

**Cabinet – 5 November 2025**

**Financial Monitoring Report (based on performance April to September 2025 inclusive)**

Purpose	For Decision
Classification	Public
Executive Summary	<p>This report provides the latest budget forecasts for the General Fund, Housing Revenue Account (HRA) and capital programme for the 2025/26 financial year, based on the first half of year performance from April 2025 to September 2025 inclusive.</p> <p>It shows:</p> <ul style="list-style-type: none"> <li>a. a balanced budget in the General Fund as additional interest earnings (£459,000) offset the additional budget requirements in this quarter (£201,000) and the previous quarter (£258,000);</li> <li>b. a balanced position across the HRA revenue and capital programme due to a reduction in the capital programme to offset the £148,000 additional budget requirement and;</li> <li>c. a net increase in the capital programme for 2025/26 of £154,000.</li> <li>d. a recommendation to increase the Local Government Reorganisation (LGR) reserve by an additional £1.5 million, by way of a transfer from the Budget Equalisation reserve.</li> </ul>
Recommendation(s)	<p><b>a) It is recommended that Cabinet:</b></p> <ul style="list-style-type: none"> <li><b>1) note the latest budget forecasts of the General Fund, HRA, and Capital.</b></li> <li><b>2) approve the list of roles as outlined in the report to support the commencement of phase 1 LGR activity.</b></li> <li><b>3) approve the budget virements within the HRA to utilise a forecast underspend on Major repairs and external gutter/render cleaning to</b></li> </ul>

	<p><b>increase spend on condition surveying and decarbonisation.</b></p> <p><b>4) approve net changes to the Capital Programme totalling £154,000.</b></p> <p><b>b) It is recommended that the Cabinet recommend to the Council:</b></p> <p><b>1) that £1.5 million is transferred from the Budget Equalisation Reserve to the Local Government Reorganisation Reserve, with the previously approved delegation extended to cover this increased balance.</b></p>
Reasons for recommendation(s)	<p>To comply with accounting codes of practice and best practice which requires councils to regularly monitor the annual budget position and take any action to support the sustainability of the council's financial position ensuring we are being financially responsible.</p> <p>To comply with the council's financial regulations regarding budget virements and supplementary budget requests.</p>
Ward(s)	All
Portfolio Holder(s)	Councillor Jeremy Heron – Finance and Corporate
Strategic Director(s)	Alan Bethune – Strategic Director Corporate Resources and Transformation (Section 151 Officer)
Officer Contact	<p>Paul Whittles</p> <p>Assistant Director - Finance</p> <p>02380 285766</p> <p>paul.whittles@nfdc.gov.uk</p>

## **Introduction and background**

1. Following the approval of the Original Budget for 2025/26 in February 2025, this report provides a further update on the General Fund, Housing Revenue Account and Capital budgets, adjusting for any budget changes now required and recommended.

2. Financial Monitoring is an important feature in the management of the council's finances as it gives an opportunity to reflect on variations as against the latest set budget and reflect on the impact that these variations may have over the period covered by the council's Medium Term Financial Plan (MTFP).

### **General Fund revised projection**

3. Appendix 1 sets out the General Fund budget of £25.509 million for 2025/26 as agreed by council in February 2025 (£28.719 million at Portfolio analysis level, with other budget elements reducing this to this lower General Fund budget figure).
4. The quarter one monitoring report to September Cabinet presented additional budget requirements of £258,000 and this report identifies a further £201,000 with the full £459,000 being offset by an improvement in interest earnings against budget.
5. The latest budget variations reported include net favourable expenditure variations of £55,000 and net favourable income variations of £203,000. In addition to internal virements between portfolios, major variations are detailed below (ordered in accordance with **Appendix 1**), with full variations listed in **Appendix 2**.

### **Environment and Sustainability (Place, Operations and Sustainability)**

6. **Car Parking (£65,000)** – Initial analysis forecast a shortfall in car parking income of £94,000 versus the annual £5.238 million budget. Following the approval of the 2026 Fees and Charges at the October Cabinet meeting to be introduced in January 2026, this variance will reduce by £29,000.
7. **Keyhaven River (£29,000)** – Income for year was expected to be £32,000 less than the £252,000 annual budget. Following the approval of the 2026 Fees and Charges at the October Cabinet meeting to be introduced in January 2026, this variance will reduce by £3,000.

### **Finance and Corporate (Corporate Resources and Transformation)**

8. **Commercial Property (£120,000)** – Platinum Jubilee Business Park now has an 88% occupancy rate. The 3 remaining vacant units will result in an income variation (£85,000) and a business rate liability (£35,000) in the current year. Active marketing is ongoing with the Council's agents to source tenants for the final few

remaining units. The Estates Manager is also considering other options to increase marketing and awareness of the available vacant units.

9. **Treasury Management (£459,000)** - It is anticipated that additional treasury investment returns will be received in 2025/26. The additional income being forecast will be sufficient to offset the current adverse General Fund budget shortfall as covered within this report, and within the previous report. Forecasting will be continually updated as the year progresses, with there being the potential for further improvement based on current balance forecasts and interest rate expectations. The forecast position will be regularly reported on through future financial monitoring reports.
10. The revised General Fund Budget for 2025/26 can be seen at Appendix 1, with further details on the variations being reported included within Appendix 2.

### **Local Government Reorganisation (LGR)**

11. LGR will increasingly present significant delivery and capacity challenges. The council has played an active role in shaping the regional response however, the differing views on which future unitary configuration the New Forest should be part of results in a number of possible scenarios. This means that the district needs to be represented across multiple geographies to help inform and shape options, above and beyond comparable authorities. This is exacerbated by the added complexity of a significant boundary change proposal which if successful will result in additional capacity requirements to support significant disaggregation of district services.
12. The Government has been clear that no additional funding beyond the initial £26,540 that has been received by the Council will be provided to support LGR. As has been the case in other reorganisations, required funding will need to be met from constituent councils. Consequently, NFDC initially established a £150,000 annual revenue budget, and this has been used to immediately fund essential roles to support the LGR process (Programme Manager 1FTE and GIS Officer 1FTE).
13. Additionally, the council created a £500,000 LGR reserve, with expenditure and commitments to date totalling £113,000.
14. An initial internal LGR programme plan has been developed to embed a structured, multi-phase programme that manages risk,

aligns with regional priorities, and supports a responsible transition to a future unitary authority. This will be further supported by the development of the Programme Management Office (PMO) that will bring increased structure and assurance to the development and delivery of priorities and management of resources.

15. The Programme plan recognises that the delivery of LGR will require significant resources and whilst NFDC is not responsible for designing the new unitary organisation it is accountable for managing its own transition with integrity, transparency and assurance.

Three phases have been identified for the NFDC programme:



16. The initial preparation phase includes activities, such as ensuring good knowledge of our baseline position from a digital, HR and wider data perspective. The sooner these activities commence the better position we will be in to align with the wider programme and for this council to help shape and contribute constructively to the reorganisation process.
17. The Appendix 5 provides a summary of some of the likely key activities for each phase, although it is not an exhaustive list and will be refined and further informed as clarity emerges.

18. Further clarity will emerge for phase 2 and 3 activities as a wider regional delivery programme is stood up and when the implementation team for the new unitary is established. At this point consideration will be needed regarding additional capacity for phases 2 and 3.
19. It has become increasingly clear that the current level of revenue and reserve funding will be inadequate to cover the likely further resources required through to vesting day identified in response to this early assessment of necessary activities and subsequent resources.
20. A number of additional resources have been identified to manage different aspects of the phase 1 programme as detailed in the following table. The on-going commitment of phase 1 resources plus the likely increased resource requirement phases 2 and 3 will add, requires additional funding to be made available. Member approval is sought to transfer £1.5 million from the Councils Budget Equalisation Reserve (currently £2.699 million) into the LGR reserve in order to cover these anticipated costs and leave headroom for inevitable additional costs not yet fully quantified, as the council works through phases 2 and 3.

#### **LGR Phase 1 additional resources and funding**

<b>Service</b>	<b>Extra FTE</b>	<b>2025/26</b>	<b>2026/27</b>	<b>2027/28</b>
ICT	3.14	52,700	174,500	180,200
HR	1.00	21,400	66,100	68,300
Communications	1.00	21,700	67,200	69,400
Other	2.00	25,600	105,300	108,600
<b>Total</b>	<b>7.14</b>	<b>121,400</b>	<b>413,100</b>	<b>426,500</b>

21. Throughout this process we will seek to utilise the skills and experience we have within the organisation. As well as providing a development opportunity, internal resources better understand the context of the organisation and have existing relationships with stakeholders. Moreover, we will retain these skills in the new

organisation. Where these arrangements are agreed, backfill arrangements will be considered.

22. Work has commenced and will be ongoing to assess the Council's prioritisation of business as usual and project delivery activity in accordance with outcomes that best align to corporate priorities. Every effort will be made to utilise and free-up any potential resource capacity to reduce the overall additional cost of LGR to the New Forest tax payer. It is however inevitable that preparations for LGR will cost this Council a significant sum of money, hence the required approval for a top in the LGR reserve of the £1.5 million. The previously agreed delegation will still apply to this increased sum, with members receiving regular updates on the LGR programme through the Resources and Transformation Overview and Scrutiny Panel, and meetings of the Cabinet and Council.

### **Other Financial Matters of note**

23. Given the scale of the investment supporting the roll out of the new waste collection service, all costs continue to be closely monitored. Lessons learned from phases one and two, plus the behind the gate trials, will continue to inform changes to the existing assumptions and highlight new budget requirements which shall need to be considered in line with financial regulations. A service update is expected in December and is anticipated to outline a requirement for significant additional capital and revenue resources.
24. The council has recently restructured its executive management team. The financial consequences of this, plus any backfill arrangements will be included in future financial monitoring report updates and addressed through the MTFP accordingly.
25. Bed and Breakfast spend to date is currently ahead of the profiled budget, whilst increases in expenditure shall be mitigated in part by an increase in benefit subsidy received, the council remains watchful of this evolving situation as it could lead to an in-year budget pressure.

### **Housing Revenue Account Revised Projection**

26. A break-even HRA budget for 2025/26 was agreed in February 2025, with a Revenue Account contribution of £10.200 million supporting the financing of the £30.820 million HRA Capital Programme.
27. The quarter one monitoring report to September Cabinet identified additional budget requirements of £60,000.

28. This report identifies proposed net budget increases of £148,000 due to the employment of external stock condition surveyors (£240,000) to enhance delivery of the current programme requirement, offset by a reduction of £92,000 in gutter/render cleaning works, due to the need to retender contracts.
29. The updated HRA budget can be seen at Appendix 3.

### **Capital Expenditure (General Fund and Housing Revenue Account)**

30. A Capital Programme budget of £50.231 million for 2025/26 was agreed by council in February 2025.
31. Principally due to rephasing from 2024/25, the budget was increased by £2.093 million to £52.324 million in the September Cabinet report.
32. The latest forecast confirms net programme changes totalling £154,000 which results in an updated 2025/26 Capital Programme Budget of £52.478 million (Appendix 4).
33. Details of the significant changes are provided below:
34. **Housing and Communities (-£500,000)** – A reduction in Disabled Facilities Grant cases coming through from Hampshire County Council (HCC) is resulting in the council forecasting less activity this year and consequently a reduction in the amount of grant able to be utilised.
35. **Environment and Sustainability (£749,000)** – An acceleration in vehicle acquisitions is forecast to catch up the prior year underspend as well as deliver the in-year plan. This effectively required the previously unspent budget from 2024/25 to be made available in the current financial year.
36. **Housing Revenue Account (-£148,000)** – A review of the Major Repairs programme has identified an anticipated, in year, underspend of £348,000, largely due to the need to review some contracts and some unforeseen structural issues. It is proposed that this underspend be used to offset the revenue cyclical maintenance increase of £148,000 and to enhance the Decarbonisation Works programme by £200,000.

## **Corporate plan priorities**

37. Regular monitoring and reporting of our financial activity including adjusting budgets whilst maintaining a balanced medium term financial plan (MTFP), ensures we are being financially responsible and supports our Future New Forest transformation programme which underpins the delivery of all our priorities.

## **Options appraisal**

38. The Cabinet could opt not to support the budget virement within the Housing Revenue Account, but this would simply defer required expenditure to another financial year, as opposed to fully utilising funding available in the current financial year.
39. The recommendation to increase the LGR reserve could be declined, however this would either place an unmanageable burden on existing staff resources or more likely lead to a reactive, unstructured and piecemeal approach to resourcing LGR demands as they arise, which would not be in the council's best interests.
40. The option to utilise the Budget Equalisation Reserve to provide the necessary additional funding to the LGR reserve is considered the best option, as opposed to creating a future revenue burden within the Council's Medium Term Financial Plan.

## **Consultation undertaken**

41. Internal consultation between finance officers, service managers and budget holders has determined the forecast data presented in the report.

## **Financial and resource implications**

42. This is a financial report with budget implications already detailed and considered in the main body of the report.

## **Legal implications**

43. The Council will have a legal requirement to play a role in ensuring that the new Sovereign Authority created through a structural change order in due course, is 'Safe and Legal' on vesting day.

## **Risk assessment**

44. The projected forecast is prepared based on estimates and assumptions in consultation with services. There are key risks in the projections across all service areas and both revenue and capital activity.

## **Environmental / Climate and nature implications**

45. There are no environmental implications arising directly from this report.

## **Equalities implications**

46. There are no equality implications arising directly from this report.

## **Crime and disorder implications**

47. There are no crime and disorder implications arising directly from this report.

## **Data protection / Information governance / ICT implications**

48. There are no data protection, information governance or ICT implications arising directly from this report.

### **Appendices:**

Appendix 1 – Revised General Fund Budget 2025/26

Appendix 2 – Variation Analysis General Fund 2025/26

Appendix 3 – Revised Housing Revenue Account Budget 2025/26

Appendix 4 – Revised Capital Programme 2025/26

Appendix 5 – LGR – Summary of some of the likely key activities for each phase of LGR preparations

### **Background Papers:**

[Cabinet 3 September 2025](#)

Financial Monitoring Report (based on performance April to June 2025 inclusive)

[Cabinet 19 February 2025 – Budget Reports 25/26](#)

Housing Revenue Account Budget and the Housing Public Sector Capital Expenditure Programme 2025/26

Medium Term Financial Plan and Annual Budget 2025/26

FINANCIAL MONITORING 2025/26						
REVISED GENERAL FUND BUDGET 2025/26	Feb-25	Sept-25	November-25			2025/26 £'000's Updated Budget
	2025/26 £'000's Original Budget	2025/26 £'000's Latest Budget	2025/26 £'000's New Variations Expend.	2025/26 £'000's New Variations Income	2025/26 £'000's New Variations Rephasings	
<b>PORTFOLIO REQUIREMENTS</b>						
Community, Safety and Wellbeing	3,389	3,530	0	0	0	3,530
Environment and Sustainability	11,747	12,274	24	94	0	12,392
Finance and Corporate	3,710	3,612	41	109	0	3,762
Housing and Homelessness	3,652	3,686	0	0	0	3,686
Leader	2,243	2,277	-53	53	0	2,277
Planning and Economy	3,978	4,494	0	0	0	4,494
Multi Portfolio adjustments - To be allocated	0	0	-43	0	0	-43
	28,719	29,873	-31	256	0	30,098
Reversal of Depreciation	-2,768	-2,768				-2,768
Contribution (from) / to Earmarked Revenue Reserves	-1,645	-2,541	-24	0	0	-2,565
<b>NET PORTFOLIO REQUIREMENTS</b>	<b>24,306</b>	<b>24,564</b>	<b>-55</b>	<b>256</b>	<b>0</b>	<b>24,765</b>
Minimum Revenue Provision	2,512	2,512				2,512
Contribution to Capital Programme Financing (RCCO)	1,100	1,100				1,100
Interest Costs	206	206				206
Interest Earnings	-1,432	-1,432		-459		-1,891
Waste Services Grant	-1,175	-1,175				-1,175
Other Grants	-8	-8				-8
<b>GENERAL FUND NET BUDGET REQUIREMENTS</b>	<b>25,509</b>	<b>25,767</b>	<b>-55</b>	<b>-203</b>	<b>0</b>	<b>25,509</b>
<b>COUNCIL TAX CALCULATION</b>						
Budget Requirement	25,509	25,767	-55	-203	0	25,509
Less: Settlement Funding Assessment						
Lower Tier Service Grant	0	0				0
Services Grant / Revenue Support Grant	-1	-1				-1
New Homes Bonus	-36	-36				-36
Employers National Insurance Grant	-155	-155				-155
Guarantee Grant (MHCLG)	-676	-676				-676
Business Rates Baseline	-4,378	-4,378				-4,378
	-5,246	-5,246	0	0	0	-5,246
Locally Retained Business Rates	-5,007	-5,007				-5,007
Estimated Collection Fund (Surplus)/Deficit Business Rates	-192	-192				-192
Estimated Collection Fund (Surplus)/Deficit Council Tax	-162	-162				-162
Contribution from Business Rates Equalisation Reserve	192	192				192
Contribution to/ from(-) Variation Reserves	0	-258	55	203	0	0
<b>COUNCIL TAX</b>	<b>15,094</b>	<b>15,094</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>15,094</b>
<b>TAX BASE NUMBER OF PROPERTIES</b>	<b>73,355.00</b>	<b>73,355.00</b>				<b>73,355.00</b>
<b>COUNCIL TAX PER BAND D PROPERTY</b>	<b>205.77</b>	<b>205.77</b>				<b>205.77</b>
<b>GENERAL FUND BALANCE 31 MARCH</b>	<b>3,000</b>	<b>3,000</b>				<b>3,000</b>

## FINANCIAL MONITORING 2025/26

## VARIATION ANALYSIS GENERAL FUND 2025/26

	Sept-25 2025/26 £'000's Previous Variations	November-25			
		2025/26 £'000's New Variations Expend.	2025/26 £'000's New Variations Income	2025/26 £'000's New Variations Rephasings	2025/26 £'000's Updated Budget
<b>PORTFOLIO ADJUSTMENTS</b>					
<b>Community, Safety and Wellbeing</b>					
Previously Reported;					
Implications of the 25/26 pay award	27				
Grants - Rephasings	29				
CCTV Expansion - Rephasing - part £300k	51				
Community Safety - grant	34				
New Items;					
	141	0	0	0	0
<b>Environment and Sustainability</b>					
Previously Reported;					
Implications of the 25/26 pay award	126				
Cemeteries - Sway & New Milton AMR schemes into 25/26	47				
Foreshores - Coastal Water Safety AMR scheme into 25/26	21				
Open Spaces - Scheme virement to Contingency (Finance & Corporate)	-30				
Operational Restructure - budget movement to Finance & Corporate	-36				
Refuse & Recycling- additional Grant re New Service Roll Out	-151				
Operations Administration - service change workload and sickness temporary cover	25				
Refuse & Recycling - New Drivers to be appointed earlier than budgeted	67				
Refuse & Recycling - Narrow Access Round	59				
Waste Transition - Recruitment of additional waste advisers	46				
Waste Transition - Additional Customer Services	20				
Waste Transition - Additional Programme Support	22				
Public Conveniences - Cleaners pay adjustments/Streetscene income	26				
Refuse & Recycling/StreetScene - Drivers pay to reflect market supplement (Contingency)	116				
Refuse & Recycling - Behind Gates Collection trial	150				
Refuse & Recycling - New Waste Supervisor	19				
New Items;					
Car Parking - projected income shortfall, new F&C's 2026 (clocks/meter)			65		
Keyhaven River - projected income shortfall, new F&C's 2026 (mooring fees)			29		
Public Conveniences - survey costs		24			
	527	24	94	0	118
<b>Finance and Corporate</b>					
Previously Reported;					
Implications of the 25/26 pay award	65				
Pay award 25/26 implications funded by Contingency	-316				
Additional Pay award 25/26 implications funded by Contingency - Drivers	-116				
Contingency - Scheme virement from Open Spaces (Env. & Sustain.)	30				
Operational Restructure - budget movement from Env. & Sustain.	36				
People Strategy - budget movement to Transformation (Leader)	-50				
Lymington Town Hall Site - Residual HCC Grant into 25/26	16				
Commercial Inv. Property - Salisbury Road, Totton Scheme into 25/26	157				
Corporate Management - Fleet & Infrastructure Strategy into 25/26	80				
New Items;					
Revenues Service - Vacancy Salary Savings / reduced court cost income		-24	24		
Pension Increase Act - Added Years		30			
Commercial Inv. Property - Platinum Jubilee Business Park		35	85		
	-98	41	109	0	150
<b>Housing and Homelessness</b>					
Previously Reported;					
Implications of the 25/26 pay award	34				
New Items;					
	34	0	0	0	0

## FINANCIAL MONITORING 2025/26

## VARIATION ANALYSIS GENERAL FUND 2025/26

	Sept-25 2025/26 £'000's Previous Variations	November-25			
		2025/26 £'000's New Variations Expend.	2025/26 £'000's New Variations Income	2025/26 £'000's New Variations Rephasings	2025/26 £'000's Updated Budget
<b>PORTFOLIO ADJUSTMENTS</b>					
<b>Leader</b>					
Previously Reported;					
Implications of the 25/26 pay award	9				
Resident Insight Survey - remove budget	-25				
People Strategy - budget movement from Corp. Management (Finance)	50				
New Items;					
UK Shared Prosperity Fund budget transfer from Revenue to Capital		-53	53		
	34	-53	53	0	0
<b>Planning and Economy</b>					
Previously Reported;					
Implications of the 25/26 pay award	55				
Local Plan - Local Plan Grant rephasing & Green Belt grant	298				
Policy - Improve Digital Planning Grant	63				
Economic Development - budget for Totton Masterplan	100				
New Items;					
NOTE ONLY - Planning DM - Income					
	516	0	0	0	0
<b>Portfolio adjustments - Non Direct</b>					
New Items;					
Corporate Administration - Vacancy Salary Savings		-43			
	0	-43	0	0	-43
<b>TOTAL PORTFOLIO ADJUSTMENTS</b>	<b>1154</b>	<b>-31</b>	<b>256</b>	<b>0</b>	<b>225</b>
<b>NON-PORTFOLIO ADJUSTMENTS</b>					
Contribution to/from(-) Earmarked Reserves		-24			
Interest earnings			-459		
<b>TOTAL NON-PORTFOLIO ADJUSTMENTS</b>	<b>-896</b>	<b>-24</b>	<b>-459</b>	<b>0</b>	<b>-483</b>
<b>GRAND TOTAL ADJUSTMENTS (Credited to (-) / Debited from (+) Budget Reserves)</b>	<b>258</b>	<b>-55</b>	<b>-203</b>	<b>0</b>	<b>-258</b>

## FINANCIAL MONITORING 2025/26

## REVISED HOUSING REVENUE ACCOUNT BUDGET

2025/26

	Feb-25	Sept-25	November-25	
	2025/26	2025/26	2025/26	2025/26
	£'000's	£'000's	£'000's	£'000's
	Original Budget	Latest Budget	New Variations	Latest Budget
<b>INCOME</b>				
Dwelling Rents	-34,230	-34,230		-34,230
Non Dwelling Rents	-735	-735		-735
Charges for Services & Facilities	-1,142	-1,142		-1,142
Contributions towards Expenditure	-277	-277		-277
Interest Receivable	-418	-418		-418
Sales Administration Recharge	-33	-33		-33
Shared Amenities Contribution	-361	-361		-361
<b>TOTAL INCOME</b>	<b>-37,196</b>	<b>-37,196</b>	<b>0</b>	<b>-37,196</b>
<b>EXPENDITURE</b>				
<b>Repairs &amp; Maintenance</b>				
Cyclical Maintenance	2,234	2,242	148	2,390
Reactive Maintenance - General	3,520	3,546		3,546
Reactive Maintenance - Voids	1,886	1,896		1,896
<b>Supervision &amp; Management</b>				
General Management	8,288	8,295		8,295
Grounds Maintenance and Trees	1,087	1,094		1,094
Older Person and Temporary Accommodation	1,199	1,201		1,201
<b>Rents, Rates, Taxes and Other Charges</b>		0		0
Provision for Bad Debt	150	150		150
Capital Financing Costs - Interest/Debt Management	5,608	5,608		5,608
Capital Financing Costs - Internal Borrowing		0		0
<b>TOTAL EXPENDITURE</b>	<b>23,972</b>	<b>24,032</b>	<b>148</b>	<b>24,180</b>
<b>HRA OPERATING SURPLUS(-)</b>	<b>-13,224</b>	<b>-13,164</b>	<b>148</b>	<b>-13,016</b>
Contribution to Capital - supporting Housing Strategy	10,200	10,200		10,200
Capital Financing Costs - Principal	3,174	3,174		3,174
<b>HRA Total Annual Surplus(-) / Deficit</b>	<b>150</b>	<b>210</b>	<b>148</b>	<b>358</b>
Contribution to/from(-) Earmarked Reserves	-150	-210		-210
<b>HRA TOTAL ANNUAL SURPLUS(-) / DEFICIT</b>	<b>0</b>	<b>0</b>	<b>148</b>	<b>148</b>

## FINANCIAL MONITORING 2025/26

## REVISED CAPITAL PROGRAMME 2025/26

	Portfolio	Feb-25	Sept-25	November-25		
		2025/26 £'000's Original Budget	2025/26 £'000's Latest Budget	2025/26 £'000's New Variations Expend.	2025/26 £'000's New Variations Rephasing	2025/26 £'000's Latest Budget
UK Shared Prosperity Fund	LEADER/ALL	60	60	53		113
Rural England Prosperity Fund	LEADER/ALL		162			162
Disabled Facilities Grants	HSG (GF)	1,500	1,500	-500		1,000
Sustainability Fund - Unallocated	ENV & SUSTAIN	100	100			100
Strategic Regional Coastal Monitoring (22-27)	ENV & SUSTAIN	2,829	3,009			3,009
Barton Horizontal Directional Drilling Trials	ENV & SUSTAIN	135	238			238
Hurst Spit Beach Shingle Source Study	ENV & SUSTAIN	75	90			90
Milford Beach and Cliff Study	ENV & SUSTAIN	230	230			230
Waste Strategy Container Roll Out	ENV & SUSTAIN	4,550	4,593			4,593
Asset Modernisation Programme - Public Convenience	ENV & SUSTAIN		58			58
Eling Tide Mill Urgent Repair Works	FIN & CORP	200	200			200
Eling Toll Bridge and Quayside Repairs	FIN & CORP	60	100			100
New Depot Site: Hardley	FIN & CORP					
Commercial Property - Queensway - addit.works	FIN & CORP		323			323
ATC Accommodation Refurbishment	FIN & CORP	200	200			200
Ringwood Depot: Extension and Works	FIN & CORP		248			248
V&P; Replacement Programme	FIN & CORP	2,463	2,463	53		2,516
V&P; Replacement Programme - Waste Strategy Vehicles	FIN & CORP	3,709	3,709	696		4,405
Mitigation Schemes	PLAN & ECON	1,000	1,000			1,000
Infrastructure Projects	PLAN & ECON	1,000	1,000			1,000
Strategic Infrastructure Projects	PLAN & ECON	1,000	1,000			1,000
Arts & Culture Projects	PLAN & ECON	300	300			300
<b>TOTAL GENERAL FUND CAPITAL PROGRAMME</b>		<b>19,411</b>	<b>20,583</b>	<b>302</b>		<b>20,885</b>
Fire Risk Assessment Works	HRA	1,500	1,500			1,500
Major Structural Refurbishments	HRA		921			921
HRA - Major Repairs	HRA	11,100	11,100	-348		10,752
Decarbonisation	HRA	1,870	1,870	200		2,070
Estate Improvements	HRA	200	200			200
Council Dwellings - Strategy Delivery	HRA	15,200	15,200			15,200
Disabled Facilities Grants	HRA	950	950			950
<b>TOTAL HRA CAPITAL PROGRAMME</b>		<b>30,820</b>	<b>31,741</b>	<b>-148</b>		<b>31,593</b>
<b>GRAND TOTAL CAPITAL PROGRAMME</b>		<b>50,231</b>	<b>52,324</b>	<b>154</b>		<b>52,478</b>

## Appendix 5

Summary of some of the likely key activities for each phase of LGR preparations

### Phase 1 – Preparedness and immediate response (Sept 2025 – March 2026)

This phase focuses on establishing and collating baseline organisational information and data in preparation for the government decision and in support of future phases.

#### Elections

- Prepare for Mayoral and County Council Elections

#### Technology

- Map technical architecture, infrastructure and licensing arrangements
- Identify, cleanse and manage data sets
- Map digital and cyber security arrangements and policies
- Identify core system contracts

#### Contracts and legal

- Commence mapping contracts

#### Communications and engagement

- Establish communications and stakeholder engagement plans
- Scenario plan and prepare response actions for decision

#### People

- Map job descriptions and employee policies
- Undertake skills and capabilities assessments
- Devise and implement employee engagement plan

#### Property and estates

- Map current assets and arrangements
- Deliver initial strategy actions

#### Finance

- Understand existing liabilities (identify pensions costs)
- Gather data on trading companies, assets, policies and treasury

#### Programme

- Establish Programme Management Office
- Establish single taxonomy for service, budget and HR data

## Phase 2 – Readiness and pre transition activity (April 2026 – March 2027)

This phase continues organisational readiness activities and focuses on reducing risks, aligning internal transformation efforts and building resilience across services, systems and people.

### Elections

- Deliver Mayoral and County Council Elections
- Prepare for Shadow Authority and Town and Parish Elections

### Technology

- Cleanse and standardise data
- Identify treatment of systems and contracts
- Collaborate on infrastructure connectivity and security and contribute to the design of future arrangements

### Contracts and legal

- Identify treatment of contracts
- Assess arrangements for records management, retention and destruction

### Communications and engagement

- Continued engagement and preparatory activities

### People

- Continued engagement with staff and employee side representatives
- Prepare staff for change, including career development, upskilling and wellbeing support
- Contribute to initial workforce modelling and people vision

### Property and estates

- Continue delivery of strategy actions
- Contribute to the establishment of an integrated major projects pipeline

### Finance

- Baseline MTFP, align savings and scenario planning
- Collaborate and contribute to building reporting, approach to pension scheme, council tax and business rates

### Programme

- Prioritise and align outstanding transformation activities with LGR programme
- Develop contingency plans for critical services
- Finalise transition arrangements

## Phase 3 – Transition, execution and closure (April 2027 – March 2028)

This phase focuses on the formal closure of NFDC and ensuring a smooth transition to the new authority.

### Elections

- Deliver Shadow Authority and Town & Parish Elections

### Technology

- Disaggregation/alignment and transfer of data and systems
- Provide support to Shadow Authority

### Contracts and legal

- Transfer of contracts
- Transfer and archive of all statutory data, policies and decisions

### Communications and engagement

- Public communications toolkit and day 1 messages for residents

### People

- Tailored support to staff
- Staff transition packs
- TUPE arrangements

### Property and estates

- Disaggregation/transfer and alignment of assets

### Finance

- Conduct final audits and prepare closure

### Programme

- Support handover and onboarding with new authority
- Mark end of the authority