

Slough Borough Council

Information needed

Details

Date:	15 September 2025
SUBJECT:	Budget Management Report Q1
Lead Member:	Councillor Smith – Leader of the Council Councillor Chahal – Lead Member Financial Oversight
Chief Officer:	Chris Holme, Interim Executive Director Finance & Commercial (S151 Officer)
Contact Officer:	Dave McNamara, Interim Director Financial Management & Strategy
Ward(s):	All
Key Decision:	YES
Exempt:	NO
Decision Subject To Call In:	YES
Appendices:	1) Commissioners Instruction 6 2) Capital Programme

1. SUMMARY AND RECOMMENDATIONS

This report sets out the Council's forecast financial position for the financial year 2025/26 as at the end of Quarter 1, 30 June 2025.

The revenue position at the end of Quarter 1 is a projected overspend of £20.729m although mitigation identified to date of up to £7m reduces that to approximately £13m.

The Council's financial situation is acute, and significant measures need to be taken if the Council is to achieve long-term financial sustainability. It is the severity of the Council's financial position that has led to the Council's Best Value Commissioners issuing their latest instruction note, as set out in Appendix 1.

The forecast has been prepared on the following assumptions:

- The 2023/24 accounts are supported by Exceptional Financial Support of £14.75m;
- The 2024/25 provisional outturn is fully funded;

- The 2025/26 forecast outturn, updated for Period 4 is £20.729m and that this is mitigated by the actions that are referenced in this report.

Recommendations:

Cabinet is recommended to **note** the following:

1.1 The issuance of the Commissioners' sixth instruction

Instruction Note 6 –

Budget management – Instruction for immediate application

1.2 The financial position of the Council as set out in the report, specifically that the revenue budget position at Quarter 1 reflects a net overspend of £20.729m and the Corporate Leadership Team has to date identified initial mitigations, pending validation, of some £7m and are committed to developing further mitigations.

1.3 A further report be brought back to October Cabinet, updating the position and validated mitigations

1.4 Commissioners' suggestion that the Executive Director of Regeneration, Housing and Environment present a comprehensive update to Cabinet in October on the issues relating to the pressures on Temporary Accommodation including mitigations.

1.5 The technical Budget Adjustments and contingency allocations as set out in the report.

Cabinet is recommended to **approve** the following:

1.6 Additional and amended schemes incorporated into the Capital Programme totalling £0.782m, relating to final grant settlements and s106 funded schemes (Appendix 2 Table 8)

1.7 Reprofiting of capital budgets totalling £12.753m from 2025/26 to later years (Appendix 2 Table 9)

1.8 The drawdown of £1.373m from the budget smoothing reserve to support the Finance Improvement Programme (£1.373m was included in the budget 2025/26 and MTFs to 2028/29 approved budget in the reserves section but was not previously put forward formally as a recommendation to Cabinet)

Reason

Cabinet should regularly review the in-year budget position against that approved as part of the budget setting process and where required, make virement decisions on both revenue and capital in accordance with its powers under the Council's Financial Procedure Rules.

Commissioners Comments

Financial management across the Council has improved, with accounts completed for 2019/20 –2022/23 and due for publication for 2023/24. This was a substantial backlog in the Council's financial reporting processes, reconciling systems, correcting errors and merging of legacy (older) through to recent year's financial data. This process has accumulated in material movements across financial year and actual level of exceptional financial support via a capitalisation direction across this multiple reporting period, which amount to £313.4m.

The Council has undertaken risks-based balance sheet reviews to provide improved assurance over the integrity of material balance sheet items, which strengthens the assurance mechanisms and reduces the risk of unforeseen negative impacts on the 2024/25 accounts and the long-term financial risks to the Council. It is essential that data consistency and accuracy across periods continues to be achieved, with improvements embedded and sustained.

The Council operates Directorate cash limited budgets and Executive Directors are responsible for ensuring that savings are delivered on a recurrent basis and appropriate action is taken across the directorate to contain revenue and capital spending in line with the directorate's overall budget limit approved by Council. If mitigating proposals cannot be identified in the Directorate, alternative mitigations will need to be identified across the Council to facilitate a Supplementary Estimate whilst ensuring a balance position is achieved within the 'in principle' exceptional financial support outlined for 2025/26.

At Quarter 1, the Council is forecasting an end of year result which is £20.7m above the approved General Fund budget of £175.7m. There are inherent risks around the data that underpins the forecasting of the outturn positions in key areas, and these risks and uncertainties have increased due to the more detailed systems reconciliations now being routinely completed which is providing greater transparency in several key areas, coupled with significantly rising demand for statutory services.

These pressures impact the Council in terms of increased costs of placements and welfare support and the income that it can collect in subsidies more specifically across temporary accommodation and adult social care. The Council has some contingencies, risks provisions and reserves, however these would be insufficient to meet the overall Council's forecasted deficit, whilst managing risks and maintaining financial resilience for 2026/27 and beyond.

Spending controls have been effective in supporting the Council through challenging finances in the past and a temporary pause on discretionary / non-essential expenditure has been implemented to assist with the development of the pipeline mitigation options and put the Council in the best position to manage financial pressures.

It is critical that budget management action remains focused on reducing areas of overspend, delivering approved savings, boosting income collection and delaying expenditure wherever possible to achieve a balanced budget at

outturn. Commitment is required across the Council to careful financial management, detailed planning and effective programme management to mitigate the position by outturn.

The Commissioners are content with this report being considered.

2. REPORT

2.1 Summary & Commissioners' Instruction

2.1.1 The General Fund revenue budget was approved at £175.728m and included growth (including inflation) of £30.162m, and savings of £11.806m. It also included an in-principle decision from the Ministry of Housing, Communities and Local Government (MHCLG) to provide Exceptional Financial Support (EFS)

2.1.2 This report sets out the forecast position of the Council for the financial year 2025/26 as at the end of Quarter 1, 30 June 2025. The revenue budget position at Quarter 1 was a forecast net overspend of £20.729m.

2.1.3 It is the severity of the Council's financial position and the concern that the Council would have insufficient General Fund reserves to mitigate the gap that led to the Council's Best Value Commissioners issuing their latest instruction note:

Instruction Note 6 – Budget management

The Instruction note is attached as appendix 1 to this report.

2.1.4 This report should be considered provisional at this time, particularly with regard to the reserves position pending publication of the final accounts for 2023/24 and 2024/25.

2.1.5 Before considering the 2025/26 position it is worth stating the current assumptions in relation to prior years and the cumulative impact on reserves.

2.2 Capitalisation Direction & Prior Years

2023/24

2.2.1 MHCLG confirmed in-principle decisions to provide exceptional financial support to the Council of £338.740m over the years 2016/17 to March 2024. As the Council progressed through closing outstanding accounts over the last year, the actual reliance on EFS has differed significantly from the original in principle decisions. The following table sets out the assumptions as approved in the EFS confirmation and the actual usage as contained within the Council's Statement of Accounts. The table confirms that the Council has not had to use the full amount of the in principle decision and the cumulative difference is £25.343m.

FY £m	2016-19	2019-20	2020-21	2021-22	2022-23	2023-24	Total
DLUHC / MHCLG In Principle	61.700	40.200	25.900	95.265	84.100	31.575	338.740
Statement of Accounts	78.015	47.536	24.941	59.966	56.614	46.325	313.397
Difference	16.315	7.336	-0.959	-35.299	-27.486	14.750	-25.343

2.2.2 For 2023/24 the Council has an in-principle decision from the Ministry of Housing, Communities and Local Government (MHCLG) to provide Exceptional Financial Support (EFS) for 2023/24 of £31.575m.

2.2.3 At July's cabinet it was reported that the restated provisional General Fund financial position relating to 2023/24 was an adverse movement of £14.750m and that the Council would be required to draw down £14.750m from earmarked and general reserves without an alternative source of funding.

2.2.4 It was also reported that work was ongoing and may include talking with MHCLG about revising the profile of the Council's Exceptional Financial Support to increase the sum for 2023-24 from £31.575m to £46.325m, to reflect the Statement of Accounts. Whilst this is an increase of £14.75m it is still £25.343m less than the total the Council assumed to be required from the original in principle decisions.

2.2.5 Those discussions have been positive and the Council is able to publish the draft Statement of Accounts for 2023/24 on this basis.

2024/25

2.2.6 For 2024/25 the Council has an in-principle decision from the Ministry of Housing, Communities and Local Government (MHCLG) that they are minded to approve Exceptional Financial Support (EFS) through a capitalisation direction for 2024/25 of a total not exceeding £23.078m.

2.2.7 At July's Cabinet, officers reported a provisional 2024/25 outturn of £169.611m on an approved budget of £160.202m; a net provisional overspend of £8.843m. The report set out that officers would continue to review opportunities to mitigate the provisional 2024/25 outturn position through the reviewing the following potential options:

- Application of eligible spend to S106 receipts and S278 receipts
- Application of the public health grant to eligible spend
- Earmarked reserves and future commitments
- Review of carry forward requests from services
- Review of grant conditions and receipt in advances
- Appropriate recharges to other statutory accounts e.g.. HRA.

- a request has been issued to the pension fund in relation to historic deficits
- Movement in reserves, if required

2.2.8 It should be noted that all recharges to the HRA have to be consistent with Government guidance to ensure that the statutory ringfence arrangements are not breached

2.2.9 Further work has been carried out with regard to the 2024/25 position including the establishment of a £6m provision relating to outstanding Housing Benefit payments on temporary accommodation tenancies. However, because of the work undertaken as set out above the current assumption is that, pending finalisation of the impact of James Elliman Homes losses on the Income and Expenditure Account, 2024/25 will be balanced without any unscheduled draw down from balances.

2.2.10 Subject to finalising the 2024-25 accounts, and with specific regard to the treatment of how the Council's companies' financial position need to be reflected in the Council's accounts, there is no current intention to request further EFS for this year.

2.3 Reserves Position

2.3.1 Despite what is set out in para. 2.2 above, the conclusion of the Statement of Accounts for 2023/24 and 2024/25 could still impact upon on the Councils reserves. This could have a detrimental effect to the financial health of the Council.

2.3.2 On the assumption that a depletion of reserves is not required for prior years, then the reserves position remains at a level, that whilst not robust, is considered to contain its current financial pressures.

2.3.3 The following table sets out the provisional position at Quarter 1 in comparison to the 2025/26 Budget of £35.957m, assuming approval of the additional exceptional financial support, and consolidating funding into a limited number of reserves.

	Balance at 1/4/2024 £m	Transfers (to)/from reserves 2024/25 £m	Budgeted Transfers (to)/from reserves 2025/26 £m	Forecast Reserve Position 30/6/2025 £m
MTFS Reserve				
Test and trace support grant	(0.385)	0.385		0.000
Contain Outbreak Management Fund	(0.376)	0.376		0.000
Transformation Reserve	(5.391)	3.733	0.998	(0.660)
Directorate Carry Forwards	(1.061)	0.438	0.123	(0.500)
MTFS Reserve Total	(7.213)	4.932	1.121	(1.160)
Better Care Fund	(5.302)	4.024		(1.278)
Public Health Reserve	(2.551)	0.733		(1.818)
Proceeds from Crime POCA	(0.324)			(0.324)
Insurance	(0.232)			(0.232)
Risk Reserve	(2.098)	(1.500)		(3.598)
Budget Smoothing Reserve	(2.259)	0.655	1.373	(0.231)
Redundancy/ Severance Payments	(5.915)	0.929		(4.986)
Earmarked Reserves Total	(25.894)	9.773	2.494	(13.627)
General Reserve	(21.000)		(1.000)	(22.000)
General Fund Reserves Total	(46.894)	9.773	1.494	(35.627)

2025/26

2.3.4 For 2025/26 the Council has an in-principle decision from the Ministry of Housing, Communities and Local Government (MHCLG) that they are minded to approve Exceptional Financial Support (EFS) through a capitalisation direction for 2025/26 of a total not exceeding £15.709m.

2.3.5 The Table below summarises the revenue forecast position as at Quarter 1, taking into account forecasts that have been adjusted to give a more up to date position.

	YTD Q1			Full Year Q1			
Service Budgets	Budget to Date	Actuals to date	Variance	Original Budget	Current Budget	Forecast	Variance
	£'m	£'m	£'m	£'m	£'m	£'m	£'m
Adults Services	11.713	8.297	-3.416	46.529	46.989	52.877	5.888
Children's Services	3.015	2.530	-0.486	12.038	12.154	13.705	1.551
Slough Children First	9.588	9.522	-0.066	38.353	38.353	38.294	-0.059
Public Health & Public Protection	0.396	-2.279	-2.675	1.629	1.395	1.276	-0.119
Regeneration, Housing & Environment	4.490	-2.149	-6.640	21.014	13.928	18.053	4.125
Chief Execs Office	0.856	1.515	0.659	3.402	3.462	3.635	0.173
Corporate Resources	3.801	4.707	0.905	14.893	15.256	16.126	0.870
Law and Governance	0.531	0.661	0.130	2.098	2.124	2.251	0.127
Total Service Budgets	34.391	22.804	-11.588	139.956	133.661	146.218	12.557
Non Dept Budgets							
Other Non Dept Budgets	0.875	0.561	-0.315	2.502	2.502	1.740	-0.762
Housing Benefit & DHP	-0.345	7.237	7.582	-1.381	5.973	20.357	14.385
Conts to / from Reserves	2.088	0.000	-2.088	9.409	8.350	2.900	-5.450
Minimum Rev. Provision	0.000	0.000	0.000	13.767	13.767	13.767	0.000
Capital Financing	2.869	-1.906	-4.775	11.475	11.475	11.475	0.000
Total Non Dept Budgets	5.487	5.891	0.405	35.772	42.067	50.240	8.173
Total Expenditure	39.878	28.695	-11.183	175.728	175.728	196.458	20.729

Financing							
Council Tax	-21.848	0.000	21.848	-87.390	-87.390	-87.390	0.000
Business Rates	-11.098	7.359	18.457	-44.393	-44.393	-44.393	0.000
Collection Fund Deficit	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Revenue Support Grant	-2.006	-2.166	-0.160	-8.024	-8.024	-8.024	0.000
Government Grants	-5.053	-6.610	-1.557	-20.212	-20.212	-20.212	0.000
Total Financing	-40.005	-1.417	38.587	-160.019	-160.019	-160.019	0.000
New Total Expenditure	-0.127	27.277	27.404	15.709	15.709	36.439	20.729
Capitalisation Direction	0.000	0.000	0.000	-15.709	-15.709	-15.709	0.000
Total Funds	-40.005	-1.417	38.587	-175.728	-175.728	-175.728	0.000
GAP	-0.127	27.277	27.404	0.000	0.000	20.729	20.729

2.3.6 The following table presents corporate reporting on a subjective basis for service areas, as follows:

	YTD			Full Year			
All service areas	Budget to Date	Actuals to date	Variance	Original Budget	Current Budget	Forecast	Variance
	£'m	£'m	£'m	£'m	£'m	£'m	£'m
Pay	17.194	20.199	3.004	66.704	67.184	73.078	5.894
Non-Pay	45.129	34.932	-10.197	165.148	176.860	194.903	18.043
Income	-27.932	-32.327	-4.395	-91.896	-110.382	-121.763	-11.381
Grand Total	34.391	22.804	-11.588	139.956	133.661	146.218	12.557

The Pay variance is of some concern and will need careful monitoring to ensure containment within budget; some of the pay variance is to be funded from specific reserves of approximately £3m.

The Non-Pay variance is due to Housing Benefits associated with Temporary Accommodation (TA), and the Income, is also a reflection of TA income.

2.4 Main Service Pressures

2.4.1 Key forecast variances at Quarter 1 can be seen in the next table and are shown as pressures or reductions in expenditure.

Quarter 1 Position	£m
Housing Benefit*	15.106
Temporary Accommodation Cost**	4.441
Adults Social Care – Increased Demand	3.900
Adults Social Care – Provider Uplift	2.710
Children’s Inclusion Service	1.450
Property**	2.192
Environment & Highways**	1.587

* Shown in Housing Benefit & DHP

** Shown in Regeneration, Housing & Environment

2.4.2 The single greatest pressure facing the Council is the cost of Temporary Accommodation, where the volume of applicants and the differential between what the Council pays in Housing Benefit and receives from the Department of Work and Pensions (DWP) in Housing Benefit subsidy constitute net expenditure of £22.423m and a budget variance of £15.889m.

Description	Current Budget £m	Q1 Forecast £m	Variance £m
Temporary Accommodation cost	31.200	35.641	4.441
TA Rental Income charged	-30.420	-34.861	-4.441
Net	0.780	0.780	0
Housing Benefit	9.899	33.467	23.567
Housing Benefit Subsidy	-3.366	-11.044	-7.678
Subsidy loss	6.533	22.423	15.889
Grand Total	7.313	23.202	15.889

2.4.3 The cost of Temporary Accommodation is forecast to be £35.641m in 2025/26, a variance of £4.441m whilst it is forecast that this will lead to an offsetting increase in TA rental income charged this is considered a major risk and future forecast will be based on actual charge levels.

2.4.4 Housing Benefit and Subsidy are being reported alongside Temporary Accommodation costs and income within RHE with a view to aligning and reporting both pressures together. The position with regards to Temporary

Accommodation needs to be based on actual demand; as well as existing Housing Benefit cases the Forecast is being developed so that it includes HB and HB Subsidy for tenancies that have not yet submitted HB applications.

2.4.5 The Council's claim for Housing Benefit Subsidy is based on regulations set by the Department for Work and Pensions (DWP). Irrespective of the rent that the Council has to pay to secure temporary accommodation the subsidy is limited to 90% of the Local Housing Allowance (LHA) rate set in 2011. There are local LHA rates across the country. LHA rates relate to an area in which a claim is made - these areas are called Broad Rental Market Areas (BRMA).

2.4.6 Whilst there are regional differences in the weekly BRMA rates as set out below

2 Bedroom property	LHA Weekly Rate
Slough	£176.54
Harrow and Hillingdon	£310.00

The most significant issue is that the rates are held at 2011 levels and do not reflect increases due to inflation and particularly demand for properties in Slough. In comparison, the mean rent for a 2 bed property that the Council is paying is £466 per week.

2.4.7 Given that the majority of temporary accommodation clients are placed locally the Council can claim HB subsidy against local BRMA rates and on average claim approximately 34% of Housing Benefit subsidy on our costs. This means that residents are having to fund 66p of every pound spent on Temporary Accommodation.

Other RHE Pressures - Property

2.4.8 The net overspend of £2.192m is mainly due to staffing pressures as costs are not being fully recovered from asset sales or lettings and costs savings not been realised due to delay in planned asset disposal. Mitigation is underway to restructure and recruit permanent staff to contain costs.

2.4.9 There is also growing pressure on responsive repairs due to historic under expenditure on preventative and capital expenditure on buildings.

Highways & Environment

2.4.10 The net overspend of £1.587m is mainly due to pressure on contractual costs for waste disposal, parking enforcement, trade waste internal recharge, and lower than expected green waste subscription income.

2.4.11 In addition, there is under recovery of income from cremations due to the time lag to undertake capital works required to implement improvements to the service and an estimated shortfall in existing income recovery. Other pressures

include unachievable capital income in Transport and Highways and lower than expected activity levels on Bus lane enforcement.

2.4.12 Within Adult Services the net pressures are £5.888m reflect a mixture of estimated future demand of £3.9m and Provider fee uplift of £2.38m and other offsetting variances. Work done by the commissioning team has sought to mitigate the impact of the provider fee uplift by careful consideration of each supplier's specific proposals.

2.4.13 Within Children's Services there are forecast pressures of £1.450m in the Inclusion service, relating to the costs of Educational Psychologists and the processing of Education Health and Care Plans (EHCPs). As part of the mitigation exercise, Children's Services will seek to contain these pressures within existing budgets.

2.4.14 MTFs savings of £9.793m are being reported as expected to be achieved against a savings target of £11.806m, a delivery of 83%. This work will be overseen by the Design Authority. The position at Quarter 1 is summarised below and set out in Appendix 3. Savings Tracker

		P1		P2		P3	
Overall	Achieved £m	1.174	9.9%	1.266	10.7%	1.865	15.8%
	Green £m	9.684	82.0%	7.166	60.7%	6.065	51.4%
	Amber £m	0.223	1.9%	1.543	13.1%	2.060	17.5%
	Red £m	0.725	6.1%	1.831	15.5%	1.816	15.4%
	Black £m	0.000	0.0%	0.000	0.0%	0.000	0.0%
Total		11.806		11.806		11.805	

		P1		P2		P3	
Adults	Achieved £m	-0.315	-6.6%	-0.514	-10.7%	-0.395	-8.2%
	Green £m	5.117	106.6%	4.941	102.9%	4.622	96.3%
	Amber £m	0.000	0.0%	0.375	7.8%	0.574	12.0%
	Red £m	0.000	0.0%	0.000	0.0%	0.000	0.0%
	Black £m	0.000	0.0%	0.000	0.0%	0.000	0.0%
Chief Exec's Office	Achieved £m	0.370	63.8%	0.515	88.8%	0.580	100.0%
	Green £m	0.210	36.2%	0.065	11.2%	0.000	0.0%
	Amber £m	0.000	0.0%	0.000	0.0%	0.000	0.0%
	Red £m	0.000	0.0%	0.000	0.0%	0.000	0.0%
	Black £m	0.000	0.0%	0.000	0.0%	0.000	0.0%
Children's	Achieved £m	0.690	66.6%	0.690	66.6%	0.690	66.6%
	Green £m	0.346	33.4%	0.000	0.0%	0.000	0.0%
	Amber £m	0.000	0.0%	0.346	33.4%	0.346	33.4%
	Red £m	0.000	0.0%	0.000	0.0%	0.000	0.0%
	Black £m	0.000	0.0%	0.000	0.0%	0.000	0.0%
Corporate	Achieved £m	0.376	18.7%	0.406	20.2%	0.825	41.1%
	Green £m	1.630	81.3%	1.178	58.7%	0.506	25.2%

	Amber £m	0.000	0.0%	0.422	21.1%	0.422	21.0%
	Red £m	0.000	0.0%	0.000	0.0%	0.253	12.6%
	Black £m	0.000	0.0%	0.000	0.0%	0.000	0.0%
Law & Governance	Achieved £m	0.031	45.3%	0.031	45.3%	0.031	45.3%
	Green £m	0.037	54.7%	0.037	54.7%	0.037	54.7%
	Amber £m	0.000	0.0%	0.000	0.0%	0.000	0.0%
	Red £m	0.000	0.0%	0.000	0.0%	0.000	0.0%
	Black £m	0.000	0.0%	0.000	0.0%	0.000	0.0%
Public Health	Achieved £m	0.023	16.7%	0.138	101.1%	0.133	97.8%
	Green £m	0.113	83.3%	-0.002	-1.1%	0.003	2.2%
	Amber £m	0.000	0.0%	0.000	0.0%	0.000	0.0%
	Red £m	0.000	0.0%	0.000	0.0%	0.000	0.0%
	Black £m	0.000	0.0%	0.000	0.0%	0.000	0.0%
RHE	Achieved £m	0.000	0.0%	0.000	0.0%	0.000	0.0%
	Green £m	2.229	70.2%	0.946	29.8%	0.896	28.2%
	Amber £m	0.223	7.0%	0.400	12.6%	0.718	22.6%
	Red £m	0.725	22.8%	1.831	57.6%	1.563	49.2%
	Black £m	0.000	0.0%	0.000	0.0%	0.000	0.0%

2.4.15 Taken all together, the Council's financial position is such that all spending pressures will need to be contained within current resource levels. Ongoing pressures will need to be taken into consideration in updating the Council's Medium Term Financial Strategy (MTFS).

2.4.16 The Council continues to see increased demand on services and recruitment challenges (with agency and interim costs offset in part by vacancies), whilst still actively managing delivery of savings and mitigating actions. The HR ECP panel remains in place to ensure that funding is in place for recruitment and the continued use of interim staff.

2.5 Non-departmental Budgets

2.5.1 There are no material differences reported against Non-Departmental budgets but as part of the closing for 2024/25 we will be determining what an appropriate contribution from the HRA will be for the ongoing Pension Deficit payments.

2.6 Contingency

2.6.1 Allowing for technical adjustments, the General Contingency Budget is £3.271m, the following table sets out the allocations from contingency agreed, including a technical adjustment relating to the Rough Sleepers Initiative; all other allocations are under £0.5m

Description	£m
Internal Audit	0.250
Unachieved Saving	0.200

Companies Legal Review – Correction of all financial accounts due to incorrect implementation of lease agreement	0.138
Finance recruitment campaign	-0.157
Temporary Accommodation data project	-0.200
EY balance sheet review – MHCLG EFS Condition	0.055
Housing - Prevention	-0.421
Rough Sleepers Initiative	-0.581
Total Allocation	-2.002

The remaining balance after allowing for these allocations is £1.268m.

2.7 Mitigations

2.7.1 In light of the financial challenges it is facing, the Council has set about identifying wholesale range of mitigations that it can implement immediately along with other initiatives that will take time to implement.

2.7.2 An initial review has identified up to £7m of potential mitigations. Whilst these proposals need to be validated further mitigations and consideration of other control measures will also be necessary to contain expenditure.

2.7.3 Alongside the identification of mitigations and control measures a further review of the Balance Sheet has commenced. Collectively it is intended that these measures will contain in-year financial pressures.

2.7.4 The progress of these measures will be reported to cabinet at its meeting in October.

2.8 General Fund Revenue Summary

2.8.1 The Council remains under immense financial pressure, specifically with regard to Temporary Accommodation and associated Housing Benefit.

2.8.2 The Council's financial position is acute and significant measures need to be taken if the Council is to achieve long-term financial sustainability.

2.9 MTFS

2.9.1 In July, Cabinet received a refresh of the MTFS approved by Council on 6 March 2025 projecting a revised estimated gap of £20.519m in 2026/27. The sensitivity range is between £8.077m and £36.967m. The ongoing implication of this revenue forecast, if not contained, will increase the gap towards the upper end of the sensitivity range.

2.10 Capital

2.10.1 The revised General Fund Capital budget includes slippage of £12.353m brought forward from 24/25 and grant funded additions of £0.918m approved by

July Cabinet, together with further grant funded and s106 additions of £0.782m (Appendix 2 Table 8), and reprofiling of £12.753m to later years (Appendix 2 Table 9), which are being presented for Cabinet approval. The forecast for 2025/26 at Q1 of £54.646m has been set at the revised budget creating a nil variance.

2.10.2 The HRA revised budget of £26.515m includes slippage of £3.467m brought forward from 24/25 agreed by July Cabinet. The forecast for 2025/26 is showing a £0.256m adverse variance against the revised budget.

2.10.3 The Capital forecast was prepared prior to the Commissioner's Financial Instruction and project leads are undertaking a deep review of all schemes to identify what actions can be taken in response to the Instruction. This will be reported back to cabinet in the Q2 finance update.

2.10.4 Detailed analysis of the Capital Programme is set out in Appendix 2

2.11 HRA.

2.11.1 The HRA forecast is a surplus of £2.669m; this is against a budgeted surplus of £2.600m. It does not include any forecast for a contribution to the historic pension deficit.

2.11.2 The areas of pressure include housing management staffing costs and historic outstanding void properties costs. These have been fully offset by additional non dwelling & other income.

2.11.3 The HRA surplus will be transferred to the HRA general reserves at the end of the year to meet future and exceptional housing stock management, maintenance and improvement needs.

2.12 Dedicated Schools Grant

2.12.1 The DSG is currently forecasting an overspend of £11.978m. The overspend is solely on the High Needs Block. In clearing the backlogs of EHCPs (figures had been in excess of 200 in autumn 2024 are now reported as being 116 in April 2025) means more children are receiving the support required and this is reflected in the forecast. A full clearance of the backlogs will lead to an overspend of £11.978m in 2025/26.

2.12.2 The detailed forecast position for 2025/26 is based on a rigorous assessment of existing funded cases, new EHCP approvals, all compared to the data contained within the Capita SEND database.

2.12.3 The pressures in the DSG High Needs Block are due to a backlog of EHCP's as well as the sustained increase in demand from new plans. The current forecast assumes that new placements will have the same average cost as existing payments, reflecting the profile of mainly local provision. There is potentially a

requirement for Out of Borough placements that could also increase the forecast significantly.

2.12.4 At the current rates of new EHCPs being approved (360 a year) and leavers each year only being around 100, the trajectory is upward and local provision is expected to be at capacity shortly. Without mitigations, the expected deficit on the DSG by the end of 2026/26, even with a further £9.72m of additional DSG receipts, is forecast to be £32.5m by March 2027. The report to July 2025 Cabinet on a SEND Sufficiency Strategy will assist in shaping mitigations to assist this situation.

Table: DSG funding and forecast net spend 2025/26 with impact on DSG cumulative deficit

DSG Block	Gross DSG on DfE 31/3/2025	less ESFA recoupment	Other adjustments	Net DSG income to LA	Forecast position 2025/26	Year-end balance
	£m	£m	£m	£m	£m	£m
Schools Block	184.973	-141.340	-925	42.708	42.820	112
Central School Services Block	0.921		100	1.021	1.021	0
Early Years	26.164			26.164	26.164	0
High Needs	40.211	-10.236	825	30.640	42.618	11.978
Total 2025/26	252.269	-151.736	0	100.533	112.623	12.090
Plus Safety Valve				3.240	0	-3.240
TO RESERVES: Forecast net movement in DSG 2025/26				103.773	112.623	8.850

Other adjustments relate to Schools Forum supporting the Council's request to allocate 0.5% of the Schools Block to the High Needs Block and in support of the Admissions service.

2.13 Assets

2.13.1 The Council has a well developed process for the disposal of non-essential Council Assets i.e., assets not required for the delivery of Council service. Please refer to the September 2025 Cabinet Report Property Capital Programme Review for a full programme update. The current Asset Disposal Programme forecast for 2025/26 is set out below.

Disposals estimate 25/26

Fund	Estimate £m	No. of Properties
GF	16.536	17
HRA	10.618	18
Grand Total	27.154	35

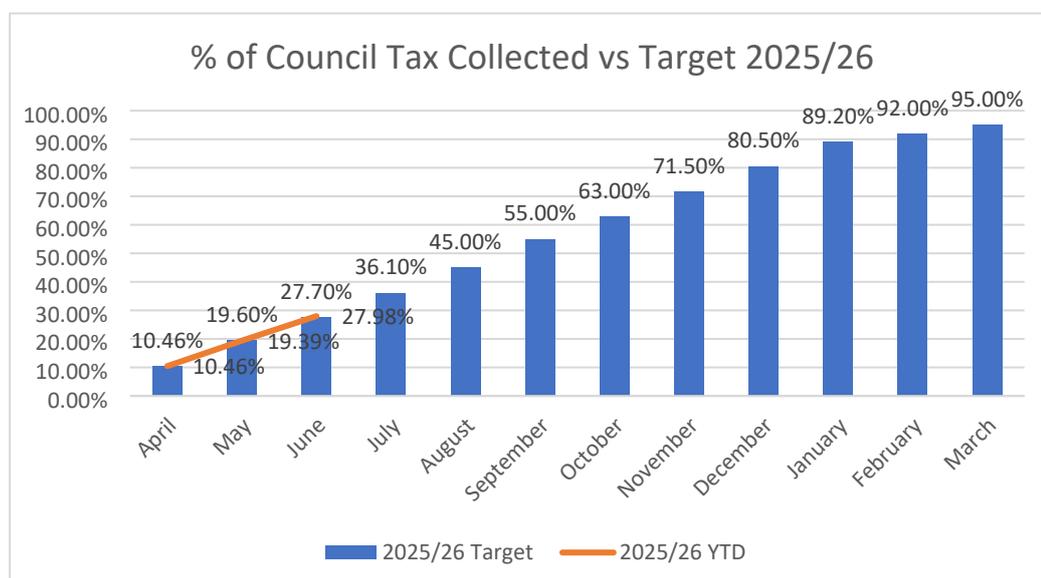
2.13.2 It is also important to note net receipts generated from General Fund asset disposals are necessary to help finance the Exceptional Financial Support and mitigate increased debt costs arising from the Capitalisation Directions. If the Council cannot achieve the required disposals, it needs to borrow more to finance the Capitalisation Directions, increasing external borrowing and debt

charges in future years, and putting further unbudgeted pressure on the future years' revenue budgets. That said it is equally important that each asset is subjected to a full financial appraisal prior to any final decision to dispose.

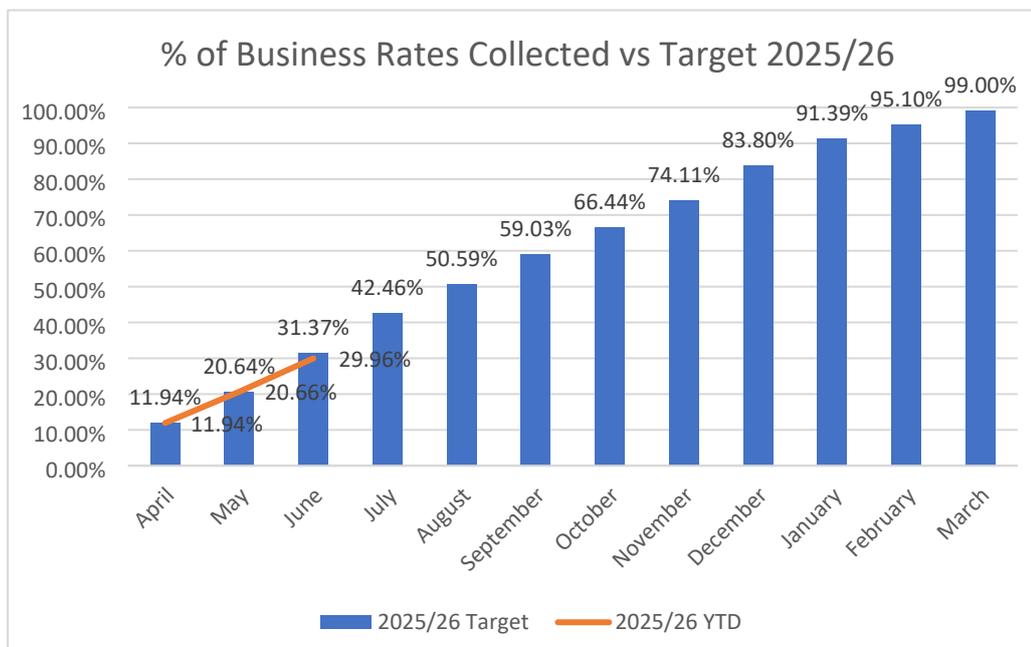
2.14 Council Tax and Business Rates

2.14.1 Performance data is collated on collection rates for Council Tax and Business Rates and reported on an on-going basis. The collection rate achieved compared to the rate assumed in setting the budget impacts on the flowing year's budget. The position to date is as laid out in the graphs below.

2.14.2 The position at Q1, in respect of in-year Council Tax, collection is 27.98% (0.28% ahead of target), and 0.08% behind the June 2024 position of 28.05%. 0.28% ahead of target equals £0.290m in cash terms. Residents continue to struggle with cost-of-living increases, and all but one of the Berkshire Councils are behind where they were at the same point in 2024/25. The full-year collection target of 95% is expected to be achieved.



2.14.3 In respect of Business Rates, collection is 29.96% (1.41% behind target). We are however 0.21% ahead of the position in June 2024 which was 29.75%. The shortfall in collection of 1.41% equates to 1.918m. The reason is due to the amount to collect increasing by £1.773m since April and several payments received at the end of June going into suspense and not being allocated to the business accounts until the beginning of July. We are ahead of June 2024 collection by £5.090m in cash terms.



2.14.4 In terms of Council Tax gross arrears collection, the target for Q1 was a 3% reduction, and the performance was 4%, a total of £1.011m.

2.14.5 For Business Rates, the gross arrears reduction was 7.84% against a target of 3%, so we are 4.84% ahead of target with a reduction of £0.797m.

2.15 SUNDRY DEBT AND ADULT SOCIAL CARE DEBT

2.15.1 The current position for sundry and adult social care debt is shown in the next table including an assessment of the bad debt provision.

As at 30 June 2025	Total £m	Provision Required %	£m
Not Due	4.377	0%	0.000
0 - 29 Days	1.000	5%	0.050
30 - 59 Days	0.467	15%	0.070
60 - 89 Days	0.905	50%	0.453
90 - 119 Days	0.216	75%	0.162
120 - 365 Days	1.059	100%	1.059
Over 366 Days	3.864	100%	3.864
Adult Social Care secured debt	0.348	5%	0.017
Balance outstanding	12.236		5.675
Bad Debt Provision			5.604
Increase (+) / Decrease (-) in Provision			0.071

2.15.2 As at the 30th of June 2025 the balance outstanding for Sundry Debts was £12.236m. Applying the formula used to estimate the level of provision required suggests this requires a provision of £5.675m. The current provision is £5.604m, so at Quarter 1 £0.071m would be needed to increase the provision to the required level.

2.16 FINANCIAL RESILIENCE AND SUSTAINABILITY

- 2.16.1 The Council remains committed to improving financial resilience, moving towards financial sustainability and improvement in governance. A self-assessment against CIPFA's Financial Management (FM) Code was presented to the Audit and Corporate Governance Committee in July 2025. The committee noted the adoption of an action plan that is committed to undertaking regular credible and transparent financial resilience assessments. This builds on the Sections 151 Officer's Section 25 Statement as part of the 2025/26 Budget Report and will be developed throughout the remainder of this year.
- 2.16.2 The council's corporate risk register includes CR09 – Failure to achieve financial sustainability and a balanced MTFs. This risk is reported quarterly to the council's leadership team.
- 2.16.3 The current assumption on the capitalisation direction is now £362.795 of exceptional finance support can be partly repaid through asset disposals. A further review of General Fund asset disposals is being progressed in line with the emerging target operating model and the need to minimise external borrowing.

3. Implications of the Recommendation

3.1 Financial

- 3.1.1 The Financial implications of this report are set out throughout the report

3.2 Legal implications

- 3.2.1 Section 31 of the Local Government Finance Act 1992 requires the Council to set a balanced budget at the start of each financial year. Section 28 of the Local Government Act 2003 requires all local authorities to review actual expenditure against this budget on a regular basis during the year. Where it appears that there has been a deterioration in the financial position, the local authority must take such action as is necessary to deal with the situation.
- 3.2.2 The Secretary of State for Levelling Up, Housing and Communities made a direction under s.15 of the Local Government Act 1999 on 1 December 2021 (which has subsequently been updated). The Direction required an action plan to achieve financial sustainability and to close the long-term budget gap. This report contains significant information on the work undertaken to improve financial sustainability and to close the in-year and longer-term budget gap, although there are significant risks and the Council will still need a capitalisation direction for some years to come. In addition, the appointed commissioners have reserve powers to exercise the function of proper administration of the Council's financial affairs and all functions associated with the strategic financial

management of the Council, including providing advice and challenge of the budget and scrutinising all in-year amendments to annual budgets.

3.2.3 The Council's best value duty requires it to keep under review its services to ensure continuous improvement. This includes having a financial strategy and budgets which are clearly aligned with strategic priorities and a robust process for reviewing and setting the budget. There should be a robust system of financial controls and reporting to ensure clear accountability and a clear strategy to maintain adequate reserves. There should be collective accountability for the budget and MTFS both at officer and political level. Regular financial reporting to Cabinet ensures members are aware of the issues mid-year and the mitigating measures in place, as well as providing for public accountability.

3.3 Risk management implications

3.3.1 There are significant risks related to the monitoring of the Council's financial position and implementing mitigation and recovery proposals. In the first instance it is imperative that budget holders have a clear understanding of their budget position and make reasonable assumptions including consideration of spending pressures and compensating mitigation to determine their forecast. Whilst the financial monitoring of complex budgets is difficult, it is important to determine a baseline so that members and senior officers can see the scale of mitigation and recovery actions, and the resultant impact on service delivery necessary to deliver a balanced budget.

3.3.2 Budget holders, supported by Finance, need to ensure that forecasts are accurate and are reviewed in light of changing circumstances throughout the year.

3.3.3 Actions taken by departmental management teams to identify mitigations and recovery actions similarly need to be monitored and included in regular reports.

3.3.4 Steps taken to develop and monitor the effectiveness of regular budgets, mitigations and recovery actions

3.4 Environmental implications

3.4.1 There are no specific environmental implications arising from this report

3.4.2 Equality implications

3.4.3 There are no specific equality implications arising from this report

4. Background Papers

4.1.1 None

Slough Borough Council Best Value Commissioners

Instruction Note 6 - Instruction under powers provided by the Best Value Directions

12 August 2025

Budget management – Instruction for immediate application

This Commissioner financial instruction follows discussion at the Corporate Leadership Team (CLT) meeting on 6 August 2025 and Finance Improvement Board on 31 July 2025.

The following principles are to be implemented with immediate effect.

In order for these measures to be successful it is essential that all Executive Directors and Directors support the implementation within each service area.

Executive Directors are to feedback immediately in writing any variations to these instructions, with proposed alternative arrangements which will require commissioner approval in writing.

Service Revenue Spend:

- In high spend areas (Adults, Regeneration, Housing and Environment (RHE) and Children's)
 - Articulation of current service metrics
 - Run rates (sensitivity analysis e.g. Qtr 1 spend assumed for remainder of year)
 - Unit costs
 - Future demand service metrics – contractual / non contractual spend
- RHE - Review highways commuted sums, s278, s38 – applications to service budgets & level of interest applied.
- Public Health Grant & Reserve, greater alignment with service / corporate priorities and health outcomes – additional grant to be allocated against existing eligible spend.

All service leads:

- Review establishment monthly run rates and extrapolate options to model forecasts
- Review of all agency assignments with the aim of releasing roles that are not essential or income generating
- Recruitment freeze of non-essential or non-income generating roles
- Establishment / payroll - incremental drift contained with savings found elsewhere within your service budget

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Slough Borough Council Best Value Commissioners

- Review spend analysis to identify where there are legacy underspends and income, budgets overachieved 2024/25 and year on year, for budget adjustment / removal
- Review inflation uplifts and pause, subject to contract renegotiations
- Review 2025/26 savings measures and seek opportunities for stretch targets
- Discretionary budget / funds across all areas identified, reviewed and non-essential expenditure paused.
- Reductions in external revenue grants are to be managed within the service i.e. spend to match income.

Project Spend

- Review all revenue projects Council-wide and identify what can be stopped or paused.
- Review all general fund capital projects Council-wide and identify what can be stopped or paused.
- Re-profiling of schemes that are not time limited or grant funded conditions, to improve cashflow.
- All schemes need to be value engineered within the funding available. i.e. if a grant is reduced the scheme needs to reduce accordingly.

Corporate Reviews

It is important to note that the impact of the below instructions and options to mitigate need to be shared by Directors.

- Non-transformation growth proposals approved in the 2025/26 budget, not yet allocated, paused.
- Release of any reserve approved in 2025/26 budget paused. Release of any remaining contingencies in 25/26 budget paused.
- All new grants to be reported corporately, with written articulation of outcomes specified by Directors for commissioner approval prior to any commitment of spend.
- All underspends revenue and capital are returned to the general contingency (either revenue or capital) for consideration by CLT/commissioners and Members for prioritisation.
- Continuation of the balance sheet reviews including bad or doubtful debt provisions to identify any over provisions / allocations.

Principles for further urgent review

- Directors to review recharges to ring fenced accounts, companies, trusts, to ensure total costs are recharged. Note - cross subsidisation is not acceptable.

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- As agreed, discretionary fees and charges to be reviewed for in-year uplift where appropriate.
- As agreed, review service user charges for in-year uplift where appropriate.
- Review of all paused / delayed asset sales with a view to release for disposal and delivery of agreed or accelerated capital receipts.

Executive Directors will need to be mindful of their directorate budgets, statutory responsibilities as well as continuing to drive additional efficiency through planned expenditure, and/or increased income.

This Instruction will be published on the Slough Borough Council Commissioners web pages.



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Lead Commissioner



Denise Murray
Finance Commissioner



Will Tuckley
MD Commissioner and
Head of Paid Service



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Appendix 2 - CAPITAL PROGRAMME

General Fund 25/26 Capital Outturn

4.2 The revised General Fund Capital budget includes slippage of £12.353m brought forward from 24/25 and grant funded additions of £0.918m agreed by July Cabinet, together with further grant funded and s106 additions of £0.782m (Appendix Table 7), and reprofiling of £12.753m to later years (Table 8), which are being presented to cabinet for approval. The forecast for 2025/26 at Quarter 1 is £54.646m has been set to the revised budget creating a nil variance. This includes the Transformation and Capital Direction budget of £19.709m.

The spend up to the end of June 2025 is £2.815m.

Appendix 2 Table 1 - 25/26 Capital Programme summary

CAPITAL GENERAL FUND	25/26 Budget (approved March 25)	24/25 Slippage b fwd*	Approved Adjustments*	Other Adjustments**	Re- profiled**	Revised Budget	Actuals to date	Projected Outturn	Variance
	£m	£m	£m	£m	£m	£m	£m	£m	£m
Adults & Children Social Care	1.244	0.432	-	0.171	-	1.847	0.194	1.847	-
Children Services	7.220	2.844	-	0.030	(2.325)	7.769	1.344	7.769	-
Regen., Housing & Environment	26.578	7.077	0.918	0.581	(10.429)	24.724	1.278	24.724	-
Corporate Resources	0.596	-	-	-	-	0.596	-	0.596	-
GF Total (excl. Finance)	35.638	10.353	0.918	0.782	(12.753)	34.937	2.815	34.937	-
Finance (Transformation and CD)	17.709	2.000	-	-	-	19.709	-	19.709	-
GF Total	53.347	12.353	0.918	0.782	(12.753)	54.646	2.815	54.646	-

*Approved by July Cabinet

** To be approved September Cabinet

Appendix 2 Table 2 - Capital Programme Budget movement from original approved budget

CAPITAL GENERAL FUND	25/26	26/27	27/28	28/29	29/30	Total
Movement - Original to revised	£m	£m	£m	£m	£m	£m
Original Approved Budget	53.347	24.964	9.495	8.665	9.130	105.600
Brought fwd from 24/25*	12.353					12.353
Additions*	0.918					0.918
Additions 25/26 Various	0.782					0.782
Additions Future Years (DFG)		0.171	0.171	0.171	0.171	0.685
Reprofiling	(12.753)	10.138	2.615	-	-	-
Revised Budget	54.646	35.274	12.281	8.836	9.301	120.337

*Approved July Cabinet

4.3 Please refer to Appendix Table 2.1 for a project level view of the General Fund programme, and Table 2.2 for the additions and Table 2.3 for the reprofiling virements requiring Cabinet approval.

Adults and Children's Social Care

4.4 The delivery of the Disabled Facilities Grant (DFG) is dependent on the completion of the multi-stage application process (in line with legislative compliance). On receipt of a valid application, decision to approve or decline must be made within six months. The adaptation must then be completed within 12 months from date of approval.

Children's Services

Appendix 2 Table 3

CAPITAL PROJECTS CHILDRENS	Actuals to P3	25/26 Revised Budget*	Forecast Outturn P3	Fcst v Revised Bdgt	Fut Yrs Budget
	£m	£m	£m	£m	£m
Primary Expansions		-		-	0.911
Secondary Expansion Programme		0.150	0.150	-	0.160
SEN Resources Expansion	0.049	1.259	1.259	-	3.309
Special School Expansion-Prim.,Sec. & Post 16	1.186	5.274	5.274	-	8.812
Childcare Expansion	0.005	0.030	0.030	-	
Schools Modernisation Programme	0.103	0.930	0.930	-	3.624
Schools Devolved Capital		0.126	0.126	-	0.540
Children's Services TOTAL	1.344	7.769	7.769	-	17.356

4.5 The 4-classroom block for Arbour Vale School is now complete and being used by pupils. The contract for the car park at Arbour Vale is just about to be awarded to complete by Q3. The conversion works at Our Lady of Peace to create a satellite for Arbour Vale School for January 2026 is at a crucial juncture; the lease arrangements have still to be finalised with the Diocese, while the procurement for works has completed and is ready for sign off. If there are delays caused by agreement of the lease or works on site it is anticipated that the phase 1 works complete would still be complete by March 2026.

4.6 The new annex for Haybrook College is progressing well and on course for completion by January 2026. There are still uncertainties around a number of small SEND projects (P101), some being delivered by schools and one by the LA, however they are expected to complete in 2025-26. A new Condition Programme (P093) will be presented later this month to Capital Board for approval, this will enable a number of urgent projects to be delivered by schools in 2025-26 as well as agreeing a programme of works for 2026-27.

Regeneration and Environment

Appendix 2 Table 4

CAPITAL PROJECTS RHE	Actuals to P3	25/26 Revised Budget*	Forecast Outturn P3	Fcst v Revised Bdgt	Fut Yrs Budget
	£m	£m	£m	£m	£m
RHE-Property	0.177	1.489	1.489	-	8.791
RHE-Highways	0.806	16.629	16.629	-	11.512
RHE-Environmental	0.295	6.606	6.606	-	9.960
Regeneration, Housing & Environment TOTAL	1.278	24.724	24.724	-	30.264

Property

4.7 General Fund Disposals proceed to end of FY 26/27 remain on target and per base line. HRA Disposals continuing at pace and contributing to HRA Business Plan and General Fund under No Detriment calculations. Additional external Legal support now appointed and will help with bringing Programme back on track.

4.8 Property Management is continuing to undertake necessary Building Maintenance across the portfolio ensuring that the portfolio is compliant with Health & Safety and Compliance requirements such as Legionella, Asbestos etc.

4.9 Corporate Health & Safety is introducing a new online Accident/Incident form making it easier for staff to report. For the first quarter 33 accidents or incidents have been reported with 23 of those being verbal abuse to staff whilst carrying out their day to day activities.

Highways

4.10 The delivery of the major projects is dependent on the progression of the A4 Cycle Lane scheme. Procurement for the appointment of a contractor is at the final stage, with contract award imminent. This will enable mobilisation and commencement of works on site in line with the current programme. Procurement of the Destination Farnham Road (DFR) scheme is also progressing, with tender returns due by 22 August 2025.

4.11 There remains a delivery risk associated with any delays to the A4 Cycle Lane scheme, which would have a direct impact on the start dates and sequencing of the dependent major projects. In addition, market conditions and tender responses for the DFR scheme may influence overall costs and programme certainty. Mitigation measures, including active contractor engagement and programme reviews, are in place to manage these risks.

4.12 The forecast has been updated to reflect the latest delivery timescales and risk profile.

Environmental

4.13 Environmental Services is continuing to prioritise the replacement and renewal of its fleet, essential plant and equipment. The programme commenced in December 2024 and the three-year programme will replace over 60 pieces of kit and vehicles in key front-line services including refuse, street cleansing, grounds maintenance and highways.

4.14 LEVI Programme is a national programme focussed on installing on street and off-street EV infrastructure. The programme is on track for survey and delivery to start from April 2026 and this delivery phase will run over a period of 5 years, with a total combined investment of circa £8m. Bids are due in July 2025, with detailed evaluation of suppliers over two lots to be completed

around November 2025. Contract mobilisation including Implementation Plan development is expected to be completed by March 2026.

- 4.15 Sponge Programme is part of the national Flood and Coastal Innovation programme running from 2021 to 2027, we are moving this programme to a delivery phase over 25/26 and 26/27. The programme is behind schedule by approx. 12 months due staff leaving with Slough and across our partner organisations, and the programme require additional resources to be deployed in 25/26 to bring it back on track. It may also require some of our funding to be carry forward into 27/28, subject to the Environment Agency approval.

Corporate Resources

Appendix 2 Table 5

CAPITAL PROJECTS RESOURCES	Actuals to P3 £m	25/26 Revised Budget* £m	Forecast Outturn P3 £m	Fcst v Revised Bdg £m	Fut Yrs Budget £m
IT Infrastructure Refresh	-	0.550	0.550	-	1.800
New Housing Management Procurement	-	0.046	0.046	-	-
Corporate Resources TOTAL	-	0.596	0.596	-	1.800

- 4.16 As part of the Windows 11 project, a review of our incompatible devices is being undertaken. It is currently anticipated that the refresh will be done in a phased approach starting in July. We are exploring procurement routes for the hardware, including potential collaboration with Reading Borough Council, which is undertaking a procurement of similar size.

HRA 25/26 Capital Outturn

- 4.17 The HRA revised budget of £26.515m includes slippage of £3.467m brought forward from 24/25 presented to July Cabinet. The forecast for 2025/26 is showing a £0.256m adverse variance arising from the unbudgeted costs of the Compulsory Purchase Order for Tower and Ashborne.

Appendix 2 Table 6

CAPITAL HRA	25/26 Budget (approved March 25) £m	24/25 Slippage b fwd* £m	Revised Budget* £m	Actuals to date £m	Projected Outturn £m	Variance £m
Repairs & Maintenance (RMI)	15.798	0.219	16.017	2.149	16.017	-
Affordable Homes	7.250	3.248	10.498	1.746	10.753	0.256
HRA total	23.048	3.467	26.515	3.895	26.770	0.256

*Approved by July Cabinet

Repairs and Maintenance

- 4.18 As opposed to previous years spend on the HRA capital has been weighted towards the first quarter and is running ahead of budget. This will place less pressure to complete works in the second half of the year when

weather delays can cause issues with some of the programmes. As a result there is a high level of confidence of completing all of the programmes on schedule. Getting through a large percentage of the roofing programme in April, May has been a particular success.

Affordable Homes

- 4.19 The acquisitions of 2 properties from L&Q is progressing well and 2 buy-back properties have been identified as suitable for purchase. The plan to purchase the TA blocks Moor Furlong and Eltham Avenue from L&Q is still progressing and early information has been exchanged. Plans to extend 6 existing HRA properties are well advanced creating much needed larger homes. Currently there are no spend risks.

Appendix 2 Table 7 General Fund RAG status

The RAG status reflects the project life within the 5 year MTFP period, not just the current year.

CAPITAL PROJECTS (GENERAL FUND)	Actuals to P3	25/26 Revised Budget*	Fut Yrs Budget	Overall Project/ Programme Status	CAPITAL PROJECTS (GENERAL FUND)	Actuals to P3	25/26 Revised Budget*	Fut Yrs Budget	Overall Project/ Programme Status
	£m	£m	£m			£m	£m	£m	
Disabled Facilities Grant	0.194	1.847	5.661	A	RHE- Environmental				
Adults TOTAL	0.194	1.847	5.661		Flood Defence (Sponge City)	(0.106)	2.551	3.281	A
Primary Expansions		-	0.911	G	Electric Vehicle Network - LEVI		0.615	2.691	A
Secondary Expansion Programme		0.150	0.160	G	Car Club		-	0.093	G
SEN Resources Expansion	0.049	1.259	3.309	G	Cemetery Extension		0.210	0.400	A
Special School Expansion-Prim.,Sec. & Post 16	1.186	5.274	8.812	G	Parks-Playground Equipment		0.150		G
Childcare Expansion	0.005	0.030		G	Refuse Fleet & Ground	0.329	0.652		G
Schools Modernisation Programme	0.103	0.930	3.624	G	DSO Replacement Fleet		0.120		A
Schools Devolved Capital		0.126	0.540	G	DSO Replacement RCV's		1.386	2.773	A
Children's Services TOTAL	1.344	7.769	17.356		DSO Food/Fibre vehicles and Caddies	0.072	0.922	0.722	G
RHE-Property					RHE Environmental TOTAL	0.295	6.606	9.960	
Capex following Stock Condition Survey	0.002	0.425	0.050	G	Regeneration, Housing & Environment TOTAL	1.278	24.724	30.264	
Adult Learning IT Equip		0.052		G	IT Infrastructure Refresh		0.550	1.800	G
Asset Disposal	0.165	0.590	0.142	G	New Housing Management Procurement		0.046		G
Corwall House-Fire Strategy	0.005	-	0.778	G	Corporate Resources TOTAL	-	0.596	1.800	
Reception Works		-	0.050	G	GENERAL FUND TOTAL (Excl Transformation and CD)	2.815	34.937	55.081	
Reading Archives - Extension (SBC Contribution)		0.267	0.007	G	Corporate - Transformation Programme		4.000		
Estate Management - Void Works		0.100	7.764	G	Capitalisation Directions		15.709	10.611	
Creative Academy	0.005	0.055		C	Finance TOTAL	-	19.709	10.611	
RHE Property TOTAL	0.177	1.489	8.791		GENERAL FUND TOTAL	2.815	54.646	65.692	
RHE-Highways									
Zone 1 - Sutton Lane Gyration (MRT)	0.001	0.020		G					
Zone 4 - Stoke Road (Stoke Rd TVU junction)	0.202	0.284	0.800	A					
Langley High Street Improvements LEP	0.014	0.120		G					
A4 Safer Roads	0.065	0.565	0.920	A					
A4 Cycle Lane	0.075	5.456	3.388	A					
Additional Transp & Hways Grant funded projects	0.181	0.456	1.048	G					
LTP Implementation Plan	0.009	0.392	0.721	A					
Destination Farnham Road	0.212	7.282	2.675	A					
Burnham Station	0.011	0.100	0.303	G					
Patching, surfacing and highway replacement works	0.029	0.732	1.040	A					
Upton Court pathway		0.075		G					
Cippenham Bridges		0.077		G					
Winter Maintenance & New Gulley Tanker		0.420		G					
Hook Lifts		0.350		A					
RHE Highways TOTAL	0.806	16.629	11.512						

Key

R	Red	Major risks/issues related to cost/budget, delivery or reputation with no/limited mitigating actions identified
A	Amber	Significant risks/issues related to cost/budget, delivery or reputation with mitigating actions identified
G	Green	No risks or issues
C	Complete	

Appendix 2 Table 8 Budget Additions

Dir	General Fund Capital Programme	Other Adjustments £m	Comment
Adults	Disabled Facilities Grant	0.171	Additional grant received Feb 2025 (after budget been set) Applies to 2025/26 and future years increasing annual grant to £1.415m
Children's	Childcare Expansion	0.030	Drawdown from S106 to enhance an early year's expansion project at Holy Family Catholic Primary School
RHE - HW	Additional Transport & Highways Grant funded projects	0.194	Adjustment of DFT grant award to reflect final confirmed grant in 25/26
RHE - HW	LTP Implementation Plan	0.284	Adjustment of DFT grant award to reflect final confirmed grant in 25/26
RHE-Property	Creative Academy	0.050	Provision of women's toilets (funded from s106)
RHE-Property	Adult Learning IT	0.052	Provision of smart screens and laptops for Adult Learning (funded from DFE Adult skills grant)
		0.782	

Appendix 2 Table 9 Reprofiting

The following budgets need to be reprofiled to future years (primarily 2026/27):

Service	Programme	Reprofil ing £m	Comment
Schools	Primary Expansions	(0.200)	This is a contingency sum. A number of bulge classes are required this year to meet basic need in the centre and east of Slough. It is uncertain whether any capital will be required to enable them to open or if existing accommodation and facilities can be used.
Schools	Schools Modernisation Programme	(0.144)	There was a delay with agreeing a new programme due to the scale of the backlog of works that new condition reports show, £4m of works due within 2 years. Procurement timescales are likely to lead to some slippage.
Schools	SEN Resources Expansion	(1.709)	A SEND Strategy has yet to be finalised and agreed which has led to a delay with agreeing an expansion programme.
Schools	Special School Expansion- Primary, Secondary & Post 16	(0.112)	This is a relatively small adjustment to a large programme to align budgets with the expected delivery programme.
Schools	Secondary Expansion Programme	(0.160)	Two school projects funded and delivered by the DfE included an element of s278 works that were to be funded by the LA. These works have never progressed due to resource issues with the Highways Team. The funding is therefore committed but it is uncertain when or if they will proceed.
Total Schools		(2.325)	
Property	Cornwall House Fire Strategy	(0.778)	The works required requires access to flats on certain floors above the ground floor shop units. The consultation has not started on this, the scope of works has not been set out nor the procurement of a contractor started.

Property	Reception Works	(0.050)	This will become a larger piece of work around the restacking of Observatory House
Total Property		(0.828)	
Highways	Zone 4 - Stoke Road (Stoke Rd TVU junction)	(0.800)	The rest of the Stoke Road scheme works are to be delivered as part of the A4 cycle scheme. This section has been delayed because of its dependency on the A4 Cycle scheme. Officers have received the tender and are finalising legal and insurance issues before award of contract.
Highways	A4 Safer Roads	(0.800)	The A4 Safer Roads mitigation measures are being delivered as part of the A4 Cycle Lane scheme. Officers have received the tender and are finalising legal and insurance issues before award of contract. The second phase of the scheme includes the installation of speed enforcement cameras. Officers have engaged with Thames Valley Police (TVP) to seek approval to install the cameras and for TVP to manage the backend of the enforcement. Currently waiting for confirmation from TVP to proceed with the installation works.
Highways	A4 Cycle Lane	(2.500)	There was a delay with the procurement of the contractor due to several unsuccessful tender routes that were pursued. Officers have undertaken another tender exercise via the CCS Framework and received a submission. A letter of award has been issued to the contractor and the contract is being finalised by Legal.
Highways	Destination Farnham Road	(1.635)	The scheme is out to tender, due back on the 29 th August 2025. The forecast has been adjusted to ensure that the DfT grant is spent first to satisfy DfT requirements and the rest of the grant and match funding has been moved to 26/27.

Highways	Burnham Station	(0.283)	The DfT has approved the use of the existing funding to be used for the NCN416 scheme. A design is being finalised for the scheme.
Highways	Bus Service Improvement Plan	(0.618)	The design work and procurement of the main civil works will be undertaken in 2025/26, and civil works are programmed for 2026/2027. The minor civil works will be completed in 2025/26.
Total Highways		(6.636)	
Environment	Flood Defence (Sponge City)	(2.000)	Delay due to dependency of Destination Farnham Rd and the complexity of the commissioning process in agreeing scope of works
Environment	Electric Vehicle Network - LEVI	(0.250)	Delays due to complexities of concession contract procurement
Environment	Car Club	(0.093)	Now due to commence in 2026/27 due to capacity and dependency on the EV Network timeline
Environment	DSO Food/Fibre vehicles and Caddies	(0.622)	2 x 7.5 tonne food waste vehicles (£268K) still to be sourced but lead in time will put delivery back to October 2026
Total Environment		(2.965)	
		(12.753)	

1. Appendix 1 – Savings & Mitigations

P2 Savings Forecast	Department	Savings Target	Already Delivered	On Track	Some Risk	Major Risk	Mitigating Savings	P3 Forecast	Over/(Under) Delivery
£m		£m	£m	£m	£m	£m	£m	£m	£m
4.802	Adult Services	4.802	(0.395)	4.622	0.574	-	-	4.802	-
1.036	Children's Services	1.036	0.690	-	0.346	-	-	1.036	-
1.346	Regeneration, Housing & Environment	3.177	-	0.896	0.718	1.563	-	1.614	(1.563)
0.136	Public Health & Public Protection	0.136	0.133	0.003	-	-	-	0.136	-
0.580	Chief Execs Office	0.580	0.580	-	-	-	-	0.580	-
0.068	Law & Governance	0.068	0.031	0.037	-	-	-	0.068	-
2.006	Corporate Resources	2.006	0.825	0.506	0.422	0.253	-	1.753	(0.253)
9.975	TOTAL	11.805	1.865	6.065	2.060	1.816	-	9.990	(1.816)

Directorate	Description	Savings Target	Already Delivered	On Track	Some Risk	Major Risk	Forecast	Variance	Explanation of Variance
Adults Services	Increased funded contribution through NHS Nursing Care	0.300	0.106	0.194	-	-	0.300	-	
Adults Services	Redesign Front Door processes to optimise contacts & increase signposting to appropriate alternative services	0.150	-	-	0.150	-	0.150	-	
Adults Services	Review of inhouse direct payment support service	0.075	-	0.075	-	-	0.075	-	
Adults Services	Assessment of self-funder contributions	0.010	-	0.010	-	-	0.010	-	
Adults Services	Reduction in Deep Cleaning service costs across the Hospital and Community Social Work Teams	0.020	-	0.020	-	-	0.020	-	
Adults Services	Increased recycling of minor aids equipment	0.150	-	-	0.150	-	0.150	-	
Adults Services	Proposals incorporated within Operating Model work	(0.545)	(0.545)	-	-	-	(0.545)	-	
Adults Services	Increased preventative approach through reviewing home care packages	0.500	-	0.500	-	-	0.500	-	
Adults Services	Review of high-cost placements across residential care and Supported Living placements for working age adults	0.400	-	0.400	-	-	0.400	-	
Adults Services	Occupational Therapists review of double handed care	0.376	-	0.376	-	-	0.376	-	
Adults Services	Shared Lives	0.100	-	0.100	-	-	0.100	-	
Adults Services	Improvement through redesign and/or promotion of MHLD initiatives	(0.082)	-	(0.082)	-	-	(0.082)	-	
Adults Services	Review of hospital discharge and HomeFirst service	0.014	-	0.014	-	-	0.014	-	
Adults Services	Ensuring timely financial assessments incl fairer charging	0.852	-	0.852	-	-	0.852	-	
Adults Services	Fairer Charging – Annual Financial Assessments	0.270	-	0.270	-	-	0.270	-	
Adults Services	Fairer Charging Application of Minimum Income Guarantee	1.255	-	1.255	-	-	1.255	-	
Adults Services	Focused recovery of ASC debt - saving reduces drawdown from Corporate Bad Debt Provision	0.230	-	0.230	-	-	0.230	-	
Adults Services	Review for reducing interim workforce	0.195	-	0.195	-	-	0.195	-	
Adults Services	5% Reduction in Establishment	0.532	0.045	0.213	0.274	-	0.532	-	
Total - Adults		4.802	(0.395)	4.622	0.574	-	4.802	-	

Directorate	Description	Savings Target	Already Delivered	On Track	Some Risk	Major Risk	Forecast	Variance	Explanation of Variance
Children's Services	Reduction in SCF contract fee	0.690	0.690	-	-	-	0.690	-	
Children's Services	5% Reduction in Establishment	0.346	-	0.346	-	-	0.346	-	
Total - Children's		1.036	0.690	0.346	-	-	1.036	-	

Directorate	Description	Savings Target	Already Delivered	On Track	Some Risk	Major Risk	Forecast	Variance	Explanation of Variance
Regen, Housing & Env	Implementation of new enforcement powers from DfT for moving traffic violations	0.050		0.050			0.050	-	
Regen, Housing & Env	Utilisation of s106 monies for parks & open spaces	0.100		0.100			0.100	-	
Regen, Housing & Env	Waste - reducing costs and tonnage through increased efficiencies	0.315				0.315		(0.315)	No estimated reduction in tonnage at this stage
Regen, Housing & Env	Review of Cemeteries and Crematoria service offer	0.200				0.200		(0.200)	Delivery is contingent on capital works taking place to enable more direct cremations. Required resource to implement yet to be identified
Regen, Housing & Env	Review of advertising on roundabouts, high street locations etc.	0.350				0.350		(0.350)	No Progress
Regen, Housing & Env	Review of Borough wide CPZ, 24 bus lanes and 20mph limit	0.400			0.400		0.400	-	
Regen, Housing & Env	Additional commercial trade waste income	0.050			0.050		0.050	-	
Regen, Housing & Env	Run program of commercial events in parks and town centres	0.050				0.050		(0.050)	No progress
Regen, Housing & Env	Review of HWRC arrangements	0.100				0.100		(0.100)	Use of the Bucks waste sites expected at the same level as last year. So no cost reduction expected.
Regen, Housing & Env	Review of community hire halls	0.200				0.200		(0.200)	Unachievable
Regen, Housing & Env	Temp Accommodation lease proposal	0.200			0.200		0.200	-	
Regen, Housing & Env	Review of car parking arrangements	0.150		0.150			0.150	-	
Regen, Housing & Env	Planning Income (Planning Performance Agreements)	0.260		0.260			0.260	-	
Regen, Housing & Env	Planning Income (Pre Application Fees)	0.040		0.040			0.040	-	
Regen, Housing & Env	Car Park Income	0.200		0.200			0.200	-	
Regen, Housing & Env	5% Reduction in Establishment	0.512		0.096	0.068	0.348	0.164	(0.348)	Delay in implementing service restructuring. Staffing pressures in accommodation due to increased TA workload
Total RHE		3.177	-	0.896	0.718	1.563	1.614	(1.563)	

Directorate	Description	Savings Target	Already Delivered	On Track	Some Risk	Major Risk	Forecast	Variance	Explanation of Variance
Public Health & Public Protection	Recharge to fully utilise Domestic Abuse grant	(0.054)	(0.014)	(0.041)	-	-	(0.054)	-	
Public Health & Public Protection	Review 'Selective Property Licensing Designations' scheme	0.020	0.003	0.017	-	-	0.020	-	
Public Health & Public Protection	Local business sponsorship opportunities	0.010	-	0.010	-	-	0.010	-	
Public Health & Public Protection	5% Reduction in Establishment	0.160	0.144	0.017	-	-	0.160	-	
Total - Public Health & Public Protection		0.136	0.133	0.003	-	-	0.136	-	

Directorate	Description	Savings Target	Already Delivered	On Track	Some Risk	Major Risk	Forecast	Variance	Explanation of Variance
Chief Execs	Review and realign back-office customer services	0.030	0.030	-	-	-	0.030	-	
Chief Execs	Senior Management Restructure	0.340	0.340	-	-	-	0.340	-	
Chief Execs	5% Reduction in Establishment	0.210	0.210	-	-	-	0.210	-	
Total - Chief Execs		0.580	0.580	-	-	-	0.580	-	

Directorate	Description	Savings Target	Already Delivered	On Track	Some Risk	Major Risk	Forecast	Variance	Explanation of Variance
Law & Governance	Deletion of post in Democratic and Electoral Services	0.031	0.031	-	-	-	0.031	-	
Law & Governance	5% Reduction in Establishment	0.037	-	0.037	-	-	0.037	-	
Total - Law & Governance		0.068	0.031	0.037	-	-	0.068	-	

Directorate	Description	Savings Target	Already Delivered	On Track	Some Risk	Major Risk	Forecast	Variance	Explanation of Variance
Corporate Services	Proposed changes to profile of resources in ICTD	0.065	0.065	-	-	-	0.065	-	
Corporate Services	Reduction in SFM Finance roles	0.050	0.050	-	-	-	0.050	-	
Corporate Services	Council Tax collection improvements	0.200	0.200	-	-	-	0.200	-	
Corporate Services	Reduction of consultancy for Commercial Team	0.050	0.050	-	-	-	0.050	-	
Corporate Services	Increase efficiency of collecting Housing Benefits Overpayments (HBOP)	0.300	-	0.300	-	-	0.300	-	
Corporate Services	Improve efficiency and timeliness of reimbursement for Housing Benefits subsidy by reviewing process	0.300	-	0.300	-	-	0.300	-	
Corporate Services	Reduction in Audit fees	0.133	0.133	-	-	-	0.133	-	
Corporate Services	Resource impact of change to claims processing system	0.253	-	-	-	0.253	-	(0.253)	The workload has not reduced due to delays in migration. This will not now happen until April 2026.
Corporate Services	Review of Commercial Team	0.075	-	0.075	-	-	0.075	-	
Corporate Services	Review of Corporate Finance functions	0.100	-	-	0.100	-	0.100	-	
Corporate Services	Utilising Azure Virtual desktop	0.078	0.078	-	-	-	0.078	-	
Corporate Services	Automating invoice payments	0.030	0.030	-	-	-	0.030	-	
Corporate Services	Moving telecommunication budgets to a central allocation	0.170	-	-	0.170	-	0.170	-	
Corporate Services	5% Reduction in Establishment	0.202	0.219	(0.170)	0.152	-	0.202	-	
Total - Corporate Services		2.006	0.825	0.505	0.422	0.253	1.753	(0.253)	