

<b>DECISION-MAKER:</b>	CABINET
<b>SUBJECT:</b>	2025/26 FINANCIAL POSITION UPDATE – PERIOD TO 31 DECEMBER 2025
<b>DATE OF DECISION:</b>	27 JANUARY 2026
<b>REPORT OF:</b>	COUNCILLOR LETTS CABINET MEMBER FOR FINANCE AND RESOURCES
<b>CORPORATE PLAN OUTCOMES AND PRIORITIES</b>	Outcome: A modern, financially sustainable council that makes lives better for residents
	Priority: Transform to become a financially sustainable, efficient council.

<b><u>CONTACT DETAILS</u></b>			
<b>Executive Director</b>	<b>Title</b>	Executive Director Enabling Services and S151 Officer	
	<b>Name:</b>	Mel Creighton	Tel: 023 8083 3528
	<b>E-mail:</b>	<a href="mailto:Mel.Creighton@southampton.gov.uk">Mel.Creighton@southampton.gov.uk</a>	
<b>Author</b>	<b>Title</b>	Director of Finance	
	<b>Name:</b>	Hannah Doney	Tel: 023 8083 2132
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<b>STATEMENT OF CONFIDENTIALITY</b>	
Not Applicable	
<b>BRIEF SUMMARY</b>	
<p>This report provides a summary of the financial position of the council for 2025/26 as at the end of December 2025 (month 9).</p> <p>The position as at the end of December 2025 is a £0.45M underspend, with the detail set out in Appendix 1. This is a favourable movement of £0.75M compared to the position at Month 8 (£0.30M overspend forecast).</p>	
<b>RECOMMENDATIONS:</b>	
	Cabinet is recommended to:
(i)	Note the latest forecast financial position as set out in Appendix 1.
<b>REASONS FOR REPORT RECOMMENDATIONS</b>	
1.	To ensure that Cabinet fulfils its responsibilities for the overall financial management of the council's resources.
<b>ALTERNATIVE OPTIONS CONSIDERED AND REJECTED</b>	
2.	Not applicable.
<b>DETAIL AND EVIDENCE (Including consultation carried out)</b>	
	<b><u>Latest Financial Position</u></b>

3.	The forecast financial position of the council as at the end of December 2025 (month 9) is set out at Appendix 1. Table 1 summarises the General Revenue Fund Forecast.																																																												
4.	<p><b>Table 1 – General Revenue Fund Forecast 2025/26</b></p> <table border="1" data-bbox="300 416 1458 1218"> <thead> <tr> <th data-bbox="300 416 759 622"></th> <th data-bbox="759 416 935 622"><b>Working Budget Month 9 £M</b></th> <th data-bbox="935 416 1094 622"><b>Forecast Outturn Month 9 £M</b></th> <th data-bbox="1094 416 1270 622"><b>Forecast Variance Month 9 £M</b></th> <th data-bbox="1270 416 1458 622"><b>Movement Month 8 to Month 9 £M</b></th> </tr> </thead> <tbody> <tr> <td data-bbox="300 622 759 678">Children &amp; Learning</td> <td data-bbox="759 622 935 678">45.99</td> <td data-bbox="935 622 1094 678">48.03</td> <td data-bbox="1094 622 1270 678">2.04 A</td> <td data-bbox="1270 622 1458 678">0.05 A</td> </tr> <tr> <td data-bbox="300 678 759 734">Community Wellbeing</td> <td data-bbox="759 678 935 734">70.12</td> <td data-bbox="935 678 1094 734">71.96</td> <td data-bbox="1094 678 1270 734">1.85 A</td> <td data-bbox="1270 678 1458 734">(0.09) F</td> </tr> <tr> <td data-bbox="300 734 759 790">Enabling Services</td> <td data-bbox="759 734 935 790">22.98</td> <td data-bbox="935 734 1094 790">22.20</td> <td data-bbox="1094 734 1270 790">(0.78) F</td> <td data-bbox="1270 734 1458 790">(0.54) F</td> </tr> <tr> <td data-bbox="300 790 759 846">Growth &amp; Prosperity</td> <td data-bbox="759 790 935 846">37.64</td> <td data-bbox="935 790 1094 846">37.19</td> <td data-bbox="1094 790 1270 846">(0.46) F</td> <td data-bbox="1270 790 1458 846">0.00 A</td> </tr> <tr> <td data-bbox="300 846 759 902">Resident Services</td> <td data-bbox="759 846 935 902">18.80</td> <td data-bbox="935 846 1094 902">18.47</td> <td data-bbox="1094 846 1270 902">(0.33) F</td> <td data-bbox="1270 846 1458 902">(0.16) F</td> </tr> <tr> <td data-bbox="300 902 759 958">Strategy &amp; Chief Executive</td> <td data-bbox="759 902 935 958">12.26</td> <td data-bbox="935 902 1094 958">11.48</td> <td data-bbox="1094 902 1270 958">(0.78) F</td> <td data-bbox="1270 902 1458 958">(0.01) F</td> </tr> <tr> <td data-bbox="300 958 759 1014"><b>Total Directorates</b></td> <td data-bbox="759 958 935 1014"><b>207.79</b></td> <td data-bbox="935 958 1094 1014"><b>209.34</b></td> <td data-bbox="1094 958 1270 1014"><b>1.55 A</b></td> <td data-bbox="1270 958 1458 1014"><b>(0.75) F</b></td> </tr> <tr> <td data-bbox="300 1014 759 1070">Centrally Held Budgets</td> <td data-bbox="759 1014 935 1070">23.28</td> <td data-bbox="935 1014 1094 1070">21.28</td> <td data-bbox="1094 1014 1270 1070">(2.00) F</td> <td data-bbox="1270 1014 1458 1070">0.00</td> </tr> <tr> <td data-bbox="300 1070 759 1126"><b>Net Council Expenditure</b></td> <td data-bbox="759 1070 935 1126"><b>231.07</b></td> <td data-bbox="935 1070 1094 1126"><b>230.61</b></td> <td data-bbox="1094 1070 1270 1126"><b>(0.45) F</b></td> <td data-bbox="1270 1070 1458 1126"><b>(0.75) F</b></td> </tr> <tr> <td data-bbox="300 1126 759 1182">Centrally Held Funding</td> <td data-bbox="759 1126 935 1182">(231.07)</td> <td data-bbox="935 1126 1094 1182">(231.07)</td> <td data-bbox="1094 1126 1270 1182">0.00</td> <td data-bbox="1270 1126 1458 1182">0.00</td> </tr> <tr> <td data-bbox="300 1182 759 1218"><b>Net Over/(Underspend)</b></td> <td data-bbox="759 1182 935 1218"><b>0.00</b></td> <td data-bbox="935 1182 1094 1218"><b>(0.45)</b></td> <td data-bbox="1094 1182 1270 1218"><b>(0.45) F</b></td> <td data-bbox="1270 1182 1458 1218"><b>(0.75) F</b></td> </tr> </tbody> </table> <p data-bbox="432 1227 1339 1256">Numbers are rounded. 'F' indicates a favourable variance, 'A' is an adverse variance</p>		<b>Working Budget Month 9 £M</b>	<b>Forecast Outturn Month 9 £M</b>	<b>Forecast Variance Month 9 £M</b>	<b>Movement Month 8 to Month 9 £M</b>	Children & Learning	45.99	48.03	2.04 A	0.05 A	Community Wellbeing	70.12	71.96	1.85 A	(0.09) F	Enabling Services	22.98	22.20	(0.78) F	(0.54) F	Growth & Prosperity	37.64	37.19	(0.46) F	0.00 A	Resident Services	18.80	18.47	(0.33) F	(0.16) F	Strategy & Chief Executive	12.26	11.48	(0.78) F	(0.01) F	<b>Total Directorates</b>	<b>207.79</b>	<b>209.34</b>	<b>1.55 A</b>	<b>(0.75) F</b>	Centrally Held Budgets	23.28	21.28	(2.00) F	0.00	<b>Net Council Expenditure</b>	<b>231.07</b>	<b>230.61</b>	<b>(0.45) F</b>	<b>(0.75) F</b>	Centrally Held Funding	(231.07)	(231.07)	0.00	0.00	<b>Net Over/(Underspend)</b>	<b>0.00</b>	<b>(0.45)</b>	<b>(0.45) F</b>	<b>(0.75) F</b>
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5.	<p>In accordance with the Business Planning &amp; Budgeting Framework, directorates that are forecasting a significant adverse variance are asked to develop deficit recover plans to mitigate the forecast overspends.</p> <p>Implementation of deficit recovery plan measures continue to be progressed for Children &amp; Learning, Community Wellbeing and Resident Services to help reduce service overspends.</p>																																																												
6.	The overall position includes the release of £2.0M of the centrally held contingency budget to help meet forecast overspends in Children & Learning and Community Wellbeing. If the position worsens there may be a need to call on the Social Care Demand Reserve to meet in-year care demand pressures.																																																												
<b>RESOURCE IMPLICATIONS</b>																																																													
<b><u>Capital/Revenue</u></b>																																																													
7.	The financial implications are contained in the report.																																																												
<b><u>Property/Other</u></b>																																																													
8.	None.																																																												
<b>LEGAL IMPLICATIONS</b>																																																													
<b><u>Statutory power to undertake proposals in the report:</u></b>																																																													
9.	Financial reporting is consistent with the Section 151 Officer's duty to ensure good financial administration within the council.																																																												

<b><u>Other Legal Implications:</u></b>	
10.	None.
<b>RISK MANAGEMENT IMPLICATIONS</b>	
11.	Risk management implications are contained in the report.
<b>POLICY FRAMEWORK IMPLICATIONS including STRATEGIC IMPACT</b>	
12.	None.

<b>KEY DECISION?</b>	No
<b>WARDS/COMMUNITIES AFFECTED:</b>	All
<b><u>SUPPORTING DOCUMENTATION</u></b>	
<b>Appendices</b>	
1.	Financial position update report month 9 2025/26
2.	

**Documents In Members' Rooms**

1.	
2.	

**EQUALITY AND SAFETY IMPACT ASSESSMENT**

<b>Do the implications/subject of the report require an Equality and Safety Impact Assessment (ESIA) to be carried out.</b>	No
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**DATA PROTECTION IMPACT ASSESSMENT**

<b>Do the implications/subject of the report require a Data Protection Impact Assessment (DPIA) to be carried out.</b>	No
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**Other Background Documents**

**Other Background documents available for inspection at:**

	<b>Title of Background Paper(s)</b>	<b>Relevant Paragraph of the Access to Information Procedure Rules / Schedule 12A allowing document to be Exempt/Confidential (if applicable)</b>
1.	The 2025/26 Budget and Medium Term Financial Strategy (Council 26 February 2025)	
2.		