Committee Report Checklist

Please submit the completed checklists with your report. If final draft report does not include all the information/sign offs required, your item will be delayed until the next meeting cycle.

Stage 1
Report checklist – responsibility of report owner

ITEM	Yes / No	Date
Councillor engagement / input from Chair prior to briefing	**Yes**	**25/06/26**
Relevant Group Head review	**Yes**	**23/06/26**
MAT+ review (to have been circulated at least 5 working days before Stage 2)	**Yes**	**23/06/26**
This item is on the Forward Plan for the relevant committee	**Yes**	
	Reviewed by	
Finance comments (circulate to Finance)	**AB**	**17/06/26**
Risk comments (circulate to Lee O'Neil)	**TC**	**18/6/26**
Legal comments (circulate to Legal team)	**LH**	**25/06/26**
HR comments (if applicable)		

For reports with material financial or legal implications the author should engage with the respective teams at the outset and receive input to their reports prior to asking for MO or s151 comments.

Do not forward to stage 2 unless all the above have been completed.

Stage 2
Report checklist – responsibility of report owner

ITEM	Completed by	Date rec'd
Monitoring Officer commentary – at least 5 working days before MAT	**Yes**	**18/06/26**
S151 Officer commentary – at least 5 working days before MAT	**T.Collier**	**18/06/26**
Commissioner engagement		
	Delete as applicable:	No issues
		Comments in S. 7
Confirm final report cleared by MAT	**YES**	**23/06/26**

Corporate Policy and Resources Committee

13th July 2026

Title	General Fund Revenue and Capital Outturn for Month 2 2026/27
Purpose of the report	To inform and assure
Report Author	Altin Bozhani, Deputy Chief Finance Officer
Ward(s) Affected	All Wards
Exempt	Appendix D - Yes
Exemption Reason	Appendix D contains exempt information within the meaning of Part 1 of Schedule 12A to the Local Government Act 1972, as amended by the Local Government (Access to Information) Act 1985 and by the Local Government (Access to information) (Variation) Order 2006 Paragraph 3 – Information relating to the financial or business affairs of any particular person (including the authority holding that information) and in all the circumstances of the case, the public interest in maintaining the exemption outweighs the public interest in disclosing the information because, disclosure to the public would prejudice the financial position of the authority in any lease, contract or other type of negotiation with the tenant or developer, who could then know the position of the Council.
Corporate Priority	Resilience
Recommendations	Committee is asked to acknowledge the: 1. Revised 2025/26 Outturn Position 2. Month 2 2026/27 Revenue and Capital forecast 3. Appropriations to and from General Fund reserves (Earmarked and Ringfenced) the final balance at 31.03.26 and projected balance at 31.03.27as set out in paragraph 5.2, table 7.
Reason for Recommendation	The Committee needs to be informed regularly of the Council's General Fund revenue and capital budget and consider any action required as appropriate.

1. **Executive summary of the report (expand detail in Key Issues section below)**

What is the situation	Why we want to do something
This report sets out the Council's revenue and capital Month 2 full year forecast position for the 2026/27 financial year and updated 2025/26 Outturn. The revenue budget is forecast to overspend by £5m; (paragraph 2.4, Table 1) against a net Budget Requirement of £10.5m for 2026/27. The majority (£5m) of this overspend is due to an anticipated investment asset sale not being achieved in 2025/26 resulting in a higher Minimum Revenue Provision than anticipated when the Budget for 2026/27 was set. Excluding the £5m MRP impact, the underlying position is broadly in line with the Budget for 2026/27. The 2025/26 Outturn expenditure position has decreased by £0.193m (Table 5, paragraph 4.2) compared to the previous reported version. For full details of movement please see section 4.2 This has had a favourable impact on the starting position of 2026/27 reserve balances by the same amount. Earmarked Reserve balances at 31.03.27 are projected to be 18.5m, £16.1m lower than 2025/26 (Table 7, paragraph 5.2) attributable to net impact of contributions and usage in 2026/27 financial year. The Council's savings programme is on target to achieve the £5.8m in the budget largely through efficiency measures. Part of the savings (£3.9m) has already been delivered, and the remaining savings are on target to deliver during the year. Please see a summary in section 2.7 and Appendix C for full details. The 2026/27 Capital Programme at month 2 forecast outturn is £11.3m, £0.102m (0.9%) over the approved budget. A summary of the Capital Programme is provided in section 8 and full details in Appendix F, G and H.	Ensuring the financial stability of the Council and that of West Surrey Council. Help the Council to understand any impacts on the budget for 2026/27. Enabling councillors to be made aware of emerging issues on a timely basis to facilitate corrective action to be taken if required.
This is what we want to do about it	**These are the next steps**
• Identify measures to continue to review and validate savings and the growth of the approved	• Use the updated projected use of reserves to feed into updated

2026/27 budget and ensure any variances are reflected in medium term financial planning. • Focus on opportunities to deliver additional 2026/27 in-year savings in order to lessen the extent to which reserves are required to close the Budget gap at the year end	Reserves Strategy and revised 2026/27 Budget figures.

2. Key issues

2.1. This report provides the Committee with the Revenue and Capital Month 2 Forecast outturn for 2026/27, based on expenditure incurred up to the end of May 2026.Further, an updated position of 2025/26 Outturn and MTFs reserve profile is covered as well. Please see Appendix I for a Local Government Finance Glossary.

The 2026/27 revenue budget is projected to overspend by £5.0m, please see Appendix B for full details.

General Fund Revenue Budget Month 2 Forecast Outturn – Overview

2.2. The 2026/27 projected outturn is summarised in Table 1 below.

Appendix B gives a more detailed explanation of variances in the table below.

2.3. The report variances are calculated using the revised budget which has gone through realignments since the 2026-27 Council's Approved Budget on 26th February 2026. Appendix A1 shows the movements and the reasons behind them by Service Area.

Table 1: 2026/27 Month 2 Forecast Position per Service Area

Variance by Service Area Summary	**2026/27 Revised Budget**	**2026/27 Month 2 Forecast**	**Month 2 Full Year Forecast Variance - Over/ (Under)**
	£'000	**£'000**	**£'000**
Gross Expenditure	57,772	58,090	319
Less Housing Benefit grant	(14,522)	(14,750)	(228)
Less Specific fees and charges income	(18,368)	(17,847)	521
Net Expenditure - broken down as below	**24,882**	**25,493**	**612**
Assets Management	1,523	1,811	288
Commissioning & Transformation	4,047	4,009	(38)
Community & Wellbeing	4,511	4,680	169
Finance & Corporate Services	5,036	5,119	83
Legal and Elections	2,043	1,881	(162)
Neighbourhood Services	3,082	2,839	(243)
Place, Protection & Prosperity	4,639	5,155	516
Net Expenditure at Service Level	**24,882**	**25,493**	**612**
Investment & Regeneration	**(42,629)**	**(42,922)**	**(293)**
Corporate Items			
Minimum Revenue Provision *	53,127	58,150	5,023
Loan Interest Payable *	32,919	32,962	43
Loan Discount *	(34,261)	(34,261)	0
Interest Earnings *	(2,046)	(1,550)	496
Contributions to/from Reserves Prior to closing the Budget Gap	(2,801)	(2,704)	97
Corporate Items Total	**46,938**	**52,596**	**5,659**
Budget Requirement	**29,190**	**35,167**	**5,978**
External Grants	(5,798)	(6,786)	(988)
National Non-Domestic Rates	(4,074)	(4,074)	0
Net Budget Requirement	**19,318**	**24,307**	**4,990**
Collection Fund Surplus/(deficit)	(801)	(801)	0
Income from Council Tax	(9,721)	(9,721)	0
Net Position - Over/ (Under) budget	**8,796**	**13,786**	**4,990**
Appropriation from reserves to close the budget gap	(8,796)	(8,796)	0
Net Position after use of reserves - Over/ (Under) budget	**0**	**4,990**	**4,990**

The material forecast variances are:

- **Service Budgets, £0.612m net overspend**

  Overspends - £1.055m

  - ***Place, Protection & Prosperity***, overspend of £0.516m primarily attributable to staffing budget pressure in: Planning Development (£0.433m) where agency staff has been hired to ensure Spelthorne meets the legal duties related to Homes in Multiple Occupation (HMOs) and other areas of activity; Building Control (£0.089m), two new staff are in the process of being recruited to take account of the implementation of the Business Safety Levy and respond to the recent Building Safety Regulator audit and action plan and LGR work demand; Offset by Other (£0.006m).
  - ***Assets Management***, overspend of £0.288m primarily attributable to Development Properties. It was assumed in the 2026/27 budget that Thameside house would have been sold in 2025/26, the delayed sale means the Council we are incurring unbudgeted costs, business rates, security costs, and other holding costs.
  - ***Community & Wellbeing***, overspend of £0.169m primarily attributable to staffing budget and other running cost in Homelessness (£0.113m), reflecting the proposed consultation with Metropolitan Thames Valley Housing TUPE'd staff to move onto Spelthorne Borough Council's Terms and Conditions; Housing Needs (£0.141m) because of permanent staff pressure and additional staffing resources to assist with reducing numbers in temporary accommodation , helping to deliver the 2026/27 £0.600m saving target; Offset by staffing savings in other areas (£0.085m). Once the cost of staffing involved in delivering the saving is taken into account the net saving forecast to be achieved will be £0.460m.
  - ***Finance and Corporate Resources***, overspend of £0.083m primarily attributable to staffing costs including interim staff covering essential and transformational tasks as per the Improvement Recovery Plan and Local Government Reorganisation. Part of the pressure will be funded by the use of capital receipts because the work covers transformational areas.

  Offset by underspends - £0.443m

  - ***Neighbourhood Services***, underspend of £0.243m primarily attributable to a mixture of staffing, premises cost in areas like Car Parks and Ground Maintenance and increased in reimbursements and fees and charges in Services Management Support area.
  - ***Legal and Elections***, underspend of £0.162m primarily attributable to staffing vacancies.
  - ***Commissioning & Transformation***, underspend of £0.038m primarily attributable to staffing vacancies.

- **Non-Direct Service Budgets, £4.378m net overspend**

  Corporate Items, net overspend of £5.659m

- ***Minimum Revenue Position (MRP)***, overspend of £5.023m primarily attributable to an anticipated investment asset sale not being achieved in 2025/26 resulting in higher Minimum Revenue Provision than anticipated when the Budget was set.
- ***Interest earnings,*** overspend of £0.496m primarily attributable to the lower balances available to lend and generate interest earnings.
- ***Loan Interest Payable costs***, overspend of £0.043m, primarily attributable to fluctuations in the market interest rates. The forecast will fluctuate constantly during the year.
- ***Contributions to/from Reserves*** *Prior to closing the Budget Gap,* net contribution to revenue of £0.097m primarily attributable to use of earmarked reserves to offset planned revenue budget pressures.

Offset by Underspends- £1.281m

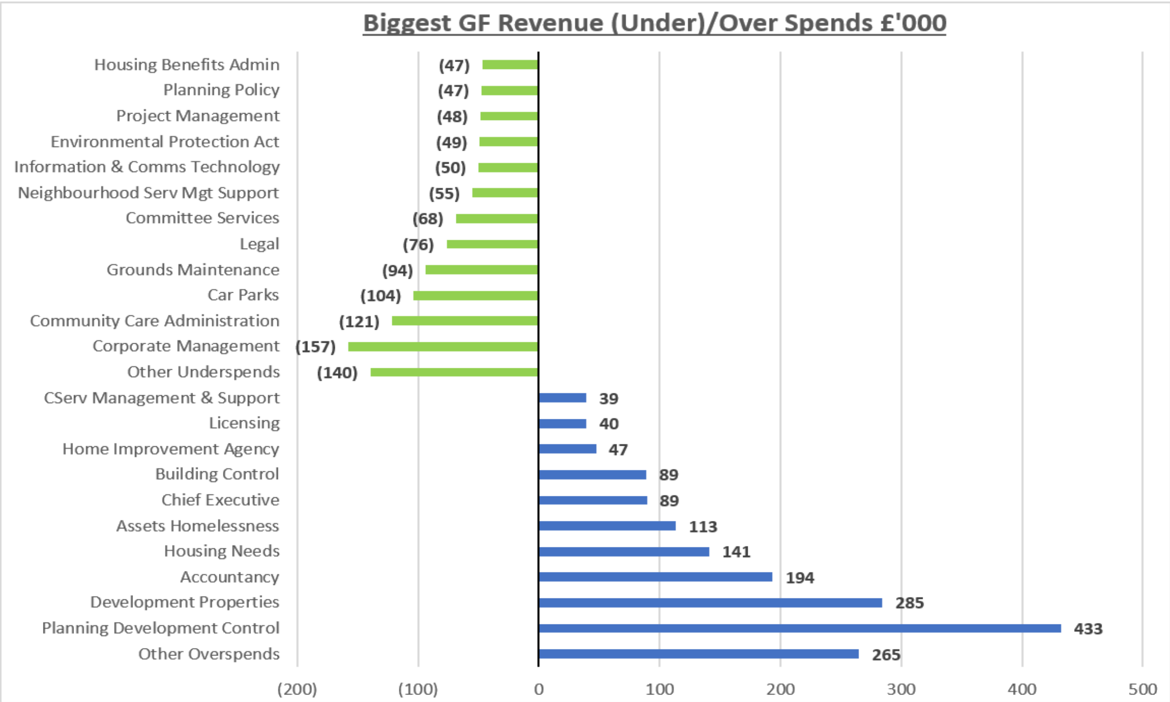
Investment & Regeneration, underspend of £0.293m

- Primarily attributable to Investment Properties Rental Income (£0.355m); Regeneration Property Income (£0.102m); Offset by higher landlord costs (£0.163m). Please see table 3 in section 3 for a summary.
- *External Grants,* £0.988m higher than the budgeted figures because of Adjustment Support Grant net of reduction in Revenue Support Grant (RSG) (£0.760m) and Crisis & Resilience Grant (£0.228m). The final settlement was after the Spelthorne's 2026/27 budget had been approved.

2.4. Appendix A shows Variances by **Committee Area.**

2.5. Chart 1 below shows the individual service budget variances that contribute to the overall service budget adverse variance of £0.612m

Chart 1: Biggest General Fund Direct Revenue Direct Service (Under)/Overspends



2.6. Details of budget variance and quarterly movements are shown in Appendix B.

2.7. After taking into account the impact of these changes the projected net overspend is £5m (see Table1 above), essentially accounted for by the MRP impact from 2025/26 outturn. This will be funded from reserves.

2.8. The approved budget for 2026/27 included £5.752m in savings. Finance completed a validation of savings achievement in May 2026 with the results shown in Table 2 below.

Table 2: Savings validation

Group-Achieved/Forecasted	2026/27 Budgeted for £'000	2026-27 Full year forecast/ Actual £'000	Over/ (Under) Achieved £'000
Assets	783	783	0
Community & Wellbeing	1,784	1,884	100
Finance & Corporate Services	705	705	0
Investment & Regeneration property	2,120	2,120	0
Neighbourhood Services	205	205	0
Place, Protection & Prosperity	156	156	0
Grand Total	**5,752**	**5,852**	**100**
In year Savings - Part of the above			
Assets - Forecast	400	400	0
Community & Wellbeing - Forecast	600	600	0
Total in Year	**1,000**	**1,000**	**0**

2.9. The table above includes in year savings of £1m which are on target to deliver in full:

- Assets Maintenance Budget £0.4m.
- Temporary Accommodation review £0.6m, see the separate Savings report on this Agenda.

2.10. The General Fund forecast shown in Table 1 includes the savings achieved, as set out in Table 2. Appendix C provides further details and shows the savings status project by project for each directorate and savings found.

2.11. The updated earmarked reserves are lower because of use to cover the budget gap. If the asset rationalisation does not achieve the forecast on capital receipts the reserve balance it is not adequate to cover budget risks in future years. Therefore, it requires close monitoring to ensure that it aligns with the Medium-Term Financial Strategy (MTFS) and to protect the level of reserves passed across to West Surrey Council in 2027/28. Limiting the draw down of reserves was the key rationale for building in £5.8m savings in the 2026/27 Budget. This is a key risk which will continue to be monitored carefully. Section 5 below shows the reserve movement.

2.12. Looking ahead, the Council will continue to maintain strict financial discipline to:

- limit reliance on the use of earmarked reserves,
- managing the investment property portfolio, and
- delivering against the 2026/27 targets for the asset rationalisation programme

- to put West Surrey in the strongest financial position possible.

3. Commercial/Investment Assets

Table 3 - Commercial/Investment Assets

Assets	2026/27 Revised Budget	2026/27 Month 2 Forecast	Month 2 Full Year Forecast Variance - Over/ (Under)
	£'000	£'000	£'000
Rental Income	(43,889)	(44,244)	(355)
Regeneration Property Income	(3,505)	(3,607)	(102)
less: Landlord costs	4,076	4,239	163
Net Rental Income receivable	**(43,319)**	**(43,612)**	**(293)**

3.1. Table 3 above outlines the income and costs relating to investment properties, with an estimated net (including landlord costs) rental income of £43.6m. This is £0.3m more than assumed in the revenue budget.

3.2. The budget variance is primarily due to higher rental income partially offset by higher landlord costs. Detailed breakdowns are provided within Appendix D, Commercial/Investment Assets Analysis.

3.3. The Landlord cost pressure is due to the 2026/27 Budget assuming an asset would be sold by the end of 2025/26 which was delayed, therefore costs that that had not been budgeted for are being incurred. Part of the cost is offset against some rental income also not budgeted for.

3.4. Table 4 below is a summary of the Appendix D, which is broken down into Investment and Regeneration Assets, and reconciles with Net Rental Income Receivable in Table 3 above.

Table 4 - Commercial/Investment Assets broken down into Investment/Regeneration

Assets	2026/27 Revised Budget	2026/27 Month 2 Forecast	Month 2 Full Year Forecast Variance - Over/ (Under)
Net Rental Income receivable	**£'000**	**£'000**	**£'000**
Investment Properties	(40,999)	(41,246)	(247)
Regeneration Properties	(2,320)	(2,367)	(47)
Net Rental Income receivable	**(43,319)**	**(43,612)**	**(293)**

4. Updated 2025/26 Outturn Movement

4.1. Table 5 below shows the latest 2025/26 Outturn position and the favourable movement of £0.193m since the prior reported position on the 26th of May Corporate Policy and Resources Committee meeting.

4.2. The material movements and reasons behind this are:

- Community and Wellbeing, increase of £0.282m attributable to revised actual figures on the Housing Benefit Rent Rebates budget. The final Housing Benefit outturn was confirmed after the draft outturn report.
- Finance and Corporate Services, increase £0.145m, attributable to accrual correction on a few areas linked with staffing and other.
- Commissioning and Transformation, increase of £0.078m, attributable to accrual correction on a number of areas.
- Investment and Regeneration, improvement of £0.201m relating to lower landlord costs and improved rental income accruals.
- Contributions to/from Reserves Prior to closing the Budget Gap, increase in reserve usage to offset pressure £0.404m, attributable to revised reserve allocation because of the outturn movement.
- Income from Council Tax, improvement of £0.094m attributable to prior year Ministry of Defence - Armed Forces council tax relief schemes.
- Reserve to close the revenue gap, decrease of £0.193m attributable to reallocation of reserves due to outturn movement explained in above sections.

Table 5 2025/26 Latest Outturn Position and movement since 26th May CPRC

Variance by Service Area Summary	2025/26 Revised Budget	2025/26 Outturn	Outturn Variance - Over/ (Under)	Movement since 26th May CPRC Increase / (Decrease)
	£'000	**£'000**	**£'000**	**£'000**
Gross Expenditure	64,483	59,082	(5,402)	(223)
Less Housing Benefit grant	(21,759)	(14,273)	7,486	275
Less Specific fees and charges income	(16,494)	(19,752)	(3,258)	454
Net Expenditure - broken down as below	**26,229**	**25,057**	**(1,173)**	**506**
Assets Management	2,001	2,479	478	11
Commissioning & Transformation	3,837	3,648	(189)	78
Community & Wellbeing	5,358	5,441	82	282
Finance & Corporate Services	5,752	5,885	132	145
Legal and Elections	1,912	1,717	(195)	(7)
Neighbourhood Services	3,457	2,678	(779)	(2)
Place, Protection & Prosperity	3,912	3,209	(702)	(0)
Net Expenditure at Service Level	**26,229**	**25,057**	**(1,172)**	**506**
Investment & Regeneration	(45,581)	(47,310)	(1,729)	(201)
Corporate Items				
Minimum Revenue Provision *	13,025	59,627	46,602	0
Loan Interest Payable *	25,535	28,055	2,521	1
Loan Discount *	0	(34,261)	(34,261)	0
Interest Earnings	(2,222)	(2,784)	(562)	(0)
Contributions to/from Reserves Prior to closing the Budget Gap	158	(635)	(794)	(404)
Corporate Items Total	**36,496**	**50,001**	**13,506**	**(404)**
Budget Requirement	**17,143**	**27,748**	**10,605**	**(98)**
External Grants	(2,053)	(2,054)	1	0
National Non-Domestic Rates	(4,917)	(4,917)	0	0
Net Budget Requirement	**10,173**	**20,777**	**10,604**	**(98)**
Collection Fund Surplus/(deficit)	(877)	(877)	0	(0)
Income from Council Tax	(9,296)	(9,391)	(94)	(94)
Net Position - Over/ (Under) budget	**0**	**10,510**	**10,510**	**(193)**
Reserve Contribution		(10,510)	(10,510)	193
Net Position after use of reserves - Over/ (Under) budget		**0**	**0**	**0**

4.3. The table above includes a total earmarked reserve contribution for the year of £17.591m that reconciles to table 6 below. The breakdown is shown below:

Table 6 2025/26 Total earmarked Reserve Contribution to General Fund Revenue Budget

Description	**£'000**
Appropriation from reserves to close the budget gap	10,510
Sinking Fund contributions to Investment and regeneration	6,054
Reserve contribution included within the Service Area Budgets	1,043
Revenue Grants unapplied	336
Prior Year Collection Fund Reserve Adjustment	(352)
Total Earmarked Reserve Contribution for 2025/26	**17,591**

5. Projected Movement in Reserves

5.1. Table 7 sets out the earmarked reserve balances at the end of 2025/26 and the projected balances as at 31 March 2027. Capital receipts are not earmarked reserves but are included in the overall reserve balances shown in Table 8 below.

5.2. As shown in Table 7, £17.6m of reserves were used in 2025/26, £7.1m of these were budgeted with the remaining £10.5m relating to the revenue overspend. This leaves a balance of £34.6m in earmarked reserves as at 31 March 2026.

5.3. In 2026/27, net earmarked reserve use and contributions are projected at £16.1m, leaving a net balance of £18.5m as at 31 March 2027, as shown in Table 7 below.

5.4. Appendix E provides an analysis of projected General Fund Reserve levels over the MTFS period.

Table 7: Actual General Fund reserve balances at 31 March 2026 and projected balances at 31 March 2027

Earmarked reserves	Balance 31 March 2025	Reserve Grouping	Net In Year Use Increase/ (Decrease) 2025/26	Reserve Balance as at 31/03/2026	Net In Year Use Increase/ (Decrease) 2026/27	Projected Balances at 31/03/2027
	£'000	£'000	£'000	£'000	£'000	£'000
Revenue Grants Unapplied	**6,213**		(336)	5,877		5,877
Insurance Fund	**50**	(50)		0		0
Planned Spending Funds	**10,312**	(10,312)		0		0
Acquired Properties Fund	**26,261**	(26,261)		0		0
Youth Council Fund	**20**	(20)		0		0
Local Environmental Assessment Fund	**154**	(154)		0		0
Green Belt Fund	**619**	(619)		0		0
Harper & White House Accommodation Fund	**153**	(153)		0		0
Shared Prosperity Fund	**0**	0		0		0
Woodthorpe Recreation Ground & Fordbridge Park Fund	**80**	(80)		0		0
Temporary Accommodation Reserve	**0**	153		153		153
Service Resilience Reserve	**0**	37,496	(16,644)	20,852	(15,856)	4,996
Contributions from Developers	**8,319**	0	(963)	7,356	(249)	7,107
Subtotal	**52,181**	**0**	**(17,943)**	**34,238**	**(16,105)**	**18,133**
Prior Year Collection Fund Reserve Adjustment*			352	352	0	352
Total Earmarked Reserves at 31 March	**52,181**	**0**	**(17,591)**	**34,590**	**(16,105)**	**18,485**

** The figure is provisional and subject to change pending the outcome of the review currently being undertaken on the Collection Fund Budget.*

5.5. Please note the increase in reserve use in 2026-27 compared to MTFS is due to a £5m increase in MRP. This increase arises from the anticipated capital receipts from the sale of the Summit Centre not materialising as originally expected, as the sale has now slipped into 2026/27.

6. Flexible Use of Capital Receipts and Overall Usable Reserve balance

6.1. Table 8 below shows the overall reserve balances, including the movement in capital receipts. The closing reserve balance as at 31/03/26 is £40.4m. Please note the full balance of capital receipts has been used to fund relevant Capital Projects and Debt Reduction.

Table 8 Overall Usable Revenue and Capital Reserve balance as of 31/03/2026

Usable Reserves	Opening Balances	In year Additions	In year use	Reserve Balances at 31/03/26
	£'000	£'000	£'000	£'000
Earmarked Reserves	52,181		(17,591)	34,590
General Fund Reserves	3,508		0	3,508
Total General Fund Reserves	**55,689**	**0**	**(17,591)**	**38,098**
Usable Capital Receipts	2,741	6,890		9,631
Capital Projects			(2,519)	(2,519)
Debt Reduction			(7,112)	(7,112)
Usable Capital Receipts Total	**2,741**	**6,890**	**(9,631)**	**0**
Unapplied Capital Grants	1,777	2,716	(2,227)	2,266
Capital Receipts and Grant Total	**4,518**	**9,606**	**(11,858)**	**2,266**
Total usable Reserves	**60,207**	**9,606**	**(29,448)**	**40,364**

Please note that the table is a summary of table 7 above, amended to include the Capital Receipts balances.

6.2. The Capital Projects line in Table 8 above covers use of capital receipts as a means to fund one-off and ongoing project costs which enable the process of transformation and the resulting benefit realisation. In applying this funding, several measures have been applied to ensure that the qualifying funding criteria are met. These include a robust approval process that is applied whenever the use of capital receipts is considered and to ensure that this funding source is only applied to qualifying expenditure.

6.3. The Medium-Term Financial Strategy anticipated £22m of receipts from disposing of two assets. Whilst 3 Roundwood Avenue was sold before 31 March 2026, the sale of another asset has been delayed. This reduced anticipated capital receipts by c.£15m in 2025/26. Consequently, the Capital Financing Requirement at 31 March 2026 is c.£15m higher than anticipated.

6.4. The reduction in capital receipts in 2025/26 has no impact in 2025/26 but means that Minimum Revenue Provision for 2026/27 will be c.£5m higher than budgeted and therefore a correspondingly greater use of reserves than anticipated will be required in 2026/27. The reduction in capital receipts in 2025/26 has no impact on external borrowing, because the £6.8m of capital receipts applied to reduce debt in 2025/26 (see Table 8 above) exceeded the loan principal due in 2025/26 – external borrowing remained unchanged at 31 March 2026 at £712m following the debt restructuring in November 2025.The 2026/27 impact will be offset by planned asset sales.

6.5. A full breakdown of capital receipts allocated per project is shown in Appendix G.

7. Improvement and Recovery Programme (IRP) – Funded by base budget

7.1. As required by the Secretary of State's Statutory Direction issued in May 2025, the Council has established an IRP. This plan was intended to provide the organisation with a clear direction for its improvement journey and a single framework for ensuring that all the Directions were addressed.

7.2. The original plan was approved by Council on 23 October 2025, and the supporting report formed the initial progress report to Commissioners with a commitment to provide a further update six months later.

7.3. Authority was delegated to the Corporate Policy and Resources Committee (CPRC) to approve any changes to the IRP as part of regular reporting arrangements. A revised version of the Improvement and Recovery Plan (IRP) was agreed by CPRC on 17 February 2026 to reflect the transition from recovery into sustained improvement and the focus on ensuring a successful transition to the new West Surrey Council.

7.4. Table 9 below shows the planned and actual spend in 2026/27.

7.5. IRP Budget list shown in Table 9 has been implemented in the finance ledger, Centros, and monitored along the revenue and capital (with Corporate Policy and Resources Committee receiving quarterly reports).

Table 9: IRP Breakdown within implementation Time Frame

Area	Requirement	Supplier	Desired output	Budget Holder	Funding Source	26/27 Forecast £'000	26/27 Actual YTD £'000
	Governance Support to MO	South East Employers	Governance support for IRP (80% IRP)	TERRY COLLIER	Revenue Budget		
Governance Total						0	
	Programme management bridging support	Newtrality	Ongoing governance	TERRY COLLIER	Base Revenue Budget	109	18
		South East Employers	Stand up governance arrangements, review IRP (80% IRP)	TERRY COLLIER	Base Revenue Budget	5	5
Programme Total						114	23
Grand Total						114	23

8. Capital Budget Month 2 2026/27 Forecast – Overview

8.1. The 2026/27 M2 Capital Programme shows the full year capital programme forecast is £11.3m (Table 10, overleaf). Spend to date is £0.933m, or 8.29% of forecast. The low spend to date is due to several projects starting later during the year.

8.2. Despite a number of projects with significant budget forecast to be completed in the current year there is still a potential risk of slippage in future years.

8.3. A summary of this position is shown in the table below and set out in more detail in Appendix F

Table 10 Summary of 2026-27 Capital Budget Month 2 Monitoring

Directorates	2026/27 Approved Budget	Actual to date	2026/27 Full year Forecast	Variance to Budget	Narrative
	£'000	£'000	£'000	£'000	
Communities	8,168	916	8,270	102	The extra spend will be covered by Earmarked Reserves.
Environment & Sustainability Total	1,127	15	1,127	0	Project have not started in full yet
Assets	556	1	556	0	Project have not started in full yet
Corporate Policy & Resources	1,299	0	1,299	0	Project have not started in full yet
General Fund Total	**11,150**	**933**	**11,252**	**102**	

8.4. Detailed capital project spend monitoring and funding source is provided in Appendices F/ G. Appendix H shows the MTFS Capital Budget allocations.

9. Options appraisal and proposal

9.1. This report is “to acknowledge” only. The Month 2 2026/27 General Fund Forecast will inform the 2026/27 planned mitigations to reduce expenditure and improve cashable efficiency savings. Officers will work to identify further offsetting revenue savings to seek to reduce the extent of the draw down of reserves. Any 2026/27 forecast overspend not mitigated by additional savings/income will be offset by funding from reserves.

10. Risk and assurance implications

10.1. The final outturn position remains subject to audit, and there is a risk that the external audit process may identify adjustments not reflected in the draft figures. These could include material accruals, provisions, asset-related adjustments or classification changes arising from the review of year-end assumptions and accounting treatments. Any such adjustments could impact the reported net outturn and, consequently, the level of usable reserves at year end. While processes are in place to ensure estimates are prudent and in accordance with proper accounting practice, the final position cannot be confirmed until the audit is concluded.

10.2. The revenue budget for 2026/27 has been set against a backdrop of ongoing economic uncertainty, including inflationary pressures, labour and contract cost volatility, and continued demand growth for key statutory services. There remains a risk that adverse economic conditions could place additional pressure on service budgets, either through reduced income, increased demand-led expenditure or higher than anticipated cost inflation. Should these pressures materialise, the Council may need to draw on reserves to maintain financial balance, potentially resulting in greater reserve usage than currently assumed in the medium-term projections.

10.3. Savings and budget mitigations incorporated into the 2026/27 budget may be subject to delivery risk, particularly where they rely on behavioural change, service transformation or external dependencies. Delays in implementation or under-delivery would reduce the effectiveness of planned controls and could result in a higher call on reserves than currently anticipated.

10.4. The Council's reserves projections assume the delivery of planned capital receipts within the forecast period. There is a risk that receipts may be delayed or under-achieved due to market conditions, changes in asset values, or slippage in delivery timetables. Any shortfall or deferral in receipts would reduce the cash resources available to support the revenue spend and capital programme. The main use of capital receipts for the next three years will be covering Capital Financing Requirements needs, mainly future years' Minimum Revenue Provision. As the case was in 2025/26 the slipping of the Summit Centre sale to 2026/27, and general, slippage in the asset disposal plan has a real impact on the following year's budget, and the Council's ability to comply with the Statutory Direction to reduce debt.

10.5. The improved 2025-26 outturn position is linked to an action within the Assurance Register relating to the development of a robust and updated Medium-Term Financial Strategy (MTFS). This improvement has informed revised projections for 2026-27 and future years, reflecting both one-off and ongoing pressures and opportunities, and their consequential impact on reserve balances.

11. Legal comments

11.1. Section 28 of the Local Government Act 2003 requires the Council to monitor their income and expenditure against the approved budget throughout the financial year and to take such remedial action as it considers necessary to deal with any projected overspends or variances.

11.2. This report provides a high-level summary of the Council's financial performance for the year, setting out the overall revenue and capital position at year end and highlighting key variances from budget. Financial information contained in this report has informed the preparation of the Council's Statement of Accounts which must be published in accordance with the Accounts and Audit Regulations 2015 (as amended).

11.3. Consideration of this report enables the members to satisfy themselves that appropriate financial controls and monitoring arrangements are in place and that the Council's statutory and fiduciary duties have been complied with.

Corporate implications

12. Commissioners' comments

12.1. Commissioners are content that the Council is on track to deliver its savings targets for 2026/27 and that the overall budget, other than the MRP overspend, is also on target.

13. S151 Officer comments

13.1. As the report sets out, it is important the Committee is provided with timely information on delivery to date against both Revenue and Capital Budgets to enable corrective action to be agreed on a timely basis. For this Period 2 Revenue monitoring, allowing for the already known £5m MRP overspend, the other variances net off to nil variance. It is important to bear in mind the additional pressure, compared to the original Budget assumptions, that this overspend places on the reserves. The Capital monitoring is highlighting a risk of significant slippage into 2027/28.

14. Monitoring Officer comments

14.1. The Monitoring Officer confirms that the relevant legal implications have been taken into account.

15. Procurement comments

15.1. There are no procurement implications arising directly from this report.

16. Equality and Diversity

16.1. The report's proposals do not directly impact equality and diversity issues but in any spending decision the Council undertakes there should be due regard to equality, diversity and inclusion issues. If there are impacts an equality impact assessment should be undertaken and mitigation measures identified and put in place.

17. Sustainability/Climate Change Implications

17.1. The implications of this report have little to no impact on the Council's position on sustainability and climate change actions. The Council continues to strive towards its climate change targets.

18. Other considerations/LGR considerations

18.1. The outturn position on reserves provides the starting point for refreshing the projected reserves anticipated to be passed across to West Surrey in April 2027. The lower usage of reserves in 2025/26 helps improve the medium-term financial projection.

19. Timetable for implementation

19.1. The outturn figures are being fed into the draft Statement of Accounts which will be published by the national target date of 30th June 2026. The accounts will then be subject to external audit in the autumn.

Contact: *Altin Bozhani, Deputy Chief Finance Officer, a.bozhani@spelthorne.gov.uk*

Please submit any material questions to the Committee Chair and Officer Contact by two days in advance of the meeting.

Background papers: (These are unpublished papers upon which you have relied in preparing this report). If none state, there are none.

Appendices:

Appendix A - Summary of Month 2 General Fund Outturn Forecast Revenue Budget 2026/27- Committee Structure
Appendix A1 - Summary of 2026-27 Budget Movement since the Council's Approved Budget on 26th February 2026 – Service Area

Appendix B - Month 2 General Fund Revenue 2026/27 Outturn Budget Monitoring- Variance analysis by Service Area
Appendix C - Month 2 General Fund Revenue 2026/27 Outturn Budget Monitoring- Savings validation
Appendix D - Month 2 General Fund Revenue 2026/27 Outturn Budget Monitoring- Commercial/Investment Assets Analysis
Appendix E - Month 2 Detailed General Fund Reserve Projections for the MTFS period and Movement
Appendix F - Month 2 General Fund Capital 2026/27 Outturn Budget Monitoring
Appendix G - Month 2 General Fund Capital 2026/27 Outturn Budget Monitoring Detailed funding source per project
Appendix H - General Fund Capital 2026/27-2029/30 Budget
Appendix I- Glossary

Appendix A - Summary of Month 2 General Fund Outturn Forecast Revenue Budget 2026/27- Committee Structure

Variance by Committee Structure	2026/27 Revised Budget	2026/27 Month 2 Forecast	Month 2 Full Year Forecast Variance - Over/ (Under)
	£'000	£'000	£'000
Gross Expenditure	57,094	58,090	996
Less Housing Benefit grant	(14,725)	(14,750)	(25)
Less Specific fees and charges income	(17,488)	(17,847)	(359)
Net Expenditure - broken down as below	**24,882**	**25,493**	**612**
Corporate Policy & Resources	11,130	11,124	(7)
Community Wellbeing & Housing	5,020	5,230	210
Business Infrastructure & Growth	2,157	2,492	335
Environment & Sustainability	6,574	6,649	75
Net Expenditure at Service Level	**24,882**	**25,493**	**612**
Investment & Regeneration	(42,629)	(42,922)	(293)
Corporate Items			
Minimum Revenue Provision	53,127	58,150	5,023
Loan Interest Payable	32,919	32,962	43
Loan Discount	(34,261)	(34,261)	0
Interest Earnings	(2,046)	(1,550)	496
Contributions to/from Reserves Prior to closing the Budget Gap	(2,801)	(2,704)	97
Corporate Items Total	**46,938**	**52,596**	**5,659**
Budget Requirement	**29,190**	**35,167**	**5,978**
External Grants	(5,798)	(6,786)	(988)
National Non-Domestic Rates	(4,074)	(4,074)	0
Net Budget Requirement	**19,318**	**24,307**	**4,990**
Collection Fund Surplus/(deficit)	**(801)**	**(801)**	**0**
Income from Council Tax	(9,721)	(9,721)	0
Net Position - Over/ (Under) budget	**8,796**	**13,786**	**4,990**
Appropriation from reserves to close the budget gap	(8,796)	(8,796)	0
Net Position after use of reserves - Over/ (Under) budget	**0**	**4,990**	**4,990**

Appendix A1 - Summary of 2026-27 Budget Movement since the Council's Approved Budget on 26th February 2026 – Service Area

Variance by Service Area Summary	2026/27 Council Approved Budget 26th February 2026	2026/27 Revised Budget Used in the report)	Budget Movement Revised vs Council Approved Increase / (Decrease)	Comment
	£'000	£'000	£'000	
Gross Expenditure	57,772	57,772	0	
Less Housing Benefit grant	(14,522)	(14,522)	0	
Less Specific fees and charges income	(18,368)	(18,368)	0	
Net Expenditure - broken down as below	**24,882**	**24,882**	**0**	
Assets Management	1,923	1,523	(400)	Allocation of 2026-27 MTFS Savings (£1m) originally sitting in Finance & Corporate Services
Commissioning & Transformation	5,235	4,047	(1,188)	Transfer of services wrongly sitting in here to Community & Wellbeing.
Community & Wellbeing	4,079	4,511	432	Net impact of £0.600m saving from (MTFS £1m) and transfer of budget wrongly sitting in Commissioning & Transformation
Finance & Corporate Services	4,017	5,036	1,020	Allocation of MTFS Saving (£1m) to services.
Legal and Elections	2,043	2,043	0	
Neighbourhood Services	3,082	3,082	0	
Place, Protection & Prosperity	4,504	4,639	136	Budget realignment to transfer service to the correct areas.
Net Expenditure at Service Level	**24,882**	**24,882**	**(0)**	
Investment & Regeneration	**(42,629)**	**(42,629)**	**0**	
Corporate Items				
Minimum Revenue Provision *	53,127	53,127	0	
Loan Interest Payable *	32,886	32,919	33	Transfer of areas previously sitting wrongly in Interest Earnings
Loan Discount *	(34,261)	(34,261)	0	
Interest Earnings *	(2,013)	(2,046)	(33)	Transfer of areas previously sitting wrongly in here to Loan Interest Payable.
Contributions to/from Reserves Prior to closing the Budget Gap	(2,801)	(2,801)	0	
Corporate Items Total	**46,938**	**46,938**	**0**	
Budget Requirement	**29,190**	**29,190**	**0**	
External Grants	(5,798)	(5,798)	0	
National Non-Domestic Rates	(4,074)	(4,074)	0	
Net Budget Requirement	**19,318**	**19,318**	**0**	
Collection Fund Surplus/(deficit)	(801)	(801)	0	
Income from Council Tax	(9,721)	(9,721)	0	
Net Position - Over/ (Under) budget	**8,796**	**8,796**	**0**	
Appropriation from reserves to close the budget gap	(8,796)	(8,796)	0	
Net Position after use of reserves - Over/ (Under) budget	**0**	**0**	**0**	

Appendix B - Month 2 General Fund Revenue 2026/27 Outturn Budget Monitoring- Variance analysis by Service Area

Assets Service

The key variations within the Assets Service are set out below.

SERVICE AREA SUMMARY	2026/27 Revised Budget	2026/27 Month 2 Forecast	Month 2 Full Year Forecast Variance - Over/ (Under)	Variance/Movement Narrative
Assets	**£'000**	**£'000**	**£'000**	
Asset Mgn Administration	317	326	9	
Development Properties	119	404	285	The budget overspend is primarily attributable to **Premises Costs(£175k)** because of Business Rates, assuming 50% mitigation; **Security Costs (£113k)** Building Security present 24/7, for the full year; **Offset by £2.5k** increased in Income. The Development Assets are vacant and attract standard void costs i.e. insurance and Business Rates. Rates mitigation initiatives are in place to reduce rates payable where possible. The sites being vacant are also subject to antisocial behaviour and unauthorised entry. The Council has a responsibility for the safety of the premises and therefore where there are repeated incidents security systems are installed to protect the sites and any unwanted visitors from harm.
Facilities Management	683	709	26	The budget overspend is **primarily attributable to running costs.**
General Property Expenses	(132)	(136)	(4)	
Parks Properties Project	5	(6)	(11)	
Planned Maintenance Programme	916	930	14	The forecast overspend is primarily due to staffing costs.
Residential Properties	0	(32)	(32)	The favourable variance is **primarily attributable to** rents income.
Staines Town Centre Management	(385)	(385)	0	
Grand Total	**1,523**	**1,811**	**288**	

Appendix B - Month 2 General Fund Revenue 2026/27 Outturn Budget Monitoring- Variance analysis by Service Area

Commissioning & Transformation Service
The key variations within the Commissioning & Transformation Service are set out below.

SERVICE AREA SUMMARY	2026/27 Revised Budget	2026/27 Month 2 Forecast	Month 2 Full Year Forecast Variance - Over/ (Under)	Variance/Movement Narrative
Commissioning & Transformation	**£'000**	**£'000**	**£'000**	
CServ Management & Support	1,363	1,403	39	The budget overspend is primarily attributable to: **Transaction Charges (£49k)** because of increasing number of card payments made by customers and **Postage Services (£10k)** from across other services offset by **lower Staffing Cost (£20k)** because of a vacancy .
Emergency Planning	76	76	0	
Energy Initiatives	11	11	0	
HR	489	498	9	
Information & Comms Technology	1,213	1,163	(50)	The budget underspend is primarily attributable to: **Staffing** mainly due to a vacant post.
Payroll	85	96	12	
Project Management	785	736	(48)	The budget underspend is primarily attributable to: **Staffing (£71k)** mainly due to a vacant post; **Offset by**: **Additional (£23k)** interim IRP Consultant working on Programme Management.
Water Courses & Land Drainage	27	27	0	
Grand Total	**4,047**	**4,009**	**(38)**	

Appendix B - Month 2 General Fund Revenue 2026/27 Outturn Budget Monitoring- Variance analysis by Service Area

Community & Wellbeing Service

The key variations within the Community & Wellbeing Service are set out below.

SERVICE AREA SUMMARY	2026/27 Revised Budget	2026/27 Month 2 Forecast	Month 2 Full Year Forecast Variance - Over/ (Under)	Variance/Movement Narrative
Community & Wellbeing	**£'000**	**£'000**	**£'000**	
Arts Development	32	32	0	
Assets Homelessness	(49)	64	113	Staffing (£85k); reflecting the proposed consultation with Metropolitan Thames Valley Housing TUPE'D staff to move onto Spelthorne Borough Council's Terms &Conditions'; £15k due to Electricity/Gas and Water increased charges; £13k because of lower income from rents.
Community Care Administration	488	367	(121)	The budget underspend is primarily attributable to : **Staffing** because of contribution from the Disabilities Facilities Grant to cover salaries for two members of staff.
Community Centres	563	591	28	The budget overspend is primarily attributable to **running costs like cleaning and utilities.**
Community Development	20	20	0	
General Grants	170	170	0	
Home Improvement Agency	(42)	5	47	The budget overspend is primarily attributable to **loss of recharge contribution to cover staffing costs** because of realignment of budget.
Homelessness	1,136	1,149	13	
Housing Benefits Admin	535	489	(47)	The budget underspend is primarily attributable **staffing budget because of three vacant posts (£62k) offset by agency (£20k) occupying one post.** No plan to recruit.
Housing Benefits Payments	113	141	28	The budget overspend is primarily attributable to **the estimate of rent allowance paid for this year.**
Housing Needs	1,969	2,110	141	The budget overspend is primarily attributable to: **Staffing** because of permanent staff pressure and additional staffing resources to assist with reducing numbers in temporary accommodation , helping to deliver the 2026/27 £600k saving target.
Leisure Administration	418	409	(8)	
Leisure Centres	(636)	(662)	(26)	Budget underspend is primarily attributable to:**lower insurance premium.**
Meals On Wheels	57	63	6	
Museum	(5)	(7)	(2)	
Opal High Needs	113	121	8	
Refugee Schemes	(323)	(330)	(7)	
Resource Centre	13	14	1	
Social Prescribing	(41)	(41)	0	
Sports and Active Lifestyle	13	12	(1)	
Step-Down Accommodation	(0)	(1)	(1)	
Sunbury Golf Club	(50)	(56)	(6)	
Youth Projects	19	20	1	
Grand Total	**4,511**	**4,681**	**169**	

Appendix B - Month 2 General Fund Revenue 2026/27 Outturn Budget Monitoring- Variance analysis by Service Area

Finance & Corporate Services

The key variations within the Finance & Corporate Service are set out below.

SERVICE AREA SUMMARY	2026/27 Revised Budget	2026/27 Month 2 Forecast	Month 2 Full Year Forecast Variance - Over/ (Under)	Variance/Movement Narrative
Finance & Corporate Services	**£'000**	**£'000**	**£'000**	
Accountancy	1,303	1,497	194	The budget overspend is primarily attributable to : **staffing costs** including interims covering essential and transformational tasks as per the Improvement Recovery Plan and Local Government Reorganisation. The cost of transformation will be covered by capital receipts which will reduce the budget pressure.
Chief Executive	262	351	89	The budget overspend is primarily attributable to:**Staffing costs.**
Corporate Management	1,233	1,076	(157)	The budget underspend is primarily attributable to : **Staffing costs** because of vacant posts,used to fund pressures in other areas.
Corporate Publicity	428	432	5	
Corporate Savings	0	0	0	
Democratic Rep & Management	455	419	(36)	The budget underspend is primarily attributable to :**lower spend on Members Basic Allowance.**
Deputy Chief Executives	351	346	(5)	
Insurance	395	394	(0)	
MaT Secretariat & Support	118	118	0	
Unapportionable CentralO/Heads	494	487	(6)	
Grand Total	**5,036**	**5,119**	**83**	

Appendix B - Month 2 General Fund Revenue 2026/27 Outturn Budget Monitoring- Variance analysis by Service Area

Legal and Elections

The key variations within the Legal and Elections Service are set out below.

SERVICE AREA SUMMARY	2026/27 Revised Budget	2026/27 Month 2 Forecast	Month 2 Full Year Forecast Variance - Over/ (Under)	Variance/Movement Narrative
Legal and Elections	**£'000**	**£'000**	**£'000**	
Audit	300	300	0	
Committee Services	319	251	(68)	The budget underspend is primarily attributable to :**Savings from three vacant posts**,covering committee services, Member support , reporting , and the collation and publication of reports, including supporting MAT/+. Remaining staff are operating at full capacity.
Corporate Governance	362	364	2	
Elections	36	5	(31)	The budget underspend is primarily attributable to Savings against **temporary staff budget**.
Electoral Registration	287	299	12	
Legal	739	662	(76)	The budget underspend is primarily attributable to:**Savings (£61k) from a vacant post**; £15k savings from reduction in spend on supplies and services.
Grand Total	**2,043**	**1,881**	**(162)**	

Appendix B - Month 2 General Fund Revenue 2026/27 Outturn Budget Monitoring- Variance analysis by Service Area

Neighbourhood Services

The key variations within the Neighbourhood Services are set out below.

SERVICE AREA SUMMARY	2026/27 Revised Budget	2026/27 Month 2 Forecast	Month 2 Full Year Forecast Variance - Over/ (Under)	Variance/Movement Narrative
Neighbourhood Services	**£'000**	**£'000**	**£'000**	
Spelthorne Accessible Transport	174	178	3	
Abandoned Vehicles	4	4	0	
Allotments	(24)	(24)	0	
Bus Station	24	22	(2)	
Car Parks	(495)	(599)	(104)	The budget underspend is primarily attributable to :**Premises costs (£59k)** because of lower Business Rates**;** **Staffing (£35k)** because of a vacant post; the rest **(£10k)** due to **Car Parking Fees & charges**
Cemeteries	(433)	(431)	2	
Community Safety	342	335	(7)	
Depot	123	125	2	
Environmental Enhancements	4	2	(2)	
Grounds Maintenance	1,736	1,643	(94)	The budget underspend is primarily attributable to : **Staffing (£70k)** because of vacancies not filled; **£40k** due to more income from fundings; offset by lower forecasts on **running costs (£16k)**
Neighbourhood Serv Mgt Support	1,490	1,435	(55)	The budget underspend is primarily attributable to : **increased revenue income from reimbursements (£31k) , Bus Shelter and Other (£11k); Staffing (£13k)** because of part vacancies.
Parks Strategy	(12)	(11)	1	
Public Conveniences	0	0	0	
Public Halls	(24)	(21)	2	
Refuse Collection	1,030	1,052	23	
Staines Market	(59)	(61)	(3)	
Street Cleaning	824	813	(11)	
Waste Recycling	(1,623)	(1,623)	0	
Grand Total	**3,082**	**2,839**	**(243)**	

Appendix B - Month 2 General Fund Revenue 2026/27 Outturn Budget Monitoring- Variance analysis by Service Area

Place, Protection & Prosperity

The key variations within the Place, Protection & Prosperity Services are set out below.

SERVICE AREA SUMMARY	2026/27 Revised Budget	2026/27 Month 2 Forecast	Month 2 Full Year Forecast Variance - Over/ (Under)	Variance/Movement Narrative
Place, Protection & Prosperity	**£'000**	**£'000**	**£'000**	
Building Control	120	209	89	The budget overspend is primarily attributable to the following factors: •**Staffing (£120k)**: Two new staff are in the process of being recruited to take account of the implementation of the Business Safety levy and respond to the recent Building Safety Regulator audit and action plan and LGR work demand. •**A new software Exacom module (£19k)** is required to enable administration of the Building Safety levy from 1 October 2026. •**Other (£6k)** These pressures have been partially **offset by an increase in income (£50k)**, as a result of winning back business from external contractors and having extra staff. Further, will go up due to approved private Building inspector company going bust; this will have a long term impact
Economic Development	286	280	(6)	
Environmental Health Admin	1,795	1,812	18	The budget overspend is primarily attributable **to staffing costs (£48k)** covering service demand **; £30k due to legal costs** because of increased cases ; **Offset (£60k)** by government grant to cover demand pressures.
Environmental Protection Act	97	48	(49)	The budget underspend is primarily attributable to **£20k cheaper alternatives** to the existing air quality station which has been taken out of action; £29k due to spend for Geoenvironmental software covered by other budgets.
Food Safety	1	1	0	
Incubator	23	23	1	
Jobs and Skills Hub	170	186	16	The budget overspend is primarily attributable **to electricity costs** historical non-billing dating back to Aug 2024 , estimated at £69k and accrued for, £28k rebate is included from backdated Laser contract leaving a net pressure of £16k. .
Land Charges	(3)	19	22	The budget overspend is primarily attributable to **revenue income from Land Charges Fees** , payment received is made up of Spelthorne Borough Council fee and Surrey County Council fee collected on their behalf and paid to them on a monthly basis in arrears . This is a fluctuating figure and is dependant on purchases of commercial and residential properties, The trend will be clearer towards the end of 9 months as it depends on economic circumstances both global and domestic, these cause fluctuations in inflation and interest rates and in turn affect whether there is an appetite to move house or enlarge a business.
Licensing	38	77	40	The budget overspend is primarily attributable to revenue income because of **fewer HMO licence applications received** due to the increase in fee and the introduction of a borough wide Article 4, Spelthorne is the only Surrey borough with an Article 4 direction.
Planning Development Control	1,025	1,457	433	The budget overspend is primarily attributable **to agency staff costs** covering a number of key roles and ensuring Spelthorne meets the legal duties in HMOs and other.
Planning Policy	1,113	1,066	(47)	The budget underspend is primarily attributable to net impact of New Planning System Grant Funding.
Public Health	14	14	0	
Rodent & Pest Control	17	17	(0)	
Spelthorne Business Awards	0	(2)	(2)	
Taxi Licensing	(54)	(51)	3	
Grand Total	**4,639**	**5,155**	**516**	

Appendix C - Month 2 General Fund Revenue 2026/27 Outturn Budget Monitoring- Savings validation

Service	Savings Description	Full year forecast/ Actual £'000	Status
Eclipse Leisure Centre	Insurance saving from premium 2627	100	Achieved
Supported Housing Team	White and Harper House	219	Achieved
Community & Wellbeing	Reduction in Resilience Services contract costs	71	Achieved
Eclipse & Sunbury Mgt Fee	Uplift in fee from contract and CPI increase from Sept.	637	Achieved
Longford Housing	Lease finished in Aug25	257	Achieved
Corporate Saving	Pension - Employer Contributions	550	Achieved
Investment & Regeneration property	Net Rental income increase driven by reduced landlord costs.	2,120	Achieved
Subtotal- Achieved		**3,954**	**Achieved**
Planned Maintenance	Planned Maintenance reduction 2627	400	Forecast
Temporary Accommodation	Rough Sleeper B&B Exp	102	Forecast
Temporary Accommodation	Loss of Rough Sleeper B&B Income	(42)	Forecast
Temporary Accommodation	B&B General Exp	919	Forecast
Temporary Accommodation	Loss of B&B General Income	(379)	Forecast
Subtotal- In Year		**1,000**	**Forecast**
Environment & Sustainability	Env Enhancements	98	Forecast
Parks	Staffing Budget Efficiencies	107	Forecast
ICT	Staffing Budget Efficiencies	94	Forecast
Customer Services	Staffing Budget Efficiencies	56	Forecast
Assets	Mixed	383	Forecast
Planning Dev Consultants	Budget efficiencies	100	Forecast
Finance & Corporate Services	Mixed	61	Forecast
Total		**4,753**	

Appendix E – Month 2 Detailed General Fund Reserve Projections for the MTFS period

Revised Projected General Fund Reserves over MTFS period 2026/27 – 2028/29

General Fund Reserve Balances	Opening Balance 01.04.25	2025/26 (Use) of Reserves	Balance 31.03.26	Projected Contributions / (Use) 2026/27	Projected Balance 31.03.27	Projected Contributions / (Use) 2027/28	Projected Balance 31.03.28	Projected Contributions/ (Use) 2028/29	Projected Balance 31.03.28
	£000	£000	£000	£000	£000	£000	£000	£000	£000
General Fund	3,508	0	3,508		3,508	0	3,508	0	3,508
Earmarked Reserves	40,862	(17,535)	23,327	(17,056)	6,271	(4,155)	2,116	(3,936)	(1,820)
Available Reserves	**44,370**	**(17,535)**	**26,835**	**(17,056)**	**9,779**	**(4,155)**	**5,624**	**(3,936)**	**1,688**
Ringfenced Reserves									
Developer Contributions	8,319	(963)	7,356	(249)	7,107	885	7,992	885	8,877
Business Rates	3,000	907	3,907	1,200	5,107		5,107		5,107
	11,319	**(56)**	**11,263**	**951**	**12,214**	**885**	**13,099**	**885**	**13,984**
Total General Fund Reserves	**55,689**	**(17,591)**	**38,098**	**(16,105)**	**21,993**	**(3,270)**	**18,723**	**(3,051)**	**15,672**

Appendix F - Month 2 General Fund Capital 2026/27 Outturn Budget Monitoring

Portfolio / Project Manager	Cost Centre	Project	2026/27 Approved Budget	Actual Spend To Date	Managers Projected Outturn at May 2026 (M	2026/27 Projected Outturn Variance	Commen
			£'000	£'000	£'000	£'000	
			a)	b)	d)	e=d-a	
Community Wellbeing & Housing		**DFG Annual Programme**					
Karen Sinclair	40203	Disabled Facilities Grants and Top UP Mandatory (DFG)-2026-27	1,327	236	1,428	101	Forecast inline with last year outturn, which is higher than the government grant we received (£1.327m). The pressure could have partly been mitigated had the means tested policy change been implemented. An updated report, setting out options for closing the funding gap, will go to September's Community, Wellbeing and Housing Committee.
Karen Sinclair	40204	Disabled Facilities Discretionary	60	36	55	(5)	Recharge as per last year.
		Cost of Disabled Facilities Grants	**1,387**	**272**	**1,483**	**96**	
Karen Sinclair	41020	Football pitch upgrades	69	0	69	0	
Karen Sinclair	41203	Tennis Court upgrades	190	0	190	0	
		Housing Investment Programme					
Stephen Mortimer-Cleevely	42074	Acquisitions for Temporary & Resettlement Accommodation	4,276	0	4,276	0	Priority is to spend LAHF (£425k), agreed with MHCLG, 2 properties found , likely completing date 1st September 2026. It is likely the LAHF allocation will not be spent in full and balance be returned to MHCLG. Commuted Sum (£3.850m) on target for spending by the end of the current year , within 2 years of 5 year deadline, approximately 9-10 properties.
		Cost of LAHF	**4,276**	**0**	**4,276**	**0**	
Coralie Holman	41033	Sunbury Leisure Centre Mechanical and Electrical Plant	1,000	29	1,000	0	
Coralie Holman	43604	Sunbury Leisure Centre Decarbonisation Project	652	320	652	0	
		Cost of Decarbonisation Project	**1,652**	**349**	**1,652**	**0**	
		Other Investment Programme					
Coralie Holman	41029	Spelthorne Leisure Centre Phase 2	559	254	559	0	
Coralie Holman	41034	ELC Balustrade/Ext. Walkways	36	41	41	6	
		Cost of Other	**595**	**295**	**601**	**6**	
		Community Wellbeing & Housing Total	**8,168**	**916**	**8,270**	**102**	

Appendix F - Month 2 General Fund Capital 2026/27 Outturn Budget Monitoring -Continued

Capital - Continued							
Portfolio / Project Manager	Cost Centre	Project	2026/27 Approved Budget	Actual Spend To Date	Managers Projected Outturn at May 2026 (M2)	2026/27 Projected Outturn Variance	Comments
			£'000	£'000	£'000	£'000	
			a)	b)	d)	e=d-a	
Environment & Sustainability							
		Neighbourhood Services					
Jackie Taylor	41308	PCN/Permits/Season Tickets system	50	15	50	0	
Jackie Taylor	41509	Electric Vans for Joint Enforcement Team	176	0	176	0	
Jackie Taylor	41515	Replacement of Electric Van for Ground Maintenance	105	0	105	0	
Jackie Taylor	41516	Replacement of Recovery & Service Vehicle	34	0	34	0	
Jackie Taylor	41518	HVO/Diesel Tanks Replacement for Depot & Nursery	90	0	90	0	
Jackie Taylor	41620	Wheelie Bins - Annual Programme	22	0	22	0	
Jackie Taylor	41635	Garden Waste Bins Purchases	60	0	60	0	
Jackie Taylor	41517	4 Sweeper Vehicles HVO/Diesel	80	0	80	0	
Jackie Taylor	42017	Play Area in Memorial Gardens	300	0	300	0	
Jackie Taylor	41602	Replacement of Market Stalls	60	0	60	0	
Sandy Muirhead	41627	Solar PV installation	150	0	150	0	
		Neighbourhood Services Total	**1,127**	**15**	**1,127**	**0**	

Appendix F - Month 2 General Fund Capital 2026/27 Outturn Budget Monitoring -Continued

Capital - Continued							
Portfolio / Project Manager	Cost Centre	Project	2026/27 Approved Budget	Actual Spend To Date	Managers Projected Outturn at May 2026 (M2)	2026/27 Projected Outturn Variance	Comments
			£'000	£'000	£'000	£'000	
			a)	b)	d)	e=d-a	
		Environment & Sustainability Total	**1,127**	**15**	**1,127**	**0**	
Business Infrastructure - Growth		**Assets**					
Coralie Holman	41032	Elmsleigh Centre Lifts Replacement	256	0	256	0	
Coralie Holman	42076	Sandhills Meadow Bridge Contribution	200	0	200	0	
Coralie Holman	42004	Demolishing of Kingston Road	100	1	100	0	
		Business Infrastructure Total	**556**	**1**	**556**	**0**	
		Assets Total	**556**	**1**	**556**	**-**	
Commissioning and Transformation							
Alistair Corkish	43610	General Hardware - Annual Programme	176	0	176	0	
Terry Collier	41404	Implementing the Improvement and Recovery Plan (IRP)	566	0	566	0	
Terry Collier	41406	LGR Transition costs	557	0	557	0	
		Commissioning and Transformation	**1,299**	**0**	**1,299**	**0**	
		Corporate Policy & Resources Total	**1,299**	**-**	**1,299**	**-**	
GRAND TOTAL		**TOTAL**	**11,150**	**933**	**11,252**	**102**	

	2026/27 Approved Budget	Managers Projected Outturn at May 2026 (M2)
	£'000	£'000
Funding		
Grants received from Central Government		
DFG - Grants + Top Up	(1,327)	(1,327)
Local Authority Housing Fund Grant	(425)	(425)
Other Grants	(2,024)	(2,024)
Subtotal	**(3,776)**	**(3,776)**
Other Financing		
Capital Receipts- year end	(2,234)	(2,234)
CIL	(559)	(559)
Developer contributions	(4,051)	(4,051)
Earmarked Reserves	(531)	(633)
Total Committed Financing	**(11,150)**	**(11,252)**

SPELTHORNE BOROUGH COUNCIL

Appendix G - Month 2 General Fund Capital 2026/27 Outturn Budget Monitoring Detailed funding source per project

			Financing							
Spelthorne Capital Programme 2025/26	**2026-27 Approved Budget Estimate 2026/27**	**Managers Projected Outturn at May 2026 (M2)**	**Capital grants**	**Capital Receipts**	**Developer contributions**	**CIL**	**Earmarked Reserves**	**Direct Revenue Financing**	**Total Financing**	**Total in-year unfinanced capital expenditure**
	£'000	**£000s**	**£000s**	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**	**£000s**
Community Wellbeing & Housing										
Disabled Facilities Mandatory	1,327	1,428	(1,327)	0	0	0	(101)	0	(1,428)	0
Disabled Facilities Discretionary	60	55	0	(55)	0	0	0	0	(55)	0
Acquisitions for Temporary & Resettlement Accommodation	4,276	4,276	(425)	0	(3,851)		0	0	(4,276)	0
Sunbury Leisure Centre Decarbonisation Project	652	652	(652)	0	0	0	0	0	(652)	0
Spelthorne Leisure Centre Phase 2	559	559	0	(559)	0	0	0	0	(559)	0
Eclipse Leisure Centre Balustrade/External Walkways	36	41	0	(41)	0	0	0	0	(41)	0
Tennis Court upgrades	190	190	0	0	0	(190)	0	0	(190)	0
Football pitch upgrades	69	69	0	0	0	(69)	0	0	(69)	0
Sunbury Leisure Centre Mechanical and Electrical Plant	1,000	1,000	(1,000)	0	0	0	0	0	(1,000)	0
Environment & Sustainability										
Wheelie Bins - Annual Programme	22	22	(22)	0	0	0	0	0	(22)	0
Garden Waste Bins Purchases	60	60	(60)	0	0	0	0	0	(60)	0
Replacement of Market Stalls	60	60	(60)	0	0	0	0	0	(60)	0
Electric Vans for Joint Enforcement Team	176	176	0	(176)	0	0	0	0	(176)	0
Replacement of Electric Van for Ground Maintenance	105	105	0	(105)	0	0	0	0	(105)	0
Replacement of Recovery & Service Vehicle	34	34	0	(34)	0	0	0	0	(34)	0
4 Sweeper Vehicles HVO/Diesel	80	80	(80)						(80)	0
HVO/Diesel Tanks Replacement for Depot & Nursery	90	90	0	(90)	0	0	0	0	(90)	0
PCN/Permits/Season Tickets system	50	50	0	(50)	0	0	0	0	(50)	0
Solar PV installation for Lammas Pavilion, Depot & Whitehouse Hostel	150	150	(150)	0	0	0	0	0	(150)	0
Play Area in Memorial Gardens, Staines	300	300	0	0	0	(300)	0	0	(300)	0
Business, Infrastructure and Growth										
Kingston Road site Demolition	100	100	0	0	0	0	(100)	0	(100)	0
Elmsleigh Centre Lifts Replacement	256	256	0	0	0	0	(256)	0	(256)	0
Sandhills Meadow Bridge Contribution	200	200	0	0	(200)	0		0	(200)	0
Corporate Policy and Resources										
General Hardware - Annual Programme	176	176	0	0	0	0	(176)	0	(176)	0
Implementing the Improvement and Recovery Plan (IRP)	566	566	0	(566)	0	0	0	0	(566)	0
Case Management System upgrade to Cloud based		0		0	0	0	0	0	0	0
LGR Transition costs	557	557		(557)					(557)	0
Total	**11,150**	**11,252**	**(3,776)**	**(2,234)**	**(4,051)**	**(559)**	**(633)**	**0**	**(11,252)**	**0**

Appendix H - General Fund Capital 2026/27-2029/30 Budget

Spelthorne Capital Programme 2026/27 to 2029/30	2026/27	2027/28	2028/29	2029/30	Budget Holder	Committee
	£'000	£'000	£'000	£'000		
4 replacement Electric Vans for the Joint Enforcement Team (JET)	176	0	0	0	Jackie Taylor	Environment & Sustainability
4 Sweeper Vehicle HVO/Diesel	80	80	80	0	Jackie Taylor	Environment & Sustainability
Acquisitions for Temporary & Resettlement Accommodation	4,276	0	0	0	Stephen Mortimer-Cleevely	Corporate Policy and Resources
Disabled Facilities Discretionary	60	60	60	60	Niky Rentall	Community Wellbeing & Housing
Disabled Facilities Mandatory	1,327	1,327	1,327	1,100	Niky Rentall	Community Wellbeing & Housing
Elmsleigh Shopping Centre lifts replacement	256	0	0	0	Mark Stanton	Corporate Policy and Resources
Football pitch upgrades	69	0	0	0	Kamal Mahmood	Corporate Policy and Resources
Garden Waste Bins	60	60	60	0	Jackie Taylor	Environment & Sustainability
General IT Hardware	176	0	0	0	Alistair Corkish	Corporate Policy and Resources
HVO/Diesel tanks for Depot & Nursery	90	0	0	0	Jackie Taylor	Environment & Sustainability
Implementing the Improvement and Recovery Plan (IRP)	566	0	0	0	Terry Collier	Corporate Policy and Resources
Kingston Road site Demolition	100	0	0	0	Bruce Strong	Corporate Policy and Resources
LGR Transition costs	557	0	0	0	Terry Collier	Corporate Policy and Resources
PCN/Permits/Season Tickets system	50	0	0	0	Jackie Taylor	Environment & Sustainability
Play Area in Memorial Gardens, Staines	300	0	0	0	Jackie Taylor	Environment & Sustainability
Replacement of Electric Van for Ground Maintenance (3 Vans)	105	0	0	0	Jackie Taylor	Environment & Sustainability
Replacement of Market Stalls	60	0	0	0	Jackie Taylor	Environment & Sustainability
Sandhills Meadow Bridge Contribution	200	0	0	0	Coralie Holman	Corporate Policy and Resources
Spelthorne Leisure Centre Phase 2	559	0	0	0	Coralie Holman	Corporate Policy and Resources
Sunbury Leisure Centre Decarbonisation Project	652	0	0	0	Coralie Holman	Corporate Policy and Resources
Sunbury Leisure Centre Mechanical and Electrical Plant	1,000	0	0	0	Coralie Holman	Corporate Policy and Resources
Tennis Court upgrades	190	0	0	0	Kamal Mahmood	Environment & Sustainability
Wheelie Bins Annual Programme	22	0	0	0	Jackie Taylor	Environment & Sustainability
Carbon reduction initiatives	0	1,561	1,406	0	Sandy Muirhead	Community Wellbeing & Housing
Network Infrastructure - SAN, back up targets and servers replacement	0	350	0	0	Alistair Corkish	Corporate Policy and Resources
River Thames Scheme	0	0	0	1,300	Sandy Muirhead	Corporate Policy and Resources
Solar PV installation for Lammas Pavilion, Depot & Whitehouse Hostel	150	70	0	0	Tim Snook	Corporate Policy and Resources
ELC Balustrade/Ext. Walkways	36	0	0	0	Coralie Holman	Corporate Policy and Resources
Replacement of Recovery and Se	34	0	0	0	Jackie Taylor	Environment & Sustainability
Grand Total	11,150	3,508	2,933	2,460		