Family Help & Protection

Revenue Budget Summary	Month 2 Budget £'000	Forecast Outturn £'000	Variance £'000	Variance %	DoT To 25/26
Children in Care Placements	31,532	34,569	3,037	9.63%	↓
Disability Family Support	370	676	306	82.70%	↓
Children in Care Mental Health Contract	-	100	100	0.00%	=
Families First and Social Work	16,605	15,970	(635)	-3.82%	↑
Preventive (Section 17)	571	378	(193)	-33.80%	↓
In-House Residential & Respite	3,833	4,073	240	6.26%	↓
Fostering & Adoption	4,819	4,739	(80)	-1.66%	↓
Other	6,079	6,249	170	2.80%	↓
Total	63,809	66,754	2,945	4.62%	↓

Key Variances

The Children in care placements budget is likely to be difficult to manage despite mitigating initiatives, the main driver is high numbers and increasing unit costs of residential placements. The budget is 25.5 FTE and there are currently 29 children in placement. Intense effort is underway to move children on safely to foster care which is working but new children with complex, high risk needs then enter residential care, so there is turnover despite the number showing as static. In addition, there is an unachieved saving of £100k on the CiC mental health contract due to PH funding being redirected in 2025/26. These overspends are likely to be off-set this year by underspends on Families First and prevention which are currently shown in the Financial Recovery Plan. The forecast includes assumed savings achieved of £1.391m

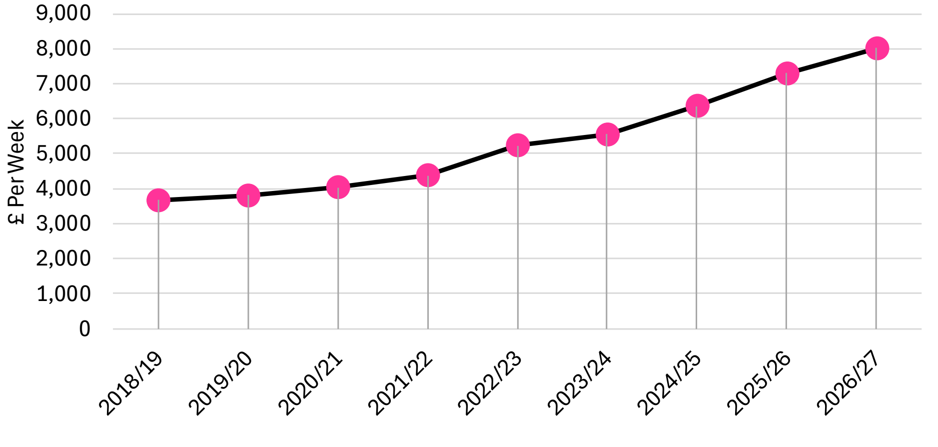
Risks & Mitigations

The Children's Placements budget continues to face significant pressure as a result of increasing complexity of need, limited placement sufficiency and rising placement costs. A small number of children with acute safeguarding risks require highly specialised placements at substantial cost. In addition, current market conditions have reduced provider engagement with framework arrangements leading to the necessity to make more placements outside of the framework contract at higher rates.Ongoing challenges in foster carer recruitment continue to constrain family-based placement capacity and increase the use of more expensive alternatives. The number of children in care remains relatively stable, with demand pressures being effectively managed through high-quality social work intervention and the newly redesigned Families First multi-disciplinary service. Nevertheless, challenges associated with children with complex needs, the local care provider market, and constraints in fostering options have resulted in significant cost pressures on the placement budget.

Savings, Mitigations & Transformation

£'000	● (grey)	● (red)	● (amber)	● (green)	● (blue)	Total
Savings	-	100	-	582	42	**724**
Pressure mitigations	-	-	-	-	-	**-**
Transformation programmes	-	-	767	-	-	**767**
Total	**-**	**100**	**767**	**582**	**42**	**1,491**

Average residential placement unit costs



Average cost of residential home placements has increased considerably since 2023/24. A combination of children coming into care with significantly complex needs, local market conditions and external imacts of other factors like inflation and pay growth, has resulted in a 44% rise since March 2024.

Education, Community & Public Health

Revenue Budget Summary	Month 2 Budget £'000	Forecast Outturn £'000	Variance £'000	Variance %	DoT To 25/26
English as an Additional Language and Traveller Service	-	405	405	0.00%	↓
Public Health contribution to Schools Wellbeing	(200)	-	200	100.00%	↓
Schools PFI	1,209	909	(300)	-24.81%	↓
Early years & Nurseries	884	884	-	0.00%	↓
Home to School Transport	9,152	9,567	415	4.53%	↓
Libraries	4,211	4,339	128	3.04%	↓
Community Cohesion	3,021	3,068	47	1.56%	↓
Other	10,709	10,548	(161)	-1.50%	↓
Total	28,986	29,720	734	2.53%	↓

Key Variances

Schools ceased de-delegation of funds to the English as an Additional Language and Traveller Service (EALTS) meaning that the service needs to operate on a fully traded basis. Income from schools is insufficient to maintain the previous level of service and a restructure is now planned. However, this will not take effect until later in the year meaning a significant overspend for the 2026/27 financial year. In addition, the previously agreed Public Health funding of £200k for the Schools Wellbeing Service has now been redirected leaving a shortfall in this budget. The Home to School Transport budget continues to be under pressure with current forecasts indicating that, on average, there will be 28 more pupils eligible for transport than originally anticipated in the budget. The impact of fuel price volatility has been accounted for in this forecast. The forecast includes assumed savings achieved of £0.642m

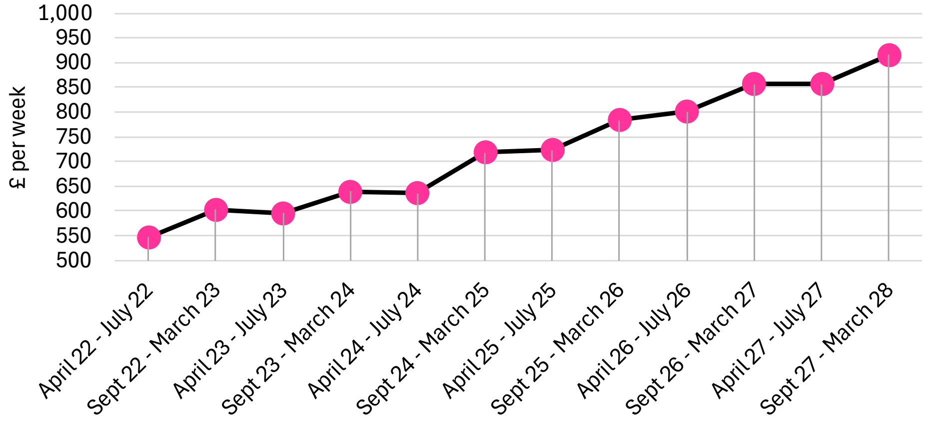
Risks & Mitigations

There remains a risk that pupil numbers from September will increase beyond the level assumed within the budget, which has been based on previous year trends. Together with ongoing volatility in the taxi market, this creates a risk of further pressure against the forecast outturn. Mitigating action continues to be taken through active cost management by the transport team, with particular focus on personal travel budgets and route optimisation.

Savings, Mitigations & Transformation

£'000	● (grey)	● (red)	● (amber)	● (green)	● (blue)	Total
Savings	-	300	-	386	206	**892**
Pressure mitigations	-	-	-	-	-	**-**
Transformation programmes	-	204	-	50	-	**254**
Total	**-**	**504**	**-**	**436**	**206**	**1,146**

No. of pupils transported by taxi to school or college



In recent years there has been a substantial increase in both the number of pupils eligible for transport and the average cost per pupil. Since the beginning of the 2022/23 financial year there has been an increase of 57% in the number of pupils transported by taxi and a 53% increase in the average cost.

Appendix 1

Dedicated Schools Grant

Revenue Budget Summary	Month 2 Budget £'000	Forecast Outturn £'000	Variance £'000	Variance %	DoT To 25/26
Individual Schools Budget	150,285	150,285	-	0.00%	=
Early Years Block	49,385	49,385	-	0.00%	↓
High needs Block (Excluding delegated to schools)	43,481	50,117	6,636	15.26%	↓
Exceptions & Central Services	2,787	2,794	7	0.25%	↓
Grant Income	(245,938)	(245,938)	-	0.00%	=
Brought Forward Deficit		1,762	1,762	0.00%	↓
Total	-	8,405	8,405	0.00%	↓

Key Variances

Significant adverse variances within High Needs Block budgets of the DSG. There are predicted in-year overspends across a range of budgets including mainstream and special schools top-up funding, external educational agency placements in independent non maintained schools, post-16 high needs provision and education other than at school. The overspends are predominantly being driven by increase in demand - the number of children with Education, Health and Care plans are continuing to go up by 12% per year, whilst unit costs are also increasing due to a rise in complexity of need. In line with government policy, the council is investing in early intervention and mainstream inclusion, however the benefits of this investment (reductions to higher cost placements) is unlikely to be seen until future years. The high needs block allocation received in 2026/27 is at a cash flat level with no uplift provided for growth or inflation factors.

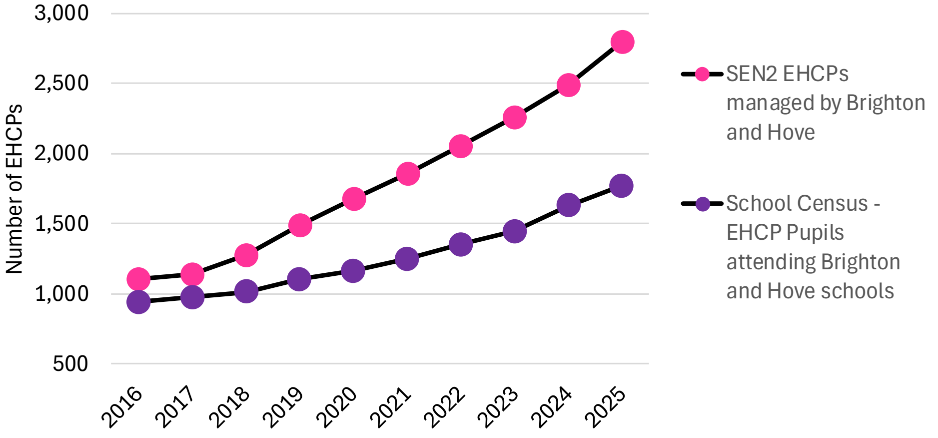
Risks & Mitigations

As is the case with the majority of councils across the country, the high needs budgets are facing significant challenges largely linked to the ongoing increase in children with Education, Health and Care plans. Forecasts for high needs budgets in 2026/27 include an assumed level of in-year growth based on similar trends seen in recent financial years. At the end of the 2025/26 financial year there was a cumulative overspend of £1.762m on the central DSG. Currently, the government is providing legislation known as the Statutory Override facility that means any deficit associated with the Central DSG is excluded from the council's general fund. This facility runs until the end of 2027/28. The government's reforms include a proposal to fund 90% of central DSG deficits to the end of the 2025/26 financial year via a High Needs Stability Grant. At this stage, it is not clear whether a similar arrangement will apply for central DSG deficits arising in 2026/27 and 2027/28.

Savings, Mitigations & Transformation

£'000	⚫ (grey)	🔴 (red)	🟡 (amber)	🟢 (green)	🔵 (blue)	Total
Savings	-	-	-	-	-	-
Pressure mitigations	-	-	-	-	-	-
Transformation programmes	-	-	-	-	-	-
Total	**-**	**-**	**-**	**-**	**-**	**-**

Number of Pupils with Education, Health and Care Plans



The graph shows the continual increase in pupils with EHCPs over a ten year period from 2016 to 2025. The number managed by Brighton and Hove has more than doubled over this timeframe with increases in the most recent years being at a higher rate than earlier in the time period.

Adult Social Care

Revenue Budget Summary	Month 2 Budget £'000	Forecast Outturn £'000	Variance £'000	Variance %	DoT To 25/26
Community Care - Physical & Sensory Support	32,094	40,152	8,058	25.11%	↓
Community Care - Learning Disabilities	50,499	50,931	432	0.86%	↓
Community Care - Memory & Cognition	11,547	11,689	142	1.23%	↓
Community Care - Mental Health	13,507	15,475	1,968	14.57%	↑
Assessment teams	14,946	14,963	17	0.11%	↓
In-house services	11,336	12,015	679	5.99%	↓
Commissioning & Partnerships	5,884	5,955	71	1.21%	↓
Total	139,813	151,180	11,367	8.13%	↓

Key Variances

The projected overspend on Community Care placement and packages of care totals £10.6m due to the number of clients being support and the average unit cost of care being above budgeted levels. The total financial recovery plan for Adult Social Care totals £10.115m, with £5.903m achieved and £4.212m anticipated to be achieved and reflected in the forecast. The Adult social care and commissioning departments continue to implement a strengths-based approach across key work streams in adult social care, ensuring robust pathways are in place, developing a community reablement offer and re-designing the front door service.

The community care demand is exceeding budgeted levels with 4,387 WTE forecast as at TBM2 against a budgeted WTE of 4,375. The forecast average unit cost of care is £552 per week against a budget of £471 per week.

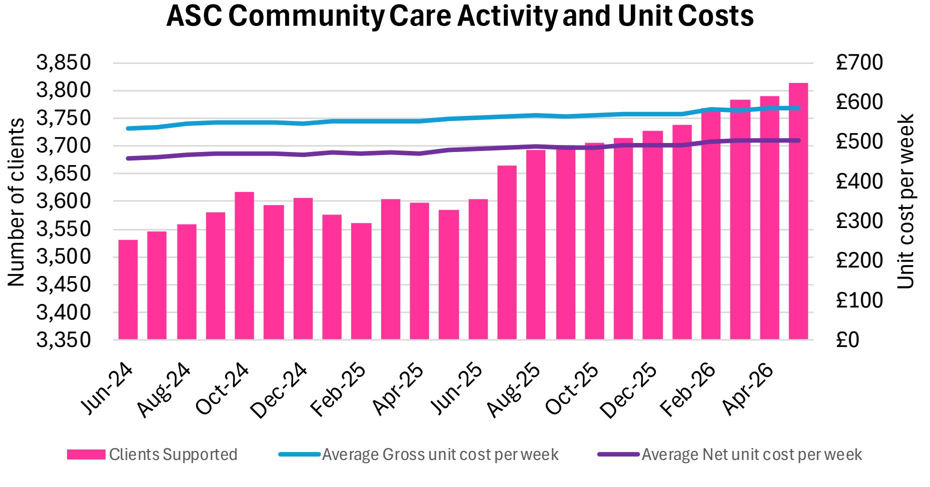
Risks & Mitigations

The Adult Social Care budget is facing significant challenges in mitigating the risks from increasing demands and managing the unit costs, where pressures in the independent sector continue to rise at a pace above general inflation.

In respect of financial recovery and the ongoing management of Community Care Budget pressures, a monthly savings and efficiencies meeting provides rigorous monitoring and oversight of the Adult Social Care & Health savings progress. Additionally, each month the top ten spends on placements and packages of care are reviewed to ensure immediate remedial action is undertaken to look at options and, wherever possible, reduce the cost of care whilst meeting assessed need.

Savings, Mitigations & Transformation

£'000	● (grey)	● (red)	● (amber)	● (green)	● (blue)	Total
Savings	-	-	-	23	-	**23**
Pressure mitigations	-	-	-	-	-	**-**
Transformation programmes	-	-	4,212	5,880	-	**10,092**
Total	**-**	**-**	**4,212**	**5,903**	**-**	**10,115**



The graph shows the significant increase in ASC clients support over the last 2 years (8% since June 2024) and the steady ongoing increase unit costs of care

Housing General Fund

Revenue Budget Summary	Month 2 Budget	Forecast Outturn	Variance	Variance	DoT
	£'000	£'000	£'000	%	To 25/26
Temp Accommodation (TA) and Allocations	14,641	15,945	1,304	8.91%	↑
TA Management & Support	804	1,014	210	26.12%	↓
Rough Sleeper & Housing related Support Services	4,455	4,455	-	0.00%	↓
Travellers	397	397	-	0.00%	↓
Private Sector Housing	577	586	9	1.56%	↓
Housing Strategy and Enabling	180	173	(7)	-3.89%	↑
Total	21,054	22,570	1,516	7.20%	↑

Key Variances

The forecast position continues to be driven by demand-led pressures within Temporary Accommodation (TA), with sustained demand and limited move-on options constraining cost reduction. The TA Reduction Plan remains critical, with a continued shift from high-cost nightly accommodation towards increased block provision; however, delivery is impacted by system flow and market capacity.

The forecast assumes an overspend on accommodation costs of £1.304m, within a total accommodation pressure of £3.538m, offset by anticipated savings of £2.023m, resulting in a net overspend of £1.516m. This reflects higher unit costs and continued reliance on nightly provision. Staffing is also forecast to overspend by £0.210m, alongside a further £0.750m pressure relating to an ongoing legal dispute. Nightly accommodation is forecast to reduce from 444 to 181 households by March 2027, while block provision increases from 659 to 833. PSL numbers are expected to remain broadly stable. Demand remains high, and cost reduction remains a key priority.

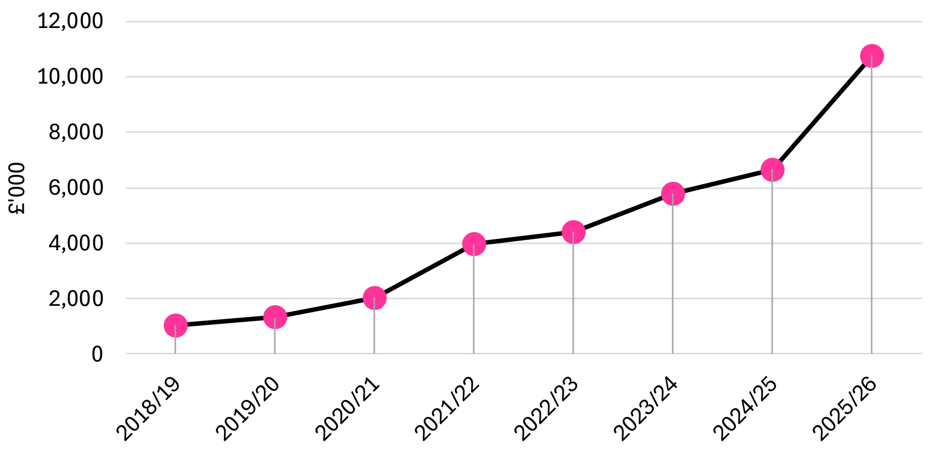
Risks & Mitigations

This highlights ongoing financial and operational risks driven by increasing demand for temporary and emergency accommodation, rising rental costs, and reduced availability of lower-cost leased properties. Mitigations focus on delivering a Temporary Accommodation Reduction Plan, including preventing homelessness, supporting move-on to sustainable housing, increasing the use of lower-cost provision, and improving income collection and cost efficiency.

Savings, Mitigations & Transformation

£'000	●	●	●	●	●	Total
Savings	-	-	-	-	-	-
Pressure mitigations	-	-	-	-	-	-
Transformation programmes	-	829	2,023	1,991	300	**5,143**
Total	**-**	**829**	**2,023**	**1,991**	**300**	**5,143**

Emergency Accommodation spend since 2018/19



The graph shows a rise in the use of emergency accommodation over time, reflecting increasing immediate housing need and reduced access to settled temporary options. There has also been a clear shift towards more expensive spot-purchased (nightly) accommodation, which remains the highest cost form of provision and continues to drive in-year pressure.
The forecast assumes a downward trend in costs as more cost-efficient accommodation is brought into use.

Appendix 1

Housing Revenue Account

Revenue Budget Summary	Month 2 Budget	Forecast Outturn	Variance	Variance	DoT
	£'000	£'000	£'000	%	To 25/26
Repairs & Maintenance	19,422	19,822	400	2.06%	↓
Housing Management & Support	6,798	6,730	(68)	-1.00%	↓
Housing Investment & Asset Management	4,898	4,170	(728)	-14.86%	↑
Housing Strategy & Supply	2,134	2,094	(40)	-1.87%	↓
Tenancy Services	16,279	16,779	500	3.07%	↓
Council-owned Temporary Accommodation	1,412	1,588	176	12.46%	↑
Rent & Service Charges	(81,972)	(81,978)	(6)	-0.01%	↓
Capital Financing Costs	14,015	14,015	-	0.00%	↓
Direct Revenue Funding	17,014	17,262	248	1.46%	↓
Total	-	482	482	0.00%	↑

Key Variances

The HRA continues to experience significant cost pressures, particularly from disrepair claims, which are inherently volatile and difficult to forecast and will be closely monitored. Annual costs are forecast at approximately £2m, partially offset by a £1m earmarked reserve in line with the 2026/27 budget.

Enhanced security and safety requirements across several high-rise blocks, including fire and electrical compliance, are contributing to a projected £0.3m overspend at Month 2. There are also increased costs of £0.4m relating to voids and repairs within council-owned temporary accommodation (TA). This is partially offset by increased net rental income following Cabinet approval in April to raise TA rents to full LHA levels, although void performance will require ongoing monitoring.

Tenancy Services continues to face pressure from regulatory requirements, a more vulnerable client base and financial constraints. Despite rising complexity, stabilisation of Universal Credit accounts and targeted interventions are supporting improved rent collection and tenancy sustainment.

Risks & Mitigations

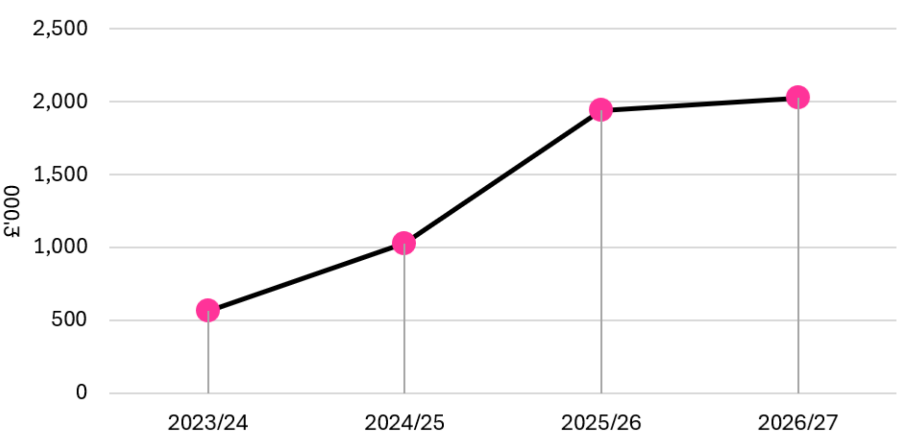
The HRA continues to face significant uncertainty regarding the financial position, there are major risks that need to be addressed and monitored to ensure that the position remains stable. These risks include but are not limited to: volume of Health & Safety compliance, delays related to Building Safety compliance,disrepair claims, rent arrears and collection rate.

The HRA will continue to review spend to try to improve the current financial position. Any variations will be reported to future Cabinet meetings during 2026/27. Officers are part of the London Directors of Housing Group and will endeavour to work with peers, as well as working with the Housing leads in the LGA, to explore how central government can support social landlords in investing in safety and quality improvements whilst also seeking to increase supply.

Savings, Mitigations & Transformation

£'000						Total
Savings	-	-	-	-	-	-
Pressure mitigations	-	-	-	-	-	-
Transformation programmes	-	-	-	-	-	-
Total	**-**	**-**	**-**	**-**	**-**	**-**

Disrepair claims revenue costs



This shows growth in revenue costs for disrepair claims, covering legal and professional fees and compensation. Costs of the disrepair works are charged to capital, given the nature of the works undertaken.

City Operations Expenditure

Revenue Budget Summary	Month 2 Budget £'000	Forecast Outturn £'000	Variance £'000	Variance %	DoT To 25/26
City Infrastructure	47,173	48,308	1,135	2.41%	↑
Culture & Environment	20,668	21,046	378	1.83%	↓
Environmental Services	43,404	43,355	(49)	-0.11%	↑
Place	5,114	4,971	(143)	-2.80%	↑
Digital Innovation	9,410	9,326	(84)	-0.89%	↓
Total	125,769	127,006	1,237	0.98%	↑

Key Variances

Key expenditure variances are driven by City Infrastructure pressures, mainly Concessionary Fares (£1.547m) and Highway repairs (£0.328m), partly offset by staffing, consultancy and initiative underspends. Culture & Environment is under pressure from Venues and Events (£1.022m), with smaller pressures in Seafront Services and Museum and Culture, offset by underspends in Sport and Leisure (£0.327m), City Parks (£0.212m) and Bereavement (£0.118m). Environmental Services is broadly balanced, with Fleet & Maintenance pressure (£0.920m) offset by Strategy and Service Improvement (£0.911m) and operational staffing savings. Place is forecasting an underspend, mainly from Development Planning staffing vacancies (£0.559m), partly offset by Architecture & Design fee income pressure (£0.280m) and corporate savings yet to be allocated (£0.135m).

Risks & Mitigations

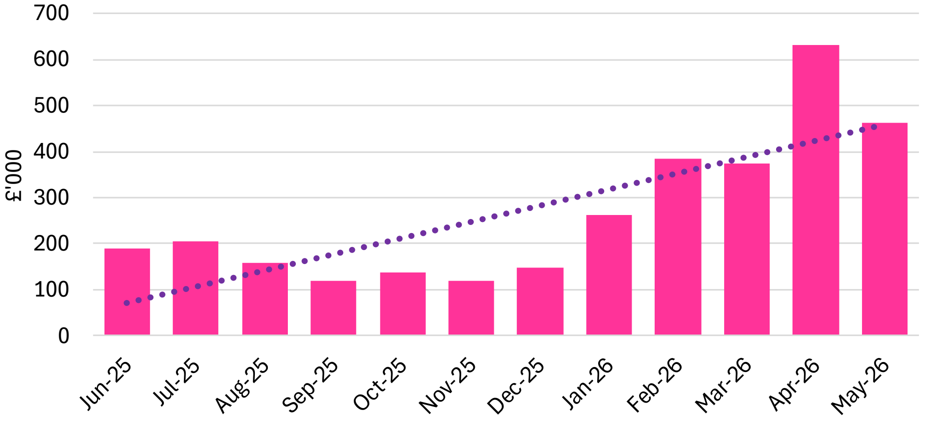
Key risks include Concessionary Fares, with Compass moving to a claims basis and the forecast rising from £0.257m to £0.365m. Further risks include additional arboriculture disease work, extra collection resources, high agency spend, ageing fleet hire costs and no carry forward for project resource. Mitigations include using remaining Environmental Services innovation funding and reviewing vacant Building Control posts before adding resources.

There is a risk that the Highway repairs will increase by a further £0.600m based on the spend profile from the first two months of the year and assuming spend reverts back to last years average. Mitigations such as capitlaising eligible costs funded by grant are being considered.

Savings, Mitigations & Transformation

£'000	●	●	●	●	●	Total
Savings	375	-	265	348	155	**1,143**
Pressure mitigations	-	-	-	-	-	**-**
Transformation programmes	-	-	110	-	60	**170**
Total	**375**	**-**	**375**	**348**	**215**	**1,313**

Monthly cost of Highway repairs



Forecast expenditure for the year is £3.2m based on spend incurred since April 2026 and assuming a spend profile for the remaining 10 months which is consistent with the same period in 2025/26. £0.6m has been excluded from the forecast, but highlighted as a risk with the view that this could be mitigated. Future reports may need to include cost.

City Operations Income

Revenue Budget Summary	Month 2 Budget £'000	Forecast Outturn £'000	Variance £'000	Variance %	DoT To 25/26
City Infrastructure	(53,507)	(54,103)	(596)	-1.11%	↓
Culture & Environment	(11,813)	(13,552)	(1,739)	-14.72%	↑
Environmental Services	(10,277)	(9,887)	390	3.79%	↓
Place	(2,530)	(2,148)	382	15.10%	↓
Digital Innovation	(180)	(96)	84	46.67%	↓
Total	(78,307)	(79,786)	(1,479)	-1.89%	↓

Key Variances

Income variances show a mixed position. Parking is forecasting a £0.152m surplus, dependent on MTFS delivery, with pressures in PCNs (£0.260m), permits (£0.100m) and off-street parking (£1.100m) offset by surpluses in suspensions (£1.100m), on-street parking (£0.380m) and EV charging (£0.160m). Culture & Environment has significant favourable variances, including shows income supporting (£1.034m), table and chairs income (£0.352m), leisure management fees (£0.363m), parks parking (£0.194m) and seafront rents (£0.147m). Environmental Services pressures include unachieved vehicle sales savings (£0.100m) and an unachievable textiles income target (£0.301m). Place is showing a net income pressure, mainly Building Control (£0.675m), partly offset by planning income (£0.105m) and grants supporting staffing (£0.149m). Digital Innovation has an £0.084m pressure from reduced schools traded services and partner recharges.

Risks & Mitigations

Key risks are parking income pressures, with Barrier car parks £1.1m adverse, including £0.5m at London Road, assuming King Alfred and Norton Road remain open and at full activity. PCN pressure of £0.26m is partly offset by suspension mitigations. Savings at risk include Red Routes and paid parking in light-touch zones, both forecast at 50% achievement due to delays and challenge. Monitoring of Black Rock income remains important, as underachievement could increase in-year pressure.

Savings, Mitigations & Transformation

£'000						Total
Savings	-	-	-	121	-	**121**
Pressure mitigations	-	-	-	-	-	**-**
Transformation programmes	300	416	65	3,007	-	**3,788**
Total	**300**	**416**	**65**	**3,128**	**-**	**3,909**

Parking Strategy

In 26/27 resident, traders, and business permits have been increased in line with inflation (3%) while other permits remain frozen for a second year. The exception to this is visitor and hotel permits which see an above inflation increase except in Light Touch zones which are frozen. In line with the Parking Review recommendation, we have worked to make our barrier carparks more attractive by freezing visitor tariffs and introducing new early bird, commuter and late-night tariffs in some locations. We have also worked to simplify on-street parking charges including a new unified seafront parking tariff from Maderia Drive to the King Alfred aimed at the visitor economy. A key element will be driving up utilisation of parking through the creation of a commercial website and enhanced marketing initiatives.

Central Hub

Revenue Budget Summary	Month 2 Budget £'000	Forecast Outturn £'000	Variance £'000	Variance %	DoT To 25/26
Cabinet Office	1,179	1,159	(20)	-1.70%	↓
Corporate Leadership Office	1,107	1,107	-	0.00%	↑
Finance & Property	7,276	8,371	1,095	15.05%	↑
Governance & Law	5,008	4,588	(420)	-8.39%	↓
People & Innovation	14,148	14,503	355	2.51%	↓
Contribution to Orbis	3,139	3,139	-	0.00%	↓
Total	31,857	32,867	1,010	3.17%	↓

Key Variances

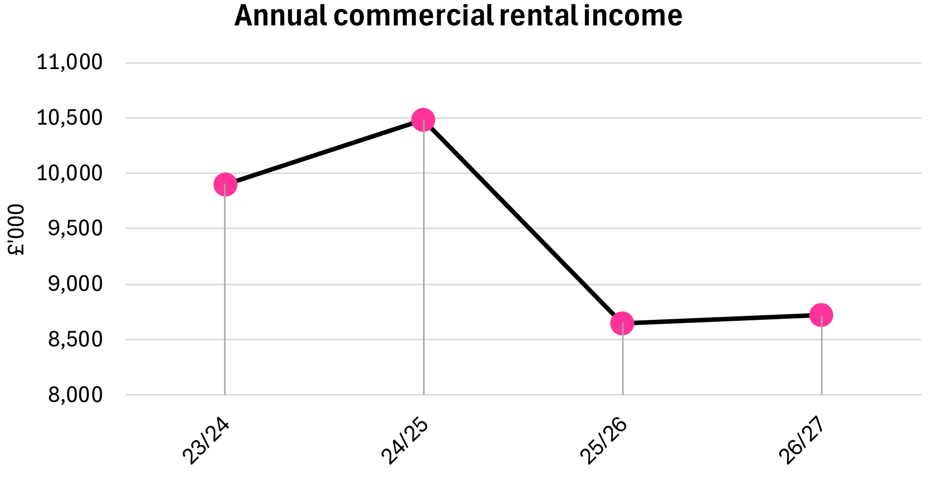
Property Services : combination of underachievement of rental income and operation costs (corporate landlord charges) pressures resulting in an estimated income shortfall of £0.738m across the service.
WRBS : Budget pressure of £0.342m at TBM2, driven by a combination of underachievement of income from schools and courts, alongside pressures from software licensing costs and staffing within Council Tax.
Finance : Pressure is primarily driven by a combination of expected staffing overspends (£0.085m) and increased audit costs (£0.050m).
Governance and Law - Overachievement of income in Local Land Charges (131K),due to come to an end following the transfer of this service to HMLR. In addition there are a number of staffing vacancies and requirements for software investment which are under review.
Facilities and Building Services : Higher than expected utility and cleaning costs.

Risks & Mitigations

Facilities: Risk of not realising the full savings for landlord service costs and PMB in Facilities and Building Services from the sale of commercial and operational properties £0.497m
WRBS : Risk relating to underachievement of schools income and overspends on software licenses with limited mitigation options.
Property services : Risk associated with full savings not being realised from the sale of commerical and operational properties (£0.312m)

Savings, Mitigations & Transformation

£'000						Total
Savings	-	-	614	798	213	**1,625**
Pressure mitigations	-	-	-	-	-	**-**
Transformation programmes	230	205	435	165	10	**1,045**
Total	**230**	**205**	**1,049**	**963**	**223**	**2,670**



2025/26 saw the closure of New England House reducing the commercial income generated by c.£900k. Other factors for the reduced income relates to the disposal of properties to achieve a capital receipt, void properties or rent reductions as a consequence or lease renewals or new lettings.

Appendix 1

Centrally-held Budgets

Revenue Budget Summary	Month 2 Budget £'000	Forecast Outturn £'000	Variance £'000	Variance %	DoT To 25/26
Bulk Insurance Premia	4,565	4,665	100	2.19%	↑
Capital Financing Costs	13,453	13,906	453	3.37%	↓
Levies & Precepts	258	258	-	0.00%	=
Unallocated Contingency & Risk Provisions	3,535	3,535	-	0.00%	↓
Unringfenced Grants	(15,000)	(15,000)	-	0.00%	↑
Housing Benefit Subsidy	3,099	3,520	421	13.59%	↑
Other Corporate Items	6,897	8,475	1,578	22.88%	↓
Total	16,807	19,359	2,552	15.18%	↓

Key Variances

The Housing Benefit Subsidy budget has been overspent for a number of years due to rising subsidy lossresulting from a number of vulnerable clients that the council cannot claim full susidy for. Despite £2.000m pressure funding being included in 2026/27 to fund these rising costs, TBM2 indicates a £1.091m pressure. However, mitigation actions are being undertaken, which is expected to reduce the pressure by at least £0.670m. The pay award offer for 2026/27 has been announced at 3.30%, which is higher than budgeted, which would creates a pressure of £0.946m. There is a pressure arising from the timing of Business Rates retention (£0.730m) as a result of needing to use of the timing reserve to fund the reduced Section 31 grants due to changes in appeals provision and small business rates relief in 2025/26. The financing cost budget overspend is driven by a combination of increased cost of borrowing and switching up to £17m of capital receipts to borrowing in order to prioritise the use of capital receipts for transformation activity.

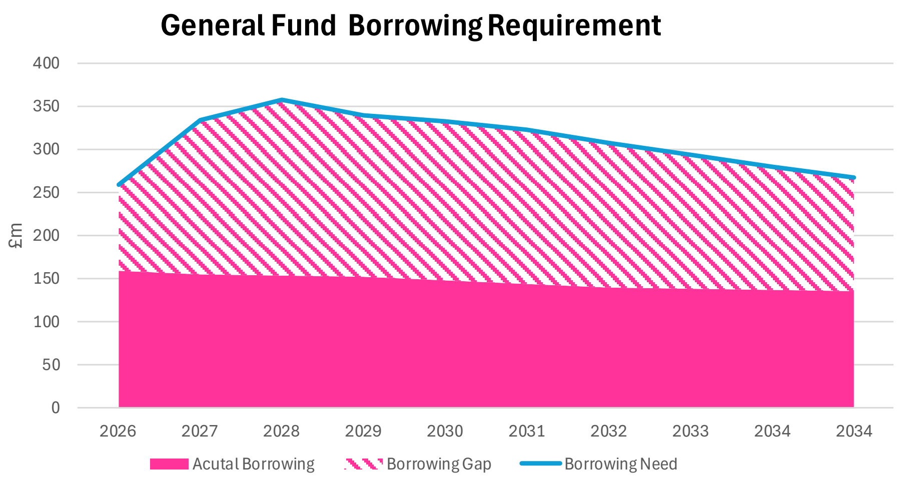
Risks & Mitigations

A Housing Benefit Subsidy working group is working on a strategy to reduce the pressure in this area, by working with providers to explore options to register as Registered Social Landlords in order to reduce the loss on these claim types. This work is in progress, and at least one major provider is on track for this during 2026/27, which has been been included in the forecast.

With rising interest rates due primarily impacted by the war in Iran, there is a risk that new borrowing is undertaken at a higher rate than budgeted. The forecast includes 5.15% for new borrowing. Every additional 0.10% equates to a full year interest cost of £0.104m based on the current borrowing need for 2026/27. Borrowing costs are being monitored closely with the council's treasury advisors to try and obtain cost effective borrowing within a volatile market.

Savings, Mitigations & Transformation

£'000						Total
Savings	-	-	450	1,550	-	**2,000**
Pressure mitigations	-	-	-	-	-	**-**
Transformation programmes	1,125	-	-	-	-	**1,125**
Total	**1,125**	**-**	**450**	**1,550**	**-**	**3,125**



The graph shows the funding gap between the need to borrow to support the capital programme versus the actual borrowing portfolio. The general fund has a gap of up to £180m in 2026/2 which will be met by a combination of using the cash from internal reserves, and external borrowing.