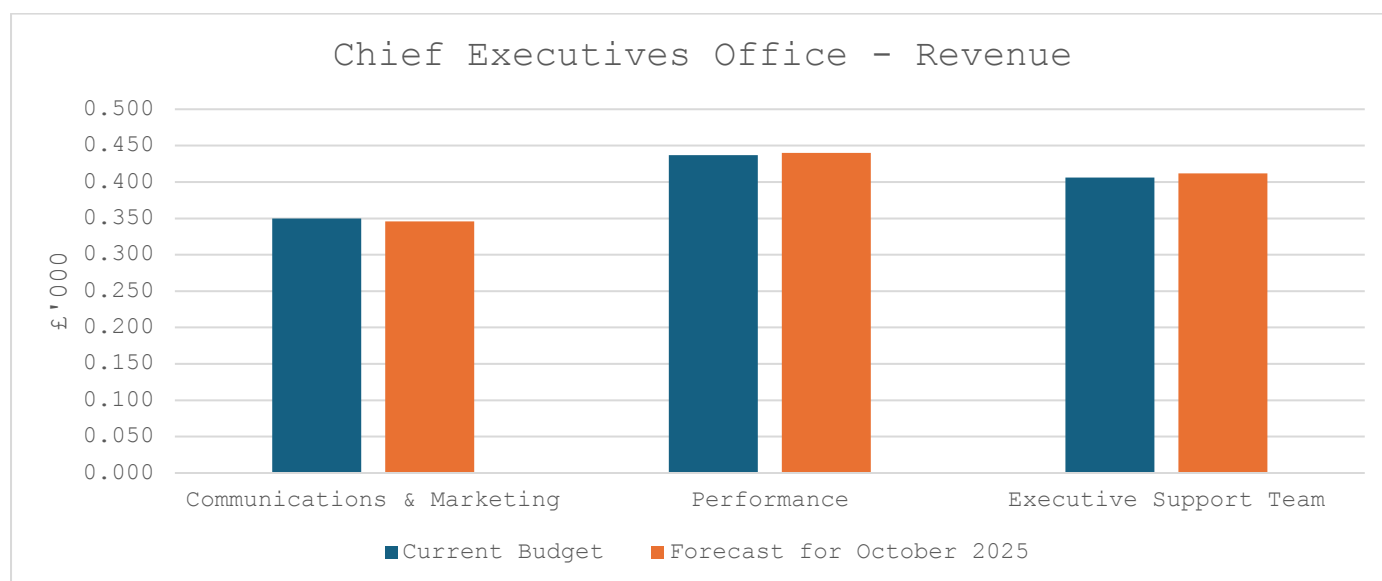
<p>Variation to September's Forecast £0.167m</p>	<p>the service from Executive Matters resulting in a reduction of overspend of (£0.309m).</p> <p>An increase in vehicle maintenance and repairs of £0.007m and vehicle hire costs of £0.008m have been required for the Street Cleansing vehicles, this as a result of an ageing fleet. This ageing fleet has also resulted in an increase in overtime for the vehicle workshop team of £0.025m in addition to an increase in annual costs for the fleet management software costs of £0.004m. An under recovery of anticipated income for the Vehicle workshop for internal and external for labour on vehicle repairs of £0.103m. A reduction of £0.015m in anticipated income for street markets and annual fairs.</p> <p>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 be continued to be monitored and mitigations identified throughout the year including any noncritical services to offset this overspend.</p>
<p>Regulatory Services & Community Safety</p> <p>Variation (£0.049m) Underspend</p> <p>Variation to September's Forecast (£0.005m)</p>	<p>Regulatory Services and Community Safety are forecasting an underspend of £0.049m.</p> <p>We are expecting lower costs than previously forecast for kennelling, this is due to lower stray dog numbers than anticipated.</p>
<p>Wellbeing & Housing</p> <p>Variation £0.575m Overspend</p> <p>Variation to September's Forecast £0.000m</p>	<p>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.</p> <p>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.</p>

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

Chief Executives Office

Revenue:

Chief Executives Office are forecasting £0.005m overspend against a budget of £1.193m (1.0%).



<p>Communications & Marketing</p> <p>Variation (£0.004m) Underspend</p> <p>Variation to September's Forecast (£0.004m)</p>	Minor Variations within the service.
<p>Performance</p> <p>Variation £0.003m Overspend</p> <p>Variation to September's Forecast £0.003m</p>	Minor Variations within the service.
Executive Support Team	

<p>Variation £0.006m Overspend</p> <p>Variation to September's Forecast £0.006m</p>	<p>Minor Variations within the service.</p>
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Executive Matters

Revenue:

Executive Matters are forecasting a (£1.269m) underspend against a budget of £5.707m (-22.2%).

<p>Executive Matters</p> <p>Variation (£1.269m) Underspend</p> <p>Variation to September's Forecast £0.000m</p>	<p>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).</p>
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Policy Contingency

Revenue:

Policy Contingency are forecasting a (£1.100m) underspend against a budget of £2.420m (-45.5%).

<p>Policy Contingency</p> <p>Variation (£1.100m) Underspend</p> <p>Variation to September's Forecast £0.000m</p>	<p>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</p>
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