Bolsover District Council

Meeting of the Finance and Corporate Overview Scrutiny Committee on 23rd July 2026

Financial Outturn 2025/26

Report of the Strategic Director of Finance & Section 151 Officer

Classification	This report is public
Contact Officer	Strategic Director of Finance and Section 151 Officer

PURPOSE/SUMMARY OF REPORT

To inform Finance and Corporate Overview Scrutiny Committee of the outturn position of the Council for the 2025/26 financial year. This report will be presented to Executive on the 27th of July 2026.

REPORT DETAILS

1. Background

1.1 On the 12th of June 2026, we completed the Council's draft Statement of Accounts for 2025/26. The draft Accounts are now subject to the independent audit from our external auditor, Forvis Mazars. The group accounts section of the financial statements contains figures taken from the Dragonfly unaudited financial statements, which are subject to audit from their independent external auditor, Hewittcard Chartered Certified Accountants. Until both sets of accounts have been agreed by the respective auditor, there remains the possibility that they will be subject to amendment.

1.2 International Financial Reporting Standards (IFRS) dictate that the main focus of the Statement of Accounts is on reporting to the public in a format which is directly comparable with every country that has adopted IFRS i.e., not just UK or even other local authorities. By contrast, the focus of this report is on providing management information to Members and other stakeholders to assist in the financial management of the Council.

1.3 As Members will be aware, Executive on the 28th of July 2025, approved the services and staff within the Council's wholly owned companies be brought in-house. The staff and services were transferred to the Council on the 1st of February 2026. The figures within this report and the Statement of Accounts for 2025/26, have been prepared with services under the existing reporting structure, as that was the case for the majority of the financial year. The reporting of the figures for 2026/27 will be provided under the new structure.

1.4 The following sections of this report will consider the 2025/26 outturn position with regard to the General Fund, the Housing Revenue Account (HRA), the Capital Programme, the Treasury Management activities, and the earmarked reserves position. Within the report, consideration is given to the level of balances at the year end and the impact which the closing position has upon the Council's budgets in respect of the current financial year.

2. Details of Proposal or Information

General Fund

2.1 The General Fund outturn position is summarised in **Appendix 1** attached to this report. The appendix shows the Current Budget compared to the final Outturn position. The main variances against the current budget are shown in **table 1**, with variances at service level shown in **Appendix 2**.

Table 1

	£000
Rent rebates and allowances	(121)
Go Active! – net increased income/reduced expenditure	(285)
Year-end capital admin allowance	(67)
Increase in external audit fees	74
Net reduction in the cost of the ICT service	(135)
Impairment allowance reduction	(63)
Increase in services income (excluding above)	(237)
Reduction in services expenditure (excluding above)	(251)
Salaries variances	(442)
Non-staff miscellaneous small variances	(313)
Net cost of services	**(1,840)**
Net Debt Charges/Investment Interest	(159)
Additional Business Rates Pooling income	(1,754)
Revenue grants released to revenue to cover management costs, & additional general grant	(122)
Total Outturn Variance	**(3,875)**
Changes to general fund balance since revised budget – until outturn	12
Contribution to Reserves – 2025/26 Outturn	**(3,863)**

Financial Reserves

Transfers from Earmarked Reserves

2.2 The use of earmarked reserves in 2025/26 was £1.096m. This reflects the expenditure incurred on projects at 31st March 2026 which have approval to use earmarked reserves.

Transfers to Reserves

2.3 At the end of the financial year, it has been necessary to agree transfers into reserves in preparation for future expenditure commitments, some from income received in 2025/26. Transfers to reserves total £9.036m which is £3.863m higher than originally forecast, reflecting the outturn shown in **table 1**.

These consist of:

- £0.100m contribution to the IT Reserve to fund future expenditure requirements.

- £0.100m contribution to the Legal Costs Reserve in preparation to fund future specialist legal advice, on such as the APSE case or planning applications.

- £0.100m contribution to the 3G Pitch Carpet Replacement Reserve, as a requirement of the grant conditions from an external funder.

- £1m transfer to the Transformation Reserve for potential 'invest to save' projects that maybe in the pipeline.

- £1.754m transfer to the NNDR Growth Protection Reserve being the pooling income directly attributable to business rates. This is likely to be the last year we receive this income now the rules mean it is no longer beneficial to be in the business rates pool.

- £0.700m contribution to the Local Government Reorganisation Reserve we established when we updated the MTFP, in readiness for any Local Government Reorganisation costs incurred by the Council.

- £0.109m transfer to the General Reserve as the remainder of the in-year surplus.

2.4 Attached at **Appendix 7** is a table showing the Council's earmarked reserves position for both the HRA and the General Fund. After the transfers to reserves made as part of this report the general fund has total earmarked reserves of £31.823m, and the HRA has £4.316m, both as at the 31st of March 2026. The total of £36.139m is shown in the Council's 2025/26 Statement of Accounts.

2.5 Of this total figure there is already an element of reserves committed to be spent, this is from previous committee reports or delegated decisions, which were approved prior to 2026/27 in most cases. The amount committed is £19.103m for General Fund and £2.448m for the HRA. A brief description of the reserve and the unallocated balances of £12.720m and £1.868m respectively, are given in

Appendix 7. Should any of these reserves prove unnecessary in the future, they will be moved back into unallocated General Fund or HRA resources, whichever is appropriate.

General Fund Balances

2.6 The General Fund Balances are considered to be at an acceptable level for a District Council rather than at a generous level. The General Fund balance remains at £2.001m in line with the MTFP. This needs to be considered against the background of recent changes to the level of Government funding together with the range of risks facing the Council.

2.7 Given the level of general balances, should either an overspend or an underachievement of income occur, immediate 'crisis' remedial action would need to be considered. Such a response is not conducive to sound financial management but more importantly would have a significant detrimental impact upon the Council's ability to deliver the planned and agreed level of services to local residents. It is for this reason that the Council keeps a number of earmarked reserves too.

2.8 The main feature of the 2025/26 financial year is that the Council transferred £3.863m to Earmarked Reserves in preparation for future expenditure.

2.9 With regard to the underlying favourable variance on the General Fund in 2025/26, this will be reviewed as usual during the budget process for 2026/27 – 2030/31, from August onwards. The latest position for all years in the current MTFP is shown in **Table 2**.

2.10 As a Council we made it our strategy to save extra business rates income earnt in years when we received more than we estimated, to be able to use it in future years when Government funding was reduced. This is being held in the NNDR Growth Protection Reserve and the balance after the transfer from the 2025/26 outturn is £18.714m. Transfers are made from this reserve to the general fund to replace the losses caused by changes in Government funding.

2.11 Within the current MTFP, estimates of the movement from the reserve are as follows: there is a contribution from general fund to the reserve in 2026/27 of £0.304m, and there are transfers from the reserve to general fund of £1.316m in 2027/28, £1.639m in 2028/29, and £5.201m in 2029/30. These figures are the ones which now match the final local government finance settlement, which was presented to Council on the 20th of May 2026.

2.12 In addition, during quarter 1 of 2026/27 Members have approved £2.8m of spend from the reserve. £2.5m is for emergency works at Pleasley Vale Business Park, and £0.300m is for the Council's Play Area Refurbishment Programme.

2.13 The balance expected to be left in this reserve after all predicted transfers have been made to and from the general fund is £10.863m. Following Council in May where the £2.8m was committed against this reserve, this currently leaves £8.063m available to fund any reductions in income which may result from the local government finance settlement when it is announced in December, or emerging necessary works on Pleasley Vale Mills.

Table 2

	2026/27 Budget £000	2027/28 Budget £000	2028/29 Budget £000	2029/30 Budget £000
Net Cost of Services	17,388	17,630	18,446	19,155
Net debt charges + investment interest	(1,729)	(2,006)	(2,200)	(2,425)
Net t/f to/(from) reserves + balances	1,270	1,497	957	1,469
Net t/f to/(from) NNDR Growth Protection Reserve	304	(1,316)	(1,639)	(5,201)
Parish precept	5,396	5,396	5,396	5,396
Funding from council tax, business rates, and government grants	(22,629)	(21,201)	(20,960)	(18,394)
Use of GF balance	**0**	**0**	**0**	**0**

Housing Revenue Account (HRA)

2.14 The Housing Revenue Account is provided in **Appendix 3 and 4** to this report.

2.15 The Housing Revenue Account position shows a number of variances during the year. The main expenditure underspends are in relation to staff related budgets £0.243m within various sections of the HRA, £0.129 increased income from services, and a combined saving of £0.180m against the stores-issues and sub-contractor cost budget. The overall expenditure position is £0.577m below the current budget. The overall income position is £0.126m above the current budget. This gives a net cost of services underspend of £0.703m, adjusting to £0.586m underspend after interest and depreciation.

2.16 The surplus of £0.586m has been used to fund a contribution to the HRA Development Reserve which will be available to fund future expenditure requirements. This is included in **Appendix 7** with the other HRA earmarked reserves and is discussed more in paragraph 2.4 and 2.5. The HRA balance was increased back to former levels during 2024/25 as planned in the MTFP, to £2.007m. The HRA balances are considered appropriate with the level of financial risk facing the HRA. Maintenance of the balances is necessary as it will help ensure the financial and operational stability of the HRA which is essential if we are to maintain the level of services and quality of housing provided to our tenants over the life of the 30-year Business Plan.

2.17 Where the use of Reserves has not been fully applied in 2025/26 and there are ongoing commitments for these activities in 2026/27, the funding will be carried forward and utilised. The balance of the HRA reserves at 31st March 2026 is £4.316m and the unallocated balance is £1.868m.

Capital Investment Programme

2.18 Details of the capital expenditure incurred by the Council in 2025/26 on a scheme-by-scheme basis is provided in **Appendix 5**. The Capital Programme may be summarised as follows:

General Fund:	**Current Programme £'000**	**Outturn £'000**	**Variance £'000**
GF Building Assets	9,073	6,737	(2,336)
£15m Regeneration Funding	8,165	3,200	(4,965)
GF ICT Schemes	576	172	(404)
Leisure Schemes	67	46	(21)
Disabled Facilities Grants	650	571	(79)
GF Vehicle/Plant Replacements	1,877	900	(977)
General Fund Total	**20,408**	**11,626**	**(8,782)**
HRA:	**Current Programme £'000**	**Outturn £'000**	**Variance £'000**
HRA New Build Properties	7,807	5,679	(2,128)
HRA Vehicle Replacements	721	125	(596)
Public Sector Housing Schemes	6,724	4,742	(1,982)
HRA ICT Schemes	176	145	(31)
HRA Total	**15,428**	**10,691**	**(4,737)**
Programme Total	**35,836**	**22,317**	**(13,519)**

General Fund Schemes

2.19 In relation to the General Fund element of the Capital Programme during 2025/26, £8.782m was not undertaken. Work on the Council's buildings and the Regeneration fund schemes were the main variances.

HRA Schemes

2.20 Within the HRA the variances show that £4.737m of the total HRA programme has not been undertaken during the year. The New Build Properties and Public Sector Housing schemes constituted the main variances.

2.21 **Appendix 5** also details the proposed carry forward amounts to 2026/27. These requests relate to individual schemes that are still in progress, where there are outstanding commitments or where the scheme has been delayed. The carry forward amount is £11.560m with the impact on the 2026/27 capital programme detailed in the appendix. It should be noted that all these expenditure requirements will take forward a corresponding level of financial resources and thus have a neutral impact on the financial position in 2026/27.

Capital Financing

2.22 The Capital Programme was financed as follows:

General Fund:	**Current Programme £’000**	**Outturn £’000**	**Variance £’000**
The Better Care Fund	(650)	(571)	79
Prudential Borrowing	(6,265)	(5,421)	844
Reserves	(2,777)	(789)	1,988
Capital Receipts	(741)	(565)	176
External Funding	(9,975)	(4,280)	5,695
Total General Fund	**(20,408)**	**(11,626)**	**8,782**
HRA:	**Current Programme £’000**	**Outturn £’000**	**Variance £’000**
Major Repairs Reserve	(6,383)	(4,599)	1,784
Prudential Borrowing	(6,605)	(4,476)	2,129
HRA Reserves	(32)	(32)	0
Capital Receipts	(1,167)	(343)	824
External Funding	(1,241)	(1,241)	0
Total HRA	**(15,428)**	**(10,691)**	**4,737**
Grand Total	**(35,836)**	**(22,317)**	**13,519**

General Fund Capital Financing

2.23 Officers have financed the General Fund Capital Programme from a combination of capital receipts, reserve contributions, prudential borrowing, and external funding.

HRA Capital Financing

2.24 Officers have financed the HRA Capital Programme from a combination of capital receipts, reserve contributions, prudential borrowing, and external funding.

Treasury Management

2.25 **Appendix 6** provides a brief report on the Treasury Management activity of the Council for 2025/26. In summary, the Council operated throughout 2025/26 within the Authorised and Operational Boundary limits approved in the Treasury Management Strategy as approved by the Council in January 2025.

2.26 The key points from the summary report are:

- The overall borrowing requirement of the Council (the Capital Financing Requirement) - £139.706m at 31 March 2026.
- Effective internal borrowing - £62.906m.
- The PWLB debt - £76.8m.
- £2m repayments of PWLB debt in year.
- No new PWLB borrowing was undertaken in 2025/26.
- PWLB interest paid in 2025/26 - £2.655m.
- Interest received on investments - £0.992m.

3. Reasons for Recommendation

General Fund

3.1 During 2025/26, the Council managed its budget effectively securing a favourable financial outturn. The Council was able to make contributions of £3.863m to reserves in preparation for future expenditure commitments. The Council's general fund earmarked reserves total £31.823m and have £19.103m committed against them, at the time this report was written.

HRA

3.2 Again, effective budget management meant the Council was able to contribute £0.586m to the HRA Development Reserve in preparation for future expenditure commitments. The HRA continues to operate within the parameters set by the 30 Year Business Plan and the MTFP. Officers will be working to ensure that the Business Plan continues to reflect the impact of government legislation, that it is updated in response to the stock condition survey undertaken during 2024/25, and continues to be sustainable over the 30-year period of the Business Plan once the model procured in late 2025/26 is fully operational.

Capital Programme

3.3 The Capital Programme saw good progress on approved schemes during the 2025/26 financial year. There are, however, a number of schemes which are work in progress and this requires that the associated expenditure and funding be carried forward into the 2026/27 financial year.

Capital Financing

3.4 Capital expenditure during 2025/26 has been fully financed in line with the approved programme. However, in some instances where schemes are funding from more than one source and run over more than one year, funding used to finance expenditure this year may differ to originally planned for this year in the MTFP. By the end of the project all financing will have been applied as originally approved.

Treasury Management

3.5 The Council operated in line with its agreed Treasury Management Strategy during the 2025/26 financial year. This ensures that lending and borrowing arrangements were prudent and sustainable, minimising the risk of financial loss to the Council. Effective management of these arrangements ensured that interest costs during the year were minimised in order to assist the Council's revenue position whilst interest receivable rose ever so slightly.

4 Alternative Options and Reasons for Rejection

4.1 The financial outturn report for 2025/26 is primarily a factual report which details the outcome of previously approved budgets therefore there are no alternative options that need to be considered.

4.2 The allocation of resources to earmarked reserve accounts has been undertaken in line with the Council's policy and service delivery framework and in the light of the risks and issues facing the Council over the period of the current MTFP. If these risks do not materialise or are settled at a lower cost than anticipated, then the earmarked reserves will be reassessed and returned to balances where appropriate.

RECOMMENDATION(S)

1. That Members note the outturn position in respect of the 2025/26 financial year.

2. That Members note the transfers to general fund earmarked reserves of £3.863m as outlined in detail in paragraph 2.3.

3. That Members note the transfer to HRA earmarked reserves of £0.586m as outlined in detail in paragraph 2.16.

4. That Members note the proposed carry forward of capital budgets detailed in Appendix **5** totalling £11.560m.

Approved by the Portfolio Holder – Cllr Clive Moesby, Executive Member for Resources

IMPLICATIONS.

Finance and Risk: **Yes☒** **No ☐**
Details:

The financial implications are set out within the body of the report.

Members should note that the budgets against which we have monitored the 2025/26 outturn were those agreed within the Council's Medium Term Financial Plan (MTFP). The MTFP considered both the affordability of the budgets that were approved and ensured that the level of balances remained adequate for purposes of enabling sound financial management.

The issue of financial risk is covered throughout the report. The risk of not achieving a balanced budget, together with the risk that the Council's level of financial balances will be further eroded are currently key corporate risks identified on the Council's Strategic Risk Register.

On behalf of the Section 151 Officer

Legal (including Data Protection): **Yes☒** **No ☐**
Details:

The Statement of Accounts for 2025/26 is required to be prepared by 30 June and audited by the 29th of January 2028 as phase 2 of the process to clear the local audit back log as previously discussed. The Council has now completed the draft Statement of Accounts, and they have been signed off by the Section 151 Officer as at the 12th of June 2026.

On behalf of the Solicitor to the Council

Staffing: **Yes☐** **No ☒**
Details:

There are no human resource issues arising directly out of this report.
On behalf of the Head of Paid Service

Equality and Diversity, and Consultation: **Yes☐** **No ☒**
Details:

Not applicable to this report.

Environment:
Please identify (if applicable) how this proposal/report will help the Authority meet its carbon neutral target or enhance the environment.

Details:
Not applicable to this report.

DECISION INFORMATION

Is the decision a Key Decision? A Key Decision is an executive decision which has a significant impact on two or more District wards, or which results in income or expenditure to the Council above the following thresholds: **Revenue - £75,000** ☐ **Capital - £150,000** ☐ ☒ *Please indicate which threshold applies.*	No
Is the decision subject to Call-In? (*Only Key Decisions are subject to Call-In*)	No

District Wards Significantly Affected	None
Consultation: **Leader / Deputy Leader** ☐ **Executive** ☐ **SLT** ☐ **Relevant Service Manager** ☐ **Members** ☐ **Public** ☐ **Other** ☐	Details: Portfolio Holder for Finance

Links to Council Ambition: Customers, Economy, and Environment.

DOCUMENT INFORMATION

Appendix No	Title
1	General Fund Summary – Outturn 2025/26
2	General Fund Detail – Outturn 2025/26
3	Housing Revenue Account – Outturn 2025/26
4	Housing Revenue Account Detail – Outturn 2025/26
5	Capital Expenditure – Outturn 2025/26
6	Treasury Management – Outturn 2025/26
7	Earmarked reserves – at 31 March 2026

Background Papers
(*These are unpublished works which have been relied on to a material extent when preparing the report. They must be listed in the section below. If the report is going to Executive, you must provide copies of the background papers).*
None