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<b>Report To:</b>	<b>Policy &amp; Resources Committee</b>	<b>Date:</b>	<b>16 September 2025</b>
<b>Report By:</b>	<b>Interim Chief Financial Officer and Corporate Director Education, Communities &amp; Organisational Development and Chief Executive</b>	<b>Report No:</b>	<b>FIN/54/25/AE/AB</b>
<b>Contact Officer:</b>	<b>Angela Edmiston</b>	<b>Contact No:</b>	<b>01475 712143</b>
<b>Subject:</b>	<b>2025/26 Policy &amp; Resources Revenue Budget, 2024/25 Out-turn and General Fund Revenue Budget Update</b>		

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## 1.0 PURPOSE AND SUMMARY

- 1.1 ☐ For Decision ☒ For Information/Noting
- 1.2 The purpose of this report is to advise the Committee of the Policy & Resources Revenue Budget outturn for 2024/25 and the 2025/26 projected position. The report also highlights a projected overspend in the overall General Fund Revenue Budget and the impact this will have on the General Fund Reserve.
- 1.3 In 2024/25, excluding the carry forward of Earmarked Reserves, there was an underspend of £422,000 within the Policy and Resources Committee. This was a decrease in expenditure of £57,000 from the projected outturn reported to Committee in May 2025. More details are provided within section 3.
- 1.4 The revised 2025/26 Revenue Budget for the Policy and Resources Committee is £26,170,000, which excludes Earmarked Reserves. The latest projection is an overspend of £71,000 (0.3%), the details are provided in section 3.5 and the appendices.
- 1.5 The latest projection for the General Fund Budget is an overspend of £566,000. Based on these figures the Council's unallocated Reserves are currently projected to be £0.189million less than the minimum recommended level of £4.0million.
- 1.6 This report also includes updates in respect of earmarked reserves spend and the Councils Common Good Revenue budget.

## 2.0 RECOMMENDATIONS

It is recommended that the Committee:

- 2.1 Note the final outturn for the 2024/25 Policy and Resources Budget and note the current projected overspend for 2025/26 of £71,000.
- 2.2 Note the projected overspend of £566,000 for the General Fund and the projected reserve balance of £3.811 million.

- 2.3 Note the projected 2025/26 surplus of £3,800 for the Common Good Budget set out in Appendix 5.
- 2.4 Note the 2025/26 Workstream Savings achieved to date and updates from lead officers.

**Angela Edmiston**  
**Interim Chief Financial Officer**

**Ruth Binks**  
**Corporate Director**  
**Education, Communities & ODHR**

**Stuart Jamieson**  
**Chief Executive**

### 3.0 BACKGROUND AND CONTEXT

3.1 The purpose of this report is to advise Committee of the current position of the 2025/26 Revenue Budget as well as the 2024/25 final outturn and to highlight the main variances contributing to the £422,000 underspend for 2024/25 and the projected overspend of £71,000 for 2025/26.

3.2 The revised 2025/26 Revenue Budget for the Policy & Resources Committee is £26,170,000 excluding Earmarked Reserves. This budget does not reflect the agreed 2025/26 pay award that will be transferred from the Pay Inflation Contingency to each Service budget for the next Service Committees.

#### 3.3 2024/25 Outturn (£422,000 Underspend)

The final outturn for the Policy & Resources 2024/25 Revenue Budget, excluding Earmarked Reserves was an underspend of £422,000. This is a decrease in spend of £57,000 from the position reported to Committee in May 2025. The main variances contributing to the net overspend are listed below

The outturn in specific service areas was as follows:

Service	Revised Budget 2024/25 £000	Outturn 2024/25 £000	Variance to Budget £000	P11 Projected Variance £000	Movement Since P11 £000
Finance	6,461	6,436	(25)	(59)	34
Legal	5,607	5,538	(69)	(44)	(25)
Organisational Development, Policy & Communications	2,326	2,276	(50)	(32)	(18)
Chief Executive	348	361	13	16	(3)
Miscellaneous	7,935	7,644	(291)	(246)	(45)
<b>TOTAL NET EXPENDITURE</b>	<b>22,677</b>	<b>22,255</b>	<b>(422)</b>	<b>(365)</b>	<b>(57)</b>

3.4 The main variances contributing to the net underspend were as follows -

- Combined Inflation Contingency underspend of £211,000 - Non Pay inflation underspend of £391,000 off-set with £180,000 overspend for Pay Inflation. Within 2024/25 there had been a reduced call on the Non Pay Inflation contingency due to lower than anticipated calls on the contingency. This has been reflected within 2025/26 budget process.
- Additional Turnover savings of £219,000. This was mainly due to vacancies with the majority now filled.
- Computer Software/Hardware Maintenance overspend £57,000 - This pressure has been reported to the Policy and Resources Committee within 2024/25 and the Service are currently reviewing the budget to bring back in line for 2025/26.
- Underspend of £61,000 due to reallocation of centrally held 2023/24 Bad Debt Provision to Services.

#### 3.5 2025/26 Projected Outturn - £71,000 overspend 0.3%

The main projected variances contributing to the net overspend are listed below (within appendix 3) –

- The Revenues & Benefits section are reporting a £35,000 overspend within Legal Expenses due to the continuing dispute over outstanding Council Tax costs. These costs are associated with one legal case, and updates will be provided in future Policy & Resources Revenue reports.

- (b) Benefits & Allowances £20,000 overspend projected based on the initial subsidy return, mid year return currently being completed and updated projection will be reported within the next committee report.
- (c) Projecting an overspend of £67,000 within ICT computer software. Overspend breakdown: £50k reported within 2024/25 with a further £17k due to increased costs for Cyber Security. This pressure continues from the prior year and is under review.
- (d) Projected over-recovery of £38,000 within Income for ICT service recharges for internal maintenance recharges for computer equipment purchased outside of the refresh programme.
- (e) External Licences are currently projecting at an under recovery of £50,000 for liquor and taxi operators. These projections are in line with previous outturns.
- (f) The Senior Officer Capacity budget within Chief Executive Services is currently projecting £100,000 underspend due to in year slippage.

### 3.6 General Fund Budget & Reserves Position

Appendix 6 shows that the General Fund is projecting a £566,000 overspend (excluding Health & Social Care) which represents 0.22% of the net Revenue Budget. All committees are reporting an overspend; Policy & Resources Committee £71,000, Environment & Regeneration of £90,000 and the Education & Communities £405,000.

Appendix 8 shows the latest position in respect of the General Fund Reserves and shows that the projected balance at 31 March, 2026 is £3.811 million which is £0.189 million below the minimum recommended balance of £4.0 million.

### 3.7 Earmarked Reserves

Appendix 4 gives an update on the operational Earmarked Reserves, i.e. excluding strategic funding models. Spend to 31 July 2025 on these operational Earmarked Reserves is £92,000 (1.62% of projected spend), the majority of the earmarked reserve budgets within the Policy & Resources reserves occur at the end of the year. Appendix 7 gives the overall earmarked reserve position which shows £609,000 (58.48%) slippage against phased budget largely within the HSCP.

### 3.8 Common Good Fund

The Common Good Budget is projecting a surplus of £3,800 in 2025/26 as shown in Appendix 6 which results in projected surplus fund balance at 31 March 2026 of £144,910.

### 3.9 Workstream Savings

As part of the 2024/26 Budget process, the Council approved workstream savings of £2.880 million over the 2 year budget. The Corporate Management Team increased the target resulting in a final workstream target of £3.624 million, of which £1.885 million is due to be achieved in 2025/26. The latest position and lead officer update can be found in appendix9.

### 3.10 Virements

None.

## 4.0 PROPOSALS

- 4.1 The Committee is asked to note that officers are currently reviewing the inflation projections and updates will be included in future reports to Committee.

## 5.0 IMPLICATIONS

- 5.1 The table below shows whether risks and implications apply if the recommendations are agreed:

SUBJECT	YES	NO
Financial	X	
Legal/Risk	X	
Human Resources		X
Strategic (Partnership Plan/Council Plan)		X
Equalities, Fairer Scotland Duty & Children/Young People's Rights & Wellbeing		X
Environmental & Sustainability		X
Data Protection		X

## 5.2 Finance

One off Costs

Cost Centre	Budget Heading	Budget Years	Proposed Spend this Report	Virement From	Other Comments
N/A					

Annually Recurring Costs/ (Savings)

Cost Centre	Budget Heading	With Effect from	Annual Net Impact	Virement From (If Applicable)	Other Comments
N/A					

## 5.3 Legal/Risk

The Financial Regulations state the responsibility for ensuring Revenue Budgets are not exceeded lies with the Committee and budget holding Chief Officers. All Directorates are reviewing budget overspends to bring budgets back in line with approved budgets.

## 5.4 Human Resources

There are no specific human resources implications arising from this report.

## 5.5 Strategic

There are no specific strategic implications arising from this report.

## **6.0 CONSULTATION**

- 6.1 The paper has been jointly prepared by the Interim Chief Financial Officer and the Corporate Director Education, Communities, and Organisational Development and the Chief Executive.

## **7.0 BACKGROUND PAPERS**

- 7.1 There are no background papers for this report.

**Policy & Resources Budget Movement - 2025/26**

Service	Approved Budget	Inflation	Virement	Movements	Transferred to	Revised Budget
	2025/26 £000			Supplementary Budgets £000	EMR £000	2025/26 £000
Finance	6,250					6,250
Legal, Democratic Digital & Customer Services	5,435					5,435
Organisational Development, Policy & Communications	2,450					2,450
Chief Exec	515					515
Miscellaneous	11,520					11,520
Totals	<u>26,170</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>26,170</u>

**Supplementary Budget Detail**

£000

Inflation

0

Virements

0

Supplementary Budgets

0

**Total Inflation & Virements**0

**POLICY & RESOURCES COMMITTEE**

Appendix 2

**REVENUE BUDGET MONITORING REPORT**

**SUBJECTIVE ANALYSIS**

2024/25 Actual £000	SUBJECTIVE ANALYSIS	Approved Budget 2025/26 £000	Revised Budget 2025/26 £000	Projected Out-turn 2025/26 £000	Projected Over/(Under) Spend £000	Percentage Over/(Under)
9,452	Employee Costs	9,257	9,254	9,267	13	0.1%
719	Property Costs	655	655	655	0	-
1,111	Supplies & Services	1,030	1,032	1,095	63	6.1%
1	Transport & Plant	5	5	5	0	-
1,314	Administration Costs	1,456	1,376	1,319	(57)	(4.1%)
29,976	Payments to Other Bodies	38,637	38,637	38,574	(63)	(0.2%)
(27,740)	Income	(24,870)	(24,789)	(24,674)	115	(0.5%)
<b>14,833</b>	<b>TOTAL NET EXPENDITURE</b>	<b>26,170</b>	<b>26,170</b>	<b>26,241</b>	<b>71</b>	<b>0.3%</b>
	Earmarked reserves			0	0	
<b>14,833</b>	<b>Total Net Expenditure excluding Earmarked Reserves</b>	<b>26,170</b>	<b>26,170</b>	<b>26,241</b>	<b>71</b>	

**POLICY & RESOURCES COMMITTEE**

**REVENUE BUDGET MONITORING REPORT**

**OBJECTIVE ANALYSIS**

2024/25 Actual £000	OBJECTIVE ANALYSIS	Approved Budget 2025/26 £000	Revised Budget 2025/26 £000	Projected Out-turn 2025/26 £000	Projected Over/(Under) Spend £000	Percentage Over/(Under)
6,371	Finance	6,250	6,250	6,317	67	1.1%
5,336	Legal, Democratic Digital & Customer Services	5,435	5,435	5,549	114	2.1%
2,276	Organisational Development, Policy & Communications	2,450	2,450	2,440	(10)	(0.4%)
<b>2,276</b>	<b>Total Net Expenditure Education, Communities &amp; Organisational Development</b>	<b>14,135</b>	<b>14,135</b>	<b>14,306</b>	<b>171</b>	<b>1.2%</b>
361	Chief Executive	515	515	415	(100)	(19.4%)
489	Miscellaneous	11,520	11,520	11,520	0	-
<b>3,126</b>	<b>TOTAL NET EXPENDITURE</b>	<b>26,170</b>	<b>26,170</b>	<b>26,241</b>	<b>71</b>	<b>0</b>
	Earmarked reserves		0	0		
<b>3,126</b>	<b>Total Net Expenditure excluding Earmarked Reserves</b>	<b>26,170</b>	<b>26,170</b>	<b>26,241</b>	<b>71</b>	



**POLICY RESOURCES**

**REVENUE BUDGET MONITORING REPORT**

**MATERIAL VARIANCES (EXCLUDING EARMARKED RESERVES)**

Appendix 3

**POLICY & RESOURCES COMMITTEE**

**REVENUE BUDGET MONITORING REPORT**

**MATERIAL VARIANCES**

Outturn 2024/25 £000	Budget Heading	Budget 2025/26 £000	Proportion of Budget £000	Actual to 2025/26 £000	Projection 2025/26 £000	Over/(Under) Budget £000	Percentage Variance %
	<b><u>Finance Services</u></b>						
23	Legal Expenses	23	8	43	58	35	152.2%
23,712	Benefits & Allowances	22,600	7,533	7,907	22,620	20	0.1%
	<b><u>Legal, Democratic Digital &amp; Customer Services</u></b>						
4265	Employee Costs	3,780	1,108	1,102	3,825	45	1.2%
754	ICT -Supplies and Services Computer Software Maintenance	721	240	764	845	67	9.3%
276	ICT - Telephone Line Rental Admin Costs	253	84	46	160	(93)	(36.8%)
(276)	ICT Income - Telephone Line Rental Income Costs	(253)	(84)	(46)	(160)	93	(36.8%)
(63)	ICT Income - Computer 5 year Refresh	(28)	(9)	(12)	(66)	(38)	135.7%
(281)	Legal Income- Licenses	(338)	(113)	(88)	(288)	50	(14.8%)
	<b><u>Organisational Development, Policy &amp; Communications</u></b>						
1,882	Employee Costs	2,093	614	588	2,045	(48)	(2.3%)
	<b><u>Chief Executive Services</u></b>						
	Senior Officer Capacity	190	0	0	90	(100)	(52.6%)
<b>30,292</b>	<b>TOTAL MATERIAL VARIANCES</b>	<b>29,041</b>	<b>9,381</b>	<b>10,304</b>	<b>29,129</b>	<b>31</b>	

## EARMARKED RESERVES POSITION STATEMENT

COMMITTEE: Policy &amp; Resources

C a t e g o r y	Project	Lead Officer/ Responsible Manager	Total Funding	Phased Budget	Spend to date	Projected Spend	Amount to be Earmarked for 2026/27 & Beyond	Lead Officer Update	
			2025/26	2025/26	2025/26	2025/26			
			£000	£000	£000	£000	£000		
B	Early Retiral/Voluntary Severance Reserve	Angela Edmiston	2,202	0	0	1,000	1,202	Budget required for releases due to the 2026/28 budget exercise. Projection based on 50% of budget available. Sufficiency of budget in line with savings required needs to be reviewed. Total EMR estimated to fund approx £1.5m employee savings, budget will remain under review during this process.	
C	Equal Pay	Morna Rae	100	0	0	0	100		Ongoing reserve held to assist with any Equal Pay legal costs.
C	Digital Strategy	Stuart Jamieson	868	121	46	255	613		2025/26 Committed project costs to date  £5K Review of School Catering Service £14K ICT Project Officer Post £20K ICHRIS £7K Victoria Forms (Legal)
C	Welfare Reform - Operational	Angela Edmiston	52	0	0	10	42	Used to fund additional employee costs.	
C	Anti-Poverty Fund	Ruth Binks	2,351	0	0	1,144	1,207	The Anti Poverty Officers group meets regularly to discuss proposals to utilise the unallocated reserve, which will be presented to future P&R Committees for approval.	
B	Loan Charge Funding Model	Angela Edmiston	2,431	0	0	943	1,488	Based on latest finance strategy June 2025.	
B	2023/26 Budget Funding Reserve	Angela Edmiston	2,745	0	0	1,245	1,500	Based on approved budget March 2025. £1.245m utilised 2025/26, £1m 2026/27 and £0.5m 2027/28	
CFCR	Capital funded from Current Revenue	Angela Edmiston	11,245	0	0	3,100	8,145	To support existings pressures within capital programme, includes £3.75m for Asset Review and £4.4m medium term support/contingency. Funding will be drawn down over 2025/28 programme.	
C	New Ways of Working	Stuart Jamieson	47	14	14	47	0	Works nearing completion for Finance wing and Banking Hall moves. Balance of fund will be expended and re-charged circa period 5.	

# EARMARKED RESERVES POSITION STATEMENT

COMMITTEE: Policy & Resources

C a t e g o r y	<u>Project</u>	<u>Lead Officer/ Responsible Manager</u>	<u>Total Funding</u>	<u>Phased Budget</u>	<u>Spend to date</u>	<u>Projected Spend</u>	<u>Amount to be Earmarked for 2026/27 &amp; Beyond</u>	<u>Lead Officer Update</u>
			<u>2025/26</u>	<u>2025/26</u>	<u>2025/26</u>	<u>2025/26</u>		
			<u>£000</u>	<u>£000</u>	<u>£000</u>	<u>£000</u>	<u>£000</u>	
C	Project Resource	Stuart Jamieson	29	0	0	15	14	Balance of budget to fund recruitment cost of CFO.
C	Covid Recovery - Marketing Post & Support for Discover Inverclyde	Morna Rae	33	8	0	33	0	Funding in relation to the maintenance and development of the 'Discover Inverclyde' website and social media as the source of events and activity for residents and visitors to Inverclyde. Also supports local tourism groups and marketing campaigns.
C	Scottish Welfare Fund	Angela Edmiston	491	0	0	5	486	To pay the balance of Scottish Welfare Fund crisis grants expenditure as funded by Scottish Government
C	Smoothing Reserve (Service Concession)	Angela Edmiston	298	0	0	-183	481	Phasing over 2023/28 per report FIN/01/23
B	Budget Delivery Reserve	Angela Edmiston	1,177	32	32	760	417	Allocated costs to date for 2025/26: ASN transport (£53k), HR Review (£27k), Winter Gritting (£68k), Finance Officer (£47k), Utility Costs (490k). Also future costs of £350k for Office AMP, £75k due within 2025/26.
C	Student Training Fees	Morna Rae	73	0	0	0	73	The funding is to support professional qualifications and the consequent retention and development of employees. Spend to date across multiple services to develop employees.
C	IRI Smoothing Reserve	Angela Edmiston	946				946	Based on latest Finance Strategy June 2025.
C	Empty Property Relief	Angela Edmiston	75	0	0	0	75	To cover any retrospective applications for empty property relief.
C	Elections 2024/27	Lynsey Brown	231	0	0	0	231	No Election Spend within 25/26
C	Tourism	Morna Rae	270	0	0	270	0	Additional funding for tourism agreed as part of 2025/25 Budget. Activity to be undertaken by Environment and Regeneration/Corporate Communications including development of Tourism Strategy.
C	Transformation	Angela Edmiston	1,500	0	0	0	1,500	Approved Council March 2025, plans to be drafted.
C	Capital Programmes (FMS replacement)	Angela Edmiston	1,200	0	0	104	1,096	Approved Council March 2026, fund will be utilised over period 2025/28 to implement replacement Finance system.
C	Freedom of Inverclyde Event	Morna Rae	25	0	0	0	25	As agreed by June 2025 Council Royal Regiment of Scotland to receive Freedom of Inverclyde. Funding to support event.
Total Category A			0	0	0	0	0	
Total Category B			8,555	32	32	3,948	4,607	
Total Category C to E			8,589	143	60	1,700	6,889	

**COMMON GOOD FUND****REVENUE BUDGET MONITORING REPORT 2025/26**

	<b>Final Outturn 2024/25</b>	<b>Approved Budget 2025/26</b>	<b>Budget to Date 2025/26</b>	<b>Actual to Date 2025/26</b>	<b>Projected Outturn 2025/26</b>
	£	£	£	£	£
<b><u>PROPERTY COSTS</u></b>	<b>71,332</b>	<b>65,200</b>	<b>22,300</b>	<b>5,800</b>	<b>65,200</b>
Repairs & Maintenance	18,380	17,500	5,800	5,800	17,500
Rates	13,413	23,200	7,700	0	23,200
Property Insurance	8,000	3,500	1,800	0	3,500
Property Costs	31,539	21,000	7,000	0	21,000
<b><u>ADMINISTRATION COSTS</u></b>	<b>6,200</b>	<b>7,700</b>	<b>500</b>	<b>0</b>	<b>7,700</b>
Sundries	0	1,500	500	0	1,500
Commercial Rent Management Recharge	2,200	2,200	0	0	2,200
Recharge for Accountancy	4,000	4,000	0	0	4,000
<b><u>OTHER EXPENDITURE</u></b>	<b>104,358</b>	<b>109,500</b>	<b>44,000</b>	<b>42,960</b>	<b>109,500</b>
Christmas Lights Switch On	8,250	10,500	0	0	10,500
Christmas Decorations	43,700	44,000	0	0	44,000
Gourock Highland Games	29,400	29,400	29,400	29,400	29,400
Armistice Service	8,041	8,300	0	0	8,300
Comet Festival	13,300	13,300	13,300	13,300	13,300
Events	0	4,000	1,300	260	4,000
Bad Debt Provision	1,667	0	0	0	0
<b><u>INCOME</u></b>	<b>(204,963)</b>	<b>(186,200)</b>	<b>(60,100)</b>	<b>(60,610)</b>	<b>(186,200)</b>
Property Rental	(228,200)	(234,200)	(78,100)	(78,100)	(234,200)
Void Rents	33,164	54,000	18,000	17,490	54,000
Internal Resources Interest	(9,927)	(6,000)	0	0	(6,000)
<b><u>NET ANNUAL EXPENDITURE</u></b>	<b>(23,073)</b>	<b>(3,800)</b>	<b>6,700</b>	<b>(11,850)</b>	<b>(3,800)</b>
<b><u>EARMARKED FUNDS</u></b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b><u>TOTAL NET EXPENDITURE</u></b>	<b>(23,073)</b>	<b>(3,800)</b>	<b>6,700</b>	<b>(11,850)</b>	<b>(3,800)</b>

<b>Fund Balance as at 31st March 2025</b>	<b>£ 181,110</b>
<b>Projected Outturn 2025/26</b>	<b>3,800</b>
<b>Expenditure on Port Glasgow Burgh 250th Anniversary approved by Policy and Resources Committee on 13th August 2024</b>	<b>(40,000)</b>
<b>Projected Fund Balance as at 31st March 2026</b>	<b><u><u>144,910</u></u></b>

## Policy &amp; Resources Committee

## Revenue Budget Monitoring Report 2025/26

Committee	Approved Budget 2025/2026	Revised Budget 2025/2026	Projected Out-turn 2025/2026	Projected Over/(Under) Spend	Percentage Variance
	£,000's	£,000's	£,000's	£,000's	
Policy & Resources	26,170	26,137	26,208	71	0.27%
Environment & Regeneration	22,139	22,139	22,229	90	0.41%
Education & Communities	122,780	123,374	123,779	405	0.33%
Health & Social Care	78,662	78,695	79,354	659	0.84%
<b>Committee Sub-Total</b>	<b>249,751</b>	<b>250,345</b>	<b>251,570</b>	<b>1,225</b>	<b>0.49%</b>
Loan Charges	16,183	16,183	16,183	0	0.00%
Saving Approved yet to be Allocated ( <b>Note 1</b> )		0	0	0	0.00%
Workstream Savings Approved ( <b>Note 1</b> )	(210)	(210)	(210)	0	0.00%
Service Concession Flexibility	(1,650)	(1,650)	(1,650)	0	0.00%
Contribution from Other Funds	0	0	0	0	0.00%
Earmarked Reserves	0	0	0	0	0.00%
<b>Total Expenditure</b>	<b>264,074</b>	<b>264,668</b>	<b>265,893</b>	<b>1,225</b>	<b>0.46%</b>
<b>Financed By:</b>					
General Revenue Grant/Non Domestic Rates	(224,381)	(224,381)	(224,381)	0	0.00%
Contribution from General Reserves	(1,245)	(1,245)	(1,245)	0	100.00%
Contribution to Reserves	0	0	0	0	100.00%
Integration Joint Board - Contribution to Reserves	0	0	(659)	(659)	100.00%
<b>Net Expenditure</b>	<b>0</b>	<b>594</b>	<b>1,160</b>	<b>566</b>	

**Note 1 - Workstream Savings Approved yet to be vired**

# Earmarked Reserves Position Statement

Appendix 7

## Summary

<u>Committee</u>	<u>Total Funding 2025/26</u>	<u>Phased Budget</u>	<u>Spend to date 2025/26</u>	<u>Variance Actual to Phased Budget</u>	<u>Projected Spend 2025/26</u>	<u>Earmarked 2026/27 &amp; Beyond</u>	<u>2025/26 %age Spend Against Projected</u>	<u>2025/26 %age Over/(Under) Spend Against Phased Budget</u>
	<u>£000</u>	<u>£000</u>	<u>£000</u>	<u>£000</u>	<u>£000</u>	<u>£000</u>		
Education & Communities	1,357	46	46	0	552	805	8.33%	0.00%
Health & Social Care	9,191	587	66	(521)	2,522	6,669	2.62%	(88.75%)
Regeneration & Environment	6,680	233	228	(5)	2,991	3,689	7.62%	(2.15%)
Policy & Resources	17,144	175	92	(83)	5,648	11,496	1.63%	(47.43%)
	34,372	1,041	432	(609)	11,713	22,659	3.69%	(58.48%)

Actual Spend v Phased Budget      Behind Phasing =      (£609k)      (58.48%)

Only categories B-E included above excluding HSCP with categories C-E only

**Appendix 8****GENERAL FUND RESERVE POSITION**  
**2025/26**

	<u>£000</u>	<u>£000</u>
Usable Balance 31/3/25		4377
<u>Available Funding:</u>		
Write back of planned use of reserves	7540	
	<hr/>	7540
Projected Surplus/(Deficit) 2025/26	<hr/> (566)	
		(566)
<u>Use of Balances Approved 2024:</u>		
Increased support to the Revenue Budget:		
Anti Poverty Initiatives (including employability)	(600)	
Roads Investment	(600)	
ASN Initiatives/Resources	(600)	
Tourism	(270)	
Transformation	(1500)	
Capital Programmes (FMS Replacement)	(1200)	
Freedom of Inverclyde event	(25)	
Use of reserves for 2025/28 budget	<hr/> (2745)	
		(7540)
Projected Reserve Balance		<hr/> <b>3811</b> <hr/>

**Minimum Reserve required is £4 million**

Workstreams Saving Monitoring at July 2025

Saving Title	CMT Lead Officer	Chief Officer Update	Approved Saving	Achieved to Date	Projected Saving	Over achievement/(Shortfall)
			2024/25 £000's	2024/25 £000's	2024/25 £000's	2024/25 £000's
Income Generation <b>Original Target £700k</b>	A Edmiston	5% increases in fees/charges for both 2024/25 and 2025/26 agreed as part of the 2024/26 Budget. Balance anticipated to come from Inchgreen JV no later than 2025/26. £11k identified for 2025/26 relating to uplift in charges for Building Warrant fees. £25K GOT lease review.	250	245	245	(5)
Procurement <b>Original target £600k, then £750k , then £805k (to fund Procurement post) now £945k over 24/27 after £140k New target added. Note 2</b>	E Montgomery	£671k achieved in 2024/25 from the new Residual Waste contract with £80k achieved from the new SWAN contract. This has been phased 50% 24/25 and 50% 25/26 and requires £350k investment from the Budget Delivery emr. CMT have increased the target by £55k in order to help increase capacity within the Procurement Team. Further inrease approved as part of August 2024 savings exercise (£140k) including purchase cards.	710	711	711	1
Energy <b>Original Target £500k , now £1250k</b>	A Edmiston	£800k reduction in gas/electricity budgets over 2023/26 approved as part of the 2024/26 Budgets. Increased by £100k (Jan 2025 Council ) and a further £300k (Feb 2025 P&R)and the position will continue to be monitored given the current volatility. A £50k reduction in fuel costs was applied from 2024/25 based on 2023/24 out-turn. 2026/27 potential saving and IL saving to be reviewed later in 2025. £130k saving identified for Chiller 2026/27	250	250	250	0
Asset Management <b>Original Target £400k</b>	E Montgomery	Initial saving will arise from the demolition of Hector McNeil House as part of the Levelling Up Fund project later in 2024. Officers developing a process for the consideration by members of other proposals which will be presented in October. A report will be presented to the Programme Board February 2025 regarding office proposals. Target slipped over 2026/28 per P&R January 2025. FTE reflects HMM cleaning saving.	50	0	0	(50)
Management Restructure Ph3 <b>Original Target £200k</b>	S Jamieson	Update presented to 14.11.24 Programme Board and 19.11.24 P&R Committee agreed to use £104k from the contingency to meet the 31.3.26 projected shortfall. Shortfall updated in line with latest saving proposal, now utilising £65k from contingency balance.	0	0	0	0
Digital & Customer Services <b>Original Target £100k</b>	S Jamieson	A number of projects delivering service improvements progressing . Updated via regular reports to Policy & Resources Committee. Update to 14.11.24 Programme Board and 19.11.24 P&R Committee agreed to use £35k from the contingency to meet the 31.3.26 projected shortfall. In line with latest saving proposal, shortfall increased to £41k funded from contingency.	20	0	0	(20)
Community Learning & Development- Delivering Differently Review <b>Original Target £180k</b>	R Binks	This saving was agreed at the Education and Communities Committee on 21 January 2025.	40	40	40	0
Schools Catering Review <b>Original Target £120k</b>	R Binks	3.8FTE vacant posts delivering an £80k saving in 25/26 have already been identified and APSE are undertaking a review with the service to identify potential areas for efficiencies. This review has been underatken with results pending.	0	0	0	0
Over achievement Contingecy <b>Currently £300k</b>	A Edmiston	This reflects the fact that targets exceed the overall allowance in the 2024/26 Budget. Policy & Resources Committee approved the use of £139k on 19.11.24. Phasing updated, £106k required from contingency. Increased target for expected chiller saving 2026/27.	0	0	0	0
Totals			1,320	1,246	1,246	(74)

Approved Saving	Achieved to Date	Projected Saving	Total Projected Saving	Over achievement/(Shortfall)	2026/27	2027/28	Est FTE Impact	Balance Remaining
2025/26 £000's	2025/26 £000's	2025/26 £000's	2024/26 £000's	2024/26 £000's	£000's	£000's		£000's
450	293	455	700	0	0	0	0.0	162
165	65	164	875	0	70	0	(2.0)	169
1000	967	1,000	1,250	0	0	0	0.0	33
50	0	100	100	0	200	100	3.8	400
200	135	135	135	(65)	12	0	2.5	12
80	59	59	59	(41)	17	0	2.0	17
140	140	140	180	0	0	0	4.3	0
100	91	100	100	0	20	0	3.4	29
(300)	0	(194)	(194)	106	0	0	0.0	(194)
1,885	1750	1959	3205	0	319	100	14.0	628