

Addendum

Revenue Budget Monitoring

Outturn 2025/26

Date: 8th July 2026
To: Overview Select Committee
From: Amy Oliver, Director of Finance

1. Update to the 2025/26 Revenue Budget Monitoring Outturn

- 1.1. This addendum has been prepared to reflect a missing contractor payment that was identified following completion of the original Revenue Outturn Budget Monitoring Report. Consequently, the outturn position has been revised updated to reflect this adjustment, and the tables and accompanying narrative below have been amended accordingly.
- 1.2. As shown, this results in a change in the underspend from £5.1m to £3.3m. This also impacts the budget strategy reserve, and this is shown in appendix C of this addendum.

Revenue Budget at Outturn, 2025-26

Table A - Revised

2025-2026	Original Budget £000's	Current Budget £000's	Outturn £000's	Variance £000's	Variance %
Financial Services	10,783.5	10,900.3	10,651.8	(248.5)	(2.3%)
Information Services	11,432.3	11,429.5	11,429.5	0.0	0.0%
Corporate Services	9,044.2	9,786.8	8,350.9	(1,435.9)	(14.7%)
Legal Services	6,094.8	6,529.7	6,188.1	(341.6)	(5.2%)
Corporate Resources & Support	37,354.8	38,646.3	36,620.3	(2,026.0)	(5.2%)
Planning, Development & Transportation	14,765.3	14,980.3	14,924.2	(56.1)	(0.4%)
Tourism Culture & Inward Investment	3,232.0	3,515.0	3,620.1	105.1	3.0%
Neighbourhood & Environmental Services	41,694.5	42,799.3	54,991.7	12,192.4	28.5%
Estates & Building Services	3,964.6	4,724.1	5,347.1	623.0	13.2%
Departmental Overheads	590.4	597.8	625.2	27.4	4.6%
Housing Services	20,533.3	25,308.9	25,292.1	(16.8)	(0.1%)
City Development & Neighbourhoods	84,780.1	91,925.4	104,800.4	12,875.0	14.0%
Adult Social Care & Safeguarding	209,673.2	209,814.1	206,545.3	(3,268.8)	(1.6%)
Adult Social Care & Commissioning	(30,713.4)	(30,511.6)	(32,745.8)	(2,234.2)	7.3%
Sub-Total Adult Social Care	178,959.8	179,302.5	173,799.5	(5,503.0)	(3.1%)
SEND and Education	27,403.6	28,527.6	26,291.7	(2,235.9)	(7.8%)
Children's Social Work and Early Help	93,180.1	91,354.9	90,507.9	(847.0)	(0.9%)
Sub-Total Education & Children's Services	120,583.7	119,882.5	116,799.7	(3,082.8)	(2.6%)
Total Social Care & Education	299,543.5	299,185.0	290,599.2	(8,585.8)	(2.9%)
Public Health	23,448.5	25,402.7	25,402.7	0.0	0.0%
Total Operational	445,126.9	455,159.4	457,422.6	2,263.2	0.5%
Corporate	7,161.2	1,417.4	1,613.8	196.4	13.9%
Capital Financing	6,719.0	6,719.0	5,833.1	(885.9)	(13.2%)
Contingencies Budgets	10,000.0	5,500.0	640.0	(4,860.0)	(88.4%)
Total Corporate & Capital Financing	23,880.2	13,636.4	8,086.8	(5,550.5)	(40.7%)
Public Health Grant	(30,402.3)	(32,331.0)	(32,331.1)	(0.0)	0.0%
TOTAL GENERAL FUND	438,604.8	436,464.8	433,178.4	(3,287.3)	(0.8%)

Divisional Narrative – Explanation of Variances

City Development and Neighbourhoods (Strategic Director – Richard Sword)

The department spent £104.8m, representing an overspend of £12.9m after the use of £5.1m corporate provision towards homelessness costs and other pressures. The position for each division is as follows:

6. Neighbourhood & Environmental Services (Director – Sean Atterbury)

- 6.1. The division spent £55m, resulting in a £12.2m overspend.
- 6.2. Waste services overspent by £0.2m. This is an increase from the position reported at period 9 and reflects additional costs in the diversion of waste from landfill. As previously reported, a protracted commercial dispute arose that was eventually settled with a payment to BIFFA of £10m after Mediation, less than 2.5% of the contract value. There have been no disruptions to waste collections in Leicester during this period. This cost was funded by a transfer from the budget strategy reserve.
- 6.3. Regulatory services overspent by £0.5m, mainly due to an increase in building control costs.
- 6.4. Parks and Open Spaces overspent by £0.7m, due to the cost of additional tree works to manage the spread of ash die back, an income deficit on landscaping, additional grounds maintenance at parks, and essential maintenance at Gilroes crematorium and Western Park golf course.
- 6.5. Sports services have underspent by £0.2m. This reflects strong performance on increased leisure centre membership and swimming lessons as well as improved causal income resulting in increased revenues.
- 6.6. Neighbourhood services are underspent by £0.4m, a further improvement of £0.3m from forecast at period 9. This is due to ongoing staff vacancies and additional income from community room hire and public printing charges.
- 6.7. The budget for 2025/26 included the delivery of £3m of savings across the division. Whilst extensive work is underway, with consultations undertaken where appropriate, it is taking longer to achieve these than planned and as a result these were not achieved in full this year, creating a pressure of £1.3m. However, they were largely offset by underspends across the division noted above. The budget strategy for 2026/27 has re-profiled the savings and reduced the savings target for the division, to reflect the ongoing pressures within the area.

6.8. This report requests that £1.1m is transferred to reserves, to finance expenditure which will be incurred in future years. £0.9m of this relates to ringfenced licensing funds, £0.1m for committed ward funding to be spent in 2026/27, and £0.1m of government grants.

Reserves Position – Revised

	£m	£m
Resources available 1 April 2025		194.0
Required for 2025/26 budget:		
As set (February 2025)	(30.1)	
Savings identified	2.1	
Budget 2026/27 adjustments	<u>(103.4)</u>	
		(131.4)
Transfers from earmarked reserves		3.6
Underspend as forecast in this report		3.3
Balance to support 2026/27 & future budgets		<u>69.5</u>