

REVENUE BUDGET 2025/26

Head of Service:	Kevin Hanlon, Interim Chief Finance Officer
Report Author	Richard Appiah-Ampofo, Senior Accountant
Wards affected:	(All Wards);
Urgent Decision?(yes/no)	No
If yes, reason urgent decision required:	N/A
Appendices (attached):	None

Summary

This report sets out estimates for income and expenditure on services in 2025/26.

Recommendation (s)

The Committee is asked to:

- (1) Recommend the 2025/26 service estimates for approval at the budget meeting of Full Council in February 2025.

1 Reason for Recommendation

- 1.1 The recommendations will enable the Council to meet its statutory duty to set a balanced budget for 2025/26.

2 Background

- 2.1 In February 2024, Full Council agreed the four-year Medium Term Financial Strategy to 2027/28 (MTFS). The MTFS aims to maintain the financial health of the Council whilst delivering the priorities in the Corporate Plan.
- 2.2 The figures in this report reflect the provisional local government finance settlement for 2025/26.
- 2.3 The figures in this report reflect the work undertaken by budget managers and finance staff to identify any changes in resourcing requirements, and the provisional local government finance settlement for 2025/26.

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- 2.4 Service estimates for this Committee are included in the draft Budget Book 2025/26 that will be made available to all Councillors.
- 2.5 Estimates have been prepared on the basis that existing services to residents are maintained, unless specified otherwise in section 5.
- 2.6 To allow the Council to determine the budget and Council Tax in February, the Committee estimates have been presented as follows:-
- 2.6.1 The Budget Book contains the service estimates for 2025/26.
- 2.6.2 Unavoidable cost increases and income reductions are reflected in the estimates.
- 2.6.3 Recommended increases to fees and charges have been included within the Budget Book and the income estimates.
- 2.6.4 All increases in charges are subject to approval by the Committee/Council.

3 Forecast Outturn 2024/25

- 3.1 Before considering the revenue estimates for 2025/26, this section provides a summary of the forecast outturn for the current financial year.
- 3.2 The probable outturn specifically for Community and Wellbeing Committee, as advised at Audit & Scrutiny Committee in November 2024, is an adverse variance of £558,000 which is shown in the following table. The key reasons for the major variances are explained in the subsequent paragraphs:

Community & Wellbeing Committee	Original Budget	Current Approved Budget	Forecast Outturn Q2	Forecast Variance
Service Group	£'000	£'000	£'000	£'000
Housing	2,577	2,731	3,206	475
Community Services (Route Call, Meals at Home, Community Alarm)	457	442	497	55
Support for Voluntary Orgs.	243	243	243	0
Wellbeing Centre	447	480	548	68
Health & Wellbeing	265	318	318	0
Sports, Leisure & Cultural (includes Venues)	1,108	1,186	1,146	(40)

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Precepting & Levying Bodies (NJMC & EWDC)	412	412	412	0
Community & Wellbeing Committee	5,509	5,812	6,370	558

- 3.3 The Council budgeted to accommodate an average of 70 households in nightly paid accommodation. Due to ongoing elevated demand, the Council is currently supporting over 90 households to date in nightly paid accommodation.
- 3.4 Although government has awarded EEBC an additional £162,734 of Homelessness Prevention Grant to assist with the demand pressures, based on the current run-rate of households requiring support, an adverse variance of £475,000 is still forecast for the year.
- 3.5 The Council holds a Homelessness Grant Reserve which may be applied to mitigate the budget pressure in the short term, and officers continue to progress the Homelessness Action Plan to mitigate and manage demand.
- 3.6 Within Community Services, there is a forecast under-recovery of income within the community alarm service (net £25,000) and within the meals at home service (£30,000). The community alarm service is limited by how much it can increase prices due to external competition; and the meals at home service has seen a drop off of meal orders.
- 3.7 To address this adverse position in 2025/26, both services have had their income budgets reduced by £30,000. The medium term financial strategy required an income of 6% of income budgets across all services within the Council, the impact of which for these two services was an increase to their income budgets of £22,000. The subsequent reduction of £60,000 of income across these two services has therefore had a net impact of reducing the income by £38,000.
- 3.8 An adverse position of £68,000 is forecast for the Wellbeing Centre due to the uptake of services for higher needs clients not being achieved, despite extensive publicity and efforts by staff to increase numbers. In addition, staff are reporting that increase antisocial behaviour in the vicinity of the centre is deterring people from attending the centre.
- 3.9 The Head of Service is currently undertaking a review of Community Services, due to report to C&W Committee in March 2025, which will address the level of income from higher needs service and wider service delivery. In addition, the higher needs client income budget has been reduced by £100,000 for 2025/26. The medium term financial strategy required a 6% increase equating to £10,000, and a further £30,000 relating to a previously agreed saving from increased income, resulting in a net reduction of the income budget of £60,000.

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- 3.10 The favourable variance of £40,000 forecast within Sports, Leisure & Cultural relates to increased income generated following the successful café launch last year at Bourne Hall.

4 Proposals for 2025/26 Budget

- 4.1 The service estimates for 2025/26 are included in the draft Budget Book, circulated to councillors in January.
- 4.2 A summary of the Committee's service estimates for 2025/26 is shown in the following table:

Community & Wellbeing Committee	Published Budget 2024/25	Base Position 2025/26
Service Group	£'000	£'000
Housing	2,577	2,651
Community Services (Route Call, Meals at Home, Community Alarm)	457	507
Support for Voluntary Orgs.	243	233
Wellbeing Centre	447	408
Health & Wellbeing	265	321
Sports, Leisure & Cultural (includes Venues)	1,108	1,263
Precepting & Levying Bodies (NJMC & EWDC)	412	415
Community & Wellbeing Committee	5,509	5,798

- 4.3 The following table comprises a summary of the main changes to the Committee's proposed budget for 2025/26 compared with the published budget for 2024/25.

Community & Wellbeing Committee		Budget £'000
Published Budget 2024/25		5,509
Service Group	Change	
All	Variations in pay, pension (IAS19) & support service recharges	342
Housing	Increased Homelessness Prevention Grant	(291)
Housing	Reduction in use of reserves to fund staff	138
Housing	Inflationary increase to temporary accommodation costs	113

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Housing	Increased rental income from temporary accommodation	(37)
Housing	Inflationary increase to Private Sector Landlord rents	30
Housing	Homes for Ukraine grant funding	(40)
Community Services	Reduction in income - Community Alarm	17
Community Services	Reduction in income - Meals at Home	21
Wellbeing Centre	Grant income from Surrey County Council	(30)
Wellbeing Centre	Reduction of income from higher needs clients	90
Sports, Leisure, Cultural	Reduction in electricity costs and business rates - Playhouse	(31)
Sports, Leisure, Cultural	Increased ticket sale and letting income - Playhouse	(30)
Sports, Leisure, Cultural	Income from increase in tariffs - Bourne Hall	(23)
Sports, Leisure, Cultural	Reduced building maintenance and operational costs - Ewell Court House	(16)
All	Sundry variations	36
Base Position 2025/26		5,798

5 Risk Assessment

Legal or other duties

5.1 Equality Impact Assessment

5.1.1 Minimising homelessness will have a positive impact on inequalities.

5.2 Crime & Disorder

5.2.1 None arising from the contents of this report.

5.3 Safeguarding

5.3.1 Assisting homeless households to access safe and secure accommodation will have a positive impact on safeguarding.

5.4 Dependencies

5.4.1 Other Policy Committees are also being presented with their budgets for approval in the January committee cycle.

5.5 Other

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5.5.1 In preparing the revenue budget estimates officers have identified the following main risks facing the Committee in delivering services within the budget. These budgets will require careful management during the year.

Service	Risk	Budget Estimate 2025/26	Risk Management
Homelessness	<p>High: Increase in numbers of presentations.</p> <p>Should the number of household presentations not reduce; the current budget may be insufficient resulting in an adverse variance.</p>	£2.3m	<p>Continuing with preventative initiatives and alternative temporary accommodation options, as set out in the Homelessness Reduction Plan</p> <p>Regular budget monitoring reports to Committee in line with Financial Regulations.</p> <p>Homeless grant reserve and the general fund working balance are held to manage budget pressures in the short term that cannot be mitigated by preventative or other action.</p>
Community Services (Route Call, Meals at Home, Community Alarm)	<p>Medium: Vulnerable client group with limited opportunity to increase tariffs.</p>	£0.4m	Monitoring service delivery options within government guidelines.
Wellbeing Centre	<p>High: Vulnerable client group with limited opportunity to increase tariffs.</p>	£0.4m	A review of the community services offering and facilities at the Wellbeing Centre is being undertaken by the Head of Service and due to report back to Community & Wellbeing Committee in March 2025 with an options appraisal.

6 Financial Implications

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- 6.1 The draft Budget Book 2025/26 is highly detailed, therefore please can any questions or queries be sent to relevant officers in advance of the Committee meeting wherever possible.
- 6.2 **Section 151 Officer's comments:** Financial implications are contained within the body of this report.

7 Legal Implications

- 7.1 The Council will fulfil its statutory obligations to produce a balanced budget and to comply with its policy on equalities.
- 7.2 Although there are no direct legal implications arising from this report, decisions taken about the budget will impact the services which can be delivered. In the event of any impact, there will need to be a equalities impact assessment in relevant cases.
- 7.3 **Legal Officer's comments:** None arising from the contents of this report.

8 Policies, Plans & Partnerships

- 8.1 **Council's Key Priorities:** The following Key Priorities are engaged:
- Effective Council.
- 8.2 **Service Plans:** The matter is included within the current Service Delivery Plan.
- 8.3 **Climate & Environmental Impact of recommendations:** None arising directly from the contents of this report.
- 8.4 **Sustainability Policy & Community Safety Implications:** None arising directly from the contents of this report.
- 8.5 **Partnerships:** Many services are provided by the Council without the direct involvement of other agencies. There is, however, an increasing role for partnership working with others to achieve mutually agreed objectives. The benefits and risks need to be assessed in each specific case to ensure that value for money is secured and the Council's priorities are delivered in the most efficient and effective manner.

9 Background papers

- 9.1 The documents referred to in compiling this report are as follows:

Previous reports:

- [2025/26 Strategic Financial Planning, Strategy & Resources Committee, 23 July 2024.](#)

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- [2025/26 Budget Targets, Community & Wellbeing Committee, 8 October 2024.](#)

Other papers:

- Draft 2025/26 Budget Book.