



SCRUTINY ITEM

REPORT OF	MEETING	DATE	ITEM NO
MANAGEMENT TEAM	INTERNAL AFFAIRS SCRUTINY COMMUNITY	12 th NOVEMBER 2025	xx
GENERAL FUND REVENUE BUDGET MONITORING REPORT 2025/26 - POSITION AS AT 30th SEPTEMBER 2025			

PUBLIC ITEM

This item is for consideration in the public part of the meeting.

PURPOSE OF THIS REPORT

The purpose of this report is to provide an update on the General Fund Revenue Budget of the Council as at 30th September 2025.

SOURCE OF REFERRAL

The terms of reference for this committee include receiving periodic update reports in respect of the Council's revenue and capital budgets. This report is based upon information extracted from the financial ledger system of the Council for the period to 30th September 2025 and feedback and commentary received from budget holders.

FURTHER INFORMATION

The General Fund Revenue Budget Monitoring report is included as an appendix to this report and is also available at the link below:

[Budget Monitoring](#)

SUGGESTED RECOMMENDATIONS

The committee are requested to:

- Consider and scrutinise the General Fund Revenue Budget Monitoring position; and
- Note and accept the report.

REPORT

Summary

The purpose of this report is to provide an update on the council's General Fund Revenue Budget Monitoring as at 30th September 2025. The appendix shows the value of the most significant variances for all of the Council services and provides a brief explanation from budget holders for each variance.

1. Background

- 1.1 The Local Government Finance Settlement for 2025/26 was once again a single-year settlement intended as a holding position, designed for short-term stability and certainty for planning purposes and to promote financial sustainability within nationally available resources - based on detailed allocations for 2025/26 and a fairly full set of policy principles for 2026/27. The broad approach was based on a uniform roll-over of the core elements of the settlement; additional resources for priority services (in particular social care for upper tier authorities); balancing service pressures with taxpayer concerns through council tax referendum principles; and a fallback, by way of a minimum funding guarantee, for outlying councils, which for 2025/26 included Fylde council. Early on in its tenure, the Labour Government which took office in the summer of 2024 signalled that it would reform the local government funding system after 2025/26 and will carry out a broader redistribution of funding to better reflect local need (previously known as Fair Funding) through a multi-year settlement commencing in 2026/27. A statement in October 2024 by the Ministry of Housing, Communities & Local Government advised councils that 'the level of overall funding for local government will be determined by the outcome of the Spending Review and Local Government Finance Settlement, and longer-term plans will be set out through the multi-year Spending Review and Settlement.'
- 1.2 Against this backdrop, the Council approved the 2025/26 budget at its meeting on 3rd March 2025. Subsequently on 24th June 2025 the Executive Committee approved the financial outturn position for 2024/25. The impact of those approvals, including growth items approved at the Council budget meeting, along with slippage from 2024/25 as approved by the Executive Committee, are now reflected in the council's financial ledger. Therefore, this report monitors expenditure and income against the updated approved budgets for 2025/26.
- 1.3 The Council operates a system of Revenue Budget Monitoring which revolves around the production of detailed monthly monitoring reports for budget holders. Significant variances from the expected budget position at the point of monitoring, both for expenditure and income, are summarised in monitoring reports which are periodically reported to Scrutiny Committee for consideration. This report therefore details the findings and issues emerging from budget monitoring carried out to 30th September 2025.
- 1.4 It should be noted that work continues on improving budget profiling across the Council in order that budget profiles more accurately reflect the spending pattern of individual budgets across the financial year. This serves to enhance budget monitoring and focus attention on true variances rather than budget profiling issues. This is a continuous process with budget holders so that the improved profiling continues to refine the budget monitoring system.

2. Budget Rightsizing Exercise

- 2.1 For a number of years the Council has carried out an annual budget rightsizing exercise to analyse underspends which have occurred over the last 3 financial years and to adjust current and future year budgets to better reflect the level of resource requirement in the context of current financial constraints. This process is currently being repeated during 2025/26 and the resulting changes will be reflected in the latest budgets and updates to the Councils Financial Forecast.

3. Conclusions

- 3.1 The Medium Term Financial Strategy (MTFS) report that was presented to Council in March 2025 sets out the full context of the financial landscape of the council at that time, including an assessment of the key financial risks which primarily relate to uncertainties around reviews of the future funding regime for local government and the ongoing impact of inflation. That detailed report can be found at this link: [MTFS Report March 2025](#).

- 3.2 Price inflation as measured by the Consumer Prices Index (CPI) has remained above the Bank of England target rate of 2% for an extended period. UK CPI stands at 3.8% year on year as at September 2025. Inflation has significantly reduced from its peak of over 11% in late 2022, but whilst the rate has fallen to its current level the impact of recent high levels continues to exert upward pressure on prices for utilities and on supplies and services across all sectors of the economy, which in turn increases the base costs for both revenue and capital budget items. Provision for inflation within the council's revenue budget is limited to areas where the council has no choice but to pay increased prices, e.g. due to contractual terms. Price increases represent a continuing cost pressure to the council and increases the risk that existing budget provision is insufficient to cover the cost of service delivery. The position will be kept under continuous review by Management Team.
- 3.4 As a result of the external pressures that are affecting all local authorities, instructions remain in place that officers should not commit to any unnecessary expenditure and should seek to maximise efficiencies wherever possible. Finance staff work continuously with budget holders across the Council and are heavily reliant upon budget-holders to be able to understand and quantify the potential impact of in-year budget variances within their areas of responsibility.
- 3.5 This report considers the revenue budget monitoring position at the mid-point of the 2025/26 financial year. The financial risks facing the Council, as set out in the MTFS report to Council in March 2025 remain. Instructions issued by Management Team that budget holders remain prudent are still in place, and the overall financial position of the council will be captured in the next update of the financial forecast in the MTFS report.

IMPLICATIONS	
Finance	None arising directly from this report. Any required changes will be reflected in further updates to the Financial Forecast contained within the council's Medium Term Financial Strategy.
Legal	None
Community Safety	None
Human Rights and Equalities	None
Sustainability and Environmental Impact	None
Health & Safety and Risk Management	None

BACKGROUND PAPERS REVELANT TO THIS ITEM		
Name of document	Date	Where available for inspection
Medium Term Financial Strategy - 2024/25 to 2028/29	3 rd March 2025	Report to Budget Council March 2025

LEAD AUTHOR	CONTACT DETAILS	DATE
Paul O'Donoghue, Chief Financial Officer	01253 658658	November 2025

Appendix A - General Fund Revenue Budget Monitoring report to 30th September 2025

REVENUE MONITORING 2025/26 - Period 6 to 30th September 2025 (Variances in excess of £5K)

NB: Some budget variances occurring as a result of budget profiling issues where no variance is expected to remain by year-end, or variances to be resolved by virements, are excluded from the list below.

Key

BLUE	Variance currently showing but expected to be on target at year end
GREEN	Favourable variance against latest budget
AMBER	Adverse variance against latest budget
RED	Projected adverse outturn variance

Appendix A**FINANCE & RESOURCES PORTFOLIO**

Service Area	Detailed Description	Full Year Budget	Budget as at Period 6	Actual & Commitments as at Period 6	Variance as at Period 6	ADVERSE / FAVOURABLE	Alert	Budget Holder	Budget Holder Comments
All Council Services	Employee costs including basic pay, pension, NI, and overtime, plus agency costs	12,503,702	6,383,091	6,352,506	-30,585	FAV	BLUE	All Budget Holders	The budget forecast which was approved by Council in March 2025 assumed employee cost savings (including vacancy savings arising from delays in the recruitment to vacant posts) of £300,000 per annum from 2025/26 onwards. The budget also includes an estimate for pay award of 3% for the current year with the actual pay award confirmed 3.2%.
Treasury Management Income	Interest and Investment Income Receivable	-754,000	-377,000	-483,630	-106,630	FAV	GREEN	Paul O'Donoghue	The bank base rate has reduced at a slower rate than originally estimated, which combined with favourable fluctuations within cash flow during the first six months has enabled additional short-term investments to be made, resulting in this favourable variance.

CORPORATE AND ECONOMIC DEVELOPMENT PORTFOLIO

Service Area	Detailed Description	Full Year Budget	Budget as at Period 6	Actual & Commitments as at Period 6	Variance as at Period 6	ADVERSE / FAVOURABLE	Alert	Budget Holder	Budget Holder Comments
Development Management	Windfarm Costs	0	0	139,769	139,769	ADV	AMBER	Andrew Stell	These are legal and professional staff costs associated with the windfarm hearing. Invoices have been raised in October to recover a large proportion of this Expenditure from the applicant. This will be kept under review and reflected in future financial forecasts if required.
	Planning Application Fees	-801,000	-400,656	-435,915	-35,259	FAV	BLUE		Planning application fee income is difficult to predict with any accuracy as it is entirely dependent on the number and nature of planning applications that developers choose to submit to the council and is largely influenced by householder and business confidence, particularly with the fees themselves being set nationally. We are expecting a number of major housing applications to be submitted in the next few months as a consequence of the current Local Plan position, the number and nature of pre-application discussions we have had with prospective developers, and the encouragement to build more homes that is currently a key aspect of central government policy. A scheme for circa 40 dwellings would attract a fee of circa £25k and so a few of these applications would assist with overall income levels. We are also currently undertaking pre-application discussions with a number of potential applicants for solar farms in the borough. These proposals are now of such a scale that a fee of circa £80k is not uncommon for a single application and so would also contribute significantly to the overall estimated income where one of the current proposals under discussion was to be submitted. This will be kept under review and the forecast updated accordingly.
Planning Policy	Local Plan Costs	259,500	129,796	592	-129,204	FAV	BLUE	Eddie Graves	Initial contract for consultants placed during September - likely initial payment in November. Expenditure anticipated to be fully spent within 2025/26 in order to maintain an up to date Local Plan. Any variation to this would require rephrasing through future forecast updates.
48 Preston Street (Hillside), Kirkham	Other Fees	17,000	8,504	0	-8,504	FAV	BLUE	Charlie Richards	Building still under the control and insurance of the main contractor through the contracted works. An extension of time has been certified which takes the completion date to the December 2025. Spend will then occur after this date when the building is handed back to the council.

CUSTOMER & OPERATIONAL SERVICES PORTFOLIO									
Service Area	Detailed Description	Full Year Budget	Budget as at Period 6	Actual & Commitments as at Period 6	Variance as at Period 6	ADVERSE / FAVOURABLE	Alert	Budget Holder	Budget Holder Comments
Buildings and corporate property	Miscellaneous Repairs & Maintenance	249,132	124,635	54,590	-70,045	FAV	BLUE	Charlie Richards	Actuals and commitment have tracked behind planned spend profile due to the transition across to the new Estates Shared Service with Blackpool Council. Actuals and commitments to accelerate over the next period. To be kept under review and any changes to be reflected in future forecasts.
Business Rates	Business Rates	252,634	252,634	278,507	25,873	ADV	RED		The additional costs reflect the recent revaluation of all business rate premises carried out by the Valuation Office effective from 2025/26. This has been reflected in the latest financial forecast update.
Fylde Waste Schemes	Replacement Waste Containers	100,000	50,014	38,601	-11,413	FAV	BLUE	Clare Blyth	Fluctuation in waste container orders due to reduced customer demand. This will be kept under review and any updates will be reflected in future forecasts.
	Household Refuse Special Collections	-42,000	-21,010	-29,327	-8,317	FAV	GREEN		Increase in customer demand for the collection of unwanted household furniture and white goods resulting in an increase in income - this has been reflected in the latest forecast update.
Fleet & Hand Held Equipment	Fuel Costs	329,032	164,683	137,443	-27,240	FAV	BLUE		Fluctuations in commercial market. To be kept under review and future forecasts to be updated if required.
Computer Services	Purchase of Computer Equipment	85,147	42,590	54,485	11,895	ADV	BLUE	Ross McKelvie	Ongoing rollout of fully managed device and SIP telephone calls across Council services. Looking at replacement call centre telephone system as we move away from current supplier. Continuous progression with core server infrastructure transitioning to cloud hosted application platform to enhance security and resilience. Continuous rise of prices for essentials such as Microsoft licenses and devices. To be kept under review and any changes to be reflected in future financial forecasts if required.
	Computer - Telephone Charges	20,000	10,004	0	-10,004	FAV			
	Computer - Program Licence Charges	129,000	64,528	45,665	-18,863	FAV			
	Computer - Reserve Funded Expenditure	0	0	6,475	6,475	ADV			
	Computer - Development Costs	40,000	20,008	32,165	12,157	ADV			
	Computer - Other Expenditure	25,000	12,504	21,989	9,485	ADV			
Ballam Road Car Park	General Maintenance of Grounds	0	0	6,000	6,000	ADV	RED	Andrew Loynd	Works completed by the Councils Grounds Maintenance Team, net nil cost to the Council. Budget adjustments for Expenditure & income have been reflected within the latest financial forecast.
	Business Permits	0	0	-9,000	-9,000	FAV	GREEN		This relates to business permits that are now issued on the newly taken over car park. This has been reflected in the latest financial forecast.
Off-Street Parking Enforcement	Enforcement Costs	64,000	32,014	41,062	9,048	ADV	RED		Costs are higher due to a rise in the minimum wage and employer National Insurance contributions. This has been reflected within the latest financial forecast.
Car Parking Fees	Car Parking Fees	-769,300	-484,794	-496,364	-11,570	FAV	BLUE		Due to extended periods of dry warm weather in April and May and through most of the school summer holidays, income has seen an increase in the first part of the year. This will be kept under review and future forecasts will be updated to reflect any required changes.

Appendix A (cont)

SOCIAL WELLBEING PORTFOLIO									
Service Area	Detailed Description	Full Year Budget	Budget as at Period 6	Actual & Commitments as at Period 6	Variance as at Period 6	ADVERSE / FAVOURABLE	Alert	Budget Holder	Budget Holder Comments
Cemetery and Crematorium	Computer - Program Licence Charges	0	0	5,400	5,400	ADV	RED	Rebecca Riley	Annual subscription fee for Service specific computer software admin programme has increased. This has been reflected in the latest financial forecast.
	Cremations	-1,264,339	-582,420	-504,272	78,148	ADV	RED		Service closures for maintenance leading to reduced income and a further adverse impact from loss of Simplicita Direct Cremations. This has been reflected in the latest financial forecast and will be kept under review and adjusted accordingly in future forecasts.
Homelessness	B&B	241,792	120,944	145,915	24,971	ADV	RED	Kirstine Riding	High demand for homelessness services and duty to provide interim accommodation for those in priority need. Despite additional temporary units in 2024/25 there is still a significant requirement for B&B placements. Only 20% of this increased Expenditure is offset with Housing Benefit / Universal Credit Payments. This has been reflected in the latest financial forecast and will be kept under review and adjusted further if required.
	Hsing Benefit/Universal Credit Repayment	-82,000	-41,012	-46,635	-5,623	FAV	GREEN		
	Repossessions prevention	24,000	12,004	532	-11,472	FAV	BLUE		Financial intervention to stop repossession and prevent homelessness. Applications only taken if landlord will agree to 6 months tenancy with our financial support. To be kept under review.
	Void Loss/Recharge Costs	26,071	13,039	6,441	-6,598	FAV	BLUE		Due to demand on homelessness services temporary units are void for minimal periods. Void loss at YMCA units was an issue, but they have agreed to extend age group from 18-25 to 18-35 year olds to avoid units being empty. To be kept under review.

TOURISM, LEISURE & CULTURE PORTFOLIO

Service Area	Detailed Description	Full Year Budget	Budget as at Period 6	Actual & Commitments as at Period 6	Variance as at Period 6	ADVERSE / FAVOURABLE	Alert	Budget Holder	Budget Holder Comments
Splash and Paddling Pool	Chemicals	2,700	2,700	12,034	9,334	ADV	RED	Andrew Loynd	Due to the good weather since April the amount of chlorine used, which degrades in sunlight, has been significantly higher than normal. The budget set only covers Splash, not the paddling pool which uses significantly more chemicals.
	Splash Entry Fee	-65,000	-65,000	-28,564	36,436	ADV	RED		Despite the hot dry weather we are behind target due to pump failures causing the facility to close for 9 days, also issues with the booking system at the start of the season. These are now resolved. There is still a significant shortfall against budget.
Playzone - Ashton Gardens	Other Fees	19,978	9,994	0	-9,994	FAV	BLUE	Jack Waters	The Playzone facility has not been constructed yet due to issues with Lancashire FA. This will be kept under review and any required changes will be reflected in future forecasts.
	Hire of Playzone - Ashton Gardens	-21,600	-10,804	0	10,804	ADV	BLUE		
Fairhaven Lake and Gardens	Boat Service	-88,000	-88,000	-98,735	-10,735	FAV	GREEN	Tim Dixon	Favourable weather has accounted for the additional income. This has been reflected on the latest financial forecast.
Fylde Tourism and Events	1940's Lytham Wartime Festival	35,000	35,000	48,256	13,256	ADV	RED		Additional H&S costs of delivering this event which continues to grow in popularity. Partly offset by additional income below.
	Income - 1940's Lytham Wartime Festival	-18,000	-18,000	-25,000	-7,000	FAV			Additional sponsorship, stalls and increased car park fees.
	Kite Festival	30,000	30,000	38,022	8,022	ADV	RED		Additional H&S costs of delivering this event which continues to grow in popularity.
	Income - Kite Festival	-20,000	-20,000	-14,383	5,617	ADV			Monies still due in from a number of traders which is currently being chased.
	Miscellaneous Income	-1,000	-1,000	-5,817	-4,817	FAV	GREEN		Increase in filming and photography requests, plus event licences to 3rd parties using council land. This has been reflected in the latest financial forecast.
	Lytham Festival	-113,000	-113,000	-103,600	9,400	ADV	RED		One off reduction in income receivable by the council from the 2025 event reflecting the reduction in performances from 5 nights to 3. This has been reflected in the latest financial forecast.