

Bath & North East Somerset Council

MEETING:	Corporate Policy Development & Scrutiny Panel
MEETING:	17th March 2026
TITLE:	Revenue and Capital Budget Monitoring, Cash Limits and Virements – April 2025 to December 2025
WARD:	All
AN OPEN PUBLIC ITEM	
List of attachments to this report: Appendix 1 - Revenue and Capital Budget Monitoring, Cash Limits and Virements – April 2025 to December 2025 Cabinet Report Annex 1: Revenue Monitoring Commentary Annex 2: Key Scheme Capital Monitoring Commentary Annex 3: Revenue Savings Monitor	

1 THE ISSUE

- 1.1 The report was considered by the Cabinet at their 12th February 2026 meeting. It presents the April 2025 to December 2025 revenue and capital budget monitoring for 2025/26.

2 RECOMMENDATION

The Panel is asked to;

- 2.1 Note and discuss the Revenue & Capital Q3 2025/26 Monitoring Report.

3 THE REPORT

- 3.1 The Revenue & Capital Budget Monitoring report and supporting main detailed appendices are included as the appendices to this report and for Panel consideration.
- 3.2 The summarised Council budget monitoring position is as follows, full details are included in the main report (Appendix 1):
- 3.3 The net revenue forecast position for 2026/27 is £1.659m over budget, which is an improvement of £0.764m from the position reported at Quarter 2. Managers across the Council continue to prioritise cost control measures to bring the budget back to a balanced position before year-end.
- 3.4 Children's Services are forecasting the largest cost pressure, £7.400m in total, which is primarily due to high-cost packages required to support the most vulnerable and complex young people in the area. Adult Services and Corporate

Estate are also forecasting significant expenditure pressures, while staffing costs across the organisation have increased because of the pay and grading review associated with the Being Our Best programme.

- 3.5 Income is lower than budgeted for both the Roman Baths and the Commercial Estate, however Parking Services are seeing income exceed expectations. Lower borrowing costs and strong treasury management performance are also helping offset the adverse financial position.
- 3.6 The £1.659m forecast over budget position includes the use of £9.830m budgeted contingencies and £1.721m use of the Job Evaluation and Pay Structure Reserve.
- 3.7 It should be noted that circa £1m worth of invoices that were raised in 2024/25 and currently remain unpaid are being reviewed in advance of year end and there is a risk that some may need to be written off. A decision will be made at year-end but this adds a further risk to the financial outturn position.
- 3.8 Savings of £14.012m were included in the 2025/26 budget. At present £9.149m (65%) savings are forecast as delivered, with the remainder either being mitigated through alternative measures, or flagged as delayed or undeliverable. On-going budget pressures are being considered through the Council's budget setting process to ensure they do not continue to create financial pressures in 2026/27.
- 3.9 In the event the above budget position cannot be fully mitigated a combination of specific service reserves (such as the Adult Social Care Reserve) and the Council's Revenue Budget Contingency Reserve will need to be utilised, subject to approval. Should this be required there would be a requirement to replenish these reserves in future years, putting further pressure on meeting the medium-term budget gaps.
- 3.10 The current position of the 2025/26 Capital Programme is a forecast of £94.321m against the revised budget of £149.537m. Of the variance of £55.216m, £55.046m is anticipated will be rephased into future years.

4 STATUTORY CONSIDERATIONS

- 4.1 The annual Medium-Term Financial Strategy and planning process allocates resources across services with alignment of these resources towards the Council's corporate priorities. This report monitors how the Council has performed against the budget and Capital Programme set in February 2025.

5 RESOURCE IMPLICATIONS (FINANCE, PROPERTY, PEOPLE)

- 5.1 These are contained throughout the attached report and appendices.

6 RISK MANAGEMENT

- 6.1 The substance of this report is part of the Council's risk management process. The key risks in the Council's budget were assessed by each Director, with these risks re-assessed regularly as part of the budget monitoring process.

7 CLIMATE CHANGE

7.1 The Medium Term Financial Strategy and budget process aligns resources towards the corporate priorities and objectives set out in the Corporate Strategy, which includes tackling the climate emergency. This report monitors the Council's financial performance against those budgets.

8 OTHER OPTIONS CONSIDERED

8.1 None.

9 CONSULTATION

9.1 Consultation on the Cabinet Report was carried out with the Cabinet Member for Resources, Directors, Section 151 Finance Officer, Chief Executive and Monitoring Officer.

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Background papers	Revenue and Capital Budget Setting reports;
Please contact the report author if you need to access this report in an alternative format	