

LGA Corporate Peer Challenge

London Borough of Hillingdon

23rd to 26th June 2026

Feedback report



Corporate Peer Challenge

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1. Introduction

A team of local government peers, drawn together by the Local Government Association (LGA), delivered a Corporate Peer Challenge (CPC) of the London Borough of Hillingdon from Tuesday 23rd to Friday 26th June 2026 inclusive. This was the council's first corporate peer challenge.

CPC is a well-established and respected improvement and assurance tool that provides robust, strategic and credible challenge and support to councils. Further details about the CPC process can be found in Appendix A.

The peer team consisted of experienced and knowledgeable senior local government elected member and officer peers (see section four). We considered the five core areas covered by all CPCs: local priorities and outcomes; organisational and place leadership; governance and culture; financial planning and management; and capacity for improvement. The council also requested a focus on 'digital and data', with the findings relating to this being woven into the five core areas in this report, particularly those of 'financial planning and management' and 'capacity for improvement'.

This report provides the London Borough of Hillingdon with feedback on the peer team's findings. It provides a set of high-level recommendations along with further detail within each of the CPC's core areas. There is an expectation the council will publish this report and draw up a clear action plan to respond to the recommendations.

2. Executive summary

The recent local elections provided a very clear mandate for the Administration. This is being taken forward by a new Leader and a revised Cabinet, with their drive and direction around 'Brilliant at the Basics', Hillingdon being 'open for business' and an organisation delivering at pace and 'looking up and out' more. The message about this direction is starting to spread, only a few weeks after the elections.

Understanding needs to extend further over time both internally and externally. The

Administration and Corporate Management Team need to be working in tandem to ensure the delivery of these objectives.

A new council strategy is in development. This must be cognisant of the financial position of the council, linking to the medium-term financial strategy and reflecting a path to financial sustainability. This does not need to entail a scaling back of the organisation's ambitions – rather the council must be absolutely clear on its priorities. It would be beneficial to all to clarify the process and timescales for the development of the council strategy.

The economy in the west London sub-region is larger than that of Greater Manchester and Birmingham combined and this means there is a huge amount for Hillingdon to play for. As Hillingdon focuses on the theme of 'open for business' it has tremendous opportunities and attributes. There is a desire from the political leadership to develop a borough-wide agenda of sustainable growth – benefiting residents, local communities and business and contributing to the council's financial sustainability.

Fulfilling Hillingdon's sustainable growth potential requires a strength of place leadership from the council that the Leader is ready and able to provide and will require the support of the whole council and external partners. To aid the ambitions for place there is a need for sufficient capacity and expertise within the council to co-ordinate and deliver the agenda, engaging effectively with current and potential stakeholders and partners. External partners are keen to play a role. As a location that is strategically important to the nation, Hillingdon needs to be demonstrating influence and impact at government and regional level, founded upon a clear set of 'asks and offers' vital to 'UK PLC'.

The style of the new political leadership and the nature of the challenges and opportunities facing the borough and the organisation require new ways of working across and between the Cabinet and Corporate Management Team. High levels of trust, shared understanding and joint ownership across the political and managerial leadership are key to the success of any local authority. It is vital that the Administration and Corporate Management Team in Hillingdon are on absolutely the 'same page'.



In February 2025, the council's Section 151 Officer's Section 25 statement issued a severe warning in relation to the council's financial position. A few months later, the External Auditor issued seven formal statutory recommendations. Issues at stake included savings realism; the level of reserves; financial governance and oversight; medium-term financial sustainability planning; and financial management capacity. Several measures have been adopted in response, including the creation of an independently chaired Improvement Board, a Governance Review Improvement Plan and a Finance Modernisation Programme. The Audit, Finance and Performance Committee is a recently constituted body, reflecting the intent to enhance the council's governance.

There are positive signs of improvement in core financial management and governance. However, further steps are required before the council can be confident that the understanding, grip and rigour necessary to deliver financial sustainability is embedded.

Various pressures have contributed to a heightened reliance on the council's reserves in recent years and the need to seek Exceptional Financial Support (EFS), both retrospectively and looking ahead. In considering EFS going forward, we see it as vital for the council to look to the realisation of assets to support this rather than any further reliance on borrowing.

The council recently reported a projected overspend of £36.3 million for 2025/26. The setting of the 2026/27 budget incorporated the substantial rebasing of previously underfunded cost pressures, strengthened inflation assumptions in high-risk services and reinstated a £10 million contingency. This positions the council, with strong financial management, to spend to budget going forward. The council needs to ensure that change initiatives are robust and realistic.

The council articulates a strong and consistent narrative about how it arrived at its financial position. What is required now is a credible and deliverable pathway to financial sustainability. Although Hillingdon has benefited from the recent 'Fair Funding' settlement, even the combination of that additional funding with the revenue from any council tax increases up to the referendum limit, would not be sufficient to close the budget gap. In that context, the development of a clear plan for achieving

financial sustainability, jointly owned by Cabinet and the Corporate Management Team, is essential. Time is pressing in terms of the devising of that plan.

Difficult financial and policy decisions by the Administration are likely to be required going forward. It is important that elected members are provided with reassurance that the whole organisation is operating as effectively and efficiently as possible, and all alternative avenues for enhancing financial sustainability have been maximised, ahead of any politically difficult, sensitive or contentious decisions being taken. At the same time, it is important for the Administration to be mindful that a 'lean' organisation does not necessarily equate with achieving the greatest impact and benefits for communities or securing the greatest value for the council. This links to ensuring the necessary capacity and capability exist within the council to deliver the sustainable growth, savings and transformation agendas.

We met staff at a range of levels in the council, with them demonstrating strong passion and commitment to the borough and the organisation. There are many aspects of the organisational culture and ways of working that they value, including the range of internal communications mechanisms and the opportunities for development and progression in the organisation, with an emphasis on 'growing our own'.

Whilst there are examples of the council drawing in learning and inviting external challenge, there is scope to develop more of a 'learning and improvement culture' across the organisation. This includes encouraging officers and elected members to engage more across the sector, building networks and enabling the organisation to expedite progress by learning from others.

3. Recommendations

The following are the peer team's key recommendations.

3.1 Council strategy

Develop the council strategy 2026-2030, first clarifying the process and timescales, and ensure it links to the medium-term financial strategy

3.2 'Open for business' and an agenda for sustainable growth

Translate Hillingdon being 'open for business' into a shared agenda for sustainable growth, ensuring the necessary capacity and expertise within the council to drive it forward – with the potential to develop jointly with partners a related vision and narrative

3.3 Cabinet and Corporate Management Team – shared understanding and joint ownership

Establish the mechanisms and culture through which Cabinet and Corporate Management Team demonstrate shared understanding and joint ownership and operate as one strategic leadership team

3.4 'Asks' from council staff

Respond to the 'asks' of staff around acknowledging levels of goodwill; being provided with the capacity and support to enable them to adapt to new systems and new ways of working; and creating the opportunities to develop better shared understanding and collaboration across the organisation

3.5 Financial management – grip and rigour

Ensure the steps taken to enhance financial management and governance are built upon in order to embed the necessary grip and rigour to ensure financial sustainability

3.6 Financial sustainability – leadership, continuity and momentum

Ensure the leadership and momentum of the work around financial sustainability achieved through the role of the Section 151 Officer is maintained

3.7 2026/27 – spend to budget

Following the measures applied for the 2026/27 budget, ensure the strong financial management necessary to spend to that budget

3.8 Financial sustainability – clear plan

Establish a clear plan for achieving financial sustainability – with time pressing for developing it

3.9 Culture of ‘learning and improvement’ and celebrating success

Work to develop more of a culture of ‘learning and improvement’ in the organisation and also one that celebrates success

3.10 Communications and engagement

Enhance the council’s approach to communications and engagement in order to support the ambitions and objectives for both the organisation and the borough

4. Peer team

The composition of the peer team was shaped by the specific context and focus of the council, with the LGA selecting peers based on their relevant background and expertise. The peers for this CPC were:

- Debbie Warren, Chief Executive, Royal Borough of Greenwich
- Councillor Jason Cummings, Cabinet Member for Finance, London Borough of Croydon (Conservative)
- Councillor Clyde Loakes, London Borough of Waltham Forest (Labour)
- Anisa Darr, Executive Director for Finance, London Borough of Barnet
- Katherine Kynaston, Director of Housing, Commercial and Customer Services, Telford & Wrekin Council
- Madeline Hoskin, Assistant Director for Technology, North Yorkshire Council
- Chris Bowron, Peer Challenge Manager, Local Government Association

5. Detailed feedback and recommended actions

This section of the report provides detailed feedback along with additional suggestions related to the areas of focus for the CPC. When developing the action plan (in response to the CPC's findings), the council should consider both the key recommendations presented in section three and the additional detail set out below.

5.1 Local priorities and outcomes

The recent local elections saw the continuation of a Conservative Administration and provided a very clear political mandate for the next four years. This is being taken forward by a new Leader and a revised Cabinet, with some changes both in terms of the individuals and the portfolios. The drive and direction of the Administration is clear to the peer team: continuing the Conservative-led council commitment of many years of putting residents first (coined as being 'Brilliant at the Basics' by the new Leader); Hillingdon being 'open for business' in terms of inward investment and growth; and an organisation delivering at pace and 'looking up and out' more. This latter aspect has a strong connection to the 'open for business' theme but is also about a council that engages more widely with the local government sector and partners at the sub-regional, regional and national level in order to utilise its influence and seeks to draw in insight and learning from elsewhere.

Whilst the Administration's intent is clear to the peer team, this perhaps emanates from the privileged access we had to the senior political leadership during our time in Hillingdon. The message about the future direction is starting to spread through the organisation, only a few weeks after the elections, with people at all levels readily citing the 'Brilliant at the Basics' theme. Understanding needs to extend further over time both internally and externally, with a clear view of the Administration and the Corporate Management Team being 'on the same page'.

The previous council strategy, relating to the 2022-2026 Administrative term, was concise and clear, encapsulating the commitments and ambitions of the political leadership and of the organisation in a single-page, easily digestible document. A new council strategy is in development for the period 2026-2030. This must be cognisant of the financial position of the council, linking to the medium-term financial



strategy (MTFS) and reflecting a path to financial sustainability. This does not need to entail a scaling back of the organisation's ambitions – rather the council must be absolutely clear on its priorities and reflect thinking around sustainable growth in the borough providing an avenue to financial sustainability.

It would be beneficial to all to clarify the process and timescales for the development of the council strategy. We see the process, which should act as a leading example of co-production between the senior political and managerial leadership, being almost as important as the output.

'Brilliant at the Basics' reflects a strong council commitment around 'universal' services and customer services. The creation of the 'Resident Hub' and new council website reflect the direction of travel and are seen to have been positive developments. In a context of the pressures being seen nationally in relation to demand-led services, particularly in relation to social care, and the proportion of upper tier council's budgets attributed to them, there is a danger that universal services and discretionary services feel the greatest squeeze in the council seeking to secure financial sustainability. Given the impact getting 'Brilliant at the Basics' right has for the residents, communities and businesses that the council serves (with it covering such areas as waste collection, green and open spaces, libraries and potholes), the council will want to guard against this. Within this, it is positive that a pragmatism is starting to emerge around how the council's service 'offer' is maintained and provided. This can be seen with the commissioning of specialist operators to run the likes of golf courses.

The Hillingdon Data Hub provides an understanding of areas such as population change, health inequalities, socio-demographic patterns and 'unmet need'. The population estimate of the borough in 2024 was just under 330,000 – an increase of 15 per cent since 2013. Hillingdon is one of London's largest and most diverse boroughs, both geographically and demographically. It ranges from densely populated urban communities in the south to extensive rurality in the north. Forty-two per cent of the borough is designated green belt.

There are good examples of co-production, particularly 'Walking in our Shoes' which has had an impact on policy and practice at both the local and national level,



providing insight directly from children and young people of what it feels like to grow up in Hillingdon's care system. The council recognises there is more to do to ensure resident insight is fed consistently into priority setting and service design across the organisation.

Within this, we noted that it is quite a significant period of time since the council undertook a residents' survey. This does not take away from the fact that the recent elections provided a clear judgement and related mandate from Hillingdon residents in relation to the council. However, we see merit in the council being able to obtain more detailed insights from the people it serves on a more regular basis and, if undertaken in a certain way, provide comparative data and insights with similar places.

Delivery against priorities and comparative performance

The council has a solid track record of service delivery and has received positive external judgements as follows:

- 'Outstanding' Ofsted rating in November 2023 for children's social care
- 'Good' rating from the Care Quality Commission (CQC) in 2024 – placing Hillingdon in the top quartile of inspected councils
- A C2 (the second highest) rating from the Regulator of Social Housing in 2025

The organisation is making better use of data. This includes improved performance reporting and the development of dashboards, providing improved visibility and understanding. The number of dashboards is currently around 200 – which generates a requirement to ensure the council can 'see the wood for the trees' – and 'single views' are also being developed, for example in relation to outstanding debt owed to the council. Performance is being reported more widely within the organisation, including to Cabinet and, starting shortly, Audit, Finance and Performance Committee.

The peer team considered information from the 'LG Inform' data and performance information system, which the LGA hosts on behalf of the sector, regarding the London Borough of Hillingdon and how it compares with the other councils in its CIPFA 'family' grouping of similar authorities, using the most recently available data.

The following comparators can be drawn from that data:

Where Hillingdon is amongst the better performers:

- The percentage of non-domestic rates collected as a percentage of non-domestic rates due
- Percentage of children becoming the subject of a child protection plan for a second or subsequent time
- Social care-related quality of life
- The percentage of vacant dwellings as a percentage of all dwellings in the area
- The number of households on the housing waiting list
- The time taken to process housing benefit new claims and change events
- Processing of planning applications – major
- The percentage of children in year 6 who are obese
- Percentage of people that received an NHS Health Check of those offered

Where Hillingdon is comparatively less high performing:

- Average Attainment 8 score
- The proportion of 16- and 17-year olds who were not in education, employment or training
- The proportion of the population aged 16 to 64 qualified to at least Level 2
- The percentage of child protection cases which were reviewed within required timescales
- The number of affordable homes delivered
- Processing of planning applications – minor
- Processing of planning applications – other
- The percentage of adults who are active (150+ minutes per week)
- The percentage of adults classified as overweight or obese

Where performance in Hillingdon is around the average:

- The percentage of council tax collected as a percentage of council tax due
- Children looked after rate
- Care leavers in suitable accommodation
- Care leavers in education, employment or training

- Overall satisfaction of people who use council services for their adult social care and support
- The number of households living in temporary accommodation per 1,000 households
- The amount of residual waste per household
- The percentage of household waste sent for reuse, recycling and composting
- The percentage of children in reception year who are obese

The following is a link to the latest information for the council in the LG Inform system:

[Corporate peer challenge information report for London Borough of Hillingdon | LG Inform](#)

The council requested that statistical data from an alternative source – the Department for Education’s children’s services comparator tool – be presented to provide another perspective to that above. This tool indicates that:

- In relation to the percentage of child protection plans reviewed within statutory timescales, Hillingdon achieved 91.7% in 2025. This is above both the England average (90.6%) and the statistical neighbour average (90.4%). Hillingdon ranks fourth amongst its Department for Education statistical neighbour group on this measure.
- With regards to the looked after children rate, in Hillingdon in 2025 this was 41 per 10,000 children aged under 18. The statistical neighbour average is 53.7. The council highlights that, if adjusted to re-balance the significantly higher number of unaccompanied asylum-seeking children linked to the council’s role as a port authority with Heathrow, the rate would reduce to approximately 32 per 10,000.

The link to the Department for Education children's services comparator tool is here:

[Local authority interactive tool \(LAIT\) - GOV.UK](#)

5.2 Organisational and place leadership

External partners that we met in the sphere of health, care and safeguarding reflected the council as being an excellent partner in that space. They see the council demonstrating collaboration; a 'progressive' mindset; and innovation. The organisation also brings resource and investment commitment to the table. Partners highlighted strong personal leadership from Cabinet members, the Chief Executive and the Corporate Directors of Children's Services and Adult Social Care and Health.

The council's commitment and approach, working with partners, in this sphere is reflected in a clear shift in the borough towards prevention and early engagement. This is visible in the likes of the Family Help locality model and the Family Hubs model. Hillingdon was successful in applying to form part of Wave 1 of the 'Neighbourhood Programme' – within the NHS Neighbourhood Health Framework – to establish community health hubs and integrated neighbourhood teams.

In shaping the place it serves, the council has been working hard in areas like Hayes and Uxbridge to progress and combine regeneration, town centre renewal, housing delivery and public realm improvement. This includes the Uxbridge Town Vision, the Hayes regeneration project and the securing, through a tri-borough bid with Ealing and Harrow, of over £1m UK Shared Prosperity funding.

We were interested to learn that the economy in the west London sub-region is larger than that of Greater Manchester and Birmingham combined. This means there is a huge amount for Hillingdon to play for. The council works closely with the West London Alliance, comprising seven local authorities and focused on supporting economic development and it has also recently joined the West London Economic Prosperity Board, seeking to unlock new opportunities for growth, investment and innovation.

As Hillingdon focuses on the theme of 'open for business' it has tremendous opportunities and attributes. There is a message emerging through the council's political leadership of a desire to develop a borough-wide agenda of sustainable growth – benefiting residents, local communities and business and contributing to the council's financial sustainability. The opportunities and attributes in Hillingdon play strongly into this and include:

- Heathrow airport
- A number of global organisations being located in the borough
- Stockley Park business park, combining across 88 acres offices, open spaces with lakes and woodland, amenities including a golf course, health club and restaurants and sustainable transport links
- The natural assets of the borough, including the rural landscape in the north, and it being, in 2024/25, home to the largest number of Green Flag award-winning parks and open spaces in the UK for the 12th consecutive year
- A range of sites for commercial and residential development, with growing developer interest
- The potential of the creative and film industries based there
- An extensive asset base that the council indicates it has but which it is seeking to understand more fully and then utilise in a way that supports both the ambitions for the borough and the council's financial position

Fulfilling Hillingdon's sustainable growth potential requires a strength of place leadership from the council that the Leader is ready and able to provide and requires the necessary organisational capacity and support of the whole council and external partners. External partners we spoke to, including key 'anchor institutions' across a range of sectors including business, health and academia, are keen to be engaged in shaping and contributing to the sustainable growth ambitions.

The creation and adoption by the council of the first Growth Plan for the borough – centred upon the concept of 'where global connectivity creates local opportunity' – is imminent and covers the next ten years. This is a positive initial step but needs to be supplemented with something longer-term and jointly owned – with the potential to develop jointly with partners a vision and narrative for sustainable growth. Coalescing and aligning this with the development of the Spatial Plan, the Local Plan, the infrastructure delivery plan for the borough and a strategic asset management plan for the council provides significant scope and can render the next few years a pivotal moment for Hillingdon.

To aid the ambitions for place that the Leader is forging, there is a need for sufficient capacity and expertise within the council (crucially including commercial acumen) to co-ordinate and deliver the agenda, engaging effectively with current and potential stakeholders and partners. As a location that is strategically important to the nation, Hillingdon needs to be demonstrating influence and impact at government and regional level, founded upon a clear set of 'asks and offers' vital to 'UK PLC'.

The style of the new political leadership and the nature of the challenges and opportunities facing the borough and the organisation require new ways of working across and between the Cabinet and Corporate Management Team. Time and space need to be given to their collective sharing and exploring of the complex and interwoven opportunities and challenges relating to serving and supporting communities, enabling sustainable growth and securing the council's financial sustainability.

High levels of trust, shared understanding and joint ownership across the political and managerial leadership are key to the success of any local authority. Steps forward are being taken in the way Hillingdon's senior political and managerial leadership operate collectively but these need to multiply and Cabinet and Corporate Management Team members spending time together, operating as one strategic leadership team and being seen together need to become the norm. It is vital that they are on absolutely the 'same page'.

The Cabinet meeting that took place during the time of the corporate peer challenge saw the introduction of the idea of Corporate Management Team members sitting at the same table as Cabinet and providing relevant and appropriate input at certain points. This was both notable as an innovation for Hillingdon and an indication of the potential of a new dawn in how relationships at that level function. External facilitation is commonly called upon by councils looking to progress in the space of joint working across a new senior political and managerial leadership partnership and this is something that the council may wish to consider.

Staff that we spoke to at a variety of levels indicated there are many aspects of the organisational culture and ways of working that they value. Within this, the range of internal communications mechanisms, including the 'Chief Executive's Jottings' and

weekly all-staff e-mail, are well received. The increasing accessibility and visibility of members of the Corporate Management Team is also appreciated.

We also identified from staff that we met a clear set of 'asks' of their managerial leaders. The first of these comes in the context of, as with many councils, the organisation relying significantly upon the goodwill of staff. Whilst this is largely recognised as 'the norm' in local government nowadays, the indication from staff in Hillingdon is that there would be much to be gained through an acknowledgement and appreciation from the senior leadership of the discretionary effort that is being put in and the ways in which people are going 'above and beyond'.

The second 'ask' is in a context of the change and transformation ambitions of the organisation, including developments around digital and data. Where new systems are being deployed, staff are keen for the council to ensure the capacity and support is available to them, over a sufficient time period, in order to enable them to adapt and ensure successful implementation. This issue is currently being played out around the implementation of a new finance system and the signs at this stage are positive, with arrangements for training in place and the hope of staff that this and related forms of support will be sufficiently extensive and in place for the right duration. This same principle applies to adaptation in other wider ways of working too. An example would be the move to develop a culture of collective financial responsibility which, as with any form of cultural change, will need to be enabled and supported.

The third 'ask' is in a context of the complex nature of the challenges facing the borough and its communities. It involves staff being provided with more opportunities to develop better shared understanding of the agendas being faced by the council and the borough and to contribute thinking to ways to address them. This is a reflection of the willingness and desire we identified amongst staff to undergo a shift in the organisation from service-based 'silo' thinking to a focus on collaboration across the council which enables them to be 'brave' and creative in driving better outcomes for communities.

5.3 Governance and culture

In February 2025, the council's Section 151 Officer's Section 25 statement in the annual budget report issued a severe warning in relation to the council's financial position. A few months later, the External Auditor issued seven formal statutory recommendations under Section 24 Schedule 7(2) of the Local Audit and Accountability Act 2014. Issues at stake included savings realism; the level of reserves; financial governance and oversight; medium-term financial sustainability planning; and financial management capacity. Internal audit also issued a 'limited assurance' opinion for 2025/26.

Several measures have been adopted in response to the position that the organisation has been in. This includes the creation of an independently chaired Improvement Board, which met for the first time the week prior to the corporate peer challenge. The council also established a Governance Review Improvement Plan (GRIP) and a Finance Modernisation Programme (FMP) shortly after the Section 25 statement. The GRIP included an externally-led review of the council's Constitution. This concluded that the Constitution was broadly fit for purpose but there would be benefit in improving the accessibility of governance documents and reviewing delegated authority arrangements. A set of corporate governance forums at officer level, reporting into the Corporate Management Team, have also been put in place. These cover land and property, capital, digital transformation, workforce improvement and corporate governance.

It is positive, in a context of the increased political diversity in the elected membership, that a forum to bring the leaders of the political groups together on a regular basis has been instigated. We noted that it is the Leader who has brought this about, further demonstrating the insight, drive and leadership he is bringing to the role, with the proposal having been well received by the other political groups.

The elected member induction offer following the recent elections is felt to have been comprehensive and is seen to have been an enhanced one compared to 2022.

Devising it involved drawing on learning and feedback from four years ago and we would encourage the council to again seek elected members' input around

improvements that could be applied in the future, including with any by-elections that may arise.

The provision of a dedicated training and development day for councillors annually provides a 'refresher' on core areas. We see scope to enhance this with a wider and more on-going elected member development offer. This would usefully involve 'all councillor' briefing sessions at regular intervals looking at key issues facing the council and borough, such as the development of the Local Plan and national policy developments in relation to children's services reforms.

The trajectory around councillors having exposure to training and development opportunities from elsewhere in local government is starting to become a positive one that should be built upon. Support has been put in place for the current and previous political leadership. There has also been a degree of participation in the 'Leadership Essentials' programme provided by the Local Government Association. This demonstrates the emergence of a willingness to network and learn with external colleagues and the peer team encourage the council and elected members to extend this approach.

The Member Enquiries system is seen by councillors we spoke with to have improved significantly in recent years. It is working well, particularly in relation to more straightforward casework, and has been complemented with the provision of access for councillors (and soon to be rolled out to the public) to the 'Love Clean Streets' facility that enables the reporting of, for example, fly-tipping, graffiti and potholes. There are some frustrations and concerns on the part of councillors regarding them no longer being able to engage officers directly on casework matters. There is, however, understanding of the rationale for this – that of seeking to ensure officers are able to deal with both urgent and non-urgent matters in a timely fashion, balanced with their other commitments.

The Audit, Finance and Performance Committee is a recently constituted body, extending the remit of the Audit Committee to provide oversight of governance, risk and internal control arrangements; monitor key audit and assurance activity; receive regular updates on finance, performance and risk on behalf of other Select Committees (the Overview and Scrutiny element of the council's governance

structure); and coordinate consolidated elected member feedback on the Cabinet's annual budget proposals ahead of Full Council. The creation of it is reflective of the intent to enhance the council's governance. It is positive that the long-standing arrangement of having an independent Chair of the Audit Committee has been carried forward to the new committee, with recruitment to the role currently underway.

There has been some reshaping of Select Committees recently, leading to the existence now of three: Corporate Resources and Infrastructure; Residents' Services; and Children, Families, Health and Care. These committees are in the process of meeting for the first time in this Administrative cycle, some under new Chairs. Select Committees have been operating in different ways in terms of determining and approaching their work programmes. The fact that they look ahead across the four years of the Administrative term in outlining their work programmes is positive and strategic but we also see an opportunity for more joint effort and co-production here. This would usefully weave in input from the Corporate Management Team and the Executive (centred on the Cabinet Forward Plan), to ensure the Select Committees are focused on the areas that are of the greatest significance for Hillingdon and will provide the greatest impact.

Within this is an important consideration around the extent to which the remit of the Select Committees involves holding the Executive to account. Currently, the council's culture is one of Select Committees having to invite Portfolio Holders to attend their meetings and they seem only to be asked, and only participate, occasionally. There is even a sense that some of the committees feel their autonomy is at risk if Cabinet members are present at meetings. Given that 'holding the Cabinet to account' forms a key element of the Overview and Scrutiny function as outlined in the council's Constitution, there would seem to be significant scope for development here.

5.4 Financial planning and management

Like many councils, Hillingdon is experiencing sustained financial pressure arising from increasing demand in key statutory services. These pressures, combined with delays in the implementation of a new financial management system and a £14m error on the balance sheet dating back several years, have contributed to a

heightened reliance on reserves in recent years and the need to seek Exceptional Financial Support (EFS), both retrospectively and looking ahead. According to the medium-term financial strategy (MTFS), the financial gap that the council will face in 2028/29 is £43.5m. At that point the council will have required circa £170m EFS, with a potential related adverse revenue impact.

In considering EFS going forward, we see it as vital for the council to look to the realisation of assets to support this rather than any further reliance on borrowing. With the council indicating it has an extensive asset base and seeking to understand better the potentially significant scope it offers, it is important to develop a strategic asset management plan. This would facilitate the creation of a refreshed and re-aligned asset disposal plan in support of both EFS (through the realisation of capital) and the sustainable growth agenda (in terms of properties and sites that could contribute to place-shaping and regeneration in the borough).

There are positive signs of improvement in core financial management and governance, including through the Finance Modernisation Programme (FMP). The FMP has been running for over a year now and included a review of the council's 2024/25 balance sheet and accounting practices. This uncovered accounting errors and assumptions dating back to 2013/14 that need to be rectified and written out of the accounts. The effective implementation of the new financial management system, following previous challenges around introducing it, has also formed a key strand of the FMP. Enhanced budget monitoring and spend controls have also been established. Progress with the FMP has been monitored by the Audit Committee (now Audit, Finance and Performance Committee) quarterly since its inception.

These all represent important building blocks for restoring financial resilience and credibility. However, further steps are required before the council can be confident that the understanding, grip and rigour necessary to deliver financial sustainability is embedded.

The Section 151 Officer has brought leadership and momentum to the work on financial sustainability and has been making positive progress in promoting a culture of collective financial responsibility across the organisation and making the MTFS

more robust. It is important to ensure that continuity in such leadership and momentum is maintained.

The council recently reported a projected overspend of £36.3 million for 2025/26. The setting of the 2026/27 budget incorporated the substantial rebasing of previously underfunded cost pressures, strengthened inflation assumptions in high-risk services and reinstated a £10 million contingency. This positions the council, with strong financial management, to spend to budget going forward.

The council articulates a strong and consistent narrative about how it arrived at its financial position. What is required now is a credible and deliverable pathway to financial sustainability. Although Hillingdon has benefited from the recent 'Fair Funding' settlement, even the combination of that additional funding with the revenue from any council tax increases up to the referendum limit, would not be sufficient to close the budget gap. In that context, the development of a clear plan for achieving financial sustainability, jointly owned by Cabinet and the Corporate Management Team, is essential.

The council's senior political and managerial leadership are developing a clearer and more shared understanding of the council's financial position. Together, they need to develop a plan that combines facilitating the delivery of political priorities and the council's ambitions for residents with supporting the sustainable growth agenda and driving transformation and the delivery of savings at pace. Time is pressing in terms of the devising of that plan, with political aspirations to ensure all relevant changes are implemented in time for a 'full year effect' of savings to be realised in 2027/28.

Importance is being placed upon digital transformation in the organisation and there is good evidence that the council has moved beyond basic digitisation. The council has a digital and data vision that is appropriate, modern and aligned to the organisation's wider priorities. However, the council isn't standing on its laurels here, with a refreshing of the digital and data vision underway. This provides the opportunity for greater input and co-production from across the organisation and a means by which to broaden understanding and ownership and develop a greater consistency and embedding.

There is good recognition of the potential digital and data offers as an enabler of financial sustainability, organisational and service resilience and better delivery – rather than it being seen as a separate technology agenda. This is important given the council's financial context and demand pressures. The direction of travel is the right one, with a focus on core system consolidation and modernisation; improved data quality; automation; and prevention. Delivery capacity is also evident.

However, the council is not yet operating at the level of digital maturity that its ambition requires. There are a set of governance arrangements in place, including five IT Programme Boards, to develop a corporate approach to digital transformation. This provides scope to establish a single integrated approach, building on the successes at individual project level, and relates in the main to system modernisation and infrastructure improvement. Whilst individual projects are making progress it is not yet the case that digital, data, systems and service redesign are being managed as one integrated programme. Effort is largely concentrated within the digital, data and technology function and involving working with those parts of the organisation that are the most interested and engaged rather than being determined through corporate prioritisation. Without an appropriate level of integration, the council risks modernising systems without fully changing how services work.

At this stage, there is limited insight around the impact that digital transformation initiatives are having collectively and the benefits that are being realised. The council can point to activity and investment in individual projects and demonstrate the related value, savings or risk reduction. Such benefits need to be brought together into a single view of the overall impact of digital transformation and reported in a way that shows what has improved for residents, services or staff. There needs to be clear evidence that digital change is routinely supporting improved outcomes and performance; reducing demand; enabling earlier intervention; releasing capacity at scale; and increasing productivity. This is important for a council under financial and service pressure.

Thus, the next phase needs to be about joining up digital transformation, service improvement and demand management – forming a single transformation approach that delivers measurable organisational impact. This has commenced, with digital



transformation, service improvement and corporate delivery capacity being brought together through a restructuring very shortly prior to the corporate peer challenge being undertaken. There needs to be clarity on how digital transformation activity and initiatives link together and the contribution that it is envisaged related investment will make to financial sustainability. Without this, the organisation risks carrying the cost and complexity of change without consistently realising the potential benefits. The challenge is to move from project-led delivery to a more integrated model where systems, services and processes are designed together, directed by digital and customer strategies or frameworks.

It is important to supplement the potential and ambitions around transformation, digital, data and technology with the necessary focus and capacity in the organisation to support the delivery of more 'business as usual' type savings. The council needs to ensure that change initiatives generally are robust and realistic. This is in a context of the organisation's track record of delivery against savings targets, with only £7m out of £21.5m being achieved in 2024/25. A variety of sources of change capacity already exist, located within a range of services across the organisation and their collective potential is likely to be significant.

As with all upper tier councils, a significant proportion of the council's expenditure is concentrated in demand-led services. Although children's and adult services in Hillingdon benchmark well in terms of costs and quality, the financial context requires them to be showing clearly transformative ways of working and managing future demand

Difficult financial and policy decisions by the Administration are likely to be required going forward. It is important that elected members are provided with reassurance that the whole organisation is operating as effectively and efficiently as possible, and all alternative avenues for enhancing financial sustainability have been maximised, ahead of any politically difficult, sensitive or contentious decisions being taken.

At the same time, it is important for the Administration to be mindful that a 'lean' organisation, with workforce expenditure focused on frontline delivery, does not necessarily equate with achieving the greatest impact and benefits for communities or securing the greatest value for the council. This links to the earlier theme of

ensuring the necessary capacity and capability exist within the council to deliver the sustainable growth, savings and transformation agendas. It also links to what may risk being an over-reliance on external consultancy capacity, with the senior managerial leadership of the council appearing to turn not infrequently to specific sources of consultancy provision when they feel corporate capacity and expertise is constrained or absent.

The council's capital programme out-turn position for 2025/26 was £253m against a budget of £344m, with this £91m slippage relating to both the General Fund and Housing Revenue Account.

The recent government announcement on funding the vast majority (90 per cent) of historic special educational needs and disabilities (SEND) deficits in all upper tier councils, offers the potential to alleviate one of the council's most significant financial risks. There are clear government expectations linked to this regarding the development by each relevant local authority of a 'Local SEND Reform Plan' and this will be a major focus for the council in the period ahead.

There are emerging political ambitions around affordable housing development in the borough linked to regeneration activity. This would require additional 'headroom' in the Housing Revenue Account to fund them, involving discussion across the Cabinet and Corporate Management Team as part of their collective sharing and exploring of the complex and interwoven opportunities and challenges facing the borough and the council.

5.5 Capacity for improvement

We met staff at a range of levels in the council, with them demonstrating strong passion and commitment to the borough and the organisation. As we touched on earlier, there are many aspects of the organisational culture and ways of working that they value. In addition to the range of internal communications mechanisms and the increasing accessibility and visibility of members of the Corporate Management Team, they also value highly the opportunities for development and progression in the organisation, with an emphasis on 'growing our own'.



With one of the staff focus groups we undertook, every person present indicated they had experienced promotion within their time with the council. Other examples include supporting people in studying for professional qualifications in areas such as audit and Planning; the programme of apprenticeships; and pathways from student placements into 'newly qualified' roles in areas of social care.

Staff value the opportunities provided by hybrid and flexible working. This involves managers and teams being given the trust and autonomy to determine for themselves the most effective working arrangements that meet customer and business need whilst maintaining team dynamics and interaction and supporting work-life balance.

Expertise has been brought into the organisation, on a secondment basis, to help shape the strategic direction for HR and organisational development. A set of proposals have emerged around this, following a period of analysis and review, and these are currently being considered at the Corporate Management Team level. It is hoped key elements of this will be agreed and enabled to move forward soon. Core aspects that we would encourage the council to think about as it takes things forward here relate to establishing a corporate programme of leadership and management development, applicable at different tiers in the organisation, and ensuring an appropriate focus on equalities, diversity and inclusion both in relation to internal aspects of the organisation and in its role with communities. We also gleaned from staff the potential for better integration of the HR systems they use, for example, for annual leave, sickness absence and appraisals.

There are mixed messages from people we met regarding the council's responsiveness to the findings from previous staff surveys. Areas that some staff cited where they have seen a response included an enhanced staff wellbeing focus and offer; the rolling out of laptops across the organisation to support flexible and remote working; and a space in the civic centre for staff to come together informally. Other people indicated they felt the council's response had been too limited. With the staff survey being undertaken again currently, it is important that there is a response to it from the managerial leadership that is clear and obvious in order to maintain organisational belief in the value of contributing to it in future years.

Whilst the council has traditionally had an annual staff awards event, we understand that the decision has been taken not to fund this going forward. Rather than seeing this important element of staff recognition disappear, we would encourage the council to seek alternative sources for funding such an event, potentially through external sponsorship, or identify a different type of approach to awards. This links to a wider theme that we would encourage the council around – that of developing a culture that celebrates success.

As part of looking ‘up and out’ more as an organisation, we would encourage the council to consider the potential merits of submitting entries for sector awards programmes more often. There is obvious pride in what has been achieved in relation to Green Flag status for the council’s parks and open spaces and the counter fraud team winning the Local Excellence Award at the Public Sector Counter Fraud Awards 2026. Such awards act as a means of increasing staff recognition, boosting morale and raising the profile of the council within the sector.

There is potential to enhance the council’s approach to communications and engagement in order to support the ambitions and objectives for both the organisation and the borough. The approach to communications has tended to be fairly traditional but it is now capitalising upon social media more. Our sense is that capacity to deliver communications and engagement activity for the council exists in various places across the organisation and it is important to ensure that the most effective use is being made of this.

As an example of the scope that may exist, engagement activity with communities and service users appears to be undertaken from a variety of places within the council and may benefit from greater co-ordination. As another example, in undertaking a tour of the borough and visiting certain development sites within Hillingdon, the peer team noted an absence of council branding – meaning the risk of low levels of awareness within the community of the place-shaping role the council is fulfilling. This links to a further theme of ensuring internal communications messaging clearly and consistently outlines to staff – with the potential they offer as ‘local ambassadors’ – the sustainable growth ambitions for the borough.

Whilst there are examples of the council drawing in learning and inviting external challenge, including setting up the Improvement Board, inviting the corporate peer challenge and commissioning the externally-led review of the Constitution, there is scope to develop more of a 'learning and improvement culture' across the organisation. This links to the theme of a council that 'looks up and out' more and involves encouraging officers and elected members to engage more across the sector, building networks and enabling the organisation to expedite progress by learning from others. The reverse also applies, with the council having areas of expertise and good practice that it can share with others.

There is also an element here relating to capitalising upon internal learning opportunities through 'lessons learnt' exercises. One example might be the lessons that could be drawn from the process of developing the policy for subscription-based garden waste collections. Another might be the learning from the implementation of the new finance system. Customer feedback and complaints also offer a source of learning that it doesn't feel as though the council is fully capitalising upon yet.

The organisation is contributing to wider government work on digital and artificial intelligence (AI) in areas such as Planning and homelessness and temporary accommodation. This is positive for the reputation and profile of the council and they act as good examples of what the council has to offer in sharing its expertise and good practice with others. The roll out of 'Power BI' and the development of AI tools to produce 'single views' are also positive.

Digital inclusion is a core part of Hillingdon's wider digital, data and technology transformation. It is seen as a necessary condition for enabling digital services and the digital world to work for all residents, with it being both a service access issue and a wider equalities, prevention and resilience matter and going way beyond just council services. The council's Digital Strategy 2024–2027 commits to making local authority services easier to access online, while continuing to support residents who are unable, less confident or less able to use technology. Hillingdon's digital inclusion activity to date has focused on four main areas: device availability and access; connectivity; skills; and support. Key learning is that digital inclusion already exists

across many parts of the council and the borough but it needs strong coordination to have full impact.

The council recognises that data remains a key area for development. Progress is being made through system consolidation and improved reporting but the council's ability to use data as a corporate asset and maximise insight for decision making is currently limited. If data is inconsistent, not effectively owned or managed differently across different services and functions in the organisation, it becomes harder to understand demand; target prevention; track performance; identify where resources will have most effect; and make the most impactful decisions. This can be addressed through establishing a more consistent organisation-wide approach to data ownership, standards and accountability, ensuring that the current and future data and AI tools are effective, efficient and scalable.

Hillingdon's technology approach to cyber security is a particular strength. Embedding the ownership of data security organisation-wide is the natural next step. External challenge around this has been invited and what has emerged from that has been taken seriously, translating into revised governance, action planning and investment. This gives confidence that the council understands and can respond to related risks and recognises the importance of protecting service continuity, resident data and organisational resilience.

6. Action plan and progress review

The senior political and managerial leadership of the council will no doubt wish to review and reflect upon the findings and recommendations from this CPC.

To promote the principle of transparency, it is a requirement of the CPC process that the final report of the peer team is published in full within three months of the review being completed.

There is also a requirement for the council to develop and publish an action plan within five months of the peer team being onsite – thus no later than 26th November 2026. This action plan should provide clarity on the activity, milestones and timelines that the council will work to in responding to the team's findings.



The action plan will also be central to the peer team's re-engagement with the council through a progress review which will be arranged at a time that is agreeable to the council, ideally being completed and the related report published within twelve months of the CPC concluding – thus by 26th June 2027.

The Ministry for Housing, Communities and Local Government have published the Best Value Standards for Local Authorities. These standards expect every council to engage in a Corporate or Finance Peer Challenge at least every five-years. It is expected that the London Borough of Hillingdon would commission their next Corporate Peer Challenge to take place no later than June 2031.

7. Contact details

Mona Sehgal, Principal Adviser for London, is the main contact between your council and the Local Government Association. She is available to discuss any further support you require and can be contacted via mona.sehgal@local.gov.uk

Appendix A – What is CPC?

CPC is a valued improvement and assurance tool that is delivered by the sector for the sector. It involves a team of senior local government councillors and officer peers undertaking a comprehensive review of key information and spending three days at the council to provide robust, strategic, and credible challenge and support.

CPC forms a key part of the [improvement and assurance framework](#) for local government. It is underpinned by the principles of [Sector-led Improvement](#) (SLI) put in place by councils and the LGA to support continuous improvement and assurance across the sector. These principles state that councils are responsible for their own performance; accountable locally, not nationally; share a collective responsibility for the performance of the sector; and rely on the LGA to provide the tools to support them. CPC is also key to councils in meeting their [Best Value duty](#). UK Government expect all councils to have a CPC at least every five years.

Scope and focus

The peer team considered the following five areas which form the core components of all CPCs. These are critical to councils' performance and improvement.

1. **Local priorities and outcomes** - are the council's priorities clear and informed by the local context? Is the council delivering effectively on its priorities? Is there an organisational-wide approach to continuous improvement, with frequent monitoring, reporting on and updating of performance and improvement plans?
2. **Organisational and place leadership** - does the council provide effective local leadership? Are there good relationships with partner organisations and local communities?
3. **Governance and culture** - Are there clear and robust governance arrangements? Is there a culture of challenge and scrutiny?
4. **Financial planning and management** - Does the council have a grip on its current financial position? Does the council have a strategy and a plan to address its financial challenges? What is the relative financial resilience of the council?

5. **Capacity for improvement** - Is the organisation able to bring about the improvements it needs, including delivering on locally identified priorities? Does the council have the capacity to improve?

As part of the five core areas outlined above, every CPC has a strong focus on financial sustainability, performance, governance, and assurance.

The peer challenge process

Peer challenges are designed to support improvement, not inspection. They are not intended to provide a detailed or technical assessment of plans and proposals. Instead, the peer team uses its experience and knowledge of local government to reflect on the information shared with them, the things they observe, and the material they review.

To prepare, the peer team looks at a range of documents and information to understand the council and the challenges it is facing. This includes a position statement prepared by the council before the visit, which sets out the local context and highlights areas for the team to focus on. The preparation also involves reviewing an LGA Finance briefing (based on public reports from the council's website) and an LGA performance report that shows benchmarking data across a range of measures. The performance report is produced using the LGA's local area benchmarking tool, LG Inform.

The peer team then spends three or four days at the council. During this time, they gather evidence, information, and views by meeting with council staff, councillors, and external stakeholders. This helps them build a rounded picture of the council's strengths and areas for improvement.