Policy Committee 16 September 2026	

Title	2026/27 Quarter 1 Performance & Monitoring Report
Purpose of the report	To make a decision
Report status	Public report
Report author	Chloe Hennessy, Head of Finance – Resources & Corporate
Executive Director/ Statutory Officer Commissioning Report	Darren Carter, Director of Finance
Lead Councillor	Councillor McEwan, Lead Councillor for Corporate Services & Resources
Corporate priority	Not applicable, but still requires a decision
Recommendations	**That Policy Committee notes:** 1. That the forecast General Fund revenue outturn position for Quarter 1 is a net pressure of £5.334m (Appendix 1); 2. That £0.578m (9%) of the total savings target and £0.181m (4%) of vacancy factor targets are included within directorate budget forecasts as pressures, with the remaining £5.707m (91%) of savings targets and £4.294m (96%) of vacancy factor targets currently forecast to be delivered in full (Appendix 2); 3. That the General Fund Capital Programme is forecasting a positive net variance of £0.310m against the proposed revised budget of £67.088m (Appendix 3); 4. That there is a total £2.040m Delivery Fund available for 2026/27 (inclusive of 2025/26 approved carry forwards). At Quarter 1, £1.830m of this funding has been allocated out to approved schemes; 5. That the Housing Revenue Account (HRA) is forecasting a balanced budget as at the end of Quarter 1, which includes a forecast drawdown from HRA Reserves of £3.161m; 6. That the HRA Capital Programme is forecasting to spend to budget against the proposed revised budget of £61.745m (Appendix 4); 7. The performance achieved against the Council Plan success measures as set out in Section 12 of this report and Appendices 5 and 6. **That Policy Committee approves:** 8. 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 £67.088m for 2026/27; 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 £61.745m for 2026/27; 10. The write-off of debts as set out in Section 6 and Appendix 7 relating to:

	a) Non-Domestic Rates - £440,982.01; b) Sundry Debt - £29,862.19.

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 overall forecast variance for Quarter 1 is a net pressure of £5.334m. The main pressures are set out below:

Children's Services

1.2 Net cost pressures totalling £4.020m are forecast within Children's Services, which continues to be driven primarily by increasing demand and cost pressures within statutory services, combined with rising placement costs, a continued reliance on agency workers and other operational challenges across the service.

Economic Growth and Neighbourhood Services

1.3 Net pressures totalling £0.925m are forecast within Economic Growth and Neighbourhood Services, which has primarily arisen from a projected overspend on agency and overtime costs in Waste Collection and vehicle hire and maintenance costs in Fleet Management.

Corporate Budgets

1.4 Corporate Budgets is forecasting a net pressure of £0.283m, of which £0.200m relates to Capital Financing pressures. It is currently assumed that £1.088m of the Corporate Contingency budget will be needed to fund pressures included in the Other Corporate Budgets forecast arising from the 2026/27 pay award.

Savings

1.5 The Quarter 1 forecast shows that £0.578m (9%) of the total savings target is included within directorate budget forecasts as pressures, with the remaining £5.707m (91%) currently forecast to be delivered in full. Currently, 15% of savings have completed all their delivery milestones, 29% are in the early stages of delivery, 43% are in the mid stages and 13% are in the late stages.

1.6 The Quarter 1 forecast also shows that £0.181m (4%) of the total vacancy factor target is included within directorate budget forecasts as pressures, predominantly within DEGNS. Of the remaining target, £3.805m (85%) has currently been identified against specific budgets as deliverable and £0.489m (11%) remains unidentified but forecast to be delivered by the end of the year.

1.7 The Savings Tracker and Vacancy Factor Tracker, which lists progress against each target is attached as Appendix 2.

General Fund – Capital

1.8 The General Fund Capital Programme had an original budget for 2026/27 of £56.205m which was approved as part of the 2026/27 Budget. This budget was revised to £81.126m following approved adjustments as part of the 2025/26 Quarter 3 and Quarter 4 Performance and Monitoring reports to Policy Committee.

1.9 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 £67.088m for 2026/27.

1.10 At Quarter 1, against the proposed revised budget of £67.088m, the current forecast is a net positive variance of £0.310m. 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

1.11 At Quarter 1, the forecast revenue outturn position on the HRA is a balanced budget, which includes a drawdown from the HRA Reserve of £3.161m. Further details are set out in Section 10.

Housing Revenue Account (HRA) – Capital

1.12 The Housing Revenue Account (HRA) Capital Programme had an original budget of £67.310m which was approved as part of the 2026/27 Budget. This budget was revised to £85.723m following approved adjustments as part of the 2025/26 Quarter 3 and Quarter 4 Performance and Monitoring reports to Policy Committee.

1.13 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 budget of £61.745m for 2026/27.

1.14 At Quarter 1, the HRA Capital Programme is forecasting to spend to budget against the proposed revised budget of £61.745m. The HRA Capital Programme is set out in more detail in Section 11 and Appendix 4.

Performance

1.15 The report also sets out performance against the measures of success published in the Council Plan.

1.16 Of the 18 Council Plan Performance Measures monitored monthly or quarterly, 50% are currently at or above target (green), 22% are within 10% of the target (amber), 28% are 10% or more off target (red) and none are outstanding.

1.17 Of the 50 Council Plan Projects, 4% are currently delivered (blue), 72% are on track (green), 22% are at risk (amber) and 2% are off track (red).

1.18 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 2026/27 Budget and Medium-Term Financial Strategy (MTFS) 2026/27 – 2028/29 in February 2026.

3 General Fund – Revenue

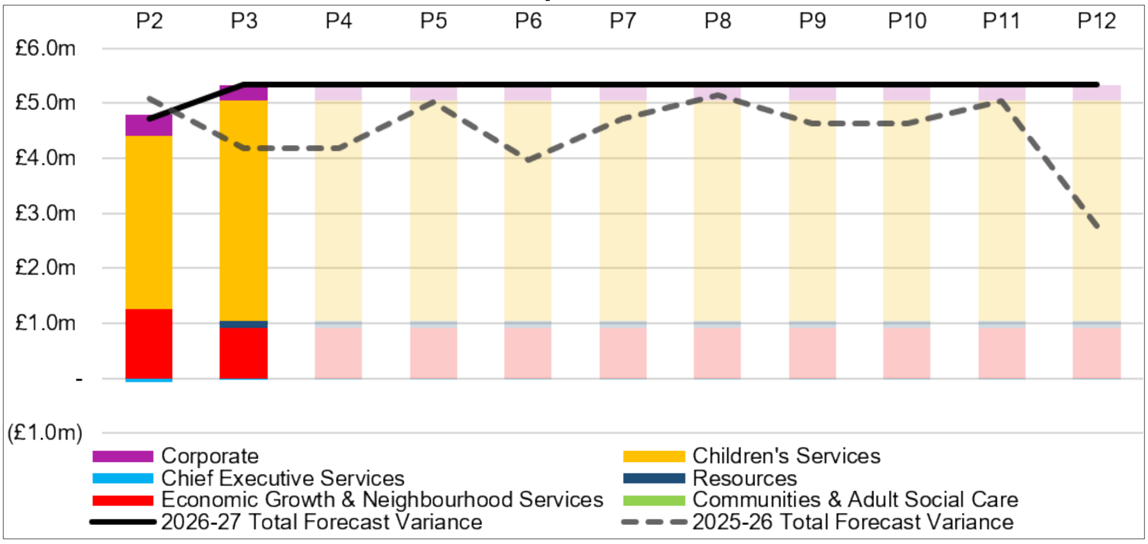
3.1 The forecast outturn position of the General Revenue Fund is a net pressure of £5.334m.

Table 1. General Revenue Fund Forecast by Directorate 2026/27

	Current Budget £m	Forecast Outturn £m	Forecast Variance £m
Communities & Adult Social Care	73.815	73.815	-
Children's Services	62.896	66.916	4.020
Economic Growth & Neighbourhood Services	24.187	25.112	0.925
Resources	24.145	24.256	0.111
Chief Executive Services	1.580	1.575	(0.005)
Total Service Expenditure	**186.623**	**191.674**	**5.051**
Capital Financing	17.215	17.415	0.200
Contingencies	1.983	0.895	(1.088)
Other Corporate Budgets	1.143	2.314	1.171
Movement in Reserves	(7.302)	(7.302)	-
Total Corporate Budgets	**13.039**	**13.322**	**0.283**
Net Budget Requirement	**199.662**	**204.996**	**5.334**
Financed by:			
Council Tax Income	(134.176)	(134.176)	-
NNDR Local Share	(34.808)	(34.808)	-
Revenue Support Grant	(36.740)	(36.740)	-
One-off Collection Fund (Surplus)/Deficit	6.062	6.062	-
Total Funding	**(199.662)**	**(199.662)**	**-**
Net Total Cost	**-**	**5.334**	**5.334**

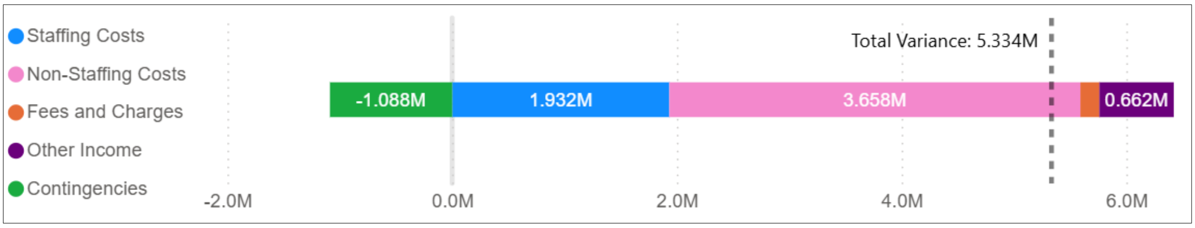
Graphical Information

Chart 1. Forecast Variance Period Comparison – General Fund



3.2 This chart summarises the forecast budget variance, split by directorate, compared to last year.

Chart 2. Split of Total Variance – General Fund



3.3 This chart summarises the overall forecast budget variance for the General Fund by high level category.

Communities & Adult Social Care (DCASC) - Balanced Budget

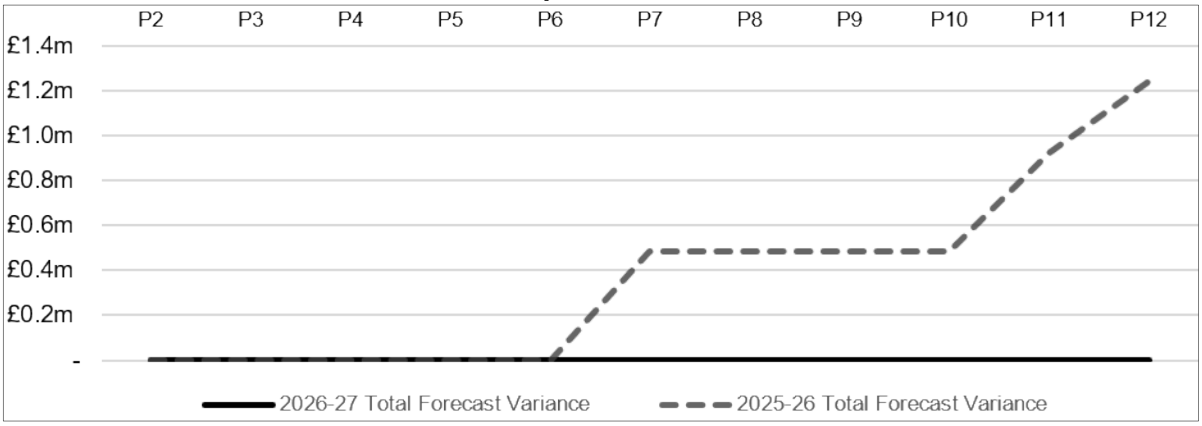
3.4 DCASC is forecasting a balanced budget at Quarter 1.

Table 2. DCASC Forecast 2026/27

Service	Current Budget £m	Forecast Outturn £m	Forecast Variance £m
Commissioning, Transformation & Performance	(8.001)	(8.001)	-
Adult Social Care Operations	67.261	67.261	-
Safeguarding, Quality & Practice	7.684	7.684	-
Communities & Adult Social Care Management	1.547	1.547	-
Public Health	-	-	-
Housing & Communities	5.324	5.324	-
Net Total Cost	**73.815**	**73.815**	**-**

Graphical Information

Chart 3. Forecast Variance Period Comparison - DCASC



3.5 This chart summarises the forecast budget variance, split by services within DCASC, compared to last year.

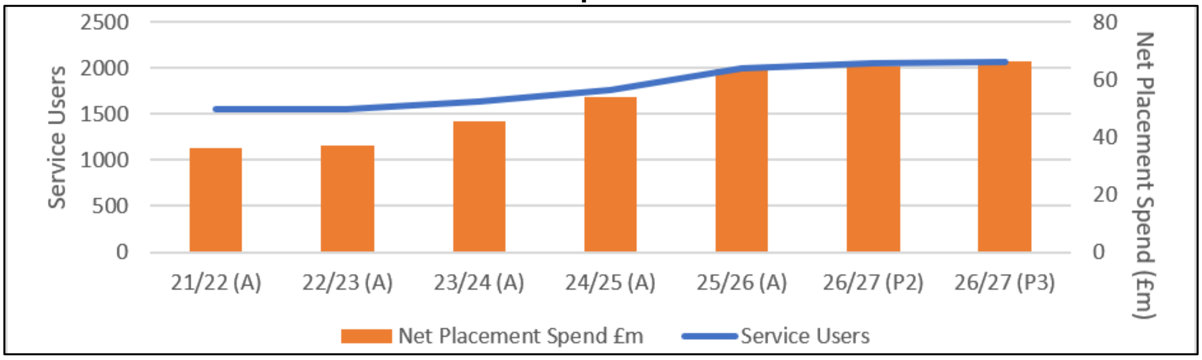
Adult Social Care Operations – Balanced Budget

3.6 Adult Social Care (ASC) is forecasting a balanced budget.

3.7 The number of service users was 2,013 on 1st April 2026, which increased to 2,071 by 30th June 2026. New service users are in the majority from the older adult age cohort (65+) representing 64% of new service users. This is more aligned to expectations, following higher growth than expected in the working age adult cohort in the past financial year.

3.8 The graph below illustrates the increase in service user numbers against the placement expenditure commitment for the service user cohort from 2021/22 to 2026/27 Quarter 1.

Chart 4. Service Users & Net Placement Spend in ASC



3.9 The most common service provision for new service users is Homecare, with an average cost per week of £264, whilst the average cost of placement across all service users across 2025/26 was £500 per week.

3.10 Adult Social care has MTFS savings totalling £3.310m for 2026/27 (excluding the vacancy factor) which are expected to be realised in full.

3.11 Preliminary work is underway to establish a recovery plan to offset pressures that may arise throughout the year due to a higher than expected increase in demand and complexity of need. Around £2m of potential pressures are noted as a risk that may arise throughout the year but not included in the forecast.

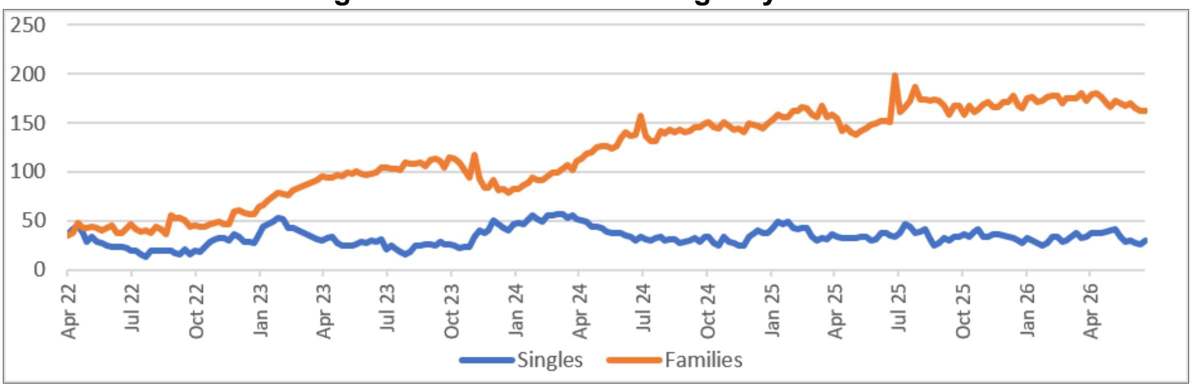
3.12 In addition, the service has received £1.5m of care provider inflation appeals following the inflation offer for existing placements for 2026/27. The budgeted level of inflation is included in the forecast, and appeals received will be reviewed and benchmarked before being quantified into an adjustment against the forecast.

Housing & Communities – Balanced Budget

3.13 Housing & Communities is forecasting a balanced budget, due to an additional £0.392m provided in the 2026/27 budget for Emergency Accommodation (EA) compared to 2025/26.

3.14 The number of singles and families in need of EA is currently 193, which is a decrease from the level of 213 as at the end of March 2026, as illustrated in the chart below.

Chart 5. Numbers of Singles and Families in Emergency Accommodation



3.15 The average nightly rate is the other cost driver on homelessness budgets. As at the end of June 2026, the average nightly rate was £82.00, compared to £82.85 as at the end of March 2026, as illustrated in the chart below.

Chart 6. Average Nightly Rate per Emergency Accommodation Placement

<u>Children's Services (DOCS) - £4.020m Net Pressure</u>

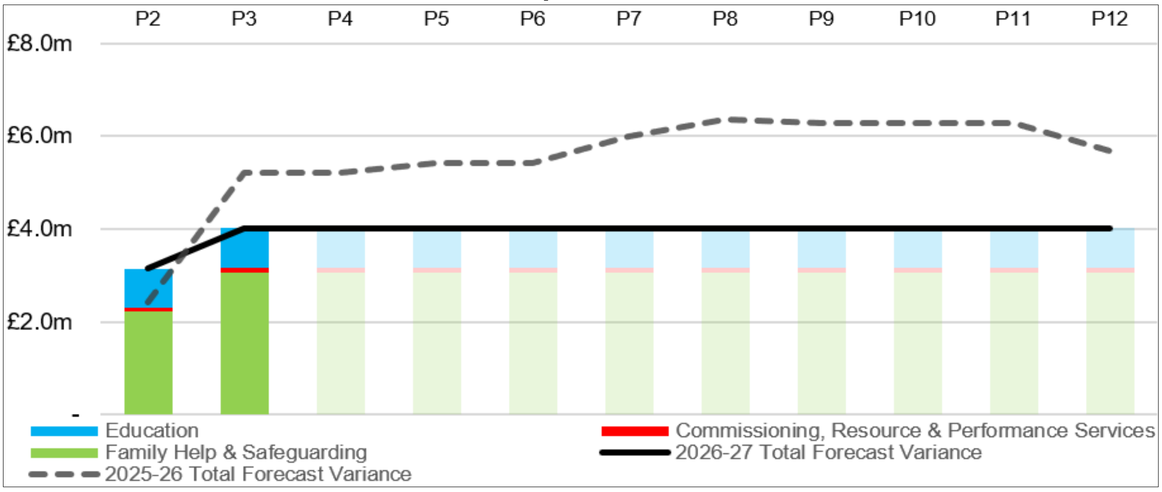
3.16 DOCS is forecasting a net pressure of £4.020m. The variance is driven primarily by increasing demand and cost pressures within statutory services, combined with rising placement costs and other operational challenges across the service.

Table 3. DOCS Forecast 2026/27

Service	Current Budget £m	Forecast Outturn £m	Forecast Variance £m
Family Help & Safeguarding	54.430	57.489	3.059
Commissioning, Resource & Performance Services	2.464	2.574	0.110
Education	6.002	6.853	0.851
Net Total Cost	**62.896**	**66.916**	**4.020**

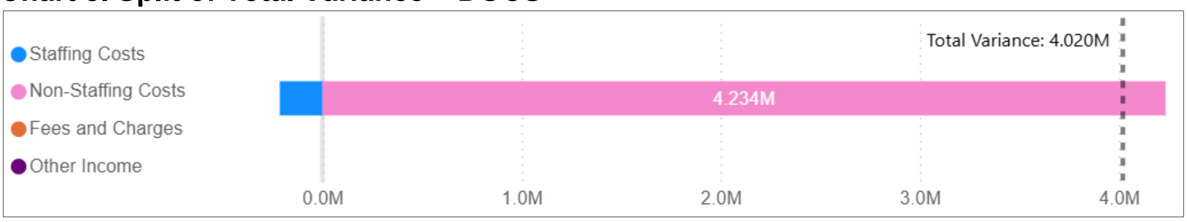
Graphical Information

Chart 7. Forecast Variance Period Comparison – DOCS



3.17 This chart summarises the forecast budget variance, split by services within DOCS, compared to last year.

Chart 8. Split of Total Variance – DOCS



3.18 This chart summarises the overall forecast budget variance for DOCS by high level category.

Family Help and Safeguarding – £3.059m Net Pressure

3.19 The main areas of financial pressure within Family Help & Safeguarding relate to placement costs. The care-related pressure reflects ongoing commitments and cost levels carried forward from the 2025/26 financial year.

3.20 The service is working through additional mitigations to bring in a balanced budget, including:

- Placement Stability & Sufficiency – to focus on challenging fee uplifts, reviewing cost breakdowns and packages of care, renegotiating costs, high-cost placement clinics, and placement panels to manage spend and negotiate better rates.
- Edge of Care / Reunification / Family Help – to strengthen services that have already had positive results including preventing children from coming into care, successful reunification home, ceasing placements and placement stabilisation.
- Recovering more NHS Continuing Healthcare / CCHC contributions – ensuring the right partner pays the right share where criteria are met.

Commissioning, Resource & Performance Services – £0.110m Net Pressure

3.21 Commissioning, Resource & Performance Services is forecasting a net pressure of £0.110m relating to staffing costs within the Business Support Team. This position reflects, in part, the additional MTFS 2026/27 savings requirement. The service is actively progressing work to identify and deliver mitigating actions, and the position will continue to be kept under close review as these plans are implemented.

Education – £0.851m Net Pressure

3.22 The principal financial pressure within Education Services at this early stage of the year relates to continued demand on the home to school transport budget, which remains a significant cost driver within the service. No additional growth was built into the 2026/27 Medium Term Financial Strategy (MTFS) to reflect this level of demand, and as a result the current forecast continues to reflect the underlying pressure carried forward from the final position reported in 2025/26.

3.23 The service is actively progressing through a range of mitigating actions intended to reduce the scale of the overspend, focused on three main areas:

- Reducing bus routes where this can be achieved safely and appropriately;
- Maximising the use of larger vehicles to improve transport efficiency;
- Increasing the use of college/school-led transport arrangements where suitable.

3.24 These mitigating actions are currently estimated to deliver savings of £0.451m within the Quarter 1 forecast. After taking these measures into account, a residual overspend of approximately £0.834m remains. Further work to identify additional mitigations is in progress.

Economic Growth & Neighbourhood Services (DEGNS) - £0.925m Net Pressure

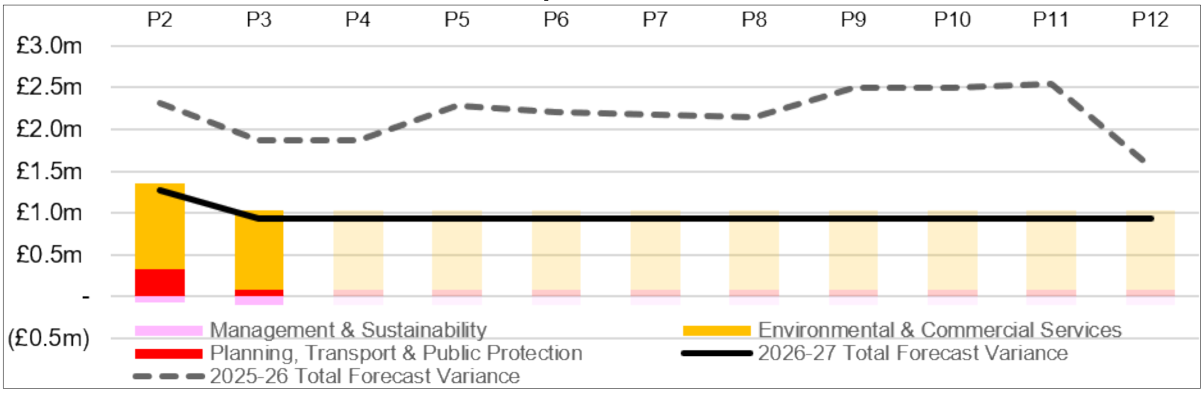
3.25 DEGNS is forecasting a net pressure of £0.925m at Quarter 1, which has primarily arisen from a projected overspend on agency and overtime costs in Waste Collection and vehicle hire and maintenance costs in Fleet Management.

Table 4. DEGNS Forecast 2026/27

Service	Current Budget £m	Forecast Outturn £m	Forecast Variance £m
Planning, Transport & Public Protection	1.383	1.458	0.075
Culture	2.339	2.339	-
Environmental & Commercial Services	18.624	19.574	0.950
Property & Asset Management	0.839	0.839	-
Management & Sustainability	1.002	0.902	(0.100)
Net Total Cost	**24.187**	**25.112**	**0.925**

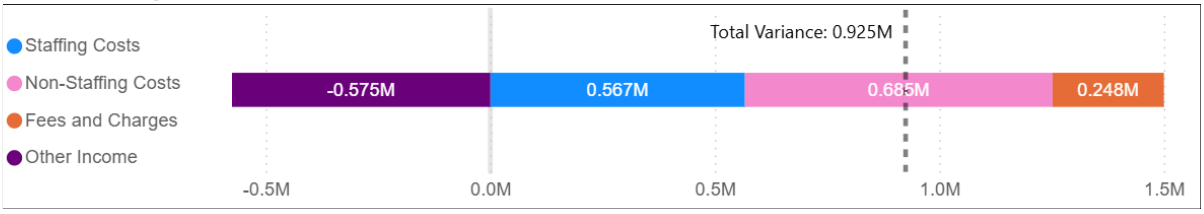
Graphical Information

Chart 9. Forecast Variance Period Comparison – DEGNS



3.26 This chart summarises the forecast budget variance, split by services within DEGNS, compared to last year.

Chart 10. Split of Total Variance – DEGNS



3.27 This chart summarises the overall forecast budget variance for DEGNS by high level category.

Planning, Transport & Public Protection – £0.075m Net Pressure

3.28 Planning, Transport and Public Protection is forecasting a net pressure of £0.075m.

Table 5. Planning, Transport and Public Protection Forecast 2026/27

Area	Current Budget £m	Forecast Outturn £m	Forecast Variance £m
Building Control	0.047	0.172	0.125
Planning Services	0.434	0.528	0.094
Regulatory Services	2.545	2.417	(0.128)
Network & Parking Services	(7.211)	(7.227)	(0.016)
Strategic Transportation	5.567	5.567	-
Net Total Cost	**1.382**	**1.457**	**0.075**

Building Control - £0.125m Net Pressure

3.29 Continued difficulties in recruiting permanent, qualified staff have contributed to net pressures relating to agency costs and reduced income generation of £0.125m. Measures undertaken during 2025/26 delivered a final overspend of £0.078m and there is a year on year improving position on the previous financial years and this trend is anticipated to continue with work being won from Private Building Control companies.

Planning Services - £0.094m Net Pressure

3.30 Reduced income following continued lower than anticipated levels of planning applications, has contributed to a forecast net pressure of £0.094m. The team has acted by promoting the use of Planning Performance Agreements (PPAs) on Major schemes, to help contain the income pressures. This current position is consistent with the final outturn in 2025/26, however there are some additional potential benefits from the consultation underway over the future level of fees able to be charged. Major developments which may generate significant fees in the future have not progressed. Staffing vacancies are being closely monitored to minimise costs incurred.

Regulatory Services - £0.128m Net Positive Variance

3.31 Houses in Multiple Occupation (HMO) PSH Discretionary licences scheme was implemented at the end of 2025/26, generating additional income, some of which is needed in 2026/27, and some must be carried forward to future years to fund anticipated expenditure on further inspections in 2028/29 & 2029/30. This is identifying a balanced budget position for 2026/27, but is being closely monitored as the scheme is still bedding in.

3.32 Alcohol & entertainment licence applications have become static for last 2 years and no growth in applications is anticipated in 2026/27, leading to an income pressure of £0.064m.

3.33 Delayed recruitment in Planning Enforcement along with other positive variances across the service have helped to report a positive variance on Regulatory Services of £0.128m.

Network and Parking Services – £0.016m Net Positive Variance

3.34 An overall operational cost pressure of £0.582m is offset by £0.598m of incremental income, due to more Penalty Charge Notices (PCN) being issued and an increase in parking volume.

Culture – Balanced Budget

New Directions/Adult Education – £0.023m Net Pressure

3.35 New Directions/Adult Education are reporting a net pressure of £0.023m. The service has identified £0.177m of mitigating savings which has reduced the pressure to £0.023m and are continuing to find mitigating measures.

Archives – £0.023m Net Positive Variance

3.36 Savings from the agreed board spend from the joint arrangements have contributed a positive variance of £0.023m.

Environmental & Commercial Services – £0.950m Net Pressure

3.37 Environmental & Commercial Services is forecasting a net pressure of £0.950m.

Table 6. Environmental & Commercial Services Forecast 2026/27

Area	Current Budget £m	Forecast Outturn £m	Forecast Variance £m
Waste Collection	(0.525)	0.275	0.800
Re3 Waste Disposal	10.786	10.511	(0.275)
Highways, Drainage and Network	2.963	2.963	-
Streetscene	4.183	4.183	-
Fleet Management	1.218	1.643	0.425
Net Total Cost	**18.625**	**19.575**	**0.950**

Waste Collection – £0.800m Net Pressure

3.38 Agency and overtime costs remain high to ensure round completion, driven by sickness and vehicle failures, creating a pressure of £0.800m. This includes vacancy factor savings of £0.175m that cannot be achieved in this area. A deep dive review into the service including the related pressures on Fleet Management has been undertaken and measures to deal with the pressure on an ongoing basis have been developed for the 2027/28 budget setting process.

Re3 Waste Disposal – £0.275m Net Positive Variance

3.39 An underspend of £0.275m is reported in Waste Disposal due to:

- Successful Comms campaigns driving diversion of materials from Residual into higher levels of recycling & food waste at lower overall cost. Garden waste collections are also lower.
- Insurance provision in budget not being needed.
- Recyclate income being higher than projected.

Fleet Management – £0.425m Net Pressure

3.40 Vehicle Hire costs to ensure that waste collection rounds are completed, mainly due to failure of the electric RCV fleet, and maintenance costs remaining higher than budget have created a net pressure of £0.425m in Fleet Management.

Management & Sustainability – £0.100m Net Positive Variance

3.41 Management & Sustainability is forecasting an underspend of £0.100m, due to vacancies within the management team being held until later in the financial year.

Resources (DOR) – £0.111m Net Pressure

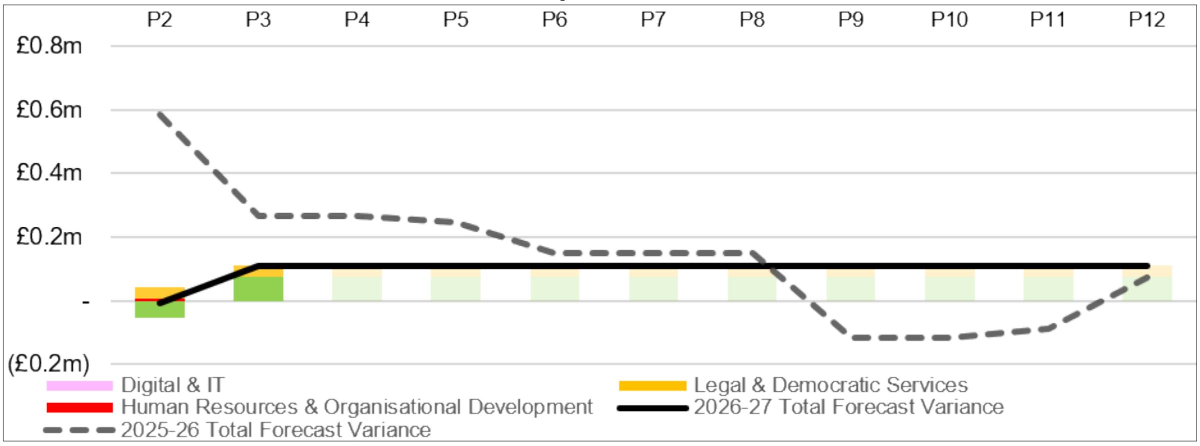
3.42 DOR is forecasting a net pressure of £0.111m.

Table 7. DOR Forecast 2026/27

Service	Current Budget £m	Forecast Outturn £m	Forecast Variance £m
Policy, Change & Customer Services	5.367	5.443	0.076
Human Resources & Organisational Development	2.461	2.461	-
Finance	6.708	6.708	-
Legal & Democratic Services	2.174	2.209	0.035
Digital & IT	7.435	7.435	-
Net Total Cost	**24.145**	**24.256**	**0.111**

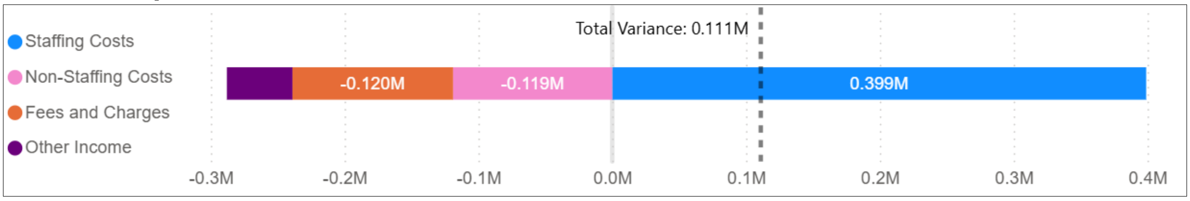
Graphical Information

Chart 11. Forecast Variance Period Comparison – DOR



3.43 This chart summarises the forecast budget variance, split by services within DOR, compared to last year.

Chart 12. Split of Total Variance – DOR



3.44 This chart summarises the overall forecast budget variance for DOR by high level category.

Policy, Change & Customer Services – £0.076m Net Pressure

3.45 There is a pressure of £0.076m in this service. This is predominantly due to an overspend within customer relations and information governance relating to unmet savings and additional staff required to meet growing demand within the service. This has been partially offset by positive variances relating to recharging of the staffing costs related to the crisis resilience fund and managing vacancies across the rest of the services.

Human Resources & Organisational Development – Balanced Budget

3.46 Human Resources is currently forecasting a balanced budget. It is anticipated that pressures caused by the need for temporary staffing within emergency planning will be offset through expeditious use of the agency rebate. The level of agency rebate in 2026/27 will be dependent on agency usage during the year.

Finance – Balanced Budget

3.47 Finance is currently forecasting a balanced budget and is anticipating to fully deliver its planned savings programme in 2026/27.

Legal & Democratic Services – £0.035m Net Pressure

3.48 There is a pressure of £0.035m within Legal Services related to lower Land Charges income, due to a reduction in demand for land searches. This ties in with the broader UK housing market, which has recently seen a drop in transaction volumes due to sustained high interest rates and broader economic uncertainty.

3.49 Staffing and agency costs within Legal Services are currently under review. There is work underway to bring forward a restructure in Quarter 2 to address long term structural issues in the funding of the service. Agreeing a revised staffing establishment that is fully funded by a combination of expenditure and recharge budgets will also allow a move away from the long-term use of agency staffing.

Digital & IT – Balanced Budget

3.50 Digital & IT is currently forecasting a balanced budget and is anticipating to fully deliver its planned savings programme in 2026/27.

Chief Executive Services (CEX) – £0.005m Net Positive Variance

3.51 CEX is forecasting a net positive variance of £0.005m at Quarter 1.

Table 8. CEX Forecast 2026/27

Service	Current Budget £m	Forecast Outturn £m	Forecast Variance £m
Executive Management Team	0.944	0.896	(0.048)
Communications	0.636	0.679	0.043
Net Total Cost	**1.580**	**1.575**	**(0.005)**

Executive Management Team – £0.048m Net Positive Variance

3.52 Executive Management Team is forecasting a net positive variance of £0.048m, relating to staffing budgets.

Communications – £0.043m Net Pressure

3.53 Communications is forecasting a net pressure of £0.043m. This is predominantly related to staffing budget pressures due to difficulty meeting the vacancy factor saving plus the additional cost of events that are being partially offset by additional income across other areas of the service.

Corporate Budgets - £0.283m Net Pressure

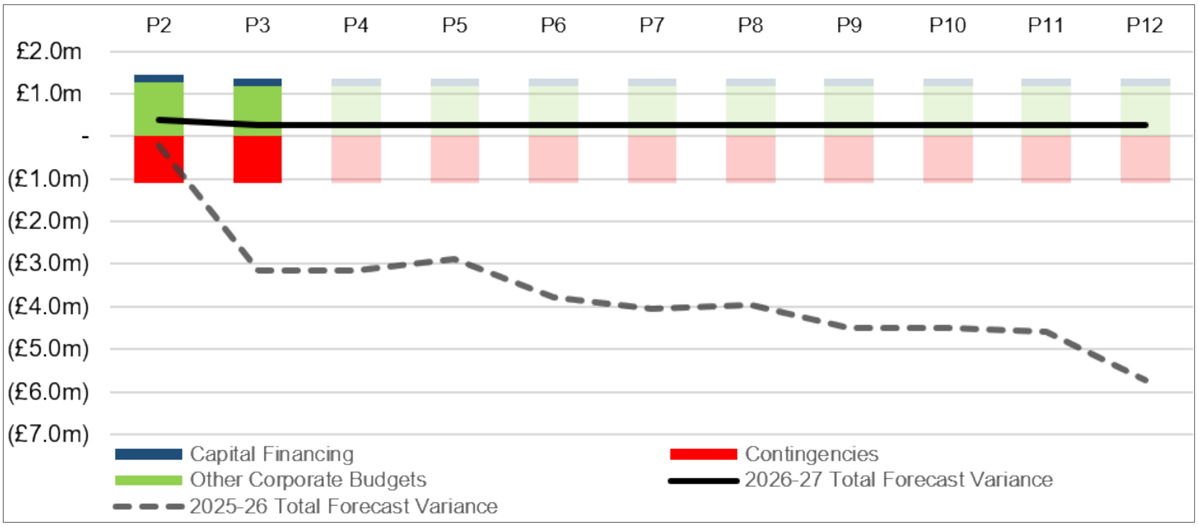
3.54 Corporate Budgets is forecasting a net pressure of £0.283m.

Table 9. Corporate Budgets Forecast 2026/27

Service	Current Budget £m	Forecast Outturn £m	Forecast Variance £m
Capital Financing	17.215	17.415	0.200
Contingencies	1.983	0.895	(1.088)
Other Corporate Budgets	1.143	2.314	1.171
Movement in Reserves	(7.302)	(7.302)	-
Net Total Cost	**13.039**	**13.322**	**0.283**

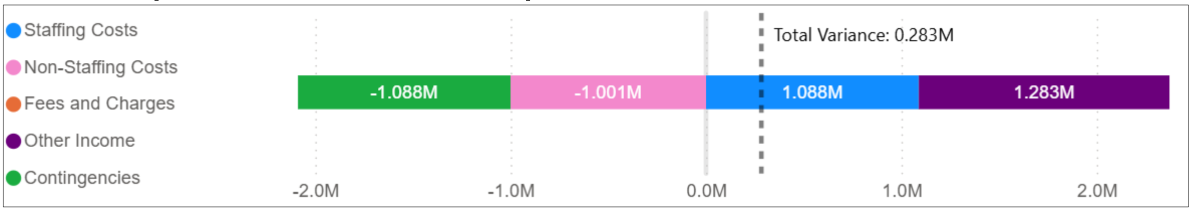
Graphical Information

Chart 13. Forecast Variance Period Comparison – Corporate



3.55 This chart summarises the forecast budget variance, split by services within Corporate, compared to last year.

Chart 14. Split of Total Variance – Corporate



3.56 This chart summarises the overall forecast budget variance for Corporate by high level category.

Capital Financing - £0.200m Net Pressure

3.57 Interest receivable is currently forecast to have a net pressure variance of £1.283m as the Council's cash balances have been kept to a minimum. This has been partially offset by a net positive variance of £1.083m on the interest payable budget. It is expected that in 2026/27 that loans will need to be taken in line with the timing of the forecast need to borrow. This keeps the cash balances lower but reduces costs at a time when the interest payable rate outstrips the rate of return on investment.

Other Corporate Budgets - £1.172m Net Pressure

3.58 There is a net pressure of £1.088m in relation to 2026/27 pay award and pension assumptions. Debt management expenses are creating an additional pressure of £0.058m and other small net pressures across the service total £0.026m.

Contingencies - £1.088m Net Positive Variance

3.59 £1.088m has been released from corporate contingencies to cover pressures forecasted in Other Corporate Budgets relating to the 2026/27 pay award and pension costs.

4 Savings Delivery

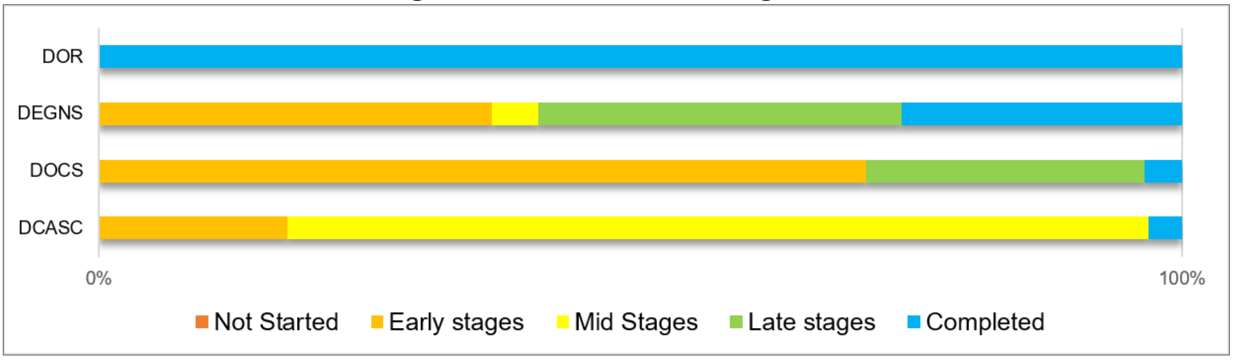
4.1 Delivery of the Council's budget is predicated on achieving savings and additional income as agreed as part of the budget setting process in February 2026. Detailed monitoring of agreed savings, including the vacancy factor is tracked on a monthly basis (Appendix 2).

4.2 The 2026/27 savings target is £6.285m, with the progress against the milestones required to deliver the savings within the tracker summarised below:

Table 10. General Fund Savings Tracker Milestone Progress

Directorate	Not Possible	Not Started	Early stages	Mid Stages	Late stages	Completed	Total
DCASC	-	-	575	2,631	-	104	**3,310**
DOCS	-	-	610	-	221	30	**861**
DEGNS	-	-	636	75	590	454	**1,755**
DOR	-	-	-	-	-	359	**359**
Total	**-**	**-**	**1,821**	**2,706**	**811**	**947**	**6,285**

Chart 15. General Fund Savings Tracker Milestone Progress



4.3 A breakdown of how much of the savings target per directorate is included as a pressure within the forecasts above is summarised below:

Table 11. General Fund Savings Tracker Net Pressure Summary

Directorate	On Track £m	Net Pressure £m	Total £m
DCASC	3.310	-	3.310
DOCS	0.338	0.523	0.861
DEGNS	1.700	0.055	1.755
DOR	0.359	-	0.359
Total	**5.707**	**0.578**	**6.285**

4.4 The 2026/27 vacancy factor target is £4.475m, with a summary of how much of the saving has been identified against specific or non-specific budgets, and how much is currently showing as a pressure within the service budgets, summarised below:

Chart 16. Identified Vacancy Factor Savings

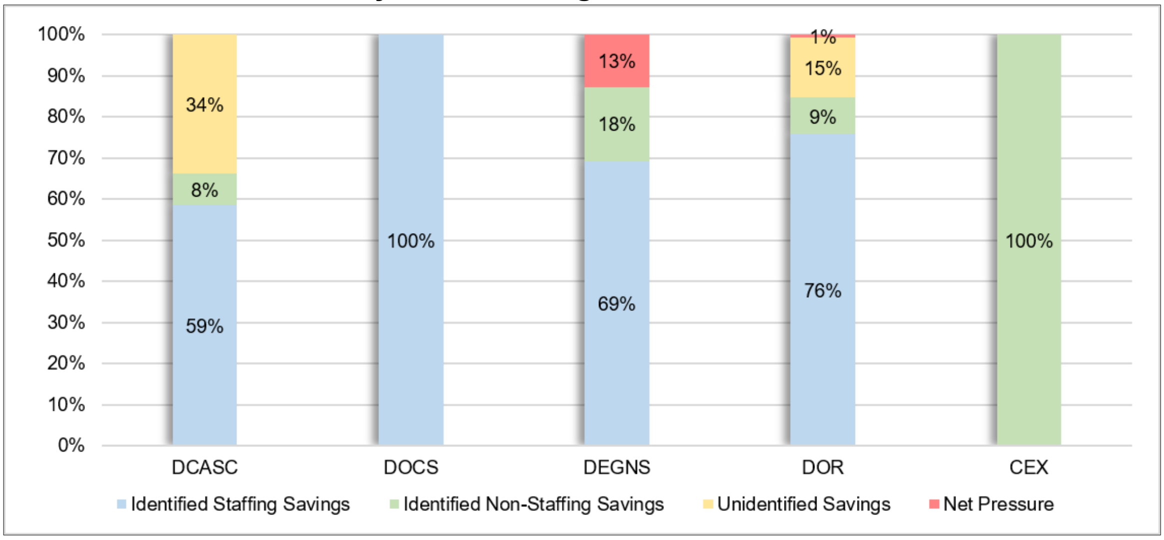


Table 12. Identified Vacancy Factor Savings

Directorate	Identified Staffing Savings £m	Identified Non-Staffing Savings £m	Unidentified Savings £m	Net Pressure £m	Total £m
DCASC	0.578	0.075	0.334	-	0.987
DOCS	1.025	-	-	-	1.025
DEGNS	0.952	0.247	-	0.175	1.374
DOR	0.794	0.093	0.155	0.006	1.048
CEX	-	0.041	-	-	0.041
Total	**3.349**	**0.456**	**0.489**	**0.181**	**4.475**

4.5 The Quarter 1 forecast shows that 4% of the total vacancy factor target is included within directorate budget forecasts as pressures, predominantly within DEGNS. Of the remaining target, 85% has currently been identified against specific budgets as deliverable and 11% remains unidentified but forecast to be delivered by the end of the year.

5 Debt Performance

5.1 Total General Fund overdue sundry debt as at the end of Quarter 1 is £9.509m.

Chart 17. Split of General Fund Debt by Directorate and Days Outstanding

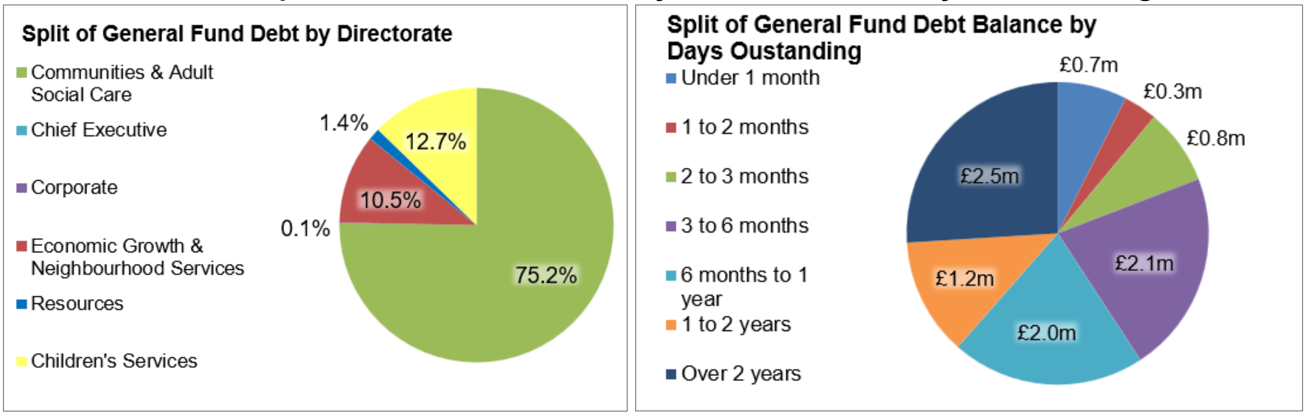
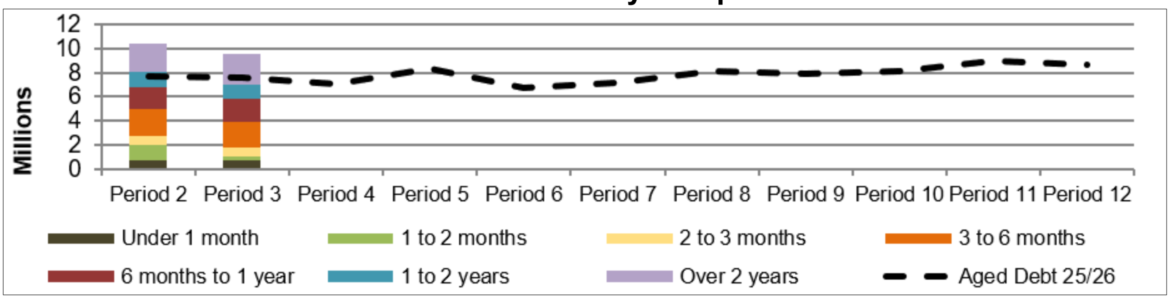


Chart 18. Overdue General Fund Debt Monthly Comparison



6 Debt Write-Off

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 - £440,982.01;
- Sundry Debt - £29,862.19.

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 7 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.

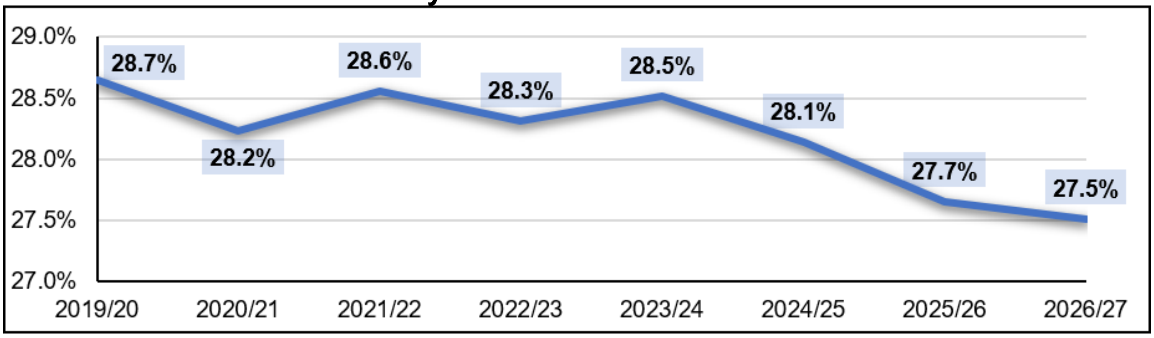
6.4 The cost of non-domestic rates write-offs is shared between the Council (49%), Royal Berkshire Fire and Rescue Service (1%) and Central Government (50%).

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 slightly behind the collection levels at the same point when compared to 2025/26 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.

Chart 19. Council Tax Recovery Rates



7.3 Table 13 shows the collection performance levels for Council Tax across Berkshire:

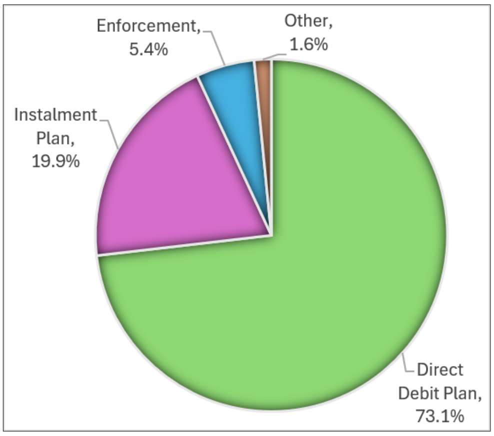
Table 13. Council Tax Collection across Berkshire (Quarter 1)

Council Tax	Comparison to 2025/26
Bracknell	↓ 0.09%
Reading	↓ 0.14%
RBWM	↓ 0.09%
Slough	↓ 0.51%
West Berkshire	↓ 0.05%
Wokingham	↓ 0.12%

7.4 For context, a 0.14% decrease in collection is worth approximately £0.229m to the Collection Fund for 2026/27.

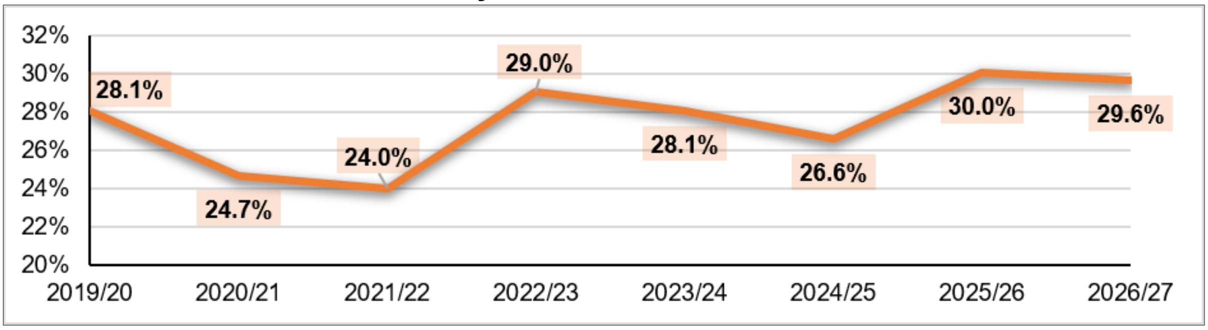
7.5 Chart 20 shows an analysis of 2026/27 Council Tax Arrears as at the end of June 2026.

Chart 20. 2026/27 Council Tax Arrears Analysis



7.6 Non-Domestic collection rates are slightly behind the collection levels at the same point when compared to 2025/26 collection rates at the same point last year.

Chart 21. Business Rates Recovery Rates



7.7 Table 14 shows the collection performance levels for Business Rates across Berkshire:

Table 14. Business Rates Collection across Berkshire (Quarter 1)

Business Rates	Comparison to 2025/26
Bracknell	↑ 6.50%
Reading	↓ 0.40%
RBWM	↑ 0.42%
Slough	↓ 2.89%
West Berkshire	↑ 0.52%
Wokingham	↓ 1.47%

7.8 For context, a 0.4% decrease in collection is worth approximately £0.618m to the Collection Fund for 2026/27.

7.9 On the 24th of June 2026, the Ministry of Housing, Communities and Local Government (MHCLG) published a briefing note on collection rates for council tax and NNDR in England for 2025/26. The briefing note highlighted the following points:

- A fall of 0.3% in the collection rate for council tax in 2025/26, the first decline since 2020/21;
- A £261m increase in arrears outstanding for the current year, the largest increase since 2020/21;
- Total arrears on council tax outstanding at the end of March 2026 stood at £7.4bn;
- A fall of 0.5% in the collection rate for business rates in 2025/26, the first decline since 2020/21;
- The in-year amount of business rates uncollected in 2025/26 of £1.030bn was the highest since 2021/22.

8 General Fund - Capital Programme

8.1 The General Fund Capital Programme for 2026/27 has an approved budget of £81.126m. The following amendments are requested to be formally approved which would result in a proposed revised Capital Programme budget of £67.088m. These amendments are set out on an individual scheme basis in Appendix 3.

8.2 Against the proposed revised budget of £67.088m there is a positive net variance of £0.310m. This variance relates entirely to the Delivery Fund.

Table 15. General Fund Capital Programme Amendments

General Fund Capital Programme	£m
Revised Approved Budget 2026/27	**81.126**
Budget Movements Between Schemes	0.000
Additional Budgets added to the Programme - Funded by Grants & Contributions	2.244
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	(0.078)
Budgets reprogrammed (to)/from Future Years	(16.204)
Proposed Revised Budget Quarter 1 2026/27	**67.088**

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

8.4 A total of £2.244m 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:

- £0.863m additional Education capital budget to correctly reflect the grant funding available;
- £0.626m for the new Healthcare Facilities scheme, which is fully funded by a S106 local healthcare contribution. This scheme is expected to commence in 2027/28 so has been subsequently reprofiled into future years;
- £0.459m for the Disabled Facilities Grants (Private Sector) scheme, to reflect the grant funding available;
- £0.211m for the new Best Start Family Hubs scheme, following the award of grant funding. This has been profiled over 3 years, so £0.142m has been reprofiled into future years;
- £0.063m for the new Building Safety Levy scheme implementation, fully funded by a New Burdens grant allocation;
- £0.022m additional grant funding for other schemes.

8.5 A total of £0.078m of budget (as set out in Appendix 3) is requested to be removed from the Capital Programme where approved CIL local schemes resulted in revenue expenditure, as allowed in the guidance, during 2025/26 rather than capital expenditure, requiring a subsequent capital budget adjustment.

8.6 A net total of £16.204m of budgets are requested to be reprogrammed between 2026/27 and future years of the Capital Programme. This includes:

- £5.306m for grant funded Education schemes, to correctly reflect the timescales of the programme of works;
- £2.500m for the Cemetery Land Acquisition scheme, as this scheme has been deferred to 2028/29;
- £2.204m for the Minster Quarter schemes, to reflect current expectations of timings for this scheme;
- £1.400m for the Hexagon Investment scheme;
- £1.138m for the Children's Home for Children with Disabilities scheme;

- £1.000m for the Corporate and Community Buildings scheme due to delays with the programme to refurbish the town hall/museum roof;
- £1.000m for the Corporate Solar Programme scheme;
- £0.626m for the new Healthcare Facilities scheme;
- £0.561m for the Roman Britain Reimagined in Reading scheme;
- £0.469m of net re-programming between years across all other schemes.

8.7 In addition, a net total of £2.780m of budgets are requested to be reprogrammed between 2027/28 and future years of the Capital Programme as set out in Appendix 3 for the Best Start Family Hubs and Cemetery Land Acquisition schemes and further reprofiling is requested in future years for grant funded Education schemes as set out in Appendix 3.

9 Delivery Fund

9.1 Costs of service transformation and the delivery of future ongoing savings can 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 31st March 2030.

9.2 There is a total £2.040m Delivery Fund available for 2026/27 (inclusive of 2025/26 carry forwards) and £1.830m of this funding has been allocated out to approved schemes. At Quarter 1, the forecast spend is £1.730m, which is a net positive variance of £0.310m. A review of any variances will be undertaken as part of 2026/27 outturn processes with any positive variances rolled forward into 2027/28 or returned to the unallocated contingency as appropriate.

10 Housing Revenue Account (HRA) – Revenue

10.1 The approved Housing Revenue Account (HRA) budget assumes a drawdown from HRA reserves of £3.107m. At Quarter 1, the forecast revenue outturn position on the HRA is a balanced budget, which is set out in the following table and explained below.

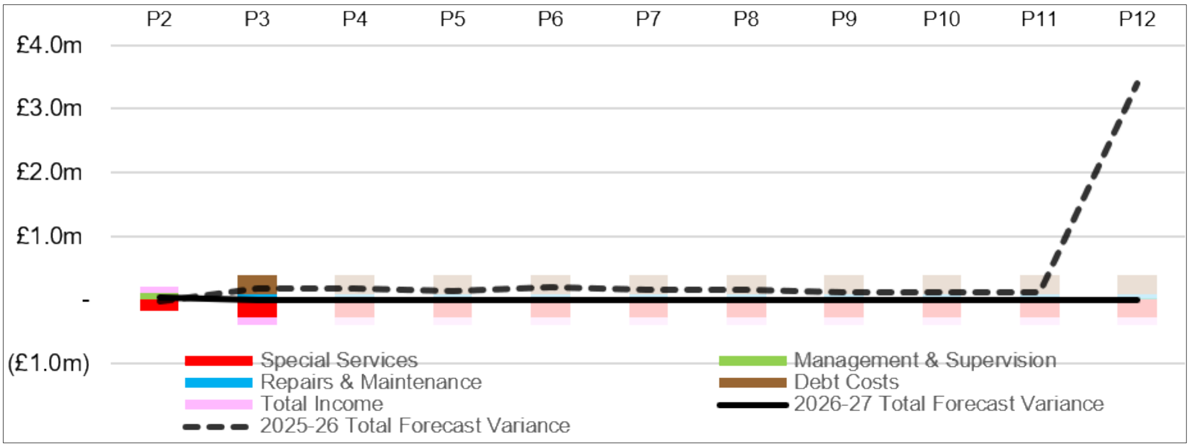
Table 16. HRA Forecast 2026/27

Service	Current Budget £m	Forecast Outturn £m	Forecast Variance £m
Management & Supervision	11.949	11.958	0.009
Special Services	5.185	4.912	(0.273)
Provision for Bad Debts	0.518	0.518	-
Repairs & Maintenance	10.048	10.129	0.081
Major Repairs/Depreciation	13.500	13.500	-
Debt Costs	9.123	9.431	0.308
PFI Costs	8.601	8.601	-
Total Income	(55.817)	(55.942)	(0.125)
Over/Under Budget	**3.107**	**3.107**	**-**
Movement to/(from) Reserve	(3.107)	(3.107)	-

Graphical Information

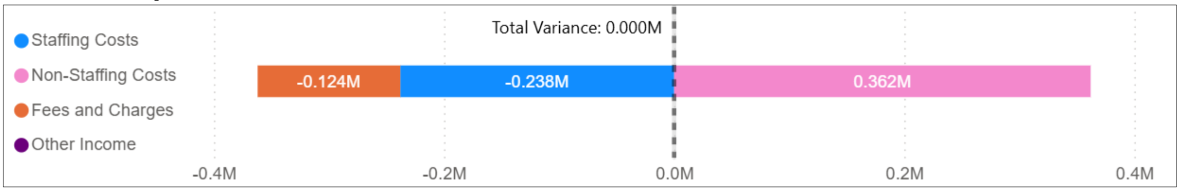
10.2 The following chart summarises the forecast budget variance, split by services within the HRA, for each period to date.

Chart 22. Forecast Variance Period Comparison – HRA



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

Chart 23. Split of Total Variance – HRA



HRA Expenditure – £0.125m Net Pressure

10.4 Management and Supervision is forecasting a pressure of £0.009m due to agency costs.

10.5 Special Services, which include sheltered housing schemes, is forecasting a positive variance of £0.273m due to vacancies.

10.6 Repairs & Maintenance is forecasting a net pressure of £0.081m. This is due to higher subcontractor labour costs than expected as more work is carried out by subcontractor labour.

10.7 Debt costs is forecasting an adverse variance of £0.308m due to higher interest rates than projected in the business plan.

HRA Income – £0.125m Net Positive Variance

10.8 Service Charges is forecasting a positive variance of £0.009m. Other Income is forecast to overachieve against the budget by £0.100m. Interest on balances is forecasting a small positive variance of £0.016m due to higher reserves than projected in the business plan.

11 Housing Revenue Account - Capital Programme

11.1 The HRA Capital Programme for 2026/27 has an approved budget of £85.723m, including amendments proposed as part of the 2025/26 Quarter 4 Performance and Monitoring Report which is due to be presented for approval by Policy Committee in July. The following amendments are requested to be formally approved which would result in a proposed revised Capital Programme budget of £61.745m. These amendments are set out on an individual scheme basis in Appendix 4.

Table 17. HRA Capital Programme Amendments

HRA Capital Programme	**£m**
Revised Approved Budget 2026/27	**85.723**
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	5.043
Reduced Budgets - Completed Schemes & Other carry forward budget adjustments	0.000
Budgets reprogrammed (to)/from Future Years	(29.021)
Proposed Revised Budget Quarter 1 2026/27	**61.745**

11.2 Budget movements requested between schemes are set out within Appendix 4.

11.3 A total of £5.043m of additional budget (as set out in Appendix 4) is requested to be formally added into the Capital Programme to be funded by capital receipts, revenue contributions, borrowing & reserves for the New Build & Acquisitions - Phase 2 – 4 and the Local authority new build programme for older people and vulnerable adults schemes. This amendment was included as part of the Local Authority New Build Programme update reported to Policy Committee in June 2026.

11.4 A net total of £29.021m of budgets are requested to be reprogrammed between 2026/27 and future years of the Capital Programme as set out in Appendix 4. This includes:

- £13.384m for the Major Repairs – Existing Homes Renewal & Zero Carbon Retrofit works scheme;
- £8.563m for the New Build & Acquisitions - Phase 2 – 4 scheme
- £7.074m for the Local authority new build programme for older people and vulnerable adults scheme.

11.5 Further reprofiling across future years, as set out in Appendix 4, is requested for both the New Build & Acquisitions - Phase 2 – 4 and the Local authority new build programme for Older people and vulnerable adults schemes, following a detailed review, to reflect the revised estimate of spend to be achieved each year.

12 Council 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 2025 – 2028 “Investing in Reading’s Future” March 2026 update.

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 The Council Plan update, agreed in March 2026, includes 36 KPIs and 51[1] projects which underpin delivery of the Council’s vision and priorities. Of the 36 KPIs, 18 of these are annual measures.

12.4 The full list of Performance KPIs monitored in year is attached at Appendix 5 and Projects as Appendix 6.

[1] Devolution project has been paused

12.5 The table below provides a summary of the status of the KPIs and projects at the end of the first quarter of 2026/27.

Table 18. Performance Overview

	Q1 2026/27 Status (No.)			
What	**Red**	**Amber**	**Green**	**Complete**
Key Measures	5	4	9	N/A
Key Projects	1	11	36	2

Council Plan KPIs

12.6 The KPIs are rated as follows:

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

12.7 The following table shows performance against the target (red/amber/green) for the 18 measures reported in year for 2026/27, compared to the same quarter last year.

Table 19. Summary of Performance against target KPIs

Status	Q1 2025/26	Q1 2026/27
	No.	**No.**
Green	9	9
Amber	1	4
Red	6	5
Outstanding	1	N/A
Total	**17**	**18**

12.8 Further details are provided in Appendix 5.

Council Plan Projects

12.9 Projects are rated as follows:

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

12.10 The following table shows the RAG status for the Council Plan projects compared to the same period last year:

Table 20. RAG Status of Council Plan Projects and Previous Corporate Plan Projects

Status	Q1 2025/26	Q1 2026/27
	No.	**No.**
Blue	0	2
Green	32	36
Amber	18	11
Red	1	1
Total	**51**	**50**

12.11 Further details are provided in Appendix 6.

13 Contribution to Strategic Aims

13.1 Full details of the Council Plan and the projects which will deliver these priorities are published on the Council's website. These priorities and the Council 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 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.

22 Appendices

1. Summary of the General Fund Budget and Forecast 2026/27
2. Savings and Vacancy Factor Tracker Quarter 1
3. General Fund Capital Programme Quarter 1
4. Housing Revenue Account (HRA) Capital Programme Quarter 1

5. Council Plan Performance Measures Quarter 1
6. Council Plan Projects Quarter 1
7. Debt Write-Offs