REDDITCH BOROUGH COUNCIL

Executive 28 July 2026

Financial Outturn Report 2025/26

Relevant Portfolio Holder		Councillor Craig Warhurst
Portfolio Holder Consulted		Yes
Relevant Head of Service		Debra Goodall
Report Authors	Assistant Director of Finance and Customer Services Debra.Goodall@bromsgroveandredditch.gov.uk Business Improvement Manager H.Mole@bromsgroveandredditch.gov.uk	
Wards Affected		All Wards
Ward Councillor(s) consulted		No
Relevant Strategic Purpose(s)		All
Key Decision		
If you have any questions about this report, please contact the report author in advance of the meeting.		

1. SUMMARY

1.1. The purpose of this report is to set out the Council's Revenue and Capital Outturn position for the financial year April 2025 to March 2026. The Outturn Report is a management report that complements the quarterly financial monitoring reports, produced in a consistent format to aid review.

2. RECOMMENDATIONS

Executive is asked to RESOLVE:

2.1 To note the updated procurements position set out in Appendix D, with any new items over £0.200m to be included on the forward plan.

Executive is asked to RECOMMEND to Council:

2.2 The 2025/26 revenue outturn position is an overspend of £0.579m which will be funded by an allocation from the General Fund Balance.

2.3 The Ward Budget allocation for 2025/26 of £54,000 had approved allocations at £46,900 as at 31 March 2026, resulting in £7,100 which is transferred to General Fund reserves.

2.4 The General Fund Balance of £7.364m (as at 1 April 2025) being reduced to £6.792m as a result of the £0.579m overspend and the £0.007m net transfer from Ward Budget Reserves using the approach previously agreed with members

2.5 The outturn position in respect of the GF Earmarked Reserves is £20.957m and HRA Earmarked Reserves is £9.160m as at 31 March 2026.

2.6 The 2025/26 capital outturn position is £8.154m spend against a total estimated programme of £31.847m. The net balance of £23.693m will be carried forward and included for review within the 2026/27 capital programme.

2.7 HRA net operating expenditure is £0.397m, broadly in line with the revised budget, and is break even after a small variance in planned use of balances at year end. Capital Expenditure is net £1.326m more than budget and the balance be carried forward and included in the 2026/27 HRA capital programme.

3. KEY ISSUES

Financial Implications

3.1 This report sets out the draft financial outturn revenue and capital performance of the Council for 2025/26 against budget.

3.2 The £13.475m full year revenue budget included in the table below is the budget that was approved by Council in February 2026.

3.3 The Finance team have undertaken a review of the 2025/26 accounts since year end including:

- Accruals and prepayments,
- Recharges have been made to and from the Housing Revenue Account (HRA),
- Grants are applied to known expenditure and remaining balances are carried forward,
- Reserves are applied to known expenditure,
- Shared service recharges between Redditch Borough and Bromsgrove District Councils where a shared service arrangement exists and
- Transfers between the Collection Fund and the General Fund.

Revenue Position

3.4 The revenue outturn position is a £0.579m overspend as shown in Table 3 below. This shows a negative net £0.179m movement since the position reported at Q3. The movement from Q3 to Outturn is summarised in Table 4 and paragraph 3.5. Two key, year-end amendments that contribute to this movement were staff capitalisation and VAT adjustments; these are shown in tables 1 and 2 below.

A salary capitalisation exercise is completed at the end of year to identify staffing costs that should be correctly charged to the capital programme. In future years, an estimate of potential capitalisation will be built into projected spend as part of the quarterly monitoring. As at 31 March 2026, the Council recharged a proportion of time spent (salary) against the capital projects undertaken during the year (reducing revenue spend and increasing charges to the capital programme) as follows:

Table 1 – Staff Capitalisation

RBC services	Net amount
Community and Housing Services	-16,665.00
Finance & Customer Services	-60,847.00
Environmental Services	-58,430.00
Regeneration & Property Services	-64,058.00
Grand Total (reduced revenue expenditure)	**-200,000.00**

There was also an impact on outturn following the submission of adjustments relating to monthly VAT returns as shown in the following table:

Table 2 – VAT Correction

RBC services	Net amount
Business Transformation & Organisation Development	8,189.95
Community and Housing Services	13,830.58
Corporate Services	2,139.16
Environmental Services	30,968.74
Finance and Customer Services	49,280.33
Regulatory Client	5,229.21
Rubicon Client	634.86
Legal and Democratic Services	3.973.40
Regeneration & Property Services	12,009.87
Planning and Leisure Services	83,212.33
Grand Total (increased revenue expenditure)	**209,468.43**

The subsequent Outturn position is as per Table 3 below:

Table 3 Overall Outturn Position

Financial and Customer Services	2025-26 Approved Budget	2025-26 Revised Budget	2025-26 Actual Spend	2025-26 Variance	Projected Variance Q3	Change in variance
Business Transformation and Organisational Development	2,127,379	1,858,457	1,940,551	82,094	66,211	15,883
Community and Housing GF Services	2,911,457	2,121,737	2,340,996	219,258	396,470	(177,212)
Corporate Services	-4,322,576	-2,294,379	-2,965,759	(671,380)	232,148	(903,528)
Environmental Services	3,327,695	3,175,199	4,199,787	1,024,588	615,381	409,207
Financial and Customer Services	3,151,803	2,986,657	4,556,119	1,569,462	688,175	881,287
Legal & Democratic services	1,213,796	1,084,233	1,138,922	54,689	(19,465)	74,154
Planning, Regeneration and Leisure Services	1,272,841	980,173	912,629	(67,544)	(290,999)	223,455
Regeneration & Property	2,213,443	1,983,761	2,369,892	386,131	210,251	175,880
Regulatory Client	711,638	711,638	703,860	(7,778)	21,019	(28,797)
Rubicon Client	867,481	867,481	993,322	125,841	129,391	(3,550)
Starting Well	0		0	0	0	0
Grand Total	**13,474,957**	**13,474,957**	**16,190,317**	**2,715,360**	**2,048,582**	**666,778**

	2025-26 Approved Budget	2025-26 Revised Budget	2025-26 Actual Spend	2025-26 Variance	Projected Variance Q3	Projected Variance Q3
Corporate Financing	(13,474,957)	(13,474,957)	(15,610,851)	(2,135,894)	(1,648,634)	(487,260)
	(13,474,957)	**(13,474,957)**	**(15,610,851)**	**(2,135,894)**	**(1,648,634)**	**(487,260)**

TOTALS	**0**	**0**	**579,466**	**579,466**	**399,948**	**179,518**

3.5 The overall variance of £579,466 results from an overspend of £2.715m against service spending, offset by an underspend of £2.136m from corporate financing due to additional s31 grant funding of £1.596m and increased investment interest income received of £0.540m. Against a budget of £13.475m, the service overspend represents a variance of 20.2%. The service spending moved from Q3 £2.049m to £2.715m at year end, a negative movement of £0.666m due to the net impacts of the capitalisation recharge (-£0.200m), VAT correction (+£0.209m) noted above plus an increase in spending of £0.657m at year end. The movement between Q3 and Outturn is summarised in the following table:

Table 4 Movement from Quarter 3 to Outturn

	Service Expenditure (£)	Corporate Financing (£)	Net position (£)
Position at Q3	**2,048,582**	**-1,648,634**	**399,948**
Capitalisation of Salary Costs (Q4)	-200,000	0	-200,000
Impact of VAT Error Correction Notice in year	209,468	0	209,468
Variances to Q3 projections at Q4 (see supplementary tables below)	657,310	-487,260	170,050
Position at Outturn	**2,715,360**	**-2,135,894**	**579,466**

Business Transformation & Organisational Development overspend

Supplementary Table 3a

Key Variances	Variance (£'000)	Explanation
ICT	+137	£80k for server costs and £57k for other ICT purchases.
Apprenticeship Levy	+20	Corporate contributions to the apprenticeship levy were 20k over-committed in the year. There was a pressure bid put in 25/26 to increase the budget to avoid overspend in the 26/27 financial year.
Training	-50	Savings within the training budget of £50k due to cost being split between both authorities reducing pressure on Redditch. HR savings on salaries of £20k and other small savings of £5k split across services
Salaries	-20	Savings on salaries across Business Transformation & Organisational Development of £20k
VAT Impact (Table 2)	+8	Minor VAT adjustments
Other Variances	-13	Other small savings of £5k split across services
Outturn Position	**82**	

Community and Housing GF Services overspend

Supplementary Table 3b

Key Variances	Variance (£'000)	Explanation
Dial a Ride	+104	There has been a £104k overspend within Dial-a-Ride arising from the Council's decision to reduce fares income by 50%, together with higher maintenance costs associated with the ageing vehicle fleet. These costs are ongoing and will be reviewed as part of the MTFP for 2027/28.
Housing	+92	Unachieved efficiency savings target of £36k and costs write off costs relating to housing of £56k, Both of these are one off.
Shopmobility	+125	Shopmobility has incurred an overspend of £70k following its relocation to new premises, including

		higher electricity, service charge and advertising costs. This was compounded by reduced income leading to an overspend of £55k, as customer numbers have not returned to pre-COVID levels, reflecting a national trend. These costs are ongoing and will be reviewed as part of the MTFP for 2027/28.
Homelessness Prevention	-57	Saving in Homelessness Prevention due to £57k less grants and contributions paid because of falling demand
VAT Impact (Table 2)	+14	£6k relating to domestic Abuse Services and £5k relating to Community Transport contracts which were both deemed to be subject to VAT and other minor VAT adjustments.
CCTV	-45	£45k savings within CCTV on Salary Allowances and Furnishings.
Other Variances	-14	Minor savings amounting to £14k
Outturn Position	**219**	

Corporate Services underspend

Supplementary Table 3c

Key Variances	Variance (£'000)	Explanation
Vacancy Management, Inflation and Utilities	-575	Within Corporate Services there is a £575k over achievement on vacancy management, corporate efficiencies other savings in inflation and utility budgets across the whole Council. These savings are one off.
Bad Debt Provsison	-227	There was a one off reduction of bad debt provision of increasing the underspend by £227k
Grants	+108	One-off repayment of COVID grant of £108k to Government, to reach a final settlement position
VAT	+13	A HMRC fine of £13k relating to VAT
Pension Costs	+26	Lump Sum Pension Deficit payment of £26k relating to pensions
VAT Impact (Table 2)	+2	Minor VAT adjustments.
Other Variances	-18	Minor savings amounting to £18k
Outturn Position	**-671**	

Environmental Services overspend

Supplementary Table 3d

Key Variances	Variance (£'000)	Explanation
Fleet	+343	Expenditure on our Fleet within the Environmental Services overspent, with costs exceeding budget by £343k. The ageing refuse fleet generated additional maintenance costs and required hire vehicles when vehicles were off the road for repairs, but this has now been addressed with the receipt of new refuse vehicles that went into service during Q4 and have already reduced our maintenance bill. Alongside the ongoing wider replacement of fleet across the Place Teams and other services, this will continue to reduce demand on the workshop and associated costs from outsourcing maintenance. However, lack of capacity in our workshop due to staffing pressures and difficulties recruiting or sourcing trained HGV mechanics through Agencies resulted in significant outsourcing of repairs and routine maintenance at inflated costs. This will remain a pressure in 2026/27; however, two new development roles are being created to train in-house mechanics, strengthening future capacity and supporting both financial and operational sustainability.
Bereavement Services	+511	Bereavement Services is reporting a £375k income shortfall, as the income budget is above the level the service can currently achieve, a growing issue over several years. This has been compounded by ONS death rate data showing the lowest level for five years. Further pressures include a £53k increase in business rates and an £83k rise in cremator servicing and maintenance costs. The 2026/27 Medium Term Financial Plan includes

		ongoing additional provision of £50k for business rates and £43k for cremator maintenance. The service is also seeking to mitigate income pressures through the introduction of a new pet cremation service in 2026/27 and the development of enhanced memorial options. The overarching position will be reviewed in 2026/27 and reset, as appropriate, for the 2027/28 financial year.
Hedge Cutting	+93	The Hedge Cutting Service has incurred £93k in agency costs, reflecting the continued outsourcing of this service over the last five years. The 2026/27 MTFP includes £90k of additional ongoing funding to meet this cost.
Tree Service	+90	The Tree Service has also incurred one-off legal costs of £90k relating to a tree subsidence case.
VAT Impact (Table 2)	+32	£22.8k relating to the annual grass cutting contract (this may be subject to reversal) and £8k relating to Bereavement Services which were classed as VATable by our VAT advisors and other minor VAT adjustments.
Other Variances	-45	There were some minor underspends of 45k across the service.
Outturn Position	**1,024**	

Financial and Customer Services overspend

Supplementary Table 3e

Key Variances	Variance (£'000)	Explanation
Housing Subsidy Loss	+1,197	A review of the Housing Subsidy budgets was carried out in year and this identified a shortfall against the grant expected of £1.197m.
Agency Costs	+354	There is a nationwide staffing shortage of qualified finance personnel and there were costs of £354k on Agency staff due to cover for vacancies. A review of the structure with an aim to

		recruit any interim posts on a permanent basis.
VAT Reconciliation exercise	+175	Additional spend of £175k was incurred due to PS Tax as part of the support for the completion of the VAT returns to HMRC.
Insurance	-180	£180k saving on insurance costs.
VAT Impact (Table 2)	+49	Several minor VAT Adjustments across the service
Other Variances	-26	Other minor variations totalling £26k
Outturn Position	**1,569**	

Legal, Democratic and Elections Services overspend

Supplementary Table 3f

Key Variances	Variance (£'000)	Explanation
Efficiency Savings	+20	Variance results from unmet efficiency saving of £20k.
Professional Advice	+8	External legal advice on recruitment & procurement
Land Charges	+13	There was a shortfall in income from land charge searches in 25/26, a budget bid was submitted for this difference.
Software Licence	+21	£21k overspend in Electoral Services due to the licence for the Civica system, a budget pressure was submitted for 26/27.
VAT Impact (Table 2)	+4	Minor VAT adjustments.
Other Variances	-11	Savings split across different areas.
Outturn Position	**55**	

Planning and Leisure Services underspend

Supplementary Table 3g

Key Variances	Variance (£'000)	Explanation
Development Control	-116	There has been additional Development Control income of £116k due to high value planning applications received
	-19	Arts and Development income £19k due to additional grant received in year..

VAT Impact (Table 2)	+83	£73k relating to planning fees (will be reversed as should not be VATable) and other minor VAT adjustments.
Other Variances	-16	Other various small overspends within Parks and Events.
Outturn Position	**-68**	

Regeneration and Property Services overspend

Supplementary Table 3h

Key Variances	Variance (£'000)	Explanation
Parking Enforcement	+59	There are costs relating to Wychavon District Council of £59k for Parking enforcement officers, this has been addressed by a budget bid for 26/27.
Fire Alarm System	+165	As reported earlier in the year, there are costs relating to the replacement of a fire alarm system in the Town Hall amounting to £165k, which is also a one-off cost in year.
Greenlands	+4	The service has pressures relating to building and maintenance cost for Greenlands of £36k and other minor works cost overruns of £21k. This was offset by insurance claim income of £53k.
Income	+2	Market income shortfalls and costs of £9k and a full review of the Market is expected. Additional roundabout sponsorship income of £7k,
Economic Development	+16	There are other Economic Development pressures of £16k.
Property Rental	+92	Shortfall in rental income of £92k across several properties.
Efficiency Savings	+60	Efficiency savings proposed to be delivered through vacancy management.
Insurance	+64	One-off additional insurance claim costs of £64k. A reserve has been set up to meet the insurance costs going forward.
Vacancy Management Savings	-64	£64k in vacancy management savings across services and projects

VAT Impact (Table 2)	+12	Minor VAT adjustments.
Other Variances	-24	Various other savings
Outturn Position	**386**	

Regulatory Client underspend

Supplementary Table 3i

Key Variances	Variance (£'000)	Explanation
Efficiency Savings	-11	Efficiency savings of £11k
VAT Impact (Table 2)	+5	Minor VAT adjustments.
Other Variances	-2	Various other savings
Outturn Position	**-8**	

Rubicon Client overspend

Supplementary Table 3j

Key Variances	Variance (£'000)	Explanation
Insurance	+40	Increased Maintenance and Insurance costs of £40k due to Rubicon client not having an insurance budget for buildings,
Efficiency Savings	+15	Efficiency savings of £15k that will not be met.
VAT Returns	+57	There was a £57k fine from HMRC relating to VAT returns.
VAT Impact (Table 2)	+1	Minor VAT adjustments.
Other Variances	+13	Additional overspends of £13k split across the service.
Outturn Position		

Corporate Financing underspend

Supplementary Table 3k

Key Variances	Variance (£'000)	Explanation
Grant	-1,596	Additional Section 31 Grant Income
Interest Income	-540	Investment Income received
Outturn Position	**-2,136**	

Capital Position

3.7 A capital programme for 2025/26 of £8.082m was approved by Council in February 2025.

3.8 Many of these schemes were already in partial delivery in the 2025/26 financial year. Net unspent budget was carried from 2024/25 to supplement the 2025/26 capital programme as shown in table 5 below. A review of the Capital Programme in 2026/27 will be undertaken to review all projects, budgets, funding historic coding conventions and spend since project inception.

Table 5 Capital Programme 2024/25 to 2029/30

Year	Original Budget (£)	Carried Forward from previous year (£)	Revised Budget (£)
2025/26	8,082,320	23,765,697	31,847,017
2026/27	5,254,963	23,692,985	28,947,948
2027/28	2,315,118		
2028/29	2,064,490		
2029/30	2,321,958		

3.9 Included in this funding the Council also have the following Grant Funded Schemes which are being delivered in 2025/26:

The Town Deal schemes – the Innovation Centre and Public Realm improvements which are funded via £15.6m of Government Funding.

- For the Innovation Centre
  - Speller-Metcalfe have been appointed as the design and build contractor up to Stage 4 design with an option to extend into delivering the development in full. Stage 4 design work is now complete and work packages have been used to competitively source quotes from sub-contractors.
  - Final cost position is very close to being agreed with Speller-Metcalfe in line with the available construction budget.
  - MHCLG have confirmed the deadline to spend Town Deal funding has been extended until end of March 2028, providing additional time if needed.
  - Planning permission was granted on December 11th. We are now working through pre-commencement and other conditions as needed.

- The final business case for GBS LEP funding was signed off by Birmingham City Council (BCC) on 20 January 2026. The grant funding agreement for £2.425m has been returned to BCC for sealing.

- For the Public Realm Scheme
  - All works to Unicorn Hill and Church Green West have been completed. The new traffic regulation order (TRO) came into place on the 14 August. Public comms around the new TROs have been circulated on social media and local papers. Additional public realm works have been paused so that remaining Town Deal funding can be utilised for the Innovation Centre.

- In December 2024, the Government announced that the UK Shared Prosperity Fund (UKSPF) would be extended by 6 months. No additional funding has been provided but the deadline for spending 2025/26 allocation of £818,536 (of which £152,000 is capital) is 30/9/26.

3.10 The outturn spend on capital as at 31 March 2026 was £8.154m against a revised capital budget of £31.847m. Details of spend and variances are provided in Appendix A. The net underspend of £23.693m will be carried forward to 2026/27. Within this figure certain schemes have overspent by £2.426m offsetting a larger underspend of £26.119m across remaining schemes. A review of the capital programme in 2026/27 will be completed to ensure the revised programme is fully funded.

Housing Revenue Account

3.11 The table below details the financial position for the Housing Revenue Account (HRA) for the financial year April 2025 – March 26. The major variances are due to the following:

- Dwelling Rents – a higher than anticipated purchase of properties under the Right to Buy scheme has reduced the income level. This was due a backlog of approvals.
- Repairs and Maintenance – The service faced a £0.3m overspend, largely due to mounting budget pressures, including higher material costs and increased fleet maintenance expenses. Although the initial phase of fleet replacement commenced near the end of the financial year and will extend through 2026/27, these costs have played a significant role in the overall overspend. Despite considerable recruitment efforts within the Service, several positions remained unfilled. To compensate for these vacancies, agency staff were engaged, including additional personnel responsible for completing work to reduce the value of outsourced works to contractors.
- Supervision and Management – the variance is predominantly due to vacant posts as a consequence of a service review within Housing Services. A new structure will be implemented and recruitment campaign instigated.

Table 6 Housing Revenue Account

HOUSING REVENUE ACCOUNT (HRA)

REVENUE 2025/26 FINAL OUTTURN		2025/26 Original Budget £'000	2025/26 Working Budget £'000	2025/26 Budget Apr -Mar £'000	2025/26 Actual + comm Apr -Mar £'000	2025/26 Variance Apr -Mar £'000	2025/26 Projected Outturn £'000	2025/26 Projected Variance £'000
INCOME								
Dwelling Rents	DR	-28,169	-28,169	-28,169	-27,907	262	-27,907	262
Non-Dwelling Rents	NDR	-534	-534	-534	-507	27	-507	27
Tenants' Charges for Services & Facilities	CSF	-695	-795	-795	-827	-31	-827	-31
Contributions towards Expenditure	CTE	-155	-155	-155	-178	-23	-178	-23
								0
Total Income		**-29,553**	**-29,653**	**-29,653**	**-29,418**	**235**	**-29,418**	**235**
EXPENDITURE								
Repairs & Maintenance	R&M	7,844	8,011	8,011	8,317	306	8,317	306
Supervision & Management	S&M	9,249	9,387	9,387	8,750	-637	8,750	-637
Rent, Rates, Taxes & Other Charges	RRT	576	576	576	872	296	872	296
Provision for Bad Debts	BDP	517	519	519	221	-298	221	-298
Depreciation & Impairment of Fixed Assets	DEP	7,296	7,296	7,296	7,471	175	7,471	175
Interest Payable & Debt Management Costs	INT	4,179	4,179	4,179	4,183	4	4,183	4
Total Expenditure		**29,662**	**29,968**	**29,968**	**29,815**	**-154**	**29,815**	**-154**
Net cost of Services		**109**	**315**	**315**	**397**	**82**	**397**	82
Net Operating Expenditure		**109**	**315**	**315**	**397**	**82**	**397**	**82**
		0	0					
Interest Receivable	IR	-211	-211	-211	-76	136	-76	136
Revenue Contribution to Capital Outlay	RCCC	0	0	0	0	0	0	0
Planned use of Balances	UB	103	-104	-104	321	425	-321	-217
Transfer to Earmarked Reserves	TER	0		0	0	0	0	0

Table 7 HRA Capital Programme

REDDITCH BOROUGH COUNCIL

Executive **28 July 2026**

Project Various	Project Description	2025/26 Full Year Budget £	2025/26 Outturn £	2025/26 Variance £
100050	Housing 1-4-1 Purchases/Build	3,000,000	2,342,227	(657,773)
100053	Asbestos General	125,000	147,246	22,246
100054	Structural Repairs	15,000	165,004	150,004
100055	Electrical Upgrade	200,000	367,665	167,665
100056	Boiler Replacement	720,000	662,131	(57,869)
100058	Window Replacement	500,000	431,339	(68,661)
100059	Disabled Adaptations	500,000	313,114	(186,886)
100060	Environmental Enhancement	100,000	28,877	(71,123)
100061	FRA Works	-	2,140	2,140
100062	Stock Condition Survey	150,000	68,600	(81,400)
100063	Housing Management System		228,586	228,586
100066	Capitalised Salaries	750,000	749,848	(152)
100067	Door Entry/CCTV	350,000	288,846	(61,154)
100068	HRA Hard Wire S	200,000	126,583	(73,417)
100074	Balcony Replacement	300,000	302,474	2,474
100081	HRA Fire Safety	-	-	
100083	HRA Compartmentation	1,500,000	1,038,877	(461,123)
100084	Major Voids Works	1,000,000	3,087,321	2,087,321
100098	HRA-Energy Efficiency	1,000,000	2,193,055	1,193,055
100115	HRA Stock Remodelling	275,000	127,164	(147,836)
100116	HRA Estates Garages	300,000	11,000	(289,000)
110001	Internal Refurbishment	3,000,000	2,291,190	(708,810)
110003	High Trees Project	800,000	1,076,853	276,853
110004	Disrepair Cases	100,000	888,922	788,922
110005	External Refurbishment	500,000	196,441	(303,559)
110006	Community Safety	-	-	0
110042	Lift Replacement	150,000	153,317	3,317
110045	Vehicle Replacement	900,000	472,136	(427,864)
		16,435,000	**17,760,955**	**1,325,955**

3.12 Across the HRA Capital Investment Programme issues have arisen that require variances to the budget lines for the following reasons.

Housing 1-4-1 Purchases – These occur on a reactive basis and as such budget estimating can be difficult, in the current year we have identified £2.4m of Persimmon properties together with buybacks.

Structural Repairs – Throughout the year, several properties were identified as requiring significant structural repairs. While some issues arose through routine repairs and maintenance requests, others only became apparent after problems had emerged, requiring a reactive response.

Electrical Upgrades - A growing number of properties identified through stock condition surveys required electrical rewiring to maintain compliance with current regulations and safeguard residents. Completing these upgrades was essential to meeting statutory requirements while supporting resident safety and well-being.

Disabled Adaptations - There was an underspend because improvement works, including level access showers, were delivered by the internal Aids and Adaptations teams, reducing the need to outsource work to contractors. Some backlog – larger jobs going to contractor

Fire Compartmentation - There were delays in completing projects and buildings within the programme due to contractor performance issues. These works were completed at the start of 2026/27. To provide additional capacity and accelerate the programme of improvements during 2026/27, an additional contractor has been procured.

Energy Efficiency - The Council has been successful in securing significant external funding through Warm Homes: Social Housing Fund Wave 2.1 and Wave 3 to improve the energy efficiency of its council housing stock. These programmes provide an important opportunity to invest in measures that will enhance the quality, sustainability, and performance of existing homes while helping residents reduce energy consumption and household fuel costs. The funding will support energy efficiency improvements to eligible properties, including insulation, heating, and ventilation upgrades. These works will improve the energy performance of council homes, reduce carbon emissions, and support the Council's climate objectives. Although contractor performance issues delayed the completion of works under Warm Homes: Social Housing Fund Wave 2.1, good progress has been made under Wave 3, with delivery continuing positively. The programme of improvements will continue over the coming years, with the Council working closely with delivery partners to maximise the benefits of the funding and achieve the greatest possible impact for residents and local communities. A potential risk remains around the timing of grant funding receipts, as the Council is required to fund completed works upfront before submitting claims for reimbursement.

High Trees - Following the removal of the roof covering, unforeseen structural issues were identified relating to the integrity of the balcony support beams, requiring additional investigation and remedial works. The project has now been completed successfully.

Housing Management System – Residual costs as the end of the project is imminent. Additionally, there are Keyfax costs of £56k.

Major Voids Works – Over the past year, the acquisition of 20 additional properties through the Buy Back process has led to a significant increase in the number of void properties requiring extensive upgrades to meet the Decent Homes Standard. In response, a comprehensive review is underway to assess both the number of affected properties and the scope of works required, with the aim of achieving a better alignment between project demands and available budgets. The Council's Housing Growth Programme has also changed its approach. Rather than prioritising Buy Back acquisitions, the focus has shifted towards purchasing new-build properties and developing new homes on council-owned land. This revised strategy is intended to streamline delivery and support more sustainable growth of the housing stock.

Disrepair Cases – The Council regularly receives disrepair claims from solicitors acting on behalf of council housing tenants. In response, detailed property inspections and surveys are carried out to identify defects and maintenance issues requiring attention. The Council is then responsible for undertaking the necessary remedial works to ensure properties meet the required standards of safety, compliance, and habitability. Due to the legal nature of disrepair claims, the Council must work within strict statutory and court-imposed timescales. Resources are therefore prioritised to ensure identified works are completed promptly, reducing risks to residents, meeting legal obligations, and minimising the potential for additional costs resulting from delays. Carried out works to meet decent homes standard – identified issues need to modernise improve rather than going back twice.

Vehicle Replacement - During the latter stages of the financial year, the first phase of the replacement housing fleet was received. This programme will continue throughout 2026/27, with the remaining vehicles being replaced.

General Fund Earmarked Reserves

3.13 The level of earmarked reserves held by the Council at the beginning of the 2025/26 financial year was reported to Council in February 2025 as part of the 2025/26 – 2027/28 Medium Term Financial Plan (MTFP). This is shown at Appendix B and was £17.763m as at 31 March 2025 (and therefore as at 1 April 2025) after adjustments in year for the actual 2024/25 Outturn position (which was only estimated based on Q3 monitoring information at the time of the MTFP). All reserves were reviewed for their requirement in 2025/26 and additional reserves were set up. At the 31 March 2026 the net position has improved, and the Council currently holds £20.967m of Earmarked Reserves for the 2026/27 financial year. Details are provided in Appendix B.

General Fund Balance

3.14 The adjusted opening General Fund Balance as at the 1 April 2025 was £7.364m. The closing balance, after taking account of the overspend identified in this report, will reduce to £6.792m as shown in Table 6 below.

Table 8 General Fund Balance

GENERAL FUND	£m
Opening Balance	**7.364**
Movement in Year	
Ward Budgets underspend 2025/26	0.007
Year End Outturn	(0.579)
Closing Balance	**6.792**

Financial Performance

3.15 Council Tax collection rate data for the financial year 2025/26 is set out in the following tables. Overall, collection at 96.5% was 0.5% below in year target of 97.0% although collection continues after year-end.

Nationally, Council Tax collection rates have fallen compared to 2024/25 and since their post pandemic high in 2022/23. Average Collection rates nationally were 95.6% and for Shire Districts were 97%.

Figure 1 Council Tax Collection Rate (April to March 2025/26)

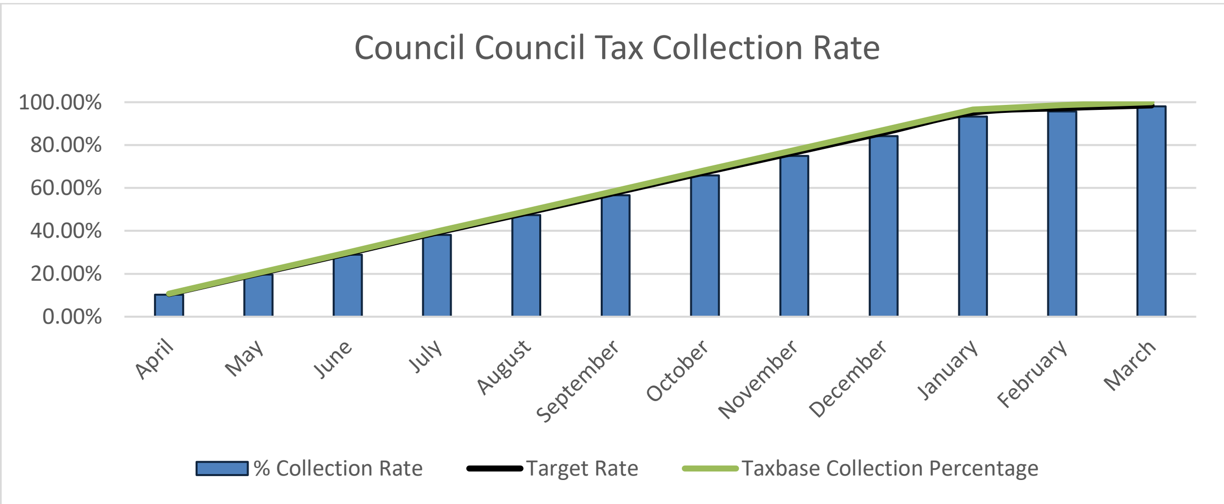


Figure 2 Monthly Council Tax Variance to Target (April to March 2025/26)

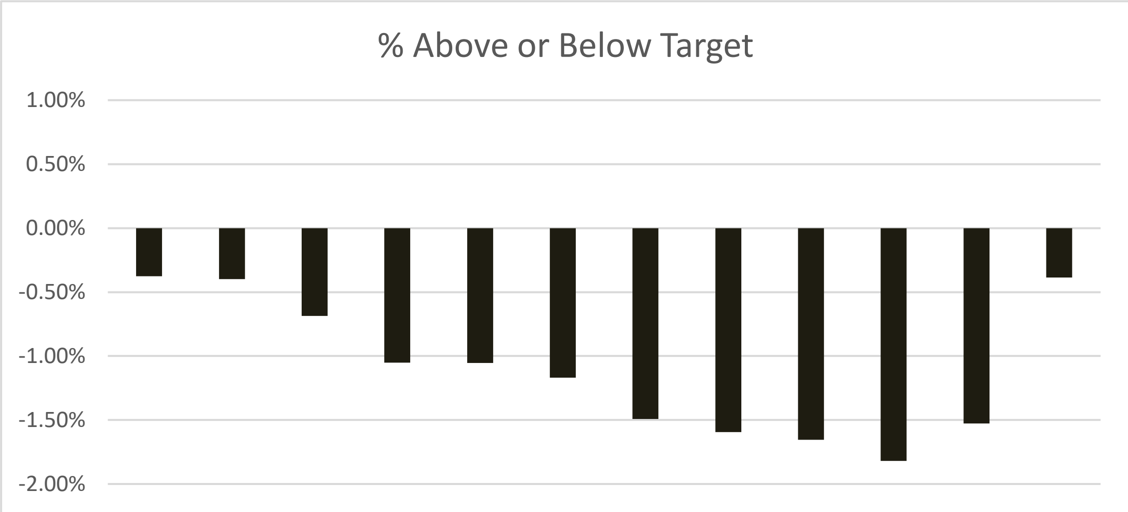
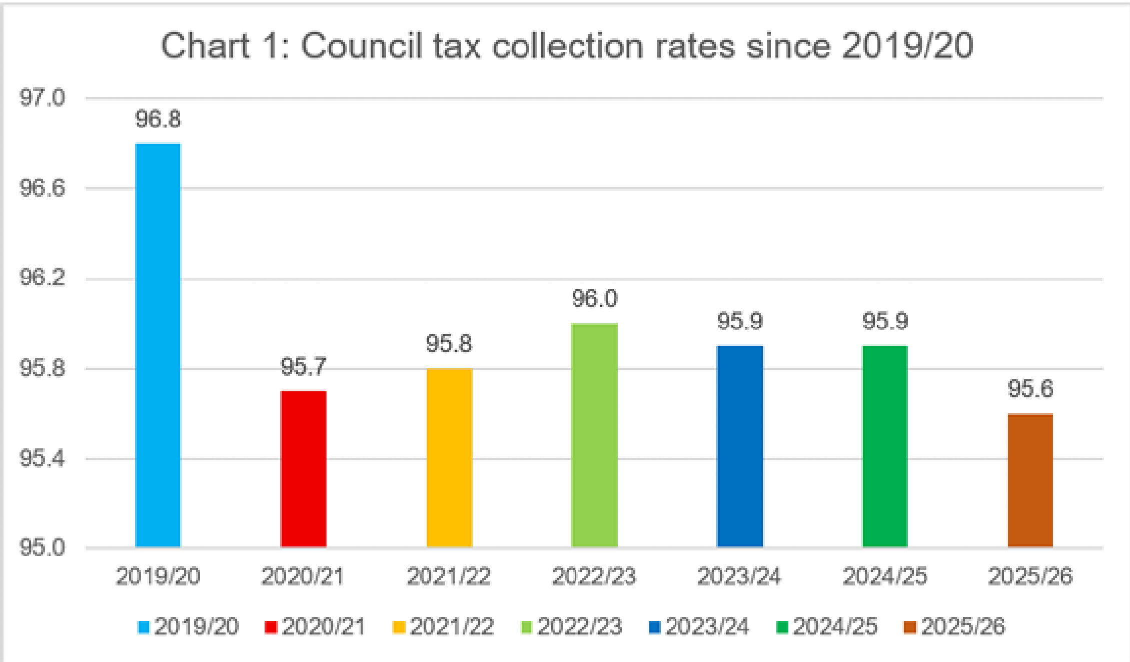


Figure 3 National Council Tax Collection Rates



3.16 Non-Domestic Rates collection rate data for the financial year 2025/26 is set out in the following tables. Overall, collection at 93.6% 3.6% below the in-year target of 97.2%. Collection rates for non-domestic rates are below target due to a complex rating dispute relating to the application of liquidation expenses for empty retail premises. The council is taking legal advice on the eligibility for exemption and the recoverability of the disputed amounts and continues to negotiate with legal representatives for the owners of the relevant premises.

Nationally, Non-Domestic Rates collection rates have fallen compared to 2024/25, their post pandemic high. Average Collection rates nationally were 96.8% and for Shire Districts were 97.3%.

Figure 4 Non-Domestic Rates Collection Rate (April to March 2025/26)

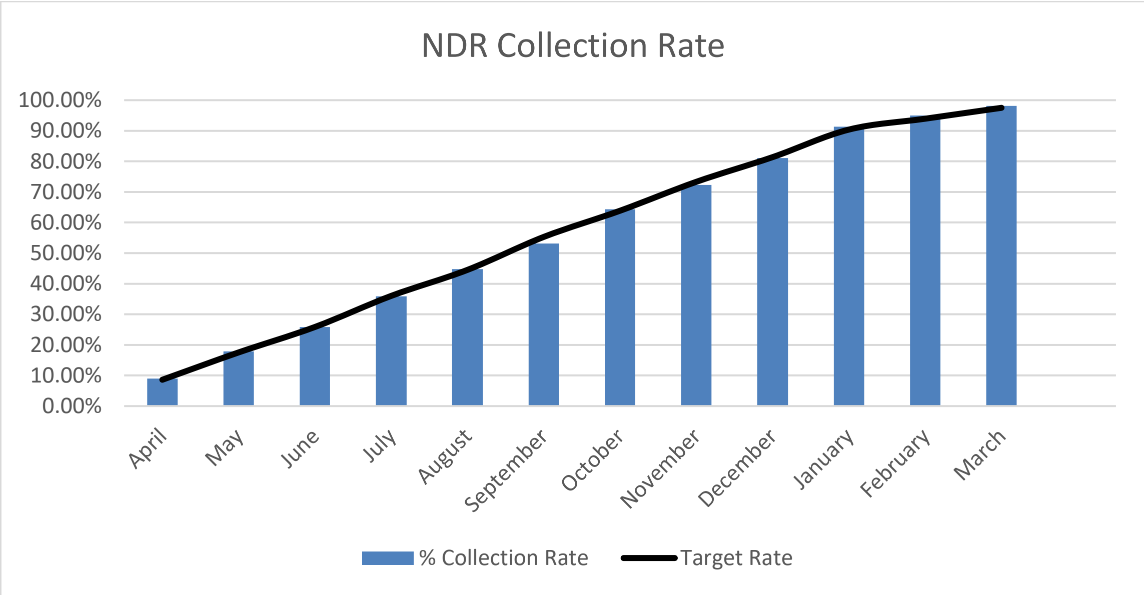


Figure 5 Monthly Non-Domestic Rates Variance to target (April to March 2025/26)

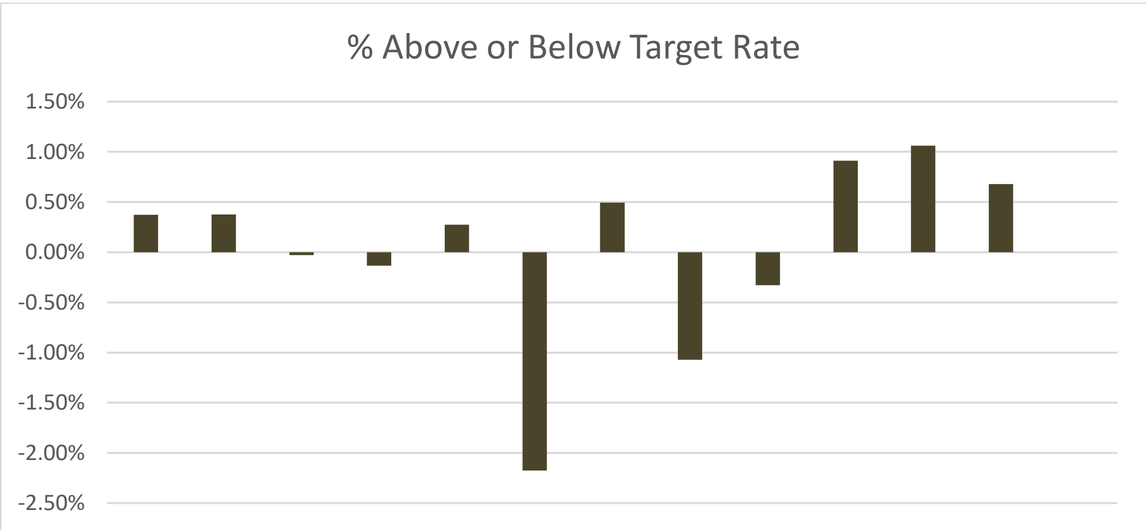
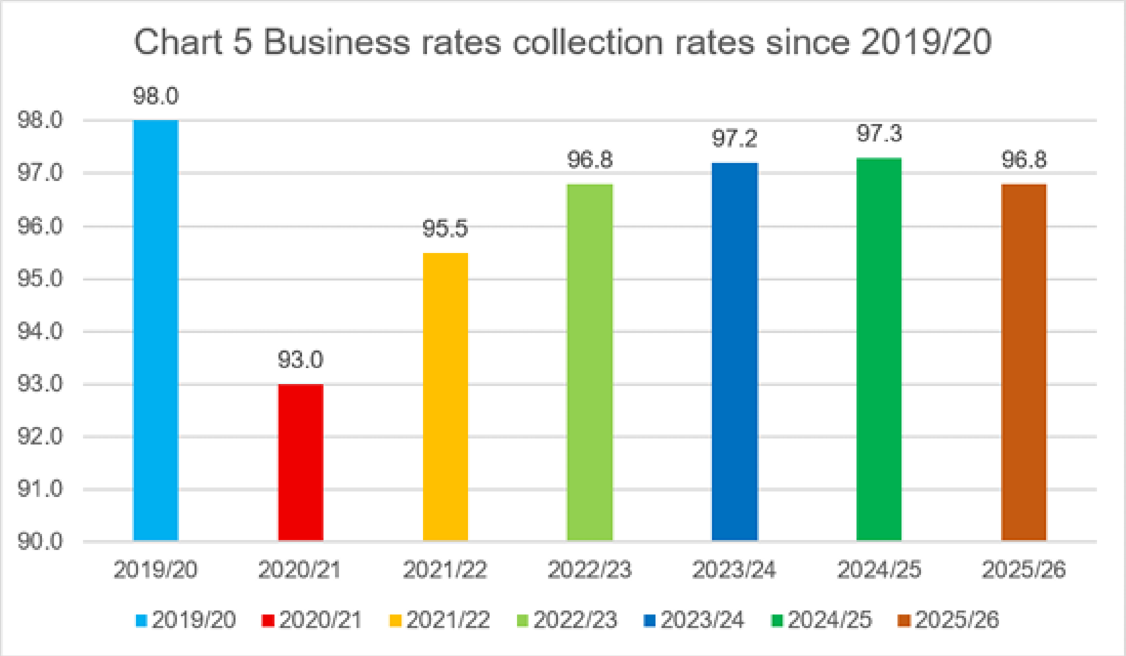


Figure 6 National Business Rates Collection Rates



4. Legal Implications

4.1 Local Government Reorganisation

The level of debt and investments the Council holds will transfer over to the new unitary on vesting day.

5. Strategic Purpose Implications

Relevant Strategic Purpose

5.1 The Strategic purposes are included in the Council's corporate plan and guides the Council's approach to budget making ensuring we focus on the issues and what are most important for the borough and our communities. Our Financial monitoring and strategies are integrated within all of our Strategic Purposes.

Climate Change Implications

5.2 The green thread runs through the Council plan. The Financial monitoring report has implications on climate change and these will be addressed and reviewed when relevant by climate change officers to ensure the correct procedures have been followed to ensure any impacts on climate change are fully understood.

6. Other Implications

Customer / Equalities and Diversity Implications

6.1 None as a direct result of this report.

Operational Implications

6.2 Managers meet with finance officers to consider the current financial position and to ensure actions are in place to mitigate any overspends.

7. RISK MANAGEMENT

7.1 Items identified in the Financial Outturn report for 2025/26 link to several Corporate Risks as listed below. Many of the Council's Corporate Risks have an indirect link to the council's financial position. The mitigations to these risks are set out in the Risk Report, of which the Quarter 4 Report was reported to Audit, Governance and Standards Committee on 11 June 2026:

- COR002 - Financial Resilience of the Council and ability to manage financial shocks
- COR026 - Risk of Cash Flow Strain

7.2 In future monitoring reports, financial risk will be reviewed with regular reporting against direct and indirect financial risk drivers.

8. APPENDICES

Appendix A – Capital Outturn
Appendix B – Reserves Position
Appendix C – Ward Budgets
Appendix D – Procurement Pipeline

AUTHOR OF REPORT

Name: Debra Goodall – Assistant Director of Finance and Customer Services (Deputy S151)
E Mail: Debra.Goodall@bromsgroveandredditch.gov.uk

REDDITCH BOROUGH COUNCIL

Executive **28 July 2026**

Appendix A -Capital Outturn

Capital Project	Description	2025/26 Total (Original) (£)	Carried Forward from 24/25 (£)	2025/26 Total (Incl C/Fs) (£)	2025/26 Spend (£)	Variance (£)
	Large Schemes - Towns Fund					
200053	Innovation Centre	1,000,000	6,091,046	7,091,046	70,126	7,020,920
200053	Innovation Centre	1,948,000	0	1,948,000		1,948,000
100133	Digital Manufacturing & Innovation Centre Digital Manufacturing & Innovation Centre	0	-159,306	-159,306		-159,306
200054	Library	0	2,320,634	2,320,634		2,320,634
200055	Public Realm	0	3,777,926	3,777,926		3,777,926
200055	Public Realm	0	439,000	439,000		439,000
100108	Town Hall Redevelopment		5,123,121	5,123,121	2,574,212	2,548,909
						0
	Schemes Agreed to Continue in Tranche 1					0
100004	Car Park Maintenance	150,000	62,672	212,672	66,600	146,072
110036	Footpaths	75,000	-27,736	47,264	70,855	-23,591
100007	Disabled Facilities Grant	1,185,745	146,595	1,332,340	209,470	1,122,870
100008	Energy & Efficiency Installs.	0	209,345	209,345		209,345
100009	GF Asbestos	0	75,467	75,467	20,058	55,409
100014	Improved Parking Scheme (includes locality funding)	0	400,000	400,000		400,000
100026	Morton Stanley Play, Sport and Open Space Improvements (General)	0	1,500	1,500	99	1,401
100032	Public Building	250,000	-110,676	139,324	445,150	-305,826
100035	Fleet Replacement new line	0	1,960,669	1,960,669	2,919,965	-959,296
100037	Removal of 5 weirs through Arrow Valley Park	0	414,000	414,000		414,000
100040	Sports Contributions to support improvements to Outdoor facilities at Terry Field	0	3,000	3,000		3,000
100043	Wheelie Bin purchase	100,000	110,635	210,635	104,919	105,716
100044	New Digital Service	0	-119,732	-119,732		-119,732
100088	Improvement Holly trees children's centre	0	6,000	6,000		6,000
100089	Greener Homes	0	-8,925	-8,925		-8,925
100010	Grassland Mitigation measures- recreating and monitoring grassland habitats in MS and AVCP	5,864	5,863	11,727		11,727
100011	Hedgerow Mitigation measures by restoration and hedge laying with associated fencing and gates at AVP SHM and AVP	0	21,500	21,500	10,565	10,935
100012	HMO Grants	25,000	61,500	86,500		86,500
100013	Home Repairs Assistance	40,000	120,000	160,000		160,000
100018	Improvement to original Pump Track at AVCP	0	56,364	56,364		56,364
100045	Replacing 3 fuel pumps and upgrading tank monitoring equipment	0	25,000	25,000		25,000
110018	Cisco Network Update	47,339	5,934	53,273		53,273
110019	Server Replacement Est(Exact known Q2 2022)	18,500	177,500	196,000	136,276	59,724
110020	Laptop Refresh	5,000	32,775	37,775	4,909	32,866
100140	Cyber Security Updates	25,000	25,000	50,000		50,000

Capital Project	Description	2025/26 Total (Original) (£)	Carried Forward from 24/25 (£)	2025/26 Total (Incl C/Fs) (£)	2025/26 Spend (£)	Variance (£)
100141	Morgan Stanley Footpaths	0	16,500	16,500		16,500
110021	New Cemetery Provision-Ipsley road	195,000	440,963	635,963		635,963
100127	Provide the Crossgate Depot site with a new and Compliant Deisel Fuel	0	56,000	56,000		56,000
100097	Widen access road to Arrow Valley Country park	0	-9,074	-9,074		-9,074
100136	Lifeline Improvements	0	120,000	120,000		120,000
100144	PRS Housing ICT System	0	30,000	30,000		30,000
100119	Play Areas - Surface Replacement	10,000	-89,994	-79,994	11,515	-91,509
100147	AVCP - Parking Bays near Visitor Centre	0	12,000	12,000		12,000
100121	AVCP - Car Park Extension 25 Spaces	0	-15,745	-15,745		-15,745
100148	Increased Building Maintenance Costs	150,000	150,000	300,000	37,081	262,919
100134	Arrow Valley Car Park	0	63,840	63,840		63,840
100135	Arrow Valley park Visitor Centre Improvements	0	193,251	193,251	780,441	-587,190
100143	Fleet Costs	26,000	585,000	611,000		611,000
100137	Final Play Area Changes	191,477	244,099	435,576	160,700	274,876
100139	Movement of ICT Cyber Capital Works Forward	0	-50,000	-50,000		-50,000
100142	Hedge and Shrub Removal	40,000	40,000	80,000		80,000
110007	Forge Mill and Bordesley Open Space Improvements	0	5,859	5,859		5,859
110009	MUGA at Greenlands Sports Pitches. 2018/169/FUL Land off Green Lane	0	43,078	43,078		43,078
110012	Play Area improvements at Birchfield Road,/Headless Cross Rec Ground. 17/00737/FUL	0	7,575	7,575		7,575
110013	Play area (£34,583.39), Open space (£12,001.36) and Sport (£8,516) improvements at Mayfield's	0	1,172	1,172		1,172
100001	Arrow Valley Country Park - Play, Open Space and Sports Improvements.	0	-4,500	-4,500		-4,500
100146	Play Area Changes - Pre Audit	0	382,000	382,000		382,000

REDDITCH BOROUGH COUNCIL

Executive **28 July 2026**

Capital Project	Description	2025/26 Total (Original) (£)	Carried Forward from 24/25 (£)	2025/26 Total (Incl C/Fs) (£)	2025/26 Spend (£)	Variance (£)
100146	Play Audit funding	191,447	263,386	454,833		454,833
100020	Improvement to Sports Pitches infrastructure in Morton Stanley Park	0	23,002	23,002		23,002
100112	Fire compartmentation works in Corporate buildings	250,000	-9,843	240,157	331,091	-90,934
110044	New Food Waste Collection - DEFRA Funding	766,498	19,457	785,955		785,955
	Abavus Software Integration	30,000	0	30,000		30,000
	Abavus Licensing	10,200	0	10,200		10,200
	Update Town Hall Fire Wall	16,250	0	16,250		16,250
	Replacement Track - Abbey Stadium	300,000	0	300,000		300,000
	Energy Performance Certificate Requirements	100,000	0	100,000		100,000
	Abbey Stadium Roof Replacement	250,000	0	250,000		250,000
	Abbey Stadium - refurbish indoor Changing Rooms and Totients	300,000	0	300,000		300,000
	Forge Mill - New outdoor Kiosk and Toilet	90,000	0	90,000		90,000
	PitcherOak, refurbish Male Changing and rebuild 2nd Green	90,000	0	90,000		90,000
	Salary Capitalisation	200,000	0	200,000	200,000	0
	Grand Totals	**8,082,320**	**23,764,697**	**31,847,017**	**8,154,032**	**23,692,985**

Appendix B – Earmarked Reserves

	Balance at 31/3/25	Transfers in 2025/26	Transfers out 2025/26	Balance at 31/3/26	Transfers in 2026/27	Transfers out 2026/27	Balance at 31/3/27	Transfers in 2027/28	Transfers out 2027/28	Balance at 31/3/28
General Fund	7,364	7	(579)	6,792	60		6,852			6,852
General Fund Earmarked Reserves:										
Business Improvement District	209			209			209			209
Business Rates Retention Scheme	4,560		(202)	4,358			4,358			4,358
Community Development	74			74			74			74
Community Safety	211	450		661			661			661
Corporate Services	2,594		(1,937)	657			657			657
Council Tax Benefit	605			605			605			605
Covid-19 (Collection Fund)	55		(55)	0			0			0
Covid-19 (General)	2,435		(2,435)	0			0			0
Customer Services	183			183			183			183
Economic Growth	841			841			841			841
Electoral Services	63			63			63			63
Environmental Vehicles	29		(29)	0			0			0
EPR Funding Allocation	0	2,062		2,062			2,062			2,062
Equipment replacement	25			25			25			25
Essential Living Fund	135			135			135			135
Financial Services	460			460			460			460
General Risk reserve	45		(45)	0			0			0
Gypsy and Traveller Assessment	67		(67)	0			0			0
Hardship Fund	0	80		80			80			
Homelessness	12			12			12			12
Homelessness Prevention	519			519			519			519
Housing Benefit Implementation	270	38		308			308			308
Land Charges	9			9			9			9
Land Drainage	129			129			129			129
Local Plan Fund	0	539		539			539			539
Mortgage Rescue Scheme	24		(24)	0			0			0
Parks & Open spaces	8		(8)	0			0			0
Pensions	201		(201)	0			0			0
Planning Services	272		(272)	0			0			0
Redditch Town Hall Fire Alarm	0	165		165			165			165
Regeneration & Property	602	176	(68)	710			710			710
Restarts Grant	2,924		(2,924)	0			0			0
Starting Well	0	178		178			178			178
Town Centre	7		(7)	0			0			0
Transformational Growth	123		(123)	0			0			0
Ukrainian Support	0	232		232			232			232
Universal Credit	56		(38)	18			18			18
Ward Budgets	0	180	(60)	120		(60)	60			60
Warmer Homes	16			16			16			16
New Reserves - MTFP 2026										
Health and Safety Capital Works	0	603		603			603			603
Town Hall Works Reserve	0	1,000		1,000			1,000			1,000
Library Work - Town Hall Write Off	0	667		667			667			667
Planning Reserve for planning applications	0	100		100			100			100
Insurance costs for non-adopted roads	0	100		100			100			100
Risk and Resilience Reserve	0	2,500		2,500			2,500			2,500
LGR Reserve	0	1,000		1,000			1,000			1,000
Community Investment Fund	0	1,600		1,600			1,600			1,600
Legal Costs for Skerry, Bo ultons Lane	0	19		19			19			19
Total General Fund Earmarked Reserves	**17,763**	**11,689**	**(8,495)**	**20,957**	**0**	**(60)**	**20,897**	**0**	**0**	**20,817**
HRA										
Housing Capital	9,160			9,160			9,160			9,160
Total General Fund Earmarked Reserves	**26,923**	**11,689**	**(8,495)**	**30,117**	**0**	**(60)**	**30,057**	**0**	**0**	**29,977**

Appendix C – Ward Budgets

Activity	Spend (£)	Balance (£)
Cllr Joe Baker	2,000.00	0.00
Cllr Juliet Barker-Smith	1,950.00	50.00
Cllr Juma Begum	1,700.00	300.00
Cllr William Boyd	1,450.00	550.00
Cllr Brandon Clayton	2,000.00	0.00
Cllr Claire Davies	1,700.00	300.00
Cllr Matthew Dormer	1,500.00	500.00
Cllr James Fardoe	750.00	1,250.00
Cllr Andy Fry	2,000.00	0.00
Cllr Bill Hartnett	2,000.00	0.00
Cllr Sharon Harvey	1,950.00	50.00
Cllr Chris Holtz	1,750.00	250.00
Cllr Joanna Kane	2,000.00	0.00
Cllr Sid Khan	0.00	2,000.00
Cllr Wanda King	2,000.00	0.00
Cllr Alan Mason	2,000.00	0.00
Cllr Sachin Mathur	2,000.00	0.00
Cllr Gemma Monaco	2,000.00	0.00
Cllr David Munro	1,900.00	100.00
Cllr Rita Rogers	1,500.00	500.00
Cllr Gary Slim	2,000.00	0.00
Cllr Jen Snape	2,000.00	0.00
Cllr Jane Spilsbury	1,550.00	450.00
Cllr Monica Stringfellow	2,000.00	0.00
Cllr Craig Warhurst	2,000.00	0.00
Cllr Ian Woodall	2,000.00	0.00
Cllr Paul Wren	1,200.00	800.00
TOTAL	**46,900.00**	**7,100.00**

The Wards budget was approved by Council for three years from 2025/26 (£2,000 per ward (£54,000) in total) plus £6,000 per annum administration costs = £60,000 per year and therefore £180,000 to 2027/28). Total costs charged to the Wards Reserve for 2025/26 are £60,000 incorporating the £46,900 spend in the table above, the £7,100 underspend and the £6,000 administration cost.

Appendix D – Procurement Pipeline

Title	Council	Contract Description	Department	Value	Current Contract Expiry Date	Procurement Start Date	Contract Start Date	Contract Length (years)	Extension
Abbey Stadium Changing Room Refurbishment	Redditch	Refurbishment contract - works	Properties	500k		16/03/26	20/04/26	0.5	No
Arrow Valley Sewer	Redditch	Design and installation works of new sewer required at AVVC (I thought already added onto the pipeline but I can't view this). Waiver agreed and submitted 26.11.25	Properties	365k		26/11/25	15/12/25	1	N/A
Building Consultancy Services	Redditch	Consultancy Services including but not limited to Architectural, Structural Surveys, Cost Planning, Fire Risk Assessments and Stock Condition Surveys.	Housing Capital	1,400k		01/07/26	01/07/26	3 years plus 1	Yes
Cyclical painting "Internal and External areas" including repairs	Redditch	Internal and external decoration to council housing assets, including repairs.	Housing Property Services - Capital Team	625k		01/07/26	01/10/26	3 +1 +1	N/A
Disrepair Legal Services	Redditch	Legal services required for the incoming Disrepair claims	Housing Capital	750k	19/05/26	20/04/26	01/05/26	2	Yes
Domestic Servicing, Maintenance and Responsive Repairs for Renewable Heating Systems	Redditch	This contract covers the Domestic Servicing, Maintenance and Responsive Repairs including the provision for ad-hoc installation works as specified by the council Year 1 Â£100,000 + Year 2 Â£100,000 = Â£200,000 lifetime value	Property Services	200k		10/04/26	11/05/26	1 Year + 1 Year	Yes
HOUSING - Commercial Heating Systems RM	Redditch	EEM0026 LOT2: Commercial Heating Systems Servicing, Maintenance, Repairs and Installations (Within Housing Property Services, Redditch Borough Council housing stock only)	Property Services	200k	27/05/26	10/04/26	27/05/26	1 Year + 1 Year	Yes
Housing Development Programme Packages 1 & 2	Redditch	To direct award a developer for the Housing Development Programme Packages 1 and 2 through PFH framework, with break clauses at key stages.	Community Services	12,500k		01/08/26	01/08/26	3	Yes

Internal Refurbishment - Kitchens and Bathrooms	Redditch	Planned refurbishment of Kitchens, Bathrooms including rewires and Boilers and associated works	Housing Capital	4,800k		01/07/26	01/11/26	3	No
Kitchen Supply Contract	Redditch	The supply of Kitchen materials	Housing Capital	400k		18/05/26	01/06/26	3 + 1	Yes
Microsoft Licensing	Redditch	Microsoft Licensing for Azure, Windows and Office365 etc	Business Transformation	438k	30/06/26	13/02/26	01/07/26	3	N/A
Scaffold Contract	Redditch	To supply and install scaffolding to enable works to RBC Housing	Housing Capital	2,400k		18/05/26	01/08/26	3	No
Storage Contract	Redditch	Supply and installation of storage facilities i.e Bins, bike, scooters	Housing Capital	600k		01/06/26	01/07/26	2	No
Supply and Installation of Aluminium Security Doors, including servicing and repairs	Redditch	Supply and Installation of Aluminium Security Doors, including servicing, repairs and associated works to new and existing security doors specified by Redditch Borough Council	Property Services	1,750k	29/06/26	29/05/26	30/06/26	2 + 1 + 1 + 1	Yes
Supply of Building Materials & Associated Services	Redditch	Supply of building materials & associated services	Environmental Services	5,000k	30/09/26	03/03/26	01/07/26	3 years	Yes
Supply of glazing	Redditch	Glazing and Associated Materials	Environmental Services	300k		03/03/26	11/05/26	3	Yes
Supply of ironmongery	Redditch	Supply of ironmongery	Environmental Services	450k		03/03/26	01/06/26	3	Yes
TOTAL				**32.678m**					