

COMMITTEE:	East Lothian Council
MEETING DATE:	9 December 2025
BY:	Depute Chief Executive – Resources and Economy
REPORT TITLE:	Quarter 2 Financial Review 2025/26
REPORT STATUS:	Public

1 PURPOSE OF REPORT

- 1.1 To provide an update on the in-year financial position at the end of September 2025.

2 RECOMMENDATIONS

- 2.1 The Council is recommended to:

- Note the outcome of the Quarter 2 financial performance against approved budgets including progress toward delivering agreed budget efficiencies.
- Note the risks and other factors that may impact that position by year-end and the range of on-going intervention measures approved by Council.
- Note the additional Scottish Government funding received since Council approved the budget in February 2025.
- Note the update on the Integrated Joint Board position (IJB).
- Note the changes to the accounting arrangements within Roads Services.
- Agree the changes in services delegated to the IJB.
- Note the key performance information for Council Tax Collection, Rent Collection and Scottish Welfare Fund spending.
- Note the revised General Services Capital budget and forecast spend and the update on Prudential and Treasury Indicators.

- Note the HRA Revenue and Capital Spend forecast.

3 BACKGROUND

- 3.1 The Council continues to face increasing costs and demand pressures which present significant challenges to financial sustainability. The most significant of these pressures remain in demand-led services, particularly within Health and Social Care Services delegated to the IJB and Children's Services. In addition, there remain pressures arising from the timing and delivery of planned financial savings.
- 3.2 Whilst the forecast at Quarter 1 indicated a break-even position which has been maintained at Quarter 2, the Council continues to face a high number of significant financial and other risks, which may materialise over the remainder of the financial year. These risks include policy expectations relating to minimum learning hours and reduced class contact time and will continue to be closely monitored.
- 3.3 Given the severity of these risks to future financial sustainability, the Council approved an updated list of mitigations at the June 2025 meeting which the CMT is responsible for applying to manage any in-year financial pressures.
- 3.4 Within this context, the Finance Service will continue to engage with colleagues across services to manage expenditure commitments in 2025/26 and the future implications going forward.

General Services Revenue Summary – 30 September 2025

- 3.5 An analysis of the financial position across service groups is set out in in **Appendix 1** with further details in the paragraphs below.
- 3.6 At Quarter 2, the forecast outturn for 2025/26 is in line with the overall budget after taking account of planned reserve movements. Without planned use of reserves, there would be a forecast overspend of £9.1 million.
- 3.7 Within this overspend there are various one-off costs that are being funded from earmarked reserves. The planned use of earmarked reserves for one-off funding totals £2.198 million split as follows:
 - Planned use of Transformation Fund and other ring-fenced funds, £1.649 million.
 - Planned use of Health & Social Care (IJB delegated services), £549,000 – this figure has been agreed with the IJB Chief Officer and Chief Financial Officer.
- 3.8 There are also several planned transfers to earmarked reserves that need taken account of, totalling £2.633 million, they are for:

- Scottish Futures Trust funding for Wallyford Learning Campus, £1.440 million, in line with Council's decision to create the reserve in June 2024.
 - Service concessions adjustments, £1.193 million, in line with Council's decision to create this reserve in June 2024.
- 3.9 The revised position after applying transfers to and from earmarked reserves is an overspend of £9.482 million to be funded from planned use of capital reserves. This is an increase of £691,000 on the Quarter 1 position (£8.791 million). The capital reserves available to fund the overspend is £9.980 million meaning at this stage no unplanned use of reserves will be required.
- 3.10 At this stage, after taking account of one-off costs to be funded from earmarked reserves, no Head of Service area has an overspend forecast. This includes Children's Services and IJB delegated services which overall are forecasting modest underspends reflective of the additional investment approved by Council in February 2025.
- 3.11 Non-service expenditure is showing an overspend projection of £4 million. As previously reported in August 2025 the main factors causing this pressure are the vacancy factor and undelivered savings from previous years being included in this area. The vacancy factor will be met by vacant posts in services and other underspends and additional council tax income are offsetting the prior year undelivered savings.
- 3.12 In addition, there are overspends in insurance payments. This includes payments for claims dating back several years that are now settling as well as increased settlements relating to the historical child abuse enquiry. This is an area of increased budget monitoring scrutiny.
- 3.13 There do remain areas of emerging pressure within services which are offset by underspends elsewhere in service budgets. The forecast overspends are summarised below:
- Children's Services (Management), £970,000 – external residential and alternative interventions budget (contained within the management line in **Appendix 1**)
 - Education (Inclusion and Wellbeing), £1.079 million – external day schools and residential costs
 - Health & Social Care, £935,000 – commissioned care costs.
 - Roads, £192,000 – increasing cost of materials.
 - Undelivered 2025/26 savings, £85,000 – more detail in section 3.26.

- 3.14 A number of these pressures will be recurring beyond this financial year.

Changes to the Roads Trading Account

- 3.15 Following feedback from External Audit and a review by officers a decision has been taken to discontinue the Roads Trading Account. This will simplify the budget monitoring of the Roads Service and help improve effectiveness. This change was noted in the recent Internal Audit of the Roads Trading Account that was reported to Audit and Governance Committee on 25 November 2025 and is subject to ongoing review and evaluation by Finance and Roads. This represents a change to accounting treatment and will not affect the net budget position.

Risks and Other Factors

- 3.16 Pay agreements for non-teaching staff have been reached with Trade Unions and whilst the individual Council allocations have not yet been confirmed, the Scottish Government have committed to fund the costs above 3% in each of 2025/26 and 2026/27. The agreements are for 4% in 2025/26 and 3.5% in 2026/27 and the forecast assumes this additional funding being provided.
- 3.17 Pay agreements for teachers were reached with Trade Unions on 11 November 2025 and whilst individual allocations have not yet been confirmed, the Scottish Government has committed to fund the costs above 3% in each year and the forecast assumes this.
- 3.18 Population growth and demographic change in East Lothian continue to pose significant ongoing challenges which are likely to remain and increase over the longer term based on current projections.
- 3.19 The forecast assumes £3.8 million of teacher funding that has not yet been confirmed by the Scottish Government which is linked to maintaining teacher numbers. At this stage it is expected that teacher numbers will meet the target.
- 3.20 There are ongoing discussions about increasing minimum learning hours for Primary 1 and 2 pupils to 25 hours which is excess of the current East Lothian provision which could cost an additional £900,000 by 2027/28. In addition, Scottish Government has indicated an expectation that meaningful progress is made towards reduced class contact time for teachers, which could cost an additional £4.5 million. At this stage it is not anticipated that the Scottish Government will provide the funding required to enable these changes; however, failure by the Council to do so could result in a penalty being applied to existing funding available to the council.
- 3.21 The potential for increases in requirements for demand led services such as Homelessness, Children's, and Adult Social Work along with growing demand for Additional Support Needs services remains an ongoing risk which could give rise to overspends during the year.

- 3.22 The forecast assumes some slippage in the delivery of agreed savings; however, there is a residual risk to the delivery of the remaining savings, with further information set out in section 3.26 to 3.28.
- 3.23 Severe weather over winter could increase costs for the Council, particularly in Infrastructure Services.

Approved Mitigations

- 3.24 At the June 2025 Council meeting, the council agreed to continue the following control measures which the CMT is responsible for applying, they are:
- Recruitment – posts will only be filled if there would be an obvious detrimental impact on the service being provided from not doing so and sign-off has been given by CMT and EMT. This applies to all posts.
 - All Council managers must operate within approved budget levels, preserving underspends where possible.
 - Where a service is overspent or at risk of overspending, urgent financial recovery actions will be required to bring spending in line with approved budget levels.
 - Use of agency staff should be kept to a minimum and should be kept under close review.
 - Council officers will continue to collaborate with partner bodies including the IJB to explore all options to try and mitigate overspends and ensure spending remains aligned to approved budgets.
 - In-year financial review papers will continue to be reported to Council rather than cabinet
- 3.25 These control measures will remain under review through the quarterly budget monitoring process. At this stage, no service has been asked to prepare a financial recovery plan due to the forecast being in line with budget.

2025/26 Efficiencies

- 3.26 Council approved planned efficiencies of £1.542 million for 2025/26. At this stage, £930,000 have been achieved, £527,000 are assessed as achievable though further work may be required, and £85,000 are assessed as unachievable in the current financial year. **Appendix 2** sets out the position in more detail. The savings that are not achievable this year are:
- Move file sharing with external organisations from Objective Connect to M365 Toolset £40,000 – due to a staff vacancy the work required to facilitate this change could not be progressed and the existing

contract had to be extended for 12 months. The post has now been filled, and work is ongoing to achieve the saving in 2026/27.

- Realign contributions to City Region Project Management Office based on population £45,000 – this saving cannot be delivered at this stage and will require the agreement of all partners in the City Region Deal to agree to firstly review the charge and agree any changes in charges to partners. The cost has increased in 2025/26 and therefore there is a double pressure of the undelivered saving and the unbudgeted cost increase. The service manager is working to identify alternative options to mitigate this pressure.

3.27 In 2024/25, just over £2 million of efficiencies had not been delivered; of those, charging for garden waste collection, review of the management of sports facilities, and the review of adaptations have now been delivered. This leaves £1.5 million of prior year savings not yet fully achieved, they are:

- Asset Review, £1 million – following the report to Council in October 2025, work is ongoing to meet this savings target.
- Income generation, £500,000 – work is progressing to develop proposals, and income is expected to be achieved in 2025/26 but depending on timing of implementation it may not be the full amount.

3.28 In addition to the above, a saving planned for 2023/24, to review public holidays, has not yet been delivered.

Council Tax

3.29 At this stage, there is a forecast surplus in the council tax budget of around £1 million (around 1% of the budget). This is due to an increase in the number of dwellings over and above the estimates incorporated into the budget, along with earlier occupation of the dwellings being completed this financial year. This will be taken account of in the council tax assumptions for 2026/27.

3.30 Without this surplus in council tax, there would be an overspend projected at this stage and a need to make an unplanned drawdown from reserves.

Additional Scottish Government Funding

3.31 Since Council approved the 2025/26 budget in February 2025, there has been additional funding of £185,000 from the Scottish Government. This is set out in more detail in **Appendix 3**.

3.32 The additional funding is to support existing commitments or specific national policy objectives so they cannot help to alleviate wider pressures in the Council's financial position.

Integrated Joint Board

- 3.33 The IJB has delegated authority over the Health & Social Care budget along with a small number of other budgets within Community Housing, the Housing Revenue Account and Housing Capital. The management of these resources remains in line with the scheme of integration and wider overall IJB resources.
- 3.34 The Council recognised the demand challenges facing the Council-delegated IJB services and agreed to increase funding by around £4 million in 2025/26 on top of passported funding from the Scottish Government to help address these pressures.
- 3.35 At this stage, there is an underspend forecast for the IJB of £344,000. This includes funding from unscheduled care monies of £549,000 to cover costs associated with this policy which has been agreed with the Chief Officer and the Chief Financial Officer of the IJB.
- 3.36 While this is a positive position, there remain several areas of pressure including commissioned services for older people and people with learning disabilities which will need to be addressed in the longer term. Demand for these services, particularly external commissioned services such as Care Homes and Care at Home, remains a risk to the in-year position.
- 3.37 The IJB is currently working to develop robust and deliverable medium-term financial plans, which can meet the full extent of the projected budget gap including that arising from delegated Council functions in collaboration with the funding partners.
- 3.38 The IJB Council-delegated services currently include several areas managed by the Head of Housing that fall under HRA and General Fund Housing as well as Telecare Services which are managed by the Head of Communities and Partnerships. The Service Manager for Governance has confirmed that the scheme of integration does not formally include these services and that they are additional areas that the Council chose to include when the IJB was established. Following discussions at officer level it is deemed appropriate to remove these budgets from the IJB and focus Council IJB services on the remaining services under the control of the Head of Operations within the Health and Social Care Partnership. The services being removed from the IJB will continue to be managed by the Head of Housing and the Head of Communities and Partnerships. The Chief Finance Officer of the IJB will present a report to IJB in December 2025 detailing the changes and the formal changes will be implemented for the Quarter 3 budget monitoring and an updated funding letter will be sent from the Council to the IJB to formalise the changes in the budget. Overall, this will have no impact on the IJB forecast outturn position in 2025/26.

Council's Group Components

- 3.39 Enjoy have accepted the conditions of the additional £250,000 funding offer that Council approved in August 2025.

Performance Information within Revenues & Benefits

- 3.40 Council tax in-year collection is slightly below target at Quarter 2. Demand from customers for support remains high and an additional 463 new properties were added to the end of Quarter 2. Debt recovery work has been initiated for unpaid current year council tax and work continues to support those who are struggling to pay by offering flexible payment arrangements and signposting advice and financial support to help maximise income where eligibility exists and manage debt.

Period	Actual	Target	Variance
Q2 2025/26	53.10%	53.48%	-0.38%

- 3.41 Current tenant rent arrears is currently higher than the target set. Quarter 2 is always a challenging period and the winter rent charge break at the end of Quarter 3 helps to reduce arrears levels significantly as those in arrears continue to pay. Rent Officers continue to support locally, and work is ongoing to support tenants over the winter period.

Period	Actual Q2 (£000)	Target (£000)	Variance (£000)
Q2 2025/26	£1,668	£1,605	£63

- 3.42 Scottish Welfare Fund remains a key element of the local safety net, offering vital support to residents' financial hardship through the provision of crisis grants and community care grants. This is funded from the Scottish Governments wider Social Security Assistance budget. The Council received £581,000 of funding from the Scottish Government which has been supplemented from a carry forward of £140,000 from 2024/25. The overall funding available in 2025/26 is £721,000 of which £394,000 had been used by the end of Quarter 2. 53% of the grants paid out are to families facing exceptional pressure with around 33% paid to those requiring living expenses. The table below sets out the Quarter 2 activity.

Q2 2025/26	Community Care Grants	Crisis Grants	Total
Applications	336	901	1,237
Awards	210	505	715
Award Rate	62.50%	56.05%	57.80%

Total Award	£126,000	£68,000	£194,000
Average Award	£598	£135	£271

- 3.43 Based on the current budget position, there is a risk that a decision to move to the high and most compelling criteria for assessing community care grants may need to be taken in early 2026 to ensure that sufficient funding remains through to the end of the financial year.

General Services Capital Summary – 30 September 2025

- 3.44 **Appendix 4** shows the approved and updated 2025/26 budgets and expenditure to 30 September 2025, showing spend of £26 million relative to the updated gross expenditure budget of £77 million.
- 3.45 At this stage, expenditure of around £65 million is forecast by the end of the financial year. The forecast reflects a range of assumptions that are subject to change and may therefore have an impact on the actual position achieved at the end of the financial year. There remains a wide range of external pressures which place significant pressure on wider affordability limits.
- 3.46 In addition to the normal RAG flags, a 'P' flag is included to identify projects where the variance is due to a change in spend profile, related to project progress.
- 3.47 A summary of the key areas of variation are shown below:
- Fleet projections have been amended to reflect that several items on order are unlikely to be delivered before the end of the financial year and a carry forward of the committed but unspent budget will be requested following the year-end outturn.
 - Land purchases for burial provision at Tranent has been delayed due to a potential site being ruled out based on the results of site investigation works. Further work is now proposed to undertake targeted analysis of potential sites with the intent to engage and secure land. This work will not be completed in 2025/26.
 - Several projects within the Sports and Recreation LDP have been reprofiled to 2026/27 due to resource issues within the design team.
 - The replacement Children's House project will align with the construction of the Wallyford Area 1 housing development, and this will not take place until 2026/27.
 - Within Education, extensions at Aberlady, Elphinstone and Longniddry Primary Schools and toilet upgrades at East Linton Primary School will now take place in 2026/27.
- 3.48 As reported to Council in October 2025, there are ongoing budget pressures at Whitecraig Primary School due to contractor claims. It is

anticipated that it will be possible to partially offset the impact of this pressure through budget savings at both Blindwells and Craighall Primary Schools. There are also emerging budget pressures within the Cockenzie and Levelling Up budget lines due to contractor claims. Projections will be updated as more information becomes available.

- 3.49 The projection for developer contributions, early learning 1140 grant and other funding sources are linked to the forecasts for the projects they support. There continues to be ongoing risks around the timing and realisation of planned developer contributions that may put additional strain on borrowing requirements and this position will continue to be closely monitored.
- 3.50 The reduction in projected expenditure has reduced the in-year borrowing requirement projection by £6 million.

Treasury Update – 30 September 2025

- 3.51 In accordance with the Prudential and Treasury codes of practice, in addition to the mid-year and year end reporting on Treasury activity and reporting of Prudential and Treasury indicators to Audit and Governance Committee, quarterly reporting on Treasury activity is required.
- 3.52 During Quarter 2 there was no external borrowing. The following external borrowing was repaid during this period.

Lender	Principal (£000)	Type	Interest Rate (%)	Original Maturity	Date Repaid
Barclays	5,000	Fixed Rate Maturity	4.25	21/06/2066	25/07/2025
Dexia	4,000	Lenders Option Borrowers Option	4.10	30/03/2056	30/09/2025
Total	9,000				

- 3.53 During the second quarter of the year, the opportunity arose to repay a £5 million market loan from Barclays Bank which was not due to mature until June 2066 at a discounted rate. Given that the interest rate (4.25%) was higher than the rate that the Council could receive from investing surplus cash balances (3.95%) and that interest rates are forecast to fall further by the time that refinancing of this debt will be required, a decision was taken to repay this loan.
- 3.54 The decision has given rise to a £1.1 million gain due to the discounted repayment, which will be used to reduce forecast debt charges.

- 3.55 The Dexia loan was also repaid early due to the Lenders Option being exercised with an unfavourable rate. There was a further £4.761 million paid for instalments due on PWLB loans.
- 3.56 It is important to note that the borrowing requirement as reported in the General Services and HRA monitoring is borrowing from the Loans Fund.
- Capital Financing Requirement (CFR) shown in **Appendix 5** under items 1.2 and 1.3 is the financing still required after relevant grants and receipts have been applied, to fund the capital programme. This is known as the borrowing requirement.
 - Loans Fund borrowing is then funded by external borrowing and the use of working capital. As this uses the cash balances held by the council, cash flow monitoring is an important part of the Treasury function and is a factor in determining the timing of external borrowing. Actual external debt is shown in item 2.3, and the Loans Fund debt is shown in item 3.
- 3.57 The Prudential, Treasury Management and Loans Fund indicators are set out in **Appendix 5**. For context, the 2024/25 Actual and 2025/26 Budget as per the approved Treasury Strategy as well as the projections for 2025/26 based on the Quarter 2 position for General Services and HRA capital are shown.
- 3.58 Key points to note from the appendix:
- The budget figures for 2025/26 were set based on in-year 2024/25 capital projections. The actual outturn was lower for General Services meaning the starting point for 2025/26 was also lower. General Services capital spend projection at Quarter 2 is higher than the approved budget due to projects from 2024/25 being carried into 2025/26 as is the Capital Financing Requirement (CFR). The HRA capital spend projection at Quarter 2 and CFR are lower than budget.
 - The CFR will start to fall when loans fund principal repayments are greater than the in-year borrowing requirement.
 - The Loans Fund follows the same pattern as the CFR. As a result of the projected capital expenditure, loans fund advances are increasing above the principal repayment of loans fund debt.
- 3.59 Cash balances are continually monitored and managed. As investment rates have been higher than the interest rate on the bank account balance, several short-term investments were placed during Quarter 2. In summary:
- 37 short term investments placed.
 - Maturity Range – one day to three months
 - 34 investments with HM Treasury (four to mature in Quarter 3)
 - Two sustainable investments

- One investment with local authorities

3.60 Cash flow continues to be closely monitored to ensure the Council has sufficient cash resources to meet ongoing requirements.

Housing Revenue Account – 30 September 2025

3.61 The HRA is expected to breakeven at this stage. The significant work that was undertaken in the final quarter of 2024/25 and which has continued in the first quarter of 2025/26 to reduce the backlog of void properties continues to have a positive impact and is reflected in increased repairs costs. The voids projection at this stage is in line with the position at Quarter 1. **Appendix 6** sets out the revenue spend for the year.

3.62 Capital expenditure at Quarter 2 was £11.9 million with around £34.7 million of spend forecast for the year in line with the projection at Quarter 1. This is significantly less than the £43.8 million budget approved by council. Further details are provided in **Appendix 7**. The main points to note are:

- The expected number of completions in 2025/26 is 84 houses, down ten from the budgeted figures. This is due to slight delays in work proceeding at two sites, Schaw Road and Halhill North. Overall, 30 houses were expected to be completed at these sites in 2025/26 with 20 now forecast. The ten outstanding houses are expected to be completed in 2026/27. Around £1.3 million of budget will be carried forward to 2026/27 for these sites.
- Due to delays relating to planning and operational reasons, there are changes in the timescale to deliver new build council houses at three sites, Herdmanflatt, Wallyford Area 1 and Wallyford Primary School. This has resulted in reduced spend in 2025/26 which will now be incurred in 2026/27. Around £8 million of budget will be carried forward to 2026/27 for these sites.
- The impact of this slippage will be reflected in the updated 5-year housing capital programme budget model that is currently being developed.
- Modernisation and Energy Efficiency budgets are projected to spend to budget and programmes are progressing.
- At this stage, there have been no Mortgage to Rent purchases.

3.63 The forecast borrowing to fund the capital programme is around £8 million less than budgeted and this reflects the slippage in new council house building.

3.64 Looking ahead, to meet the two key tests in the financial strategy, a £1 million minimum HRA balance and a debt-to-income ratio below 40%, it will be necessary to review the 10-year model financial model and develop a longer-term business plan to ensure that funding priorities,

including modernisation and new build council housing remain affordable within available resources. Work is ongoing to develop a 30-year business model.

Conclusion

- 3.65 Whilst the in-year position reported is positive with no requirement for any unplanned use of reserves at this stage, the Council continues to operate in a challenging financial environment. The current budget still requires a planned use of around £9.5 million of one-off reserves which will have to be addressed in future year budget models. This is in addition to the ongoing challenges of population growth, increasing demand for services and continuing increase in the cost of operating services.
- 3.66 The Council will continue to take steps to ensure that it can sustain the delivery of vital services to the community and effectively manage wider assets. The scale of the challenge will require difficult decisions in the years ahead to ensure ongoing financial sustainability.

4 POLICY IMPLICATIONS

- 4.1 There is no direct policy implications associated with this report, although, ongoing monitoring and reporting of the Council's financial performance is a key part of the approved Financial Strategy.

5 RESOURCE AND OTHER IMPLICATIONS

- 5.1 Finance: as described above and in the supporting appendices
- 5.2 Human Resources: none
- 5.3 Other (e.g. Legal/IT): none
- 5.4 Risk: as described above and in the supporting appendices

6 INTEGRATED IMPACT ASSESSMENT

- 6.1 *Select the statement that is appropriate to your report by placing an 'X' in the relevant box.*

An Integrated Impact Assessment screening process has been undertaken and the subject of this report does not affect the wellbeing of the community or have a significant impact on: equality and human rights; tackling socio-economic disadvantages and poverty; climate change, the environment and sustainability; the Council's role as a corporate parent; or the storage/collection of personal data.

X

or

The subject of this report has been through the Integrated Impact Assessment process and impacts have been identified as follows:

☐

Subject	Impacts identified (Yes, No or N/A)
Equality and human rights	
Socio-economic disadvantage/poverty	
Climate change, the environment and sustainability	
Corporate parenting and care-experienced young people	
Storage/collection of personal data	
Other	

[Enter information on impacts that have been identified]

The Integrated Impact Assessment relating to this report has been published and can be accessed via the Council's website:

https://www.eastlothian.gov.uk/info/210602/equality_and_diversity/12014/integrated_impact_assessments

7 APPENDICES

- 7.1 Appendix 1 – General Fund Monitoring
- 7.2 Appendix 2 – General Services Revenue Budget Efficiencies
- 7.3 Appendix 3 – Additional Funding
- 7.4 Appendix 4 – General Services Capital
- 7.5 Appendix 5 – Treasury Update
- 7.6 Appendix 6 – HRA Revenue
- 7.7 Appendix 7 – HRA Capital

8 BACKGROUND PAPERS

- 8.1 Council – 10 December 2024 – Item 3 Financial and Capital Strategies 2025 to 2030
- 8.2 Council – 18 February 2025 – Item 2 Budget, Council Tax and Rent Setting 2025/26 Onwards
- 8.3 Council – 18 February 2025 – Item 2a Cross Party Housing Revenue Account including Council House Rent Proposals 2025/26 to 2029/30
- 8.4 Council – 18 February 2025 – Item 2b Cross Party General Services Revenue and Capital Budget Including Council Tax Proposals 2025/26 to 2029/30
- 8.5 Council – 18 18 February 2025 – Item 3 Treasury Management Strategy 2025/26 to 2029/30
- 8.6 Council 26 August 2025 – Item 7 Quarter 1 Financial Review 2025/26

9 AUTHOR AND APROVER DETAILS

Report Author(s)

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Date	25 November 2025

Head of Service Approval

Name	Ellie Dunnet
Designation	Head of Finance
Confirmation that IIA and other relevant checks (e.g. finance/legal) have been completed	Yes
Approval Date	26 November 2025

Appendix 1
East Lothian Council
Budget Monitoring 2025/26 - Quarter 2

Service	Head of Service	Business Unit	2025/26 Budget	Year to Date			2025/26 Budget Variance to Date £'000	2025/26 Budget Variance to Date %	Financial Risk Assessment
				2025/26 Actual to Date	2025/26 Budget to Date	2025/26 Budget Variance to Date £'000			
				£'000	£'000	£'000			
Education & Children's	Children's	Performance & Service Delivery	1,513	790	780	10	1.28%		
Education & Children's	Children's	Management	6,790	3,328	2,823	505	17.89%		
Education & Children's	Children's	Assessment HUB and Early Interventions	2,177	1,023	1,090	-67	-6.15%		
Education & Children's	Children's	Long Term Social Work Supervisory Groups	3,793	1,934	1,920	14	0.73%		
Education & Children's	Children's	TAC, Disability & Resources	2,078	542	588	-46	-7.82%		
Education & Children's	Children's	Fostering, Adoption & Internal Resources	6,388	2,933	3,377	-444	-13.15%		
Education & Children's	Children's	Early Years Intervention	1,113	444	459	-15	-3.27%		
Education & Children's	Children's	Disability Short Breaks	999	564	501	63	12.57%		
EDUCATION & CHILDREN'S	CHILDREN'S TOTAL		24,851	11,558	11,538	20	0.17%		
Education & Children's	Education	Inclusion & Wellbeing	15,867	3,705	3,165	540	17.06%		
Education & Children's	Education	Pre-School Education	17,390	3,303	3,352	-49	-1.46%		
Education & Children's	Education	Primary Schools	61,671	32,729	33,433	-704	-2.11%		
Education & Children's	Education	Secondary Schools	61,928	29,359	29,657	-298	-1.00%		
Education & Children's	Education	Schools' Support	3,393	1,468	1,638	-170	-10.38%		
Education & Children's	Education	East Lothian Works	1,335	848	953	-105	-11.02%		
EDUCATION & CHILDREN'S	EDUCATION TOTAL		161,584	71,412	72,198	-786	-1.09%		
EDUCATION & CHILDREN'S TOTAL			186,435	82,970	83,736	-766	-0.91%		
Council Resources	Finance	Financial Services	2,890	2,100	2,148	-48	-2.23%		
Council Resources	Finance	Revenues & Financial Support	5,109	2,732	2,924	-192	-6.57%		
Council Resources	Finance	Procurement, Digital and Transformation	1,315	830	868	-38	-4.38%		
COUNCIL RESOURCES	FINANCE TOTAL		9,314	5,662	5,940	-278	-4.68%		
Council Resources	Corporate	IT Services	4,001	1,694	1,633	61	3.74%		
Council Resources	Corporate	People & Council Support	5,108	3,522	3,663	-141	-3.85%		
Council Resources	Corporate	Governance	2,595	1,003	1,024	-21	-2.05%		
Council Resources	Corporate	Communications	608	299	304	-5	-1.64%		
COUNCIL RESOURCES	CORPORATE TOTAL		12,312	6,518	6,624	-106	-1.60%		
COUNCIL RESOURCES TOTAL			21,626	12,180	12,564	-384	-3.06%		
Health & Social Care Partnership	Head of Operations	Adult Social Work	35,680	15,372	15,384	-12	-0.08%		
Health & Social Care Partnership	Head of Operations	Acute & Ongoing Care	11,206	5,665	5,703	-38	-0.67%		
Health & Social Care Partnership	Head of Operations	Rehabilitation	2,368	1,185	1,297	-112	-8.64%		
Health & Social Care Partnership	Head of Operations	Learning Disability & MH Community Services	22,106	9,673	9,608	65	0.68%		
Health & Social Care Partnership	Head of Operations	Head of Operations	5,173	1,513	1,500	13	0.87%		
Health & Social Care Partnership	Head of Operations	Business & Performance IJB	4,997	2,960	3,054	-94	-3.08%		
HEALTH & SOCIAL CARE PARTNERSHIP	IJB TOTAL		81,530	36,368	36,546	-178	-0.49%		
HEALTH & SOCIAL CARE PARTNERSHIP TOTAL			81,530	36,368	36,546	-178	-0.49%		
Place	Development	Planning & Environmental Services	1,028	754	860	-106	-12.33%		
Place	Development	Economic Development	833	949	886	63	7.11%		
PLACE	DEVELOPMENT TOTAL		1,861	1,703	1,746	-43	-2.46%		
Place	Housing	Housing, Strategy & Development	352	-363	-275	-88	32.00%		
Place	Housing	Property Maintenance Trading Account	-1,153	1,783	1,783	0	0.00%		
Place	Housing	Community Housing Group	3,890	514	543	-29	5.34%		
PLACE	HOUSING TOTAL		3,089	1,934	2,051	-117	-5.70%		
Place	Infrastructure	Asset Maintenance & Engineering Services	3,765	2,083	2,067	16	0.77%		
Place	Infrastructure	Strategic Asset & Capital Plan Management	-792	1,084	1,278	-194	-15.18%		
Place	Infrastructure	Facility Trading Activity	-428	3,153	3,201	-48	-1.50%		
Place	Infrastructure	Facility Support Services	3,903	834	975	-141	-14.46%		
Place	Infrastructure	Landscape & Countryside Management	7,243	4,379	4,443	-64	-1.44%		
Place	Infrastructure	Active Business Unit	4,124	1,868	2,005	-137	-6.83%		
Place	Infrastructure	Roads Services	4,249	1,541	1,445	96	6.64%		
Place	Infrastructure	Transportation	2,418	659	887	-228	-25.70%		
Place	Infrastructure	Waste Services	13,355	4,365	4,497	-132	-2.94%		
PLACE	INFRASTRUCTURE TOTAL		37,837	19,966	20,798	-832	-4.00%		
Place	Communities & Partnerships	Connected Communities	6,415	3,457	3,512	-55	-1.57%		
Place	Communities & Partnerships	Protective Services	2,397	1,272	1,309	-37	-2.83%		
Place	Communities & Partnerships	Customer Services Group	4,792	3,067	3,187	-120	-3.77%		
PLACE	COMMUNITIES & PARTNERSHIPS TOTAL		13,604	7,796	8,008	-212	-2.65%		
PLACE TOTAL			56,391	31,399	32,603	-1,204	-3.69%		
SERVICE TOTAL			345,982	162,917	165,449	-2,532	-1.53%		
Non-Service Expenditure Sub-Total			21,426	851	-1,179	2,030	-172.18%		
Total Expenditure			367,408	163,768	164,270	-502	-0.31%		
Funded By Sub-Total			-358,621	-211,035	-210,563	-472	-0.22%		
Net Expenditure			8,787	-47,267	-46,293	-974	-2.10%		
Reserves Funding Sub-Total			-8,787	0	-1,260	1,260	100.00%		
TOTAL LEDGER POSITION			0	-47,267	-47,553	286	0.17%		

Appendix 2**East Lothian Council****2025/26 Budget Efficiencies - Quarter 2**

Service	2025/26		
	Achieved	Amber	Unachievable
	£'000	£'000	£'000
Education	521	0	0
Finance	45	75	0
Corporate Services	64	0	40
Development	10	300	45
Housing	50	0	0
Infrastructure	120	52	0
Communities	120	0	0
Non Service Expenditure	0	100	0
Total	930	527	85
1,542			
	60.31%	34.18%	5.51%

Appendix 3

East Lothian Council

Budget Monitoring 2025/26 - Additional Funding from the Scottish Government

	£million
2025/26 GRG (per Budget Amendment)	265.319
Additional Funding - GRG	
Social Care Real Living Wage (settlement less than estimate in the budget)	-0.049
Employer NI Increase (settlement higher than estimate in the budget)	0.070
Kinship & Foster Care Funding	0.037
Nature Restoration Fund	0.068
Holiday Playschemes and Activities for Disabled Children	0.019
Prisoners (Early Release) (Scotland) Act 2025 - Support for housing costs	0.017
Scottish School Milk Subsidy Scheme	0.023
Total Additional Funding	0.185
Revised GRG	265.504

Appendix 4

East Lothian Council

General Services Capital Budget Monitoring Summary 2025/26

Quarter 2

RAG G Green
 A Amber
 R Red
 P Change in Spend Profile

	RAG	Approved Budget 2025/26 £'000	Updated Budget 2025/26 £'000	Actual 2025/26 £'000	Updated Budget- Actual Variance 2025/26 £'000	Projected Outturn 2025/26 £'000	Updated Budget - Outturn Variance 2025/26 £'000
Expenditure							
Community Projects							
Community Intervention	G	200	242	-	(242)	242	-
Community Facility Transformation	G	100	100	-	(100)	100	-
Community Intervention Fund - Pump Tracks	G	360	580	134	(447)	441	(139)
Community Public Art	G	-	155	0	(155)	155	-
Bleachingfield Centre Remodelling Works	G	2	18	1	(17)	8	(10)
Dunbar Conservation Area Regeneration Scheme (CARS)	G	575	775	-	(775)	525	(250)
Support for Business	G	-	-	-	-	-	-
CCTV	G	169	212	7	(205)	212	-
Town Centre Regeneration	G	-	57	25	(32)	816	759
Total Community Projects		1,406	2,139	166	(1,973)	2,499	360
Town Centre Regeneration (PBIP) Grant		(208)	(265)	(25)	240	(644)	(379)
Other Funding Sources		(510)	(1,101)	(0)	1,100	(1,301)	(201)
GCG REFCUS		-	-	-	-	-	-
Total Income: Community Projects		(718)	(1,366)	(25)	1,340	(1,945)	(580)
Community Projects - General Capital Grant/Borrowing Requirement		689	774	141	(633)	554	(220)
ICT							
IT Programme & Digital Opportunities	G	2,200	2,200	742	(1,458)	2,200	-
Telecare System upgrade to Digital	G	121	121	-	(121)	121	-
Total ICT		2,321	2,321	742	(1,579)	2,321	-
Other Funding Sources	G	-	-	-	-	-	-
Total Income: ICT		-	-	-	-	-	-
ICT - General Capital Grant/Borrowing Requirement		2,321	2,321	742	(1,579)	2,321	-
Fleet							
Amenties - Machinery & Equipment - replacement	G	200	200	140	(60)	200	-
Vehicles	G	5,774	7,493	569	(6,924)	5,000	(2,493)
Total Fleet		5,974	7,693	708	(6,984)	5,200	(2,493)
Other Funding Sources	G	-	-	-	-	-	-
Total Income: Fleet		-	-	-	-	-	-
Fleet - General Capital Grant/Borrowing Requirement		5,974	7,693	708	(6,984)	5,200	(2,493)
Open Space							
Synthetic Pitch Replacement Programme	G	350	318	30	(288)	318	-
Cemeteries (Burial Grounds)	G	400	584	56	(528)	75	(509)
Climate Change Emergency	G	800	800	-	(800)	800	-
Coastal / Flood Protection schemes - Musselburgh	G	1,394	1,714	217	(1,497)	1,714	-
Coastal Change Management	G	166	166	47	(119)	153	(13)
Coastal Car Park Toilets	G	4	44	46	2	50	5
Core Path Plan	G	100	200	-	(200)	200	-
Harbour Walls	G	250	250	-	(250)	250	-
Nature Restoration	G	120	120	-	(120)	163	43
Replacement Play Equipment	G	545	545	74	(471)	545	-
Polson Park	G	140	160	-	(160)	160	-
Sports and Recreation LDP	G	2,237	2,654	243	(2,412)	1,126	(1,529)
Street litter bin replacement	G	40	40	40	(0)	40	-
Waste - New Bins	G	150	150	134	(16)	150	-
Waste - Machinery & Equipment - replacement	G	50	50	15	(35)	50	-
Total Open Space		6,746	7,796	902	(6,894)	5,793	(2,003)
Developer Contribution		(1,274)	(1,615)	(178)	1,438	(891)	724
Capital Receipts		-	-	-	-	-	-
Other Funding Sources		(1,125)	(1,204)	(172)	1,032	(1,304)	(100)
Total Income: Open Space		(2,399)	(2,819)	(350)	2,469	(2,195)	624
Open Space - General Capital Grant/Borrowing Requirement		4,346	4,977	552	(4,425)	3,598	(1,379)
Roads, Lighting and related assets							
Cycling Walking Safer Streets	G	496	739	363	(377)	739	-
Parking Improvements	P	878	1,181	27	(1,155)	500	(681)
Roads	G	-	-	-	-	-	-
Roads - Structures, Traffic Signals, Area Partnerships	G	620	620	73	(547)	620	-
Roads - Carriageways	G	4,480	4,480	1,741	(2,739)	4,480	-
Roads - Footways	G	950	950	338	(612)	950	-
Roads - Street Lighting	G	450	450	276	(174)	550	100
Roads - Externally Funded Projects	G	3,459	3,459	880	(2,579)	2,331	(1,129)
Total Roads, Lighting and related assets		11,333	11,880	3,696	(8,184)	10,170	(1,710)
Developer Contribution		(453)	(453)	-	453	-	453
Other Funding Sources		(3,006)	(3,013)	880	2,133	(2,338)	675

Appendix 4

East Lothian Council

General Services Capital Budget Monitoring Summary 2025/26

Quarter 2

RAG G Green
 A Amber
 R Red
 P Change in Spend Profile

	RAG	Approved Budget 2025/26	Updated Budget 2025/26	Actual 2025/26	Updated Budget- Actual Variance 2025/26	Projected Outturn 2025/26	Updated Budget - Outturn Variance 2025/26
Expenditure		£'000	£'000	£'000	£'000	£'000	£'000

Community Projects							
Total Income: Roads, Lighting and related assets		(3,459)	(3,466)	(880)	2,586	(2,338)	1,129
Roads etc. - General Capital Grant/Borrowing Requirement		7,874	8,414	2,816	(5,597)	7,832	(581)

Property - Education							
Aberlady Primary - extension	P	3,935	4,245	-	(4,245)	50	(4,195)
Blindwells Primary - new school	G	1,632	4,610	3,472	(1,139)	4,210	(400)
Craighall Primary - New School	G	1,572	4,930	3,265	(1,665)	4,530	(400)
East Linton Primary School - Toilet Upgrades	G	-	-	-	-	30	30
Elphinstone Primary - extension	G	-	-	-	-	131	131
Free School Meals Expansion to P6-7	G	-	83	-	(83)	83	-
Haddington Primary School (Lower Campus)	G	47	47	-	(47)	47	-
Gullane Primary - extension including Early Learning and 1140	G	-	-	(390)	(390)	-	-
Kingsmeadow Primary School (Upper Campus)	G	25	26	16	(10)	26	-
Knox Academy Extension	G	-	52	-	(52)	394	342
Law Primary - extension including Early Learning and 1140	G	-	25	3	(23)	25	-
Letham Primary - New School	G	47	47	11	(35)	19	(28)
Letham Primary - Extension	G	-	-	-	-	15	15
Longniddry Primary - Extension	G	-	-	-	-	-	-
North Berwick High School - Extension	G	-	143	61	(81)	143	-
Ormiston Primary - extension	A	100	100	11	(89)	100	-
Pinkie St Peter's Primary - sports hall extension	G	-	6	38	32	6	-
Pinkie St Peter's Primary - extension including Early Learning and 1140	G	-	278	11	(267)	278	-
Ross High School - extension	G	-	13	-	(13)	13	-
St Gabriel's Primary School	G	-	-	-	-	-	-
School Estate - Curriculum Upgrades	G	-	267	(15)	(281)	267	-
School Estate - Security Upgrades	G	232	232	-	(232)	85	(147)
School Estate - ASN Provision Space	G	140	140	77	(63)	140	-
Wallyford Primary - New School	G	115	120	22	(98)	25	(95)
Wallyford Learning Campus	G	-	766	322	(444)	766	-
Whitcraig Primary - new school including Early Learning and 1140	A	2,297	9,427	5,635	(3,793)	10,827	1,400
Windygoul Primary - Early learning and 1140 extension	G	156	156	-	(156)	156	-
Total Property - Education		10,296	25,713	12,539	(13,174)	22,367	(3,347)

Developer Contribution		(3,030)	(5,839)	(4,786)	1,053	(5,465)	373
1140 Grant Income		(173)	(173)	-	173	(156)	17
Other Funding Sources		-	-	-	-	-	-
Total Income: Property - Education		(3,203)	(6,012)	(4,786)	1,226	(5,621)	390
Property Education - General Capital Grant/Borrowing Requirement		7,093	19,702	7,754	(11,948)	16,745	(2,956)

Property - Other							
Accelerating Growth		8,533	6,188	4,899	(1,289)	6,588	400
- Cockenzie	A	2,369	2,369	1,004	(1,365)	2,769	400
- Levelling Up Project Cockenzie	G	6,164	3,819	3,895	76	3,819	-
- Blindwells	G	-	-	-	-	-	-
- Innovation Hub	G	-	-	-	-	-	-
- A1/QMU Junction	G	-	-	-	-	-	-
Court Accommodation	G	22	22	1	(21)	5	(17)
Demolitions - various sites	G	369	369	-	(369)	369	-
Eskmill Fire Station Demolition	G	17	17	-	(17)	17	-
Relocation of Haddington Day Centre to Tynebank Resource Centre	G	1,325	1,325	-	(1,325)	103	(1,222)
Loch Centre Tranent - Major Refurbishment Works	G	276	970	196	(774)	304	(666)
Demolition of TUs	G	84	84	23	(61)	84	-
New ways of working Programme	G	990	1,368	117	(1,252)	1,368	-
Prestongrange Museum	G	833	2,096	669	(1,427)	2,096	-
Property Renewals	G	3,000	3,112	1,516	(1,596)	3,112	-
Replacement Childrens House	G	1,101	1,101	-	(1,101)	200	(901)
Sports Centres	G	240	240	181	(59)	240	-
Total Property - Other		16,791	16,893	7,602	(9,290)	14,486	(2,407)

Developer Contribution		-	-	-	-	-	-
Capital receipts		(2,369)	(2,369)	(1,004)	1,365	(2,769)	(400)
TCR		-	(162)	-	162	(162)	-
Other Funding Sources		(5,266)	(2,921)	(3,242)	(321)	(2,921)	-
Total Income: Property - Other		(7,635)	(5,453)	(4,246)	1,207	(5,853)	(400)
Property Other - General Capital Grant/Borrowing Requirement		9,156	11,440	3,357	(8,084)	8,634	(2,807)

Total Property Spend - Education and Other		27,087	42,606	20,142	(22,464)	36,853	(5,753)
Total Income: Property - Education and Other		(10,839)	(11,464)	-	9,032	2,433	(11,474)
Property-Education and Other - General Capital Grant/Borrowing Requirement		16,248	31,142	11,110	(20,032)	25,379	(5,763)
Capital Plan Fees	G	2,650	2,650	-	(2,650)	2,650	-
PPP Projects	G	-	-	-	-	-	-

Appendix 4

East Lothian Council

General Services Capital Budget Monitoring Summary 2025/26

Quarter 2

RAG

G

Green

A

Amber

R

Red

P

Change in Spend Profile

	RAG	Approved Budget 2025/26	Updated Budget 2025/26	Actual 2025/26	Updated Budget- Actual Variance 2025/26	Projected Outturn 2025/26	Updated Budget - Outturn Variance 2025/26
Expenditure		£'000	£'000	£'000	£'000	£'000	£'000

Community Projects							
Total Gross Expenditure		57,517	77,085	26,357	(50,728)	65,486	(11,599)

Other Funding Sources		-	-	-	-	-	-
PPP Lease Liability Restatement		-	-	-	-	-	-
Total Income:PPP Projects		-	-	-	-	-	-

Income							
Developer Contribution	G	(4,758)	(7,907)	(4,964)	2,944	(6,357)	1,551
1140 Grant Income	G	(173)	(173)	-	173	(156)	17
Town Centre Regeneration (PBIP) Grant	G	(208)	(427)	(25)	402	(806)	(379)
Flood scheme general capital grant	G	14,134	14,134	-	(14,134)	14,134	-
Capital receipts	G	(7,369)	(7,369)	(6,004)	1,365	(7,769)	(400)
Other Funding Sources	G	(9,907)	(8,239)	(4,295)	3,944	(7,864)	375
Scottish Government General Capital Grant	G	(1,282)	(1,282)	(1,282)	-	(1,282)	-
Total Income		(9,563)	(11,263)	(16,569)	(5,306)	(10,100)	1,163

Borrowing Requirement	G	47,954	65,822	9,788	(56,034)	55,386	(10,435)
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Appendix 5
Prudential and Treasury Indicators 2025/26
Quarter 2

1 PRUDENTIAL INDICATORS	2024-25	2025-26	2025-26	2025-26	2025-26
	Actual £'000	Budget £'000	Q2 Projection £'000	Q1 Projection £'000	Movement £'000
1.1 Capital Expenditure					
General Services	91,921	57,517	65,486	74,657	-9,171
HRA	32,471	43,820	34,578	34,741	(163)
TOTAL	124,392	101,337	100,064	109,398	-9,334
1.2 Capital Financing Requirement (CFR) – General Services					
brought forward 1 April	313,376	356,643	342,283	342,283	0
carried forward 31 March	342,283	390,824	383,902	389,893	(5,991)
In year borrowing requirement	28,907	34,181	41,619	47,610	-5,991
1.3 Capital Financing Requirement (CFR) - HRA					
brought forward 1 April	265,745	284,350	286,472	286,472	0
carried forward 31 March	286,472	312,242	306,756	306,919	(163)
In year borrowing requirement	20,726	27,892	20,284	20,447	-163
1.4 Total CFR excluding PPP and leases					
General Services	342,283	390,824	383,902	389,893	-5,991
HRA	286,472	312,242	306,756	306,919	(163)
TOTAL	628,755	703,065	690,658	696,812	-6,154
1.5 Annual Change in CFR					
General Services	28,907	34,181	41,619	47,610	-5,991
HRA	20,726	27,892	20,284	20,447	(163)
TOTAL	49,633	62,073	61,904	68,058	-6,154
1.6 Ratio of financing costs to net revenue stream					
General Services	4.95%	7.30%	7.02%	7.06%	-0.04%
HRA	33.63%	36.97%	35.91%	36.02%	-0.11%
1.7 Impact of Capital Investment Decisions					
General Services – Debt per Band D equivalent	£5,489	£6,180	£6,071	£6,166	-£95
HRA – Debt per dwelling	£30,427	£32,781	£32,205	£32,222	-£17

2 TREASURY MANAGEMENT INDICATORS	2024-25	2025-26	2025-26	2025-26	2025-26
	Actual £'000	Budget £'000	Q2 Projection £'000	Q1 Projection £'000	Movement £'000
2.1 Authorised Limit for External Debt -					
Borrowing at 31 March	708,000	741,000	727,000	737,000	-10,000
Other long term liabilities (PPP and Leases)	38,000	33,000	34,000	34,000	0
Total	746,000	774,000	761,000	771,000	-10,000
2.2 Operational Boundary for External Debt -					
Borrowing at 31 March	645,144	720,562	708,473	714,627	-6,154
Other long term liabilities (PPP and Leases)	37,712	32,041	33,889	33,889	0
Total	682,856	752,604	742,363	748,516	-6,154
2.3 Actual External Debt					
Borrowing at 31 March	559,402	637,466	624,925	631,079	-6,154
Other long term liabilities (PPP and Leases)	37,712	32,041	33,889	33,889	0
Total	597,115	669,507	658,814	664,968	-6,154

3 LOANS FUND	2024-25	2025-26	2025-26	2025-26	2025-26
	Actual £'000	Budget £'000	Q2 Projection £'000	Q1 Projection £'000	Movement £'000
3.1 General Services					
Opening balance	313,376	356,643	342,283	342,283	0
Add advances	35,715	47,658	55,090	61,081	(5,991)
Less repayments	(6,807)	(13,477)	(13,471)	(13,471)	0
Closing balance	342,284	390,824	383,902	389,893	-5,991
3.2 HRA					
Opening balance	265,745	284,350	286,472	286,472	0
Add advances	26,558	34,184	26,665	26,828	(163)
Less repayments	(5,831)	(6,292)	(6,381)	(6,381)	0
Closing balance	286,473	312,242	306,756	306,919	-163
3.3 Total					
Opening balance	579,121	640,993	628,755	628,755	0
Add advances	62,274	81,842	81,755	87,909	(6,154)
Less repayments	(12,638)	(19,769)	(19,851)	(19,851)	0
Closing balance	628,757	703,066	690,658	696,812	-6,154

Appendix 6
East Lothian Council
Budget Monitoring HRA 2025/26 - Quarter 2

	2025/26 Budget	2025/26 Actual	2025/26 Budget to Date	2025/26 Variance (Surplus) / Deficit
	£'000	£'000	£'000	£'000
Total Income	-43,940	-21,799	-21,822	23
Total Expenditure	40,956	11,964	12,007	-43
(Surplus) / Deficit for Year	-2,984	-9,835	-9,815	-20

2025/26 Forecast	2025/26 Forecast Variance
£'000	£'000
-43,908	32
40,884	-72
-3,024	-40

	2025/26 Budget
	£'000
Management of Balances	
Opening (Surplus) / Deficit	-2,017
CFCR	3,400
(Surplus) / Deficit for Year	-2,984
Closing (Surplus) / Deficit	-1,601

2025/26 Forecast	2025/26 Forecast Variance
£'000	£'000
-2,017	0
3,400	0
-3,024	-40
-1,641	-40

Appendix 7

East Lothian Council

Budget Monitoring HRA Capital 2025/26 - Quarter 2

	2025/26 Budget	2025/26 Actual to Date	2025/26 Budget to Date	2025/26 Budget Variance to Date	2025/26 Forecast	2025/26 Forecast Variance
	£'000	£'000	£'000	£'000	£'000	£'000
Modernisation	13,375	6,268	6,688	-420	13,375	0
Energy Efficiency Fund	2,500	246	1,250	-1,004	2,500	0
New Council Housing	26,169	5,435	6,542	-1,107	16,782	-9,387
Fees	1,496	0	0	0	1,496	0
Mortgage to Rent	280	0	0	0	280	0
TOTAL	43,820	11,949	14,480	-2,531	34,433	-9,387

Funded By:

	2025/26 Budget	2025/26 Actual to Date	2025/26 Budget to Date	2025/26 Budget Variance to Date	2025/26 Forecast	2025/26 Forecast Variance
	£'000	£'000	£'000	£'000	£'000	£'000
Grants	-6,040	-1,928	-3,020	1,092	-4,617	1,423
Grants MTR	-196	0	0	0	-196	0
CFCR	-3,400	0	0	0	-3,400	0
Borrowing	-34,184	0	0	0	-26,220	7,964
TOTAL	-43,820	-1,928	-3,020	1,092	-34,433	9,387