PORTFOLIO HOLDER FOR FINANCE AND GOVERNANCE

11 SEPTEMBER 2026

REPORT OF THE CORPORATE DIRECTOR FINANCE & IT

A.1 FINANCIAL OUTTURN 2025/26 - REVIEW OF GENERAL FUND CARRY FORWARDS

PART 1 – KEY INFORMATION

PURPOSE OF THE REPORT
To set out for approval the final position in respect of requested carry forwards, following the associated review as part of the wider outturn processes for 2025/26.

EXECUTIVE SUMMARY
• As set out in earlier reports, carry forwards totalling **£73.816m** were identified / requested for consideration as part of finalising the outturn position for 2025/26. • An associated review has subsequently been completed by the Portfolio Holder for Finance & Governance under an existing delegation, by applying key underlying 'qualifying' criteria as set out later on in this report. The review has also taken into account the Council's two-year financial plan. • From the figure above of **£73.816m**, it is proposed to agree carry forwards totalling **£72.259m**. • In accordance with an earlier decision, the balance of **£1.557m** will be transferred to the Corporate Investment Fund (Revenue). • In terms of those items not approved, it is acknowledged that if associated costs emerge during the year, then relevant items can still be reconsidered, but as part of the more general cost pressure / investment decision processes as necessary.

RECOMMENDATION(S)
The Finance and Governance Portfolio Holder approves the revenue carry forwards totalling £12.423m as set out within Appendix A, along with confirming all previously requested capital carry forwards as set out within the earlier Portfolio Holder report considered on 30 June that total £59.836m.

REASON(S) FOR THE RECOMMENDATION(S)
To enable the conclusion of the carry forwards process as part of the wider outturn activities for 2025/26.

ALTERNATIVE OPTIONS CONSIDERED
Not applicable

PART 2 – IMPLICATIONS OF THE DECISION

<table>
<tr><td colspan="5">DELIVERING PRIORITIES</td></tr>
<tr><td colspan="5">The review of carry forwards has included a range of factors that include the Council's existing priorities and deliverability over the period of the two-year financial plan.</td></tr>
<tr><td colspan="5">OUTCOME OF CONSULTATION AND ENGAGEMENT</td></tr>
<tr><td colspan="5">Internal consultation is carried out via the Council's approach to monitoring / developing the budget as set out within the Constitution.</td></tr>
<tr><td colspan="5">LEGAL REQUIREMENTS (including legislation & constitutional powers)</td></tr>
<tr><td rowspan="2">Is the recommendation a Key Decision (see the criteria stated here)</td><td rowspan="2">YES/~~NO~~</td><td>If Yes, indicate which by which criteria it is a Key Decision</td><td colspan="2">☐ Significant effect on two or more wards
X Involves £100,000 expenditure/income
☐ Is otherwise significant for the service budget</td></tr>
<tr><td>And when was the proposed decision published in the Notice of forthcoming decisions for the Council (must be 28 days at the latest prior to the meeting date)</td><td colspan="2">Upcoming decision was published at least 28 days prior to the decision being made.</td></tr>
<tr><td colspan="5">The agreement of carry forwards by the Portfolio Holder for Finance & Governance, as set out in this report, is in accordance with the associated delegation set out in Para 4.3 of Part 3. of the Council's Constitution, which states:

4.3 ADDITIONAL SPECIFIC DELEGATIONS TO INDIVIDUAL PORTFOLIO HOLDERS

Corporate Finance and Governance

In consultation with the Chief Financial Officer, to agree the outturn position/report each year (including carry forwards) to provide the necessary flexibility to comply with the new statutory timetable for publishing the Council's Statement of Accounts.</td></tr>
<tr><td>Yes</td><td colspan="4">The Monitoring Officer confirms they have been made aware of the report and any additional comments from them are below:</td></tr>
<tr><td colspan="5">Although there are no significant comments over and above those already set out within the report, it is important to highlight that many of the items approved will remain subject to further / separate decision making processes as appropriate to enable associated actions and activities to be taken forward.</td></tr>
<tr><td colspan="5">FINANCE AND OTHER RESOURCE IMPLICATIONS</td></tr>
<tr><td colspan="5">These are broadly set out within the main body of the report.</td></tr>
<tr><td>Yes</td><td colspan="4">The Section 151 Officer confirms they have been made aware of the above and any additional comments from them are below:</td></tr>
<tr><td colspan="5">The S151 Officer is the author of this report.</td></tr>
</table>

USE OF RESOURCES AND VALUE FOR MONEY	
The following are submitted in respect of the indicated use of resources and value for money indicators:	
A) Financial sustainability: how the body plans and manages its resources to ensure it can continue to deliver its services;	This was addressed throughout earlier reports and appendices as appropriate, and forms part of the overall carry forward review process. In terms of the most recent Value for Money review undertaken by the Council's External Auditor, they confirmed that they did not identify any significant weaknesses in respect of arrangements the Council has put in place to secure economy, efficiency and effectiveness in the use of its resources.
B) Governance: how the body ensures that it makes informed decisions and properly manages its risks, including; and	
C) Improving economy, efficiency and effectiveness: how the body uses information about its costs and performance to improve the way it manages and delivers its services.	

MILESTONES AND DELIVERY

This report forms part of the Council's wider budget setting and monitoring processes, which includes the consideration of the overall outturn position for the year. In respect of 2025/26, this report sets out the outcome from the review of requested carry forwards as part of finalising the overall outturn position for the year.

ASSOCIATED RISKS AND MITIGATION

Although there are no direct risks associated with the outturn position and associated review of carry forwards, there may be various 'knock on' risks to the Council's financial position going forward, which are either set out elsewhere within earlier reports or will be revisited as part of developing the two-year plan that will be presented to future Cabinet meetings. The financial position for 2026/27 and beyond will therefore be reviewed in light of the outturn position, which includes the outcome from the review of carry forwards.

The Council's reserves, including the Forecast Risk Fund and Corporate Investment Funds remain key elements of supporting the Council's financial position in the interim period before new / successor Unitary Councils are established from the currently expected date of 1 April 2028. The impact on the Corporate Investment Funds is set out elsewhere in this report.

EQUALITY IMPLICATIONS

There are no known direct implications at the present time.

SOCIAL VALUE CONSIDERATIONS

There are no known direct implications at the present time.

IMPLICATIONS RELATED TO DEVOLUTION AND / OR LOCAL GOVERNMENT REORGANISATION

As set out earlier in the year, the Council's financial position needs to be considered within an interim period before new / successor Unitary Councils are established from the current expected date of 1 April 2028. The implications and impacts will continue to be reviewed on an on-going basis over the forecast period. The carry forward review and approval process forms an important element in continuing to support the Council's successful financial management processes and the prioritisation of activities, schemes and projects within the interim period.

IMPLICATIONS FOR THE COUNCIL'S AIM TO BE NET ZERO BY 2050

There are no known direct implications at the present time.

OTHER RELEVANT CONSIDERATIONS OR IMPLICATIONS	
Consideration has been given to the implications of the proposed decision in respect of the following and any significant issues are set out below.	
Crime and Disorder	Please see comments above
Health Inequalities	
Area or Ward affected	

PART 3 – SUPPORTING INFORMATION

BACKGROUND - GENERAL FUND REVENUE AND CAPITAL CARRY FORWARDS FROM 2025/26 INTO 2026/27

As set out in earlier reports, it is recognised that due to the size, nature and lead-in times of some schemes, expenditure can span financial years with some schemes not completed by the 31 March in any one year. Therefore commitments for goods and services are likely to remain outstanding at the 31 March each year, examples of which include uncompleted work that the Council has a contractual obligation against or the project is either currently underway or will be started shortly with payment dates or trigger points within the process yet to be reached, finalised and paid.

Carryforwards are expected to broadly follow the principles applied in previous years such as:

- There is a 'contractual commitment';
- There is a related long-term project which is expected to span a number of financial years;
- There is non-recurring item for which no budget provision exists in the following year;

A summary of the carry forwards requested by Services as reported to Cabinet on 24 July 2026 is as follows:

Area of the Budget	Total Carry Forwards
General Fund Revenue *(Excludes the revenue contribution to the capital programme of £5.798m which is included in the figure below instead)*	£13.980m
General Fund Capital Schemes	£59.836m
TOTAL	**£73.816m**

In addition to the above and as set out within the associated Portfolio Holder report / Cabinet Report, the requested carry forwards totalling **£73.816m** as highlighted in the table above remained subject to review within the context of the Council's two-year financial plan e.g. do the associated projects support a corporate priority and/or are they deliverable before the end of March 2028.

It was also highlighted within the earlier reports mentioned above, that once finalised, any money associated with those items not subsequently agreed would be transferred to the relevant Corporate Investment Fund. Money held within these funds can be considered at a later date as part of future financial performance / budget reports as necessary.

The review of carry forwards has now been completed with the detailed outcome set out within **Appendix A**, which is summarised as follows:

Area of the Budget	**Total Carry Forwards Originally Requested**	**Total Carry Forwards Agreed Following Review**	**Balance to be transferred to the relevant Corporate Investment Fund**
General Fund Revenue	£13.980m	£12.423m	£1.557m
General Fund Capital Schemes	£59.836m	£59.836m	Nil
TOTAL	**£73.816m**	**£72.259m**	**£1.557m**

All Capital items are being confirmed for approval as they inherently closely align with the carry forward criteria above.

In respect of the revenue items, a relatively strong view has been taken in the context of the two-year financial plan. However, as set out within **Appendix A**, although a number of items have not been approved, if associated costs arise / emerge during the course of the year, then they can be reconsidered alongside other cost pressures as part of the existing and wider associated investment / financial decision processes.

In terms of the two Corporate Investment Funds, following the proposed changes set out above, the amounts held that are available to support the Council's two-year financial plan are as follows:

	Original Amounts Set out within the Report to Cabinet on 24 July 2026	**Revised Amount Following the Review of Carry Forwards**
• Corporate Investment Fund (Revenue)	£4.970m	£6.527m
• Corporate Investment Fund (Capital)	£3.182m	£3.182m *(no change)*

PREVIOUS RELEVANT DECISIONS
Financial Outturn 2025/26 Report (including GF and HRA) – Agreed by the Portfolio for Finance and Governance 30 June 2026 (LINK: Decision - Financial Outturn 2025/2026) OVERVIEW OF THE FINANCIAL OUTTURN 2025/26 AND PROPOSED ALLOCATION OF THE GENERAL FUND VARIANCE FOR THE YEAR AND OTHER BUDGET ADJUSTMENTS IN 2026/27 and 2027/28 – Item A.1 Cabinet 24 July 2026

BACKGROUND PAPERS AND PUBLISHED REFERENCE MATERIAL
None

APPENDICES	
Appendix A	**Carry Forward Requests 2025/26 – Outcome of Associated Review**

REPORT CONTACT OFFICER(S)	
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