

2025/26 Outturn Report	
Executive Summary	This report presents the provisional outturn position for the 2025/26 financial year which shows a General Fund underspend of £0.354m. It also provides an update in relation to the Council's capital programme and use of reserves. The position will be used to inform the production of the Statutory accounts which will then be subject to audit by the Council's external auditors. The report makes recommendations for contributions to reserves.
Options considered	None - This is a factual report of the financial year end position for 2025/26.
Consultation(s)	None – This is a factual report of the financial year end position for 2025/26.
Recommendations	Members are asked to consider the report and recommend the following to full Council: a) The provisional outturn position for the General Fund revenue account for 2025/26 (as shown in Appendix A); b) The transfers to and from reserves as detailed within the report (and Appendix C); c) The surplus of £0.354m to be transferred to the New Burdens Reserve d) To note the balance on the General Reserve of £4.266m. e) The financing of the 2025/26 capital programme as detailed within the report and at Appendix D. f) The updated capital programme for 2026/27 to 2031/32 and scheme financing as outlined within the report and detailed at Appendix E; g) Approval of additional funding to cover capital project overspends of £0.012m as detailed in paragraph 5.7. h) Approval of capital project budget roll-forwards from 2025/26 into 2026/27 paragraph 5.10. i) To note the addition of £26,834 towards Property Services Electric Vehicles, to be funded by the Asset Management Reserve over a four-year lease period. This budget has been approved by the Deputy S151 Officer under constitutional powers. j) To approve the addition of £188,539 to renovate Fakenham Play Area to be funded from Capital S106 Contributions in 2026/27. k) To approve the addition of £100k to the Community Housing Fund (Grants to Housing Providers) project, to

	be funded by Capital Receipts following a repaid grant in 2025/26. l) To approve the updated Cromer Coast Protection Scheme budget to reflect that the approved RFCC (Environment Agency) grant has been awarded to the Mundesley Coastal Defences project only. This leaves the 2025/26 budget as £1,037,656. This is a movement of budget from the Cromer scheme to the Mundesley Scheme to meet grant conditions. m) To approve the updated Mundesley Coastal Management Scheme budget to reflect that the approved RFCC (Environment Agency) grant has been award to the Mundesley Coastal Management Scheme project only. This leaves the 2025/26 budget as £998,217. This is a movement of budget from the Cromer scheme to the Mundesley Scheme to meet grant conditions.
Reasons for recommendations	To provide a draft outturn position for the General Fund, Capital Accounts and Reserves which will form the basis to produce statutory accounts for 2025/26. Also to provide a draft opening position for the financial year 2026/27.
Background papers	Budget report, Budget Monitoring reports, NNDR3 return

Wards affected	All
Cabinet member(s)	Cllr Lucy Shires
Contact Officer	Daniel King Assistant Director Finance & Assets Daniel.King@north-norfolk.gov.uk

Links to key documents:	
Corporate Plan:	Financial Sustainability and Growth
Medium Term Financial Strategy (MTFS)	The outturn position will have an impact on the Reserve Balances, which will become the updated 2026/27 opening balances for the MTFS
Council Policies & Strategies	Corporate Plan 2023-2027

Corporate Governance:	
Is this a key decision	Yes
Has the public interest test been applied	
Details of any previous decision(s) on this matter	Budget Report – approved by Full Council on 19 February 2025 Budget Monitoring Period 4 – taken to Full Council on 24 September 2025 Budget Monitoring Period 6 – taken to Full Council on 19 November 2025 Budget Monitoring Period 10 – taken to Cabinet on 25 March 2026.

1. Introduction

- 1.1 This report presents the draft outturn position for the 2025/26 financial year for revenue, capital and reserves along with details and explanations for any variances from the updated budget. The updated budget reflects the budget approved by Full Council in February 2025 updated during 2025/26 for budget virements.
- 1.2 Commentary on the more significant year-end variances is included within the report with further supporting information provided within the detailed appendices.
- 1.3 The report also includes a current forecast position statement on the level of reserves along with the outturn and financing position for the 2025/26 capital programme. The capital programme for the period 2026/27 to 2031/32 has been updated to take account of the outturn position and is included within this report and appendices.

- 1.4 All budgets have been monitored during the year by Service and Finance Officers with regular reports being presented to Cabinet and Overview and Scrutiny. The period 10 budget monitoring report was presented to Cabinet in March which covered the first 10 months of the year up to the end of January 2026. At the time this report was forecasting a General Fund underspend of (£0.383m).

1.5 **Estimates included in the Accounts**

The provisional outturn position includes some significant figures which are subject to external audit, these are in relation to Benefit Subsidy and Business Rates Retention.

a) **Benefits Subsidy** - The benefit subsidy return was completed and submitted by 05 May 2026 and will be subject to external audit review later in the year. Depending on the outcome from the external audit review there could be an impact on the overall financial position, for example should a subsidy repayment be due to the Department for Work and Pensions. It is for this reason that the Council holds a Benefits Earmarked Reserve to mitigate any such impact.

b) **Business Rates** - Under the current system an element of the business rates is retained locally (split between the County (10%) and Districts (40%)) with the balance (50%) being returned to Central Government. The budget for the year was informed by the baseline funding and the NNDR1 position. The outturn position is based on the National Non-Domestic Rates (NNDR3) Return which is submitted annually. The draft NNDR3 return was submitted to Government 22 May 2025 and is subject to external audit as part of the final accounts audit, before being finalised. As with the benefits subsidy above, the Council operates a Business Rates Earmarked Reserve to help mitigate against any potentially negative impacts of these arrangements

- 1.6 This outturn position final budget monitoring position for the year for the year ending 31 March 2026 is a net (£0.354m) surplus. This report recommends contributing the surplus to the New Burdens Reserves.

- 1.7 The final key point is the deadline to publish the draft Statement of Accounts for 2026/27 is 30 June 2026, with the 30-day public inspection commencing after that. The backstop date for the final audited accounts to be published by the 31 January 2027. It is anticipated that the external audit of the accounts will be undertaken in the autumn 2026.

2. **Summary Financial Position 2025/26**

- 2.1 The General Fund position for the year shows a year-end Surplus of (£0.354m). This is after allowing for transfers to Earmarked Reserves for current and known commitments.

- 2.2 Appendix A The General Fund Summary, shows the overall revenue position including notional charges; however, to assist reporting and explaining 'real cash' variances, Table 1 below provides a summary of the General Fund position excluding these charges.

- 2.3 Accounting standards require several notional charges to be made to service accounts e.g., capital charges, revenue expenditure funded from

capital under statute (REFCUS) and pension costs, and whilst they don't have an impact on the surplus or deficit for the year, they are included for reporting purposes.

2.4 **Table 1**

2025/26 Revenue Account Excluding Notional Charges	Updated Budget £'000	Outturn £'000	Variance £'000
Service Area:			
Corporate	4,336	4,216	(120)
Service Delivery	5,259	6,099	840
Resources	9,120	8,062	(1,058)
Net Cost of Services	18,715	18,376	(338)
Parish Precepts	3,698	3,698	0
Net Interest Receivable/Payable	(1,101)	(1,460)	(359)
Minimum Revenue Provision (MRP)	527	584	57
Capital Financing	1,458	390	(1,068)
Contribution to/(from) Earmarked Reserves	587	21	(566)
Contribution to/(from) General Reserve	(15)	1,441	1,456
Net Service Expenditure/Income to be met from Government Grant and Taxpayers	5,154	4,675	(818)
Government Grants and Council Tax	(23,869)	(23,406)	463
Net (Surplus)/Deficit for the Year	0	(354)	(354)

2.5 **Net Cost of Service** – the position shows a net surplus of (£2.039m) across the Councils main service areas. This position is explained further within section 3 below and also within appendix B.

2.6 **Non-Service expenditure** – Relates to income and expenditure not directly related to providing specific Council services.

- **Net Interest Receivable/Payable** – relates to the Council's balances invested to provide revenue to assist with funding the budget. The position shows that there was a net Surplus of £0.359m at the end of the year. This largely related to interest receivable which was higher than predicted due to greater balances to invest. This increase was largely due to slippage in capital financing cashflows. This is explained further within paragraphs 3.11 to 3.16.
- **Minimum Revenue Provision (MRP)** – is a charge to revenue made in respect of paying off the principal sum of the borrowing undertaken to finance the capital programme. At the end of the financial year this provision was £0.057m more than anticipated. This increase was in relation to increased internal borrowing.
- **Capital Financing** - this expenditure line relates to revenue financing allocated to the council's capital programme. The position shows an underspend of (£1.068m) which reflects slippage in the programme. This relates mainly to property acquisitions (non-housing). These savings do not impact on the bottom-line position as all of the finance relates to earmarked reserve movements.

2.7 **Contributions to/(from) Reserves** – The net movement in earmarked reserves was a reduction of (£0.890m). The actual use of reserves was £1.311m which compares favourably with the budgeted use of reserves of £1.814m. Contributions to earmarked reserves increased from the budgeted £2.386m to £2.773m. Further information on the councils reserves movements can be found at section 4 below and within Appx C.

2.8 Government Grants and Taxation

- This shows the provisional outturn for Business Rates and Council tax.
- Following reconciliation work a £0.143m repayment of the Sales, Fees and Charges grant was made. This grant was part of measures received from the Ministry of Housing, Communities and Local Government during Covid. During this time grant positions were monitored closely with surplus amounts transferred to the unspent grants reserve, a transfer will be made from this reserve to mitigate this payment.

3. Net Cost of Services – Detailed Commentary by Expenditure Heading for 2025/26

3.1 The net cost of services shows a year-end Surplus of (£2.039m). This position includes notional charges and is before any transfers to/from earmarked reserves.

3.2 Table 2 below shows the main variances across the standard expenditure headings which comprise the Net Cost of Services.

Expenditure Heading		2025/26 Updated Budget £'000	2025/26 Outturn £'000	2025/26 Outturn Variance £'000 %	
A	Employee Costs	17,116	15,444	(1,672)	(9.77%)
B	Premises	4,115	4,075	(40)	(0.97%)
C	Transport Related Expenditure	286	309	23	8.04%
D	Supplies and Services	13,556	14,117	561	4.14%
E	Transfer Payment	20,188	16,403	(3,785)	(18.75%)
F	Capital Financing Costs	3,724	3,216	(508)	(13.64%)
G	Income	(36,823)	(33,441)	3,382	(9.18%)
Net Cost of Service		22,162	20,123	(2,039)	

3.3 The significant variances categorised under each expenditure heading are outlined in the following section. Further information on these variances be found at detailed service level within appendix B.

3.4 A. Employee Costs

Table 2a provides further analysis on the Councils employee cost variance

Employee Costs	2025/26 Updated Budget £'000	2025/26 Outturn £'000	2025/26 Outturn Variance £'000 %	
Direct Employee Costs	16,822	15,022	(1,800)	(10.70%)
Indirect Employee Exps. - Training	185	119	(66)	(35.68%)
Indirect Employee Exps. - Other	108	303	196	181.48%
Total Employee Costs	17,115	15,444	(1,672)	

Direct Employee costs –

- The significant variance under employee costs is largely due to an adjustment of (£1.269m) has been made in relation to the current service costs on the Local Government Pension Scheme. This is a technical adjustment that is made in the accounts to comply with Accounting Standards IAS19. It reflects the difference between the cash contributions the Council has made into the Pension Fund during the year and the value of pensions accumulated in the year calculated by the actuary. As these additional costs are reversed out under net operating expenditure, they have no bottom-line impact on the revenue outturn position although the increase is reflected in long term liabilities on the Balance Sheet. The true variance in employee costs can be explained as follows
- (£0.531m) Savings have been generated from staff turnover, vacancies and changes to working patterns.
 - Savings have been generated where posts have been vacant for a period of time during the year for example the Senior Leadership team.
 - In some areas i.e. People Services there have been savings in substantive posts as post holders have taken secondment opportunities to temporary funded posts.
 - Where it has been difficult to recruit into professional posts, agency staff have been used as an interim measure, these costs offset the employee saving but are shown under the supplies and services subjective heading.

Indirect Employee Expenses –

- Underspends against the training budgets accounted for (£0.066m). Much of this underspend relates to generic and continuing professional development training. (£0.016m) of this relates to the corporate allocation.
- Advertising for vacancies is not budgeted for separately and the costs are anticipated to be funded from staff turnover £0.020m.
- As a result of changes in service deliver the council spent £0.098m on redundancy and pension strain, these costs will be met from the Invest to Save/Restructuring reserve.

3.5 B. Premises Costs

Table 2b provides further analysis on the Councils premises cost variance

Premises	2025/26 Updated Budget £'000	2025/26 Outturn £'000	2025/26 Outturn £'000	Variance %
Repairs & Maintenance	693	778	86	12.38%
Grounds Maintenance	668	718	50	7.45%
Premises Running Costs	2,755	2,579	(176)	(6.38%)
Total Premises Costs	4,115	4,075	(40)	

Repairs and Maintenance –

- Overspends in Repairs and Maintenance both Programmed £0.025m and Reactive £0.070m the main areas that were above budget were Admin Buildings £0.080m, Public Conveniences £0.030m and Cromer Pier £0.030m. These were partially offset by savings in other services including The Rocket House and Car parks.

Grounds Maintenance –

- Growth in general ground maintenance works £0.023m Other Parks and Open spaces and Woodlands.
- Growth in reactive coastal defence works £0.037m, offset by a saving in consultancy fees.

Premises Running Costs –

There has been an overall underspend in premises running costs, this can be attributed to the following;

- Rent of buildings of (£0.028m) this is linked to rent of toilet facilities.
- (£0.040m) Business rate costs across the council's assets.
- Lower utilities costs in relation to electricity (£0.054m) and water charges (£0.016m).
- Reduced contract cleaning costs (£0.031m)
- Increase in premises related insurance premiums £0.007m

3.6 C. Transport Related costs

The outturn position for transport related expenses was growth of £0.023m. The main elements resulting in this additional cost of £0.023m are: -

- Reduced mileage expenses (£0.022m) officer and member travel claims
- Additional £0.033m vehicle leasing in relation to electric pool vehicles.

3.7 D. Supplies and Services

Table 2c provides further analysis on the Councils Supplies and Services cost variances

Supplies and Services	2025/26 Updated Budget £'000	2025/26 Outturn £'000	2025/26 Outturn £'000	Variance %
Equipment Purchases & Materials	239	254	15	6.28%
Catering	2	3	1	50%
Clothing, Uniforms & laundry	10	8	(2)	(20%)
Printing & Stationery	118	146	28	23.73%
Fees & Services	10,400	10,175	(225)	(2.16%)
Communications & Computing	1,249	1,154	(95)	(7.61%)
Subscriptions & Allowances	413	410	(3)	(0.73%)
Insurances – General	173	170	(3)	(1.73%)
Grants & subscriptions	903	1,772	869	96.23%
Other Supplies & Services	49	24	(25)	(51.02%)
Total Supplies and Services	13,556	14,117	561	

The following outlines the significant variances that make up the supplies and services variance. Full variance explanations at service level can be found within appendix B accompanying this report.

Printing and Stationery –

- £0.012m Car park tickets, £0.022m Recoverable Election printing costs.

Fees and Services –

- £0.081m External Survey costs

- £0.017m External legal fees in connection to specialist areas such as planning appeals.
- (£0.064m) Internal and External Audit fees.
- (£0.023m) Outlook magazine production
- £0.061m Professional fees relating to enforcement cases
- £0.097m Agency staff required to cover vacant posts within the establishment, i.e. Legal and Accountancy (offset by staff turnover)
- (£0.039m) Condition Survey costs, £20k of which has been transferred to an earmarked reserve as it relates to programmed work on Cromer Pier.
- (£0.034) ICT professional services
- (£0.066m) Local Plan expenditure funded by earmarked reserves
- (£0.069m) Environmental Strategy projects funded by earmarked reserves.

Communications and Computing –

- (£0.133m) Computer software cost savings due to costs being split over a few financial years. This has been partially offset by an increase of £30k in computer maintenance costs.
- £0.031m Postage and mailing costs.

Grants and Subscriptions –

- £0.133m Housing support scheme payments to beneficiaries, these are offset by a grant from Norfolk County Council and earmarked reserves.
- £0.030m Contribution to Visit North Norfolk, funded from earmarked reserves.
- £0.550m Contributions to Norfolk County Council in respect of designated area enterprise zones, (2024/25 & 2025/26) part of the NNDR3 return and funded from business rate receipts.
- £0.062m Contributions towards Local Government Reorganisation (LGR) projects and submissions funded from earmarked reserves.
- £0.050m Contribution to assist residents effected by Fuel poverty.
- £0.049m Rural England Prosperity Fund payment, funded by grant.

Other Supplies and services –

- (£0.023m) Net movement in the provision for bad and doubtful debts not budgeted at service level.

3.8 E. Transfer payments

- The £16.157m expenditure relates to housing benefit payments to claimants during 2025/26. The budget position of £20.021m was based the 2024/25 Mid-year estimate adjusted for any known factors. The amount of Housing benefit payments has reduced due to the planned migration of working age claimants on to universal credits which the Department for Works and Pensions (DWP) administer directly.
- This budget line also includes Discretionary Housing Payments (DHP) which is claimed for separately.
- The Council can claim this expense back through completing a subsidy claim to the DWP. The initial final claim for 2025/26 has been completed, and this shows a shortfall in recovery of £0.611m.
- This shortfall is largely in respect of temporary accommodation costs which the council pays in respect of nightly homelessness provision (Bed and Breakfast charges) due to the capping of expenditure level we cannot recover all the expense through subsidy.
- £0.400m Has been released from the Council tax second homes premium to mitigate this additional cost.

3.9 F. Capital Financing Costs

- The current General Fund position excludes the final capital adjustments, In respect of depreciation and intangible amortisation. This will not have an impact of the Councils final outturn revenue position as they are reversed out.
- The variance of (£0.508m) shown at table 2 above is in relation to REFCUS (Revenue Expenditure Funded from Capital Under Statute) This relates to capital which would normally be classed as revenue expenditure as it does not create an asset on our balance sheet, for example grants.

3.10 G. Income

Table 2d provides further analysis on the Councils Income variances

Income	2025/26 Updated Budget £'000	2025/26 Outturn £'000	2025/26 Outturn £'000	Variance %
Government Grants	(20,257)	(15,411)	4,847	(23.93%)
Other Grants & Reimbursements	(1,808)	(2,836)	(1,028)	56.86%
Customer & Client Receipts	(14,176)	(14,622)	(446)	3.15%
Net Recharges Internal income	(573)	(555)	(18)	(0.26%)
Total Income	(36,823)	(33,441)	3,382	

Government Grants –

- Housing Benefit Subsidy grant received based on the initial final claim for 2025/26. This is the main factor in the variance shown in the table above. Further information on this position is also outlined at paragraph 3.8 above.

Other Grants and Reimbursement –

- A number of new burdens funding have been received from central government to offset the additional cost of undertaking certain activities these include: - (£0.049m) Drainage levies, (£0.014m) Benefits Administration, (£0.090m) Redmond review (Audit fees). (£0.075m) Coast Protection Grant in respect of Happisburgh Coastal Management Fund, this is to be ringfenced for specific projects in an earmarked reserve
- (£0.049m) Rural England Prosperity Fund grant income, offset by expenditure.
- (£0.099m) Grant received in respect of Housing Support Fund administered by the Housing benefit team, this is offset by contributions.

Customer and Client Receipts –

- (£0.016m) Legal fee income greater than anticipated.
- (£0.207m) Additional planning income, due to a number of larger application fees being received in the last quarter of 2025/26.
- £0.086m Building control fee income, due to the timing of fee increases.
- £0.061m Car park income, pay and display shortfall offset by additional penalty notice income.
- (£0.038m) Legal fee income
- £0.035m Industrial Estate recoverable service charges.

- £0.025m Corporate Health and Safety, no planned training courses undertaken.
- (£0.381m) Other recoverable charges, this is part of the bottom-line subsidy position and represents cash received relating to recovered overpayment debt and also movement in the provision relating to overpayment debt held on the Civica Revenue and Benefits system.
- (£0.125m) Homelessness recoverable charges on temporary accommodation (TA) including subsidy and client contributions, of this (£0.101m) is in relation to Council owned TA properties.
- (£0.285m) Net additional Waste and recycling income including performance failure deduction which has been set aside in an Innovation Fund and used for future cost pressure payments.

Internal Income –

- Additional income to the general fund in relation to staff time recharged and funded from capital projects.

Non-Service Income and Expenditure

- 3.11 The non-service income and expenditure largely relate to investment income (interest and dividends) and the cost of borrowing (interest payable). It also includes a small amount of interest from other sources e.g. interest on loans given to organisations for affordable housing schemes.
- 3.12 The budget for 2025/26 interest receivable was £1.403m, the actual income for the year was £1.700m. Having higher cash balances available for investing from capital schemes funded by grants, resulted in a favourable variance of £0.297m.
- 3.13 The budget for 2025/26 interest payable budget was £0.302m, the actual expenditure for the year was £0.242m. This is a favourable variance of £0.060m from decreasing interest rates for short-term borrowing.
- 3.14 The Council primarily uses internal borrowing where required (using cash from sources within the Council's own operations) which is prudent to save on external borrowing interest costs. Since March 2023 it was identified that the Council had a cashflow deficit of £5m. A PWLB loan was taken for 1 year in 2025/26 as interest rates remained higher, although decreasing. If the loan is no longer needed in 2026/27 it will not be renewed.
- 3.15 The full details of the Treasury Management activity and performance for the year are contained in a separate report (Treasury Management Outturn) which is also being presented at this meeting. This report contains the full detail of the investments and borrowing arrangements undertaken by the Council during 2025/26.
- 3.16 Significant points to note from the report are as follows:
 - The Council started and finished the year with seven long-term Pooled Fund investments worth £20.000m. These funds earned interest of £1.038m.
 - The Council started and finished the year with four housing loans, starting at a value of £1.853m and finishing with a value of £1.756m after loan repayments and one new loan issued during the year. These loans earned interest of £0.072m.

- The Council held short-term investments of varying balances during the year. These funds earned interest of £0.584m.
- The Council started and finished the year with total loans of £5m from the PWLB. This incurred an interest expense of £0.234m.
- The Council had one short-term loans of £2m during the year to meet cashflow demands that could not be met from internal borrowing. This incurred an expense of £0.005m.

Retained Business Rate Income

- 3.17 The Council was a member of the Norfolk Business Rates Pool for 2025/2026 which is beneficial for all authorities within the Pool.
- 3.18 Accounting for Business Rates collection is a complex area as it involves three financial years and contributions to and from other external organisations over this time too.
- 3.19 Since 2020/21 it has been difficult to calculate the budget for the Council's Retained Business Rates because of this. Because of the uncertainty around what the actual levels would be and the possibility of having to repay grants any surplus since 2020/21 has been transferred to the Business Rates Reserve to offset any future deficits.
- 3.20 The 2025/26 budget included Retained Business Rates Income was included at a prudent level because of uncertainty around the calculation. The actual outturn is compared to the budget.
- 3.21 Changes to the business rates pooling rules, making the scheme less attractive, influenced the decision for Norfolk authorities to not enter a pooling arrangement for 2026/27. This decision may be revisited in future years.
- 3.22 The Council Tax surplus for the 2025/26 year is £0.455m Reserves

Reserves

- 3.23 The Council holds a General Reserve for which the recommended balance for 2025/26 is £2.1 million. The purpose of holding a General Reserve is to provide a working balance to help cushion the impact of uneven cash flows and to provide a contingency to help cushion the impact of unexpected events or emergencies. The General Reserve balance on 31 March 2026 stands at £4.267 million. As part of Period 4 budget monitoring, it was recommended that the savings generated from the release of the Extended Producer Responsibility (EPR) grant to the environmental health service be transferred to the general reserve, this has been included. This report recommends that the forecast surplus of £0.354m is transferred to the New Burdens Reserve.
- 3.24 In addition to the General Reserve the Council holds several Earmarked Reserves that are held to meet known or predicted liabilities. The Earmarked Reserves also provides a means at the year-end for carrying funds forward to the new financial year to fund ongoing commitments and known liabilities for which no separate revenue budget exists.
- 3.25 There are several Earmarked Reserves that have balances, yet the timing of the use of the reserve is yet to be agreed. For example, the Business Rates

reserve which is held to negate any negative impacts on the General fund resulting from business rates appeals awarded, s31 grant balances and year end deficits.

3.26 Section 3 of the report has highlighted the service areas where an underspend has occurred relating to budgets funded by earmarked reserves. As part of the outturn process transfer entries are input to reflect the actual reserve funding requirement ensuring that the unallocated balance is available to meet future commitments or fund future projects. This adjustment offsets some of the positive variances in the net cost of services. In addition, a number of grant funding streams are ringfenced meaning that there is a specific purpose outlined in the grant determination. Underspends on these grants need to be earmarked to be utilised in future years or repaid.

3.27 The transfers to and from reserves (general and earmarked) are included within the reserves statement as detailed at Appendix C. This appendix outlines the purpose of each reserve and shows the planned use over the current four-year budget period. The updated budget projections were forecasting a net transfer to earmarked reserves totaling £0.573m. At outturn this position has increased to a net transfer of £1.463m to reserves resulting in a variance of (£0.890m) the most significant movements are as follows.

- Capital Projects Reserve - £0.391m Capital Project slippage outlined in section 5 below.
- Extended responsibility – (£1.453m) has been released to support the councils recycling budgets
- Council Tax Second Homes Premium – (£0.400m) released to offset Subsidy shortfalls as a result of homelessness provision.
- Delivery Plan Reserve – (£0.557m) – (£0.494m) Capital Slippage (£0.069m) Expenditure relating to environmental strategy project.
- Environmental Health Reserve – £0.120m additional gate fee income has been earmarked in 2025/26.
- Grants Reserve – (£0.143m) repayment of Sales fees and charges grant to central government.

4. Capital Programme 2025/26

4.1 This section of the report presents the capital outturn position for the year 2025/26 and the financing for this, together with the updated programme for the financial years 2026/27 to 2031/32. Appendix D provides the details of the outturn for the 2025/26 capital programme and variances prior to any adjustments to the original year budgets. The updated capital programme for 2026/27 to 2031/32, is attached at Appendix E.

4.2 The capital programme expenditure for 2025/26 was £13.170m compared to an updated 2025/26 budget of £38.280m giving an underspend of £25.111m.

- 4.3 This underspend is attributable to multiple factors. Some high value projects have not progressed as far as originally planned due to project delays, or project timelines have been reconsidered to reflect changes to programmed delivery. Approval is sought where budget is asked to be rolled forward into the 2026/27 capital programme. These are detailed further down in this report.

The total Capital Expenditure of £13.170m was funded by:

- £10.680m of grants
- £0.510m of external contributions
- £0.375m of reserve allocations
- £0.015m of revenue contributions to capital outlay (RCCO)
- £0.999m of capital receipts
- £0.591m funded from borrowing

- 4.4 Details of the Capital Expenditure covered by the 2025/26 Financing can be found in Appendix D alongside projects with roll-forward requests (reprofiling to 2026/27 budget).

- 4.5 The table below summarises capital schemes completed in 2025/26 along with the value of unspent budget given up. Explanations of these variances are detailed in paragraphs (a) to (j).

Capital Projects completed in 2025/26 and removed from the 2026/27 capital programme:

Capital Projects completed in 2025/26

Budget Manager		Completed Capital Projects	Unspent Budget £	Funding Source given up
Assets & Property Programme Manager	(a)	Cromer Offices LED Lighting Programme	0	N/A
Coastal Manager	(b)	Cromer Coast Protection Scheme	0	N/A
Assets & Property Programme Manager	(c)	Holt Country Park Staff Facilities	48	Borrowing
Assets & Property Programme Manager	(d)	New Fire Alarm and Fire Doors in Cromer Offices	386	Capital Receipts
Estates and Asset Strategy Manager	(e)	Collectors Cabin Roof	13,380	Asset Management Reserve
Application Support Manager	(f)	New Revenues and Benefits System	720	Capital Receipts
Customer Services Manager	(g)	Customer Services C3 Software	25	Delivery Plan Reserve
Total unspent budget:			14,559	

Budget given up Funding by Financing Source	Budget Unspent £
Capital Receipts	1,106
Grants	0
Reserves	13,405
Borrowing	48
Total budget given up by funding source:	14,559

- (a). The Cromer Offices LED Lighting capital project was completed in 2025/26 with total project expenditure of £178,796. The budget was fully spent.

(b). The Cromer Coast Protection Scheme project was completed in 2025/26 with final expenditure of £19,476,430. The budget was fully spent.

(c). The Holt Country Park Staff Facilities project was completed in 2025/26 with total expenditure of £93,452 against a total project budget of £93,500. This means that a total of £48 budget was unspent and will be uncommitted from borrowing funding.

(d). The New Fire Alarm and Fire Doors in Cromer Offices was completed in 2025/26 with total expenditure of £149,614 against a total project budget of £150,000. This means that a total of £386 budget was unspent and will be uncommitted from capital receipts funding.

(e). The Collectors Cabin Roof project was completed in 2025/26 with final expenditure of £16,620 against a total project budget of £30,000. This means that a total of £13,380 budget was unspent and will be uncommitted from reserve funding (Asset Management Reserve).

(f). The New Revenues and Benefits System project was completed in 2025/26 with final expenditure of £200,000 against a total project budget of £200,720. This means that a total of £720 budget was unspent and will be uncommitted from capital receipts funding.

(g). The Customer Services C3 Software project was completed in 2025/26 with final expenditure of £32,575 against a total project budget of £32,600. This means that a total of £25 budget was unspent and will be uncommitted from reserve funding (Delivery Plan Reserve).

5.7 There are schemes where overspends have occurred in 2025/26. Details are given in the table below alongside the recommended funding source to finance these overspends. Explanations for the overspends can be found in the paragraphs below.

Capital Projects overspent in 2025/26, requesting extra budget approval.

Budget Manager		Overspent Capital Projects	Overspend £	Funding Source Requested
Assets & Property Programme Manager	(h)	Public Conveniences (Sheringham & North Walsham)	4,752	Capital Receipts
Assets & Property Programme Manager	(i)	New Play Area (Sheringham, The Lees)	85	Asset Management Reserve
Assets & Property Programme Manager	(j)	Back Stage Refurbishment – Pier Pavilion Theatre	7,216	Borrowing
Total Extra Funding Requested to Finance Overspends			12,053	

Funding requested by financing source	Funding requested £
Capital Receipts	4,752
Reserves	85
Borrowing	7,216
Total	12,053

(h). The Public Conveniences (Sheringham & North Walsham) project was completed in 2025/26 with final expenditure of £570,266 against the schemes approved budget of £565,514. This is an overspend of £4,752 against the project requiring funding. The prior structural issues with the Lees walkway and toilets have led to a subsequent overspend on this project, however this was deemed essential to make sure the toilets were built to last many more years without ongoing repairs. It is proposed that some uncommitted capital receipts are used to finance this overspend.

(i). The New Play Area (Sheringham, The Lees) project was completed in 2025/26 with final expenditure of £120,085 against the schemes approved budget of £120,000. This is an overspend of £85 against the project requiring funding. This is a minor overspend where some extra materials were required to support the construction of the centrepiece climbing frame with its unique design. It is proposed that additional Reserve funding (Asset Management Reserve) is used to finance this overspend and this was the main funding source of the project.

(j). The Back Stage Refurbishment – Pier Pavilion Theatre project was completed in 2025/26 with final expenditure of £412,216 against the schemes approved budget of £405,000. This is an overspend of £7,216 against the project requiring funding. This is a overspend where extra contractor costs were incurred to deliver the project to a high standard. It is proposed that additional Borrowing funding is used to finance this overspend and this was the main funding source of the project.

- 5.8 This report requests that the Council notes capital receipts of £0.496m were received in 2025/26 as outlined below:

Capital Receipts 2025/26	£
Sale of Property Services Vehicle	-2,738.00
Repayment of Community Housing Fund Grant	-100,000.00
Disabled Facilities Grant Repayment	-26,975.80
Right to Buy Income Share (Sale of old HRA stock with Flagship)	-365,814.16
Total	-495,527.96

For the consideration of future capital projects, the Council's 2026/27 capital programme currently has total of £2.399m of projects agreed to be funded by capital receipts. However, the Council only has £1.882m of capital receipts funding available as at the end of 2025/26 (potential shortfall of £0.517m). This is forecasted to be an issue as it anticipated that the Council will receive this amount of capital receipts in 2026/27 from the continued Right to Buy income share and from repaid Disabled Facilities Grants. The Estates team continue to look for opportunities to generate additional capital receipts from selling surplus land.

This report would advise that that any new capital projects would need to be funded by borrowing unless grants/contributions are available.

- 5.9 For schemes not completed in 2025/26, for some capital budgets it is requested that they are rolled forward into 2026/27 for the managers to finish the schemes. The project's requesting budget is approved to be rolled forward into 2026/27 are detailed below, and shown in Appendix E. This report asks

members to consider and approve if the projects outlined below can continue in 2026/27 to meet the Council's goals. The details for any projects and current financial commitments are outlined in the following paragraphs.

- 5.10 For some schemes due to be completed in 2026/27, some expenditure has been incurred ahead of the financial year to prevent project time-delays in obtaining licenses/planning consent. Capital budget in 2026/27 will be deducted to prevent project overspend in future years. These are included in the roll forward table below (negative values).

Requests for capital budget roll forward from 2025/26 into 2026/27

Capital Project	Ref:	Budget requested to be rolled-forward into 2025/26 £	Funding Source(s)
Coastal Erosion Assistance (Grants)	(k)	13,336	Capital Receipts
Mundesley Coastal Management Scheme	(l)	281,340	£115,411 Capital Receipts £145,929 Grants £20,000 Contributions
Coastal Management Fund	(m)	580,520	Capital Receipts
Coastwise	(n)	5,399,528	Grants
Purchase of Bins	(o)	105,993	Capital Receipts
Electric Vehicle Charging Points	(p)	33,317	Capital Receipts
The Reef Solar Carport	(q)	65,180	Delivery Plan Reserve
Holt Country Park Electricity Improvements	(r)	234,418	Borrowing
Public Conveniences Energy Efficiencies	(s)	143,445	Borrowing
Coastal Defences	(t)	48,124	Capital Receipts
Fakenham Sports Centre Decarbonisation	(u)	121,400	£100k Grants £21,400 Net Zero Reserve
Waste Vehicles & Food Waste Bins	(v)	1,956,000	£1,097,527 Grants £858,473 Borrowing
Overstrand Seawall Works	(w)	1,224,200	£245,000 Capital Receipts £330,200 Grants £649,000 Borrowing
Public Conveniences - Albert Street, Holt	(x)	17,682	Borrowing
Cromer Pier Substructure Works	(y)	113,489	Borrowing
Fakenham 3G Facility	(z)	847,568	£600,000 Grants £247,568 Borrowing
Cromer 3G Football Facility	(aa)	10,000	Borrowing
The Reef Leisure Centre	(ab)	155,507	Borrowing
Green Road Football Facility (North Walsham)	(ac)	50,223	Delivery Plan Reserve
Fakenham Leisure and Sports Hub (FLASH)	(ad)	8,211,577	£7,803,577 Grants £408,000 Contributions
Cromer Church Wall	(ae)	45,045	Major Projects Reserve
Cabbell Park Clubhouse	(af)	237,000	Capital Receipts
Itteringham Shop Roof Renovation	(ag)	50,000	£20,000 Capital Receipts £30,000 Asset Management Reserve
Holt Country Park Septic Tank	(ah)	30,000	Capital Receipts
Public Conveniences Renovation, Holt Country Park	(ai)	43,495	Capital Receipts

Holt Country Park Eco Learning Space	(aj)	5,134	Contributions
Holt Country Park Play Equipment	(ak)	85,000	Contributions
Compulsory Purchase of Long-Term Empty Properties	(al)	383,835	Borrowing
Community Housing Fund (Grants to Housing Providers)	(am)	109,161	Housing Reserve
Council Owned Temporary Accommodation	(an)	585,972	Grants
Housing S106 Enabling	(ao)	689,000	Contributions
Rocket House	(ap)	645,947	Borrowing
Property Acquisitions	(aq)	697,868	£307,000 Delivery Plan Reserve £390,868 Capital Projects Reserve
Chalet Refurbishment	(ar)	106,260	Capital Receipts
Marrams Building Renovation	(as)	46,513	Asset Management Reserve
Car Parks Refurbishment	(at)	385,522	Capital Receipts
Marrams Footpath and Lighting	(au)	135,534	Borrowing
Asset Roof Replacements (Art Deco Block, Red Lion Retail Unit, Sheringham Chalet's)	(av)	14,015	£5,901 Grants £8,114 Asset Management
UK Shared Prosperity Fund	(aw)	22,500	Grants
Rural England Prosperity Fund	(ax)	21,022	Grant
West Prom Sheringham, Lighting & Cliff Railings	(ay)	29,887	Capital Receipts
Sunken Gardens Improvements, Marrams, Cromer	(az)	147,183	Borrowing
Weybourne Car Park Improvements	(aaa)	5,000	RCCO
Fakenham Connect Roof and Fire Doors	(aab)	(2,000)	Borrowing
North Lodge Car Park	(aac)	(1,352)	Borrowing
Drs Steps, Cromer	(aad)	(1,000)	Borrowing
User IT Hardware Refresh	(aae)	27,088	Capital Receipts
Property Services Asset Management Database	(aaf)	16,200	Capital Receipts
Replacement of Uninterruptible Power Supply	(aag)	10,696	Capital Receipts
Total:		24,183,372	

Please note the above figures have been shown to 0 d.p. whereas the appendix D uses non-rounded figures.

Budget Roll-Forwards by Funding Source:	£
Grants	16,112,156
Contributions	1,207,134
Reserves	1,073,504
Revenue Contribution to Capital Outlay (RCCO)	5,000
Capital Receipts	2,047,849
Borrowing	3,737,729
Total	24,183,372

- (k). Coastal Erosion Assistance (Grants) - This report requests that the unspent capital budget shown in the above table is rolled forward. No project works are contractually committed but this budget is held reactively to provide emergency coastal erosion grant support.
- (l). Mundesley Coastal Management Scheme – This report requests that the unspent capital budget shown in the above table is rolled forward as project works are contractually committed. The project works are anticipated to complete in 2026. This scheme is primarily grant-funded,

the grant can only be used for the project or must be repaid if the project is cancelled.

- (m). Coastal Management Fund – This report requests that the unspent capital budget shown in the above table is rolled forward. No project works are contractually committed. This budget is planned to be used for a major coastal beacon replacement programme along the Sheringham coastline; however, the Cromer & Mundesley Schemes have taken officer time priority during the previous financial year.
- (n). Coastwise – This report requests that the unspent capital budget shown in the above table is rolled forward. No project works are contractually committed but this grant-funded scheme can only be used for the Coastwise project. The expenditure on this scheme is subject to complex legal agreements which delay project progression.
- (o). Purchase of Bins – This report requests that the unspent capital budget shown in the above table is rolled forward. No project works are contractually committed but with the upcoming new bin provision requirement set by central government, it is highly probable that additional bin budget may be required.
- (p). Electric Vehicle Charging Points – This report requests that the unspent capital budget shown in the above table is rolled forward. No project works are contractually committed. This budget is planned to be used for infrastructure enabling works to allow Norfolk County Council to install charging points on North Norfolk District Council's assets using central government funding.
- (q). The Reef Solar Carport – This report requests that the unspent capital budget shown in the above table is rolled forward. No project works are contractually committed. This budget is planned to be used to purchase an electric battery storage or alternative electricity storage method to connect to the existing carport structure if an affordable and functional option can be obtained.
- (r). Holt Country Park Electricity Improvements – This report requests that the unspent capital budget shown in the above table is rolled forward. No project works are contractually committed. This project is currently in the design phase to determine how best to connect the site to nearby electrical infrastructure. Project expenditure will be incurred once agreements have been finalised.
- (s). Public Conveniences, Energy Efficiencies – This report requests that the unspent capital budget shown in the above table is rolled forward. No project works are contractually committed. This project is to delivery net-zero improvements to Public Conveniences across the District (e.g. installing water-efficient plumbing systems, electric hand-dryers or small-scale solar panels).
- (t). Coastal Defences – This report requests that the unspent capital budget shown in the above table is rolled forward, no project works are contractually committed, however with the Council being responsible for a large area of coastline, this budget could be used to renovate further areas in future years.

- (u). Fakenham Sports Centre Decarbonisation – This report requests that the unspent capital budget shown in the above table is rolled forward. project works are contractually committed. The project works are anticipated to complete in 2026. This scheme is primarily grant-funded, and the grant can only be used for the project or must be repaid if the project is cancelled.
- (v). Waste Vehicles & Food Waste Bins – This report requests that the unspent capital budget shown in the above table is rolled forward as project works are contractually committed. The project works are anticipated to complete in 2026. This scheme is primarily grant-funded, and the grant can only be used for the project or must be repaid if the project is cancelled.
- (w). Overstrand Seawall Works – This report requests that the unspent capital budget shown in the above table is rolled forward as project works are contractually committed. The project works are anticipated to complete in 2026. This scheme is partially grant-funded, and the grant can only be used for the project or must be repaid if the project is cancelled.
- (x). Public Conveniences, Albert Street, Holt – This report requests that the unspent capital budget shown in the above table is rolled forward as project works are contractually committed, a final retention payment is due in late 2026.
- (y). Cromer Pier Substructure Works – This report requests that the unspent capital budget shown in the above table is rolled forward as project works are contractually committed as outlined in the five-year pier survey to maintain a key cultural asset.
- (z). Fakenham 3G Facilities – This report requests that the unspent capital budget shown in the above table is rolled forward. This project is to be delivered alongside the FLASH scheme and is currently undergoing grant award with the Football Foundation to fund up to 66% of the costs, once the grant award has been obtained then project construction will begin.
- (aa). Cromer 3G Football Facility – This report requests that the unspent capital budget shown in the above table is rolled forward as project works are contractually committed. The project construction works have been completed but a retention payment is due in late 2026. The remaining retention payment is only minimal, and the majority of the project's remaining budget is no longer required, this budget has been de-allocated as referred to formerly in this report.
- (ab). The Reef Leisure Centre – This report requests that the unspent capital budget shown in the above table is rolled forward as project works are contractually committed. This is a retention sum which has been withheld and used to resolve construction defects following the centre's construction contractor having gone into administration. This budget must be spent on resolving defects or paid to the contractor's administrators.
- (ac). Green Road Football Facility (North Walsham) – This report requests that the unspent capital budget shown in the above table is rolled forward. No project works are contractually committed. Construction work has been delayed whilst lease negotiations with the tenants of the site are ongoing.

- (ad). Fakenham Leisure and Sports Hub (FLASH) – This report requests that the unspent capital budget shown in the above table is rolled forward as project works are contractually committed. The main construction works started in October 2025 and are planned to finish December 2026 as a large-scale project. This scheme is primarily grant-funded, the grant can only be used for the project or must be repaid if the project is cancelled.
- (ae). Cromer Church Wall – This report requests that the unspent capital budget shown in the above table is rolled forward. No project works are contractually committed. Project feasibility studies are underway to find contractors that can complete the works to the listed wall.
- (af). Cabbell Park Clubhouse – This report requests that the unspent capital budget shown in the above table is rolled forward. No project works are contractually committed. Discussions and feasibility options are ongoing with the tenants to determine the most appropriate way to deliver this project.
- (ag). Itteringham Shop Roof Renovation – This report requests that the unspent capital budget shown in the above table is rolled forward. No project works are contractually committed. Discussions and feasibility options are ongoing with the tenants to determine the most appropriate way to deliver this project and ensure future longevity.
- (ah). Holt Country Park Septic Tank – This report requests that the unspent capital budget shown in the above table is rolled forward. No project works are contractually committed. This project is going to be completed in tandem with the other Holt Country Park projects for cost-effective delivery.
- (ai). Public Conveniences Renovation, Holt Country Park – This report requests that the unspent capital budget shown in the above table is rolled forward. No project works are contractually committed although some of the minor works have been completed. This project is going to be completed in tandem with the other Holt Country Park projects for cost-effective delivery.
- (aj). Holt Country Park Eco Learning Space – This report requests that the unspent capital budget shown in the above table is rolled forward. The main project construction has been completed; a small retention payment is still due in 2026/27. This project is funded using S106 contributions that can only be used to fund projects at the Country Park, if this project is cancelled the funding must be used for other works at the location.
- (ak). Holt Country Park Play Equipment – This report requests that the unspent capital budget shown in the above table is rolled forward. Project feasibility studies are currently underway as the project was approved mid-year. No works are yet contractually committed. This project is funded using S106 contributions that can only be used to fund projects at the Country Park, if this project is cancelled the funding must be used for other works at the location.
- (al). Compulsory Purchase of Long-Term Empty Properties – This report requests that the unspent capital budget shown in the above table is rolled forward. No project works are contractually committed. This budget is retained for the CPO of dangerous properties in emergency

circumstances (such as where property owners may not be able to financially afford to repair and keep their properties).

- (am). Community Housing Fund – This report requests that the unspent capital budget shown in the above table is rolled forward. Some grants and contractually committed but are not paid to Housing Developers until they meet the grant terms and conditions (typically 50% delivery of promised housing). This project is to deliver grants to private housing developers to encourage the provision of affordable accommodation in the district.
- (an). Council Owned Temporary Accommodation – This report requests that the unspent capital budget shown in the above table is rolled forward. Some project works are contractually committed. This project is to purchase and make habitable residential properties for temporary accommodation to reduce homelessness across the district. This is anticipated to reduce the annual cost to the Council of providing temporary accommodation.
- (ao). Housing S106 Enabling – This report requests that the unspent capital budget shown in the above table is rolled forward. Some grants and contractually committed but are not paid to Housing Developers until they meet the grant terms and conditions (typically 50% delivery of promised housing). This project is to use S106 funding specifically allocated towards providing affordable accommodation in the areas set out in individual S106 agreements. The S106 funding must be used as outlined in these agreements or repaid.
- (ap). Rocket House – This report requests that the unspent capital budget shown in the above table is rolled forward as some project works are contractually committed. The project works are ongoing to renovate and extend the lifetime of the property.
- (aq). Property Acquisitions – This report requests that the unspent capital budget shown in the above table is rolled forward. No project works are contractually committed. This budget is retained for the CPO of major properties in emergency circumstances (such as where property owners may not be able to financially afford to repair and keep their properties).
- (ar). Chalet Refurbishment – This report requests that the unspent capital budget shown in the above table is rolled forward. No project works are contractually committed but feasibility and design studies have been completed and are under review. This project is to renovate Council owned chalets in the district.
- (as). Marrams Building Renovation – This report requests that the unspent capital budget shown in the above table is rolled forward. No project works are contractually committed. Discussions and construction options are ongoing to determine the most appropriate way to deliver this project and ensure future longevity.
- (at). Car Parks Refurbishment – This report requests that the unspent capital budget shown in the above table is rolled forward. No project works are contractually committed but delays were incurred where other Council projects have taken a higher priority. This project is to resurface Council owned car parks as planned.

- (au). Marrams Footpath and Lighting – This report requests that the unspent capital budget shown in the above table is rolled forward. No project works are contractually committed. Stages of lighting column movements and path resurfacing have been completed in the most urgent areas. The remaining budget is planned to be used in 2026/27 to resurface the less urgent areas of the walkway.
- (av). Asset Roof Replacements (Art Deco Block, Red Lion Retail Unit, Sheringham Chalets) – This report requests that the unspent capital budget shown in the above table is rolled forward as project works are contractually committed. All major works have been completed, but there are some minor works still to be completed.
- (aw). UK Shared Prosperity Fund – This report requests that the unspent capital budget shown in the above table is rolled forward as project works are contractually committed. The schemes grant awarding body (MHCLG) have allowed a further six months into 2026/27 for the projects to be completed instead of re-paying unused grant funding.
- (ax). Rural England Prosperity Fund – This report requests that the unspent capital budget shown in the above table is rolled forward as project works are contractually committed. The schemes grant awarding body (MHCLG) have allowed a further six months into 2026/27 for the projects to be completed instead of re-paying unused grant funding.
- (ay). West Prom Sheringham, Lighting & Cliff Railings – This report requests that the unspent capital budget shown in the above table is rolled forward. No project works are contractually committed. There are still further rail replacements works which could be completed using the remaining budget.
- (az). Sunken Gardens Improvements, Marrams, Cromer – This report requests that the unspent capital budget shown in the above table is rolled forward. No project works are contractually committed but initial feasibility and design studies have been undertaken. The project works are anticipated to be completed in 2026 once final design plans have been agreed.
- (aaa). Weybourne Car Park Improvements – This report requests that the unspent capital budget shown in the above table is rolled forward. No project works are contractually committed. Initial costs have been paid to Norfolk County Council Highways and project progress must wait for their approval. The remaining budget is to then pay for the surfacing/renovation works to the car park once approval is received.
- (aab). Fakenham Connect Roof and Fire Doors – This report highlights that some minor project expenditure has been incurred in 2025/26 out of the 2026/27 approved budget. This was to start time-dependant works (planning/legal fees etc.) That must be achieved before any works can start. On this basis it was deemed financially appropriate to incur the expenditure at an earlier date. No project works were contractually committed in 2025/26.
- (aac). North Lodge Car Park – This report highlights that some minor project expenditure has been incurred in 2025/26 out of the 2026/27 approved budget. This was to start time-dependant works (planning/legal fees etc.)

That must be achieved before any works can start. On this basis it was deemed financially appropriate to incur the expenditure at an earlier date. No project works were contractually committed in 2025/26.

(aad). Drs Steps, Cromer – This report highlights that some minor project expenditure has been incurred in 2025/26 out of the 2026/27 approved budget. This was to start time-dependant works (planning/legal fees etc.) That must be achieved before any works can start. On this basis it was deemed financially appropriate to incur the expenditure at an earlier date. No project works were contractually committed in 2025/26.

(aae). User IT Hardware Refresh – This report requests that the unspent capital budget shown in the above table is rolled forward. Some expenditure has not yet been contractually committed but is still planned for early 2026/27. Shipping of new hardware equipment was held back in 2025/26 to match the warranties of existing equipment. Purchasing in early 2026/27 allows for better cost-effectiveness in the long run, as opposed to buying equipment soon and warranty periods overlap between old and new equipment (loss of asset useful life overall).

(aaf). Property Services Asset Management Database – This report requests that the unspent capital budget shown in the above table is rolled forward. Project works are contractually committed, and the contract has been awarded to a new provider following successful procurement. The software is now being implemented by contractors and officers, with remaining budget to fund any additional contractor costs required. The project works are anticipated to completed in 2026/27.

(aag). Replacement of Uninterruptible Power Supply– This report requests that the unspent capital budget shown in the above table is rolled forward. Project works are contractually committed, with the physical implementation works crossing over into the 2026/27 financial year. The project works will be completed in early 2026/27.

5.10 There are schemes where additional budget requests have been made to and allocated by the Council's S151 Officer/Deputy S151 to fund projects in emergencies using the Council's reserves. These Officers cannot authorise any other form of additional funding without Full Council approval.

Details are given in the table below alongside the reserve used source to finance these additional budget requests. Explanations for the overspends can be found in the paragraphs below and it is asked that the Council notes these approvals which have been included into the 2026/27 capital programme, shown on Appendix E.

Additional Capital Project funding approvals 2025/26 by the S151 Officer.

Budget Manager	Ref:	Overspent Capital Projects	Overspend £	Funding Source Requested
Assets & Property Programme Manager	(aai)	Property Services Electric Vehicles (lease)	26,834	Asset Management Reserve
Total Additional Funding Approvals			26,834	

- (aai). Property Services Electric Vehicles (lease) – The lease for the existing electric property services van comes to term in June 2026. The Deputy S151 Officer has approved the addition of £26,834 into the Capital Programme for 2026/27 and future years to finance a replacement electric vehicle. A new electric vehicle lease will prevent any adverse effect on the Council's Net Zero target from replacing the van with a non-electric fuel type. This approval has been made from the Asset Management Reserve outside of Full Council to gain budget so that a new lease agreement can be made with a start date that matches the end date of the prior vehicle. This is to prevent an adverse impact on service delivery.

Additional Capital Project funding requests for 2026/27 to Full Council:

Budget Manager	Ref:	New Capital Programme Requests	Additional Budget Requested £	Funding Source requested
Leisure & Locality Services Manager	(aaj)	Fakenham Play Area	188,539	Contributions
Total Additional Funding Approvals			188,539	

Funding Financing Source Requested	£
Contributions	188,539
Total	188,539

- (aaj). The Fakenham Play Area is a new capital project request. This project is to use an available £188,539 S106 contribution which can only be used to provide play equipment in the Town of Fakenham under its agreement. This report requests that Full Council approves for this scheme to be added into the 2026/27 capital programme and has been included in Appendix E.

5. Capital Programme 2025/26 Update

- 6.1 Appendix E shows the capital programme for the period 2026/27 to 2031/32 as it currently stands. The capital programme has been updated to reflect schemes closure and budget slippage identified within this report. It also includes schemes which have already received formal approval by Full Council or the S151/Deputy S151 Officers.

7. Medium Term Financial Strategy

- 7.1 The content of this report includes details of budgets which will support the medium-term financial strategy through the revised capital programme and movements in reserves.

8. Proposals and Options

This is a factual report that outlines the financial position at the year-end for the year 2025/26. There are proposed recommendations for Cabinet to make to full Council on 22 July 2026. The approval of these recommendations will enable the Council to maintain its strong financial position in the coming years.

9. Corporate Priorities

Delivering services within budgets enables the Council to maintain its strong financial position and maintain a robust level of reserves that may be required to address future unforeseen events.

10. Financial and Resource Implications

- 10.1 This report is of a financial nature and the financial implications are included within the report content.

11. Legal Implications

- 11.1 There are no legal implications as a direct consequence of this report.

12. Risks

- 12.1 Financial risks are identified within the report content.

13. Net ZeroTarget

This report does not raise any issues relating to the achieving the net zero target.

14. Equality, Diversity & Inclusion

This report does not raise any issues relating to the achieving the net zero target.

15. Community Safety issues

This report does not raise any issues relating to the community safety issues.

16. Conclusion and Recommendations

- 16.1 Members are asked to consider the report and recommend the following to full Council:

- a) The provisional outturn position for the General Fund revenue account for 2025/26 (See Appendix A);
- b) The transfers to and from reserves as detailed within the report (and Appendix C) along with the corresponding updates to the 2026/27 budget;
- c) The surplus of £0.354m be transferred to the New Burdens Reserve.
- d) The balance on the General Reserve of £4.267m
- e) The financing of the 2025/26 capital programme as detailed within the report and at Appendix D;
- f) The updated capital programme for 2026/27 to 2031/32 and scheme financing as outlined within the report and detailed at Appendix E;
- g) Approval of additional funding to cover capital project overspends of £0.012m as detailed in paragraph 5.7.
- h) Approval of capital project budget roll-forwards from 2025/26 into 2026/27 paragraph 5.10.
- i) To note the addition of £26,834 towards Property Services Electric Vehicles, to be funded by the Asset Management Reserve over a four-year lease period. This budget has been approved by the Deputy S151 Officer under constitutional powers.
- j) To approve the addition of £188,539 to renovate Fakenham Play Area to be funded from Capital S106 Contributions in 2026/27.

- k) To approve the addition of £100k to the Community Housing Fund (Grants to Housing Providers) project, to be funded by Capital Receipts following a repaid grant in 2025/26.
- l) To approve the updated Cromer Coast Protection Scheme budget to reflect that the approved RFCC (Environment Agency) grant has been awarded to the Mundesley Coastal Defences project only. This leaves the 2025/26 budget as £1,037,656. This is a movement of budget from the Cromer scheme to the Mundesley Scheme to meet grant conditions.
- M) To approve the updated Mundesley Coastal Management Scheme budget to reflect that the approved RFCC (Environment Agency) grant has been award to the Mundesley Coastal Management Scheme project only. This leaves the 2025/26 budget as £998,217. This is a movement of budget from the Cromer scheme to the Mundesley Scheme to meet grant conditions.

S151 Officer

The draft outturn position presented in this report shows a surplus for the year of £0.354m. This positive position will contribute to the Council's financial resilience and support reserves. However, future-year budget pressures will need to be closely managed and monitored to ensure the Council remains financially sustainable.

The is still subject to audit and may be subject to change. The final position will be presented to GRAC in the Statement of Accounts which they Committee will be asked to approve and sign.

Monitoring Officer

In accordance with the CIPFA requirements, this report provides financial information to Members around the 2025/26 provisional outturn position for the year and matters as detailed in the recommendations.