



HILLINGDON  
LONDON



# CABINET

## To all Members of the Cabinet:

**Date:** THURSDAY, 20  
NOVEMBER 2025

**Time:** 7.00 PM

**Venue:** COMMITTEE ROOM 6 -  
CIVIC CENTRE, HIGH  
STREET, UXBRIDGE UB8  
1UW

**Meeting  
Details:** The public and press are welcome  
to attend and observe the meeting.

For safety and accessibility, security measures will be conducted, including searches of individuals and their belongings. Attendees must also provide satisfactory proof of identity upon arrival. Refusal to comply with these requirements will result in non-admittance.

This meeting may be broadcast on the Council's YouTube channel. You can also view this agenda online at [www.hillingdon.gov.uk](http://www.hillingdon.gov.uk)

Ian Edwards, Leader of the Council  
(Chair)

Jonathan Bianco, Deputy Leader of the  
Council & Cabinet Member for Corporate  
Services & Property (Vice-Chair)

Martin Goddard, Cabinet Member for  
Finance & Transformation

Susan O'Brien, Cabinet Member for  
Children, Families & Education

Jane Palmer, Cabinet Member for Health  
& Social Care

Eddie Lavery, Cabinet Member for  
Community & Environment

Steve Tuckwell, Cabinet Member for  
Planning, Housing & Growth

**Published:**  
Friday 14 November 2025

## Contact:

Tel: 01895 250470

Email: [democratic@hillington.gov.uk](mailto:democratic@hillington.gov.uk)

**Putting our residents first**

Lloyd White  
Head of Democratic Services  
London Borough of Hillingdon,  
Phase II, Civic Centre, High Street, Uxbridge, UB8 1UW

# Notice

## **Item 8 – Monthly Budget Monitoring Report**

In accordance with the Local Authorities (Executive Arrangements) (Meetings and Access to Information) (England) Regulations 2012, 28 clear days notice of a decision on this report, was given. However, the report has been circulated less than 5 working days before the Cabinet makes any decision on the matter and will only be considered if approved at the meeting by the Chair. This reason for urgency is to ensure the Cabinet can receive an update on the Council's latest financial position.

## **Item 14 – Finance Modernisation Programme – Oracle Phase 2**

In accordance with the Local Authorities (Executive Arrangements) (Meetings and Access to Information) (England) Regulations 2012, 28 clear days notice of a decision on this report, to be considered by Cabinet, was not practicable.

This report has also been circulated less than 5 working days before the Cabinet makes any decision on the matter and will only be considered if approved at the meeting by the Chairman. The report is also not for publication.

Under special urgency rules in the Council's Constitution, the Chair of the Corporate Resources & Infrastructure Select Committee has kindly agreed that a decision on this matter can be considered at this Cabinet meeting because it is urgent and cannot reasonably be deferred.

This reasons for urgency are to ensure the Council can continue to modernise its financial systems to support the programme of work regarding its financial position.

Notice of the Council's intention to hold this meeting (part in private) is set out on the main Cabinet Agenda A for this meeting.

Issued: 14 November 2025  
London Borough of Hillingdon

# Agenda

## **Cabinet Reports - Part 1 (Public)**

- |          |   |        |
|----------|---|--------|
| <b>8</b> | Monthly Council Budget Monitoring Report: Month 6 | 1 - 34 |
|----------|---|--------|

## **Cabinet Reports - Part 2 (Private and Not for Publication)**

- |           |  |         |
|-----------|--|---------|
| <b>14</b> | Finance Modernisation Programme - Oracle Phase 2 | 35 - 42 |
|-----------|--|---------|

*The reports in Part 2 of this agenda are not for publication because they involve the disclosure of information in accordance with Section 100(A) and Part 1 of Schedule 12 (A) to the Local Government Act 1972 (as amended), in that they contain exempt information and that the public interest in withholding the information outweighs the public interest in disclosing it.*

This page is intentionally left blank

## COUNCIL BUDGET - 2025/26 BUDGET MONITORING

<b>Cabinet Member &amp; Portfolio</b>	Councillor Martin Goddard Cabinet Member for Finance & Transformation
<b>Responsible Officer</b>	Steve Muldoon, Corporate Director of Finance
<b>Report Author &amp; Directorate</b>	Andy Goodwin, Head of Strategic Finance
<b>Papers with report</b>	None

### HEADLINES

#### Overview

This report sets out a summary of the Council's General Fund and Housing Revenue Account forecast positions for both revenue and capital budgets as at the end of September 2025 (Period 6) for the financial year 2025/26.

#### General Fund Revenue

The Council has an approved expenditure budget of £974m, comprised of £552m within the General Fund and £422m within the Dedicated Schools Grant. As at the end of September 2025 (Period 6), the General Fund forecast shows an overspend of £36.0m, leading to an adverse movement of £5.8m from Month 5 against the General Reserves position.

The aggregate year to date forecast overspend represents a variance predominantly driven by service operations and reflects the ongoing pressures and risks local authorities face in homelessness, children's and adults social care provision, as well as challenges in the delivery of savings in year, whilst the changes from Month 6 are largely comprised of changes to the assumptions of expenditure to be funded by the flexible use of capital receipts. There remain significant inherent risks which continue to be reviewed and may impact the forecast at a future point.

#### Dedicated Schools Grant (DSG)

The in-year forecast deficit relating to DSG remains in line with budget, i.e. a £12.5m in-year increase in the deficit reserve position. It should be noted that the in-year deficit for 2025/26 represents an improvement of £2.5m on the in-year deficit reported for 2024/25. When factoring in the opening deficit position of £65.9m, this forecast position leads to a closing cumulative deficit for 2025/26 of £78.4m. The statutory override is in place until March 2028 while the Council continues with its deficit management plan.

#### Housing Revenue Account (HRA)

The 2025/26 HRA revenue budget consists of £85.4m expenditure matched by an equivalent level of income (rents, service charges and other contributions). The Month 6 forecast reflects an unchanged position (nil variance) against this budget. This comprises a £1.3m pressure against service expenditure offset by a reduction in the revenue contribution to the capital programme.

## General Fund and HRA Capital Programmes

The Council set itself ambitious targets to invest in local services, infrastructure and homes during 2025/26 – a total of £357.5m being budgeted across both the General Fund and HRA areas in 2025/26. 83% of that target is expected to be spent in year, with the majority of the underspend potentially rephased into 2026/27 at this stage, subject to further review as part of the 2026/27 budget setting process and Cabinet approval as part of the draft outturn report in early 2026/27.

The General Fund capital programme budget includes £17.0m of capital receipts to be used to fund transformation costs leading to ongoing future revenue savings or cost avoidance through the flexible use of capital receipts mechanism as allowed for under Government regulation. The level of available capital receipts and how this will be applied to qualifying expenditure in this year has been reviewed with reductions factored into the Month 6 update.

<b>Putting our Residents First</b>  <b>Delivering on the Council Strategy 2022-2026</b>	This report supports our ambition for residents / the Council of: An efficient, well-run, digital-enabled council working with partners to deliver services to improve the lives of all our residents  This report supports our commitments to residents of: A Digital-Enabled, Modern, Well-Run Council
<b>Financial Cost</b>	N/A
<b>Select Committee</b>	Corporate Resources & Infrastructure
<b>Ward(s)</b>	All

## RECOMMENDATIONS

That:

1. the revenue and capital budget monitoring positions and treasury management update as at September 2025 (Month 6) as set out in Part A of the report be noted, furthermore, the actions proposed by officers be noted.
2. the financial recommendations as set out in Part B of this report be approved.

### Reasons for recommendation

1. The reason for **Recommendation 1** is to measure performance against the Council's budgetary objectives, providing Cabinet with the update on performance against budgets approved by Council on 27 February 2025 contained within **Part A** of this report. An update on the Council's Treasury Management activities is included within this.
2. **Recommendation 2** seeks approval for the financial recommendations set out within **Part B** of this report, which may include acceptance of grant funding, revisions to fees & charges and ratification of decisions taken under special urgency provisions.

### Alternative options considered / risk management

3. There are no other options proposed for consideration.

## Select Committee comments

None at this stage.

# PART A: 2025/26 MONTHLY BUDGET MONITORING

## SUMMARY

### GENERAL FUND REVENUE

4. As at Month 6, the Council is forecasting a net overspend of £36.0m on its core operating activities. This includes overspends of £27.1m across Service Operating Budgets, a £4.2m pressure against the budgeted use of reserves and a £6.7m pressure across centralised and Corporate Budgets including Corporate Funding. These pressures are partially mitigated by £2.0m of planned interventions, which are expected to deliver savings aligned with the Target Operating Model (TOM), spend control measures and other mitigations. For Month 6, it is recommended that Cabinet approve a budget virement of £8.8m from General Contingency to permanently fund underlying budget issues including Adult Social Care demand and the pay award shortfall, leaving £1.7m of the funds to offset the overall position. The update presented in this report is based on the position after this virement is actioned.
5. The service operating budget pressure of £27.1m, represents an underlying £4.7m adverse movement from Month 5, but the General Contingency virement of £5.6m in this area reduces this to a £0.9m favourable movement from Month 5. The pressure against Service Operating Budgets is largely being driven by four pressure areas:
  - i. c£13.5m relating to further demand pressures above the budget position presented to February Cabinet and Council, with £3.2m being driven by Adult Social Care demand (after the £5.6m budget virement), £6.5m from homelessness support, £4.6m within Children's Social Care, offset by a £0.6m reduction in the waste forecast.
  - ii. c£7.9m relates to a shortfall against the savings budgeted in 2025/26 and the £38.8m target to be delivered this year (with a further £7.1m included in unallocated savings budgets), representing 34% slippage.
  - iii. c£2.3m from the General Fund share of Treasury activities and the interest costs arising from the increase in borrowing resulting from the forecast
  - iv. Lastly, c£3.4m net overspend relating to a number of other smaller updates, with a shortfall against the capital receipts target leading to some transformation activity now being funded from revenue, alongside further pressures from the use of agency staff, offset by staffing underspends across SEND Transport of c£1.0m Adult Social Care & Health (c£0.8m) and other minor movements.
6. Within centralised and Corporate Budgets, a forecast overspend of £6.7m is presented, which includes a pressure of £7.1m from an under-delivery against unallocated savings. A further pressure of £1.3m is reported against Corporate Funding due to the Children's Prevention Grant that was announced as part of Core Spending Power needing to be spent on new

initiatives leading to the grant being transferred to the Children's Social Care service. The forecast then includes two mitigations, firstly the remaining £1.7m general contingency and secondly £2.0m of interventions to incorporate an anticipated reduction in expenditure as a consequence of introducing more stringent spend controls.

7. Within the position, the planned use of reserves of £4.2m will not proceed due to the Council's low balance of opening reserves
8. As part of the Month 6 review, the Council has carried out an analysis of exposure to risks and where further opportunities exist. This review has identified more risks than opportunities, with risks totalling £6.9m against further opportunities of £2.3m. The identified risks include demand exposure from homelessness (£0.8m), adult social care (£1.8m) and Waste Services (£0.3m) with wider corporate risks linked to the delivery of the interventions (£1.0m). The level of risk has reduced at Month 6 as the risk associated with the level of capital receipts used to fund transformation activity has now been incorporated into the forecast. The remaining risks come from a number of smaller updates including funding strategies such as buyers premium and potential environmental costs associated with compliance related activities. It should be noted that risks not able to be quantified include the cost of any redundancies that may arise from any TOM savings implementation (redundancies would precede any savings that ensue), and also the financial impact relating to the amortisation of any EFS that may get agreed in respect of the 2024/25 financial year.
9. Opportunities in this position include £1.3m related to the Council's ability to positively impact the homelessness support pressure through demand and market management, maximising available funding sources, reducing energy costs and potential upsides from fees and charges.
10. It should be noted that the risk of further overspend against homelessness costs remains high, like many London boroughs, given the rising levels of homeless presentations and the challenges in securing suitable alternative accommodation to prevent homelessness, particularly in the private rented sector. This position is being reviewed in detail and updates will be provided in future budget monitoring reports.
11. Within the £1.0m homelessness demand risk, it is worth noting that the Council is seeing exceptional costs as a result of being a port authority. This includes the arrival of UK nationals, which remains an unknown quantum at this time, given the costs incurred by the Council are not fully funded by the Government. The Council's forecast is based on the current run rate to date. It should be noted that a review commissioned by London Councils has identified a "Funding Gap" of £740m for London Councils between homelessness costs incurred and funding provided by Central Government in 2024/25.



**Table 1: General Fund Overview**

Service	Approved Budget £m	Forecast Outturn £m	Variance £m	Forecast Variance Prior Month £m	Change in Variance £m
Service Operating Budgets	272.2	299.3	27.1	28.0	(0.9)
Development & Risk Contingency	1.7	0.0	(1.7)	(10.5)	8.8
Unallocated Budget Items: Pay Award Inflation	0.0	0.0	0.0	2.7	(2.7)
Unallocated Budget Items: Unallocated Savings	(7.1)	0.0	7.1	7.1	0.0
Budgeted Use of Reserves	(4.2)	0.0	4.2	4.2	0.0
<b>Total Net Expenditure</b>	<b>262.6</b>	<b>299.3</b>	<b>36.7</b>	<b>31.5</b>	<b>5.2</b>
Corporate Funding	(262.6)	(261.3)	1.3	0.7	0.6
<b>Subtotal</b>	<b>0.0</b>	<b>38.0</b>	<b>38.0</b>	<b>32.2</b>	<b>5.8</b>
Interventions	0.0	(2.0)	(2.0)	(2.0)	0.0
<b>Net Total</b>	<b>0.0</b>	<b>36.0</b>	<b>36.0</b>	<b>30.2</b>	<b>5.8</b>

<b>Opening General Reserve</b>		<b>1.5</b>	<b>1.5</b>	<b>0.0</b>
Less: Underlying Variance		(36.0)	(30.2)	5.8
<b>Closing General Reserve</b>		<b>(34.5)</b>	<b>(28.7)</b>	<b>5.8</b>

<b>Opening Controllable Earmarked Reserves</b>		<b>5.2</b>	<b>5.2</b>	<b>0.0</b>
Use of Controllable Earmarked Reserves		(2.0)	(1.4)	0.6
<b>Closing Controllable Earmarked Reserves</b>		<b>3.2</b>	<b>3.8</b>	<b>0.6</b>

12. The Council's unaudited opening reserves position, comprising both General and Controllable Earmarked Reserves, stands at £1.5m of General Reserves and £5.2m of Earmarked Reserves. In arriving at the net £36.0m overspend projected above, the forecast assumes a £2.0m drawdown from Earmarked Reserves to support service-level requirements, bringing the forecast usable General Reserve position to £34.5m overdrawn whilst Controllable Earmarked Reserves are forecast to close at £3.2m. This is stated before any potential impact from other financial risks which are not currently built into the forecast. It is clearly untenable for the Council to leave this position unaddressed.
13. To this end, the Council is engaged in conversations with the Ministry for Housing, Communities & Local Government (MHCLG) with a view to securing Exceptional Financial Support (EFS), and in order to progress matters has already made a formal submission to MHCLG for support in the form of a capitalisation direction and additional grant funding.
14. Exceptional Financial Support may be granted by the Ministry of Housing, Communities and Local Government (MHCLG) to councils facing significant financial pressures and unable to deliver a balanced budget or maintain adequate reserves. Support can be provided in one or more of the following forms:
  - i. Capitalisation Direction – This permits a council to account for its revenue overspend as capital, subject to Government approval. Without such approval, this approach

would be unlawful. Once approved, this capital item can be addressed either through offsetting capital receipts or amortised as MRP over a maximum of twenty years. If a council were to have to borrow to make the cash flow balance this would also incur interest costs.

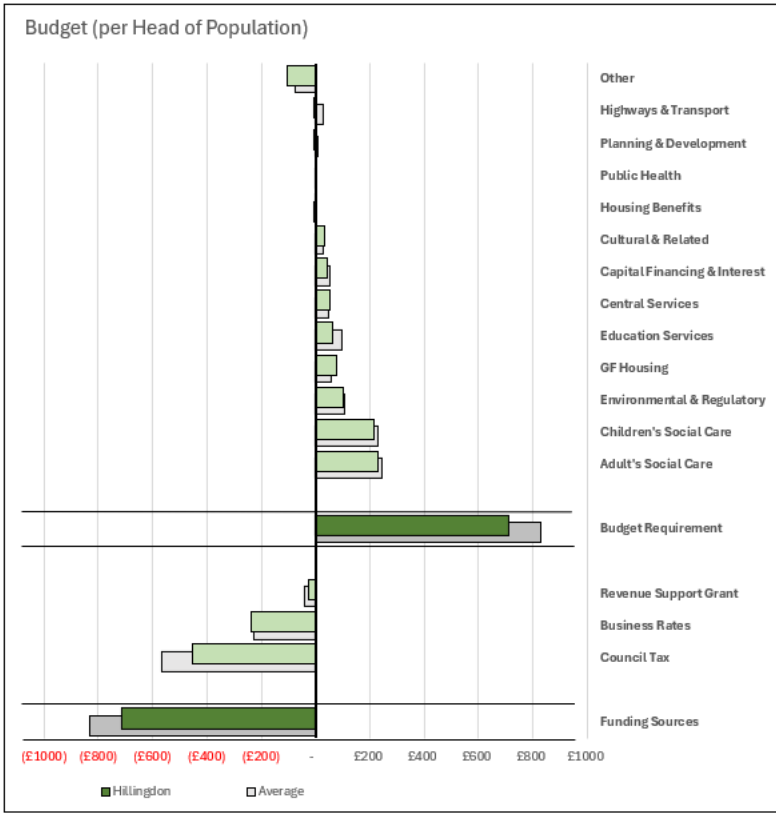
- ii. Additional Grant Funding – In certain circumstances, a council may receive direct grant support to help manage exceptional financial pressures.
- iii. Council Tax Flexibility – A council may be granted permission to raise Council Tax above the referendum threshold without holding a referendum. This option is only available as part of the annual Council Tax setting process.

15. The S151 Officer remains of the view that he is not minded to issue a S114 notice at this point in time on the basis that MHCLG are engaged in substantive discussions and reviewing the Council's position. There remains a reasonable likelihood that EFS can be approved within an appropriate timeline. This position is held on the current assumption that MHCLG will support the Council's application for EFS and that the level of EFS agreed will be seen through on time and to the level required by the Council. The decision not to issue a S114 at this time is wholly contingent on the discussions with MHCLG and ultimately without reassurance and progress of substance in these discussions very serious consideration would need to be given to issuing such a notice. Under S114(3) legislation, consideration needs to be given to whether the expenditure of the Council in a financial year (i.e. 2025/26) will exceed the resources (including sums borrowed) available to it to meet that expenditure. This condition will be satisfied through the agreement of EFS, for which there is currently a reasonable likelihood. MHCLG agreement to EFS will come with certain conditions that demonstrate to the Ministry that the Council is taking the necessary steps to address the situation. These would include, but are not limited to, ongoing engagement with MHCLG officials and representatives, working towards implementing the "Section 24" recommendations of the auditor, utilising peer support and advice from outside the authority, and potentially an additional external assurance review. These steps mentioned are already underway to ensure that the Council is heeding the advice and expectations to facilitate the agreement to EFS.
16. The Council is actively reviewing all available options to address the current financial pressure and the forecast negative reserves position. Central to this is the delivery of the 2025/26 savings programme, totalling £34.0m. In addition, £4.8m of unresolved savings from previous years have been carried forward, increasing the total savings requirement for 2025/26 to £38.8m. To date, slippage of £13.0m has been identified within this savings requirement and built into the forecast position.
17. Under Government guidance, councils may fund transformation activity using capital receipts from asset disposals. Given the scale of the savings programme, it is likely that the Council will need to utilise all available capital receipts to support transformation. The Council is reviewing the pipeline of assets which can be targeted with a view to delivering capital receipts in this financial year. Any receipts will need to be verified to assure that they qualify under the regulations pertaining to flexible capital receipts. A view has now been formed of the extent of qualifying receipts that can be achieved and be put towards qualifying expenditure. As a

consequence of this, the level of expenditure set to be funded in this way has been reduced, leading to a c£4m impact on the revenue forecast. The Council has a level of capital receipts brought forward from previous years which, along with known 2025/26 disposals, will be able to fund the residual requirement. There is no further risk now anticipated from this updated position.

18. The Council remains firmly committed to achieving a sustainable financial position. It continues to be run efficiently, with spend per capita on frontline services below that of comparable authorities, primarily Outer London boroughs. Despite the financial pressures, the Council has consistently delivered high-quality, well-regarded services in a cost-effective manner, while maintaining one of the lowest Council Tax levels in its comparator group. The chart below, based on 2023/24 data, illustrates this position:

**Chart 1: Income & Spend per Head Compared to Cohort Average**



19. The Council’s forecast of overdrawn reserves by year-end reflects a range of national challenges, compounded by insufficient funding from central government to meet rising demand. A key pressure continues to be the delivery of temporary accommodation and homelessness support. This is particularly acute in Hillingdon, due to the presence of Heathrow Airport - a major port of entry into the UK - which places additional strain on local housing supply and demand, driving up costs. This housing pressure also affects Children’s Social Care, where vulnerable young people in supported accommodation are unable to transition into independent tenancies due to a shortage of general needs housing. At the same time, demand for Adult Social Care remains consistently high following the pandemic, with funding from the Department of Health and Social Care failing to keep pace with increasing client demand volume and complexity and market pressures.

20. The Council is taking steps to address the rising cost of temporary accommodation by seeking to make acquisitions which can then be used to address the issue and mitigate the impact of high rental costs in the private sector. For this reason, Cabinet recently approved the forward phasing of future years' HRA capital budget alongside a virement of £20m from the General Fund capital programme to the HRA to support developments and acquisitions.
21. The Government has now closed its consultation on the Fair Funding Review 2.0 with the Council awaiting the outcome of the consultation. The fair funding review has been delayed since the pandemic, with the consultation covering the funding distribution formulae used by Government to allocate funds to each council across the country. Whilst the outcome of the review is still awaited, early modelling by both London Councils and Pixel indicate that Hillingdon should see a net growth in funding from 2026/27 and beyond. Whilst it is recognised that the borough was aware of the current level of Government funding at the time of setting the 2025/26 budget, the review indicates that Hillingdon has been significantly underfunded by Government over an extended period of time and had this review taken place in line with the original timescale, Hillingdon's financial position is likely to have been far more favourable.
22. Hillingdon's consultation response largely agreed with the Fair Funding Review 2.0 information and data that the Government shared, supported by the London Councils model. The Council's primary response was focused on the timing of the transition period, with the Government indicating transitioning to the new funding level over a 3-year period. The Council's stance is that residents should not be required to fund transitional arrangements and that the Government should seek alternative methods to fund any such arrangements, rather than restrain the release of funding due to Hillingdon.
23. The pressures presented in this report therefore present a challenge for the Council, with the above table setting out this position against service operating budgets, corporate budgets and the use of reserves. This forecast position does not include any potential outcome from the Exceptional Financial Support conversations being held with Government, likewise it does not reflect the revenue impact of any EFS which may be agreed in respect of 2024/25 and would begin to be amortised from 2025/26.
24. The Council's forecast position is therefore a highly challenging one and is highly dependent on the assumptions built into the forecast being deliverable. The contingency has been fully released in the forecast and so there is no capacity to offset further unforeseen costs, or savings or income shortfalls. It is of critical importance that all areas of the Council aim to deliver on, and give support to, all of the savings commitments made to ensure they are delivered on time and to the value and scale planned in the budget. Equally, it is important that any savings falling short are still pursued so that they can be delivered in full and on time in order to deliver the maximum benefit to 2026/27 and the MTFS.
25. The risks and upsides not encapsulated within the forecast will also need to be carefully reviewed and addressed in order to mitigate and prevent or limit the impact they may present. Any further impacts may have consequences for the EFS requirement and add pressure to the Council's finances in repaying this over time. The Council will have to continue to focus on identifying options to address these risks and not assume that the increase in funding

anticipated through the Fair Funding review, which may only be phased in over three years, will fully resolve the situation.

26. The Leader and his Cabinet have asked officers to do everything they can to address and mitigate the overspend and financial pressures faced. To this end, officers have been working on developing strict spend control processes across all areas of the Council, extending the existing controls over staffing costs to non-staff costs. This will bring with it a burden of administration but is essential to demonstrate that the Council is taking its fiduciary duties seriously. These measures are expected to bring a reduction in the level of non-essential expenditure as well as challenge to the scope of spend which is currently deemed to be statutory in nature. Consequently, an assumption has been made that this intervention could lead to a cost reduction of circa £2m in this financial year.
27. Alongside this, officers have been asked to review the capital expenditure programme to identify any schemes which can be deferred, reduced or stopped, in particular any which require Council borrowing in order to fund, or will be a drain on Council cash. This will in turn lead to a reduction in the level of borrowing required and hence the interest cost of such borrowing. In future years this would lead to a reduction in the level of Minimum Revenue Provision (MRP) arising from capital schemes and so help to mitigate the impact of MRP arising from Exceptional Financial Support. MRP is a charge that local authorities must set aside for the repayment of debt. The reduction in the capital forecast this quarter shows the first signs of the review work, and while some of this reduction is reflected as slippage, there will be a review of the programme of works as part of the 2026/27 budget setting process to establish which schemes will not progress.
28. Finally, it should be remembered that not all of the potential risks facing the Council this financial year have been quantified and built into the forecast. All efforts will be undertaken to minimise the impacts of these risks on the Council both in this and into future years.

## **GENERAL FUND CAPITAL EXPENDITURE**

29. The Council updates its capital forecasts on a quarterly basis, with Month 6 being the second update presented to Cabinet. A £43.4m underspend is projected on the 2025/26 General Fund Capital Programme of £138.4m, with the forecast outturn variance over the life of the 2025/26 to 2029/30 programme currently projected to bank in-year cost underspends of £4.8m. General Fund Capital Receipts of £17.0m were budgeted for 2025/26, with these funds planned to fund transformation activity. At Month 6, the use of capital receipts has reduced due to the DSG safety valve contributions currently being suspended (£4.0m) and a reduction in the Transformation Capitalisation forecast presented in the revenue update. Overall, Prudential Borrowing required to support the 2025/26 to 2029/30 General Fund capital programme remains on budget. These projections will be revisited as part of the Month 9 forecast as well as the 2026/27 budget setting process.

## **SCHOOLS BUDGET**

30. The Dedicated Schools Grant (DSG) total Block for the Maintained Schools is forecast to have an in-year deficit of £12.5m, unchanged from Month 5, representing an ongoing improvement from the draft outturn for 2024/25 of £15.0m as a result of a broad range of

positive measures deployed by the Council. The in-year deficit is largely driven by High Needs placement demand and cost pressures which continue to be significantly underfunded in the DSG settlement from the DfE. This position means that the cumulative deficit carried forward to 2026/27 is forecast at £78.4m.

31. There is currently a time-limited statutory override in place, now extended until 31 March 2028, ringfencing the Schools Budget deficit such that this does not impact upon general reserves. The Council is one of many local authorities managing a large deficit within the Schools Budget and this stood at £65.9m at 31 March 2025, exceeding the level of General Fund reserves held. It is worth noting that between outturn 2024/25 and the position presented in this report, the Council has successfully reduced the in-year spend against the Schools Budget by £2.5m and continues to make good progress in this.
32. The issue of mounting DSG deficits remains a national issue, with projections for a £6.2bn deficit across the country by 2026/27 forming a key strand to lobbying by sector bodies such as the LGA and London Councils. Were the Council faced with having to absorb the deficit into its own reserves from 1 April 2028, it would have no option other than to request a further increase in EFS. Given the national cumulative position indicated above, it is hard to see how this can be managed and so the proposed way forward from Government is keenly awaited by councils across the country.

## **HOUSING REVENUE ACCOUNT**

33. The Housing Revenue Account (HRA) continues to forecast a breakeven position at Month 6. Operating costs are showing an in-year pressure of £1.3m, an adverse movement of £0.4m, primarily driven by staffing costs, emergency B&B placements and leaseholder insurance premiums, with the adverse movement related to a shortfall in the forecast rental income. These pressures are offset by a reduction in the revenue contributions to the capital programme, ensuring the HRA remains financially viable. The 2025/26 closing HRA General Balance is forecast to be £15m, in line with the target level established for 2025/26. The HRA Capital Programme is forecast to breakeven over the five-year programme, with investment of £549.2m increasing housing supply and maintaining and improving existing stock.

## **FURTHER INFORMATION**

### **General Fund Revenue Budget**

34. As at Month 6, the Council's General Fund is reporting an overspend of £36.0m after allowing for the anticipated delivery of £2.0m in savings through interventions including tighter spend controls, and the remaining £1.7m contingency. This leads to an adverse movement in general and controllable earmarked reserves from Month 5 of £6.4m. This position includes a £13.0m shortfall against the total £38.8m savings target, and a reduction in the level of capital receipts being used to fund transformation activity.
35. The Month 6 position also includes the deployment of £2.0m from Earmarked Reserves, primarily to support insurance claims and homelessness related pressures. In addition, £1.2m is being drawn down from the Public Health ringfenced reserve, accumulated from prior year underspends against the Public Health Grant, with the £0.6m movement in month against Earmarked Reserves being wholly driven by the Public Health ringfenced reserve.
36. To support the delivery of the savings programme, the Council is utilising £5.7m of capital receipts to fund transformation costs, in line with Government guidance. Asset disposals in 2025/26 plus previously unspent capital receipts are expected to support this transformation activity in the current financial year.

### **Progress on Savings**

37. The savings requirement for 2025/26 is £34.0m as set out in the Council's budget strategy. This position has been supplemented by a further £4.8m of savings carried forward from 2024/25 as set out in the outturn report presented to July Cabinet, resulting in an overall programme of £38.8m savings being targeted in year:

**Table 2: Savings Tracker**

Directorate	Blue Banked £m	Green Delivery in progress £m	Amber I Initial stages of delivery £m	Amber II Potential problems in delivery £m	Red Serious problems in delivery £m	Savings to be Written Out £m	Total £m
Finance	(0.8)	0.0	0.0	0.0	(0.4)	0.0	<b>(1.2)</b>
Adult Services & Health	(3.1)	(0.7)	(0.6)	(0.1)	(3.8)	0.0	<b>(8.3)</b>
Children & Young People's Services	(2.9)	(1.4)	0.0	(0.3)	0.0	0.0	<b>(4.6)</b>
Place	(2.6)	(1.4)	(0.6)	(1.0)	(0.9)	(0.1)	<b>(6.6)</b>
Homes & Communities	(1.5)	(1.2)	(2.7)	(0.2)	(1.1)	(0.3)	<b>(7.0)</b>
Corporate Services	(2.0)	(1.0)	(0.1)	0.0	(0.4)	0.0	<b>(3.5)</b>
Chief Executive Office	0.0	0.0	(0.3)	(0.1)	0.0	0.0	<b>(0.4)</b>
Cross-Cutting	0.0	0.0	0.0	0.0	(5.7)	(1.5)	<b>(7.2)</b>
<b>Total 2025/26 Savings Programme</b>	<b>(12.9)</b> 33%	<b>(5.7)</b> 15%	<b>(4.3)</b> 11%	<b>(1.7)</b> 4%	<b>(12.3)</b> 32%	<b>(1.9)</b> 5%	<b>(38.8)</b> 100%
<b>Prior Month Change</b>	<b>(3.9)</b> 10%	<b>1.3</b> -3%	<b>4.5</b> -12%	<b>1.5</b> -4%	<b>(2.9)</b> 8%	<b>(0.5)</b> 1%	<b>(38.8)</b> 100%

38. As of Month 6, £18.6m (48%) of the savings and interventions are being recorded as banked or on track for delivery. A further £6.0m (15%), being tracked above as amber, are in delivery but may not deliver in full this financial year. Of this, £1.6m is currently anticipated to slip but deliver in 2026/27. There are £12.3m (32%) of savings reported as red and having challenges in delivery, with mitigations being sought in-year where feasible. Of these, £11.4m are forecast to slip into 2026/27 but are ultimately expected to be delivered. Thus, a total of £13.0m in savings is forecast to slip into 2026/27 and forms part of the overall forecast overspend. A further £1.9m of savings are considered to be undeliverable and will need to be written out of the Council's budget from 2026/27. Of these, £1.7m relate to the brought forward balance from the prior year while £0.2m of savings budgeted for delivery in 2025/26 can no longer be delivered.
39. Where savings are at risk of not being delivered in full during 2025/26, the associated pressures have been factored into the monitoring position with compensating actions being implemented where possible to offset the impact.

### Service Operating Budgets

40. Service Operating Budgets represent the majority of the Council's investment in day-to-day services for residents. With the Council continuing to operate in an environment driven by national pressures and exceptionally high demand, these budgets have been supplemented with £5.5m of funding to meet forecast inflationary pressures and £17.8m for demographic growth and other drivers impacting on demand for services.
41. Table 3.3 represents the position reported against normal activities for the Service Operating Budgets now being presented at Corporate Director level. The salient risks and variances within this position are summarised in the following paragraphs.



**Table 3: Service Operating Budgets**

Directorate		Approved Budget	Underlying Forecast	Earmarked Reserves	Provisions	Transformation Capitalisation	Forecast Outturn	Variance	Forecast Variance Prior Month	Change in Variance
		£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m
Finance	Expenditure	113.7	118.1	0.3	0.0	(0.6)	117.7	4.0	2.4	1.6
	Income	(79.7)	(78.3)	0.0	0.0	0.0	(78.3)	1.4	1.3	0.1
	<b>Subtotal</b>	<b>34.0</b>	<b>39.8</b>	<b>0.3</b>	<b>0.0</b>	<b>(0.6)</b>	<b>39.4</b>	<b>5.4</b>	<b>3.7</b>	<b>1.7</b>
Adult Social Care & Health	Expenditure	185.4	192.8	0.0	0.0	(0.1)	192.7	7.3	11.4	(4.1)
	Income	(84.2)	(85.2)	(1.3)	0.0	0.0	(86.5)	(2.3)	(1.5)	(0.8)
	<b>Subtotal</b>	<b>101.2</b>	<b>107.6</b>	<b>(1.3)</b>	<b>0.0</b>	<b>(0.1)</b>	<b>106.2</b>	<b>5.0</b>	<b>9.9</b>	<b>(4.9)</b>
Children & Young People Services	Expenditure	79.3	85.2	(0.4)	0.0	(0.7)	84.1	4.8	3.5	1.3
	Income	(22.2)	(20.9)	(0.1)	0.0	0.0	(21.0)	1.2	0.6	0.6
	<b>Subtotal</b>	<b>57.1</b>	<b>64.3</b>	<b>(0.5)</b>	<b>0.0</b>	<b>(0.7)</b>	<b>63.1</b>	<b>6.0</b>	<b>4.1</b>	<b>1.9</b>
Place	Expenditure	78.8	79.3	(0.4)	0.0	(0.3)	78.6	(0.2)	(0.4)	0.2
	Income	(34.3)	(32.4)	0.1	0.0	0.0	(32.3)	2.0	2.2	(0.2)
	<b>Subtotal</b>	<b>44.5</b>	<b>46.9</b>	<b>(0.3)</b>	<b>0.0</b>	<b>(0.3)</b>	<b>46.3</b>	<b>1.8</b>	<b>1.8</b>	<b>0.0</b>
Homes & Communities	Expenditure	46.6	72.2	(0.2)	0.0	(0.6)	71.3	24.7	22.4	2.3
	Income	(38.9)	(55.4)	0.0	0.0	0.0	(55.4)	(16.5)	(14.5)	(2.0)
	<b>Subtotal</b>	<b>7.7</b>	<b>16.8</b>	<b>(0.2)</b>	<b>0.0</b>	<b>(0.6)</b>	<b>15.9</b>	<b>8.2</b>	<b>7.9</b>	<b>0.3</b>
Corporate Services	Expenditure	22.0	26.5	0.0	0.0	(3.3)	23.2	1.2	1.2	(0.0)
	Income	(0.7)	(1.4)	0.0	0.0	0.0	(1.4)	(0.7)	(0.7)	0.0
	<b>Subtotal</b>	<b>21.3</b>	<b>25.1</b>	<b>0.0</b>	<b>0.0</b>	<b>(3.3)</b>	<b>21.8</b>	<b>0.5</b>	<b>0.5</b>	<b>(0.0)</b>
Chief Executive Office	Expenditure	8.0	8.5	0.0	0.0	(0.2)	8.3	0.3	0.1	0.2
	Income	(1.6)	(1.7)	0.0	0.0	0.0	(1.7)	(0.1)	0.0	(0.1)
	<b>Subtotal</b>	<b>6.4</b>	<b>6.8</b>	<b>0.0</b>	<b>0.0</b>	<b>(0.2)</b>	<b>6.6</b>	<b>0.2</b>	<b>0.1</b>	<b>0.1</b>
<b>Total Service Operating Budgets</b>		<b>272.2</b>	<b>307.3</b>	<b>(2.0)</b>	<b>0.0</b>	<b>(5.8)</b>	<b>299.3</b>	<b>27.1</b>	<b>28.0</b>	<b>(0.9)</b>

42. As can be seen from the table above, Service Operating Budgets are forecasting a £27.1m overspend which is the cumulative effect of a number of variances which are briefly outlined below by Cabinet Portfolio:
- i. **Finance** – As at Month 6 the service is reporting a pressure of £5.4m, which is a £1.7m adverse movement against the previous report. The variance is predominantly caused by a £2.2m pressure against the Council's Treasury budget as a result of the adverse financial position for the Council. The cash balance is forecast to reduce through the year as a consequence of the revenue overspend and the increase in the DSG deficit, leading to increased finance costs, however the forecast borrowing costs have reduced at Month 6 leading to a favourable movement in this area. This position is compounded by staffing pressures from agency staffing and the associated premium above the workforce budget. The adverse movement relates to the reduction in the use of flexible capital receipts to fund transformation costs.
  - ii. **Adult Social Care & Health** – are reporting an overspend of £5.0m, with adult care placements forecasting a pressure of £7.3m offset by a c£1.0m underspend against SEND Transport and further mitigations of £1.3m through reductions in staff forecasts and holding vacant posts. This position is driven by the ongoing and unrelenting growth in demand for the service since the pandemic, with all client groups reporting ongoing exceptional demand in 2025/26. To date, client numbers continue to grow above the budgeted position, particularly in Learning Disabilities and Mental Health services. The underspend in SEND Transport is driven by a more economical procurement of personal assistants and maximising efficiencies through the mix of delivery options. The movement against the prior month's forecast is primarily driven by the proposed budget virement from the general contingency budget.
  - iii. **Children & Young People's Services** – As at Month 6, services within this directorate are reporting a pressure of £6.0m, representing an adverse movement of £1.9m from Month 5. The pressure in this area is driven by additional demand for care, with this position being in part impacted by the Temporary Accommodation pressure leading to a lack of general needs properties within the Housing Revenue Account (HRA) for move-on. Additional pressure, and the reason for the forecast change since last month, is driven by a reduction in the use of flexible capital receipts to fund transformation costs within Education.
  - iv. **Place** – Are reporting an overspend of £1.8m at Month 6, representing no movement in forecast from Month 5. £2.2m of this variance relates to income, the largest driver for which is the forecast shortfall against the Garden Waste subscription fee (£0.8m), with further pressures across other income streams including the delivery of the Trade Waste income target rolled forward into 2025/26. Further shortfalls include pressures in Property Services against lease income. Part of this is linked to the Civic Centre Transformation saving and compounded by assumptions made about staffing costs incurred and the associated recharge into

the capital programme, and buyers premium. The underspend against expenditure is largely driven by staff vacancies being held to support the position where possible.

- v. **Homes & Communities** – Are reporting a net overspend of £8.2m, representing an adverse movement of £0.3m, driven by a gross expenditure pressure of £24.7m offset by additional income of £16.5m. The gross pressure is largely driven by temporary accommodation and homelessness support pressures. This reflects a national pressure, but with Hillingdon particularly impacted by Heathrow having a material impact on local supply and demand economics. The additional income is linked to the same driver whereby the additional demand for temporary accommodation attracts Housing Benefit Subsidy payments and grant funding where applicable. The change in forecast in this area is wholly driven by this pressure, with further risks reported in the summary of this report, particularly relating to those arriving from the Chagos Islands.
- vi. **Corporate Services** – As at Month 6 are reporting an overspend of £0.5m driven by a number of minor variances, with the most salient being an overspend within Human Resources of £0.4m due to staffing cost pressures, offset by a £0.2m underspend within Procurement.
- vii. **Chief Executive's Office** – Are reporting a pressure of £0.2m driven largely by staffing cost pressures within the Legal service.

### Collection Fund

43. At Month 6, the Council continues to report a minor deficit of £0.1m within the Collection Fund against 2025/26 activity, before the prior year deficit variance of £10.1m takes the total deficit to £10.2m. Within the Collection Fund, an adverse position is reported within Council Tax of £2.8m against in-year activity, offset by a favourable position within Business Rates of £2.7m. This position remains unchanged from Month 5 and is driven by the following key factors:
- i. Council Tax is presenting an in-year pressure of £2.8m against a £154.1m budget as a result of slow growth in the taxbase, with a further £9.2m being driven by the adverse movement on 2024/25.
  - ii. Business Rates is presenting an in-year surplus of £2.7m against a £72.1m budget, with this position being driven by pressures within collection, predominantly linked to empty properties, offset by a reduction in the Council's levy against retained business rates above the Government determined baseline level.
  - iii. The Business Rates position is then compounded by an adverse £0.8m against the 2024/25 outturn position.
  - iv. The Council continues to monitor the outstanding debt associated with Council Tax and Business Rates and provide cover against this debt, with this position remaining under review.

44. Any surpluses or deficits within the Collection Fund impact on the Council's future year budgets, with the position reported up to Month 9 impacting on the 2026/27 budget. This leads to an adverse impact of £10.2m set to be incorporated in the Council's refresh of the budget strategy for 2026/27, with any further updates thereafter between Month 10 and outturn impacting on 2027/28. This position therefore will increase the Council's 2026/27 budget gap by £10.2m.

### **General Fund Capital**

45. Table 4 presents the Month 6 forecast position for the 2025/26 General Fund Capital Programme, presented on a directorate basis. This represents the second formal monitoring position since the 2024/25 outturn and incorporates the latest approved budget movements, virements, and rephasing adjustments following the capital virements approved by Cabinet in Month 5.
46. The 2025/26 forecast expenditure stands at £95.0m against a revised budget of £138.4m, representing a net variance of £43.4m below budget. This comprises £38.6m of rephasing and a £4.8m cost variance (underspend). These variances are summarised in Table 4, including £0.1m newly announced grant funding from Thames Water Crane Valley for the Queenswalk River Restoration Project.
47. Across the five-year programme to 2029/30, total forecast expenditure is £361.3m, £4.8m below the approved budget of £366.1m. The principal driver of this movement remains the removal of DSG Capitalisation Support forecast (£4.0m) in relation to the Safety Valve contribution whilst the Council's contributions are suspended by the DfE. The remainder reflects genuine underspends on completed schemes rather than rephasing.
48. The programme continues to be characterised by timing and profiling movements across major education, regeneration, digital, and fleet schemes, with no material cost escalation reported. The overall variance remains consistent with prudent programme management and the phasing of delivery into future years, with the underspend reflecting Council activities to actively reduce spend and reduce borrowing requirement.
49. **Major Projects:** The in-year forecast of £63.8m is £26.7m below the revised budget of £90.5m, comprising £21.9m rephasing and a £4.8m cost variance.
50. The main drivers are rephasing within Meadow High School (£9.5m), Hillingdon Water Sports Facility (£7.0m), and Secondary School Expansions (£4.4m), reflecting construction sequencing, planning dependencies, and programme re-profiling.
51. Additional rephasing includes Harefield Family Hub (£2.0m), Otterfield Road Library (£1.1m), and Breakspear Crematorium (£0.6m), alongside smaller deferrals across depot, fleet, and green-space projects.
52. These are partly offset by £4.0m acceleration at the Civic Centre Transformation, where refurbishment activity has advanced ahead of schedule, with this investment linked to a revenue saving for the Council.
53. **Programme of Works:** The in-year forecast of £31.2m reflects £16.7m of rephasing, led by the School Building Condition Programme (£6.2m), Disabled Facilities Grant (£3.5m), and

Corporate Technology & Innovation (£3.4m), where project starts have been deferred to 2026/27 pending approval.

54. Fleet purchases (£2.0m) continue to experience delivery delays, particularly for electric vehicles, partially offset by the early arrival of heavy fleet and plant later this year.
55. Minor deferrals are also noted within the Chrysalis Programme (£0.4m). Overall, this represents delivery profiling rather than slippage due to performance or funding constraints.

**Table 4: General Fund Capital Programme Summary**

	Revised Budget 2025/26	Forecast 2025/26	Cost Variance 2025/26	Rephasing Variance 2025/26	5 Year Budget	5 Year Forecast	5 Year Variance
	£m	£m	£m	£m	£m	£m	£m
<b>Breakdown by Directorate</b>							
Finance	5.1	3.1	0.0	(2.0)	31.2	31.2	0.0
Adult Social Care and Health	2.4	2.4	0.0	0.0	13.8	13.8	0.0
Children's Services	4.0	0.0	(4.0)	0.0	4.0	0.0	(4.0)
Corporate Services	16.4	11.9	0.0	(4.5)	45.7	45.7	0.0
Place	110.5	77.6	(0.8)	(32.1)	271.3	270.6	(0.8)
<b>Grand Total</b>	<b>138.4</b>	<b>95.0</b>	<b>(4.8)</b>	<b>(38.6)</b>	<b>366.0</b>	<b>361.3</b>	<b>(4.8)</b>
<b>Breakdown by Category</b>							
GF Major Projects	90.4	63.8	(4.8)	(21.9)	186.8	182.1	(4.8)
GF Programme of works	48.0	31.2	0.0	(16.7)	173.2	173.2	0.0
Capital GF Contingency	0.0	0.0	0.0	0.0	6.0	6.0	0.0
<b>Grand Total</b>	<b>138.4</b>	<b>95.0</b>	<b>(4.8)</b>	<b>(38.6)</b>	<b>366.0</b>	<b>361.3</b>	<b>(4.8)</b>

56. The below section sets out the salient variance by directorate, with a full programme breakdown included in Appendix A1:
  - i. **Finance** – Forecast £3.1m against a £5.1m budget, reflecting £2.0m of rephasing within vehicle purchases due to ongoing electric fleet supply constraints. A minor acceleration in heavy fleet procurement is expected later in the year.
  - ii. **Adult Social Care and Health** – Forecast £2.4m, in line with the £2.4m budget, with steady progress across Investment in Home Care Capacity and Equipment Capitalisation. No rephasing or cost variances are reported.
  - iii. **Children's Services** – Forecast nil spend against a £4.0m budget, resulting in a £4.0m cost variance, reflecting the removal of DSG Capitalisation Support at Month 6 with the DfE having suspended the Council's Safety Valve contributions where negotiations are ongoing.
  - iv. **Corporate Services** – Forecast £11.9m against a budget of £16.4m, representing £4.5m of rephasing. The variance is primarily within Corporate Technology & Innovation, where several Digital projects (e.g. Cloud Telephony, GIS Security/API, and AI Assistant) have been deferred pending contract release. No material cost pressures are reported.

- v. **Place** – Forecast £77.6m against a budget of £110.4m, representing a total variance of £32.9m, comprising £32.1m rephasing and a £0.8m underspend. The rephasing reflects movements across education, housing, and leisure schemes, including Meadow High (£9.5m), Water Sports Facility (£7.0m), Secondary Expansions (£4.4m), and Harefield Family Hub (£2.0m). The underspend reflects completed or scaled-back projects such as the Battle of Britain Bunker (£0.3m) and Flood Alleviation (£0.3m)

- 57. A number of schemes remain paused or under management review across Directorates, including Flood Alleviation, Older People's Initiatives, and Appropriation of Townfield. Other schemes, such as Battle of Britain Bunker Water Mitigation and ERI Pinn Meadow, have now completed with underspends to be released.
- 58. Acceleration continues within the Civic Centre Transformation, consistent with revised delivery sequencing and design progress, contributing to reduced rephasing in-year within Corporate Services, with this investment generating a revenue saving for the Council.
- 59. Rephasing remains the predominant factor across the General Fund capital programme, primarily reflecting planning dependencies, procurement lead times, and supply constraints within major education, regeneration, fleet, and ICT projects. These reflect timing rather than cost pressures, and while delivery profiles continue to be actively managed, no systemic delivery or financial risks have been identified at this stage. The wider capital programme, including schemes slipping from 2025/26, will be reviewed as part of the 2026/27 capital budget setting process to assess those projects which are no longer suitable to progress in the Council's current financial position.

### Capital Financing – General Fund

- 60. The funding for the above expenditure is set out in the table below.

**Table 5: General Fund Capital Financing**

	Approved Financing 2025/26	Forecast 2025/26	Cost Variance 2025/26	Rephasing Variance 2025/26	Total Financing Budget 2025- 2030	Total Financing Forecast 2025-2030	Total Variance
	£m	£m	£m	£m	£m	£m	£m
Grants & Other Contributions	39.9	18.1	0.0	(21.8)	95.8	94.1	(1.7)
S106	0.4	0.6	0.0	0.2	0.4	0.6	0.2
Capital Receipts	17.0	5.7	(4.0)	(7.3)	46.5	41.5	(5.0)
CIL	3.0	3.0	0.0	0.0	21.0	17.2	(3.8)
Prudential Borrowing	78.1	67.6	(0.8)	(9.7)	202.3	207.9	5.5
<b>Total Funding</b>	<b>138.4</b>	<b>95.0</b>	<b>(4.8)</b>	<b>(38.6)</b>	<b>366.0</b>	<b>361.3</b>	<b>(4.8)</b>

- 61. Table 5 summarises the Month 6 General Fund financing position. The in-year forecast of £95.0m is £43.4m below the revised budget of £138.4m, comprising £38.6m of rephasing and a £4.8m underspend. The lower in-year spend profile reduces immediate borrowing and grant drawdown requirements.

62. The £38.6m of rephasing is primarily funded from Government grants (£21.8m) and prudential borrowing (£9.7m), with minor movements across capital receipts driven by the revised transformation capitalisation spend in revenue. Grant-funded rephasing reflects projects that have not yet reached delivery or approval milestones (e.g. School Buildings Condition Programme £6.2m, Disabled Facilities Grant £3.5m, and Hillingdon Water Sports Facility £7.0m). Associated grants will be carried forward in accordance with funding conditions. Borrowing reductions mainly relate to deferred fleet and ICT procurement, driven by supply-chain lead times. This reduction in capital spend will reduce the pressure on the Council's cash position by year end.
63. Overall, the five-year financing forecast of £361.3m remains broadly aligned with the approved programme value, with the £4.8m variance corresponding to known cost adjustments. Capital receipts remain a key funding stream, and continued close monitoring of receipt attainment will be essential to ensure alignment between financing and delivery, informing any required reprioritisation within the programme.

### **Schools Budget**

64. As of Month 6 (September 2025), the Dedicated Schools Grant (DSG) is forecasting a deficit of £12.5m with no change from Month 5, representing an improvement from the £15m outturn for 2024/25. This in-year shortfall is entirely driven by continued demand and cost pressures in High Needs placements, which remain significantly underfunded in the DSG allocation from the Department for Education (DfE). These pressures are not unique to the local authority; nationally, local authorities are facing similar challenges. Rising demand for specialist provision, a shortage of maintained special school places, and increasing reliance on costly independent non-maintained placements are contributing to widespread overspends in the High Needs Block. Despite efficiency targets and mitigation efforts, the structural underfunding of High Needs provision continues to place significant strain on DSG budgets across the country. The table below provides a summary of the Schools Budget and the current forecast.
65. Whilst the Safety Valve funding with the Department of Education (DfE) is currently suspended the Council is actively progressing a range of strategic initiatives aimed at improving outcomes for children and young people with Special Educational Needs and Disabilities (SEND), while ensuring more sustainable use of resources. These efforts include reducing the overall number of Education, Health and Care Plans (EHCPs), lowering the average top-up funding required per EHCP, and decreasing the average cost of education placements. In parallel, the Council is working to enhance the value for money of commissioned services and to increase financial contributions from partner agencies towards the support of children and young people with SEND. The Council is beginning to see a significant reduction in the in-year deficit as a consequence.

**Table 6: DSG Income and Expenditure Summary**

Dedicated Schools Grant (DSG) Blocks	Budget 2025/26			Forecast £m	Variance £m	Month 4 £m	Change £m
	DSG Settlement	Academy Recoupment	LBH Maintained				
	£m	£m	£m				
Schools Block	297.9	(187.0)	110.9	110.9	0	0	0
Early Years Block	48.3	0	48.3	48.3	0	0	0
Central Schools Block	2.5	0	2.5	2.5	0	0	0
High Needs Block	86.8	(13.1)	73.7	73.7	0	0	0
Budgeted Use of Reserves	(12.5)	0	(12.5)	(12.5)	0	0	0
<b>Total</b>	<b>423.0</b>	<b>-200.1</b>	<b>222.9</b>	<b>222.9</b>	<b>0</b>	<b>0</b>	<b>0</b>
Balance Brought Forward 1 April 2025					<b>65.9</b>		
Budgeted Use of Reserves					<b>12.5</b>		
Pressure					<b>0</b>		
<b>Total Deficit at 31 March 2026</b>					<b>78.4</b>		

66. A core target for the revised High Needs Safety Valve Plan is to actively reduce unit costs by concentrating SEN support in-borough within our maintained schools and thereby reduce dependence on high cost independent and out-of-borough placements. Trend data shows clear evidence that the approach which has been in place since early 2024/25 is now beginning to have a positive impact.
67. The mounting DSG deficits remain a significant national issue, with projections indicating a substantial funding gap for English councils. Specifically, English councils face a £2.3 billion funding gap in 2025/26, rising to £3.9 billion by 2026/27, creating a £6.2 billion shortfall over two years, according to the Local Government Association (LGA). This deficit is primarily driven by increased demand for services for children with special educational needs and disabilities (SEND).



## Housing Revenue Account

68. The Housing Revenue Account (HRA) is currently forecasting a breakeven position, with ongoing market and demand risk being closely monitored throughout the year. The 2025/26 closing HRA General Balance is forecast to be £15.0m, in line with the target level set out in the Council's budget strategy. The table below presents key variances with a £0.5m pressure against operating costs being compounded by a £0.4m variance against rental income. This position is kept to breakeven by a reduction in the capital financing costs, with the Council opting to reduce the revenue contribution to capital schemes in order to maintain the target level of balances, whilst ensuring the HRA remains in a financially sustainable position. This position therefore represents a £0.4m adverse movement since Month 5 offset by a £0.4m reduction in revenue contributions to capital.

**Table 7: Housing Revenue Account**

Service	Budget £m	Forecast Outturn £m	Variance £m	Prior Month £m	Change £m
Rent & Other Income	(85.7)	(85.3)	0.4	0.4	0.0
<b>Net Income</b>	<b>(85.7)</b>	<b>(85.3)</b>	<b>0.4</b>	<b>0.4</b>	<b>0.0</b>
Operational Assets	16.0	16.0	0.0	0.0	0.0
Director of Housing	10.3	10.8	0.5	0.5	0.0
Other Service Areas	1.0	1.4	0.4	0.0	0.4
Contribution to Shared Services	17.4	17.4	0.0	0.0	0.0
<b>HRA Operating Costs</b>	<b>44.7</b>	<b>45.6</b>	<b>0.9</b>	<b>0.5</b>	<b>0.4</b>
Capital Programme Financing	18.9	21.5	2.6	3.0	(0.4)
Interest and Investment Income	22.1	18.2	(3.9)	(3.9)	0.0
<b>Total Capital Programme Financing</b>	<b>41.0</b>	<b>39.7</b>	<b>(1.3)</b>	<b>(0.9)</b>	<b>(0.4)</b>
<b>(Surplus) / Deficit</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>		
General Balance 01/04/2025	15.0	15.0	0.0		
<b>General Balance 31/03/2026</b>	<b>15.0</b>	<b>15.0</b>	<b>0.0</b>		

69. At Month 6, rent and other income is forecasting a pressure of £0.4m. The Council's budget strategy to deliver a net increase of 209 new homes is anticipated to be on track to deliver but weighted towards the latter part of the year. The budgets are based on a void rate of 1.02%, with any material variation from this level feeding into rental projections as appropriate.
70. The HRA Operating Costs budget is £44.7m at Month 6 is forecasting a minor £0.9m overspend against the budget, due to staffing pressures, B&B costs associated with emergency housing and leaseholder insurance premiums. The £0.4m adverse movement is driven by costs associated with the implementation costs of a system upgrade. These budgets are based on supporting the Council's housing stock as at 1 April 2025, with growth added in line with the increase in stock numbers and to support the additional costs associated with this increase and ensuring regulatory compliance. This area remains under

review, with growth in these budgets included in the approved budget from February 2025 being deployed as and when new homes are brought online.

71. Operational Assets are forecast to breakeven. This incorporates a number of minor pressures, the most material of which is a reduction in the cost of subsidence surveys, offset by in-year mitigations, predominantly linked to a reduction in boiler repairs driven by the replacement programme. Inflation was added to HRA Operating Costs in the Council's budget strategy, with forecasts indicating the uplift is sufficient to meet inflationary demands on the service.
72. The detail behind the service delivery of the blocks included in table 7 are as follows:
  - i. Operational Assets budget funds the services provided for repairs and maintenance, void repairs, compliance and inspections.
  - ii. The Director of Housing budget includes tenancy management and tenants' services. The budgets include utility costs, and these will continue to be monitored given the volatility of the electricity and gas markets in recent times.
  - iii. The Other Service Areas budget includes the Careline contract, HRA specific ICT costs and the revenue regeneration costs.
  - iv. The Contribution to Shared Services budget includes the development and risk contingency, overheads and corporate and democratic core charges, and the bad debt provision.
73. The Medium Term Financial Strategy (MTFS) savings target is £1.0m which is expected to be delivered by virtue of the Council's general fund savings against support services, leading to a reduction in the recharge to the HRA for these services.
74. As at Month 6 the capital programme financing budget of £41.0m was forecast to underspend by £1.3m. This budget forecast includes £21.5m (depreciation and revenue contributions) to fund the HRA capital programme, the position also includes £18.2m for repayments of loans and interest on borrowing. This position will be closely monitored throughout the year with clear linkages to the commissioning plan.

### **HRA Capital Programme**

75. At Month 6, the HRA Capital Programme is forecasting an underspend of £16.1m, with the whole of this variance proposed for rephasing into future years.

**Table 8: HRA Capital Programme**

	Revised Budget 2025/26	Forecast 2025/26	Cost Variance 2025/26	Rephasing Variance 2025/26	5 Year Budget	5 Year Forecast	5 Year Variance
	£m	£m	£m	£m	£m	£m	£m
HRA Major Projects	142.2	134.4	0.0	(7.8)	239.5	239.5	0.0
HRA Regeneration	19.6	19.6	0.0	0.0	104.1	104.1	0.0
HRA Programme of Works	57.3	49.0	0.0	(8.3)	205.6	205.6	0.0
<b>Grand Total</b>	<b>219.1</b>	<b>203.0</b>	<b>0.0</b>	<b>(16.1)</b>	<b>549.2</b>	<b>549.2</b>	<b>0.0</b>

76. **HRA Major Projects** – The in-year forecast of £134.4 million represents £7.8 million rephasing against the £142.2 million revised budget. The variance arises mainly within Development Allocated, where £7.8 million has been reprofiled into 2026/27 to reflect the timing of start onsite and contract mobilisation at Falling Lane. Acquisition programmes, including properties purchased and repaired under the Madison Brooke contract, are forecast to spend to budget, maintaining delivery momentum and supporting stock acquisition objectives across the year. All major schemes remain within approved five-year allocations, and no cost pressures are reported.
77. **HRA Regeneration** – Forecast expenditure of £19.6 million remains fully aligned to the approved delivery profile for Hayes Regeneration, with no rephasing or cost movement reported. Progress continues across enabling and early-works phases, with the five-year allocation of £104.1 million unchanged.
78. **HRA Programme of Works** – Forecast expenditure of £49.0 million is £8.3 million below budget, wholly attributable to rephasing: Green Homes Initiatives – £5.0 million rephased following delays in supplier mobilisation and extended delivery times for insulation and heat-pump works. HRA Works to Stock – £1.0 million rephased as contractor scheduling is adjusted for structural and compliance projects. House Extensions – £2.3 million rephased due to ongoing access and planning constraints. All other workstreams, including Major Adaptations and Kitchens and Bathrooms, continue broadly to plan with spend forecast to meet annual targets.
79. Overall, the £16.1 million rephasing across the programme is timing-related only, reflecting delivery sequencing and resource planning. No cost pressures, funding gaps, or scope reductions have been identified at Month 6. Full programme level details are set out in Appendix A2.

### **HRA Capital Financing**

80. The capital financing that supports this position is set out in the table below.

**Table 9: HRA Capital Financing**

	Approved Financing 2025/26	Forecast 2025/26	Cost Variance	Phasing Variance	Total Financing Budget 2025/26- 2029/30	Total Financing Forecast 2025/26- 2029/30	Total Variance 2 025/26- 2029/30
	£m	£m	£m	£m	£m	£m	£m
Grants & Other Contributions	79.9	74.5	0.0	(5.4)	194.0	188.6	(5.4)
Capital Receipts	0.0	0.0	0.0	0.0	20.6	20.6	0.0
Revenue Contribution	39.8	38.1	0.0	(1.8)	109.4	116.3	6.9
Prudential Borrowing	99.4	90.4	0.0	(8.9)	225.2	223.7	(1.5)
<b>Total Funding</b>	<b>219.1</b>	<b>203.0</b>	<b>0.0</b>	<b>(16.1)</b>	<b>549.2</b>	<b>549.2</b>	<b>0.0</b>

81. The Month 6 capital monitoring position reports £16.1m rephasing within the HRA capital programme. This is primarily driven by Development (£7.8m), Green Homes Initiatives (£5.0m), House Extensions (£2.3m), and Works to Stock (£1.0m).
82. The rephasing is reflected across grant funding (£5.4m), revenue contributions (£1.8m), and prudential borrowing (£8.9m). This results in lower in-year grant drawdown and borrowing, as works and milestones shift into 2026/27.
83. The slippage reflects delivery timing rather than funding loss, and overall financing remains within the approved HRA programme envelope.

## Treasury Management Update as at 30<sup>th</sup> September 2025

**Table 10: Outstanding Deposits**

Period	Actual (£m)	Actual (%)	Movement from M5 (£m)
Call Accounts and Month Market Funds	35.8	64.1%	14.3
Up to 3 Month Fixed-Term Deposits	5.0	9.0%	(5.3)
<b>Total</b>	<b>40.8</b>	<b>73.1%</b>	<b>9.0</b>
Strategic Pooled Funds	15.0	26.9%	0
<b>Deposits at 30 September 2025</b>	<b>55.8</b>	<b>100.0%</b>	<b>9.0</b>
Average Investment Balances M6	<b>54.9</b>		<b>(4.6)</b>

84. Deposits are held with UK institutions, all of which hold a minimum A- Fitch (or lowest equivalent) long-term credit rating and AAA rated Money Market Funds (MMFs). UK deposits are currently held in NatWest Bank plc and the DMADF. There is also an allocation of £15m to three externally managed strategic pooled funds.
85. The average rate of return on day-to-day operational treasury balances since the beginning of the new financial year is 4.23%. As part of the Council's investment strategy for 2024/25, the Council continues to hold a total of £15m in three long-dated strategic pooled funds (£5m in each). The strategic pooled funds have a long-term investment horizon with dividends being distributed periodically. When including projected dividend income on these strategic pooled funds, the overall rate of return increases to 4.27% based on the previous six months income average.
86. Bank of England base rate fell to 4% in August which will result in lower future returns on day-to-day operational investments in money market funds and the DMADF.
87. The Council aims to minimise its exposure to bail-in risk by utilising bail-in exempt instruments and institutions whenever possible. However, due to the significant amount held in instant access facilities, which is needed to manage daily cashflow, it is not possible to fully protect Council funds from bail-in risk. Over September on average 82% of the Council's day-to-day operational treasury investments had exposure to bail-in risk compared to a September benchmark average of 75% for London and metropolitan boroughs, as investments were partly held in money market funds which were returning a higher yield than DMADF. However, money market funds reduce the risk of bail-in compared to bank deposits as they provide wide diversification of investment risks with professional fund manager services.
88. Liquidity was maintained by placing surplus funds in instant access accounts and making short-term deposits, including overnight deposits, in the DMADF. Cash flow was managed by ensuring maturities of any short-term deposits with the DMADF were matched to outflows. Average investments over the month (including strategic pooled funds) were £54.9m, a decrease of £4.6m from Month 5 and balances at the end of September were £9m higher than at the end of August.

**Table 11: Outstanding Debt**

	<b>General Fund</b>	<b>HRA</b>	<b>Total</b>	<b>Average Interest Rate (Total)</b>
	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>%</b>
PWLB Long Term	167.9	304.4	472.3	3.96%
Market	10.0	28.0	38.0	4.11%
Temporary Borrowing:				
Local Authorities	78.0	0.0	78.0	4.56%
PWLB	0.0	0.0	0.0	0.0%
	<b>255.9</b>	<b>332.4</b>	<b>588.3</b>	<b>4.05%</b>
Movement from Prior Month	18.7	(2.2)	16.5	(0.02%)

89. During September 2025, a £15m GF LA loan was repaid. A £42m loan was acquired from PWLB to replace the LA loan and fulfil cashflow requirements.
90. PWLB rates fluctuated throughout September, ending in a higher position to the beginning of the month – an overall increase of 6bps from the end of August.

### **Treasury Management and Non- Treasury Prudential Indicators as at 30<sup>th</sup> September 2025**

#### **Treasury Management Indicators**

91. As required by the 2021 CIPFA Treasury Management Code, the Council monitors and measures the following treasury management prudential indicators.
92. **Liability Benchmark:** This indicator compares the Council's actual existing borrowing against a liability benchmark that has been calculated to show the lowest risk level of borrowing. The liability benchmark is an important tool to help establish whether the Council is likely to be a long-term borrower or long-term investor in the future and so shape its strategic focus and decision making. It represents an estimate of the cumulative amount of external borrowing the Council must hold to fund its current capital and revenue plans while keeping treasury investments at the minimum level of investments of £25m (comprising £10m required to manage day-to-day cash flow plus £15m held in Strategic Pooled Funds).

	Actual 2024/25 £m	Budget 2025/26 £m	Forecast 2025/26 £m
General Fund CFR	307.4	408.7	385.7
HRA CFR	279.6	322.2	346.1
<b>Total CFR</b>	<b>586.9</b>	<b>730.9</b>	<b>731.7</b>
Existing Borrowing including lease liabilities	-523.0	-642.9	-722.0
<b>Gross External Borrowing Required to meet CFR</b>	<b>63.9</b>	<b>88.0</b>	<b>9.7</b>
Projected Useable Reserves**	-95.0	-60.1	-95.0
Accumulated DSG Deficit	65.9	63.3	78.4
Projected Working Capital**	-30.6	-40.0	-30.0
<b>(Investments) / New Borrowing Required</b>	<b>4.3</b>	<b>51.2</b>	<b>-36.9</b>
Plus Minimum Investments	25.0	25.0	25.0
Liability Benchmark	<b>29.3</b>	<b>76.2</b>	<b>-11.9</b>

\*\*it is assumed projected usable reserves and working capital for 2025/26 will remain at similar levels to 2024/25. This may vary depending on outturn.

93. **Maturity Structure of Borrowing:** This indicator is set to control the Council's exposure to refinancing risk. The upper and lower limits on the maturity structure of all borrowing are set out in table below:

	Upper Limit %	Lower Limit %	30/09/25 Actual %	Complied Yes/No
Under 12 months	0	50	18.49	Yes
12 months and within 24 months	0	50	15.17	Yes
24 months and within 5 years	0	50	23.55	Yes
5 years and within 10 years	0	100	21.93	Yes
10 years and within 20 years	0	100	9.53	Yes
20 years and within 30 years	0	100	0.85	Yes
30 years and within 40 years	0	100	5.88	Yes
40 years and within 50 years	0	100	3.91	Yes
50 years and above	0	100	0.68	Yes

\*Time periods start on the first day of each financial year. LOBO loans are shown at first call option.

94. **Long-term Treasury Management Investments:** The purpose of this indicator is to control the Council's exposure to the risk of incurring losses by seeking early repayment of its investments. The prudential limits on the long-term treasury management limits are:

Price Risk Indicator	2024/25 £m	2025/26 £m	2026/27 £m	2027/28 £m	2028/29 £m
Limit on principal invested beyond year end	35.0	35.0	35.0	35.0	35.0
Principal invested beyond year end	15.0	15.0	15.0	15.0	15.0
Complied	Yes	Yes	Yes	Yes	Yes

\*Figures include Strategic Pooled Funds with no fixed maturity date.

95. **Security:** The Council has adopted a voluntary measure of its exposure to credit risk by monitoring the value-weighted average credit rating of its investment portfolio.

	2025/26 Target	30/09/25 Actual	Complied Yes/No
Portfolio average credit rating	A-	AA-	Yes

96. **Liquidity:** The Council has adopted a voluntary measure of its exposure to liquidity risk by monitoring the amount of cash available to meet unexpected payments within one working day, without additional borrowing.

Liquidity Risk Indicator	2025/26 Target £m	Year To September Average Actual £m	Complied Yes/No
Total cash available within one working day	10.0	32.4	Yes

97. **Interest Rate Exposures:** This indicator is set to control the Council's exposure to interest rate risk. Bank Rate fell by 0.5% from 4.50% on 1st April to 4.00% by 30th September.

Interest rate risk indicator	2025/26 Target £m	30/09/25 Actual £m
Upper limit on one-year revenue impact of a 0.5% <u>rise</u> in interest rates	1.00	0.16
Upper limit on one-year revenue impact of a 0.5% <u>fall</u> in interest rates	(1.00)	(0.16)

98. The impact of a change in interest rates is calculated both on the assumption that fixed-rate maturing loans and investments will be replaced at their existing fixed rates and with a forecast maximum variable rate net investment and debt position of £100m.

### Non-Treasury Indicators

99. The Council measures and manages its capital expenditure, borrowing and commercial and service investments with references to the following indicators. Budget estimates reported in the following tables are from the Treasury Management Strategy (TMS) report approved by Cabinet in February 2025.
100. **Capital Financing Requirement:** The Council's cumulative outstanding amount of debt finance is measured by the capital financing requirement (CFR). This increases with new debt-financed capital expenditure and reduces with MRP / loans fund repayments and capital receipts used to replace debt. The actual CFR is calculated on an annual basis.



	2024/25 Actual £m	2025/26 TMS Estimate	2025/26 Forecast £m
General Fund services	307.3	408.7	385.6
Council housing (HRA)	279.6	322.2	346.1
<b>TOTAL</b>	<b>586.9</b>	<b>730.9</b>	<b>731.7</b>

101. **Gross Debt and the Capital Financing Requirement:** Statutory guidance is that debt should remain below the capital financing requirement, except in the short term. Council debt is now almost at the limit of its stated Capital Financing requirement. This, aligned with the revenue overspend position, adversely impacting the councils cash position.

	2024/25 Actual £m	2025/26 TMSS Estimate £m	2025/26 Forecast £m
Debt (incl. PFI & leases)	523.0	642.9	722.0
Capital Financing Requirement	586.9	730.9	731.7

102. Forecast external debt is higher than anticipated at the time of the February Treasury Management Strategy report reflected in the in-year cost pressure reported within treasury in the budget monitoring report.
103. **Debt and the Authorised Limit and Operational Boundary:** The Council is legally obliged to set an affordable borrowing limit (also termed the Authorised Limit for external debt) each year. In line with statutory guidance, a lower “operational boundary” is also set as a warning level should debt approach the limit.

	Debt at 30/09/25 £m	2025/26 Operational Boundary £m	2025/26 Authorised Limit £m	Complied? Yes/No £m
Borrowing	588.3	958.6	988.6	Yes
PFI/Leases	5.5	25.0	50.0	
<b>Total debt</b>	<b>593.8</b>	<b>983.6</b>	<b>1,038.6</b>	

104. Since the operational boundary is a management tool for in-year monitoring it is not significant if the boundary is breached on occasions due to variations in cash flow, and this is not counted as a compliance failure. However, the total debt has remained below the operational boundary.
105. **Net Income from Commercial and Service Investments to Net Revenue Stream:** The Council’s income from commercial and service investments as a proportion of its net

revenue stream has been and is expected to be as indicated below.

	2024/25 Actual £m	2025/26 Forecast £m
Total net income from service and commercial investments	0.3	0.3
Proportion of net revenue stream	0.1%	0.1%

106. **Proportion of Financing Costs to Net Revenue Stream:** Although capital expenditure is not charged directly to the revenue budget, interest payable on loans and (MRP / loans fund repayments) are charged to revenue. Note investment income has been removed from the definition of financing costs.

107. The net annual charge is known as financing costs; this is compared to the net revenue stream i.e. the amount funded from Council Tax, business rates and general government grants.

	2024/25 Actual £m	2025/26 Budget £m	2025/26 Forecast £m
Financing costs (interest payable and MRP)	16.8	18.9	19.8
Proportion of net revenue stream	6%	6%	7%

## Appendix A1: General Fund Capital

	Revised Budget 2025/26 £m	Forecast 2025/26 £m	Cost Variance 2025/26 £m	Rephasing Variance 2025/26 £m	5 Year Budget £m	5 Year Forecast £m	5 Year Variance £m	Total Council Resource s £m	5 Year Grants and Contribution £m	5-Year Forecast Spend £m
<b>GF Major Projects</b>										
<b>Children's Services</b>										
DSG Capitalisation Support		4.0	0	(4.0)	0	4.0	0	(4.0)	0	0
<b>Children's Services Total</b>		<b>4.0</b>	<b>0</b>	<b>(4.0)</b>	<b>0</b>	<b>4.0</b>	<b>0</b>	<b>(4.0)</b>	<b>0</b>	<b>0</b>
<b>Corporate Services</b>										
Capitalisation of Transformation Expenditure		10.0	10.0	0	0	31.0	31.0	0	0	31.0
<b>Corporate Services Total</b>		<b>10.0</b>	<b>10.0</b>	<b>0</b>	<b>0</b>	<b>31.0</b>	<b>31.0</b>	<b>0</b>	<b>0</b>	<b>31.0</b>
<b>Resident's Services</b>										
SRP / SEND		23.5	14.0	0	(9.5)	23.5	23.5	0	20.2	3.3
Jubilee Leisure Centre, West Drayton		10.2	10.2	0	0	10.8	10.8	0	9.8	0.0
Investment in Home Care Capacity		9.9	9.9	0	0	29.9	29.9	0	27.4	0
Hillingdon Water Sports Facility		8.0	1.0	0	(7.0)	18.0	18.0	0	0	18.0
Secondary School Expansions		6.0	1.6	0	(4.4)	6.0	6.0	0	1.3	4.7
Ovic Centre Transformation		2.5	6.5	0	4.0	7.3	7.3	(0.0)	7.3	0
Northwood Hills Library (New)		2.4	2.4	0	0	2.4	2.4	0	2.4	0
Harefield Family Hub New Build		2.2	0.2	0	(2.0)	3.6	3.6	0	3.6	0
Carbon Initiatives		1.9	1.9	0	0	7.9	7.9	0	6.0	1.9
Green Spaces Machinery		1.5	1.2	0	(0.3)	4.5	4.5	0	4.5	0
Otterfield Road library		1.4	0.3	0	(1.1)	1.9	1.9	0	1.9	0
Charville Lane - Children Specialist House		1.3	1.2	0	(0.1)	1.4	1.4	0	1.4	0.1
Refurbishment of Crematorium		0.9	0.3	0	(0.6)	9.0	9.0	0	6.0	3.0
New Years Green Lane Extension		0.9	0.2	0	(0.7)	0.9	0.9	0	0.8	0.1
Staying Close Project - Children's Respite		0.7	0.7	0	0	0.7	0.7	0	0.7	0
Cranford Park Heritage		0.5	0.5	0	0	0.6	0.6	0	0.5	0.1
Waste Services Improvements		0.5	0.5	0	0	0.6	0.6	0	0.6	0
Shopping Parade Initiatives		0.4	0.4	0	0	0.4	0.4	0	0.4	0
Battle of Britain Underground Bunker		0.4	0.0	(0.3)	0	0.4	0.0	(0.3)	0.4	0
Flood Alleviation		0.3	0	(0.3)	0	0.7	0.4	(0.3)	0.1	0.5
Harlington Road Depot Fuel Pumps & Canopy		0.3	0	0	(0.3)	0.6	0.6	0	0.6	0
Botwell Leisure Centre Adaptations		0.3	0.3	0	0	0.3	0.3	0	0.3	0
Uxbridge Cemetery Gatehouse & Chapel Refurbishment		0.2	0.2	0	0	0.2	0.2	0	0.2	0
Parking Improvements		0.2	0.2	0	0	0.2	0.2	0	0.2	0
Appropriation of Townfield to General Fund		0.1	0	(0.1)	0	0.1	0	(0.1)	0.1	0
Yewlsley / West Drayton Community Centre		0.0	0.0	0	0	0.0	0.0	0	0.0	0
Asha Day Centre Refurbishment		0.0	0.0	0	0	0.0	0.0	0	0.0	0
Housing Developments		0	0	0	0	20.0	20.0	0	20.0	0
Motor Vehicle Workshop - Relocation		(0.0)	(0.0)	0	0	(0.0)	(0.0)	0	(0.0)	(0.0)
<b>Resident's Services Total</b>		<b>76.5</b>	<b>53.8</b>	<b>(0.8)</b>	<b>(21.9)</b>	<b>151.8</b>	<b>151.1</b>	<b>(0.8)</b>	<b>116.7</b>	<b>31.7</b>
<b>GF Major Projects Total</b>		<b>90.5</b>	<b>63.8</b>	<b>(4.8)</b>	<b>(21.9)</b>	<b>186.8</b>	<b>182.1</b>	<b>(4.8)</b>	<b>116.7</b>	<b>31.7</b>
<b>GF Programme of works</b>										
<b>Finance</b>										
Purchase of Vehicles		4.7	2.7	0	(2.0)	23.3	23.3	0	23.3	0
Devolved Capital to Schools		0.4	0.4	0	0	1.9	1.9	0	0	1.9
<b>Finance Total</b>		<b>5.1</b>	<b>3.1</b>	<b>0</b>	<b>(2.0)</b>	<b>25.2</b>	<b>25.2</b>	<b>0</b>	<b>23.3</b>	<b>1.9</b>
<b>Corporate Services</b>										
Corporate Technology and Innovation Programme		6.4	1.9	0	(4.5)	14.7	14.7	0	11.5	0
<b>Corporate Services Total</b>		<b>6.4</b>	<b>1.9</b>	<b>0</b>	<b>(4.5)</b>	<b>14.7</b>	<b>14.7</b>	<b>0</b>	<b>11.5</b>	<b>0</b>
<b>Adult Social Care and Health</b>										
Equipment Capitalisation - Social Care		2.4	2.4	0	0	13.8	13.8	0	0	13.8
<b>Adult Social Care and Health Total</b>		<b>2.4</b>	<b>2.4</b>	<b>0</b>	<b>0</b>	<b>13.8</b>	<b>13.8</b>	<b>0</b>	<b>0</b>	<b>13.8</b>
<b>Resident's Services</b>										
Highways Structural Works		12.7	12.7	0	0	52.7	52.7	0	42.3	5.7
School Building Condition Works		7.8	1.5	0	(6.3)	20.2	20.2	(0.0)	0	20.2
D.F.G. - Mandatory		5.6	2.1	0	(3.5)	14.2	14.2	0.0	0	14.2
Ornithology Programme		2.1	1.7	0	(0.4)	6.1	6.1	0	6.1	0
Transport for London		1.2	1.2	0	0	7.0	7.0	0	0	7.0
Street Lighting Replacement		1.0	1.0	0	0	5.2	5.2	0	5.2	0
Infrastructure Investments		0.7	0.7	0	0	0.7	0.7	0	0.7	0
Environmental and Recreational Initiatives - Green Spaces		0.5	0.5	0	0	0.5	0.5	0	0.4	0.1
Youth Provision		0.5	0.5	0	0	0.5	0.5	0	(0.6)	1.2
Property Works Programme		0.5	0.5	0	0	6.1	6.1	0	6.1	0.0
Highways Bridges and Structures		0.4	0.4	0	0	2.0	2.0	0	2.0	0
Playground Replacement Programme		0.3	0.3	0	0	1.1	1.1	0	1.1	0
Leisure Centre Refurbishment		0.3	0.3	0	0	0.7	0.7	0	0.7	0
Older Peoples Initiative		0.2	0	(0.2)	0	1.0	0.8	(0.2)	1.0	0
CCTV Programme		0.2	0.2	0	0	0.9	0.9	0	0.9	0
Road Safety		0.1	0.1	0	0	0.6	0.6	0	0.6	0
Highways Section 106 Projects		0	0.2	0.2	0	0	0.2	0.2	0	0
<b>Resident's Services Total</b>		<b>34.0</b>	<b>23.8</b>	<b>(0.0)</b>	<b>(10.2)</b>	<b>119.5</b>	<b>119.5</b>	<b>(0.0)</b>	<b>66.4</b>	<b>48.3</b>
<b>GF Programme of works Total</b>		<b>48.0</b>	<b>31.2</b>	<b>(0.0)</b>	<b>(16.7)</b>	<b>173.2</b>	<b>173.2</b>	<b>(0.0)</b>	<b>101.1</b>	<b>64.1</b>
<b>Capital GF Contingency</b>										
<b>Finance</b>										
General Fund Capital Contingency		0	0	0	0	6.0	6.0	0	6.0	0
<b>Finance Total</b>		<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>6.0</b>	<b>6.0</b>	<b>0</b>	<b>6.0</b>	<b>0</b>
<b>Capital GF Contingency Total</b>		<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>6.0</b>	<b>6.0</b>	<b>0</b>	<b>6.0</b>	<b>0</b>
<b>Grand Total</b>		<b>138.4</b>	<b>95.0</b>	<b>(4.8)</b>	<b>(38.6)</b>	<b>366.1</b>	<b>361.3</b>	<b>(4.8)</b>	<b>223.8</b>	<b>95.8</b>

## Appendix A2: HRA Capital Programme

	Revised Budget 2025/26 £m	Forecast 2025/26 £m	Cost Variance 2025/26 £m	Rephasing Variance 2025/26 £m	5 Year Budget £m	5 Year Forecast £m	5 Year Variance £m	Total Council Resources £m	5 Year Grants and Contribution £m	5-Year Forecast Spend £m
<b>HRA Major Projects</b>										
<b>Resident's Services</b>										
Acquisitions	115.6	115.6	0	0	115.6	115.6	0.0	60.8	45.5	115.6
Development Allocated	26.7	18.8	0	(7.8)	123.9	123.9	(0.0)	20.8	93.0	123.9
HRA General Contingency	0	0	0	0	0	0	0	0	0	0
<b>Resident's Services Total</b>	<b>142.2</b>	<b>134.4</b>	<b>0</b>	<b>(7.8)</b>	<b>239.5</b>	<b>239.5</b>	<b>0.0</b>	<b>81.6</b>	<b>138.5</b>	<b>239.5</b>
<b>HRA Major Projects Total</b>	<b>142.2</b>	<b>134.4</b>	<b>0</b>	<b>(7.8)</b>	<b>239.5</b>	<b>239.5</b>	<b>0.0</b>	<b>81.6</b>	<b>138.5</b>	<b>239.5</b>
<b>HRA Programme of works</b>										
<b>Resident's Services</b>										
HRA Works to Stock Programme	36.9	35.9	0	(1.0)	136.5	136.5	0	63.0	5.0	136.5
Green Homes Initiatives Programme	14.1	9.1	0	(5.0)	44.9	44.9	0	16.5	7.6	44.9
Major Adaptations	3.2	3.2	0	0	17.2	17.2	0	6.0	0	17.2
House Extension Programme	2.8	0.5	0	(2.3)	6.8	6.8	0	1.7	0	6.8
Food Waste Housing Units for Communal Properties	0.3	0.3	0	0	0.3	0.3	0	0.3	0	0.3
HRA Corporate Technology	0	0	0	0	0	0	0	0	0	0
<b>Resident's Services Total</b>	<b>57.3</b>	<b>49.0</b>	<b>0</b>	<b>(8.3)</b>	<b>205.6</b>	<b>205.6</b>	<b>0</b>	<b>87.6</b>	<b>12.6</b>	<b>205.6</b>
<b>HRA Programme of works Total</b>	<b>57.3</b>	<b>49.0</b>	<b>0</b>	<b>(8.3)</b>	<b>205.6</b>	<b>205.6</b>	<b>0</b>	<b>87.6</b>	<b>12.6</b>	<b>205.6</b>
<b>HRA Regeneration</b>										
<b>Resident's Services</b>										
Hayes Regeneration	19.6	19.6	0	0	104.1	104.1	0	55.9	42.9	104.1
<b>Resident's Services Total</b>	<b>19.6</b>	<b>19.6</b>	<b>0</b>	<b>0</b>	<b>104.1</b>	<b>104.1</b>	<b>0</b>	<b>55.9</b>	<b>42.9</b>	<b>104.1</b>
<b>HRA Regeneration Total</b>	<b>19.6</b>	<b>19.6</b>	<b>0</b>	<b>0</b>	<b>104.1</b>	<b>104.1</b>	<b>0</b>	<b>55.9</b>	<b>42.9</b>	<b>104.1</b>
<b>Grand Total</b>	<b>219.1</b>	<b>203.0</b>	<b>0</b>	<b>(16.1)</b>	<b>549.2</b>	<b>549.2</b>	<b>0.0</b>	<b>225.1</b>	<b>194.0</b>	<b>549.2</b>

## PART B: FINANCIAL RECOMMENDATIONS

That:

- a. the budget virement of £8,850k from the General Contingency budget to resolve underlying budget pressures that are currently being covered by the release of these funds, be approved.
- b. the introduction of non-commercial photography fees for the use of council-owned green spaces for engagement or wedding photography, be approved.

### Reasons for recommendation

108. **Recommendation a** – Following Cabinet's approval to release the full contingency budget in 2025/26, it is recommended that £8.9m of the initial £10.5m available budget is allocated to service areas where there is a direct relationship between the contingency cover and the service spend, including funding for the pay award shortfall with the balance being vired to support Adult Social Care placements.
109. **Recommendation b** – The council's film office has a charge for commercial photography as part of its rate card but has received enquiries relating to using green spaces, specifically Eastcote House Gardens, for engagement and wedding photography shoots. It is recommended to introduce a £100 admin fee and location fee of £100 per hour for up to five people (including the photographer) and £125 per hour for a maximum of 10 people (including the photographer).

This page is intentionally left blank

Document is Restricted

This page is intentionally left blank