

# COUNCIL BUDGET - 2025/26 BUDGET MONITORING - Month 9

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<b>Papers with report</b>	None

## HEADLINES

### Overview

This report sets out a summary of the Council's General Fund and Housing Revenue Account forecast positions for both revenue and capital budgets as at the end of December 2025 (Period 9) for the financial year 2025/26.

### General Fund Revenue

The Council has an approved expenditure budget of £974m, comprised of £552m within the General Fund and £422m within the Dedicated Schools Grant. As at the end of December 2025 (Period 9), the General Fund forecast shows an overspend of £35.9m, a favourable movement of £0.1m from Month 7.

The aggregate year to date forecast overspend is mainly driven by service operations and reflects the ongoing pressures and risks local authorities face in homelessness, children's and adults social care provision, as well as challenges in the delivery of savings in year. There remain significant inherent risks which continue to be reviewed and may impact the forecast at a future point.

### Dedicated Schools Grant (DSG)

The in-year forecast deficit relating to DSG is reporting a favourable movement against budget of £2.9m, a £9.6m increase in the forecast closing deficit reserve position. The deficit for 2025/26 represents an improvement of £5.4m on the deficit reported for 2024/25. When factoring in the opening deficit position of £65.9m, this forecast position leads to a closing cumulative deficit for 2025/26 of £75.5m. The statutory override is in place until March 2028 while the Council continues with its deficit management plan. Recent Government announcements on the Local Government Funding Settlement indicate that the Government will cover 90% of the DSG deficit for council, which will land in the form of a grant in the autumn of 2026.

### Housing Revenue Account (HRA)

The 2025/26 HRA revenue budget consists of £85.7m expenditure matched by an equivalent level of income (rents, service charges and other contributions). The Month 9 forecast shows expected expenditure of £85.3m. This variance comprises a £1.3m pressure against service expenditure offset by a reduction of £1.7m in the revenue contribution to the capital programme.

## General Fund and HRA Capital Programmes

The Council set itself ambitious targets to invest in local services, infrastructure and homes during 2025/26 – a total of £357.5m being budgeted across both the General Fund and HRA areas in 2025/26. 73.6% of that target is now expected to be spent in year, with the majority of the underspend potentially rephased into 2026/27, subject to further ongoing review.

The General Fund capital programme budget included £17.0m of capital receipts to be used to fund transformation costs leading to ongoing future revenue savings or cost avoidance through the flexible use of capital receipts mechanism as allowed for under Government regulation. The level of available capital receipts and how this will be applied to qualifying expenditure in this year has been reviewed and reduced as part of the Month 9 forecast.

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

## RECOMMENDATIONS

That the Cabinet:

1. **Notes the revenue and capital budget monitoring positions and treasury management update as at December 2025 (Month 9) as set out in Part A of the report, furthermore, noting the actions proposed by officers.**
2. **Approves a change to the funding basis for a cohort of 21 in-house residential acquisitions, whereby funding of £3.45m is switched from Right to Buy (RTB) receipts to £4.54m of Greater London Authority (GLA) grant funding, within the Council's existing approved acquisition programme. The balance enables a reduction in the Council's borrowing requirement of £1.09m.**
3. **Approves the repurposing of £3.285m of Earmarked Reserves as at 31 March 2025 to rectify changes required by the External Auditors to the final 2024/25 Accounts.**
4. **Approves a change to the Treasury Management Strategy to allow the use of capital resources for revenue purposes up to Exceptional Financial Support (EFS) limits should the Government "be minded" to approve the Council's application.**
5. **Grants permission to liquidate the Council's £15m of longer-term investments to protect the Council's cash position if required in March.**
6. **Approves acceptance of £155k of grant funding from the Violence Reduction Unit (VRU) for 2025/26 for direct investment in prevention activity for children at risk of suspension and exclusion from school.**

7. Approves acceptance of £149,560 of grant funding from the Ministry of Defence (MOD) for 2025/26 and 2026/27 for direct investment in improving outcomes for service children and strengthening school support models.
8. Approves acceptance of £16k of grant funding from the Department for Education (DfE) for 2025/26 for direct investment in improving the mentoring provision offered to Early Career Teachers enrolled with Learn Hillingdon.
9. Approves acceptance of £242k of grant funding from NHS England via the ICB. Partnerships for Inclusion of Neurodiversity in Schools (PINS) is a national programme funded by Department for Education (DfE) and supported by the Department for Health and Social Care (DHSC) and NHS England (NHSE).
10. Approves acceptance of £677,948 of grant funding from the Department for Education (DfE) for 2026/27 to support the implementation and delivery of the Staying Close initiative in Hillingdon.

### Reasons for recommendation

1. The reason for **Recommendation 1** is to measure performance against the Council's budgetary objectives, providing Cabinet with the update on performance against budgets approved by Council on 27 February 2025.
2. **Recommendation 2** will enable the Council to maximise its drawdown of available GLA funding ahead of the 31 March 2026 deadline, releasing Right to Buy receipts for use in future years and reduces the Council's overall borrowing requirement.
3. **Recommendation 3** will enable the Council to comply with 2024/25 audit recommendations to approve a change to the use of earmarked reserves.
4. **Recommendation 4** will enable the Council to take advantage of EFS funding approved by Government.
5. **Recommendation 5** is required to enable protection of the Council's cash position
6. **Recommendation 6** requests acceptance of grant funding that has been offered by the VRU for the period April 2025 to March 2026 which, if accepted by Cabinet, will be utilised to cover the staffing costs associated with targeted prevention initiatives that reduce exclusions and serious youth violence, improve engagement in education, and support vulnerable children and families who are affected by school exclusion. The funding enables collaboration with schools and partners to provide early intervention and tailored support, helping young people stay in education and reducing the need for statutory intervention.
7. **Recommendation 7** requests acceptance of grant funding that has been offered by the MOD for the period July 2025 to June 2027 which, if accepted by Cabinet, will be utilised to cover the staffing costs associated with strengthening support for service children across Hillingdon. Staff will deliver targeted interventions to service children, as well as working with schools in the borough who have high numbers of children from this cohort.
8. **Recommendation 8** requests acceptance of grant funding that has been offered by the DfE for the period April 2025 to March 2026 which, if accepted by Cabinet, will be used to strengthen support for Early Career Teachers. The funding will enable us to train experienced practitioners as accredited mentors, provide protected time for mentoring activity, and embed high-quality professional development across participating institutions. This investment will

help improve teacher confidence, retention, and classroom practice, ensuring that new teachers receive consistent, evidence-based guidance during their first years in the profession.

9. **Recommendation 9** - The new project PINS 2 (2025-26) is a cross-borough project, building on the first year of the pilot. Project Year one (2024-25) included 40 schools across Harrow and Hillingdon. The 2025-6 project includes 10 schools from the London Borough of Brent, 7 from City of Westminster, 6 from London Borough of Harrow and 6 from the London Borough of Hillingdon. PINS was launched in 2024/25 to bring health and education specialists and expert parent carers together to make improvements for neurodivergent children in mainstream primary school settings. The programme is being extended for a further year until March 2026 and will continue to be subject to ongoing evaluation to help inform future policy and any resourcing recommendations for early intervention programmes. The grant funding has been offered for a time limited period April 2025 – March 2026 which, if accepted by the Cabinet, will be utilised to deliver year 2 of the pilot project for PINS. Up to 15% of the total budget should be used to embed the learning with the schools in Harrow and Hillingdon that participated in PINS during 2024/25. The funding includes ring-fenced funding for local PCFs Parent/Carer Forums of a notional amount of £1,000 per new school participating in PINS. The remaining budget is to be used for project management and to commission support and interventions for schools based on the needs identified in the self-assessments across the four London boroughs. This is in line with the agreed delivery plan dated February 2025.
10. **Recommendation 10** seeks approval to accept grant funding offered by the DfE for the period April 2026 to March 2027. If accepted by Cabinet, this funding will be used to deliver Hillingdon's Staying Close model, including staffing, practical support for young people and the development of partnership-based delivery arrangements. The grant will ensure that young people leaving care have access to consistent support, practical help and positive relationships as they move towards independence, reducing the risk of placement breakdown and improving long-term outcomes.

### **Alternative options considered / risk management**

11. There are no other options proposed for consideration.

### **Select Committee comments**

None at this stage.

## 2025/26 MONTHLY BUDGET MONITORING

### SUMMARY

#### GENERAL FUND REVENUE

12. As at Month 9, the Council is forecasting a net overspend of £35.9m on its core operating activities. This includes overspends of £26.1m across Service Operating Budgets, a £4.2m pressure against the budgeted use of reserves and a £6.5m pressure across centralised and Corporate Budgets including Corporate Funding. These pressures are partially mitigated by £1.0m of interventions, which are expected to benefit the revenue position through measures such as spend control measures, increased grants, and a rebate from the WLWA.

#### Period 9 (December) Revenue Forecast

	Budget	Forecast	Forecast
	(£000s)	(£000s)	Variance (£000s)
<u>Directorate:</u>			
Children & Young Peoples Services	57,231	63,676	6,445
Adult Services & Health	100,893	106,816	5,923
Residents Services	52,147	60,614	8,467
Chief Operating Officer	21,238	21,347	109
Finance	34,100	39,427	5,327
Chief Executive's Office	6,455	6,348	(107)
	272,064	298,228	26,164
Corporate Budgets	(272,064)	(261,337)	10,727
	0	36,891	36,891
Expected Interventions	0	(1,000)	(1,000)
	0	35,891	35,891

13. This overall position has remained stable overall since the month 6 (September) report, but with several underlying favourable and unfavourable movements. Much of the overspend relates to adverse variances on savings delivery, unbudgeted growth and inflation, assumed use of reserves and reduced application of flexible capital receipts against transformation expenditure, offset by the release of £10.5m of contingency.
14. Within centralised and Corporate Budgets, a pressure of £7.1m is forecast from an under-delivery against unallocated savings (See **table 1** below). A further pressure of £1.3m is reported against Corporate Funding due to the Children's Prevention Grant that was announced as part of Core Spending Power needing to be spent on new initiatives leading to the grant being transferred to the Children's Social Care service. The forecast then includes two mitigations, firstly the remaining £1.8m general contingency and secondly £1.0m of interventions and mitigations as described in paragraph 7 above.

**Table 1: General Fund Overview**

Service	Approved Budget	Forecast Outturn	Underlying Variance	Forecast Variance Prior Month	Change in Variance
	£'m	£'m	£'m	£'m	£'m
Service Operating Budgets	272.1	298.2	26.1	26.7	(0.6)
Development & Risk Contingency	1.8	0.0	(1.8)	(1.8)	0.0
Unallocated Budget Items: Pay Award Inflation	0.0	0.0	0.0	0.0	0.0
Unallocated Budget Items: Unallocated Savings	(7.1)	0.0	7.1	7.1	0.0
Budgeted Use of Reserves	(4.2)	0.0	4.2	4.2	0.0
<b>Total Net Expenditure</b>	<b>262.6</b>	<b>298.2</b>	<b>35.6</b>	<b>36.7</b>	<b>(0.6)</b>
Corporate Funding	(262.6)	(261.3)	1.3	1.3	0.0
<b>Net Total</b>	<b>0.0</b>	<b>36.9</b>	<b>36.9</b>	<b>38.0</b>	<b>(0.6)</b>
Interventions	0.0	(1.0)	(1.0)	(2.0)	1.0
<b>Total</b>	<b>0.0</b>	<b>35.9</b>	<b>35.9</b>	<b>36.0</b>	<b>0.4</b>
<b>Opening General Reserve</b>			<b>1.5</b>	<b>1.5</b>	0.0
Less: Underlying Variance			(35.9)	(36.0)	(0.1)
<b>Closing General Reserve</b>			<b>(34.4)</b>	<b>(34.5)</b>	<b>(0.1)</b>
<b>Opening Controllable Earmarked Reserves</b>			<b>3.7</b>	<b>5.2</b>	<b>1.5</b>
Less: Use of Earmarked Reserves			(2.0)	(2.0)	0.0
<b>Closing Controllable Earmarked Reserves</b>			<b>1.7</b>	<b>3.2</b>	<b>1.5</b>

15. As part of the Month 9 review, the Council has continued its analysis of exposure to risks and opportunities. The updated risks total is £5.7m against identified opportunities of £2.6m. The level of risk continues to reduce (M7 was £6.9m) as demand risks fall away as year-end approaches. Risks not able to be quantified include the cost of redundancies that may arise from any savings implementation (redundancies would precede any savings generated).
16. Opportunities include £2.6m within Residents Services including Waste funding.
17. The risk of further overspend against homelessness costs remains high given the rising levels of homeless presentations and the challenges in securing suitable alternative accommodation to prevent homelessness, particularly in the private rented sector. This position is being reviewed in detail and updates will be provided in future reports.
18. The Council is seeing exceptional homelessness demand related costs as a result of being a port authority. This includes the arrival of UK nationals, which remains an unknown quantum at this time as costs incurred by the Council are not fully funded by the Government. The Council's forecast is based on the current run rate. A review commissioned by London

Councils has identified a “Funding Gap” of £740m for London Councils between homelessness costs incurred and funding provided by Central Government in 2024/25.

19. The Council’s unaudited opening reserves position, comprising both General and Controllable Earmarked Reserves, stands at £1.5m of General Reserves and £3.7m of Earmarked Reserves. The reduction in Controllable Earmarked Reserves from the Month 7 level of £5.2m is due to final 2024/25 Audit adjustments which are set out in a later section of this report. In arriving at the net £35.9m overspend projected above, the forecast assumes a £2.0m drawdown from Earmarked Reserves to support service-level requirements, bringing the forecast usable General Reserve position to £34.4m overdrawn whilst Controllable Earmarked Reserves are forecast to close at £1.7m. This is stated before any potential impact from other financial risks which are not currently built into the forecast.
20. The Council is engaged in conversations with the Ministry for Housing, Communities & Local Government (MHCLG) with a view to securing Exceptional Financial Support (EFS) and has made a formal submission to MHCLG for support in the form of a capitalisation direction and for additional grant funding.
21. Exceptional Financial Support may be granted to councils facing significant financial pressures and unable to deliver a balanced budget or maintain adequate reserves. Support can be provided in one or more of the following forms:
  - i. Capitalisation Direction – This permits a council to account for its revenue overspend as capital, subject to Government approval. Without such approval, this approach would be unlawful. Once approved, this capital item can be addressed either through offsetting capital receipts or amortised as MRP over a maximum of twenty years. If a council has to borrow to make the cash flow balance this would also incur interest costs.
  - ii. Additional Grant Funding – In certain circumstances, a council may receive direct grant support to help manage exceptional financial pressures.
  - iii. Council Tax Flexibility – A council may be granted permission to raise Council Tax above the referendum threshold without holding a referendum. This option is only available as part of the annual Council Tax setting process.
22. The S151 Officer remains of the view that he is not minded to issue a S114 notice at this point in time on the basis that MHCLG are engaged in substantive discussions and reviewing the Council’s position. This position is held on the assumption that MHCLG will support the Council’s application for EFS and that the level of EFS agreed will be seen through on time and to the level required by the Council. The decision not to issue a S114 is wholly contingent on the discussions with MHCLG and ultimately without reassurance and progress of substance in these discussions very serious consideration would need to be given to issuing such a notice. Under S114(3) legislation, consideration needs to be given to whether the expenditure of the Council in a financial year (i.e. 2025/26) will exceed the resources (including sums borrowed) available to it to meet that expenditure. This condition will be satisfied through the agreement of EFS. MHCLG agreement to EFS will come with certain

conditions that demonstrate to the Ministry that the Council is taking the necessary steps to address the situation. These would include, but are not limited to, ongoing engagement with MHCLG officials and representatives, working towards implementing the “Section 24” recommendations of the auditor, utilising peer support and advice from outside the authority, and potentially an additional external assurance review. These are being actively pursued to ensure that the Council is heeding the advice and expectations to facilitate the agreement to EFS.

23. The Council is actively reviewing all available options to address the current financial pressure and the forecast negative reserves position. Central to this is the delivery of the 2025/26 savings programme, totalling £34.0m – the largest savings target the Council has ever undertaken. In addition, £4.8m of unresolved savings from previous years have been carried forward, increasing the total savings requirement for 2025/26 to £38.8m. To date, slippage of £18.8m (M7 was £15.1m) has been identified and built into the forecast position.
24. Under Government guidance, councils may fund transformation activity using capital receipts from asset disposals. Given the scale of the savings programme, the Council will utilise capital receipts to support transformation where appropriate. The Council is reviewing the pipeline of assets which can be targeted with a view to delivering capital receipts in this financial year. Any receipts will be verified to assure that they qualify under the regulations pertaining to flexible capital receipts. A view has now been formed of the extent of qualifying receipts that can be achieved and be put towards qualifying expenditure. The Council has a level of capital receipts brought forward from previous years which, along with known 2025/26 disposals, will be able to fund the forecast requirement.
25. The Council remains firmly committed to achieving a sustainable financial position. It continues to be run efficiently, with spend per capita on frontline services below that of comparable authorities, specifically Outer London boroughs. Despite the financial pressures, the Council has consistently delivered high-quality, well-regarded services in a cost-effective manner, while maintaining one of the lowest Council Tax levels in its comparator group.
26. The Council’s forecast of overdrawn reserves by year-end reflects a range of national challenges, compounded by insufficient funding from central government to meet rising demand. A key pressure continues to be the delivery of temporary accommodation and homelessness support. This is particularly acute in Hillingdon, due to the presence of Heathrow Airport - a major port of entry into the UK - which places additional strain on local housing supply and demand, driving up costs. This housing pressure also affects Children’s Social Care, where vulnerable young people in supported accommodation are unable to transition into independent tenancies due to a shortage of general needs housing. At the same time, demand for Adult Social Care remains consistently high following the pandemic, with funding from the Department of Health and Social Care failing to keep pace with increasing client demand volume and complexity and market pressures.
27. The Council is taking steps to address the rising cost of temporary accommodation by seeking to make acquisitions which can then be used to address the issue and mitigate the impact of high rental costs in the private sector. For this reason, Cabinet recently approved the forward

phasing of future years' HRA capital contingency budget alongside a virement of £20m from the General Fund capital programme to the HRA to support developments and acquisitions.

28. Hillingdon will benefit from a net growth in funding from 2026/27 and beyond as announced in the recent Local Government Funding Settlement. Whilst the borough was aware of the current year's level of Government funding at the time of setting the 2025/26 budget, the review indicates that Hillingdon has been significantly underfunded by Government over an extended period of time and had this review taken place in line with the original timescale, Hillingdon's financial position is likely to have been far more favourable.
29. The pressures reflected in this report therefore present a challenge for the Council, with the above table setting out this position against service operating budgets, corporate budgets and the use of reserves. This forecast position does not include any potential outcome from the Exceptional Financial Support conversations being held with Government.
30. The Council's forecast position continues to be highly challenging and is highly dependent on the assumptions built into the forecast being deliverable. It is of critical importance that all areas of the Council aim to deliver on, and give support to, all of the savings commitments made to ensure they are delivered on time and to the value and scale planned in the budget. Equally, it is important that any savings falling short are still pursued so that they can be delivered in full and on time in order to deliver the maximum benefit to 2026/27 and the MTFs, and mitigations to the overspend continue to be sought.
31. The risks and upsides not included within the forecast will also need to be carefully monitored and addressed in order to mitigate and prevent or limit the impact they may present. Any further impacts may have consequences for the EFS requirement and add pressure to the Council's finances in repaying this over time. The Council will have to continue to focus on identifying options to address these risks and not assume that the increase in funding anticipated through the Fair Funding review, which may only be phased in over three years, will fully resolve the situation.
32. The Leader and his Cabinet have asked officers to do everything they can to address and mitigate the overspend and financial pressures faced. To this end, officers have implemented strict spend control processes across all areas of the Council, extending the existing controls over staffing costs to non-staff costs. This has resulted in an additional administration burden but is essential to demonstrate that the Council is taking its fiduciary duties seriously. These measures are expected to bring a reduction in the level of non-essential expenditure as well as challenge to the scope of spend which is currently deemed to be statutory in nature. Consequently, an assumption has been made that this intervention, along with other measures, could contribute to a mitigation of circa £1.0m in this financial year.
33. Alongside this, officers have been asked to review the capital expenditure programme to identify any schemes which can be deferred, reduced or stopped, in particular any which require Council borrowing in order to fund, or will be a drain on Council cash. This will in turn lead to a reduction in the level of borrowing required and hence the interest cost of such borrowing. In future years this would lead to a reduction in the level of Minimum Revenue

Provision (MRP) arising from capital schemes and so help to mitigate the impact of MRP arising from Exceptional Financial Support. MRP is a charge that local authorities must set aside for the repayment of debt.

34. Finally, it should be remembered that not all of the potential risks facing the Council this financial year have been quantified and built into the forecast. All efforts will be undertaken to minimise the impacts of these risks on the Council both in this and in future years.

## GENERAL FUND CAPITAL EXPENDITURE

### Overall Position

35. **Table 2** below presents the Month 9 (M9) forecast position for the 2025/26 General Fund Capital Programme, recast on a Corporate Directorate and Cabinet Member portfolio reporting basis. This represents the fourth formal monitoring position of the financial year and incorporates the latest approved budget movements, virements, and rephasing adjustments.

**Table 2: Capital Programme – General Fund**

	Revised Budget 2025/26 £m	Forecast 2025/26 £m	Cost Variance 2025/26 £m	Rephasing Variance 2025/26 £m	5 Year Budget £m	5 Year Forecast £m	5 Year Variance £m
<b>Cabinet Member Portfolio</b>							
Children, Families & Education	30.4	12.1	-	(18.3)	31.9	31.9	-
Community & Environment	7.2	4.4	(0.2)	(2.6)	17.1	16.9	(0.2)
Corporate Services & Property	62.1	39.1	(3.5)	(19.5)	186.8	183.3	(3.5)
Development & Risk Contingency	-	-	-	-	6.0	6.0	-
Finance & Transformation	25.2	10.3	(8.3)	(6.6)	73.0	65.1	(7.9)
Health & Social Care	12.3	9.3	-	(3.0)	43.7	43.7	-
Planning, Housing & Growth	1.2	1.4	0.2	-	7.5	7.7	0.2
<b>Grand Total</b>	<b>138.4</b>	<b>76.6</b>	<b>(11.8)</b>	<b>(50.0)</b>	<b>366.0</b>	<b>354.6</b>	<b>(11.4)</b>

	Revised Budget 2025/26 £m	Forecast 2025/26 £m	Cost Variance 2025/26 £m	Rephasing Variance 2025/26 £m	5 Year Budget £m	5 Year Forecast £m	5 Year Variance £m
GF Major Projects	90.4	48.4	(11.8)	(30.2)	186.8	174.9	(11.9)
GF Programme of works	48.0	28.2	-	(19.8)	173.2	173.7	0.5
Capital GF Contingency	-	-	-	-	6.0	6.0	-
<b>Grand Total</b>	<b>138.4</b>	<b>76.6</b>	<b>(11.8)</b>	<b>(50.0)</b>	<b>366.0</b>	<b>354.6</b>	<b>(11.4)</b>

36. The 2025/26 forecast expenditure stands at £76.6m against a revised budget of £138.4m, representing a net in-year variance of £61.8m below budget. This variance comprises £50.0m of rephasing and £11.8m of genuine cost variance (underspend). These movements

primarily reflect delivery profiling, confirmed funding adjustments, and the completion, deferral, or reprioritisation of a number of schemes below their original approved budgets.

37. Across the five-year programme to 2029/30, total forecast expenditure is £354.6m, which is £11.4m below the approved capital envelope of £366.0m. The principal drivers of this movement remain the removal of Dedicated Schools Grant (DSG) Capitalisation Support (£4.0m), alongside further confirmed underspends on completed and deferred schemes, together with programme-level value engineering. The balance reflects timing and profiling movements rather than reductions in service delivery scope.

### **Key Movements at Month 9**

38. The programme continues to be characterised predominantly by timing and profiling movements across education, regeneration, property, ICT, and fleet schemes. These movements largely reflect procurement lead times, contractor mobilisation, planning dependencies, and sequencing across large and complex delivery programmes. No systemic delivery, affordability, or funding risks have been identified at this stage, and the programme remains financially balanced and affordable.

### **General Fund – Major Projects**

#### **Overall Position**

39. The in-year forecast for General Fund Major Projects is £48.4m, representing a £42.0m variance against the revised budget of £90.4m. This comprises £30.2m of rephasing and a £11.8m cost variance (underspend). The overall variance reflects a combination of construction sequencing, procurement phasing, and confirmed scheme-level savings.

#### **Rephasing Movements**

40. The £30.2m rephasing within the Major Projects programme primarily reflects construction sequencing, procurement lead times, planning dependencies, and contractor mobilisation profiles across several large-scale schemes.

41. The most significant movements arise from the Meadow High School Expansion (SRP / SEND), where £12.5m has been rephased due to phased construction sequencing, contractor mobilisation, and revised delivery profiling across multiple work packages. Secondary School Expansions account for £5.7m of rephasing, driven by programme reprofiling and sequencing across several school sites.

42. At the Hillingdon Water Sports Facility, £7.0m of rephasing reflects the sequencing between enabling works and main contractor packages, together with revised construction phasing. The Harefield Family Hub scheme shows £2.0m of rephasing due to planning dependencies and contractor start-date revisions, while Otterfield Road Library reflects £1.1m of rephasing associated with procurement lead times and revised works sequencing.

43. Further timing movements arise at New Years Green Lane Extension (£0.8m), driven by utility diversions and programme sequencing constraints; Breakspear Crematorium (£0.9m), reflecting equipment procurement lead times and contractor scheduling; Staying Close Children's Provision (£0.5m), due to revised mobilisation and delivery sequencing; and Green Spaces Machinery (£0.3m), reflecting supply-chain delivery delays.
44. These movements are partly offset by £4.0m of acceleration at the Civic Centre Transformation, where refurbishment and decant works have progressed ahead of the original delivery profile.
45. Overall, these movements represent normal delivery profiling across complex construction and transformation programmes, rather than project delay or delivery underperformance. All schemes remain forecast to deliver fully within their approved five-year funding envelopes.

### **Cost Variance – Underspends**

46. The £11.8m cost variance represents confirmed and substantiated underspends, driven by changes in accounting treatment, strategic reprioritisation, and the completion of schemes below original budget.
47. The largest elements relate to the removal of DSG Capitalisation Support (£4.0m) and the capitalisation of transformation expenditure (£4.3m). These adjustments will not be progressed at year-end following a review of accounting treatment and funding strategy, resulting in confirmed underspends funded from capital receipts.
48. The Northwood Hills Library scheme contributes a further £2.4m underspend, following a strategic decision not to proceed with the acquisition of a property from a wholly-owned subsidiary, given the subsidiary's move into a loss-making position and the reassessment of value-for-money.
49. Smaller confirmed underspends arise from the appropriation of Townfield to General Fund (£0.1m), which remains on hold pending senior management decision; the Battle of Britain Underground Bunker (£0.3m), following final account settlement; Flood Alleviation Schemes (£0.3m), which are on hold pending strategic review; and Harlington Road Depot Fuel Pumps and Canopy (£0.3m), which is unlikely to proceed in 2025/26.
50. Collectively, these movements reflect robust financial management, strategic reprioritisation, and strengthened forecasting discipline, rather than delivery underperformance.

## **General Fund – Programme of Works**

### **Overall Position**

51. The in-year forecast for the Programme of Works stands at £28.2m, representing £19.8m of rephasing against the revised budget of £48.0m, with no material cost variance reported at programme level. These movements reflect delivery sequencing, procurement lead times, governance approvals, and operational capacity constraints across a wide range of schemes.

### **Rephasing Movements**

52. The Chrysalis Programme reflects £1.1m of rephasing, driven by capital release sequencing and the deferral of schemes into 2026/27, funded through a combination of CIL and borrowing. Corporate Technology and Innovation reflects £3.4m of rephasing, as several major digital and systems transformation projects continue into 2026/27, funded primarily through borrowing.

53. The Disabled Facilities Grant programme shows £4.3m of rephasing, reflecting lower-than-forecast case volumes and revised scheduling of works. This programme is fully grant funded, and the rephasing reflects demand-led profiling rather than delivery risk. The School Building Condition Programme accounts for £6.2m of rephasing, driven by the continuation of a multi-year fire safety and compliance programme across maintained schools, funded largely through grant.

54. Additional rephasing arises within the Playground Replacement Programme (£0.3m), pending approval of capital release reports, with works now scheduled for early 2026/27; Infrastructure Investments (£0.7m), reflecting procurement lead times and programme reprofiling; and ICT and digital transformation schemes (£0.9m), including slippage in AI resident assistant deployment and related systems projects.

55. Fleet procurement shows a net £1.9m of rephasing associated with the postponement of electric vehicle procurement pending strategic review and future rebidding. This is partly offset by £2.6m of accelerated delivery of heavy machinery and street sweepers, scheduled for delivery in October and November 2025.

56. Overall, these movements reflect normal operational delivery sequencing, governance approvals, procurement lead times, and evolving strategic priorities, rather than cost pressures or programme underperformance.

### **Cost Variance – Underspends**

57. A limited number of scheme-level adjustments have been identified which net off at programme level and do not materially impact the overall financial position. These include an underspend of £0.2m within the Older People's Initiative, reflecting schemes currently on

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hold pending strategic review, and a £0.18m overspend within the Dawley Road Pedestrian and Cycle Improvements scheme, representing a technical profiling correction fully funded from Section 106 receipts.

### Capital Financing – General Fund

58. **Table 3** below summarises the Month 9 General Fund capital financing position. The in-year forecast of £76.6m is £61.8m below the revised budget of £138.4m, reflecting the combined impact of £49.7m of rephasing and £12.1m of confirmed cost reductions.

**Table 3: General Fund Capital Financing**

	Approved Financing 2025/26 £'000s	Forecast 2025/26 £000s	Cost Variance 2025/26 £000s	Rephasing Variance 2025/26 £000s	Total Financing Budget 2025- 2030 £'000s	Total Financing Forecast 2025- 2030 £'000s	Total Variance £'000s
Capital Receipts	15.0	5.6	(9.4)	-	46.5	37.2	(9.3)
CIL	3.0	3.0	-	-	21.0	17.2	(3.8)
Grants & Other Contributions	38.6	15.0	(0.6)	(23.0)	94.5	93.7	(0.8)
Prudential Borrowing	81.4	52.4	(2.3)	(26.7)	203.6	205.9	2.3
S106	0.4	0.6	0.2	-	0.4	0.6	0.2
<b>Total Funding</b>	<b>138.4</b>	<b>76.6</b>	<b>(12.1)</b>	<b>(49.7)</b>	<b>366.0</b>	<b>354.6</b>	<b>(11.4)</b>

59. The £49.7m of rephasing is funded through corresponding timing movements across prudential borrowing (£26.7m) and grants and other contributions (£23.0m). Across the five-year period, total financing of £354.6m remains £11.4m below the approved envelope of £366.0m, reflecting the confirmed structural cost reductions described above. Capital receipts remain a critical funding stream, and ongoing monitoring continues to ensure alignment between receipt generation and delivery plans.

## Housing Revenue Account (HRA) Capital Programme – Month 9

### Overall Position

60. The HRA 2025/26 capital forecast stands at £186.4m against a revised budget of £219.1m, representing £32.8m of rephasing, with no material cost pressures reported. Across the five-year programme, total forecast expenditure of £549.3m remains fully aligned with the approved envelope, confirming that delivery remains contained within approved funding limits.

	Revised Budget 2025/26 £m	Forecast 2025/26 £000s	Cost Variance 2025/26 £m	Rephasing Variance 2025/26 £m	Budget Variance 2025/26 £m	5 Year Budget £m	5 Year Forecast £m	5 Year Variance £m
<b>Residents Services</b>								
HRA Major Projects	142.2	130.0	0.1	(12.3)	(12.3)	239.5	239.6	0.1
HRA Programme of works	57.3	36.8	-	(20.5)	(20.5)	205.6	205.6	-
HRA Regeneration	19.6	19.6	-	-	-	104.1	104.1	-
<b>HRA Total</b>	<b>219.1</b>	<b>186.4</b>	<b>0.1</b>	<b>(32.8)</b>	<b>(32.8)</b>	<b>549.2</b>	<b>549.3</b>	<b>0.1</b>

61. The in-year rephasing primarily reflects contractual sequencing, access constraints, procurement lead times, delivery profiling, and the practical management of delivery capacity across a highly complex and resource-intensive capital programme. A limited element of strategic reprofiling has also been applied across selected Programme of Works schemes to maintain financial stability, delivery assurance, and programme resilience, without compromising statutory compliance, safety obligations, or service standards for tenants and leaseholders.

### Key Drivers of Movement – HRA

#### Major Projects

62. The HRA Major Projects forecast stands at £130.0m, representing £12.3m of rephasing, driven primarily by contractual sequencing, acquisition timing, and delivery phasing across the development and acquisitions programmes.

63. At the Yiewsley Housing Site (Falling Lane and Otterfield Road), £7.8m of rephasing reflects delays in entering into contract at one of the development sites, resulting in a reprofiling of construction activity, with expenditure now forecast to slip into 2026/27.

64. Within the Purchase and Repair of Housing Stock programme, £4.6m of rephasing reflects transactional sequencing and contract completion timing under the Madison Brooke acquisitions programme. While the Madison Brooke acquisitions budget remains £75m, forecast delivery for 2025/26 has reduced to £70.2m, with the balance rephased into 2026/27.

65. These movements reflect contractual timing and market-driven transaction sequencing, rather than affordability, funding, or delivery risk. All development and acquisition schemes remain fully aligned to approved funding envelopes, with no emerging cost pressures identified.

## **Programme of Works – HRA**

### **Overall Position**

66. The HRA Programme of Works forecast stands at £36.8m, representing £20.5m of rephasing against the revised budget. This reflects a combination of delivery sequencing, access constraints, contractor mobilisation, procurement lead times, and programme-level reprofiling across energy efficiency, compliance, structural works, and adaptation programmes.

67. In addition, a limited degree of strategic reprofiling has been applied within selected Programme of Works streams to maintain overall programme affordability and delivery stability, while continuing to prioritise statutory compliance, health and safety, and critical investment needs across the housing stock.

### **Key Drivers of Rephasing**

68. The Green Homes Initiatives Programme accounts for £9.2m of rephasing, reflecting supplier mobilisation constraints, evolving national grant conditions, access limitations, and installation sequencing. In parallel, a proportion of activity has been reprofiled into 2026/27 to support effective delivery management across the wider HRA capital programme, ensuring that operational capacity, contractor availability, and resident engagement can be sustained at appropriate levels. This approach allows delivery momentum to be maintained across priority compliance and regeneration schemes while preserving programme stability.

69. The Works to Stock Programme reflects net rephasing of £5.9m, driven primarily by contractor scheduling, capital release sequencing, procurement lead times, and access dependencies. Significant elements include delays within roofing works (£3.1m), windows replacement (£2.0m), and external decorations (£3.7m), largely reflecting framework mobilisation timelines and site access constraints. These movements are partially offset by £2.5m of recharges from multi-element renewals and £0.6m of structural works acceleration, which reflect operational reprioritisation within the works programme.

70. The House Extension Programme shows £2.7m of rephasing, reflecting both planning and access dependencies, alongside managed reprofiling to support delivery sequencing across the wider HRA programme.

71. The Major Adaptations Programme reflects £1.5m of rephasing, driven by the demand-led nature of the service, revised case sequencing, and occupational therapy assessment lead

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times. This programme is financed through HRA revenue contributions, and the reprofiling reflects service demand patterns rather than delivery risk.

72. Additional rephasing arises within specific Green Homes delivery phases (£0.5m), driven by access constraints, contractor sequencing, and evolving grant delivery conditions.

73. Collectively, these movements reflect normal delivery sequencing across a large, complex and resident-sensitive housing capital programme, together with prudent programme management designed to maintain delivery quality, minimise disruption, and ensure safe, compliant implementation across occupied stock.

### **Strategic Programme Management Context**

74. During Month 9, a limited and carefully controlled reprofiling approach has been applied across selected Programme of Works streams in order to maintain overall financial stability, delivery assurance, and an appropriate balance of risk across the total HRA capital portfolio. This approach reflects the practical requirement to align contractor capacity, resident access constraints, health and safety compliance requirements, delivery sequencing, and funding availability within the context of a capital programme exceeding £200m per annum. The reprofiling has therefore been undertaken to optimise delivery efficiency, minimise operational risk, and ensure that both compliance-driven investment and essential improvement works continue to be delivered in a safe, coordinated, and financially sustainable manner.

75. This reprofiling does not represent a deprioritisation of housing maintenance or compliance investment, nor does it indicate any reduction in service standards for tenants or leaseholders. Instead, it reflects responsible programme management, ensuring that statutory obligations, safety-critical works, and major regeneration activity can all be delivered effectively, safely, and within approved funding limits.

76. All reprofiled works remain fully contained within the approved five-year HRA capital envelope, and will continue to be actively monitored to ensure timely and effective delivery.

**Table 4: HRA Financing**

	Approved Financing 2025/26 £m	Forecast 2025/26 £m	Cost Variance £m	Phasing Variance £ m	Total Financing Budget 2024- 2029 £m	Total Financing Forecast 2024- 2029 £m	Total Variance £m
Grants & Other Contributions	80.2	72.3	(0.2)	(7.7)	191.6	191.4	(0.2)
Capital Receipts	10.1	10.1	-	-	30.7	30.7	-
Revenue Contribution	42.3	30.6	(2.2)	(9.5)	111.9	110.1	(1.8)
Prudential Borrowing	86.5	73.4	1.6	(14.8)	215.0	217.1	2.1
<b>Total Funding</b>	<b>219.1</b>	<b>186.4</b>	<b>(0.8)</b>	<b>(32.0)</b>	<b>549.2</b>	<b>549.3</b>	<b>0.1</b>

77. The in-year HRA funding requirement of £186.4m reflects £32.0m of rephasing, distributed across prudential borrowing (£14.8m), revenue contributions (£9.5m), and grants and other contributions (£7.7m). Across the five-year horizon, total financing remains fully aligned with the approved envelope of £549.2m, confirming no structural funding gap.

### Overall Capital Programme Position and Risks – Updated

78. Across both the General Fund and HRA, rephasing remains the dominant driver of variance, reflecting planning dependencies, procurement lead times, contractor mobilisation, resident access constraints, and supply-chain volatility, particularly within education, regeneration, decarbonisation, ICT, fleet, and housing development programmes.

79. No material cost pressures have been identified, no systemic delivery failures are evident, and the overall capital programme remains fully affordable and contained within approved funding limits.

80. Delivery risk remains concentrated within a limited number of large-scale construction, housing development, and decarbonisation schemes, where market capacity, contractor availability, and evolving grant conditions continue to influence delivery sequencing. These risks are actively managed through strengthened programme governance, cost-plan assurance, procurement controls, resident engagement planning, and enhanced financial monitoring.

81. Overall, the Month 9 position confirms a stable, well-controlled, and financially robust capital programme, with performance driven primarily by delivery profiling, operational sequencing, and prudent programme management, rather than adverse cost or funding pressures.

### Capital Programme Funding

82. Cabinet is asked to note and approve a change in the funding basis for a cohort of in-house residential acquisitions, whereby funding is switched from Right to Buy (RTB) receipts to

Greater London Authority (GLA) grant, within the Council's existing approved acquisition programme.

83. This change enables the Council to maximise the drawdown of available GLA funding ahead of the 31st March 2026 deadline. The switch increases total GLA grant claimed by £4.54m, releases approximately £3.45m of RTB receipts for use in future years and reduces the Council's borrowing requirement by £1.09m.

84. The change applies to 21 properties that already have approved Capital Release. There is no adverse impact on the approved five-year capital programme or the HRA Business Plan, and the revised funding profile improves overall funding efficiency while increasing flexibility to support future acquisitions.

## **SCHOOLS BUDGET**

85. The Dedicated Schools Grant (DSG) total Block for the Maintained Schools is forecast to have an in-year deficit of £9.6m, representing a £1.0m favourable movement compared to month 7. The in-year deficit is largely driven by High Needs placement demand and cost pressures which continue to be significantly underfunded in the DSG settlement from the Department for Education (DfE). This position means that the cumulative deficit carried forward to 2026/27 is now forecast at £75.5m.

86. There is currently a time-limited statutory override in place, now extended until 31 March 2028, ringfencing the Schools Budget deficit such that this does not impact upon general reserves. The Council is one of many local authorities managing a large deficit within the Schools Budget and this stood at £65.9m at 31 March 2025, exceeding the level of General Fund reserves held. Between outturn 2024/25 and the position presented in this report, the Council has successfully reduced the in-year spend against the Schools Budget and continues to make good progress in this. The Final Local Government Settlement announced on the 9 February 2026 sets out the Government's plans to fund circa 90% of existing DSG deficits which will significantly reduce the deficit but leave the Council with a residual balance to address in 2028/29.

87. In the November 2025 budget, the Government confirmed that starting from the 2028-29 financial year, future special educational needs and disabilities (SEND) costs will be managed within the overall central government spending envelope, shifting the responsibility from local authorities.

## **HOUSING REVENUE ACCOUNT**

88. The Housing Revenue Account (HRA) continues to forecast a breakeven position. Operating costs are showing an in-year pressure of £1.7m, representing a £0.3m movement from Month 7. The pressures are primarily driven by staffing costs, increased energy charges, emergency B&B placements and leaseholder insurance premiums, together with an under-recovery of rents due to delays in acquisitions becoming operational. These pressures are offset by a reduction in the revenue contributions to the capital programme, ensuring the HRA remains balanced.

## **FURTHER INFORMATION**

### **General Fund Revenue Budget**

89. As at Month 9, the Council's General Fund is reporting an overspend of £35.9m after allowing for the anticipated delivery of £1.0m in savings through interventions including tighter spend controls, and the remaining £1.9m contingency. This includes favourable movements against Service Operating Budget and Corporate Budgets of £0.6m, with these favourable movements being the result of the Council delivering mitigations previously reported under the interventions line and therefore leading to a net nil movement. This position includes a £18.9m shortfall against the total £38.8m savings target, and a reduction in the level of capital receipts being used to fund transformation activity.
90. The Month 9 position also includes the deployment of £2.0m from Earmarked Reserves, primarily to support insurance claims and homelessness related pressures. The main use of Earmarked Reserves relates to a £1.2m draw down from the Public Health ringfenced reserve, accumulated from prior year underspends against the Public Health Grant.
91. To support the delivery of the savings programme, the Council is utilising £5.7m of capital receipts to fund transformation costs, in line with Government guidance. Asset disposals in 2025/26 plus previously unspent capital receipts are expected to support this transformation activity in the current financial year.

### **Progress on Savings**

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

**Table 5: Savings Tracker**

Directorate	Blue Banked £m	Green Delivery in progress £m	Amber I Initial stages of delivery £m	Amber II Potential problems in delivery £m	Red Serious problems in delivery £m	Savings to be Written Out £m	Total £m
Finance	(0.8)	0.0	0.0	0.0	(0.2)	(0.1)	<b>(1.1)</b>
Adult Services & Health	(3.2)	(0.7)	(0.6)	(0.1)	(2.0)	(1.7)	<b>(8.3)</b>
Children & Young People's Services	(3.0)	(1.2)	0.0	(0.3)	0.0	0.0	<b>(4.5)</b>
Resident Services: Place	(2.6)	(1.5)	0.0	(0.6)	(0.9)	(1.1)	<b>(6.7)</b>
Resident Services: Homes & Communities	(1.6)	(1.1)	(2.9)	0.0	(1.1)	(0.3)	<b>(7.0)</b>
Corporate Services	(2.8)	(0.3)	0.0	0.0	(0.4)	(0.1)	<b>(3.6)</b>
Chief Executive Office	(0.1)	(0.1)	(0.3)	0.0	0.0	0.0	<b>(0.5)</b>
Cross-Cutting	0.0	0.0	0.0	0.0	0.0	(7.1)	<b>(7.1)</b>
<b>Total 2025/26 Savings Programme</b>	<b>(14.1)</b> 35%	<b>(4.9)</b> 13%	<b>(3.8)</b> 10%	<b>(1.0)</b> 3%	<b>(4.6)</b> 12%	<b>(10.4)</b> 27%	<b>(38.8)</b> 100%
<b>Prior Month</b>	<b>(12.9)</b> 33%	<b>(5.7)</b> 15%	<b>(4.3)</b> 11%	<b>(1.7)</b> 4%	<b>(12.3)</b> 32%	<b>(1.9)</b> 5%	<b>(38.8)</b> 100%
<b>Change</b>	<b>(1.2)</b> 2%	<b>0.8)</b> -2%	<b>0.5)</b> -1%	<b>0.7)</b> -1%	<b>7.7)</b> -20%	<b>(8.5)</b> 22%	

93. As of Month 9, £19.0m (48%) of the savings and interventions are being recorded as banked or on track for delivery. A further £4.8m (13%), being tracked above as amber, are in delivery but may not deliver in full this financial year. Of this, £0.5m is currently anticipated to slip but deliver in 2026/27. There are £4.6m (12%) of savings reported as red and having challenges in delivery, with mitigations being sought in-year where feasible. Of these, £4.2m are forecast to slip into 2026/27 but are ultimately expected to be delivered. Thus, a total of £4.7m in savings is forecast to slip into 2026/27 and forms part of the overall forecast overspend. A further £10.4m of savings are considered to be undeliverable and will need to be written out of the Council's budget from 2026/27. Of these, £2.3m relate to the brought forward balance from the prior year while £8.1m of savings budgeted for delivery in 2025/26 can no longer be delivered. Where savings are at risk of not being delivered in full during 2025/26, the associated pressures have been factored into the monitoring position with compensating actions being implemented where possible to offset the impact.

### Service Operating Budgets

94. Service Operating Budgets represent the majority of the Council's investment in day-to-day services for residents. With the Council continuing to operate in an environment driven by national pressures and exceptionally high demand, these budgets have been supplemented with £5.5m of funding to meet forecast inflationary pressures and £17.8m for demographic growth and other drivers impacting on demand for services.

95. **Table 6** below represents the position reported against normal activities for the Service Operating Budgets now being presented at Corporate Director level. Variances within this position are summarised in the following paragraphs.

**Table 6: Service Operating Budgets**

		Approved Budget	Underlying Forecast	Earmarked Reserves	Provisions	Transformation Capitalisation	Forecast Outturn	Final Forecast Variance	Forecast Variance Prior Month	Change in Variance
<b>Finance</b>	Expenditure	113.8	118.7	0.4	0.0	(0.5)	118.6	4.8	4.5	0.3
	Income	(79.7)	(79.2)	0.0	0.0	0.0	(79.2)	0.5	0.8	(0.3)
	<b>Subtotal</b>	<b>34.1</b>	<b>39.5</b>	<b>0.4</b>	<b>0.0</b>	<b>(0.5)</b>	<b>39.4</b>	<b>5.3</b>	<b>5.3</b>	<b>0.0</b>
<b>Adults Social Care and Health</b>	Expenditure	185.2	193.6	0.0	0.0	(0.1)	193.5	8.3	6.8	1.5
	Income	(84.3)	(86.4)	(0.6)	0.0	0.0	(87.0)	(2.7)	(2.1)	(0.6)
	<b>Subtotal</b>	<b>100.9</b>	<b>107.2</b>	<b>(0.6)</b>	<b>0.0</b>	<b>(0.1)</b>	<b>106.5</b>	<b>5.6</b>	<b>4.7</b>	<b>0.9</b>
<b>Children and Young Peoples Services</b>	Expenditure	79.0	86.6	(0.4)	0.0	(0.7)	85.5	6.5	5.5	1.0
	Income	(21.8)	(21.0)	(0.7)	0.0	0.0	(21.7)	0.1	0.5	(0.4)
	<b>Subtotal</b>	<b>57.2</b>	<b>65.6</b>	<b>(1.1)</b>	<b>0.0</b>	<b>(0.7)</b>	<b>63.8</b>	<b>6.6</b>	<b>6.0</b>	<b>0.6</b>
<b>Residents Services - Place</b>	Expenditure	79.2	79.1	(0.3)	0.0	(0.3)	78.5	(0.7)	0.1	(0.8)
	Income	(34.8)	(33.4)	0.1	0.0	0.0	(33.3)	1.5	1.6	(0.1)
	<b>Subtotal</b>	<b>44.4</b>	<b>45.7</b>	<b>(0.2)</b>	<b>0.0</b>	<b>(0.3)</b>	<b>45.2</b>	<b>0.8</b>	<b>1.7</b>	<b>(0.9)</b>
<b>Residents Services - Homes and Communities</b>	Expenditure	47.3	74.8	(0.2)	0.0	(0.6)	74.0	26.7	24.5	2.2
	Income	(39.6)	(58.5)	0.0	0.0	0.0	(58.5)	(18.9)	(16.0)	(2.9)
	<b>Subtotal</b>	<b>7.7</b>	<b>16.3</b>	<b>(0.2)</b>	<b>0.0</b>	<b>(0.6)</b>	<b>15.5</b>	<b>7.8</b>	<b>8.5</b>	<b>(0.7)</b>
<b>Corporate Services</b>	Expenditure	22.0	26.0	0.0	0.0	(3.3)	22.7	0.7	1.1	(0.4)
	Income	(0.7)	(1.4)	0.0	0.0	0.0	(1.4)	(0.7)	(0.7)	0.0
	<b>Subtotal</b>	<b>21.3</b>	<b>24.6</b>	<b>0.0</b>	<b>0.0</b>	<b>(3.3)</b>	<b>21.3</b>	<b>0.0</b>	<b>0.4</b>	<b>(0.4)</b>
<b>Chief Executive Office</b>	Expenditure	8.0	8.4	0.0	0.0	(0.2)	8.2	0.2	0.2	0.0
	Income	(1.6)	(1.8)	0.0	0.0	0.0	(1.8)	(0.2)	(0.1)	(0.1)
	<b>Subtotal</b>	<b>6.4</b>	<b>6.6</b>	<b>0.0</b>	<b>0.0</b>	<b>(0.2)</b>	<b>6.4</b>	<b>0.0</b>	<b>0.1</b>	<b>(0.1)</b>
<b>Service Operating Budgets</b>	<b>Subtotal</b>	<b>272.0</b>	<b>305.5</b>	<b>(1.7)</b>	<b>0.0</b>	<b>(5.7)</b>	<b>298.1</b>	<b>26.1</b>	<b>26.7</b>	<b>(0.6)</b>

96. As can be seen from the table above, Service Operating Budgets are forecasting a £26.1m overspend which is the cumulative effect of a number of variances as outlined below:
- i. **Finance** – As at Month 9 the service is reporting a pressure of £5.3m, which is consistent with the month 7 net reported position. The variance includes a £1.7m pressure against the Council's Treasury budget resulting from the adverse financial position for the Council. The cash balance is forecast to reduce through the year along with revenue overspend and the increase in the DSG deficit, leading to increased finance costs. This position is compounded by staffing pressures of £2.5m due to the use of agency staff and the associated premium above the workforce budget. The directorate also includes a £1.8m adverse variance due to a change in the assumption in the use of capital receipts.
  - ii. **Adult Social Care & Health** – are reporting an overspend of £5.6m, with overall pressures of £7.4m offset by a £1.7m underspend against SEND Transport and further mitigations of £1.4m through reductions in staff forecasts and holding vacant posts. This position is driven by the ongoing and unrelenting growth in demand for the service with all client groups reporting ongoing exceptional demand in 2025/26. Client numbers continue to grow above the budgeted position, particularly in Learning Disabilities and Mental Health services. The underspend in SEND Transport is driven by a more economical procurement of personal assistants and maximising efficiencies through the mix of delivery options.
  - iii. **Children & Young People's Services** – As at Month 9, services within this directorate are reporting a pressure of £6.6m, up from £6.0m in Month 7. The pressure in this area and the increase in forecast overspend since Month 7 is driven by additional demand for Children's Social Care and an underlying pressure on Asylum due to a previously highlighted budget shortfall. Additional pressure is driven by a reduction in the use of flexible capital receipts to fund transformation costs.
  - iv. **Resident Services: Place** – Are reporting an overspend of £0.8m at Month 9, representing a c£0.9m favourable movement from Month 7 following effective management actions, use of earmarked reserves and transformation capitalisation.
  - v. **Resident Services: Homes & Communities** – Are reporting a net overspend of £7.8m, representing a favourable movement of £0.7m compared with month 7. The main drivers for the overspend are an increased demand for Temporary Accommodation, reduced on street parking income and increased support for clients. These impacts are partially offset by additional income from Food Safety and specific additional grant allocations including Homeless Prevention and Rough Sleeper grants.
  - vi. **Corporate Services** – As at Month 9 are reporting a breakeven position, reduced from £0.4m reported in month 7. The overspend is caused mainly by a shortfall in planned savings (£469k) offset by lower costs of a technology contract and general staff savings across the directorate.

- vii. **Chief Executive's Office** – Is also reporting a breakeven position at M9 following a slight deficit recorded in month 7. The favourable movement is due largely to legal income received following confirmation from the Court.

## Collection Fund

97. The Collection Fund at Month 9 is reporting a surplus of £4.6m against 2025/26 activity, before the prior year deficit variance of £10.1m takes the Collection Fund to an overall deficit of £5.5m. The in-year surplus is made up of a £1.6m and a £3m surplus in Council Tax and Business Rates respectively, the improvement in Council Tax since Month 7 mainly being driven by a forecast £1.4m release of the Bad Debt Provision as part of the continuing review of Collection Fund debt by the Revenues and Benefits team. The favourable movement in the Business Rate surplus is due to a forecast underspend in the Growth Levy budget. However:
- i. Council Tax income continues to show a pressure of £251k due to slower than anticipated growth in the taxbase;
  - ii. Business Rates income collection is showing a pressure of £2.7m, offset by a reduction in the Council's levy against retained business rates above the Government determined baseline level.
  - iii. The Business Rates position is further improved by a forecast increase in Section 31 Grant income, currently an additional £1.9m to what was previously expected.
98. The Council continues to monitor and review outstanding debt associated with Council Tax and Business Rates to ensure sufficient cover for this.

## Schools Budget

99. As of Month 9, the Dedicated Schools Grant (DSG) is forecasting an in-year deficit of £9.6m, £2.9m less than the £12.5m budgeted use of reserves, with a £1.0m favourable movement from Month 7. The favourable movement relates to High Needs expenditure and the service's ongoing work to reduce reliance on costly independent placements through increased local provision and early intervention. This in-year shortfall is entirely driven by continued demand and cost pressures in High Needs placements, which remain significantly underfunded in the DSG allocation from the DfE. These pressures are not unique to the local authority; nationally, local authorities are facing similar challenges. Rising demand for specialist provision, a shortage of maintained special school places, and increasing reliance on costly independent non-maintained placements are contributing to widespread overspends in the High Needs Block. Despite efficiency targets and mitigation efforts, the structural underfunding of High Needs provision continues to place significant strain on DSG budgets across the country. The table below (**table 7**) provides a summary of the Schools Budget and the current forecast.
100. Whilst the Safety Valve funding with the DfE is currently suspended the Council is actively progressing a range of strategic initiatives aimed at improving outcomes for children and young people with Special Educational Needs and Disabilities (SEND), while ensuring more sustainable use of resources. These efforts include reducing the overall number of Education, Health and Care Plans (EHCPs), lowering the average top-up funding required per EHCP, and

decreasing the average cost of education placements. In parallel, the Council is working to enhance the value for money of commissioned services and to increase financial contributions from partner agencies towards the support of children and young people with SEND. The Council is beginning to see a significant reduction in the in-year deficit as a consequence.

**Table 7: DSG Income and Expenditure Summary**

Dedicated Schools Grant (DSG) Blocks	Budget 2025/26			Month 9 Forecast £m	Variance £m	Month 7 Variance £m
	DSG Settlement	Academy Recoupment	LBH Maintained			
	£m	£m	£m			
Schools Block	297.9	(187.0)	110.9	110.9	0.0	0.0
Early Years Block	48.3	0.0	48.3	48.3	0.0	0.0
Central Schools Block	2.5	0.0	2.5	2.5	0.0	0.0
High Needs Block	86.8	(13.1)	73.7	70.8	(2.9)	(1.9)
Budgeted Use of Reserves	(12.5)	0.0	(12.5)	(12.5)	0.0	0.0
<b>Total</b>	<b>423.0</b>	<b>(200.1)</b>	<b>222.9</b>	<b>220.0</b>	<b>(2.9)</b>	<b>(1.9)</b>
Balance B/F 1 April 2025					<b>65.9</b>	
Budgeted Use of Reserves					<b>12.5</b>	
Pressure/Reduction					<b>(2.9)</b>	
<b>Total Deficit at 31 March 2026</b>					<b>75.5</b>	

101. A core target for the revised High Needs Safety Valve Plan is to actively reduce unit costs by concentrating SEN support in-borough within our maintained schools and thereby reduce dependence on high cost independent and out-of-borough placements. Trend data shows clear evidence that the approach which has been in place since early 2024/25 is now beginning to have a positive impact.

102. The mounting DSG deficits remain a significant national issue, with projections indicating a substantial funding gap for English councils. Specifically, English councils face a £2.3 billion funding gap in 2025/26, rising to £3.9 billion by 2026/27, creating a £6.2 billion shortfall over two years, according to the Local Government Association (LGA). This deficit is primarily driven by increased demand for services for children with special educational needs and disabilities (SEND).

## Housing Revenue Account

103. The Housing Revenue Account (HRA) is currently forecasting a breakeven position, with ongoing market and demand risk being closely monitored throughout the year. The 2025/26 closing HRA General Balance is forecast to be £15.0m, in line with the target level set out in the Council's budget strategy. The table below presents key variances with a £1.3m pressure against operating costs being compounded by a £0.4m adverse variance against rental income. This position is kept to breakeven by a reduction in the capital financing costs, with the Council opting to reduce the revenue contribution to capital schemes in order to maintain the target level of balances, whilst ensuring the HRA remains in a financially sustainable position. This position represents a £0.5m adverse operating cost movement since Month 7 offset by a corresponding movement in revenue contributions to capital.

**Table 8: Housing Revenue Account**

Service	Budget £m	Forecast Outturn £m	Variance £m	Prior Month £m	Change £m
Rent & Other Income	(85.7)	(85.3)	0.4	0.4	0.0
<b>Net Income</b>	<b>(85.7)</b>	<b>(85.3)</b>	<b>0.4</b>	<b>0.4</b>	<b>0.0</b>
Operational Assets	16.2	16.0	(0.2)	0.0	(0.2)
Director of Housing	9.7	11.1	1.4	0.5	0.9
Other Service Areas	1.0	1.3	0.3	0.3	0.0
Contribution to Shared Services	11.9	11.7	(0.2)	0.0	(0.2)
<b>HRA Operating Costs</b>	<b>38.8</b>	<b>40.1</b>	<b>1.3</b>	<b>0.8</b>	<b>0.5</b>
Capital Programme Financing	31.0	27.0	(4.0)	2.7	(6.7)
Interest and Investment Income	15.9	18.2	2.3	(3.9)	6.2
<b>Total Capital Programme Financing</b>	<b>46.9</b>	<b>45.2</b>	<b>(1.7)</b>	<b>(1.2)</b>	<b>(0.5)</b>
<b>(Surplus) / Deficit</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>		
General Balance 01/04/2025	15.0	15.0	0.0		
<b>General Balance 31/03/2026</b>	<b>15.0</b>	<b>15.0</b>	<b>0.0</b>		

104. At Month 9, rent and other income is forecasting a pressure of £0.4m. The Council's budget strategy to deliver a net increase of 209 new homes is anticipated to be on track to deliver but weighted towards the latter part of the year. The budgets are based on a void rate of 1.02%, with any material variation from this level feeding into rental projections as appropriate.

105. The revised HRA Operating Costs budget is £38.8m and at Month 9 is forecasting an overspend of £1.3m against the budget, due to staffing pressures, B&B costs associated with

emergency housing and leaseholder insurance premiums. These budgets are based on supporting the Council's housing stock as at 1 April 2025, with growth added in line with the increase in stock numbers and to support the additional costs associated with this increase and ensuring regulatory compliance. This area remains under review, with growth in these budgets included in the approved budget from February 2025 being deployed as and when new homes are brought online.

106. Operational Assets are forecast to underspend by £0.2m. This incorporates a number of minor pressures, the most material of which is a reduction in the cost of subsidence surveys, offset by in-year mitigations, predominantly linked to a reduction in boiler repairs driven by the replacement programme. Inflation was added to HRA Operating Costs in the Council's budget strategy, with forecasts indicating the uplift is sufficient to meet inflationary demands on the service.

107. The detail behind the service delivery of the blocks included in **table 8** are as follows:

- i. Operational Assets budget funds the services provided for repairs and maintenance, void repairs, compliance and inspections.
- ii. The Director of Housing budget includes tenancy management and tenants' services. The budgets include utility costs, and these will continue to be monitored given the volatility of the electricity and gas markets in recent times.
- iii. The Other Service Areas budget includes the Careline contract, HRA specific ICT costs and the revenue regeneration costs.
- iv. The Contribution to Shared Services budget includes the development and risk contingency, overheads and corporate and democratic core charges, and the bad debt provision.

108. As at Month 9 the capital programme financing budget of £46.9m was forecast to underspend by £1.7m. This budget forecast includes £31.0m (depreciation and revenue contributions) to fund the HRA capital programme, the position also includes £15.9m for repayments of loans and interest on borrowing. This position will be closely monitored throughout the year with clear linkages to the commissioning plan.

## 2024/5 Final Outturn Position

109. Cabinet approved an initial 2024/25 outturn position on the 24 July 2025. This position fed into the draft Statement of Accounts for 2024/25 that were published on the 22 September 2025.
110. Audit Committee on the 10 February noted the final position on the 2024/25 Statement of Accounts, but delegated final approval given the EFS application awaited. The accounts include a number of changes required by the External Auditors Ernst & Young which have been finalised in January. The major changes to the accounts since the draft accounts were submitted have been:
- 1) The removal of a £2m dividend from Hillingdon First as this was not received in the 2024/5 financial year.
  - 2) A correction for a £1.285m in relation to Housing Benefits due to timing issues.
111. Usually, these corrections would have been made against the General Fund (GF) balance. Given the present GF level at £1.45m, and the fact that Exceptional Financial Support (EFS) is likely not to be granted for the 2024/25 financial year if there are GF and Earmarked Reserves balances that can cover any adjustments, another funding route is required for these adjustments. Therefore, this £3.3m adjustment has been rectified by re-reviewing the Council's earmarked reserves and their necessity to cover this £3.3m difference. However, as this is a different use for these earmarked reserves, there is the requirement for cabinet to approve these changes.

## Treasury Management Strategy

112. The Council approves its Treasury Management Strategy as part of the Budget papers at Council each year in February.
113. The Council will aim to hold a level of short-term investment balances which are not excessive but will ensure sufficient liquidity to manage the day-to-day activities of the Council and will not fall below £10m. Longer-term investments are forecast at £15m over the next 5 years.
114. The Council's borrowing requirements for future years are set out in the Treasury Management and Capital Strategies in the Capital Financing Requirement. The Capital Financing Requirement set out in the Capital Strategy in February 2025 is set out in **table 9**, below

**Table 9: Prudential Indicator – Estimates of Capital Financing Requirement**

	2024/25 Forecast £m	2025/26 Budget £m	2026/27 Budget £m	2027/28 Budget £m	2028/29 Budget £m	2029/30 Budget £m
General Fund services	338.3	408.7	462.4	478.8	485.5	480.9
Housing Revenue Account (HRA)	281.4	322.2	427.3	499.8	559.4	589.2
<b>TOTAL</b>	<b>619.7</b>	<b>730.9</b>	<b>889.7</b>	<b>978.6</b>	<b>1,044.9</b>	<b>1,070.1</b>
<i>of which</i>						
General Fund services	308.3	378.7	432.4	448.8	455.5	450.9
Housing Revenue Account (HRA)	281.4	322.2	427.3	499.8	559.4	589.2
Capital investments	10.0	10.0	10.0	10.0	10.0	10.0
Leases	20.0	20.0	20.0	20.0	20.0	20.0
<b>TOTAL</b>	<b>619.7</b>	<b>730.9</b>	<b>889.7</b>	<b>978.6</b>	<b>1,044.9</b>	<b>1,070.1</b>

115. Presently, Councils cannot use capital resources for revenue purposes. However, as set out in the 2026/27 Budget and Future Medium-Term Financial Strategy, that was presented to cabinet on 23 December, the Council is reliant on the receipt of Exceptional Financial Support (EFS). This is exacerbated by the low level of Reserves being carried forward into 2025/6 as per the final 2024/25 Statement of Accounts approved by Audit Committee on 10 February 2026 and also the circa £36m revenue overspend position for 2025/26.
116. The Council must ensure it protects its cash position. As such there is the requirement to make the following adjustments to the present Treasury Management Strategy to ensure it can take advantage of any EFS direction and ensure the Council's liquidity position does not fall below the £10m level.
117. The first of these, should the Government "be minded" to approve the Councils EFS application, is to allow the use of capital resources for revenue purposes. The EFS approval has attached consequences as any capital sums used to fund revenue will require financing over a maximum 20 year period as per the EFS regulations.
118. In addition, the Council's Capital Financing Requirement will need an additional line added for any EFS approved – which from an affordability basis will potentially impact the Council's wider capital programme.
119. The second is if required, the permission to liquidate our £15m of longer term investments to protect the Council's cash position. These are three separate investments. If this avenue is required, it carries a potential cost of £800k in terms of the early liquidation of these three assets,

## Appendix 1 Capital Programme - GF

	Revised Budget 2025/26 £000s	Forecast 2025/26 £000s	Cost Variance 2025/26 £000s	Rephasing Variance 2025/26 £000s	5 Year Budget £'000s	5 Year Forecast £'000s	5 Year Variance £'000s	Total Council Resource s £'000s	5 Year Grants and Contribution £000s	5-Year Forecast Spend £'000s
<b>Corporate Services &amp; Property</b>										
Highways Structural Works	12.7	12.7	-	-	52.7	52.7	-	48.0	4.7	52.7
Jubilee Leisure Centre, West Drayton	10.2	10.2	-	-	10.8	10.8	-	10.8	-	10.8
Hillingdon Water Sports Facility	8.0	1.0	-	(7.0)	18.0	18.0	-	-	18.0	18.0
School Building Condition Works	7.8	1.0	-	(6.8)	20.2	20.2	-	-	20.2	20.2
D.F.G - Mandatory	5.6	1.3	-	(4.3)	14.2	14.2	-	-	14.2	14.2
Civic Centre Transformation	2.5	6.5	-	4.0	7.3	7.3	-	7.3	-	7.3
Northwood Hills Library (New)	2.4	-	(2.4)	-	2.4	-	(2.4)	2.4	-	-
Harefield Family Hub New Build	2.2	0.2	-	(2.0)	3.6	3.6	-	3.6	-	3.6
Carbon Initiatives	1.9	1.9	-	-	7.9	7.9	-	6.0	1.9	7.9
Otterfield Road library	1.4	0.3	-	(1.1)	1.9	1.9	-	1.9	-	1.9
Charville Lane - Children Specialist House	1.3	1.2	-	(0.1)	1.4	1.4	-	1.4	0.1	1.4
Street Lighting Replacement	1.0	1.0	-	-	5.2	5.2	-	5.2	-	5.2
Refurbishment of Crematorium	0.9	-	-	(0.9)	9.0	9.0	-	6.0	3.0	9.0
New Years Green Lane Extension	0.8	-	-	(0.8)	0.9	0.9	-	0.8	0.1	0.9
Staying Close Project - Children's Respite	0.7	0.2	-	(0.5)	0.7	0.7	-	0.7	-	0.7
Cranford Park Heritage	0.5	0.5	-	-	0.6	0.6	-	0.5	0.1	0.6
Property Works Programme	0.5	0.5	-	-	6.1	6.1	-	6.1	-	6.1
Highways Bridges and Structures	0.4	0.4	-	-	2.0	2.0	-	2.0	-	2.0
Battle of Britain Underground Bunker	0.3	-	(0.3)	-	0.4	-	(0.3)	0.4	-	-
Flood Alleviation	0.3	-	(0.3)	-	0.7	0.4	(0.3)	0.1	0.5	0.4
Harlington Road Depot Fuel Pumps & Canopy	0.3	-	(0.3)	-	0.6	0.3	(0.3)	0.6	-	0.3
Uxbridge Cemetery Gatehouse & Chapel Refurbishment	0.2	0.2	-	-	0.2	0.2	-	0.2	-	0.2
Appropriation of Townfield to General Fund	0.1	-	(0.1)	-	0.1	-	(0.1)	0.1	-	-
Yewsey/ West Drayton Community Centre	-	-	-	-	-	-	-	-	-	-
Asha Day Centre Refurbishment	-	-	-	-	-	-	-	-	-	-
Housing Developments	-	-	-	-	20.0	20.0	-	20.0	-	20.0
Motor Vehicle Workshop - Relocation	-	-	-	-	-	-	-	-	-	-
<b>Corporate Services &amp; Property Total</b>	<b>62.0</b>	<b>39.1</b>	<b>(3.4)</b>	<b>(19.5)</b>	<b>186.9</b>	<b>183.4</b>	<b>(3.4)</b>	<b>124.1</b>	<b>62.8</b>	<b>183.4</b>
<b>Finance &amp; Transformation</b>										
Capitalisation of Transformation Expenditure	10.0	5.7	(4.3)	-	31.0	26.7	(4.3)	31.0	-	26.7
Corporate Technology and Innovation Programme	6.4	1.9	-	(4.5)	14.7	14.7	-	14.7	-	14.7
Purchase of Vehicles	4.7	2.7	-	(2.0)	23.3	23.7	0.5	22.9	0.3	23.3
DSG Capitalisation Support	4.0	-	(4.0)	-	4.0	-	(4.0)	4.0	-	-
<b>Finance &amp; Transformation Total</b>	<b>25.1</b>	<b>10.3</b>	<b>(8.3)</b>	<b>(6.5)</b>	<b>73.0</b>	<b>65.1</b>	<b>(7.8)</b>	<b>72.6</b>	<b>0.3</b>	<b>64.7</b>
<b>Planning, Housing &amp; Growth</b>										
Transport for London	1.2	1.2	-	-	7.0	7.0	-	-	7.0	7.0
Road Safety	0.1	0.1	-	-	0.6	0.6	-	0.6	-	0.6
Highways Section 106 Projects	-	0.2	0.2	-	-	0.2	0.2	-	-	0.2
Shopping Parade Initiatives	(0.1)	(0.1)	-	-	(0.1)	(0.1)	-	(0.1)	-	(0.1)
<b>Planning, Housing &amp; Growth Total</b>	<b>1.2</b>	<b>1.4</b>	<b>0.2</b>	<b>-</b>	<b>7.5</b>	<b>7.7</b>	<b>0.2</b>	<b>0.5</b>	<b>7.0</b>	<b>7.7</b>
<b>Community &amp; Environment</b>										
Chrysalis Programme	2.1	1.0	-	(1.1)	6.1	6.1	-	6.1	-	6.1
Green Spaces Machinery	1.5	1.2	-	(0.3)	4.5	4.5	-	4.5	-	4.5
Infrastructure Investments	0.7	-	-	(0.7)	0.7	0.7	-	0.7	-	0.7
Environmental and Recreational Initiatives - Green Spaces	0.5	0.5	-	-	0.5	0.5	-	0.4	0.1	0.5
Waste Services Improvements	0.5	0.5	-	-	0.6	0.6	-	0.6	-	0.6
Shopping Parade Initiatives	0.5	0.5	-	-	0.5	0.5	-	0.5	-	0.5
Leisure Centre Refurbishment	0.3	0.3	-	-	0.7	0.7	-	0.7	-	0.7
Playground Replacement Programme	0.3	-	-	(0.3)	1.1	1.1	-	1.1	-	1.1
Botwell Leisure Centre Adaptations	0.3	-	-	(0.3)	0.3	0.3	-	0.3	-	0.3
Parking Improvements	0.2	0.2	-	-	0.2	0.2	-	0.2	-	0.2
Older Peoples Initiative	0.2	-	(0.2)	-	1.0	0.8	(0.2)	1.0	-	0.8
CCTV Programme	0.2	0.2	-	-	0.9	0.9	-	0.9	-	0.9
<b>Community &amp; Environment Total</b>	<b>7.3</b>	<b>4.4</b>	<b>(0.2)</b>	<b>(2.7)</b>	<b>17.1</b>	<b>16.9</b>	<b>(0.2)</b>	<b>17.0</b>	<b>0.1</b>	<b>16.9</b>
<b>Children, Families &amp; Education</b>										
SRP/ SEND	23.5	11.0	-	(12.5)	23.5	23.5	-	20.1	3.3	23.5
Secondary School Expansions	6.1	0.4	-	(5.7)	6.1	6.1	-	1.4	4.7	6.1
Youth Provision	0.6	0.4	-	(0.2)	0.5	0.5	-	-	0.5	0.5
Devolved Capital to Schools	0.4	0.4	-	-	1.9	1.9	-	-	1.9	1.9
<b>Children, Families &amp; Education Total</b>	<b>30.6</b>	<b>12.2</b>	<b>-</b>	<b>(18.4)</b>	<b>32.0</b>	<b>32.0</b>	<b>-</b>	<b>21.5</b>	<b>10.4</b>	<b>32.0</b>
<b>Health &amp; Social Care</b>										
Investment in Home Care Capacity	9.8	6.8	-	(3.0)	29.9	29.9	-	29.9	-	29.9
Equipment Capitalisation - Social Care	2.4	2.4	-	-	13.8	13.8	-	-	13.8	13.8
<b>Health &amp; Social Care Total</b>	<b>12.2</b>	<b>9.2</b>	<b>-</b>	<b>(3.0)</b>	<b>43.7</b>	<b>43.7</b>	<b>-</b>	<b>29.9</b>	<b>13.8</b>	<b>43.7</b>
<b>Development &amp; Risk Contingency</b>										
General Fund Capital Contingency	-	-	-	-	6.0	6.0	-	6.0	-	6.0
<b>Development &amp; Risk Contingency Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>6.0</b>	<b>6.0</b>	<b>-</b>	<b>6.0</b>	<b>-</b>	<b>6.0</b>
<b>Grand Total</b>	<b>138.4</b>	<b>76.6</b>	<b>(11.8)</b>	<b>(50.0)</b>	<b>366.0</b>	<b>354.6</b>	<b>(11.4)</b>	<b>271.6</b>	<b>94.4</b>	<b>354.6</b>

## Appendix 2 Capital Programme - HRA

	Revised Budget 2025/26 £000s	Forecast 2025/26 £000s	Cost Variance 2025/26 £000s	Rephasing Variance 2025/26 £000s	5 Year Budget £'000s	5 Year Forecast £'000s	5 Year Variance £'000s	Total Council Resources £'000s	5 Year Grants and Contribution £000s	5-Year Forecast Spend £'000s
<b>HRA Major Projects</b>										
Acquisitions	104.6	100.0	-	(4.6)	104.6	104.6	-	65.2	39.4	104.6
Development Allocated	22.3	14.6	0.1	(7.8)	119.5	119.6	0.1	32.9	86.6	119.6
Acquisition and Development Unallocated	15.4	15.4	-	-	15.4	15.4	-	5.4	10.0	15.4
HRA General Contingency	-	-	-	-	-	-	-	-	-	-
<b>HRA Major Projects Total</b>	<b>142.3</b>	<b>130.0</b>	<b>0.1</b>	<b>(12.4)</b>	<b>239.5</b>	<b>239.6</b>	<b>0.1</b>	<b>103.5</b>	<b>136.0</b>	<b>239.6</b>
<b>HRA Programme of works</b>										
HRA Works to Stock Programme	36.8	30.2	-	(6.6)	136.5	136.5	-	131.5	5.0	136.5
Green Homes Initiatives Programme	14.1	4.5	-	(9.6)	44.9	44.9	-	37.2	7.6	44.9
Major Adaptations	3.2	1.7	-	(1.5)	17.2	17.2	-	17.2	-	17.2
House Extension Programme	2.8	0.1	-	(2.7)	6.8	6.8	-	6.8	-	6.8
Food Waste Housing Units for Communal Properties	0.3	0.3	-	-	0.3	0.3	-	0.3	-	0.3
<b>HRA Programme of works Total</b>	<b>57.2</b>	<b>36.8</b>	<b>-</b>	<b>(20.4)</b>	<b>205.7</b>	<b>205.7</b>	<b>-</b>	<b>193.0</b>	<b>12.6</b>	<b>205.7</b>
<b>HRA Regeneration</b>										
Hayes Regeneration	19.6	19.6	-	-	104.1	104.1	-	61.1	42.9	104.1
<b>HRA Regeneration Total</b>	<b>19.6</b>	<b>19.6</b>	<b>-</b>	<b>-</b>	<b>104.1</b>	<b>104.1</b>	<b>-</b>	<b>61.1</b>	<b>42.9</b>	<b>104.1</b>
<b>Grand Total</b>	<b>219.1</b>	<b>186.4</b>	<b>0.1</b>	<b>(32.8)</b>	<b>549.3</b>	<b>549.4</b>	<b>0.1</b>	<b>357.6</b>	<b>191.5</b>	<b>549.4</b>