



<b>Title</b>	2025/26 Quarter 1 Performance & Monitoring Report
<b>Purpose of the report</b>	To make a decision
<b>Report status</b>	Partly open to the public and part exempt - see reasons below
<b>Executive Director/ Statutory Officer Commissioning Report</b>	Darren Carter, Director of Finance
<b>Report author (name &amp; job title)</b>	Stuart Donnelly, Financial Planning & Strategy Manager Gavin Handford, Assistant Director Policy, Change & Customer Services
<b>Lead Councillor (name &amp; title)</b>	Councillor Emberson, Lead Councillor for Corporate Services & Resources
<b>Corporate priority</b>	Not applicable, but still requires a decision
<b>Recommendations</b>	<p><b>That Policy Committee notes:</b></p> <ol style="list-style-type: none"> <li>That the forecast General Fund revenue outturn position for Quarter 1 is an adverse net variance of £4.180m (Appendix 1);</li> <li>That £1.180m (10%) of savings have been delivered (blue) and £6.424m (56%) of savings are on track to be delivered (green) by March 2026. £1.888m (16%) of savings are currently categorised as non-deliverable (red) and £2.024m (18%) categorised as at risk of delivery (amber) (Appendix 2);</li> <li>That the General Fund Capital Programme is forecasting a positive net variance of £0.168m against the proposed revised budget of £86.500m (Appendix 3);</li> <li>That there is a total £2.927m Delivery Fund available for 2025/26 (inclusive of 2024/25 approved carry forwards). At Quarter 1, £2.801m of this funding has been allocated out to approved schemes;</li> <li>That the Housing Revenue Account (HRA) is projecting an adverse net variance of £0.176m as at the end of Quarter 1, which results in a forecast drawdown from HRA Reserves of £4.641m rather than the approved budgeted drawdown of £4.465m;</li> <li>That the HRA Capital Programme is forecasting to spend to budget against the proposed revised budget of £80.933m (Appendix 4);</li> <li>The performance achieved against the Corporate Plan success measures as set out in Section 12 of this report and Appendices 5 and 6.</li> </ol> <p><b>That Policy Committee approves:</b></p> <ol style="list-style-type: none"> <li>The amendments to the General Fund Capital Programme (as set out in Section 8 of this report and Appendix 3) resulting in a revised Capital Programme budget of £86.500m for 2025/26;</li> </ol>

	<p>9. The amendments to the HRA Capital Programme (as set out in further detail in Section 11 of this report and Appendix 4) resulting in a revised HRA Capital Programme budget of £80.933m for 2025/26;</p> <p>10. The write-off of debts as set out in Section 6 and Appendix 7 relating to:</p> <p>a) Non-Domestic Rates - £691,677.05;</p> <p>b) Sundry Debt - £47,291.46.</p>
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This report contains exempt information within the meaning of the following paragraph of Part 1 of Schedule 12A of the Local Government Act 1972, as amended by the Local Government (Access to Information) Act 1985 and by the Local Government (Access to information) (Variation) Order 2006:

3. Information relating to the financial or business affairs of any particular person (including the authority holding that information)

And in all the circumstances of the case, the public interest in maintaining the exemption outweighs the public interest in disclosing the information because:

Publishing details of debtors who cannot repay debts is unlikely to be viewed as a proportionate action by the Council and could be a breach of the General Data Protection Regulation.

## 1. Executive Summary

### General Fund – Revenue

- 1.1 The 2025/26 budget approved by Council in February 2025 included increased funding of £5.094m for Adult Social Care services, £0.884m for homelessness budgets, £5.587m for Brighter Futures for Children, and £3.134m for irrecoverable Housing Benefit Subsidy. It also included the re-introduction of a corporate contingency of £3.238m and a one-off pay and inflationary pressures reserve of £1.620m.
- 1.2 The 2024/25 Quarter 4 Performance report presented to Policy Committee in July also reported a £1.313m reduction in the forecast overspend for 2024/25 that was part of a £3.183m increase in General Fund reserves compared to the position forecast in the budget report.
- 1.3 These measures provided a degree of buffer to manage the key financial risks facing the General Fund budget.

### *Adult Social Care*

- 1.4 Adult Social Care has identified cost pressures of £4.134m, a combination of increasing demand and inflationary pressures. A recovery plan is in place to mitigate these pressures in full.

### *Children's Social Care*

- 1.5 Brighter Futures for Children is forecasting cost pressures totalling £5.961m. A recovery plan is in place to mitigate £0.751m of this pressure which reduces the position forecast at Quarter 1 to a net pressure of £5.210m.
- 1.6 In addition, net cost pressures of £1.869m are being reported within Economic Growth and Neighbourhood Services and £0.267m within Resources. Recovery plans are in development in both of these areas.

- 1.7 The overall forecast position is gross budget pressures of £12.592m, with recovery plans amounting to £5.274m and a positive variance of £3.138m on Corporate Services, resulting in an overall adverse net variance as at the end of Quarter 1 of £4.180m.
- 1.8 Significant work is underway across Directorates with the aim of bringing forecast expenditure back within budget in 2025/26.
- 1.9 The following table summarises the forecast position as at the end of Quarter 1:

**Table 1. General Revenue Fund Forecast & Recovery Plan Mitigations 2025/26**

Directorate	Gross Adverse / (Positive) Variance	Recovery Plan	Net Adverse / (Positive) Variance
			£m
Communities & Adult Social Care	4.134	(4.134)	0.000
Economic Growth & Neighbourhood Services	2.258	(0.389)	1.869
Resources	0.267	0.000	0.267
Chief Executive Services	(0.028)	0.000	(0.028)
Children's Services retained by Council	0.000	0.000	0.000
Children's Services delivered by BFfC	5.961	(0.751)	5.210
<b>Sub Total Services</b>	<b>12.592</b>	<b>(5.274)</b>	<b>7.318</b>
Corporate	(3.138)	0.000	(3.138)
<b>Total</b>	<b>9.454</b>	<b>(5.274)</b>	<b>4.180</b>

### *Savings*

- 1.10 The Quarter 1 forecast is that £1.180m (10%) of savings have been delivered (blue) and £6.424m (56%) of savings are on track to be delivered (green) by March 2026. £1.888m (16%) of savings are currently categorised as non-deliverable (red) and £2.024m (18%) categorised as at risk of delivery (amber) (Appendix 2).
- 1.11 The Savings Tracker which lists progress against each individual saving is attached as Appendix 2.

### **General Fund – Capital**

- 1.12 The General Fund Capital Programme had an original budget for 2025/26 of £66.828m which was approved as part of the 2025/26 Budget. This budget was revised to £85.370m following approved adjustments as part of the subsequent Performance and Monitoring reports reported to Policy Committee.
- 1.13 This report is requesting further adjustments, as set out at summary level in Section 8 and in detail in Appendix 3, that would result in a revised approved budget of £86.500m for 2025/26.
- 1.14 At Quarter 1, against the proposed revised budget of £86.500m, the current forecast is a positive net variance of £0.168m. This variance relates entirely to the Delivery Fund. The General Fund Capital Programme is set out in more detail in Section 8 and Appendix 3.

### **Housing Revenue Account (HRA) – Revenue**

- 1.15 The approved Housing Revenue Account (HRA) budget assumes a drawdown from HRA reserves of £4.465m. At Quarter 1, the forecast revenue outturn position on the HRA is an adverse net variance to budget of £0.176m. Therefore, a drawdown from the HRA Reserve is forecast of £4.641m rather than the budgeted £4.465m drawdown from reserves.

## **Housing Revenue Account (HRA) – Capital**

- 1.16 The Housing Revenue Account (HRA) Capital Programme had an original budget of £90.143m which was approved as part of the 2025/26 Budget. This budget was revised to £89.279m following approved adjustments as part of the subsequent Performance and Monitoring reports reported to Policy Committee.
- 1.17 This report is requesting further adjustments, as set out at summary level in Section 11 and in detail in Appendix 4, that would result in a revised approved budget of £80.933m for 2025/26.
- 1.18 At Quarter 1, the HRA Capital Programme is forecasting to spend to budget against the proposed revised budget of £80.933m. The HRA Capital Programme is set out in more detail in Section 11 and Appendix 4.

## **Performance**

- 1.19 The report also sets out performance against the measures of success published in the Council's Corporate Plan.
- 1.20 Of the 17 Corporate Plan Performance Measures monitored monthly or quarterly, 53% are currently at or above target (green), 6% within 10% of the target (amber), 35% are 10% or more off target (red) and 6% are currently to be confirmed.
- 1.21 Of the 51 Corporate Plan Projects, 0% are currently delivered (blue), 63% are at or above target (green), 35% are within 10% of the target (amber), 2% are 10% or more off target (red).
- 1.22 The full list of Performance Measures is attached at Appendix 5 and Projects as Appendix 6.

## **2. Policy Context**

- 2.1. The Council approved the 2025/26 Budget and Medium-Term Financial Strategy (MTFS) 2025/26 – 2027/28 in February 2025.

## **3. General Fund – Revenue**

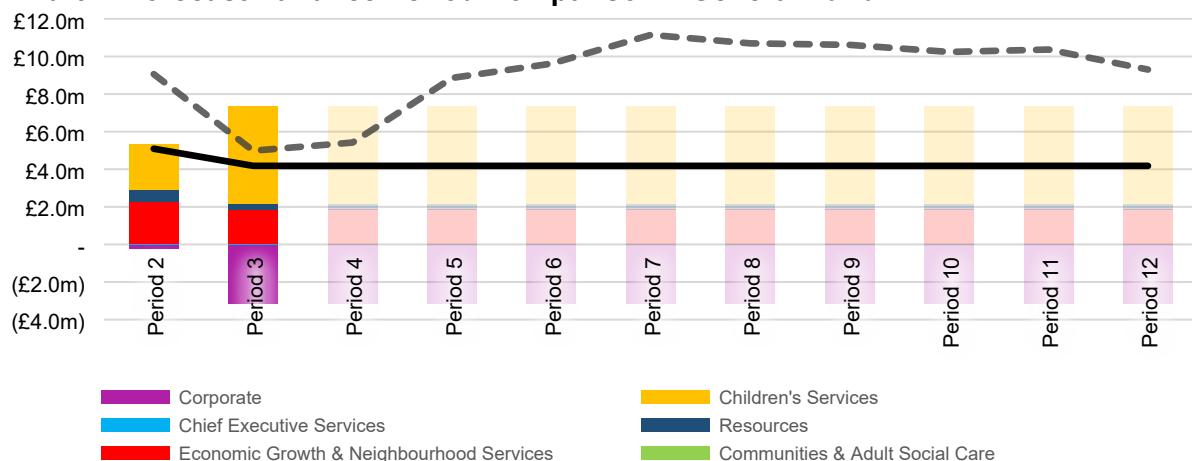
- 3.1. The forecast outturn position of the General Revenue Fund is an adverse net variance of £4.180m as at the end of Quarter 1 and is broken down by Directorate in the following table:

**Table 2. General Revenue Fund Forecast by Directorate 2025/26**

	Current Budget	Forecast Outturn	Forecast Variance
	£m	£m	£m
Communities & Adult Social Care	64.931	64.931	0.000
Economic Growth & Neighbourhood Services	21.721	23.590	1.869
Resources	20.301	20.568	0.267
Chief Executive Services	1.502	1.474	(0.028)
Children's Services retained by Council	0.855	0.855	0.000
Children's Services delivered by BFfC	63.974	69.184	5.210
<b>Total Service Expenditure</b>	<b>173.284</b>	<b>180.602</b>	<b>7.318</b>
Capital Financing	17.296	16.902	(0.394)
Contingencies	3.238	2.500	(0.738)
Other Corporate Budgets	(11.764)	(11.926)	(0.162)
Movement in Reserves	(3.945)	(5.789)	(1.844)
<b>Total Corporate Budgets</b>	<b>4.825</b>	<b>1.687</b>	<b>(3.138)</b>
<b>Net Budget Requirement</b>	<b>178.109</b>	<b>182.289</b>	<b>4.180</b>
<b>Financed by:</b>			
Council Tax Income	(126.134)	(126.134)	0.000
NNDR Local Share	(34.330)	(34.330)	0.000
Section 31 Grant	(13.514)	(13.514)	0.000
New Homes Bonus	(0.812)	(0.812)	0.000
Revenue Support Grant	(2.771)	(2.771)	0.000
One-off Collection Fund Surplus	(0.548)	(0.548)	0.000
<b>Total Funding</b>	<b>(178.109)</b>	<b>(178.109)</b>	<b>0.000</b>
<b>(Positive)/Adverse Variance</b>	<b>0.000</b>	<b>4.180</b>	<b>4.180</b>

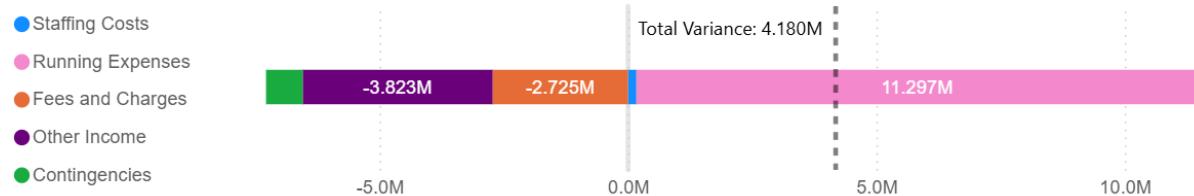
3.2. The following chart summarises the forecast budget variance, split by directorate, for each period to date.

**Chart 1. Forecast Variance Period Comparison – General Fund**



3.3. The following chart summarises the overall forecast budget variance for the Council by high level category:

## Chart 2. Split of Total Variance – General Fund



## Communities & Adult Social Care – Balanced Budget

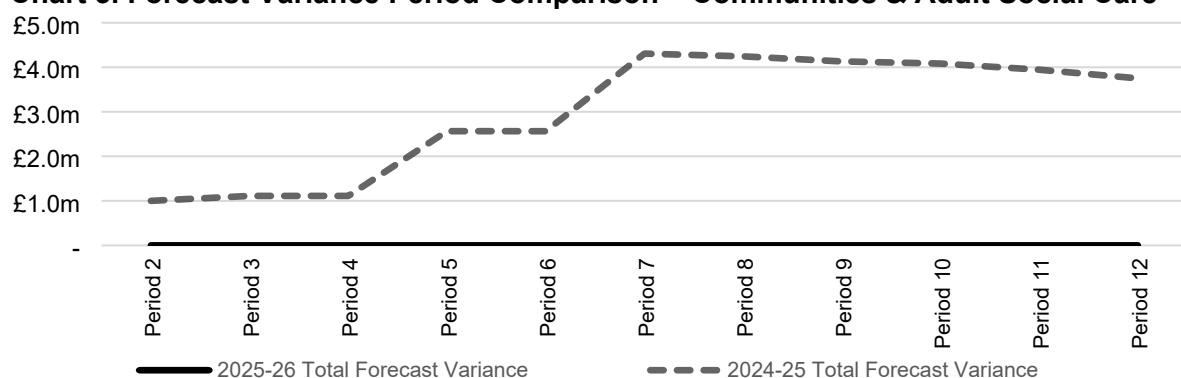
3.4. Communities & Adult Social Care is forecasting a balanced budget, including Recovery Plan mitigations, at Quarter 1.

Table 3. Communities & Adult Social Care Services Forecast 2025/26

Service	Current Budget	Forecast Outturn	Forecast Variance
	£m	£m	£m
Commissioning, Transformation & Performance	(7.954)	(7.954)	0.000
Adult Social Care Operations	60.552	60.552	0.000
Community & Adult Social Care Management	1.533	1.533	0.000
Safeguarding, Quality & Practice	7.217	7.217	0.000
Public Health	0.000	0.000	0.000
Housing & Communities	3.583	3.583	0.000
<b>Total</b>	<b>64.931</b>	<b>64.931</b>	<b>0.000</b>

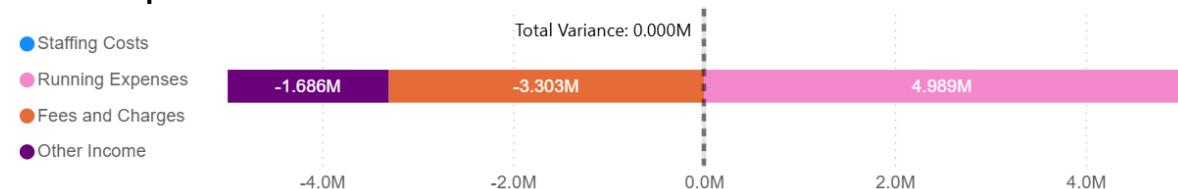
3.5. The following chart summarises the forecast budget variance, split by services within Communities & Adult Social Care, for each period to date.

## Chart 3. Forecast Variance Period Comparison – Communities & Adult Social Care



3.6. The following chart summarises the overall forecast budget variance for Economic Growth & Neighbourhood Services by high level category:

## Chart 4. Split of Total Variance – Communities & Adult Social Care



3.7. The explanation for these forecast variances is set out below.

## Adult Social Care Operations – Balanced Budget

3.8. Adult Social Care Operations is forecasting a balanced budget at Quarter 1. Gross pressures totalling £4.134m are currently projected to be fully offset by £4.134m of Recovery Plan mitigations.

3.9. The Quarter 1 placements forecast from Mosaic is £59.818m, against a budget of £55.863m. This represents an un-adjusted forecast adverse variance of £3.955m. In addition, there are £0.179m of other net pressures including a small contingency allowance for movement in the Mosaic forecast. However, after the application of the Directorate of Communities and Adult Social Care (DCASC) Recovery Plan, the adjusted year end forecast is a nil variance.

3.10. DCASC have developed a 2025/26 recovery plan amounting to £4.134m, which includes the savings to be delivered as part of the planned dependency & demand (£2.077m) and further in-year savings (£2.057m) to be achieved to forecast a balanced budget. As at Quarter 1, £1.870m of the Recovery Plan has been achieved, with the remaining £2.264m forecast to be achieved by year end, hence the balanced position at Quarter 1.

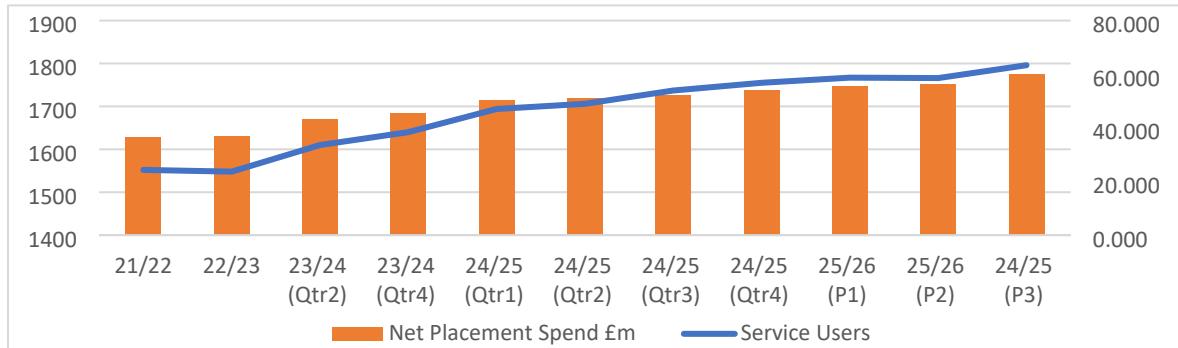
**Table 4. DCASC Recovery Plan 2025/26**

Scheme	Target 2025/26 (£m)	In-year Delivery Quarter 1 (£m)	Forecast In Year Delivery (£m)
In-Year Recovery Plan	(2.057)	(1.065)	(2.057)
<b>In-Year Recovery Plan</b>	<b>(2.057)</b>	<b>(1.065)</b>	<b>(2.057)</b>
Transitions	(0.550)	(0.188)	(0.550)
Routine Reviews (exc Supported Living)	(0.500)	(0.477)	(0.500)
Targeted Double-Up Reviews	(0.180)	(0.022)	(0.180)
Direct Payment Reviews	(0.177)	(0.015)	(0.177)
Extra Care Voids	(0.120)	(0.008)	(0.120)
High Cost Negotiations	(0.100)	0.000	(0.100)
Continuing Healthcare (Non-Transitions)	(0.450)	(0.095)	(0.450)
<b>Dependency &amp; Demand</b>	<b>(2.077)</b>	<b>(0.805)</b>	<b>(2.077)</b>
<b>Total Recovery Plan</b>	<b>(4.134)</b>	<b>(1.870)</b>	<b>(4.134)</b>

3.11. The service users in place on 1<sup>st</sup> April 2025 was an average of 1,755 and by 30<sup>th</sup> June 2025 these had increased to 1,796.

3.12. The graph below illustrates the increase in service users across Adult Social Care Operations since 2021/22, and includes the increase to the Care Commitment Spend:

**Chart 5. Increase in ASC Care Commitments Spend and Number of Service Users since 2021/22**



3.13. In addition to the current forecast, there is a risk that demand increases over the remainder of the year in line with the increase in 2024/25, which was 115 service users at a cost of

approximately £3.600m. Using these figures as a baseline we would expect to see further demand growth of approximately £3.000m in 2025/26.

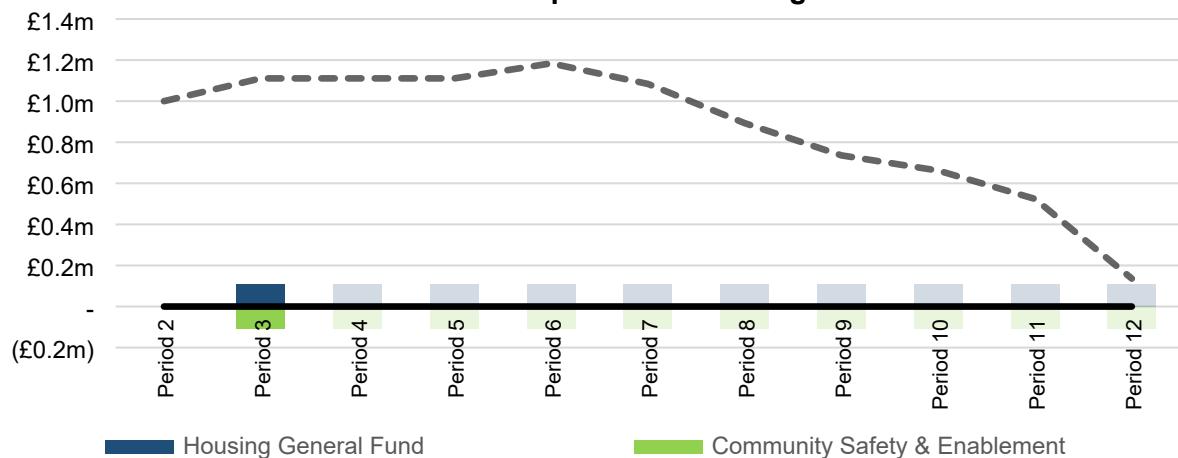
3.14. Inflationary uplifts for Adult Social Care providers are still being negotiated, and this forecast assumes that these will be contained within the 1.7% growth included within the 2025/26 Budget. For prudence, it is currently assumed that £2.500m of the £3.238m Corporate Contingency budget will be needed to fund inflationary uplift pressures over and above the 1.7%.

### **Housing & Communities – Balanced Budget**

3.15. Housing & Communities is forecasting a balanced budget at Quarter 1.

3.16. The following chart summarises the forecast budget variance across Housing & Communities for each period to date.

**Chart 6. Forecast Variance Period Comparison – Housing & Communities**



3.17. The 2025/26 Budget provided an additional £0.884m for Homelessness budgets compared to 2024/25. This increase, combined with an assumption that the level of grant funding received (including utilisation of Homes for Ukraine funds) will be maintained in 2025/26 at 2024/25 levels, results in the current expectation that the budget will be sufficient to meet the demand in the service in 2025/26.

3.18. The number of singles and families in need of emergency accommodation is currently 181, which is a small reduction from the level of 187 as at the end of March 2025 (as illustrated in Chart 7 below).

**Chart 7. Numbers of Singles and Families in Emergency Accommodation**



3.19. The average nightly rate is the other driver of pressures on homelessness budgets. As at the end of June 2025 (Quarter 1), the average nightly rate was £88.34 (£88.76 as at the end of March 2025), as illustrated in Chart 8 below.

**Chart 8. Average Nightly Rate per Emergency Accommodation Placement**



**Economic Growth & Neighbourhood Services - £1.869m adverse variance**

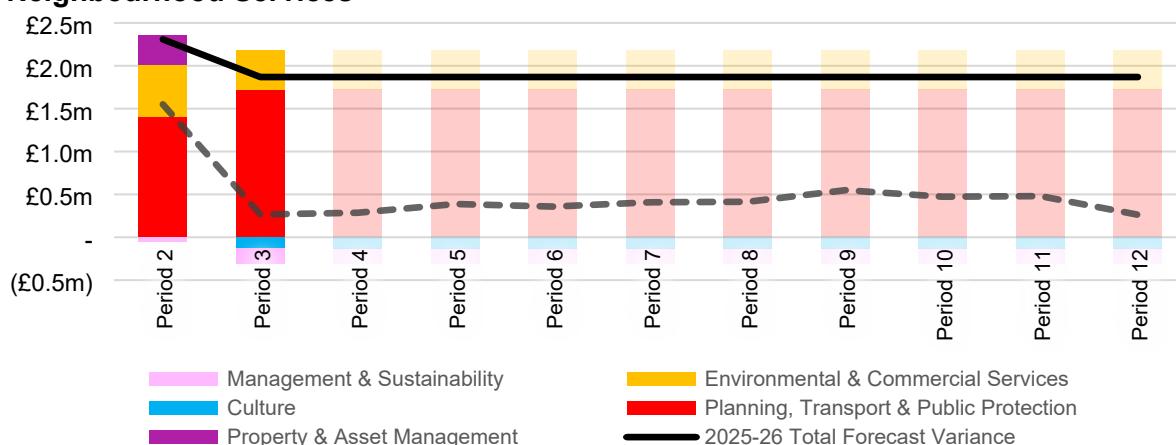
3.20. Economic Growth & Neighbourhood Services' is forecasting an adverse net variance of £1.869m at Quarter 1, which is summarised by service below. This forecast includes recovery plan mitigations totalling £0.389m.

**Table 5. Economic Growth & Neighbourhood Services Forecast 2025/26**

Service	Budget	Forecast Outturn	Forecast Variance
	£m	£m	£m
Planning, Transport & Public Protection	(0.564)	1.157	1.721
Culture	2.726	2.592	(0.134)
Environmental & Commercial Services	20.797	21.256	0.459
Property & Asset Management	(2.392)	(2.392)	0.000
Management & Sustainability	1.154	0.977	(0.177)
<b>Total</b>	<b>21.721</b>	<b>23.590</b>	<b>1.869</b>

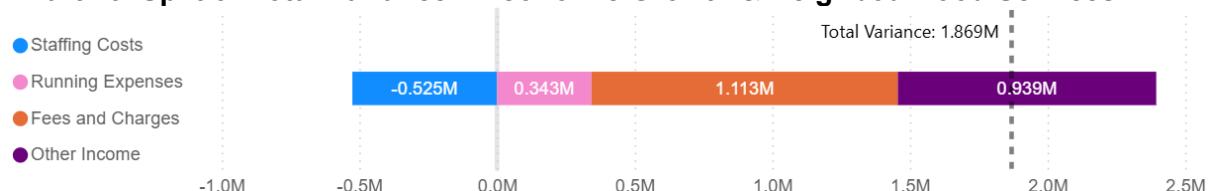
3.21. The following chart summarises the forecast budget variance, split by services within Economic Growth & Neighbourhood Services, for each period to date.

**Chart 9. Forecast Variance Period Comparison – Economic Growth & Neighbourhood Services**



3.22. The following chart summarises the overall forecast budget variance for Economic Growth & Neighbourhood Services by high level category:

**Chart 10. Split of Total Variance – Economic Growth & Neighbourhood Services**



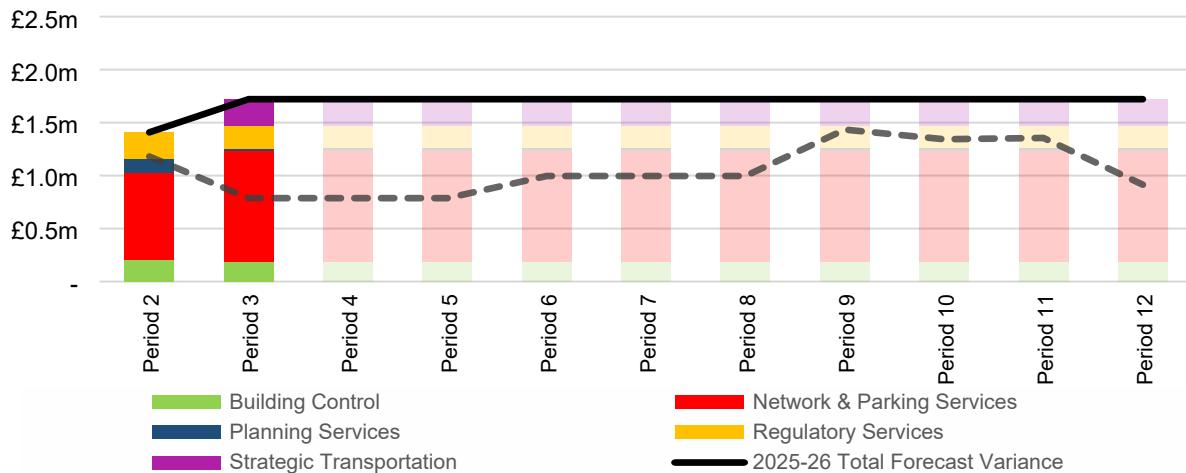
3.23. The explanation for these variances is set out below.

#### **Planning, Transport and Public Protection - £1.721m adverse variance**

3.24. Planning, Transport and Public Protection is forecasting an adverse variance of £1.721m. This forecast includes £0.144m of Recovery Plan mitigations.

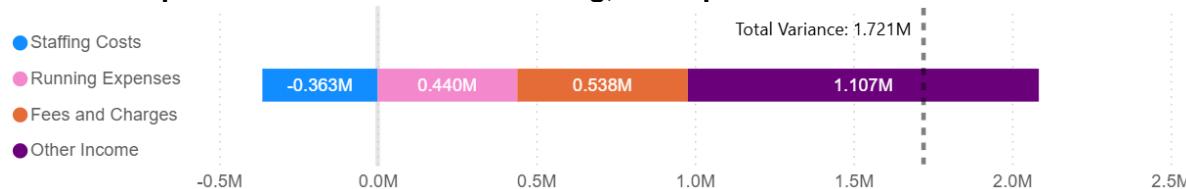
3.25. The following chart summarises the forecast budget variance across Planning, Transport and Public Protection for each period to date.

**Chart 11. Forecast Variance Period Comparison – Planning, Transport & Public Protection**



3.26. The following chart summarises the overall forecast budget variance for Planning, Transport & Public Protection by high level category:

**Chart 12. Split of Total Variance – Planning, Transport & Public Protection**



3.27. Building Control is forecasting an adverse variance of £0.186m. There is an adverse variance on income generation of £0.170m. This income shortfall directly correlates to the lack of qualified staff to undertake the fee earning work. Recent rounds of recruitment have been unsuccessful in appointing permanent staff and there is a positive variance for permanent staff costs, however hopes of reducing use of agency staff and their costs have not been realised, resulting in an adverse net variance across staffing and agency budgets of £0.016m. The recruitment challenge has become more significant with a change in legislation which has resulted in professionals leaving the sector.

3.28. Planning is forecasting an adverse net variance of £0.208m. This variance comprises a £0.123m income pressure which is directly related to the number of planning applications, which includes £0.055m of red rated savings (Appendix 2). These have been impacted by successive development risks such as inflation, materials costs, changes in legislation and market factors such as high costs of mortgages. In 2024/25 the Community Infrastructure Levy (CIL) administration grant was significantly higher than the budget and helped to mitigate these income pressures; it is hoped but not certain that this overachievement will repeat in 2025/26. There are further pressures on staffing and running expenses totalling £0.085m. The team have however been promoting the use of Planning Performance Agreements (PPAs) on Major schemes and anticipate an additional £0.100m from this income stream this year. Agency cover (one FTE while local plan being produced) comes to an end in August 2025, this reduces that anticipated cost by around £0.010m. Therefore, the

income pressure is reduced from £0.123m to £0.023m and the overall adverse net variance from £0.208m to £0.098m; contributing £0.110m towards the Recovery Plan.

- 3.29. Planning Enforcement is forecasting a positive net variance of £0.077m relating to staffing vacancies within the team. There are 2 vacancies being held to mitigate against pressures across the rest of the service, with a decision to delay previously intended recruitment contributing £0.044m towards the Recovery Plan.
- 3.30. Houses in Multiple Occupation (HMO) licensing is forecasting an adverse variance of £0.246m. This variance is primarily due to the expected number of licenses not being realised following the extension of the mandatory licensing scheme in previous years, which has created an unachievable income target. A business case is being prepared to deal with the situation in HMO licensing for 2026/27 to rebase income targets, factor in an increase in fees, and include the growth required under the new Renters Reform Act (net of expected new burdens funding).
- 3.31. Concessionary Fares is forecasting an adverse variance of £0.300m. The reimbursement rates provided by the Department for Transport have increased across the board as shown in the table below. These rates are higher than the levels assumed in the budget. Furthermore, the total number of journeys currently anticipated to be reimbursed during 2025/26 is 3,453,000 journeys, which is an increase of 174,000 from the 2024/25 level of 3,279,000 journeys. The combination of the increase in rates and the numbers of journeys is projected to lead to a pressure of £0.300m but further analysis of the position is underway and will be reported in future monitoring. Two business cases are being prepared in this area to deal with budget shortfall and also to suggest changes to discretionary elements that could reduce this pressure going forward. Consideration could also be given to use any increase to the dividend received from Reading Transport Limited (RTL) to offset these pressures; however, this will not be quantifiable until later in the year. This £0.300m pressure is partially offset by £0.047m of Bus Service Improvement Plan funding which results in an overall net pressure within Strategic Transport of £0.253m.

**Table 6. Concessionary Fares Reimbursement Rates**

Reading Buses	2024/25	2025/26	Change
Urban	£1.07	£1.09	1.87%
Inter-Urban	£1.38	£1.46	5.80%
Rural	£1.31	£1.46	11.45%

- 3.32. There is a forecast adverse net variance of £0.447m relating to Bus Lane Enforcement income and the Special Parking area. There is a measurable decrease in penalties being issued due to improved driver compliance which is continuing from previous years. New bus lanes introduced in 2024 are within their statutory warning period so are not yet generating penalty charge notice income, but the warnings are due to expire in June 2025 but are not currently expected to meet the income budget in place for this.
- 3.33. A new enforcement contract began in November 2023 which resulted in an expected rise in the contracted spend but also expects a corresponding increase in income from Penalty Charge Notices (PCNs) to more than offset the additional spend within the contract. Although income performance is generally stronger than in previous years it is not currently outperforming the increased spend in the contract; further monitoring of the performance is being undertaken to examine if performance is likely to improve. There have been some recent adjustments made to the operations of the enforcement contract to reduce the overnight enforcement which was not generating sufficient revenue to offset the costs of operating the contract. Reductions in the level of cash collection have also been made which will also reduce the base cost going forward. There's an expectation that the newly installed pay & display machines will further reduce the level of cash being taken (lower number of machines in total and many of the new machines are contactless only) which will also reduce the level of cash collection required further reducing costs.

- 3.34. Moving Traffic Enforcement is forecasting an adverse net variance of £0.264m. There is an income pressure of £0.506m primarily driven by increased compliance, and an adverse variance of £0.015m across running expenses, which is partially offset by £0.257m of positive variances relating to staffing. This area remains an ongoing area of concern. Some sites are generating zero non-compliance and currently there are no other sites where enforcement could be switched out to, although this continues to be under review at present. It should be noted, that across Bus Lane Enforcement, Moving Traffic Enforcement and Parking Enforcement that whilst reducing numbers of PCN's being issued has a significant financial impact, it is achieving compliance, which is the ultimate goal of all traffic enforcement.
- 3.35. Off Street Parking income is currently forecast to be online against budget but risks remain in this area. The expected date when Broad Street Mall car park income is reduced has been pushed back to after April 2026, from its original date of January 2026 which has helped the position, but risks remain in the rest of the Car Park estate. As reported previously, there have been a number of risks highlighted which have contributed to income pressures e.g. the increased cost of living, increased levels of working from home and higher fuel costs is leading to fewer visits to town centre. Additionally, further rental spaces to the Royal Berkshire Hospital at Queens Road has not delivered the additional income anticipated due to the Hospital seeking other alternates to support staff feedback about proximity and safety. Town Centre car parks are subject to competition from providers such as the Oracle, who currently undercut the council's tariffs and have newer facilities. There have also been ongoing issues around reliability of infrastructure which have impacted Broad Street Mall and Queens Road which have reduced income levels. The decreasing draw of the high street for shoppers is another factor in the risk of pressures in this area.
- 3.36. Special Parking Area is forecasting an adverse variance of £0.100m, due to an increase in postage fees following agreement with a new supplier, and also volumes of notices issued being lower than the budget.
- 3.37. On Street Pay and Display is forecasting an adverse variance of £0.237m, primarily driven by lower volume of parking fees than budgeted. This has been slightly offset by an increase in charges and removal of free parking.
- 3.38. Other forecast positive net variances total £0.033m across the service.

#### **Culture – £0.134m positive variance**

- 3.39. Culture is forecasting a positive variance of £0.134m at Quarter 1, including £0.095m of Recovery Plan mitigations.
- 3.40. Reading Play Services within the Leisure Services is forecasting an adverse net variance of £0.083m. This is due to income expected to be achieved below what is budgeted, until the growth strategy is complete. There are also vacancies in the service impacting on income generation. Additionally, there is a further £0.025m of Recovery Plan mitigations relating to the holding of a vacancy within Active Reading.
- 3.41. The GLL Contract is reporting a positive variance of £0.190m due to improvement in anticipated Energy benchmarking cost exercise reflecting the lower unit costs and usage. This forecast includes £0.050m of Recovery Plan mitigations.
- 3.42. The Park Service within the Leisure Services is forecasting an adverse net variance of £0.005m. This is mainly due to income expected to be achieved below what has been budgeted.
- 3.43. Libraries and Museum is forecasting an adverse net variance of £0.013m. There is a positive variance of £0.082m within the Sites, Monuments and Records service due to increases in income inflation. Reading Libraries is forecasting an adverse variance of £0.095m relating to

staffing pressures and lettings loss due to a delay in relocating the library and tenants having moved out.

3.44. Archives is forecasting a positive variance of £0.025m relating to various Recovery Plan mitigations.

### **Environmental & Commercial Services – £0.459m adverse variance**

3.45. Environmental & Commercial Services is forecasting an adverse variance of £0.459m at Quarter 1.

3.46. Streetscene is forecasting a positive variance of £0.040m. Vacancies in the team across the year are expected to provide a positive variance of £0.300m, but this is partially offset by £0.060m of pressures within running expenses and a shortfall in income of £0.200m.

3.47. Recycling and Waste Collection is forecasting an adverse net variance of £0.049m. The service continues to suffer from vehicle malfunctions and staff sickness (including high levels of long-term sick) which means that agency worker and overtime costs are higher than budgeted. New collection routes are in place from 9<sup>th</sup> June 2025 and whilst there are positive signs that this will reduce the need for hire vehicles and also levels of overtime, these are still expected to exceed budget allocation for the year. This forecast pressure is after the application of the Delivery Fund agreed Route Optimisation costs. Large numbers of garden waste collection services are due for renewal in July and August, and it is hoped that higher numbers of service users than anticipated will renew their second bin which is now charged for. This may help to offset some of the adverse variance on employee costs, and this will be confirmed in September. This pressure is partially offset by an announced increase of £0.311m to the Extended Producer Responsibility payment that the Council will receive for 2025/26.

3.48. Fleet Management is forecasting an adverse variance of £0.175m. Vehicle hire costs for Recycling and Waste Collection are still higher than budgeted, and additional vehicles have been hired to assist with the new collection rounds. The age of the spare vehicles for use by this team also means that the Fleet is not as reliable as hoped and the exceptionally warm weather recently has impacted the ability of the Electric fleet to finish waste collection rounds. Newer second-hand vehicles will be purchased which should reduce the costs of hires once these are in place. The new maintenance contract is now running but the age of some of the fleet means that some maintenance costs are high. New plans are being put in place to ensure that this does not create an adverse variance.

3.49. Highways and Drainage is reporting an adverse variance of £0.250m. As in previous years a review of the costs of the service has highlighted that the income target is not achievable. A majority of the work carried out by the team is for internal services and Capital projects and it is not possible to charge the margin required in order to make the income total. The review will now continue and will hopefully identify some remedial action and redesign the method of cost allocations across Environmental & Commercial Services and likely remove recharging to a minimum but is not expected to cover the whole adverse variance.

3.50. Civil Engineering is forecasting an adverse variance of £0.200m. The costs of the Low Bandwidth Network (LoRAWAN) are expected to be met from this budget in 2025/26. In the long-term it is hoped these will help reduce cost in areas like Winter Maintenance through the use of sensors but in the short-term this will cost the service. A further pressure is likely to arise from the Streetlighting maintenance contract, which is a combined capital and revenue contract. As there is an ageing asset base it means more structural failures and repairs. There is a review underway to simplify the recharging in this area in 2025/26. Recharges from Highways and the capitalisation are also being reviewed to see if this can be simplified and actioned during the year to aid monitoring.

3.51. Network Services is forecasting an adverse variance of £0.100m. As in previous years it will not be possible to achieve the capital recharge budget for the staffing costs. The new Intelligent Traffic Signals contract has recently commenced, and it is hoped that this and the removal of the joint arrangement around this will simplify the spend and make it easier to monitor during the year. The Streetworks Permit scheme should be started during 2025/26 (funded by the Delivery Fund) and in the long-term this may provide additional income to cover the current shortfall.

3.52. Waste Disposal is forecasting a positive variance of £0.275m. Residual Waste and Green Waste disposal costs are currently lower than expected by £0.067m, recyclate income is expected to be higher than expected by £0.032m, consultancy fees will be lower than expected by £0.040m, and the Excess Profit Share for 2024/25 has been agreed at £0.016m. The provision within the budget for insurance will not be needed in 2025/26 and so £0.120m has been released as a positive variance.

### **Property & Asset Management – Balanced Budget**

3.53. Property & Asset Management is forecasting a balanced budget at Quarter 1.

3.54. Acre Business Park is forecasting an adverse net variance of £0.140m. This is due to the underachievement of budgeted income resulting from an increase in vacancies on rented units as well as delay in the capital works to release more sites for rent. This variance will be offset by a drawdown of £0.140m from the Commercial Properties Liability Reserve.

3.55. There is a risk of a potential adverse variance within Corporate Maintenance services in the region of £0.200m relating to non-rechargeable reactive maintenance works on council properties based on prior year experience. However, at present it is forecast that this pressure can be contained by mitigating preventative actions.

### **Management & Sustainability – £0.177m positive variance**

3.56. Management & Sustainability is forecasting a positive variance of £0.177m at Quarter 1. A positive variance of £0.075m relating to vacancies in the Management Team will be slightly offset by adverse variances of £0.013m on employee costs in Sustainability and £0.025m on advertising income in Business Development. The service has already identified £0.140m of Recovery Plan mitigations relating to holding of management team vacancies.

### **Resources - £0.267m adverse variance**

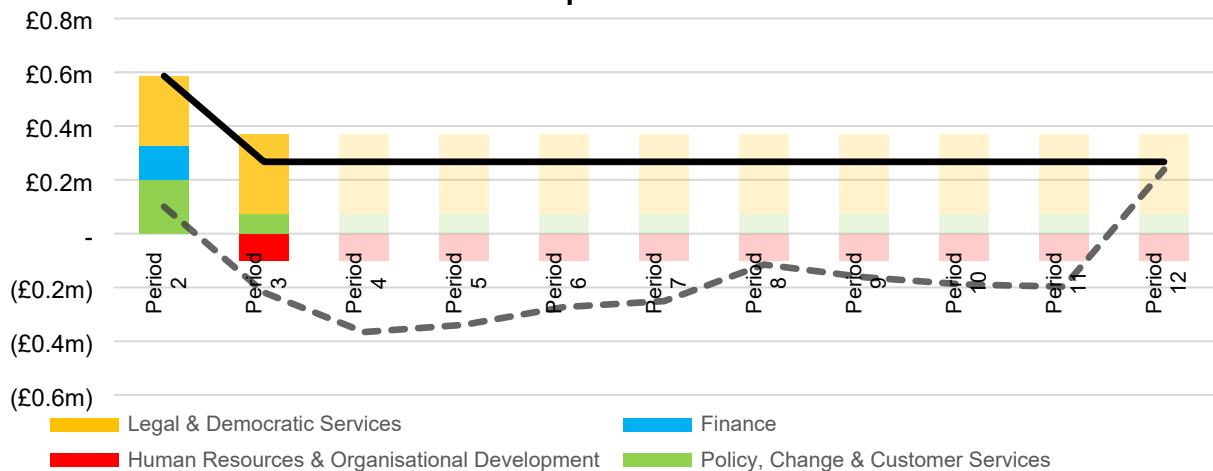
3.57. The Directorate of Resources is forecasting an adverse net variance of £0.267m at Quarter 1.

**Table 7. Resources Services Forecast 2025/26**

<b>Service</b>	<b>Budget</b> £m	<b>Forecast Outturn</b> £m	<b>Forecast Variance</b> £m
Policy, Change & Customer Services	3.105	3.178	0.073
Human Resources & Organisational Development	1.918	1.818	(0.100)
Finance	5.476	5.476	0.000
Legal & Democratic Services	3.274	3.568	0.294
Digital & IT	6.528	6.528	0.000
<b>Total</b>	<b>20.301</b>	<b>20.568</b>	<b>0.267</b>

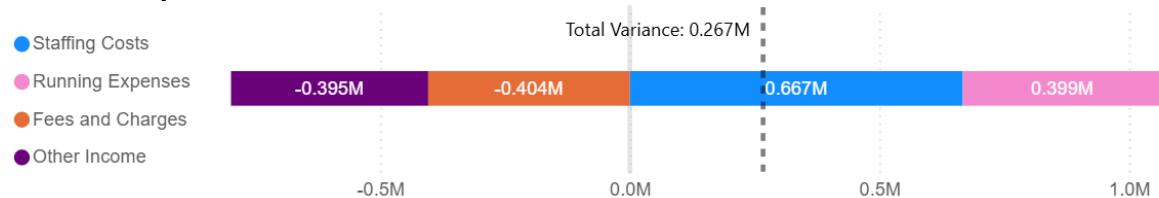
3.58. The following chart summarises the forecast budget variance, split by services within Resources, for each period to date.

**Chart 13. Forecast Variance Period Comparison – Resources**



3.59. The following chart summarises the overall forecast budget variance for Resources by high level category:

**Chart 14. Split of Total Variance – Resources**



3.60. The explanations for these variances are set out below.

#### **Policy, Change & Customer Services – £0.073m adverse variance**

3.61. Policy, Change & Customer Services is forecasting an adverse variance of £0.073m at Quarter 1.

3.62. The Customer Experience Programme has a savings target of £0.500m for this year. Savings of £0.343m have been approved as at Quarter 1, leaving a forecast saving shortfall of £0.157m. This is under review, with the aim of agreeing the actions required to deliver the remaining saving, however at this stage it is reported as 'at risk'. If these remain at risk, the service will develop a local recovery plan to address the shortfall.

3.63. The service is experiencing budgetary pressures delivering the Prevent Programme, along with challenges delivering the vacancy factor within the Customer Fulfilment Centre which is also being reported as 'at risk' at Quarter 1, resulting in a net budgetary pressure of £0.036m.

3.64. These budget pressures are being offset by increased income within the Bereavement service of £0.120m.

#### **Human Resources & Organisational Development – £0.100m positive variance**

3.65. Human Resources & Organisational Development is forecasting a positive variance of £0.100m at Quarter 1, from additional income at Kennet Day Nursery via Early Years Funding.

#### **Finance – Balanced Budget**

3.66. Finance is forecasting a balanced budget at Quarter 1.

3.67. Finance is anticipating to fully deliver its planned savings programme of £0.318m in 2025/26.

3.68. Staffing pressures are being experienced from delivering its programmes, such as the timely closure of accounts, which is being mitigated through on-going vacancy management, during the remainder of the year.

**Legal & Democratic Services – £0.294m adverse variance**

3.69. Legal & Democratic Services is forecasting an adverse variance of £0.294m at Quarter 1.

3.70. Staffing and agency costs with Legal Services are adding £0.300m of pressure, which is partially offset by £0.050m of recovered legal costs. Postage and printing and staffing costs are adding a further £0.044m across Electoral Services and Member Services.

3.71. The staffing establishment is currently under review as part of delivering budgetary mitigation.

**Digital & IT – Balanced Budget**

3.72. Digital & IT is forecasting a balanced budget at Quarter 1.

**Chief Executive Services – £0.028m positive variance**

3.73. Chief Executive Services is forecasting a positive net variance of £0.028m at Quarter 1.

**Table 8. Chief Executive Services Forecast 2025/26**

Service	Budget	Forecast Outturn	Forecast Variance
	£m	£m	£m
Executive Management Team	0.909	0.887	(0.022)
Communications	0.593	0.587	(0.006)
<b>Total</b>	<b>1.502</b>	<b>1.474</b>	<b>(0.028)</b>

**Executive Management Team – £0.022m positive variance**

3.74. Executive Management Team is currently forecasting a positive variance of £0.022m, relating to staffing budgets.

**Communications – £0.006m positive variance**

3.75. Communications is currently forecasting a positive variance of £0.006m, due to additional income via the Lord Lieutenant Joint Arrangement administration fee.

**Children's Services Delivered by Brighter Futures for Children (BFfC) - £5.210m adverse variance**

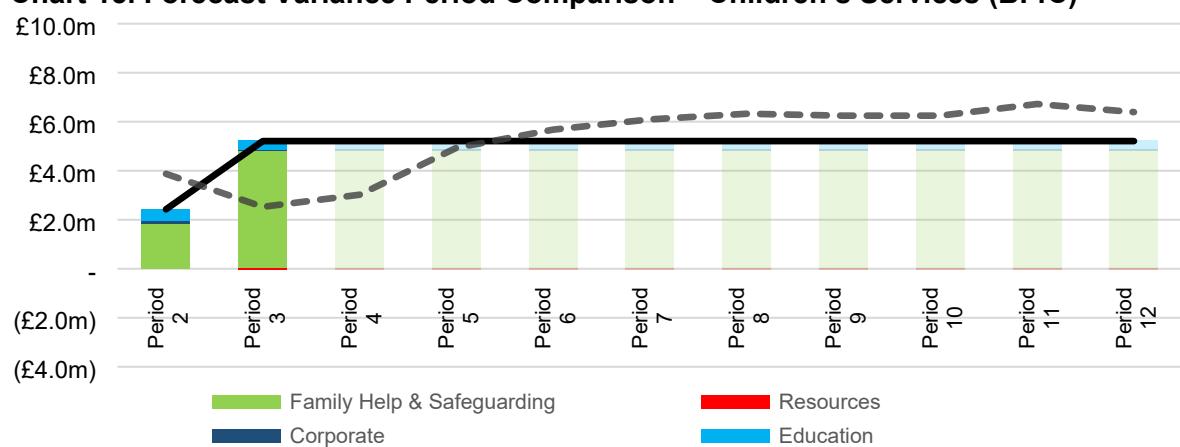
3.76. Children's Services delivered by Brighter Futures for Children (BFfC) is forecasting an overall adverse net variance of £5.210m at Quarter 1, summarised below.

**Table 9. Children's Services delivered by BFfC Forecast 2025/26**

Service	Budget	Forecast Outturn	Forecast Variance
	£m	£m	£m
Family Help & Safeguarding	49.309	54.125	4.816
Resources	2.500	2.452	(0.048)
Corporate	(0.247)	(0.204)	0.043
Education	64.896	65.295	0.399
Dedicated Schools Grant	(58.749)	(58.749)	0.000
Service Level Agreements	6.717	6.717	0.000
BFfC Contract Funding	(0.452)	(0.452)	0.000
<b>Total</b>	<b>63.974</b>	<b>69.184</b>	<b>5.210</b>

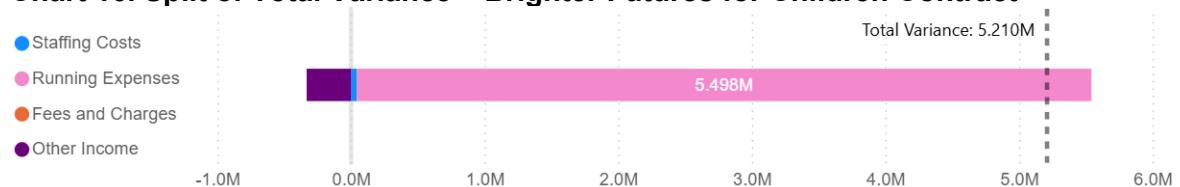
3.77. The following chart summarises the forecast budget variance, split by services within Children's Services Delivered by BFfC, for each period to date.

**Chart 15. Forecast Variance Period Comparison – Children's Services (BFfC)**



3.78. The following chart summarises the overall forecast budget variance for Children's Services Delivered by BFfC by high level category:

**Chart 16. Split of Total Variance – Brighter Futures for Children Contract**



3.79. Family Help and Safeguarding incorporates Children's Social Care and Early Help budgets. This service is forecasting an adverse net variance of £4.816m at Quarter 1.

3.80. The placements budget has increased significantly over the last 2 years following approved increases to the contract sum. The budget stood at £10.212m in 2023/24, £17.134m in 2024/25 and is £22.473m in 2025/26. The budget for 2025/26 was calculated based on the position as at January 2025.

3.81. A detailed review of placement changes between the January 2025 forecast and the actual position in July 2025 has identified a net increase of £5.5m, including:

- 10 new placements were added for children coming into care, with an individual forecast cost exceeding £0.100m, totalling £2.264m.
- 12 existing placements saw an increase in forecast cost of more than £0.100m, totalling £3.587m.

3.82. Of the 12 existing placements with increased costs:

- 8 were placement moves, due to breakdowns or increased complexity, with a combined cost impact of £2.6m.
- The remaining £0.982m relates to 4 placements where care packages were enhanced or changed.

3.83. This analysis highlights the financial sensitivity of high-cost placements and the significant impact of placement instability and care package adjustments on the overall budget, even when the overall number of Children Looked After remains stable.

3.84. The established panels and decision-making forums for placements are:

- Three weekly panels focussed on preventing children coming into care/preventing breakdown of care and moves, reviewing care arrangements, tracking spend and authorising entry to care – all chaired by the Deputy Safeguarding Lead.
- One monthly meeting to review forecast children looked after spend – chaired by Executive Director Children's Services.
- All panels have been strengthened with a clear articulation of; decision making processes, roles and responsibilities for each member, including escalation processes and responsibility for decision making and sign off. The focus is on delivering best outcomes for children by supporting them to live within their family network where it is safe to do so and achieving best value for money by honouring the public purse.

3.85. In addition, every quarter the Director Transformation, Improvement and Quality Assurance (interim), alongside the Strategic Finance Business Partner and service representatives, review all children in Residential Care, high-cost homes and foster homes over £0.002m per week. These children are reviewed weekly at Stable Loving Homes panel, but this quarterly review is a deep dive and provides reassurance and quality assurance of panel decisions.

3.86. The service is mitigating the budget pressures through a transformation programme that includes:

- (i) Implementing an Edge of Care Service
- (ii) Increasing the number of internal foster carers
- (iii) Review of Foster Carer Allowances
- (iv) Retaining Foster Carers
- (v) Development of an in-house residential offer
- (vi) Demand management at the front door (CSPOA)
- (vii) Continuing Health Care (CHC) Funding
- (viii) Launching the first fostering Mockingbird Constellation
- (ix) Increase in identifying and supporting kinship carers
- (x) Recovery Tracker
- (xi) South East Regional Care Cooperative
- (xii) Retained residential & fostering placements through Block Contracts

3.87. Collectively these projects will contribute to improving outcomes for our children and their families, whilst supporting a coherent and strategic approach to managing our budget and delivering a combined saving by 2026/27 of £4.1m that is already factored into the budget.

3.88. Progress to date includes:

- Since the Edge of Care service became operational in January 2025, 48 families (76 children) have been referred into the service:
- Prevention
  - 1 family closed with no care entry and no ongoing CSC involvement
  - 10 families closed with no care entry, remaining open under Child in Need / Child Protection plans.
- Reunification
  - 1 child successfully returned home.
- Stabilisation
  - 1 child successfully supported to remain in placement and avoid a move.
- New foster care allowances are in place.
- The South-East Local Authority Fostering met its target for approved foster carers in 2024/25 with 4 new foster carers being approved – however there is still a need to recruit more foster carers.
- The In-house residential offer is on course to deliver 3 children's homes opening in 2026.
- Front Door demand last year decreased in line with targets. Since March 2025 demand has been the highest seen in children's social care, with the highest number of children open and the highest number of children on child protection plans, this number is now decreasing again due to targeted improvement work.
- Continuing Health Care funding was recovered, as part of the 2024/25 in year recovery plan with £0.243m achieved. Ongoing targeted work to apply for funding where the criteria is met continues.
- The Mockingbird Fostering Hub was successfully launched in June 2025.
- Work is underway to increase support for kinship carers and assessments.
- The recovery tracker work last year for children in care (top 35 placements) saved £1.1m in 2024/25 with savings targets for 2025/26 built into the budget as Edge of Care savings.
- The Regional Care Cooperative provided additional capacity and expertise for our successful submission to the DfE for capital funding for one of our children's homes. We are piloting the Berri needs assessment tool for a cohort of children in care and have been selected to join the Regional Care Cooperative's workforce academy for residential staff.
- The block contract with a local residential provider was extended in 2025/26 for a further two years to provide 5 additional beds. Work is underway to join the Cross

Regional Project in August 2027. This will offer up to 46 beds in the region, of which we will purchase a minimum of two, with the option to purchase voids.

- 3.89. Resources is forecasting a positive variance of £0.048m.
- 3.90. Corporate Services is forecasting an adverse variance of £0.043m due to reduced interest income linked to the lower base rate and ongoing historic teacher pension costs.
- 3.91. Education is forecasting an adverse variance of £0.399m. This variance primarily relates to a £0.438m pressure relating to home to school transport, which is partially offset by £0.039m of other positive variances. This forecast assumes full delivery of the £0.214m MTFS saving related to School Travel Training. While this is monitored monthly, the actual realisation of savings is not expected until the start of the academic year in September. As such, there remains a degree of risk around full delivery until the planned reductions are fully embedded and evidenced within the system.
- 3.92. Work to mitigate pressures and deliver savings continues through the MTFS process 2026/27, alongside continued delivery of all the above programmes of work, reducing the budget pressure across the next 4 years.

#### **Corporate Budgets - £3.138m positive variance**

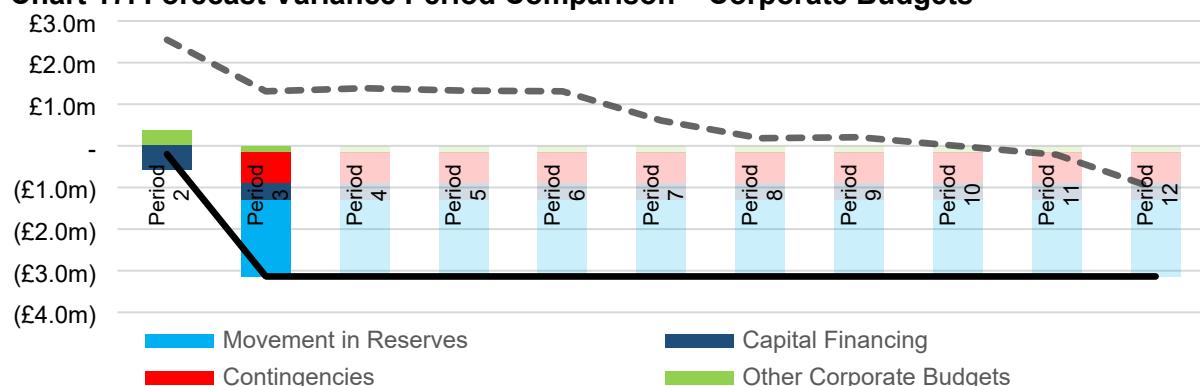
- 3.93. Corporate Budgets are forecasting a positive net variance of £3.138m at Quarter 1.

**Table 10. Corporate Budgets Forecast 2025/26**

Service	Budget	Forecast Outturn	Forecast Variance
	£m	£m	£m
Capital Financing Costs	17.296	16.902	(0.394)
Contingencies	3.238	2.500	(0.738)
Other Corporate Budgets	(11.764)	(11.926)	(0.162)
Movement to/(from) Reserves	(3.945)	(5.789)	(1.844)
<b>Total</b>	<b>4.825</b>	<b>1.687</b>	<b>(3.138)</b>

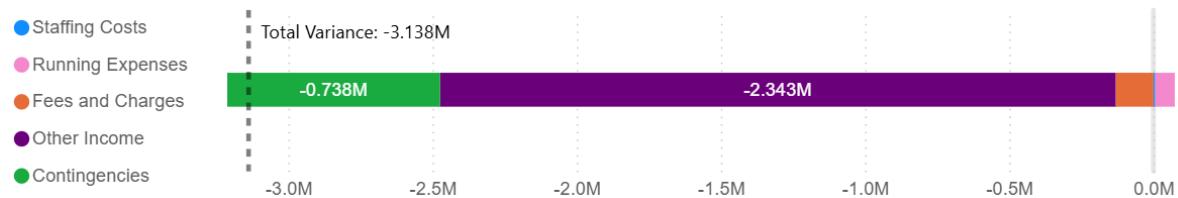
- 3.94. The following chart summarises the forecast budget variance, split by services within Corporate Budgets, for each period to date.

**Chart 17. Forecast Variance Period Comparison – Corporate Budgets**



- 3.95. The following chart summarises the overall forecast budget variance for Corporate Budgets by high level category:

**Chart 18. Split of Total Variance – Corporate Budgets**



3.96. Capital Financing Costs is forecasting a positive total net variance of £0.394m:

- There is a positive variance of £0.093m on the interest payable budget due to a combination of the slippage on the Capital Programme and the Council's strategy of maximising internal borrowing, supported by temporary borrowing where required, in terms of managing the Council's cashflow;
- There is a positive variance of £0.262m on the interest receivable budget primarily due to additional interest relating to the Homes for Reading (HfR) loan repayments;
- There is a positive variance of £0.039m relating to the Minimum Revenue Provision (MRP).

3.97. Other Corporate Budgets is reporting a positive net variance of £0.162m, of which £0.120m relates to pay award contingencies.

3.98. It is currently assumed that £2.500m of the £3.238m Corporate Contingency budget will be needed to fund inflationary uplift pressures yet to materialise or be reported within Adult Social Care Placement budgets. Therefore, the residual £0.738m contingency is currently forecast to contribute a positive variance to the overall General Fund position.

3.99. Movement in Reserves is forecasting a positive variance of £1.844m as a result of additional releases from earmarked reserves to mitigate against the significant pressures forecast within Children's Services.

#### **4. Savings Delivery**

- 4.1. Delivery of the Council's budget is predicated on achieving savings and additional income as agreed as part of the budget setting process in February 2025. Detailed monitoring of agreed savings is tracked on a monthly basis.
- 4.2. The projected financial impact of any non-delivery of savings has been included in the projected outturn position reported above.
- 4.3. A total of £5.451m of savings were delivered in 2024/25. The residual £1.837m of undelivered and removed savings and £1.279m of vacancy factor savings have been carried forward for delivery in 2025/26, giving a revised 2025/26 savings target of £11.516m.
- 4.4. The following table summarises the current forecast savings delivery for 2025/26 (a breakdown by individual saving is provided in Appendix 2):

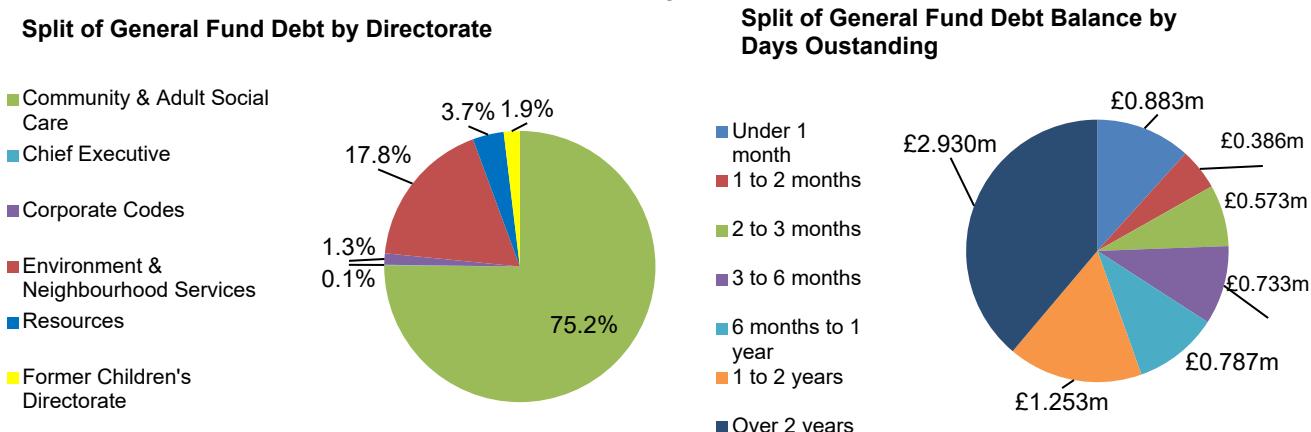
**Table 11. General Funds Savings Tracker Summary**

Service	Savings At Risk £m	Savings Delayed or at Risk £m	Savings on Track £m	Savings Achieved £m	Directorate Total £m
Communities and Adult Social Care	0.000	0.000	(0.983)	0.000	(0.983)
Economic Growth and Neighbourhood Services	(1.139)	(1.004)	(2.897)	(0.169)	(5.209)
Resources	0.000	(0.253)	(1.759)	(0.326)	(2.338)
Chief Executive Services	0.000	0.000	(0.052)	0.000	(0.052)
Corporate	0.000	0.000	(0.300)	0.000	(0.300)
Children's Services delivered by BFFC	(0.749)	(0.767)	(0.433)	(0.685)	(2.634)
<b>Total</b>	<b>(1.888)</b>	<b>(2.024)</b>	<b>(6.424)</b>	<b>(1.180)</b>	<b>(11.516)</b>

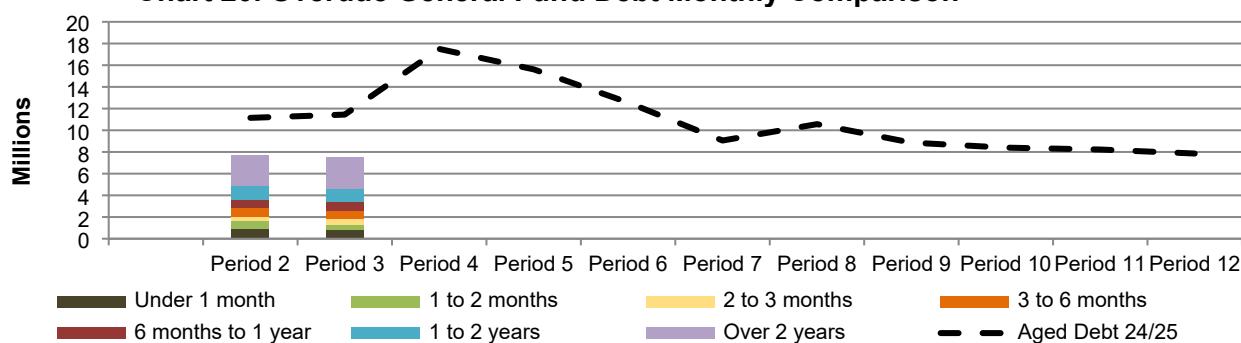
## 5. Debt Performance

5.1. Total General Fund overdue sundry debt as at the end of Quarter 1 is £7.545m. In addition to this, the General Fund also has £5.189m of current debt and £1.069m of deferred debt which is not yet considered overdue.

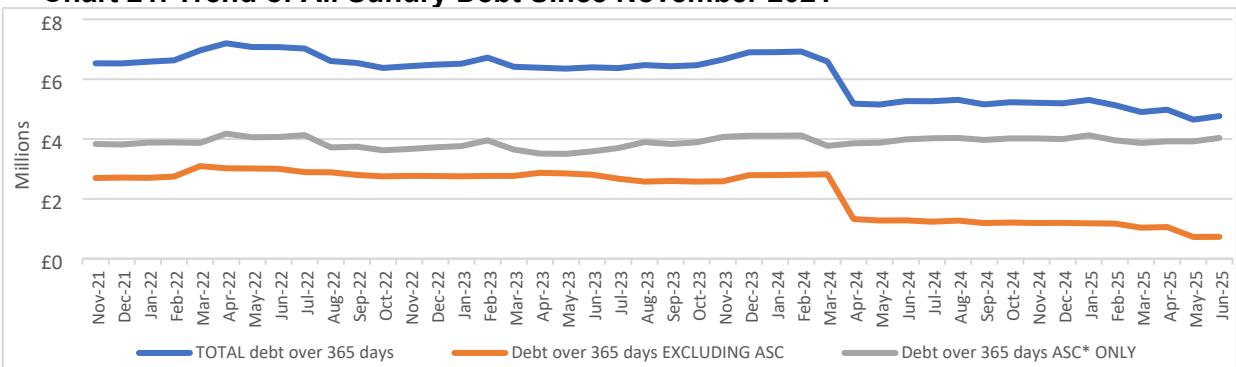
**Chart 19. Split of General Fund Debt by Directorate and Days Outstanding**



**Chart 20. Overdue General Fund Debt Monthly Comparison**



**Chart 21. Trend of All Sundry Debt Since November 2021**



## 6. Debt Write-Offs

6.1. Having complied with the requirements of the Council's Debt Management Strategy, all recovery activity has been exhausted and the Director of Finance recommends that the total amounts submitted to the Committee for write-off for cases above £20,000 are:

- Non-Domestic Rates - £691,677.05
- Sundry Debt - £47,291.46

6.2. The list of specific debts requested to be written off are set out in Appendix 7. It is considered that information contained within Appendix 11 contains exempt information under the meaning of sections 1, 2 and 3 of Schedule 12A of the Local Government Act 1972, as amended, and therefore cannot be made public.

6.3. The write-offs will be contained within the existing respective bad debt provisions. These bad debt provisions are reviewed annually to take account of the likely levels of bad debt write-offs and the potential for any recovery of debt that has been previously written off.

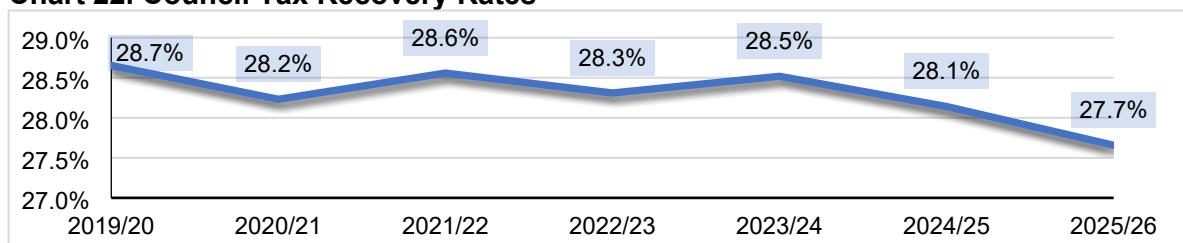
6.4. The cost of non-domestic rates write-offs is shared between the Council (49%), Royal Berkshire Fire and Rescue Service (1%) and Central Government (50%).

## 7. Collection Fund

7.1. The following chart shows the Council's collection rate of the total annual debit raised for Council Tax and Non-Domestic (Business) Rates as at the end of Quarter 1.

7.2. Council Tax collection rates are behind the collection levels at the same point when compared to pre-Covid-19 pandemic rates (2019/20) and 2024/25 collection rates at the same point last year. This is a similar trend across Berkshire and is likely related to the continuing cost of living crisis. The Quarter 1 collection data for Reading is skewed due to the fact that university student exemptions are not applied until September/October; therefore, the position is expected to improve during the Autumn. It should be noted that the Council's discretionary support to eligible customers in receipt of Local Council Tax Support, which had been in place in recent financial years, ceased on 31<sup>st</sup> March 2025 which may impact on collection rates from 2025/26.

**Chart 22. Council Tax Recovery Rates**



7.3. The following table shows the collection performance levels for Council Tax across Berkshire:

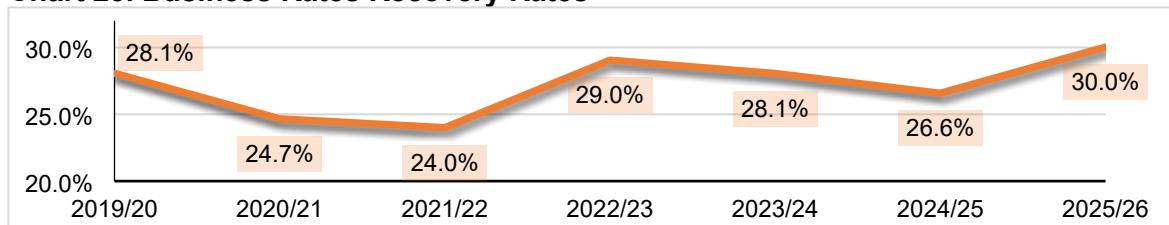
**Table 12. Council Tax Collection across Berkshire (Quarter 1)**

Council Tax	Comparison to 2024/25	Comparison to 2019/20
Bracknell	↑ 0.24%	↓ 0.96%
<b>Reading</b>	↓ <b>0.48%</b>	↓ <b>0.99%</b>
RBWM	↓ 0.51%	↓ 1.23%
Slough	↓ 0.08%	↓ 2.59%
West Berkshire	↓ 0.10%	↓ 0.96%
Wokingham	↓ 0.05%	↓ 1.04%

7.4. For context, a 0.48% decrease in collection is worth approximately £0.736m to the Collection Fund for 2025/26.

7.5. Non-Domestic collection rates are currently ahead of the collection levels at the same point when compared to pre-Covid-19 pandemic rates (2019/20) and 2024/25 collection rates at the same point last year. This is however primarily due to a timing issue relating to circa £3m of business rates for the Council's own properties, which were processed a month later than expected (in Period 4) of 2024/25 but which have been processed on time (in Period 3) in 2025/26.

**Chart 23. Business Rates Recovery Rates**



7.6. The following table shows the collection performance levels for Non-Domestic (Business) Rates across Berkshire:

**Table 13. Business Rates Collection across Berkshire (Quarter 1)**

Business Rates	Comparison to 2024/25	Comparison to 2019/20
Bracknell	↓ 0.58%	↑ 0.29%
<b>Reading</b>	↑ <b>3.46%</b>	↑ <b>1.96%</b>
RBWM	↓ 0.89%	↓ 1.23%
Slough	↑ 0.21%	↓ 0.43%
West Berkshire	↓ 0.03%	↓ 0.61%
Wokingham	↓ 0.52%	↓ 1.11%

7.7. For context, a 3.46% increase in collection is worth approximately £5.480m to the Collection Fund for 2025/26.

## 8. General Fund - Capital Programme

8.1. The General Fund Capital Programme for 2025/26 has an approved budget of £85.370m. The following amendments are requested to be formally approved which would result in a proposed revised Capital Programme budget of £86.500m. These amendments are set out on an individual scheme basis in Appendix 3.

8.2. Against the proposed revised budget of £86.500m there is a positive net variance of £0.168m. This variance relates entirely to the Delivery Fund.

**Table 14. General Fund Capital Programme Amendments**

General Fund Capital Programme	£m
<b>Revised Approved Budget 2025/26</b>	<b>85.370</b>
Budget Movements Between Schemes	0.000
Additional Budgets added to the Programme - Funded by Grants & Contributions	6.613
Additional Budgets requested to be added to the Programme - Funded by Capital Receipts, Revenue Contributions and Borrowing	0.289
Reduced Budgets - Completed Schemes & Other carry forward budget adjustments	(1.638)
Budgets reprogrammed (to)/from Future Years	(4.134)
<b>Proposed Revised Budget Quarter 1 2025/26</b>	<b>86.500</b>

8.3. Budget movements requested between schemes are set out within Appendix 3.

8.4. A total of £6.613m of additional budget (as set out in Appendix 3) is requested to be formally added into the Capital Programme to be funded by grants and other contributions. This includes:

- £2.895 additional High Needs Education capital funding to correctly reflect the grant funding available;
- £1.348m additional grant funding awarded for the Zero Emission Bus Regional Areas (ZEBRA) grant to Reading Transport Limited (RTL) scheme;
- £0.932 additional grant funding awarded for Highways capital schemes;
- £1.438m additional grant funding for other schemes.

8.5. A total of £0.289m of additional budget (as set out in Appendix 3) is requested to be formally added into the Capital Programme to be funded by reserves.

8.6. A total of £1.638m of budget (as set out in Appendix 3) is requested to be removed from the Capital Programme. This includes:

- £1.534m for the Reading Football Club Social Inclusion Unit scheme where the scheme is dependent on funding from a land development (S106 funding) which has been delayed
- £0.104m for Community Infrastructure Levy (CIL) Local Funds – Leisure and Play schemes where schemes have been completed under budget.

8.7. A net total of £4.134m of budgets are requested to be reprogrammed between 2025/26 and future years of the Capital Programme as set out in Appendix 3. This includes:

- £3.312m for the Special Educational Needs (SEN) High Needs provision capital allocation following additional grant funded budget being allocated to the scheme;
- £0.950m for the Corporate Solar Programme scheme to reflect the revised timescales of works;
- £0.518m brought forward for the ICT Tech Refresh scheme to accommodate the Windows 11 upgrade;
- £0.390m of net re-programming between years across all other schemes.

## 9. Delivery Fund

9.1. Costs of service transformation and the delivery of future ongoing savings are able to be charged to capital (and financed from new capital receipts) due to the introduction of the

Flexible Capital Receipts Regulations. These regulations have been confirmed to have been extended to 31<sup>st</sup> March 2030.

9.2. There is a total £2.927m Delivery Fund available for 2025/26 (inclusive of 2024/25 approved carry forwards). At Quarter 1, £2.801m of this funding has been allocated out to approved schemes and the forecast spend is £2.759m, which represents a positive net variance of £0.168m. A review of any scheme variances will be undertaken as part of 2025/26 outturn processes with any positive variances rolled forward into 2026/27 or returned to the unallocated contingency as appropriate.

## 10. Housing Revenue Account – Revenue

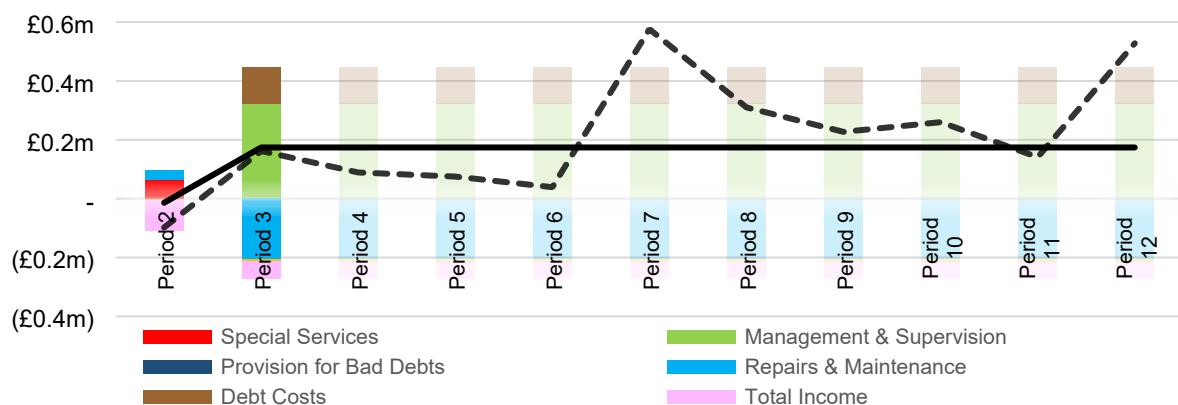
10.1. The approved Housing Revenue Account (HRA) budget assumes a drawdown from HRA reserves of £4.465m. At Quarter 1, the forecast revenue outturn position on the HRA is an adverse net variance to budget of £0.176m. Therefore, a drawdown from the HRA Reserve is forecast of £4.641m rather than the approved budgeted £4.465m drawdown from reserves. The breakdown of the net variance is set out in the following table and explained below.

**Table 15. Housing Revenue Account Forecast 2025/26**

	Budget	Forecast Outturn	Forecast Variance
	£m	£m	£m
Management & Supervision	11.877	12.200	0.323
Special Services	4.906	4.906	0.000
Provision for Bad Debts	0.922	0.922	0.000
Repairs & Maintenance	8.198	7.994	(0.204)
Major Repairs/Depreciation	14.932	14.932	0.000
Debt Costs	8.059	8.183	0.124
PFI Costs	8.410	8.400	(0.010)
Revenue Contribution to Capital	0.000	0.000	0.000
HRA Income	(52.839)	(52.899)	(0.057)
<b>Over/(Under) Budget</b>	<b>4.465</b>	<b>4.641</b>	<b>0.176</b>
<b>Movement to/(from) HRA Reserves</b>	<b>(4.465)</b>	<b>(4.641)</b>	<b>(0.176)</b>

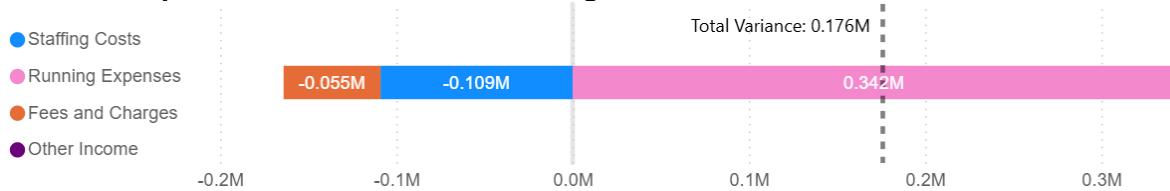
10.2. The following chart summarises the forecast budget variance, split by services within the HRA, for each period to date.

**Chart 24. Forecast Variance Period Comparison – Housing Revenue Account**



10.3. The following chart summarises the overall forecast budget variance for the Housing Revenue Account by high level category:

### Chart 25. Split of Total Variance – Housing Revenue Account



- 10.4. Management and Supervision is forecasting an adverse variance of £0.323m. This is primarily due to costs associated with the temporary structure at Whitley Wood Community Centre.
- 10.5. Repairs & Maintenance is forecasting a positive variance of £0.204m due to variances in Housing Repairs and expected positive variances against decorations and non-gas servicing.
- 10.6. PFI Costs is forecasting a positive variance of £0.010m based on the payments made in April and May.
- 10.7. Debt Costs is forecasting an adverse variance of £0.124m due to a higher Capital Financing Requirement (CFR) than expected.
- 10.8. HRA Income is forecasting a positive variance of £0.057m. Dwelling Rents are currently projected to be overachieving on the budget by a total of £0.074m (0.16% more than budget). In addition, there is an overachievement forecast on Service Charges of £0.012m. Other Income is also forecast to overachieve against the budget by £0.029m. However, interest on balances is forecast to underachieve by £0.058m due to lower rates than expected.

### 11. Housing Revenue Account - Capital Programme

- 11.1. The HRA Capital Programme for 2025/26 has an approved budget of £89.279m. The following amendments are requested to be formally approved which would result in a proposed revised Capital Programme budget of £80.933m. These amendments are set out on an individual scheme basis in Appendix 4.

**Table 16. Housing Revenue Account Capital Programme Amendments**

Housing Revenue Account Capital Programme	£m
<b>Revised Approved Budget 2025/26</b>	<b>89.279</b>
Budget Movements Between Schemes	0.000
Additional Budgets added to the Programme - Funded by Grants & Contributions	0.000
Additional Budgets requested to be added to the Programme - Funded by Capital Receipts, Revenue Contributions and Borrowing	0.000
Reduced Budgets - Completed Schemes & Other carry forward budget adjustments	0.000
Budgets reprogrammed (to)/from Future Years	(8.346)
<b>Proposed Revised Budget Quarter 1 2025/26</b>	<b>80.933</b>

- 11.2. Budget movements requested between schemes are set out within Appendix 4.
- 11.3. A total of £8.346m of budgets are requested to be reprogrammed between 2025/26 and future years of the Capital Programme as set out in Appendix 4 for the Major Repairs – Existing Homes Renewal & Zero Carbon Retrofit works scheme following a review of the works planned for 2025/26.

## 12. Corporate Plan Performance

## Summary

- 12.1. This section of the Performance Report sets out progress against the Performance Measures and Projects included in the Council Plan “Investing in Reading’s Future.”
- 12.2. The Council Plan sets out the Council’s vision “To help Reading realise its potential and to ensure that everyone who lives and works here can share the benefits of its success” and five priorities of:
  - Promote more equal communities in Reading
  - Secure Reading’s economic and cultural success
  - Deliver a sustainable and healthy environment and reduce Reading’s carbon footprint
  - Safeguard and support the health and wellbeing of Reading’s adults and children
  - Ensure Reading Borough Council is fit for the future
- 12.3. These themes are supported by the strong Foundations of effective service delivery, improvement and transformation needed to ensure the effective delivery of the ambitious programme set out in the Council Plan.
- 12.4. The new Council Plan, agreed in March 2025, includes 30 KPIs and 51 projects which underpin delivery of the Council’s vision and priorities. Of the 30 KPIs, 13 are annual measures.
- 12.5. The full list of Performance KPIs monitored in year is attached at Appendix 5 and Projects as Appendix 6.
- 12.6. The table below provides a summary of the status of the KPIs and projects at the end of the first quarter of 2025/26.

**Table 17. Performance Overview**

What	Status %				TBC
	Red	Amber	Green	Complete	
Key Measures	35	6	53	0	6
Key Projects	2	35	63	0	0

## Corporate Plan KPIs

12.7. The KPIs are rated as follows:

- Green – at or above target
- Amber – within 10% of the target
- Red – 10% or more off target

12.8. The following table shows performance against the target (red/amber/green) for the 17 measures reported in year for 2025/26, compared to previous quarters.

**Table 18. Summary of Performance against target KPIs**

12.9. Further details are provided in Appendix 5.

### **Corporate Plan Projects**

12.10. Projects are rated as follows:

- Blue – complete
- Green – on track
- Amber – at risk
- Red – off track

12.11. The following table shows the RAG status for the Corporate Plan projects:

**Table 19. RAG Status of Corporate Plan Projects**

Status	2024/25				2025/26	
	Q1	Q2	Q3	Q4	Q1	
					%	No.
Blue	7	0	9	11	0	0
Green	56	65	61	67	63	32
Amber	37	35	28	20	35	18
Red	0	0	2	2	2	1
<b>Total</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>51</b>

12.12. Further details are provided in Appendix 6.

### **13. Contribution to Strategic Aims**

13.1. Full details of the Council's Corporate Plan and the projects which will deliver these priorities are published on the [Council's website](#). These priorities and the Corporate Plan demonstrate how the Council meets its legal obligation to be efficient, effective, and economical.

13.2. Delivery of the Council's budget is essential to ensuring the Council meets its strategic aims and remains financially sustainable going forward.

### **14. Environmental and Climate Implications**

14.1. The Council declared a Climate Emergency at its meeting on 26th February 2019. The Council's Corporate Plan monitors progress in reducing the carbon footprint of both the Borough and the Council.

14.2. There are no specific environmental and climate implications to report in relation to the recommendations set out in this report.

### **15. Community Engagement**

15.1. Budget-related communications and consultations will continue to be a priority over the next three years as we work to identify savings and efficiencies.

### **16. Equality Implications**

16.1. The equality duty is relevant to the development of the Budget. The specific savings and income proposals included in the budget are subject to consultation and equality impact assessments where required and these are being progressed as appropriate.

### **17. Other Relevant Considerations**

17.1. There are none.

## **18. Legal Implications**

18.1. The Local Government Act 2003 requires that the Authority reviews its Budget throughout the year and takes any action it deems necessary to deal with the situation arising from monitoring. Currently monitoring reports are submitted to Policy Committee quarterly throughout the year.

## **19. Financial Implications**

19.1. The financial implications are set out in the body of this report.

## **20. Timetable for Implementation**

20.1. Not applicable.

## **21. Background Papers**

21.1. There are none.

## **Appendices**

- 1. Summary of the General Fund Budget and Forecast 2025/26**
- 2. Savings Tracker Quarter 1**
- 3. General Fund Capital Programme**
- 4. Housing Revenue Account (HRA) Capital Programme**
- 5. Corporate Plan Performance Measures Quarter 1**
- 6. Corporate Plan Projects Quarter 1**
- 7. Debt Write-Offs**