CABINET	**COUNCILLOR GAYNOR AUSTIN**
	FINANCE & RESOUCES PORTFOLIO HOLDER
4TH AUGUST 2026	**REPORT NO. FIN2613**

KEY DECISION? NO

BUDGET OUTTURN 2025/26, 2026/27 QUARTER 1 FORECAST AND MTFS UPDATE 2026/27

SUMMARY AND RECOMMENDATIONS:
This report sets out the financial outturn for 2025/26, first quarter forecast for 2026/27 and an update of the MTFS.

CABINET is recommended to:

i. Note the Revenue Outturn for 2025/26;
ii. Approve £64,795 revenue budget carry forward and £2.834m Capital reprofiling to 2026/27;
iii. Note the Quarter 1 forecast for 2026/27;
iv. Note the MTFS update for 2026/27 to 2029/30;
v. Approve the write off's as set out in Section 4 of the report;

1. INTRODUCTION

1.1. This report provides the outturn position against approved budget for the last financial year ended 31 March 2026 (2025/26). The 2026/27 budget approved at Budget Council on 26th February 2026 was based upon the forecast position in December 2025 and therefore the outturn provides an opportunity to review the 4-year medium term financial strategy (MTFS) alongside, including the 1st quarter forecast.

1.2. This is a key decision because it is likely to result in the Council incurring expenditure or making savings which are significant in as much as they will have a material effect on the level of council tax or balances or contingencies in relation to the Council's overall budget.

2. BACKGROUND AND EXECUTIVE SUMMARY

2025/26 Revenue Budget Outturn:

2.1. In February 2025, Council approved the 2025/26 revenue budget, which included a planned deficit of £5.6m. This was to be mitigated through £2.2m of in-year revenue savings, with the remaining £3.4m funded from revenue reserves (see **Slide 2 of Appendix 1**).

2.2. The 2025/26 Medium Term Financial Strategy (MTFS) set out a balanced budget strategy that required recurring reductions in net service expenditure of £1.78m in 2025/26, increasing to £3.781m by 2027/28. The strategy also assumed the achievement of capital receipts, to achieve a reduction in borrowing costs and Minimum Revenue Provision (MRP).

2.3. Revenue savings were to be identified through a service prioritisation and benchmarking exercise. By December 2025, the discovery phase had concluded that significant savings or lower-priority services could not be readily identified without adversely affecting service delivery. These findings subsequently informed the 2026/27 budget strategy.

2.4. When setting the 2026/27 budget, Council recognised that further service reductions would adversely affect service delivery and that future efficiencies would be better realised through the North Hampshire Unitary Authority. As a result, it ceased the service prioritisation savings strategy, maintained a no net budget growth approach other than unavoidable pressures, and planned to use reserves where necessary.

2.5. The Council achieved and removed £1.4m of temporary savings from the 2025/26 budget, reflecting its history of budget underspends. A further £1m saving arose from the release of a provision for pooled investment fund valuation losses following the extension of the statutory override. These benefits were partly offset by the delay in the sale of Union Yard, resulting in the under achievement of a budgeted £418k interest saving.

2.6. During the year, supplementary budget approvals totalling £1m were approved and funded from revenue reserves. A schedule is provided on **Slide 11 of Appendix 1.** This increased the final budgeted deficit to £4.479m, to be funded from reserves.

2.7. The provisional 2025/26 outturn reported a deficit of £2.36m, representing a call on reserves that was £2.1m lower than budget. A summary of the outturn is provided in the table below. Further detail is provided in **Slides 3 - 10 of Appendix 1.**

Revenue Outturn 2025/26	Final Budget £`000	Outturn £`000	Variance £`000
Service Portfolios	12,770	11,939	(831)
Retained Business Rates	(5,071)	(4,336)	735
One-off items	(848)	(1,136)	(289)
Corporate funding	(2,564)	(4,106)	(1,542)
Planned savings	192	0	(192)
Total Outturn:	**4,480**	**2,362**	**(2,118)**

2.8. The reserves available to support the MTFS deficit at 31 March 2026 have increased by **£1.767m**, from the forecast reserves of £5.147m to £6.914m reflecting the budget underspend achieved in 2025/26 compared with the forecast incorporated within the February 2026 MTFS. (see **slide 3 of Appendix 1).**

Capital programme outturn

2.9. A high-level summary of the Council's capital programme expenditure for 2025-26 is set out in the table below. Capital projects by their nature are mostly delivered across several financial years and each project total approval will have expenditure budgets profiled to represent planned delivery. Of the £6.576m variance, £2.834m is slippage of the budget profiling to 2025-26 due to delays in projects. The capital programme is presented on **appendix 1 slides 12 and 13**

Capital programme	£`000
2025/26 Budget	4,795
Reprofiled from prior year	3,624
In Year Approved Schemes	4,082
Disposals funded from receipts	156
Final Budget	**12,657**
Outturn	6,081
Total underspend	**(6,576)**
Reprofiled to 2026/27	(2,834)
Grant funding transfer to reserve	(2,082)
Underspend	(1,661)
Total underspend	**(6,576)**

2.10. Several of the projects detailed are subject to external requirements or further delegations:
- Union Yard fit out contributions depend on lease negotiations and requirements of potential tenants.
- The Asset Management provision and Service Review provision is subject to separate approvals and asset requirements that arise.
- The Union Yard Right to Light budget is subject to claims submitted and negotiations

MTFS review

2.11. The 2025/26 outturn position has been reviewed alongside the Quarter 1 forecast for 2026/27 to identify changes since the budget was approved in February 2026. Detailed budget monitoring information to June 2026 has been provided separately to service managers. For brevity, only the key variances impacting the MTFS are summarised below. Full details are set out in **Slide 15 and 16 of Appendix 1.**

2.12. The revised MTFS includes an additional net cost of £442,000 in 2026/27, increasing to £2.694 million per annum from 2027/28 onwards. As a result, the estimated revenue reserves available to fund the forecast deficit at Vesting Day have increased from £1.828 million to £2.253 million before consideration of the risks outlined below.

2.13. Significant uncertainties remain within the financial forecasts and could materially affect the Council's financial position. While these risks have been reported previously, they remain sufficiently material to warrant further consideration as part of this MTFS review.

2.14. The Serco contract negotiations are expected to conclude in September 2026, when the full financial implications will become clear. The February 2026 MTFS includes a £500k provision, with a further £595k assumed in the current review (**Appendix 1, Slide 16**) for 2026/27. The Council will be able to either continue the existing contract arrangements or move to a Twin Stream service model. Under either option, the Council will be responsible for procuring and funding vehicles and equipment. There remains a risk of additional cost pressures arising beyond the current budget assumptions.

2.15. Commercial property income continues to represent a significant financial risk. A comprehensive review of rental income forecasts, tenancy arrangements, lease expiries, void assumptions and holding costs is still underway and may require further revisions to the MTFS. Analysis of lease break clauses and contract expiry dates highlights a substantial proportion of rental income that may be at risk in future years. Any reduction in occupancy levels or rental income could have a material adverse impact on the revenue budget and the Council's financial resilience leading up to Vesting Day.

Commercial property Income	**Budget 26/27 £**	**Budget 27/28 £**	**Budget 28/29 £**	**Budget 29/30 £**
Income up to lease break/exit	(9,828,298)	(8,681,932)	(7,729,084)	(6,548,327)
Income at risk outside of lease	(136,634)	(1,040,523)	(1,772,219)	(3,223,907)
Total income	**(9,964,932)**	**(9,722,455)**	**(9,501,303)**	**(9,772,234)**
Ashbourne House Service costs and rates	**155,616**	**552,744**	**584,494**	**995,993**

In addition, forecast service charge and business rates liabilities relating to Ashbourne House are expected to increase significantly over the MTFS period and will place further pressure on the Council's financial position if mitigating actions are not identified.

2.16. Delays in achieving planned capital receipts continue to impact the Council's treasury position by increasing the level and duration of external borrowing required to maintain liquidity. Uncertainty over the timing of asset disposals reduces flexibility in cashflow management and limits opportunities to reduce borrowing costs. In addition, borrowing rates are currently higher than the 4.5% assumption reflected in the MTFS, creating further budget pressure.

2.17. Local Government Reorganisation (LGR) preparations are currently being assessed across Hampshire, together with the methodology for apportioning costs between authorities. These costs are expected to be significant and will place additional demands on available reserves. While some expenditure may qualify for funding through the Flexible Use of Capital Receipts Direction, a substantial proportion is expected to fall directly on the revenue budget. No additional provision has been included within this MTFS update beyond existing assumptions.

2.18. While the updated MTFS indicates that sufficient reserves are currently available to support the forecast position through to Vesting Day, this assessment remains subject to several significant financial risks and assumptions. The sensitivity of the forecasts, particularly in relation to commercial property income, capital receipts and LGR-related costs, means that continued financial discipline and active risk management will be required to maintain financial resilience and ensure the Council is able to meet its obligations without the need for additional savings measures or use of reserves beyond those currently forecast.

3. Write-Offs

3.1 In compliance with the Constitution, Financial Procedure Rules (E60), debts that require write-off over £10,000 require approval from Cabinet. There is one requested write-off within the Building Control service of £11,550 where the company went into administration in September 2025.

4. Capital Receipts Delivery

4.1. The table below outlines the delivery of outstanding capital receipts, detailing the sources, values, and timing of receipts received or anticipated during the reporting period.

	Budgeted Value	Budgeted Disposal Month	Forecast Value	Forecast Disposal Month	Change in Value	Delay in months
	£		£		£	
Devereux House	1,500,000	May-25	1,500,000	Aug-26	-	15
Hawley Lane	3,600,000	Jul-25	3,600,000	TBC	-	12+
Meads Block 3	2,000,000	Oct-25	2,000,000	TBC	-	9+
Union Yard - 82 units	15,000,000	Sep-25	14,500,000	July-26	-500,000	9

5. Alternative Options

5.1. The Council is under a statutory obligation to set and maintain a balanced budget. Consequently, a ‘do nothing’ option is not available. The Council must deliver the establishment vacancy target saving and capital receipt targets set out within the Financial Recovery Plan in order to support financial sustainability and compliance with its statutory responsibilities.

5.2. Progress in delivering the measures contained within the MTFS is subject to ongoing financial monitoring and review. Should the Council's financial position deteriorate, or delivery risks emerge, the Council has the option to implement targeted or wider temporary expenditure controls to contain spending and minimise the drawdown of reserves. The Executive Head of Finance will consult with Members and the Senior Leadership Team at the earliest indication that such measures may be required.

6. Consultation

6.1. No specific consultations have been undertaken outside of the elected member of the council.

7. IMPLICATIONS

Risks and Uncertainties

7.1. The key risks and uncertainties associated with the MTFS are outlined above, with a comprehensive assessment included within the February 2026 Budget Report. Given that the Council has not yet achieved an unqualified audited financial position, there remains a risk that adjustments arising from the completion of the audit process could impact the Council's reported financial position and future financial forecasts. Any such impacts will be reflected in subsequent monitoring reports and updates to the MTFS.

Legal Implications

7.2. Under the Council's Finance Procedure Rules, the Executive Head of Finance is responsible for the proper administration of the Council's financial affairs and advising on the corporate financial position. It is the responsibility of Executive Directors, Heads of Service, Corporate Managers and Service Managers to consult with the Executive Head of Finance and seek approval on any matter liable to affect the Council's finances materially, before any commitments are incurred.

Comments approved by Executive Head of Governance and Law (Monitoring Officer).

Financial and Resource Implications

7.3. Financial implications are set out within the report.

Equalities Impact Implications

7.4. No direct impact.

Other

7.5. There are no further implications of this report to consider.

8. CONCLUSIONS

8.1. The Council approved a balanced budget for 2025/26, incorporating a planned drawdown from reserves of £3.4m and a savings requirement of £1.8m through net budget reductions. The provisional outturn indicates that the savings target has been fully achieved and that additional underspends have reduced the overall reliance on reserves to £2.362m. Unaudited usable reserves available to support the 2026/27 financial position are estimated at £6.9m.

8.2. Should in-year financial monitoring indicate a deterioration in the Council's financial position, targeted or wider expenditure controls may be implemented to manage spending, mitigate financial risk, and protect reserve balances while corrective actions are progressed.

8.3. Despite the improved outturn position, the Council continues to face significant financial challenges over the Medium-Term Financial Strategy (MTFS) period. Officers will continue to monitor financial performance closely and provide regular updates to Members on the Council's financial position, risks, and mitigating actions.

BACKGROUND DOCUMENTS:

- MTFS update 2024/25– 8th July 2025
- General Fund Budget 2025/26 and Medium-Term Financial Strategy 2026/27 to 2029/30 - Council – 26th February 2026

CONTACT DETAILS:

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Appendix 1

Outturn review

2025-26 Financial Year

2025/26 Revenue Budget Summary

Figures in £000

Budget adjustments	Orig. Budget	Savings	Supp.	Final Budget	Outturn	Variance
Services deficit	4,623	(1,394)	1,058	4,288	2,362	(1,926)
Pooled fund provision	1,000	(1,000)	0	0	0	0
Total deficit	**5,623**	**(2,394)**	**1,058**	**4,288**	**2,362**	**(1,926)**
UY interest saving	(418)			(418)	0	418
Savings target	(1,784)	1,394		(390)	0	390
Pooled fund provision		1,000		1,000	0	(1,000)
Reserve drawdown	**(3,421)**	**0**	**(1,058)**	**(4,479)**	**(2,362)**	**2,118**

Table tracks in-year budget changes against outturn. Savings were netted off against the savings target and in year supplementary (reserve funded) approved expenditure added; the outturn delivered a further £2.118m underspend beyond the adjusted budget, inclusive of the reversal of the Pooled Funds provision.

Brackets represent an underspend

Budget, Forecast, Outturn and Reserves for 2025-26

2025-26 Budget	Original Budget `000	*Forecast January `000*	Final Budget `000	Outturn `000	Variance `000
Pooled fund provision	1,000	*1,000*	0	0	0
Revenue deficit	4,623	*4,623*	4,288	1,627	(2,661)
Total: Revenue Deficit	**5,623**	***5,623***	**4,288**	**1,627**	**(2,661)**
Planned budget reductions:					
Interest saving on UY capital receipt	(418)	*0*	(418)	0	418
Pooled fund provision reversal		*(1,000)*	1,000	0	(1,000)
MTFS Savings target 2025/26	(1,784)	*(784)*	(390)	0	390
Period 8 forecast underspend		*(1,271)*	0	0	0
Tariff on Business Rates provision release	0	*985*	0	735	735
Total: Planned budget reductions	**(2,202)**	***(2,070)***	**192**	**735**	**543**
Deficit funded from reserves	**3,421**	***3,553***	**4,479**	**2,362**	**(2,118)**
Reserves available to fund deficit:					
Available to fund deficit:	(10,931)	*(9,608)*	(9,276)	(9,276)	0
Supplementary approvals	1,128	*908*	1,058	1,058	0
Budget Deficit	3,421	*3,553*	3,421	1,304	(2,118)
Reserves remaining	**(6,382)**	***(5,147)***	**(4,797)**	**(6,914)**	**(2,118)**

Revenue net budget variances

Revenue Outturn 2025/26	Final Budget `000	Outturn `000	Variance `000
Service Portfolios	12,770	11,939	(831)
Retained Business Rates	(5,071)	(4,336)	735
One off items	(848)	(1,136)	(289)
Corporate funding	(2,564)	(4,106)	(1,542)
Planned savings	192	0	(192)
Total Outturn:	**4,480**	**2,362**	**(2,118)**

Detail is provided on following slides

Revenue net budget variances

Figures in £000

Portfolio budgets	Budget	Outturn	Variance
Economy, Skills & Regeneration	1,939	1,946	7
Finance & Resources	5,765	5,225	(540)
Healthy Comm & Active Lives	2,224	2,094	(129)
Housing & Planning	2,124	2,051	(73)
Leader	387	368	(19)
Policy, Perform & Sustain	2,113	1,984	(129)
Pride in Place / N'hood	6,585	6,103	(482)
Corporate: Commercial property	(8,082)	(8,116)	(34)
Corporate: Vacancy target	(500)	0	500
Corporate: Insurance	214	282	69
Total: Portfolios	**12,770**	**11,939**	**(831)**

Brackets represent an underspend

Revenue net budget variances

One off items	Final Budget `000	Outturn `000	Variance `000
Sale commercial waste book	0	(128)	(128)
Refuse Service legal settlement	(2)	(24)	(22)
Hart BC Dev control project	0	(26)	(26)
GRIP funding contribution to existing staff cost	5	(54)	(59)
Homeless grant full value justified	(942)	(1,015)	(73)
Banking and debt management	92	111	19
Total: One off items	**(848)**	**(1,136)**	**(289)**

Brackets represent an underspend

Figures in £000

Revenue net budget variances

Planned budget reductions	Final Budget `000	Outturn `000	Variance `000
Interest saving on UY capital receipt	(418)	0	418
Pooled fund provision reversal	1,000	0	(1,000)
MTFS Savings target 2025/26	(390)	0	390
Total: planned budget reductions	**192**	**0**	**(192)**

Figures in £000

Brackets represent an underspend

Revenue net budget variances

Corporate funding items	Final Budget \`000	Outturn \`000	Variance \`000
ERP income	(615)	(1,070)	(455)
Contract inflation	85	0	(85)
Pension Strain	281	235	(46)
Net Interest	5,524	4,641	(883)
MRP	2,133	2,148	14
Other corporate adjustements	(8,234)	(8,201)	33
Finance Settlement	(953)	(926)	27
EMR movement	(786)	(934)	(148)
Total Corporate funding:	**(2,564)**	**(4,106)**	**(1,542)**

Figures in £000

Brackets represent an underspend

Portfolio budget variances by nature

Figures in £000

Portfolio	Variance
Economy, Skills & Regen	7
Finance & Resources	(540)
Healthy Comm & Active	(129)
Housing & Planning	(73)
Leader	(19)
Policy / Perform / Sustain	(129)
Pride in Place / N'hood	(482)
Corporate: Vacancy target	500
Corporate: Insurance	69
Corporate: Commercial prop.	(34)
Grand Total	**(831)**

Nature	Variance
Corporate	69
Staff	(232)
Staff non-pay	(18)
Transport	0
Utilities	(336)
Business rates	(171)
Premises	(139)
Supplies / services	(157)
Third-party payments	598
Income	(444)
Grand total	**(831)**

Brackets represent an underspend

Portfolio budget variances by nature

Figures in £000

Budget variances	Corporate	Staff	Staff non pay	Transport	Utilities	Business Rates	Premises	Supplies and Services	Third Party Payments	Income	Grand Total
Economy, Skills & Regeneration	0	(110)	(1)	(1)	7	(1)	(1)	5	0	108	7
Finance & Resources	0	(342)	(5)	0	0	0	0	(112)	2	(82)	(540)
Healthy Comm & Active Lives	0	71	(2)	(1)	(12)	(0)	(81)	99	166	(369)	(129)
Housing & Planning	0	(108)	(3)	0	0	0	(1)	1	(25)	63	(73)
Leader	0	(18)	(1)	(0)	0	0	0	(0)	0	0	(19)
Policy, Perform & Sustain	0	(73)	(2)	(1)	0	0	0	(68)	(1)	16	(129)
Pride in Place /N'hood Service	0	(152)	(4)	3	(115)	(159)	(33)	(88)	(30)	96	(482)
Corporate: Vacancy Target	0	500	0	0	0	0	0	0	0	0	500
Corporate: Insurance	69	0	0	0	0	0	0	0	0	0	69
Corporate: Commercial property	0	0	0	0	(216)	(11)	(23)	6	486	(275)	(34)
Grand Total	69	(232)	(18)	0	(336)	(171)	(139)	(157)	598	(444)	(831)

Brackets represent an underspend

Supplementary Estimates

Supplementary estimates:	Original Budget `000	Outturn `000	Reason / notes
Budget carry forward	100	146	
Legal	108	108	Legal/Monitoring Officer
Property	200	200	Property Contractors
Crematorium & Ski Slope	120	100	Regen Salaries
LGR & IT	100	146	LGR costs
Local Plan	100	108	Local Plan Costs
FRP support	250	250	External Support
UY arbitration	150	0	
Total: Supplementary	**1,128**	**1,058**	

2025/26 Capital Budget Summary

Figures in £000

Capital Programme Budget 2025/26	2025/26 Budget	Reprofiled from prior year	Additional Approved Schemes	Virements	Disposals funded from receipts	Total Budget
Union Yard / Meads commercial lease contributions	850	175	(719)	0	0	306
Union Yard Right to light	400	0	0	0	0	400
Union Yard sale of Blocks C&D costs	0	0	0	0	59	59
New Farnborough Leisure Centre	0	0	2,010	0	0	2,010
Southwood Park	0	285	0	0	0	285
Crematorium	366	1,636	1,612	0	0	3,614
Loungers (Meads)	0	0	719	0	0	719
Ashbourne House	0	74	0	0	0	74
CQ Pinehurst Car Park Demolition	0	605	0	0	0	605
Food Waste	7	0	0	0	0	7
Wheeled Bins	120	0	0	0	0	120
Disabled Facilities Grants	1,111	0	0	0	0	1,111
Aldershot Pools Solar panels	0	71	0	0	0	71
Asset Management Capital expenditure provision	800	0	0	(119)	0	681
ICT Services Capital Schemes	141	650	0	0	0	791
Meads block 4 contract costs - Farnborough Landing	0	0	95	0	0	95
Ceremonial Asset Construction	0	13	0	0	0	13
Service review capitalised costs provision	1,000	0	0	0	0	1,000
Various S106 projects	0	115	365	0	0	480
Aldershot Ski Centre	0	0	0	99	0	99
Beaumont	0	0	0	20	0	20
Asset Disposal costs to be funded from proceeds	0	0	0	0	97	97
Total	**4,795**	**3,624**	**4,082**	**0**	**156**	**12,657**

Brackets represent an underspend

Capital Outturn

Figures in £000

Capital Scheme	Budget	Outturn	Variance	Reprofiled to 2026/27	Transfer to Reserve	Over / (Under) Spend	Comments
Union Yard / Meads lease contributions	306	55	(251)	(251)	0	0	To enable further commercial unit lets
Union Yard construction	0	122	122	0	0	122	Hills retention released, remaining spend incurred on staffing and other works.
Union Yard disposal	59	59	0	0	0	0	Cost to be recovered from capital receipt
Union Yard Right to light	400	12	(388)	0	0	(388)	Subject to Legal claims / negotiations
New Farnborough Leisure Centre	2,010	1,686	(324)	(324)	0	0	Full project approved, £27.5m.
Southwood Park	285	47	(238)	(238)	0	0	SANG funded
Crematorium	3,614	3,022	(592)	(50)	0	(542)	Savings delivered on increased budget. £50k carry forward for remaining works.
Loungers (Meads)	719	27	(691)	(691)	0	0	Works underway. Additional budget approved 3 March 26 Cabinet.
Ashbourne House	74	(18)	(92)	0	0	(92)	No spend anticipated - saving is due to prior year VAT correction
CQ Infrastructure residual OPE allocation	605	(312)	(917)	0	(605)	(312)	Funding will be held in the reserve to call against if project approved.
CCTV	0	28	28	0	0	28	Additional spend due to not accruing in 24/25.
Wheeled Bins	127	126	(1)	0	0	(1)	
Disabled Facilities Grants	1,111	634	(477)	0	(477)	0	Demand lead expenditure based on claims.
Aldershot Pools Solar panels	71	42	(29)	(29)	0	0	Works underway, externally funded.
Asset Management Capital expenditure provision	681	146	(535)	(535)	0	0	TBC - awaiting detail from Tim. Subject to separate approvals.
Asset Disposal costs to be funded from proceeds	97	97	0	0	0	0	Disposal costs
Aldershot Ski Centre	99	3	(96)	(96)	0	0	Approved 13 Jan 2025 Cabinet
Beaumont	20	0	(20)	0	0	(20)	Approved SLT. Expenditure in revenue.
ICT Services Capital Schemes	791	70	(721)	(307)	0	(414)	Delaying full replacement programme, Wifi and VM Ware works in 26/27
Meads Farnborough Landing	95	89	(6)	0	0	(6)	UKSPF funded £60,401
Ceremonial Asset Construction	13	10	(3)	0	0	(3)	Community resilience funded.
Various S106 projects	480	135	(345)	(311)	0	(33)	Capacity issues and procurement process has delayed progress
Service review capitalised costs provision	1,000	0	(1,000)	0	(1,000)	0	Subject to separate approvals
Total	**12,657**	**6,081**	**(6,576)**	**(2,834)**	**(2,082)**	**(1,661)**	

Brackets represent an underspend

Medium Term Financial Update and Quarter One Forecast

2026-27 Financial Year

MTFS Summary

2026-27 Medium Term Financial Strategy July update	2025-26 Outturn `000	2026-27 `000	2027-28 `000	2028-29 `000	2029-30 `000
Feb 2026 Deficit (surplus) before savings		(226)	4,002	3,809	4,352
MTFS July 2026 update		442	2,694	2,786	2,229
Revised deficit in July 2026		**217**	**6,696**	**6,595**	**6,581**
Planned budget reductions:					
Interest saving on expected capital receipts	0	(812)	(1,196)	(1,304)	(1,332)
MRP savings from expected capital receipts	0	(30)	(1,012)	(1,017)	(1,271)
Planned Revenue Savings	0	0	0	0	
Total: Planned budget reductions	**0**	**(842)**	**(2,208)**	**(2,321)**	**(2,603)**
Deficit (Surplus) funded from reserves	**2,362**	**(626)**	**4,488**	**4,274**	**3,977**
Reserves available to fund deficit:					
Available to fund deficit:	9,276	6,914	7,140	2,253	(2,022)
Supplementary approvals	(1,058)	(400)	(400)		
Budget (deficit) /Surplus	(1,304)	626	(4,488)	(4,274)	(3,977)
Reserves remaining	**6,914**	**7,140**	**2,253**	**(2,022)**	**(5,999)**
Reserves supporting specific initiatives	3,279	2,401	2,602	2,904	3,175
In year reserve movement to revenue account	(878)	201	302	271	273
Reserves remaining	**2,401**	**2,602**	**2,904**	**3,175**	**3,448**
Working Balance:	**2,000**	**2,000**	**2,000**	**2,000**	**2,000**

MTFS July 2026 Update: detail

MTFS July 2026 update additional to February 2026	2026-27 `000	2027-28 `000	2028-29 `000	2029-30 `000
February 2026 MTFS risks and reserve adjustments				
Risk Items: Serco	0	500	500	500
Risk Items: Property voids	0	250	500	500
Leisure Centre revenue impact	81	725	237	0
Farnborough LC March updated income profiling adjustment	0	(540)	21	(198)
Other MTFS changes since February estimates				
FIL early repayment - MRP only 10 yr SL	(211)	0	0	0
FIL early repayment - interest 1% difference	(21)	0	0	0
Additional Homelessness funding in final MHCLG Settlement	(93)	(48)	(24)	0
LSH additional contract cost	37	37	37	37
Wayleaves speculative income: no pipeline to support this	80	80	80	80
Serco contract reprocurement	36	595	614	614
168 High Street - MRP and Interest one year saving for early disposal	(290)	0	0	0
168 High Street - Revenue budget removal	35	35	35	35
Business rates final estimates	125	125	125	
Pay increase at 3.2% vs 3.5%	(28)	(28)	(28)	(28)
Additional borrowing costs 0.5% increase on MTFS assumption of 4.5%	165	274	0	0
Armed Forces Day	195	0	0	0
Farnborough Civic Quarter masterplanning	98	0	0	0
Homelessness funding ringfenced excludes subsidy loss and temp acc	233	689	689	689
Total change in MTFS position	**442**	**2,694**	**2,786**	**2,229**

Brackets represent an underspend