Guildford Borough Council		
Report title: Financial Monitoring Report for Quarter 1 2026-27		
Report to: Overview and Scrutiny Committee and Executive		
Date: 8th September 2026 and 17th September 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	Jo Knight	10th August 2026
Legal	Michael Elford	07 August 2026
Governance	Deborah Davies	12 August 2026
HR and Equalities	Clare Garcia	12th August 2026
Strategic Director	Jo Knight	10th August 2026
Democratic Services	Carrie Anderson	13 August 2026
Executive Portfolio Holder final consultation		10 August 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 overspend within services on the GF revenue account of £1.066 million which includes specific reserves transfers. Whilst there are several smaller forecast changes across the Directorates, the main areas that contribute towards this overall 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 £1.066 million.

1.4 Officers are projecting an underspend on the HRA of £1.836 million, details are also highlighted in Appendix 2.

2 Recommendations:

2.1 That the Overview and Scrutiny Committee:

2.1.1 Note the Council's Quarter 1 financial monitoring for the financial year 2026/27 set out in Appendices 1 - 7 of this report and make any comments and recommendations.

2.2 That the Executive:

2.2.1 Notes any comments and recommendations arising from the meeting of the Overview and Scrutiny Committee;

2.2.2 Notes the Council's Quarter 1 financial monitoring for the financial year 2026/27 set out in Appendices 1 - 7 of this report; and

2.2.3 Approves a supplementary estimate of £200k to cover increased IT costs. This is to be funded from reserves.

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 the Executive will be the 2026-27 quarter 2 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 position for General Fund Revenue, Housing Revenue Account and General Fund Capital for the 2026/27 financial year. Included is the Quarter 1 position.

6.2 The current forecast against the council's net GF budget for the year is projected to be an adverse variance of £1.066 million. A detailed breakdown is shown in Appendix 1.

6.3 Within Environmental Services there is a forecasted underachievement in income of £0.487 million against a budgeted Trade Waste income of £1.857 million. Following a review, there has been a rebasing of the budget to more accurately reflect the expected income targets within Trade Waste Services. This adjustment will also be made in the budget preparation for the new year.

6.4 Additionally, there are agency and casual costs covering vacant posts and leave across the service in the sum of £0.350 million. Agency costs are higher than budgeted posts. With regard to casuals, these are required to cover for additional leave that has been granted this year.

6.5 There is an adverse variance within Community Services of £0.277 million. Currently £0.075 million is due to a delay in completing a staffing re-structure. Further delays may increase the adverse position and will be monitored against current vacancies being held.

Whilst a case for collaboration is commencing with the senior establishment, these savings are not expected to be made this year.

6.6 Within Regulatory Services, there is a forecasted adverse variance of 0.199 million mainly from an expected under achievement of the vacancy credit saving although this has meant the recent re-organisation of the service has ensured posts are filled.

6.7 There has been a favourable rent review within Investment Properties of £0.215 million which is partially offsetting the adverse positions detailed above.

6.8 The HRA is forecast to have a favourable variance of £1.835 million this financial year, as shown in Appendix 2. This would increase the forecasted balance in reserves.

6.9 The favourable variance on the HRA is mainly due to staffing savings from vacant posts that are not expected to be filled immediately this year.

6.10 The draft general fund earmarked revenue reserves estimate as at 31 March 2027 is shown in Appendix 6.

6.11 Appendix 4 summarises the current position on the various strands of the Council's capital programme including the Housing Revenue Account.

6.12 As at the 31st June 2026, the sundry debt (including Housing Benefit overpayments) position is £6.480 million of which £5.355 million is overdue as shown in Appendix 7. Of this amount due now, £1.464 million of this debt are subject to payment plans.

6.13 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.

6.14 As set out in section 2.3, a supplementary estimate is required, to be funded from reserves. This is related to unbudgeted IT costs for 2026/27 that have been identified.

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 Surrey (Structural Changes) Order 2026 ("the Order") came into effect on 10 March 2026. The Order places certain duties on the Council with effect from 10 March 2026 through to Vesting Day on 1 April 2027. Following the making of the Order, the Secretary of State for Housing, Communities and Local Government issued guidance to the Council advising that it should now, amongst other things, be exercising its functions to further the purposes of the Order.

8.2 For the purposes of this report, this means that the Executive needs to be satisfied that the activities to be approved are necessary and proportionate for ensuring continued service delivery up to (and beyond) the transfer of its functions to West Surrey Council.

8.3 Officers are satisfied this is the case because 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.

8.4 This report is a reflection on the financial performance of the Council for the 2026-27. However, the reserves and debt levels presented within the Appendices will be of crucial importance to West Surrey Council.

9 Consultation

9.1 Finance Business Partners prepare the financial monitoring in consultation with the relevant Service Managers, 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 2026/27 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 financial implications are detailed in sections 6.1 to 6.14 of this report.

12.1.2 The Secretary of State issued a direction under s24 Local Government and Public Involvement in Health Act 2007 (the "s24 Direction") which requires that Guildford Borough Council, Runnymede Borough Council, Surrey Heath Borough Council and Waverley Borough Council (the "West Surrey Councils") obtain the written consent of the executive of the West Surrey Shadow Authority (the "Shadow Executive") before entering into certain contracts or completing certain land disposals. The purpose of the s24 Direction is to ensure that the Shadow Executive considers and approves land disposals or contracts that will become the responsibility of West Surrey Council, and to ensure that West Surrey Council is in the best possible financial position on vesting day (1 April 2027).

12.1.3 At its meeting on 9 June 2026, the Shadow Executive agreed to give some General Consents to the outgoing West Surrey

Councils to allow them to continue to undertake certain matters. The matters which fall within the definitions of the General Consents can proceed in the normal way and require no further consent to be obtained. Nevertheless, in these cases it is expected that the outgoing West Surrey Councils will ensure that contracts and agreements allow the maximum flexibility to the new West Surrey Council to achieve future economy, efficiency and effectiveness. Decisions made under the General Consents will be reported to the West Surrey Council.

12.1.4 Where matters fall outside the definition of the General Consents then the consent of the Shadow Executive will be required if the contract/land disposal is not to be void.

12.1.5 The recommendation relating to the supplementary estimate request does not fall within the scope of the Section 24 Direction. The supplementary estimate is required to provide additional budget provision for IT expenditure. Should any procurement activity or contractual commitments arise from this expenditure which may fall within the scope of the Section 24 Direction, these will be considered separately and assessed on a case-by-case basis to determine whether specific approval or reliance on a General Consent is required.

12.2 Legal implications

12.2.1 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.

12.2.2 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 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**

12.4.1 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 It is envisaged that the comments arising from the meeting of the Overview and Scrutiny Committee meeting on 8 September will be set out in the Executive Supplementary Agenda Pack.

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 1

15.2 Appendix 2 – Variance Explanations Quarter 1

15.3 Appendix 3 – Key income variances and other information

15.4 Appendix 4 – GF & HRA Capital

15.5 Appendix 5 – HRA Reserves

15.6 Appendix 6 – General Fund Reserves

15.7 Appendix 7 – Debt

16 List of Background papers

16.1 West Surrey Shadow Authority Executive – 9 June 2006.

Agenda Item 7 - Section 24 and General Consents.pdf