

**2026/27 REVENUE AND CAPITAL BUDGET POSITION TO 30TH
SEPTEMBER 2026 AND PROJECTION OF EXPECTED OUTTURN**

AGENDA ITEM NO. 10

MEETING: POLICY AND RESOURCES

DATE: 21ST OCTOBER 2026

REPORT BY: FINANCE MANAGER

1.0 Purpose of the Report

- 1.1 The purpose of this report is to present the six-month financial position on the Council's approved 2026/27 Revenue and Capital Budget up to 30th September 2026, along with a forecast of the expected year-end outturn position.
- 1.2 The report also quantifies any income losses, additional costs and underspends and how these have impacted upon the Council's Revenue Budget and overall financial position in the current year.

2.0 Summary of the Council's Current Financial Position

- 2.1 The implications of the ongoing economic difficulties continues to have an impact on the Council's Revenue Budget, with high inflationary increases being experienced across a number of expenditure budgets, pressure on staffing budgets linked to National Living Wage increases and trade union demands and impacts on the usage of some services resulting in pressure on income budgets.
- 2.2 However, there have been some positive Revenue Budget developments in the first half of the 2026/27 financial year
- 2.3 As members are aware, staffing costs represent a significant proportion of the Council's Revenue Budget and therefore a key budget pressure. The 2026/27 staffing budget included an assumed pay award of 4%. The 2026/27 pay award was agreed in August with an increase of 3.3% on all spinal column points. Based on the lower than budgeted pay award there is a saving across the Council Revenue Budgets in the region of £14,000.
- 2.4 The Council is also significantly exceeding its investment income target as interest rates and balances remain higher than expected resulting in increased income compared to what was anticipated when the budget was finalised in January 2026.
- 2.5 On the Golf Course Revenue Budget, income has increased significantly due to higher than budgeted membership numbers, green fees and buggy hire, reflecting increased course usage, partly attributable to the warmer summer weather.
- 2.6 There is also an underspend on the Events Revenue Budget, mainly due to savings from non-attendance at the senior citizens' excursions and the change from providing a paid lunch to giving attendees cash. The Large Community Events budget has also underspent, with costs lower than anticipated.

- 2.7 On the Pre-School Revenue Budget, High Needs SEN funding has exceeded the income target, although this has been partially offset by the reduction in early years funding due to lower attendance numbers. A staff vacancy being held vacant due to the lower attendance numbers has also added to the pre-school savings.
- 2.8 These issues, taken alongside the inclusion in the Revenue Budget of the £16,500 contingency sum, which has been unused to date, and the £75,000 contribution to capital reserves, has meant that the Council is continuing to achieve a level of net spending which is below the level of Precept set.
- 2.9 The Council's 2026/27 Revenue Budget up to the 30th September 2026 is showing an underspend of in the region £175,000.**
- 2.10 The main factors contributing towards this underspend are summarised below:-
- The budgeted contribution to capital reserves;
 - No use to date of the contingency sum;
 - An underspend on staff costs as a result of the agreed pay award being lower than budget (3.3% as opposed to the 4% budgeted);
 - Co-opted members not being paid a member's allowance;
 - Significantly higher than budgeted investment income as a result of higher-than-expected interest rates and levels of balances;
 - Savings from moving to a new card payment provider;
 - An underspend on underutilised administration budgets relating to the increasing move to paperless office;
 - An underspend on the Senior Citizens Excursions Budget as a result of issuing cash to all trip venues rather than providing a non-refundable pre-booked sit-down lunch;
 - Higher than budgeted SEN funding income and a staff post being held vacant at the pre-school;
 - A substantial increase in golf membership numbers and income;
 - A reduction in insurance costs in most areas relating to the new three-year stability agreement; and
 - Lower-than-anticipated utility costs at the Sports Complex due to the budget being set too high in the absence of up-to-date usage figures and rates from Durham County Council when the budget was set.
- 2.11 However it should be noted that a proportion of the underspend has been offset by unavoidable inflationary pressure on some running costs, a fall in income at the pre-school, sports complex and driving range, increased information technology costs, increased golf irrigation system water costs due to the drought conditions, increased golf course maintenance costs, and unbudgeted costs relating to the Finance Manager vacancy (agency release fee and payment of untaken leave).
- 2.12 It is important to note that where there have been reductions in costs or increases in income which are ongoing (including many of those included in 2.10 above), these have already been incorporated into the draft 2027/28 Revenue Budget and used to keep the town council tax increase for next year as low as possible.
- 2.13 A forecast of the expected year-end outturn position on the 2026/27 Revenue Budget has also been undertaken, based on an assessment of likely spending and income for the remainder of the year.
- 2.14 This expected outturn forecast indicates that the Council is on course to have an underspend on the Revenue Budget in the region of £175,250 or**

£100,250 excluding the planned £75,000 contribution to earmarked reserves, by the end of the 2026/27 financial year.

- 2.15 This potential saving would be achieved despite the aforementioned budget pressures and loss of income.
- 2.16 The Revenue Budget surplus will be transferred to the Council's balances and reserves at the end of the year, enabling the Council to maintain a healthy financial position at the end of the financial year.
- 2.17 This top-up of reserves will be welcome, as it comes at a time when the Medium-Term Financial Plan continues to forecast significant capital investment commitments and diminishing balances and reserves over the medium to long-term.
- 2.18 The Council's 2026/27 Capital Programme Budget currently stands at £1,038,700, having been increased from £348,650 to provide for the carry forward of a significant number of on-going commitments and provisional sums from last year totalling £690,050 and a number of additional capital budget approvals.
- 2.19 Expenditure against the Capital Programme Budget up to the 30th September 2026 totalled £132,217, with significant further progress on the delivery of the planned programme of works expected during the remainder of the year as per the recent report to the Asset Management Sub-Committee.
- 2.20 However, it is important to note that many of the projects included in the 2026/27 Capital Programme Budget are 'provisional' sums and it is therefore likely that a number of projects will not go ahead this year and be delayed into a future financial year. It is also anticipated that the final costs on some projects may be less than budgeted.
- 2.21 **Maximum forecast spending on the 2026/27 Capital Programme Budget is currently projected to be around £747,927** with a number of projects expected to be carried forward to 2027/28, estimated at a value of around £280,500.
- 2.22 £7,252 of the Capital Programme outturn will be funded from the Community Support Fund, with the remaining balance being funded from the Council's Earmarked Capital Reserves set aside for this purpose
- 2.23 **After accounting for the forecast Revenue Budget underspend and the financing of the Capital Programme as highlighted above, Council Balances and Reserves would reduce by around £650,000 over the course of the year from £2.272 million to £1.622 million in the worst-case scenario.**
- 2.24 This remains a healthy level of balances, particularly bearing in mind the challenges in the current economic climate, and is a positive endorsement of the prudent management and planning of the Council's finances over the last few years.
- 2.25 However, balances and reserves are clearly now on a downward trajectory, and this is something that will need to be considered in the 2027/28 budget setting exercise and in future updates of the Medium-Term Financial Plan.

3.0 2026/27 Revenue Budget Position

- 3.1 A detailed breakdown of the financial position on the Council's Revenue Budget, broken down by each Committee, and by individual service areas, is attached in **Appendix 1** to the report.
- 3.2 The attached budgetary control figures set out the following information:-
- The approved budget for each service area;
 - The year-to-date budget for the first six months of 2026/27 which gives an indication of how much of the budget would have expected to have been incurred in the year to date;
 - The actual income and expenditure in the first six months of the year as recorded in the Financial Management System;
 - A projection of the 'expected outturn' for 2026/27 based on the actual income and expenditure to date and an estimate of likely spending and income over the remainder of the year;
 - The variance between the approved annual budget and the expected outturn; and
 - An explanation of any significant variances between the annual budgets and the expected outturn on spending and income i.e. savings or overspending.
- 3.3 Please note that the insurance budgets have been adjusted in line with the latest premium breakdown provided by the Council's insurance company, in order to more accurately reflect the apportionment of these costs.
- 3.4 Whilst the above adjustments have changed the individual budget totals, there is no impact on the overall level of Precept.
- 3.5 The table on the following page provides a summary of the overall position on the revenue budgets for the six months up to 30th September 2026, and the projection of expected outturn for the year:-

Budgets by Committee and Service Area	2026/27 Approved Budget £	Year to Date Budget £	2026/27 Spend to Date £	2026/27 Expected Outturn £	(Saving) / Overspend £
<u>Policy and Resources</u>					
Members and Civic	83,100	41,798	34,459	76,855	(6,245)
Finance Service	115,650	52,486	68,068	123,275	7,625
Administration Service	72,100	43,384	32,483	68,305	(3,795)
Corporate Service	304,150	177,584	180,923	313,751	9,601
St Oswald's Pre School	64,150	(364)	(330)	60,660	(3,490)
Works	164,100	111,834	98,341	162,730	(1,370)
Depot	41,550	20,898	19,050	40,893	(657)
Capital Financing	(23,550)	(15,650)	(30,943)	(47,667)	(24,117)
Sub-Total	821,250	431,970	402,051	798,802	(22,448)
<u>Recreation</u>					
Special Events	223,550	133,412	123,984	211,775	(11,775)
Sports Complex	373,650	210,088	200,274	371,107	(2,543)
Sports Pitches	32,600	14,748	14,287	32,437	(163)
Golf Course	107,200	(11,512)	(55,555)	69,715	(37,485)
Driving Range	1,400	47,234	31,052	3,157	1,757
Parks	198,000	101,962	101,576	197,878	(122)
Play Areas	104,850	55,528	55,242	104,113	(737)
Sub-Total	1,041,250	551,460	470,860	990,182	(51,068)
<u>Environment</u>					
Environment	113,600	59,036	53,388	113,498	(102)
Street Equipment	8,100	4,304	2,739	8,050	(50)
Allotments	29,750	13,026	11,275	29,700	(50)
Cemeteries	76,900	39,148	38,335	76,651	(249)
Church Works	8,250	4,124	4,650	8,750	500
Sub-Total	236,600	119,638	110,387	236,649	49
Contingency Sum	16,000	8,000	-	-	(16,000)
Transfer to Reserves	75,000	37,500	-	-	(75,000)
<u>Less: Use of Reserves By-Election Costs</u>			(10,788)	(10,788)	(10,788)
Precept / Net Spending	2,190,100	1,148,568	972,510	2,014,845	(175,255)

- 3.6 Based on the above expected outturn projection, it is estimated that there will be a total underspend of £175,255, or 8% against the approved 2026/27 Revenue Budget by the end of the year. Please note that this underspend would be £100,255 or 4.5%, excluding the planned transfer to capital reserves.
- 3.7 This underspend would be achieved despite the ongoing challenges of the ongoing economic situation and is a testament to the close control of the Council's revenue budget by officers and councillors.
- 3.8 As explained earlier, where any reductions in costs or increases in income are ongoing, these have already been accounted for in the 2027/28 Revenue Budget and used to keep the town council tax increase for next year as low as possible. Many of these reductions in costs and increased income are as a result of good financial management by budget managers.
- 3.9 The Revenue Budget underspend is very welcome, as it comes at a time when the Medium-Term Financial Plan continues to forecast significant capital investment commitments and diminishing balances and reserves over the next few years, and the projected underspend will help to partially replenish the Council's balances and reserves.
- 3.10 Detailed commentary on the 2026/27 Revenue Budget position is provided in the following section of the Report.

4.0 Commentary on Revenue Budget Position by Committee

4.1 Policy and Resources Committee

The Policy and Resources Committee Budgets are projecting an underspend for the year of £22,448 or 2.7%.

The main factors contributing towards the achievement of this underspend are as follows:-

- An underspend on members allowances due to a member not claiming their allowance and co-opted councillors not receiving an allowance;
- An underspend on the agreed Local Government Pay Award (4% pay award budgeted, actual pay award 3.3%);
- An underspend on the pre-school staffing budget due to a vacant position which is being held vacant whilst attendance numbers remain low;
- Pre-school income exceeding budget due to higher-than-anticipated SEN-related income;
- An underspend on several administration supplies and services budgets due to the move to paper light office and more electronic communications (postage, stationery, and printing)
- An increase in feed in tariff income due to the particularly sunny weather during the summer;
- An underspend on vehicle fuel costs, as expenditure has been lower than budgeted (budget set too high).
- An underspend on some gas and electricity costs due to budgets being set too high in the absence of up-to-date usage figures and rates from Durham County Council when the budget was set.
- An underspend on lorry park rates following a reduction in costs for the current financial year
- An underspend on telephone budgets following the move to a new contract and cancellation of discontinued lines since the budget was set;
- A significant increase in investment income because of higher than budgeted interest rates and higher levels of balances;
- A decrease in insurance costs across most areas following the introduction of the new three-year stability agreement; and
- An increase in depot income due to an increase in the telecommunications mast lease charge.

These savings have been partly offset by the following overspends: -

- A £10,788 recharge from Durham County Council for by-election costs. This will be funded from the Council's Elections Earmarked Reserve;
- Significantly lower-than-budgeted early years funding income at the pre-school due to lower-than-anticipated pupil numbers;
- Lower-than-budgeted fee income at the pre-school due to the expansion of 30 hours of funded childcare for two-year-olds and lower attendance;
- Unbudgeted recruitment costs relating to the Finance Manager vacancy, together with untaken annual leave and lieu time payments to the previous postholder;
- A increase in IT costs relating to additional licences and cyber security.

4.2 Recreation Committee

The Recreation Committee Budgets are projecting an expected saving for the year of £51,068 or 4.9%.

The main factors contributing towards this saving are as follows: -

- An underspend on the agreed Local Government Pay Award (4% pay award budgeted, actual pay award 3.3%);
- An underspend on the Senior Citizens Excursions Budget because of non-attendance and issuing of cash rather than providing a non-refundable pre-booked sit-down lunch;
- A projected underspend on the Large Community Events budget because of a reduced number of one-off events this year;
- Increased events income because of increased pitch hire income at the Fun in the Parks Events and charges implemented at the Elevate event;
- An underspend on sports complex gas and electricity costs due to budgets being set too high in the absence of up-to-date usage figures and rates from Durham County Council when the budget was set.
- An underspend business rates and water costs at the Sports Complex;
- Increased hire of the sports complex function room due to additional events taking place throughout the year;
- A decrease in insurance costs across most areas following the introduction of the new three-year stability agreement;
- A significant increase in golf membership income, increased golf buggy hire and an increase in green fee income due to the warm weather during the summer;
- An underspend on rates at the Golf Complex following a reduction in costs for the current financial year; and
- A projected underspend on the driving range balls budget as sufficient stocks are currently held because of balls not being lost to plugging during the dry summer.

These savings have been partly offset from the following projected losses: -

- A projected net reduction in Sports Complex income, including five a side football, squash, and bar and catering income;
- An increase in golf course maintenance expenditure due to the additional costs associated with the top dressing of greens and the construction of a new footbridge;
- An increase in golf subscription costs which is fully offset by increased membership income;
- A significant increase in golf course irrigation water costs following the very dry summer and the installation of a replacement meter in April, with the higher expenditure reflecting a more accurate representation of irrigation system usage;
- A reduction in driving range fees income due to the warmer summer; and
- A reduction in golf shop sales.

4.3 Environment Committee

The Environment Committee Revenue Budgets are projecting a net overspend of £49 for the year, equivalent to 0.02% of the total budget with all budgets largely on target to achieve their budget.

4.4 Revenue Budget Contingency Sum

There has been no use of the £16,000 Revenue Budget Contingency Sum so far this year.

4.5 Contribution to Capital Reserves

The budgeted contribution to capital reserves will result in a £75,000 contribution towards balances this year.

4.6 Use of the Revenue Budget Support Reserve

Members may recall that as part of the reporting of the 2025/26 year-end position, a total of £24,969 was transferred from the 2025/26 Revenue Budget saving to the Revenue Budget Support Reserve, to provide resources to support the 2026/27 Revenue Budget.

These resources were required to fund several issues that were on-going at the end of year, and for which additional budget was expected to be required as follows:

- £2,350 for Pre-School Disabled Access Funding;
- £293 for the Pre School Pupil Premium Funding;
- £1,200 for repairs to St Oswalds retaining wall;
- £500 for tubs for the flower display in Simpasture Park;
- £270 for the Oakleaf Golf Club Captains Day;
- £700 for the Cute Fox Donation (Comic-Con event);
- £756 for the unused 25/26 Mayors' Allowance;
- £16,500 for the seasonal Golf Greens Keeper staffing costs;
- £2,400 for replacement tractor tyres.

Resources will be transferred from the Revenue Budget Support Reserve to the service revenue budgets during the year to meet expenditure relating to these issues.

An analysis of the resources set aside within the Revenue Budget Support Reserve and the expected use of these resources is attached at **Appendix 2** for Members' information.

This shows that £13,749 has been transferred to service revenue budgets so far this year, with a further £11,220 expected to be transferred during the remainder of the year.

4.7 Community Support Fund

Members may recall that as part of the reporting of the 2025/26 year-end position, a total of £32,280 was approved to be carried forward to 2026/27 relating to unspent balances on the Community Support Fund which was set up two years ago to pass back higher than expected Revenue Budget savings to the community via targeted investments.

An analysis of the resources set aside within the Community Support Fund and the expected use of these resources is attached at **Appendix 3** for Members' information.

This shows that £12,565 has been transferred to Service Revenue Budgets so far this year, with a further £19,715 expected to be transferred during the remainder of the year.

5.0 2026/27 Capital Programme Budget

- 5.1 The Council approved an original Capital Programme Budget for 2026/27 totalling £315,250.

- 5.2 The 2026/27 Capital Programme Budget has subsequently been increased to provide for the carry forward of many capital commitments, contingency sums, and deferred and on-going projects at the end of the 2025/26 financial year, totalling £690,050.
- 5.3 This carry forward was approved by Policy and Resources Committee on 3rd June 2026.
- 5.4 The Capital Programme Budget has been further increased via several additional approvals, totalling £33,400, as follows: -
- Policy and Resources Committee on 3rd June agreed an additional £17,700 towards the cost of the Pre-School Tots in the Park asbestos removal, flooring replacement and kitchen replacement;
 - Policy and Resources Committee on 3rd June agreed an additional £3,250 for a driving range ball washing machine and conveyor;
 - Full Council on 10th June, approved £4,500 for a new ball dispenser at the driving range;
 - Policy and Resources Committee on 15th July approved £7,950 to fund the cost of replacement trailers;
- 5.5 **The revised 2026/27 Capital Programme Budget currently totals £1,038,700.**
- 5.6 **Appendix 4** includes more detail on the adjustments made to the budget since it was originally approved.
- 5.7 Expenditure against the Capital Programme Budget up to 30th September 2026 totalled £132,217.
- 5.8 This included building works at the Council Offices and St Oswald's Pre-School; the purchase of a water bowser, trailer and verti-drainer machine; sanding and resealing of the Oak Leaf Sports Complex sports hall and squash court floors, together with internal redecoration and carpet replacement; painting of external steelwork at the driving range; the purchase of a ball dispenser and ball washer for the driving range; irrigation system works at the golf course; a replacement freezer at the Sports Complex; CCTV cameras, defibrillators; repairs to the bar service lift; costs associated with ash dieback and other tree works; and expenditure relating to the required surveys for the Sports Complex Solar Panel Project.
- 5.9 Significant further progress on the delivery of the 2026/27 Capital Programme Budget is expected during the remainder of the year, as recently reported to the Asset Management Sub-Committee, with planned projects including remedial works following the electrical surveys, roofing surveys, computer replacements, cyber security investments, council chamber audiovisual equipment, purchase of festive lighting, refurbishment of the St Oswald's Park and Town Park public toilets, play area safety surfacing replacement, payment of the invoice for the replacement infant play area at Aycliffe Village, ladies' toilet refurbishment at the sports complex, installation of solar panels at the sports complex, drainage works at Stephenson Way and West Cemeteries, footpath repairs, ongoing bus shelter roof repairs and Ash Dieback Disease tree works.
- 5.10 Members will recall at the meeting of the Asset Management Sub-Committee on 24th June 2026, a review of the 2026/27 Capital Programme was undertaken, when the status of each project was agreed between those projects that were to go ahead this year, those that were provisional sums, and those that were to be deferred to a future year. Please note that there are a large number of projects included in the 2026/27 Capital Programme Budget as 'provisional' sums, and it is

therefore likely that a number of projects will not go ahead this year and be delayed into a future financial year. It is also likely that the final costs on some projects may be less than budgeted.

- 5.11 **Based on the outcome of the review of planned 2026/27 capital expenditure undertaken by the Council, maximum final net spending would be expected to be around £747,927** representing around 72% of the programme of works.
- 5.12 A number of projects (provisional sums and deferred projects) are likely to be carried forward to 2027/28, with an estimated value of around £280,500.
- 5.13 The final outturn on the 2026/27 Capital Programme Budget will be funded from the Council's Earmarked Reserves which are set aside for this purpose.
- 5.14 **A detailed breakdown of the actual spending position on the Council's 2026/27 Capital Programme** up to the 30th September 2026, the projection of year-end expected outturn, and the likely carry forward to the 2027/28 financial year **is attached at Appendix 5.**

6.0 Council Balances and Reserves

- 6.1 The estimated movement on the Council's Balances and Earmarked Reserves during the 2026/27 year is summarised in the table below:-

Council Balances and Reserves	£
General Fund Balance	263,993
Budget Support Fund	24,969
Community Support Fund	32,280
Community Benefit Fund	9,758
Allotments Bonds Holding Account	700
Earmarked Revenue Reserves (Elections)	50,000
Earmarked Capital Reserves	1,850,000
Usable Capital Receipts	4,563
Capital Contributions	36,498
Actual Balances Held as at 1st April 2026	2,272,761
Estimated Contribution to Balances in 2026/27:	
Estimated 2026/27 Revenue Budget Underspend	100,255
2026/27 Contribution to Earmarked Reserves	75,000
Allotment Bonds Received	100
Estimated Use of Balances 2026/27:	
Estimated Financing of 2026/27 Capital Programme	(740,675)
Use of Budget Support Reserve	(24,969)
Use of Community Support Fund	(32,280)
Use of Community Benefit Fund	(9,758)
Funding of By Elections	(10,788)
Use of Usable Capital Receipts	(7,252)
Estimated Balances Held as at 31st March 2027	1,622,394

- 6.2 Taking into account the forecast underspend on the 2026/27 Revenue Budget of £100,255 and the £75,000 contribution to capital reserves, and the maximum estimated financing of the 2026/27 Capital Programme at £740,675 plus other movements in reserves as highlighted above, Council Balances and Reserves would reduce by around £650,000 from £2.272 million to £1.622 million over the course of the 2026/27 financial year.

- 6.3 The Council has maintained a healthy level of balances, and this positive financial situation is a significant achievement in these ongoing challenging economic times and an endorsement of the prudent management and planning of the Council's finances over the last few years and the actions taken by the Council to set aside contingency resources in the Revenue Budget, restrict capital expenditure, and build up the Council's balances and reserves over a number of years.
- 6.4 This is particularly important at a time when the Asset Management Plan and Medium-Term Financial Plan continues to forecast significant capital investment commitments (around £3.9 million over the next ten years) and diminishing balances and reserves over the medium term and when the prospect of replenishing balances and reserves has been reduced by the reductions made to the Revenue Budget and the reduced likelihood of Revenue Budget savings.
- 6.5 Replenishment of balances and reserves is something that will need to be closely considered in the 2027/28 budget setting exercise and future updates of the Medium-Term Financial Plan.

7.0 Balance Sheet Issues

- 7.1 In line with best practice guidance on balance sheet management, it is also considered prudent to report on and consider the following key areas from the Council's Balance Sheet, that may have a material impact on the Council's finances if not reviewed on a regular basis:-
- External loan debt i.e. monies borrowed by the Council.
 - Short term investments i.e. surplus cash invested by the Council.
 - Debtors i.e. sums owed to the Council by its customers.

7.2 External Loan Debt

The Council currently has one annuity loan with the Public Sector Loans Board.

The total amount outstanding at the beginning of the financial year was £45,500.

Interest payable on the loan will total £2,200 in the current financial year, while principal repayments will total £12,200.

The total balance of loans outstanding at the 31st March 2027 will therefore be £33,300.

Options for the possible refinancing or early repayment of the Council's outstanding loans are kept under regular review by the Finance Manager and proposals would be brought forward for consideration by Members if it was considered financially advantageous to do so.

There are currently no plans to repay early or undertake any additional borrowing over the five-year period of the Medium-Term Financial Plan.

7.3 Short Term Investments

The Council's short-term investments are made up of the Council's surplus cash flow resources and its earmarked balances and reserves.

At 30th September 2026, the Council had £209,626 invested in a deposit account with the Council's bank, and a further £2,000,000 invested in the Public Sector Deposit Fund.

Investment income in respect of interest on balances has remained relatively high in recent months with the Bank of England base rate currently at 3.75%.

The interest rate on the deposit account is at around 1% and the Public Sector Deposit Fund is running at around 3.86%.

Total investment income for the year is projected to be significantly up on budget as a result of the higher-than-expected interest rates and balances.

The Council's Treasury Management Code of Practice includes the Council's borrowing and investment strategy and sets out the arrangements for managing the Council's loans and investments.

7.4 Debtors

Debtors are any outstanding income that is due to the Council and relate mainly to fees and charges for services the Council provides that have not yet been paid for by the customer.

Prompt recovery of debt has a positive effect on the Council's cash-flow and outstanding debt should therefore be actively managed to minimise payment times and debts written off as uncollectable.

Debt recovery action is the responsibility of the Finance Section and the Council's Income Collection and Debt Recovery Policy sets out the procedures to be followed by the Finance Section and all staff with responsibility for raising debtor's invoices.

The level of outstanding debt at 30th September 2026 included four debtors, with a total value of £414.90.

The Council's outstanding debt position will continue to be closely monitored and reported to Committee every quarter.

8.0 Policy Implications

- 8.1 The undertaking of regular budget monitoring and control and reporting of the Council's financial position to the Policy and Resources Committee assists the Council in delivering Aim 2 of the Council's Aims and Targets –

"To manage the Council's finances and assets in a responsible manner".

9.0 Staffing Implications

- 9.1 The expected outturn projections and explanations of variances have been included following consultation and agreement with the responsible budget managers controlling the income and expenditure on the budgets.

10.0 Financial Implications

- 10.1 The financial implications for the Council are fully set out in the report.

11.0 Crime and Disorder Implications

- 11.1 None.

12.0 Equal Opportunities Implications

- 12.1 None.

13.0 Environmental, Biodiversity and Climate Change Implications

13.1 None.

14.0 Risk Assessment

- 14.1 Budgetary control is a key factor in effective risk management as it contributes towards the prudent management of the Council's finances by ensuring Members are informed of any potential budget problems at an early stage, thereby allowing remedial action to be taken.
- 14.2 Formal risk assessments are also undertaken at the time the Council sets its annual Revenue and Capital Budget and also when it approves its Annual Governance and Accountability Return and Medium-Term Financial Plan.

15.0 General Data Protection Regulations (GDPR)

- 15.1 There is no personal or sensitive data required for this proposal which may have any implications for GDPR.

16.0 Recommendations

- 16.1 It is recommended that Members:-
- a. Receive the six-month financial position on the Council's 2026/27 Revenue and Capital Budgets and the early projection of year-end expected outturn;
 - b. Receive a further Revenue and Capital Budget Position Report at the January Policy and Resources Committee, detailing the financial position as at 31st December 2026 and an updated projection of expected outturn.