

BROMSGROVE DISTRICT COUNCIL

Cabinet

22nd July 2026

Financial Outturn Report 2025/26

Relevant Portfolio Holder	Councillor Simon Nock
Portfolio Holder Consulted	Yes
Relevant Head of Service	Debra Goodall
Report Authors	Assistant Director of Finance and Customer Services Debra.Goodall@bromsgroveandredditch.gov.uk
Wards Affected	All Wards
Ward Councillor(s) consulted	No
Relevant Strategic Purpose(s)	All
Key Decision	
If you have any questions about this report, please contact the report author in advance of the meeting.	

1. SUMMARY

- 1.1. The purpose of this report is to set out the Council's Revenue and Capital Outturn position for the financial year April 2025 to March 2026. The Outturn Report is a management report that complements the quarterly financial monitoring reports, produced in a consistent format to aid review.

2. RECOMMENDATIONS

Cabinet is asked to RESOLVE that:

- 2.1. The 2025/26 revenue outturn position is an overspend of £5,480 which will be funded by an allocation from General Fund Balance.
- 2.2. The General Fund Opening Balance of £13.382m will be reduced to £13.150m as a result of this overspend and the net transfer to Ward Budget Reserves previously agreed with members
- 2.3. The 2025/26 capital outturn position is £16.943m spend against a total approved programme of £21.877m. The net balance of £4.934m will be carried forward and included within the 2026/27 capital programme.
- 2.4. The Ward Budget allocation for 2025/26 of £62,000 had approved allocations at £55,402 as at 31 March 2026, resulting in £6,598 which is transferred to General Fund reserves.
- 2.5. The balance of Earmarked Reserves as at 31 March 2026 is £14.169m.
- 2.6. There is an updated procurement position set out in Appendix D, with any new items over £200k to be included on the forward plan.

3. KEY ISSUES

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Financial Implications

- 3.1 This report sets out the draft financial outturn revenue and capital performance of the Council for 2025/26 against budget.
- 3.2 The £15.3m full year revenue budget included in the table below is the budget that was approved by Council in February 2025. The budgets were revised during the year to allow for efficiency and salary savings.
- 3.3 The Finance team have undertaken a detailed review of the 2025/26 accounts since year end including:
- Accruals and prepayments,
 - Grants are applied to known expenditure and remaining balances are carried forward,
 - Reserves are applied to known expenditure,
 - Shared service recharges between Redditch Borough and Bromsgrove District Councils where a shared service arrangement exists and
 - Transfers between the Collection Fund and the General Fund.

Revenue Position

- 3.4 The revenue outturn position is a £5,480 overspend as shown in Table 3 below. This shows a favourable net £308,203 movement since the position reported at Q3. The movement from Q3 to Outturn is summarised in Table 4 at paragraph 3.5. Two key, year-end amendments making up this movement were staff capitalisation and VAT adjustments; these are shown in tables 1 and 2 below.

A salary capitalisation exercise is completed at the end of year to identify staffing costs that should be correctly charged to the capital programme. In future years, an estimate of potential capitalisation will be built into projected spend as part of the quarterly monitoring. As at 31 March 2026, the Council recharged a proportion of time spent (salary) against the capital projects undertaken during the year (reducing revenue spend and increasing charges to the capital programme) as follows:

Table 1 – Staff Capitalisation

BDC services	Net amount
Business Transformation & Organisation Development	- 105,192.00
Community and Housing Services	- 47,288.00
Corporate Services	- 18,045.00
Environmental Services	- 196,855.00
Legal and Democratic Services	- 72,716.00
Regeneration & Property Services	- 309,580.00

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Grand Total (reduced revenue expenditure)	- 749,676.00
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There was also an impact on the outturn position of VAT adjustments as a result the Error Correction Notices submitted over the year, and shown in the following table:

Table 2 – VAT Correction

BDC services	Net amount
Business Transformation and Organisational Development	- 8,189.95
Community and Housing GF Services	45,242.21
Corporate Services	60.50
Environmental Services	19,246.58
Worcester Regulatory Services	7,010.57
Regeneration & Property	167,842.48
Legal & Democratic services	10,359.86
Planning and Leisure Services	164,746.96
Grand total increased revenue expenditure	406,319.21

The subsequent Outturn position is as per Table 3 below:

Table 3 Overall Outturn Position

Service Description	2025-26 Approved Budget	2025-26 Revised Budget	2025-26 Actual Spend	Full Year Outturn Variance	Projected Variance at Q3	Change in variance
Business Transformation and Organisational Development	2,197,136	1,994,442	1,825,546	-168,896	(23,514)	(145,382)
Community and Housing GF Services	1,402,751	1,273,820	1,170,328	-103,492	285,783	(389,275)
Corporate Services	885,935	2,082,097	1,196,982	-885,115	(864,151)	(20,964)
Environmental Services	4,266,050	4,153,738	5,070,184	916,446	883,792	32,654
Financial and Customer Services	2,387,557	2,346,975	3,215,544	868,569	674,151	194,418
Legal, Democratic and Elections Services	1,178,898	1,160,541	1,074,565	-85,976	58,320	(144,296)
Planning and Leisure Services	1,250,320	1,009,686	1,195,708	186,022	(7,339)	193,361
Regeneration & Property	1,099,949	640,297	575,156	-65,141	176,832	(241,973)
Regulatory Client - Commissioning Role	646,139	653,139	707,142	54,002	99,359	(45,357)
Grand Total	15,314,735	15,314,735	16,031,155	716,420	1,283,233	(566,813)
Service Description	2025-26 Approved Budget	2025-26 Revised Budget	2025-26 Actual Spend	Full Year Projected Variance Q2	Projected Variance at Q3	Change in variance
Corporate Financing	(15,314,735)	(15,314,735)	(16,025,675)	-710,940	(969,550)	258,610
Grand Total	(15,314,735)	(15,314,735)	(16,025,675)	(710,940)	(969,550)	258,610
TOTALS	0	0	5,480	5,480	313,683	(308,203)

- 3.5 The overall variance of £5,480 results from an overspend of £716,420 against service spending, offset by an underspend of £710,940 from corporate financing due to additional grant funding and investment income received. Against a budget of £15.314m, the service overspend represents a variance of 4.68%. The service spending moved from Q3 £1.283m to £0.716m at year end, a positive movement of £0.567m mainly due to the

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net impacts of the capitalisation recharge (-£0.750m) and VAT correction (+£0.406m) noted above plus the allocation of grant funding at year end. A small increase in spend of £0.046m across all service areas between quarters has delivered what is, overall, an insignificant overspend of £5,480. The movement between Q3 and Outturn is summarised in the following table:

Table 4 Movement from Quarter 3 to Outturn

	Service Expenditure (£)	Corporate Financing (£)	Net position (£)
Position at Q3	1,283,233	-969,550	313,683
Capitalisation of salary costs (Q4)	-749,676	0	-749,676
Impact of VAT Error Correction Notice in year	406,319	0	406,319
Variances to Q3 projections at Q4 (see supplementary tables below)	46,544	-11,390	35,154
Allocation of grants from Corporate Financing to Services	-270,000	270,000	0
Position at Outturn	716,420	-710,940	5,480

- 3.6 The following paragraphs set out the year end variances for each service area against the 2025/26 revenue budget:

Business Transformation & Organisational Development – outturn position £169k underspend

Supplementary Table 3.6a

Key Variances	Variance (£'000)	Explanation
Capitalisation (Table 1)	-105	Staffing charged to the capital programme as part of £0.75m adjustment at year end.
VAT Impact (Table 2)	-8	Minor VAT adjustments.
Training	-60	Training savings were realised this year. This is a one-off and will not be repeated in 2026/27
Street Naming and Numbering	-47	Additional income was raised from street naming and numbering. Street naming and numbering income is restricted by the number of new properties developed in the area, so the total received each year varies.

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Apprenticeship Budget	+61	Corporate contributions to the apprenticeship levy were over-committed in the year. There was a pressure bid put in 25/26 to increase the budget to avoid overspend in the 26/27 financial year.
Other Variances	-10	Other minor variances across the service
Outturn Position	-169	

Community and Housing Services - outturn position £103k underspend

Supplementary Table 3.6b

Key Variances	Variance (£'000)	Explanation
Capitalisation (Table 1)	-47	Staffing charged to the capital programme as part of £0.75m adjustment at year end.
VAT Impact (Table 2)	+45	£17.2k relates to the social prescribing contract which PSTax have advised is VATable, £11.4k relates to Domestic Abuse Services, £7.9k relating to Static Temporary Accommodation and £6.1k Homelessness Services (all found to be contracts where VAT should be standard rated) and other minor adjustments.
CCTV Infrastructure	-72	Income from Wyre Forest District Council for CCTV has increased by £12k against the original budget of £42k. This is due to additional cameras being monitored. CCTV infrastructure is moving to more modern wireless transmission leading to increased costs. Transition from fibre to wireless will continue through to August 2026 resulting in a lower cost over that period. The 25/26 fibre cost was £20k below budget. Some of the planned upgrades have yet to be completed which will create a pressure in the 2026/27 budget that will need to be reviewed.
CLG Homelessness	-71	The Communities and Local Government (CLG) Homelessness

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		underspend of £71k is for the new MRI housing management system for housing register, homelessness and Choice Based Lettings. The supplier invoiced Bromsgrove District Housing Trust (BDHT) rather than BDC and we are waiting for a revised invoice.
Climate Change	-23	The Climate Change budget of £37k has ongoing commitments of £14k for an annual contract. The resulting underspend of £23k will be reviewed as part of the 27/28 MTFP process.
Homelessness	+66	This is primarily due to rising demand associated with bed and breakfast accommodation. A Low-Cost Housing Capital Receipts Report is being considered as a separate item on this agenda. This seeks approval for all low-cost housing receipts to be used by the Council to increase the supply of temporary accommodation by purchasing suitable dwellings. This should reduce the cost of Bed and Breakfast in future years.
Other variances	-1	Other minor variances across the service
Outturn Position	-103	

Corporate Services – outturn position £885k underspend

Supplementary Table 3.6c

Key Variances	Variance (£'000)	Explanation
Capitalisation (Table 1)	-18	Staffing charged to the capital programme as part of £0.75m adjustment at year end.
VAT Impact (Table 2)	0	Minor VAT adjustment rounds to zero.
Vacancy Management, Inflation and Utilities	-956	There are savings of £956k due to achievement on vacancy management, corporate efficiencies other savings in inflation and utility budgets across the whole Council. These savings are one off.

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Local Government Reorganisation	+22	Communication costs of £7k relating to Local Government Reorganisation (LGR) which is a one off charge. Additional cost due to a Local Government Reorganisation appraisal report of £59k, which was partially offset by LGR grant income of £37k. Any LGR costs in future years will be met from the LGR reserve.
Postages	+21	There are £21k additional postage costs relating to the cost of this across the whole council and the cost of this has been reflected within the MTFP for 2026.
Other Variances	+46	There is an adverse variance relating to other costs of £46k.
Outturn Position	-885	

Environmental Services – outturn position £916k overspend

Supplementary Table 3.6d

Key Variances	Variance (£'000)	Explanation
Capitalisation (Table 1)	-197	Staffing charged to the capital programme as part of £0.75m adjustment at year end.
VAT Impact (Table 2)	+19	VAT adjustment largely relating to the Place Team (£12.8k relating to annual grass cutting and abandoned vehicles contracts for which income was not treated as VATable) and £5.1k of taxable Trade Waste Operations and other minor adjustments.
Waste Management Fleet	+977	The majority of the service overspend is due to additional spend above budget on Waste Management of £977k (£574k fleet maintenance and £403k Vehicle Hire). Fleet maintenance costs have increased due to several factors, including an ageing fleet, rising material costs, and difficulties recruiting HGV mechanics. This has led to some maintenance being outsourced, alongside increased vehicle hire costs to cover vehicles off the road for repair. A large-scale fleet replacement programme saw new

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		refuse vehicles delivered in the winter 2025, together with recruitment into the HGV Mechanic roles and this has already delivered significant reductions in maintenance and hire costs. Q4 performance provides clear evidence that this approach is working, and this trend is expected to continue through 26/27. Un-budgeted hire costs are expected to reduce to a minimum in 26/27 as a result of the new fleet, with Commercial Waste the only area reliant on hire vehicles whilst waiting on delivery of additional vehicles approved in December 2025 as part of service expansion. Hire costs have been built into the MTFP for this from 2026/27 accordingly.
Staffing Costs	+508	A mixture of vacant posts long and short term sickness has created an underspend of £349k. This has been offset by agency costs of £597k and £260k of overtime. Recruitment activity has continued through the end of last financial year and into 2026/27 to fill all vacant posts, alongside active management of sickness absence in accordance with Council policies. Overtime is expected to reduce now that the workshop is fully staffed.
Commercial Waste disposal	-287	There was additional income of £456k generated on Commercial Services which were offset by additional Trade Waste disposal costs of £109k and fuel costs of £60k, for which a business case to formally expand the service and adjust budget lines for 2026/27 has now been approved. Whilst the service generated a positive income, it was impacted by higher staffing and vehicle maintenance/hire costs that have been accounted for in the over-spends summarised above and resulted in a small overspend on the Commercial service in 25/26, although this was £10k less than forecast in the expansion report approved in

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		December 2025. The service is forecast to generate an additional surplus of £159k in 26/27 after all operational costs have been accounted for – subject to world events and fluctuations in associated fuel costs.
Garden Waste	-118	The Garden Waste service achieved additional income of £118k from increased subscriber numbers. The bin replacement programme provided an opportunity to positively promote the service and encourage customers to confirm or take up subscriptions, resulting in stronger than expected growth. While this level of increase is unlikely to continue at the same rate in future years, the programme has helped strengthen the customer base.
North Worcestershire Water Management Group Land Drainage service	+64	Aside from Waste Management, there is a £64k pressure relating to the Wyre Forest Contract within the North Worcestershire Water Management Group Land Drainage service. This reflects a budget shortfall identified during the year, arising from differences between the budget provision set and the actual cost of delivering the contractual arrangement. The budget position will be reviewed as part of future budget setting to ensure it is aligned with the ongoing cost of the service.
Other Variances	-50	Other minor savings of £50k in total.
Outturn Position	916	

Financial & Customer Services - outturn position £869k overspend

Supplementary Table 3.6e

Key Variances	Variance (£'000)	Explanation
Insurance Property Valuations	+50	An unbudgeted cost of £50k for Insurance Property valuations for the Insurance tender exercise for Bruton Knowles.
Agency Costs	+431	There is a nationwide staffing shortage of qualified finance personnel and there was a net overspend of £431k on

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		Agency staff to cover vacancies for which active recruitment campaigns for permanent staff had been unsuccessful. A review of the structure aims to recruit any interim posts on a permanent basis.
Housing Subsidy Loss	+382	The housing subsidy budget was re-aligned by £382k relating to changes in the level of Housing Subsidy collected within year.
VAT reconciliation exercise	+105	Additional costs of £105k on VAT support from PS Tax as part of the support for the completion of the VAT returns to HMRC.
	-99	A VAT receipt of £99k due to historical leisure services review and recalculation relating back several years represented a one-off windfall.
Outturn Position	869	

Legal, Democratic and Election Services – outturn position £86k underspend

Supplementary Table 3.6f

Key Variances	Variance (£'000)	Explanation
Capitalisation (Table 1)	-73	Staffing charged to the capital programme as part of £0.75m adjustment at year end.
VAT Impact (Table 2)	+10	Minor VAT adjustments
External Legal Costs	+13	One-off cost of 13k for external advice training and software to ensure compliance with the Procurement Act 2023
Land Charges	+10	Land Charges search costs
Software Costs	+10	Additional spend on upgrading Modern.Gov software
Shared service adjustment	-56	Roles in the team relate directly to HRA and therefore charged in full to Redditch Borough Council but not currently reflected that way in the budget. This will be corrected as part of 2027/28 budget setting.
Outturn Position	-86	

Planning and Leisure Services – outturn position £186k overspend

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Supplementary Table 3.6g

Key Variances	Variance (£'000)	Explanation
VAT Impact (Table 2)	+165	VAT adjustment of which £123k relates to Development Management Planning Fees (Pre Application Planning Fees which are VATable), £32.7k relates to VATable Building Control fees and other minor adjustments.
Parks and Events	-30	There was £30k of additional income in Parks and Events coming from Allotments due to increased lettings.
Development Management	-59	There was over achieved income of £59k in Development Management. Development Management income is dependent on external factors which makes it difficult to forecast.
Building Control	+50	Building Control under achieved income by £50k. Building Control income is dependent on external factors which makes it difficult to forecast.
Agency Costs	+31	Agency costs of £31k covering vacancies that the service is struggling to fill due to the current job market, and Planning is an area which is difficult to fill all vacancies.
Other Variances	+29	Other minor variances across the service
Outturn Position	186	

Regeneration and Property Services – outturn position £65k underspend

Supplementary Table 3.6h

Key Variances	Variance (£'000)	Explanation
Capitalisation (Table 1)	-310	Staffing charged to the capital programme as part of £0.75m adjustment at year end.
VAT Impact (Table 2)	+168	VAT adjustment of which £166.2k relates to Off Street Car Parking Income which is VATable but treated as non-VATable when imported into the TechnologyOne system.
Town Centre - Revenue	-24	£24k savings from staffing due to a vacancy within the team,

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Parkside Business Rates	-26	£26k savings on Business Rates as spend at Parkside was lower than budgeted. Will be reviewed in 2026/27 and for 2027/28 MTFP.
Parkside	-51	£51k other savings on Parkside, including underspend on maintenance, and increased income generated by room hire. The budget for income has been increased for 26/27 as additional maintenance works are to be carried out in 26/27
Multi-Storey Car Park	-27	£27k saving on budgeted costs for Multi-Storey Car Park. The Multi-storey Car Park is currently closed resulting in savings on Business Rates. Will be reviewed in 2026/27 and for 2027/28 MTFP.
Enforcement Income	-7	£7k additional Enforcement income due to an increase of income in the last quarter. Will be reviewed in 2026/27 and for 2027/28 MTFP.
Software	+17	£15k of additional costs relating to Computer Aided Design software. Will be reviewed in 2026/27 and for 2027/28 MTFP.
Car parking	+145	There were several overspending areas in the year including: maintenance of £29k, additional £47k costs associated with Permit and £11k staffing recharge from Wychavon for parking enforcement staffing. The Car Parking income budget was not revised in 2025/26 leading to an income shortfall of £58k. Together these issues delivered an overspend of £145k, some of them one-off, and a pressure bid of £82k has been drawn up for consideration in 2026/27.
Other Variances	+50	Other minor variances across the service
Outturn Position	-65	

Regulatory Client – outturn position £54k overspend

Supplementary Table 3.6i

Key Variances	Variance (£'000)	Explanation
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VAT Impact (Table 2)	+7	Minor VAT adjustments.
Management Costs	+36	Additional management costs of WRS amounting to £36k.
Licensing Income	+48	Loss of Licensing income of £48k as a result of lower than anticipated licencing volumes. This is a re-occurring year on year pattern and will be addressed in the 2027/28 budget setting process
Aqueduct Stables	-23	Underspend of £23k due to a credit relating to Aqueduct Stables
Other Variances	-14	Other variances split across areas
Outturn Position	54	

Corporate Financing – outturn position £711k underspend

Supplementary Table 3.6j

Key Variances	Variance (£'000)	Explanation
Grant Income	-163	Additional s31 grant income received to support genera expenditure
Investment Income	-191	Additional investment income of cash balances, above budget.
Interest payable	-281	Reduced borrowing costs compared to budget.
Grant income brought forwards	-200	Revenue Grants Received in 24/25 now recognised in 25/26.
Fees and Charges	+125	Underachievement of fees and charges. This needs to be reviewed during the MTFP process.
Other Variances	-1	Other minor variances across the service
Outturn Position	-711	

Capital Position

- 3.6 A capital programme for 2025/26 of £17.352m was approved by Council in February 2025.
- 3.7 Many of these schemes were already in partial delivery before the 2025/26 financial year. Net unspent budget was carried from 2024/25 to supplement the 2025/26 capital programme as shown in table 5 below.

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Table 5 Capital Programme 2024/25 to 2029/30

Year	Original Budget (£)	Carried Forward from previous year (£)	Revised Budget (£)
2024/5	6,376,987	14,890,949	21,267,936
2025/6	17,351,727	4,524,714	21,876,441
2026/7	3,222,841		
2027/8	2,469,459		
2028/9	2,310,531		
2029/30	2,373,749		

3.8 Included in this funding the Council have the following Grant Funded Schemes which were delivered in 2025/26:

- The two Levelling Up schemes – Windsor Street (formerly project titled as ‘Old Fire Station’) and Nailers’ Yard (formerly known as ‘Market Hall’) are funded via £14.5m of Levelling Up funding, UKSPF funding, £2.425m of monies held in trust by Birmingham City Council on behalf of the former Greater Birmingham and Solihull Local Enterprise Partnership (GBSLEP) and up to £2.1m funded by the Council.
- For the Nailers Yard Scheme:
 - Construction is progressing on site. The revised completion date is end of September/beginning of October 2026 (previously 26th January 2026) due to culvert works and delays relating to S278 external works. The cost of the scheme has increased as a result of this.
 - GJS Dillon have received several enquiries for the commercial building. The Council is about to sign a lease for 1.5 floors of office space and is in advanced discussion with another tenant for the ground floor food and beverage unit. Both leases are expected to be signed by 1st September 2026. Bruton Knowles are instructed as property management agents for the commercial building. The operator of the Pavilion building will be Rubicon Leisure Ltd. The service level agreement has been drafted and is expected to be signed in August 2026.
- For the Windsor Street Scheme:

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- Brownfield Solutions have completed phase one ground water monitoring on site. Phase two works commenced in June 2026 which involve barrier injection works to reduce the levels of PFAS and PFOS further. This will be completed by the end of September 2026 followed by 12 months of groundwater monitoring.
 - Cabinet agreed the delivery option for residential use on the site in November 2025 and their preferred option was to deliver the site in partnership with a Registered Social Landlord (RSL). The regeneration team undertook soft market testing with RSLs to gauge interest in the site.
 - Following soft market testing with five RSLs actively seeking to develop residential schemes in Bromsgrove, a report was presented to Cabinet including their feedback with recommendations on 17 June 2026. Following the Cabinet approval, next steps would be to progress an outline planning application for the Windsor Street site. This would include the procurement of a planning consultant to support the preparation, coordination and submission of the application, alongside the commissioning of any necessary surveys and technical reports. Progressing the application at this stage would help to establish the principle and scale of development, reduce planning risk and support the timely disposal of the site in line with the approved Cabinet resolution. A budget of up to £150,000 was approved to meet the costs of progressing the outline planning application
- Public Realm work is now fully completed, and the underspend is approximately £925k.

The final business case for GBS LEP funding was signed off by Birmingham City Council on 20th January 2026. The grant funding agreement for £2.425m is in place and a claim was submitted for Q1 funding in July 2026.

In December 2025, the Government announced that the UK Shared Prosperity Fund (UKSPF) would be extended by 6 months. No additional funding has been provided but the 2025/26 allocation of £917,878, made up of a mix of capital (£286,083) and revenue (£631,795), now needs to be spent by 30 September 2026. The funds are being spent in line with the approved UKSPF Investment Plan.

- 3.9 The outturn spend on capital as at 31 March 2026 was £16.943m against a revised capital budget of £21.876m. Details of spend and variances are provided in **Appendix A**. The net underspend of £4.934m will be carried forward to 2026/27. Within this figure certain schemes have overspent by £1.653m offsetting a larger underspend of £6.587m across remaining schemes. A review of the capital programme in 2026/27 will be completed to ensure the revised programme is fully funded.

Earmarked Reserves

- 3.10 The level of earmarked reserves held by the Council at the beginning of the 2025/26 financial year was reported to Council in February 2025 as part of the 2025/26 – 2027/28 Medium Term Financial Plan (MTFP). This is shown at Appendix B and was £11.266m

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as at 31 March 2025 (and therefore as at 1 April 2025). This figure was adjusted in year for the actual 2024/25 Outturn position (which was only estimated based on Q3 monitoring information at the time of the MTFP). All reserves were thoroughly reviewed for their requirement in 2025/26 and additional reserves were set up for inflationary pressures such as utility increases. At the 31 March 2026 the net position has improved, and the Council currently holds £14.169m of Earmarked Reserves for the 2026/27 financial year. Details are provided in Appendix B.

General Fund Balance

- 3.11 The General Fund Balance brought forward as at 1 April 2025 was £13.382m and as at the 31 March 2026 was £13.150m to accommodate the reported overspend of £5,480 and movement of funds to a Wards Reserve as previously agreed. The General Fund Balance movement is shown in Table 6 below and in Appendix B.

Table 6 General Fund Balance

GENERAL FUND	£m
Opening Balance	13.382
Movement in Year	
Ward Budgets – three year allocation (2025/26-2027-28)	(0.234)
Ward Budgets Underspend 2025/26	0.007
Year End Outturn	(0.005)
Closing Balance	13.150

Financial Performance

- 3.12 Council Tax collection rate data for the financial year 2025/26 is set out in the following tables. Overall, collection at 97.95% was below 0.05% below target of 98.0% although collection continues after year-end impacting on future-year collection rates.

Nationally, Council Tax collection rates have fallen compared to 2024/25 and since their post pandemic high in 2022/23. In 2025/26, average collection rates nationally were 95.6% and for Shire Districts were 97%.

Figure 1 Council Tax Collection Rate (April to March 2025/26)

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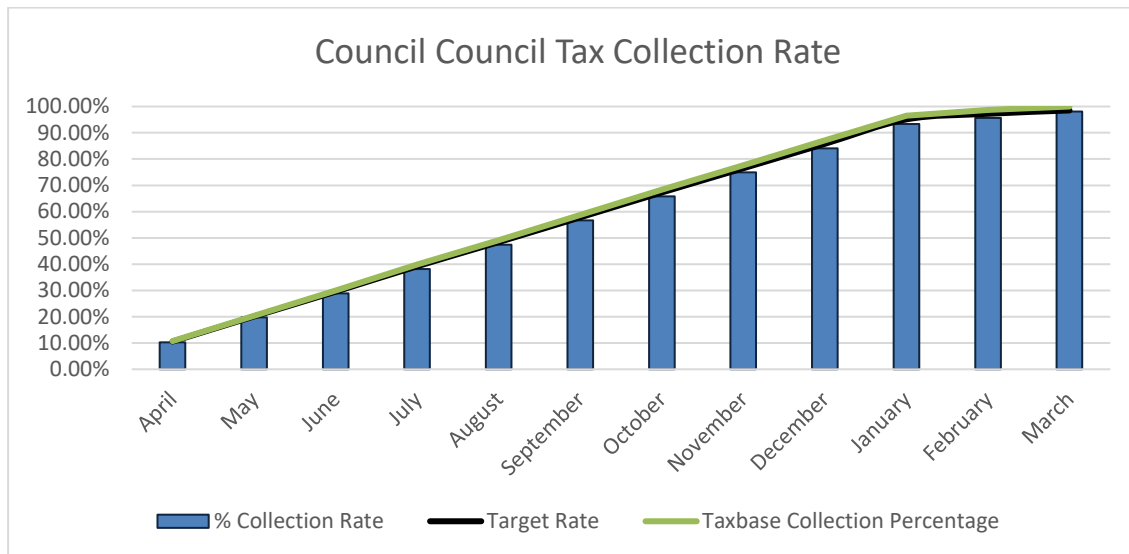


Figure 2 Monthly Council Tax Variance to target (April to March 2025/26)

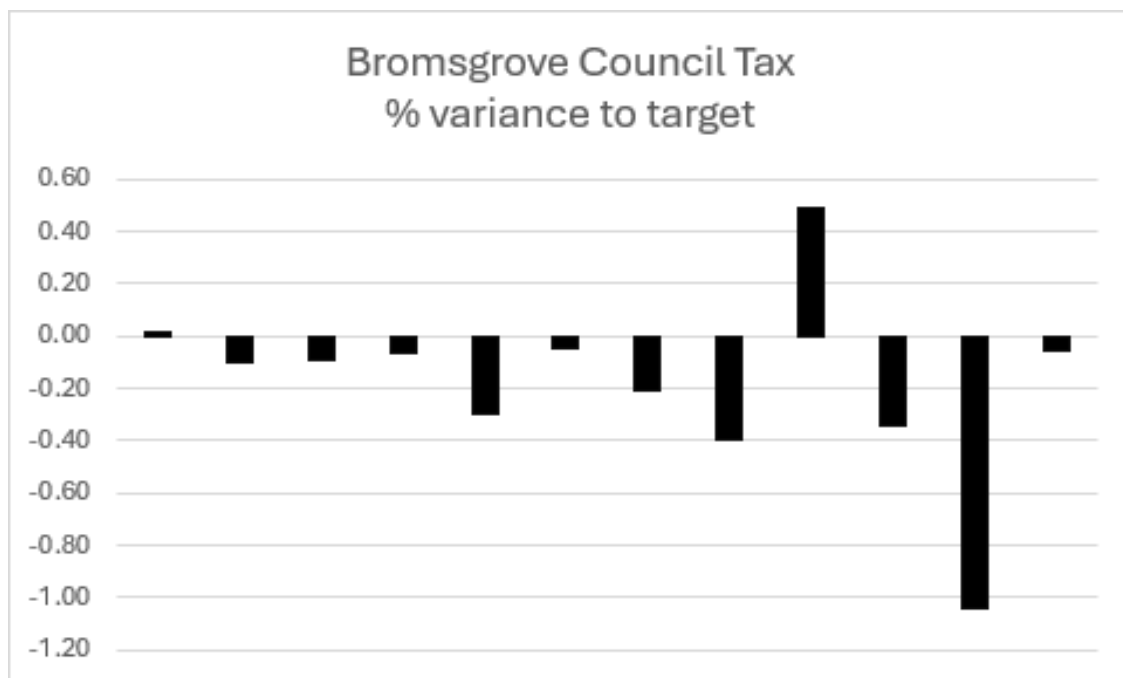
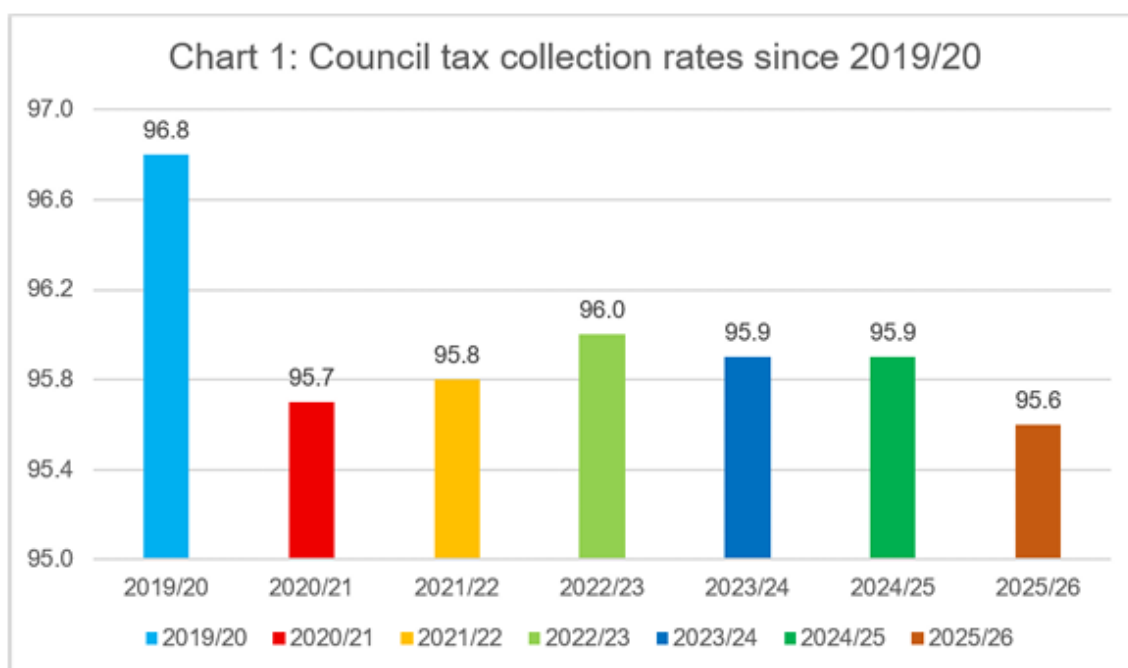


Figure 3 National Council Tax Collection Rates



- 3.13 Non-Domestic Rates collection rate data for the financial year 2025/26 is set out in the following tables. Overall, collection at 97.5% was below 0.5% below target of 98.0% although collection continues after year-end impacting on future-year collection rates.

Nationally, Non-Domestic Rates collection rates have fallen compared to 2024/25, their post pandemic high. In 2025/26, average collection rates nationally were 96.8% and for Shire Districts were 97.3%.

Figure 4 Non-Domestic Rates Collection Rate (April to March 2025/26)

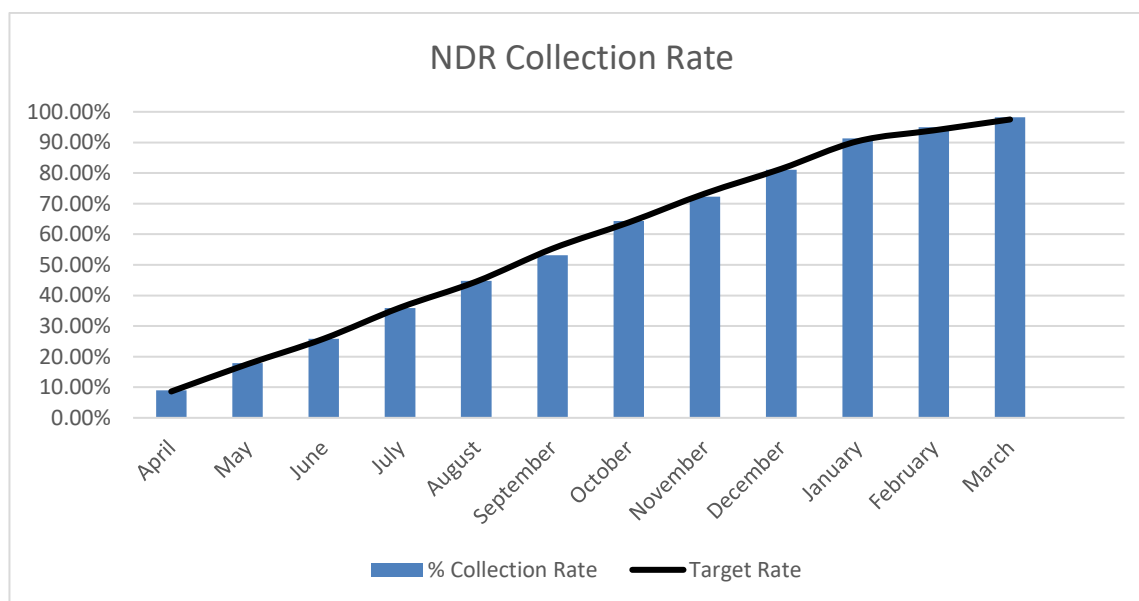


Figure 5 Monthly Non-Domestic Rates Variance to target (April to March 2025/26)

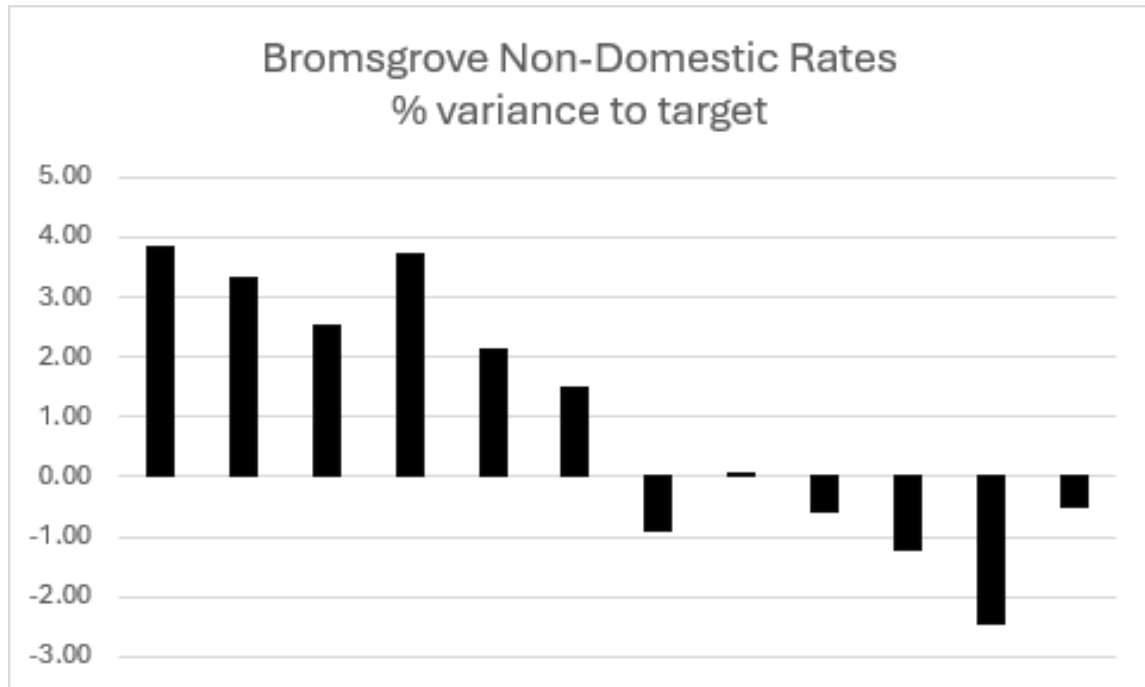
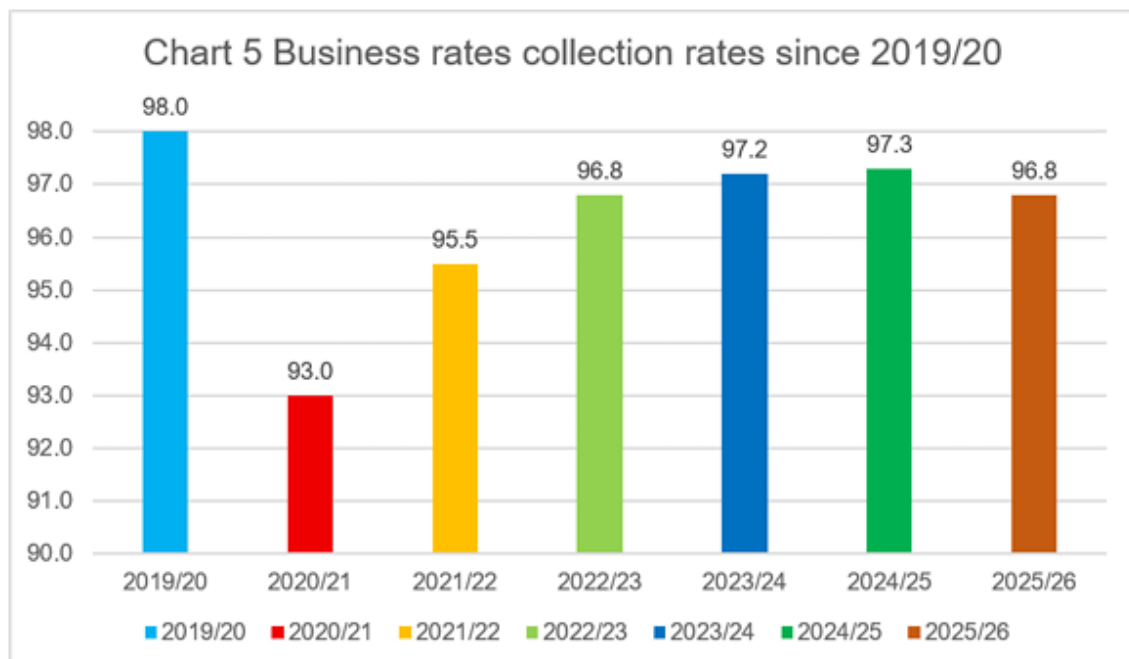


Figure 6 National Business Rates Collection Rates



4. Legal Implications

- 4.1 No Legal implications have been identified.

5. Strategic Purpose Implications

Relevant Strategic Purpose

- 5.1 The Strategic purposes are included in the Council's corporate plan and guides the Council's approach to budget making ensuring we focus on the issues and what are most important for the borough and our communities. Financial monitoring and strategies are integrated within all Strategic Purposes.

Climate Change Implications

- 5.2 The green thread runs through the Council plan. The Financial monitoring report has implications on climate change, and these will be addressed and reviewed when relevant by climate change officers to ensure the correct procedures have been followed to ensure any impacts on climate change are fully understood.

Local Government Reorganisation

- 5.3 The end of year position will be taken into account in financial monitoring for the 2026/27 financial year, in budget setting for the 2027/28 financial year and a review of the Medium Term Financial Plan will take the Council through to Vesting Day on 1 April 2028. The level of debt and investments the Council holds will transfer over to the new unitary on vesting day.

6. Other Implications

Customer / Equalities and Diversity Implications

- 6.1 None as a direct result of this report.

Operational Implications

- 6.2 Managers meet with finance officers to consider the current financial position and to ensure actions are in place to mitigate any overspends.

7. RISK MANAGEMENT

- 7.1 Items identified in the Financial Outturn report for 2025/26 link to several Corporate Risks as listed below. Many of the Council's Corporate Risks have an indirect link to the council's financial position. The mitigations to these risks are set out in the Risk Report, of which the Quarter 4 Report was reported to Audit, Standards and Governance Committee on 8 June 2026:

- COR002 - Financial Resilience of the Council and ability to manage financial shocks
- COR026 - Risk of Cash Flow Strain

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- 7.2 In future monitoring reports, financial risk will be reviewed with regular reporting against direct and indirect financial risk drivers.

8. APPENDICES

Appendix A – Capital Outturn
Appendix B – Reserves Position
Appendix C – Ward Budgets
Appendix D – Procurement Pipeline

AUTHOR OF REPORT

Name: Debra Goodall – Assistant Director of Finance and Customer Services
(Deputy S151)
E Mail: Debra.Goodall@bromsgroveandredditch.gov.uk

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Appendix A - 2025/26 Capital Outturn

Capital Project	Description	2025/26 Total (Original) (£)	Carried Forward from 24/25 (£)	2025/26 Total (Incl C/F's) (£)	25/26 Spend (£)	Variance (£)
200072	Market Hall	9,228,000	2,327,322	11,555,322	10,041,973	1,513,349
200073	Ex-Fire Station/Windsor Street		-54,247	-54,247	130,822	-185,069
200082	CCTV Digital Upgrade (UKSPF)		33,668	33,668		33,668
200083	Centres Public Realm Improvement Programme (UKSPF)		0		18,833	-18,833
200084	Shop Frontage Improvement & Empty Shop Grants (UKSPF)		-53,605	-53,605		-53,605
200086	(UKSPF Funding BDC 2024/2025)	918,000	20,000	938,000		938,000
200006	Burcot Lane	0	-927,642	-927,642		-927,642
200008	Funding for DFGs	1,285,847	157,052	1,442,899	1,015,059	427,840
200009	Home Repairs	50,000	165,602	215,602	0	215,602
200010	Energy Efficiency Installation		212,190	212,190	0	212,190
200019	Fleet Replacement new line	1,265,000	1,908,318	3,173,318	2,278,305	895,013
200022	Replacement Parking Machines	100,000	-5,866	94,134	5,000	89,134
200026	Rubery Redevelopment Works		-1,504	-1,504		-1,504
200030	Wheelie Bin Purchase	120,000	-168,671	-48,671		-48,671
200033	Bus Shelters	18,000	16,345	34,345		34,345
200045	Greener Homes		-6,125	-6,125		-6,125
200069	Cisco Network Update	34,877	0	34,877		34,877
200070	Server Replacement	18,500	169,549	188,049	139,276	48,773
200071	Laptop Refresh	5,000	31,249	36,249	20,263	15,986
200075	Sanders Park		-103,763	-103,763	24,727	-128,490
200102	Fleet Replacement cost	15,000	9,400	24,400		24,400
200103	Wheely Bin Increases		85,000	85,000		85,000
200076	Play Area, POS and Sport improvements at		30,582	30,582		30,582
200079	Footpaths	75,000	-42,980	32,020	75,811	-43,791
200104	Buildings	100,000	162,426	262,426	2,945	259,481
200105	Initial Play Audit Requirements		451,000	451,000		451,000
	Updated Play Audit Requirements (Dec 24)	166,242	0	166,242		166,242
200106	New ongoing Cyber security budget	25,000	25,000	50,000		50,000
200107	Artrix - Landlord Obligations	20,000	2,414	22,414		22,414
	Wild Flower Machinery		62,000	62,000		62,000
	Food Waste Collection - fund for Vehicles and	902,511	0	902,511		902,511
	Replacement Wheeled Bins	2,200,000	0	2,200,000	2,439,611	-239,611
	Parkside - Requirement for a firewall	9,750	0	9,750		9,750
	Laptops for new Starters	25,000	0	25,000		25,000
	Salary Capitalisation	750,000	0	750,000	750,000	0
200016	New Finance Enterprise system	20,000	20,000	40,000		40,000
	Grand Totals	17,351,727	4,524,714	21,876,441	16,942,625	4,933,816

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Appendix B - Earmarked Reserves

	Balance at 31/3/25	Transfers in 2025/26	Transfers out 2025/26	Balance at 31/3/26	Transfers in 2026/27	Transfers out 2026/27	Balance at 31/3/27	Transfers in 2027/28	Transfers out 2027/28	Balance at 31/3/28
General Fund Reserve	13,382	7	(239)	13,150		(34)	13,109			13,109
General Fund Earmarked Reserves:										
Artrix Holding Trust	29	10		39			39			39
Building Control Other	7		(7)	0			0			0
Building Control Partnerships	82			82			82			82
Building Levy	0			0	112		112			112
Community Services - CAB	181		(57)	124			124			124
Community Services - Climate Change	196			196			196			196
Council Tax Hardship Fund	79	79		158			158			158
Covid-19 (Collection Fund)	1,604		(1,604)	0			0			0
Covid-19 (General Covid Grant)	766		(766)	0			0			0
DCLG Homeless Grant	267			267			267			267
Disabled Facilities Grant	30			30			30			30
DWP Grant (Benefits)	128			128			128			128
Economic Growth Development	911			911			911			911
Election Services	85			85			85			85
ELF funding	138			138			138			138
Environmental Vehicles	27			27			27			27
EPR Funding Allocation	0	2,577		2,577			2,577			2,577
ERP Systems	116			116			116			116
Finance Contingency	330			330			330			330
Finance Revenues Reserve	0			0			0			0
Financial Services - Business Rate Retention	3,640		(2,640)	1,000			1,000			1,000
Housing Schemes	455		(455)	0			0			0
Housing Welfare Reform	112			112			112			112
ICT Refresh Reserve	81			81			81			81
Innovation	0	60		60			60			60
Leisure/Community Safety	115			115			115			115
Local Neighbourhood Partnerships	16			16			16			16
Local Plan Enquiry	487	83		570			570			570
Replacement Reserve (Inc. Recycling)	0			0			0			0
Localising Council Tax	107			107			107			107
Utilities Reserve	0			0			0			0
Regeneration Reserve	0			0			0			0
Other	81		(81)	0			0			0
Pension Reserve	200			200			200			200
Planning & Regeneration	599		(64)	535			535			535
Regeneration & Property	0	124		124			124			124
Regulatory Services (Partner Share)	86	4		90			90			90
Rubery Local Fund	0	100		100			100			100
Shared Services (Severance Costs)	311		(311)	0			0			0
Shopmobility Donations	0	1		1			1			1
Social Prescribing	0	57		57			57			57
Ukrainian Support	0	785		785			785			785
Ward Budget Initiative	0	234	(78)	156		(78)	78			78
New Reserves - MTFP 2026										
Risk and Resilience Reserve	0	2,500		2,500			2,500			2,500
LGR Reserve	0	1,000		1,000			1,000			1,000
Community Investment Fund	0	1,250		1,250			1,250			1,250
Particulate Monitoring	0	102		102			102			102
Total General Fund	11,266	8,966	(6,063)	14,169	112	(78)	14,203	0	0	14,203

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Appendix C - Ward Budgets

Activity	Spend	Balance
Cllr Alan Bailes	2,000.00	0.00
Cllr Ruth Lambert	1,978.80	21.20
Cllr Sam Ammar	2,000.00	0.00
Cllr Ester Gray	2,000.00	0.00
Cllr Peter McDonald	2,000.00	0.00
Cllr Harrison Rone-Clarke	1,500.00	500.00
Cllr Anita Dale	2,000.00	0.00
Cllr Webb	2,000.00	0.00
Cllr Hunter	2,000.00	0.00
Cllr Rachel Bailes	2,000.00	0.00
Cllr Sue Baxter	2,000.00	0.00
Cllr J Clarke	2,000.00	0.00
Cllr Stephen Colella	2,000.00	0.00
Cllr J Elledge	1,840.00	160.00
Cllr Derek Forsythe	500.00	1,500.00
Cllr D Hopkins	683.00	1,317.00
Cllr Charlie Hotham	2,000.00	0.00
Cllr Helen Jones	2,000.00	0.00
Cllr B Kumar	1,900.00	100.00
Cllr M Marshall	2,000.00	0.00

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Cllr Karen May	1,999.73	0.27
Cllr Bernard McEldowney	2,000.00	0.00
Cllr D Nicholl	2,000.00	0.00
Cllr Simon Nock	2,000.00	0.00
Cllr S Peters	500.00	1,500.00
Cllr J Robinson	2,000.00	0.00
Cllr S Robinson	2,000.00	0.00
Cllr J Stanley	500.00	1,500.00
Cllr Kit Taylor	2,000.00	0.00
Cllr Peter Whittaker	2,000.00	0.00
Cllr S Evans	2,000.00	0.00
GRAND TOTAL	55,401.53	6,598.47

The Wards budget was approved by Council for three years from 2025/26 (£2,000 per ward (£62,000) in total) plus £16,000 per annum administration costs = £78,000 per year and therefore £234,000 to 2027/28). Total costs charged to the Wards Reserve for 2025/26 are £78,000 incorporating the £55,401.53 spend in the table above, the £6,598.47 underspend returned to General Fund Balance and £16,000 cost of Administration.

Appendix D - Procurement Pipeline

Title	Council	Contract Description	Department	Value	Current Contract Expiry Date	Procurement Start Date	Contract Start Date	Contract Length (years)	Extension	Planned Procurement Route
Microsoft Licensing	Bromsgrove	Microsoft Licensing for Azure, Windows and Office365 etc.	Business Transformation	438,000		13/02/2026	01/07/2026	3	N/A	A Framework
Sanders Park, Bromsgrove	Bromsgrove	To appoint a tenant for the catering and management of the Cafe in Sanders Park.	Leisure	321,000		23/03/2026	01/08/2026	10years 2months	No	A Tender