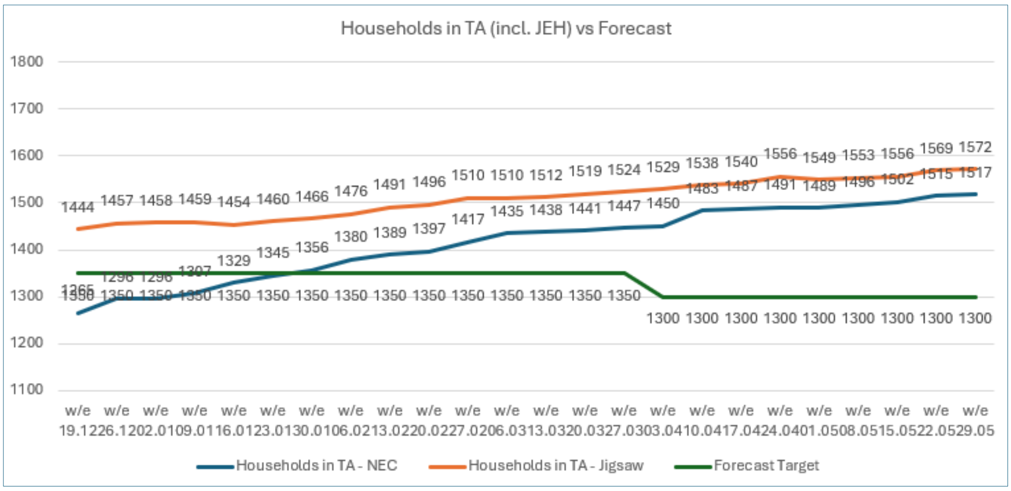
Service: Housing / Temporary Accommodation
Narrative Overview: Within the March MTFS, the proposed budget for Temporary Accommodation-related Housing Benefit Subsidy loss increased from £5.8m in 2025/26 to £20.1m in 2026/27. This was based on the subsidy position allowing for: • 1,300 households total less c.46 in JEH ≈ 1,250 households at c.£2,200 per month • 4% met from tenant contributions • c64% net subsidy loss. This reflected the position as at Q3 when the budget was prepared, but also took into account the initial impact of actions already taken to reduce the pressure. However, within the MTFS, an additional risk was also highlighted, from Appendix 9 – Budget Risks: “Reports to Cabinet and CISC in 2025 set out a number of actions to manage demand and provider costs for Temporary Accommodation. The budget has been rebased to 1,300 households, but there are planned savings which require a reduction in demand. Each 1% demand increase would add c. £150k.” The impact of this risk was not included in the revenue budget, but was estimated at £3m p.a. in the reserves risk assessment.
Existing Savings Proposals in MTFS: The Council is taking steps to reduce the number of households in temporary accommodation from the current level. Benchmarking using the median of ONS Nearest Neighbours would indicate total households of c706. For London Boroughs, the comparative number is c900 households. The savings for achieving a benchmark of c900 households in TA in Slough are estimated to be £7.2m over the longer-term, with £4.9m over the three years to 2028/29. Additional initiatives were added to this to further reduce the financial pressure. The following overall savings were included within the MTFS for Housing. These will require significant investment of capital and revenue funding. This was considered when determining the £20m capital and £11m revenue transformation funding set out in the MTFS but further work is under way to quantify the investment required for each proposal. Any risks pertaining to the delivery of these savings will be dealt with through change control in the Transformation Programme. The Council’s approved MTFS contains a 20% allowance for non-delivery.

Title	2026/27	2027/28	2028/29	TOTAL MEDIUM TERM SAVING
Housing Demand & TA Service Transformation Programme	0.850	2.400	1.600	4.850
Social Housing Transformation: Regulatory Compliance & Service Modernisation Programme	TBC	TBC	0.452	0.452
Housing Delivery: Scoping the Potential for Modular Housing	-	0.375	0.250	0.625
Housing Delivery: Slough Letting Agency (Social Lettings Agency Model)	-	0.450	0.450	0.900
Housing Delivery: LAHF Match-Funded Delivery	-	-	5.500	5.500
Housing Delivery: Maximising Existing Stock Through Adaptations & Conversions	-	0.400	0.400	0.800
Housing Delivery: Innovative Delivery Through Grant Funding	0.313	0.313	-	0.625
Housing Delivery: Review the Borrowing Model for Housing & Regeneration Priorities	0.075	0.075	-	0.150
	1.238	4.013	8.652	13.902

Risks & Opportunities

Since the budget was agreed, there has been an increase in the number of homeless households. Currently there are 1,517; an additional 217 cases which is likely to cause an overspend against the approved budget.

There is a risk that demand will continue to grow, but also uncertainty over whether the cases will begin to fall more quickly than was initially expected, as work accelerates to mitigate demand.



Assumptions used in MTFS, latest assumptions and differences

Total Cost (£m):

Scenario	26/27	27/28	28/29	29/20
Worst Case	23.090	20.450	19.420	19.420
Neutral Case	22.310	19.060	16.780	16.780
Best Case	21.160	17.010	14.554	14.554
Budget	20.100	16.700	14.600	14.600

Change to Budget (£m):

26/27	27/28	28/29	29/20
2.990	3.750	4.820	4.820
2.210	2.360	2.180	2.180
1.060	0.310	-0.046	-0.046

The neutral case shows a potential variance against the existing MTFS of £2m. This is simplistically expressed as follows:

- Budget was based on 1,300 households, reducing from 1,350
- Current level is 1,517 households, assumed to reduce to 1,467
- Therefore 167 households at £1.3k pm x 12 months = £15.7k per year
- Net cost = £15.7 x 167 = £2.7m
- However, subsidy loss expected to improve from 64% to 62%.
- 2% x c.£35m total accommodation costs = £0.7m
- **Total pressure in MTFS £2.0m – this assumes all planned savings are made.**

Breakdown: Demand Assumptions in cases:

	26/27	27/28	28/29	29/30
Budgeted Cases (1,300 amended for JEH cases)	1,250	1,200	1,100	1,100

Pessimistic Scenario: Case numbers remain at their current level. Whilst this is not the worst overall case, a continued increase in numbers would indicate a failure to implement demand savings. The Council already has a £6m contingency against non-delivery of savings, and so pessimistic case has been set as follows to avoid double-counting this potential pressure.

	26/27	27/28	28/29	29/30
Case Numbers (excl JEH)	1,471	1,471	1,471	1,471
Unit Cost, £k	15.7	13.9	13.2	13.2
Net Cost, £m	23.090	20.450	19.420	19.420

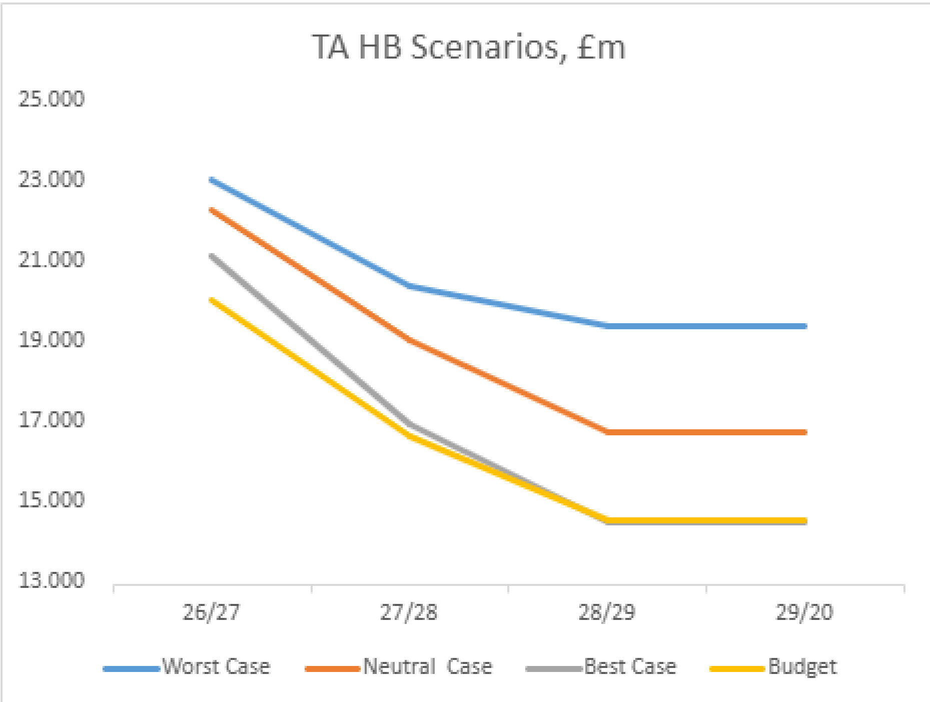
Neutral Case: Gap between current & budgeted case numbers remains constant

	26/27	27/28	28/29	29/30
Case Numbers	1,421	1,371	1,271	1,271
Unit Cost, £k	15.7	13.9	13.2	13.2
Net Cost, £m	22.310	19.060	16.780	16.780

Best Case: Cases reduce to budgeted levels by 29/30

	26/27	27/28	28/29	29/30
Case Numbers	1,348	1,224	1,100	1,100
Unit Cost, £k	15.7	13.9	13.2	13.2
Net Cost, £m	21.160	17.010	14.554	14.554

Table showing expected variance to MTFS in each scenario



- Worst case - case numbers constant
- Neutral case - case numbers decline but gap to the budget is constant
- Best Case - gap between actual & budgeted cases reduces, until they are level by year 4.