Guildford Borough Council		
Report title: Financial Monitoring Report for Period 4 2025-26		
Report to: Corporate Leadership Board		
Date: 9th September 2025		
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Wards affected: All		
Exempt from publication: No		
Key Decision: No	**If a Key Decision, date registered on Forward Plan:**	
Report cleared for publication by:		
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Executive Portfolio Holder final consultation		

1. Executive Summary

1.1 The report summarises the projected outturn position for the Council's General Fund (GF) revenue account and Housing

Revenue Account (HRA), based on the latest actual and accrued data.

1.2 Officers are projecting an overspend within services on the GF revenue account of £0.356 million which includes specific reserves transfers. Whilst there are several smaller forecast changes across the Directorates, the main areas that contribute towards this overall adverse position are shown in Appendix 2.

1.3 Including Corporate items, the current forecast position against the council's net GF budget for the year is projected to be an adverse variance of £0.224 million.

1.4 Officers are projecting an overspend on the HRA of £1.990 million, details are also highlighted in Appendix 2.

2 Recommendations:

2.1 That the Committee resolves to:

2.2 Note the Council's latest financial monitoring for the financial year 2025/26 and pass any comments and observations to the Executive.

2.3 Note that underspends be earmarked for any additional interim support needed at the current time.

3 Reason(s) for recommendation:

3.1 To ensure that councillors and Executives fulfil their responsibilities for the overall financial management of the Council's resources.

4 Next steps

4.1 Following review by the Corporate Leadership Board, this report will need to be considered at the next available Executive Briefing.

5 Exemption from publication

5.1 All of this report is not exempt from publication.

6 Background and Proposal

6.1 The Council's Corporate Leadership Board, Chief Financial Officer and Deputy review monitoring reports. Financial monitoring for all services is reported to the Council's Resources Overview and Scrutiny Committee on a regular basis.

6.2 This report sets out the financial monitoring and covers the GF, Capital and HRA monitoring.

7 Links to our Strategic Priorities

7.1 Councillors have reviewed and adopted a Corporate Strategy for 2024-2034. Monitoring of our financial position during the year is a crucial part of managing the resources that will ultimately support the delivery of the Corporate Strategy.

8 Opportunities for Collaboration and Local Government Reorganisation implications

8.1 Work is currently ongoing within the service to align the Council's financial reporting with WBC to ensure it is consistent across authorities.

8.2 With regard to LGR, the work collaborating with WBC will ensure that the Council is as prepared as it can be to align financial systems, processes and teams under the LGR.

9 Consultation

9.1 Finance specialists prepare the financial monitoring in consultation with the relevant Service Managers, Assistant Directors and Joint Strategic Directors.

9.2 The lead councillor for finance has been consulted on the content of this report.

10 Key Risks

10.1 Any overspend on the GF will impact on the Councils reserve position and potentially in future years depending on the reasons for the overspend.

10.2 Any overspend on the HRA will impact on the ringfenced reserves held within the HRA.

10.3 The value of unpaid work held within the orchard system may have significant impact on GF and HRA reserves.

11 Options

11.1 This report outlines the anticipated end of year position for the 2025/26 financial year based on the latest assumptions and actual data. This report should be considered in the current economic context.

12 Issues for consideration

12.1 Financial implications

12.1.1 The current forecast against the council's net GF budget for the year is projected to be an adverse variance of £0.224 million. A detailed breakdown is shown in Appendix 1.

12.1.2 Within Off-Street parking there is a forecasted reduction in parking income. This is being reviewed to ascertain the best way to mitigate the shortfall.

12.1.3 There is an adverse variance within Assets & Property due to a tenant entering administration as well as unbudgeted higher business rates. The latter will be reviewed to be amended for next year.

12.1.4 The HRA is forecast to have an adverse variance of £1.990 million this financial year, as shown in Appendix 2. This would reduce the forecasted balance in reserves.

12.1.5 The adverse variance and movement on the HRA is mainly due to agency costs being forecasted to contract end date following a review of all staffing costs as well as increasing asset maintenance costs over budget which was based on last years actual spend.

12.1.6 The draft GF earmarked revenue reserves estimate as at 31 March 2026 is shown in Appendix 5. The level of projected earmarked reserves available for general purposes, to support the revenue or capital budgets is £18.779 million.

12.1.7 Appendix 3 summarises the current position on the various strands of the Council's capital programme including the Housing Revenue Account.

12.1.8 As at the 31 July 2025 the sundry debt (including Housing Benefit overpayments) position is £6.758 million of which £6.282 million is overdue as shown in Appendix 4 along with a chart detailing the movement of debt since April 2024 to now. Of this amount due now, £1.460 million of this debt are subject to a payment plan.

12.1.9 The outstanding debt balance is subject to monthly fluctuations, primarily driven by the volume and value of invoices raised. It's important to note that the total debt figure includes items not yet due, which can temporarily inflate the headline number.

12.1.10 When focusing on aged debt — specifically invoices overdue by more than 31 days — there is generally a steady decline over the past 12 months. However, there has been a recent uptick in this category, largely attributable to two key factors:

12.1.11 **An organisation entering administration**, which has impacted recoverability and led to a spike in aged debt.

12.1.12 **Backdated tenancy-at-will rent charges** applied to an account, increasing the overdue balance.

12.1.13 Additionally, a significant item — an **£0.800 million Section 106 (S106) invoice** — had contributed to the elevated debt figure but has since been cleared, positively impacting the overall position.

12.2 **Legal implications**

12.2.1 Financial reporting is consistent with the Section 151 officer's duty to ensure good financial administration of the council.

12.3 Human Resources and Equality and Diversity Considerations

12.3.1 The Public Sector Equality Duty applies to the Council when it makes decisions. The duty requires us to have regard to the need to:

(a) Eliminate unlawful discrimination, harassment and victimisation and other behaviour prohibited by the Act. In summary, the Act makes discrimination etc. on the grounds of a protected characteristic unlawful
(b) Advance equality of opportunity between people who share a protected characteristic and those who do not.
(c) Foster good relations between people who share a protected characteristic and those who do not including tackling prejudice and promoting understanding.

12.3.2 The protected characteristics are age, disability, gender reassignment, pregnancy and maternity, marriage and civil partnership, race, religion or belief, sex, and sexual orientation. The Act states that 'marriage and civil partnership' is not a relevant protected characteristic for (b) or (c) although it is relevant for (a).

12.3.3 The Equalities Comprehensive Impact Assessment indicates that the proposals in this report will not have a disproportionately adverse impact on any people with a particular characteristic.

12.3.4 This duty has been considered in the context of this report and it has been concluded that there are no equality and diversity implications arising directly from this report.

12.4 **Climate Change / Sustainability Implications**

12.5 This duty has been considered in the context of this report and it has been concluded that there are no climate change or sustainability implications arising directly from this report.

13 Overview & Scrutiny Comments

13.1 Not applicable

14 Suggested issues for Overview & Scrutiny

14.1 None

15 List of Appendices

15.1 Appendix 1 – Directorate Summary Period 4 2025-26

15.2 Appendix 2 – Variance Explanations Period 4 2025-26

15.3 Appendix 3 – Capital Period 4 2025-26

15.4 Appendix 4 – Debt Period 4 2025-26

15.5 Appendix 5 – Reserves Period 4 2025-26

16 List of Background papers

16.1 None