SPELTHORNE BOROUGH COUNCIL

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		
Relevant Group Head review	**Yes**	**18/6/26**
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	**Yes**	
	Reviewed by	
Finance comments (circulate to Finance)	**A.Bozhani**	**18/6/26**
Risk comments (circulate to Lee O’Neil)		
Legal comments (circulate to Legal team)	**LH**	**18/06/26**
HR comments (if applicable)	**NA**	

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 rec’d
Monitoring Officer commentary – at least **5 working days before MAT**	**L.Heron**	**18/6/26**
S151 Officer commentary – at least **5 working days before MAT**	**T.Collier**	**18/6/26**
Commissioner engagement		**23/6/26**
	Delete as applicable:	Comments in S. 7
Confirm final report cleared by MAT		

Corporate Policy and Resources Committee

13th July 2026

Title	2026/27 Budget Savings
Purpose of the report	To inform and assure
Report Author	Terry Collier, Chief Finance Officer
Ward(s) Affected	All Wards
Exempt	No
Exemption Reason	
Corporate Priority	Community Addressing Housing Need Resilience Environment Services .
Recommendations	**Committee is asked to:** To note and endorse the elements of the in-year £1m savings programme for 2026/27.
Reason for Recommendation	The Council approved as part of the Budget for 2026/27 an overall Savings target of £5.8m for 2026/27.

1. Executive summary of the report *(expand detail in Key Issues section below)*

What is the situation	Why we want to do something
• The Best Value Directions included a requirement for "a plan to reconfigure the Authority's services commensurate with the Authority's available financial resources."	• The Council has a total of £5.8m built into the Budget for 2026/27. Within the 2026/27 total of £5.8m savings, there was a target of savings of £1m which were yet to be identified and confirmed at the time the Budget was setting, and which are to be delivered during the financial year

This is what we want to do about it	These are the next steps
• Monitor on a regular basis (monthly to Corporate Management Team, and quarterly to this Committee) delivery against the £5.8m savings target. • If monitoring suggests the £5.8m target is not on track, to prioritise additional resource, and or identify additional savings • To progress seeking net additional commercial income from the operator of the Council's leisure centres, being mindful that this the in-year part year effect for 2026/27 is likely to be small, but could relate to a significant income stream for the remaining 8 years of the contract.	• That the Committee support the continued progression of the 2026/27 Savings plan delivery process. • The progress of delivery against the savings targets to be monitored on an ongoing basis and reported regularly to this Committee.

2. Key issues

2.1 When the Best Value Directions, were issued in May 2025 it included the direction for the Council to ensure that it had *"A plan to achieve financial sustainability and to identify and close any short and long-term budget gaps across the period of its medium-term financial strategy (MTFS), including a robust multi-year savings plan that reflects the costs and risks identified in the BVI report and by external auditors."* and "a plan to reconfigure the Authority's services commensurate with the Authority's available financial resources". Identifying savings both built directly into specific Budget lines (£4.8m) and the setting of a £1m in year savings target helped balance the 2026-27 Revenue Budget and to ease the pressure on drawing down reserves, and partially offset the impact of higher Minimum Revenue Provision (MRP) and interest charges, following the change to MRP Policy and the refinancing exercise.

2.2 To inform the approach to savings, the Council had initial regard to unit cost benchmarking undertaken by LG Futures based on 2024/25 Actuals (Background papers). The report suggested that if the Council were to match the unit costs of the top 20% councils it could achieve a £10m Revenue savings.

2.3 Following on from the unit cost benchmarking the Council commissioned Peopletoo to undertake across all services a review of revenue expenditure and income to identify opportunities for reducing net budget expenditure. Peopletoo worked with the Business Partners in the Finance team and Group Heads and budget holders. (**Background Paper**, Final Financial Review set out their detailed analysis, which includes sensitive data relating to staff). This analysis fed into a number of the specific savings built into the 2026/27 Budget approved by the Council. A number of the options flagged when reviewed had delivery challenges or risk. Those options which were built into the Budget are reflected in the table below:

Savings Built Into Specific lines of the Original 2026/27 Budget			
Service	**Savings Description**	**Full year forecast/ Actual £'000**	**Status**
Supported Housing Team	White and Harper House	219	Achieved
Community & Wellbeing	Reduction in Resilience Services contract costs	71	Achieved
Eclipse & Sunbury Mgt Fee	Uplift in fee from contract and CPI increase from Sept.	637	Achieved
Longford Housing	Lease finished in Aug25	257	Achieved
Corporate Saving	Pension - Employer Contributions	550	Achieved
Investment & Regeneration property	Net Rental income increase driven by reduced landlord costs.	2,120	Achieved
Environment & Sustainability	Env Enhancements	98	Forecast
Parks	Staffing Budget Efficiencies	107	Forecast
ICT	Staffing Budget Efficiencies	94	Forecast
Customer Services	Staffing Budget Efficiencies	56	Forecast
Assets	Mixed	383	Forecast
Planning Dev Consultants	Budget efficiencies	100	Forecast
Finance & Corporate Services	Mixed	61	Forecast
Total		**4,753**	

2.4 Phase 2 of the Peopletoo analysis identified potential areas which could deliver further savings during 2026/27. This informed the judgement that an in-year Budget saving of £1m was achievable for 2026/27.

2.5 The key elements of the In-year savings programme, which currently based on Period 2 monitoring are forecast to deliver an outturn of £1.04m, are summarised in the Table below:

Service	Savings Description	Full year forecast/ Actual £'000	Status
Eclipse Leisure Centre	Insurance saving from premium 2627	100	Achieved
Planned Maintenance	Planned Maintenance reduction 2627	400	Forecast
Temporary Accommodation	Rough Sleeper B&B Exp	102	Forecast
Temporary Accommodation	Loss of Rough Sleeper B&B Income	(42)	Forecast
Temporary Accommodation	B&B General Exp	919	Forecast
Temporary Accommodation	Loss of B&B General Income	(379)	Forecast
Total		**1,100**	

2.6 The first component has already been achieved which is a net £100k reduction in the insurance premium for the Eclipse Leisure Centre. This was achieved following a considerable amount of work by the Assets, and Insurance teams working with Sutton LBC.

2.7 The most significant element of the savings programme relates to reducing nightly paid accommodation expenditure. Benchmarking analysis in autumn 2025 identified that Spelthorne, relative to its statistical nearest neighbours, is an outlier in terms of spend on temporary accommodation. This is reflected in high numbers in nightly paid accommodation. In 2025/26 gross expenditure by the Council on nightly paid accommodation totalled almost £3.0m gross, and net cost after recovery of rental income via housing benefits was £1.8m. This accounts for 7.3% of the total net service expenditure of the Council. Whilst some of this spend is due to the location of the borough, it has been identified that there is scope to make significant savings through a focused delivery plan designed to reduce both the rate paid per nightly accommodation and the numbers of households placed in nightly accommodation.

2.8 We recognise that extended periods in temporary accommodation are generally associated with poorer outcomes for homeless households, particularly families with children and vulnerable individuals. The provision of stable and settled accommodation is therefore considered integral to promoting wellbeing, safeguarding, educational continuity, and long-term tenancy sustainment aligned with the Council's strategic priorities. So, a focus on reducing nightly paid accommodation numbers is not just about financial savings.

2.9 A report went to Community Wellbeing and Housing Committee on 2nd June 2026 setting out the detailed Nightly Paid Accommodation Savings Plan, which the Committee agreed to endorse to Corporate Policy and Resources Committee. In order to reduce the numbers in nightly paid accommodation, it necessarily involves focusing on moving households into better housing and life outcomes. Whilst in recent years the Council has actively engaged with the national Local Authority Housing Fund grant scheme to acquire approximately 80 temporary accommodation units, which has eased some pressures on numbers in nightly paid accommodation, the Council needs to take more steps to tackle the issue.

2.10 The recent independent deep dive by MHCLG identified a lot of good practice by in the Housing Options team but suggested an over reliance on nightly paid accommodation and recommended identifying “suitable and appropriate TA options provided with strong focus on resettlement”.

2.11 A focus on achieving savings through a different approach to nightly accommodation, is not the only focus on delivering savings on the Council’s budget and following a savings analysis across all services a number of specific areas for savings are being targeted which will be reported to the various relevant Committees.

2.12 Led by the Strategic Housing Lead, the Housing Options team have worked up a detailed delivery plan which was presented to Community Wellbeing and Housing Committee.

2.13 The next most significant savings component is a one year (i.e. 2026/27) reduction in planned maintenance totalling £400k.*S*avings from not carrying out planned maintenance, should not be continued for more than a year. A reduction or removal of planned maintenance is likely to trigger larger building fabric failures i.e. roof leaks and will impact the ‘wind and weather tightness’. This in turn will lead to increasing responsive maintenance and larger overall maintenance costs plus in some cases could impact statutory compliance and health and safety. The Council has stock condition surveys carried out c. 5 yearly to inform planned maintenance needs, which is known as adopting a corporate landlord approach to property management and demonstrates a best value and value for money approach in terms of building maintenance. Planned maintenance savings have been used to offset additional revenue budget costs in relation to Eclipse Leisure Centre in terms of funding specialist consultant costs to progress investigation and survey work into concerns with the Ventilation system plus other potential construction defects where there is disagreement with the build contractor in terms of the liability for them or their subcontractors.

2.14 Additional to the above areas, and not factored in as delivering an in-year 2026/27 saving, the Council is looking to delivery an improved commercial income share from working with the operator of the Council’s leisure centres specifically with respect to two opportunities:

- Implementing facilities in the mezzanine floor of the Eclipse to generate additional income
- Moving the operator contract on to an agency basis allowing additional VAT income to be retained and shared between the operator and the Council.

Any additional income generated from the above would be generated over the remaining eight years of the operator contact.

2.15 The third element of the savings focus is to identify savings opportunities (including net additional income) for 2027/28 and beyond which can be fed into the Budget process for West Surrey 2027/28. This will include full effect of leisure centres operator increased income streams.

3. Options appraisal and proposal

3.1 Option one (preferred option) endorse the proposed savings programme, noting that some elements such as the insurance saving on Eclipse has been crystallised and assets maintenance budgets have been adjusted in anticipation, and that there is a detailed delivery plan in place already for the Nightly Paid accommodation. Progress against the savings target to be monitored on a quarterly basis, particularly those elements such as the Nightly Paid accommodation which are dependent on managing demand pressures.

3.2 Option 2 – suggest additional areas of savings to prioritise.

4. Risk implications

4.1 TThe risks will vary according to the nature of the nature of the savings. For savings in demand responsive areas there are greater risks around the likelihood of achieving the full target savings. With respect to achieving the Nightly Savings Accommodation savings target, which accounts for roughly sixty percent of the target savings and therefore is the most significant element, there is the risk that we are unable to reduce the numbers in accommodation by the target amount, that we are unable to negotiate down as much as we are seeking the nightly rates, and that we are unable to move on people from nightly paid accommodation as quickly as we are seeking.

4.2 With respect to the context for the nightly paid accommodation savings, we are in the midst of a national housing crisis, in an economy facing uncertain times. We are doing significant work to prevent homelessness in the first place, as well as finding accommodation for those who are already homeless, but we cannot control the number of households presenting themselves as already homeless.

4.3 The impacts of the national Renters' Rights Act is likely to result in landlords withdrawing from the market resulting in fewer rental properties for households to move on to.

4.4 Whilst good progress has been made initially in reducing numbers in nightly accommodation in three months by roughly, 20% there is a risk that this rate of progress may not be sustained.

4.5 In order to seek to mitigate the above risks, a detailed delivery plan has been prepared, with additional resources brought in to support key elements, such as negotiating improved nightly rates, regular biweekly meetings to focus on numbers in Nightly paid accommodation; targeting resource to focus supporting move on activity etc. There are risks that even with additional resources the Plan delivery does not sufficiently impact, the plan will be carefully monitor to identify if the delivery path indicates that it is not on track and the two Improvement and Recovery Plan Senior Responsible Officers for

Financial Sustainability and Commercial, Regeneration and Housing will work with colleagues to identify steps necessary to get the plan back on track. The Delivery Plan is subject to a “Deep Dive” review at the Improvement and Recovery Board on 14th July.

4.6 Additional to the focus on keeping the Nightly Paid Accommodation Savings Delivery Plan on track, officers, will seek explore additional options to identify additional savings across services, to improve the likelihood of exceeding the £1m savings target.

5. Financial implications

Based on Period 2 Budget monitoring the Council is on track to meet its overall savings target of £5.8m for 2026/27, and within that for the in-year savings target of £1m. Based on Period 2 Budget monitoring the forecast projections for the identified key areas are as follows:

Group-Achieved/Forecasted	2026-27 Budgeted for £'000	2026-27 Full year forecast /Actual £'000	Over/ (Under) Achieved £'000
Assets	**783**	**783**	**0**
Forecasted	783	783	0
Community & Wellbeing	**1,784**	**1,884**	**100**
Achieved	1,184	1,284	100
Forecasted	600	600	0
Finance & Corporate Services	**705**	**705**	**0**
Achieved	550	550	0
Forecasted	155	155	0
Investment & Regeneration property	**2,120**	**2,120**	**0**
Achieved	2,120	2,120	0
Neighbourhood Services	**205**	**205**	**0**
Forecasted	205	205	0
Place, Protection & Prosperity	**156**	**156**	**0**
Forecasted	156	156	0
Grand Total	**5,752**	**5,852**	**100**
In year Savings - Part of the above			
Assets - Forecasted	400	400	0
Community & Wellbeing - Forecasted	600	600	0
Total in Year	**1,000**	**1,000**	**0**

5.1

6. Legal comments

6.1 The Council has a statutory Best Value Duty under the Local Government Act 1999.

6.2 The Secretary of State's Best Value Directions include a requirement for a plan to reconfigure the Council's Services commensurate with the Council's available financial resources

NB. This section is to be completed by the legal services team.

Corporate implications

7. Commissioners' comments

7.1 Commissioners are content that the Council is making good progress on achieving it's savings target of £5.8m.

8. S151 Officer comments

The S151 Officer confirms that all financial implications have been taken into account. In order to achieve a balanced outturn, it is very important that the Council fully delivers against its saving target, and ideally exceeds the target. This also helps ensure compliance with the relevant Best Value Direction, and reduces the draw down of reserves, protecting the medium-term financial position of West Surrey.

9. Monitoring Officer comments

9.1 The Monitoring Officer stresses the importance of ensuring and evidencing lawful decision making and appropriate governance associated with individual savings proposals, and confirms that the relevant legal implications have been taken into account.

10. Procurement comments

10.1 Resourcing to provide expertise to support the savings elements, such as the Nightly Paid Accommodation have gone through the Council's procurement rules and gone to the Procurement Board.

11. Equality and Diversity

11.1 Equality impact assessment being undertaken for Nightly Paid Accommodation Savings Delivery Plan.

12. Sustainability/Climate Change Implications

12.1 None identified.

13. Other considerations

13.1 *None.*

14. Local Government Reorganisation Implications

14.1 As commented above, maximising delivery of budget savings, reduces the amount of reserves required to be drawn down to achieve a balanced outturn for 2026/27. This in turn protects the amount of reserves passed across to West Surrey to support its medium-term financial position.

15. Timetable for implementation

15.1 Delivery against the savings targets will be reported on in the quarterly budget monitoring reports.

16. Contact

16.1 *Terry Collier t.collier@spelthorne.gov.uk, and Altin Bozhani a.bozhani@spelthorne.gov.uk*

Please submit any material questions to the Committee Chair and Officer Contact by two days in advance of the meeting.

Background papers (available on Mod.Gov): Local Government Future: Unit Cost 2024/25 Benchmarking Report: Peopletoo Financial Review Final Report