

## BUDGET & SPENDING REPORT - SELECT COMMITTEE MONITORING

Committee name	Residents' Services Select Committee
Corporate Director(s) responsible	Dan Kennedy, Corporate Director of Residents' Services
Papers with report	N/A
Ward	All

### RECOMMENDATION

That the Select Committee:

1. Notes the 2025/26 Month 5 budget monitoring position

### HEADLINES

This monitoring report provides an update on the 2025/26 Month 5 budget position relevant to the Select Committee. Corporate Directors, supported by their Head of Finance, will attend the meeting to provide further details and clarifications.

### GENERAL FUND

#### 2025/26 MONTH 5 BUDGET MONITORING POSITION

As at Month 5 Service Operating Budgets that fall within Resident's Services are forecasting a net overspend of £8.8m against normal operating activities, a £2.1m adverse movement from Month 4.

Table 1 provides an overview of the Residents' Committee's Month 5 budget monitoring position by portfolio. It includes adjustments made to the forecast for Earmarked Reserves, Provisions and Transformation Capitalisation.

Table 2 provides a detailed breakdown of the Residents' Committee's outturn by service area.

Community & Environment are forecasting a pressure of £1.5m by the end of the year, representing a favourable movement of £0.5m from Month 4. £1.7m of this relates to income, the largest driver for which is the forecast shortfall against the Garden Waste subscription fee of £0.8m, with further pressures across other income streams including the delivery of the Trade Waste income target rolled forward into 2025/26. There is a shortfall in rolled forward Pay and Display machines parking income by £0.8m but this is offset by higher-than-expected On- Street income of £0.4m. The underspend against expenditure is largely driven by staff vacancies being held to support the position where possible.

Planning, Housing & Growth are reporting a net overspend of £7.3m, representing an adverse movement of £2.6m from Month 4. The overspend is driven by a gross expenditure pressure of £16.5m offset by additional income of £9.2m. The gross pressure is largely driven by temporary accommodation and homelessness support pressures. This reflects a national pressure, but with Hillingdon particularly impacted by Heathrow having a material impact on local supply and demand economics. The additional income is linked to the same driver whereby the additional demand for temporary accommodation attracts Housing Benefit Subsidy payments and grant funding where applicable. The movement in this area is wholly driven by this pressure, with further risks reported in the summary of this report, particularly

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Classification: Public

relating to the arrival of UK nationals needing homeless support.

The reported position includes a net drawdown of (£544k) from Earmarked Reserves to support the following activity: (£130k) for Ward budgets, (£52k) for a Fleet compensation claim, (£193k) for the Hillingdon Local Plan, (£30k) for the West London Waste Plan and (£236k) has been drawdown from the Homeless Prevention Reserves for specific roles in Homelessness. These have been netted down by a contribution to the Textiles Surplus Reserve of £2k and a contribution to the Strategic Planning reserve of £52k.

With Transformation activity underway to deliver against the Council's saving programme, the position within Residents' services is predicated on using £1.0m of capital receipts to fund implementation costs in line with the Government's guidance.

The savings requirement for 2025/26 is £9.9m, this position has been supplemented by a further £1.6m of prior year savings carried forward into 2025/26, resulting in an overall programme of £11.5m savings being deliverable in year. This is shown in table 3.

As of Month 5, £5.4m (47%) of the savings and interventions are being recorded as banked or on track for delivery, with a further £2.4m (21%) being at initial stages of delivery. In addition, £3.3m (29%) are being reported as having potential challenges in delivery, with alternative delivery methods being considered in-year where appropriate. A further £0.4m of savings (3%) are now considered to be undeliverable and will need to be written out of the Council's budget from 2026/27. The full £0.4m relates to the brought forward balance from the prior year.

Where savings are at risk of not being delivered in full during 2025/26, the associated pressures have been factored into the monitoring position with compensating actions being implemented where possible to offset these pressures.

## **RISKS & MITIGATIONS**

The main financial risk identified in Month 5 for Residents Services remains in the high cost of short-term temporary accommodation and high demand from homeless families. Within the Homeless Service, there is therefore a programme to significantly manage demand and move service users to more cost-effective accommodation and cheaper housing supply as mitigation.

Another area of financial risk for Residents services is reduced income from some aspects of parking services. Mitigation of this is through a programme of review to assess reasons for the drop in income and actions reduce costs of the service.

## **Housing Revenue Account (HRA)**

As at 25/26 Month 5 the HRA showed a breakeven position with an underspend in Operational Asset activities including repairs, caretaking and grounds maintenance. This was countered by overspends on Housing Tenancy services. This has led to a forecast overspend on operating budgets of £0.86m which is absorbed within the Capital Financing. There are mitigations in process to reduce relevant overspends in operating budgets.

HRA Savings are in the process of being realised. However, this is dependent on reductions in expenditure in General Fund support functions. This would then mean a reduction in Recharges to the HRA of £1.0m. The extent of these savings is therefore being closely monitored in conjunction with support service managers.

## **PERFORMANCE DATA**

N/A

## **RESIDENT BENEFIT**

Regular monitoring of financial performance ensures that spending and savings targets are met, which supports the efficient delivery of services to residents. By closely tracking expenditure and identifying variances, the council can take timely corrective actions to address overspending and mitigate risks. This also enhances public transparency and accountability, providing residents with confidence that their Council is managing finances prudently and prioritising their needs. Overall, regular monitoring supports safeguarding the Council's finances and the delivery of quality services to residents.

## **FINANCIAL IMPLICATIONS**

This is primarily a finance report and the implications are set out in the main body of the report above.

## **LEGAL IMPLICATIONS**

There are no direct legal implications arising from regular monitoring of the council's finances by select committees.

Democratic Services advise that effective overview and scrutiny arrangements require access to the information under the Committee's purview and, in accordance with the 2024 Statutory Scrutiny Guidance, such information includes finance and risk information from the Council, and its partners where relevant.

## **BACKGROUND PAPERS**

NIL

## **APPENDICES**

1 – Tables 1-5

## Appendix 1 – Tables 1-5

**Table 1 – 2025/26 Month 5 Budget Monitoring Position by Portfolio**

Portfolio			Approved Budget	Underlying Forecast	Earmarked Reserves	Provisions	Transformation Capitalisation	Management Action	Forecast Outturn	Final Forecast Variance	Forecast Variance Prior Month	Change in Variance
Commuity & Environment	Residents Services	Expenditure	72,535	72,882	(183)	0	(741)	320	72,278	(257)	(28)	(229)
		Income	(41,191)	(40,231)	2	0	0	781	(39,448)	1,743	1,978	(235)
		Sub-Total	31,344	32,651	(181)	0	(741)	1,101	32,830	1,486	1,950	(464)
Planning, Housing& Growth		Expenditure	24,469	40,264	(459)	0	(270)	1,393	40,928	16,459	11,103	5,356
		Income	(15,048)	(24,285)	52	0	0	0	(24,233)	(9,185)	(6,399)	(2,786)
		Sub-Total	9,421	15,979	(407)	0	(270)	1,393	16,695	7,274	4,704	2,570
	Residents Services Total	Expenditure	97,004	113,146	(642)	0	(1,011)	1,713	113,206	16,202	11,075	5,127
		Income	(56,239)	(64,516)	54	0	0	781	(63,681)	(7,442)	(4,421)	(3,021)
		Total	40,765	48,630	(588)	0	(1,011)	2,494	49,525	8,760	6,654	2,106

**Table 2 – 2025/26 Monitoring Position by Service**

Portfolio			Approved Budget	Underlying Forecast	Earmarked Reserves	Provisions	Transformation Capitalisation	Management Action	Forecast Outturn	Final Forecast Variance	Forecast Variance Prior Month	Change in Variance
Commuity & Environment	Director Environment And Leisure Residents	Expenditure	47,384	47,091	(53)	0	(135)	(165)	46,738	(646)	(448)	(198)
		Income	(17,779)	(16,980)	2	0	0	950	(16,028)	1,751	1,701	50
		Sub-Total	29,605	30,111	(51)	0	(135)	785	30,710	1,105	1,253	(148)
	Head of Transport & Town Centres Projects	Expenditure	2,302	2,189	(130)	0	0	0	2,059	(243)	(49)	(194)
		Income	(582)	(512)	0	0	0	0	(512)	70	69	1
		Sub-Total	1,720	1,677	(130)	0	0	0	1,547	(173)	20	(193)
	Corporate Director Place	Expenditure	410	513	0	0	(266)	266	513	103	87	16
		Income	0	0	0	0	0	0	0	0	0	0
		Sub-Total	410	513	0	0	(266)	266	513	103	87	16
	Community Safety And Enforcement	Expenditure	15,783	16,558	0	0	(310)	219	16,467	684	404	280
		Income	(20,368)	(20,315)	0	0	0	(169)	(20,484)	(116)	189	(305)
		Sub-Total	(4,585)	(3,757)	0	0	(310)	50	(4,017)	568	593	(25)
	Community Services	Expenditure	6,506	6,277	0	0	0	0	6,277	(229)	(96)	(133)
		Income	(2,462)	(2,365)	0	0	0	0	(2,365)	97	19	78
		Sub-Total	4,044	3,912	0	0	0	0	3,912	(132)	(77)	(55)
	Health & Safety And Emergency	Expenditure	150	254	0	0	(30)	0	224	74	74	0
		Income	0	(59)	0	0	0	0	(59)	(59)	0	(59)
		Sub-Total	150	195	0	0	(30)	0	165	15	74	(59)
Planning Housing & Growth	Director Planning Regeneration and Environment	Expenditure	6,092	6,904	(223)	0	0	16	6,697	605	614	(9)
		Income	(4,748)	(5,409)	52	0	0	0	(5,357)	(609)	(580)	(29)
		Sub-Total	1,344	1,495	(171)	0	0	16	1,340	(4)	34	(38)
	Housing	Expenditure	18,696	33,812	(236)	0	(270)	925	34,231	15,535	9,906	5,629
		Income	(10,300)	(18,876)	0	0	0	0	(18,876)	(8,576)	(5,819)	(2,757)
		Sub-Total	8,396	14,936	(236)	0	(270)	925	15,355	6,959	4,087	2,872
	Director Homes and Communities	Expenditure	(319)	(452)	0	0	0	452	0	319	583	(264)
		Income	0	0	0	0	0	0	0	0	0	0
		Sub-Total	(319)	(452)	0	0	0	452	0	319	583	(264)
	Residents Services Total	Expenditure	97,004	113,146	(642)	0	(1,011)	1,713	113,206	16,202	11,075	5,127
		Income	(56,239)	(64,516)	54	0	0	781	(63,681)	(7,442)	(4,421)	(3,021)
		Total	40,765	48,630	(588)	0	(1,011)	2,494	49,525	8,760	6,654	2,106

**Table 3 – 2025/26 Month 5 Savings Tracker**

Portfolio	Description				RAG Rating 2025/26 & B/fwd savings						Total 2025/26 £'000
		B/fwd £'000	2025/26 £'000	Total £'000	B £'000	G £'000	A1 £'000	A2 £'000	R £'000	W/O £'000	
Community & Environment	Mortuary - Provision of External Training	(10)		(10)	(10)						(10)
Community & Environment	Develop Commercial Trade Waste Service	(260)		(260)			0		(260)		(260)
Community & Environment	Review of Golf Delivery Model	(267)		(267)		(267)					(267)
Community & Environment	Household recycling centre	(100)		(100)						(100)	(100)
Community & Environment	Charging for Garden Waste		(2,500)	(2,500)	(1,576)	(24)		(260)	(640)		(2,500)
Community & Environment	Christmas Lighting Growth		(230)	(230)	(230)						(230)
Community & Environment	Fees & Charges Inflationary Uplifts		(58)	(58)			(58)				(58)
Community & Environment	Green Flag Award Scheme		(43)	(43)	(43)						(43)
Community & Environment	Hillingdon in Bloom and the Autumn Show.		(17)	(17)	(17)						(17)
Community & Environment	Remove Seasonal Hanging Basket Displays		(92)	(92)	(92)						(92)
Community & Environment	Review of Burial Charges		(200)	(200)			(200)				(200)
Community & Environment	Review of Crematoria & Cemetery Charges		(300)	(300)			(300)				(300)
Community & Environment	Environmental Enforcement - Fines	(110)		(110)	(110)						(110)
Community & Environment	Community & Voluntary Grants	(175)		(175)						(175)	(175)
Community & Environment	Community run Library	(135)		(135)						(135)	(135)
Community & Environment	Beck Theatre Parking		(50)	(50)		(20)			(30)		(50)
Community & Environment	Fees & Charges Inflationary Uplifts		(488)	(488)		(488)					(488)
Community & Environment	Hillingdon Women's Centre Grant		(30)	(30)	(30)						(30)
Community & Environment	Increase in Car Park Revenue		(50)	(50)	(20)		(10)	(20)			(50)
Community & Environment	Library Stock Budget		(30)	(30)	(30)						(30)
Community & Environment	Meeting Room Hire Revenue in Libraries		(40)	(40)		(40)					(40)
Community & Environment	Out of Hours Noise Nuisance Service		(220)	(220)					(220)		(220)
Community & Environment	Parking fine level change – prior MTF growth		(600)	(600)	(600)						(600)
Community & Environment	Pay and Display Machine Cash Collection		(66)	(66)					(66)		(66)
Community & Environment	PBH - Domestic Abuse Support Contracts		(79)	(79)	(79)						(79)
Community & Environment	Platinum Jubilee Leisure Centre Management Fee		(80)	(80)	(40)				(40)		(80)
Community & Environment	Parking Fees & Charges		(411)	(411)					(411)		(411)
Community & Environment	Review of Parking Enforcement Charges		(140)	(140)	(140)						(140)
Community & Environment	Stronger Communities Service Reductions		(79)	(79)		(79)					(79)
<b>Community &amp; Environment Total</b>		<b>(1,057)</b>	<b>(5,803)</b>	<b>(6,860)</b>	<b>(3,017)</b>	<b>(918)</b>	<b>(568)</b>	<b>(280)</b>	<b>(1,667)</b>	<b>(410)</b>	<b>(6,860)</b>
Planning, Housing & Growth	Proposal 1: Environmental Specialists Staffing Costs Realignment		(66)	(66)	(66)						(66)
Planning, Housing & Growth	Proposal 2: Vacant Post Deletion		(39)	(39)	(39)						(39)
Planning, Housing & Growth	Proposal 3: Building Control Fee Uplift		(16)	(16)	(16)						(16)
Planning, Housing & Growth	Proposal 4: Discretionary Planning Fees Uplift		(13)	(13)		(13)					(13)
Planning, Housing & Growth	Proposal 5: Fast Track Planning Service		(60)	(60)					(60)		(60)
Planning, Housing & Growth	Proposal 6: Statutory Planning Fee Increase - Householders		(300)	(300)	(150)	(150)					(300)
Planning, Housing & Growth	Use of s106 Funding for Revenue	(500)		(500)				(500)			(500)
Planning, Housing & Growth	Additional Leased temporary accommodation		(1,600)	(1,600)			(800)	(300)	(500)		(1,600)
Planning, Housing & Growth	Temporary Accommodation - re-negotiate to reduce rates with all B&B/ private sector providers		(500)	(500)	(500)						(500)
Planning, Housing & Growth	Temporary Accommodation Commissioning - Zero / Low Subsidy Accommodation		(1,500)	(1,500)		(503)	(997)				(1,500)
<b>Planning, Housing &amp; Growth Total</b>		<b>(500)</b>	<b>(4,094)</b>	<b>(4,594)</b>	<b>(771)</b>	<b>(666)</b>	<b>(1,797)</b>	<b>(800)</b>	<b>(560)</b>	<b>0</b>	<b>(4,594)</b>
<b>Residents Services Total</b>		<b>(1,557)</b>	<b>(9,897)</b>	<b>(11,454)</b>	<b>(3,788)</b>	<b>(1,584)</b>	<b>(2,365)</b>	<b>(1,080)</b>	<b>(2,227)</b>	<b>(410)</b>	<b>(11,454)</b>

**Table 4 - HRA**

PORTFOLIO	Service	Department	Revised Budget	Forecast Outturn	Final Forecast Variance
Housing Revenue Account	R61: HRA Operating Budgets	R611: Operational Assets	15,959	15,980	21
		R612: Director of Housing	10,304	10,764	460
		R613: Other Service Areas (ICT, Careline Etc)	1,030	967	-62
		R619: Contribution to Shared Services Contingency, Special Services A/c	17,355	17,355	0
		<b>HRA Operating Budgets</b>	<b>44,648</b>	<b>45,066</b>	<b>419</b>
	R62: Capital Programme Financing	R621: Depreciation	15,565	15,565	0
		R621: Revenue Contribution to Capital	3,338	6,415	3,077
		R622: Interest & Investment Income	22,144	18,209	-3,935
		<b>Capital Programme Financing</b>	<b>41,047</b>	<b>40,189</b>	<b>-858</b>
	R63: HRA Rental Income	R631: HRA Rental Income	-85,695	-85,255	440
		<b>HRA Rental Income</b>	<b>-85,695</b>	<b>-85,255</b>	<b>440</b>
		<b>R6: Housing Revenue Account</b>	<b>0</b>	<b>0</b>	<b>0</b>

**Table 5 – HRA Savings**

Saving Description	Total 2025/26	RAG Rating 2025/26 savings				
		B	G	A1	A2	R
	£'000	£'000	£'000	£'000	£'000	£'000
Reduction of Recharges for Back Office functions from the General Fund	(1,000)	0	0	(1,000)	0	0
<b>Total</b>	<b>(1,000)</b>	<b>0</b>	<b>0</b>	<b>(1,000)</b>	<b>0</b>	<b>0</b>