

COMMITTEE:	East Lothian Council
MEETING DATE:	23 June 2026
BY:	Depute Chief Executive – Resources & Economy
REPORT TITLE:	Year-end Financial Review 2025/26
REPORT STATUS:	Public

1 PURPOSE OF REPORT

- 1.1 To provide an update on the draft financial position for the year ending 31 March 2026.

2 RECOMMENDATIONS

- 2.1 The Council is recommended to:
- a) Note the draft revenue and capital out-turn positions, that these are provisional and remain subject to audit.
 - b) Note the surplus generated by the IJB and that this has been transferred to the Council's IJB reserve, to be used exclusively on Council IJB activities.
 - c) Agree to provide a letter of guarantee to support the going concern assumption for Enjoy Leisure and Brunton Theatre Trust.
 - d) Agree to continue the budget mitigation measures noting they will remain under review through the quarterly monitoring process.
 - e) Agree to increase the unallocated reserves balance to £9.5 million.
 - f) Note the key performance information for Council Tax Collection, Rent Collection and Scottish Welfare Fund spending.
 - g) Agree to use the remaining funds that will transfer to the Council following the decision of the board to wind up East Lothian Land Limited for capital investment focused on Economic Development.

3 BACKGROUND

- 3.1 During 2025/26, the Council has considered financial reviews setting out the challenges of managing the financial position of the Council. 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 The Council will continue to face significant financial and other risks in future years, and these will continue to be 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 Council Leadership Team (CLT) 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 and the future implications going forward.
- 3.5 This report sets out the financial results for the 2025/26 financial year across all service areas. These results will remain in draft and subject to change pending the finalisation of the 2025/26 audit.

Unaudited Accounts – 2025/26

- 3.6 The draft accounts covering the financial year 2025/26 are in the process of being finalised for publication. The timetable for considering the final accounts is set out below:
 - In accordance with requirements, the Chief Financial Officer will be responsible for ensuring the draft accounts are submitted for audit by the statutory deadline of 30 June 2026. The draft accounts will be published on the council's website and in the Members' Library following submission to audit.
 - The audit will be undertaken between September and October 2026. Resourcing challenges within Audit Scotland mean that it will not be possible to commence the audit any sooner than this, and as a result the Council will not meet the statutory deadline for publishing its audited accounts.
 - Aligned to statutory requirements, the draft accounts will be available for public inspection during the first three weeks of July 2026.
 - Elected Members will be offered a briefing in August 2026 to support a wider understanding of the final accounts and the key issues contained in them.

- In August 2026, the draft accounts will be presented to Council for consideration to support formal requirements to enable Members to scrutinise the unaudited accounts by 31 August 2026.
 - Following an indication by external audit of their planned work schedule, the unaudited accounts are expected to be formally considered by Audit and Governance Committee at the end of November 2026.
- 3.7 The accounts and financial results will remain in draft pending the completion of the audit. If any material changes to the outturn position arise during the audit, members will be kept informed of this.

General Services Revenue Summary – 31 March 2026

- 3.8 An analysis of the financial position across service groups is set out in **Appendix 1** with further details in the paragraphs below.
- 3.9 Several budgets have been adjusted to reflect necessary accounting adjustments to ensure that the surplus or deficit in service areas reflects only costs that are chargeable direct to the taxpayer. The most significant of these adjustments relates to statutory accounting adjustments for pensions made under IAS19. The adjustment to budgets is to ensure that no budget variances arise from these accounting entries.
- 3.10 The budget approved by Council for 2025/26 set out planned use of reserves to achieve a balanced position. In summary, the year-end position before adjusting for transfers to and from earmarked reserves, is a balance of £825,000 which requires to be funded by reserves. This is within the planned drawdown of reserves approved as part of the budget.
- 3.11 The transfers to and from earmarked reserves totalled £4.547 million. These were:
- Scottish Future Trust Funding for Wallyford Learning Campus – £1.667 million (transferred to the SFT earmarked reserve)
 - Service Concessions Adjustments – £1.193 million (transferred to the service concession earmarked reserve)
 - Producer Responsibility Funding – £3.434 million (transferred to the EPR reserve)
 - Other Earmarked Reserves – £1.747 million decrease (£185,000 transferred to Ring-fenced Reserves and £1.932 million drawn down from the Transformation Reserve).
- 3.12 After taking the contributions to reserves into account, there is an overspend of £5.372 million to be funded from planned use of reserves per the agreed budget. This is less than the budgeted planned use of reserves which was £9.980 million; however, it is important to remember this has been taken from the Capital Fund reserve and is non-recurring.

Without these reserves, the Council would be reporting an overspend of £5.372 million.

- 3.13 After taking account of one-off costs to be funded from earmarked reserves, no Head of Service area is over budget. 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.
- 3.14 Non-service expenditure is showing an overspend of £2.6 million. As previously reported in February 2026 the main factors causing this pressure are the vacancy factor and undelivered savings from previous years being included in this area. The vacancy factor has been met by vacant posts in services and other underspends which are offsetting the prior year undelivered savings.
- 3.15 In addition, there are overspends within 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.
- 3.16 There do remain areas of emerging pressure within services which are offset by underspends elsewhere in service budgets. These are summarised below:
- **Children's Services (Management), £843,000** – External Residential and Alternative Interventions budget (contained within the Management line in **Appendix 1**)
 - **Education (Inclusion and Wellbeing), £901,000** – External day schools and residential costs
 - **Undelivered 2025/26 savings, £320,000** – more detail in section 3.21.
- 3.17 These pressures have been offset in 2025/26 by underspends in staffing. A number of these pressures will be recurring beyond this financial year.

Approved Mitigations

- 3.18 At the June 2025 Council meeting, Council agreed to continue the following control measures which the CLT is responsible for applying:
- 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 CLT and ELT. 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.
- 3.19 In line with the decision in the 2024/25 year-end financial review presented to Council in June 2025, these mitigations should continue to be accepted as expected business practice and continued for the next 12 months.
- 3.20 These control measures will remain under review through the quarterly budget monitoring process. In 2025/26, no service was asked to prepare a financial recovery plan due to the forecast being in line with budget.

2025/26 Efficiencies

- 3.21 Council approved planned efficiencies of £1.542 million for 2025/26, of which £1.222 million have been delivered and £320,000 have not been delivered in full. **Appendix 2** sets out the position in more detail. The savings that are not achievable this year are:
- Increase income budget for s36 application fees £220,000 – this is a demand-led area, and the income can be impacted by the timing of major applications with several applications being made in March 2025 which may have impacted the income in 2025/26. This will remain part of our monthly risk-based budget monitoring.
 - Income Generation £100,000 – it is expected that this saving will be realised in 2026/27.
- 3.22 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 – work is ongoing to meet this savings target. Ahead of quarter 1 in 2026/27 a review will be undertaken to measure the savings made to date and to adjust budgets appropriately.
 - Income generation, £500,000 – work is progressing towards delivery of this saving in 2026/27.

Reserves

- 3.23 The impact of the 2025/26 revenue out-turn will be a net increase in earmarked and unallocated reserves of £6.920 million, arising from the closing ledger position and adjustments to the unallocated, transformation and the affordable housing earmarked reserve detailed in **Appendix 1**. This comprises drawdowns for planned use of reserves, offset by contributions to earmarked reserves where funds will be required to fulfil a specific purpose in the future.
- 3.24 The Council's approved reserves strategy sets out the requirement to maintain a minimum unallocated balance on the general fund, which at the start of the financial year was set at 2.5% of the annual revenue budget. It is proposed to increase the unallocated reserves by £994,000 to £9.5 million to meet this target. This can be achieved through a transfer of reserves which had been earmarked for planned use during 2025/26 but were not required.
- 3.25 Similarly, a further £1.451 million can be allocated to other Earmarked Reserves for the same reasons as the unallocated balance. This comprises £607,000 to the Transformation Fund and £844,000 to the Ring-Fenced Reserves.
- 3.26 An indicative summary of general reserves at 31 March 2026 is provided in **Appendix 3**.
- 3.27 The closing reserves balance at 31 March 2026 enables unallocated balances to be maintained above the minimum acceptable level set out within the financial strategy. However, as noted in the 2024/25 Annual Audit Report:
- The Council's level of uncommitted general reserves as a percentage of overall budget is below the Scottish average as at 31 March 2025 of 3.2% (based on the 2025/26 budget, the minimum unallocated balance would need to increase to £11 million to align with the 2024/25 Scottish average).
 - The Council should continue to review the level of earmarked and uncommitted reserves to ensure these provide sufficient contingency and continue to support financial sustainability over the short, medium, and long term.
 - One of the key measures of the financial health of a body is the level of reserves held.
- 3.28 In addition, the risks around the low level of unallocated reserves relative to the level of risk facing the Council has continued to be raised within the Financial Strategy and wider Council finance reports. Given the extent of risk factors which the Council continues to face, it is essential that action is taken to preserve the unallocated general fund balance over the coming year, to ensure that the council holds adequate

contingency and would have the capacity to respond to any future unforeseen events.

Additional Scottish Government Funding

- 3.29 Since Council approved the 2025/26 budget in February 2025, there has been additional funding of £2.636 million from the Scottish Government to support policy commitments, which is unchanged since the Quarter 3 report. This is set out in more detail in **Appendix 4**.
- 3.30 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.

Council Tax

- 3.31 At this stage, there is a forecast surplus in the Council Tax budget of around £800,000 (slightly below 1% of the budget estimate). 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 has been taken account of in the Council Tax assumptions for 2026/27.

Integration Joint Board

- 3.32 Following changes approved by Council in December 2025, IJB budgets were updated to remove services managed by the Head of Housing and the Head of Communities & Partnerships. The management of these resources remains in line with the scheme of integration and wider overall IJB resources.
- 3.33 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 supported by a 10% Council Tax increase.
- 3.34 The IJB has delivered an underspend of £1.4 million due to underspends in staffing, increased income, and lower commissioned care costs. This underspend includes the funding from unscheduled care monies of £625,000 previously reported to Council.
- 3.35 This underspend has been transferred to the IJB Council reserves balance which had previously been exhausted. This reserve is only used to fund Council IJB services and will not be used for any other purposes.
- 3.36 While this is a positive position, the decision to increase funding was taken following an overspend in 2024/25 of £2.8 million, which the Council had to fund from its own general reserves in line with section 9.14 of the scheme of integration as there were no IJB reserves available to the Council. This recognised the demand pressures being faced by IJB.

3.37 Underspend has been reported to Council throughout 2025/26, and it was expected that the additional funding would create initial respite in 2025/26 to ensure that IJB services operate within the resources available. However, demand pressures have not gone away and for 2026/27 Council services within the IJB will be operating in a complex and challenging environment due to:

- Lower growth in the Councils' Financial Settlement due to a decision by the Scottish Government to update the distribution of Adults Services funding to increase the importance of deprivation indices, which has reduced East Lothian's share of the funding by over £1 million.
- Increased savings targets which will be challenging to deliver.
- Continuing increase in population and the demographic impact of this on the demand for services.
- Continuing to support the delivery of care out with of hospital settings.

3.38 The Council's Chief Financial Officer has stressed the need to the IJB's Chief Financial Officer for the IJB 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.

Council's Group Components

3.39 In previous years, a "letter of guarantee" was provided to both Enjoy and Brunton Theatre Trust in closing off their final accounts. The "guarantee", whilst not prescriptive in respect of quantum, gave both organisations positive assurance that the Council would collaborate proactively with them to manage cash flow and fulfil their obligations should the need arise.

3.40 It is recommended that a similar "letter of guarantee" is supported for both Enjoy and Brunton Theatre Trust as part the 2025/26 accounts closedown.

Financial Sustainability

3.41 Given the risks and challenges facing the Council, it remains essential that the Council's financial strategy and wider policies support financial sustainability and capacity to sustain front-line service delivery over the medium term. These pressures arise from significant increases to the cost of delivering services, growing demands aligned to population growth, and continued reductions and direction in national funding. The recurring pressures mean that the five-year outlook for the Council reflects significant gaps between available funding and expenditure demands. Although a balanced budget has now been agreed for 2026/27, without significant increases in funding, the Council will face tough decisions about how the gap can be closed in the years beyond this.

- 3.42 In 2026/27, the Council has higher savings targets than in previous years at £4.6 million, which is almost three times the value of the savings in 2025/26. At this stage around £2.6 million of the total is assessed as being delivered with work ongoing to review progress in delivering the remaining £2 million. An update will be provided in the Quarter 1 financial review to be brought to Council in August 2026.
- 3.43 As a reminder, the Council has a minimum level of unearmarked general reserves. Any unplanned use of reserves arising from overspends will place this below the minimum agreed level and will require other earmarked reserves to be repurposed to replenish this. This presents a risk to the Council's capacity to enable change and reshape service delivery to deliver planned savings.
- 3.44 The national settlement remains aligned to the delivery of wider national policy commitments and settlement conditions which means there are limited options available to redirect funding streams without an impact on the specific policy delivery.
- 3.45 Alongside these national commitments, East Lothian remains one of the fastest growing councils in Scotland with population growth continuing to increase year on year. The ongoing costs and demands of supporting this growth alongside wider challenges remain significant. Without changes in how the Council delivers services and prioritises investment, the financial position will become unsustainable.

Performance Information within Revenues & Benefits

- 3.46 Council Tax in-year collection is slightly below target at Quarter 4. The final quarter has seen some personnel changes following the retirement of some highly experienced team members and work is ongoing to train newer team members, alongside a review of working methods to ensure that there is resilience and stability in the team. Work is also ongoing with other Revenues teams and Council Services such as the Contact Centre to share knowledge and streamline processes to help support service delivery and improve the customer experience.
- 3.47 Volumes of customer-related enquiries remain high, as expected; however, future service improvement work to offer a web chat service will help answer more general customer enquiries in a more efficient way. The Council website and online forms are being promoted wherever possible and in 2025/26 just over 46% of enquiries into the team was via an online form, an increase from 38% in the previous year.
- 3.48 796 new properties were added to the domestic property base in 20265/26 taking the property base to 54,708. Since 2011/12, the property base has increased by over 20%.
- 3.49 Debt recovery work has been initiated for unpaid current year Council Tax and work is ongoing 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
Q4 2025/26	96.44%	96.80%	-0.36%

- 3.50 Rent arrears have increased in the last quarter of 2025/26. A new team leader has been appointed and this service is also in the process of training new team members.
- 3.51 The migration from Housing Benefit to Universal Credit was completed in March and almost half of mainstream Council tenants are claiming this benefit.
- 3.52 Work is ongoing to ensure tenants are supported to remain in their homes, and to access advice and support wherever needed. The launch of the new Homefront leaflet helps to encourage anyone in need of help to get in touch. Face-to-face contact with tenants remains a key feature of service delivery and visiting tenants in their homes and at outreach locations has helped to build trust and good relationships with tenants and other community partners.
- 3.53 The team is currently working with Legal Services to plan for change in the court process effective from 1 April 2026 which may impact on arrears levels which will remain under review in 2026/27.

Period	Actual (£000)	Target (£000)	Variance (£000)
Q4 2025/26	£1,703	£1,433	£270

- 3.54 Scottish Welfare Fund remains a key element of the local safety net, offering vital support to residents facing 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 with a further £89,000 made available by the Scottish Government at the end of 2025. The overall funding available in 2025/26 is £815,000 of which £731,000 was allocated by year-end, 89% of the budget. In addition, a further £75,000 of funding was made available to the Council as a redetermination at the end of the financial year. This additional funding along with the underspend of £84,000 will be carried forward to 2026/27 to support this budget.

Community Care Grants

Q4 2025/26	Q1	Q2	Q3	Q4	Total
Applications	379	336	368	291	1,374
Awards	247	210	204	173	834
Award Rate	65.17%	62.50%	55.43%	59.45%	60.70%
Total Award	£128,000	£126,000	£115,000	£80,000	£449,000
Av Award	£518.32	597.76	562.55	£464.12	£538.37

Crisis Grants

Q4 2025/26	Q1	Q2	Q3	Q4	Total
Applications	916	901	914	996	3,727
Awards	543	505	529	613	2,190
Award Rate	59.28%	56.05%	57.88%	61.54%	58.76%
Total Award	£72,000	£68,000	£68,000	£74,181	£282,181
Av Award	£132.98	£135.01	£128.26	£121.01	£128.85

General Services Capital Summary – 31 March 2026

- 3.55 **Appendix 5** shows the approved and updated 2025/26 budgets and expenditure for the financial year, showing spend of £56 million relative to the updated gross expenditure budget of £77 million. A sizeable proportion of the underspend has already been reprofiled as part of the work on the 2026/27 capital plan and will be used in future years. Where appropriate, this is matched against anticipated income in line with individual project requirements.
- 3.56 Capital income applied during 2025/26 was £15.2 million with the most significant element being capital receipts totalling £13.7 million.
- 3.57 A summary of the key movements from the Quarter 3 projections are shown below:
- Expenditure on the Cycling Walking Safer Streets line was higher than previously reported due to additional external funding for works at Dunbar Station and Wallyford Toll.
 - Within the fleet budget, 22 vehicles, including 2 gritters, have been delayed until 2026/27 due to delays and issues in the manufacturing of the vehicles.

- The actual spend for Whitecraig Primary School was lower than that anticipated at Quarter 3 because the final contractor claim has just been agreed and will be settled in the coming weeks. Officers can confirm that the new primary schools, Whitecraig, Blindwells and Craighall, have been delivered within the overall budget allocated across the three projects.
 - The spend on the link road at Cockenzie has increased due to change controls and contractor claims which are now settled. No further spend is expected on this project.
 - The PPP Projects includes the disclosure of the lease liability under IFRS 16 accounting as well as lifecycle capital spend.
- 3.58 The borrowing requirement reduced from a projected figure of £45.9 million to £41.2 million aligned to slippage in planned spending. Other significant income movements included an increase of £3 million in other funding received and a reduction in the amount of developer contributions applied due to movements in the projects they support.
- 3.59 Following the recent decision made by the board of directors for East Lothian Land Limited to wind up and transfer funds to East Lothian Council, it is recommended that these funds (estimated at £520,000) are used to support capital investment in economic development opportunities in the county. If approved by Council, this will be added to the Council's general services capital programme for 2026-31, with updates provided to Council through quarterly financial reporting.

Housing Revenue Account – 31 December 2025

- 3.60 The HRA is forecast to break even at this stage. The significant work that was undertaken in the final quarter of 2024/25 and which continued in 2025/26 to reduce the backlog of void properties means that the overall void rent loss will be around £500,000 lower than in 2024/25. Due to the additional void costs incurred, the CFCR has been reduced to ensure that the HRA meets its closing balance target. **Appendix 6** sets out the revenue spend for the year.
- 3.61 Looking ahead, to meet the key tests in the financial strategy, a £1 million HRA balance and a debt-to-income ratio below a 40%, a review of the rent strategy is ongoing. This will be informed by a 30-year HRA business plan which is in its initial iteration, an Asset Plan, and recommendations on a rent review. This will consider fully the requirements to maintain capital investment in modernising properties and building new council houses.
- 3.62 Capital expenditure was £35.2 million which is £8.6 million lower than the budget. Further details are provided in **Appendix 7**.
- 3.63 The Quarter 3 report noted the reasons for the underspend which is due to fewer new build completions and delays in progressing sites. The

impact of this was reflected in the five-year HRA budget approved in February 2026.

- 3.64 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 and offsets the reduction in CFCR noted in section 3.60.
- 3.65 There remain significant challenges in delivering the programme due to several factors including uncertainties on the level of subsidy, shortage of labour resources, uncertainty in the housing market due to the current economic situation, rising costs and challenges in awarding and mobilisation of contracts.

Conclusion

- 3.66 As highlighted throughout the year in the quarterly financial updates, this has been a positive financial year, with all services delivering within budget. However, the position is underpinned by record levels of additional investment in key services, including Children's Services and the IJB, enabled by a 10% council tax increase, additional funding and use of reserves. Looking ahead to 2026/27, the Council faces a significantly more challenging position with £4.6 million of savings to deliver, three times the target for 2025/26, and planned use of over £2 million of one-off reserves to balance the budget. This is alongside ongoing pressures from population growth, increasing service demand, and rising costs of service delivery.
- 3.67 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 tough decisions in the years ahead to ensure ongoing financial sustainability.
- 3.68 It should be recognised at this stage that 2026/27 will be a more challenging financial year.

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.

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 - Reserves
- 7.4 Appendix 4 – Additional Funding
- 7.5 Appendix 5 – General Services Capital
- 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 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
- 8.7 Council 9 December 2025 – Item 8 Quarter 2 Financial Review 2025/26
- 8.8 Council 17 February 2026 – Item 4 Quarter 3 Financial Review 2025/26

9 AUTHOR AND APPROVER DETAILS

Report Author(s)

Name	Ellie Dunnet David Henderson Ann-Marie Glancy
Designation	Head of Finance Service Manager – Service Accounting

Name	Ellie Dunnet David Henderson Ann-Marie Glancy
	Service Manager – Corporate Accounting
Tel/Email	edunnet@eastlothian.gov.uk dhenderson2@eastlothian.gov.uk aglancy@eastlothian.gov.uk
Date	1 June 2026

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	1 June 2026

Appendix 1
East Lothian Council
Budget Monitoring 2025/26 - Year-End

Service	Head of Service	Business Unit	2025/26 Budget £'000	Year to Date			2025/26 Budget Variance %	Financial Risk Assessment
				2025/26 Actual £'000	2025/26 Budget £'000	2025/26 Budget Variance £'000		
Education & Children's	Children's	Performance & Service Delivery	1,513	1,506	1,513	-7	-0.46%	
Education & Children's	Children's	Management	6,797	7,640	6,797	843	12.40%	
Education & Children's	Children's	Assessment HUB and Early Interventions	2,177	2,108	2,177	-69	-3.17%	
Education & Children's	Children's	Long Term Social Work Supervisory Groups	3,793	3,949	3,793	156	4.11%	
Education & Children's	Children's	TAC, Disability & Resources	2,078	1,959	2,078	-119	-5.73%	
Education & Children's	Children's	Fostering, Adoption & Internal Resources	6,388	5,559	6,388	-829	-12.98%	
Education & Children's	Children's	Early Years Intervention	1,113	848	1,113	-265	-23.81%	
Education & Children's	Children's	Disability Short Breaks	999	1,214	999	215	21.52%	
EDUCATION & CHILDREN'S	CHILDREN'S TOTAL		24,858	24,783	24,858	-75	-0.30%	
Education & Children's	Education	Inclusion & Wellbeing	15,877	16,778	15,877	901	5.67%	
Education & Children's	Education	Pre-School Education	17,392	17,335	17,392	-57	-0.33%	
Education & Children's	Education	Primary Schools	61,935	60,492	61,935	-1,443	-2.33%	
Education & Children's	Education	Secondary Schools	57,854	56,409	57,854	-1,445	-2.50%	
Education & Children's	Education	Schools' Support	4,097	3,591	4,097	-506	-12.35%	
EDUCATION & CHILDREN'S	EDUCATION TOTAL		157,155	154,605	157,155	-2,550	-1.62%	
EDUCATION & CHILDREN'S TOTAL			182,013	179,388	182,013	-2,625	-1.44%	
Council Resources	Finance	Financial Services	3,219	3,813	3,219	594	18.45%	
Council Resources	Finance	Revenues & Financial Support	5,234	4,494	5,234	-740	-14.14%	
Council Resources	Finance	Procurement	471	319	471	-152	-32.27%	
Council Resources	Finance	Strategic Change and Organisational Development	844	1,301	844	457	54.15%	
COUNCIL RESOURCES	FINANCE TOTAL		9,768	9,927	9,768	159	1.63%	
Council Resources	Corporate	IT Services	4,001	3,315	4,001	-686	-17.15%	
Council Resources	Corporate	People & Council Support	4,952	4,760	4,952	-192	-3.88%	
Council Resources	Corporate	Governance	2,595	2,500	2,595	-95	-3.66%	
Council Resources	Corporate	Strategy, Policy & Performance	0	19	0	19	0.00%	
Council Resources	Corporate	Communications	608	614	608	6	0.99%	
COUNCIL RESOURCES	CORPORATE TOTAL		12,156	11,208	12,156	-948	-7.80%	
COUNCIL RESOURCES TOTAL			21,924	21,135	21,924	-789	-3.60%	
Health & Social Care Partnership	Head of Operations	Adult Social Work	35,680	35,355	35,680	-325	-0.91%	
Health & Social Care Partnership	Head of Operations	Acute & Ongoing Care	11,206	10,815	11,206	-391	-3.49%	
Health & Social Care Partnership	Head of Operations	Rehabilitation	2,368	2,060	2,368	-308	-13.01%	
Health & Social Care Partnership	Head of Operations	Learning Disability & MH Community Services	22,106	22,053	22,106	-53	-0.24%	
Health & Social Care Partnership	Head of Operations	Head of Operations	5,173	6,709	5,173	1,536	29.69%	
Health & Social Care Partnership	Head of Operations	Business & Performance IJB	4,997	4,538	4,997	-459	-9.19%	
HEALTH & SOCIAL CARE PARTNERSHIP TOTAL			81,530	81,530	81,530	0	0.00%	
Place	Development	Planning & Environmental Services	1,253	1,167	1,253	-86	-6.86%	
Place	Development	Economic Development	833	850	833	17	2.04%	
Place	Development	East Lothian Works	1,282	1,280	1,282	-2	-0.16%	
PLACE	DEVELOPMENT TOTAL		3,368	3,297	3,368	-71	-2.11%	
Place	Housing	Community Housing Group	3,978	3,720	3,978	-258	-6.49%	
Place	Housing	Property Maintenance Trading Account	-1,137	-1,137	-1,137	0	0.00%	
Place	Housing	Housing, Strategy & Development	438	29	438	-409	-93.38%	
PLACE	HOUSING TOTAL		3,279	2,612	3,279	-667	-20.34%	
Place	Infrastructure	Asset Maintenance & Engineering Services	3,765	3,473	3,765	-292	-7.76%	
Place	Infrastructure	Strategic Asset & Capital Plan Management	-792	-1,482	-792	-690	-87.12%	
Place	Infrastructure	Facility Trading Activity	-428	-224	-428	204	47.66%	
Place	Infrastructure	Facility Support Services	3,903	3,528	3,903	-375	-9.61%	
Place	Infrastructure	Roads Services	4,410	4,722	4,410	312	7.07%	
Place	Infrastructure	Transportation	2,560	2,307	2,560	-253	-9.88%	
Place	Infrastructure	Waste Services	10,863	10,693	10,863	-170	-1.56%	
PLACE	INFRASTRUCTURE TOTAL		24,281	23,017	24,281	-1,264	-5.21%	
Place	Communities & Partnerships	Connected Communities	6,515	6,429	6,515	-86	-1.32%	
Place	Communities & Partnerships	Protective Services	2,405	2,226	2,405	-179	-7.44%	
Place	Communities & Partnerships	Landscape & Countryside Management	7,474	7,305	7,474	-169	-2.26%	
Place	Communities & Partnerships	Active Business Unit	4,124	4,206	4,124	82	1.99%	
Place	Communities & Partnerships	Customer Services Group	4,792	4,466	4,792	-326	-6.80%	
PLACE	COMMUNITIES & PARTNERSHIPS TOTAL		25,310	24,632	25,310	-678	-2.68%	
PLACE TOTAL			56,238	53,558	56,238	-2,680	-4.77%	
SERVICE TOTAL			341,705	335,611	341,705	-6,094	-1.78%	
Non-Service Expenditure Sub-Total			24,237	26,892	24,237	2,655	10.95%	
Total Expenditure			365,942	362,503	365,942	-3,439	-0.94%	
Funded By Sub-Total			-365,942	-361,678	-365,942	4,264	1.17%	
Net Expenditure			0	825	0	825	0.23%	
Transformation Fund						-1,932		
Ring Fenced Funds and Other balances						185		
Service Concession reserve						1,193		
EPR Earmarked Reserve						3,434		
SFT Earmarked Reserve						1,667		
Total Contribution to / from reserves						4,547		
Planned Budgeted Use of Reserves						-5,372		
NET EXPENDITURE						-825		
REVISED POSITION ADJUSTED FOR RESERVES						0		
MOVEMENT IN RESERVES								
Ledger Overspend						825		
Increase in Empty Homes Premium for Affordable Housing Reserve						72		
Ring Fenced Funds and Other balances						-844		
Transformation Fund						-607		
Increase in Contingency Reserve						-994		
Reduction in Capital Grants Unapplied						526		
Reduction in Capital Receipts						9,213		
Increase in Capital Fund General Services						-596		
HRA						416		
Total Movement in Reserves						8,011		
Usable Reserves								
Opening Usable Reserves						-58,065		
Movement in Reserves						8,011		
Closing Usable Reserves						-50,054		

Appendix 2
East Lothian Council
2025/26 Budget Efficiencies - Year-End

Service	2025/26			
	Achieved	Amber	Not Achieved	
	£'000	£'000	£'000	
Education	521	0	0	
Finance	120	0	0	
Corporate Services	104	0	0	
Development	135	0	220	
Housing	50	0	0	
Infrastructure	172	0	0	
Communities	120	0	0	
Non Service Expenditure	0	0	100	
Total	1,222	0	320	1,542
	79.25%	0.00%	20.75%	

Appendix 3
East Lothian Council
2025/26 Reserves

Description	Opening Balance	Changes	Closing Balance
	£'000	£'000	2025/26 £'000
General Fund Reserve			
Earmarked			
Transformation Fund	-17,039	1,325	-15,714
DSM	-1,148	0	-1,148
Ring Fenced Funds and Other balances	-1,926	-1,029	-2,955
Service Concession reserve	-2,116	-1,193	-3,309
SFT Earmarked Reserve	-3,014	-1,667	-4,681
EPR Earmarked Reserve	0	-3,434	-3,434
Empty Homes Premium for Affordable Housing	-2,379	72	-2,307
Total Earmarked Reserves	-27,622	-5,926	-33,548
Contingency	-8,506	-994	-9,500
Total General Fund Reserves	-36,128	-6,920	-43,048
Other Reserves			
Insurance Fund	-2,684	0	-2,684
Capital Receipts Reserve	-11,338	9,213	-2,125
Capital Grants Unapplied Account	-5,898	5,898	0
Capital Fund General Services	0	-596	-596
HRA	-2,017	416	-1,601
Total Other Reserves	-21,937	14,931	-7,006
Total Reserves	-58,065	8,011	-50,054

Appendix 4

East Lothian Council

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

	£million
2025/26 GRG (per Budget Amendment)	265.319
<hr/>	
Additional Funding - GRG	
<hr/>	
Social Care Real Living Wage (settlement less than estimate in the budget)	-0.059
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
School Milk	0.023
No One Left Behind	0.066
Single Use Vapes	0.003
Fairer Futures Partnership	0.069
Ukraine Resettlements	0.068
Discretionary Housing Payments	0.036
Rapid Rehousing Transition	0.020
Pay Funding (Non Teachers)	1.560
Teacher Induction Scheme (settlement less than estimate in the budget)	-0.005
Scottish Welfare Fund	0.089
Pay Funding (Teachers)	0.555
<hr/>	
Total Additional Funding	2.636
<hr/>	
Revised GRG	267.955
<hr/>	

Appendix 5
East Lothian Council
General Services Capital Budget Monitoring Summary 2025/26
Year-End

	Annual (In-Year)						
	Approved Budget 2025/26	Updated Budget 2025/26	Actual 2025/26	Updated Budget-Actual Variance 2025/26	Previously reported Outturn to Council	Actual to P9 Projection Variance	Reprofiled during budget process
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Expenditure							
Community Projects							
Community Intervention	200	242	-	(242)	242	(242)	-
Community Facility Transformation	100	100	-	(100)	100	(100)	-
Community Intervention Fund - Pump Tracks	360	580	141	(440)	190	(49)	139
Community Public Art	-	155	1	(155)	50	(49)	-
Bleachingfield Centre Remodelling Works	2	18	2	(16)	8	(6)	-
Dunbar Conservation Area Regeneration Scheme (CARS)	575	775	-	(775)	525	(525)	250
Support for Business	-	-	8	8	-	8	-
CCTV	169	212	46	(166)	50	(4)	-
Town Centre Regeneration	-	57	29	(28)	635	(606)	-
Total Community Projects	1,406	2,139	226	(1,913)	1,800	(1,573)	389
Town Centre Regeneration (PBIP) Grant	(208)	(265)	(88)	177	(528)	440	-
Other Funding Sources	(510)	(1,101)	(738)	363	(880)	142	(277)
GCG REFCUS	-	-	-	-	-	-	-
Total Income: Community Projects	(718)	(1,366)	(826)	539	(1,408)	581	(277)
Community Projects - General Capital Grant/Borrowing Requirement	689	774	(600)	(1,374)	392	(992)	112
ICT							
IT Programme & Digital Opportunities	2,200	2,200	2,011	(189)	2,200	(189)	-
Telecare System upgrade to Digital	121	121	300	179	253	47	-
Total ICT	2,321	2,321	2,311	(10)	2,453	(142)	
Other Funding Sources	-	-	-	-	-	-	-
Total Income: ICT	-	-	-	-	-	-	-
ICT - General Capital Grant/Borrowing Requirement	2,321	2,321	2,311	(10)	2,453	(142)	0
Fleet							
Amenties - Machinery & Equipment - replacement	200	200	206	6	206	0	-
Vehicles	5,774	7,493	2,019	(5,474)	3,500	(1,481)	1,719
Total Fleet	5,974	7,693	2,225	(5,467)	3,706	(1,481)	1,719
Other Funding Sources	-	-	-	-	-	-	-
Total Income: Fleet	-	-	-	-	-	-	-
Fleet - General Capital Grant/Borrowing Requirement	5,974	7,693	2,225	(5,467)	3,706	(1,481)	0
Open Space							
Synthetic Pitch Replacement Programme	350	318	255	(63)	301	(46)	-
Cemeteries (Burial Grounds)	400	584	74	(509)	75	(1)	509
Climate Change Emergency	800	800	30	(770)	150	(120)	-
Coastal / Flood Protection schemes - Musselburgh	1,394	1,714	1,075	(640)	650	425	164
Coastal Change Management	166	166	76	(90)	95	(19)	71
Coastal Car Park Toilets	4	44	41	(3)	47	(5)	-
Core Path Plan	100	200	27	(173)	27	(0)	-
Harbour Walls	250	250	-	(250)	-	-	250
Nature Restoration	120	120	97	(23)	120	(23)	-
Replacement Play Equipment	545	545	541	(4)	545	(4)	-
Polson Park	140	160	-	(160)	-	-	140
Sports and Recreation LDP	2,237	2,654	551	(2,103)	558	(7)	1,977
Street litter bin replacement	40	40	40	(0)	40	(0)	-
Waste - New Bins	150	150	165	15	165	(0)	-
Waste - Machinery & Equipment - replacement	50	50	23	(27)	15	8	-
Total Open Space	6,746	7,796	2,997	(4,799)	2,788	209	3,111
Developer Contribution	(1,274)	(1,615)	(401)	1,215	(410)	10	(1,195)
Capital Receipts	-	-	-	-	-	-	-
Other Funding Sources	(325)	(404)	(532)	(128)	(487)	(45)	-
Total Income: Open Space	(1,599)	(2,019)	(933)	1,086	(897)	(35)	(1,195)
Open Space - General Capital Grant/Borrowing Requirement	5,146	5,777	2,064	(3,713)	1,891	173	1,916
Roads, Lighting and related assets							
Cycling Walking Safer Streets	496	739	2,895	2,156	739	2,156	-
Parking Improvements	878	1,181	419	(762)	300	119	599
Roads	-	-	-	-	-	-	-
Roads - Structures, Traffic Signals, Area Partnerships	620	620	548	(72)	620	(72)	-
Roads - Carriageways	4,480	4,480	4,620	140	4,380	240	-
Roads - Footways	950	950	786	(164)	950	(164)	-
Roads - Street Lighting	450	450	704	254	550	154	-
Roads - Externally Funded Projects	3,459	3,459	2,507	(952)	2,331	177	-
Total Roads, Lighting and related assets	11,333	11,880	12,478	598	9,870	2,609	599
Developer Contribution	(453)	(453)	112	341	-	(112)	-
Other Funding Sources	(3,006)	(3,013)	4,431	(1,418)	(2,338)	(2,093)	-

Appendix 5
East Lothian Council
General Services Capital Budget Monitoring Summary 2025/26
Year-End

	Annual (In-Year)						
	Approved Budget 2025/26	Updated Budget 2025/26	Actual 2025/26	Updated Budget-Actual Variance 2025/26	Previously reported Outturn to Council	Actual to P9 Projection Variance	Reprofiled during budget process
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Expenditure							
Total Income: Roads, Lighting and related assets	(3,459)	(3,466)	(4,543)	(1,077)	(2,338)	(2,205)	-
Roads etc. - General Capital Grant/Borrowing Requirement	7,874	8,414	7,935	(478)	7,532	403	599
Property - Education							
Aberlady Primary - extension	3,935	4,245	62	(4,183)	50	12	4,195
Blindwells Primary - new school	1,632	4,610	3,514	(1,096)	4,210	(696)	400
Craighall Primary - New School	1,572	4,930	3,316	(1,614)	4,530	(1,214)	400
East Linton Primary School - Toilet Upgrades	-	-	3	3	50	(47)	-
Elphinstone Primary - extension	-	-	-	-	50	(50)	-
Free School Meals Expansion to P6-7	-	83	47	(36)	83	(36)	-
Haddington Primary School (Lower Campus)	47	47	-	(47)	47	(47)	-
Gullane Primary - extension including Early Learning and 1140	-	-	6	6	-	6	-
Kingsmeadow Primary School (Upper Campus)	25	26	16	(10)	26	(10)	-
Knox Academy Extension	-	52	36	(16)	394	(358)	-
Law Primary - extension including Early Learning and 1140	-	25	43	17	25	17	-
Letham Primary - New School	47	47	11	(35)	15	(4)	32
Letham Primary - Extension	-	-	-	-	-	-	-
Longniddry Primary & Nursery - Extension	-	-	6	6	50	(44)	-
North Berwick High School - Extension	-	143	72	(71)	143	(71)	-
Ormiston Primary - extension	100	100	-	(100)	100	(100)	-
Pinkie St Peter's Primary - sports hall extension	-	6	18	12	-	18	-
Pinkie St Peter's Primary - extension including Early Learning and 1140	-	278	71	(207)	210	(139)	68
Ross High School - extension	-	13	1	(13)	15	(14)	-
St Gabriel's Primary School	-	-	-	-	-	-	-
School Estate - Curriculum Upgrades	-	267	(12)	(279)	(12)	-	-
School Estate - Security Upgrades	232	232	5	(226)	85	(80)	146
School Estate - ASN Provision Space	140	140	125	(15)	140	(15)	-
Wallyford Primary - New School	115	120	26	(94)	30	(4)	90
Wallyford Learning Campus	-	766	429	(337)	746	(317)	-
Whitecraig Primary - new school including Early Learning and 1140	2,297	9,427	9,420	(7)	10,827	(1,407)	-
Windygoul Primary - Early learning and 1140 extension	156	156	-	(156)	156	(156)	-
Total Property - Education	10,296	25,713	17,216	(8,497)	21,970	(4,754)	5,331
Developer Contribution	(3,030)	(5,839)	(2,782)	3,057	(5,440)	2,658	(892)
1140 Grant Income	(173)	(173)	-	173	(156)	156	(17)
Other Funding Sources	-	(25)	(449)	(423)	(25)	(423)	-
Total Income: Property - Education	(3,203)	(6,037)	(3,231)	2,807	(5,622)	2,391	(909)
Property Education - General Capital Grant/Borrowing Requirement	7,093	19,676	13,986	(5,690)	16,348	(2,363)	4,423
Property - Other							
Accelerating Growth	8,533	6,188	8,755	2,567	7,173	-	-
- Cockenzie	2,369	2,369	3,967	1,598	2,662	1,305	-
- Levelling Up Project Cockenzie	6,164	3,819	4,788	969	4,511	277	-
- Blindwells	-	-	-	-	-	-	-
- Innovation Hub	-	-	-	-	-	-	-
- A1/QMU Junction	-	-	-	-	-	-	-
Court Accommodation	22	22	1	(21)	5	(4)	17
Demolitions - various sites	369	369	132	(237)	250	(118)	119
Eskmill Fire Station Demolition	17	17	25	9	17	9	-
Relocation of Haddington Day Centre to Tynebank Resource Centre	1,325	1,325	5	(1,320)	13	(8)	1,222
Loch Centre Tranent - Major Refurbishment Works	276	970	258	(712)	304	(46)	659
Demolition of TUs	84	84	1	(83)	30	(29)	-
New ways of working Programme	990	1,368	448	(921)	500	(52)	868
Prestongrange Museum	833	2,096	1,531	(565)	2,096	(565)	-
Property Renewals	3,000	3,112	2,893	(219)	3,112	(219)	-
Replacement Childrens House	1,101	1,101	282	(819)	200	82	901
Sports Centres	240	240	405	165	240	165	-
Total Property - Other	16,791	16,893	14,737	(2,156)	13,939	798	3,787
Developer Contribution	-	-	-	-	-	-	(0)
Capital receipts	(2,369)	(2,369)	(3,951)	(1,582)	(2,662)	(1,289)	-
TCR	-	(162)	(162)	-	(162)	-	-
Other Funding Sources	(5,266)	(2,921)	(3,250)	(328)	(3,068)	(182)	-
Total Income: Property - Other	(7,635)	(5,453)	(7,363)	(1,911)	(5,892)	(1,471)	-
Property Other - General Capital Grant/Borrowing Requirement	9,156	11,440	7,374	(4,067)	8,047	(673)	3,787
Total Property Spend - Education and Other	27,087	42,606	31,953	(10,653)	35,909	(3,956)	9,118
Total Income: Property - Education and Other	(10,839)	(11,490)	10,594	896	(11,514)	920	(909)
Property-Education and Other - General Capital Grant/Borrowing Requirement	16,248	31,116	21,360	(9,757)	24,396	(3,036)	8,209
Capital Plan Fees	2,650	2,650	3,006	356	2,650	356	-
PPP Projects	-	-	1,230	1,230	-	1,230	-
Total Gross Expenditure	57,517	77,085	56,428	(20,657)	59,176	(2,748)	14,936
Other Funding Sources	-	-	(445)	(445)	-	445	-

Appendix 5
East Lothian Council
 General Services Capital Budget Monitoring Summary 2025/26
 Year-End

	Annual (In-Year)						
	Approved Budget 2025/26	Updated Budget 2025/26	Actual 2025/26	Updated Budget-Actual Variance 2025/26	Previously reported Outturn to Council	Actual to P9 Projection Variance	Reprofiled during budget process
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Expenditure							
PPP Lease Liability Restatement	-	-	(785)	(785)	-	785	-
Total Income:PPP Projects	-	-	(1,230)	(1,230)	-	1,230	-
Income							
Developer Contribution	(4,758)	(7,907)	(3,295)	4,612	(5,850)	2,555	(2,087)
1140 Grant Income	(173)	(173)	-	173	(156)	156	(17)
GCG REFCUS	-	-	-	-	-	-	-
Town Centre Regeneration (PBIP) Grant	(208)	(427)	(251)	177	(690)	440	-
Flood scheme general capital grant	14,134	14,134	14,134	-	14,134	-	-
PPP Lease Liability Restatement	-	-	(785)	(785)	-	(785)	-
Capital receipts	(7,369)	(7,369)	(13,687)	(6,318)	(12,398)	(1,289)	-
Other Funding Sources	(9,107)	(7,464)	(9,844)	(2,380)	(6,798)	(3,046)	(277)
Scottish Government General Capital Grant	(1,282)	(1,282)	(1,476)	(194)	(1,476)	-	-
Total Income	(8,763)	(10,489)	(15,204)	(4,715)	(13,234)	(1,970)	(2,381)
Borrowing Requirement	48,754	66,596	41,224	(25,372)	45,942	(4,718)	12,556

Appendix 6
 East Lothian Council
 Budget Monitoring HRA 2025/26 - Year-End

	2025/26 Budget £'000	2025/26 Actual £'000	2025/26 Variance (Surplus) / Deficit £'000
Total Income	-43,940	-43,885	55
Total Expenditure	40,956	41,860	904
(Surplus) / Deficit for Year	-2,984	-2,025	959

	2025/26 Budget £'000	2025/26 Actual £'000
Management of Balances		
Opening (Surplus) / Deficit	-2,017	-2,017
CFCR	3,400	2,441
(Surplus) / Deficit for Year	-2,984	-2,025
Closing (Surplus) / Deficit	-1,601	-1,601

Appendix 7
East Lothian Council
Budget Monitoring HRA Capital 2025/26 - Year-end

	2025/26 Budget	2025/26 Actual	2025/26 Variance (Surplus) / Deficit
	£'000	£'000	£'000
Modernisation	15,875	15,885	10
New Council Housing	26,169	16,454	-9,715
Fees	1,496	2,834	1,338
Mortgage to Rent	280	0	-280
TOTAL	43,820	35,173	-8,647

Funded By:

	2025/26 Budget	2025/26 Actual	2025/26 Variance (Surplus) / Deficit
	£'000	£'000	£'000
Grants	-6,040	-6,556	-516
Grants MTR	-196	0	196
CFCR	-3,400	-2,441	959
Borrowing	-34,184	-26,176	8,008
TOTAL	-43,820	-35,173	8,647