

# 2025/26 Revenue Budget Monitoring – Quarter 2

ELT/EB/Cabinet



# Revenue Headlines

- Projected overspend of **£5.1m**. Reduced from £5.9m at Q1
- 2025/26 Savings forecast to be delivered at 78% of the target of £30.2m (£26.8m 25/26 and £3.4m prior years)
  
- Total Useable Reserves of **£63m** at 31<sup>st</sup> March 2026 of which:
  - Unallocated reserves of **£26m**
  - Earmarked Reserves of **£37m**

# 2025/26 Forecast – Quarter 2

	Revised Budget £000	Forecast Q2 £000	Variance Q2 £000	Variance Q1 £000	Change from Q1 £000
Children and Families	89,189	93,943	4,754	3,927	827
Adults and Health	112,759	117,261	4,502	1,685	2,817
Place	59,465	63,189	3,724	2,952	772
Public Health & Corporate Resources	62,134	61,454	(680)	(277)	(403)
Central Budgets	65,215	63,340	(1,875)	(350)	(1,525)
<b>General Fund</b>	<b>388,762</b>	<b>399,187</b>	<b>10,425</b>	<b>7,937</b>	<b>2,488</b>
Use of Budget Contingency Reserve*		(5,282)	(5,282)	(1,993)	(3,289)
<b>Adjusted General Fund Total</b>	<b>388,762</b>	<b>393,905</b>	<b>5,143</b>	<b>5,944</b>	<b>(801)</b>

\*£2.0m transferred into Budget Contingency Reserve in Q2 from inflation budgets no longer required. Total potential reserve usage now £5.5m

# 2025/26 Net Variance Analysis – Quarter 2

	Savings Slippage £000	Net Pressures £000	Total Variance £000
Children and Families	955	3,799	4,754
Adults and Health	4,598	(3,153)	1,445
Place	820	679	1,499
Public Health & Corporate Resources	296	(976)	(680)
Central Budgets	0	(1,875)	(1,875)
<b>General Fund</b>	<b>6,669</b>	<b>(1,526)</b>	<b>5,143</b>
Total Variance at Quarter 1	<b>4,310</b>	<b>1,634</b>	<b>5,944</b>
<b>Change from Quarter 1</b>	<b>2,359</b>	<b>(3,160)</b>	<b>(801)</b>

# Children and Families

## Child Protection & Family Support

### Key Budget Variances – Quarter 2

#### Child Protection & Family Support – Quarter 2

	Revised Budget	Forecast	Variance	Change from Previous
Expenditure	£36,331k	£39,472k	£3,141k	£588k
Income	(£4,189k)	(£6,980k)	(£2,791k)	(£124k)
<b>TOTAL</b>	<b>£32,142k</b>	<b>£32,492k</b>	<b>£350k</b>	<b>£464k</b>

Service Area	Net Budget £000	Variance £000	Change from Previous £000	Reason for Variance	Mitigating Actions
Front Door, EDS, Family Help	5,722	-94	+22	<ul style="list-style-type: none"> <li>Employee vacancies, staff turnover</li> </ul>	
Assessment & Intervention / CDS	12,053	127	+340	<ul style="list-style-type: none"> <li>Savings linked to employee vacancies and turnover (£319k)</li> <li>Budget pressure related to short term care packages with significant needs prior to care placement or prevention from entering care, +£326k</li> <li>Home to school transport linked to demand, complexity and spot purchase arrangements +£30k</li> <li>Potential risk to £500k CDS Domiciliary Care savings target this year.</li> </ul>	<ul style="list-style-type: none"> <li>New procurement developments to be rolled out in late summer may deliver efficiency savings for home to school transport costs tbc</li> </ul>

# Children and Families

## Child Protection & Family Support

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Service Area	Net Budget £000	Variance £000	Change from Previous £000	Reason for Variance	Mitigating Actions
Corporate Parenting	12,965	181	-104	<ul style="list-style-type: none"> <li>18+ Leaving Care Supported Accommodation placements awaiting tenancies or in need of transitional support prior to independence +£355k</li> <li>Home to school transport pressure due to increased demand, complexity of routes involving escort supervision, travel distance, breakdown in unworkable contracts and replaced with spot purchase at higher cost +£232k</li> <li>UASC and UASC LC estimated underspending based on latest trends and subject to HO validation (£127k).</li> <li>Savings on demand led Adoption allowances (£137k)</li> </ul>	<ul style="list-style-type: none"> <li>New procurement developments to be rolled out in late summer may deliver efficiency savings for home to school transport costs tbc</li> </ul>
<b>TOTAL</b>	<b>30,740</b>	<b>214</b>	<b>+258</b>		

# Children and Families

## Resources, Improvements & Partnership

### Key Budget Variances – Quarter 2

#### Resources, Improvements & Partnership – Quarter 2

	Revised Budget	Forecast	Variance	Change from Previous
Expenditure	£45,746k	£49,962k	£4,216k	£825k
Income	(£5,615k)	(£5,867k)	(£252k)	(£225k)
<b>TOTAL</b>	<b>£40,131k</b>	<b>£44,095k</b>	<b>£3,964k</b>	<b>£600k</b>

Service Area	Net Budget £000	Variance £000	Change from Previous £000	Reason for Variance	Mitigating Actions
Sustainability, Capacity & Resourcing	33,866	3,909	+472	<ul style="list-style-type: none"> <li>Continued increase in demand for external residential and unregulated placement accommodation. Placement numbers @ 30/9/25 = 45 including 7 unregulated placements. Weekly fees range between £4,336 to £11,264 with an average cost of £6,485pw+£3.948m</li> </ul>	<ul style="list-style-type: none"> <li>Re opening of Woodlands in November with weekly meetings to match children in residential and unregulated</li> <li>Completed purchase of new children's home</li> <li>Making Kirklees Home panel reviewing external placements Chaired by SD which explores reunification, bringing children back to Kirklees and ensures appropriate care planning in place</li> <li>External Placement panel chaired by Exec Director</li> <li>Develop emergency foster placements when children enter care unexpectedly to avoid use of expensive provision</li> <li>Working closely with IFAs (Independent Fostering Agencies) to secure more family-based options for LAC in 11-15 cohort</li> <li>Exploring invest to save model to develop a team to work intensively with families at risk of entry to care</li> <li>Provider event planned in November to secure more post 16 semi supported accommodation for our young people</li> </ul>

# Children and Families

## Learning & Early Support

### Key Budget Variances – Quarter 2

#### Learning & Early Support – Quarter 2

	Revised Budget	Forecast	Variance	Change from Previous
Expenditure	£372,819k	£397,590k	£24,771k	£36,750k
Income	(£355,903k)	(£380,234k)	(£24,331k)	(£36,987k)
<b>TOTAL</b>	<b>£16,916k</b>	<b>£17,356k</b>	<b>£440k</b>	<b>(£237k)</b>

Service Area	Net Budget £000	Variance £000	Change from Previous £000	Reason for Variance	Mitigating Actions
Early Years Sufficiency	640	-79	-59	<ul style="list-style-type: none"> <li>Additional previously un-forecasted Early Years grant income to fund posts not yet recruited to</li> </ul>	
Access to Education	923	120	+13	<ul style="list-style-type: none"> <li>£120k overspend forecast, pressure on income lines. New legislation means some previously traded attendance services must be provided to schools free of charge from Sept25 which has impacted attendance package income projections.</li> </ul>	
Education Psychology	1,410	62	-38	<ul style="list-style-type: none"> <li>Pressure relates to use of Locum staff to support team, the use of these staff is reducing.</li> </ul>	
EHCP Team	1,992	250	+17	Main areas of pressure include: <ul style="list-style-type: none"> <li>increased pressure on Staffing Costs +£117K</li> <li>EHCP reporting commission extended +£28k</li> <li>Compensation costs +£36K</li> </ul>	
Kirklees Business Solutions (KBS)	171	65	+5	<ul style="list-style-type: none"> <li>Staffing Pressure</li> </ul>	<ul style="list-style-type: none"> <li>Pressure reduced by £80K through use of Central Services to Schools Block funding</li> </ul>
<b>TOTAL</b>	<b>5,136</b>	<b>418</b>	<b>-62</b>		

# Adults and Health

## Older People & Physical Disabilities

### Key Budget Variances – Quarter 2

#### Older People & Physical Disabilities – Quarter 2

	Revised Budget	Forecast	Variance	Change from Previous
Expenditure	££111,023k	£107,364k	(£3,659k)	£798k
Income	(114,734k)	(£110,549k)	£4,185k	(£412k)
<b>TOTAL</b>	<b>(£3,711k)</b>	<b>(£3,185k)</b>	<b>£526k</b>	<b>£386k</b>

Service Area	Net Budget £000	Variance £000	Change from Previous £000	Reason for Variance	Mitigating Actions
Assessment & Care Management	9,584	-786	-185	Staffing £-824k (Independence £-547k, Community £-229k, Care Navigation £-47k)	
Demand led client provision – Placements – OP	26,304	3,689	+1,946	Can be difficult to procure at standard rates, additional 1:1 often required. Note – Now includes £+1.57m of in year transformation savings slippage (to be achieved next year).	Ongoing commissioning focus (alongside transformation workstreams), recovery plan in place in in line with market fees/top ups savings slippage
Demand led client provision – Placements – PD	5,027	-162	+105	Volumes are under budget, net weekly cost is over budget	Ongoing commissioning focus through (alongside transformation workstreams),
Demand led client provision – Home Care (OP and PD)	21,809	1,801	+709	Over on PD (+1,297k) due to volumes, and on OP (+503k) due to unit costs. Note – Now includes £+388k of in year transformation savings slippage (to be achieved next year).	Ongoing commissioning focus (alongside transformation workstreams). Note – was £+2.4m variance at month 6 2024-25.
Demand led client provision – Self Directed Support	4,121	-2,663	+284	Under on PD Commissioned services (-718k) due to lower volumes). Under on OP (-563k) & PD (-828k) Direct Payments (lower volumes)	Note – was £+0.9m variance at month 6 2024-25.
Demand Led client provision – Emergency Support	1,010	-472	-19	OP under on net unit cost, slightly under on activity	
Demand Led – ASC Funding	-72,604	0	0	National Funding allocations – no variance expected	
Demand Led Client service provision – savings target	-2,627	+1,832	0	Partial achievement on the income/debt target of -£2,627k	Ongoing review of processes, pathways and charging and debt recovery models.
<b>TOTAL</b>	<b>-7,376</b>	<b>3,239</b>	<b>2,840</b>		

# Adults and Health

## Learning Disabilities & Mental Health

### Key Budget Variances – Quarter 2

#### Learning Disabilities & Mental Health – Quarter 2

	Revised Budget	Forecast	Variance	Change from Previous
Expenditure	£120,262k	£120,480k	£218k	(£926k)
Income	(£37,453k)	(£35,948k)	£1,505k	£1,006k
<b>TOTAL</b>	<b>£82,809k</b>	<b>£84,532k</b>	<b>£1,723k</b>	<b>£80k</b>

Service Area	Net Budget £000	Variance £000	Change from Previous £000	Reason for Variance	Mitigating Actions
Assessment & Care Management	5,959	-902	-259	Employee underspend £-827k	
Demand led client provision – Placements – LD	32,448	+4,122	+194	Over on volumes and net weekly cost. Note – Now includes £+107k of in year transformation savings slippage (to be achieved next year).	Ongoing commissioning focus (alongside transformation review of packages)
Demand led client provision – Placements – MH	10,115	-39	+125	Under on activity	Ongoing commissioning focus (alongside transformation workstreams / review of packages)
Demand led client provision – Home Care (LD and MH)	3,199	-311	+100	Under on LD due to volumes, and under on MH due to volumes. Note – Now includes £+40k of in year transformation savings slippage (to be achieved next year).	Note – was £+0.7m variance at month 6 2024-25.
Demand led client provision – Self Directed Support	27,701	-765	+672	Under on MH (-1,183k) Commissioned services due to lower volumes and lower unit cost. Offset by potential shortfall on LD and MH income (Continuing Health Care). Note – Now includes £969k of in year transformation savings slippage (to be achieved next year).	Note – was £+1.9m variance at month 6 2024-25.
<b>TOTAL</b>	<b>79,422</b>	<b>2,105</b>	<b>832</b>		

# Adults and Health

## Strategic Commissioning, Partnerships & Provider Services

### Key Budget Variances – Quarter 2

#### Adults Sufficiency – Quarter 2

	Revised Budget	Forecast	Variance	Change from Previous
Expenditure	£45,346k	£46,225k	£879k	£932k
Income	(£18,397k)	(£18,499k)	(£102k)	(£43k)
<b>TOTAL</b>	<b>£26,949k</b>	<b>£27,726k</b>	<b>£777k</b>	<b>£890k</b>

Service Area	Net Budget £000	Variance £000	Change from Previous £000	Reason for Variance	Mitigating Actions
Demand led Client Service Provision	12,395	-116	-52	Under on several contracted services and In-house Day Care, over on Extra Care housing.	
In-house residential and Supported Living	6,159	+1,011	+257	Over on Ings Grove, Moorlands Grange (mainly employees). Includes variance on Castle Grange and Claremont House. Offset by underspend on The Mews, Brighton St (employees).	Ongoing management and review of employee budgets and spending, (including corrections on staffing allowances built into budgets), along with continuing work around potential external transfer of Castle Grange and Claremont (assumed funded by reserves)
Reablement	816	-46	+125	Under on employees (£-62k)	Ongoing review of demand and complexity, alongside implementation of new pathways following pathway redesign
Contracts Management and Commissioning	1,352	-117	-24	Under on employees.	
<b>TOTAL</b>	<b>20,722</b>	<b>732</b>	<b>306</b>		

# Adults and Health

## Communities & Access Services

### Key Budget Variances – Quarter 2

#### Communities & Access Services – Quarter 2

	Revised Budget	Forecast	Variance	Change from Previous
Expenditure	£18,912k	£17,376k	(£1,536k)	(£1,820k)
Income	(£9,143k)	(£9,188k)	(£45k)	£547k
<b>TOTAL</b>	<b>£9,769k</b>	<b>£8,188k</b>	<b>(£1,581k)</b>	<b>(£1,273k)</b>

Service Area	Net Budget £000	Variance £000	Change from Previous £000	Reason for Variance	Mitigating Actions
Community Plus	1,726	-176	-8	Mainly employee underspend (£-134k)	
Integrated Wellness	364	-184	+52	Mainly employee underspend	
Library & Information Centres	4,451	-351	+2	Mainly employee underspend -Temporary vacancies - posts in recruitment	
Customers & Communities Project Team	377	-235	-136	Mainly employee underspend	
Safer Kirklees	544	-96	+24	Mainly employee underspend	
Migration & Resettlement	-57	-68	+21	Mainly employee underspend	
<b>TOTAL</b>	<b>7,405</b>	<b>-1,110</b>	<b>-45</b>		

# Place

## Skills & Regeneration

### Key Budget Variances – Quarter 2

#### Skills & Regeneration – Quarter 2

	Revised Budget	Forecast	Variance	Change from Previous
Expenditure	£15,760k	£14,634k	(£1,126k)	(£178k)
Income	(£12,821k)	(£11,871k)	£950k	£115k
<b>TOTAL</b>	<b>£2,939k</b>	<b>£2,763k</b>	<b>(£176k)</b>	<b>(£63k)</b>

Service Area	Net Budget £000	Variance £000	Change from Previous £000	Reason for Variance	Mitigating Actions
Business & Economy	-66	85	-28	<ul style="list-style-type: none"> <li>Under-recovery of rental income at The Glass Box / Batley Business Park</li> <li>Over-recovery of income at Bretton St</li> <li>Under-spend on planning and unplanned repairs and maintenance at Business and Enterprise Centres</li> </ul>	<ul style="list-style-type: none"> <li>Holding of vacancies / net salaries in Business and Economy</li> </ul>
Employment & Skills	962	-76	-76	<ul style="list-style-type: none"> <li>Under-spends on net salaries</li> <li>Offset by a forecasted over-spend to supplement Grant Match Budgets.</li> </ul>	<ul style="list-style-type: none"> <li>Holding of vacancies</li> </ul>
Planning & Building Control	1,837	-54	+30	<ul style="list-style-type: none"> <li>Under-spends on salaries</li> <li>Over-recovery of Planning Performance Agreement income</li> <li>Under-recovery on Planning Applications, Building Control Planning Fees, and Building Control Inspection Fees</li> </ul>	<ul style="list-style-type: none"> <li>Holding of vacancies</li> </ul>
Major Projects	205	-130	-36	<ul style="list-style-type: none"> <li>Under-spend on net salaries</li> <li>Over-spend on miscellaneous other costs</li> </ul>	
<b>TOTAL</b>	<b>2,938</b>	<b>-175</b>	<b>-110</b>		

# Place Development

## Key Budget Variances – Quarter 2

### Development – Quarter 2

	Revised Budget	Forecast	Variance	Change from Previous
Expenditure	£33,218k	£38,133k	£4,915k	(£140k)
Income	(£23,296k)	(£27,652k)	(£4,356k)	£218k
<b>TOTAL</b>	<b>£9,922k</b>	<b>£10,481k</b>	<b>£559k</b>	<b>£78k</b>

Service Area	Net Budget £000	Variance £000	Change from Previous £000	Reason for Variance	Mitigating Actions
Corporate Landlord	9,195	75	+110	<ul style="list-style-type: none"> <li>Over-spend on sites identified in 25-26 Budget Savings £164k – Knowl House, The Hudawi Centre, Castle Grange APH, Claremont House – offset by Reserve drawdown £165k</li> <li>Over-spend on Business Rates at other sites £55k – various minor overspends</li> <li>Over-spend on water charges across portfolio £109k</li> </ul>	<ul style="list-style-type: none"> <li>Continuing to undertake emergency repairs / health and safety critical work only</li> <li>Review internal Timemaster charging across whole of Property</li> </ul>
Landbank	266	428	+74	<ul style="list-style-type: none"> <li>Over-spend on the Former Wetside £174k – Rates and service charges</li> <li>Over-spend on Riverbank Court prior to disposal £23k</li> <li>Over-spend on Business Rates at other sites £70k – various sites</li> <li>Over-spend on Security at Former Birkdale High School £55k</li> <li>Over-spend on CCTV at Former Birkdale High School, Former Gomersal First School, Huddersfield Central Library £59k</li> </ul>	<ul style="list-style-type: none"> <li>Exploring option to demolish Former Birkdale High School</li> </ul>
Capital Delivery	-1,424	-240	+66	<ul style="list-style-type: none"> <li>Staff in post forecasted to achieve income targets (whilst holding vacancies in team)</li> </ul>	

# Place Development

## Key Budget Variances – Quarter 2

Development – Quarter 2				
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<b>TOTAL</b>	<b>£9,922k</b>	<b>£10,481k</b>	<b>£559k</b>	<b>£78k</b>

Service Area	Net Budget £000	Variance £000	Change from Previous £000	Reason for Variance	Mitigating Actions
Assets and Estates	-1,264	-318	-646	<ul style="list-style-type: none"> <li>Net liability of holding remainder of Piazza Shopping Centre £300k – Rates / Service Charges</li> <li>Over-spend on Rates, Cleaning charges (Contract Cleaning at Commercial Sites) and Trade Waste</li> <li>Offset by forecasted over-recovery of Rental income across Commercial portfolio and forecasted over-recovery of disposals fees</li> </ul>	<ul style="list-style-type: none"> <li>Review internal Timemaster charging across whole of Property</li> </ul>
<b>TOTAL</b>	<b>6,773</b>	<b>-55</b>	<b>-396</b>		

# Place

## Highways & Streetscene

### Key Budget Variances – Quarter 2

#### Highways & Streetscene – Quarter 2

	Revised Budget	Forecast	Variance	Change from Previous
Expenditure	£88,694k	£89,296k	£602k	£977k
Income	(£58,097k)	(£57,605k)	£492k	(£891k)
<b>TOTAL</b>	<b>£30,597k</b>	<b>£31,691k</b>	<b>£1,094k</b>	<b>£86k</b>

Service Area	Net Budget £000	Variance £000	Change from Previous £000	Reason for Variance	Mitigating Actions
Parking	-4,033	795	+67	<ul style="list-style-type: none"> <li>Employee Vacancies (£222k)</li> <li>Shortfall on Tariff Income £499k</li> <li>Permits £66k</li> <li>Supplies &amp; services £485k – Fees - Ringo, Flowbird, Bank charges. Car park joint ventures</li> <li>Fines (£48k)</li> </ul>	
Transport	2,645	319	+205	<ul style="list-style-type: none"> <li>Employee Vacancies (£223k)</li> <li>Sale of old vehicles £142k</li> <li>Fuel £61k</li> <li>Accident Repairs £40k</li> <li>Additional hires £76k</li> <li>Raw materials £58k</li> <li>Internal income £47k</li> </ul>	<ul style="list-style-type: none"> <li>Offset by savings on vacancies. Forecast to be filled by M9</li> <li>£340k budget provision made in 25/26 to reflect impact of ageing fleet</li> </ul>
Waste Services	26,847	-210	+24	<ul style="list-style-type: none"> <li>Employee vacancies (£1,064k)</li> <li>Agency staff £1062k</li> <li>Transport £693k</li> <li>Suez Contract (£330k)</li> <li>External Income (£479k) – Trade Waste (£269k) Garden Waste (£99k), Schools recycling (£72k) Grant (£25k)</li> <li>Internal Income (£120k) – Staff recharge</li> </ul>	<ul style="list-style-type: none"> <li>Hired Vehicles -Capital strategy includes £26m of investment but lead time on larger vehicles. Budget provision in 25/26 £750k</li> </ul>

# Place

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<b>TOTAL</b>	<b>£30,597k</b>	<b>£31,691k</b>	<b>£1,094k</b>	<b>£86k</b>

Service Area	Net Budget £000	Variance £000	Change from Previous £000	Reason for Variance	Mitigating Actions
Parks & Greenspaces	2,773	-104	-32	<ul style="list-style-type: none"> <li>Employee vacancies (£407k)</li> <li>Premises £16k</li> <li>Supplies &amp; Services £500k – Equipment hire £70k, Bowling greens &amp; other lawns £139k, Machinery &amp; Equipment purchase £57k, Shrubs Trees plants £174k, Animal care £41k. Xmas Decs £15k</li> </ul>	
Highways Services	461	320	-185	<ul style="list-style-type: none"> <li>Service Employees (including agency) £212k</li> <li>External Recoveries (£152k)</li> <li>Internal Recharges to Capital (£531k)</li> <li>Highways Trading Account - £0 (Employees (£1,809K), Operational Costs (£1,818k) offset reduced trading income £3,627k</li> <li>Grounds Maintenance £200k</li> <li>Reactive Maintenance Works £271k</li> </ul>	<ul style="list-style-type: none"> <li>Capitalise Reactive Maintenance, Small Walls and Safety Guard Railing</li> <li>Reviewing Highway Operations overheads on certain job codes to maximise income</li> <li>Reviewing current fees and charges</li> <li>Reviewing levels of staff capital recoveries</li> <li>Enforcement review</li> <li>Seek new revenue funding opportunities</li> <li>Review new commuted sum opportunities</li> <li>Review outstanding savings templates</li> </ul>
Adverse Weather	1,536	0	0	<ul style="list-style-type: none"> <li>No winter activity to date</li> </ul>	<ul style="list-style-type: none"> <li>Budget assumes normal winter levels around gritting and grit bin refills.</li> <li>Assumes continuation with hired fleet in 2025-2026 until new fleet arrives early 2026-2027</li> </ul>
<b>TOTAL</b>	<b>30,229</b>	<b>1,120</b>	<b>79</b>		

# Place

## Environmental Strategy & Climate Change

### Key Budget Variances - Month 6

#### Environmental Strategy & Climate Change – Month 6

	Revised Budget	Forecast	Variance	Change from Previous
Expenditure	£20,499k	£20,544k	£45k	£232k
Income	(£2,559k)	(£2,618k)	(£59k)	(£151k)
<b>TOTAL</b>	<b>£17,940k</b>	<b>£17,926k</b>	<b>(£14k)</b>	<b>£81k</b>

Service Area46k	Net Budget £000	Variance £000	Change from Previous £000	Reason for Variance	Mitigating Actions
Directorate Programme Office	3,990	95	+205	<ul style="list-style-type: none"> <li>• Vacancies</li> </ul>	
Climate change	142	70	+70	<ul style="list-style-type: none"> <li>• EV NI Savings £84k</li> <li>• Vacancies (14k)</li> </ul>	
Organisation Development And Planning	215	8	+26	<ul style="list-style-type: none"> <li>• Employee vacancies -£23k</li> <li>• Cessation Of Taxi Training +£31k</li> </ul>	
<b>TOTAL</b>	<b>4,347</b>	<b>173</b>	<b>301</b>		

# Public Health and Corporate Resources

## Strategy & Innovation

### Key Budget Variances – Quarter 2

#### Strategy & Innovation – Quarter 2

	Revised Budget	Forecast	Variance	Change from Previous
Expenditure	£24,621k	£23,851k	(£770k)	(£660k)
Income	(£5,142k)	(£5,204k)	(£62k)	£116k
<b>TOTAL</b>	<b>£19,479k</b>	<b>£18,647k</b>	<b>(£832k)</b>	<b>(£544k)</b>

Service Area	Net Budget £000	Variance £000	Change from Previous £000	Reason for Variance	Mitigating Actions
IT	12,263	-116	-190	<ul style="list-style-type: none"> <li>Postage costs +£296k (savings target shortfall)</li> <li>Vacancies offset the bulk of the pressure -£228k</li> <li>Phone/Circuits -£77k, Income -£85k</li> </ul>	Further work to be carried out with services to reduce postage and move customers to online alternatives
Policy, Partnerships and Corporate Planning	2,600	-317	-144	<ul style="list-style-type: none"> <li>Vacancies</li> </ul>	
Strategic Communications	1,385	-183	-71	<ul style="list-style-type: none"> <li>Vacancies</li> </ul>	
Date and Insight	1,985	-103	-75	<ul style="list-style-type: none"> <li>Vacancies offset by income reduction</li> </ul>	
Transformation	1,246	-114	-64	<ul style="list-style-type: none"> <li>Vacancies</li> </ul>	
<b>TOTAL</b>	<b>19,479</b>	<b>-833</b>	<b>-544</b>		

# Public Health and Corporate Resources

## Public Health & People

### Key Budget Variances – Quarter 2

#### Public Health & People – Quarter 2

	Revised Budget	Forecast	Variance	Change from Previous
Expenditure	£42,105k	£44,893k	£2,788k	£4,749k
Income	(£35,971k)	(£39,407k)	(£3,436k)	(£5,234k)
<b>TOTAL</b>	<b>£6,134k</b>	<b>£5,486k</b>	<b>(£648k)</b>	<b>(£485k)</b>

Service Area	Net Budget £000	Variance £000	Change from Previous £000	Reason for Variance	Mitigating Actions
Peoples Service	9,720	-648	-485	<ul style="list-style-type: none"> <li>Vacancies including Kirklees Direct and additional income from salary sacrifice</li> </ul>	
<b>TOTAL</b>	<b>9,720</b>	<b>-648</b>	<b>-485</b>		

# Public Health and Corporate Resources

## Governance & Commissioning

### Key Budget Variances – Quarter 2

#### Governance & Commissioning – Quarter 2

	Revised Budget	Forecast	Variance	Change from Previous
Expenditure	£18,768k	£19,748k	£980k	£620k
Income	(£4,029k)	(£4,733k)	(£704k)	(£656k)
<b>TOTAL</b>	<b>£14,739k</b>	<b>£15,015k</b>	<b>£276k</b>	<b>(£36k)</b>

Service Area	Net Budget £000	Variance £000	Change from Previous £000	Reason for Variance	Mitigating Actions
Legal Services	4,655	+505	-9	<ul style="list-style-type: none"> <li>Recruitment issues have created vacancies that are offset by the use of locums.</li> <li>External Solicitors, Counsel fees, and Legal expenses increased usage due to workloads (+£670k)</li> </ul>	Work ongoing to improve recruitment of permanent staff and reduce usage of locums and other external services.
Risk	4,153	-207	-22	<ul style="list-style-type: none"> <li>Vacancies</li> </ul>	
<b>TOTAL</b>	<b>8,808</b>	<b>298</b>	<b>-31</b>		

# Public Health and Corporate Resources

## Benefit Payments

### Key Budget Variances – Quarter 2

Benefit Payments – Quarter 2				
	Revised Budget	Forecast	Variance	Change from Previous
Expenditure	£63,711k	£53,760k	(£9,951k)	(£2,127k)
Income	(£57,492k)	(£46,841k)	(£10,651k)	£2,828k)
<b>TOTAL</b>	<b>£6,219k</b>	<b>£6,919k</b>	<b>£700k</b>	<b>£701k</b>

Service Area	Net Budget £000	Variance £000	Change from Previous £000	Reason for Variance	Mitigating Actions
Housing Benefit Subsidy	6,219	+700	+700	Trend in HB payments and slight delay to additional properties at Ashenhurst. Units on the site are now being filled from other forms of TA	As Ashenhurst units are let the current level of overspend is expected to reduce. Work ongoing to understand the impacts of claimable subsidy.6 and discussions with other LAs around further options to reduce subsidy impact
<b>TOTAL</b>	<b>6,219</b>	<b>700</b>	<b>700</b>		

# Public Health and Corporate Resources

## Culture & Visitor Economy

### Key Budget Variances – Quarter 2

#### Culture & Visitor Economy – Quarter 2

	Revised Budget	Forecast	Variance	Change from Previous
Expenditure	£40,564k	£39,457k	(£1,107k)	(£928k)
Income	(£34,967k)	(£34,012k)	£955k	£848k
<b>TOTAL</b>	<b>£5,597k</b>	<b>£5,445k</b>	<b>(£152k)</b>	<b>(£80k)</b>

Service Area	Net Budget £000	Variance £000	Change from Previous £000	Reason for Variance	Mitigating Actions
Town Halls and Public Halls	780	-134	-63	• Vacancies	
Catering	912	-72	-72	• Vacancies offset by lost income	
Bereavement Services	-2,456	+54	+65	• Reduced income (cremations) offset by vacancies	Work ongoing to understand the impact of direct cremations which are increasing, and whether death rates are changing or business lost to alternative providers.
<b>TOTAL</b>	<b>-764</b>	<b>-152</b>	<b>-70</b>		

# Central

## Key Budget Variances – Quarter 2

Central – Quarter 2				
	Revised Budget	Forecast	Variance	Change from Previous
Expenditure	£69,495k	£67,948k	(£1,547k)	(£1,292k)
Income	(£4,280k)	(£4,608k)	(£328k)	(£233k)
<b>TOTAL</b>	<b>£65,215k</b>	<b>£63,340k</b>	<b>(£1,875k)</b>	<b>(£1,525k)</b>

Service Area	Net Budget £000	Variance £000	Change from Previous £000	Reason for Variance	Mitigating Actions
Treasury Management	36,135	-1,879	-1,529	Slippage in capital plan, interest rates on borrowing to date lower than budgeted. WYCA gainshare contributes to funding of OCH	Further savings likely due to additional slippage of plan
<b>TOTAL</b>	<b>36,135</b>	<b>-1,879</b>	<b>-1,529</b>		

# Analysis of Council Reserves (excl Statutory Reserves)

	Unallocated *	Earmarked	Total
	£000	£000	£000
<b>At 1<sup>st</sup> April 2025</b>	<b>(25,046)</b>	<b>(36,005)</b>	<b>(61,051)</b>
<b><i>Planned Drawdowns from Earmarked Reserves</i></b>			
Budgeted drawdown from Voluntary Revenue Provision reserve	-	5,985	5,985
<b><i>Planned Contributions to Earmarked Reserves</i></b>			
Transfer into Voluntary Revenue Provision reserve	-	(10,804)	(10,804)
Transfer into Transformation Reserve	-	(2,500)	(2,500)
Transfer into General Reserves	(1,000)		(1,000)
	<b>(26,046)</b>	<b>(43,324)</b>	<b>(69,370)</b>
<b><i>In Year Adjustments – Q2</i></b>			
- Net Drawdown from Earmarked Reserves	-	3,699	3,699
- Drawdown from Transformation reserve	-	2,500	2,500
<b>Balance of Reserves at 31<sup>st</sup> March 2026</b>	<b>(26,046)</b>	<b>(37,125)</b>	<b>(63,171)</b>

\*£16m Minimum Working Balance (£29m desirable).

<b>Reserves Summary (£k)</b>	<b>Reserves 31st March 2025</b>	<b>Budget report Movements</b>	<b>Revised reserves 1st April 2025</b>	<b>Net Drawdowns at Q2</b>	<b>Reserves 31st March 2026</b>
Ward Based Activity	(577)	-	(577)	-	(577)
Place Standard	(402)	-	(402)	33	(369)
Transformation	(1,480)	(2,500)	(3,980)	2,500	(1,480)
Development Funding	(914)	-	(914)	38	(876)
Revenue Grants	(17,998)	-	(17,998)	926	(17,072)
Stronger Families Grant	(688)	-	(688)	-	(688)
Other	(3,942)	-	(3,942)	(7)	(3,949)
Voluntary Revenue Provision	(6,504)	(4,819)	(11,323)	-	(11,323)
Strategic Budget Contingency Reserve	(3,500)	-	(3,500)	2,709	(791)
<b><i>Total Earmarked Reserves</i></b>	<b>(36,005)</b>	<b>(7,319)</b>	<b>(43,324)</b>	<b>6,199</b>	<b>(37,125)</b>
Unallocated Balances	(25,046)	(1,000)	(26,046)	-	(26,046)
<b><i>Total Useable Reserves</i></b>	<b>(61,051)</b>	<b>(8,319)</b>	<b>(69,370)</b>	<b>6,199</b>	<b>(63,171)</b>
Statutory Reserves – Schools Balances	(11,119)	-	(11,119)	324	(10,795)
Statutory Reserves – Public Health	(896)	-	(896)	-	(896)
<b><i>Grand Total All Reserves</i></b>	<b>(73,066)</b>	<b>(8,319)</b>	<b>(81,385)</b>	<b>6,523</b>	<b>(74,862)</b>

# Glossary of Reserves

Reserve	Description
<b>Ward Based Activity</b>	Set aside reflecting timing issues on ward-based activity spend commitments
<b>Place Standard</b>	Set aside to support the resourcing of emerging Place Standard action plans.
<b>Apprenticeship Levy</b>	Set aside to fund future payments into the Apprenticeship levy
<b>Transformation</b>	Set aside for strategic transformation developments over the next 12 to 24 months.
<b>Demand Reserve</b>	Set aside to mitigate the impact/volatility of a range of potential demand risks on statutorily provided service activity
<b>Development Funding</b>	To address the scale of development costs required to support targeted development and the upscaling of capital investment activity and major project activity over the MTFP.
<b>Revenue Grants</b>	Represents grants and contributions recognised in the Comprehensive Income and Expenditure Statement before expenditure has been incurred.
<b>Stronger Families</b>	Set aside reflecting timing issues on expenditure commitments supporting a range of Stronger Families activity, funded from external grant.
<b>Other</b>	A range of smaller reserves earmarked for specific purposes.
<b>Specific Risk Reserves</b>	Set aside to manage specific risks, including the potential risk of future loan defaults and managing the volatility surrounding treasury management budgets with respect to both potential changes in interest rates and the level of delivery of the capital plan.
<b>WYCA Returned Levy</b>	Returned levy income from WYCA that will be drawn down in 2024/25
<b>Voluntary Revenue Provision</b>	Voluntary overpayments of Minimum Revenue Provision (MRP).
<b>Strategic Budget Contingency</b>	To fund budget pressures that may arise due to delays in implementing savings plans and/or issues that have arisen post the agreement of the budget
<b>Unallocated Reserves</b>	General reserve to support Council working capital and cashflow requirements, and unbudgeted/financial resilience risks highlighted in the Council's corporate risk register.
<b>Schools Balances</b>	Statutory reserves relating to individual schools' balances/deficits carried forwards
<b>Public Health</b>	Timing issues on (statutorily ringfenced) Public Health grant spend commitments

# HRA 2025/26 Forecast – Quarter 2

	Revised Budget £000	Forecast Q2 £000	Variance Q2 £000	Variance Q1 £000	Change from Q1 £000
Repairs & Maintenance	31,309	31,217	(92)	0	(92)
Housing Management	44,369	44,062	(307)	308	(615)
Property Services	(190)	(190)	0	0	0
Other Finance and Overhead Expenditure	34,048	34,063	15	(15)	30
<b>Total Expenditure</b>	<b>109,536</b>	<b>109,152</b>	<b>(384)</b>	<b>293</b>	<b>(677)</b>
Rent & Other Income	(109,536)	(109,470)	66	(112)	178
Revenue Contribution to Capital Funding	0	11,654	11,654	0	11,654
Planned transfer from HRA Reserves	0	(11,654)	(11,654)	0	(11,654)
<b>Total</b>	<b>0</b>	<b>(318)</b>	<b>(318)</b>	<b>181</b>	<b>(499)</b>

# HRA Reserves

	Balance at 31 March 2025 £000	Movement in reserves £000	Planned transfer into reserves £000	Balance at 31 March 2026 £000
Set aside for business risks	(10,800)	0	0	(10,800)
Repairs Reserve	(1,000)	0	0	(1,000)
Set aside to meet investment needs (as per HRA business plan)	(18,846)	11,654	(318)	(7,510)
<b>Total</b>	<b>(30,646)</b>	<b>11,654</b>	<b>(318)</b>	<b>(19,310)</b>

# HRA

## Housing Management & Partnerships

### Key Budget Variances – Quarter 2

#### HRA – Quarter 2

	Revised Budget	Forecast	Variance	Change from Previous
Expenditure	£15,247k	£15,128k	(£119k)	£86k
Income	(£95,696k)	(£96,131k)	(£435k)	£125k
<b>TOTAL</b>	<b>(80,499k)</b>	<b>(£81,003k)</b>	<b>(£554k)</b>	<b>£240k</b>

Service Area	Net Budget £000	Variance £000	Change from Previous £000	Reason for Variance	Mitigating Actions
HMP Management Cost	10,748	-225	+86	<ul style="list-style-type: none"> <li>-419k underspend for staffing</li> <li>+£255k increase in RTB costs due to the increased number of sales</li> </ul>	Review of ILO's and ongoing review of service
HMP Repairs and Maintenance	2,504	-31	-31	<ul style="list-style-type: none"> <li>Reduction in rechargeable repair costs</li> </ul>	
Housing PFI	263	-22	+61	<ul style="list-style-type: none"> <li>Changes to assumed Inflation costs for PFI contract</li> </ul>	Cost £11.550m, PFI grant £7.912m, Rent £2.323m, Service Charge £1.056m
Service Charges	1,732	159	-30	Variance against budget relates to <ul style="list-style-type: none"> <li>Concierge £447k inc settlement costs netted off</li> <li>Communal lighting -£74k</li> <li>Cleaning -£119k</li> <li>Sheltered Housing -£161k</li> <li>Ash View £114k</li> </ul>	There is a plan to move to full cost recovery and increases in service charges will be proposed for 2026-27. There is a shortfall of £2.4m which includes: <ul style="list-style-type: none"> <li>£528k Communal lighting</li> <li>£477k Concierge</li> <li>£173k Sheltered Housing</li> </ul>
Rental income	-95,022	-403	+157	Additional income due to charging affordable rents on additional properties.	
Rents for Garages, non dwellings and other income	-674	-32	-32	Variance includes <ul style="list-style-type: none"> <li>£32k non dwellings income</li> </ul>	
<b>TOTAL</b>	<b>-80,449</b>	<b>-554</b>	<b>211</b>		

# HRA

## Property Services & Repairs

### Key Budget Variances – Quarter 2

#### HRA – Quarter 2

	Revised Budget	Forecast	Variance	Change from Previous
Expenditure	£20,620k	£20,990k	£370k	(£124K)
Income	-	-	-	-
<b>TOTAL</b>	<b>£20,620k</b>	<b>£20,990k</b>	<b>£370k</b>	<b>(£124k)</b>

Service Area	Net Budget £000	Variance £000	Change from Previous £000	Reason for Variance	Mitigating Actions
Property Services surplus	-190	0	0	<ul style="list-style-type: none"> <li>On target to achieve budgeted surplus</li> </ul>	Property turnover of £44.8m, trading costs of £31.4m and overheads of £13.2m
Property repairs and Maintenance Costs	18,617	-135	-127	Variance relates to <ul style="list-style-type: none"> <li>-£350k reduction in DMC</li> <li>£300K increase for empty homes</li> <li>-£70k reduction in responsive non PPP</li> </ul>	DMC move to BAU and increased costs to address the backlog of voids
Temporary Accom Costs	301	131	-24	Variance relates to repairs costs for properties used for temporary accommodation	
Rent loss from voids	1,892	374	+27	Budget based on 2% void rent loss, but performance is reported at 2.55%	Dedicated voids management team and performance improving, turnaround time is reducing and numbers of voids has reduced
<b>TOTAL</b>	<b>20,620</b>	<b>370</b>	<b>-124</b>		

# HRA

## Governance & Improvement

### Key Budget Variances – Quarter 2

#### HRA – Quarter 2

	Revised Budget	Forecast	Variance	Change from Previous
Expenditure	£4,288k	£4,084k	(£204k)	(£100k)
Income	-	-	-	-
<b>TOTAL</b>	<b>£4,288k</b>	<b>£4,084k</b>	<b>(£204k)</b>	<b>(£100k)</b>

Service Area	Net Budget £000	Variance £000	Change from Previous £000	Reason for Variance	Mitigating Actions
G&I Management Costs	3,893	-310	-207	Reason for variance <ul style="list-style-type: none"> <li>• -£193k underspend service improvement staffing offset by overspend on management team staffing £23k</li> <li>• £53k overspend on Tenant publications</li> <li>• -£98k underspend on internal charging, training, pool cars and office expenses</li> </ul>	
Valuation, subscription costs and Regulatory fees	355	-38	-42	<ul style="list-style-type: none"> <li>• Reason for variance is a reduction to the budgeted subscription fees.</li> </ul>	
<b>TOTAL</b>	<b>4,248</b>	<b>-348</b>	<b>-249</b>		

# HRA

## Asset Management

### Key Budget Variances – Quarter 2

#### HRA – Quarter 2

	Revised Budget	Forecast	Variance	Change from Previous
Expenditure	£13,927K	£14,106k	£179k	(£353k)
Income	-	-	-	-
<b>TOTAL</b>	<b>£13,927k</b>	<b>£14,106k</b>	<b>£179k</b>	<b>(£353k)</b>

Service Area	Net Budget £000	Variance £000	Change from Previous £000	Reason for Variance	Mitigating Actions
Asset Team management costs	3,569	140	-392	<ul style="list-style-type: none"><li>£245k underspend for staffing costs</li><li>£400k reduction in planned capitalised costs left in revenue</li></ul>	
Assets repairs and maintenance	10,127	59	+59	<ul style="list-style-type: none"><li>Additional cost for lift servicing not previously budgeted for</li></ul>	
Miscellaneous properties, shops and abortive costs	231	-20	-20	<ul style="list-style-type: none"><li>Forecast underspend on abortive costs due to limited active development works.</li></ul>	
<b>TOTAL</b>	<b>13,927</b>	<b>179</b>	<b>-353</b>		

# HRA

## HRA/H&N Overheads

### Key Budget Variances – Quarter 2

#### HRA – Quarter 2

	Revised Budget	Forecast	Variance	Change from Previous
Expenditure	£41,654k	£41,689k	£35k	£16k
Income	-	-	-	-
<b>TOTAL</b>	<b>£41,654k</b>	<b>£41,689k</b>	<b>£35k</b>	<b>£16k</b>

Service Area	Net Budget £000	Variance £000	Change from Previous £000	Reason for Variance	Mitigating Actions
Finance Costs	30,817	-9	-7	Finance costs include Depreciation £23.989m, Interest Payable £7.507m and Interest rec £735k	
Corporate services and recharges	8,282	30	-6	HGF recharge £32k based on full compliment of staff. will be amended to actual at year end.	Provision set aside to provide for disrepair. More detail required on cases resolved to allocate. Actual staffing costs will be charged for internal recharges
Council Tax on empty properties	829	314	+29	Charges for properties to be demolished/refurbished creating the overspend.	
Bad debt and inflation provision	1,726	-300	0	Forecast reduced based on planned write offs	
<b>TOTAL</b>	<b>41,654</b>	<b>35</b>	<b>16</b>		

# DSG Headlines

## High Needs Funding 2025/26

• High Needs Block Allocation	£65.4m
• Safety Valve Funding	£2.3m
• Schools Block Transfer	£3.6m
• Early Years Block Transfer	£0.5m
• General Fund Contribution	<u>£2.1m</u>
• Total Available	£73.9m
• Projected High Needs Expenditure	<u>£88.6m</u>
• Projected In Year Deficit	<b>£14.7m</b>
• Opening 25/26 Cumulative Deficit Position	£63.8m
• In Year 25/26 Deficit	£14.7m
• Projected 25/26 Closing Cumulative Deficit	<b>£78.5m</b>

# DSG Dashboard

	Active Placements	M6 (£'000)	M5 (£'000)
Mainstream Top-Ups	1,980	18,665	18,665
Special School Top-Ups	877	19,576	19,576
Special School Place Funding		7,072	7,072
Additional Resource Provisions (including Central Staff)	186	7,998	7,882
Alternative Provision		6,963	6,963
Independent Placements	229	14,527	14,519
OLA Placements	25	573	573
Post 16	613	5,300	5,300
SENDIF		1,000	1,000
Personal Budgets		3,100	3,230
Contributions to Services		3,255	3,100
OLA Mainstream		601	581
Total Projected Expenditure		88,630	88,461

# DSG Headlines

## Key Reasons for pressure:

- Independent School Place numbers and costs continue to increase
- 24/25 Outturn position was 209 placements, cost £12.1m – this is now increased to 229 places, cost £14.5m
- Average cost per placement has increased from £57.7k to £60.5k
- Whilst costs are significant in other areas, this is the area of spend where the most significant savings/cost reductions could be made

## Mitigations:

- Additional Capacity Is being created via ARPs and Satellite Provision
- More robust approach to allocation of mainstream top up funding
- Implementation and development of Cluster Approach

# Collection Fund (Council Share)

Q2 Position	Council Tax £k	Business Rates £k	Total £k
(Surplus)/Deficit at 1 April 2025	4,848	5,307	10,155
Re-payments to/(from) General Fund 2025/26	(2,051)	(1,737)	(3,788)
Estimated In year Financial Performance	-	-	-
<b>Estimated (Surplus)/Deficit at 31 March 2026</b>	<b>2,797</b>	<b>3,570</b>	<b>6,367</b>
Planned repayments from General Fund 2026-28	(2,797)	(3,570)	(6,367)
<b>Adjusted (Surplus)/Deficit</b>	<b>0</b>	<b>0</b>	<b>0</b>

At Q2, there is an estimated in-year break-even position for both Council Tax and NNDR and the MTFS assumes Collection Fund deficit cleared by 2027/28.

# Capital Headlines

- Capital budget **£254.6m**
- Reduction of budget since Budget Strategy Update Report -£29.3m due to:
  - -£28.9m re-profile (General Fund -£23.4m, HRA -£5.5m)
  - +£0.8m Grant and S106 (General Fund)
  - -£1.3m Proposed Funding Removal
  - +£0.1m Proposed Funding Addition(Appendix 3)

Officers continue to review the multi-year capital plan and budget profiles (under FPR 3.8-3.14)

# 2025/26 Capital Forecast – Quarter 2

	MTFS Budget Update £000	Re-profile / Change £000	Revised Budget £000	Actual Costs £000	Forecast M6 £000	Variance M6 £000
Children and Families	25,727	(1,864)	23,863	10,584	23,863	0
Adults and Health	4,223	(279)	3,944	902	3,944	0
Place	198,608	(19,568)	179,040	58,150	179,040	0
Public Health & Corporate Resources	10,645	(2,150)	8,495	1,215	8,495	0
<b>General Fund</b>	<b>239,203</b>	<b>(23,861)</b>	<b>215,342</b>	<b>70,851</b>	<b>215,342</b>	<b>0</b>
Housing Revenue Account	44,684	(5,469)	39,215	13,640	39,215	0
<b>Council Total</b>	<b>283,887</b>	<b>(29,330)</b>	<b>254,557</b>	<b>84,491</b>	<b>254,557</b>	<b>0</b>

# 2025/26 Capital Spend to Date – Quarter 2

	Q2 Revised Capital Budget £'000	Actual Costs to Date £'000	Variance to Date (Actual Spend) £'000
Learning & Early Support	23,313	10,192	(13,121)
Resources, Improvement and Partnerships	550	392	(158)
<b>Children and Families</b>	<b>23,863</b>	<b>10,584</b>	<b>(13,279)</b>
Customers & Access Services	134	1	(133)
Learning Disabilities & MH	3,575	903	(2,672)
Adults Social Care Operation	235	(2)	(237)
<b>Adults &amp; Health</b>	<b>3,944</b>	<b>902</b>	<b>(3,042)</b>

# 2025/26 Capital Spend to Date – Quarter 2

	Q2 Revised Capital Budget £'000	Actual Costs to Date £'000	Variance to Date (Actual Spend) £'000
Skills & Regeneration	51,204	15,169	(36,035)
Development	97,408	29,670	(67,738)
Highways & Streetscene	28,802	13,110	(15,692)
Environmental Strategy & Climate Change	1,626	201	(1,425)
<b>Place</b>	<b>179,040</b>	<b>58,150</b>	<b>(120,890)</b>
Strategy & Innovation	7,686	1,114	(6,572)
Culture & Visitor Economy	809	101	(708)
<b>Public Health &amp; Corporate Resources</b>	<b>8,495</b>	<b>1,215</b>	<b>(7,280)</b>
<b>Housing Revenue Account</b>	<b>39,215</b>	<b>13,640</b>	<b>(25,575)</b>

# Prudential & Treasury Management Indicators

**Quarter 2 2025-26**

# Prudential Indicators

- The Council measures and manages its capital expenditure, borrowing and commercial and service investments with reference to the following indicators.
- It is now a requirement of the CIPFA Prudential Code that these are reported on a quarterly basis.
- The figures for 25/26 are forecast, the 26/27 and 27/28 figures are budgeted figures approved from the 25/26 budget. The exception is the Liability Benchmark.
- Information contained includes:
  - Capital Expenditure
  - Capital Financing Requirement
  - Gross Debt and the Capital Financing Requirement
  - Debt and the Authorised Limiting and Operational Boundary
  - Net Income from Commercial and Service Investments to Net Revenue Stream
  - Proportion of Financing Costs to Net Revenue Stream

# Prudential Indicators

## Capital Expenditure

- The Council has undertaken and is planning capital expenditure as summarised in the table below
- The main General Fund capital projects for 25/26 include spend on the Cultural Heart, Town Centre Action Plans, Highways baseline schemes, and major projects for both the West Yorkshire plus Transport Schemes, Transforming Cities Fund and Heritage Action Zone
- HRA capital expenditure is recorded separately and includes supporting a Council House Building and Re-Modelling programme, Building Safety, Housing Growth and replacement IT system
- The 25/26 forecast includes revised spend rollover, while 26/27 and 27/28 budget figures are those approved as part of the 25/26 Budget Report

	2024/25 £m actual	2025/26 £m forecast	2026/27 £m budget	2027/28 £m budget
General Fund	105.6	217.8	212.6	102.5
Housing Revenue Account	35.0	44.7	71.1	63.0
<b>Total Capital expenditure</b>	<b>140.6</b>	<b>262.5</b>	<b>283.7</b>	<b>165.5</b>

# Prudential Indicators

## Capital Financing Requirement

- The Council's cumulative outstanding amount of debt finance is measured by the Capital Financing Requirement (CFR). This increases with new debt-financed capital expenditure and reduces with MRP, loan repayments and capital receipts used to replace debt. The actual CFR is calculated on an annual basis.
- The effect from the change in the accounting for leases has not yet been reflected in the CFR.

	2024/25 £m actual	2025/26 £m forecast	2026/27 £m budget	2027/28 £m budget
General Fund	732.3	809.5	1,046.6	1,099.8
Housing Revenue Account	207.0	203.2	206.5	203.3
<b>Total Capital Financing Requirement</b>	<b>939.3</b>	<b>1,012.7</b>	<b>1,253.1</b>	<b>1,303.1</b>

# Prudential Indicators

## Gross Debt and the Capital Financing Requirement

- Statutory guidance is that debt should remain below the capital financing requirement, except in the short term. The Council has complied and expects to continue to comply with this requirement in the medium term as is shown below.

	2024/25 actual £m	2025/26 forecast £m	2026/27 budget £m	2027/28 budget £m	Debt at 30.09.2025 £m
Debt (incl. PFI & leases)	864.5	920.7	1,176.1	1,226.1	880.2
Capital Financing Requirement	939.3	1,012.7	1,253.1	1,303.1	

# Prudential Indicators

## Debt and the Authorised Limit and Operational Boundary

- The Council is legally obliged to set an affordable borrowing limit (also termed the Authorised Limit for external debt) each year. In line with statutory guidance, a lower Operational Boundary is also set as a warning level should debt approach the limit.
- Since the operational boundary is a management tool for in-year monitoring it is not significant if the boundary is breached on occasions due to variations in cash flow, and this is not counted as a compliance failure. Total debt did not go above the operational boundary.

	Maximum debt Q2 2025/26	Debt at 30.09.25	2025/26 Authorised Limit	2025/26 Operational Boundary	Complied
Borrowing	795.6	789.7	1,024.7	1,004.7	Yes
PFI and Finance Leases	90.5	90.5	91.6	86.6	Yes
<b>Total debt</b>	<b>886.1</b>	<b>880.2</b>	<b>1,116.3</b>	<b>1,091.3</b>	

# Prudential Indicators

## Net Income from Commercial and Service Investments to Net Revenue Stream

- The Council's income from commercial and service investments as a proportion of its net revenue stream has been and is expected to be as indicated below.

	2024/25 actual £m	2025/26 Forecast £m	2026/27 budget £m	2027/28 budget £m
Total net income from service and commercial investments	-1.2	-1.1	-2.0	-2.0
Proportion of net revenue stream	-0.3%	-0.3%	-0.5%	-0.5%

# Prudential Indicators

## Proportion of Financing Costs to Net Revenue Stream

- Although capital expenditure is not charged directly to the revenue budget, interest payable on loans and MRP are charged to revenue.
- The net annual charge is known as financing costs; this is compared to the net revenue stream, ie the amount funded from Council tax, Business rates and general government grants.

	2024/25 actual	2025/26 forecast	2026/27 budget *	2027/28 budget *
General Fund - Financing costs (£m)	52.1	54.1	52.9	60.2
General Fund – Proportion of net revenue stream (with reduced MRP)	9.8%	10.9%	12.7%	13.8%
General Fund – Proportion of net revenue stream (full MRP)	13.8%	13.6%	12.7%	13.8%
HRA – Financing costs (£m) – (including depreciation)	34.8	35.0	35.3	36.3
HRA - Proportion of net revenue stream	32.6%	31.9%	31.5%	31.6%

\* per 25/26 capital strategy and budget

# Treasury Management Indicators

- **Indicators include:**

- Liability Benchmark
- Maturity Structure of Borrowing
- Long Term Treasury Management Investment
- Interest Rate Exposures

# Treasury Management Indicators

## Liability Benchmark

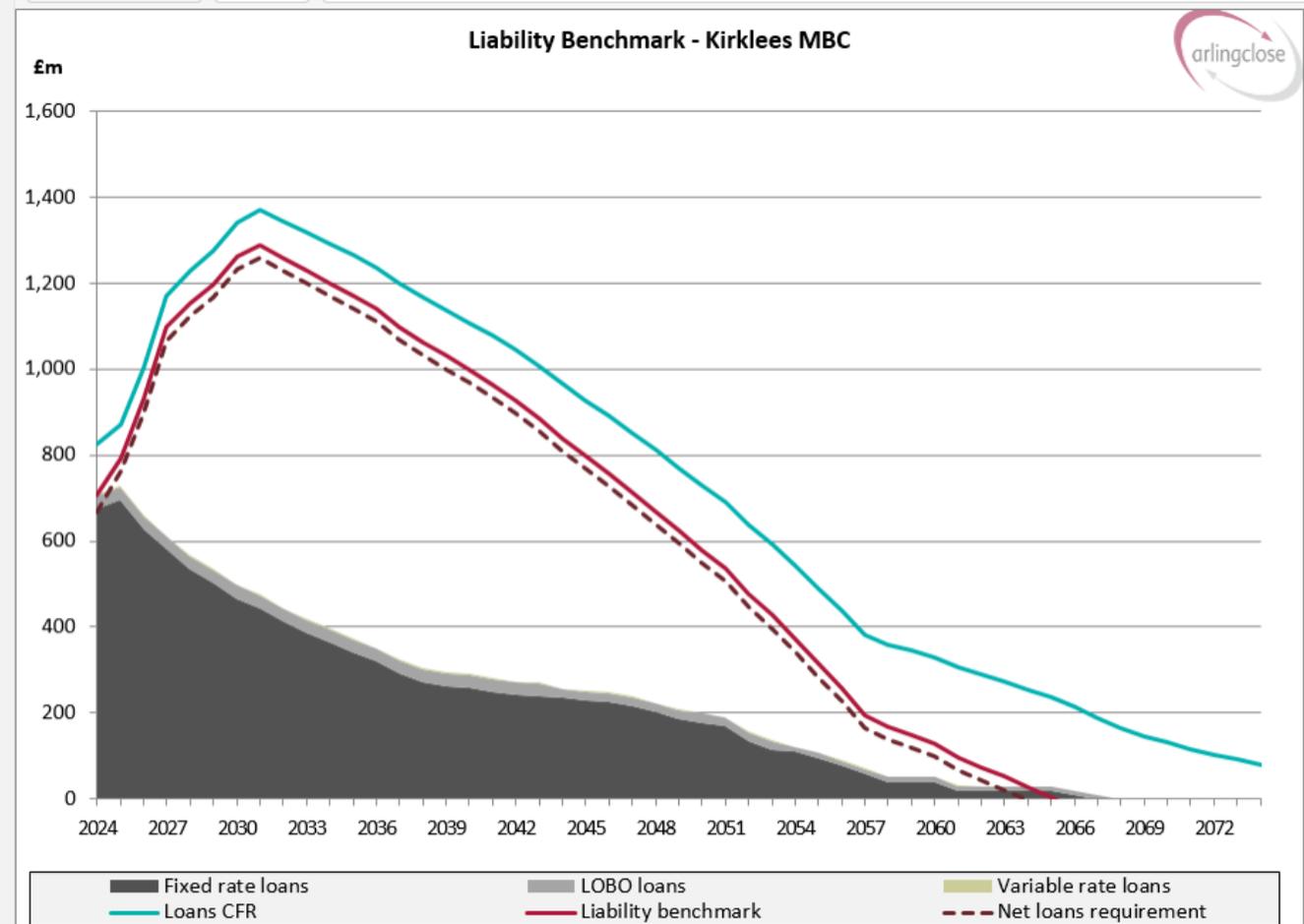
- This indicator compares the Council's actual existing borrowing against a liability benchmark that has been calculated to show the lowest risk level of borrowing. The liability benchmark is an important tool to help establish whether the Council is likely to be a long-term borrower or long-term investor in the future, and so shape its strategic focus and decision making. It represents an estimate of the cumulative amount of external borrowing the Council must hold to fund its current capital and revenue plans while keeping treasury investments at the minimum level of £30.0 million required to manage day-to-day cash flow.
- Following on from the medium-term forecast below, the long-term liability benchmark includes capital expenditure funded by borrowing of £90.0 million in 2025-26, minimum revenue provision based on assets lives and reduction in balance sheet resources of £12.3 million.

	31.03.25 actual £m	31.03.26 forecast £m	31.03.27 forecast £m	31.03.28 forecast £m
Loans CFR	849.7	930.1	1,076.3	1,166.5
Less: Balance sheet resources	-134.3	-122.0	-123.0	-123.0
<b>Net loans requirement</b>	<b>715.4</b>	<b>808.1</b>	<b>953.3</b>	<b>1,043.5</b>
Plus: Estimated Liquidity allowance	58.6	30.0	30.0	30.0
<b>Liability benchmark</b>	<b>774.0</b>	<b>838.1</b>	<b>983.3</b>	<b>1,073.5</b>
Existing borrowing - committed	774.0	771.9	673.4	607.5

# Treasury Management Indicators

## Liability Benchmark

The total liability benchmark is shown in the chart, together with the maturity profile of the Council's existing borrowing. The red line is the liability benchmark reaching a peak in 2031 highlighting the gap between current borrowing identified in grey, which is reducing over time with repayments, and the additional borrowing required to fund the capital plan.



# Treasury Management Indicators

## Maturity Structure of Borrowing

- This indicator is set to control the Authority's exposure to refinancing risk. The upper and lower limits on the maturity structure of all borrowing were:

	Upper limit	Lower limit	30.09.25 actual	Complied
Under 12 months	25%	0%	7%	Yes
12 months and within 24 months	25%	0%	11%	Yes
24 months and within 5 years	60%	0%	21%	Yes
5 years and within 10 years	80%	0%	18%	Yes
10 years and above	100%	20%	43%	Yes

- Time periods start on the first day of each financial year. The maturity date of borrowing is the earliest date on which the lender can demand repayment. LOBO options of £20.9 million have a potential repayment date during 2025-26 and have been included in the under 12 months line and an option of £10.0 million has a potential repayment date during 2026-27 and has been including in 12 months and within 24 months

# Treasury Management Indicators

## Long term Treasury Management Investments

- The purpose of this indicator is to control the Council's exposure to the risk of incurring losses by seeking early repayment of its investments. The prudential limits on the long-term treasury management limits are:

	2024/25	2025/26	2026/27	No fixed date
Limit on principal invested beyond year end	n/a	n/a	n/a	n/a
Actual principal invested beyond year end	£10.0m	£10.0m	£10.0m	£10.0m
Complied	Yes	Yes	Yes	Yes

- Long-term investments with no fixed maturity date include strategic pooled funds, real estate investment trusts and directly held equity but exclude money market funds and bank accounts with no fixed maturity date as these are considered short-term.

# Treasury Management Indicators

## Interest Rate Exposures

For context, the changes in interest rates during the quarter were:

	<b>01/04/25</b>	<b>30/09/25</b>
Bank Rate	4.50%	4.00%
1-year PWLB certainty rate, maturity loans	4.82%	4.58%
5-year PWLB certainty rate, maturity loans	4.94%	4.95%
10-year PWLB certainty rate, maturity loans	5.38%	5.53%
20-year PWLB certainty rate, maturity loans	5.88%	6.14%
50-year PWLB certainty rate, maturity loans	5.63%	5.98%