



Haverling
L O N D O N B O R O U G H

Appendix 2 Revenue Outturn Financial Year ending 31st March 2026

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High Level Summary

The final outturn position for the Council was total net expenditure of £242.11m which is £37.7m over the available funding necessitating the use Exceptional Financial Support. However, this is £50.3m less than was assumed in the budget.

TOTAL NET	Revised Budget 2025-26	Outturn Actuals	Outturn Variance to Revised Budget	Forecast Variance P10	Outturn Variance compared to P10 Forecast
TOTAL NET	£m	£m	£m	£m	£m
PEOPLE	200.22	196.50	(3.72)	3.34	(7.06)
PLACE	19.74	14.68	(5.06)	(3.37)	(1.69)
RESOURCES	30.02	30.03	0.01	0.52	(0.51)
TOTAL SERVICE DIRECTORATES	249.98	241.21	(8.77)	0.49	(9.26)
Corporate Budgets	24.61	0.90	(23.71)	(17.70)	(6.01)
Worse Case Contingency Release	17.80	0.00	(17.80)	(17.80)	0.00
TOTAL COUNCIL REVENUE	292.39	242.11	(50.28)	(35.01)	(15.27)
Council Tax Business Rates and RSG	(204.39)	(204.39)			
Exceptional Financial Support	(88.00)	(37.72)			
TOTAL NET	0.00	0.00			

Expenditure on front line services has been successfully held under the budget including in those services facing demographic and demand pressures. This has been through a combination of in year mitigations and actions to drive down and contain costs as well as maximise income. In addition, there are several key underspends in Centrally held budgets, which is enabling the Council to contain its expenditure within budget.

However, as outlined above the Council is still spending above its available funding and relying on Exceptional Financial Support.

The final outturn position for the Council was total net expenditure of £242.1m which is £37.7m over the available funding necessitating the use of Exceptional Financial Support. However, this is £50.3m less than was assumed in the budget.

The Services have managed to contain their spend within budget, with both the People and Place Pillars underspending against budget. This combined with Corporate Budgets coming in significantly under budget has enabled the Council to only utilise £37.7m of Exceptional Financial Support against a worst case of £88m. This is due to a combination of management actions and strong financial stewardship, with the Council focusing on containing or driving down costs where possible.

In the People arena a combination of implementing a market strategy that has been largely accepted with steadier rates of demand in Adult Social Care has enabled an underspend. Maintaining vacancies and driving down costs with introductions of panels as well as maximising contributions from other bodies such as the ICB has driven an underspend in Starting Well. Living Well continues to be an area of pressure with Learning Disability placements being volatile and high costs. Work has focused on transitions which is a key area for cost containment. Temporary Accommodation also remains a risk area despite the underspend due to the underspends being one-offs from backdated Housing Benefit income due from 2024/25 realised in year and one-off grants.

Place has seen a c£1.7m underspend against budget. This has been primarily driven by increased Parking income following the London-wide increase in Penalty charge notices and moving traffic contraventions fees from April 2026. There has also been increased planning income and a combination of underspends in staffing in Housing and Property and additional income from Rainham Beam Park and Passenger Transport commercial activity.

Resources has come in approximately on budget, with a positive movement from PD10 to Outturn. This was driven by the holding of vacancies and the identification of additional income from external sources, such as grants and other Local Authorities.

Final Position on 2025/26 Savings	Achieved £m	Delayed to 26/27 £m	Not Achieved £m	Total £m
People	2.780	1.926	0.706	5.412
Place	0.070	0.000	0.027	0.097
Resources	0.735	0.065	0.000	0.800
Corporate	3.445	0.000	0.500	3.945
Total Savings	7.029	1.992	1.233	10.254

- There are delayed People savings relating to Foster Carer Recruitment, new Supported Living and Temporary Accommodation including the Family Welcome Centre and some further potential savings in Adult Social Care from targeted reviews and transition planning.
- However some People activity has taken place but may not now be expected to deliver fully cashable savings. Instead it may be contributing to demand management and cost avoidance. This includes Reablement.
- The unachieved saving in Place relates to the Voluntary Sector rental contribution and will require a formal policy change.
- The Corporate savings show a shortfall of £0.5m. This relates primarily to the Business Rate Pool with LBBD and Thurrock. The Pool did generate a benefit to the authority of around £0.8m but this was lower than the original forecast of £1.2m at the inception of the pool

The People Strategic Directorate Outturn is (£3.72m) under budget. This is an improvement of (£7.06m) from Period 10. The People Pillar has been a significant driver of financial pressure for the organisation due to the volatile nature of the demand that can come into the service and the market conditions of the sector.

PEOPLE	Revised Budget 2025- 26	Outturn Actuals	Outturn Variance to Revised Budget	Forecast Variance P10	Outturn Variance compared to P10 Forecast
PEOPLE	£m	£m	£m	£m	£m
People - Starting Well	82.88	81.02	(1.86)	(0.13)	(1.73)
People - Ageing Well	61.65	59.99	(1.66)	(0.08)	(1.58)
People - Living Well	55.69	55.49	(0.20)	3.55	(3.75)
TOTAL PEOPLE	200.22	196.50	(3.72)	3.34	(7.06)

Starting Well has seen a reduction in costs due to a combination of a reduction in staff costs, as staff vacancies are held, ICB health contributions, reduced expenditure on Leaving Care & Section 17 due to management action around reviews and spending panel and further work on the maturity of forecasting and trend analysis. Reduced realised spend against forecast in Home to School transport and Troubled Families has also led to the improved position.

Ageing Well continues to benefit from the implementation of a market strategy that has led to rate acceptance increasing substantially. This combined with a steadier state of demand is bringing the spend in line with budget.

Within Living Well Learning Disabilities has overspent by £1.95m, reflecting the impact of high-cost transition cases and increasing levels of client complexity, despite adding in £4.9m of growth. Complexity pressures continue to be an area of concern. This overspend has been offset by underspends in Temporary Accommodation that have resulted in the processing of backdated Housing Benefit Claims from 2024/25 being realised in year and the release of grant.

Place has an Outturn position of **(£5.060m)** underspend, a **(£1.690m)** movement in the right direction against the Period 10 position.

PLACE	Revised Budget 2025-26	Outturn Actuals	Outturn Variance to Revised Budget	Forecast Variance P10	Outturn Variance compared to P10 Forecast
PLACE	£m	£m	£m	£m	£m
Place - Planning & Public Protection	4.98	4.39	(0.59)	0.09	(0.68)
Place - Environment	12.78	8.53	(4.25)	(3.20)	(1.05)
Place - Housing & Property	1.98	1.76	(0.22)	(0.26)	0.04
TOTAL PLACE	19.74	14.68	(5.06)	(3.37)	(1.69)

Planning & Public Protection (£0.590m) underspend against budget, driven by **(£0.410m)** of statutory fees income which is driving the net underspend **(£0.865m)** in this area caused by increased fees in 2025/26 and the receipt of several major planning applications. Minor underspends against budget in Development Planning and Enforcement have contributed to offsetting overspends in Public Protection and contributed to the overall underspend.

Environment (£4.250m) of the overall underspend is driven by Environment **(£3.100m)** from Parking income. This is the result of a London wide fee increase that was agreed in April 2025, minor increases in the volume of PCNs and MTC, vacancies being help at the beginning of the year offsetting decreasing On-street and off-street Parking income and increases in running costs, such as camera maintenance, software. Minor variances across the other areas with Environment combine to make the remainder.

Housing and Property (£0.220m) underspend. Commercial Portfolio £0.355m overspend has been offset by underspends in the remaining areas within Housing and Property to drive a **(£0.220m)** underspend. Underlying reasons are Commercial income from Rainham Beam Park and Passenger Transport commercial activity; vacancies being held within the service and the UKSPF grant being utilised within Inclusive Growth for Hornchurch BID.

RESOURCES and oneSource Summary

Outturn £0.01m overspent, an improvement of (£0.5m) from Period 10.

Resources	Original Budget 25/26	Revised Budget 2025-26	Outturn Actuals	Outturn Variance to Revised Budget	Forecast Variance P10	Outturn Variance compared to P10 Forecast
	£m	£m	£m	£m	£m	£m
Resources - Public Health	(2.27)	(0.12)	(0.12)	0.00	0.00	0.00
Resources Non-Shared LBH	1.18	1.37	2.06	0.69	0.32	0.37
Resources - HR & OD	2.43	2.62	2.53	(0.09)	0.02	(0.11)
Resources - Customer Services Transformation & IT	0.62	4.06	4.13	0.07	0.18	(0.11)
Resources - Finance	6.04	6.57	6.56	(0.01)	(0.26)	0.25
Resources - Communication	0.79	0.86	0.87	0.02	0.02	0.00
Resources - Partnerships	0.51	0.85	1.13	0.27	0.04	0.23
oneSource Cost Share LBH Adjustment	12.20	10.86	10.18	(0.68)	0.20	(0.88)
Resources - Public Health - Non Grant	3.02	2.95	2.68	(0.26)	0.00	(0.26)
TOTAL RESOURCES	24.52	30.02	30.02	0.01	0.52	(0.51)

The Period 10 forecast reported an overspend of £0.52m. The final outturn position of £0.01m overspent represents a favourable movement £0.51m.

The variances within the outturn predominantly are made up of :

- £0.30m loss of housing benefit subsidy paid to residents in non-commissioned exempt accommodation; and
- £0.14m bailiff enforcement income shortfall against target – the net surplus is £0.40m against a £0.54m target.
- £0.27m overspend on the Partnerships budget is due to additional resources required to support the Supported Accommodation commissioning arrangements
- (£0.26m) vacancies within the Insight, Policy and Strategy Service
- (£0.34m) additional grants and other local authority funding received for Exchequer Services.
- (£0.11m) minor underspends inked to vacancies across the Directorate

CORPORATE	Revised Budget 2025-26 £m	Actual 2025/26 £m	Outturn Variance £m	Variance at P10 £m
Treasury Management and Capital Financing	18.2	10.4	-7.8	-6.8
Pension Fund Contributions	8.5	6.7	-1.8	-1.8
Concessionary Fares	7.3	7.2	-0.1	-0.1
Levies	18.8	18.8	0.0	0.0
Returned service growth – food waste	3.9	0.0	-3.9	-3.9
Grant Income held Corporately	-43.3	-43.3	0.0	0.0
Contingency and contribution to general reserves	6.0	2.6	-3.4	-2.4
Other Corporate Budgets	5.2	2.5	-2.7	-2.7
Balance sheet review suspense and goods receipting	0.0	-4.0	-4.0	-0.0
TOTAL CORPORATE	24.6	0.9	-23.7	-17.7

Minimum Revenue Provision (GF Underspend £1.1m)

The Council sets its Capital financing budgets each February based on the latest forecast of capital expenditure at that time. The MRP for 2025/26 is calculated using the Capital Financing Requirement as at 31st March 2025. As there was capital slippage between budget setting and outturn there is an underspend of £1.1m on the MRP budget for 2025/26

Budgeted contribution to reserves not required in 2025/26 (GF Underspend £0.28m)

Within the Capital financing budgets there is a planned contribution to reserves of £0.28m. The adequacy of capital reserves was reviewed at year end for 2024/25 and it was concluded that the reserves were sufficient that this contribution was not needed in 2025/26.

Regeneration Income on MLH Loans (GF Underspend £0.6m)

The Council budgets for income due on known loans from MLH. The Council received £0.6m of income above that budgeted due to interest due on the working capital loan to MLH

Reduction to the borrowing cost for EFS and General Borrowing (GF Underspend £6.1m)

The Council has used internal borrowing to delay the need for external borrowing for both EFS and general Capital spend resulting in a GF underspend. The final position improved by £1m at year end from P10 through further use of internal borrowing

Contributions to the pension fund: (GF underspend £1.8m)

In advance of the next actuarial review the actuary has indicated that the Council can reduce its past fund contribution in 2025/26 by £2.0m. This contribution reduction will be split between the HRA and the general fund with a reduction to the General Fund of approximately £1.8m

Food Waste (GF Underspend £2.1m)

Food waste collection rollout is now forecast to commence in 2026/27 resulting in a saving to the planned budget IN 2025/26

Returned Growth from Services (GF Underspend £1.8m)

A review of service budgets identified growth which could be returned to the Corporate centre and presented as an underspend

Concessionary Fares (GF Underspend £0.15m)

Concessionary fares are set each December at a meeting of London Council's technical committee. In March after the Council had set its budget it was announced the Councils would receive a rebate of concessionary fares of £0.15m for 2025/26

Release of Contingent Items (GF underspend £3.7m)

The Council holds contingent budgets in relation to Business Rate underindexation and IT. These budgets will not be needed in 2025/26 and have also been released on an ongoing basis as part of the 2026/27 budget process

General Contingency (GF Underspend £1.0m)

The Council's general contingency was released at year end to support the outturn position

Balance Sheet Review (GF Underspend £4.0m)

As part of the outturn process the Council undertook a balance sheet review and identified £0.5m of historic suspense items and £3.5m of unmatched historic unmatched receipted items. These items have been written back to revenue to support the Council's outturn position

Dedicated Schools Grant (DSG) Summary

£32.235m Overspend 16.4% of Budget

DSG Block	Budget	Expenditure	Variance	%
Schools block (£s)	98.997	98.743	(0.254)	-0.3%
Central school services block allocation (£s)	1.912	1.872	(0.040)	-2.1%
High needs block allocation (£s)	43.478	78.315	34.837	80.1%
Early years block (£s)	52.188	49.910	(2.278)	-4.4%
Additional grants			(0.029)	
Total	196.575	228.840	32.235	16.4%

The material variance within the DSG is in the DSG High Needs Block. Havering is the least well funded in London yet has been seeing a very significant rise in the numbers and also complexity of children with Special Educational Needs (SEND.) The DSG is a ringfenced line within the Council's reserve which now stands at £69m total deficit (including this year's overspend.)

The Department for Levelling Up, Housing and Communities (DLUHC) regulations has extended the **Statutory Override for DSG until the end of financial year 2027-28**, as part of the phased transition process as part of the SEND reforms. In the Final Local Government Settlement they announced a High Needs Stability Grant that would cover 90% of the accumulated deficit, which is dependent on the LA's SEND Reform Plan being approved in this financial year. However, the remaining 10% will require a local contribution to be made at an unspecified time. This is forecast to be £6.9m should the plan be approved by the DfE.

Housing Revenue Account – £4.34m underspent

Outturn (**£4.34m**) underspend.

Items	2025/26 Budget (£M)	2025/26 Forecast (£M)	2025/26 Variance (£M)
Dwelling Rents	(62.436)	(62.583)	(0.146)
Service Charges - Tenants	(8.250)	(8.555)	(0.305)
Service Charges - Leaseholders	(3.483)	(4.258)	(0.776)
Other Income	(0.586)	(0.938)	(0.352)
Interest Receivable	0.00	(4.917)	(4.917)
Total Income	(74.755)	(81.251)	(6.495)
Repairs and Maintenance	14.876	14.999	0.123
General Management	24.715	26.362	1.647
Special Services	3.075	3.644	0.569
Other Expenditure	3.515	3.156	(0.359)
Interest Payable	17.033	18.101	1.070
Depreciation	10.877	10.833	(0.044)
Bad Debt	0.665	(0.185)	(0.850)
Total Expenditure	74.755	76.911	2.155
HRA – (Surplus)/Pressure	0.000	(4.340)	(4.340)

The Outturn variance of (**£4,463m**), is due to the interest from a Bridge Close loan (**£0.372m**), HRA Interest on balances (**£4.542m**), lower void loss than budgeted of (**£0.629m**), communal utility bills (**£0.161m**), less Bad Debt Provision required (**£0.850m**), higher RTB completions expected (**£0.224m**), the Tenant Incentive Scheme (TIS) (**£0.050m**), the Insurance recharge less than budget (**£0.110m**), not using the Savills stock assessment tool (**£0.034m**), court costs (**£0.119m**), income from licenses (**£0.040m**), Utility Meter Checking post no longer required (**£0.050m**), revised forecast on the Gutters and Drains expenditure (**£0.052m**), lower bed and breakfast costs for displaced tenants (**£0.042m**), void repair costs less than expected (**£0.067m**), staffing underspends (**£0.523m**), Contact Centre recharge (**£0.209m**), Leaseholder Major Works contributions (**£0.844m**), IAS19 Adjustments (**£0.100m**), ground maintenance & refuse collection underspends (**£0.470m**).

This has been partially offset by the cost of the Housing Replacement IT System £0.490m and an increase in Hostel costs £0.433m, the cost of HRA borrowing being higher than the budget by £1.069m, a Revenue Contribution to Capital Outlay charge of £1.733m at year end and a Park Rise Impairment of £1.3m.

The change from Period 10 of (£2,864m) is largely due to an increase in interest received (**£3,814m**), higher borrowing costs £1,965m, a further reduction in void costs (**£0.329m**), a lower bad debt charge by (**£0.585m**), a year end RCCO charge of £1.733m, the Contact Centre recharge being less than the budget by (**£0.209m**), leaseholder major works contributions of (**£0.844m**), grounds maintenance and refuse charges being less than the budget by (**£0.470m**) and a Park Rise Impairment of £1.423m.