SCRUTINY ITEM

REPORT OF	MEETING	DATE	ITEM NO
MANAGEMENT TEAM	INTERNAL AFFAIRS SCRUTINY COMMUNITY	10th NOVEMBER 2026	xx

GENERAL FUND REVENUE BUDGET MONITORING REPORT 2026/27 - POSITION AS AT 30th SEPTEMBER 2026

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 2026.

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 2026 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 2026. 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 Council approved the 2026/27 budget at its meeting on 4th March 2026. Subsequently on 23rd June 2026 the Executive Committee approved the financial outturn position for 2025/26. The impact of those approvals, including growth items approved at the Council budget meeting, along with slippage of £0.790m from 2025/26 as approved by the Executive Committee and a favourable outturn position for revenue allowed for a total contribution of £0.690m to be made into the Capital Investment Reserve. This is now all reflected in the council's financial ledger. Therefore, this report monitors expenditure and income against the updated approved budgets for 2026/27.

1.2 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 2026.

1.3 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 2026/27 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 2026 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 2026.

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 3.5% year on year as at September 2026. 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 2026/27 financial year. The financial risks facing the Council, as set out in the MTFS report to Council in March 2026 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 - 2025/26 to 2029/30	4th March 2026	Report to Budget Council March 2026

LEAD AUTHOR	CONTACT DETAILS	DATE
Paul O'Donoghue, Assistant Chief Executive - Chief Financial Officer	01253 658658	November 2026

Appendix A - General Fund Revenue Budget Monitoring report to 30th September 2026

REVENUE MONITORING 2026/27 - Period 6 to 30th September 2026 (Variances in excess of £10K)

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

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	12,886,888	6,652,216	6,668,916	16,700	ADV	BLUE	All Budget Holders	The council's employee cost budget includes assumed savings from vacant posts of £300k per annum. The minor adverse variance at the half year point reflects that vacancies have been marginally lower than the assumed level. It is projected that this variance will reduce in the second half of the year.
Treasury Management Income	Interest and Investment Income Receivable	-415,000	-207,500	-476,896	-269,396	FAV	GREEN	Paul O'Donoghue	The bank base rate has been at a higher rate than when the budget was set, 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.
Legal Services Team	Legal Fees and Court Costs	10,000	5,002	45,655	40,653	ADV	AMBER	Carly Smith	The council has sought counsel opinion on a variety of more complex matters across a range of service areas. The budget impact of these additional costs will be reflected in the latest financial forecast.

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 - Morgan & Morecambe	0	0	21,255	21,255	ADV	AMBER	Andrew Stell	The council has incurred legal fees in relation to the Morgan & Morecambe Windfarm - this cost has now been reflected in the latest financial forecast.
	Planning Application Fees	-853,000	-426,670	-539,609	-112,939	FAV	GREEN		Application fee income and is dependent on developer confidence and other matters out of the council's control. This will be kept under review and the financial forecast updated accordingly.
Deputy Chief Executive	Standards Committee Investigations	0	0	11,906	11,906	ADV	AMBER	Carly Smith	Increased number of independent investigations this year for a number of reasons including new councillors and new parish councils. This has been reflected in the latest financial forecast.
Organisational Improvement	Organisational Improvement Costs	30,000	15,006	3,649	-11,357	FAV	BLUE	Oldfield, Allan	Until clarity is provided on LGR it is not known whether the same level of spend will be required. However, there are circa £6,000 of commitments already for the third quarter related to organisational improvement regarding training and community / volunteer support, as well as employee recognition and reward. To be kept under review.

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
Car Parking Fees	Car Parking Fees	-769,300	-384,788	-463,136	-78,348	FAV	GREEN	Andrew Loynd	Exceptionally good weather throughout the summer period means that income is up on the original estimate. This will be kept under review through the remainder of the year and the financial forecast will be updated accordingly.
Utilities	Electricity	293,315	146,705	93,728	-52,977	FAV	GREEN		Increased costs anticipated in the final half of the year and invoices are a month in arrears. This will be kept under review and the financial forecast updated accordingly.
	Gas	179,785	89,922	32,801	-57,121	FAV	GREEN		Increased costs anticipated in the final half of the year and invoices are a month in arrears. This will be kept under review and the financial forecast updated accordingly.
	Water Charges -Metered	78,500	39,266	64,605	25,339	ADV	AMBER		Extended dry periods through the summer has resulted in greater water use. Anticipated overspend at year end and this has been reflected in the latest financial forecast.
Computer Services	Purchase of Computer Equipment	85,147	42,590	62,290	19,700	ADV	BLUE	Ross McKelvie	The service continues to experience significant increases in technology and software licensing costs, with some of these costs being met from the existing development budget. In addition, expenditure associated with the corporate equipment replacement programme has occurred earlier in the year than originally profiled. The position will continue to be monitored against the overall ICT budget during the year and the financial forecast will be updated accordingly.
	Computer - Telephone Charges	20,000	10,004	0	-10,004	FAV	BLUE		
	Computer - Program Licence Chgs	129,000	64,524	30,829	-33,695	FAV	BLUE		
Trade Waste Service	Bulk Bin Collection Charges	-190,560	-190,560	-215,505	-24,945	FAV	GREEN	Karryn Heyes	Increase on collection charges to Trade Waste customers as part of 26/27 Schedule of Fees and Charges. This has been reflected in the latest financial forecast.
	Bulk Bin Disposal Charges	-214,800	-214,800	-295,289	-80,489	FAV	GREEN		Increase on disposal charges to Trade Waste customers as part of 26/27 Schedule of Fees and Charges taking account of Lancashire County Councils increased disposal charges. This has been reflected in the latest financial forecast.
Food Waste Collections	Printing	40,000	20,008	2,847	-17,161	FAV	BLUE		Preliminary leaflets, letters, service leaflets, and postcard inserts for the Food Waste service phase 1 delivery area. Budget underspend however future budget spend expected in the remained of the year. Slippage may be required at year end.
	Stationery	40,000	20,008	3,528	-16,480	FAV	BLUE		Associated costs of stationery for the introduction of food waste collections to households, which is being rolled out in 4 separate phases in 2026 and 2027. Slippage may be required.
	Other Fees	140,000	70,028	4,281	-65,747	FAV	BLUE		Phasing of expenditure due to Food Waste Collection rollout. Slippage may be required at year end.
Fleet & Hand Held Equipment	Materials & Repairs	213,050	106,908	120,330	13,422	ADV	AMBER		Essential vehicle repairs and costs incurred to keep the vehicle fleet operational to support service delivery. This will be kept under review and the financial forecast updated accordingly.
	Fuel Costs	329,032	164,690	106,649	-58,041	FAV	GREEN		Billing is a month in arrears. Further fluctuations expected in the commercial market and the latest fuel contract prices indicates increased costs. These have been reflected in the latest financial forecast and will be kept under review.
	Hire of Transport & Plant	63,357	31,692	74,922	43,230	ADV	AMBER		Phasing of hire costs for Parks and essential hire costs incurred during vehicle repair work, to keep service delivery operational. This will be kept under review and the financial forecast updated accordingly.

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	Splash Entry Fee	-60,000	-60,000	-31,515	28,485	ADV	RED	Andrew Loynd	Although income is below budget estimate, it is higher than any previous year. This has been reflected in budget rightsizing in the latest financial forecast.
Fylde Tourism and Events	1940`s Lytham Wartime Festival	35,000	35,000	55,288	20,288	ADV	RED	Tim Dixon	Cost of delivering this event with required health and safety requirements, overspend offset by an increase in income below.
	Income - 1940`s Lytham Wartime Festival	-18,000	-18,000	-25,474	-7,474	FAV	GREEN		Increased income and further event car parking monies to be received (circa £12K) which will offset the increased expenditure above.
	Kite Festival	30,000	30,000	50,207	20,207	ADV	RED		Increased cost of delivering this event with increased participation from kite fliers and additional required logistics.
	Income - Kite Festival	-20,000	-20,000	-11,600	8,400	ADV	AMBER		Further monies to be received from traders. Income anticipated to achieve budget.
	Miscellaneous Income	-1,000	-502	-13,650	-13,148	FAV	GREEN		Event licence fees, ad hoc filming fees, plus charge to use 'St Annes Green' by the R&A for the AIG Women's Open event.
	Income - Golf Event	-25,000	-25,000	-43,724	-18,724	FAV	GREEN		This includes a £15K facilitation fee for Fylde Council to organise two VIP events at Fairhaven Lake for the R&A in respect of the AIG Women's Open event. The incomes over the £15K are collected by Fylde but billed back to the R&A for the free event to the VIP's.
St Annes Swimming Pool	Contract Management Fee	582,000	291,114	202,804	-88,310	FAV	GREEN	Dan Atkinson	Billing is currently a month in arrears - the additional Contract Management Fee increase of £587k over 2026/27 to 2028/29 due to the closure of the pool has been reflected in the latest financial forecast.
	Legal Fees and Court Costs	0	0	26,881	26,881	ADV	AMBER		These costs relate to contract work for the Swimming Pool partnership with DWF/Places Leisure. Above budget due to the change in direction for the project(s) including Interim Service Agreement necessity and Capital, Agency and Leisure Operating Contract drafting.
Parks External Contracts income	Other Fees And Charges	-100,000	-50,020	-19,353	30,667	ADV	AMBER	Lisa Foden	This income stream is generated through ad hoc work, with the volume and timing of commissions determined by the client. At this stage, the variance reflects lower-than anticipated client demand rather than any operational issue. Activity levels continue to be monitored closely, and opportunities to maximise available work will be pursued as they arise. This will be kept under review and the financial forecast will be updated accordingly.

ENVIRONMENT 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
St Annes Square (Maintenance)	Reps & Mtce of Capital Schemes	60,457	30,241	18,329	-11,912	FAV	GREEN	Charlie Richards	Capital works still being delivered in square. A review of required maintenance will be undertaken to coincide with completion of the capital works.

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
Taxi Licensing	Private Hire Vehicle Licences	-76,296	-38,164	-19,265	18,899	ADV	AMBER	Chris Hambly	Fewer applications for grant or renewal of licences. This has been reflected in the latest financial forecast.
Cemetery and Crematorium	General Maintenance of Grounds	11,465	5,739	18,454	12,715	ADV	AMBER	Rebecca Riley	Ground works essential for business continuity and income generation now and in future years. This has been reflected in the latest financial forecast.
	Interments	-141,792	-70,924	-50,775	20,149	ADV	AMBER		Seasonal variation. Uplift in revenue income expected during Quarters 3 & 4.
	Cremations	-1,214,339	-607,410	-450,619	156,791	ADV	AMBER		Seasonal variation. Uplift in revenue income expected during Quarters 3 & 4.
Homelessness	B&B	206,605	103,342	160,825	57,483	ADV	AMBER	Kirstine Riding	The service still sees continued demand from homeless presentations with a requirement for emergency bed and breakfast before placement. This has been reflected in the latest financial forecast.
	Hsing Benefit/Univrsal Credit Repayment	-50,000	-25,010	-53,726	-28,716	FAV	GREEN		Increased income from Housing Benefit / Universal Credit for all clients eligible. This partially offsets the bed and breakfast costs. This has been reflected in the latest financial forecast.
	Miscellaneous Income	-2,000	-1,002	-7,883	-6,881	FAV	GREEN		Additional income where clients in employment can contribute towards temp bed and breakfast accommodation costs.