

## Slough Borough Council

|                                     |   |
|-------------------------------------|---|
| Meeting                             | Cabinet   |
| <b>Date:</b>                        | 17 November 2025  |
| <b>Subject:</b>                     | <b>Budget Management Report Q2</b>  |
| <b>Lead Member:</b>                 | <b>Councillor Smith – Leader of the Council<br/>Councillor Bedi– Lead Member for Finance,<br/>Children and Lifelong Learning</b>  |
| <b>Chief Officer:</b>               | Ian O'Donnell, Interim Executive Director, Corporate Resources (S151 Officer)   |
| <b>Contact Officer:</b>             | Mark Hak-Sanders, Director Financial Management & Strategy  |
| <b>Ward(s):</b>                     | All   |
| <b>Key Decision:</b>                | YES   |
| <b>Exempt:</b>                      | NO  |
| <b>Decision Subject To Call In:</b> | YES   |
| <b>Appendices:</b>                  | <ol style="list-style-type: none"><li>1) Directorate Report – Revenue</li><li>2) Directorate Report - Capital</li><li>3) Capital Project Tables</li><li>4) DSG Block Analysis</li><li>5) Savings Table</li><li>6) Mitigations Table</li></ol> |

### 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. Reprofiting 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.<br><br>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)        |
| <b>Overall Forecast Change since Q2</b>   | <b>3.9</b>   |
| <b>Overall Forecast after mitigations at Quarter 2</b>  | <b>£17.5</b> |

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**

|                                     | YTD P6            |                    |                | Q2 Forecast        |                   |                 |               | Q1<br>Variance | Q1 vs Q2<br>Variance |
|-------------------------------------|-------------------|--------------------|----------------|--------------------|-------------------|-----------------|---------------|----------------|----------------------|
| Service Budgets                     | Budget<br>to Date | Actuals<br>to date | Variance       | Original<br>Budget | Current<br>Budget | Forecast        | Variance      |                |                      |
|                                     | £'m               | £'m                | £'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                |
| <b>Total Service Budgets</b>        | <b>67.275</b>     | <b>53.447</b>      | <b>-13.828</b> | <b>139.956</b>     | <b>135.935</b>    | <b>147.840</b>  | <b>11.905</b> | <b>12.557</b>  | <b>-0.651</b>        |
| <b>Non Dept Budgets</b>             |                   |                    |                |                    |                   |                 |               |                |                      |
| 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               |
| <b>Total Non Dept Budgets</b>       | <b>13.413</b>     | <b>14.970</b>      | <b>1.557</b>   | <b>35.772</b>      | <b>39.593</b>     | <b>47.133</b>   | <b>7.540</b>  | <b>8.173</b>   | <b>-0.633</b>        |
| <b>Total Expenditure</b>            | <b>80.688</b>     | <b>68.417</b>      | <b>-12.271</b> | <b>175.728</b>     | <b>175.528</b>    | <b>194.973</b>  | <b>19.445</b> | <b>20.730</b>  | <b>-1.284</b>        |
| <b>Financing</b>                    |                   |                    |                |                    |                   |                 |               |                |                      |
| 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                |
| <b>Total Financing</b>              | <b>-79.909</b>    | <b>-90.099</b>     | <b>-10.190</b> | <b>-160.019</b>    | <b>-159.819</b>   | <b>-159.908</b> | <b>-0.089</b> | <b>0.000</b>   | <b>-0.089</b>        |
| <b>New Total Expenditure</b>        | <b>0.779</b>      | <b>-21.682</b>     | <b>-22.460</b> | <b>15.709</b>      | <b>15.709</b>     | <b>35.066</b>   | <b>19.356</b> | <b>20.730</b>  | <b>-1.373</b>        |
| Capitalisation Direction            | 0.000             | 0.000              | 0.000          | -15.709            | -15.709           | -15.709         | 0.000         | 0.000          | 0.000                |
| <b>GAP</b>                          | <b>0.779</b>      | <b>-21.682</b>     | <b>-22.460</b> | <b>0.000</b>       | <b>0.000</b>      | <b>19.356</b>   | <b>19.356</b> | <b>20.730</b>  | <b>-1.373</b>        |

£m

|  |               |
|--|---------------|
| <b>Current Forecast Overspend</b>      | <b>19.356</b> |
| Mitigations Not in Forecast            | -1.816        |
| <b>Net Q2 Forecast Overspend</b>       | <b>17.540</b> |
| 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       |
| <b>Net Operating Deficit/(Surplus)</b> | <b>-7.653</b> |

\* 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:**

|                    | YTD P6                |                        |                 | Full Year P6           |                       |                 |                 |
|--------------------|-----------------------|------------------------|-----------------|------------------------|-----------------------|-----------------|-----------------|
| All service areas  | Budget to Date<br>£'m | Actuals to date<br>£'m | Variance<br>£'m | Original Budget<br>£'m | Current Budget<br>£'m | Forecast<br>£'m | Variance<br>£'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          |
| <b>Grand Total</b> | <b>67.275</b>         | <b>53.447</b>          | <b>-13.828</b>  | <b>139.956</b>         | <b>135.935</b>        | <b>147.840</b>  | <b>11.905</b>   |

**Table 3: Pay variance across Directorates:**

|                                     | YTD P6                |                        |                 | Full Year P6           |                       |                 |                 |
|-------------------------------------|-----------------------|------------------------|-----------------|------------------------|-----------------------|-----------------|-----------------|
| Staffing Costs - all Directorates   | Budget to Date<br>£'m | Actuals to date<br>£'m | Variance<br>£'m | Original Budget<br>£'m | Current Budget<br>£'m | Forecast<br>£'m | Variance<br>£'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           |
| <b>Total</b>                        | <b>35.110</b>         | <b>37.150</b>          | <b>2.040</b>    | <b>66.704</b>          | <b>69.834</b>         | <b>74.986</b>   | <b>5.153</b>    |

## **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<br>£m | New Mitigation<br>£m | Total Mitigations<br>£m | Distribute pay award reversal mitigation<br>£m | Net Mitigations | Mitigations not currently in the forecast<br>£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   |
| <b>Total</b>                             | <b>(7.145)</b>             | <b>(2.023)</b>       | <b>(9.168)</b>          | <b>1.803</b>                                   | <b>(7.365)</b>  | <b>(1.816)</b>                                  |

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  | Actual YTD / Forecast | 25/26 Revised Budget | Forecast Outturn | Fcst v Revised Bdgt | Fcst Movt Since Q1 |
|-------------------------------------|--------------|-----------------------|----------------------|------------------|---------------------|--------------------|
|                                     | £m           | £m                    | £m                   | £m               | £m                  | £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            | -                   | -                  |
| <b>Sub Total Services</b>           | <b>6.905</b> | <b>27%</b>            | <b>34.937</b>        | <b>25.147</b>    | <b>(9.790)</b>      | <b>(9.790)</b>     |
| Capital Direction & Transformation  | -            | 0%                    | 19.709               | 19.709           | -                   | -                  |
| <b>GF Total</b>                     | <b>6.905</b> |                       | <b>54.646</b>        | <b>44.856</b>    | <b>(9.790)</b>      | <b>(9.790)</b>     |

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                        |
| <b>TOTAL EXPENDITURE</b>           | <b>43,482</b>  | <b>22,050</b>   | <b>44,294</b>  | <b>813</b>               |
| 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                     |
| <b>TOTAL INCOME</b>                | <b>-46,082</b> | <b>-23,334</b>  | <b>-46,585</b> | <b>-503</b>              |
| <b>(SURPLUS)/DEFICIT</b>           | <b>-2,600</b>  | <b>-1,285</b>   | <b>-2,290</b>  | <b>310</b>               |

## 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         |  |
| <b>HRA TOTAL</b>                  | <b>7.521</b> | <b>28%</b>            | <b>26.515</b>        | <b>26.770</b>    | <b>0.256</b>        | <b>-</b>           | <b>82.471</b>  |   |

- 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**

| <b>DSG Block</b>   | <b>Gross DSG on DfE website 31/3/2025</b> | <b>less ESFA recoupment</b> | <b>Other adjustments</b> | <b>Net DSG income available to LA</b> | <b>Forecast position 2025/26</b> | <b>Year-end balance</b> |
|--|---|-----------------------------|--------------------------|---------------------------------------|----------------------------------|-------------------------|
| 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                 |
| <b>Total 2025/26</b>                                     | <b>£250,918</b>                           | <b>-£151,616</b>            | <b>£0</b>                | <b>£99,302</b>                        | <b>£111,941</b>                  | <b>£12,639</b>          |
| <b>Plus Safety Valve</b>                                 |   |                             |                          | <b>£3,240</b>                         | <b>£0</b>                        | <b>-£3,240</b>          |
| <b>TO RESERVES: Forecast net movement in DSG 2025/26</b> |   |                             |                          | <b>£102,542</b>                       | <b>£111,941</b>                  | <b>+£9,399</b>          |

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.

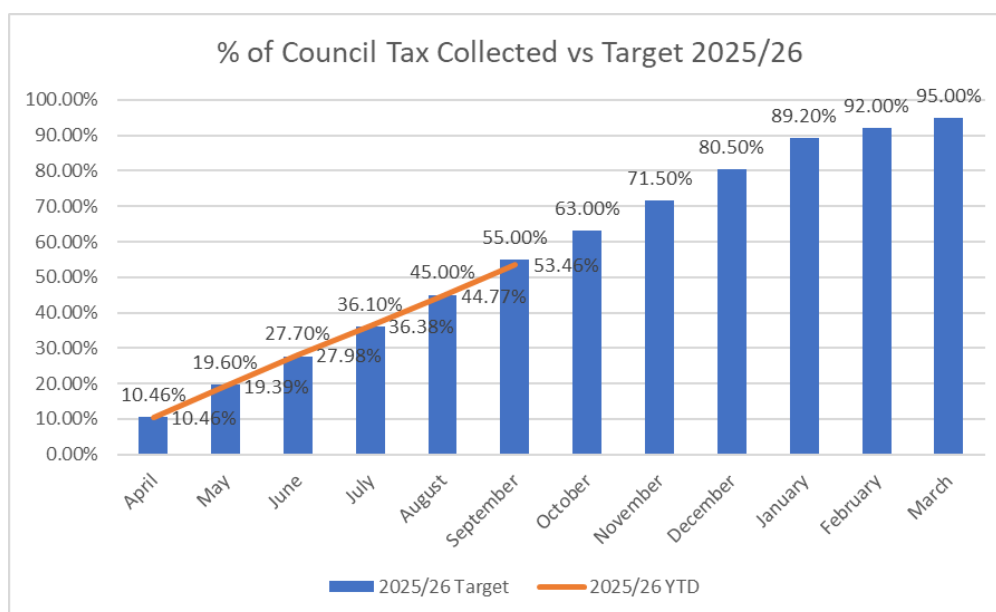
5.6. It is important to note receipts generated from General Fund asset disposals are necessary to help finance the Exceptional Financial Support and mitigate debt costs arising from the Capitalisation Directions. If the Council cannot achieve the required disposals, it needs to borrow more to finance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

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

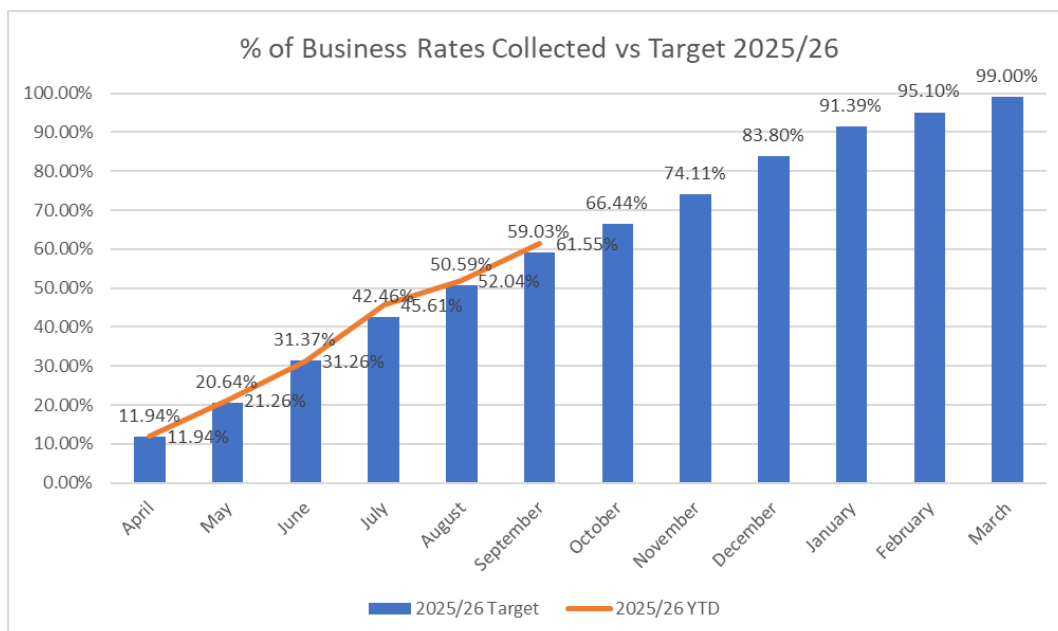
- 5.7. The property team are working with the finance team to model the optimum point to dispose of the remaining asset portfolio with a view to bringing forward sales in the remainder of 2025/26 and 2026/27 which could mitigate the reduced profile of sales shown above.

## 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. SUNDRY DEBT AND ADULT SOCIAL CARE DEBT

7.1. 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 September 2025                         | Total<br>£m | Provision Required<br>% | £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        |
| <b>Increase (+) / Decrease (-) in Provision</b> |             |                         | <b>1.226</b> |

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**

| <b>MTFS Reserve</b>             | <b>April 2025 Reserves Position</b> | <b>Budgeted Transfers (to)/from reserves 2025/26</b> | <b>Forecast Reserve Position 2025/26</b> |
|---------------------------------|-------------------------------------|--|--|
| Transformational Reserve        | 3.657                               | -0.998   | 2.659                                    |
| Directorate Carry Forwards      | 0.186                               | -0.123   | 0.063                                    |
| <b>MTFS Reserve Total</b>       | <b>3.843</b>                        | <b>-1.121</b>  | <b>2.722</b>                             |
| 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                                    |
| <b>Earmarked Reserves Total</b> | <b>40.63</b>                        | <b>-1.694</b>  | <b>3.943</b>                             |

### 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<br>£m | In-year movements<br>£m | Claw-back pay award<br>£m | Current Budget<br>£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                |
| <b>Contingency Total</b>                        | <b>9.408</b>          | <b>(3.963)</b>          | <b>1.803</b>              | <b>7.248</b>         |

In-year allocations are currently as follows:

|   | Allocations<br>£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             |
| <b>Allocations Total</b>                      | <b>3.963</b>      |

## 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**

|                    | <b>Brought forward</b> | <b>Net movement</b> | <b>Carry forward</b> |
|--------------------|------------------------|---------------------|----------------------|
| <b>DSG 2025/26</b> | <b>£10,489</b>         | <b>£9,399</b>       | <b>£19,888</b>       |

## **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<br>Annual<br>Budget -<br>Revised | 2025/26<br>Forecast<br>@P6 | 2025/26<br>Variance<br>from<br>revised<br>Budget | Revised<br>Forecast<br>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<br>YTD | Actual YTD /<br>Forecast | 25/26<br>Revised<br>Budget | Forecast<br>Outturn | Fcst v Revised<br>Bdgt | Fcst Movt<br>Since Q1 | Fut Yrs<br>Budget | Spend<br>Profile  |
|---------------------------|----------------|--------------------------|----------------------------|---------------------|------------------------|-----------------------|-------------------|---|
|                           | £m             | %                        | £m                         | £m                  | £m                     |                       | £m                |   |
| Disabled Facilities Grant | 0.531          | 29%                      | 1.847                      | 1.847               | -                      | -                     | 5.661             |  |
| <b>Adults TOTAL</b>       | <b>0.531</b>   | <b>29%</b>               | <b>1.847</b>               | <b>1.847</b>        | <b>-</b>               | <b>-</b>              | <b>5.661</b>      |   |

- 1.1. 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.
- 1.2. 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<br>CHILDRENS                  | Actuals<br>YTD | Actual YTD /<br>Forecast | 25/26<br>Revised<br>Budget | Forecast<br>Outturn | Fcst v Revised<br>Bdgt | Fcst Movt<br>Since Q1 | Fut Yrs<br>Budget | Spend<br>Profile  |
|--|----------------|--------------------------|----------------------------|---------------------|------------------------|-----------------------|-------------------|---|
|  | £m             | %                        | £m                         | £m                  | £m                     | £m                    | £m                |   |
| Primary Expansions                             |                | 0%                       | -                          | -                   | -                      | -                     | 0.911             |   |
| Secondary Expansion Programme                  |                | 0%                       | 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             |  |
| <b>Children's Services TOTAL</b>               | <b>3.382</b>   | <b>43%</b>               | <b>7.769</b>               | <b>7.897</b>        | <b>0.128</b>           | <b>0.128</b>          | <b>17.356</b>     |   |

- 2.1. 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.
- 2.2. 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.
- 2.3. 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 Outturn | Fcst v Revised Bdgt | Fcst Movt Since Q1 | Fut Yrs Budget | Spend Profile   |
|--|--------------|-----------------------|----------------------|------------------|---------------------|--------------------|----------------|---|
|  | £m           | %                     | £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         |  |
| <b>Regeneration, Housing &amp; Environment TOTAL</b> | <b>2.993</b> | <b>20%</b>            | <b>24.724</b>        | <b>14.807</b>    | <b>(9.917)</b>      | <b>(9.917)</b>     | <b>31.539</b>  |   |

- 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 shelved 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

| <b>CAPITAL PROJECTS<br/>RESOURCES</b> | <b>Actuals<br/>YTD</b> | <b>Actual YTD /<br/>Forecast</b> | <b>25/26<br/>Revised<br/>Budget</b> | <b>Forecast<br/>Outturn</b> | <b>Forecast Revised<br/>Bdgt</b> | <b>Forecast Movt<br/>Since Q1</b> | <b>Fut Yrs<br/>Budget</b> | <b>Spend<br/>Profile</b>  |
|---------------------------------------|------------------------|----------------------------------|-------------------------------------|-----------------------------|----------------------------------|-----------------------------------|---------------------------|---|
|                                       | £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                       | -                                | -                                 | -                         |  |
| <b>Corporate Resources TOTAL</b>      | -                      | 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 replaced 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 | Actuals / Forecast % | 25/26 Revised Budget* | Forecast Outturn | Fcst v Revised Bdgt | Fut Yrs Budget | Overall Project Status |
|---|----------------|----------------------|-----------------------|------------------|---------------------|----------------|------------------------|
|   | £m             |                      | £m                    | £m               | £m                  | £m             |                        |
| Disabled Facilities Grant                         | 0.531          | 29%                  | 1.847                 | 1.847            |                     | 5.661          | A                      |
| <b>Adults TOTAL</b>                               | <b>0.531</b>   | <b>29%</b>           | <b>1.847</b>          | <b>1.847</b>     | -                   | <b>5.661</b>   |                        |
| 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                      |
| <b>Children's Services TOTAL</b>                  | <b>3.382</b>   | <b>43%</b>           | <b>7.769</b>          | <b>7.897</b>     | <b>0.128</b>        | <b>17.356</b>  |                        |
| <b>RHE-Property</b>                               |                |                      |                       |                  |                     |                |                        |
| 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                      |
| <b>RHE Property TOTAL</b>                         | <b>0.252</b>   | <b>21%</b>           | <b>1.489</b>          | <b>1.215</b>     | <b>(0.273)</b>      | <b>8.791</b>   |                        |
| <b>RHE-Highways</b>                               |                |                      |                       |                  |                     |                |                        |
| 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 Gulley Tanker            |                | 0%                   | 0.420                 | 0.420            |                     |                | G                      |
| Hook Lifts  |                | 0%                   | 0.350                 | 0.350            |                     |                | A                      |
| <b>RHE Highways TOTAL</b>                         | <b>1.794</b>   | <b>17%</b>           | <b>16.629</b>         | <b>10.530</b>    | <b>(6.099)</b>      | <b>11.512</b>  |                        |

| 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               | £m                  | £m             |                        |
| <b>RHE-Environmental</b>                             |                |                      |                       |                  |                     |                |                        |
| 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                      |
| <b>RHE Environmental TOTAL</b>                       | <b>0.947</b>   | <b>31%</b>           | <b>6.606</b>          | <b>3.061</b>     | <b>(3.545)</b>      | <b>11.235</b>  |                        |
| <b>Regeneration, Housing &amp; Environment TOTAL</b> | <b>2.993</b>   | <b>20%</b>           | <b>24.724</b>         | <b>14.807</b>    | <b>(9.917)</b>      | <b>31.539</b>  |                        |
| IT Infrastructure Refresh                            |                | 0%                   | 0.550                 | 0.550            |                     | 1.800          | G                      |
| New Housing Management Procurement                   |                | 0%                   | 0.046                 | 0.046            |                     |                | G                      |
| <b>Corporate Resources TOTAL</b>                     | <b>-</b>       | <b>0%</b>            | <b>0.596</b>          | <b>0.596</b>     | <b>-</b>            | <b>1.800</b>   |                        |
| Corporate - Transformation Programme                 |                |                      | 4.000                 | 4.000            |                     |                |                        |
| Capitalisation Directions                            |                |                      | 15.709                | 15.709           |                     | 10.611         |                        |
| <b>Finance TOTAL</b>                                 | <b>-</b>       |                      | <b>19.709</b>         | <b>19.709</b>    | <b>-</b>            | <b>10.611</b>  |                        |
| <b>GENERAL FUND TOTAL</b>                            | <b>6.905</b>   |                      | <b>54.646</b>         | <b>44.856</b>    | <b>(9.790)</b>      | <b>66.967</b>  |                        |

**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               | £m                   | £m             |                                   |
| Commissioning of R&M and Inv. Contract           |              | 0%                   | 0.079           | 0.079            |                      |                | G                                 |
| 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                                 |
| <b>Repairs &amp; Maintenance (RMI) Total</b>     | <b>4.061</b> | <b>41%</b>           | <b>9.844</b>    | <b>9.844</b>     | <b>-</b>             | <b>36.772</b>  |                                   |
| De-carbonisation Works                           | 1.456        | 24%                  | 6.173           | 6.173            |                      | 25.699         | G                                 |
| <b>Affordable Homes</b>                          |              |                      |                 |                  |                      |                |                                   |
| 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                                 |
| <b>Affordable Homes Total</b>                    | <b>2.004</b> | <b>19%</b>           | <b>10.498</b>   | <b>10.753</b>    | <b>0.256</b>         | <b>20.000</b>  |                                   |
| <b>HRA TOTAL</b>                                 | <b>7.521</b> | <b>28%</b>           | <b>26.515</b>   | <b>26.770</b>    | <b>0.256</b>         | <b>82.471</b>  |                                   |

**Table 3 - Reprofiting adjustments**

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

| Service                  | Programme                       | Reprofiling<br>£m | Comment   |
|--------------------------|---------------------------------|-------------------|---|
| <b>Schools</b>           |                                 |                   |   |
| 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.   |
| <b>Total Schools</b>     |                                 | <b>0.150</b>      |   |
| <b>Highways</b>          |                                 |                   |   |
| 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.   |
| <b>Total Highways</b>    |                                 | <b>6.018</b>      |   |
| <b>Environment</b>       |                                 |                   |   |
| 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.<br>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.   |
| <b>Total Environment</b> |                                 | <b>3.546</b>      |   |
|                          |                                 | <b>9.713</b>      |   |

**Table 4 - Reconciliation of Capital MTFP budget movement**

| <b>CAPITAL GENERAL FUND</b>                | <b>25/26</b>  | <b>26/27</b>  | <b>27/28</b>  | <b>28/29</b> | <b>29/30</b> | <b>Total</b>   |
|--|---------------|---------------|---------------|--------------|--------------|----------------|
| <b>Movement - Original to revised</b>      | <b>£m</b>     | <b>£m</b>     | <b>£m</b>     | <b>£m</b>    | <b>£m</b>    | <b>£m</b>      |
| <b>Original Approved Budget</b>            | <b>53.347</b> | <b>24.964</b> | <b>9.495</b>  | <b>8.665</b> | <b>9.130</b> | <b>105.600</b> |
| Brought fwd from 24/25 (July Cabinet)      | 12.353        |               |               |              |              | <b>12.353</b>  |
| Additions - (July Cabinet)                 | 0.918         | 0.638         | 0.637         |              |              | <b>2.193</b>   |
| Additions 25/26 Various (Sep Cabinet)      | 0.782         |               |               |              |              | <b>0.782</b>   |
| Additions Future Years (DFG) (Sep Cabinet) |               | 0.171         | 0.171         | 0.171        | 0.171        | <b>0.685</b>   |
| Reprofiling (Sep Cabinet)                  | (12.753)      | 10.138        | 2.615         | -            | -            | -              |
| <b>Revised Budget Sep 2025</b>             | <b>54.646</b> | <b>35.912</b> | <b>12.918</b> | <b>8.836</b> | <b>9.301</b> | <b>121.612</b> |

## 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:

| <b>Component</b>  | <b>Variance<br/>£000</b> | <b>Comment</b>   |
|---|--------------------------|--|
| <b>Volume changes</b> 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. |
| <b>Cost changes</b> 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).         |
| <b>Prior year payments</b>  | +£291                    | Backdated payments relating to old years which were not accrued for.   |
| <b>Non-recurring</b> lump sum payments  | +£12                     | These are legitimate costs, but are accounted for outside the cost / volume calculations to avoid them impacting future year calculations.   |
| <b>Increased provision for more out-of-borough places</b> 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.        |
| <b>Total variance</b>   | <b>£520</b>              |  |

## Appendix 5 – Savings Detail

|         |             | Q1<br>£'m |       | P5<br>£'m |       | P6<br>£'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<br>(£m) | Below the Line<br>(£m) | Chief Execs Office<br>(£m) | Children's Services<br>(£m) | Corporate Resources<br>(£m) | Law and Governance<br>(£m) | Public Health & Public Protection<br>(£m) | RHE<br>(£m)  | Grand Total<br>(£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               |
| Proportion-ate HRA recharges             |                         |                        |                            |                             |                             |                            |   | 0.300        | 0.300               |
| Absorbing 2025/26 pay award              |                         | 1.803                  | -0.125                     | -0.060                      |                             | -0.045                     |   | -0.490       | 1.083               |
| <b>Grand Total</b>                       | <b>0.833</b>            | <b>4.503</b>           | <b>-0.104</b>              | <b>0.337</b>                | <b>0.946</b>                | <b>-0.045</b>              | <b>0.615</b>                              | <b>0.279</b> | <b>7.365</b>        |