

Committee Report Checklist

Please submit the completed checklists with your report. If final draft report does not include all the information/sign offs required, your item will be delayed until the next meeting cycle.

Stage 1

Report checklist – responsibility of report owner

ITEM	Yes / No	Date
Councillor engagement / input from Chair prior to briefing		
Commissioner engagement (if report focused on issues of concern to Commissioners such as Finance, Assets etc)		
Relevant Group Head review		
MAT+ review (to have been circulated at least 5 working days before Stage 2)		
This item is on the Forward Plan for the relevant committee		
	Reviewed by	
Risk comments	LO	20/01/26
Legal comments	LH	21/01/26
HR comments (if applicable)		

For reports with material financial or legal implications the author should engage with the respective teams at the outset and receive input to their reports prior to asking for MO or s151 comments.

Do not forward to stage 2 unless all the above have been completed.

Stage 2

Report checklist – responsibility of report owner

ITEM	Completed by	Date
Monitoring Officer commentary – at least 5 working days before MAT	L Heron	21/01/26
S151 Officer commentary – at least 5 working days before MAT	T.Collier	20/1/26
Confirm final report cleared by MAT		

Community Wellbeing and Housing Committee

Date of meeting – 27 January 2026

Title	Community Wellbeing and Housing - Budget, Fees and Charges, and Capital Programme for 2026/27
Purpose of the report	To make a decision
Report Author	Altin Bozhani, Deputy Chief Finance Officer (Interim)
Ward(s) Affected	All Wards
Exempt	Report – no
Corporate Priority	Community Addressing Housing Need Resilience Service Delivery
Recommendations	Committee is asked to: <ol style="list-style-type: none">1. Review the draft detailed revenue budget for 2026/27 for Community Wellbeing and Housing Committee, and agree any amendments2. Review the draft capital budget for 2026/27 for Community Wellbeing and Housing Committee3. Recommend to Corporate Policy and Resources Committee to approve the proposed detailed Revenue budget and Capital Programme proposals for this Committee.
Reason for Recommendation	Councils have a statutory duty to balance their budgets. It is important that we take a medium-term approach in ensuring that we can take action sufficiently early to ensure the Council's Revenue Budget remains financially sustainable.

1 Executive summary of the report

What is the situation	Why we want to do something
<ul style="list-style-type: none">• A robust revenue and capital budgets planning process helps organisations to manage their resources with economy, efficiency, and effectiveness	<ul style="list-style-type: none">• To have a robust and sustainable 2026/27 budget that meets the needs of the service and provides a resilient financial position to the Council as a whole.• The 2026/27 Budget planning process commenced in June 2025 and must be completed and approved by Council on 26th February 2026.

	<ul style="list-style-type: none"> The 2026/27 budget represents a re-baselining exercise that better aligns budgets with operational reality, while absorbing national funding changes and maintaining statutory service delivery within a reducing net cash envelope.
This is what we want to do about it	These are the next steps
<ul style="list-style-type: none"> Committee reviews and agrees revenue and capital growth and fees and charges. 	<ul style="list-style-type: none"> Approval of the Detailed Budget and preparation of the whole budget for Committee

2 Key issues

- 2.1 This report seeks to present the Budget, Fees and Charges, and Capital for Community Wellbeing and Housing. The purpose is to give the Committee an early opportunity to comment and shape the budget before the overall 2026/27 budget is considered by the Corporate Policy and Resources Committee at its meeting 17th February 2026 and Council on 26th February 2026.
- 2.2 The Council's Medium-Term Financial Strategy (MTFS) faces significant cost pressures and adjustments. Pay costs are projected to rise by 4% in 2026/27, with an additional 0.2% retrospective adjustment for 2025/26, followed by estimated annual increases of 2.5% in years two and three of the planning period, placing sustained upward pressure on the staffing budget.
- 2.3 During the early stages of the budget-setting process, the early identification and assessment of both Revenue and Capital pressures were recognised and closely monitored. Services were reminded that the Council is legally required to set a balanced budget. All proposed revenue pressures must be fully offset by corresponding savings or spend-to-save initiatives. Where unavoidable pressures cannot be absorbed within existing budgets, clear justification and evidence of need must be provided.
- 2.4 Furthermore, services are advised that all capital growth bids must be realistic and deliverable, particularly for projects expected to extend beyond 1 April 2027, given the implications of the Surrey Local Government Reorganisation (LGR).
- 2.5 Detailed analysis are attached as Appendices A – F. The Committee has the opportunity to comment on any of the fees and charges, proposed savings and their revenue and capital budget for 2026/27.

Budget Principles

- 2.6 The Council applied the following principles when preparing the annual budget:
- Aligned the budget with the Council's Corporate Plan and strategic priorities.

- Undertaking financial planning a medium term approach being mindful that the last Budget Spelthorne will set will be 2026/27, and giving consideration towards alignment with West Surrey councils
- Give consideration to revenue and capital requirements.
- Secure necessary savings, cost reductions, and increased income generation.
- Maintain a sustainable financial position and avoid reliance on one-off measures.
- Base all financial estimates on robust data and evidenced assumptions. Make use of benchmarking data and comparison, particularly with West Surrey councils
- Approve unavoidable service pressure only in exceptional circumstances and on a case-by-case basis, ideally being managed by individual services from compensating savings.
- Ensure all services demonstrate value for money and high productivity.

Fees and Charges

- 2.7 In light of the forthcoming Local Government Reorganisation (LGR) and the creation of the new West Surrey Council, the Authority is committed to reviewing and aligning its fees and charge's structure to ensure consistency and fairness across the region, and to contribute towards closing the Spelthorne Budget gap. As part of this process, the Council will work closely with neighbouring authorities to identify opportunities for harmonisation, undertaking benchmarking comparisons, ensuring that services are delivered efficiently while providing value to residents and businesses. This will include assessing current fee levels and structures, with a focus on streamlining and aligning charges where appropriate, to support the smooth transition to the new council and to enhance the overall service delivery across the new administrative boundaries.
- 2.8 A standard uplift of 5% has been applied to discretionary fees and charges, except where managers have carried out benchmarking and provided justification for a different adjustment. Figures have been rounded in line with guidance from Corporate Policy and Resources. Discretionary fees will increase by 5% and these proposed additional fees and charges for this committee are expected to generate an additional £237k (see Appendix D).
- 2.9 It is proposed to increase the Meals on Wheels meal price from £5 to £6.50, and the Sandwich price from £2 to £3. The increase in income is designed to reduce the level of subsidy, which after the increase, will reduce bottom line to a net subsidy of the service of £36k. This will help to limit the impact on service users in 2027/28 as it is expected that the new West Surrey Unitary authority will have one price for all users and currently the other districts charge more, some £8 without taking account further increased prices.
- 2.10 The Committee will also benefit from a rise in income due to the volume of sales being reviewed to calculate the budget. The 2025/26 budget had an assumed volume of 41,500 meals and sandwiches, whereas actual sales are much higher. The 2026/27 budget has assumed an increase to 49,500 meals and sandwiches being sold. The table below shows the movement in income which will reduce the net subsidy from £120k to £36k. A small reduction in the projected 2025/26 volume has been used to project 2026/27 volume to take account of any small drop off in service usage.

**Table to show 2025/26 Income budget for Meals on Wheels v Proposed
2026/27 fee increase and uplift in volume**

	2025/26 Budget			2026/27 Proposed		
	Price	Volume	Budget	Price	Volume	Budget
Sandwiches	£2.00	10,700	£21,400	£3.00	8,500	£25,500
Meals	£5.00	30,800	£154,000	£6.50	41,000	£266,500
Total		41,500	£175,400		49,500	£292,000

Savings Proposals

- 2.11 The proposals from the Grants Panel for grants to voluntary organisations were agreed at Community Wellbeing and Housing Committee on 13th January 2026 to be recommended to Council, a reduction of £61,200 to £170,000.

Unavoidable Expenditure Pressures

- 2.12 The 2026/27 Community Wellbeing & Housing budget reflects a net reduction of £462k compared to 2025/26, driven by a combination of service reconfiguration, grant consolidation and demand-led pressures. The most significant structural change is the inclusion of specific MHCLG grants (including Homelessness Prevention and Rough Sleeping Initiative funding) into the Revenue Support Grant (RSG), in line with Government policy. This results in the apparent loss of ring-fenced income within individual service budgets (notably Homelessness Prevention and Rough Sleeping), while expenditure pressures remain visible within services. The impact is managed corporately through RSG allocation assumptions, ensuring no material unfunded pressure arises at service level, albeit with reduced transparency of grant-to-service matching.
- 2.13 Temporary Accommodation, Bed & Breakfast and the Rough Sleeping budgets have increase materially, reflecting sustained housing pressures, higher nightly rates and increased placement volumes, partially offset by higher rent recovery assumptions.
- 2.14 . Harper House and other accommodation services reflect recalibrated staffing and running cost assumptions following in-house delivery.
- 2.15 In August 2025, the two year lease of Temporary Accommodation at Longford came to an end. The lease was originally taken out to accommodate at short notice Afghan families discharged from the Bridging Hotel in Staines, when the Home Office closed it. Over the two year lease period the Afghan families were found resettlement accommodation and the lease was used towards the end for general Temporary Accommodation. With the lease coming to an end the expenditure has come to an end. Regulatory and statutory services show targeted growth aligned to activity trends. Licensing income increases significantly, in particular relating to HMO licensing, driven by increased enforcement activity and associated higher volumes of licence applications,, with income rising from £30k to £105k year on year. The staffing costs associated with HMOs are included within the Environmental Health admin budget, which is reported under Environment and Sustainability Committee. There are staffing realignments within Licensing rather than net new posts, with one position moving from Environmental Health admin to Licencing. Across the wider budget, inflationary uplifts in pay, pensions and utilities are evident, particularly within

day centres and in-house services, but are partially mitigated by realistic income re-profiling, vacancy management, and the withdrawal of under-utilised budgets.

- 2.16 Overall, based on the pension contribution advice from the Surrey Pension Fund actuaries, employer contribution rates for the period 2026/27 to 2028/29 are expected to decrease from 24.6% to 23.1%. This reduction will generate an estimated budget saving for the Council as a whole of approximately £0.5 million, which has been reflected across all service budgets for 2026/27. Prior to 2026/27 there were two elements making up the employer pension contribution, with a current service contribution charged as a percentage to individual services and a past service contribution charged as a lump sum to unallocated expenses within the Corporate Policy and Resources Committee. From 2026-27 the Pension Fund is combining these two elements into a single percentage charge which will be reflected against individual service budgets, this has the effect of pushing up individual services superannuation budgets, although the overall pension cost to the Council is actually reducing.

Capital Programme for 2026/27

- 2.17 The Community Wellbeing & Housing Capital Programme includes provision for Disabled Facilities Grants (DFGs) of £1,170k, and £60k discretionary provision to fund essential adaptations to support vulnerable and disabled residents to live safely and independently in their homes. This capital allocation forms part of the Council's statutory responsibilities and contributes directly to improved health, wellbeing and prevention outcomes. The programme enables timely delivery of adaptations such as ramps, accessible bathrooms and specialist equipment, reducing reliance on social care services and supporting wider community wellbeing objectives. Further capital projects include property acquisitions towards temporary and resettlement accommodation for £3,850k funded by developer's contributions, mechanical and electrical plant upgrades of £1m at Sunbury Leisure Centre funded by capital grants as well as football pitch improvements for £68k funded by Community Infrastructure Levy (CIL).

3 White House and Harper House Service

- 3.1 Following the White House and Harper House Service being brought back in-house, from an external provider, on 1st April 2025, several on-going issues have been identified which has highlighted the budget levels for 2025/26 were not sufficient to operate an effective and efficient service, whilst keeping the building in compliant condition. The external operator had previously advised the contract was costing them money, but due to shared responsibilities between maintenance and some operational matters, it was not possible to understand the full level of unbudgeted provision until the Council had full control of all operation and costs.
- 3.2 The forecast spend for 2025/26 addresses several historic maintenance issues which are anticipated to be one off 'spends' opposed to ongoing liabilities, however many areas have needed increased budget provision from day-to-day operational matters i.e. cleaning through to allowances for reinstatement of room condition as the residents move on, most are left in poor physical condition often needing new furniture i.e. mattresses and substantial repair works and additional deep cleans to ensure hygiene standards are achieved. These costs usually cannot be recovered from residents as they do not have the financial ability.

3.3

- 3.4 The draft budget for both White House and Harper House has decreased from a surplus position of (-£60k) in 2025/26 to a surplus position (-£49k) in 2026/27, a movement of £11k.

4 Options appraisal and proposal

- 4.1 The Committee has the opportunity to comment on any of the fees and charges, savings, or growth items.
- 4.2 In the context of the Council's medium-term financial planning and the continuing pressures on local government funding, it is anticipated that further work will be required to identify opportunities for achieving additional savings in future years.

5 Risk implications

- 5.1 When considering savings proposals, we need to consider the risk of any adverse impact on service delivery capacity including
- Service disruption and reduced capacity and potential backlogs in statutory and frontline services.
 - Loss of critical knowledge and experience due to departing staff with service expertise, and local knowledge
 - Increased pressure on remaining staff due to higher workloads
 - Reduced resilience and lack of adequate staff cover
 - Inability to meet statutory and regulatory requirements due to skills gaps and insufficient capacity.
 - Higher reliance on agency/interim staff, leading to increased costs, reduced continuity, and potential inconsistency in service delivery or decision-making.
 - Delays or failure to deliver key projects and transformation programmes
 - Difficulty attracting skilled candidates within the competitive labour markets, pay constraints, or location challenges.
 - Risk that savings are not fully achieved in year, particularly in context of additional resource pressure of local government organisation.

6 Financial implications

- 6.1 The proposed 2026/27 budget reflects a net decrease of £462k compared to 2025/26 for the Community Wellbeing and Housing Committee, arising from a combination of service reconfiguration, demand-led pressures and national funding changes. Key movements include the cessation of certain services (notably the closure of Longford Village temporary accommodation), re-alignment of staffing budgets to reflect in-house delivery models, and the re-profiling of income and expenditure to better reflect historical trends and current demand. Accommodation costs are evident across several services, particularly within homelessness and temporary accommodation budgets, but these are partially mitigated through income growth assumptions, vacancy management and the removal of under-utilised budgets.
- 6.2 The budget also reflects changes to the presentation and allocation of government grant funding, with previously ring-fenced MHCLG grants (including

Homelessness Prevention and Rough Sleeping Initiative funding) rolled into the Revenue Support Grant in line with national policy. While this results in reduced identifiable grant income within individual service budgets, the funding is assumed within the Council's overall funding envelope and managed corporately, ensuring no material unfunded pressures arise for the Committee. Demand-led risks remain, particularly in relation to temporary accommodation usage and placement costs and will continue to be monitored closely through in-year budget monitoring, with mitigating actions identified where necessary to ensure expenditure remains within approved resources.

7 Legal comments

- 7.1 The Council has a statutory duty to set a balanced budget each financial year. In preparing budget proposals, each Committee must give regard to and comply with the requirements of all applicable legislation, including (but not limited to) making arrangements for proper administration of financial affairs, securing best value and Public Sector Equality Duty.
- 7.2 This report will assist the Council to fulfil its statutory obligations to produce a balanced budget.
- 7.3 The Council has a variety of powers to charge for specific statutory services, and a general power under the Local Government Act 2003 to charge for discretionary services on a cost recovery basis.
- 7.4 Where spending decisions are taken about the budget that will impact the services which can be delivered, an appropriate and proportionate equalities impact assessment must be carried out.
- 7.5 All capital projects require input and support from Legal Services.

Corporate implications

8 S151 Officer comments.

- 8.1 The S151 Officer confirms that relevant financial considerations have been taken into account and set out the current draft Revenue and Capital proposals.. The report addresses the financial implications. As stated it is important that the Budget sets a balanced Budget on a sustainable basis. It will be important to deliver the savings identified to ensure a sustainable financial position.

9 Monitoring Officer comments.

- 9.1 The Monitoring Officer confirms that the relevant legal implications have been taken into account.

10 Procurement comments

- 10.1 None arising directly from this report.

11 Equality and Diversity

- 11.1 Equality, diversity, and inclusion (EDI) are central to everything that the Council does and has a legal requirement to make sure its policies, and the way it carries out its work, do not discriminate against anyone. An Equality Impact Assessment is a tool to help council services identify steps they can take to ensure equality for anyone who might be affected by a particular policy, decision, or activity

12 Sustainability/Climate Change Implications

12.1 Not applicable.

13 Other considerations

13.1 Changes to parking fees are implemented by way of an amendment to the current parking order, the process includes the need to carry out a public consultation exercise before reporting back to committee. In setting charges, we are required to have regard to the need to cover the costs of providing the service.

14 Timetable for implementation.

14.1 February 17th Corporate Policy and Resources agrees final Detailed Revenue Budget and Capital Programme for recommendation to Council

14.2 26th February Council sets overall Budget

15 Contact

15.1 Altin Bozhani, Deputy Chief Finance Officer (Interim) –
A.Bozhani@spelthorne.gov.uk.

16 Background papers:

16.1 None

17 Appendices:

- Appendix A - Draft Detailed Budget 2026/27 - Community Wellbeing & Housing Committee
- Appendix B - Net Expenditure Budget 2026/27 by Type - Community Wellbeing & Housing
- Appendix C – CW&H - Fees and Charges
- Appendix D – 2026/27 Fees and Charges Projection – CW&H.
- Appendix E – Detailed Capital Budget – CW&H.
- Appendix F - CWB&H - Draft Net Expenditure by Service