



HILLINGDON
LONDON



Council

To all Members of the Council

Date: THURSDAY, 27 FEBRUARY
2025

Time: 7.30 PM

Venue: COUNCIL CHAMBER -
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.

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2025

Contact: Lloyd White, Head of
Democratic Services

Email: democratic@hillingdon.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

Useful information for residents and visitors

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Agenda

Prayers

To be said by The Reverend Peter Mackenzie

- 1 Apologies for Absence
- 2 Minutes 1 - 12
To receive the minutes of the meeting held on 16 January 2025 (*attached*)
- 3 Declarations of Interest
To note any declarations of interest in any matter before the Council
- 4 Mayor's Announcements
- 5 Report of the Head of Democratic Services 13 - 22
- 6 Local Development Scheme 23 - 24
To consider the recommendation from Cabinet.
- 7 General Fund Revenue Budget, Housing Revenue Account and 25 - 48
Capital Programme 2025 / 2026
To consider the recommendations of Cabinet which will be published, once agreed. The report to Cabinet is available online at:

[Hillingdon Council -Agenda for CABINET on Thursday, 20th February, 2025, 7.00 pm](#)

Section 106 of the Local Government Finance Act 1992 will apply to the recommendations of this item. Any Member who is more than two months in arrears with their Council Tax or has arrears of Council Tax must declare that fact and not vote on this item.

Budget Conflict Resolution Procedures – Council is asked to consider the Cabinet’s proposals. It may adopt the proposals, submit objections to Cabinet or invite the Cabinet to make amendments specified by Council. If Council votes to object to the Cabinet proposals or to invite Cabinet to make amendments, then the Conflict Resolution Procedure will come into operation.

The Council meeting will be adjourned while a special meeting of the Cabinet is held, after which the Council will resume and consider any revised proposals submitted by the Cabinet or the reasons why the Cabinet disagrees with Council’s objections or proposed amendments. The budget

would then be open for debate and amendment until a final decision is made.

Members are asked to note that, in accordance with the Local Authorities (Standing Orders) (England) (Amendment) Regulations 2014, recorded votes will be taken at the annual budget setting meeting on any motion, amendment to motion or substantive motion regarding the General Fund Revenue Budget, Housing Revenue Account and Capital Programme.

Agenda Item 2



HILLINGDON
LONDON

Minutes

COUNCIL

16 January 2025

Meeting held at Council Chamber - Civic Centre, High Street, Uxbridge UB8 1UW

Councillor Colleen Sullivan (Mayor)
Councillor Philip Corthorne (Deputy Mayor)

	<p>MEMBERS PRESENT:</p> <p>Councillors: Shehryar Ahmad-Wallana Narinder Garg Douglas Mills Kaushik Banerjee Tony Gill Richard Mills Labina Basit Martin Goddard Peter Money Adam Bennett Ekta Gohil June Nelson Kishan Bhatt Becky Haggart OBE Barry Nelson-West Jonathan Bianco Henry Higgins Susan O'Brien Wayne Bridges Mohammed Islam Jane Palmer Keith Burrows Rita Judge Sital Punja Farhad Choubedar Kamal Preet Kaur John Riley Peter Curling Kuldeep Lakhmana Raju Sansarpuri Darran Davies Eddie Lavery Jagjit Singh Nick Denys Richard Lewis Peter Smallwood OBE Ian Edwards Gursharan Mand Jan Sweeting Scott Farley Kelly Martin Steve Tuckwell Elizabeth Garelick Stuart Mathers</p>
	<p>OFFICERS PRESENT: Tony Zaman, Richard Ennis, Dan Kennedy, Sandra Taylor, Lloyd White, Jalal Farhat, Mark Braddock, Morgan Einon, Alice Pringault and Nikki O'Halloran</p>
	<p>ONE MINUTE'S SILENCE</p> <p>Those present observed a one minute's silence in memory of Past Mayor Josephine Barrett.</p>
37.	<p>APOLOGIES FOR ABSENCE (<i>Agenda Item 1</i>)</p> <p>Apologies for absence had been received from Councillors Abby, Burles, Reeta Chamdal, Roy Chamdal, Dhot, Gardner and Makwana.</p>
38.	<p>MINUTES (<i>Agenda Item 2</i>)</p> <p>RESOLVED: That the minutes of the meeting held on 28 November 2024 be agreed as a correct record.</p>
39.	<p>DECLARATIONS OF INTEREST (<i>Agenda Item 3</i>)</p> <p>Councillor Stuart Mathers declared a non-pecuniary interest in Agenda Item 9.4, as he was employed by Bell Farm Christian Centre, and remained in the room during the consideration thereof.</p>

40.	<p>MAYOR'S ANNOUNCEMENTS (<i>Agenda Item 4</i>)</p> <p>On behalf of the Council, the Mayor congratulated Councillor Peter Smallwood on being awarded an OBE in the New Year's Honours List. She advised that she had attended many magical events on the run up to Christmas including carol concerts, a pantomime, a 100th birthday party, awards ceremonies and a graduation ceremony. The Mayor had also welcomed a number of different groups into the Parlour during this period.</p>
41.	<p>PUBLIC QUESTION TIME (<i>Agenda Item 5</i>)</p> <p>5.1 QUESTION FROM ANAND PUNJA OF ELMBRIDGE AVENUE, RUISLIP, ON BEHALF OF THE RUISLIP WOODS TRUST TO THE CABINET MEMBER FOR COMMUNITY & ENVIRONMENT - COUNCILLOR LAVERY:</p> <p><i>"At the July 2024 Council Meeting the Cabinet member advised, and I quote from the minutes, that "the document was now in the final stages of drafting so would be published shortly". Ruislip Woods Trust, along with many of our members are now getting impatient with the Council and we further believe that the Council are currently in breach of their statutory duty, due to a lack of a 5-year management plan as the management authority for the Ruislip Woods NNR and SSI.</i></p> <p><i>"Will the Cabinet member please provide a more specific timeline as to when an updated management plan will be consulted on and published, and to also commit to a follow up meeting within six weeks, with the relevant council officers to provide a more specific update on the overall management of Ruislip Woods as a follow up."</i></p> <p>Councillor Lavery advised that the situation at Ruislip Woods had been somewhat complex but that a management plan had been written and adopted around 100 years ago. Although there had been a delay in its publication, the spirit of that original document had been retained in the most recent iteration which, it was anticipated, would be published by the Corporate Director early next week.</p> <p>5.2 QUESTION FROM STEVE GARELICK OF STOWE CRESCENT, RUISLIP TO THE CABINET MEMBER FOR COMMUNITY & ENVIRONMENT - COUNCILLOR LAVERY:</p> <p><i>"Hillingdon Council has failed in its handling of flood mitigation issues, particularly in relation to the recent flooding events in Ruislip and West Drayton as well as other parts of the borough.</i></p> <p><i>"Residents have expressed concerns about the Council's slow response to flooding emergencies, inadequate drainage systems, and lack of long-term planning to address the increasing risk of flooding due to climate change.</i></p> <p><i>"Why has the Council's allocation of resources to flood mitigation projects funding not kept pace with the growing need for flood protection measures. Surely with the claimed sound financial management on countless occasions more could have been done.</i></p> <p><i>"Given the fact that only now Hillingdon is asking for evidence on how September 2024 flooding has affected residents it seems there has been a past failure to take this matter seriously.</i></p>

“What is the Council prepared to do to protect residents and help environmental groups reach their goals especially as more needs to be done to protect communities from the devastating effects of flooding?”

Councillor Lavery advised that flooding was devastating and was taken seriously by the Council. The flooding that had happened in September had come after one month’s worth of rain fell in just 24 hours. Yeading Brook had been full to capacity and had not been able to take any more water from the Thames Water system.

Responsibilities for the different elements of the system sat with a range of organisations including Environment Agency, Thames Water, Council and landowners. The Council had a coordinating role and officers had worked hard so it had been very disappointing that their efforts had been criticised even though the response to flooding in Ruislip Gardens in 2024 had been swift and effective. Support had been provided to vulnerable residents, parking restrictions had been suspended in the area and free bulky waste collection had been instated for those residents affected.

Whilst it was appreciated that flooding was an ongoing challenge, this was a national issue which needed to be recognised by the Government as the current systems were being pushed to their limits. It was noted that funding had been available to undertake critical projects which had included flood defence and drainage work across the Borough. However, it was recognised that more needed to be done. As such, the Council was currently collecting evidence from residents which would inform any future action taken so that real and measurable results could be achieved.

The Cabinet Member thanked residents, community groups and Council officers who had worked tirelessly to ensure the safety of Hillingdon residents.

42. **REPORT OF THE HEAD OF DEMOCRATIC SERVICES** (*Agenda Item 6*)

i) URGENT IMPLEMENTATION OF DECISIONS

Members noted the urgent decisions taken since the Council meeting in November 2024, as detailed in the report.

ii) PROGRAMME OF MEETINGS 2025/26

Councillor Edwards moved, and Councillor Bianco seconded, the motion as set out on the agenda and it was:

RESOLVED: That the programme of meetings for 2025/26 as set out in Annex A, be approved and the Head of Democratic Services, in consultation with the Chief Whip of both parties, be authorised to make any amendments that may be required throughout the course of the year.

iii) AUDIT COMMITTEE ANNUAL REPORT

Councillor Edwards moved, and Councillor Bianco seconded, the motion as set out on the agenda and it was:

RESOLVED: That the Annual Report of the Audit Committee 2023/24 be noted.

43.	<p>STATEMENT OF GAMBLING POLICY 2025 - 2028 (<i>Agenda Item 7</i>)</p> <p>Councillor Lavery moved, and Councillor Edwards seconded, the motion as set out on the agenda and it was:</p> <p>RESOLVED: That the revised Statement of Gambling Policy be adopted as a policy framework document.</p>
44.	<p>COUNCIL TAX BASE AND BUSINESS RATES FORECAST 2025 - 2026 (<i>Agenda Item 8</i>)</p> <p>Councillor Goddard moved, and Councillor Edwards seconded, the motion as set out on the Order of Business.</p> <p>Those speaking in support of the motion noted that the Council's obligations with regard to setting Council Tax needed to be met by 31 January 2025. It was noted that there were currently 105,422 Band D equivalent properties in Hillingdon which equated to a 754 net increase, increasing Council Tax revenue by £1,050k.</p> <p>Eight amendments had been proposed in relation to the Council's local Council Tax Reduction Scheme to reform the scheme with effect from 1 April 2025. It was anticipated that the proposals would reduce the overall cost of the scheme by £1.2m in 2025/26, with round £1m of the benefit accruing to Hillingdon and the remainder to the Greater London Authority (GLA). An Equalities Impact Assessment had been undertaken and those residents in receipt of Council Tax Reduction who had responded to the consultation had been largely supportive of the proposals.</p> <p>Reticence to support the motion was understood but the Council had been forced to propose these changes as a result of the worsening economy. Neither did it bode well for local authorities that Government departments had been told to find additional savings. However, the Council would not shy away from making difficult decisions.</p> <p>It was anticipated that the Business Rates Income forecast for 2025/26 would produce a gross yield of £405,774k. As the Council could only retain 30% of revenues generated (central Government would receive 33% and the GLA would get 37%), and this retained sum would be reduced through tariff and levy mechanisms, Hillingdon's share of the projected 2025/26 income would amount to £72,129k (approximately 18% made up of the baseline rates income of £51,887k plus retained growth of £20,242k).</p> <p>Those speaking against the motion accepted the proposal to reduce the absence abroad to four weeks in line with the Pensioner CTR scheme change and welcomed the move to introduce additional support for care leavers. However, concern was expressed that the proposals would result in £1.2m of support being taken away from vulnerable people and would compound the financial difficulties already being faced by low-income families in the Borough. As such, Labour Members would be abstaining when voting on this motion.</p> <p>The motion was put to the vote and it was:</p> <p>RESOLVED: That:</p> <p>a) The report of the Corporate Director of Finance for the calculation of the Council Taxbase and the Business Rates Forecast be approved.</p>

- b) In accordance with the Local Authorities (Calculation of Council Taxbase) (England) Regulations 2012 the amount calculated by the London Borough of Hillingdon as its Council Taxbase for 2025/26 shall be 105,422.
- c) Authority be delegated to the Corporate Director of Finance to submit the 2025/26 NNDR1 return to the Ministry of Housing, Communities and Local Government (MHCLG) and the Greater London Authority (GLA).
- d) The continuation of the Council's policy of passporting Government discounts and reliefs applied to Business Rates to the ratepayer be approved.
- e) Having due regard to the Review Of Working Age Council Tax Reduction Scheme for 2025/26 at Appendix 2 and the Equalities Impact Assessment at Appendix 2a, approve the following amendments to the Council's local Council Tax Reduction Scheme to reform the scheme with effect from 1 April 2025:
 - a. Align the vulnerable group percentage reduction with the rest of the scheme over a phased approach lasting 4 years.
 - b. Remove the war widow pension group from the scheme.
 - c. Remove Transitional Protection.
 - d. Increase the minimum weekly award to £3.
 - e. Reduce the absence abroad to 4 weeks in line with Pensioner CTR scheme change.
 - f. Cap the amount of Council Tax liability to be used in the calculation to Band D (non-vulnerable households only).
 - g. Increase the non-dependant deduction from £8 to £10 per week.
 - h. Introduce additional support for care leavers.

45. **MEMBERS' QUESTIONS** (*Agenda Item 9*)

9.8 QUESTION SUBMITTED BY COUNCILLOR SMALLWOOD TO THE CABINET MEMBER FOR CHILDREN, FAMILIES & EDUCATION - COUNCILLOR O'BRIEN:

"Can the Cabinet Member provide an update for our residents on the future provision of childcare at the Council's early years centres?"

Councillor O'Brien advised that a consultation exercise had been undertaken on the delivery model following the review of early years nurseries in 2023. This tied in with the Government's proposal to roll out a new childcare offer with effect from September 2024. The Council had sought expressions of interest for new providers for the three nurseries in Hayes, Uxbridge and South Ruislip and subsequently entered into a 15-year lease with Early Years Foundation. The lease would provide the Council with an income and the nurseries would continue to operate as usual during the transition to the new provider.

Councillor O'Brien thanked Council officers, nursery staff and families who had been involved in this process and noted that there should be no tangible difference to the delivery of the service during the transition. It was anticipated that the new provider would deliver a great service and provide better value, therefore continuing to put residents first.

There was no supplementary question.

9.1 QUESTION SUBMITTED BY COUNCILLOR SWEETING TO THE CABINET MEMBER FOR FINANCE AND TRANSFORMATION - COUNCILLOR GODDARD:

“The previous Director of Finance assessed that general reserves of between £32 to £55 million were needed to ensure the Council has financial resilience to address both foreseen and unforeseen risks. The current projected levels of reserves for 2025/26 and beyond as illustrated by the chart 11 on page 38 of the budget report presented to the Children, Families and Education Select Committee of 7 January 2025, show assumed levels of reserves hovering just above £20 million until 2027/28.

“How confident is the Cabinet Member that, given the Council’s significant underestimates of delivering savings in the past, and over inflation as to the level of reserves, that levels of reserves will not need to be supported by Government Intervention as mentioned in paragraph 22 on page 38 of the aforementioned report?”

Councillor Goddard believed that the question was fair and reasonable but that the timing was not great as the budget report would not be going to Cabinet for another month and, at this stage, he would not be prepared to second guess the implications of the changes. The Section 151 officer would be publishing the Section 25 report which would comment on the adequacy of the Council’s reserves.

The underfunding of local government had been a national issue with authorities having seen a 70% reduction in funding (with no account taken of population increases) whilst having to deal with the implications of rising inflation. There had been underfunding of adult social care and homelessness services which cost a lot to provide yet demand for these services continued to increase. It was thought that, as ten-year gilts had hit the highest level in 16 years, this might prompt further spending cuts by the Chancellor.

Councillor Goddard noted that the 2025/26 budget was not a carbon copy of the previous year that the previous Corporate Director of Finance had based his comments on. The current Corporate Director of Finance would need to base his comments on the current proposed budget. He had been looking at financial management and savings opportunities. Whilst it was recognised that the reserves were low and needed to be built back up, Cabinet had a strategy for delivering this. The options to increase Council Tax beyond the maximum allowed or request Exceptional Financial Support (EFS) from the Government had been rejected by Hillingdon (although at least 20 local authorities were pursuing the EFS pathway). Hillingdon would instead be looking to reduce its costs and rebuild its reserves.

By way of a supplementary question, Councillor Sweeting asked if the Cabinet Member could please provide detailed statistical evidence to support the blame that he was placing on the current Government for the Council’s precarious situation when it had been the previous Conservative Government’s underfunding of local government over the preceding 14 years that had resulted in the huge cuts.

Councillor Goddard clarified that the Council did not owe money in relation to the school high needs block – the Government owed money to Hillingdon. As he did not have the detailed statistics to hand, he would provide Councillor Sweeting with a written response to her supplementary question.

WRITTEN RESPONSE PROVIDED AS FOLLOWS:

The provisional settlement for 2025/26 announced in December 2024 for Hillingdon Council results is a 3.1% real increase in Hillingdon's core spending power but this is woefully insufficient.

This is well illustrated by the homelessness pressures we are experiencing in Hillingdon. Our analysis shows that the additional grant funding we have been allocated amounts to an increase of only circa £2m on the existing homelessness grant allocation, which represents a shortfall of £3m when applied to the current level of expenditure.

However, this pressure will, in reality, be far greater, as demand and market costs are continuing to rise largely due to a considerable reduction in the size of the private rental sector, where landlords have responded to the Governments intended legislation by exiting the sector.

There has been a 24% increase in housing demand year on year and a 30% annual increase in the cost of securing alternative private rented housing. This comes at a time when there has been a 40% reduction in the supply of private rented housing.

Furthermore, the cost pressures on adult social care and children's services are similarly acute. Of particular concern are the following:

- a 30% increase in the demand for children's services.
- a 66% increase in the cost of residential children's care placements.
- a 5% increase in the number of adults and older people requiring long-term care.
- a 16% increase in the cost of long-term care.

The funding settlement for local government in 2025/26 caused London Councils to advise of a worrying funding shortfall of at least £500m in 2025/26 due to costs rising at a faster pace than boroughs' funding levels.

Of particular further concern is the impact of the Employers' National Insurance increase announced in the October 2024 Budget Statement. Whilst it is notable that the Chancellor's announcement indicated that Public Sector bodies would be shielded from this increase, to date against a series of substantial demands from a wide range of entities including charities, no clarity has been provided as to the level of relief which will be allocated to Local Authorities. It is my belief that the Government made a specific allocation of funds to meet this obligation and that this allocation is now under severe pressure due to the unexpected level of demand for relief.

Furthermore, it is clear that no such relief will be available to privately owned business who provide outsourced services to Councils. As a substantial element of service provision is delivered by private companies in key areas such as Adult's Social Care & Children's Services in Hillingdon, it can be expected that we will face demands to escalate the price we pay for these services way beyond the prevailing rate of inflation.

The potential exists that this budgetary measure alone will cost Hillingdon many £ millions.

The Government has increased the National Minimum Wage by 6.7%, which exceeds the current rate of inflation by more than 4%. This will have a damaging and adverse impact on our cost structures, both in terms of our own direct costs and those of our

outsourcing partners.

This Labour Government has also entered into a series of generous pay settlements way beyond current levels of inflation with a number of unions who have substantial numbers of members working in the public sector. These settlements again have real potential to adversely affect our cost structures either directly, or by their ultimate impact on the prevailing rate of inflation and hence our own pay settlements.

The Chancellor's Autumn budget statement created additional public spending amounting to £70 billion, £40 billion of which will be funded by additional taxation, whilst the residual £30 billion will be met by additional Government borrowing.

In the month of December 2024 alone the Government incurred a fiscal deficit (expenditure exceeding income) by £17.8 billion, which vastly exceeds the equivalent figure for December 2023 of £7.7 billion.

This in turn has caused this Government's borrowing costs to peak at 5% on 10 year debt, the highest level since 2008.

It is therefore clear that this overspending at a national level has profoundly impaired the ability to fund Local Government properly and that either further tax increases or reduced National Government spending will follow as soon as next March.

In combination these factors represent a fundamental adverse shift in the fiscal environment faced by Local Authorities in this country and Hillingdon is not exempt from them.

9.3 QUESTION SUBMITTED BY COUNCILLOR BENNETT TO THE CABINET MEMBER FOR PLANNING, HOUSING & GROWTH - COUNCILLOR TUCKWELL:

"Can the Cabinet Member please provide an update to the Council on the anticipated impact of the Labour Government's planning reforms announced in December, particularly in terms of how these changes might affect housing delivery, local control over development, and the protection of green spaces in Hillingdon?"

Councillor Tuckwell advised that sweeping planning reforms had been introduced in 2024 which had seen a revised housing target of 88k per year in London. It was anticipated that the Mayor of London would push the bulk of the responsibility for meeting this target to the outer London boroughs – the London Plan revised targets would be revealed later this year.

Hillingdon would continue to commit to delivering a sustainable housing programme despite the move towards building on Grey Belt which would erode the protections afforded to Green Belt land. The Council would continue to resist this move and develop affordable housing whilst maintaining green spaces – it would not allow the environment to be destroyed.

A national scheme of delegation was being suggested alongside mandatory Member training. Hillingdon already had a robust planning system in place; a system that put residents first and would not accept unfavourable and poorly thought-out policies. Hillingdon was fit for future generations and would not stop fighting for its residents.

There was no supplementary question.

9.6 QUESTION SUBMITTED BY COUNCILLOR KAUR TO THE CABINET MEMBER FOR CORPORATE SERVICES AND PROPERTY - COUNCILLOR BIANCO:

“Would the Cabinet Member kindly agree to make public the list of any potential assets that are likely to be disposed of or put up for sale to balance the books, so as not to leave Hillingdon residents feeling angry and deeply concerned about the potential lack of transparency and its impact on their community?”

Councillor Bianco advised that there were a number of requirements that had to be met for the disposal of properties. If a property met one or more of these requirements, did not have an alternative use and was deemed surplus to requirement, it could be disposed of. A programme of disposals would be compiled which would then release funding to support residents in other ways. Where possible, the Council tried to secure additional value from the sale of assets, for example, the sale of Barra Hall to Uxbridge College would result in a new educational establishment.

There was no supplementary question.

9.5 QUESTION SUBMITTED BY COUNCILLOR DAVIES TO THE CABINET MEMBER FOR COMMUNITY & ENVIRONMENT- COUNCILLOR LAVERY:

“Can the Cabinet Member please update Council on the positive progress being made to secure an exciting new future for the much-valued Beck Theatre?”

Councillor Lavery advised that new terms had been agreed with the new provider (Parkwood) just before Christmas for a 15-year contract (plus 5 years). The transition was currently underway and was going seamlessly despite Labour rumours to the contrary. The Council had just got its head down and got on with the job of coming up with a better value deal.

Parkwood had committed to retaining the Beck Theatre’s cultural identity and would be providing a more sustainable model going forward. The new provider would bring fresh ideas to the stage and provide a hub for creativity. However, the organisation would need a little time to be able to work up its new programme.

The Cabinet Member thanked the Corporate Director and their team for their hard work in resolving this issue.

There was no supplementary question

9.7 QUESTION SUBMITTED BY COUNCILLOR PUNJA TO THE CABINET MEMBER FOR CHILDREN, FAMILIES & EDUCATION - COUNCILLOR O’BRIEN:

“Will the Cabinet Member for Children and Families offer her congratulations to the Save our Nurseries campaign which successfully overturned the closures resulting in keeping all three Early Years Centres open under new management?”

Councillor O’Brien referred Councillor Punja to her previous response to question 9.8.

By way of a supplementary question, Councillor Punja asked if the Cabinet Member agreed that her closure of the early years centres had been the wrong decision.

Councillor O'Brien advised that early intervention had been introduced over the last couple of years and had been working very well. This approach ran across all services.

9.2 QUESTION SUBMITTED BY COUNCILLOR DENYS TO THE CABINET MEMBER FOR HEALTH AND SOCIAL CARE - COUNCILLOR PALMER:

"Can the Cabinet Member please give an update on the outcome of the recent Care Quality Commission's inspection of Hillingdon Council's Adult Social Care Services?"

Councillor Palmer advised that she was proud and relieved that the recent CQC inspection had rated Hillingdon's adult social care services as 'Good'. The score of 73 had placed Hillingdon as second best in London and third best in England.

Contact with the CQC had started in February 2024 with 199 items of evidence being forwarded to them in March 2024. Over the next four months, additional evidence had been gathered from residents, carers and stakeholders. The onsite inspections had been undertaken by eight inspectors between 22 and 25 July 2024 where they had liaised with service users and informal carers, amongst others.

During the inspection, Hillingdon's excellent partnership working which was based on mutual trust had shone through and it had been recognised that public health had been embedded in adult social care through early intervention and prevention. However, although carers were largely satisfied with the support that they received, there was more that could still be done collectively to empower service users, etc.

Since writing the self-assessment in 2024, the Council had continued to implement its ongoing improvement plan. The CQC Chief Executive had stated that the Council should be proud of the foundations that it had put in place for progress.

Councillor Palmer thanked Councillors Denys and Punja, the Members of the Health and Social Care Select Committee, officers, voluntary sector, the Council's Chief Executive and the Corporate Director of Health and Social Care for their support and dedication.

There was no supplementary question.

9.4 QUESTION SUBMITTED BY COUNCILLOR MARTIN TO THE CABINET MEMBER FOR HEALTH AND SOCIAL CARE - COUNCILLOR PALMER:

"It has been reported that the savings anticipated by the Labour Government accruing from the cancellation of the pensioners' winter fuel payment have failed to be delivered, largely due to the surge in successful applications for Pension Credit.

"Can the Cabinet Member please advise what action has been taken in Hillingdon to mitigate the loss of the winter fuel payment to our pensioner residents?"

Councillor Palmer advised that the Council would continue to support its older residents. To be able to claim the Winter Fuel Allowance (WFA), residents had to be in receipt of Pension Credits (PC) which were available to those on low incomes.

The Department for Work and Pensions had written to all residents who had previously been in receipt of WFA to ensure that those who were eligible had applied for PC. The Council had secured the services of Age UK (using the Household

	<p>Support Fund that it had set up) to promote the take up of PC amongst residents and provide advice and support and highlight other services that were available such as foodbanks. As a result, 70 residents had applied for PC (applications took around 8-12 weeks to process) and 40 residents had been found to be eligible for other financial support. There had been a total of 76 claims and £138k of benefits secured for residents.</p> <p>Information would be shared with faith leaders for them to disseminate to their communities and work continued with the third sector.</p> <p>There was no supplementary question.</p> <p>9.9 QUESTION SUBMITTED BY COUNCILLOR R.MILLS TO THE CABINET MEMBER FOR CORPORATE SERVICES AND PROPERTY - COUNCILLOR BIANCO:</p> <p><i>“In light of much previous negative publicity concerning the future of the Uxbridge library site, can the Cabinet Member please update the Council on the current position?”</i></p> <p>Councillor Bianco advised that development of the new library site at the Civic Centre remained on track for completion in the Spring of 2025. The Registrars would be relocated to a new area at the Civic Centre with modern spaces for weddings and other events. The Council had found a potential buyer for the old library site and hoped to make a formal announcement about this in the near future.</p> <p>There was no supplementary question.</p>
	<p>ANNEX A – PROGRAMME OF MEETINGS 2025/2026</p>
	<p>The meeting, which commenced at 7.30 pm, closed at 8.39 pm.</p>

These are the minutes of the above meeting. For more information on any of the resolutions please contact Lloyd White, Head of Democratic Services on democratic@hillington.gov.uk. Circulation of these minutes is to Councillors, Officers, the Press and Members of the Public.

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REPORT OF THE HEAD OF DEMOCRATIC SERVICES

Reporting Officer: Head of Democratic Services

i) URGENT IMPLEMENTATION OF DECISIONS

RECOMMENDATION: That the Urgency decisions detailed below be noted.

Information

1. The Constitution allows a Cabinet or Cabinet Member decision to be implemented before the expiry of the 5-day scrutiny call-in period, provided the decision is deemed urgent and agreement is given from the Chair of the relevant Select Committee that the matter is urgent and to waive the scrutiny call-in period. All such decisions are to be reported for information only to the next full Council meeting.
2. Since last reported to Council, the following decisions have been made using urgency procedures:

Date of Decision	Nature of Decision	Reason for Urgency	Decision-Maker
12/2/25	Housing Revenue Account New General Needs Housing Stock (Housing Buy-Back Scheme) - 2024/25	The decision involved the Council purchasing properties under two grant funding programs with tight deadlines and implications. Officers needed to claim a £2.5 million payment by 14th February and complete the purchase of 7 properties by 31st March 2025 to secure the external grants.	Leader of the Council, and on behalf of the Cabinet Member for Finance & Transformation, the Cabinet Member for Corporate Services & Property, and the Cabinet Member for Planning, Housing & Growth
7/2/25	Meadow High School Expansion (two sites project at Royal Lane, Uxbridge and Northwood Road, Harefield)	This is an important SEND schools project that has been delayed due to the administration of the contractor in September 2024. The Council has been proactive in seeking a solution since and this decision recovers lost time and critically delivers the required school places at the relevant sites and for the relevant term-times.	Leader of the Council, in conjunction with the Cabinet Member for Corporate Services & Property, the Cabinet Member for Children, Families & Education, and on behalf of the Cabinet Member for Finance & Transformation
29/1/25	Botwell Green Sports and Leisure Centre Photo Voltaic (PV) Panels Installation	To utilise the grant funding from the Sports England Swimming Pool Support Fund by March 2025, given that further tendering would result in insufficient time to complete the works within the required timescales. Additionally, the project will reduce costs and is funded by an external grant.	Deputy Leader of the Council and Cabinet Member for Corporate Services & Property, in conjunction with the Cabinet Member for Community & Environment, and on behalf of the Cabinet Member for Finance & Transformation

Background Papers: Decision Notices

ii) **AMENDMENT TO CABINET PORTFOLIOS**

Background

1. Chapter 5 of the Council Constitution sets out the rules surrounding Executive decision making in the authority and includes the provision for the Leader to appoint and dismiss Cabinet Members and to amend their portfolios and delegations on a temporary or permanent basis.
2. The Leader has notified the Head of Democratic Services of a minor amendment to the delegations of the Cabinet Member for Corporate Services & Property so that this portfolio will be the sole decision-maker in respect of agreeing property rent reviews, including decisions relating to rent free periods for tenants undertaking capital works. Currently, such decisions are also taken in conjunction with the Leader of the Council.
3. Such changes are to be reported to Members for information and, therefore, Council is asked to note this change in portfolios.

iii) **APPOINTMENT OF STATUTORY OFFICER**

Background

1. The Head of Paid Service (Chief Executive), the Section 151 Officer (Corporate Director of Finance) and the Monitoring Officer are the Council's three Statutory Officers. These roles are key to ensuring lawfulness, fairness, probity and general good governance that supports the Council in achieving its aims. It is important that they work effectively together yet maintain appropriate independence and that the roles are undertaken by adequately skilled and experienced staff supported by appropriate resources.

RECOMMENDATIONS: That:

- a) **Mr Lloyd White be appointed to the statutory role of Monitoring Officer of the Council.**
- b) **It be noted that Mr Daniel Toohey has been appointed to the post of interim Head of Legal Services and that the Head of Democratic Services be authorised to make any necessary alterations to the roles and responsibilities of the above posts contained in the Constitution.**

Information

Monitoring Officer

2. The appointment of a Monitoring Officer is a statutory requirement under Section 5 of the Local Government & Housing Act 1989. The Monitoring Officer's role and responsibilities are also defined within the Council's Constitution. These include ensuring lawfulness and fairness of decision making, receiving reports, conducting investigations, ensuring access to information, advising whether executive decisions are within the budget and policy framework and maintaining the Constitution.

3. Following the departure from the authority of the permanent Head of Legal Services Solicitor and Monitoring Officer, Mr Egan, in October 2024, Council appointed the interim Head of Legal Services, Mr Dickinson, to the role. Mr Dickinson has now departed the authority and Council are asked to consider a further appointment to the role.
4. It is proposed that Council appoint Lloyd White to the role of Monitoring Officer. Mr White is the Council's Head of Democratic Services, Returning Officer and Proper Officer for Births, Deaths and Marriages and has been the Deputy Monitoring Officer for 17 years. He has considerable experience in the role and requirements of a Monitoring Officer and his appointment will ensure continuity in the statutory role within establishment resources.
5. Mr White will appoint a Deputy Monitoring officer, namely the new interim Head of Legal Services, Mr Daniel Toohey, to ensure the Council and the Monitoring Officer continue to benefit from high quality and experienced legal advice and guidance.

Financial Implications

6. The cost of these appointments will be contained within existing budgets.

Legal Implications

7. The appointment of a Monitoring Officer is a statutory requirement whose appointment is reserved to Full Council.

Background papers: none

iv) MEMBERS' ALLOWANCES 2025/26

1. The Council is required to undertake an annual re-adoption of its Allowances Scheme and, in doing so give due regard to the recommendations made by the report of the Independent Panel on the Remuneration of Councillors in London.

RECOMMENDATION: That the current Members' Allowances Scheme be revoked as of 31 March 2025 and the new Scheme for 2025/26 be approved, as shown in the Appendix, for implementation from 1 April 2025.

Information

2. Before making or amending its allowances scheme, the Council is required, by virtue of Regulation 19, of the Local Authorities (Members' Allowances) (England) Regulations 2003, to have regard to the recommendations of an Independent Remuneration Panel. The Panel for London published their latest report in January 2024. The key findings of that report have been taken into account when making these recommendations. The full report can be viewed here:

<https://www.londoncouncils.gov.uk/who-we-are/about-us/financial-information/leadership-and-expenses/remuneration-councillors-london>

3. The Independent panel considered the key questions of:
 - a. how best to ensure that people from a wide range of backgrounds and with a wide range of skills are encouraged to serve as local councillors; and
 - b. how to ensure those who participate in and contribute to the democratic process should not suffer unreasonable financial disadvantage.
4. Within these broad considerations there can be no doubt that financial compensation or a system of allowances plays a crucial part in making it financially possible for local people to put themselves forward to take on the onerous responsibilities involved in being a councillor and indeed to continue to serve as one.
5. For this reason, the Panel felt that it is crucial that allowances for councillors across London are pitched at an appropriate level such that they make a major contribution in ensuring diverse and effective local representation. The recent review aimed to take a step back and ensure that the recommended allowances are pitched such that they serve this crucial purpose.
6. After taking into account the amount of time commitment and work involved in being a local Councillor, the Independent Panel are recommending a Basic Allowance of **£15,960**. Currently the LBH Basic Allowance is £12,793.
7. With regard to SRA's, these are grouped in bands based on the allowance paid to the Leader of the Council. The Panel are recommending an annual payment to a Leader of a Council of **£78,052** (made up of the Basic Allowance above and a Leader's Allowance of £62,092).
8. Currently the annual payment to the Leader of the London Borough of Hillingdon is **£72,960.80** (made up of the Basic Allowance of £12,793 and the Leader's Allowance of £60,167.80)

Proposal

9. No increase is proposed for the level of Basic or Special Responsibility Allowances for 2025/26 – including those of the Mayor and Deputy Mayor who are paid a similar allowance but separate from the main Scheme of Allowances.

FINANCIAL IMPLICATIONS

10. Provision has been made in the 2025/26 budget for Members' Allowances, although it is important to note this is based upon current posts being held by Members. Those who occupy more than one post only receive one SRA, normally the higher. It is therefore difficult to accurately estimate the true cost until after the Annual Council meeting in May when Members are confirmed into posts receiving a SRA.

LEGAL IMPLICATIONS

11. Regulation 10 of the Local Authorities (Members' Allowances) (England) Regulations 2003 requires re-adoption of the scheme by 31 March 2025. Therefore, the current scheme needs to be revoked as of 31 March 2025 and a new scheme made. If it is not, any allowances paid to Members would not comply with the law and could, therefore, be challenged.

Background Papers: Report of the Independent Panel on the Remuneration of Councillors in London, January 2024

MEMBERS' ALLOWANCES SCHEME 2025/26**1. Introduction**

In accordance with Local Authorities (Members Allowances) England Regulations 2003 No. 1021 (as amended) the London Borough of Hillingdon makes the following scheme: -

2. Basic Allowance

For 2025/26 an allowance of **£12,793** will be payable to all Councillors and will be paid in equal monthly instalments. The basic allowance includes intra borough travel and subsistence costs.

3. Special Responsibility Allowances

Special responsibility allowances of the following amounts shall be paid in equal monthly instalments to Councillors holding the following responsibilities:

	(£)
1. Leader of the Council	60,167.80
2. Deputy Leader of the Council	50,683.77
3. Chief Whip of Largest Party	24,318.39
4. Cabinet Member	42,385.34
5. Chair of Select Committee	24,318.39
6. Chair of Planning Committee	24,318.39
7. Chair of Licensing Committee	24,318.39
8. Chair of Standards Committee	3,427.05
9. Standards Committee Independent Person	512.50 (per meeting)
10. Chair of Audit Committee*	8,000.00
11. Chair of Pensions Committee*	8,000.00
12. Champion	6,253.61
13. Council representative on Adoption and Permanency Panel	13,708.22
14. Cabinet Assistant	9,484.03
15. Leader of 2 nd Party	24,318.39
16. Chief Whip of 2 nd Party	6,253.61
17. 2 nd Party Lead on Select Committee	6,253.61

* Where a non-Councillor is Chair or Vice Chair a co-optees' allowance is payable as set out in the Scheme under section 9.

4. Limit on Payment of Special Responsibility Allowances

Individual Councillors may not claim a special responsibility allowance for more than one position for which they qualify.

5. Renunciation

Councillors may elect to forego any of their entitlement to an allowance under the scheme by giving written notice to the Corporate Director of Finance.

6. Part-Year Entitlements

- (a) This paragraph regulates Councillors' entitlement to allowances where the scheme is amended during the year or where an individual ceases to be a Councillor or accepts or relinquishes a position of special responsibility.
- (b) If an amendment to this scheme is made during the year to which it refers and changes the amount which a Councillor may claim in basic allowances the annual entitlement shall be calculated using the following method: -

Annual entitlement to basic allowance	=	Days at unamended rate divided by 365	X	Annual payment at unamended rate	+	Days at amended rate divided by 365	X	Annual payment at amended rate
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- (c) Where the term of office of a Councillor begins or ends part way through the year the annual entitlement to basic allowance shall be calculated using the following method:

Annual entitlement to basic allowance	=	Days as a Councillor divided by 365	X	Annual rate of allowance
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- (d) Where this scheme is amended during the year to which it refers the annual entitlement to basic allowance of Councillors beginning or ending their term of office part way through the year shall be calculated using the following method:

Annual entitlement to basic allowance	=	Days as a Councillor during unamended scheme divided by 365	X	Annual payment at unamended rate	+	Days as a Councillor during amended scheme divided by 365	X	Annual payment at amended rate
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- (e) Where Councillors hold positions of special responsibility during part of the year their annual entitlement to special responsibility allowance shall be calculated using the following method:

Annual entitlement for special responsibility allowance	=	Days holding position of special responsibility during unamended scheme divided by 365	X	Annual payment at unamended rate	+	Days holding position of special responsibility during amended scheme divided by 365	X	Annual payment at amended rate
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7. Out of Borough Travelling and Subsistence Allowances

Councillors shall be entitled to claim for out of borough travelling allowances incurred in undertaking approved duties as agreed in advance by the Council.

The out of borough car mileage allowance for Councillors shall be paid at the same rate as those paid to officers for the Standard Mileage User Allowance.

The amounts paid for out of borough subsistence shall be in accordance with the maximum levels laid down from time to time by the Ministry for Housing, Communities and Local Government, but claims may only be made for approved duties.

8. Dependent / Carers Allowance

A dependent / carers allowance shall be payable at the National Minimum Wage for Adults hourly rate based on the following criteria:

- payments should be subject to a maximum weekly payment, equivalent to seven-and-a-half hours of care per week;
- the maximum rate should be set locally to reflect local costs, in accordance with social service departments levels;
- payment should be claimable in respect of children aged 15 or under or in respect of other dependants where there is medical or social work evidence that care is required;
- only one weekly payment should be claimable in respect of the household of each Member, except in special circumstances to be judged by the Council's Standards Committee;
- the allowance should be paid as a reimbursement of incurred expenditure against receipts;
- the allowance should not be payable to a member of the claimant's own household and;
- any dispute as to entitlement and any allegation of abuse should be referred to the Council's Standards Committee for adjudication.

9. Co-optees' Allowances

Where a co-optee and non-Councillor is the Chair of the Audit Committee, an annual entitlement allowance of £8,000.00 may be paid. This will be paid on a pro-rata basis if the appointment of the co-optee begins or ends otherwise than at the beginning or end of a year. Where a co-optee is an Independent Person on the Standards Committee an entitlement allowance of £500 per meeting required and attended may be paid. Where a co-optee is one of the three statutory education co-optees on the Executive Scrutiny Committee, an annual entitlement allowance of £445.80 may be paid. This will be paid on a pro-rata basis if the appointment of the co-optee begins or ends otherwise than at the beginning or end of a year. These allowances will cover expenses, such as travel and subsistence, related to the duties of the postholder.

10. Claims and Payments

- (a) All claims for out of borough travelling and subsistence and carers allowances must be submitted within two months of the date of the approved duty to which they relate, made on the standard form as used by officers and returned to the Head of Democratic Services.
- (b) Payments shall be made in respect of basic and special responsibility allowances subject to sub-paragraph (c) below in Instalments of one twelfth of the amount specified in this scheme on or before the 15th of the month direct to each Member's bank or building society account.
- (c) Where the payment of allowances in one-twelfth instalments would result in a Councillor receiving more than he or she is entitled to because of a part year effect (as defined in paragraph 9 above) the payment shall be restricted to the annual entitlement.

11. Withholding Members' Allowances

Where there has been an adjudication, which suspends or partially suspends a Councillor from office following a breach of the Code of Conduct, the Council may withhold all allowances paid to that Councillor with immediate effect.

12. Records of Allowances and Publicity

In accordance with the 2003 regulations a detailed record will be kept of the name of the recipient and the amount and nature of each payment made. This will be available for public inspection at all reasonable times or copies supplied following the payment of a reasonable fee.

As soon as is reasonably practicable after the end of the municipal year to which the scheme relates the total sum paid to each recipient in respect of basic allowances, special responsibility allowance, dependant carers allowance and out of borough travelling and subsistence allowance will be published on the Council's website and local newspaper.

13. Independent Remuneration Panel

Hillingdon Council has had regard to the recommendations made by the Independent Panel for the Remuneration of Councillors in London in developing its Members' Allowances Scheme.

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LOCAL DEVELOPMENT SCHEME

Reporting Officer: Head of Democratic Services

SUMMARY

1. Cabinet on 13 February 2025 resolved to recommend to Council the adoption of a revised Local Development Scheme (LDS). Please see the background papers for the LDS and Cabinet report. The LDS sets out timescales to produce forthcoming Local Plan documents.

RECOMMENDATIONS: That:

- a) **the revised Local Development Scheme be adopted with effect from 27 February 2025.**
- b) **delegated authority be given to the Director of Planning and Sustainable Growth, in consultation with the Cabinet Member for Planning, Housing & Growth to make minor and technical updates only to timetables within the Local Development Scheme, if necessary.**

SUPPORTING INFORMATION

2. The LDS is a project plan to produce the Local Plan and other planning policy documents. It sets out the documents that the Council intends to produce and the timescale for their production. To be considered legally compliant in accordance with the Planning and Compulsory Purchase Act 2004, the Council's Local Plan documents should be in general conformity with the LDS. This means that they should be listed in the LDS and prepared in accordance with the timescales set out in the document.
3. The Council's current Local Development Scheme (LDS) was adopted on 11 July 2024. The Deputy Prime Minister requested in December 2024 that all Local Planning Authorities produce an updated LDS within 12 weeks of the publication of the revised National Planning Policy Framework (NPPF) which is no later than 6 March 2025.
4. Under the provisions of the Planning and Compulsory Purchase Act 2004 (as amended) the Council is required to publish an up-to-date LDS setting out the timetable to produce Local Plan documents.
5. The LDS amends includes a revised Local Plan Programme. This programme responds to the government extending deadline for submission of Local Plans under the current system to December 2026. It includes a Draft Plan stage consultation, which significantly de-risks the project and moves to a best practice three stage programme.

FINANCIAL IMPLICATIONS

6. The cost of preparing the Local Development Scheme will be contained within existing revenue budgets.

LEGAL IMPLICATIONS

7. The Council is required to prepare a Local Development Scheme (LDS) in accordance with the requirements of section 15 of the Planning and Compulsory Purchase Act 2004 (as amended). The Planning and Compulsory Purchase Act 2004 (as amended) requires the LDS to be revised at such times as the Local Planning Authority considers appropriate.
8. Section 19 of the Planning and Compulsory Purchase Act 2004 (as amended) requires Development Plan Documents to be prepared in accordance with the LDS. As such it is vital that the LDS is updated to ensure the Council's Local Plan can be found legally compliant in accordance with the Planning and Compulsory Purchase Act 2004 (as amended) and relevant supporting legislation.
9. Section 15 of the Planning and Compulsory Purchase Act 2004 (as amended) requires a resolution of the Council, which must specify the date from which the LDS is to have effect.

BACKGROUND PAPERS

Appendix 1: [Hillingdon Local Development Scheme](#)

Appendix 2: [Cabinet report – Local Development Scheme](#)

GENERAL FUND REVENUE BUDGET, HOUSING REVENUE ACCOUNT AND CAPITAL PROGRAMME 2025 / 2026

Reporting Officer: Head of Democratic Services

Council Tax Resolution 2025/26 – Cabinet Proposals

Summary

1. The purpose of this report is to enable the Council to calculate and approve the Council Tax Requirement for 2025/26, in accordance with the Local Government Finance Act 1992 as amended by the Localism Act 2011.
2. Cabinet on 20 February will be considering proposals to Council on Hillingdon's General Fund Revenue Budget, Housing Revenue Account Budget, Fees & Charges, Capital Programme, Treasury Management Strategy and London Borough of Hillingdon's Pay Policy Statement for 2025/26. Cabinet will recommend a budget to Council in line with the Budget and Policy Framework Procedure Rules as set out in the Council's Constitution.
3. The proposals will be published, once agreed. In the meantime, the report to Cabinet is available in the Group Offices, on request to the Head of Democratic Services or online at:

[Hillingdon Council -Agenda for CABINET on Thursday, 20th February, 2025, 7.00 pm](#)

FINANCIAL IMPLICATIONS

4. Financial Implications will be contained within the report.

LEGAL IMPLICATIONS

5. Section 106 of the Local Government Finance Act 1992 will apply to the recommendations of this item. Any Member who is more than two months in arrears with their Council Tax must declare that fact and not vote on this item.
6. Members are asked to note that, in accordance with the Local Authorities (Standing Orders) (England) (Amendment) Regulations 2014, recorded votes will be taken at the annual budget setting meeting on any motion, amendment to motion or substantive motion regarding the General Fund Revenue Budget, Housing Revenue Account and Capital Programme.
7. Other legal implications will be contained within the report.

Background Documents: None

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GENERAL FUND REVENUE BUDGET, HOUSING REVENUE ACCOUNT AND CAPITAL PROGRAMME 2025 / 2026

Reporting Officer: Head of Democratic Services

Council Tax Resolution 2025/26 – Cabinet Proposals

Summary

1. The purpose of this report is to enable the Council to calculate and approve the Council Tax Requirement for 2025/26, in accordance with the Local Government Finance Act 1992 as subsequently amended. In addition, the Act requires Council to determine whether any Council Tax increase is excessive (that is in excess of 4.99%) which would require a referendum to be held.
2. In considering this budget all Members should take into consideration the comments of the Corporate Director of Finance (Section 151 Officer). This is set out in this report under the heading of Chief Financial Officer's Section 25 Statement.
- 1
3. The background paper to this report sets out the Cabinet's proposals to Council on Hillingdon's General Fund revenue budget, Housing Revenue Account budget, Capital Programme, amendments to the approved schedule of Fees & Charges, Capital Investment Strategy, Treasury Management Strategy, Investment Strategy, Minimum Revenue Provision Statement and Pay Policy Statement. In addition, this report also considers reasons for, and implications arising from these proposals. The proposals result in a Band D Council Tax for Hillingdon of £1,461.99, which represents a 4.99% uplift on the Council's element of Council Tax at the 2024/25 level.
4. The report to Cabinet is available on request to the Head of Democratic Services or online at:
Hillingdon Council -Agenda for CABINET on Thursday, 20th February, 2025, 7.00 pm
5. The Greater London Authority (GLA) budget proposals add £490.38 to the amount payable by Hillingdon's Council Tax payers, which includes a 4.03% increase in the GLA portion of Council Tax compared to 2024/25.
6. Based on the Cabinet's proposals, and the GLA precept, the total Band D Council Tax for 2025/26 will be £1,952.37.

7. Chief Finance Officer's Section 25 Statement

The Local Government Act 2003 (Section 25) requires the Chief Finance Officer to report the following matters to Members when agreeing the annual budget and precept.

- (a) the robustness of the estimates made for the purposes of the budget calculations, and
- (b) the adequacy of the proposed financial reserves.

There is no prescribed format to a section 25 statement, but it is a statutory statement that is required to be presented as part of the Council's budget report. All Members must consider this report ahead of their decision making on the budget.

The structure I have used will set out:

1. Summary
2. The statutory context
3. Macro-economic context – the strategic issues facing local government and Hillingdon Council
4. Hillingdon Council's governance and financial position
5. Conclusion

This statement has been shared in draft form in its development with the Cabinet Member for Finance and Transformation and Chief Executive, and was shared with the Cabinet prior to the Cabinet meeting on 20 February, and also with all Councillors ahead of the Council Budget Setting meeting on 27 February, which is in line with best practice and the Chartered Institute of Public Finance and Accountancy's (CIPFA's) expectations.

Summary

Hillingdon Council, like many other councils, is underfunded and endeavouring to meet many statutory needs and maintain essential services. In endeavouring to do so the Council has been heavily reliant on drawing down on reserves over recent years and is now in the position of having a significant savings target in 2025/26 that must be delivered, given reserves are now low for an authority of this size with the service pressures and risks it is managing. The fact that £34m of savings have to be delivered in 2025/26 is a significant and not inconsequential matter. A further £17.8m of savings are needed in 2026/27. Hillingdon has the lowest level of reserves against its nearest neighbours and the highest use of reserves in 2023/24 compared to its CIPFA nearest neighbours.

The Council has experienced significant demand in specific areas, including within adult social care, children and young people services, special educational needs and homelessness and needs to ensure it has policies and robust service and financial information in order to deliver savings within these services. The Council has chosen to continue to deliver a full range of universal services often at no extra cost to its residents where other councils have been charging for some years. This is an admirable achievement over many decades, but the financial pressures

mean Hillingdon will need to review this situation for 2025/26 and in its plans for future years.

In addition, all areas across the Council need to move very quickly to a corporate, more centralist, business-like and efficient basis of operation, if the Council is to achieve financial stability to allow the council time to develop a sustainable financial position.

Hillingdon provides many very good services to the residents and business and has had recognition on the quality of many of these services. It is a low tax borough, being the lowest of its comparator group of 16 London boroughs and notably £400 cheaper on a band D property than Harrow Council, being a neighbouring authority. It's fees and charges are very low and provide very good value to residents. Whilst this report is not about the quality, low charging and good value for money of services it is important to recognise these points.

Benchmarking of services underline this value for money point in many services which is a positive but again increases the challenge to make savings as does having had to make savings for a number of decades.

The Council has delivered very good services for many years, but the affordability and funding of these services is now under severe pressure. The budget report if approved makes steps towards recognising this very low charging environment, but it has been left late to do so in a desire to protect residents from increases, which has resulted in the need for a significant step change in years 2025/26 and 2026/27.

Hillingdon Council's information and governance arrangements need to be improved. This work is already underway.

Statutory Context

1. Section 25(1) of the Local Government Act 2003 ("the 2003 Act") requires the Chief Financial Officer (CFO) to report to Full Council on: -
 - a. The robustness of estimates made for the purposes of budget calculations, and
 - b. The adequacy of the proposed financial reserves
2. Section 25(2) of the 2003 Act requires Full Council to have regard to the CFO's report when agreeing its annual budget and precept.
3. In the London Borough of Hillingdon, the CFO (and Section 151 Officer, as defined in the Local Government Act 1972) is the Corporate Director of Finance, a role held by the current CFO on an interim basis since 1st August 2024. The S25(1) and S151 duties are the personal responsibility of the CFO and this statement is provided in the exercise of those statutory duties.
4. It represents the professional opinion of the CFO based on his time in role and the evidence available to him in respect of the reserves the Council

dropping from £62m in 2021/22 and anticipated to be £20.3m at the end of 2025/26, and in order to have this level of reserves, £34m of savings have to be delivered in 2025/26. There are some contingencies in the budget, but it is probable much of this will be needed to deal with specific and market risks in the year. The Council has recorded numbers reportedly delivering an average of £13.1m savings since 2010/11. This increased scale of savings requirement for 2025/26 and 2026/27 is a considerable consideration for this statement.

5. This Statement is the CFO's report for the purposes of Section 25(1) and forms part of the statutory advice given by the CFO pursuant to his Section 151 duties to the Council generally, and in addition to the advice that has been given throughout the year in preparation of the budget for 2025/26.

Macroeconomic Context

6. It is a demanding time for Local Government and Hillingdon is not exempt from these demands. Since 2010/11, local authority funding has fallen from 7.4% of GDP, and it falls further in CIPFA's forecast to 4.6% of GDP in 2028/29. Given local authorities statutory duty to provide a range of services where demand is likely to grow, for example adult and child social care and homelessness, pressure on local authority finances and services will continue. Children and adult care services now account for two thirds of the Council's budget which brings significant risks through their volatility in volumes and costs.
7. Hillingdon Council provides many services to its residents to a high quality and has done so for many years with a lower Council tax than its neighbouring authorities. This Statement is not in the main about the quality of these services, it is about the financial challenges Hillingdon faces, in common with most other councils, to continue to provide the same or similar range and quality of services on a financially sustainable basis.
8. The system of financing Local Government and the services it provides is broken. The dichotomy that Cabinet members and local councillors are placed in is in many councils near impossible to resolve under the current system of funding. Excellent councillors give up their time because they care passionately about their ward residents, yet national Government continues to provide insufficient funding for Local Government.
9. The reductions to Local Government funding, sustained periods of high inflation, huge increases in demand and the economic impact of international events such as Covid and international conflicts place many Councils in an extremely difficult financial position. Governments focus on the many changes ahead for Local Government creates uncertainty and risk.
10. Hillingdon is not shielded from these pressures. It has, throughout the last 15 years, delivered arguably what Government wanted maintaining low council tax through nil and minimal increases. However, this means that hard decisions are now needed that will impact services and charges in a way that

Councillors have strove to avoid. The more time that passes before these hard decisions are taken, the harder and more impactful those decisions will become. The passage of time has already and will continue to make the task of delivering the required financial improvements even more challenging. A 25% council tax increase was proposed in the Royal Borough of Windsor and Maidenhead is an example testimony to this point, albeit only a 9% increase approved by the Secretary of State. These increases result from late decisions on increases often with councillors understandably wanting to protect their residents from such changes that subsequently result in significant stepped increases later.

11. The Council has been and needs to continue to engage strongly and constructively with Government and the Greater London Authority to push hard for greater funding in recognition of the particular pressures unique to our borough. It is simply unacceptable that the residents of this borough are expected to meet the costs of addressing homelessness and other areas of the Council's business, that arise on account of the unique position of Hillingdon having the largest airport in the country, with inadequate funding from Government to account for that fact.
12. The new Government has provided a one-year spending round with a commitment to a future 3-year spending review. Whilst this spending review is welcomed as it will provide a degree of greater certainty in the short term, it has not removed the need for a significant increase in Local Government funding. Whilst we have received the settlement and a small amount of extra support, it does not address the need or uncertainties around future reform. The volume and complexity of those reforms is significant and includes a Spending Review, the promise of multi-year settlement, funding model reform and business rates modernisation, all overlaid with plans of significant structural reorganisation of the sector and further devolution. Reforms from several Whitehall departments who own policy responsibility for many services delivered by local councils will also be significant for our planning.
13. The fiscal landscape is uncertain. Inflation forecasts for this year's four quarters by the Bank of England Monetary Policy Committee show inflation at around 3.5% from the 1.7% level for the month of September 2024 upon which the budget was being drafted. The Autumn budget has created much uncertainty and worsened the outlook for local government future funding. Thus, Hillingdon Council must resolve many of its issues itself. This budget is about doing so.
14. All of these uncertainties place real risk on the extremely low, albeit adequate, reserves of the council and increase the importance of ensuring delivery of the very challenging budget to correct the financial direction and position of the Council.
15. Savings are agreed with, and must be owned by accountable Corporate Directors, with programme office delivery support where appropriate. This is essential for the council to avoid seeking exceptional financial support.

Hillingdon Council's Governance and Financial Position

16. The Council's governance arrangements need to be improved. This is not to say that all areas of the Council have governance issues but the number of nil and limited internal audit reports signal there are issues to resolve in several areas across the Council. Work has been undertaken to deal with some of these issues but there is more to do. A governance group is in the process of meetings to oversee this work. I would point to the risk management system that is relatively new but starts the building blocks for this aspect of good governance.
17. The external auditor, Ernst Young [EY], issued its annual Value for Money statement for 2022/23 stating that there were no issues in 2022/23 on the 3 areas this statement tests. These are value for money, financial sustainability, and economy, efficiency and effectiveness. However, in respect of the 2023/24 financial year, EY has concluded that there are significant weaknesses in the Council's financial sustainability and the Council's information

The EY External Auditor VFM conclusions for 2023/24 are:

- a. The Council does not have proper arrangements in place to identify and manage risks to its financial resilience. We have reached this conclusion based on a number of factors, including: The Council would have reported a significant overspend of £16.6 million (6.3% of the Council's net budget) for 2023/24 had it not been for two one-off accounting adjustments. These adjustments are unlikely to be available in future periods;
- b. The reserves of the Council identified by management as available to support Council spending decreased by 25% between 31 March 2023 and 31 March 2024;
- c. The cumulative deficit on the Council's Dedicated Schools Grant (DSG) increased by £25.6 million between 31 March 2023 and 31 March 2024, and at £47.5 million now exceeds the available reserves of the Council; and
- d. As of the mid-point of 2024/25, the Council is forecasting significant overspends for 2024/25 which we consider indicative that the Council did not fully understand and / or mitigate the scale of demand and inflationary pressures it faces when setting its Medium Term Financial Forecast for the period 2024/25 to 2028/29 during 2023/24.
- e. The Council does not have proper arrangements in place to ensure it takes properly informed decisions and supports challenge and transparency. We have reached this conclusion based on a number of factors including: The fact the Council was not able to meet the statutory deadline for commencement of the public inspection period of its draft financial statements, and when it did so the documentation

published by the Council did not comply with the requirements of the Accounts and Audit Regulations as the Council did not publish its Annual Governance Statement alongside the draft financial statements;

- f. Observations from the Council's internal auditor that "poor data quality, reliance on manual records and reliance on outdated systems that are no longer fit for purpose also impacted on the quality of documentation and performance data available" was a contributing factor to the overall level of assurance offered by the Head of Internal Audit in their annual opinion for 2023/24 being only 'Limited'; and
- g. The significant difficulties encountered in the delivery of the Council's external audit for 2023/24, including poor quality working papers and supporting information being provided by the Council.

EY will issue their final VFM narrative commentary in our 2023/24 Auditor's Annual Report which we expect to issue in March 2025.

- 18. EY have only recently shared their recommendations with management which were immediately reported to the Audit Committee, therefore management responses to their recommendations will also be included within the Auditor's Annual Report, to ensure that management are provided time to properly consider our recommendations. If EY are not satisfied with the Council's response to their recommendations, or the implementation of that response, we will consider exercising our further powers by making formal statutory recommendations.
- 19. My view is that the EY 2023/24 assessment recognises the position more appropriately than in previous years' VFM reports. If the Council is to avoid Exceptional Financial Support, (assuming that any application is accepted) then the identified 2025/26 savings must be delivered, and it is quite possible that further in year savings will be needed to offset any non-delivery. If the Council needs Exceptional Financial Support the level of influence the Council has over its own decision making lessens and in applying, the Council will have been expected to make some key decisions to demonstrate it has taken all the action it needed to before a request will be approved. When Government provides this support, it is usually provided by a capitalisation direction and in all cases the government has set a clear expectation that authorities continue to manage their financial situation and mitigate their financial pressures, as well as respond effectively to the individual challenges being faced and provide regular updates to Government on progress. Such support is provided on an exceptional basis, and on the condition that each local authority is subject to an external assurance review.
- 20. The reserves outturn of £24m at 31st March 2025 is subject to an £11m capitalisation exercise. This work will be undertaken by CIPFA. Any under-delivery will result in a reduction of our opening reserves position for 2025/26.

21. Government will be reluctant to provide exceptional financial support mid-year, and therefore were the authority to be in a position where its outgoings were to exceed its income there is a possibility that a s114 Notice would need to be issued. Once any S114 Notice is issued, all non-essential expenditure would be stopped, and it would be extremely likely that Commissioners would be imposed on the Council.
22. My concerns on signing off this budget from a robustness perspective arise from the financial system information and broader information available along with the scale of the savings required this coming year. There is a clear financial skills need in many parts of the organisation for the delivery of saving required. Capacity and capabilities must be seen as an organisational wide financial management issue and not just a Finance problem. There are information issues within the Council as a whole, including the financial information necessary to close the accounts. Financial monitoring has proven difficult with the inadequate implementation of Oracle and this alongside a past culture where service areas did not have proper responsibility and accountability for their budgets has made financial management a challenge for Hillingdon recently.
23. The Council has information issues that are in the process of being resolved. That has meant that the budget build information supporting growth and savings has been of mixed quality. It has also resulted in many movements in financial reporting this year.
24. The CFO is engaging the Chartered Institute of Public Finance and Accountancy [CIPFA] to assist Hillingdon with its financial capacity and capability needs. Without this help, the programme of improvement will not be developed. CIPFA will also be needed in delivering much of the Financial Improvement Plan. Many Councils need to both employ new skills and develop their existing in-house skills in this space. The Council has many skilled employees, but it just does not have enough of them. A range of senior officers have exited the Councils Finance team in 2024/25 including both the S151 and Deputy S151 officers. Recruitment and retention is of paramount importance in this recovery plan. It is essential the Council has that plan to attract high quality applicants and retain the many excellent people we have. That said, the Council must also deal with poor performance. Local Government has too many temporary resources and needs to be more careful when employing on this basis, noting it can only do so where it can recruit properly qualified and experienced staff. The Council needs to be an employer of choice given the options available to skilled employees. The culture of the organisation is of paramount importance.
25. There are financial management standards set out by CIPFA, and CIPFA will provide resources to both benchmark where finance services both within the Finance Department and service departments, and how financially capable departments and the organisation are, will be helpfully and positively tested so we can improve. It is important that this work is undertaken in a constructive way. The Council has recognised there are issues, and it needs an improvement plan. Recognising that there needs to be improvement is a

strength. The quality of information in 2023/24 has been judged by the external auditor EY to have significant weaknesses, and decision-making information needs to improve in many aspects, and in 2024/25 it is in the stages of that improvement. That does not mean that the Council is not providing residents with good services. It clearly is in a number of key assessed areas, as has been recognised by recent external reviews. What it means is that decision making is not being facilitated in the way it should with high quality information. This has impacted our financial position.

26. The Council needs to fund an improvement plan using its capital receipts. The £17m required in the capital receipts programme to fund this transformation is very necessary. Any shortfall in capital receipts will put the transformation programme at risk, and underlines the connectivity of all parts of this budget strategy, should one part not deliver.
27. The Council must always be aware of changes to grants programmes particularly ahead of the Government's fundamental review of Local Government funding. We are expecting a three-year funding review for 2026/27 and that will bring some certainty, but we must be ready for further changes ahead should some grants cease to continue.
28. Financial skills are not just a requirement in the finance team. In the CFO's view, financial and commercial skills are insufficiently honed in, in some parts of the Council and that is an inherent part of the issues the organisation faces and must resolve. The Finance Department must be capable and have sufficient capacity and systems. It is essential that sound financial and commercial skills exist in all departments.
29. The culture of the Council needs to be one where overspending is 'unacceptable'. To do so requires a budget that is challenging but achievable. The 2024/25 budget required a significant in-year rebasing exercise but that was clearly insufficient. The 2024/25 budget is still under severe pressure with a net forecast overspend of £10m after mitigating actions including an £11m capitalisation requirement as already highlighted. These mitigating actions were only decided upon halfway through the year to stabilise a high-risk situation.
30. The optimism bias in budget build and delivery of the budget was too great, and its delivery was clearly not sufficient. Departments report adjustments made in isolation by finance and insufficient understanding and oversight of late adjustments to the budget. Reserves movements have not been as visible as could have been for many years. A more transparent and open approach is needed. Netting budgets off and amalgamations need to stop as a practice. Much progress has been made in this narrow respect in particular as these are public reports.
31. IFRS9 changes relating to pooled investments has a negative reserve of some £1m. This statutory override ends this year and could result in a charge to the revenue account for some or all of this amount. Provision has been made for some two thirds of this.

32. The Council has limited exposure to commercial ventures and has not engaged in property investments, at the scale that many boroughs already in exceptional financial support did. This is a strength of the borough.
33. Exposure to inflation is high particularly given the increased Bank of England forecasts since the Autumn budget.
34. The Council also has exposure to interest rate fluctuations. Our average investments are kept around £25m so any 1% change would have an impact of £250k. Whilst most of our loans are fixed-term, the Treasury Management report (Appendix D), notes that refinancing of the existing loans or new loans could cost an additional £1.0m if interest rates were to be 1% above that assumed.
35. A number of areas have not been reviewed for many years. The Council will, for example, receive a stock condition survey on its housing stock for review work to commence in March this year. The Council have ensured they get this assessment as it is essential to provide the information necessary to work out a revised 30-year Housing Revenue Account Plan and this could have significant financial impacts on the Council.
36. The Council's overhead apportionment model needs a full review. There has been insufficient time to do this work this year primarily due to lateness of commencing work to mitigate the overspend and due to work that had to be undertaken to review the robustness of information and the granular details of plans of management upon which to produce a budget for 2025/26. Staff turnover and knowledge loss is an issue that is still being dealt with. The Finance Department needs to rebuild, retaining the good people that have stayed with the Council in balance with new people and additional skill sets. It is important that new and existing staff learning from each other is in both directions.
37. The governance arrangements of the Council must be improved. They are not adequate for an organisation of our complexity. The Oracle system implementation was not sufficiently resourced and was seen as a finance project rather than a fundamental change to the whole Council's operating system. Oversight was poor and siloed. This is now chaired by the Digital Transformation team with strong support though the finance team and other parts of the Council.
38. The CFO has endeavoured to de-risk the budget by including some contingency but given the risks ahead he cannot be certain that this is sufficient. Reserves are very low for a borough of the Council's size with the risks in key areas such as adults care, homelessness, and children's services. Councils run services where demand has increased significantly. The majority of services we run increase costs as demand increases unlike a private sector run company. Legal duties put significant requirements on councils and successive Governments have underfunded local authorities.

Our DSG deficit currently forecast to be £69m by March 2025 is a serious issue.

39. It has been an important year for Hillingdon Council. This is the year that the Council has recognised the scale of challenges ahead, and that it can no longer continue to draw on reserves every year which it has done for the past 5 years. That said the 2025/26 budget does need to draw down these reserves again to the value of £4.2m
40. If the average reported level of savings from 2010/11 to 2024/25, which is £13.1m, were to be delivered in 2025/26 out of the £34.0m then £20.9m of the savings would not be delivered. We have a contingency of £10.5m, which would leave a £10.4m problem (£20.9m minus £10.5m). This would mean that the target saving level for 2026/27 would be £10.4m plus the existing requirement of £17.8m, so the Council would face a £28.2m budget gap, £5.8m lower than the budget gap in 2025/26. This underlines the importance of delivering the 2025/26 budget.
41. The Council has a very low taxation level which is of significant financial benefit to its residents. Many of its services are relatively low cost in benchmarking exercises but nevertheless the Council needs to review its service access policies, the service levels provided and how these are provided. Without a fundamental change in the way the Council operates to enable the delivery of the 2025/26 and 2026/27 savings programmes, which is now the largest at £34m this coming year. There are £17.8m of savings needed in 2026/27 on top of this. It needs to be clearly understood that the delivery of a substantial majority of these savings needs to be delivered to avoid some form of financial support either in 2025/26 or 2026/27. The Leader and Cabinet recognise this possibility and have asked officers to continue engaging with MHCLG officials on our current financial situation as many other Councils are doing. In addition, the Leader and Finance and Transformation Cabinet Member have assured the Chief Executive, Chief Operating Officer and I that they will take the necessary in year budget decisions to reduce overspends and increase income if needed to do all that can be done to avoid an EFS situation.
42. In building the options for this budget officers discussed increasing the Council tax, EFS funded by capital receipts, and EFS funded by borrowing with the Leader and Cabinet Member for Finance and Transformation. These options were not politically acceptable this year. The Cabinet have opted for a significant savings programme which is intended to protect resident's services for a further year without increasing the Council Tax charge beyond the maximum 4.99%. If a significant delivery is not achieved the budget gap will increase in future years and future year savings targets will increase due to the year-on-year nature of the budget.
43. It is essential that savings are fully developed and underwritten to ensure delivery, and that undeliverable savings do not roll forward into future year's budgets. Councillors have maintained a focus on protecting essential services such as refuse collection, parks and greenspaces and keeping

down the costs of resident parking and investing in highways. There is also significant protection of resident fees and charges where the Council have increased charges but from a very low base. As with a low Council tax level this again places pressure on the Council's funding. These are fully understandable as political decisions that benefit residents but inevitably places the savings target delivery on all other service areas thus increasing the possibility of non-delivery of some of these savings.

44. Governance across the Council needs to be improved. There are too many nil assurance and limited assurance reports. These are red flags that there are cultural ownership issues of good governance. Good governance is the responsibility of all officers and members, not just the responsibility of management or the "corporate core". The officer leadership team have commenced work on this, but capacity to deliver at pace is now required. The organisation must address this as a matter of urgency.
45. The Audit Committee have a key role in this area and must take a stronger role in governance improvement assurance, reporting more regularly to the Cabinet who should rely upon the Audit Committee to provide regular assurance reports.
46. The Council continues to face challenges, the most significant of these issues appear to be:
 - The accounts of 2022/23 were disclaimed by the External Auditor. This means that the Council's accounts are not fully assured but neither are they qualified. In essence, they are somewhere in the middle where, because of the backstop dates, there is insufficient audit evidence available with these time constraints for the External Auditor to state, in their opinion, whether the financial statements are properly put together and free from material error. This is a significant governance concern of critical importance. It means a full balance sheet review will be needed as part of the CIPFA work the CFO has commissioned. The Council needs to know whether and to what extent there are issues within its balance sheet that materially affect its financial standing, whether positively or negatively.
47. The Council needs cross-party political support to lobby for more funding. This needs national resolution. Government needs to recognise the costs that present themselves to the borough from hosting Heathrow airport within its boundary.
48. The funding provided through to the NHS is significant and necessary and the Council awaits a properly funded solution for adult social care.
49. In taking decisions on any budget all Members must first and foremost understand the underlying funding challenges which the Council faces and set these associated decisions within the context of the overall financial environment the Council operates within. This report endeavours to help in this respect notwithstanding we have only had a single year funding review from Government.

50. The funding assumptions of the government grant settlement have been eroded by the pressures that inflation places on the Council's budget. Hillingdon's budget allows for reasonable inflation, but it is impossible to be certain on its adequacy given this serious economic issue. In addition, the Council must not pick up the financial costs that the private sector encounters from the fiscal decisions in November's Government budget. Whether the Bank of England has acted fast enough to help drive growth with the sticky inflationary position remains to be seen. The impact of inflation will require a robust financial response from the Council in respect of those who contract with the Council and be kept under regular review. The Council would need to increase the inflationary provision in its budget by a further £4m to meet the latest forecast change in inflation since September CPI. This is a risk that could potentially draw on the contingency budget if it crystallises.
51. In forming this statement of the robustness of the budget estimates and adequacy of reserves the CFO has reviewed the position in reasonable detail with the Chief Executive and Corporate Management Team. An assessment of the potential risks facing the Council have indicated a range of reserves to be built up between £32m to £57m – a summary of the risks included in this analysis is set out in Appendix A.
52. The CFO conclusions have been shared in writing with the Cabinet Member for Finance and Transformation and the Chief Executive, and discussed with the Leader and Cabinet Members ahead of the Cabinet meeting and decisions regarding the recommending of the budget to full Council, as part of the Council's overall governance and financial stewardship arrangements.
53. It is important that there is ownership at all levels from both political leadership and officers, that there is a need for a more robust financial process for delivering services within budget. Ongoing current work and additionally with CIPFA, will help in this respect.
54. All Members must also be aware that the calculation of the budget is, in its simplest form, dependent on three key factors, which are set in the context of the level of support from central government, these are:
- The structural growth and savings in service expenditure or income;
 - The level of increase in local taxation (council tax); and
 - The level of reserves and balances.
55. With regard to the Housing Revenue Account where Local Authorities were allowed to raise Housing Rents by CPI+1%, this principle continues into 2025/26 and this will ensure that the years of lost income from the 1% reduction in rents better supports tenants in an improved way and the upkeep of the housing stock. The Council will need to review the HRA account in more detail as part of and after the 30-year business plan is produced for Cabinet

Growth, Savings and income options in service expenditure

56. Proposals for growth, savings and income generation in service expenditure are ultimately a matter of political judgment balancing the needs and priorities of the borough within the available revenue resources. In balancing such decisions Members must have regard to the professional advice of officers in such matters as service need, statutory responsibility, changes to Government legislation, demographic factors (particularly in respect of demand-led services), and unavoidable cost pressures whilst always having regard to the need to remain within the statutory requirement to balance the budget and to keep within that budget and available reserves once the budget is set. This report forms part of that advice.

The Level of Reserves and Balance

57. The level of reserves and balances are principally the responsibility of the s151 officer and are key to ensure the financial sustainability of the Council. The reserves level must be kept under review and delivery of services within the 2025/26 budget is essential.
58. In addition, whilst it is not possible to be certain that there are no further legacy issues that will emerge in the future, impacting on the assumptions and estimates made and reported here, the engagement of CIPFA for a Balance Sheet review will assist in gaining a greater understanding of this risk.
59. The CFO has endeavoured through asking the Corporate Management Team to both remove what appeared to be non-robust savings and added in real growth pressures to the budget as proposed and additionally allowed reasonable stretch targets without over-optimism bias. Nevertheless, the scale of the ask still presents a significant challenge even after these adjustments. Undelivered savings have increased this year's target.
60. Whilst the Budget includes investment in the capital programme for the next five years there needs to be further work in respect of the stock condition of the Council's assets, for the HRA in particular as well as the General Fund. Many of the Council's assets will need condition surveys and decisions on their future use. The Cabinet have requested officers to create an asset management strategy. Invest to save options will face stringent and thorough testing prior to commencement.
61. It is not possible to give full robust assurance to this budget given the scale of savings needing to be delivered in a single year. This is a very high-risk budget the robustness of which will need to be kept under careful and regular review. The Target operating Model (TOM) is a culmination and collective of transformation plans that will need to be firmed up urgently to ensure their delivery in year. Officers will need to focus on delivery of the overall savings to deliver the political choices made. The financial position reported at the end of the first quarter will be a significant milestone on this journey. The transformation plans increase and extend in future years

budgets throughout this budget strategy. They are an ongoing commitment and must in the main be cashable.

62. The scale of challenge is such that the budget may go out of balance quickly and with only adequate and not sufficient reserves that could cause problems in the 2025/26 and/or 2026/27 financial year(s). It is for that reason that the Council must commence the delivery of the savings at the start of the financial years.
63. If the budget goes out of balance the Cabinet will need to take alternative and urgent decisions, including policy changes, to regain balance.
64. Governance and compliance with codes and standards will be tested utilising the Chartered Institute of Public Finance and Accountancy (CIPFA) review team. This will be part of the gap analysis work on where we are against best practice.

DSG

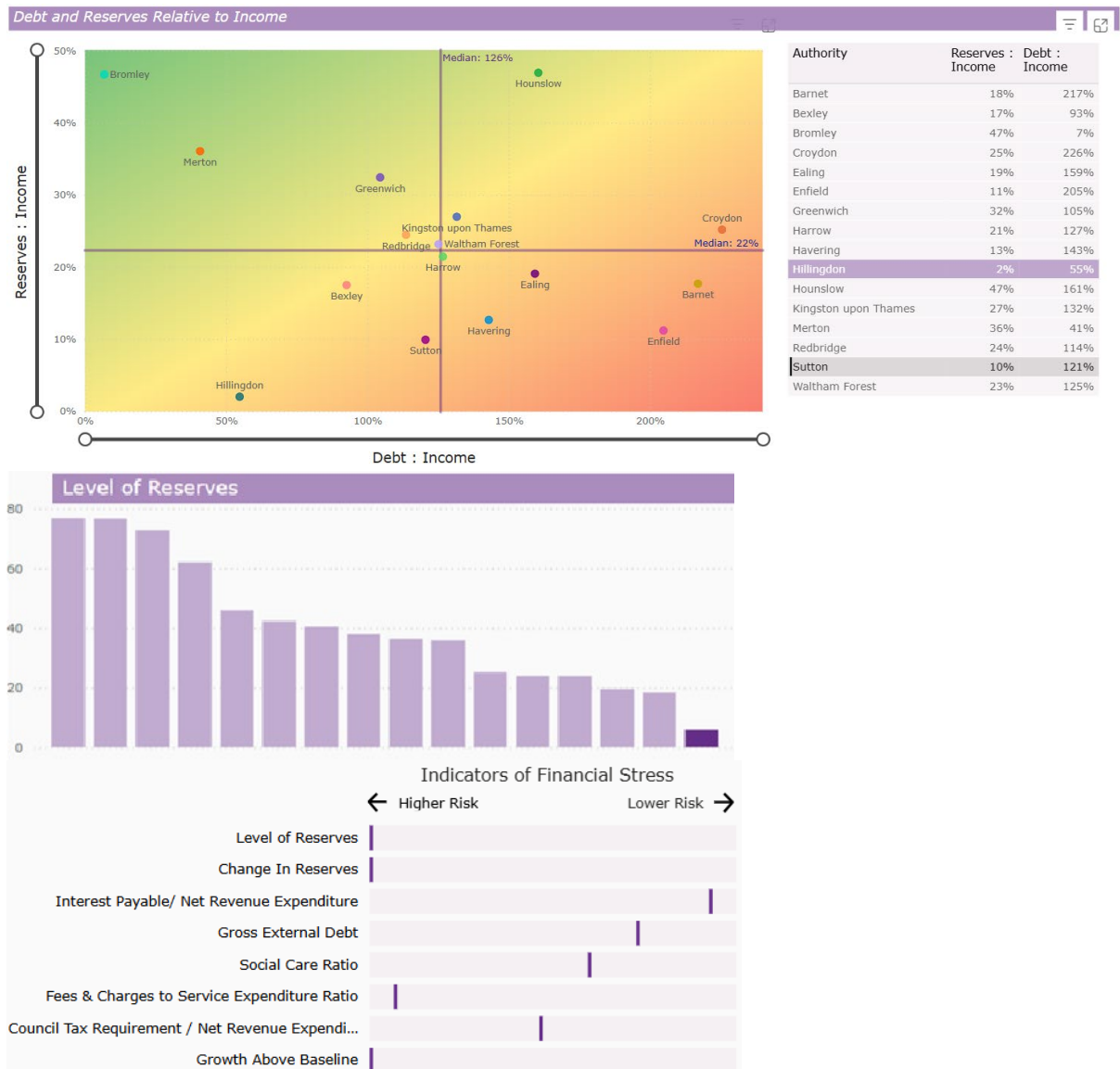
65. The Council will have a Dedicated Schools Grant (DSG) Special Educational Needs and Disabilities grant (SEND) deficit by the end of this year of circa £69m. This is held as a negative reserve on the balance sheet. There is a statutory override in place until the end of March 2026.
66. The expectation is the Government will find a solution towards dealing with (and accounting for) the deficit accumulated prior to 2025/26 or prior to 2026/27. The DSG SEND deficit is however, a significant financial risk to the Council irrespective of the future financial arrangements for the statutory override. Were this statutory override to be removed the Council does not have sufficient other reserves available and would require Exceptional Financial Support from the Government.

Housing Revenue Account

67. The Housing revenue account reserves are adequate and estimates robust for the purposes of budget calculations. There is a significant development programme within the HRA. The main risk area in this account is the stock condition survey due to be received soon, that will need a thorough review upon receipt and will reset the 30-year business plan for the Council. This will form a key part of the 2026/27 budget.
68. In addition, the recharges review that will be undertaken by CIPFA will include this account. The Council will also need to keep a watchful eye on the rising level of debt within this account given the government's policy position to increase the number of social housing homes built over the remaining term of this Parliament.

CIPFA RESILIENCE INDEX:

69. CIPFA provide advice to Chief Financial Officers in forming their views on the robustness of reserves and resilience of reserves and point to the relative position of an authority in comparison to a cohort of similar sized authorities with comparable demographic composition. CIPFA’s resilience index illustrates that Hillingdon has not been a high spending (and borrowing) authority and thus has a relatively low (healthy) debt to income ratio – being third lowest out of the sixteen in the comparator group. However, as noted elsewhere in this report, the Index illustrates the relative low level of reserves held to mitigate specific future pressures or risks. The charts for Hillingdon available on CIPFA’s website are replicated below:



Conclusions:

On the binary decisions on robustness of estimates and adequacy of reserves for the General Fund my conclusions are:

- 1. The estimates are not sufficiently robust for the purposes of the budget calculations, given the scale of delivery needed, and the issues and uncertainties set out above.**
- 2. Reserves are adequate, given the pressures the Council faces but this is a marginal call judgement. To be clear this is very different to concluding that the reserves are ample, but rather that reserves are only just enough. Reserves are very low and must be rebuilt.**

In summary, the next financial year is an incredibly important year for Hillingdon Council. In order for the budget to remain balanced and lawful, in the lead up to and throughout the coming financial year, it will be crucial for the actions [set out in this statement and the budget paper] to be implemented.

**Richard Ennis
Corporate Director of Finance-S151 Officer
London Borough of Hillingdon**

**Appendix A to the S25 Statement - Balances & Reserves Policy -
Assessment of General Fund Reserves Requirement**

Assessment of General Fund Reserves Requirement	Minimum Level 2025/26 (£ million)	Maximum Level 2025/26 (£ million)	Minimum Level 2024/25 (£ million)	Maximum Level 2024/25 (£ million)
General financial climate to which the Council is subject to in terms of funding	3.0	6.0	2.5	7.0
The overall financial standing of the authority	2.0	4.0	2.0	4.0
Estimates of level of locally raised income	1.0	3.0	3.0	5.0
The treatment of planned efficiency savings / productivity gains	8.0	15.0	4.0	7.0
The treatment of inflation and interest rates	2.0	4.0	6.0	7.0
The financial risk inherent in major contract arrangements	2.0	4.0	2.5	5.5
The treatment of demand led pressures	4.0	7.0	4.0	7.0
The financial risks inherent in any major capital developments	2.0	3.5	2.0	3.5
Estimates of the level and timing of capital receipts	3.0	6.0	1.0	2.0
The availability of reserves and other funds to deal with major contingencies and pressures	5.0	5.0	5.0	4.0
Unallocated GF Reserves	32.0	57.5	32.0	55.0

8. CABINET RECOMMENDATIONS That:

- 1** The General Fund revenue budget proposals made by Cabinet be approved, resulting in a Council Tax requirement for 2025/26 of £154,125,910;
- 2** Council note that at its meeting on 16 January 2025 the Council calculated the amount of 105,422 as its Council Tax Base for the year 2025/26 This was calculated in accordance with the Local Authorities (Calculation of Council Tax Base) (England) Regulations 2012, as its Council Tax Base for the year *(Item T in the formula in Section 31B (3) of the Local Government Finance Act 1992)*;
- 3** The Hillingdon element of Council Tax be set at £1,462.00 for a Band D property. Taking into account the precept levied by the Greater London Authority, this results in an overall Band D Council Tax of £1,952.37 for the borough;
- 4** The following amounts have been calculated by the Council for the year 2025/26, in accordance with Sections 32 to 36 of the Local Government Finance Act 1992 (the Act):
 - a) £974,250,324** being the aggregate of the amounts that the Council estimates for the items set out in Section 31A (2) (a) to (f) of the Act. *(Gross Expenditure including the amount required for additions to working balances)*
 - b) £820,123,360** being the aggregate of the amounts that the Council estimates for the items set out in Section 31A (3) (a) to (d) of the Act. *(Gross Income including reserves to be used to meet Gross Expenditure)*
 - c) £154,125,910** being the amount by which the aggregate at 4 (a) above exceeds the aggregate at 4 (b) above. This is calculated by the Council in accordance with Section 31A (4) of the Act, as its Council Tax requirement for the year. *(Item R under Section 31B of the Act)*
 - d) £1,462.00** being the amount at 4 (c) above divided by Item T (2 above). This is, calculated by the Council in accordance with Section 31B of the Act, as the basic amount of its Council Tax for the year. *(Council Tax at Band D for the Council)*

The London Borough of Hillingdon Council Tax (£)			
Band A	Band B	Band C	Band D
974.67	£1,137.11	£1,299.56	£1,462.00
Band E	Band F	Band G	Band H
£1,786.89	£2,111.78	£2,436.67	£2,924.00

being the amounts given by multiplying the amount at 4 (d) above by the number which, in the proportion set out in Section 5 (1) of the Act, is applicable to dwellings listed in a particular valuation band divided by the number which in that proportion is applicable to dwellings listed in valuation B and D. This is calculated by the Council in accordance with Section 36 (1) of the Act, as the amounts to be taken into account for the year in respect of categories of dwellings listed in different valuation bands;

- 5 Council note that for the year 2025/26 the Greater London Authority and its functional bodies have stated the following amounts in precepts. These have been issued to the Council, in accordance with Section 40 of the Act, for each of the categories of dwellings shown below:

The Greater London Authority Precept (£)			
Band A	Band B	Band C	Band D
£326.92	£381.41	£435.89	£490.38
Band E	Band F	Band G	Band H
£599.35	£708.33	£817.30	£980.76

- 6 The Council has calculated the aggregate in each case of the amounts at 4 (e) and 5 above. The Council in accordance with Section 30 and 36 of the Local Government Finance Act 1992 hereby sets the Council Tax for the year 2025/26 for each category of dwelling below:

Total Council Tax 2025/26 (£)			
Band A	Band B	Band C	Band D
£1,301.59	£1,518.52	£1,735.45	£1,952.38
Band E	Band F	Band G	Band H
£2,386.24	£2,820.11	£3,253.97	£3,904.76

- 7 The Council Tax Discount for Older People be retained for 2025/26 with a 1.43% discount on Hillingdon's element of the Council Tax for those who joined the scheme on or after 1 April 2020, 3.27% for those who joined the scheme before or on 31 March 2019 and 6.98% for those who joined before or on 31 March 2018, with the scheme closed to new applicants from 1 April 2021;

- 8 The General Fund Capital Programme for 2025/26 to 2029/30 as set out in Appendix A8 of the background report to Cabinet be approved;

- 9 The Housing Revenue Account budget proposals, HRA Capital Programme and housing rents set out in Appendix B of the background report be approved;

- 10 The proposed amendments to Fees and Charges set out in Appendix C of the background report to Cabinet be approved;

- 11 **Capital Investment Strategy, Treasury Management Strategy, Investment Strategy, Minimum Revenue Provision Statement for 2024/25 to 2029/30 as set out in Appendix D of the background report to Cabinet be approved;**
- 12 **The London Borough of Hillingdon Pay Policy Statement for 2025/26 as set out in Appendix E of the background report to Cabinet be approved;**
- 13 **Council note the transformation plan, as set out in Appendix G of the background report to Cabinet, and the use of £17m of capital receipts for this purpose, subject to Government confirmation on utilising receipts for this purpose for a further year.**
- 14 **Council note the Corporate Director of Finance's comments regarding his responsibilities under the Local Government Act 2003 as set in his Section 25 Statement accompanying the Budget Report recommended by Cabinet;**
- 15 **Council (as set out in Schedule G of the Constitution - Budget and Policy Framework Procedure Rules) resolves that Cabinet may utilise the general reserves or balances during 2025/26 in support of functions designated to the Cabinet in line with Part 4 of the Constitution;**
- 16 **Council confirm that the Council's relevant basic amount of Council Tax for 2025/26 is not excessive in accordance with principles approved under Section 52ZB Local Government Finance Act 1992 and therefore a referendum will not be triggered.**

Greater London Authority Precept

9. As one of thirty-three billing authorities across the capital, the London Borough of Hillingdon collects Council Tax on behalf of the Greater London Authority (GLA) which is paid over in full as the annual precept. While the Council has no control over the level of this precept or the resulting GLA share of Council Tax payable by residents of the borough, current regulations require that billing authorities calculate the total amount of Council Tax payable as part of the budget setting resolution. The level at which the GLA sets the precept for the forthcoming year does not impact upon the Council's own budgets or the Hillingdon share of Council Tax.
10. The GLA precept this year is set to increase by £18.98 per annum, of this increase, £14 will be applied for policing, with non-police services increasing by £4.98. The GLA have therefore increased their precept by £18.98, or 4.03%, to cover rising costs associated with these areas, this takes the GLA precept to £490.38 for a Band D property.

Council Tax Referendums

11. Schedule 5 of the Localism Act 2011 inserted into the Local Government Finance Act 1992 Chapter 4ZA of Part 1 makes provision for a Council Tax referendum to be held if an authority increases its relevant basic amount of Council Tax in excess of principles determined by the Secretary of State for Communities and

Local Government. Section 41 of the Local Audit and Accountability Act 2014 amended Chapter 4ZA of Part 1 of the Local Government Finance Act 1992 by imposing new obligations on the Council. These include a requirement that as soon as is reasonably practicable after determining that it is required to hold a referendum in relation to its relevant basic amount of Council Tax for the financial year, the Council must notify that fact in writing to any body that has issued a levy or a special levy to it for the financial year.

12. The Secretary of State has determined the principles for the year 2025/26 under section 52ZC (1) of the Local Government Act 1992 that a Council Tax increase will be excessive if the authority's relevant basic amount of Council Tax for 2025/26 is 5% or greater than its relevant basic amount of Council Tax for 2024/25. This 5% threshold for excessive increases includes the 2% additional flexibility available to local authorities with responsibility for providing Adult Social Care.
13. The relevant basic amount of Council Tax as calculated is the same as the Band D Council Tax for Hillingdon and if the proposals within this report are approved there will be a 4.99% increase in the Council Tax level between 2024/25 and 2025/26 and is therefore not excessive.

Financial Implications

14. This is a financial report, and the comments of Corporate Finance are contained throughout.

Legal Implications

15. As is mentioned in the body of the report, the Local Government Finance Act 1992 has been amended by both the Localism Act 2011 and section 41 of the Local Audit and Accountability Act 2014. For this year local authorities are required to hold a referendum if there is an increase in the relevant basic amount of Council Tax of 5% or greater than its relevant amount of Council Tax for 2025/26.
16. The Cabinet's proposals for the 2025/26 Council Tax requirement, as set out in the attached report, do not require a referendum to be held and therefore the notification requirements as set out in Section 41 of the Local Audit and Accountability Act do not apply.
17. Finally, Members must have regard to Section 106 of the Local Government Finance Act 1992. This provides that a Member who has not paid an amount due in respect of Council Tax for at least two months after it becomes payable, may not vote on matters concerning the level of Council Tax or the administration of it. Therefore, any Council Members who are more than two months in arrears with their Council Tax payments must make a declaration to this effect at the beginning of the Council meeting.