

Slough Borough Council

Meeting:	Cabinet
Date:	16 February 2026
Subject:	Budget Management Report Q3
Lead Member:	Councillor Smith – Leader of the Council Councillor Bedi– Lead Member for Finance, Children and Lifelong Learning
Chief Officer:	Ian O'Donnell, Interim Executive Director of Corporate Resources (S151 Officer)
Contact Officer:	Mark Hak-Sanders, Director of Financial Management & Strategy
Ward(s):	All
Key Decision:	YES
Exempt:	NO
Decision Subject To Call In:	YES
Appendices:	<ol style="list-style-type: none">1) Directorate Report – Revenue2) Directorate Report – Capital3) HRA Capital Report4) Capital Project Tables5) DSG Block Analysis6) Savings Table

1. Summary and Recommendations

This report sets out the Council's forecast financial performance for 2025/26 as at the end of Quarter 3 - 31 December 2025. The report notes the continuing pressure on budgets and actions that have been taken to attempt to contain overall expenditure within budget.

The Council's financial position for 2025/26 is acute, with a £15.493m expected General Fund overspend against £23.5m in the General Fund Reserve. This is an improvement on the £17.540m overspend reported at the end of Q2. This improvement is in part due to short-term vacancy freeze and a reduction in the amount spent on interim staff.

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 3 reflects a forecast overspend of £15.493m.
- 2. General Fund (Capital)** – The revised capital budget is £45.833m with a projected outturn of £40.250m resulting in underspend of £5.582m. This compares to an underspend of £9.790m at Quarter 2.
- 3. Housing Revenue Account (HRA Revenue)** – A surplus of £3.953m is forecast, £1.353m higher than budget. This compares to a £2.290m forecast underspend in Quarter 2.
- 4. Housing Revenue Account (HRA Capital)** – The revised capital budget is £26.515m with a projected outturn of £22.616m resulting in an underspend of £3.899m. This is a reduction of £4.155m since Quarter 2.
- 5. Dedicated Schools Grant (DSG)** – There is an overspend of £11.702m in-year, before taking into account the £3.240m Safety Valve support which would produce a net overspend of £8.462m. This compares to a post safety valve overspend of £9.399m reported at Quarter 2.
- 6. Council Tax and Business Rates collection** – As at 31 December, actual Council Tax collected was 78.83% (target 80.50%) and actual Business Rate collected was 84.03% (target 83.80%).
- 7. Sundry Debt** – Total outstanding sundry debt including adult social care debt as at the 31 December 2025 was £11.992m. Based on the age profile of the debt, £7.804m is the calculated bad debt provision.
- 8. 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:

- 9.** A drawdown of £0.974m from the Public Health reserve to support the Public Health local plan.

10. Drawdowns totalling £0.226m from the Redundancy Reserve to fund the one-off severance and pension strain costs associated with redundancy costs identified from within the forecast.
11. Reprofitting of £1.841m relating to service Capital projects and remove £1.046m relating to technical adjustments, together with fully funded additions of £0.137m (as set out in Appendix 4)

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 requirements 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.

Commissioner Review

“Regular monitoring and reporting of the Council's financial position are critical governance controls, ensuring optimal resource allocation and informed decision-making and due to the timing this Q3 forecast serves as the revised baseline for the 2026/27 Medium-Term Financial Strategy (MTFS).

The Council is forecasting a £15.5m revenue overspend (after £15.7m exceptional support) and an £8.5m annual deficit in the Dedicated Schools Grant (after £3.2m Safety Valve support). While the position has improved slightly since Q2, as the Council gets closer to the end of the financial year, the opportunities available to make significant improvements diminish, resulting in structural deficits continuing into 2026/27 and beyond. The focus must remain on mitigations to minimise reserve drawdowns, which weaken the Council's financial resilience and presents a risk to the Council's future financial sustainability.

The general fund Capital Programme is forecasting a 10% year-end underspend, although year-to-date expenditure is only at 43%. This trend suggests the forecast is over-optimistic; without realistic capacity reassessment or improved delivery, significant year-end slippage is inevitable. Enhanced programme oversight is required.

The Commissioners are content with this report being considered.”

Report

2. GENERAL FUND

2.1 Revenue:

- 2.1.1 The forecast General Fund revenue budget position is a net overspend of **£15.493m**.
- 2.1.2 The Quarter 2 report to Cabinet showed a £17.540m overspend. During this report it was explained how actions such as freezing recruitment and reviewing interim spend were being put in place to attempt to contain the overspend.
- 2.1.3 Therefore, these actions have caused a reduction in the overspend of circa £2.0m. The full effect of the recruitment freeze is included within the forecast, but it is hoped that the ECP process remaining in place will limit the overspend further by the end of Q4.

2.2 Movements

- 2.2.1 The main elements of the improvement are set out in the table, below. Additional detail can be found in Appendix 1.

Main Forecast Variance changes since Q2	£m	Commentary – main movements within the area
Quarter 2 Position after mitigations	17.540	
Adults	(0.160)	Minor movement mainly due to the release of operational underspends & staffing reviews.
Children's Services (Excl SCF)	(0.697)	Increased income from recharges and children's centres, and effect of recruitment freeze.
Slough Children's First	1.984	Pressure against the Slough Children's First contract payment based on the company's Q3 budget monitoring report. In previous months it has been assumed that any spend pressure will be managed internally by SCF. However, SCF are reporting that this pressure cannot be contained within their contract payment so the Council is recognising the pressure in its Q3 forecast. Work continues to understand whether mitigations are possible, and a change to the contract sum will not be agreed until later in the year.
Public Health & Public Protection	(0.146)	Minor movement mainly due to the release of operational underspends & staffing review.

RHE	(1.519)	Positive movement due to additional internal recharges and Highways & permits income and due to stronger contract management and controls
Chief Executives Office	(0.426)	Capitalisation of some staffing spend within Transformation
Corporate Resources	(1.215)	Recognition of underspends in DDaT, increased HRA income based on current charges and the effect of the staffing review impact. There was also a balance sheet review which confirmed that there was £275k of credits (legacy funding from COVID grants where the conditions have already been met) that can be used in 2025/26
Law and Governance	(0.124)	Minimal Changes
Housing Benefit	(0.942)*	This was primarily due to the subsidy shortfall reducing, reflecting the acquisition of cheaper properties for TA leading to lower gross TA HB spend, without a reduction in subsidy.
Minimum Revenue Provision	(0.576)*	MRP reduction assumed following 2024/25 accounts
Funding	(0.188)	Increased Extended Producer Responsibility (EPR) grant.
Overall Forecast Change since Q2	(3.864)	
Of which: Amount identified as at Q2 report	1.816	
Overall Forecast after mitigations at Quarter 2	15.493	

* Part of the savings programme / other changes that make up the 2026/27 Budget.

Detailed directorate analysis can be found in appendix 1 but the main elements of the overall **£15.5m** overspend are:

- Temporary Accommodation and associated Housing Benefit Subsidy loss on TA - £13.8m (offset by £1m of other surpluses in Housing Benefit).
- Adults Services - £4.9m
- Children's Services - £1.0m
- Slough Children First - £1.9m
- RHE - £1.4m
- Transformation not funded by Flexible use of Capital Receipts - £1.7m
- Public Health & Public Protection - (£0.9m)
- **Subtotal before contingency and mitigations £22.8m**
- Less Contingency (£7.1m)
- Net Underspends in other areas (MRP, Funding Movements etc) - (£0.2m)
- **Total £15.5m**

Table 1: Forecast Outturn

	YTD to 2025/26 Period 9			Full Year to 2025/26 Period 9				Quarterly Comparison	
Service Budgets	Budget to Date	Actuals to date	Variance	Original Budget	Current Budget	Forecast	Variance	Q2 Over/ (Under) Spend	Q2 vs Q3 Movement
	£m	£m	£m	£m	£m	£m	£m	£m	£'m
Adults Services	35.242	33.442	(1.800)	46.529	46.989	51.849	4.860	5.020	(0.160)
Children's Services	8.349	6.355	(1.994)	12.038	11.254	12.300	1.047	1.744	(0.697)
Slough Children First	28.765	29.067	0.302	38.353	38.353	40.278	1.925	(0.059)	1.984
Public Health & Public Protection	1.046	(0.730)	(1.777)	1.629	1.395	0.501	(0.893)	(0.747)	(0.146)
Regeneration, Housing & Environment	10.616	5.107	(5.508)	21.014	15.031	16.446	1.415	2.934	(1.519)
Chief Execs Office	2.596	5.386	2.790	3.402	3.462	5.232	1.770	2.196	(0.426)
Corporate Resources	13.412	14.955	1.543	14.893	17.765	17.057	(0.708)	0.507	(1.215)
Law and Governance	1.668	1.758	0.090	2.098	2.224	2.412	0.188	0.312	(0.124)
Total Service Budgets	101.694	95.341	(6.353)	139.956	136.472	146.075	9.603	11.905	(2.302)
Non Dept Budgets									
Other Non Dept Budgets	1.371	10.146	8.776	2.502	0.828	2.954	2.126	2.106	0.020
Housing Benefit & DHP	4.412	12.388	7.976	(1.381)	5.883	18.822	12.940	13.882	(0.942)
Contingency	5.327	0.000	(5.327)	9.409	7.103	0.000	(7.103)	(7.248)	0.145
Minimum Rev. Provision	0.000	0.000	0.000	13.767	13.767	13.191	(0.576)	0.000	(0.576)
Capital Financing	8.606	0.712	(7.894)	11.475	11.475	10.275	(1.200)	(1.200)	0.000
Total Non Dept Budgets	19.716	23.247	3.531	35.772	39.056	45.242	6.187	7.540	(1.353)
Total Expenditure	121.410	118.588	(2.822)	175.728	175.528	191.318	15.790	19.445	(3.655)
Financing								0.000	0.000
Council Tax	(65.393)	(87.454)	(22.061)	(87.390)	(87.190)	(87.279)	(0.089)	(0.089)	0.000
Business Rates	(33.295)	20.714	54.008	(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	(6.018)	(6.098)	(0.080)	(8.024)	(8.024)	(8.024)	0.000	0.000	0.000
Government Grants	(15.159)	(18.967)	(3.808)	(20.212)	(20.212)	(20.420)	(0.208)	0.000	(0.208)
Total Financing	(119.864)	(91.805)	28.059	(160.019)	(159.819)	(160.116)	(0.297)	(0.089)	(0.208)
New Total Expenditure	1.546	26.783	25.237	15.709	15.709	31.202	15.493	19.356	(3.863)
Capitalisation Direction	0.000	0.000	0.000	(15.709)	(15.709)	(15.709)	0.000	0.000	0.000
Total Funds	(119.864)	(91.805)	28.059	(175.728)	(175.528)	(175.825)	(0.297)	19.356	(19.653)
GAP	1.546	26.783	25.237	0.000	0.000	15.493	15.493	0.000	15.493

Reporting on a subjective basis (i.e. split between pay, non-pay and income) for service areas is as follows:

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

	YTD to 2025/26 Period 9			Full Year to 2025/26 Period 9			
All service areas	Budget to Date	Actuals to date	Variance	Original Budget	Current Budget	Forecast	Variance
	£m	£m	£m	£m	£m	£m	£m
Pay	52.661	57.371	4.710	66.704	70.040	78.517	8.476
Non-Pay	138.283	140.435	2.152	165.148	184.633	201.227	16.594
Income	-89.250	-102.465	-13.215	-91.896	-118.201	-133.669	-15.468
Grand Total	101.694	95.341	-6.353	139.956	136.472	146.075	9.603

Table 3: Pay variance across Directorates:

	YTD to 2025/26 Period 9			Full Year to 2025/26 Period 9			
Staffing Costs - all Directorates	Budget to Date	Actuals to date	Variance	Original Budget	Current Budget	Forecast	Variance
	£m	£m	£m	£m	£m	£m	£m
Adults Services	10.071	9.428	-0.643	12.793	13.428	13.616	0.188
Children's Services	7.454	7.795	0.341	9.653	9.911	10.878	0.967
Slough Children First	0.000	0.017	0.017	0.000	0.000	0.023	0.023
Public Health & Public Protection	3.845	3.686	-0.160	4.755	5.127	4.952	-0.175
Regeneration, Housing & Environment	14.591	15.290	0.699	19.038	19.426	22.129	2.703
Chief Execs Office	3.259	5.906	2.647	4.286	4.345	8.271	3.925
Corporate Resources	12.425	14.208	1.782	14.851	16.449	17.234	0.785
Law and Governance	1.016	1.041	0.026	1.329	1.354	1.414	0.060
Total	52.661	57.371	4.710	66.704	70.040	78.517	8.476

Note on Material Variances (> £500k):

- Children's Services – More agency staff used in 2025/26 than was initially budgeted for.
- RHE – Additional agency spend compared to initial budget due to being unable to recruit as quickly as planned.
- Chief Execs Office – Approach to staffing budget and forecast has been reviewed during the year, having previously not included staff funded from other sources (e.g. capital)..
- Corporate Resources – Additional Agency Spend compared to initial budget due to being unable to recruit as quickly as planned.

2.3. Savings & Mitigations Update

2.3.1. In the Q2 report, it was reported that further opportunities were being explored to attempt to contain more of the overspend that existed. The below table provides an update on each of these opportunities and further information including on the financial impact will be reported at outturn:

Opportunity	Update
Non-essential recruitment freeze	ECPs for non-essential recruitment are reviewed weekly by CLT to ensure only essential roles are recruited during the remainder of the current financial year.
Agency and interim staff review and reduction	Savings have been achieved in both Adult Social Care & Corporate Resources due to the reduction in interim staff
Review of third-party contracts	Third party contracts across the council have been reviewed to assess any possible savings both in 25/26 and beyond.
Optimising facility usage	As of 6 February, Observatory House will be closed on Fridays. This will deliver savings of £90k a year.
Deferring non-critical maintenance	All services have been asked to defer until April 2026 where possible to achieve without creating unnecessary service issues.
Accelerate fees and charges increases	Consultants have been engaged to understand and maximise the strategy towards fees and charges.
Transformation – review of costs to maximise amount delivering chargeable to capital receipts.	Review enabled an additional c£200k to be capitalised and thus that overspend could be released from the general fund

2025/26 Planned Savings

2.3.2. 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£9.3m (79.1%) are either achieved or deemed “On track” and are included in the current forecast. Full details of the savings tracker including progress by directorate can be found in Appendix 5.

2.4. Capital – General Fund

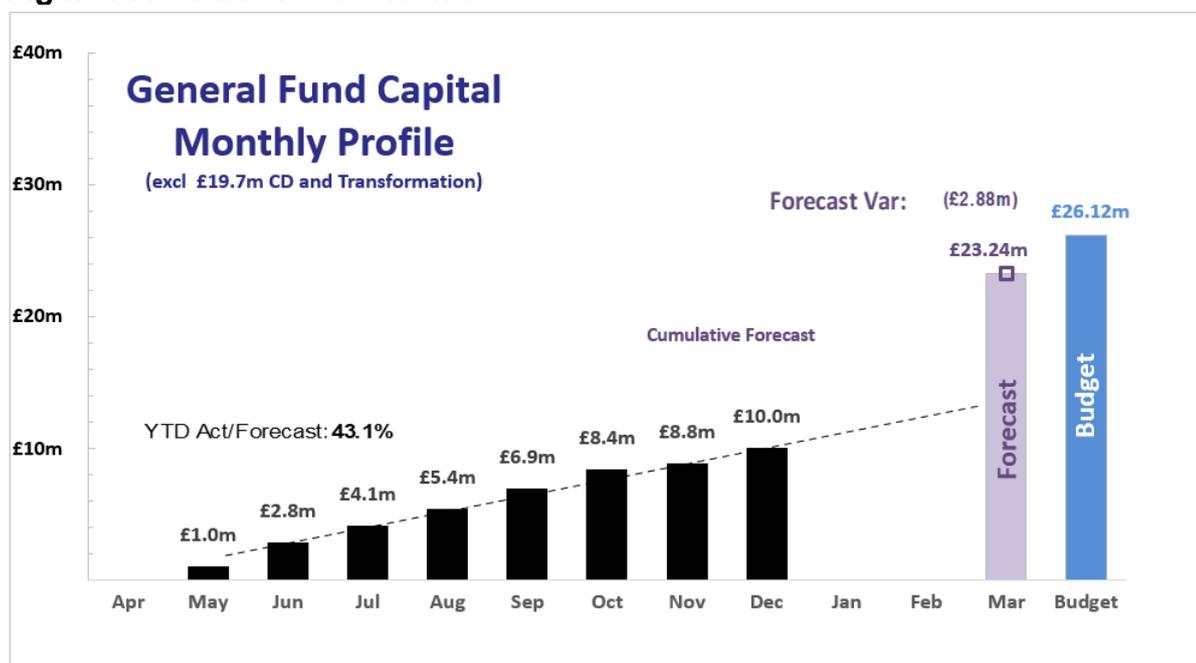
- 2.4.1. The forecast for service capital spend at P9 is **£23.241m**, a variance of **(£2.882m)** against the **£26.124m** budget, with actual spend up to the end of December of **£10.019m**. This equates to 43% of the forecast.
- 2.4.2. The Transformation budget of £4.000m and the Capital Direction budget of £15.709m brings the total 2025/26 budget to **£45.833m**. This includes the slippage, additions and reprofiling approved by July and September Cabinet (see Appendix 4).
- 2.4.3. The schemes generating the variance are slippage on A4 Cycle Lane (£1.367m), Stock Condition Survey (£0.273m), and Cemetery Extensions (£0.150m). In addition, (£0.456m) relates to projects that are funded from the DfT Block grant but should be accounted for in revenue.
- 2.4.4. Cabinet is being asked to approve **reprofiling of £1.841m** relating to service projects and **remove £1.046m** relating to technical adjustments, together with fully funded **additions of £0.137m** (as set out in Appendix 4)
- 2.4.5. Please refer to the Directors' Overview in Appendix 2 for further details of project and programme progress.

Table 4 - General Fund Summary

CAPITAL GENERAL FUND	Actuals YTD	Actual YTD / Forecast	25/26 Revised Budget	Forecast Outturn	Fcst v Revised Bdgt	Fcst Movt Since Q2
	£m	£m	£m	£m	£m	£m
Adults & Children Social Care	0.973	53%	1.847	1.847	-	-
Children Services	5.019	60%	8.519	8.354	(0.165)	0.457
Regeneration, Housing & Environment	3.552	28%	15.161	12.565	(2.596)	(2.242)
Corporate Resources	0.476	100%	0.596	0.476	(0.120)	(0.120)
Sub Total Services	10.019	43%	26.124	23.241	(2.882)	(1.906)
Transformation	-	0%	4.000	1.300	(2.700)	(2.700)
Capital Direction	-	0%	15.709	15.709	-	-
GF Total	10.019		45.833	40.250	(5.582)	(4.606)

- 2.4.6. The cumulative YTD spend is shown in Figure 1 below based on actuals to December 2025 and forecasts from January to March 2026.

Figure1 Actual/Forecast Trend



3. HOUSING REVENUE ACCOUNT (HRA)

3.1. Revenue

- 3.1.1. The HRA Forecast is a net increase in budgeted surplus of £1.353m, mainly due to reduction to the leasehold service charge income fully mitigated by estimated additional rental & other income.
- 3.1.2. The HRA in year 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 5: 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	7,468	14,061	(245)
Housing Management	7,152	5,145	7,274	122
Central Support Recharges	3,152	1,490	3,152	0
Estate Services	4,154	2,378	4,032	(122)
Capital Charges	14,717	0	14,677	(41)
TOTAL EXPENDITURE	43,482	16,481	43,196	(285)
Dwelling Rental Income	(40,703)	(26,670)	(41,957)	(1,254)
Service charges Income	(3,777)	(2,721)	(3,504)	273
Non-Dwelling Rental & Other Income	(1,602)	(630)	(1,688)	(87)
TOTAL INCOME	(46,082)	(30,020)	(47,149)	(1,068)
(SURPLUS)/DEFICIT	(2,600)	(13,540)	(3,953)	(1,353)

3.2. Capital

CAPITAL HRA	Actuals to date £m	Actual YTD / Forecast £m	25/26 Revised Budget £m	Projected Outturn £m	Fcst v Revised Bdgt £m	Fcst Movt Since Q2 £m
Repairs & Maintenance (RMI)	6.605	67%	9.844	9.844	-	-
DeCarbonisation	3.665	59%	6.173	6.173	-	-
Affordable Homes	4.077	62%	10.498	6.599	(3.899)	(4.155)
HRA total	14.347	63%	26.515	22.616	(3.899)	(4.155)

3.2.1. The HRA Repairs & Maintenance and Decarbonisation programmes are forecast on track. Cabinet is asked to note the £3.899m variance on the Affordable Homes programme due to delays in acquiring suitable properties for affordable housing. The underspend will be finalised as part of the closing process.

3.2.2. Please refer to Appendix 3 for a project level view of the HRA programme.

4. DEDICATED SCHOOLS GRANT

4.1. Overall, the Q3 forecast for the 2025/26 DSG points to a £11.702m in-year overspend, before taking account of the £3.240m Safety Valve support which would produce a **net overspend of £8.462m** for the year, if the assumptions behind it were to prevail.

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

DSG Block	Gross DSG on DfE website 31/3/2025	less ESFA recoupment	Other adjustments (Note 1)	Net DSG income available to LA	Forecast position 2025/26	Year-end balance
Schools Block	£184,973	-£141,340	-£925	£42,708	£42,424	-£284
Central School Services Block	£921		£100	£1,021	£1,021	£0
Early Years	£24,843			£24,843	£24,843	£0
High Needs	£40,169	-£10,276	£825	£30,718	£42,704	£11,986
Total 2025/26	£250,906	-£151,616	£0	£99,290	£110,992	£11,702
Plus Safety Valve				£3,240	£0	-£3,240
TO RESERVES: Forecast net movement in DSG 2025/26				£102,530	£110,992	+£8,462

4.2. As a response to the overspend, Cabinet have agreed a Sufficiency Strategy for high needs places. 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.

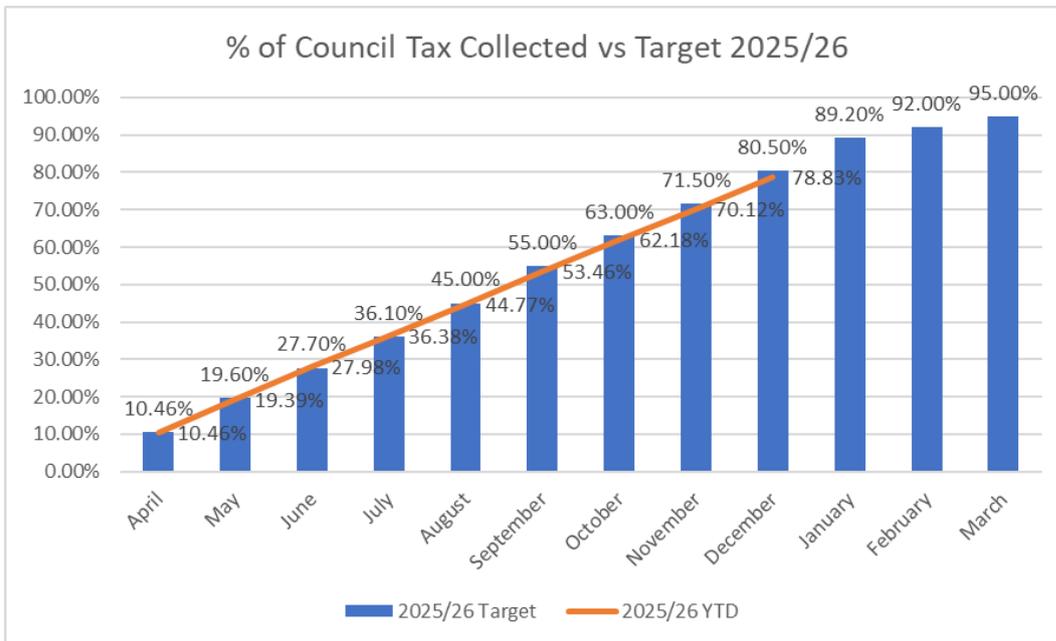
4.3. An analysis of the DSG blocks can be found in Appendix 5.

5. ASSET SALES

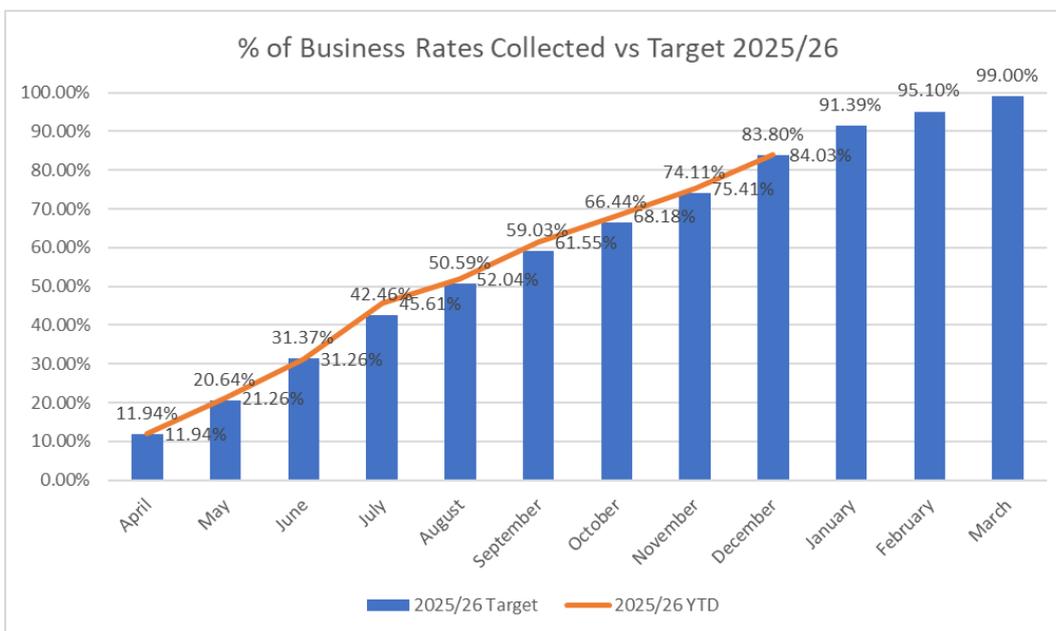
- 5.1. The Treasury Management strategy prepared as part of the budget setting process in February 2025 assumed total GF net disposal receipts of £21.7m.
- 5.2. The GF disposal forecast for 2025/26 is net receipts of £8.7m, of which £3.7m (including 4 disposals to the HRA) has been received at the end of Quarter 3. The reduced forecast of net disposal receipts since the TM strategy is because of delays including market conditions, service need and issues arising through internal due diligence.
- 5.3. The finance and property team are working with to model the optimum point to dispose of the remaining asset portfolio as part of the production of the Treasury Management strategy which is part of a separate report to this committee. This will set out the revised timeline for asset disposal for 2026/27 onwards.
- 5.4. The HRA disposal forecast for 2025/26 is net receipts £12.6m of which £12.1m has been received at the end of Quarter 3. This is a reduction of £2.1m on the initial forecast with these sales expected to be completed in 2026/27.
- 5.5. Where HRA sites have been disposed of, an assessment is 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 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.

6. COUNCIL TAX AND BUSINESS RATES PERFORMANCE

- 6.1. At P9 in respect of in-year Council Tax, collection is **78.83%** (1.67% behind target), and 1.12% behind the December 2024 position of 79.95%. 1.67% behind target equals £1.735m in cash terms. Residents continue to struggle with cost-of-living increases, and only two 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 January 2026.



6.2. In respect of Business Rates, collection is **84.03%** (0.23% ahead of target). We are 1.85% ahead of the position in December 2024 which was 82.18%. The increase in collection of 0.23% equates to 0.316m. We are ahead of December 2024 collection by £1.706m 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 31 December 2025	Total £m	Provision Required %	Provision Required £m
Not Due	1.433	0%	0.000
0 - 29 Days	1.479	5%	0.074
30 - 59 Days	0.888	15%	0.133
60 - 89 Days	0.470	50%	0.235
90 - 119 Days	0.120	75%	0.090
120 - 365 Days	3.378	100%	3.378
Over 366 Days	3.876	100%	3.876
Adult Social Care secured debt	0.348	5%	0.017
Balance outstanding	11.992		7.804
Bad Debt Provision			5.604
Increase (+) / Decrease (-) in Provision			2.200

7.2. As of the 31 of December 2025 the balance outstanding for Sundry Debts was £10.992m. Applying the formula used to estimate the level of provision required suggests this requires a provision of £7.804m. The current provision is **£5.604m**, so at P9 an estimated £2.200m 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 as £2.226m of invoices being 100% provided for are currently on hold awaiting resolution.

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 table below shows the current forecasted reserves position. Note that the proposed reserves movements are included within the current forecast so the £1m general reserve contribution will be netted off with the final outturn position.

Table 9: Reserves Summary

<i>MTFS Reserve</i>	<i>April 2025 Reserves Position (£'000)</i>	<i>Budgeted Transfers (to)/from reserves 2025/26 (£'000)</i>	<i>Forecast Reserve Position 2025/26 (£'000)</i>
Transformational Reserve	3.657	-0.998	2.659
Directorate Carry Forwards	0.186	-0.123	0.063
<i>MTFS Reserve Total</i>	<i>3.843</i>	<i>-1.121</i>	<i>2.722</i>
Better Care	1.278		1.278
Public Health Reserve	1.818	-1.174	0.644
Redundancy/Severance Payments	5.173	-0.226	4.947
Budget Smoothing Reserve	5.060	-1.373	3.687
Other Earmarked Reserves	2.749		2.749
<i>Other Earmarked Reserves Total</i>	<i>19.921</i>	<i>-3.894</i>	<i>16.027</i>
General Reserve	23.465	1.000	24.465
<i>Forecast General Fund Overspend drawdown (from General Reserve)</i>		-15.493	-15.493
<i>Estimated Total Earmarked Reserves</i>	<i>43.386</i>	<i>18.387</i>	<i>24.999</i>

8.2.2. Proposed Changes to Reserves in Q3:

- A drawdown of £0.974m from the Public Health reserve to support the Public Health local plan. This consists of multiple drawdowns all approved at the Public Health Board. Drawdowns will be processed retrospectively in a timely manner following provision of evidence-based expenditure. The total drawdown for 2025/26 is £1.174m with an initial £0.200m already being approved at Cabinet November 2025 (Budget Management Report Q2). It is recognised that some of this drawdown will be profiled across multiple financial years. The forecast uncommitted balance as at the end of the financial year is currently £0.644m representing 7% of the Public Health Grant allocation 2025/26.
- A draw down of £0.226m from the Redundancy Reserve to fund the one-off severance and pension strain costs. Please note that any individual case over £100k has already been approved by the employee committee and this request is exclusively around the draw down of the reserve itself.

8.3. Contingency

8.3.1. In addition to the above, total contingency is £7.103m, broken down as shown in the table below. The £19.4m overspend forecast for 2025/26 assumes that the entire £7.1m contingency is used to support the budget position.

Table 10: Contingency as at Q3

	Original Budget £m	In-year movements £m	Claw-back pay award £m	Current Budget £m
Pay Award	2.900	(2.900)		0.000
Potential Cost of Employer's National Insurance	1.085	(1.085)		0.000
Contract Inflation	1.058			1.058
Non Delivery of Savings	0.500			0.500
General Contingency	1.247	0.123	1.803	2.927
Risk Reserve	2.215			2.215
Provider Uplift Reserve	0.403			0.403
Contingency Total	9.408	(4.108)	1.803	7.103

In-year allocations are currently as follows:

	Allocations £m
Pay Award	1.803
Allocation of Inflation Contingency	1.058
PFI Adjustment	(0.900)
Internal Audit	0.250
Unachieved saving	0.200
Companies Legal Review	0.138
Finance Recruitment Campaign	0.157
Temporary Accommodation Data Project	0.200
EY Balance Sheet Review - MHCLG EFS Condition	0.055
Housing - Prevention	0.421
Rough Sleepers Initiative	0.581
Allocations Total	4.108

DSG Reserves

8.3.2. **Balances carried forward** - The table 11 below illustrates that the brought forward DSG deficit balance of £10.489m will increase by £8.462m to £18.951m cumulative deficit by the end of 2025/26, based on the latest in year forecast for 2025/26.

Table 11: Provisional movement in DSG reserves 2025/26

	Brought forward	Net movement	Carry forward
DSG 2025/26	£10,489	£8,462	£18,951

8.3.3. 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 (i.e. for the foreseeable future).

8.3.4. The remaining Safety Valve payments in 2026/27 total £6.480m, which is less than the cumulative £18.951m 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 £20.9m, with the final Safety Valve payment reducing that to £14.4m. The cumulative deficit on the DSG, would rise to £33.4m by the end of 2026/27 as shown in Table 12 below.

Table 12: Forecast movement in DSG reserves 2026/27

	Brought forward	Net movement	Carry forward
DSG 2026/27	£18,951	£14,467	£33,418

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. Adult's Services

- 1.1. In respect of the Adult's Services Directorate the reported forecast position for Quarter 3 is a net overspend of £4.860m to the budget, representing a forecast improvement of (£0.160m) since Q2. Within this was a pressure identified following a client contribution deep dive but this has been offset by reductions in spend following a review of Controcc commitments as well as the savings from the recruitment freeze and interim staff review. The remaining overspend of is mainly being driven by provider fee uplifts being greater than the inflationary increase & ongoing future demand.

2. Public Health & Public Protection

- 2.1. Within Public Health & Public Protection Directorate the reported forecast position for Quarter 3 is a net underspend of (£0.893m), representing reduction in the forecast of (£0.147m) since Q2, mainly due to the further release of operational underspends and the recruitment freeze/staffing review that has taken place over recent months.

3. Children's Services

- 3.1. The forecast position for Children's Services (excluding Slough Children First) for Quarter 3 is a net overspend of £1.047m. This represents a £0.697m reduction since Quarter 2.
- 3.2. The reduction in the forecast overspend is due to various factors including increases in income due to delays in issuing prior invoices, increased income projections for Children's Centres due to increase take up for Under 2s places, increased income from recharges and reduced spend resulting from the staffing review.

4. Slough Children First

- 4.1. In respect of Slough Children First (SCF) the Council's reported forecast position for Quarter 3 is an overspend of £1.925m, which represents an increase of £1.983m since Quarter 2.
- 4.2. This forecast overspend is based on the company's Quarter 3 budget monitoring report. In previous months it has been assumed that any spend pressure will be managed internally by the company. At Quarter 3 SCF are reporting that this pressure cannot be contained within their contract payment so the Council is recognising the pressure in its Quarter 3 forecast. However, work continues to understand whether mitigations are possible, and a change to the contract sum will not be agreed until later in the year.
- 4.3. The main reason for the forecast overspend is a rise in children coming into care who require high cost support in residential care to meet their needs. 7 children have

newly entered residential placements, only 1 of whom was previously in care in an inhouse foster placement. Their combined weekly costs are £83k; which on average would amount to £616k per annum per placement if they remained in the placement for a whole year. Where appropriate, care plans are being reviewed to step down to lower cost plans or reunify children in care to return home to live with family, and health funding contributions are being explored. But these mitigations are unlikely to have a significant impact in this financial year.

- 4.4. Other reasons for the increase in forecast spend are higher than budgeted legal costs and a further high cost support package for a child with disabilities to support the family to meet their child's needs at home.

5. RHE

- 5.1. For RHE (excluding Temporary Accommodation) there is a net overspend of £1.415m, this is an improvement on the Q2 position of £1.519m. This reduction in the forecast is due to various factors including additional internal recharges, increased highways and permits income & additional contract management and controls.

6. Temporary Accommodation & Housing Benefit

- 6.1.1. For housing, there is a net underspend £0.363m. This improvement on the previously reported position is due to additional grant funding. The revised forecast model closely aligns with 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. The forecast risk is currently estimated at £3.5m. Impact of annual provision of doubtful & bad debt is not yet reflected in the forecast.

Description	2025/26 Annual Budget - Revised	2025/26 Forecast @P9	2025/26 Variance from Revised Budget	Revised Forecast Risk
TA Households with Rent Accounts	1,300	1,300	0	
	£'000	£'000	£'000	
Total Accommodation costs	£31,200	£34,541	£3,341	
Average costs per month	£2,600	£2,878	£278	
Average costs per HH per month	£2.000	£2.214	£0	
TA Rental Income charged	-£30,420	-£33,761	-£3,341	£3,543
Provision for bad debt				£1,068
Total Rental Income	-£30,420	-£33,761	-£3,341	
Variance	£780	£780	£0	
Current Tenants		£7,830		
Former Tenants		£7,519		
Rent credits		-£575		
Total Arrears (net)		£14,774	£0	
Total HB Expenditure - Non-HRA	£9,899	£32,411	£22,512	
Total Subsidy Recovered - Non-HRA	-£3,365	-£12,020	-£8,655	
Total HB Subsidy loss (£)	£6,534	£20,391	£13,857	
Total HB Subsidy loss (%)	66%	63%		
Overall Total	£7,314	£21,171	£13,857	£4,611

7. Corporate Resources

7.1. Corporate Resources is showing an overall underspend of £0.708m as at Q3 which represents a reduction in the forecast of £0.756m since Q2. The factors that have resulted in the reduced forecast include the staffing review as well as other savings from reductions in contractual commitments from DDaT & increased income from HRA thanks to updates to the current charges.

7.2. "In reviewing the Housing Benefit Subsidy position for 2025/26, a risk has arisen relating to the amount claimed in respect of supported accommodation. This risk is being reviewed with expert support but may lead to a correction in respect of prior-year claims and potentially a reduced claim for 2025/26. The scale of any adjustment is not yet quantified and so is flagged as a risk that requires further work before reporting at outturn"

8. Chief Exec's Office

8.1. Chief Exec's Office is currently forecasting an overspend of £1.770m as at Q3. This includes an improvement of £0.426m since the Q2 report. This has largely been driven by additional spend within the transformation programme being able to be capitalised.

9. Law and Governance

9.1. Law and Governance has had minimal movement since Q2 and is currently forecasting a small overspend of £0.188m as at Q3. The main movements since Q2 are a saving because of a small realignment of budget related to member attendance.

Appendix 2 - Directorate Reports – Capital

Adults and Children’s Social Care

CAPITAL PROJECTS ADULTS	Actuals YTD	Actual YTD / Forecast	25/26 Revised Budget	Forecast Outturn	Fcst v Revised Bdgt	Fcst Movt Since Q2	Fut Yrs Budget	Spend Profile
	£m	%	£m	£m	£m	£m	£m	
Disabled Facilities Grant	0.973	53%	1.847	1.847	-	-	5.661	
Adults TOTAL	0.973	53%	1.847	1.847	-	-	5.661	

1.1 At the end of P9, the year-to-date expenditure for the Disabled Facilities Grant (DFG) stands at £0.973m. The program is on track with grant funded budget expected to be fully utilised.

Children’s Services

CAPITAL PROJECTS CHILDRENS	Actuals YTD	Actual YTD / Forecast	25/26 Revised Budget	Forecast Outturn	Fcst v Revised Bdgt	Fcst Movt Since Q2	Fut Yrs Budget	Spend Profile
	£m	%	£m	£m	£m	£m	£m	
Primary Expansions		0%	-	0.012	0.012	0.012	0.911	
Secondary Expansion Programme		0%	-				0.310	
SEN Resources Expansion	0.049	6%	1.259	0.851	(0.408)	(0.408)	3.309	
Special School Expansion-Prim.,Sec. & Post 16	4.488	70%	6.174	6.412	0.238	0.938	7.912	
Childcare Expansion	0.005	18%	0.030	0.030	-	-		
Schools Modernisation Programme	0.442	48%	0.930	0.923	(0.007)	(0.085)	3.624	
Schools Devolved Capital		0%	0.126	0.126	-	-	0.540	
Children's Services TOTAL	4.984	60%	8.519	8.354	(0.165)	0.457	16.606	

1.2 The sum of £0.012m has been brought forward on Primary Expansions to purchase the freehold of two school sites from SEGRO, this resolves the issue of an expired lease on one of the sites.

1.3 The 4-classroom block for Arbour Vale School is now complete and being used by pupils, the new car park at Arbour Vale is just completing with minor highway works to follow later. Spend on the car park and classrooms is higher than anticipated (although still within the agreed overall budget of £4.1m). The conversion works at Our Lady of Peace to create a satellite for Arbour Vale School are well underway. The architect for phase 2 was appointed in January with the target completion date for construction for this phase now August 2027. The new £3.75m annex for Haybrook College completed in December and the school are currently moving in. Currently, forecasting an overall overspend of £0.238m.

1.4 Of the smaller, grant-funded SEND projects, St Joseph’s new annex is complete, and we are awaiting invoices; Herschel Grammar are proceeding with a new lift but won’t claim funding before the end of March; Castleview are proceeding well and have started submitting invoices; and Capital Board approval has been given to proceed with conversion works at 3 children’s centres, however the Monksfield Way project won’t proceed until 2026/27. Currently forecasting a £0.408m underspend.

1.5 A new School Condition Programme has been agreed, and grant letters were issued to schools in July. There are projects at 12 schools, all of whom are self-delivering. The current spend forecast is in line with the budget, however, it is likely that there will be an underspend due to claims not being submitted as expected.

Regeneration and Environment

CAPITAL PROJECTS RHE	Actuals YTD	Actual YTD / Forecast	25/26 Revised Budget	Forecast Outturn	Fcst v Revised Bdgt	Fcst Movt Since Q2	Fut Yrs Budget	Spend Profile
	£m	%	£m	£m	£m	£m	£m	
RHE-Property	0.380	31%	1.489	1.215	(0.273)	-	8.791	
RHE-Highways	1.799	21%	10.611	8.438	(2.173)	(2.242)	17.530	
RHE-Environmental	1.373	47%	3.061	2.911	(0.150)	(0.150)	14.780	
Regeneration, Housing & Environment TOTAL	3.552	28%	15.161	12.565	(2.596)	(2.392)	41.102	

Property

- 1.6 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 inform a planned capital maintenance programme.
- 1.7 The estate management void works budget (required to maintain rental income from investment properties) has been put on hold as part of the department's submission in cost savings and avoidance measures. The budget has been reprofiled in the upcoming MTFP to improve vacant facilities to ensure that the council can at least maintain, and, ideally, achieve a higher level of rental income. The ongoing investment is important due to the tough market conditions for commercial properties.
- 1.8 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. Underperforming Assets will be put forward for disposal to bring in a Capital receipt.
- 1.9 The General Fund Property Disposal forecast to end of FY 26/27 is being updated and reflected in the upcoming TMS. This consists of associated costs of sale and not the proceeds from disposal. HRA Disposals continuing at pace and contributing to the HRA Business Plan and General Fund under no detriment principles. The market remains volatile and with new national budget policies, the start of 2026/27 is uncertain on how the purchasing market will react.

Highways

- 1.10 The delivery of a number of the major transport projects (as listed in Appendix 1, Table 1.6) is dependent on the progression of the A4 Cycle Lane scheme. Both Contracts for the A4 Cycle Lane and Destination Farnham Road schemes have been signed by the contractor and sealed by Legal. The site compound has been occupied by Volker Highways with site investigations works currently being completed. The major works will commence on the 12th of January 2026. The A4 Cycle Lane budget has been reprofiled to reflect the revised start date and activities set out in the programme to be undertaken between January to March 2026.

First payment application for the preliminaries has been submitted and approved for payment.

- 1.11 The site investigations work commenced on the A4 Bath Road and Farham Road on the 17th of November 2025. Main works commenced on the 12th of January 2026. This will

result in increased spend on the cost centres to pay for the civil works from end of January onwards. 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.

Environmental

- 1.12 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 five year programme will need to replace over 60 pieces of kit and vehicles in key front-line services which will have reached end of life and are either beyond repair or uneconomic to maintain.
- 1.13 New winter maintenance vehicles (gritters) have been leased and delivered. A second-hand gully tanker is now anticipated to be purchased in early 26/27, and the corresponding £0.120m budget has been slipped. Hook Lifts have been ordered, with delivery due in February.
- 1.14 Essential grounds maintenance equipment is awaiting delivery which is anticipated to be achieved this financial year.
- 1.15 The Bartec Collective Software project has been completed, and funding will be fully spent this year.
- 1.16 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 delivery of the bins has commenced at the end October and will continue in tranches through to March 2026 to all houses and flats in the borough. 4 bespoke food RCVs have also been purchased using this funding stream.
- 1.17 A play specialist for the design and installation of play equipment has been appointed, and delivery works are now being carried out. Invoicing has been scheduled in forecast across Q3/Q4, 25/26.
- 1.18 A procurement business case for construction of concrete plinths in the Slough Cemetery to enable opening of the first 700 plots of the new XK section has been approved and tender documents are under preparation. Further plinths works and replacement water pipes are not anticipated to be delivered in 25/26 and the budget has slipped by £0.150m.
- 1.19 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 in December 2025. Technical and legal expertise have been appointed a contract manager to manage both concession contracts, the mobilisation including Implementation Plan

development is planned to be completed by March 2026. However, the likelihood of negotiations with suppliers pushing start date into 26/27 is high, hence request to slip £0.6m in forecast as this is a contractual payment due on commencement of the contract.

- 1.20 Sponge Programme is part of the national Flood and Coastal Resilience Innovation programme running from 2021 to 2027, the programme is being moved to a delivery phase over 25/26 and 26/27. The programme is behind schedule by approx. 12 months due to staff attrition within Slough and across our partner organisations. The programme requires additional resources to be deployed in 25/26 to bring it back on track.
- 1.21 The services of a full-time programme manager have been secured, who has undertaken a refresh and refocused the programme delivery to smaller more manageable projects that can be delivered within the programme period and to develop larger projects to a shelve ready status, in readiness for future applications to DEFRA grant funding.
- 1.22 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 shelf ready in preparation for a new round of capital funding from 27/28 which the Council will be well positioned to apply for.

Corporate Resources

CAPITAL PROJECTS RESOURCES	Actuals YTD	Actual YTD / Forecast	25/26 Revised Budget	Forecast Outturn	Fcst v Revised Bdgt	Fcst Movt Since Q2	Fut Yrs Budget
	£m	%	£m	£m	£m	£m	£m
IT Infrastructure Refresh	0.476	100%	0.550	0.476	(0.074)	(0.074)	1.800
New Housing Management Procurement	-	0%	0.046	-	(0.046)	(0.046)	-
Corporate Resources TOTAL	0.476	100%	0.596	0.476	(0.120)		1.800

- 1.23 DDaT was allocated £0.540m in the capital programme, of which £0.476m has been utilised for the annual laptop refresh and the Windows 11 upgrade project. The remaining £0.074m was earmarked for replacing mobile phones currently out of support. However, following the planned roll-out of the Bring Your Own Device (BYOD) initiative and a recent review of mobile usage, DDaT is requesting that this remaining capital budget is reprofiled into 2026/27.

Appendix 3: HRA 25/26 Capital Outturn Breakdown

CAPITAL PROJECTS (HRA)	Actuals YTD	Actual YTD / Forecast	25/26 Revised Budget	Forecast Outturn	Fcst v Revised Bdgt	Fcst Movt Since Q2	Fut Yrs Budget	Spend Profile
	£m	%	£m	£m	£m	£m	£m	
Repairs & Maintenance (RMI) Total	6.605	67%	9.844	9.844	-	-	36.772	
DeCarbonisation	3.665	59%	6.173	6.173	-	-	25.699	
Affordable Homes Total	4.077	62%	10.498	6.599	(3.899)	(4.155)	20.000	
HRA TOTAL	14.347	63%	26.515	22.616	(3.899)	(4.155)	82.471	

1.1. Repairs and Maintenance

1.1.1. Progress on the planned maintenance programmes is on track. There are no budget concerns.

1.2. De-carbonisation

1.2.1. Wave 2.2 properties (156) are now completed. Wave 3.0 phase 1 we have completed over half the initial assessments and works on site will commence after Christmas. There are 96 properties in Phase1, and we have agreements in place with DESNZ that full completions can run into phase 2 as long as the grant spend has been incurred in year.

1.3. Affordable Homes

1.3.1. Garrick House phase 1 which is the refurbishment of the main building to have 10 flats has been completed. Phase 2 involves the demolition of 8 bungalows and the rebuilding of 8 three-bedroom houses on the site. Demolition of the bungalows will be done in the first 2 weeks of January pending planning discharging the final concerns.

1.3.2. The acquisitions of two properties from London & Quadrant Housing Association have been completed and these are in void works ready to be allocated following completion of works.

1.3.3. The table below breaks down all the activities against this budget and when the likely spend will be incurred. This is the programme of works for 2025/26. Because of the time taken for L&Q to respond on the 2 blocks (Moor Furlong and Eltham Avenue) and time taken in the legal process costs will be incurred next financial year. The identification of the development sites and hidden homes (potential to add additional properties using unused communal spaces) was only done late in the year so, given planning consent will be required on these projects, costs will need to be deferred to 2026/27. A revised programme of works for 2026/27 is being developed.

1.3.4. Because Moor Furlong and Eltham were established as key acquisitions in the year (due to our expired lease and probably high rectification costs), and these were delayed the budget has slipped into 2026/27. Had these not been established as a necessity other projects would have identified earlier and the spend in year would have been higher. The estimated cost of these sites was initially higher hence the need to identify further opportunities later in the year. The start to finish process on all these works is lengthy due to planning in most instances and legal input if necessary. Much more forward planning is in place to prevent slippages in future years.

P440 Affordable Home	Estimated Cost	
	2025/26	2026/27
	£k	£k
Purchases from L&Q		
37 Spencer Road	390	
36 Moreland Avenue	365	
55-77 Eltham Avenue		1,600
32-44 Moor Furlong		1,600
Buy Backs		
276 Trelawney Avenue	285	
196 Rokesby Road	250	
22 Mead Avenue	320	
Extensions		
2 Shackleton Road	85	
48 Gosling Road	85	
49 Lake Avenue	70	
4 Belfast Avenue	75	
327 Uxbridge Road	55	
93 Hawthorne Crescent	50	
New Builds		
8a Dornels		225
29a Willoners		230
Garrick Bungalow		210
Hidden Properties		
Kennedy House	45	
Allington Court		40
Apsley House x 2		110
27 Harrow Road		75
Fox Road Meeting Room		65
	2.075m	4.155m

Appendix 4: Capital Tables

Table 4.1 General Fund Reprofiling

Cabinet is asked to approve the reprofiling the following budgets to 2026/27:

Service	Programme	Reprofiling £m	Comment
Highways	A4 Cycle Lane	1.367	The slippage is attributable to the updated programme of works, which has construction works now commencing in sections with relatively low initial expenditure.
Environment	Operational Building Capex	0.250	The condition surveys were deferred as part of the cost saving and avoidance measures following the Commissioners' instruction. Expenditure will increase in 26/27 once condition surveys have been completed and high priority maintenance work identified. Until then works are mainly reactive.
Environment	Cemetery Extension	0.150	Delay in delivery of plinth works and water pipes
DDaT	IT Infrastructure Refresh	0.074	Reduced expenditure in 25/26 following the planned roll-out of the Bring Your Own Device (BYOD) initiative and a recent review of mobile usage but needed for IT infrastructure in 26/27
Total (Services)		1.841	

Table 4.2 General Fund Additions

Cabinet is asked to approve the following additions for 2025/26:

Service	Programme	Addition £m	Comment
Environment	Cricket Wickets	0.077	Installation of 7 non-turf wickets across 6 sites cricket funded by Public Health Grant Supply
Property	Building Management System	0.060	Funded by UK Shared Prosperity Fund
Total		0.137	

Table 4.3 General Fund Removals

Cabinet is asked to approve the following removals for 2025/26 and future years:

Service	Programme	Removal £m	Comment
RHE - Highways	Additional Transport & Highways Grant Funded projects	0.456	These projects are funded from the DfT block funding grant but are not capital. The 26/26 cost and funding budgets of £0.456m (and the future years' budgets of £1.048m) need to be accounted for in the service revenue budgets.
RHE Property	Asset Disposal Costs	0.590	These costs are offset against the property disposal receipts. They do not create an asset and should not be accounted for within the Capital programme. £0.142m needs to be removed from 26/27.
Total		1.046	

Table 4.4 Reconciliation of Budget movement

CAPITAL GENERAL FUND Movement - Original to revised	25/26 £m	26/27 £m	27/28 £m	28/29 £m	29/30 £m	Total £m
Original Approved Budget	53.347	24.964	9.495	8.665	9.130	105.600
Brought fwd from 24/25 (July Cabinet)	12.353					12.353
Additions - (July Cabinet)	0.918	0.638	0.637			2.193
Additions 25/26 Various (Sep Cabinet)	0.782					0.782
Additions Future Years (DFG) (Sep Cabinet)		0.171	0.171	0.171	0.171	0.685
Reprofiling (Sep Cabinet)	(12.753)	10.138	2.615	-	-	-
Revised Budget Nov Cabinet (Q2)	54.646	35.912	12.918	8.836	9.301	121.612
Reprofiling Nov cabinet	(8.813)	8.813				-
Q3 Budget	45.833	44.725	12.918	8.836	9.301	121.612
February Cabinet:						
Additions	0.137					0.137
Removal - technical adjustments	(1.046)	(0.404)	(0.262)	(0.262)	(0.262)	(2.236)
Reprofiling (Service Budgets)	(1.841)	1.841				-
Revised Budget Feb Cabinet (Q3)	43.083	46.162	12.656	8.574	9.039	119.514

Table 4.5 General Fund Project RAG status and 25/26 Spend profile

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	0.973	53%	1.847	1.847		5.661	A
Adults TOTAL	0.973	53%	1.847	1.847	-	5.661	
Primary Expansions	-	0%	-	0.012	0.012	0.911	G
Secondary Expansion Programme	-		-			0.310	G
SEN Resources Expansion	0.049	6%	1.259	0.851	(0.408)	3.309	G
Special School Expansion-Prim.,Sec. & Post 16	4.488	70%	6.174	6.412	0.238	7.912	A
Childcare Expansion	0.005	18%	0.030	0.030			G
Schools Modernisation Programme	0.442	48%	0.930	0.923	(0.007)	3.624	G
Cippenham Nursery Devolved Capital	0.008		-				
Baylis Court Nursery Devolved Capital	0.017		-				
Slough Early Years Centre Devolved Capital	0.010		-				
Schools Devolved Capital	-	0%	0.126	0.126		0.540	G
Children's Services TOTAL	5.019	60%	8.519	8.354	(0.165)	16.606	
RHE-Property							
Capex following Stock Condition Survey	-	0%	0.425	0.152	(0.273)	0.050	G
Adult Learning IT Equip	-	0%	0.052	0.052			G
Asset Disposal	0.366	62%	0.590	0.590		0.142	G
Cornwall House-Fire Strategy	0.009		-			0.778	G
Reception Works	-		-			0.050	G
Reading Archives - Extension (SBC Contribution)	-	0%	0.267	0.267		0.007	G
Estate Management - Void Works	-	0%	0.100	0.100		7.764	G
Creative Academy	0.005	9%	0.055	0.055			C
RHE Property TOTAL	0.380	31%	1.489	1.215	(0.273)	8.791	
RHE-Highways							
Zone 1 - Sutton Lane Gyrotory (MRT)	0.005	25%	0.020	0.020			G
Zone 4 - Stoke Road (Stoke Rd TVU junction)	0.228	107%	0.284	0.213	(0.070)	0.800	A
Langley High Street Improvements LEP	0.020	50%	0.120	0.040	(0.080)		G
A4 Safer Roads	0.287	51%	0.565	0.565		0.920	A
A4 Cycle Lane	0.506	18%	4.203	2.836	(1.367)	4.641	A
Additional Transpt & Hways Grant funded projects	0.053		0.456		(0.456)	1.048	G
LTP Implementation Plan	0.023	6%	0.392	0.392		0.721	A
Destination Farnham Road	0.553	22%	2.517	2.517	(0.000)	7.440	A
Parlaunt Road	0.000	100%	-	0.000	0.000		G
Burnham Station	0.014	14%	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	0.035	5%	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	0.300	(0.120)		G
Hook Lifts & Containers	-	0%	0.350	0.350			A
RHE Highways TOTAL	1.799	21%	10.611	8.438	(2.173)	17.530	

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	
RHE-Environmental							
Flood Defence (Sponge City)	0.165	17%	1.000	1.000		4.832	A
Electric Vehicle Network - LEVI	-	0%	0.007	0.007	0.000	3.299	A
Car Club	-		-			0.093	G
Cemetery Extension	-	0%	0.210	0.060	(0.150)	0.400	A
Carbon Management - Public Sector Decarb. Scheme	(0.071)		-				G
Warm Homes	-		-			1.275	G
Parks-Playground Equipment	0.148	99%	0.150	0.150			G
Ground Maint. & Street Cleaning P&M	0.307	47%	0.652	0.652			G
DSO Replacement Fleet	0.217	181%	0.120	0.120			A
DSO Replacement RCV's	-		-			4.159	A
DSO Food/Fibre vehicles and Caddies	0.607	66%	0.922	0.922		0.722	G
RHE Environmental TOTAL	1.373	47%	3.061	2.911	(0.150)	14.780	
Regeneration, Housing & Environment TOTAL	3.552	28%	15.161	12.565	(2.596)	41.102	
IT Infrastructure Refresh	0.476	100%	0.550	0.476	(0.074)	1.800	G
New Housing Management Procurement	-		0.046		(0.046)		G
Corporate Resources TOTAL	0.476	100%	0.596	0.476	(0.120)	1.800	
GENERAL FUND TOTAL	10.019	43%	26.124	23.241	(2.882)	65.169	

Table 1.7 HRA Project RAG status and 25/26 Spend profile

CAPITAL PROJECTS (HRA)	Actuals YTD		Revised Budget*	Forecast Outturn	Fcst v Approved Bdgt	Fut Yrs Budget	Overall Project/Programme Status
	£m		£m	£m	£m	£m	
Stock Condition Survey			-				G
Commissioning of R&M and Inv. Contract		0%	0.079	0.079			G
Boiler Replacement and heating	0.342	50%	0.680	0.680		2.671	G
Kitchen & Bathroom Replacement	0.497	50%	1.000	1.000		4.402	G
Electrical Systems	0.216	45%	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	0.721	144%	0.500	0.500		2.000	G
Capitalised Repairs	0.016	16%	0.105	0.105		0.453	G
FRA & Asbestos Removal Works	1.679	84%	2.000	2.000		5.078	G
Major Aids & Adaptations	0.274	87%	0.315	0.315		1.159	G
Windows and Door Replacement	0.478	71%	0.673	0.673		2.800	G
Roof Replacement	2.137	88%	2.425	2.425		10.131	G
Structural	0.017	15%	0.108	0.108		0.702	G
Security & Controlled Entry Modernisation	0.223	54%	0.415	0.415		0.897	G
Capitalised voids	0.004	7%	0.063	0.063		0.272	G
Repairs & Maintenance (RMI) Total	6.605	67%	9.844	9.844	-	36.772	
De-carbonisation Works	3.665	59%	6.173	6.173		25.699	G
Affordable Homes							
Tower and Ashbourne	0.256	100%		0.256	0.256		A
Garrick House	1.237	62%	2.000	2.000			G
Empty Property Acquisitions	1.118	48%	6.498	2.343	(4.155)	20.000	A
The Foyer, Beacon House							G
Rigby Lodge	1.466	73%	2.000	2.000			G
Affordable Homes Total	4.077	62%	10.498	6.599	(3.899)	20.000	
HRA TOTAL	14.347	63%	26.515	22.616	(3.899)	82.471	

Appendix 5: DSG – Block Updates

1. Schools Block - The only variance expected here is an underspend of £0.284m on the Growth Fund, which was acknowledged by Schools Forum in the January 2026 Schools Forum report.
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. The forecast reported at Q2 was an overspend of £12.5m and this has reduced to £12.0m at Q3. The main differences are on High Needs Top-Up payments and these are outlined in the table below.

Explanation of movement in High Needs top-up forecast 2025/26 since Q2 report:

Component	Variance £'000	Comment
Volume changes for High Needs top-ups	+£69	4 more cases expected in 25/26 (2,033 compared to 2,029) (at November 2025 average costs of £17,008). This is not materially different to previous assumptions.
Cost changes for High Needs top-ups	-£146	A lower 2025/26 average annual cost in January 2026 of £16,936(*) ie -£72 per pupil per year for 2,033 pupils. The overall change in average cost is £16,925, but new cases have been costed at £17,533, which is the average for cases expected to still be open on 1 st April 2026.
Prior year payments	+£402	Backdated payments relating to old years which were not accrued for.
Non-recurring lump sum payments	+£0	No change on previous £12k. These are legitimate costs, but are accounted for outside the cost / volume calculations to avoid them impacting future year calculations.
Provision for more out-of-borough places because of lack of local capacity	-£568	This is just the impact of the provision reducing as more of the year passes and the true position is showing in the costs of actual cases.
Inflation	-£188	This is just the impact of the provision reducing as more of the year passes and the true position is showing in the costs of actual cases.
Other	+4	Roundings
Total variance	-£427	

Appendix 6 – Savings Detail

		Q2		Q3		Movement since previous period
Overall	Achieved £m	2.092	29.9%	2.654	22.5%	0.562
	Green £m	4.355	62.2%	2.757	23.4%	-1.599
	Amber £m	3.142	44.9%	3.927	33.3%	0.786
	Red £m	1.963	28.0%	2.214	18.8%	0.251
	Black £m	0.253	3.6%	0.253	2.1%	0.000
Adults	Achieved £m	-0.198	-4.1%	0.383	8.0%	0.252
	Green £m	2.844	59.2%	1.237	25.8%	-0.249
	Amber £m	1.755	36.6%	2.531	52.7%	-0.003
	Red £m	0.400	8.3%	0.651	13.6%	0.000
	Black £m	0.000	0.0%	0.000	0.0%	0.000
Chief Exec's Office	Achieved £m	0.515	88.8%	0.515	88.8%	0.000
	Green £m	0.065	11.2%	0.065	11.2%	0.000
	Amber £m	0.000	0.0%	0.000	0.0%	0.000
	Red £m	0.000	0.0%	0.000	0.0%	0.000
	Black £m	0.000	0.0%	0.000	0.0%	0.000
Childrens	Achieved £m	0.690	66.6%	0.690	66.6%	0.000
	Green £m	0.000	0.0%	0.000	0.0%	0.000
	Amber £m	0.346	33.4%	0.346	33.4%	0.000
	Red £m	0.000	0.0%	0.000	0.0%	0.000
	Black £m	0.000	0.0%	0.000	0.0%	0.000

Corporate	Achieved £m	0.916	45.7%	0.916	45.7%	0.000
	Green £m	0.515	25.7%	0.515	25.7%	0.000
	Amber £m	0.322	16.1%	0.322	16.1%	0.000
	Red £m	0.000	0.0%	0.000	0.0%	0.000
	Black £m	0.253	12.6%	0.253	12.6%	0.000
Law & Governance	Achieved £m	0.031	45.3%	0.031	45.3%	0.000
	Green £m	0.037	54.7%	0.037	54.7%	0.000
	Amber £m	0.000	0.0%	0.000	0.0%	0.000
	Red £m	0.000	0.0%	0.000	0.0%	0.000
	Black £m	0.000	0.0%	0.000	0.0%	0.000
Public Health	Achieved £m	0.138	101.5%	0.120	87.9%	-0.014
	Green £m	-0.002	-1.5%	0.007	4.8%	0.004
	Amber £m	0.000	0.0%	0.010	7.4%	0.010
	Red £m	0.000	0.0%	0.000	0.0%	0.000
	Black £m	0.000	0.0%	0.000	0.0%	0.000
RHE	Achieved £m	0.000	0.0%	0.000	0.0%	0.000
	Green £m	0.896	28.2%	0.896	28.2%	0.000
	Amber £m	0.718	22.6%	0.718	22.6%	0.000
	Red £m	1.563	49.2%	1.563	49.2%	0.000
	Black £m	0.000	0.0%	0.000	0.0%	0.000

List of items that are currently rated Red/Black:

Unachievable (Black)

- £0.253m – Corporate Resources - Revenues & Welfare Services - Resource impact of change to claims processing system which will now be delivered in 2026/27.

Rated Red

Regen, Housing & Environment

- £0.315m - Waste - reducing costs and tonnage through increased efficiencies
- £0.200m - Review of Cemeteries and Crematoria service offer
- £0.350m - Review of advertising on roundabouts, high street locations etc
- £0.050m - Run program of commercial events in parks and town centres
- £0.100m - Review of HWRC arrangements
- £0.200m - Review of community hire halls
- £0.044m - Reduction in Establishment - Accommodation
- £0.040m - Reduction in Establishment - Corporate Buildings Repairs & Maintenance
- £0.264m - Reduction in Establishment - Property Management

Adults Services

- £0.400m - Review of high-cost placements across residential care and Supported Living placements for working age adults
- £0.251m - Occupational Therapists review of double handed care