

Slough Borough Council

Meeting	Cabinet
Date:	17 November 2025
Subject:	Budget Management Report Q2
Lead Member:	Councillor Smith – Leader of the Council Councillor Bedi– Lead Member for Finance, Children and Lifelong Learning
Chief Officer:	Ian O'Donnell, Interim Executive Director, Corporate Resources (S151 Officer)
Contact Officer:	Mark Hak-Sanders, Director Financial Management & Strategy
Ward(s):	All
Key Decision:	YES
Exempt:	NO
Decision Subject To Call In:	YES
Appendices:	<ul style="list-style-type: none">1) Directorate Report – Revenue2) Directorate Report - Capital3) Capital Project Tables4) DSG Block Analysis5) Savings Table6) Mitigations Table

1. Summary and Recommendations

This report sets out the Council's forecast financial performance for 2025/26 as at the end of Quarter 2 - 30 September 2025. The report notes the continuing pressure on budgets and actions being taken to attempt to contain overall expenditure within budget.

The Council's financial position for 2025/26 is acute, with a £17.5m expected General Fund overspend against £23.5m in the General Fund Reserve. Urgent further mitigating steps will be necessary as set out in the report, particularly a short-term vacancy freeze and a reduction in the amount spent on interim staff. It is essential that action is taken to reduce the overspend in order to safeguard the Council's financial position.

Recommendations:

That Cabinet note the following:

- 1. General Fund (Revenue)** – The financial position of the Council as set out in the report; specifically that the revenue budget position at Quarter 2 reflects a forecast

overspend of £17.540m. This consists of an initial detailed forecast for Quarter 2 of £19.356m less £1.816m mitigations as set out in tables 1 and 4.

2. **Mitigations** – That Corporate Leadership Team (CLT) have to-date identified a total of £7.365m mitigations, of which £1.816m are yet to be included in the forecast and will improve the detailed forecast from £19.356m to £17.540m once validated. Further mitigations will be necessary to control the overspend.
3. **General Fund (Capital)** – The revised capital budget is £54.646m with a projected outturn of £44.856m resulting in underspend of £9.790m. This compares to a balanced position reported at Quarter 1.
4. **Housing Revenue Account (HRA Revenue)** – A surplus of £2.290m is forecast, £0.310m lower than budget. This compares to a £2.669m forecast underspend in Quarter 1.
5. **Housing Revenue Account (HRA Capital)** – The revised capital budget is £26.515m with a projected outturn of £26.770m resulting in an overspend of £0.256m. This is unchanged since Quarter 1.
6. **Dedicated Schools Grant (DSG)** – There is an overspend of £12.639m in-year, before taking into account the £3.240m Safety Valve support which would produce a net overspend of £9.399m. This compares to a post safety valve overspend of £8.850m reported at Q1.
7. **Council Tax and Business Rates collection** – As at 30 September, actual Council Tax collected was 53.46% (target 55.00%) and actual Business Rate collected was 61.55% (target 59.03%).
8. **Sundry Debt** – Total outstanding sundry debt including adult social care debt as at the 30 September 2025 was £10.959m. Based on the age profile of the debt, £5.604m is the calculated bad debt provision.
9. **Financial Resilience** – The Council remains committed to improving financial resilience, moving towards financial sustainability and improvement in governance and process as laid out in the Directions issued by Government.

That Cabinet **approve** the following:

10. A draw-down of £0.2m from the Public Health reserve to support the Public Health local plan. This was approved at the Public Health Board 13th May 2025
11. A DDaT draw-down for ICT Modernisation work of £123k that was carried forward into 2025/26 from 2024/25.
12. A draw-down from the Transformation reserve of c£998k that is needed to fund 2025/26 expenditure.
13. Reprofiling of capital budgets totalling £9.713m from 2025/26 to later years (Appendix 3 Table 3)

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.

Options considered in respect of the reserve draw-downs:

- **Providing funding for public health project (Preferred Option)** - There are opportunities to strengthen the consideration of Health in Slough's Local Plans, including ensuring that policies are informed by local health priorities and signpost national guidance, strengthening health-related requirement for developers and improving implementation of requirements for developers.
- **To not provide funding for public health project** - this would lead to a lack of clarity about what health and wellbeing means in context of place design and regeneration.
- **Use drawdowns to fund support for the ICT Modernisation & Transformation team (Preferred Option)** - These funds are required to support Slough Borough Council in its development towards being a best value council and will enable the improved efficiency measures that are necessary for Slough to improve.
- **Delay funding to ICT and/or Transformation Team** – This runs the risk of either delaying projects or preventing them achieving the improvements that they are required to achieve and will impact on the council's ability to deliver services at the required level.

Commissioner Review

"The financial pressure in the Council remains significant and at Quarter 2 is forecasting a £17.5m (10%) overspend against the General Fund net revenue budget of £175.5m. This position is reported after the application of corporately held contingencies and mitigations verified to date, indicating a worsening trend. Higher costs are predominantly being driven by increased demand for services such as social care, SEND, temporary accommodation and homelessness. In addition, £9m overspend is forecasted in the Dedicated Schools Grant High Needs budget, which is not sustainable and will require the development of a refreshed recovery plan aligned to emerging SEND strategies.

The approved budget show forecasted increases of 49%, 15% and 11% respectively, for temporary accommodation and housing benefit subsidy loss, children's education related services and adult social care. The Council is implementing agreed plans to reduce expenditure or increase income within specific services to partially mitigate the in-year position. However, mitigation efforts are not being developed at the pace required, and the lack of timely and effective mitigations will transform the budgetary challenge into a financial crisis.

The Council is now reliant on the emergency measures outlined in this report to further mitigate budget deficits and prevent a material reduction in the level of reserves. These will need to be recurrent in nature to prevent carrying forward a funding gap that represent a higher than prudent proportion of the revenue budget into 2026/27, whereby it would be particularly challenging to set a balanced budget, without significant reductions in essential services."

Report

2. GENERAL FUND

2.1 Revenue:

2.1.1 The forecast General Fund revenue budget position is a net overspend of **£17.540m**.

2.1.2 The Quarter 1 report to Cabinet showed a £20.729m overspend. However, Cabinet were informed at Quarter 1 that c£7m mitigations had been identified, indicating a net expected position of c£13.7m.

2.1.3 Therefore, on a like-for-like basis, the position has worsened by £3.9m from a £13.7m expected position following Quarter 1, to a £17.5m expected position at Quarter 2.

2.2 Movements

2.2.1 The main elements of the £3.9m underlying deterioration are set out in the table, below. The remaining change consists of minor variances elsewhere in the forecast:

Main forecast changes	£m
Quarter 1 Position after mitigations	13.7
The 2025/26 budget included a £3.308m / 11% targeted reduction in growth proposals, held corporately as the first call on contingency if growth pressures could not be reduced. At this stage in the year, it is unlikely that growth pressures can be reduced beyond the mitigations already identified and so this amount now shows part of the overall variance.	3.3
Transformation – Gross transformation costs are forecast at £4.5m. £1.0m of this is to be met from carry-forwards (to be approved) and £1.5m to be met from capital receipts. The remainder is an unfunded pressure. This could be mitigated by identifying qualifying spend for capital receipt funding elsewhere. A deeper review will be undertaken to assess how Transformation resources are being deployed to ensure that they are aligned where possible with the delivery of savings. This should increase the amount able to be funded from capital receipts.	2.0
New mitigations	(0.2)
Net of other changes as per table 1.	(1.2)
Overall Forecast Change since Q2	3.9
Overall Forecast after mitigations at Quarter 2	£17.5

Detailed directorate analysis can be found in appendix 1 but the main elements of the overall **£17.5m** overspend are:

- Temporary Accommodation and associated Housing Benefit loss on TA - £15.0m (offset by £1m of other surpluses in Housing Benefit).
- Adults Services - £5.0m
- Children's Services - £1.7m
- RHE - £2.9m
- Transformation not funded by Flexible use of Capital Receipts - £2.0m
- **Subtotal before contingency and mitigations £26.6m**
- Less Contingency (£7.2m)
- Less Mitigations still to add (£1.8m)
- **Total £17.5m**

Table 1: Forecast Outturn

Service Budgets	YTD P6			Q2 Forecast				Q1 Variance	Q1 vs Q2 Variance
	Budget to Date	Actuals to date	Variance	Original Budget	Current Budget	Forecast	Variance		
	£'m	£'m	£'m	£'m	£'m	£'m	£'m		
Adults Services	23.495	22.002	-1.493	46.529	46.989	52.009	5.020	5.888	-0.868
Children's Services	5.575	2.747	-2.828	12.038	11.275	13.019	1.744	1.551	0.193
Slough Children First	19.177	19.147	-0.030	38.353	38.353	38.294	-0.059	-0.059	0.000
Public Health & Public Protection	0.697	-0.941	-1.638	1.629	1.395	0.648	-0.747	-0.119	-0.628
Regeneration, Housing & Environment	6.722	-6.098	-12.820	21.014	15.031	17.965	2.934	4.125	-1.191
Chief Execs Office	1.731	3.397	1.666	3.402	3.462	5.658	2.196	0.173	2.023
Corporate Resources	8.816	11.981	3.165	14.893	17.306	17.813	0.507	0.870	-0.363
Law and Governance	1.062	1.211	0.149	2.098	2.124	2.436	0.312	0.127	0.185
Total Service Budgets	67.275	53.447	-13.828	139.956	135.935	147.840	11.905	12.557	-0.651
Non Dept Budgets									
Other Non Dept Budgets	1.065	2.281	1.216	2.502	1.131	3.236	2.106	-0.762	2.868
Housing Benefit & DHP	2.986	17.688	14.701	-1.381	5.973	19.854	13.882	14.385	-0.503
Contingency	3.624	0.000	-3.624	9.409	7.248	0.000	-7.248	-5.450	-1.798
Minimum Rev. Provision	0.000	0.000	0.000	13.767	13.767	13.767	0.000	0.000	0.000
Capital Financing	5.738	-4.998	-10.736	11.475	11.475	10.275	-1.200	0.000	-1.200
Total Non Dept Budgets	13.413	14.970	1.557	35.772	39.593	47.133	7.540	8.173	-0.633
Total Expenditure	80.688	68.417	-12.271	175.728	175.528	194.973	19.445	20.730	-1.284
Financing									
Council Tax	-43.595	-87.454	-43.859	-87.390	-87.190	-87.279	-0.089	0.000	-0.089
Business Rates	-22.197	14.172	36.369	-44.393	-44.393	-44.393	0.000	0.000	0.000
Collection Fund Deficit	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Revenue Support Grant	-4.012	-4.172	-0.160	-8.024	-8.024	-8.024	0.000	0.000	0.000
Government Grants	-10.106	-12.645	-2.539	-20.212	-20.212	-20.212	0.000	0.000	0.000
Total Financing	-79.909	-90.099	-10.190	-160.019	-159.819	-159.908	-0.089	0.000	-0.089
New Total Expenditure	0.779	-21.682	-22.460	15.709	15.709	35.066	19.356	20.730	-1.373
Capitalisation Direction	0.000	0.000	0.000	-15.709	-15.709	-15.709	0.000	0.000	0.000
GAP	0.779	-21.682	-22.460	0.000	0.000	19.356	19.356	20.730	-1.373
£m									
Current Forecast Overspend					19.356				
Mitigations Not in Forecast					-1.816				
Net Q2 Forecast Overspend					17.540				
DSG PFI Subsidy					-0.627				
DSG High Needs Deficit Interest Costs*					-0.524				
Debt Servicing Costs - MRP					-13.767				
Debt Servicing Costs - Financing					-10.275				
Net Operating Deficit/(Surplus)					-7.653				

* Based on 2024/25 brought forward position and in-year deficit, this is deteriorating and the interest costs will continue to increase.

The new forecasting process allows corporate reporting on a subjective basis (i.e. split between pay, non-pay and income) for service areas, as follows:

Table 2: Directorate spend shown across pay, non-pay & income:

All service areas	YTD P6			Full Year P6			
	Budget to Date	Actuals to date	Variance	Original Budget	Current Budget	Forecast	Variance
	£'m	£'m	£'m	£'m	£'m	£'m	£'m
Pay	35.110	37.150	2.040	66.704	69.834	74.986	5.153
Non-Pay	91.322	85.078	-6.244	165.148	183.837	199.790	15.953
Income	-59.157	-68.781	-9.624	-91.896	-117.736	-126.936	-9.200
Grand Total	67.275	53.447	-13.828	139.956	135.935	147.840	11.905

Table 3: Pay variance across Directorates:

Staffing Costs - all Directorates	YTD P6			Full Year P6			
	Budget to Date	Actuals to date	Variance	Original Budget	Current Budget	Forecast	Variance
	£'m	£'m	£'m	£'m	£'m	£'m	£'m
Adults Services	6.714	6.537	-0.177	12.793	13.428	13.655	0.227
Children's Services	4.977	5.262	0.285	9.653	9.933	11.123	1.190
Slough Children First	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Public Health & Public Protection	2.564	2.448	-0.115	4.755	5.127	5.021	-0.106
Regeneration, Housing & Environment	9.731	9.917	0.186	19.038	19.426	22.205	2.779
Chief Execs Office	2.173	3.570	1.397	4.286	4.345	4.361	0.016
Corporate Resources	8.274	8.719	0.445	14.851	16.221	17.200	0.980
Law and Governance	0.677	0.697	0.020	1.329	1.354	1.421	0.067
Total	35.110	37.150	2.040	66.704	69.834	74.986	5.153

2.3. Savings & Mitigations Update

- 2.3.1. In the Q1 report, £7m of possible mitigations had been identified but required further scrutiny. Following that process, all bar £1m is captured within the £19.356m forecast. The remaining £1m mitigation relates to Temporary Accommodation and Housing Benefit, where ongoing work should lead to further improvements, but there is insufficient assurance at this point to include the mitigation in the forecast.
- 2.3.2. As part of the original £7m of mitigations, £1.803m related to withholding the 2025/26 pay award budget from Directorates, obliging them to take mitigating actions to live within the original allocation.
- 2.3.3. A further £2.023m of mitigations have now been identified, however this largely serves only to replace the pay award claw-back of £1.803m (i.e. Directorates have identified savings to manage this issue). £1.816m of mitigations in total are yet to feed into the forecast and will only do so once sufficient assurance has been gained.
- 2.3.4. In addition, following Commissioners' Instructions issued in August 2025, new ECP controls have been put in place which align with the Commissioners' instructions to restrict spend to essential or income generating matters. This requires any non-staff spend above £1,000 to be approved by CLT with bespoke processes for high-volume spend such as care packages in Adults Services. Existing controls on all staffing and interim spend have been strengthened, with CLT now reviewing any request.

2025/26 Planned Savings

- 2.3.5. Progress on savings delivery for 2025/26 have not developed as quickly as was initially planned but there are some areas in which progress can be shown. Of the savings identified, c£9.6m are either achieved or deemed "On track" and are included in the current forecast. In contrast, there are £2.216m of savings that had been identified that we are currently not likely to be achieved. These are currently undergoing further assurance to understand what, if anything, can be done to deliver these savings proposals. Full details of the savings tracker including progress by directorate can be found in Appendix 5.

2025/26 Additional Mitigations

- 2.3.6. To-date, £7.4m of mitigations have been identified set out in Appendix 6 and summarised in Table 4 below.

Table 4: Mitigations Summary

Directorate	Original Mitigations £m	New Mitigation £m	Total Mitigations £m	Distribute pay award reversal mitigation £m	Net Mitigations	Mitigations not currently in the forecast £m
Adults Services	(0.833)	(0.295)	(1.128)	0.295	(0.833)	0.000
Children's Services	(0.357)	(0.232)	(0.589)	0.252	(0.337)	(0.232)
Public Health & Public Protection	(0.615)	(0.099)	(0.714)	0.099	(0.615)	0.000
Regeneration, Housing & Environment	(0.800)	0.000	(0.800)	0.521	(0.279)	
Chief Execs Office	(0.022)	0.000	(0.022)	0.126	0.104	
Corporate Resources	(0.015)	(1.397)	(1.412)	0.466	(0.946)	(0.587)
Law and Governance	0.000	0.000	0.000	0.044	0.044	
TA & Housing Benefit	(1.500)	0.000	(1.500)		(1.500)	(0.997)
Below the line other	(1.200)	0.000	(1.200)		(1.200)	
Contingency (2025/26 pay award reversal)	(1.803)		(1.803)		(1.803)	0.000
Total	(7.145)	(2.023)	(9.168)	1.803	(7.365)	(1.816)

Additional detail can be found in appendix 6 but the table above can be summarised as follows:

- Total mitigations £9.168m
- Of which actions taken by Directorates to mitigate the impact of the 2025/26 pay award (£1.803m)
- **= Net mitigations of £7.365m (a £0.2m increase)**
- Of which not yet in the detailed forecast £1.816m

2.3.7. The underlying position is therefore an overspend of £19.356m, less £1.816m mitigations expected to materialise, totalling **£17.540m**. The above is prior to the impact of newly reintroduced spending controls and further work to identify the impact of Commissioner instructions.

2.3.8. In recent weeks extensive work has been done to identify further opportunities that will be available to reduce the overspend. These include:

- Agency and interim staff review and reduction
- Non-essential recruitment freeze
- Review of third-party contracts
- Optimising facility usage
- Deferring non-critical maintenance

- Accelerate fees and charges increases
- Transformation are reviewing costs to maximise the amount delivering savings and therefore chargeable to capital receipts.
- DDAT are also reviewing their projects to understand if there are any projects that may be able to be funded through capital receipts as opposed to the general fund.

2.4. Capital – General Fund

2.4.1. The revised budget of £54.646m includes the slippage, additions and reprofiling approved by July and September Cabinet (see Appendix 3 Table 3 Budget Reconciliation).

2.4.2. The forecast for 2025/26 at P6 is **£44.856m**, a variance of **(£9.790m)**. Actual spend up to the end of September was **£6.905m** which is 27% of the Service Directorate's forecasts.

Table 5 - General Fund Capital Summary

CAPITAL GENERAL FUND	Actuals YTD £m	Actual YTD / Forecast	25/26	Forecast Outturn £m	Fcst v Revised Bdgt £m	Fcst Movt Since Q1 £m
			Revised Budget £m			
Adults & Children Social Care	0.531	29%	1.847	1.847	-	-
Children Services	3.382	43%	7.769	7.897	0.128	0.128
Regeneration, Housing & Environment	2.993	20%	24.724	14.807	(9.917)	(9.917)
Corporate Resources	-	0%	0.596	0.596	-	-
Sub Total Services	6.905	27%	34.937	25.147	(9.790)	(9.790)
Capital Direction & Transformation	-	0%	19.709	19.709	-	-
GF Total	6.905		54.646	44.856	(9.790)	(9.790)

2.4.3. The key changes since Q1 generating the variance are slippage on the A4 Cycle Lane, Destination Farnham Road, Flood Defence (Sponge City), A4 Safer Roads and the procurement of the Waste RCVs. In addition, there is a forecast reduction of spend relating to the property stock condition survey in response to the financial instruction.

2.4.4. Please refer to Appendix 2 for the Directors' Overview together with Appendix 3 for the project level view of the General Fund Capital programme, the reprofiling changes requested, and the overall reconciliation of the MTFP changes since the approved budget in February 2025.

3. HOUSING REVENUE ACCOUNT (HRA)

3.1. Revenue

3.1.1. The HRA Forecast is a net reduction in budgeted surplus of £0.310m mainly due to key pressures arising from additional grounds maintenance and insurance premium costs plus, a reduction to the leasehold service charge income recoverable following recent charges reconciliation.

3.1.2. 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.

Table 6: HRA Revenue Summary

Service	25/26 Budget	25/26 YTD Spend	25/26 Forecast	Variance (Fcst - Budget)
	£'000	£'000	£'000	£'000
Repairs & Maintenance	14,306	15,101	14,175	-131
Housing Management	7,152	3,089	7,508	356
Central Support				
Recharges	3,152	864	3,152	0
Estate Services	4,154	2,995	4,742	588
Capital Charges	14,717	0	14,717	0
TOTAL EXPENDITURE	43,482	22,050	44,294	813
Dwelling Rental Income	-40,703	-20,386	-40,703	0
Service charges Income	-3,777	-2,429	-3,589	188
Non-Dwelling Rental & Other Income	-1,602	-519	-2,293	-692
TOTAL INCOME	-46,082	-23,334	-46,585	-503
(SURPLUS)/DEFICIT	-2,600	-1,285	-2,290	310

3.2. Capital

3.2.1. The forecast for 2025/26 of **£26.770m** is a variance of **£0.256m** to the revised budget of £26.515m. The variance arises from the unbudgeted costs of the Compulsory Purchase Order for Tower and Ashborne.

3.2.2. The spend up to the end of Sept 2025 is **£7.521m** being 28% of the forecast.

Table 7: HRA Capital Summary

CAPITAL PROJECTS (HRA)	Actuals YTD	Actual YTD / Forecast	25/26 Revised Budget	Forecast Outturn	Fcst v Revised Bdgt	Fcst Movt Since Q1	Fut Yrs Budget	Spend Profile
	£m	%	£m	£m	£m	£m	£m	
Repairs & Maintenance (RMI) Total	4.061	41%	9.844	9.844	-	-	36.772	
DeCarbonisation	1.456	24%	6.173	6.173	-	-	25.699	
Affordable Homes Total	2.004	19%	10.498	10.753	0.256	-	20.000	
HRA TOTAL	7.521	28%	26.515	26.770	0.256	-	82.471	

3.2.3. Please refer to Table 2 in Appendix 3 for a project level view of the HRA programme.

4. DEDICATED SCHOOLS GRANT

4.1. Overall, the Q2 forecast for the 2025/26 DSG points to a £12.639m in-year overspend, before taking account of the £3.240m Safety Valve support which would produce a **net overspend of £9.399m** for the year, if the assumptions behind it were to prevail.

Table 8: Summary of DSG Provisional Outturn 2025/26, by block

DSG Block	Gross DSG on DfE website 31/3/2025	less ESFA recoupment	Other adjustments	Net DSG income available to LA	Forecast position 2025/26	Year-end balance
Schools Block	£184,973	-£141,340	-£925	£42,708	£42,820	£112
Central School Services Block	£921		£100	£1,021	£1,021	£0
Early Years	£24,843			£24,843	£24,843	£0
High Needs	£40,181	-£10,276	£825	£30,730	£43,257	£12,527
Total 2025/26	£250,918	-£151,616	£0	£99,302	£111,941	£12,639
Plus Safety Valve				£3,240	£0	-£3,240
TO RESERVES: Forecast net movement in DSG 2025/26				£102,542	£111,941	+£9,399

4.2. As a response to the overspend, Cabinet has agreed a Sufficiency Strategy for high needs places earlier in the summer. The Director of Education and his staff are working to implement that: increasing local specialist provision, improving commissioning arrangements and developing better local SEND processes in partnership with local schools.

4.3. Block analysis can be found in Appendix 4

5. ASSET SALES

5.1. The Treasury Management strategy prepared as part of the budget setting process in February 2025 assumed total GF net disposal receipts of £21.7m.

5.2. The GF disposal forecast for 2025/26 is net receipts of £12.5m, of which £2.4m (including 4 disposals to the HRA) has been received at the end of Quarter 2. The reduced forecast of net disposal receipts since the TM strategy is because of delays due to several factors including market conditions, service need and issues arising through internal due diligence.

5.3. The property team are working with the finance team to model the optimum point to dispose of the remaining asset portfolio with a view to bringing forward sales in the remainder of 2025/26 and 2026/27 which could mitigate the reduced profile of sales shown above.

5.4. The HRA disposal forecast for 2025/26 is net receipts of £14.7m of which £3.9m has been received at the end of Quarter 2, which is in line with the initial forecast level.

5.5. Where HRA sites have been disposed of, an assessment will be undertaken to ascertain the potential for any excess receipts to be applied to the GF in accordance with the no detriment principles.

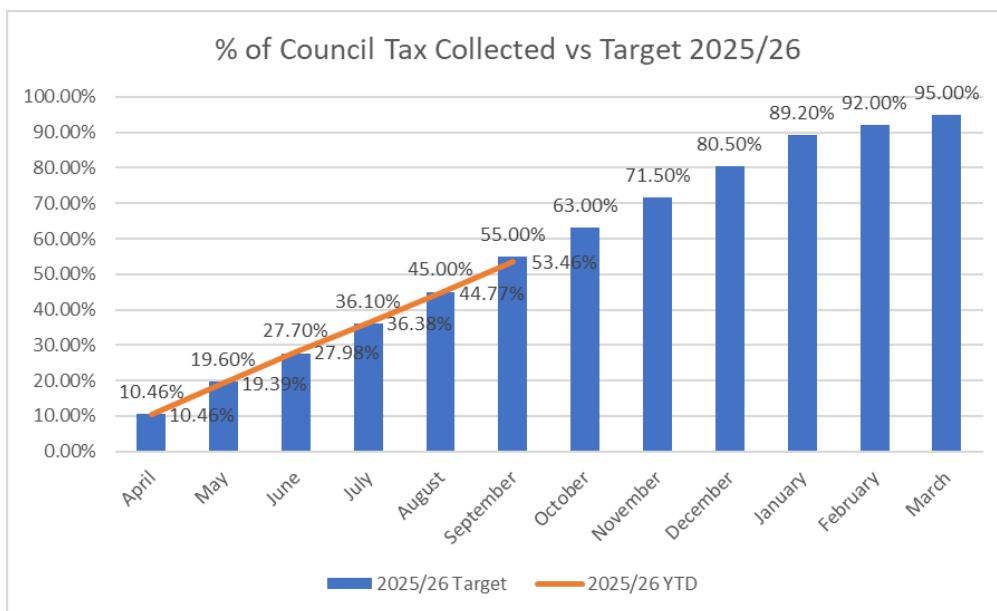
5.6. It is important to note receipts generated from General Fund asset disposals are necessary to help finance the Exceptional Financial Support and mitigate debt costs arising from the Capitalisation Directions. If the Council cannot achieve the required disposals, it needs to borrow more to finance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

external borrowing and capital financing costs, putting further unbudgeted pressure on the future year's revenue budgets.

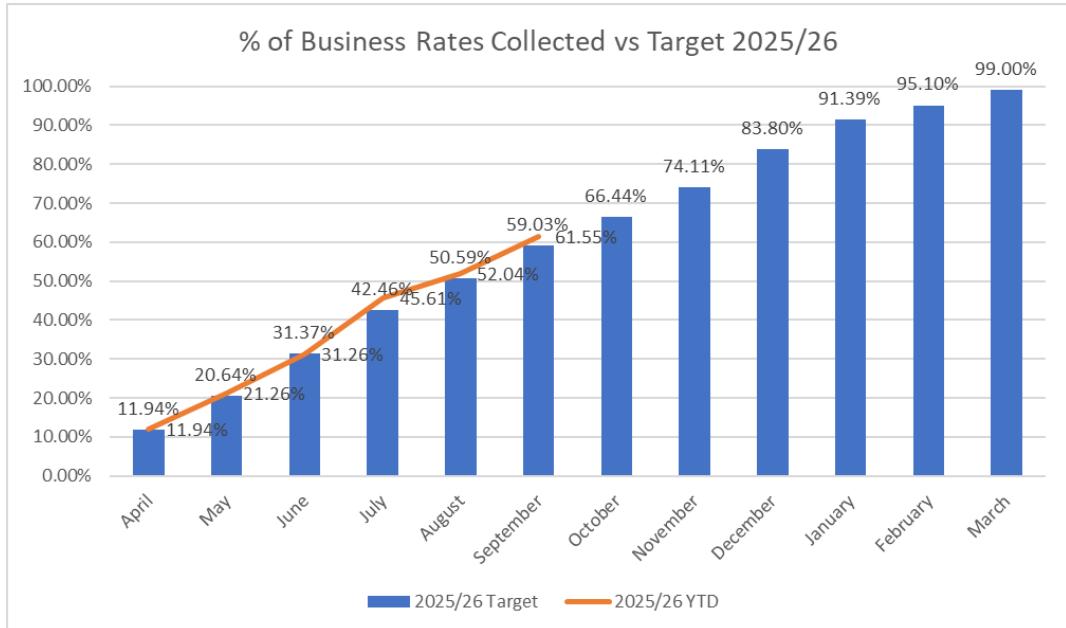
5.7. The property team are working with the finance team to model the optimum point to dispose of the remaining asset portfolio with a view to bringing forward sales in the remainder of 2025/26 and 2026/27 which could mitigate the reduced profile of sales shown above.

6. COUNCIL TAX AND BUSINESS RATES PERFORMANCE

6.1. At P6 in respect of in-year Council Tax, collection is **53.46%** (1.54% behind target), and 0.8% behind the September 2024 position of 54.26%. 1.54% behind target equals £1.592m in cash terms. Residents continue to struggle with cost-of-living increases, and only one of the Berkshire Councils are ahead of where they were at the same point in 2024/25. The full-year collection target of 95% is expected to be achieved due to additional recovery processes being implemented in the second half of the year.



6.2. In respect of Business Rates, collection is **61.55%** (2.51% ahead of target). We are 4.14% ahead of the position in September 2024 which was 57.41%. The increase in collection of 2.51% equates to 3.492m. We are ahead of September 2024 collection by £5.760m in cash terms.



7. SUNDY DEBT AND ADULT SOCIAL CARE DEBT

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

As at 30 September 2025	Total £m	Provision Required %	Provision Required £m
Not Due	1.295	0%	0.000
0 - 29 Days	1.100	5%	0.055
30 - 59 Days	0.364	15%	0.055
60 - 89 Days	1.829	50%	0.915
90 - 119 Days	0.481	75%	0.361
120 - 365 Days	1.597	100%	1.597
Over 366 Days	3.825	100%	3.825
Adult Social Care secured debt	0.468	5%	0.023
Balance outstanding	10.959		6.830
Bad Debt Provision			5.604
Increase (+) / Decrease (-) in Provision			1.226

7.2. As at the 30th of September 2025 the balance outstanding for Sundry Debts was £10.959m. Applying the formula used to estimate the level of provision required suggests this requires a provision of £6.830m. The current provision is **£5.604m**, so at P6 £1.266m would be needed to increase the provision to the required level. This position is expected to improve of the remainder of the 2025/26 financial year.

8. FINANCIAL RESILIENCE AND SUSTAINABILITY

8.1. The Council remains committed to improving financial resilience, moving towards financial sustainability and improvement in governance and process as laid out in the

Directions issued by Government and a capitalisation direction for exceptional finance support in 2024/25. Once the Council has concluded the outstanding financial accounts, a formal financial resilience statement will be prepared.

8.2. Reserves

8.2.1. General Fund

The Financial Statements for 2024/25 are due to be finalised imminently. The expectation is that 2024/25 will conclude with a balanced position, after having drawn down the expected EFS of £23.078m. The table below shows the provisional reserves position whilst work continues to ensure the prior-year accounts are closed. Note that the proposed reserves movements are included within the current forecast but the £1m general reserve contribution is subject to the final outturn position.

Table 9: Reserves Summary

MTFS Reserve	April 2025 Reserves Position	Budgeted Transfers (to)/from reserves 2025/26	Forecast Reserve Position 2025/26
Transformational Reserve	3.657	-0.998	2.659
Directorate Carry Forwards	0.186	-0.123	0.063
MTFS Reserve Total	3.843	-1.121	2.722
Better Care Fund	1.278		1.278
Public Health Reserve	1.818	-0.200	1.618
Redundancy/Severance Payments	5.173		5.173
General Reserve	23.465	1.000	24.465
Budget Smoothing Reserve	5.060	-1.373	3.687
Earmarked Reserves Total	40.63	-1.694	3.943

8.2.2. Proposed Changes to Reserves in Q2:

- The Public Health Reserve reported as part of the Budget Management Report Q1 to Cabinet September 2025 was £1.818m as of 30th June 2025. A £0.2m contribution was approved at the Public Health Board 13th May 2025 and requires Cabinet approval to draw-down funds.
- The 2025/26 forecast position includes a request from DDaT to draw-down £0.123m for ICT Modernisation of £123k, carried forward into 2025/26 from 2024/25.
- There is also a request to draw-down £0.998m from the Transformation reserve to meet 2025/26 expenditure.

8.3. Contingency

8.3.1. In addition to the above, the general contingency has increased from £1.268m, as reported at Q1 to £3.072m, following the claw-back of £1.803m for the 2026/27 pay

award. Total contingency is £7.248m, broken down as shown in the table below. The £19.4m overspend forecast for 2025/26 assumes that the entire £7.2m contingency is used to support the budget position (i.e. without contingency the overspend would be £26.6m).

Table 10: Contingency as at Q2

	Original Budget £m	In-year movements £m	Claw-back pay award £m	Current Budget £m
Pay Award	2.900	(2.900)		0.000
Potential Cost of Employer's National Insurance	1.085	(1.085)		0.000
Contract Inflation	1.058			1.058
Non Delivery of Savings	0.500			0.500
General Contingency	1.247	0.022	1.803	3.072
Risk Reserve	2.215			2.215
Provider Uplift Reserve	0.403			0.403
Contingency Total	9.408	(3.963)	1.803	7.248

In-year allocations are currently as follows:

	Allocations £m
Pay Award	1.803
Allocation of Inflation Contingency	1.058
PFI Adjustment	(0.900)
Internal Audit	0.250
Unachieved saving	0.200
Companies Legal Review	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
Allocations Total	3.963

DSG Reserves

8.3.2. **Balances carried forward** - The table below illustrates that the brought forward balance of £10.489m will increase by £9.399m to £19.888m on the basis of the early estimate for 2025/26.

8.3.3. This takes the cumulative DSG position from £10.489m at the start of 2024/25 to £19.888m at the end.

8.3.4. In the context of this large and growing deficit, the LA intends to disregard any variances on individual blocks until the DSG is back in balance (ie for the foreseeable future).

8.3.5. The remaining Safety Valve payments in 2026/27 total £6.480m, which is less than the cumulative £19.888m estimated carry forward at the end of 2025/26. Without mitigations over the next two years, Slough will not achieve its Safety Valve target of removing the cumulative DSG by March 2027. Initial estimates for 2026/27 point to an unmitigated overspend of £20.591m, pointing to a cumulative deficit of £34m by March 2027.

Table 11: Provisional movement in DSG reserves 2025/26

	Brought forward	Net movement	Carry forward
DSG 2025/26	£10,489	£9,399	£19,888

9. Implications of the Recommendations

9.1. Financial implications

9.1.1. The Financial implications of this report are set out throughout.

9.2. Legal implications

9.2.1. 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.

9.2.2. 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.

9.2.3. 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.

9.3. Risk management implications

9.3.1. 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.

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

- 9.3.3. Actions taken by departmental management teams to identify mitigations and recovery actions similarly need to be monitored and included in regular reports.
- 9.3.4. Steps taken to develop and monitor the effectiveness of regular budgets, mitigations and recovery actions

9.4. Environmental implications

- 9.4.1. There are no specific environmental implications arising from this report

9.4.2. Equality implications

- 9.4.3. There are no specific equality implications arising from this report

10. Background Papers

None

Appendix 1 - Directorate Reports – General Fund

1. Adults Services

- 1.1. In respect of the Adult Social Care Directorate the reported forecast position for period 6 is a net overspend of £5.020m to the budget, representing a forecast improvement of (£0.868m) since Q1. Within this there are multiple variances in each direction including the Directorate released new in year savings and mitigations of (£0.833m).=. Savings and mitigations are mainly one-off for 2025/26. The overriding overspend of £5.020m is mainly being driven by provider fee uplifts being greater than the inflationary increase & ongoing future demand.
- 1.2. Within Public Health & Public Protection Directorate the reported forecast position for period 6 is a net underspend of (£0.747m), representing a forecast improvement of (£0.628m) since Q1, mainly due to the Directorate releasing new in year savings and mitigations from the Public Health Reserve (£0.500m) and Public Health Grant (£0.115m). The savings and mitigations are one-off for 2025/26.

2. Children's Services

- 2.1. Overall, the overspend in Children's Services has increased by £0.193m between Q1 & Q2.
- 2.2. Children's Centres are forecasting an underspend of £0.096m at Q2 from a previously net nil position in Q1. This is due to an increase in income projections as a result of an increase in anticipated demand for Under 2s take up. Early Services are forecasting a £0.030m underspend. This will be achieved by allocating spend to DFE grants as agreed in the savings and mitigations exercise.
- 2.3. Inclusion is forecasting an overspend of £1.328m at Q2. This is a £0.106m decrease from the Q1 reported overspend of £1.434m primarily driven by the reduction in the forecast for agency costs and legal fees as a result of the savings and mitigations exercise. Two senior management agency posts have been removed and the rest of the staffing structure readjusted. The overall overspend is driven by increasing demand for the service, a significant number of backlog cases and a team which is largely filled with interim staff.
- 2.4. Furthermore, it is recognised that the current budget does not adequately meet the escalating demand in this area. This is partly driven by the lack of clear data to define and anticipate increases effectively in previous years. Demand has risen by 51% in Slough since 2019 and mirrors the national crisis in SEND, where EHCP numbers have increased exponentially, placing unprecedented financial pressure on local authorities across England. This position will continue to be closely monitored, with further updates provided as the permanency plan progresses and budget planning discussions evolve.
- 2.5. Transport are reporting a forecasted underspend of £0.122m. A growth bid of £0.500m was approved in 2024/25 to help address growing pressures; however, due to significant efficiencies achieved through route optimisation and a

comprehensive review of contracts and transport plans, the full amount was not required last year and as a result, the service underspent by £0.489m.

- 2.6. While there was a large underspend last year, this year there are additional cost pressures being identified in Transport such as the renegotiated contract fee for Haybrook College as well as five new transport contract fees that have been agreed due to the increase in demand. This was initially offered up as £0.290m of mitigations as part of the savings and mitigations exercise however that position will require some more analysis once pupil numbers for the new academic year are confirmed to determine whether it is still achievable.

3. RHE

- 3.1. For Environment & Highways, there is an overspend due to pressure on contractual costs for waste disposals, parking enforcement, trade waste internal recharge, and lower than expected green waste subscription income. Key variances are due to increased residual waste tonnages, slow take up of green waste subscription, increased compliance in Bus Lane enforcement resulting in lower income recovery, and the ongoing shortfall in the Parking contract budget due to historic inflation uplift
- 3.2. In property & estates, there is continuing pressure on the staffing budgets due to unbudgeted £0.5m of TUPE staffing costs and costs are not being fully recovered from delay in asset disposals or lettings.

3.3. Temporary Accommodation & Housing Benefit

- 3.3.1. For housing, there is a net overspend £0.439m mainly due to staffing pressures. The revised forecast model now closely aligns the TA rental Income charged with the TA provider costs. Resulting in the forecast expenditure substantially offset by rental income chargeable to clients less a small void allowance. So estimated TA spend/Income is expected to move up/down together as they are interdependent. There remains a considerable risk that the estimated rents charged may not be fully reflected in the rent system due to ongoing delay in creating and charging rent for new clients. Service activity is ongoing to clear the new rent account backlog.
- 3.3.2. The TA/Allocation service overspend is due to staffing pressures as additional resources are deployed to address critical areas of the service. Income from internal recharges are being maximised, but further mitigation is required to offset the ongoing pressure.

Description	2025/26 Annual Budget - Revised	2025/26 Forecast @P6	2025/26 Variance from revised Budget	Revised Forecast Risk
TA Households with Rent Accounts	1,300	1,300	0	
	£000	£000	£000	
TA Accommodation costs	£31,200	£34,841	£3,641	
Allowance for duplicate charges			£0	
Total Accommodation costs	£31,200	£34,841	£3,641	
Average costs per month	£2,600	£2,903	£303	
Average costs per HH per month	£2.000	£2.233	£0	
TA Rental Income charged	-£30,420	-£34,061	-£3,641	£3,543
Provision for bad debt				
Adjustment for NEC duplicated rents				
Total Rental Income	-£30,420	-£34,061	-£3,641	
Average rent charged per month	-£2,535	-£2,838	-£916	
Average rent charged per HH per month	-£1.950	-£2.183	-£1	
Variance	£780	£780	£0	
Expenditure & Income Gap	£780	£780	£0	
Current Tenants		£8,559		
Former Tenants		£5,668		
Rent credits		-£635		
Total Arrears (net)		£13,592	£0	
Total HB Expenditure - Non-HRA 25/26	£9,899	£32,698	£22,799	
Total HB Expenditure - Non-HRA PY			£0	
Total HB Expenditure - Non-HRA	£9,899	£32,698	£22,799	
Total Subsidy Recovered - Non-HRA	-£3,365	-£11,117	-£7,752	
Total HB Subsidy loss (£)	£6,534	£21,581	£15,047	
Total HB Subsidy loss (%)	66%	66%		
Overall Total	£7,314	£22,361	£15,047	£3,543

4. Corporate Resources

4.1. Corporate Resources is forecasting a £0.507m overspend at Quarter 2, reduced from £0.870m at Quarter 1. The overspends predominantly relate to additional pressure from interim staffing costs (c.£0.203m) and unachievable savings in Revenues and Welfare Services (£0.253m). Further mitigations of £0.587 have been identified to-date leading to an expected c.£80k underspend. The Directorate is considering actions to reduce the forecast further to contribute towards the deficit reported elsewhere in the Council.

Appendix 2 - Directorate Reports – Capital

1. Adults and Children's Social Care

CAPITAL PROJECTS ADULTS	Actuals YTD	Actual YTD / Forecast	25/26 Revised Budget	Forecast Outturn	Fcst v Revised Bdgt	Fcst Movt Since Q1	Fut Yrs Budget	Spend Profile
	£m	%	£m	£m	£m	£m	£m	
Disabled Facilities Grant	0.531	29%	1.847	1.847	-	-	5.661	
Adults TOTAL	0.531	29%	1.847	1.847	-	-	5.661	

- At the end of P6, the year-to-date expenditure for the Disabled Facilities Grant (DFG) stands at £0.531m. Although the YTD spend is 29% of the forecast, approximately £300k of spend is currently sitting in revenue - a proportion of the projected DFG spending is allocated to supporting the infrastructure associated with the DFG process. The full cost will be reflected against the DFG Capital budget at the end of the year, once all internal recharges have been finalised.
- Given the increased pressure on Adult Social Care expenditure, the use of the Disabled Facilities Grant is crucial in applying a preventative approach and mitigating the risks associated with long-term placements in residential care.

2. Children's Services

CAPITAL PROJECTS CHILDRENS	Actuals YTD	Actual YTD / Forecast	25/26 Revised Budget	Forecast Outturn	Fcst v Revised Bdgt	Fcst Movt Since Q1	Fut Yrs Budget	Spend Profile
	£m	%	£m	£m	£m	£m	£m	
Primary Expansions		0%	-	-	-	-	0.911	
Secondary Expansion Programme		0%	0.150	(0.150)	(0.150)	(0.150)	0.160	
SEN Resources Expansion	0.049	4%	1.259	1.259	0.000	0.000	3.309	
Special School Expansion-Prim., Sec. & Post 16	2.931	54%	5.274	5.474	0.200	0.200	8.812	
Childcare Expansion	0.005	18%	0.030	0.030	-	-	-	
Schools Modernisation Programme	0.396	39%	0.930	1.008	0.078	0.078	3.624	
Schools Devolved Capital		0%	0.126	0.126	-	-	0.540	
Children's Services TOTAL	3.382	43%	7.769	7.897	0.128	0.128	17.356	

- The 4-classroom block for Arbour Vale School is now complete and being used by pupils. The new car park at Arbour Vale is underway on site, there is a 3-week delay but will complete by November 2025 with minor highway works to follow later. The conversion works at Our Lady of Peace to create a satellite for Arbour Vale School has started on site. The existing school has consolidated onto their new site and SBC have taken partial possession of the satellite site. The costs for Phase 1 are expected to be higher than planned and some budget may need to be brought forward from 2026-27. Funding is available within the overall grant allocation for phase 1, which Property advise is running to planned timescales. The new annex for Haybrook College is progressing well and on course for completion by December 2026.
- Of the smaller SEND projects, St Joseph's new annex is complete, and we are awaiting invoices, Herschel Grammar have requested a budget increase to be able to progress, and Capital Board approval is being sought for conversion works at 3 children's centres.
- A new Condition Programme has been agreed, and grant letters were issued to schools in July. Some projects were able to go ahead over the summer break and invoices from 4 schools have been received to date. A small overspend in 2025-26 is currently

forecast on this programme relative to the 25/26 budget profile. This can be funded by pulling forward the grant funded budget from 26/27 as part of the closing process.

3. Regeneration and Environment

CAPITAL PROJECTS RHE	Actuals YTD	Actual YTD / Forecast	25/26 Revised Budget	Forecast	Fcst v Revised Bdgt	Fcst Movt Since Q1	Fut Yrs Budget	Spend Profile
				£m	£m	£m	£m	£m
RHE-Property	0.252	21%	1.489	1.215	(0.273)	(0.273)	8.791	
RHE-Highways	1.794	17%	16.629	10.530	(6.099)	(6.099)	11.512	
RHE-Environmental	0.947	31%	6.606	3.061	(3.545)	(3.545)	11.235	
Regeneration, Housing & Environment TOTAL	2.993	20%	24.724	14.807	(9.917)	(9.917)	31.539	

- 3.1. Property - The General Fund Disposal forecast to end of FY 26/27 is being updated and reflected in the upcoming TMS. HRA Disposals continuing at pace and contributing to the HRA Business Plan and General Fund under no detriment principles. Additional external legal support has now been appointed and will help with bringing the disposal programme back on track.
- 3.2. Capital assigned for Stock Condition improvements has been reprofiled, and the condition surveys deferred as part of the cost saving and avoidance measures following the Commissioners' instruction. Risks will continue to be monitored around the condition of buildings with future funding to be identified to carry out up-to date condition surveys which will result in a planned capital maintenance programme.
- 3.3. The estate management void works budget has been put on hold as part of the department's submission in cost savings and avoidance measures. This budget has been reprofiled to improving facilities to ensure that the council can recognise a higher level of rental income. This is important due to the tough market conditions for commercial properties.
- 3.4. A review of investment assets is being undertaken to understand future capital requirement and ensuring that return on investment continues to be beneficial for the Council's financial position.
- 3.5. Highways - The delivery of a number of the major transport projects (shown in Table 2.1) are dependent on the progression of the A4 Cycle Lane scheme. The contractor is finalising the contract, and the scheme start date has been moved to 8 weeks from when the contract has been signed. The contractor has however started mobilising, confirmed site compound and programming site investigation to be undertaken in advance of the main works. As a result of the anticipated start date, the A4 Cycle Lane budget has been reprofiled to reflect the revised start date with a £1.254m slippage to 26/27. The Cabinet Report for the Destination Farnham Road (DFR) scheme was approved in September 2025 to award the contract for the civil work to VolkerFitzpatrick. The contract is currently awaiting VolkerFitzpatrick's acceptance for work to commence.
- 3.6. Until a spade is in the ground, 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. The delivery programmes may also be affected by adverse weather conditions, and this will have an impact on the budget spend profile for the scheme. Mitigating measures, such as active contractor engagement,

regular programme reviews and planned communication has been put in place with the contractor to manage risks by ensuring that their programme anticipates adverse weather conditions.

- 3.7. Environmental - Environmental Services is continuing to prioritise the replacement and renewal of its fleet, essential plant and equipment across refuse, street cleansing, grounds maintenance and highway repairs and maintenance. 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.
- 3.8. Due to legislation changes as part of the Environment Act 2021 and the Simpler Recycling Scheme the statutory collection of food waste and separate paper and card has increased demand nationally for new RCVs and lead in times have risen to 12 to 14 months for delivery. The 25/26 funding of £1.386m has been reprofiled to 26/27 where we will be paying for 10 vehicles, instead of the 5 vehicles per year from 25/26 up to 27/28 financial years.
- 3.9. Essential grounds maintenance equipment is awaiting delivery which is anticipated to be achieved this financial year.
- 3.10. The Bartec waste optimisation programme has been completed, and funding will be fully spent this year.
- 3.11. Capital funding received from DEFRA for the mobilisation of borough-wide food collection will require the purchase of over 120,000 food containers and caddies for the April 2026 start date. A competitive tender process has been carried out to identify a supplier and the bins will be delivered throughout the period between October and March 2026 to all houses and flats in the borough. 4 bespoke food RCVs have also been purchased using this funding stream.
- 3.12. A specification has been developed for play area improvement and is currently awaiting procurement approval to appoint a play specialist for the design and installation of equipment.
- 3.13. 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 (private sector, capital grant, and s106) of circa £8.2m. Bids were received in July 2025, with detailed evaluation of suppliers over two lots to be completed around December 2025. We have procured technical and legal expertise and appointed a contract manager to manage both concession contracts, the mobilisation including Implementation Plan development was planned to be completed by March 2026. However, there is a high likelihood negotiation with suppliers will push the start date into 26/27 and slippage of £0.6m is being forecast.
- 3.14. Sponge Programme is part of the national Flood and Coastal Resilience 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 within Slough and across our partner organisations, and the programme requires additional resources to be deployed in 25/26 to bring it back on track.

3.15. We have secured the services of a full-time programme manager, undertaken a refresh and refocused the programme delivery to smaller more manageable projects. We are slipping £1.551m into 26/27 to take account of the delayed start of Destination Farnham Road, SUDSs measures and resources account for £1.07m. We are also slipping £481k due to the ambitious WWT (Wildfowl and Wetland Trust) restoration Scheme for Godolphin and Bayliss park being rejected by the Environment Agency.

3.16. The Environment Agency advises there will be no extension to the project, and any unspent grant must be returned, the programme is due to complete in March 2027. The EA have advised the Council to prepare schemes to be shelve ready in preparation for a new round of capital funding from 27/28 the Council will be well positioned to apply for.

4. Corporate Resources

CAPITAL PROJECTS RESOURCES	Actuals YTD	Actual YTD / Forecast	25/26 Revised Budget	Forecast Outturn	Fcst v Revised Bdg	Fcst Movt Since Q1	Fut Yrs Budget	Spend Profile
	£m	%	£m	£m	£m	£m	£m	
IT Infrastructure Refresh	-	0%	0.550	0.550	-	-	1.800	■ -
New Housing Management Procurement	-	0%	0.046	0.046	-	-	-	■
Corporate Resources TOTAL	-	0%	0.596	0.596	-	-	1.800	

4.1. The IT infrastructure refresh is on track. The first tranche of laptops that needed to be replace laptops that could not run Windows 11 (migration to which is critical because Windows 10 goes out of support mid-October).

4.2. The second tranche (which was committed at the same time as the first to secure best pricing) is needed to replace pre-emptively those laptops whose age is such that they are now frequently failing, thereby avoiding business disruption.

4.3. The £50k forecast in December relates to replacement of mobile phones which are out of support and therefore represent a security risk. The intent is to provide phones only to staff with an essential need.

Appendix 3: Capital Tables

Table 1 – General Fund by programme/project

CAPITAL PROJECTS (GENERAL FUND)	Actuals to YTD £m	Actuals / Forecast %	25/26 Revised Budget* £m	Forecast Outturn £m	Fcst v Revised Bdgt £m	Fut Yrs Budget £m	Overall Project Status
Disabled Facilities Grant	0.531	29%	1.847	1.847		5.661	A
Adults TOTAL	0.531	29%	1.847	1.847	-	5.661	
Primary Expansions			-			0.911	G
Secondary Expansion Programme			0.150	(0.150)		0.160	G
SEN Resources Expansion	0.049	4%	1.259	1.259	0.000	3.309	G
Special School Expansion-Prim.,Sec. & Post 16	2.931	54%	5.274	5.474	0.200	8.812	G
Childcare Expansion	0.005	18%	0.030	0.030			G
Schools Modernisation Programme	0.396	39%	0.930	1.008	0.078	3.624	G
Schools Devolved Capital		0%	0.126	0.126		0.540	G
Children's Services TOTAL	3.382	43%	7.769	7.897	0.128	17.356	
RHE-Property							
Capex following Stock Condition Survey	0.002	1%	0.425	0.152	(0.273)	0.050	G
Adult Learning IT Equip		0%	0.052	0.052			G
Asset Disposal	0.240	41%	0.590	0.590		0.142	G
Cornwall House-Fire Strategy	0.005		-			0.778	G
Reception Works			-			0.050	G
Reading Archives - Extension (SBC Contribution)		0%	0.267	0.267		0.007	G
Estate Management - Void Works		0%	0.100	0.100		7.764	G
Creative Academy	0.005	9%	0.055	0.055			C
RHE Property TOTAL	0.252	21%	1.489	1.215	(0.273)	8.791	
RHE-Highways							
Zone 1 - Sutton Lane Gyratory (MRT)	0.002	9%	0.020	0.020			G
Zone 4 - Stoke Road (Stoke Rd TVU junction)	0.202	71%	0.284	0.284		0.800	A
Langley High Street Improvements LEP	0.018	15%	0.120	0.120			G
A4 Safer Roads	0.182	32%	0.565	0.565		0.920	A
A4 Cycle Lane	0.407	10%	5.456	4.203	(1.253)	3.388	A
Additional Transpt & Hways Grant funded projects	0.354	78%	0.456	0.456		1.048	G
LTP Implementation Plan	0.011	3%	0.392	0.392		0.721	A
Destination Farnham Road	0.502	20%	7.282	2.517	(4.765)	2.675	A
Burnham Station	0.013	13%	0.100	0.100		0.303	G
Bus Service Imp. Plan (BSIP)	0.001	0%	0.300	0.300		0.618	G
Patching, surfacing and highway replacement works	0.031	4%	0.732	0.732		1.040	A
Upton Court pathway	0.071	100%	0.075	0.071	(0.004)		C
Cippenham Bridges			0.077		(0.077)		G
Winter Maintenance & New Gully Tanker		0%	0.420	0.420			G
Hook Lifts		0%	0.350	0.350			A
RHE Highways TOTAL	1.794	17%	16.629	10.530	(6.099)	11.512	

CAPITAL PROJECTS (GENERAL FUND)	Actuals to YTD	Actuals / Forecast %	25/26 Revised Budget*	Forecast Outturn	Fcst v Revised Bdgt	Fut Yrs Budget	Overall Project Status
			£m	£m	£m		
RHE-Environmental							
Flood Defence (Sponge City)	0.086	9%	2.551	1.000	(1.551)	3.281	A
Electric Vehicle Network - LEVI		0%	0.615	0.007	(0.608)	2.691	A
Car Club			-			0.093	G
Cemetery Extension		0%	0.210	0.210		0.400	A
Carbon Management - Public Sector Decarb. Scheme	0.022		-				G
Warm Homes			-			1.275	G
Parks-Playground Equipment		0%	0.150	0.150			G
Ground Maintenance P&M	0.307	47%	0.652	0.652			G
DSO Replacement Fleet		0%	0.120	0.120			A
DSO Replacement RCV's			1.386		(1.386)	2.773	A
DSO Food/Fibre vehicles and Caddies	0.533	58%	0.922	0.922		0.722	G
RHE Environmental TOTAL	0.947	31%	6.606	3.061	(3.545)	11.235	
Regeneration, Housing & Environment TOTAL	2.993	20%	24.724	14.807	(9.917)	31.539	
IT Infrastructure Refresh		0%	0.550	0.550		1.800	G
New Housing Management Procurement		0%	0.046	0.046			G
Corporate Resources TOTAL	-	0%	0.596	0.596	-	1.800	
Corporate - Transformation Programme			4.000	4.000			
Capitalisation Directions			15.709	15.709		10.611	
Finance TOTAL	-		19.709	19.709	-	10.611	
GENERAL FUND TOTAL	6.905		54.646	44.856	(9.790)	66.967	

Table 2 – HRA by Project

CAPITAL PROJECTS (HRA)	Actuals YTD	Actuals / Forecast %	Revised Budget*	Forecast Outturn	Fcst v Approved Bdgt	Fut Yrs Budget	Overall Project/Programme Status
			£m	£m	£m		
Commissioning of R&M and Inv. Contract							
Boiler Replacement and heating	0.230	34%	0.680	0.680		2.671	G
Kitchen & Bathroom Replacement	0.371	37%	1.000	1.000		4.402	G
Electrical Systems	0.188	40%	0.475	0.475		1.649	G
Ext. rendering, repairs and redecn. of hsg block		0%	1.006	1.006		4.558	G
Garage & Environmental Improvements	0.464	93%	0.500	0.500		2.000	G
Capitalised Repairs	0.001	1%	0.105	0.105		0.453	G
FRA & Asbestos Removal Works	0.977	49%	2.000	2.000		5.078	G
Major Aids & Adaptations	0.181	58%	0.315	0.315		1.159	G
Windows and Door Replacement	0.369	55%	0.673	0.673		2.800	G
Roof Replacement	1.009	42%	2.425	2.425		10.131	G
Structural	0.014	13%	0.108	0.108		0.702	G
Security & Controlled Entry Modernisation	0.251	60%	0.415	0.415		0.897	G
Capitalised voids	0.004	7%	0.063	0.063		0.272	G
Repairs & Maintenance (RMI) Total	4.061	41%	9.844	9.844	-	36.772	
De-carbonisation Works	1.456	24%	6.173	6.173		25.699	G
Affordable Homes							
Tower and Ashbourne	0.256	100%	-	0.256	0.256		A
Garrick House	0.298	15%	2.000	2.000			G
Empty Property Acquisitions		0%	6.498	6.498		20.000	A
Rigby Lodge	1.450	73%	2.000	2.000			G
Affordable Homes Total	2.004	19%	10.498	10.753	0.256	20.000	
HRA TOTAL	7.521	28%	26.515	26.770	0.256	82.471	

Table 3 - Reprofiling adjustments

Cabinet will be asked to approve the reprofiling of these budgets to future years (primarily 2026/27):

Service	Programme	Reprofiling £m	Comment
Schools			
Schools	Secondary Expansion Programme	0.150	Resourcing issues with the Highways Team mean the two legacy s278 projects are very unlikely to go ahead in 2025-26. Already more than 5 years' late for both projects.
Total Schools		0.150	
Highways			
Highways	A4 Cycle Lane	1.253	The delay in the contractor signing the contract has postponed the project start date. As a result, the project spend has been impacted and reprofiled accordingly.
Highways	Destination Farnham Road	4.765	The contractor is still reviewing the contract to ensure all confirmed clarifications are incorporated. As no activity has commenced on site, only minimal spend has been incurred to date, and the budget has been reprofiled to reflect the anticipated expenditure. Officers are now updating the Levelling Up Monitoring Report to ensure the spend is reprofiled in line with the programme submitted by the contractor.
Total Highways		6.018	
Environment			
Environment	DSO Replacement RCV's	1.387	Lead in time for vehicles has increased from initial estimate of 7 months to over 12 months due to high demand for this type of vehicle. Rephasing budget to 26/27.
Environment	Flood Defence (Sponge City)	1.551	Suds programme works on Destination Farnham Road delayed until 26/27 as per dates provided by Rudo June 2026 – April 2027 meaning £1.07m of funding needs to slip into 26/27. Project partners, Wildfowl and Wetlands Trust project scheme for Godolphin and Baylis Park planned for 25/26 required revision as the EA Frap team confirmed the current scheme will not receive a permit for the works – requires a smaller scale scheme and £0.481m slipped into 26/27 for new revised scheme.
Environment	Electric Vehicle Network - LEVI	0.608	Likely delay in extended evaluation and moderation process due in December means first contractual installation payment will slip to 26/27.
Total Environment		3.546	
		9.713	

Table 4 - Reconciliation of Capital MTFP budget movement

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 (July Cabinet)		12.353					12.353
Additions - (July Cabinet)		0.918	0.638	0.637			2.193
Additions 25/26 Various (Sep Cabinet)		0.782					0.782
Additions Future Years (DFG) (Sep Cabinet)			0.171	0.171	0.171	0.171	0.685
Reprofiling (Sep Cabinet)		(12.753)	10.138	2.615	-	-	-
Revised Budget Sep 2025		54.646	35.912	12.918	8.836	9.301	121.612

Appendix 4: DSG – Block Updates

1. Schools Block - The only variance expected here is the planned use of £0.112m on the Growth Fund, which was acknowledged by Schools Forum in budget setting in January 2025.
2. Central School Services Block - It is expected that this block will break even.
3. Early Year - It is too early to make any realistic projections about the Early Years Block because it is based on participation levels in each of the 3 terms of 2025/26 financial year.
4. High Needs Block. In P5, the forecast was an overspend of £12m and this has risen to £12.5m at Q2. The difference is outlined in the table below.

Explanation of movement in top-up forecast 2025/26 since Q1 report:

Component	Variance £000	Comment
Volume changes for High Needs top-ups	+£1,800	106 more cases expected in 25/26 (2,029 compared to 1,923) (at June average costs of £17,880). This is because the alignment of case and finance data revealed more commitments than just those who had recently received an EHCP.
Cost changes for High Needs top-ups	-£1,677	A lower average cost in October of £17,008 ie -£872 per pupil per year. Many of the unaccounted for financial commitments will have been smaller value (ie the more expensive ones were more likely to have been visible).
Prior year payments	+£291	Backdated payments relating to old years which were not accrued for.
Non-recurring lump sum payments	+£12	These are legitimate costs, but are accounted for outside the cost / volume calculations to avoid them impacting future year calculations.
Increased provision for more out-of-borough places because of lack of local capacity	+£94	Partly this is because the clearance of the backlog has drifted back a couple of months (from Dec 25 to Feb 26) and partly because the differential between independent school costs and general average costs has widened.
Total variance	£520	

Appendix 5 – Savings Detail

		Q1 £'m		P5 £'m		P6 £'m	
Overall	Achieved £m	1.965	16.6%	1.940	16.4%	2.092	17.7%
	Green £m	6.063	51.4%	5.362	45.4%	4.355	36.9%
	Amber £m	1.960	16.6%	2.287	19.4%	3.142	26.6%
	Red £m	1.563	13.2%	1.963	16.6%	1.963	16.6%
	Black £m	0.253	2.1%	0.253	2.1%	0.253	2.1%

Adults	Achieved £m	-0.319	-6.6%	-0.344	-7.2%	-0.198	-4.1%
	Green £m	4.547	94.7%	3.845	80.1%	2.844	59.2%
	Amber £m	0.574	12.0%	0.901	18.8%	1.755	36.6%
	Red £m	0.000	0.0%	0.400	8.3%	0.400	8.3%
	Black £m	0.000	0.0%	0.000	0.0%	0.000	0.0%
Chief Exec's Office	Achieved £m	0.515	88.8%	0.515	88.8%	0.515	88.8%
	Green £m	0.065	11.2%	0.065	11.2%	0.065	11.2%
	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%
Children's	Achieved £m	0.690	66.6%	0.690	66.6%	0.690	66.6%
	Green £m	0.000	0.0%	0.000	0.0%	0.000	0.0%
	Amber £m	0.346	33.4%	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	0.916	45.7%	0.916	45.7%	0.916	45.7%
	Green £m	0.515	25.7%	0.515	25.7%	0.515	25.7%
	Amber £m	0.322	16.1%	0.322	16.1%	0.322	16.1%
	Red £m	0.000	0.0%	0.000	0.0%	0.000	0.0%
	Black £m	0.253	12.6%	0.253	12.6%	0.253	12.6%
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	0.133	97.4%	0.132	97.1%	0.138	101.5%
	Green £m	0.004	2.6%	0.004	2.9%	-0.002	-1.5%
	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	0.896	28.2%	0.896	28.2%	0.896	28.2%
	Amber £m	0.718	22.6%	0.718	22.6%	0.718	22.6%
	Red £m	1.563	49.2%	1.563	49.2%	1.563	49.2%
	Black £m	0.000	0.0%	0.000	0.0%	0.000	0.0%

Appendix 6 – Mitigations Breakdown Summary

Mitigation Type	Adults Services (£m)	Below the Line (£m)	Chief Execs Office (£m)	Children's Services (£m)	Corporate Resources (£m)	Law and Governance (£m)	Public Health & Public Protection (£m)	RHE (£m)	Grand Total (£m)
Additional income								0.150	0.150
Budget & forecast review	0.657			0.232	0.931			0.274	2.094
Holding vacancies / staff cost reduction			0.022						0.022
Interim spend reduction	0.006			0.083	0.015			0.045	0.149
Reduced borrowing costs		1.200							1.200
Reduced legal spend				0.05					0.050
Reduced TA costs		1.500							1.500
Restructure	0.050								0.050
Application of grant funding				0.032			0.615		0.647
Third Party Spend Review	0.120								0.120
Proportionate HRA recharges								0.300	0.300
Absorbing 2025/26 pay award		1.803	-0.125	-0.060		-0.045		-0.490	1.083
Grand Total	0.833	4.503	-0.104	0.337	0.946	-0.045	0.615	0.279	7.365