REDDITCH BOROUGH COUNCIL

Executive Committee 24th November 2026

Quarter 2 Financial Monitoring Report 2026/27

Relevant Portfolio Holder		Councillor Craig Warhurst
Portfolio Holder Consulted		Yes
Relevant Assistant Director		Debra Goodall
Report Author	Director of Finance and s151 Officer james.walton@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 quarterly position for July – September of the financial year 2026-27. The quarterly financial monitoring reports is a management report that informs members of the current financial forecasts for the year ending 31 March 2027.

2. RECOMMENDATIONS

Executive is asked to RESOLVE:

2.1 The full year forecast revenue position for 2026/27 is an overspend of £1.396m which will be funded from the General Fund Balance at year end if the position remains as an overspend.

2.2 The 2026/27 actual capital position at Q2 is £10.510m against a total approved programme of £29.743m.

2.3 The Ward Budget allocation for 2026/27 of £54,000 had approved allocations at £18,325 as at 30 September 2026.

2.4 The General Fund Opening Balance of £9.986m, adjusted in year to £8.478m as a result of the overspend and movement to reserves.

2.5 To note the forecast position in respect of the GF Earmarked Reserves is £23.652m and HRA Earmarked Reserves is £9.160m as at 30 June 2026.

3. KEY ISSUES

Financial Implications

3.1 This report sets out the draft financial forecast revenue and capital performance of the Council for 2026/27 against budget.

3.2 The £14.640m full year revenue budget included in the table below is the budget approved by Council in February 2026 and remains the basis against which in-year financial performance is monitored. In parallel, the Financial Resilience Programme and development of the 2027/28 Medium Term Financial Plan are reviewing and validating the underlying budget baseline. Any changes requiring formal approval will be reported to Executive Committee or Council as appropriate..

Revenue Position

3.3 The 2026/27 revenue forecast position as at 30 September shows a projected overspend of £1.396m by year end, as shown in Table 2 below. This estimated position suggests a deterioration in the projected outturn for 2026/27 when compared to initial projections at Quarter 1.

3.4 A salary capitalisation exercise (Table 1 below) has been completed to identify staffing costs that should be correctly charged to the capital programme. Based on an estimate of potential capitalisation, which has been built into projected spend as part of the quarterly monitoring, the Council will recharge a proportion of time spent (salary) against the capital projects undertaken during the year (reducing revenue spend and increasing charges to the capital programme). The treatment of salary capitalisation will continue to be reviewed alongside the wider Capital Programme Review to ensure that costs are appropriately attributed between revenue and capital and reflected consistently in the Council's financial baseline. Any consequential amendments to the 2026/27 monitoring position will be reported at Quarter 3. In Quarter 2, the following amounts will be capitalised:

Table 1 – Staff Capitalisation

RBC services	Q2 total
Community and Housing GF Services	3,913.65
Corporate Services	9,753.15
Environmental Services	46,794.78
Financial and Customer Services	54,975.95
Planning and Leisure Services	25,592.45
Regeneration & property	59,444.35
Grand Total	**200,474.33**

3.5 The subsequent Q2 forecast position is as per Table 2 below:

Table 2 Overall 2026/27 Revenue forecast Position

Financial and Customer Services	2026-27 Approved Budget	YTD to P6 Spend	YTD to P6 Variance	2026-27 Forecast Spend	2026-27 Variance	Q1 forecast	Q1 variance	Change in variance
Business Trans and Organisational Dev	2,243,735	1,258,137	136,270	2,348,037	104,302	2,307,138	63,403	40,898
Community and Housing GF Services	3,348,808	1,779,178	104,774	3,418,846	70,038	3,281,301	(67,507)	137,545
Corporate Services	(4,862,085)	(2,792,835)	(40,793)	-4,887,775	(25,690)	(5,190,148)	(328,063)	302,373
Environmental Services	3,493,314	1,654,113	(92,543)	3,893,314	400,000	3,893,314	400,000	0
Financial and Customer Services	3,478,550	2,139,275	400,000	4,278,550	800,000	4,278,550	800,000	0
Legal & Democratic services	1,297,258	598,175	(50,454)	1,370,830	73,572	1,303,522	6,264	67,308
Planning and Leisure Services	1,312,742	398,497	(257,873)	1,202,487	(110,255)	1,101,598	(211,144)	100,889
Regeneration & Property	2,641,308	1,428,183	107,529	2,725,050	83,741	2,716,635	75,327	8,415
Regulatory Client	704,399	352,200	0	704,399	0	704,399	0	0
Rubicon Client	982,028	491,014	0	982,028	0	982,028	0	0
Starting Well	0		0		0	0	0	0
Grand Total	**14,640,057**	**7,305,937**	**306,909**	**16,035,765**	**1,395,708**	**15,378,337**	**738,280**	**657,428**

	2026-27 Approved Budget	YTD to P6 Spend	YTD to P6 Variance	2026-27 Forecast Spend	2026-27 Variance	Q1 forecast	Q1 variance	Change in variance
Corporate Financing	(14,640,057)	(7,320,029)	0	(14,640,057)	0	(14,640,057)	0	0
	(14,640,057)	**(7,320,029)**	**0**	**(14,640,057)**	**0**	**(14,640,057)**	**0**	**0**

TOTALS	**(0)**	**(14,092)**	**306,909**	**1,395,708**	**1,395,708**	**738,280**	**738,280**	**657,428**

3.6 The overall variance of £1.396m is the net result of a series of under and overspending projections against several service areas. There is a deterioration from the £0.738m overspend projected at Quarter 1 of £0.657m against a budget of £14.640m, a variance of 9.53%. The Financial Resilience Programme will continue to test the robustness of service forecasts, recurring budget pressures, income assumptions and the treatment of risk. Addressing these could strengthen the Council's financial foundations while worsening the reported bottom line.

Alongside the in-year monitoring position set out in this report, development of the 2027/28 Medium Term Financial Plan includes a more fundamental review and reconstruction of the Council's 2026/27 financial baseline. This does not replace the Quarter 2 forecast position reported above, which continues to reflect the Council's forecast performance against the approved 2026/27 service budgets. In particular, Corporate Financing is currently reported at nil variance in Table 2 but has not yet been subject to the same detailed review of underlying assumptions being undertaken through the Financial Resilience Programme. The monitoring and reconstructed baseline positions will therefore be reconciled as the review progresses, with any implications for the current year reflected through Quarter 3 monitoring and the MTFP updated accordingly.

The following paragraphs set out the year end variances for each service area against the 2026/27 revenue budget:

Business Transformation & Organisational Development – 2026/27 forecast position £0.104m overspend

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Supplementary Table 3.6a

Key Variances	Variance (£'000)	Explanation
Corporate services	24	Forecast overspend reflects an ongoing budget pressure where the current budget does not fully meet the cost of delivering the service. A growth bid for 2027/28 has been submitted/reviewed as part of the MTFP to align the budget with the ongoing requirement
ICT	50	Legacy ICT purchases previously split cost on both authorities showing in current year as extra pressure on RBC
ICT	10	Forecast shortfall in SLA income, reflecting an ongoing mismatch between the current income target and the level of income achievable by the service (Rubicon). A growth/pressure bid for 2027/28 has been submitted/reviewed as part of the MTFP to align the budget for future years, with the anticipated level of income
ICT	12	Street Naming and Numbering income is dependent on the timing and progression of development. Based on income received during the first six months of the year, the service is forecasting a shortfall against the annual income target.
ICT	10	Forecast overspend on telephone network/server and telephony costs. The budget was increased from £49k in 2025/26 to £100k in 2026/27, but current costs indicate a further pressure. The requirement will be reviewed as part of 2027/28 budget setting to ensure the base budget reflects the ongoing service cost.
Other variances	-2	Other small variances
2026/27 forecast Position	**104**	Overspend arising principally from ICT cost and income pressures that will be reviewed for 2027/28.

Community and Housing GF Services – 2026/27 forecast position £0.070m underspend

Supplementary Table 3.6b

Key Variances	Variance (£'000)	Explanation
Capitalisation (Recharge for Q2 shown in Table 1)	-8	Staffing charged to the capital programme as part of £0.401m adjustment at year end.
Dial a Ride	43	Dial-a-Ride is forecasting an overspend arising from the Council's decision to reduce fares income by 50%, together with higher fuel costs and maintenance costs associated with the ageing vehicle fleet. A growth bid for 2027/28 has been submitted as part of the MTFP.
Shopmobility	42	Shopmobility is forecasting an overspend due to reduced income as customer numbers have not returned to pre-COVID levels, reflecting a national trend and additional premises costs. These costs are ongoing and a growth bid for 2027/28 has been submitted as part of the MTFP.
Lifeline	-3	Minor variance.
Other Variances	-4	Other small variances
2026/27 forecast Position	**70**	Income pressures across Dial-a-ride and Shopmobility.

Corporate Services – 2026/27 forecast position £0.026m underspend

Supplementary Table 3.6c

Key Variances	Variance (£'000)	Explanation
Capitalisation (Recharge for Q2 shown in Table 1)	-20	Staffing charged to the capital programme as part of £0.401m adjustment.
Other Variances	-6	Minor variances split across the service.
2026/27 forecast Position	**-26**	Small underspend arising from recharges to capital.

Environmental Services – 2026/27 forecast position £0.400m overspend

Supplementary Table 3.6d

Key Variances	Variance (£'000)	Explanation

Bereavement Services	300	A review of the £0.4m overspend projected at Q1 suggests an improvement in the income shortfall to £0.3m. The service continues to be affected by lower than anticipated demand, with ONS death rate data indicating the lowest mortality levels seen in the last five years. The sustainability of the current income target will be considered through the MTFP baseline review to determine whether the pressure represents a recurring structural issue requiring adjustment to the underlying budget.
Inspection costs	100	Potential costs projected with tree inspections, remedial works and insurance claims arising from the exceptionally dry summer weather, which has increased the risk of tree failure across the district.
2026/27 forecast Position	**400**	Significant overspend driven by shortfalls in Bereavement Income and increased tree inspection costs.

Financial and Customer Services - 2026/27 forecast position £0.800m overspend

Supplementary Table 3.6e

Key Variances	Variance (£'000)	Explanation
Other Variances	800	The service continues to report a structural pressure arising principally from agency staffing and the misalignment between the existing budget and current delivery requirements. A review of the staffing structure is nearing completion and is expected to reduce the pressure, although a residual recurring pressure may remain into 2027/28. The position will be subject to enhanced monitoring at Quarter 3 and reflected in the MTFP baseline where appropriate. The expectation is that the £1.57m overspend from 25/26 can be significantly reduced.

2026/27 forecast Position	**800**	Significant overspend driven by high levels of agency staff across the team.

Legal, Democratic and Elections Services – 2026/27 forecast position £0.074m overspend

Supplementary Table 3.6f

Key Variances	Variance (£'000)	Explanation
Legal Shared Services	8	Small overspend in general fees
Land charges	21	Shortfall in fees and charges compared to budget.
Ward Budgets	33	Fees for local community initiatives show significant increase from last year.
Electoral Shared Service	12	Minor overspends in postage and salary budgets
2026/27 forecast Position	**74**	Overspend driven by pressures across several service areas.

Planning and Leisure Services – 2026/27 forecast position £0.110m underspend

Supplementary Table 3.6g

Key Variances	Variance (£'000)	Explanation
Capitalisation (Recharge for Q2 shown in Table 1	-51	Staffing charged to the capital programme as part of £0.401m adjustment.
Building Control	-5	Extra fees and charges income forecasted by year end
Building Control	-23	Forecast underspend against shared service costs to be reviewed as part of the MTFP process.
Development Management	-20	Forecasted planning income above income target will help offset agency and professional fees associated with planning applications. Some income may be allocated to Reserves in Q3.
Parks Events	-8	Additional fees and charges and activity income forecasted over the year
Local Planning Development	-3	Small, one-off income relating to s106 planning monitoring fees received in year.

2026/27 forecast Position	**-110**	Significant underspend driven by additional income and staff recharges to Capital.

Regeneration and Property Services – 2026/27 forecast position £0.084m overspend

Supplementary Table 3.6h

Key Variances	Variance (£'000)	Explanation
Capitalisation (Recharge for Q2 shown in Table 1	-118	Staffing charged to the capital programme as part of £0.401m adjustment.
Markets	21	Markets overspend due to income shortfall and additional staffing costs.
Non adopted highways	60	There have been further costs since the initial forecast in Q1 due to increased need to undertake repairs.
Street lighting	9	Street lighting additional repairs, some relating to vandalism.
Property services	95	Income shortfall on rented properties. A growth bid for 2027/28 will be reviewed as part of the MTFP to re-set the income budget at appropriate level.
Property services	21	Increase in property insurance costs. A growth bid for 2027/28 will be reviewed as part of the MTFP.
Other Variances	-4	Other variances split across the services
2026/27 forecast Position	**84**	**O**verspend is driven by income shortfalls and increased repair and insurance costs, partly offset by staffing charged to the capital programme.

Regulatory Client – 2026/27 forecast position to budget

Supplementary Table 3.6i

Key Variances	Variance (£'000)	Explanation
Other Variances	0	No significant variances identified at Quarter 2.
2026/27 forecast Position	**0**	

Rubicon Client – 2026/27 forecast position to budget

Supplementary Table 3.6j

Key Variances	Variance (£'000)	Explanation
Other Variances	0	No significant variances identified at Quarter 2.
2026/27 forecast Position	**0**	

Corporate Financing – 2026/27 forecast position budget

Supplementary Table 3.6k

Key Variances	Variance (£'000)	Explanation
Other Variances	0	No significant variances identified at Quarter 2.
2026/27 forecast Position	**0**	

HRA - 2026/27 forecast position budget

Key Variances	Variance (£'000)	Explanation
Contribution towards expenditure	12	The adverse income variance relates to expenditure which is expected to be recovered from insurance claims. The insurance recovery amount is forecast to be lower than expected.
Repairs & Maintenance	162	This overspend is mainly due to budget pressures created by higher than expected increase in material costs and fleet maintenance expenses.
Supervision & Management	-120	The underspend is mainly due to vacant posts. The restructure of the HRA Housing Services and Housing Experience teams approved in 2025-26 have not been fully embedded.
Rents, Rates & Taxes	20	The forecast overspend is the due to a small increase in insurance related costs
2026/27 forecast Position	**61**	A forecast overspends of £61k, that represents a contribution to reserve of £80k in comparison to the budgeted contribution from reserves of £19k.

Capital Position

3.6 A comprehensive review of the Capital Programme, its funding and delivery profile is under way as part of the wider Financial Resilience Programme. The review is intended to establish a reconciled and fully funded programme and identify the associated cashflow, borrowing, interest and Minimum Revenue Provision

implications. The developing Medium Term Financial Plan will reflect the outcome of that work, including the approach to prioritising future capital schemes and the potential revenue consequences of external borrowing. This monitoring report remains focused on delivery and expenditure against the approved 2026/27 programme. Any changes to that programme or its financing requiring formal approval will be presented through the MTFP and Capital Strategy process.

3.7 Many of these schemes were already in partial delivery in the 2025/26 financial year. Net unspent budget was carried from 2025/26 to supplement the 2026/27 capital programme as shown in table 3 below.

Table 3 Capital Programme 2025/26 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	24,488,151	29,743,114
2027/28	2,315,118		
2028/29	2,064,490		
2029/30	2,321,958		

3.8 Included in this funding the Council also have the following Grant Funded Schemes which are being delivered in 2026/27:

- The Town Deal schemes – the Innovation Centre and Public Realm improvements which are funded primarily via £15.6m of Government Funding plus UKSPF grant, LEP funds and a Council contribution.

  - For the Innovation Centre
    - Construction commenced Monday 12th October with a profiled completion date of Spring 2028. Speller-Metcalfe took possession of the site and commenced mobilisation in September following earlier signing of a Letter of Intent.
    - MHCLG have confirmed the deadline to spend Town Deal funding has been extended until end of March 2028. GBS LEP funding can be spent 2028/29.

- Planning permission was granted on 11 December, and we remain on track to discharge all pre-commencement conditions ahead of starting on site.
- The final business case for GBS LEP funding was signed off by BCC Cabinet on 20th January 2026. The funding agreement has now been signed and returned following approval by Full Council in June 2026.
- 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.

Table 4 Town Deal Schemes - Funding

Funding Source	(£)
Town Deal Fund	15,600,000
UKSPF	30,435
GBS LEP	2,425,000
RBC Regeneration Reserves	664,000
S106	176,404
Total Funding	**18,895,839**

Table 5 Town Deal Schemes – Budget Allocation

Town Deal Scheme	(£)
Innovation Centre	16,616,936
Public Realm	2,278,903
Total Budget	**18,895,839**

- For the Public Realm Scheme
  - All works to Unicorn Hill and Church Green West have been completed.

3.9 The 2026/27 spend on capital as at 30 September 2026 was £10.510m against a revised capital budget of £29.743m. Details of spend and variances are provided in **Appendix A.** The Capital Programme Review will continue to reconcile expenditure, funding and delivery assumptions for the current programme and determine the associated borrowing and revenue consequences. Any resulting changes to the approved 2026/27 programme will be incorporated into subsequent monitoring and reported for approval where required.

Housing Revenue Account

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

- Repairs and Maintenance – The service is projecting a £162k overspend, largely due to mounting budget pressures, including higher material costs and increased fleet maintenance expenses.
- Supervision and Management – The £130k favourable variance is mainly due to vacant posts. Restructure of section is not fully embedded.
- Planned Use of Balances - An adverse variance of £61k, that represents a contribution to reserve of £80k in comparison to the budgeted contribution of from reserves of £19k.

Table 6 Housing Revenue Account

		2026/27 Original Budget £'000	2026/27 Working Budget £'000	2026/27 Budget Apr - Sept £'000	2026/27 Actual Apr - Sept £'000	2026/27 Variance Apr - Sept £'000	2026/27 Projected Outturn £'000	2026/27 Projected Variance £'000
INCOME								
Dwelling Rents	DR	-29,160	-29,160	-15,187	-15,187	-0	-29,160	-0
Non-Dwelling Rents	NDR	-550	-550	-287	-447	-160	-550	0
Tenants' Charges for Services & Facilities	CSF	-970	-970	-505	-565	-60	-973	-3
Contributions towards Expenditure	CTE	-74	-74	-38	18	56	-62	12
								0
Total Income		**-30,753**	**-30,753**	**-16,017**	**-16,181**	**-164**	**-30,744**	**9**
EXPENDITURE								
Repairs & Maintenance	R&M	8,452	8,452	4,226	5,273	1,046	8,614	162
Supervision & Management	S&M	9,531	9,531	4,765	2,239	-2,527	9,400	-130
Rent, Rates, Taxes & Other Charges	RRT	738	738	369	540	171	759	20
Provision for Bad Debts	BDP	308	308	154	0	-154	308	0
Depreciation & Impairment of Fixed Assets	DEP	7,794	7,794	3,897	0	-3,897	7,794	0
Interest Payable & Debt Management Costs	INT	4,179	4,179	2,090	-134	-2,224	4,179	0
Total Expenditure		**31,002**	**31,002**	**15,501**	**7,917**	**-7,584**	**31,054**	**52**
Net cost of Services		**249**	**249**	**-516**	**-8,264**	**-7,748**	**309**	60
Net Operating Expenditure		**249**	**249**	**-516**	**-8,264**	**-7,748**	**309**	**60**
		0	0					
Interest Receivable	IR	-230	-230	-115	0	115	-230	0
Revenue Contribution to Capital Outlay	RCCO	0		0	0	0	0	0
Planned use of Balances	UB	-19	-19	631	0	-631	-80	-61
Transfer to Earmarked Reserves	TER	0		0	0	0	0	0

Table 7 HRA Capital Programme

Project	Project Description	2026/27 Full Year Budget £	2026/27 Budget to Date Apr - Sept £	2026/27 Actuals & Comm Apr - Sept £	2026/27 Variance Apr - Sept £	2026/27 Forecast Outturn £	2026/27 Projected Variance £
Various	Housing 1-4-1 Purchases/Build	3,000,000	1,500,000	3,058,566	1,558,566	3,100,000	100,000
100053	Asbestos General	100,000	50,000	54,392	4,392	100,000	0
100054	Structural Repairs	75,000	37,500	220,197	182,697	250,000	175,000
100055	Electrical Upgrade	220,000	110,000	94,288	-15,712	200,000	(20,000)
100056	Boiler Replacement	825,000	412,500	335,533	-76,967	500,000	(325,000)
100058	Window Replacement	350,000	175,000	281,758	106,758	350,000	0
100059	Disabled Adaptations	250,000	125,000	473,550	348,550	480,000	230,000
100060	Environmental Enhancement	750,000	375,000	179,957	-195,043	200,000	(550,000)
100062	Stock Condition Survey	200,000	100,000	67,687	-32,313	100,000	(100,000)
100063	Housing Management System	250,000	125,000	251,578	126,578	250,000	0
100066	Capitalised Salaries	750,000	375,000	-	-375,000	750,000	0
100067	Door Entry/CCTV	300,000	150,000	237,810	87,810	250,000	(50,000)
100068	HRA Hard Wire S	50,000	25,000	63,968	38,968	100,000	50,000
100074	Balcony Replacement	500,000	250,000	449,506	199,506	450,000	(50,000)
100083	HRA Compartmentation	2,500,000	1,250,000	3,063,756	1,813,756	2,750,000	250,000
100084	Major Voids Works	1,500,000	750,000	2,267,014	1,517,014	2,000,000	500,000
100098	HRA-Energy Efficiency	750,000	375,000	881,867	506,867	900,000	150,000
100115	HRA Stock Remodelling	300,000	150,000	127,441	-22,559	150,000	(150,000)
100116	HRA Estates Garages	500,000	250,000	811	-249,189	50,000	(450,000)
110001	Internal Refurbishment	2,500,000	1,250,000	2,451,104	1,201,104	2,500,000	0
110003	High Trees Project	-	-	40,730	40,730	41,000	41,000
110004	Disrepair Cases	100,000	50,000	705,292	655,292	705,000	605,000
110005	External Refurbishment	500,000	250,000	129,510	-120,490	150,000	(350,000)
110042	Lift Replacement	150,000	75,000	121,558	46,558	130,000	(20,000)
110045	Vehicle Replacement	1,300,000	650,000	1,371,514	721,514	1,400,000	100,000
		17,720,000	**8,860,000**	**16,929,391**	**8,069,388**	**17,856,000**	**136,000**

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

Structural Repairs – Through the quarter and across the year, properties are identified as requiring significant structural repairs. While some issues arise through routine repairs and maintenance requests, others only became apparent after problems emerge, requiring a reactive response.

Boiler Replacement – The planned programme of replacement is ongoing however there has been a reduction in reactive boiler replacements through this period.

Window Replacement – The majority of replacements are based on reactive demand as further work is undertaken on the stock condition database to assess whether programmes of replacement are required.

Disabled Adaptations – Demand for more complex adaptations increased during Q2, requiring additional contracted capacity to manage the workload.

Disrepair Cases – The Council regularly receives disrepair claims from solicitors acting on behalf of council housing tenants. In response, detailed inspections and surveys are undertaken to identify defects and any maintenance works required. The Council must then complete the necessary remedial works to ensure homes meet required standards for safety, compliance and habitability. Due to the legal nature of these claims, works must be completed within strict statutory and court-imposed timescales. Resources are therefore prioritised to reduce risk to residents, meet legal obligations and minimise further costs arising from delay. Where works identify wider improvement needs, the Council will seek to address issues fully and, where appropriate, modernise properties to meet the Decent Homes Standard, reducing the need for repeat visits.

Earmarked Reserves

3.12 The level of General Fund Earmarked Reserves held at 01 April 2026 was £23.540m as shown in Appendix B. As part of the development of the Medium Term Financial Plan and Budget for 2027/28 all reserves will be reviewed. Projections at 30 September 2026 suggest the Council is expected to hold £23.652m as in earmarked reserves by the end of the financial year. As would be expected, the level of earmarked reserves will reduce over the coming years as commitments are met. HRA Earmarked Reserves stand at £9.160m over the period. The separate reserves review being undertaken through the Financial Resilience Programme and reflected in the MTFP Report is testing the purpose, commitments and future requirement for each reserve and therefore presents a modelled assessment rather than the Quarter 2 monitoring forecast shown here. That work remains in progress and any changes affecting the 2026/27 forecast will be reconciled through subsequent financial monitoring before the final reserves position is presented as part of the February 2027 budget.

General Fund Balance

3.13 The General Fund Balance brought forward as at 1 April 2026 was £9.986m and as at 30 September 2026 is projected to be £8.478m to accommodate the reported overspend of £1.396m and movement of £0.112m Building Levy New Burdens Grant funding that was aggregated into General Fund Balance to a separate Building Levy Reserve. The appropriate ongoing level of the General Fund Balance is being considered separately through a risk-based assessment as part of the Financial Resilience Programme and final MTFP. That assessment will consider the Council's financial and delivery risks and will inform the Section 151 Officer's assessment of the adequacy of reserves in February 2027.

Table 8 General Fund Balance

GENERAL FUND	£m
Opening Balance	**9.986**
Movement in Year	
Building Levy	(0.112)
Q2 forecast	(1.396)
Closing Balance	**8.478**

Financial Performance

3.14 Council Tax collection at 30 September 2026 was 54.97%, 0.78 percentage points below the profiled target of 55.75%. Collection activity will continue throughout the year. Current modelling indicates a Collection Fund deficit of approximately £1m across all precepting authorities, with Redditch Borough Council bearing its proportionate share. The forecast will continue to be reviewed and the Council's share will be incorporated into the 2027/28 MTFP as the position is validated. 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 September 2026)

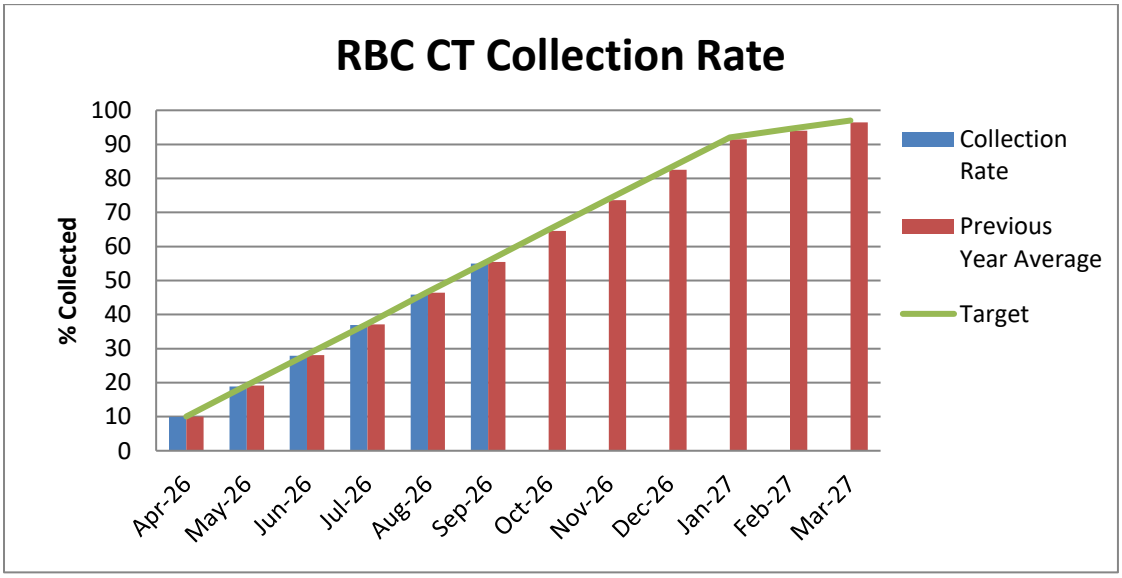
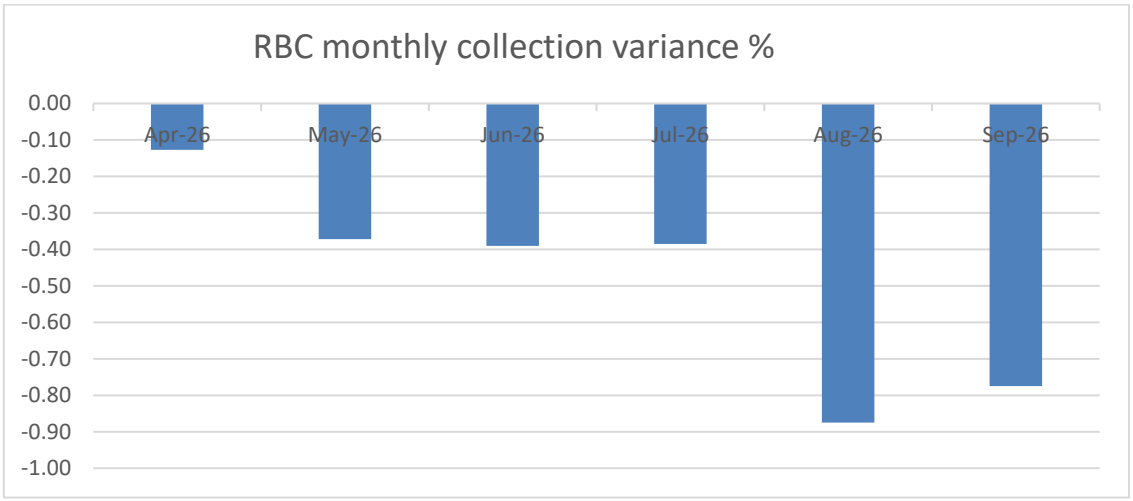


Figure 2 Monthly Council Tax Variance to Target (April to September 2026)



3.15 The National Non-Domestic Rates collection rate data for the financial year 2026/27 is set out in the following tables. Overall, collection to date is 0.09% below target.

Figure 3 Non-Domestic Rates Collection Rate (April to September 2026)

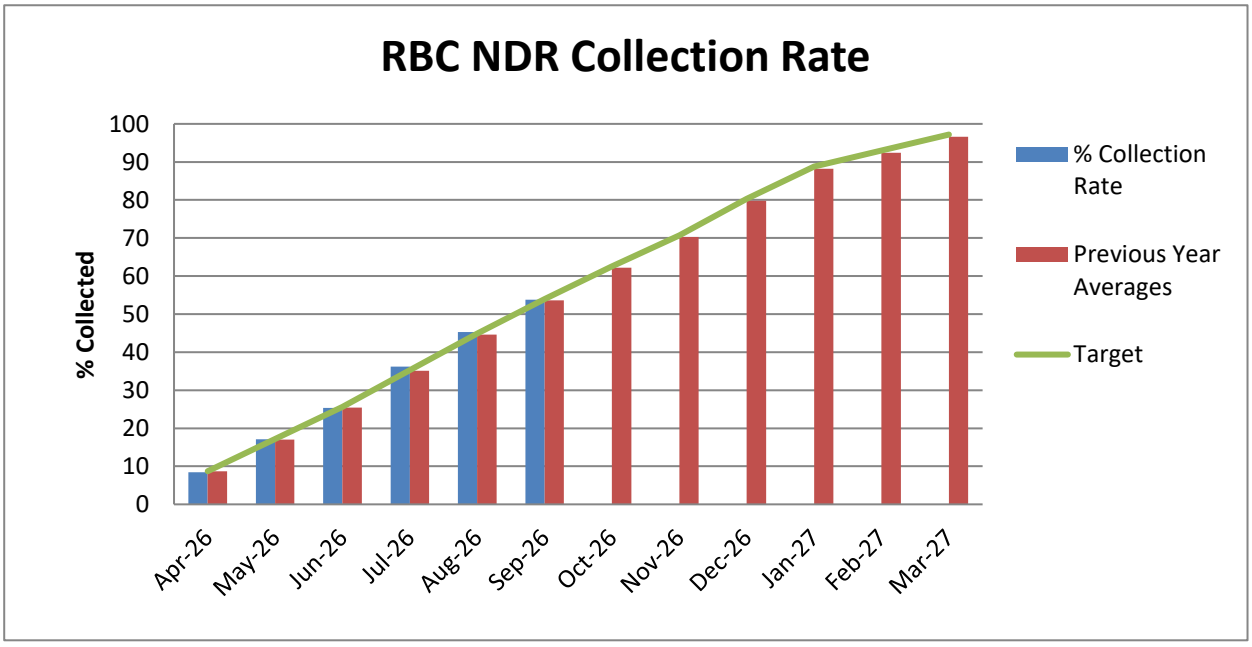
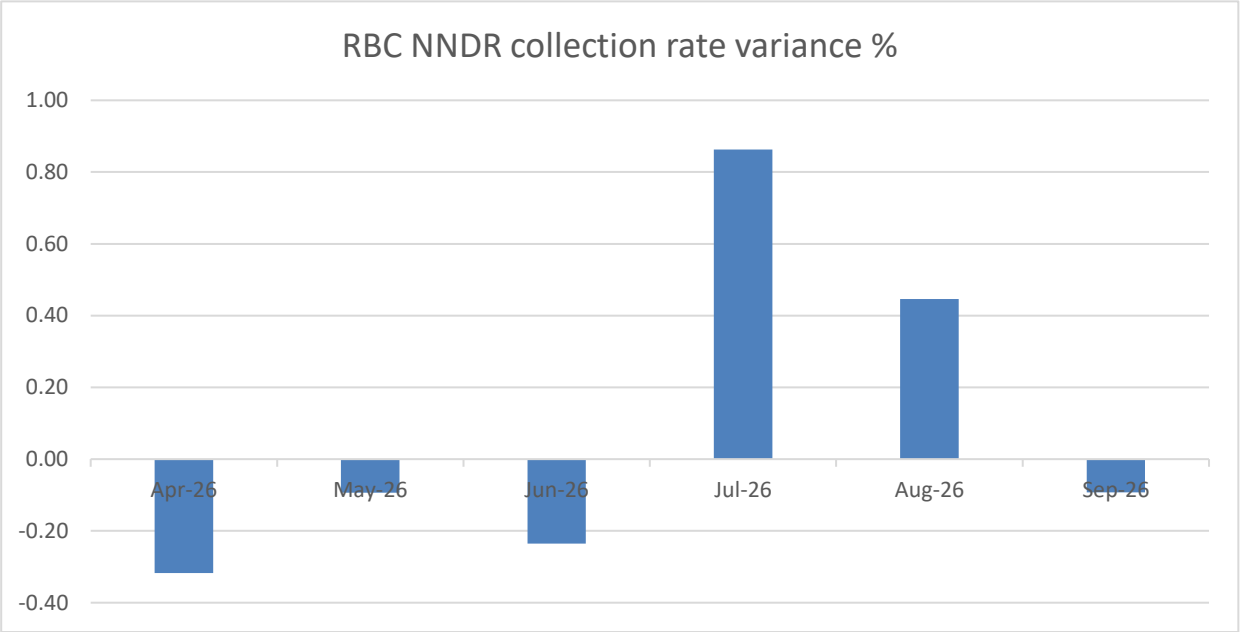


Figure 4 Monthly Non-Domestic Rates Variance to target (April to September 2026)



4. Legal Implications

4.1 No Legal implications have been identified.

5. Strategic Purpose Implications

Relevant Strategic Purpose

5.1 The Strategic purposes are included in the Council's corporate plan and guide the Council's approach to budget making ensuring we focus on the issues that 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.

Local Government Reorganisation

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

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 2026/27 forecast report for 2026/27 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 Spend 2026/27
Appendix B – Reserves Position
Appendix C – Ward Budgets

AUTHOR OF REPORT

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REDDITCH BOROUGH COUNCIL

Executive Committee 24th November 2026

Appendix A -2026/27 Capital*

Description	2026/27 Budget	2026/27 Budget incl C/F's	2026/27 Spend
Large Schemes - Towns Fund			
Innovation Centre	0	8,809,614	
Library	0	2,320,634	
Public Realm	0	4,216,926	
Town Hall Redevelopment	0	2,548,909	2,532,226
Other Schemes			
Abavus Licensing	10,200	20,400	
Abavus Software Integration	30,000	60,000	
Abbey Stadium - refurbish indoor Changing Rooms and Totients	0	300,000	417,404
Abbey Stadium Roof Replacement	0	250,000	
Additional Rooms in Redditch	15,000	15,000	
Arrow Valley Car Park	0	63,840	
Arrow Valley Lakeside Slipway	120,000	120,000	
AVCP - Parking Bays near Visitor Centre	0	12,000	
AVVC External Shelter	40,000	40,000	
AVVC External Storage	60,000	60,000	
AVVC Kitchen Extension	30,000	30,000	
AVVC Reconfiguration	25,000	25,000	
AVVC Replacement Windows	75,000	75,000	
Battery Charging and Storage Units	12,000	12,000	12,000
Battery Equipment	15,000	15,000	12,000
Benches	30,000	30,000	
Buggy Storage Area	20,000	20,000	
Car Park Maintenance	150,000	296,072	75,194
Catchley Road Shop Re-roof	80,000	80,000	
Cisco Network Update	50,000	103,273	
Crossgates Depot	94,000	94,000	
Crossgates House Door Replacements	30,000	30,000	
Cyber Security Updates	40,000	90,000	
DDA Play Area Improvements	300,000	300,000	
Disabled Facilities Grant	700,000	1,822,870	854,432
Energy & Efficiency Installs.	0	209,345	
Energy Performance Certificate Requirements	0	100,000	10,865
Final Play Area Changes	0	274,876	
Fire compartmentation works in Corporate buildings	250,000	159,066	

Fleet Costs	0	611,000	
Fleet Replacement new line	1,150,000	190,704	5,457,015
Footpaths	75,000	51,409	75,000
Forge Mill - New outdoor Kiosk and Toilet Replacement	0	90,000	8,710
Forge Mill and Bordesley Open Space Improvements	0	5,859	
Forge Mill Sluice	20,000	20,000	
Forge Mill Window Replacement	60,000	60,000	81,856
Further Improvements to Play Areas	30,000	30,000	
GF Asbestos	0	55,409	89,520
Grassland Mitigation measures- recreating and monitoring grassland habitats in MS and AVCP	5,864	17,591	
Hedge and Shrub Removal	0	80,000	
Hedgerow Mitigation measures by restoration and hedge laying with associated fencing and gates at AVP SHM and AVP North	0	10,935	661
HMO Grants	25,000	111,500	
Home Repairs Assistance	40,000	200,000	
Improved Parking Scheme (includes locality funding)	0	400,000	
Improvement Holly trees children's centre	0	6,000	
Improvement to original Pump Track at AVCP	0	56,364	
Improvement to Sports Pitches infrastructure in Morton Stanley Park	0	23,002	
Increased Building Maintenance Costs	150,000	412,919	
Laptop Refresh	30,000	62,866	6,607
LEV System Installation - Crematorium	50,000	50,000	
Lifeline Improvements	0	120,000	
Market Traders Refurbishment	25,000	25,000	
Memorial Modernisation	50,000	50,000	
Morgan Stanley Footpaths	0	16,500	
Morton Stanley Play, Sport and Open Space Improvements (General)	0	1,401	
MUGA at Greenlands Sports Pitches. 2018/169/FUL Land off Green Lane	0	43,078	
New Bins across all sites	4,000	4,000	
New Cemetery Provision	0	635,963	
New Food Waste Collection - DEFRA Funding	0	785,955	
New Window in Chapel	100,000	100,000	
Palace Theatre Refurbishment	50,000	50,000	
Pet Cremator	50,000	50,000	
PitcherOak, refurbish Male Changing and rebuild 2nd Green	0	90,000	
Play area (£34,583.39), Open space (£12,001.36) and Sport (£8,516) improvements at Mayfield's Park. 11/019/FUL	0	1,172	
Play Area Changes - Pre Audit	0	382,000	

Play Area improvements at Birchfield Road,/Headless Cross Rec Ground. 17/00737/FUL	0	7,575	
Play Areas - Surface Replacement	7,500	-84,009	
Play Audit funding	137,399	592,232	157,227
Provide the Crossgate Depot site with a new and Compliant Deisel Fuel installation	0	56,000	
PRS Housing ICT System	0	30,000	
Public Building	250,000	-55,826	115,257
Removal of 5 weirs through Arrow Valley Park (programme £180k)	0	414,000	
Replacement Track - Abbey Stadium	0	300,000	90,380
Replacing 3 fuel pumps and upgrading tank monitoring equipment	0	25,000	
Salary Capitalisation	400,000	400,000	200,474
Server Replacement	60,000	119,724	
Signage across all sites	9,000	9,000	
Sports Contributions to support improvements to Outdoor facilities at Terry Field	0	3,000	
Update Town Hall Fire Wall	0	16,250	
Wheelie Bin purchase	100,000	205,716	291,592
William St Bin Storage Improvement Scheme	80,000	80,000	
Woodrow Housing Offices Autodoors	15,000	15,000	
Woodrow Meeting Rooms Window Replacement	40,000	40,000	21,250
Woodrow Shopping Centre Re-roof	65,000	65,000	
Grand Totals	**5,254,963**	**29,743,114**	**10,509,670**

* The Council are currently undertaking a review of the Capital Programme, budgets and financing and will bring a revised, fully funded capital programme to Council for approval later in the year.

REDDITCH BOROUGH COUNCIL

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Appendix B - Earmarked Reserves

AD		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	Transfers in 2028/29	Transfers out 2028/29	Balance at 31/3/29
	General Fund	9,986		(1,508)	8,478			8,478			8,478
	General Fund Earmarked Reserves:										
R Egan	Business Improvement District	209			209		(209)	0			0
D Goodall	Business Rates Retention Scheme	4,358			4,358			4,358			4,358
R Bamford	Building Safety Levy	0	112		112		(10)	102		(10)	92
J Willis	Community Development	74			74			74			74
R Egan	Community Investment Fund	1,600			1,600			1,600			1,600
J Willis	Community Safety	661			661		(195)	466		(195)	271
D Goodall	Corporate Services	2,594			2,594			2,594			2,594
D Goodall	Council Tax Benefit	605			605			605			605
D Goodall	Customer Services	183			183			183			183
R Egan	Economic Growth	841			841		(415)	426		(111)	315
C Felton	Electoral Services	63			63		(25)	38		(18)	20
S Parry	EPR Funding Allocation	2,062			2,062		(304)	1,758			1,758
R Elmes	Equipment replacement	25			25			25			25
D Goodall	Essential Living Fund	135			135		(50)	85		(50)	35
D Goodall	Financial Services	1,106			1,106		(340)	766			766
	Hardship Fund	80			80			80			80
R Egan	Health and Safety Capital Works	603			603			603			603
	Homelessness	12			12			12			12
J Willis	Homelessness Prevention	519			519		(269)	250			250
D Goodall	Housing Benefit Implementation	308			308			308			308
R Egan	Insurance costs for non-adopted roads	100			100			100			100
	Land Charges	9			9			9			9
	Land Drainage	129			129			129			129
	Legal Costs for Skerry, Boultons Lane	19			19			19			19
J Walton	LGR Reserve	1,000			1,000			1,000			1,000
D Goodall	Library Work - Town Hall Write Off	667			667			667			667
R Bamford	Local Plan Fund	539			539		(66)	473			473
	Planning Reserve for planning applications	100			100			100			100
R Egan	Redditch Town Hall Fire Alarm	165			165			165			165
R Egan	Regeneration & Property	710			710		(664)	46			46
J Walton	Risk and Resilience Reserve	2,500			2,500		(500)	2,000			2,000
J Willis	Starting Well	178			178		(54)	124		(54)	70
	Town Hall Works Reserve	1,000			1,000			1,000			1,000
J Willis	Ukrainian Support	232			232		(59)	173		(59)	114
D Goodall	Universal Credit	18			18			18			18
J Walton	Ward Budgets	120			120		(60)	60			60
	Warmer Homes	16			16			16			16
	Total General Fund Earmarked Reserves	23,540	112	0	23,652	0	(3,220)	20,432	0	(497)	19,935
	HRA										
	Housing Capital	9,160			9,160			9,160			9,160
	Total General Fund Earmarked Reserves	32,700	112	0	32,812	0	(3,220)	29,592	0	(497)	29,095

REDDITCH BOROUGH COUNCIL

Executive Committee 24th November 2026

Appendix C – Ward Budgets

Activity	Spend	Balance £2,000
Cllr James Aston	2,000.00	0.00
Cllr Joe Baker	1,000.00	1,000.00
Cllr Juliet Barker-Smith	900.00	1,100.00
Cllr Roger Bennett	0.00	2,000.00
Cllr William Boyd	0.00	2,000.00
Cllr Brandon Clayton	200.00	1,800.00
Cllr Matthew Dormer	842.57	1,157.43
Cllr Sue Eacock	1,500.00	500.00
Cllr James Fardoe	0.00	2,000.00
Cllr Simon Farmer	800.00	1,200.00
Cllr Andy Fry	0.00	2,000.00
Cllr Bill Hartnett	1,000.00	1,000.00
Cllr Sharon Harvey	1,100.00	900.00
Cllr Joanna Kane	1,095.00	905.00
Cllr Wanda King	0.00	2,000.00
Cllr Nicola Lloyd	200.00	1,800.00
Cllr David Meredith	250.00	1,750.00
Cllr Gemma Monaco	642.57	1,357.43
Cllr Ashley Monk	0.00	2,000.00
Cllr Nick Pioli	1,000.00	1,000.00
Cllr Rita Rogers	0.00	2,000.00
Cllr Gary Slim	900.00	1,100.00
Cllr Jen Snape	995.00	1,005.00
Cllr Jane Spilsbury	1,400.00	600.00
Cllr Monica Stringfellow	2,000.00	0.00
Cllr Craig Warhurst	500.00	1,500.00
Cllr Ian Woodall	0.00	2,000.00
TOTALS	**18,325.14**	**35,674.86**

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).

The Wards budget was approved by Council for three years from 2026/27 (£2,000 per ward (£62,000) in total) plus £16,000 per annum administration costs = £78,000 per year and therefore £234,000 to 2027/28). The Reserve available at 1 April 2026 is £156,000 (£78,000 for 2026/27 and the same for 2027/28).

Total costs charged to the Wards Reserve for 2026/27 are assumed to be the full allocation for 2026/27 of £156,000, and similarly to the Community Investment Fund the full allocation of £93,000. Any underspend at year end will be incorporated within the General Fund Balance.