Guildford Borough Council		
Report title: Financial Monitoring Report for Quarter 3 2025-26		
Report to: Overview and Scrutiny Committee / Executive		
Date: 28 April 2026 / 28th May 2026		
Lead Councillor responsible: Councillor Phil Bellamy **Contact Email:** phil.bellamy@guildford.gov.uk		
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Wards affected: All		
Exempt from publication: No		
Key Decision: No	**If a Key Decision, date registered on Forward Plan: N/A**	
Report cleared for publication by:		
Finance	Candice Keet	09 April 2026
Legal	Michael Elford	09 April 2026
Governance	Faith Mwende	09 April 2026
HR and Equalities	Claire Weavis Ali Holman (Equalities)	09 April 2026
Strategic Director	Jo Knight	09 April 2026
Democratic Services	James Dearling	17 April 2026
Executive Portfolio Holder final consultation		10 April 2026

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 underspend within services on the GF revenue account of £1.163 million which includes specific reserves transfers. Whilst there are several smaller forecast changes across the Directorates, the main areas that contribute towards this overall favourable 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 a favourable variance of £1.296 million.

1.4 Officers are projecting an overspend on the HRA of £1.334 million, details are also highlighted in Appendix 2.

2 Recommendations:

2.1 That the Overview and Scrutiny Committee:

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

2.3 [That the Executive:

2.4 Notes the Council's Quarter 3 financial monitoring for the financial year 2025/26 contained in Appendices 1 - 5 of this report.

2.5 Approves a supplementary estimate of £250,000 to cover the cost of external audit fees, to be funded from reserves.

2.6 Notes 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 The next monitoring report due to committee will be the year end report.

5 Exemption from publication

5.1 All of this report is not exempt from publication.

6 Background and Proposal

6.1 This report summarises the forecast outturn for General Fund Revenue, Housing Revenue Account and General Fund Capital for the 2025/56 financial year. Included is the Quarter 3 position.

6.2 The additional supplementary estimate of £0.250 million is being requested following a late notification of external audit fees for 2025-26. This had not been budgeted for and will be rectified in subsequent years.

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 The Finance Team continue to work closely with Waverley Borough Council colleagues on the alignment of our processes and policies with the aim to fully align the presentation of our financial monitoring in the future.

8.2 This report is a reflection on the financial performance of the Council for the past year and there are no direct LGR implications. However, the reserves and debt levels presented within the Appendices will be of crucial importance to any new Unitary authority.

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 a favourable variance of £1.296 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 regularly tracked and reviewed each month to ascertain the best way to mitigate the shortfall.

Following this ongoing review the adverse forecast has remained stable at £0136 million.

12.1.3 There is an adverse variance within the Finance Service due to a reversal of an HRA recharge that will not be recovered this year in the sum of £1.303 million Additionally, there is a required adjustment for the Surrey Pension fund strain in the sum of £0.194 million.

12.1.4 Within Planning Policy and Development Management, there are several staff vacancies contributing to a favourable variance of £0.365 million. Both services are in the process of recruiting to these roles. Recruiting Planners is proving challenging and this is a countrywide issue. There are also forecasted additional, demand led, planning fees, increasing the favourable position to £1.031 million.

12.1.5 Within Legal Services, following a review of the joint working arrangements with WBC and the revised expected costs to GBC, the forecast has been changed to reflect this favourable variance of £0.133 million.

12.1.6 The HRA is forecast to have an adverse variance of £1.334 million this financial year, as shown in Appendix 2. This would reduce the forecasted balance in reserves.

12.1.7 The adverse variance and movement on the HRA is mainly due to asset maintenance costs over budget in the sum of £1.483 million for which the budget was based on 2024-25 actual spend. The favourable movement from quarter 2 of £0.570 million relates to a comprehensive review undertaken by the Head of Housing and finance officers.

12.1.8 The draft general fund earmarked revenue reserves estimate as at 31 March 2026 is shown in Appendix 5. The level of projected reserves available for general purposes, to support the revenue or capital budgets is £17.957 million.

12.1.9 Appendix 3 summarises the current position on the various strands of the Council's capital programme including the Housing Revenue Account. A full review is ongoing to ensure that current forecasts are robust.

12.1.10 As at the 31 December 2025 the sundry debt (including Housing Benefit overpayments) position is £6.874 million of which £6.111 million is overdue as shown in Appendix 4. Of this amount due now, £1.279 million of this debt are subject to payment plans.

12.1.11 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.

12.1.12 When focusing on aged debt — specifically invoices overdue by more than 31 days — there is generally a steady decline over the past 12 months.

12.2 **Legal implications**

12.2.1 Sections 25 to 29 of the Local Government Act 2003 impose duties on the Council in relation to how it sets and monitors its budget. These provisions require the Council to make prudent allowance for the risk and uncertainties in the budget and regularly monitor its finances throughout the year. There are statutory obligations placed on the Section 151 Officer in relation to setting a balanced budget as well as specific duties in circumstances where expenditure will exceed available resources.

12.2.2 Having set a budget at the beginning of the year, the Council is also under a duty to monitor that budget during the course of the year and to take remedial action if at any time it appears likely that expenditure will exceed available resources.

12.2.3 The Council is required by the Local Government Act 1972 and by the Accounts and Audit Regulations 2015 to ensure that the Council's budgeting, financial management, and accounting practices meet relevant statutory and professional requirements.

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 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 LGR data requests have been and will continue to be received. These are and will be responded to as a matter of urgency.

15 List of Appendices

15.1 Appendix 1 – Directorate Summary Quarter 3 2025-26

15.2 Appendix 2 – Variance Explanations Quarter 3 2025-26

15.3 Appendix 3 – Capital Quarter 3 2025-26

15.4 Appendix 4 – Debt Quarter 3 2025-26

15.5 Appendix 5 – Reserves Quarter 3 2025-26

16 List of Background papers

16.1 None