

CABINET BUDGET SETTING REPORT – SELECT COMMITTEE MONITORING

Committee name	Corporate Resources & Infrastructure
Corporate Director(s) responsible	Tony Zaman, Chief Executive Steve Muldoon, Corporate Director of Finance & Section 151 Officer Matthew Wallbridge, Chief Operating Officer
Papers with report	NA
Ward	All

RECOMMENDATION

That the Committee:

1. Notes the draft revenue budget and Medium-Term Financial Strategy proposals for 2026/27 to 2030/31 relating to services within the Committee's remit.
2. Considers and comments on the financial assumptions, savings proposals, growth pressures, service impacts and delivery risks within those proposals.
3. Agrees specific feedback and recommendations to be submitted to Cabinet for consideration as part of the final budget proposals to be presented to Council in February 2026.

HEADLINES

1. The Council published the Medium-Term Financial Strategy 2026/27 to 2030/31 on Tuesday 23rd December as part of the Cabinet agenda for that evening. This report sets out the growth and saving proposals within the remit of this committee from that report and should be read in conjunction with the Medium-Term Financial Strategy 2026/27 to 2030/31 cabinet paper.

Overview

2. Services within the remit of this committee are proposed to see a net budget change for 2026/27 of £7.4m, reducing to £3.2m by 2028/29, driven by savings proposals in 2026/27 of £2.1m and growth proposals of £9.5m. Whilst the revenue budget proposals are set out in the context of a three-year budget strategy, the Council's legal requirement is to set a balanced budget for 2026/27.
3. The below table sets out the overview of savings and growth proposals by directorate for the services within the remit of this committee.

Table 1: Budget Proposal Overview

Corporate Resources & Infrastructure	2026/27 Annual Change (£,000's)	2027/28 Annual Change (£,000's)	2028/29 Annual Change (£,000's)	2026/27 Cumulative Change (£,000's)	2027/28 Cumulative Change (£,000's)	2028/29 Cumulative Change (£,000's)
Savings	(2,094)	(1,011)	(946)	(2,094)	(3,105)	(4,051)
Growth	9,534	(1,683)	(576)	9,534	7,852	7,276
Corporate Resources & Infrastructure Total	7,440	(2,694)	(1,522)	7,440	4,746	3,224

Savings Proposals

4. The below table sets out the line-by-line savings proposals for the services within the remit of this committee as set out in the above overview position.

Table 2: Savings Proposals

Corporate Resources and Infrastructure Savings	2026/27 Annual Change (£,000's)	2027/28 Annual Change (£,000's)	2028/29 Annual Change (£,000's)	2026/27 Cumulative Change (£,000's)	2027/28 Cumulative Change (£,000's)	2028/29 Cumulative Change (£,000's)
Outsourcing of the Council's Film Office	(60)	(30)	(15)	(60)	(90)	(105)
Hillingdon People Magazine	(77)	-	-	(77)	(77)	(77)
Communications Vacant Post Removal	(56)	-	-	(56)	(56)	(56)
Communications Total	(193)	(30)	(15)	(193)	(223)	(238)
Registration Service Income	(20)	(20)	-	(20)	(40)	(40)
Civic and Ceremonial	(134)	-	-	(134)	(134)	(134)
Democratic Services Total	(154)	(20)	-	(154)	(174)	(174)
Legal Management Restructure	(91)	-	-	(91)	(91)	(91)
Legal Research AI Licence	(47)	-	-	(47)	(47)	(47)
Legal Services Total	(138)	-	-	(138)	(138)	(138)
Chief Executive's Office Total	(485)	(50)	(15)	(485)	(535)	(550)
Business Intelligence Review	(62)	(124)	-	(62)	(186)	(186)
Business Intelligence Total	(62)	(124)	-	(62)	(186)	(186)
HR Service Review	(100)	-	-	(100)	(100)	(100)
Human Resources Total	(100)	-	-	(100)	(100)	(100)
Reshaping Resident Hub	-	(228)	(186)	-	(228)	(414)

Classification: Public

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Hillingdon First Card	(84)	-	-	(84)	(84)	(84)
Resident Hub Total	(84)	(228)	(186)	(84)	(312)	(498)
Digital and Technology Contract Review	(173)	(170)	-	(173)	(343)	(343)
Technology Total	(173)	(170)	-	(173)	(343)	(343)
Transformation Team	(161)	(59)	-	(161)	(220)	(220)
Digital Service Total	(161)	(59)	-	(161)	(220)	(220)
Chief Operating Officer Total	(579)	(581)	(186)	(579)	(1,160)	(1,346)
Corporate Management Team	(6)	-	-	(6)	(6)	(6)
Service Finance & Business Partnering Total	(6)	-	-	(6)	(6)	(6)
Revenues & Benefits - Automations & Customer Contact	(178)	-	-	(178)	(178)	(178)
Review of Cashflow Measures - Supplier Incentive Programme	(115)	(15)	(15)	(115)	(130)	(145)
HB Admin Subsidy	(98)	-	-	(98)	(98)	(98)
Increase in Charges to Recover Court Costs	(130)	-	-	(130)	(130)	(130)
Supplier Incentive Programme - Construction	(20)	(25)	(30)	(20)	(45)	(75)
Digital take up	(33)	-	-	(33)	(33)	(33)
Appointeeship Client Charges	(60)	(10)	-	(60)	(70)	(70)
Strategic & Operational Finance Total	(634)	(50)	(45)	(634)	(684)	(729)
Finance Total	(640)	(50)	(45)	(640)	(690)	(735)
Review Garage Voids	-	(300)	(700)	-	(300)	(1,000)
Facilities management restructure	(297)	-	-	(297)	(297)	(297)
Assets Total	(297)	(300)	(700)	(297)	(597)	(1,297)
Review of Early Years Operating Model	(93)	(30)	-	(93)	(123)	(123)
Property Services Total	(93)	(30)	-	(93)	(123)	(123)
Residents Services Total	(390)	(330)	(700)	(390)	(720)	(1,420)
Corporate Resources and Infrastructure select committee Total	(2,094)	(1,011)	(946)	(2,094)	(3,105)	(4,051)

Growth Proposals

5. The below table sets out the line-by-line growth proposals for the services within the remit of this committee as set out in the above overview position.

Table 3: Growth Proposals

Corporate Resources and Infrastructure Growth	2026/27 Annual Change (£,000's)	2027/28 Annual Change (£,000's)	2028/29 Annual Change (£,000's)	2026/27 Cumulative Change (£,000's)	2027/28 Cumulative Change (£,000's)	2028/29 Cumulative Change (£,000's)
Managed Vacancy Target - Communications	32	-	-	32	32	32
Communications Total	32	-	-	32	32	32
Managed Vacancy Target - Democratic Services	84	-	-	84	84	84
Local Elections Funding	133	(110)	85	133	23	108
Democratic Services Total	217	(110)	85	217	107	192
Legal Research AI Licence	40	-	-	40	40	40
Data Protection Audit Requirements	30	-	-	30	30	30
Legal Software and Licences Utilisation	24	-	-	24	24	24
Statutory Data Protection Officer	65	-	-	65	65	65
Transformation Capital Budget Rebasing - Chief Executive's Office	106	-	-	106	106	106
Legal Services Total	265	-	-	265	265	265
Chief Executive's Office Total	515	(110)	85	515	404	490
Business Intelligence Review	158	55	-	158	213	213
Transformation Capital Budget Rebasing - Corporate Services	1,577	-	-	1,577	1,577	1,577
Business Intelligence Total	1,736	55	-	1,736	1,791	1,791
Cross Cutting - Debt Consolidation & Recovery - Income & Growth	319	(319)	-	319	-	-
Debt Consolidation	138	(138)	-	138	-	-
Counter Fraud Team Total	457	(457)	-	457	-	-
Project Management Office	214	-	-	214	214	214
Digital Service Total	214	-	-	214	214	214
HR Service Review	322	(70)	(52)	322	252	200
Lone Worker Devices	53	-	-	53	53	53
Rebasing of Learning and Development Income Target	22	-	-	22	22	22
Human Resources Total	397	(70)	(52)	397	327	275
Postage Service Rebasing	73	-	-	73	73	73
Resident Hub Total	73	-	-	73	73	73
Technology Contract Inflation	35	-	-	35	35	35
Planning System	246	(91)	(17)	246	155	138
Backup System Growth	391	-	-	391	391	391
Cloud Consumption	238	62	57	238	301	358
L&D Growth - Creating a culture of continuous improvement	428	(71)	(48)	428	358	310
Enterprise Service Management Growth	22	-	-	22	22	22
Technology Total	1,361	(99)	(7)	1,361	1,262	1,255
Digital Growth	145	-	-	145	145	145
Technology costs to support AI implementation	49	(14)	-	49	35	35
Digital Service Total	194	(14)	-	194	180	180
Chief Operating Officer Total	4,432	(585)	(59)	4,432	3,847	3,788

Corporate Resources and Infrastructure Growth Continued	2026/27	2027/28	2028/29	2026/27	2027/28	2028/29
	Annual Change (£,000's)	Annual Change (£,000's)	Annual Change (£,000's)	Cumulative Change (£,000's)	Cumulative Change (£,000's)	Cumulative Change (£,000's)
External Audit Fees	63	-	-	63	63	63
Directory of Statutory Accounting Investments and Pensions Total	63	-	-	63	63	63
Transformation Capital Budget Rebasing - Finance	437	-	-	437	437	437
Temporary Pressure on Staffing Requirement pending delivery of FMP Improvements	1,618	(537)	(802)	1,618	1,081	279
Insurance Growth	474	-	-	474	474	474
Service Finance & Business Partnering Total	2,529	(537)	(802)	2,529	1,992	1,190
HB Subsidy - Recovery of Overpayments	100	100	100	100	200	300
HB Admin Subsidy	-	100	100	-	100	200
Client Financial Affairs - bank charges	10	-	-	10	10	10
Increase in postage costs	14	-	-	14	14	14
Finance Modernisation Programme	350	(350)	-	350	-	-
Revenues & Benefits Capita Contract	38	-	-	38	38	38
Future of Financial Systems	234	(100)	-	234	134	134
Income Control Bank Charges	49	-	-	49	49	49
Search Fees	15	-	-	15	15	15
Strategic & Operational Finance Total	810	(250)	200	810	560	760
Finance Total	3,402	(787)	(602)	3,402	2,615	2,013
Review Garage Voids	180	-	-	180	180	180
Review of Commercial Leases	200	-	-	200	200	200
Maximisation of Council Assets	75	-	-	75	75	75
Review of Civic Centre Operating Costs (2024/25 MTFS)	274	-	-	274	274	274
Family Hub Ruislip YPC Flood Surveys	200	(200)	-	200	-	-
NNDR Multipliers	222	-	-	222	222	222
Landlord Liaison Team - Removal of Grant	35	-	-	35	35	35
Assets Total	1,186	(200)	-	1,186	986	986
Residents Services Total	1,186	(200)	-	1,186	986	986
Corporate Resources and Infrastructure select committee Total	9,534	(1,683)	(576)	9,534	7,852	7,276

Fees & Charges

- For 2026/27, the Council has proposed to increase all discretionary Fees & Charges by 10% where appropriate and where the Council anticipates this will generate an overall benefit for the Council, taking into account possible elasticity of demand implications. Where fees and charges have been increased outside of this approach, the financial impact has been included as a standalone saving proposal.
- The saving generated from this approach for the services within this committee are set out in the table below, with the full details of the charges being levied included in Appendix F of the December Cabinet report.

Classification: Public

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Table 4: Fees & Charges Savings

Directorate	Service	Charge	2026/27 Forecast Income £'000	2026/27 Saving £'000
Corporate Services	Resident Hub	Contact Centre	(70)	(17)
Corporate Services	Resident Hub	Street Naming & Numbering	(102)	1
Finance	Strategic & Operational Finance	Revenues and Benefits	(1,635)	(5)
Finance	Strategic & Operational Finance	Client Financial Affairs (CFA)	(74)	5
Resident Services	Property Services	Estates & Valuation	(24)	(2)
Resident Services	Property Services	Garages	(1,630)	(148)
Resident Services	Highways	Highways	(1,797)	(51)
Total			(5,332)	(217)

General Fund Capital

8. Capital investment of £228.8m over the 5-year period 2026/27 to 2030/31 has been incorporated in the General Fund budget strategy, with Major Projects accounting for £66.4m of the programme and £147.5m in relation to Programme of Works activity supported by a proposed contingency of £15.0m. The programme is funded by £122.6m (54%) of prudential borrowing and £106.2m (46%) from other sources including grants, contributions and Section 106/Community Infrastructure Levy (CIL) income.

9. The breakdown by directorate is set out in the table below:

Table 5: General Fund Capital Programme

Category & Directorate	2026/27	2027/28	2028/29	2029/30	2030/31	5-Year Total £'m
	£'m	£'m	£'m	£'m	£'m	
Major Projects						
Residents Services	18.7	13.9	17.1	3.2	0.1	52.9
Children's & Young People's Services	12.8	0.6	0.0	0.0	0.0	13.4
Major Projects Total	31.5	14.5	17.1	3.2	0.1	66.4
Programme of Works						
Residents Services	19.0	21.4	18.5	21.8	16.4	97.1
Children's & Young People's Services	9.2	3.0	3.0	3.4	3.4	22.0
Adult Services & Health	4.0	4.0	4.0	4.0	4.0	19.9
Corporate Services	4.2	4.0	0.1	0.2	0.0	8.4
Programme of Works Total	36.3	32.4	25.5	29.4	23.8	147.4
Contingency Total	7.0	2.0	2.0	2.0	2.0	15.0
Grand Total	74.8	48.9	44.6	34.6	25.9	228.8
Funded By:						
Prudential Borrowing	(40.9)	(26.8)	(23.0)	(20.2)	(11.7)	(122.6)
Other Funding	(34.0)	(22.0)	(21.6)	(14.4)	(14.2)	(106.2)
Total Funding	(74.8)	(48.9)	(44.6)	(34.6)	(25.9)	(228.8)
MTFS February 2025	95.9	56.4	43.0	32.4		227.6
Change	(21.0)	(7.5)	1.6	2.1		(24.7)

10. As part of the budget setting process for the Capital Programme, officers reviewed and prioritised all proposed capital schemes to determine those that were in flight and needed to be completed, those which were critical for service delivery, savings delivery, fully funded by third parties or external grant income, or are a health and safety requirement. Schemes such as these were deemed to be of most importance. Schemes which have not yet started, are avoidable and are not of critical importance to the delivery of core council services are not being progressed in order to focus attention and spend on the most important schemes and to minimise the financial impact on the revenue budget through MRP and interest from borrowing.

11. Following the implementation of such control measures, compared to the last approved capital programme budget in February 2025, the 4-year period from 2026/27 to 2029/30 sees a reduction in programme of £24.9m from £227.6m to £202.9m. Furthermore, the 2026/27 capital programme budget of £74.8m reflects a reduction of £20.2m compared to the 2025/26 forecast spend of £95.0m. Based on past experience, the Treasury Management forecast then assumes a further 25% in slippage each year for cash flow purposes.

12. For full details, please see the December Cabinet Report and Appendix C.

Housing Revenue Account Capital

13. Capital investment of £522.2m in expansion and enhancement of the housing stock over the period 2026/27 to 2030/31 has been fully reflected with this budget, including £336.9m funding

to deliver 936 net increase in dwellings and £185.3m investment in existing housing stock. Further detail on these investment plans can be found in the December Cabinet report and Appendix E.

Table 6: HRA Capital Programme

	2026/27	2027/28	2028/29	2029/30	2030/31	5-Year Total £'m
	£'m	£'m	£'m	£'m	£'m	£'m
Major Projects	89.6	21.6	8.6	2.6	2.0	124.4
Hayes Regen	16.1	79.8	88.0	25.0	3.6	212.5
Programme of Works	43.8	44.1	36.6	32.9	27.9	185.3
Grand Total	149.6	145.5	133.2	60.5	33.5	522.2

14. With HRA development and acquisitions attracting grant funding from the Greater London Authority (GLA) in the region of 40-50%, the HRA capital programme is 51% funded by prudential borrowing, with the Council maintaining external borrowing within a 5:1 ratio of debt to rental income to ensure the HRA remains financial sustainable. The Works to Stock budget that maintains the existing housing stock is wholly funded by revenue contributions. The below table sets out the capital financing for the HRA Capital Programme.

Table 7: HRA Capital Financing

	2026/2	2027/2	2028/2	2029/3	2030/3	Total £'m
	7 £'m	8 £'m	9 £'m	0 £'m	1 £'m	
Prudential Borrowing	(98.7)	(45.3)	(89.0)	(34.8)	(0.3)	(268.2)
Revenue Contributions	(29.8)	(30.1)	(27.1)	(24.4)	(21.9)	(133.3)
New Grants	(1.0)	(49.1)	(2.0)	(1.3)	(11.2)	(64.7)
Existing Grants	(20.0)	(21.0)	(15.0)	0.0	0.0	(56.1)
Right to Buy Receipts	(20.0)	0.0	0.0	0.0	0.0	(20.0)
Total	(149.6)	(145.5)	(133.2)	(60.5)	(33.5)	(522.2)