

# Cabinet



## Agenda

**MONDAY**  
**10 FEBRUARY 2025**  
**7.00 pm**

**COPPER SUITE**  
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**CLOCKWORK BUILDING**  
**45 BEAVOR LANE**  
**LONDON W6 9AR**

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**Date Issued**  
**31 January 2025**

### Membership

Councillor Stephen Cowan, Leader  
Councillor Alex Sanderson, Deputy Leader (responsible for Children and Education)  
Councillor Bora Kwon, Cabinet Member for Adult Social Care and Health  
Councillor Wesley Harcourt, Cabinet Member for Climate Change and Ecology  
Councillor Andrew Jones, Cabinet Member for the Economy  
Councillor Rowan Ree, Cabinet Member for Finance and Reform  
Councillor Frances Umeh, Cabinet Member for Housing and Homelessness  
Councillor Sharon Holder, Cabinet Member for Public Realm  
Councillor Rebecca Harvey, Cabinet Member for Social Inclusion and Community Safety  
Councillor Zarar Qayyum, Cabinet Member for Enterprise and Skills

If you require further information relating to this agenda please contact:  
Katia Neale, Committee Coordinator, tel: 07776 672 956 or email:  
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**Members of the Public are welcome to attend but spaces are limited. To register for a place please contact [katia.neale@lbhf.gov.uk](mailto:katia.neale@lbhf.gov.uk). Seats will be allocated on a first come first serve basis. A loop system for hearing impairment is provided, together with disabled access to the building.**

### DEPUTATIONS

Members of the public may submit a request for a deputation to the Cabinet on item numbers **4 – 12** on this agenda using the Council's Deputation Request Form. The completed Form, to be sent to Katia Neale at the above address, must be signed by at least ten registered electors of the Borough and will be subject to the Council's procedures on the receipt of deputations. **Deadline for receipt of deputation requests: Wednesday 5 February 2025.**

### COUNCILLORS' CALL-IN TO SCRUTINY COMMITTEES

A decision list regarding items on this agenda will be published by **Tuesday 11 February 2025**. Items on the agenda may be called in to the relevant Accountability Committee.

The deadline for receipt of call-in requests is: **Friday 14 February 2025 at 3.00pm**. Decisions not called in by this date will then be deemed approved and may be implemented.

A confirmed decision list will be published after 3:00pm on **Friday 14 February 2025**.

# Cabinet Agenda

10 February 2025

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<p>If a Councillor has a disclosable pecuniary interest in a particular item, whether or not it is entered in the Authority's register of interests, or any other significant interest which they consider should be declared in the public interest, they should declare the existence and, unless it is a sensitive interest as defined in the Member Code of Conduct, the nature of the interest at the commencement of the consideration of that item or as soon as it becomes apparent.</p> <p>At meetings where members of the public are allowed to be in attendance and speak, any Councillor with a disclosable pecuniary interest or other significant interest may also make representations, give evidence or answer questions about the matter. The Councillor must then withdraw immediately from the meeting before the matter is discussed and any vote taken.</p> <p>Where Members of the public are not allowed to be in attendance and speak, then the Councillor with a disclosable pecuniary interest should withdraw from the meeting whilst the matter is under consideration. Councillors who have declared other significant interests should also withdraw from the meeting if they consider their continued participation in the matter would not be reasonable in the circumstances and may give rise to a perception of a conflict of interest.</p> <p>Councillors are not obliged to withdraw from the meeting where a dispensation to that effect has been obtained from the Standards Committee.</p>	
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London Borough of Hammersmith & Fulham

# Cabinet Minutes



**Monday 13 January 2025**

*NOTE: A recording of the meeting can be watched at on YouTube at:  
<https://www.youtube.com/live/ZrR0sRMOhTM>*

## **PRESENT**

Councillor Stephen Cowan, Leader of the Council  
Councillor Wesley Harcourt, Cabinet Member for Climate Change and Ecology  
Councillor Sharon Holder, Cabinet Member for Public Realm and Lead Member for Inclusive Community Engagement and Co-production  
Councillor Rebecca Harvey, Cabinet Member for Social Inclusion and Community Safety  
Councillor Rowan Ree, Cabinet Member for Finance and Reform  
Councillor Alex Sanderson, Deputy Leader (with responsibility for Children and Education)  
Councillor Frances Umeh, Cabinet Member for Housing and Homelessness  
Councillor Zarar Qayyum, Cabinet Member for Enterprise and Skills

## **ALSO PRESENT**

Councillor Adronie Alford

### **1. MINUTES OF THE CABINET MEETING HELD ON 16 DECEMBER 2024**

#### **RESOLVED:**

That the minutes of the meeting of the Cabinet held on 16 December 2024 be confirmed and signed as an accurate record of the proceedings, and that the outstanding actions be noted.

### **2. APOLOGIES FOR ABSENCE**

Apologies for absence were received from Councillor Andrew Jones and Councillor Bora Kwon.

### **3. DECLARATION OF INTERESTS**

There were no declarations of interest.

#### **4. COUNCIL TAX SUPPORT SCHEME 2025/26**

Councillor Rowan Ree, Cabinet Member for Finance and Reform, introduced the report noting that LBHF had the third lowest Council Tax in the country and one of the most comprehensive Council Tax Support Scheme. Four in ten households across the borough were receiving some sort of discount on their Council Tax. The Council had decided to exempt care leavers and foster carers from Council Tax and was one in just three London councils offering a full 100% level of support for the most vulnerable residents. Even though funding from central government had been cut by 54% in real terms since 2010.

The Leader thanked Councillor Ree's leadership on this scheme and the level of support provided despite the funding cut since 2010. He noted that this was thanks to the ruthless financial efficiency approach taken by the Council, stripping out wasteful Council spending and finding new ways of keeping cost low, while providing services for residents.

#### **AGREED UNANIMOUSLY BY THE CABINET MEMBERS:**

It is recommended that Cabinet agrees the following recommendations to be approved by Full Council:

1. That the Council Tax Support Scheme in operation in 2024/2025 (included at Appendix 1) shall continue in 2025/2026.
2. That the Council shall apply the annual uprating of allowances, applicable amounts and income, set out in the DWP Housing Benefit circular, to the Council Tax Support scheme for 2025/2026.

#### **Reason for decision:**

As set out in the report.

#### **Alternative options considered and rejected:**

As outlined in the report.

#### **Record of any conflict of interest:**

None.

#### **Note of dispensation in respect of any declared conflict of interest:**

None.

#### **5. COUNCIL TAX BASE AND COLLECTION RATE 2025/26 AND DELEGATION OF THE BUSINESS RATE ESTIMATE**

Councillor Rowan Ree introduced the report noting an increase of 2,191 households on the previous year and setting an estimated Council Tax collection rate of 97%.

Councillor Adronie Alford stated that the Council was changing the collection from two years to one year on empty properties. She knew a family going

through a lengthy probate process that would be affected by this change. She asked whether people on such circumstances would be automatically penalised if they had not managed to get probate within one year and therefore not able to avoid having an empty property.

Councillor Ree replied that he was aware that the probate process could be lengthy and asked Councillor Alford to write to him with the details of the family concerned so he could pass them to the relevant officer. He added that there would be flexibility in such tragic circumstances.

The Leader stated that the scheme was not to penalise any resident in difficult personal circumstances but to target properties left empty by investors and a measure to try to reduce them. Those properties should be offered to people trying to get into the property ladder in the brought. However, if there were any genuine human stories then the Council would make sure that there were no injustices committed.

#### **AGREED UNANIMOUSLY BY THE CABINET MEMBERS:**

That Cabinet agrees to refer this report to Full Council and recommend approval by Full Council for the financial year 2025/26 of:

- a. - The estimated numbers of properties for each Valuation Band as set out in this report.
- b. - An estimated collection rate of 97.0%.
- c. - The Council Tax Base of 88,304 Band "D" equivalent properties.
- d. - The delegation of authority to the Executive Director for Finance & Corporate Services to determine the business rates tax base for 2025/26.

#### **Reason for decision:**

As set out in the report.

#### **Alternative options considered and rejected:**

As outlined in the report.

#### **Record of any conflict of interest:**

None.

#### **Note of dispensation in respect of any declared conflict of interest:**

None.

## **6. PERSONAL BUDGET POLICY FOR EDUCATION PROVISION WITHIN AN EDUCATION, HEALTH AND CARE (EHC) PLAN**

Councillor Alex Sanderson, Deputy Leader (responsible for Children and Education), introduced the report, setting out the Council's person-centred approach intended to give parents, carers and young people more flexibility, choice and control over the support they use and to enable them to make their own decisions as a family about what works best for them in relation to the Education provision specified in the child or young person's Education, Health and Care Plan (EHC Plan).

This policy was extensively co-produced with Parentsactive and formalised the eligibility purpose and usage of personal budgets regarding the education provision set out in the EHC Plan.

The Leader formally thanked Parentsactive for cooperating and working very closely with the Council over the last decade, including collaborating on the SEN transport service.

### **AGREED UNANIMOUSLY BY THE CABINET MEMBERS:**

That Cabinet approves the publication of the EHC Personal Budgets Policy attached at Appendix 1.

#### **Reason for decision:**

As set out in the report.

#### **Alternative options considered and rejected:**

As outlined in the report.

#### **Record of any conflict of interest:**

None.

#### **Note of dispensation in respect of any declared conflict of interest:**

None.

## **7. JOINT WASTE STRATEGY**

Councillor Sharon Holder, Cabinet Member for Public Realm, introduced the report setting out a Joint Waste Strategy – a statutory requirement for the Waste Disposal Authority and Waste Collection Authorities. The strategy was subject to formal consultation and developed with the involvement of officers and Members from LBHF alongside the other constituent authorities.

The Leader congratulated on the successful roll out of the new refuse service, including the new food recycling, and impressively increasing the recycling rates. The Council was working with residents to contribute on tackling climate change by reducing incineration and landfill and by increasing recycling. This scheme would reduce injuries to staff as well as saving public money and increased residents' satisfaction.

Councillor Wesley Harcourt, Cabinet Member for Climate Change and Ecology and a board member of the Western Riverside Waste Authority, stated that the amount of work that the board members (including himself) and Councillor Holder had given in preparing this report had been quite amazing. The key point on this strategy was to increase recycling and to achieve net carbon zero in the borough. This strategy would need to be approved by the other three boroughs as well.

**AGREED UNANIMOUSLY BY THE CABINET MEMBERS:**

1. It is recommended that Cabinet approves the adoption of the Joint Waste Management Strategy as set out in the Final Draft version appended to this report.
2. It is recommended that, if any further changes are requested to the draft document (for example by another borough or the Greater London Authority), the decision as to whether to accept these should be delegated to the Executive Director of Place in consultation with the Cabinet Member for Public Realm.

**Reason for decision:**

As set out in the report.

**Alternative options considered and rejected:**

As outlined in the report.

**Record of any conflict of interest:**

None.

**Note of dispensation in respect of any declared conflict of interest:**

None.

**8. TREE STRATEGY ADOPTION**

Councillor Sharon Holder introduced the report outlining the first tree strategy for Hammersmith and Fulham following extensive consultation. The strategy provided a roadmap to improve the Council's tree management, increase canopy cover, and improve the service for residents, achieving shared targets and improving the quality of life. In addition, it raised environmental awareness supporting the Council's ambition to become the greenest borough. The report and 40 action plans were supported by the relevant Parks and Housing Teams, the Climate Change Team, the Planning Team and a range of external partners.

The Leader added that the tree strategy was of great interest to local residents and the Council had significantly increased the tree canopy over the last decade and would continue to do so. This was important not just for the environment but also for biodiversity.

**AGREED UNANIMOUSLY BY THE CABINET MEMBERS:**

To agree the formal adoption of the H&F Tree Strategy and associated action plan.

**Reason for decision:**

As set out in the report.

**Alternative options considered and rejected:**

As outlined in the report.

**Record of any conflict of interest:**

None.

**Note of dispensation in respect of any declared conflict of interest:**

None.

**9. FORWARD PLAN OF KEY DECISIONS**

The Key Decision List was noted.

Meeting started: 7.00 pm  
Meeting ended: 7.21 pm

Chair .....

<b>Report to:</b>	Cabinet
<b>Date:</b>	10/02/2025
<b>Subject:</b>	Update on ‘ <i>Upstream London</i> ’: the vision for the next phase of the Council’s Industrial Strategy
<b>Report of:</b>	Cabinet Member for the Economy, Councillor Andrew Jones
<b>Report author:</b>	David Pack, Strategic Head – Economic Growth
<b>Responsible Director:</b>	Bram Kainth, Executive Director of Place

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### SUMMARY

This report presents to Cabinet an update on the development of the next phase of the Council’s pioneering Industrial Strategy: *Upstream London*, launched in late November at an event at the new WEST Youth Zone in White City. The goal is to make the borough a global hub of innovation and inclusive growth.

It follows the establishment of a partnership with world-leading Imperial College London in 2017 to establish a cluster of science, technology, engineering, maths, medicines and media (STEM<sup>3</sup>) businesses around Imperial’s existing research and development to create a world-leading economic ecosystem in future industries.

The Council has now set a clear strategy to grow a localised economic ecosystem, with a focus on the sectors that are set to grow and that are deemed right for the local area. This comes at a time when the Greater London Authority is developing their London Growth Plan, set to launch in January 2025.

Since the inception of our Industrial Strategy, the Council has helped to generate £6billion of high-growth business investment, creating over 13,000 jobs, increasing opportunities in the community through working closely with partners including anchor institutions, businesses and investors.

At the same event and as a central part of *Upstream London*, the Council also launched the *Upstream Pathway Bond*, a groundbreaking initiative giving people a clearer pathway into new careers and more opportunities to develop new skills.

By utilising relationships with businesses and with the international partnerships the Council has developed, young people will have more opportunities than ever before.

Organisations who sign up offer advice, work experience, apprenticeships, interview skills, mentoring and inspiration - even travelling abroad to experience our partner innovation districts. In return, businesses have a highly-skilled workforce on their doorstep.

This report covers a ‘white paper’ vision document launched at the late November event mentioned above; structures put in place to ensure a ‘whole Council’ approach

to delivery, with appropriate Member oversight; proposals for staff engagement; and the intention to put in place a delivery plan.

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## RECOMMENDATIONS

That Cabinet:

1. **Notes** the publication of the recently launched Upstream London ‘white paper’ vision document.
2. **Notes** the intention to develop and cost a delivery plan.

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**Wards Affected:** All

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Our Values	Summary of how this report aligns to the <a href="#">H&amp;F Corporate Plan</a> and the H&F Values
Building shared prosperity	The principle of enabling economic growth that benefits all in our communities is at the heart of the <i>Upstream London</i> vision.
Creating a compassionate and inclusive council	Taking an inclusive approach to economic growth – not least through the Upstream London Pathway Bond – is a key feature of the <i>Upstream London</i> vision.
Doing things with local residents, not to them	Input of residents, particularly young people, has helped to shape Upstream London, notably the Pathway Bond element.
Being ruthlessly financially efficient	As a partnership vision including key anchor institutions and business, Upstream London will be delivered not only through existing and proposed Council-led activity, but also by contributions from partners.
Taking pride in H&F	Upstream London will help to position H&F as a exemplar of ‘entrepreneurial municipal government’, leading the way in driving inclusive economic growth.
Rising to the challenge of the climate and ecological emergency	Tackling the climate and ecological emergency runs through the Upstream London vision, with various proposed deliverables also supporting it.



## Financial Impact

This report recommends that the recently launched Upstream London ‘white paper’ vision document is approved by Cabinet and to note that the detailed associated delivery and investment plan is being developed. An initial sum of £0.3m will be allocated in 2025/26 to continue this work with the business sector and our partners. This investment is expected to be endorsed by Council in February 2025 as part of the approval of the annual revenue budget for 2025/26.

*Kellie Gooch, Head of Finance (Place), 16 December 2024*

*Verified by James Newman, Assistant Director – Finance (Deputy S151 Officer), 16 December 2024*

## Legal Implications

This report recommends that the Cabinet note the publication of the Upstream London White Paper and the intention to develop a delivery plan. There are no legal implications at this stage.

*Angela Hogan, Chief Solicitor (Contracts and Procurement) 16 December 2024*

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## Background Papers Used in Preparing This Report

None

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## DETAILED ANALYSIS

### Background and Proposal

1. The Council’s Industrial Strategy was launched in 2017 and has helped create an environment in which more than £6bn in growth investment has been secured by businesses in key growth sectors and some 13,000 jobs have been created – providing a wide range of opportunities for residents.
2. Drawing on the many lessons learned from this approach – underpinned by an ‘entrepreneurial municipal government’ culture that aims to win investment – work is now underway to take the Strategy into its next phase, to be badged *Upstream London*.
3. Launched at an event hosted by the Leader of the Council on 28 November and including speeches by Baroness Taylor of Stevenage (Parliamentary Under-Secretary of State at the Ministry of Housing, Communities and Local Government and Lords Minister for Housing and Local Government) and Hugh Brady, President of Imperial College London, the vision for *Upstream London* sets the direction of travel the Council will take to ensure economic growth is inclusive and improves the lives of everyone in our community.
4. The event provided an opportunity to launch a ‘white paper’ vision document (see Appendix One) to an audience including: businesses; London, regional and

central government stakeholders; community organisations and public sector partners; and a range of other external bodies.

## **The next phase of our strategy to achieve inclusive economic growth**

5. The ‘white paper’ vision document at Appendix One is shaped around three key pillars agreed by lead Members as the focus for Upstream London:
  - a. **Pathways** - *We create pathways for businesses to invest whilst ensuring that the growth and opportunities generated flow through to residents – from courses where you can learn new skills to jobs for the future.*
  - b. **Place** – *Located upstream of central London and the City, we are a place where innovation thrives, where ideas that are upstream of current thinking become a reality. We take an adaptive approach to planning to enable development and economic growth for the benefit of everyone.*
  - c. **Partnerships** - *We build lasting partnerships with organisations in the borough, in London and internationally to ensure a collaborative approach to economic growth with opportunities flowing to all.*
6. Also launched alongside the wider vision was the Upstream London Pathway Bond, a new partnership with business. By signing up, businesses commit to the principles of providing good jobs, fair wages and skills of the future – and those who sign up will offer a suite of opportunities to the local community enabling people to follow a pathway into new skills, new careers and the jobs of the future.
7. An element of note under the Partnerships pillar is the work underway to establish and develop ‘Co-operative Growth Partnerships’ building on a series of memoranda of understanding with localities in the UK and around the world. These partnerships aim to learn from challenges, share new strategies, tactics and solutions and to develop evidence-based road maps for inclusive economic growth. As set out in the white paper vision document at Appendix One, the intention is to host an international innovation districts convention – funded by sponsorship – in late 2025 or early 2026, at the Civic Campus and other private facilities across the borough.

## **New governance structures to steer delivery**

8. To oversee delivery of *Upstream London* as it develops, and to ensure it meets the aims articulated in the white paper vision document, an officer-level Upstream London Delivery Board has been meeting monthly since September 2024. This in turn reports into an Upstream London Political Oversight Group.
9. These structures have been designed to secure a ‘whole Council’ approach, a firm grip of the Strategy and its delivery and a structured mechanism for Member oversight and steer.

10. Membership of the officer-level Delivery Board – chaired by the Executive Director of Place – includes relevant Director level representation from across the Council.
11. The Delivery Board’s Terms of Reference set out specific roles and responsibilities, which sit underneath two key areas of focus:
  - i. *Vision/strategy* – working alongside Members to develop and hone the strategy itself and the vision supporting it as it relates to discrete areas of the Council’s core services.
  - ii. *Delivery* – ensuring Council services align, where appropriate, with the *Upstream London* and contribute to meetings its goals, delivering at pace with clear indicators of progress.
12. The Upstream London Political Oversight Board is chaired by the Leader and involves the Deputy Leader and the Cabinet Members for the Economy and for Enterprise & Skills, and the Industrial Strategy Ambassador. The Executive Director of Place and the Assistant Director, Economic Development attend as lead officers.
13. Its Terms of Reference focus on three key areas of focus:
  - i. *Vision/strategy* – developing and honing the strategy itself and the vision supporting it as it relates to discrete areas of the Council’s core services.
  - ii. *Delivery* – ensuring progress against a delivery plan at pace, providing steer, challenge and guidance on prioritisation.
  - iii. *Strategic steer/oversight* – covering *Upstream London* narrative; messaging; external communication; and related public affairs issues.
14. In addition to the two internal structures above a Strategic Advisory Board comprising external stakeholders is being developed. This Board will bring together high-profile voices who are from or have stakes in the borough to supply external expertise and support communications and promotional activity.

## **A delivery plan**

15. To take the broad aspirations articulated in the ‘white paper’ vision document launched on 28 November and translate them into activity, an outline delivery plan is in development, covering the period to end March 2026.
16. This plan will comprise a series of strategic objectives grouped by the three pillars of Upstream London listed in para. 5, each objective supported by specific deliverables.
17. Informed by discussions at the officer-level Delivery Board and incorporating amendments to respond to feedback from the Political Oversight Board, the delivery plan will include activities led by officers across the Council. The intention is for it to be the mechanism for tracking, reporting and communicating progress – and troubleshooting challenges.

18. Most of the deliverables in development will be covered by existing budgets and officer capacity. However, several will require additional resource. Any proposals for additional resource will require separate reports and these will include detailed financial implications for approval by the relevant decision maker in accordance with the Council’s governance arrangements.

**Engaging Council staff and external partners in Upstream London**

19. In developing *Upstream London* as the next phase of the Council’s Industrial Strategy – and to underline its importance as a ‘whole Council’ endeavour – a programme of ‘roadshowing’ at departmental management team meetings and other fora (plus any relevant all-staff events) will be delivered. A set of slides – being developed to engage all staff in *Upstream London* and explain the White City Innovation District and the Council’s ongoing involvement in that - will form the basis of these sessions.

20. Officers will also work up a similar approach to maintain and deepen engagement of key external stakeholders with the aim of aligning and shaping relevant activity in the borough to align with the Upstream London vision for inclusive economic growth.

**Reasons for Decision**

21. Taking forward the Council’s Industrial Strategy into its next phase as *Upstream London* will allow the Council to draw on lessons learned from taking ten key actions during the delivery of the Strategy to date, as outlined in the white paper vision document. These are:

1. Setting a clear <b>mission-led strategy</b> to grow a localised economic ecosystem	6. Providing targeted <b>business support and advice</b>
2. Developing an <b>‘entrepreneurial municipal government’ culture</b> which acts to win investment	7. Attracting venture builders and offering entrepreneurs <b>access to a range of business investors.</b>
3. Taking an <b>‘adaptive’ approach to planning</b>	8. Aligning <b>education and skills opportunities</b> to the local industrial strategy.
4. Building <b>economic growth partnerships</b> with universities, the NHS and other anchor institutions.	9. Building <b>education and youth facilities</b> at the heart of the innovation district.
5. <b>Place-making</b> to transform the Borough	10. Establishing <b>international co-operative growth partnerships</b> with innovation districts in other democracies and elsewhere in the UK

22. These actions inform how activity under the three pillars of Partnerships, Place and Pathways will be delivered and will in turn inform proposed objectives and deliverables to be set out in the delivery plan.

23. Having this agreed vision and accompanying delivery plan in place will enable the Council to take its approach to inclusive economic growth into its next phase, with the aim of achieving economic growth that benefits all our residents.
24. Crucially, by setting out the *Upstream London* vision and the accompanying delivery plan, the Council will be well placed to address – in a local government setting - many of the challenges set out in the Government’s national industrial strategy.
25. The objectives set out in the Government’s strategy align closely with those of Upstream London, focusing on ensuring long-term sustainable growth in the UK’s highest potential growth-driving sectors. The aspirations set out in the Upstream London vision and delivery plan have the potential to play a significant role in achieving the Government’s vision at the UK level.

### **Equality Implications**

26. There are neutral to positive equality implications for groups with protected characteristics, under the Equality Act 2010, in the Upstream London vision or delivery plan. An Equality Impact Assessment (EIA) has been completed – see Appendix Two - and will be kept under review during the implementation of this vision.
27. The Upstream London Pathway Bond is likely to have positive impacts on young people and those struggling to access skills support and routes into good jobs. Other measures in the delivery plan in development are likely to have positive impacts on young people and adults with Special Educational Needs and Disabilities (SEND) and on Care Leavers.

*Yvonne Okiyo, Strategic Lead Equity, Diversity and Inclusion, 16 December 2024*

### **Risk Management Implications**

28. The report sets out that the Council will seek to implement and deliver its ambitious vision, Upstream London, as part of the Council’s Industrial Strategy, to attract significant inward high growth business investment, to create significant employment opportunities and to increase opportunities for local communities through working with partners, including anchor institutions, businesses and investors.
29. In formulating the delivery plan, officers will need to consider the resources required to implement the plan, to document, track and report on the benefits and risks associated with delivering the plan, and to have appropriate internal and external governance and oversight arrangements in place involving key stakeholders.

*David Hughes, Director Audit, Fraud, Risk and Insurance, 16 December 2024.*

## **Climate and Ecological Emergency Implications**

30. There are no specific anticipated climate and ecological emergency implications as a result of the publication of the *Upstream London* white paper vision document. However, the document cites a key lever at the Council's disposal – the Local Plan – and the intention for that to align with local climate commitments. It also notes an aspiration to promote implementation of climate tech innovations within the borough and recognises the borough's strength as a location for attracting climate tech innovators and as an existing centre for the green economy.
31. Various specific deliverables will support and align with the Council's Climate & Ecology Strategy 2030.

*Hinesh Mehta, Assistant Director of Climate Change, 16 December 2024*

## **Procurement implications**

32. Once costing of the delivery plan is confirmed, any procurement arising will require separate procurement strategies to be agreed. There is a requirement of the Council to ensure that any procurement undertaken under the Procurement Act 2023 (the "Act") considers that different treatment is justified in a particular case, the authority must take all reasonable steps to ensure it does not put a supplier at an unfair advantage or disadvantage. This should be kept under consideration when seeking to build lasting partnerships with organisations in the borough. Additionally, the Act requires the Council to have regard to how any barriers to participation for small and medium-sized enterprises can be removed or reduced, and Upstream London seeks to support that requirement through its delivery.

*Chris Everett, Category Lead – Place, 16 December 2024*

## **Consultation**

33. In shaping the pillars supporting the *Upstream London* white paper vision document stakeholder input was sought from selected local businesses, Imperial College London, government stakeholders and relevant think tanks.

## **LIST OF APPENDICES**

Appendix One – Published Upstream London document.  
Appendix Two – Equalities Impact Assessment.



# ↑UPSTREAM LONDON

## The Innovation Borough: Accelerating Inclusive Growth

The second phase of Hammersmith & Fulham Council's strategy to achieve economic growth across the Borough and beyond



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Prema Gurunathan,  
Managing Director  
- *Upstream London  
Nexus* (formerly known  
as *Upstream*)



# Executive Summary

*Upstream London* is the second phase of Hammersmith & Fulham Council's mission-led strategy to achieve high economic growth across the Borough and beyond.

We are working hard to transform the Borough into a global beacon of innovation and growth, not just for businesses located here but for the local community too. Just as the Borough is upstream of central London and the City, we want Hammersmith & Fulham to be a place where innovation upstream of current thinking becomes a reality.

The Council launched a unique local industrial strategy and innovation district with *Imperial College London (Imperial)* in July 2017.<sup>1</sup> The aim of the first phase of this strategy was to create a cluster of science, technology, engineering, maths, medicine and media (STEM<sup>3</sup>) businesses around Imperial's impressive research and development to create a world-leading economic ecosystem in future industries. Since then, we have helped to:

- **ATTRACT** £6 billion of high-growth business investment;
- **CREATE** over 13,000 jobs; and
- **INCREASE** opportunities in our community, through working closely with partners including anchor institutions, businesses and investors.

This approach has seen significant investment into the sectors we believe will define the future of the economy, society and the planet, many of which have been identified as growth sectors in the Government's new national *Industrial Strategy*.<sup>2</sup> Our Borough has seen growth in the jobs and careers of the future in life sciences, climate tech, cyber security, AI, fintech, the creative industries, digital, defence tech, TV and film and a number of other sectors. We focus in particular on what are known as 'long cycle' industries, that will be important for decades to come.

We developed, and continue to grow and promote, an 'entrepreneurial municipal government' team culture. This is focussed on attracting investment and bringing organisations and people together who can help deliver economic growth for all. It goes far beyond traditional council strategy and means everyone at our council plays a key role in delivering our vision.

This document details the insights we have taken from our experience of supporting exponential local economic growth during the past seven years, both to celebrate these successes and to ensure we, our partners and our colleagues at other local authorities have the opportunity to learn from our journey. Some of these insights - our experience of what does and does not work - could be viewed as a blueprint, with elements that could be applied successfully elsewhere.

“ We are working hard to transform the Borough into a global beacon of innovation and growth ”



New civic campus in King Street, Hammersmith

Through our experience, we have seen the benefits of taking the following ten actions:

- 1. SETTING** a clear mission-led strategy to grow a localised economic ecosystem, with a focus on the sectors that are set to grow and that are right for the local area.
- 2. DEVELOPING** an 'entrepreneurial municipal government' culture which acts to win investment.
- 3. TAKING** an 'adaptive' approach to planning: changing planning guidelines to attract R&D-led academic and public anchor institutions, while offering entrepreneurs affordable flexible start-up and scale-up space.
- 4. BUILDING** economic growth partnerships with universities, the *NHS* and other anchor institutions.
- 5. PLACE-MAKING** to transform the Borough, ensuring it continues to be a place people want to live and work.
- 6. PROVIDING** targeted business support and advice, as we have with *Upstream*, via a joint partnership with *Imperial*.
- 7. ATTRACTING** venture builders and offering entrepreneurs access to a range of business investors.
- 8. ALIGNING** education and skills opportunities to the local industrial strategy.
- 9. BUILDING** education and youth facilities at the heart of the innovation district.
- 10. ESTABLISHED** international cooperative growth partnerships with innovation districts in other democracies and elsewhere in the UK so that we can share learning, support mutual investment and offer new opportunities to our people.

In this document we also outline our vision for the second phase of our strategy, *Upstream London*, and the direction of travel we want to take as we aim to ensure economic growth is inclusive and improves the lives of everyone in our community.

*Upstream London*, our mission-led strategy to achieve growth, is focused on three pillars:

## 1. Partnership

- We build lasting partnerships with organisations in the Borough, in London, nationally and internationally to ensure a collaborative approach to economic growth, with opportunities flowing through to all.
  - We have established 'co-operative growth partnerships' with innovation districts around the world. We aim to drive this further during the second phase. We are in talks with British local authorities outside the 'golden triangle' and Southeast England so we can support others similarly as they seek to create place-based and inclusive economic growth.
- businesses, scale ups, start-ups and other organisations - from *Novartis* to *L'Oréal* and from the *BBC* to *NATO* - and we want this to continue and grow through the second phase of our strategy.

1. Hammersmith & Fulham Council Economic Growth for Everyone: An Industrial Strategy for Hammersmith & Fulham (London: H&F Council, July 2017)  
2. Department for Business and Trade, Invest 2035: the UK's modern industrial strategy (London, HM Government, 14 October 2024)



## 2. Place

- Located upstream of Central London and the City, we are a place where innovation thrives, where new ideas and new thinking become a reality.
- We take an adaptive approach to planning to enable development and economic growth for the benefit of everyone.
- During the first phase of our strategy we saw the benefits of taking this approach, in terms of economic growth, and the importance of ensuring there is more affordable flexible office space and laboratory space.
- Our vision for the second phase of our strategy is to take this further, with more initiatives on affordable housing, living labs and building a new *Civic Campus*<sup>3</sup>, ensuring we continue to be a place where serendipitous conversations happen, new connections are nurtured and new ideas are formed, leading to further growth.

## 3. Pathways

- We are on a journey to achieve total inclusive economic growth for the benefit of everyone living in the Borough, learning from our experience over the past seven years and collaborating with Local Authorities across the country and innovation districts around the world.
- Our vision for the second phase of this strategy is to create pathways ensuring that the growth and opportunities generated flow through to all residents, from courses where people can learn new skills to securing jobs for the future.
- As part of the second phase of this strategy, we are launching our *Hammersmith & Fulham Upstream Pathway Bond*, which enables businesses to play their full role in supporting the local community. Businesses who sign up will offer a suite of opportunities to the local community enabling people to follow a pathway into new skills, new careers and the jobs of the future. In turn, businesses will have access to a strong local workforce, with the STEM<sup>3</sup> skills needed for growth. Businesses involved will receive an *Upstream Pathway Bond Mark*, highlighting their social commitments and good work, which can be used in *Environmental, Social and Governance (ESG)* reporting and recruitment campaigns. *The Upstream Pathway Bond* will give people living locally a clearer pathway into new careers and more opportunities to develop new skills.

The key role local authorities can play in supporting economic growth through an entrepreneurial municipal government culture has been reaffirmed, in our thinking, through our experience of working on this agenda during the past seven years. At a time when decision making is becoming more devolved and the Government is developing its national modern *Industrial Strategy*, we hope the crucial role of local authorities will be fully factored in.

The Council's ambition for a better tomorrow is a shared vision to improve the lives of everyone, today. As we further develop our vision for the second phase of our strategy, we want to hear the views of more residents, businesses, educational institutions, community groups and other partners and stakeholders. If you would like to feed in your thoughts, please get in touch with us.

“ The Council's ambition for a better tomorrow is a shared vision to improve the lives of everyone, today ”



3. The new Hammersmith & Fulham Civic Campus will include affordable, flexible office space, 52% genuinely affordable homes, concert hall, art gallery, homework space for children, a cinema and a public sky park and restaurants





Cllr Stephen Cowan speaking at the opening of L'Oréal Groupe's new UK & Ireland headquarters in White City Place

## Foreword

By Cllr Stephen Cowan, Leader of Hammersmith & Fulham Council

A decade ago, *The Spectator's* Fraser Nelson sparked a sobering debate about the health and structure of the United Kingdom's economy.<sup>4</sup>

He compared the UK's GDP per capita with that of each state in the United States. He concluded the UK would "be the 2nd-poorest state in the union", just ahead of Mississippi. Further analyses carried out last year by the *Financial Times'* John Burn-Murdoch found that "... removing London's output and headcount would shave 14 per cent off British living standards, precisely enough to slip behind the last of the US states".<sup>5</sup>

UK economic growth has remained woeful since the 2008 global financial crisis. Impeded by a combination of austerity, *Brexit*, *COVID-19*, Russian aggression and market turmoil caused by the September 2022 mini budget, growth stands at just 1.2%, in sharp contrast with 2.3% prior to 2008.<sup>6</sup>

Britain's inequalities between places and people are outliers in Europe.<sup>7</sup> Even in

the capital, there are huge disparities between people's wealth, wellbeing and the opportunities available to them.

Insights such as these led us in Hammersmith & Fulham Council to begin our mission to change the Borough's long-term economic trajectory, provide opportunities for people to develop new skills and have a positive impact on sustainability. In 2017 we launched our localised inclusive industrial strategy, which we called '*Economic Growth for Everyone*'.<sup>8</sup>

We have developed the view that Britain's economic orthodoxy was out of sync with other Western economies as it relied too much on a combination of centralised measures and the 'invisible hand of the market' to tackle the UK's structural social and economic problems. As the IPPR think tank's *Commission on Economic Justice*

wrote, "if this view were ever tenable, we believe it is no longer. It misunderstands how markets work in modern economies, and the vital roles which only states can play".<sup>9</sup>

Influenced by Alfred Marshall's famous thinking on industrial districts<sup>10</sup>, Karl Polanyi's work<sup>11</sup> on the social foundations of the economy and much recent thinking on clusters<sup>12</sup>, we aimed to imitate the role played by the German Länder and city-states in their economic success but with a forward-looking focus on the 'long cycle' industries of the future.<sup>13</sup>

We were particularly inspired by the role academia plays in achieving high economic growth in future industries around the world, particularly in Kendall Square<sup>14</sup> and the San Francisco Bay Area<sup>15</sup>, although we resolved that any growth we help to foster must be inclusive.

The combination of a local authority's soft powers to convene and build consensus, alongside its hard powers on planning, placemaking, infrastructure development and skills could allow us to coalesce people around a common vision and a plan for a modern placed-based industrial strategy.

In 2015, *Upstream*, the Borough's business strategy was launched. We changed planning guidelines to increase the amount of affordable, flexible office and laboratory space - essential to encouraging start-up entrepreneurs. By 2016 *Imperial College London (Imperial)* had agreed to become Hammersmith & Fulham's industrial strategy partner. By 2017 we had launched our local industrial strategy<sup>16</sup> and together with *Imperial* established the now globally renowned *White City Innovation District*.<sup>17</sup>

The first phase of our local industrial strategy centred around four priorities: 'West Tech'; encouraging enterprise; a great place in London; and "people - growth for all", as well as helping to address climate change

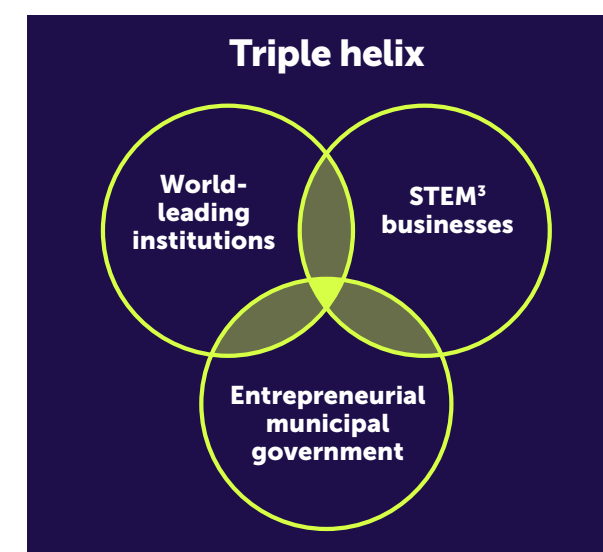
and inequalities. It aspired to build an inclusive high-growth, economic ecosystem in science, technology, engineering, maths, medicine and media (STEM<sup>3</sup>).

We placed the *Triple Helix Model of Innovation*<sup>18</sup> at the heart of our approach. Adapting it for our circumstances, we defined the triple helix as:

- Entrepreneurial municipal government;
- World-leading institutions; and
- STEM<sup>3</sup> businesses.

Since 2017, Hammersmith & Fulham has attracted £6 billion in high-growth business investment in a wide range of start-ups, scale ups, established businesses and developments, from green tech to artificial intelligence, life sciences and beyond.

The Borough has agreed co-operative growth partnerships with innovation districts in other countries so we can share learning, attract international trade and investment, and offer new opportunities for our people. Hammersmith & Fulham is also a founder member of the *Innovation Districts Alliance*, created by the *International Association of Science Parks and Areas of Innovation (IASP)*.<sup>19</sup>



4. Fraser Nelson, 'Why Britain is poorer than any US state, other than Mississippi' *The Spectator*, 22 August 2014  
 5. John Burn-Murdoch, 'Is Britain really as poor as Mississippi?' *The FT*, 11 August 2023  
 6. Richard Partington, 'The Conservatives' economic record since 2010 in 10 charts' *The Guardian*, 2 March 2024  
 7. Gwyn Bevan, 'How Britain's systems of governance perpetuate inequality' *LSE Blog*, 27 October 2023  
 8. Hammersmith & Fulham Council *Economic growth for everyone: an industrial strategy for Hammersmith & Fulham* (London: H&F Council, July 2017)

9. IPPR *Commission on Economic Justice, Prosperity and Justice: A plan for the new economy* (IPPR, Polity Press London, September 2018)  
 10. Alfred Marshall, *The Principles of Economics* (History of Economic Thought Books, McMaster University Archive for the History of Economic Thought 1890)  
 11. Karl Polanyi, *The Great Transformation, Economic and Political Origins of Our Time* (New York: Rinehart 1944)  
 12. For example, Michael Porter's work on global competitive advantage through clusters: Michael Porter, *Competitive advantage: Creating and sustaining superior performance*. (London: Simon and Schuster 2008)  
 13. G Tasse, 'Beyond the business cycle: The need for a technology-based growth strategy'. *Science and Public Policy*, 40(3) (2013), pp.293-315  
 14. Kendall Square is in Cambridge MA and known for its cluster of tech companies and Massachusetts Institute of Technology (MIT) buildings  
 15. Kenji E. Kushida, 'The Silicon Valley Model and Technological Trajectories in Context' *The Carnegie Endowment for International Peace*, 9 January 2024  
 16. Hammersmith & Fulham Council *Economic growth for everyone: an industrial strategy for Hammersmith & Fulham* (London: H&F Council, July 2017)  
 17. *White City Innovation District*, <https://www.whitecityinnovationdistrict.org.uk/> [accessed 5th November 2024]  
 18. The Triple Helix Model of Innovation refers to a set of interactions between academia (the university), industry and government, to foster economic and social development  
 19. IASP *Innovation Districts Alliance* <https://www.iasp.ws/our-members/communities/iasp-innovation-districts-> [accessed 5th November 2024]



Our approach to inclusivity started with young people. We began to coordinate measures with local schools and some are leading the way, such as *Fulham Cross Academy* which became a STEM specialist school in 2013. In *White City*, the Borough partnered with the national education charities *Ark*<sup>20</sup> and *OnSide*<sup>21</sup> to build *EdCity*. This £150 million education, affordable housing and office site also includes a new youth facility - the *WEST Youth Zone*.

The *White City Innovation District* is at the epicentre of our strategy and we are working on extending its reach by building new student accommodation, community spaces, homes and high quality labs across the Borough which all align with our strategy's goals.

The success of our approach, to drive growth through entrepreneurial municipal government and local industrial strategy, has been the result of collaboration, partnership and teamwork. The inspirational and visionary leadership of Professor Hugh Brady, President of *Imperial*, has been crucial to this success. As we celebrate the positive results that have been achieved so far, I would like to take this opportunity to thank everyone who has played a role in this journey: local residents who have given us feedback and those who were involved in outlining the original version of the strategy; our partners at *Imperial*, our volunteer policy commissioners, and the businesses creating jobs for the future; the educational institutions driving up-skilling; the community groups supporting people living locally; those investing in our Borough; our international innovation district collaborators; and our dedicated and committed councillors and officers.

Governments have long recognised the importance of centres of innovation. Bletchley Park was one of the first, and its pioneering work codebreaking during *World War Two* played a crucial role in the Allied victory. It also led to the development of the world's first

programmable digital electronic computer. Some of the science parks that followed were similarly obscured from the public gaze, often operating like gated specialist communities.

The innovation world has moved on.<sup>22</sup> As Bruce Katz and Julie Wagner pointed out ten years ago in their paper, *'The Rise of Innovation Districts: A New Geography of Innovation in America'*:

*"A new complementary urban model is now emerging, giving rise to what we and many others are calling 'innovation districts'. These districts, by our definition, are geographic areas where leading-edge anchor institutions and companies cluster and connect with start-ups, business incubators, and accelerators. They are also physically compact, transit-accessible, and technically-wired and offer mixed-use housing, office, and retail".*<sup>23</sup>

This democratisation of innovation offers new opportunities to people and communities all around the world. The UK remains a future shaping R&D powerhouse. With the right measures, new businesses will emerge that could quickly come to thrive in important new sectors in the global economy.

This is the context that informs the second phase of Hammersmith & Fulham's inclusive strategy to achieve growth across the Borough and beyond, which we are calling *Upstream London*. As we work to transform the Borough into a global beacon of innovation and growth, our goal is for every resident to benefit from these positive developments and to have the opportunity

**“Upstream of central London and the City, we want Hammersmith & Fulham to be a true 'Innovation Borough', a place where ideas upstream of current thinking become a reality”**



**“Since 2017, Hammersmith & Fulham has attracted £6 billion in high-growth business investment in a wide range of start-ups, scale ups, established businesses and developments, from green tech to artificial intelligence, life sciences and beyond.”**

to up-skill, secure jobs of the future and enjoy spending time in our community-focussed development of public realm.

*Upstream* of central London and the City, we want Hammersmith & Fulham to be a true 'Innovation Borough', a place where ideas upstream of current thinking become a reality.

*Upstream London* will unfold under a new mission-led national government which has placed inclusive growth as the first of its five missions to:

1. Kickstart economic growth
2. Make Britain a clean energy superpower
3. Take back our streets
4. Break down barriers to opportunity
5. Build an NHS fit for the future

Good economic growth is now on the table at every level of government.

*White City Innovation District* is right to proclaim, "Tomorrow is made here".<sup>24</sup> It has established itself as an emerging economic hotspot and a global centre for future

technologies. In this second phase of our modern local industrial strategy we will act to strengthen Hammersmith & Fulham's role as an 'Innovation Borough' and work with others across the *West Tech corridor* and around the UK to accelerate and better share the benefits of high productivity growth in the industries of the future.

This document outlines our vision for the next phase, from ensuring future economic growth is truly inclusive to creating the world's first *Upstream Pathway Bond*, a groundbreaking initiative giving people a clearer pathway into new careers and more opportunities to develop new skills.

As we develop our vision further, we would welcome your thoughts and ideas and would love to hear your feedback. It is only by working together that we will be able to achieve our ambition for a better tomorrow and improve the lives of everyone, today.

**Cllr Stephen Cowan**  
**Leader of Hammersmith & Fulham Council**

20. Ark: a national education charity <https://arkonline.org/> [accessed 5th November 2024]  
21. Onside: a national youth charity <https://www.onsideyouthzones.org/> [accessed 5th November 2024]  
22. Yigitcankar, T., Adu-McVie, R. and Erol, I., 'How can contemporary innovation districts be classified? A systematic review of the literature'. *Land Use Policy*, 95, (2020) p.104595  
23. Bruce Katz and Julie Wagner, *The Rise of Innovation Districts: A New Geography of Innovation in America*, (New York: Brookings Institute, May 2014)

24. <https://www.whitecityinnovationdistrict.org.uk/about-us/> [accessed 5th November 2024]



# Foreword

By Professor Hugh Brady, President of *Imperial College London (Imperial)*

Since its founding in 1907, *Imperial* has sought to be not only a world-leading institution but a world-changing one.

Our founding mission was 'to be useful' - a wonderful understatement of all that *Imperial* has achieved and continues to achieve through the breadth and depth of its educational, research and innovation activity.

We have combined our tremendous strength in science, engineering, medicine and business (*STEMB*) with scientific discovery, innovation and entrepreneurship to create real-world impact.

Co-creation, collaboration and partnership are at the heart of all we do - bringing new insights to our work, enabling greater scale and amplifying impact.

“Co-creation, collaboration and partnership are at the heart of all we do - bringing new insights to our work, enabling greater scale and amplifying impact.”



Schools students at a *Reveal* event in *White City Innovation District*

Nowhere are these principles more evident than in our partnership with the London Borough of Hammersmith & Fulham where our *White City Deep Tech Campus* sits at the heart of the *White City Innovation District*.

Every day, talented young people from the Borough are attracted to *STEMB* at our *Invention Rooms*, bringing their ideas to life in our *Maker Space*. Our state-of-the-art educational facilities are buzzing with top talent working to make the world a healthier, safer, smarter, more sustainable and more prosperous place.

Our researchers, from PhD students to Professors, come together every day to interrogate the forces that shape our world. They do this to tackle some of the biggest challenges facing humanity - from diabetes to dementia; from food security to pandemic preparedness; from air pollution to climate change.

A number of these studies are co-created with and involve our local community - most notably *Imperial's* ground-breaking research on the drivers and health consequences of air pollution.

Through the activities of our *Advanced HackSpace, Incubator, and accelerators*, the *White City Deep Tech Campus* is fast becoming a beacon of innovation, entrepreneurship, venture building and job creation. These activities are bolstered by the support for business growth in *Scale Space*, our joint venture with *Blenheim Chalcot*.

Together, these activities act as a magnet for companies in the surrounding *White City Innovation District*.



Professor Hugh Brady,  
President of *Imperial College London*

This could not have been delivered without the support, partnership and shared vision of the leadership of the London Borough of Hammersmith & Fulham. The next decade will see the further development of our *White City Deep Tech Campus* on a scale and quality to match anything in the world. We see the *White City Innovation District* as

a key driver for inclusive economic growth of national impact, the centre of the wider *Imperial West Tech Corridor*.

I hope you are as inspired as we are by what has been achieved so far and all we can achieve together over the decade ahead!

**Professor Hugh Brady**

“Our state-of-the-art educational facilities are buzzing with top talent working to make the world a healthier, safer, smarter, more sustainable and more prosperous place.”





# Prologue

## Case study one - Ali from East Acton

How the WEST Youth Zone and Upstream London are having a positive impact on Ali's life

Ali, 14, from East Acton is training to be a Young Leader and uses WEST Youth Zone, a new state-of-the-art youth facility, developed as a result of local economic growth and Hammersmith & Fulham Council's strategy in partnership with national youth charity OnSide.

*"During the Young People's Development Group sessions, I was able to get involved with building design and branding. We chose WEST as we wanted a place Where Everyone Sticks Together."*

*"Most of these group sessions took place in ScaleSpace [a community of scale-up businesses]. I'd never been in a building like that before and thought it would be very boring, but it's not. The people who worked there were very friendly and they even had table tennis and free hot chocolate!"*

*"It's also boosted my confidence. I can now talk to new people, look them in the eye, shake hands confidently and introduce myself. I even met and sat down with Prince William at one of the Youth Zone openings!"*

*"It's helped me think about different careers. We've visited companies like JD Sports, and I'm training to be a Young Leader, learning about leadership and safeguarding."*

*"When we're playing out in the local area, anything can happen, but here at WEST it feels safe and there's freedom to do what you want. It's good to be doing something positive, active and fun and not just be on screens at home."*

**“ I can now talk to new people, look them in the eye, shake hands confidently and introduce myself. I even met and sat down with Prince William at one of the Youth Zone openings! ”**



# Chapter 1

## The case for STEM<sup>3</sup>-led growth

In their book, *No Ordinary Disruption: The Four Global Forces Breaking All the Trends*,<sup>25</sup> Richard Dobbs, James Manyika, and Lola Woetzel analyse the impact of urbanisation, technological change, globalisation and demographic ageing on world economies and societies.

They conclude: “Compared with the Industrial Revolution, this change is happening 10 times faster, at 300 times the scale, or 3000 times the impact”.

There is only one viable answer to the competitive challenge globalisation and the race for technological supremacy presents: become more competitive and do so in the emerging sectors that will dominate the coming decades.

That was the crux of the thinking which led Hammersmith & Fulham Council to secure an economic growth partnership with *Imperial College London (Imperial)* in 2016 and to launch our STEM<sup>3</sup>-based industrial strategy with them in 2017. The aim was to build on the Borough’s traditional economic strengths in the media sector by adding new sectors in science, technology, engineering, maths and medicine.

The plan to both attract and grow STEM<sup>3</sup> anchor organisations, start-ups and scale ups was grounded on nearly 70 years of

academic theory and evidence. Back in 1956, Solow<sup>26</sup> set out the idea that technology is the primary driver of growth once capital and labour inputs face diminishing returns. Describing endogenous growth, Romer<sup>27</sup> cited knowledge and innovation as being critical factors to STEM.

As with any journey, technological leaps and economic growth are neither linear nor without their setbacks, as witnessed by how the early innovations of the *Industrial Revolution* led to a displacement in jobs. Over 200 years later, Acemoglu and Restrepo<sup>28</sup> reach similar conclusions on how AI and automation boost productivity but risk displacing workers. These are the global economy’s new ‘long cycle’ technologies<sup>29</sup>, likely to drive a cycle of innovation that will endure and generate economic growth for decades to come.

While change can be daunting, it offers opportunities for those communities that are able to rise to its challenge. Research<sup>30</sup> carried out in 2020 concluded “that 67% of U.S. jobs and 69% of the nation’s gross domestic product (GDP) are supported by science, technology, engineering and mathematics (STEM)”. In the UK, around 1 in 4 or 7 million jobs are STEM-based, with STEM contributing to around 26% of UK GDP in 2023.<sup>31</sup> Evidence also suggests that “job growth, employment rates, patenting, wages, and exports are all higher in more STEM-based economies.<sup>32</sup>



Henrik Hagemann (right), Co-founder and Chief Product & Innovation Officer, *Puraffinity*

### The democratisation of innovation-led growth

Katz and Wagner conclude, “there are over 150 innovation districts emerging and evolving worldwide, pursuing ambitious agendas to become multipliers of growth, unlocking unique R&D and place-based assets”.<sup>33</sup>

Excluding science parks, the *White City Innovation District* sits alongside a number of other UK innovation districts including:

- *Glasgow Riverside and Glasgow City*
- *The Knowledge Quarter at Kings Cross*
- *Leeds Innovation Arc*
- *ID Manchester*
- *Newcastle Helix*
- *Sheffield University Innovation District and Sheffield-Rotherham Advanced Manufacturing Innovation District (AMID)*
- *Innovation City Belfast*
- *Knowledge Quarter Liverpool*
- *Swindon Knowledge Central Innovation District*

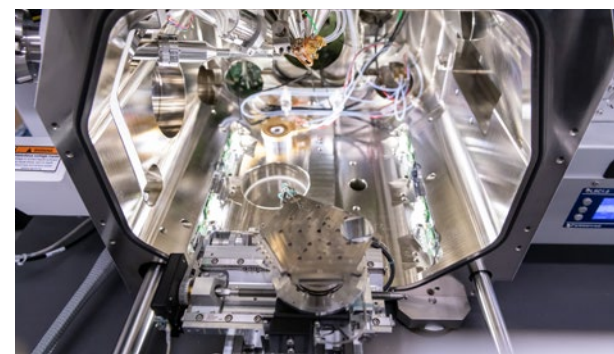
Urban innovation districts are the new disrupters, overshadowing science

parks as centres of STEM business growth. As Katz and Wagner explained<sup>34</sup>, “Instead of inventing on their own in real or metaphorical garages, an array of entrepreneurs are starting their companies in collaborative spaces, where they can mingle with other entrepreneurs and have efficient access to everything from legal advice to sophisticated lab equipment. Rather than submitting to long commutes and daily congestion, a growing share of metropolitan residents are choosing to work and live in places that are walkable, bike-able, and connected by transit and technology.” This democratisation of innovation offers policy makers new means of embedding growth into communities and tackling inequality.

“13,200 new jobs have been created by Hammersmith & Fulham based businesses in highly productive, highly skilled sectors.”

33. Bruce Katz and Julie Wagner, ‘The Next Wave of Innovation Districts’, *The New Localism*, 16 May 2024

34. Bruce Katz and Julie Wagner, *The Rise of Innovation Districts: A New Geography of Innovation in America*, (New York: Brookings Institute, May 2014)



25. Richard Dobbs, James Manyika, and Lola Woetzel, *No Ordinary Disruption: The Four Global Forces Breaking All the Trends*, (PublicAffairsUS, 2015)

26. Robert Solow, ‘A Contribution to the Theory of Economic Growth’ *The Quarterly Journal of Economics*, Vol. 70, No. 1 (Feb., 1956), pp. 65-94

27. Paul Romer, ‘Endogenous Technological Change’, *The Journal of Political Economy*, Vol. 98, No. 5, Part 2: The Problem of Development: A Conference of the Institute for the Study of Free Enterprise Systems. (Oct., 1990), pp. S71-S102

28. Daron Acemoglu and Pascual Restrepo, ‘Artificial Intelligence, Automation and Work’, Boston University - Department of Economics - The Institute for Economic Development Working Papers Series dp-298, Boston University - Department of Economics, 2018

29. Gregory Tasse, ‘Beyond the business cycle: The need for a technology-based growth strategy’, *Science and Public Policy*, 40(3), (December 2012) pp.293-315

30. Aerospace Industries Association, American Association for the Advancement of Science and others, *STEM and the American workforce. An inclusive analysis of the jobs, GDP and output powered by science and engineering.* (2020)

31. UK Government: Supply of skills for jobs in science and technology, Calendar year 2023 - Explore education statistics - GOV.UK (explore-education-statistics.service.gov.uk)

32. Jonathan Rothwell, *The Hidden STEM Economy*, Washington, (District of Columbia, Brookings Institution, 2013)



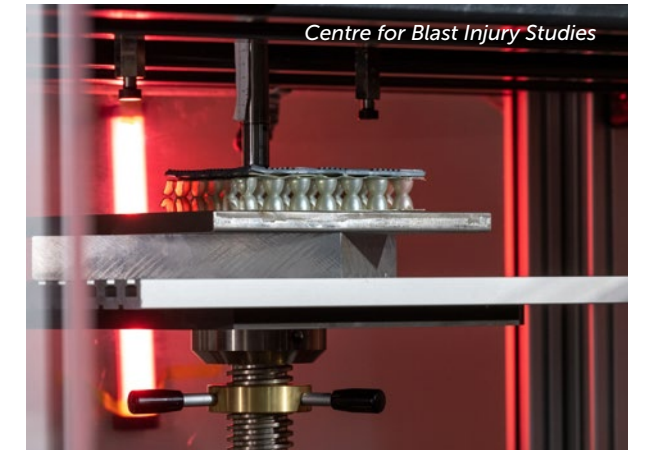
“ Compared with the *Industrial Revolution*, this change is happening 10 times faster, at 300 times the scale, or 3000 times the impact. ”

Measures taken in Hammersmith & Fulham such as changing planning guidelines to encourage more affordable, flexible office space and facilitating the establishment of *Scale Space*<sup>35</sup> has encouraged the growth of hundreds of thriving STEM<sup>3</sup> start-ups and scale-ups. The Borough's pro-growth approach to planning has led to 192,000 sqm of commercial space being consented since 2017.

The *Thames riverfront*<sup>36</sup>, *Shepherds Bush Market*<sup>37</sup>, *Earls Court* and the new *Civic Campus* are four of the many schemes that are already extending the geography of innovation across Hammersmith & Fulham.

As a result, the Borough has developed a gravitational pull that has attracted many

global STEM<sup>3</sup> anchor organisations including *Novartis*, *Autolus*, *Synthace*, *Airbus*, *Eutelsat*, *OneWeb*, *L'Oréal*, *The Royal College of Art*, *ITV* and *NATO*.



## STEM<sup>3</sup> growth in Hammersmith & Fulham

Some £6 billion of high growth business investment has come into Hammersmith & Fulham since 2017. 85% of that is in STEM<sup>3</sup> with:

- Life sciences - £2.5 billion
- Green and climate tech - £1.1 billion (more than Birmingham, Bristol and Manchester combined)
- Cyber, AI and Fintech - £946 million
- Creative, digital, film and screen - £906 million

Alongside this investment, 13,200 new jobs have also been created by Hammersmith & Fulham based businesses in these highly productive, highly skilled sectors:

- 3,500 in Life sciences (160% increase)
- 2,000 in Green and climate tech (813% increase)
- 3,600 in Cyber, AI and Fintech (160% increase)
- 4,100 in Creative digital, film and screen (90% increase)

In 2017 there were just over 9,200 jobs in Hammersmith & Fulham in these sectors. Now, there are at least 22,500 jobs across 800 registered businesses within these sectors. These key growth sectors are an increasingly central part of the Borough's employment base.

With a job density of 1.18 jobs per resident, Hammersmith & Fulham is a leading employment centre - with a greater ratio of jobs to residents than London as a whole (1.07) and Great Britain (0.87).

The presence of innovative, high growth sectors has seen the Borough's productivity levels rise since 2017 with GVA per hour worked increasing by 12.8% (from £42.10 to £47.50). This is far higher than the London average of 7.1%.

In the year to March 2024, the Borough's overall employment rate increased from 76% to 78.1% of working age residents, compared to 74.5% for London and 75.5% for Great Britain.

35. Scale Space White City is 200,000 sq. ft of tailor-made workspace for high-growth businesses and scaleups. It is the UK's first community created specifically to help innovative companies accelerate growth.

36. ARC West London's science and innovation community riverside campus

37. In line with H&F industrial strategy, Yoo Capital are building life sciences facilities and an incubator and affordable homes





## Case study two - RFC Power

### How RFC Power is going from strength to strength in the White City Innovation District.

RFC Power is an energy spin-out from Imperial that has been based in *I-Hub White City* since 2020. It is developing the world's lowest cost flow battery, with a mission to enable the transition to 100% renewable energy by developing the cheapest form of long duration energy storage. The development of the manganese flow battery has been supported by InnovateUK and DESNZ through the *Energy Entrepreneurs Fund*. RFC has ongoing collaborations with Shell Energy, Ørsted and Ceres Power, and was recently shortlisted for an *Innovation Zero* award.

*Upstream* - the partnership between Hammersmith & Fulham and Imperial - supports, connects and shines a light on the science, tech and creative industries. It has provided RFC with speaking opportunities at *Upstream's London Tech Week* panel and at the *Deep Tech Network* showcase.

RFC also attends invitation only sustainability roundtables, hosted by *Upstream*, Hammersmith & Fulham and chaired by Alyssa Gilbert from *Undaunted* (Imperial's climate-tech accelerator) which enabled corporates, startups, academia, government and non-profits to foster collaboration, partnerships and knowledge exchange.

RFC's CEO Tim von Werne says, "we are delighted to be part of the *White City Innovation District*. The ecosystem here has allowed us to be supported in many ways.

"Upstream's efforts in fostering connections, particularly with investors and potential partners, is invaluable. This, together with the platform to share our work is, part of the support startups need.

"Rarely have I seen a local authority and university jointly supporting such efforts. We look forward to growing further in the *White City Innovation District*."

## What next?

The Borough's original industrial strategy set out to build a close working alliance with anchor institutions and businesses which would enable the council to curate high but inclusive economic growth.

The Council listened to and worked closely with a wide range of organisations from schools, academies to businesses, from developers to football clubs, and from LAMDA<sup>38</sup> to the *Lyric* and *Bush* theatres while developing the first phase of its industrial strategy. The Council's new *Civic Campus* captures much of the inclusive growth ethos and will be an important centre of economic, arts and cultural activity.

However, it is the serendipitous partnership with *Imperial* that has accelerated the two organisations' shared *West Tech* ambitions. This close working relationship brought agility, problem solving and speed of action, and it has benefitted and influenced the outlooks of both organisations. There is now a broad political consensus that this partnership is special and needs to be maintained.

The *White City Innovation District* remains the STEM<sup>3</sup>-led growth epicentre for both the council and *Imperial*. As Hammersmith

& Fulham works to expand the innovation economy across the Borough, *Imperial* is building on the *West Tech* plan first detailed in our 2017 joint industrial strategy. It is purchasing land across the *West Tech Corridor* and opening offices and centres of activity around the world. As *Imperial's* President Brady described in February 2024 when he launched the next stage of their global strategy, they are "unashamedly ambitious in seeking to maximise *Imperial's* potential as a force for good in the world".<sup>39</sup> The Council and the University are committed to work closely together to achieve our common aspirations.

In this next phase of Hammersmith & Fulham's *Upstream London* strategy, *Imperial College Healthcare NHS Trust* will join the partnership. This will allow for the coordination of a greater suite of activities in the life science sector that not only creates

“ This close working relationship brought agility, problem solving and speed of action. ”



38. The London Academy of Music and Dramatic Art  
39. Imperial College London, Science for Humanity: how we shape the future. (ICL, 29 February 2024)



significant economic growth, but improves the health and wellbeing of local residents.

We have learnt from our international innovation district partners that taking measures on land development and clustering is the foundation for attracting more leading R&D institutions. Focusing our planning measures to ensure more land is available for inclusive growth is a priority in this next phase. We will add new partnerships that will accelerate our ambition to become Europe's most important centre of innovation-led growth.

The culture of co-production has been embedded into Hammersmith & Fulham over the last ten years. *Imperial* has begun to build on this by involving residents as active participants in their research, thereby exposing residents to how scientific endeavour is undertaken while improving wellbeing outcomes for those involved.

The Borough's reputation as a place where innovation-led growth happens quickly has attracted much international attention. So far the Borough has signed 'cooperative growth agreements' with seven new or established innovation districts around the world, so that we can share learning, aid mutual investment and develop new opportunities for our respective resident populations. Within the next eighteen months, *Upstream London* will launch its *Cooperative Growth Convention*. This will bring innovation districts together from around the world to promote themselves and accelerate the benefits of our growth alliance. We will work with stakeholders so all our residents benefit from this.

We will work with stakeholders across the Borough to launch the *Upstream London Pathway Bond* which will open new opportunities for residents and make it more practical for them to be shared. Significantly improving people's lives and life chances remains our goal. Our approach to innovation-led growth means we're doing that in a world that is changing faster than ever before.

“The culture of co-production has been embedded into Hammersmith & Fulham over the last ten years.”

## Defining 'Entrepreneurial Municipal Government'

We have defined 'Entrepreneurial Municipal Government' as a form of place-based leadership characterised by creativity, agility and the skill to seize opportunities as they arise. An *Entrepreneurial Municipal Government* brings together essential actors to help establish desired economic and social outcomes for people in the municipal area.

Like many entrepreneurs, the municipality does not necessarily need to use its own resources. Its primary responsibility is to build a vision and a plan and then to act entrepreneurially to win investment and to continually identify potential key actors and their resources. The aim is to coalesce them around the plan and coopt them in its delivery.

The Molecular Sciences Research Hub and garden in Imperial's White City Campus



Participant in Imperial's Maker Challenge for young people



## Chapter 2

# Opportunity pathways

As the *Resolution Foundation* pointed out in the interim report of their *Economy 2030 Inquiry*, “The promise of shared prosperity is central to the social contract in modern democracies”.<sup>40</sup>

The UK economy has long grappled with regional and social imbalances, such that economic decline and recovery is experienced very differently across the country. A few years ago, a focus group in outer London was asked to consider how their ideas might affect Britain’s economy. Strikingly, when one participant responded, “it’s not our economy, its theirs”, everyone else agreed.

This group was not made up of people living in the shadowlands of broken Britain. They were people who could broadly be described

as middle income, mid-life, suburb dwellers. They were proud of their homes and their families, and worked hard to maintain their standard of living. Many were patriotic.

Such families had long formed the bedrock of a Britain confident that their children would enjoy improved living standards, and yet they now seemed to be disillusioned. They resented a system that favoured a perceived tiny elite while the public realm and public services decayed. The sense that our best days were behind us was pervasive.

As such, ensuring local economic growth actually improves lives and generates the opportunities people aspire to must remain an essential part of the DNA of Hammersmith & Fulham’s industrial strategy.

“The UK economy has long grappled with regional and social imbalances.”

### Education, skills and life-long learning

Providing people with tangible improvements in their capabilities so they can access better opportunities is the very essence of giving people hope for a better future.

‘A New National Purpose’, an insightful paper from the Tony Blair Institute, was right to identify that: “If becoming a leader in science and innovation is central to the UK’s new national purpose, every child, whatever their background or circumstances, must be able to get a first-class scientific education. Those children who choose to pursue an academic future must be able to become the UK’s next scientists, mathematicians and entrepreneurs. Those who opt for

a technical vocation need the skills to contribute to the industries of tomorrow from green manufacturing to retrofitting homes”.<sup>41</sup>

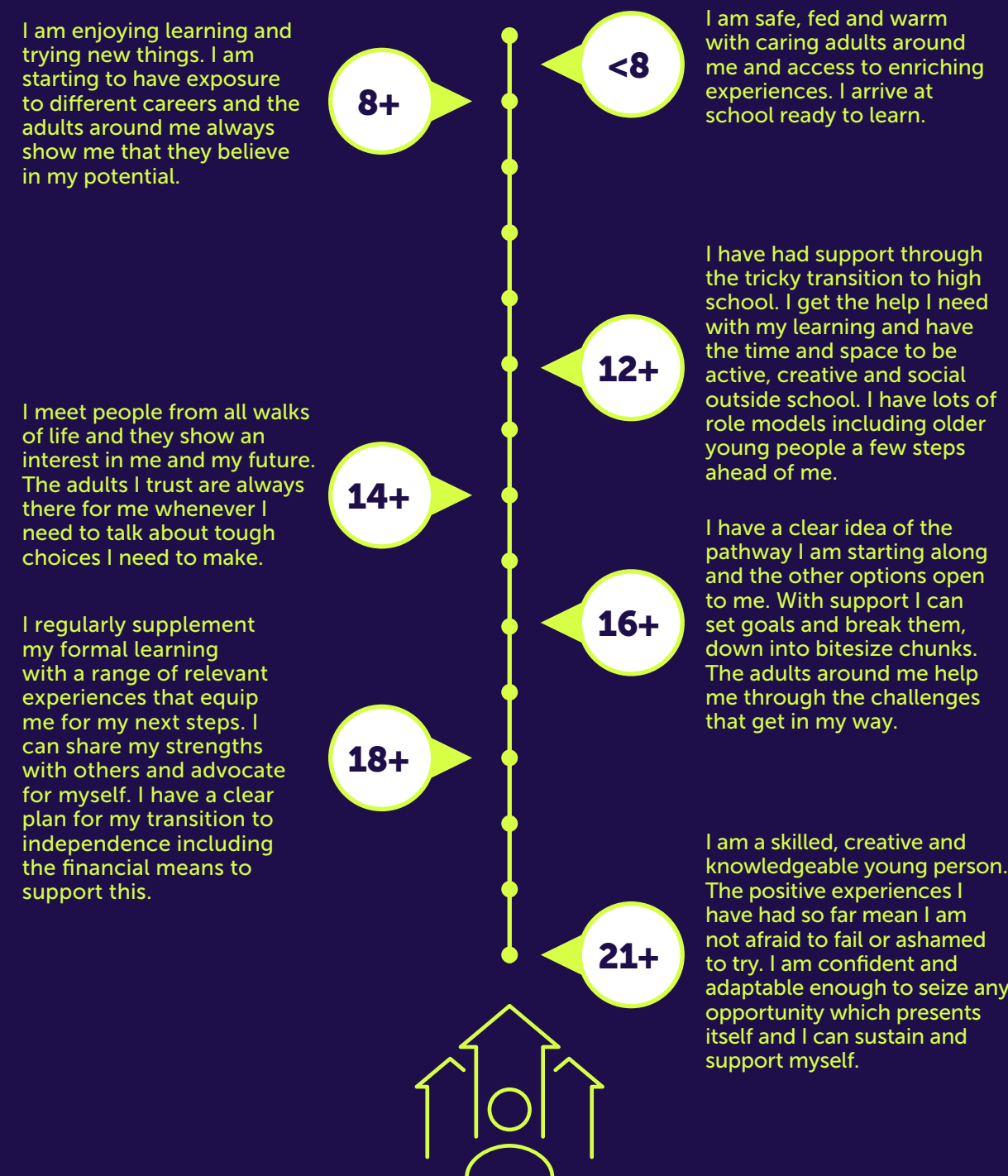
When we launched our industrial strategy in 2017, Hammersmith & Fulham’s aim was to ensure all residents could benefit from innovation-led economic success. Our approach started with young people, by coordinating measures with local schools and investing in both building and funding modern youth facilities. However, the structure of the UK’s education systems and provision of skills development required the Borough to rely on its softer powers of coordination.

## The Hammersmith & Fulham Upstream Pathway Bond

“The evidence shows that children do not start off with low expectations. When they are younger they have the same hopes and dreams as all children, however, their confidence in their ability to attain their

aspirations becomes diminished over time. Aspirations, even in communities struggling with poverty, are very high - the missing element is the knowledge of how to make these aspirations real and obtainable”<sup>42</sup>

Figure 1: What does a pathway to success look like?<sup>43</sup>



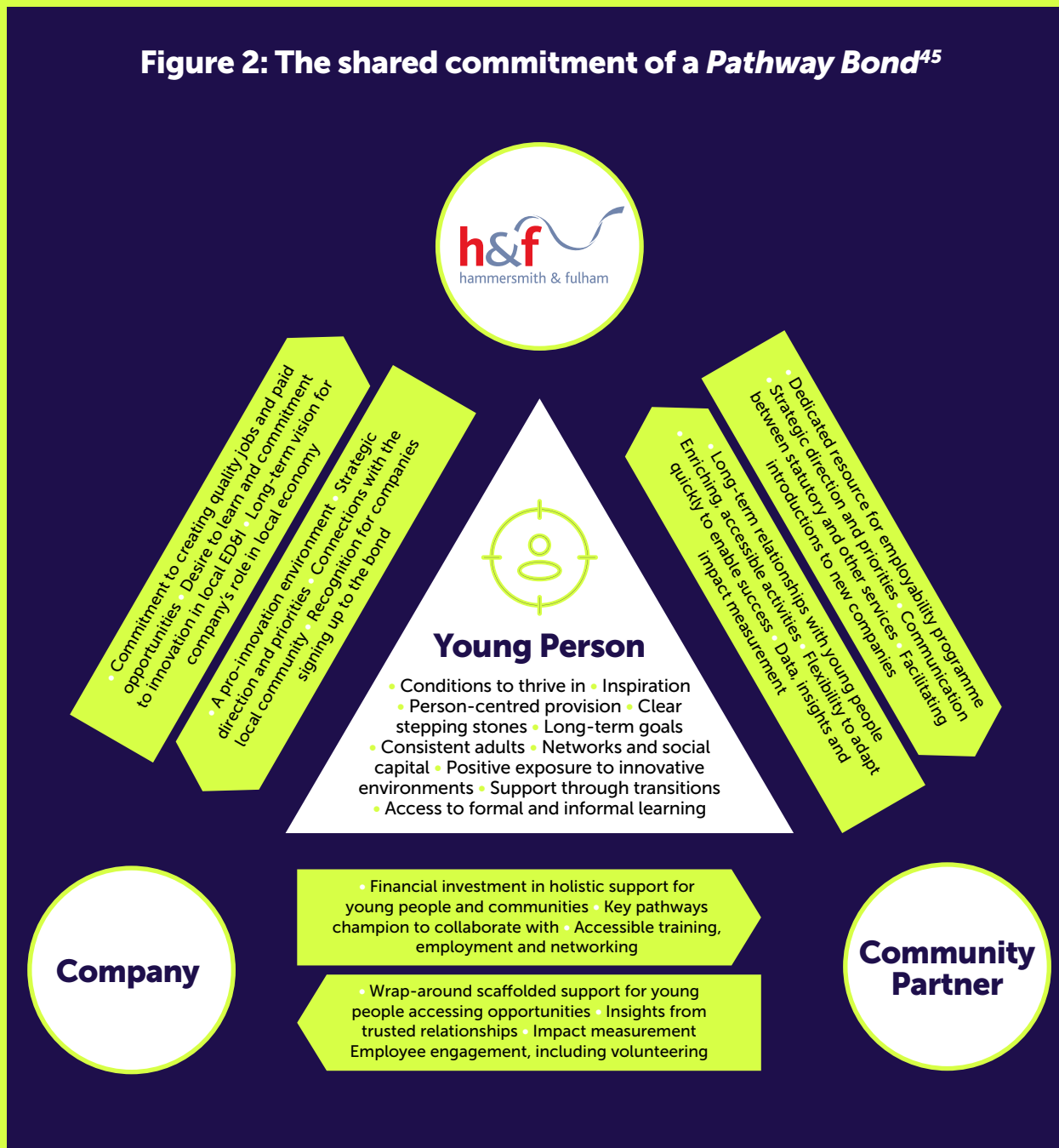
40. The Economy 2030 Inquiry, Stagnation nation. Navigating a route to a fairer and more prosperous Britain. (London: The Resolution Foundation, 2022)  
41. Tony Blair Institute, A New National Purpose: Innovation Can Power the Future of Britain (London, TB Institute, 2023)

42. Dr Morag Treanor, ‘Can we put the ‘poverty of aspiration’ myth to bed now?’ Centre for Research on Families and Relationships. University of Stirling, Research Briefing 91: December 2017  
43. Credit - Elanor Gunn, CEO, WEST Youth Zone

When Hillary Clinton published her book, *It Takes a Village*<sup>44</sup> in 1996, she described the sense of shared responsibility that people and organisations across society have always had. Hammersmith & Fulham's aim is to make it easier for people to access measures that are built on this universal value. Using the idea that a 'bond' is a solemn commitment entered into by people seeking to achieve a shared outcome, the Borough has developed the Hammersmith & Fulham *Upstream Pathway Bond*.

Wrapping a strong bond around our young people is a shared commitment between the Local Authority, local businesses and the places or services they access day to day including schools. Our *Pathway Bond* seeks to provide the vision, investment, and long-term ambition to support young people on every step of their individual pathway, ensuring everyone can aim high and access the incredible opportunities for employment in our *Innovation Borough*.

Figure 2: The shared commitment of a *Pathway Bond*<sup>45</sup>



## How the *Upstream Pathway Bond* Works

The *Upstream Pathway Bond* will give people living locally a clearer pathway into new careers and more opportunities to develop new skills. By signing up, businesses commit to the principles of providing good jobs, fair wages and skills of the future.

As a key part of the community, these organisations will be committed to equality, diversity and inclusion, workplace wellbeing, fair pay and conditions. In addition to this, businesses who sign up will support

the development of skills for the future - providing opportunities for people living locally - by taking part in one or more of the following activities:

“The *Upstream Pathway Bond* will give people living locally a clearer pathway into new careers”

### 1. STEM<sup>3</sup> inspiration and connections

- Inspire and educate young people in STEM<sup>3</sup> activities appropriate to their age and stage including workshops, mentoring sessions, learning through play, and hands-on activities.
- Provide advice and support to young people participating in international visits in Hammersmith & Fulham's

- international partner municipalities, and help broaden the networks of local students on international visits or work experience through business contacts.
- Support council-led events and the annual STEM<sup>3</sup> festival, while developing links with *Upstream London's* global innovation district partners.

### 2. Apprenticeships and work experience

- Create high-quality apprenticeships with top-tier training providers and donate unused *Apprenticeship Levy* funds to support local businesses and charities.
- Offer accessible career workshops, workplace visits, open days and Q&A sessions designed alongside young people and services with a clear pathway for participants to engage further.
- Provide one week and summer work placements with industry mentors.

### 3. Extra-curricular and community support

- Make facilities available for educational and extracurricular activities and ensure a sense of shared community by hosting inclusive events and activities within available spaces.
- Sponsor extracurricular educational projects and activities to enhance young people's health, wellbeing, creativity, skills, knowledge and confidence
- Investment in the future workforce through activities making the Borough a great place to live, work and grow, such as support for parents, access to childcare, and safe activities for young people.

44. Hilary Clinton, *It Takes a Village* (New York: Simon & Schuster, 1996)  
45. Credit - Elanor Gunn, CEO, WEST Youth Zone





#### 4. Mentoring and sponsorship

- Provide financial support for underrepresented students, including paid summer placements and maintenance grants for those pursuing graduate and postgraduate education.
- Sponsor students for educational trips and exchanges.
- Establish bespoke mentoring programmes that pair students with professionals and offer long-term guidance and support through structured mentorship.

#### 5. Skills and Education

- Support local young people from diverse backgrounds to achieve excellence in their education through provision of quality study spaces, technology, and learning support.
- Host workshops or sponsor programmes to build interpersonal and professional skills such as workplace behaviour and confidence building.
- Provide access to inclusive entry-level training for young people exploring their first steps into the workplace including provision for wrap-around support, employability skills such as CV writing and covering letter writing, interview techniques, job searches, job application and career advice.

In return, Hammersmith & Fulham will celebrate creativity and innovation, while supporting start-ups, scale-ups, institutions and global businesses to power inclusive economic growth.

In choosing *Upstream London*, businesses will access a strong local workforce, with the STEM<sup>3</sup> skills needed for growth. Hammersmith & Fulham will work with schools, colleges and community organisations, through education and training, to provide candidates to meet the

employment growth needs of businesses developing in the local economy. The Council will also seek out opportunities, working with government, to foster improved apprenticeship offerings, including increased opportunities with the *Apprenticeship Levy*.

Businesses involved will receive an *Upstream Pathway Bond Mark*, highlighting their social commitments and good work, which can be used in Environmental, *Social and Governance (ESG)* reporting and recruitment campaigns.



Abdulah (standing) training in the WEST gym, proudly wearing his blue 'Young Leader' T-Shirt. Young Leaders give back and learn leadership skills by volunteering in the Juniors Club at WEST.

#### Case study three - Abdulah from White City

How Abdulah has gained confidence and opportunities as a result of *WEST Youth Zone* and *Upstream London*

Abdulah, 14, from *White City Estate*, uses *WEST*, the new state-of-the-art youth facility, developed as a result of local economic growth and Hammersmith & Fulham Council's strategy in partnership with national youth charity *OnSide*. He says,

*"I was playing in the local park when Shineade, WEST's Volunteer & Staff Training Manager, asked if I wanted to help get the Youth Zone started. It sounded great, so I joined the Young People's Development Group. I like playing basketball here. The court is amazing, and our Sports Youth Workers, Nuro and Yusuf, are great role models to me. I also like the gym as the equipment is really good and working out*

*helps me get stronger for basketball. I've gained a lot of confidence. Before, I'd be too nervous to speak in front of strangers, but now I've done presentations for companies like L'Oréal and GSK. I even spoke at WEST's Grand Opening in April in front of 1,000 people."*

**“ Before, I'd be too nervous to speak in front of strangers, but now I've done presentations for companies like L'Oréal and GSK. ”**



## Comment from Elanor Gunn, Chief Executive, WEST Youth Zone

"Many young people with huge potential face unfair barriers. For me, social action is about removing those roadblocks and providing young people with an environment to thrive in. It's no secret young people leaving school now are facing a hugely uncertain future, with frightening changes in climate, global political instability, and accelerating rate of change in technology. At the same time, many of today's young people have already had to contend with a lot before they even leave school - between 2017 and 2023 the number of children living in destitution tripled.<sup>46</sup> Add to this the disproportionate effect Covid had on their experiences, and it is no surprise that we find ourselves in a youth mental health crisis.<sup>47</sup>

With a rapidly changing world and employment landscape ahead, and services working to firefight day-to-day, the job of equipping young people for the future can seem daunting. But I believe collaboration is the key to success here.

Elanor Gunn



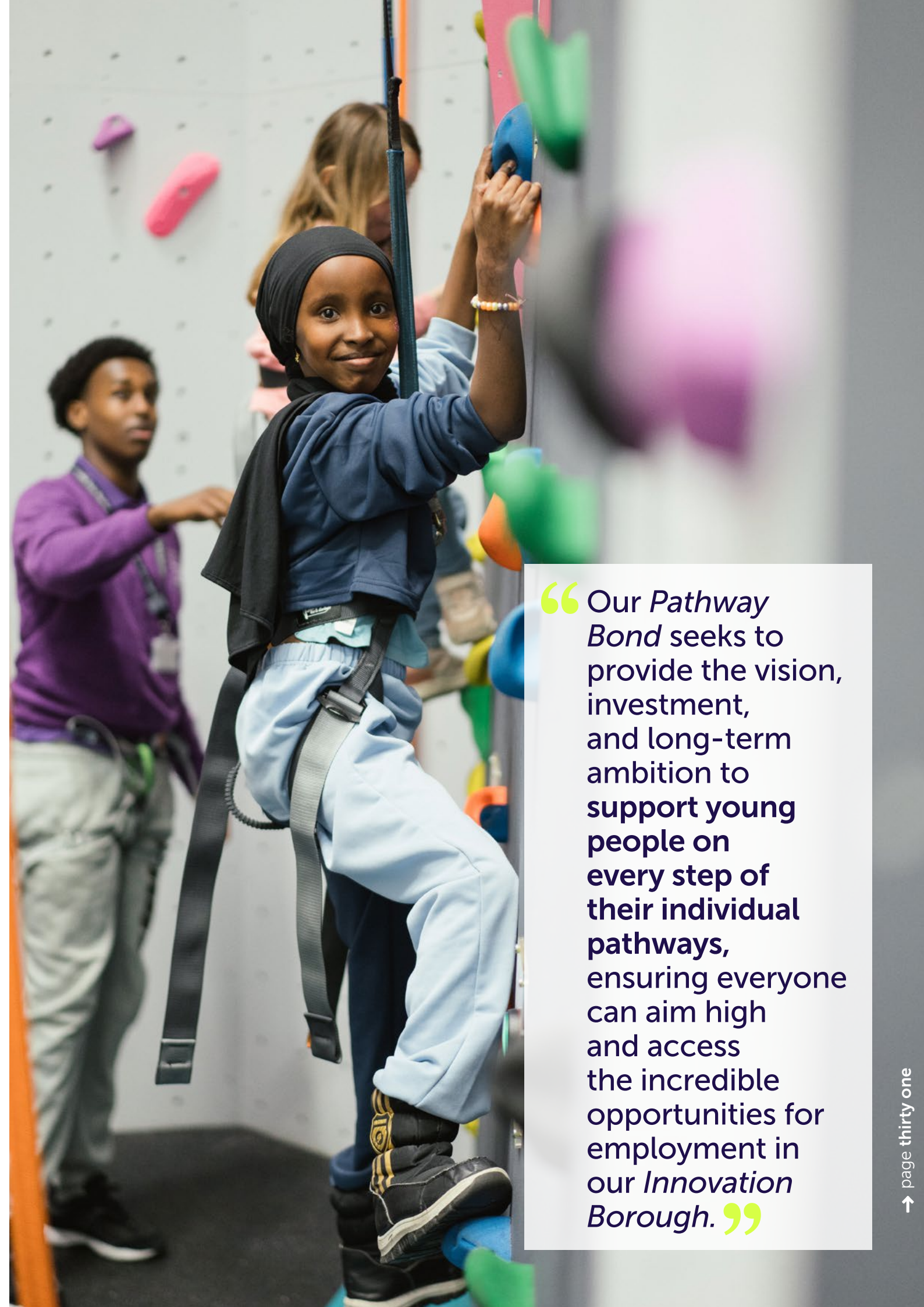
We all, as individuals, companies or government, have the power to positively contribute to young people's lives, whether that is through alleviating the effects of poverty, giving them a listening ear, supporting them with their individual learning needs, or providing activities which improve their mental, physical and social wellbeing. Whatever uncertainties young people face in the future we can be confident those with attributes like good communication, leadership, courage, resilience and empathy will be the best equipped to contribute.

What is also clear is that arriving in the workplace on day one with a great selection of skills will not be enough to set someone up for life. With the fast pace of change any young employee is likely to face, a curiosity and love of learning in general is likely to stand them in better stead than any wealth of knowledge. Employers will also need to invest in these employees and consider how equitable their access to continuous development and training is. Otherwise, young employees with less independent resource will fall behind their peers.<sup>48</sup>

Whether it is in their family, nursery, school, youth club or workplace, each young person should experience a sense they are in equal parts cared for and empowered. A shared commitment to creating a positive long-term pathway for young people, from infancy to adulthood, is a recipe for success."

**“ We all, as individuals, companies or government, have the power to positively contribute to young people's lives ”**

**“ Our Pathway Bond seeks to provide the vision, investment, and long-term ambition to support young people on every step of their individual pathways, ensuring everyone can aim high and access the incredible opportunities for employment in our Innovation Borough. ”**



46. Suzanne Fitzpatrick and others, Destitution in the UK 2023 [York: Joseph Rowntree Foundation, 24 October 2023]  
47. Young Minds, Mental Health Statistics UK <https://www.youngminds.org.uk/about-us/media-centre/mental-health-statistics/> [Accessed 11th November 2024]  
48. Rui Costa and others, 'Old Skills, New Skills: what is changing in the UK labour market' The Pissarides Review into the Future of Work and Wellbeing (London: IFOW, February 2024)





Cllr Sharon Holder, H&F Cabinet Member for Public Realm, and Dario Vianello, Friends of Hammersmith Park

## Chapter 3 Placemaking an innovation borough

Hammersmith & Fulham is a beautiful place. Its leafy streets, mansion blocks and public housing estates sit comfortably alongside each other in one of the most diverse and vibrant parts of the world.

There is a thriving business sector and few places more perfectly suited to building up an already strong local economy. The river, Wormwood Scrubs, our many parks and our open spaces are sanctuaries for nature, offering a chance for all of us to breathe easier, exercise and find a moment of peace. With our lively arts scene, three markets, our colourful high streets, *Westfield* and pockets of charming neighbourhood pubs,

restaurants and independent shops, it's hard to find a better place to live or work.

Leading management thinker Peter Drucker apparently once declared, "*Culture eats strategy for breakfast*". Collaborative culture is the magic ingredient for sparking creativity and innovation. Making a place where serendipity occurs and innovation-led economic growth follows, therefore, has opened up a new school of study<sup>49</sup> for communities interested in improving neighbourhoods and strengthening their economic prospects.

'Proximity, proximity, proximity' could well be the slogan for innovation districts

“ Collaborative culture is the magic ingredient for sparking creativity and innovation. ”

everywhere. Historically, cities developed in order to maximise human interaction and trade by reducing the need to travel. Being close to other people and businesses, research institutions and investors is essential to gaining a culture of collaboration. The ergonomics of achieving this go to the heart of what makes a place wonderful to live and work in.

There are many lessons that can be learnt from around the world. The *22@Barcelona* innovation district "is a benchmark in urban, economic and social transformation".<sup>50</sup> Since being given approval in 2000 by the City Council, the former industrial area of Poblenou in the district of Sant Martí has emerged as one of the world's great centres of innovation and inclusive economic growth. *22@Barcelona* is one of Hammersmith & Fulham's international growth partners, their approach is well documented and there is much we continue to learn from their work.

As we set out on the second phase of the Borough's industrial strategy we must consider all the factors that will make the Borough a more environmentally responsible, people-friendly place and paint a picture of the future that captures the best hopes of our residents.

Like other local authorities, we realise that a high-quality, well-designed public realm plays a crucial role in stimulating economic growth, enhancing community well-being, and creates vibrant, attractive environments for all. Our vision will attract businesses, residents, and visitors by focusing on the specific needs of residential areas, town centres, innovation districts and our parks and open spaces. We will create fabulous spaces that support economic activities and foster inclusive growth.

The imprint we leave on the lived environment acts as a time capsule long into the future - an indication of what we valued and prioritised.

Figure 3: Our approach to placemaking



49 Christian Busch and Matthew Grimes, "Serendipity in entrepreneurship, strategy, and innovation – a review and conceptualisation." In: Copeland, S., Ross, W. and Sand, M. (eds.) Serendipity science: an emerging field and its methods. Cham: Springer International Publishing, pp.69-99 (2023)

50. Dominique Perrault, *22@Barcelona*, Architectuul Blog, 15 June 2017



## People-first housing and transport

Making it possible for people to both live and work in the Borough is better for them, the climate and for innovation. That is why we devote *Chapter 4* in this report to the vital issue of housing.

The success of the place element in innovation districts elsewhere has been driven, in part, by an understanding of the proximity, complexity and density needs of the place and the people within and, in turn, redistributing the available space to maximise the benefits.

One inheritance of the 20th century is the amount of land given over to roads. With the third highest land values in the UK, that means billions of pounds worth of land is currently used for vehicles. As transport evolves - with micromobility, e-bikes and scooters now the largest growth sector in urban transport - we have the opportunity to consider new means of getting from place to place.

Road development in cities has been largely driven by a “problem led approach”, striving to improve the journey times of traffic, rather than focusing on the local impacts, such as reductions in amenities and severing communities. Road schemes that increase road capacity instantly induces demand, filling the road and bringing the problem back. As part of our vision for the next phase of our local industrial strategy we want to have a “vision led approach” to designing public spaces, designed with people at the heart, being bold and innovative and delivering benefits to the wider community.

“Leading management thinker Peter Drucker apparently once declared, “Culture eats strategy for breakfast” ”

Our own Innovation district at *White City* has seen significant development activity that has delivered successful public realm enhancements. Where in the Borough we have removed heavy traffic, local residents have embraced the space, socialising and trading. We now aspire to achieve a transformational approach across the entire district that supports a vibrant, accessible world class place. To realise this ambition, we are:

- 1. PRODUCING** a *White City Public Realm Strategy* in collaboration with our Innovation District partners, that will deliver an overarching vision to shape future developments and collaborations.
- 2. DRAWING** on exemplar projects, we will consider reimagining the use of some road spaces to put pedestrians front and centre, integrating with vehicle traffic seamlessly, with high-quality materials and design features that enhance the aesthetic appeal and create a flexible, attractive space that is used for events to bring the local community and institutions together.
- 3. BUILDING** on the 21 prestigious *Green Flags* we have won for our beautiful parks and open spaces, which are important contributors to health and wellbeing. We aim to improve the availability of high-quality green spaces at every opportunity to make our Borough the best place to live and visit. Our vision is for this

to be reflected in our Parks for *The Future Strategy* and in the *Playground Strategy* that will set the direction for making this Borough an exemplar, and with our outstanding schools, the place people aspire to live and invest.

- 4. CREATING** a *Streetsmart Guide* that will define the use of high-quality materials with a consistent design language throughout streets and open spaces, to create a cohesive sense of place.
- 5. PROMOTING** policies to reduce pollution from local transport by encouraging active travel and making cycling and walking safer.
- 6. GREENING** our streets to make them more attractive and pleasant, whilst also helping to reduce flooding.
- 7. INVESTING** to maintain our public realm in pristine condition so we reap the benefits of our transformation to sustain future inclusive growth.

## Incubator to scale space infrastructure

In 2015 Greg Jackson CBE, one of Hammersmith & Fulham’s Business Commissioners, advised that if the Borough wanted to become and then remain an important centre for entrepreneurs to start or scale their businesses, it would have to create and maintain an infrastructure of affordable, flexible office and laboratory incubator and scale up space.

Planning guidelines were changed to accommodate that objective and developers have been advised to add it to their schemes where possible. We now have secured

72,000 sq metres of new affordable workspace with a further 80,000 sq metres in the planning pipeline. As part of our vision for this new phase of our local industrial strategy, we hope to build significantly more affordable, flexible office and laboratory space, working with our partners.

“We now have secured 72,000 sq metres of new affordable workspace ”







## Building buildings

During the first phase of the Borough's industrial strategy, the Council has enjoyed considerable success in persuading developers to put STEM<sup>3</sup> growth at the heart of their schemes.

The senior team at Yoo Capital<sup>51</sup> were amongst the hundreds of business people who came to the launch of our STEM<sup>3</sup> local industrial strategy in 2017. They have since ensured their Olympia<sup>52</sup> and Shepherds Bush

Market<sup>53</sup> developments contribute to the goals of the strategy. Similarly, Dominvs Group<sup>54</sup> has built<sup>55</sup> student accommodation with Imperial College London (Imperial), and a hotel. Delancey<sup>56</sup> have worked with the Council and Imperial to submit plans for their Earls Court scheme which they say fits with the social, economic and climate change objectives of the Borough's STEM<sup>3</sup> growth strategy.

## Parks and the riverfront

Green spaces are particularly cherished in a city. In Hammersmith & Fulham, we have 21 parks and open spaces and are proud of our urban wilderness.

We are and will continue to enhance accessibility to Wormwood Scrubs (known as the 'Scrubs'), whilst preserving nature and its wilderness. At 76.8 hectares, Wormwood Scrubs is the Borough's largest open space. It has about 18 hectares of tree cover and 22 hectares of long grass meadow with

almost 100 species of birds and 250 species of wildflowers - an incredible one-sixth of the UK flora. Its leisure facilities include play areas, walking and cycling routes, sports pitches, a model aircraft runway and much more.

Enhancing these spaces is important in ensuring our Borough continues to be somewhere people love to live and work, and to help attract more people, businesses and investors who can further contribute to economic growth.

## Arts & culture

Creativity and the arts are essential components of a good life and offer a window into the human condition. Culture and inclusive economic growth also go hand in hand. As the OECD notes:

*"culture interacts with and reinforces job creation, entrepreneurship, regional innovation, local development and well-being" and that "cultural participation is important for local development and should be viewed as a tool for policymakers in many fields, beyond cultural policy".<sup>57</sup>*

The OECD report cites academic research to support the link between high cultural participation and well-being, cohesion and cross-sector innovation, noting too how culture can be used to tackle societal changes from climate change to migration. The OECD also recommends that organisations should aim to:

*"Create new collaborations between cultural and non-cultural institutions, that may cooperate in the experimentation and implementation of crossover projects (e.g. between museums or theatres and hospitals, between orchestras and educational institutions, or between independent art spaces and urban planners, etc.)."<sup>58</sup>*

This has already happened<sup>59</sup> in White City, with a collaboration between Westfield London and the MRC Laboratory of Medical Sciences during 2023's Black History Month.

We are proud to live in a Borough with a rich arts and cultural sector and, as part of our vision for the new phase of our strategy, we plan to continue to nurture and support these elements:

- Our Borough is home to long-standing and award-winning theatres and attractions from the Lyric, Bush, Riverside and Bush Hall to the Hammersmith Apollo (Eventim Apollo) and Fulham Palace.

- White City has been synonymous with the BBC and television for many decades, with the Borough also hosting the likes of UKTV, National Geographic, Endemol Shine (now Banijay UK) and many smaller film and television production companies.

- Our arts and creative sector has been boosted by ITV which consolidated its London footprint into an office in White City Place and the Royal College of Arts which has its School of Communication based nearby.

- We have also commissioned the Shepherd's Bush Comedy Festival, which has seen the likes of Katherine Ryan, Sara Pascoe and Simon Amstell performing.

- Westfield London hosts Europe's largest shopping centre and is increasingly a place where families go not just to shop but to be entertained.

- Uxbridge Road promises Middle Eastern groceries and supermarkets, Halal butcher shops, shisha cafes and restaurants serving Middle Eastern cuisines, from Lebanese, Moroccan, and Turkish to Persian. Together, over 200 shops and restaurants serve to make Uxbridge Road and Goldhawk Road a culinary destination.

- A stroll along the scenic Thames Path will give visitors the opportunity to visit several historic pubs including The Dove, the Old Ship and The Blue Anchor.

- Hotels in the Borough range from Soho House's White City House, The Hoxton and Dorsett in Shepherds Bush to the Novotel and boutique hotel St Paul's in Hammersmith.

“Creativity and the arts are essential components of a good life”

51. Yoo Capital is a real estate firm that uncovers hidden gems which have been under-managed or overlooked, and works with communities to transform them

52. £1.3 billion regeneration of Olympia will create London's newest creative district: a destination for culture, education, entertainment, exhibitions, offices, eateries and over two acres of public realm

53. Investment in the Market along with a new development on land next door, including a life sciences building with an incubator managed by Imperial College London and 40 affordable new homes for Hammersmith and Fulham

54. Dominvs Group was founded in 2011. It is a progressive, family-run developer and operator, specialising in driving urban renewal through the delivery of student living, residential, mixed use and hotel schemes across London and in other major cities across the UK

55. 181 Talgarth Road is a mixed-use development, now comprising a 400-bedroom hotel and a 713-unit student accommodation block

56. Delancey is real estate asset management and advisory company, investing in real estate investments, developments and related businesses

57. OECD, "Preface by the OECD", in The Culture Fix: Creative People, Places and Industries, (Paris: OECD Publishing, 2022)

58. OECD (2022) ibid

59. The LMS Gene-Home was an exhibition and event space celebrating health, home and happiness and the achievements of those who have contributed to medical science in Westfield London



## Lessons from other Innovation Districts

Innovation districts across the world recognise and harness culture as a driver of economic development and community engagement.

- Boston's *Seaport Innovation District*<sup>60</sup> aims to combine culture with technology and sustainability, with events including an 'ArtWeek' which brings the community together.
- Barcelona's *22@* has converted its old industrial spaces into cultural and creative offices, with museums, galleries and design schools part of the mix.<sup>61</sup>
- Eindhoven's *Strijp-S District*<sup>62</sup> has creative labs and open workshops that serve as collaborative spaces, reflecting how culture can drive innovation.



Luis M. Bullrich, Executive Director of Parque de Innovación, Buenos Aires

## A long term culture strategy

In 2020, the *Hammersmith and Fulham Arts Commission*, made up of residents, published its final report. The report's primary recommendation was the creation of a comprehensive cultural strategy that embraces the "cradle-to-grave" concept, ensuring access to cultural experiences for residents of all ages.<sup>63</sup>

Key recommendations included establishing vibrant cultural hubs in our town centres so as to enhance local engagement and economic growth; developing infrastructure through public-private partnerships to support both physical and community-driven cultural initiatives; ensuring wide participation across all demographic groups, making cultural engagement accessible and reflective of the Borough's diversity; and, in the light of the COVID-19 pandemic,

providing immediate support for the cultural sector with long-term planning for resilience and adaptation.

The Arts Commission's work informed *Hammersmith & Fulham's Culture Strategy 'Where Culture Connects'*,<sup>64</sup> which outlines a 10-year vision aimed at enhancing the Borough's cultural landscape. It echoed the recommendations of the *Arts Commission* and highlighted that culture should also be seen as a driver for economic innovation, job creation, and shared prosperity. To this end, there should be an emphasis on harnessing local creativity to attract investment and fuel regeneration efforts. *The Cultural Strategy* also aligns with our Industrial Strategy to ensure that arts and culture contribute to economic development and community cohesion.

## A safe modern night time economy

Our Borough has many brilliant evening and night-time venues. It also has a wonderful, if under-utilised, riverside and excellent transport links, including the *Night Tube* at weekends.

However, the three main town centres of Fulham, Hammersmith and Shepherds Bush lack a critical mass of balanced evening activity and do not attract and retain as many residents and visitors 'after dark' as they could.

The public realm and feelings of safety are not always conducive to supporting a growing and diversifying evening and night-time economy.

We believe that a balance has to be struck to create an environment within which responsible business operators can succeed and contribute towards a vibrant business and thriving night-time economy in a sustainable way - promoting economic growth whilst protecting residential amenity.

We have published a *Licensing Policy* to support these changes. Now, through an *Evening and Night Time* strategy consultation<sup>65</sup>, we will work with businesses, the police and residents to ensure we are supporting existing businesses, attracting new investment and creating a welcoming,

vibrant, safe and inclusive post-6pm environment for residents, businesses, workers and visitors.

As we visualise the next phase of growth, and the next phase of our local industrial strategy, we believe the following key elements could play an important role in enhancing the night time economy and experience for residents:

- **A WORLD-CLASS** arts and culture offer at our *Civic Campus*, part of a wider *Cultural Corridor*: We will connect existing cultural assets with the *Civic Campus*, ensuring a vibrant and representative arts and cultural scene.
- **GROWING** the *Shepherds Bush Comedy Festival* into a sustainable venture that draws visitors into our Borough and gives residents and local employees an opportunity to enjoy world-class talent on their doorstep.
- **SUPPORTING** the important role played in the night time economy by *Hammersmith Apollo (Eventim Apollo)*, *Fulham Palace* and the *Thames Path*, a scenic riverside walk, with several historic pubs and venues along the way.

## Student accommodation

Hammersmith & Fulham is home to world class academic institutions including *Imperial*, the *Royal College of Arts* and *LAMDA*.

There are around 12,000 students currently living in the Borough and this is projected to rise as demand for affordable accommodation intensifies. Our new *Local Plan*<sup>66</sup> will include planning policies to support the delivery of more good quality accommodation to support this growing population.



60. Boston's Seaport Neighbourhood: [bostonseaport.xyz](http://bostonseaport.xyz) [Accessed 6th November 2024]

61. Pepi Baulo, The 22@ the coolest district in Barcelona, [barcelonina.com](http://barcelonina.com), 5th September 2015

62. [brainporteindhoven.com](http://brainporteindhoven.com) [Accessed 6th November 2024]

63. LBHF Art Commission, Final Report, (London, LBHF, 2020)

64. <https://www.wherethecultureconnects.org.uk/> [Accessed 6th November 2024]

65. Evening and night-time strategy consultation, <https://haveyoursay.lbhf.gov.uk/evening-and-night-time-strategy-consultation> [Accessed 6th November 2024]

66. LBHF Local Plan, forthcoming



## A strong retail sector

We recognise the importance of having a strong retail sector to make a place somewhere people want to continue to live, work and grow their businesses. Hammersmith & Fulham is home to a thriving retail sector and we plan to continue to support the sector through the next phase of our work. Key features of our Borough's retail sector include:

- Hammersmith & Fulham has 3 town centres, 5 key local centres and 21 further shopping areas, making a total of 29 shopping high streets. 76% of our businesses are independent.
- The Borough contains around 9 million square foot of retail space, making it the fifth-largest market in London by volume of stock. More than a third of its retail space is situated within the Borough's five shopping centres, by far the largest of which is *Westfield London*. Hammersmith & Fulham has received more new retail space than most London submarkets over the past 15 years. *Westfield London* was built in 2008 and was extended by 740,000 square foot in 2018, making it Europe's largest shopping centre, at 2.6 million square foot. In January 2020, *Ingka Centres* (the property arm of Swedish furniture retailer *IKEA*) bought *King's Mall Shopping Centre* as part of a £170 million investment, redeveloping the 340,000 square foot property as an *IKEA*-anchored mixed-use destination.
- Footfall has increased in the Borough by 9% over the last year, according to the GLA.<sup>67</sup>
- Over £100 million was invested the local retail sector last year (October 23 -24).<sup>68</sup> During the last 18 months several global retailers have upgraded their store sizes as they integrate their digital and physical offerings. *Nike* trebled the size of its store to 17,000 square foot, while *Gucci* doubled its footprint. Toy shop *Hamleys* recently moved into an extra 11,000 square foot, *Apple* took another 12,000 square foot and fashion house *Tommy Hilfiger* took 6,000 square foot of additional space.
- *North End Road Market*, founded in the 1880s, is known as the cheapest place to buy fruit and vegetables in London.



## Encouraging the hotel sector

Hotels in the Borough range from Soho House's *White City House*, *The Hoxton* and *Dorsett* in Shepherd's Bush to the *Novotel* and boutique hotel *St Paul's* in Hammersmith. Ensuring the continued supply, range and quality of visitor accommodation is essential to support our economy and this will form an important element of our strategy as we move forward.

## Planning and delivery frameworks

The Council has a range of levers it employs to support and accelerate inclusive growth in the Borough. These include legislation, regulation, standards, public procurement and use of our own property and assets.

The *Local Plan* adopted in 2018 provided the town planning framework for major regeneration strategies and development in *White City*, *Earls Court*, *Fulham Riverside* and Hammersmith town centre.<sup>69</sup> Much has been achieved, but there is more to do to ensure that *White City* continues to grow and the innovation ecosystem extends further across the Borough.

Work on our new *Local Plan* is underway which will set out our shared vision for the future development and growth of the Borough and the distinct places within it. Our *Local Plan* will align with, and facilitate the delivery of, our local industrial strategy alongside the new national housing agenda and local climate commitments. It will shape our places, plan and manage growth and guide development across the Borough and the infrastructure needed to support it. At its heart will be a place making approach.

A new *White City Framework* will provide a more detailed masterplan to maximise the opportunities and future development of the innovation district. This Framework will draw together planning principles and guidance for landowners and investors for a range of core and supporting innovation uses, a strategy for reimagining the use of public realm, removing barriers to unlock growth, planning for infrastructure needs, and a funding and delivery schedule.

The Riverfront is a significant Borough asset, and one that has been underplayed to date. We hope to transform Hammersmith & Fulham's riverside into a vibrant urban space that showcases integrated urban and environmental planning. A new *Riverfront SPD* (*Supplementary Planning Document*) will guide proposals to secure public access to



the entirety of the river frontage, rejuvenate and create new public spaces, address the multifaceted challenges of climate change, facilitate and enrich socio-cultural interactions, and achieve a better integration with the surrounding urban fabric.

The transition of Hammersmith & Fulham to an *Innovation Borough* that creates better places to live, work, invest and relax requires transformative change in the quality of the urban environment and investment in modern infrastructure and services. A *Planning Obligations SPD* will be developed to address priorities and set out robust arrangements for securing developer contributions towards provision, including commitments to inclusive growth outcomes.

Consultation on all of these plans will begin in 2025/2026, informed by a suite of technical studies including an analysis of the demand for and supply of employment land including STEM<sup>3</sup> sectors, housing need, student housing, visitor accommodation, design codes, climate change mitigation, town centres/high streets, infrastructure needs and delivery including community facilities.

“ Work on our new *Local Plan* is underway which will set out our shared vision ”





## Case study four - Scale Space

### Inside a *White City* success story: *Scale Space*

As part of its 'entrepreneurial municipal government' approach, the Council's leadership introduced *Blenheim Chalcot* to *Imperial* and suggested they develop a venture partnership to build work space for startups and scale ups together. *Scale Space* was born, and remains an example of how important economic assets can be developed without the need for direct government funding.

*Scale Space* is now 100% occupied. It enjoys record levels of attendance and event activity, which its CEO Mike Holmes attributes to several factors:

- It is a building that is physically geared around collaboration and fostering 'accidental collisions';
- Events and conference spaces bring exciting businesses and visitors to *Scale Space*, adding to the space's lively and intellectually stimulating atmosphere - encapsulated by *Blenheim Chalcot*'s "*Centre for GenAI Innovation*" which regularly hosts workshops and events on the topic of AI;
- Investment in different levels of network building - from *Lunch and Learns*, functional and cluster networks, *Careers Fairs* (that bring in *Imperial* students), and regular social events;
- Introductions to vouched-for service partners and an extensive investor network, providing member companies with specialist support and connections beyond their immediate team as they grow; and
- The thriving community also includes member companies from *Imperial*'s *I-HUB*, bringing together over 110 businesses within a 2-minute walking radius.



## Case study five - WEST Youth Zone

*WEST Youth Zone*, a new state-of-the-art youth facility, developed as a result of local growth and Hammersmith & Fulham Council's growth strategy in partnership with national youth charity *OnSide*

Hammersmith & Fulham believed it needed to add new, professionally-run youth facilities in the *White City* area if it was to deliver more comprehensive extra-curricular support to its young people which aligned their life trajectories to the opportunities being delivered by the industrial strategy and innovation district. Working with the education charity *Ark* and the youth charity *OnSide*, it developed *EdCity*, where *WEST* is located.

The 2021 census showed that 20,700 young people aged 8-19 years lived in Hammersmith & Fulham, with 28% living in poverty after housing costs. A 2023 survey of 5,000 young people in England showed 75% spend most of their time on screens, at home and 41% do not have a trusted adult outside their family. *WEST* meets the needs for these young people to access opportunities beyond home and school. Some young people have high aspirations but face difficult barriers.

Others are unaware of the opportunities or don't have role models, connections or know how to take the next step. Meanwhile companies can often find it challenging to connect with local young people in meaningful ways. *WEST* is a place companies and young people can really connect.

Six key features have made *WEST* so attractive to local young people:

1. 15 fully-equipped spaces with 20 activities every session including climbing, cooking, well-being, digital media, sports, arts and a central café and recreational area;
2. Friendly and expert youth-workers who engage and support members;
3. A great location;
4. Low entry fees;
5. Long opening hours; and
6. A flexible offer with no booking needed.

As a result, local companies and business leaders are engaging with the *Youth Zone*, with over 40 business leaders and philanthropists backing *WEST* as 'Founder Patrons' including *Westfield*, *L'Oréal*, *Blenheim Chalcot*, *GSK*, *Novartis*, *Harrods*, *St James Group*, *Fullers*, *Modulr*, *Agilisys* and *MAPP*, with more partnerships in development.

“*WEST* is proving an ideal venue for local businesses and young people 'To Stick Together'”



*WEST* members and L'Oréal volunteers discussing products on a Friday Seniors session (13-19 years)

*WEST* is proving an ideal venue for local businesses and young people 'To Stick Together'. The ownership young people feel at *WEST* connects them positively with invited businesses. This trust enables young people to enter their business worlds and has supported creative joint activities such as *Career Club*, *Debate Club*, *Young Leaders*, *Business Take-overs*, *Work Safaris* and *Career Fairs*.

Alberta Agyeman-Mason, Head of Early Careers and Employer Branding at *L'Oréal* said, "*L'Oréal* believes in the power of youth and their potential to shape the future.

"We moved into the neighbourhood just over a year ago and were so impressed with the life-changing opportunities you are providing to young people at *WEST*."

"I think it's such an impactful project and really reflects what *L'Oréal* for Youth is all about - empowering young people by providing them with resources and opportunities to thrive."

“Some young people have high aspirations but face difficult barriers. Others are unaware of the opportunities or don't have role models, connections or know how to take the next step”

*WEST* opened its doors in April 2024 and within six months has over 2,000 members





## Case study six - Football and Fintech

### Fulham FC and FIS FinTech partnership: The Markers innovation space and technology incubator

Fulham Football Club's new Riverside stand is much more than a football stand. It includes a new hotel, a riverside market, spa, restaurants, cafés, conference facilities, offices, an incubator and a wide range of excellent hospitality facilities. The new complex, named *Fulham Pier*, was brought to life by the Borough's culture of 'entrepreneurial municipal government'. The idea to build such a multi-faceted football stand was discussed by the Council's leadership and Fulham's FC's senior leaders in 2014 when they met to talk about a different planning proposal. The goal was to add to the desired STEM<sup>3</sup> cluster and give Fulham FC a stronger economic environment they could profit from when the club was not being used for football matches. These new facilities offer further opportunities for collaboration with the Borough's industrial strategy partners - for example, the new complex also includes a new innovation space and FinTech hub<sup>70</sup>

“It will serve as a cutting-edge technology incubator, fostering a culture of innovation”

which is part of a new partnership with Fidelity Information Services (FIS).<sup>71</sup>

The FinTech hub, the *Markers Suite*, is a new destination for business leaders. It is close to transport and overlooks a particularly beautiful part of the River Thames. Business leaders will benefit from industry events, client conferences and a space to collaborate and share new ideas that foster business growth across the money lifecycle in the UK.

Alistair Mackintosh, Fulham FC CEO explains:

*“We already know the immense potential of the Fulham Pier with its strategic riverside location and the unique opportunities it presents as the only stadium revival of its kind in Europe. The partnership with FIS with its Markers, presented by FIS suite is another important facet for our business community. It will serve as a cutting-edge technology incubator, fostering a culture of innovation that is expected to make Fulham Pier one of the most coveted destinations in West London. This initiative underscores the significant role that fintech sandboxes play in driving technological advancement and community engagement, positioning Fulham Pier as a beacon of forward-thinking development.”*



## Case study seven - SEACC

### Sands End Arts & Community Centre: a space for residents to learn and grow

The Sands End Arts & Community Centre (SEACC) was opened on 11 March 2022. Situated in the south of the Borough, it provides a space for residents of all ages to engage in a wide variety of leisure, community, wellbeing and learning activities.

SEACC is one of a range of public and private community facilities (which includes the new Civic Campus in Hammersmith) that can be used as places for people to learn about and

take part in the STEM<sup>3</sup> innovation economy. That involvement will range from an evolving series of activities such as TED-style talks given by scientists, artists, entrepreneurs and others, to taking part in *Living Lab* work that offers residents new skills and insights and improves their wellbeing.

The centre has won numerous awards, including an *Architects' Journal* award for being "high-performing in terms of sustainability" with 35% of the new building made from recycled products. It also won RIBA's *London Building of the Year* and the RIBA *Regional and National awards in 2022*.<sup>72</sup>

“The centre has won numerous awards, including an Architects' Journal award for being "high-performing in terms of sustainability"”

SEACC was built on land that was previously set aside to be sold to developers for private flats. However, the Council's leadership were able to negotiate funds from the *Thames Tideway Tunnel* and *Chelsea Football Club* to create this important community asset.



70. Greg Robinson, FIS Teams Up with Fulham FC: A Game-Changer for London's Fintech Scene. SME Today, 18 October 2024

71. FIS (Fidelity Information Services) is a leading global provider of financial services technology solutions for financial institutions, businesses and developers.

72. <https://www.mae.co.uk/projects/sands-end> [Accessed 6th November 2024]



## Chapter 4

# Housing that supports the ecosystem

The *OECD* has shown the many ways in which housing is a determinant of inclusive growth and recommends that governments need to “make housing an integral part of the inclusive growth strategy”.<sup>73</sup>

Hammersmith & Fulham has long recognised this. We have adopted a holistic approach to housing which recognises its importance as a driver of growth, cohesion, and wellbeing.

We believe that a safe, good-quality, affordable home is vital to social and economic inclusion. We understand, too, that we can only build homes that serve our residents and communities by involving them in the design and construction process for new developments. We are building homes that reflect the diversity and needs of our residents, from low-income families and key workers to those who struggle to access the private market but do not qualify for traditional affordable housing. We are ensuring that our new homes serve our communities, rather than speculative absentee investors.

As we aim to continue to apply a holistic approach to housing, the context is challenging. The UK, like many other western economies is experiencing a housing crisis but “*Britain’s housing stock offers worst value for money of any advanced economy*”, and “*Housing absorbs a larger share of spending in the UK than in any OECD country except Finland*.”<sup>74</sup>

“ We believe that a safe, good-quality, affordable home is vital to social and economic inclusion ”

This presents many challenges. It is a particular challenge for firms and institutions seeking to attract talented people whose salaries do not permit access to market housing, nor are they eligible for key worker or social housing. As the *Independent Review* of the UK’s private rented sector points out, for many economically active workers the private rented housing sector (PRS) is the only available option but it “is the most expensive of all forms of housing tenure.”<sup>75</sup>

This is an unsustainable situation which the new Government has made a key focus of its administration.

Hammersmith & Fulham has the third highest land values in the UK. This has attracted both property developers who build and property speculators who do not or cannot build. As with all high value areas, a simple planning approval can vastly change the value of land without a brick ever being laid. For example, the 2007 to 2019 *Earls Court* scheme saw land values soar to a peak of over £12bn<sup>76</sup> once planning permission was gained in 2013. It contained a plan to demolish but not replace two large council estates and to build just 11% ‘affordable’ housing. It brought about<sup>77</sup> the demolition of the two *Earls Court Exhibition Centres* which, at their peak were said to have “generated a £2 billion turnover for the economy”. It experienced huge collapses in value before being sold<sup>78</sup> for £425m.

Mismanaged developments such as this, combined with land banking, are blighting



Cllr Alex Sanderson, Deputy Leader of Hammersmith & Fulham Council, visiting EdCity development in White City

neighbourhoods and holding back economic growth. We will act to stop this. Hammersmith & Fulham is positive about good development which meets the needs of its high-growth economic ecosystem and of wider society.

Our planning department is one of the most effective in the UK. Over the last year (2023 - 2024) the Council approved 92% of all planning applications, one of the highest rates in London and the department is within the top quartile of local planning authorities nationally in terms of its speed of decision making on major planning applications. Since 2018 a total of 9,263

new homes have been granted planning permission in Hammersmith & Fulham. This includes market and affordable homes built by the private sector and increasingly more by the council: over the last ten years the Borough has started building 1780 affordable homes and has agreed to build 3,000 more affordable homes.

The Borough’s current plan seeks to build a broader range of housing options. The plan is to make it possible for people to live near their place of work, supporting both the local economy and the wellbeing of residents. Our vision for housing consists of a number of key pillars:

73. OECD, “How can housing policies and governance help deliver inclusive growth?”, in *Housing and Inclusive Growth*, OECD Publishing, Paris 2020  
74. Resolution Foundation, *Housing Outlook Q2 2024*, (London: Resolution Foundation, 2024)  
75. Stephen Cowan, *Independent Review of the UK’s Private Rented Housing Sector* (London: London Housing Group, 2024)  
76. Jonathan Prynn, “£12 billion Earls Court revamp ‘is undeliverable’, council leader argues” *Evening Standard*, 19 January 2018  
77. Earls Court Exhibition Centre, Wikipedia  
78. Jonathan Prynn, “Major victory after Earls Court housing estates under threat of demolition handed back to council”, *Evening Standard*, 18th November 2019



## 1. Leading the way in affordable housing

We are proactive in addressing the housing crisis by building more affordable homes. By 2029/30, our ambitious development programme will have delivered more than 1,800 new homes, at least 65% of which are affordable. Our homes prioritise a range of residents including social housing tenants, key workers, and middle-income earners who find it difficult to afford private market housing.

This mix of housing is important as living in a mixed-income area can increase a child's lifetime earnings by up to 15% compared to growing up in more economically segregated neighbourhoods.<sup>79</sup>

We are introducing the *Council Shared Equity (CSE)* tenure as an alternative to traditional shared ownership, making homeownership more accessible to more of our residents.

Affordability is critical for local employers who rely on access to a stable workforce. By developing new 'Affordable Housing +' tenures that connect employees to homes linked to their professions, we will boost the attractiveness of the Borough to businesses and workers. To achieve this, we are collaborating with key developers, such as

the *Earls Court Development Corporation (ECDC)* over the course of 2025, to provide Campus-style housing linked to employment. The homes will be for professionals who do not meet traditional affordable housing criteria, but at the same time cannot afford property on the open market. This model will consist of an affordable home ownership tenure, whereby new homes are discounted from market value based on employee earnings, as well as a discounted rental tenure which exceeds affordable rent thresholds but falls below market rent.

In addition to homeownership interventions, we are also seeking to address the affordability and quality of housing in the private rented sector through the establishment of a council-owned housing company. This initiative is aimed at acquiring homes to increase the housing options available to residents while also raising the overall standard of housing in the private rental market. The establishment of a housing company will also enable the council to be flexible in providing support to employees in STEM<sup>3</sup> industries access employment and settle in the Borough via a range of rental options.

## 2. Boosting family housing

Recognising the growing demand for affordable family housing and the reduction in young families in the Borough, we will publish our new 'Family Housing Strategy' by 2025. The aim of this strategy will be to ensure that families, including those who might not qualify for social housing, have access to affordable homes.

By providing more affordable homeownership options, we will be helping families stay or settle in the Borough, enabling them to contribute

to its long-term prosperity. Through this strategy, we will aim to address immediate housing needs and set the stage for future economic growth. By attracting and retaining younger families - who are essential to the Borough's workforce and community fabric - we will help to ensure that Hammersmith & Fulham remains a place where people can build a future.

This is particularly important as only 30% of those aged 16-39 own property in London, compared with 40% across the UK.<sup>80</sup>

## 3. Inclusive regeneration

We recently concluded a comprehensive review of our homes to understand stock condition and investment requirements. From this review, we understand that certain homes require substantial investment.

The council is committed to providing good-quality homes for our residents, and to pursuing the target of reaching net-zero by 2030. We have set a blueprint for this with our *EdCity* scheme, in partnership with Ark, where we are building 132 new affordable homes, a modern school, office, adult education centre and youth zone.

## 4. Housing at the heart of inclusion and growth

We believe that a safe, good quality home is vital to social and economic inclusion. Underlying our housing and development projects is a commitment to co-production. This commitment involves residents in the decision-making process from the outset, ensuring that communities have a say in how their neighbourhoods are shaped. By fostering a sense of ownership and collaboration, we can help build stronger, more resilient communities.



Cllr Frances Umeh, H&F Cabinet Member for Housing and Homelessness, at Hartopp and Lannoy Point Passivhaus project

## 5. Building sustainable homes and infrastructure

We are committed to being a net-zero Borough by 2030. Our new homes are built to the highest possible standards of sustainability and energy-efficiency, and we prioritise the provision of green space and improved public realm. Our commitment to building sustainable new homes also benefits our residents through the reduction of energy bills.

We have been setting the tone for this type of development through our earliest schemes: *Hartopp and Lannoy*, *Farm Lane*, and *Lillie Road*. These three developments will provide a total of 207

new homes and will be built to *Passivhaus* classic standards, an industry-recognised sustainability accreditation. Once our *Lillie Road* project is complete, local residents and community groups will also be able to benefit from a new, modern community hall.

As we move forward we aim to build schemes to the highest possible sustainability standards, re-provide state of the art modern schools, nurseries and community halls and improve the public realm.

79. Peter Bergman and others, 'Creating Moves to Opportunity: experimental evidence on barriers to neighbourhood choice' NBER Working Paper Series Working Paper 26164 (August 2019)

80. London Assembly Housing Committee, 'Young Londoners' Access to Home Ownership (London: London Assembly March 2024)



## Chapter 5

# Democratising innovation

*Upstream London* includes the potential for real world impact from the STEM<sup>3</sup> revolution. Our mission is to make this 'Innovation Borough' the best place to deploy brilliant invention for real world impact, and for citizens to be seamlessly engaged and involved in this process.

We will build on the co-creation already happening across the Borough to establish real-world evidence deployment for groundbreaking innovation and technologies within climate, energy, sustainability, health and other innovation and technologies.

Up to 75% of venture-backed startups fail.<sup>81</sup> The growth of innovation is most often halted by the following factors:

- Lag in scale up (often referred to as the 'valley of death').
- Lack of funding.
- Appropriate evidence across broad populations.<sup>82</sup>

The Borough is exploring how we can help to tackle these three factors, and boost innovation, through democratising innovation,

## Existing activity and infrastructure

*Living Lab* activity is already taking place across exciting areas of health and climate technology in the Borough. In 2023, families with asthmatic children were invited to join *Imperial College London's (Imperial's)* world-leading experts to find out how air quality affected their health. This pioneering study - called 'WellHome'<sup>84</sup> - measured indoor air quality levels over a year, with participating families receiving up to £300.

Led by Professor Frank Kelly, Battcock Chair of *Community Health and Policy*, the *WellHome* team included 30 'ambassadors' from the local community who secured support

taking best practice from the 'Living Lab' model, local practitioners and experts.

As defined by the *European Network of Living Labs*, 'Living Labs are open innovation ecosystems in real-life environments using iterative feedback processes throughout a lifecycle approach of an innovation to create sustainable impact. They focus on co-creation, rapid prototyping and testing and scaling-up innovations and businesses, providing (different types of) joint-value to the involved stakeholders.'

In essence, residents would have more opportunities to get involved in scientific research within the Borough that seeks to improve their own health and the local environment.<sup>83</sup>

from families for the study. In addition to the research, WellHome raised awareness and understanding of air pollution through educational sessions, workshops, panel discussions and interactive science activities.

The ability to engage residents and to build trust within communities is a critical part of 'democratising innovation'. Only with this trust will residents feel able to participate and to benefit from studies. We will seek to understand and share the good practices that Professor Kelly and his team have learned with others seeking to democratise their innovations.



Imperial's Professor Frank Kelly at a participant's home in White City for the Environmental Research Group's WellHome project monitoring indoor air pollution

It is worth noting the work of Imperial's *Patient Experience Research Centre*,<sup>85</sup> which promotes participatory approaches to improving healthcare and biomedical research. Funded by the *NIHR Imperial Biomedical Research Centre (BRC)* and the *Imperial College Healthcare Charity*, a multidisciplinary group of clinicians, public health specialists and social scientists use quantitative and qualitative research methods to promote active communication between patients, researchers and clinical staff to address real problems, and through this improve the quality of healthcare and the impact of translational research.

Not all innovations require the direct involvement of people to be tested. *Cyanoskin*, which won Imperial's *Venture Catalyst Challenge 2024*, has a 'living paint' that turns buildings into CO<sub>2</sub>-absorbing structures. This paint is being trialled on a wall at *Scale Space White City*. Could it also be used by other developments, practically assisting startups and improving our environment? The Council will use its soft and regulatory powers to encourage developers and

building owners to roll out such innovations.

Undaunted, *Imperial's Scale Space*-based climate-tech accelerator is a source of incredible innovation. High energy prices mean retrofitting is an opportunity to improve insulation and energy efficiency. The Council will work with Undaunted to understand the climate-tech innovations available and to promote their implementation in the Borough.

With its varied housing and one of the most diverse populations in the country, Hammersmith and Fulham is an ideal place to test innovations. This 'democratising' of innovation represents an aligned approach between industry, academia, and the public sector to deliver real world impact.

Our ambition is that over time, a track record in coproduction and accelerated scaleup between local innovators and the local community could embolden the iterative aspects of a living lab: R&D and invention can be responsive to population health and place needs as well as seeking a fertile ground for the deployment of existing innovation.

81. Shikhar Ghosh, 'Why Most Venture-Backed Companies Fail' *Harvard Business School News*, 10 December 2012

82. 50% of experimental drugs fail in Phase III (mass) trials as the results cannot be replicated across broader patient demographics. From Attila Seyhan, 'Lost in translation: the valley of death across preclinical and clinical divide - identification of problems and overcoming obstacles' *Translational Medicine Communications* 4: 18 (2019)

83. Examples include where lifestyle interventions improved health more than medication - see Marinella Temprosa, *Diabetes Prevention Program Outcomes Study (V6)* [Dataset]. NIDDK Central Repository. <https://doi.org/10.58020/66x5-8y21> (2024) and where participation can help diagnose disease sooner, *NIHR Be Part of Research* <https://bepartofresearch.nihr.ac.uk/what-is-health-and-care-research/> [Accessed 8th November 2024]

84. WellHome - West London Healthy Home and Environment Study, Faculty of Medicine Imperial College London

85. Patient Experience Research Centre, Faculty of Medicine, Imperial College London



# Chapter 6

## Cooperative growth partnerships

*“There are three reasons to be concerned about the UK’s large and rising regional inequalities.*

*First, inequalities in GDP per capita and productivity across regions are mirrored with inequalities in several other socio-economic indicators, including disposable incomes, life expectancy, and educational attainment. Second, as in other countries, rising regional economic inequalities have been linked to a changing political geography - dubbed a ‘geography of discontent’ - which may feed political instability. Third, the UK has a large and growing national productivity problem, with a fall in productivity growth post-2007 larger than any other G7 country except Italy.”<sup>86</sup>*

Comparison with other countries is always insightful. Comparisons between the UK and Germany, since Germany’s reunification in 1990, are notable<sup>87</sup> because Germany’s west-east gap is now smaller than the gap between London and the south-east and the rest of the UK. Analysis suggests this required significant investment<sup>88</sup> and a robust long-term plan. However, alongside an overly centralised

governmental system and an institutionalised reliance on ‘the invisible hand of the market’; short-termism is a British weakness.

Innovation districts offer communities an opportunity to nurture localised STEM<sup>3</sup> ecosystems that will grow prosperity long into the future, rather than relying on short-term top-down funding solutions. Innovation districts all take slightly different routes in developing their plan and their growth road map, and the Borough is exploring how best to learn from these diverse insights.



Oslo Science Park with signed partnership agreement

### Cooperative growth partnerships

While there is a growing number of academic studies, there is no perfect blueprint to place-based, innovation-led economic growth. Around the world, there are places which are getting the majority of things right. But there are also science parks, business districts, towns and cities where it is going wrong or where important opportunities have been lost.

To capture that learning, Hammersmith & Fulham has agreed a memorandum of understanding (MOU) with several innovation districts in the UK and around the world. Each ‘Cooperative Growth Partnership’

seeks to collaborate with other communities in countries that have established or are planning to establish successful innovation districts. The aim is to learn from challenges, share new strategies, tactics and solutions and to develop evidence-based road maps for inclusive economic growth.

This alliance for collaborative STEM<sup>3</sup> growth is made easier and more fluid by technology. As with all enterprises, the personal relationship and networks that have developed have been important in accelerating learning.



So far Hammersmith & Fulham has Cooperative Growth Partnerships with:

- 22@ Barcelona
- Milano Innovation District (MIND)
- Lillestrøm kommune and Kunnskapsbyen Lillestrøm
- Parque de Innovación, Buenos Aires
- Oslo Science City and Oslo Science Park
- Royal Melbourne Institute of Technology (RMIT)
- The City of Rzeszów - Poland’s ‘Capital of Innovation’.
- Barnsley Metropolitan Borough Council
- Swindon Knowledge Central Innovation District

These national and international agreements each share similar MoUs which are centred upon:

- 1. SHARING** learning as each district develops its road map for high growth, inclusive economic ecosystems in future industries.
- 2. SUPPORTING** mutual business investment and growth between partners.
- 3. PROVIDING** learning opportunities for residents and employees.

Hammersmith & Fulham is keen to develop similar relationships with communities elsewhere in the UK and we are actively pursuing opportunities with a number of different local authorities who are also operating with an entrepreneurial municipal government culture.

### International innovation districts convention

In late 2025 or early 2026 Hammersmith & Fulham will host the first of a series of international conferences for innovation districts. We will run this across the Borough with our stakeholders and our international partners.

The conference will provide an opportunity to share learning, showcase businesses, win investment for participants and chart how innovation-

led growth can transform the economic trajectory of communities. It will provide residents, schools and businesses with more opportunities to become involved, build connections and consider career and business options.

Funded by sponsorship, the Civic Campus and other private facilities across the Borough will play host to what we hope will become an annual event.

86. Anna Stansbury, Dan Turner and Ed Balls ‘Tackling the UK’s regional economic inequality: Binding constraints and avenues for policy intervention’. Contemporary Social Science, Volume 18, 2023 - Issue 3-4: (London, Taylor Francis, March 2023)

87. McCann and others, ‘UK interregional inequality in a historical and international comparative context’. National Institute Economic Review, 29 July 2020

88. Torsten Bell, ‘Britain might look to Germany to heal the north-south divide’. The Guardian, 2 August 2020



# Chapter 7

## Upstream London, where ventures thrive

Growth investment that can finance ambitious economic growth is a prerequisite to bolstering the successful ecosystem, underpinning the ambitions outlined in this document.

In London, venture capital (VC) has traditionally been based in and around Mayfair and the City of London. As the tech ecosystem has grown, others have appeared in Shoreditch. *Samila* and *Sorenson* have presented empirical evidence to show that areas with greater VC presence tend to have higher levels of entrepreneurial activity and innovation.<sup>89</sup>

In Hammersmith & Fulham, the Council is using its *Upstream* partnership to build and develop relationships with investors and other funders who are well placed to support innovators within our local ecosystem, but more needs to be done.

As a place leader working with partners, the Council will work to showcase the unparalleled opportunities available within the Borough to the investment community, raising its profile and increasing interest in the innovative scale-ups based in the Borough,

especially those with genuinely investible propositions struggling to find investment.

Recognising the importance of appropriate workspace to start and scale businesses - and the barrier of being a high-cost part of the country - the Council will also align its own assets and its planning policy and land assembly powers to create this kind of space, proactively leading the charge and intervening where there are blockers to the market delivering it.

*Scale Space's* success and the continued demand for space in the *White City Innovation District* is an indication of the appetite for an environment which has collaboration and partnerships at its heart, with a range of in-house experts and service providers that can help a startup grow. Hammersmith & Fulham will work with developers and other stakeholders to use available land to ensure this successful model is replicated in other parts of the Borough.

The Council also recognises that the route to inclusive economic growth can involve not just growing businesses choosing to start and scale in the Borough, but also in attracting businesses to see the Borough as a location of choice in a competitive national and international market. To that end, we aim to create, in partnership, a global campaign to attract anchor businesses and cutting-edge start-ups.

The Borough starts from a strong base as an inward investment location, with some of its key sectors demonstrating its attractiveness as a place to invest.



Chi Onwurah MP, now Chair of the *House of Commons' Science, Innovation & Technology Committee*, speaking at the 2024 *Jawdrop Life Sciences Summit* in *WCID*.

Figure 5: Hammersmith & Fulham's Four Investment magnets

Health & Life Sciences	Tech & AI
<ul style="list-style-type: none"> <li>A recognised premier European cluster: Hammersmith Hospital is at the forefront of introducing new technologies and over half of <i>Imperial College's IP</i> is focussed on <i>Health and Life Sciences</i>.</li> <li>The <i>White City Innovation District</i> is already home to various corporates - <i>Novartis, Synthace, Autolus, DNAe, ADC Therapeutics, Quell Therapeutics</i>, and <i>Avacta</i> among others.</li> <li>The start-up and scale-up scenes span diverse clinical areas such as <i>Advanced Therapeutics, AI &amp; Data</i> and <i>HealthTech</i>.</li> <li><i>Imperial College's White City</i> campus is home to various leading edge facilities: its Dept of <i>Bioengineering</i> focusing on solutions for medical technologies; its <i>School of Public Health</i> with expertise in epidemiology, clinical trials and evaluation and ageing; and a <i>MedTech SuperConnector</i> delivers a <i>Musculoskeletal Innovation Accelerator Programme</i> supporting candidates in translating their research into medtech innovation.</li> </ul>	<ul style="list-style-type: none"> <li><i>Imperial X</i>, <i>Imperial's</i> cross-department AI team, is rapidly expanding with 100 academics linked to over 30 projects across: <i>Health; Climate Tech; Defence; Economy; and Space</i>.</li> <li>An AI <i>SuperConnector</i> accelerator has been launched by <i>Imperial</i> that will help early career researchers in AI turn their work into startups.</li> <li>Complementing this, global venture builder <i>Blenheim Chalcot</i> supports tech start-ups and scale-ups from its base at <i>Scale Space White City</i>.</li> </ul>
Creative Industries	Climate Tech
<ul style="list-style-type: none"> <li>An existing high concentration of businesses in the creative industries, with over a fifth of firms in this sector.</li> <li>A broadcast and media hub of national significance with the likes of <i>ITV</i> and <i>BBC</i> having a major footprint.</li> <li>Plentiful talent with the <i>London Academy of Music &amp; Dramatic Art (LAMDA)</i> and the <i>Royal College of Art (RCA)</i> located locally.</li> <li>Extensive facilities across the Borough, including the <i>BBC's</i> three studios and post-production specialists.</li> <li><i>LAMDA</i> has studios for virtual production, motion capture and audio, along with 16 rehearsal studios and three theatres.</li> </ul>	<ul style="list-style-type: none"> <li>Established collaboration between the Council - which has a pledge to tackle the climate emergency - and <i>Imperial</i>, whose work in this field is expanding in <i>White City</i>.</li> <li><i>Imperial</i> has the largest number of <i>Climate Tech</i> start-ups in the UK.</li> <li>Companies can apply to <i>Imperial's 'The Greenhouse'</i> cleantech accelerator and access specialist facilities and explore routes to funding.</li> <li><i>Greenhouse</i> alumni have raised over \$1bn in investment and created more than 2,000 jobs.</li> <li><i>Earls Court Development Company</i> is proposing inclusion a focus on the sector as they develop central London's largest cleared site - offering opportunities to showcase new technology.</li> </ul>

Working closely with agencies in London and nationally, the Council looks to position the Borough as an inward investment hotspot and a central part of the wider London offer, recently collaborating with *MedCity* to showcase the *White City Innovation District* as a key plank in the *London Life Sciences Offer*.<sup>90</sup>

89. Sampa Samila and Olav Sorenson, 'Venture Capital, Entrepreneurship, and Regional Economic Growth' *Review of Economics and Statistics* 93(1):338-349 (REPEC 2009)

90. MedCity News, 'London's Offer for Life Sciences Launch' (17th September 2024)



“ In 2014, the council sought to convene people around a common vision of Hammersmith & Fulham as a major STEM<sup>3</sup> economic ecosystem and acted quickly to build a network of people who could innovate and help deliver that change. ”

## Chapter 8

# Entrepreneurial municipal serendipity

The most frequent questions asked by our growth partners is how did the industrial strategy partnership between *Imperial College London (Imperial)* and Hammersmith & Fulham become established, and how has the *White City Innovation District* grown so quickly.

Many of the original participants have moved on so it is important to capture and learn from what happened.

In large part, the answer is similar to answers that might be given to questions about the origins of any other enterprises. It started serendipitously and with a plan.

To answer the second question first, the unique working partnership between Hammersmith & Fulham and *Imperial* has given the enterprise greater speed, agility and breadth of operation. As with a disruptive startup that goes on to overtake established corporations and dominate a marketplace, the Borough's industrial strategy partnership sought to avoid the mistakes of bureaucratic setups which can lack creativity, be narrow in their vision and be slow to react to change. Instead, the partnership has allowed for much wider

networks across the respective organisations to quickly be exploited for the benefit of the inclusive growth project. This culture of collaboration has created a gravity that has pulled others in. It has brought about creative measures to supporting businesses, engaging other institutions and increasing inclusivity for the wider public.

To return to the first question, before ever meeting, both Hammersmith & Fulham and key people in *Imperial* had begun to contemplate building some form of innovation hub in the *White City* area.

“ This culture of collaboration has created a gravity that has pulled others in. ”

## Hammersmith & Fulham

Professor Andrew Jones<sup>91</sup> is a Hammersmith & Fulham councillor who has been the Borough's cabinet member for the economy since 2014. Andrew Jones and Stephen Cowan in 2009, while then opposition members, began discussing how they could develop a modern, localised industrial strategy that would build an inclusive economic ecosystem, if they found themselves in administration.

Influenced by Alfred Marshall's famous cluster theory<sup>92</sup> and by Karl Polanyi's work<sup>93</sup> on the political economy, Andrew Jones and Stephen Cowan resolved to imitate the role played by the German Länder and city-states in their economic success. They adapted the work of Professors Henry Eskowitz and Loet Leydesdorff<sup>94</sup> on the 'Triple Helix' to their circumstances.

91. H&F Cabinet Member for the Economy and now President and Vice-Chancellor at Brunel University

92. Alfred Marshall, *The Principles of Economics* (History of Economic Thought Books, McMaster University Archive for the History of Economic Thought 1890)

93. Karl Polanyi, *The Great Transformation, Economic and Political Origins of Our Time* (New York: Rinehart 1944)

94. Loet Leydesdorff, 'The Triple Helix -- University-Industry-Government Relations: A Laboratory for Knowledge Based Economic Development' *Glycoconjugate Journal* 14(1):14-9 (January 1995)



They defined their triple helix as:

- Entrepreneurial municipal government
- World-leading institutions
- STEM<sup>3</sup> businesses.

Elected in 2014, they sought to convene people around a common vision of Hammersmith & Fulham as a major STEM<sup>3</sup> economic ecosystem and acted quickly to build a network of people who could innovate and help deliver that change.

The British entrepreneur Greg Jackson CBE accepted Stephen Cowan's invitation to lead the Borough's *Business Commission*. Coincidentally, Greg Jackson was founding *Octopus Energy* at that time. Greg persuaded Sophie Devonshire (now of *The Marketing Society*), to join him in this voluntary work.

Working with Prema Gurunathan who had been hired as a business adviser, Greg Jackson and Sophie Devonshire surveyed an incredible array of Hammersmith & Fulham's businesses as a part of the process of developing the Borough's business strategy - *Upstream*.<sup>95</sup> They launched the strategy on 21 March 2017. Amongst its many recommendations, was the advice that the local authority should promote affordable, flexible office and lab spaces to incubate and maintain entrepreneurial networks.

The Council's soft convening powers were enhanced by the relationship building that was undertaken by the Borough's leadership. Throughout 2015 and 2016, days were set

## Imperial College London

The Charter forming *Imperial* was signed in 1907, originally as a college of the *University of London*. On 14 July 2006, Imperial's Council made the decision that it should withdraw from the *University of London* and become "a university, independent from any other organisation or structure".

In September 2009, Imperial purchased the 7-acre *BBC Woodlands* site in *White*



Cllr Andrew Jones, Cabinet Member for the Economy, at 2017 launch of Industrial Strategy.

aside each week where Stephen Cowan and Prema Gurunathan would meet different businesses ranging in size and scale, from start-ups to established corporations. The aim of the meetings was to build relationships and discover what the local authority could do that would better support each business.

The *Business Commission's* work ran alongside that of the Borough's *Poverty and Worklessness Commission*, which was chaired by Christina Smyth - a former civil servant.

Stephen Cowan and Andrew Jones had, via their officials, sought a meeting with Professor Alice Gast, the President of *Imperial College London*, so they could propose an industrial strategy partnership with Imperial. But it was Christina Smyth who eventually secured the meeting having met Professor Maggie Dallman OBE after being introduced by a headteacher who had given evidence to the *Poverty Commission*. Professor Dallman kindly took it upon herself to arrange the meeting. It took place on 29 June 2016.

*City*. In 2013, it added another 11.5 acres by purchasing the former *Unigate Dairy* plots to form a single contiguous *White City* site adjacent to the A40.

In April 2014, a feasibility paper<sup>96</sup> written by Chris Corbishley, then an Imperial PhD student supported by Dr Anne ter Waal and Professor David Gann (then Vice President for Development and Innovation) began to

set the scene within the University to focus on more creative and impactful ways to use its space in *White City*.

In September 2014, Professor Alice Gast was appointed to be *Imperial's* 16th President. Over the course of her education and career, Professor Gast had been at Princeton and the University of Pennsylvania. Critically, she had also taught at Stanford University and the Massachusetts *Institute of Technology*

(*MIT*) - both universities which are at the centre of world-leading economic ecosystems.

Professor Gast had also been a Science Envoy for US Secretary of State Hillary Clinton.

“ In September 2009, Imperial purchased the 7-acre BBC Woodlands site in White City. ”

## The inclusive industrial strategy partnership

In June 2016, Stephen Cowan, Andrew Jones, Greg Jackson, Christina Smyth and a Hammersmith & Fulham official first met with President Alice Gast, Professor Maggie Dallman, John Anderson<sup>97</sup> and other senior people at *Imperial*, it was a serendipitous meeting of minds.

At the meeting, the Hammersmith & Fulham team made the case for a first-of-its-kind STEM<sup>3</sup> inclusive industrial strategy partnership which would incubate a cluster of spinouts around the *White City* campus and establish an innovation district as part of a high growth economic ecosystem. Professor Gast presented a similar vision, and agreed to the new partnership in that first meeting.

The correspondence that followed from Professor Gast is insightful. The next day Professor Gast wrote to Stephen Cowan to say, "All of us were really enthused by the meeting and I am delighted there is so much common ground between us". Professor Gast went on to explain "There are clear synergies in what the College and the Council want to achieve". She proposed a further meeting with John Anderson and others "in the next few weeks to chart the ground for an initial partnership agreement and identification of common priorities".

In October 2016, Imperial opened its first office building in *White City* - the *Translation and Innovation Hub*. It is now simply called the 'IHUB'. On 12 July 2017 at the *IHUB*, Hammersmith & Fulham and *Imperial* launched the first phase of their joint *Industrial Strategy*. The strategy, *'Economic Growth for Everyone'*<sup>98</sup> had been written by Hammersmith & Fulham with the support of and input from *Imperial's* leadership. Together, they launched the *White City Innovation District* shortly afterwards.

The *Industrial Strategy's* recommendations included:

1. The creation of 'West Tech'.
2. A land development policy that supported affordable, flexible office space.
3. Encouraging enterprise which led to *Upstream*, a business support joint venture between Hammersmith & Fulham and *Imperial*.
4. A great place in London.
5. People - growth for all.
6. Promotion and support for town centres, arts and cultural venues.
7. Working with anchor organisations and others to ensure that all residents benefit from economic growth.

95. Hammersmith & Fulham Business Commission, *Upstream*. (London: H&F Council 2015)

96. Dr Anne ter Wal, *Imperial West as a world-leading Innovation District: A guide to best practice and feasibility*. Imperial London Business School (April 2014)

97. John Anderson, Chief Investment Officer, Imperial College

98. Hammersmith & Fulham Council *Economic growth for everyone: an industrial strategy for Hammersmith & Fulham* (London: H&F Council, July 2017)





## Seven years of the Hammersmith & Fulham-Imperial College London Growth Partnership

In 2017 John Anderson was *Imperial's Director of Financial Strategy*. His role was to bring forward a flexible mixed-use masterplan that provided opportunities for relocation. He worked closely with the Borough's leadership as the innovation district began to take shape.

For example, in 2017, Stephen Cowan introduced Blenheim Chalcot to John Anderson with the suggestion they could take space in the *IHUB* and work together to provide 'affordable, flexible office space'.

John quickly arranged for Blenheim Chalcot to take space in the *IHUB*. They then signed an agreement with Imperial and together they set up *Scale Space*.

The partnership sought to facilitate this growth by delivering extensive high-tech workspace. It also set up *Upstream* to provide targeted business support which aims to facilitate advice and smarter access to investment, and set up an *Industrial Strategy Board* to build consensus and coordinate actions.

In addition, Hammersmith & Fulham also:

- Changed its planning guidelines to insist property developers deliver incubator and scale-up space.
- Began aligning schools, apprenticeships, and retraining programmes to the emerging opportunities in the Borough.
- Built a £150 million education and youth centre called *EdCity in White City*, so local young people can share in the opportunities arriving on their doorstep.
- Signed *Cooperative Growth Agreements* with other innovation districts around the world.

“The partnership sought to facilitate this growth by delivering extensive high-tech workspace”





Laboratory at Royce Institute, Imperial

## Conclusion

# Reflection and recommendations

Having started our work to support economic growth seven years ago, and having seen our Borough transform during that time with £6 billion of high growth investment and the creation of over 13,000 jobs, we have had the opportunity to learn from this experience.

Here we summarise some of the insights we have gained, both to celebrate the successes and to ensure we, our partners and our colleagues at other local authorities - each with their own unique circumstances and challenges - have the opportunity to learn from our journey.

Some of these insights - our experience of what works and what does not - could be

viewed as a blueprint, with elements that could be applied successfully elsewhere.

We recognise that we are still only part way through our journey, and that we do not have all of the answers. We are sharing the below reflections and recommendations at this stage for two reasons. Firstly, in line with the spirit of entrepreneurial municipal government, we believe in the power of

sharing insights so everyone can learn from the experiences, challenges and successes. Other local authorities and partners have the option to listen to and apply any element that they think would be relevant and applicable to their unique circumstances, and leave any that are less relevant.

Second, we strongly believe in the positive and essential role local authorities can play in supporting economic growth through an entrepreneurial municipal government culture, and the actions outlined below. At a time when decision making is becoming more devolved and the Government is

developing its national modern *Industrial Strategy*, we hope the crucial role of local authorities will be fully factored in.

“ We strongly believe in the positive and essential role local authorities can play in supporting economic growth through an entrepreneurial municipal government culture. ”



## Reflections and recommendations

Key elements of our experience which we believe could be applied elsewhere include:

- 1. SETTING** a clear mission-led strategy to grow a localised economic eco-system, with a focus on the sectors that are set to grow and that are right for the local area.
- 2. DEVELOPING** an 'entrepreneurial municipal government' culture which acts to win investment.
- 3. TAKING** an 'adaptive' approach to planning, changing planning guidelines and rules to attract R&D-led academic and public anchor institutions, while offering affordable flexible start-up and scale-up space.
- 4. BUILDING** economic growth partnerships with universities, the *NHS* and other anchor institutions.
- 5. PLACE-MAKING** to transform the Borough, ensuring it continues to be a place people want to live and work.
- 6. PROVIDING** targeted business support and advice, as we have with *Upstream*, via a joint partnership with *Imperial College London (Imperial)*.
- 7. ATTRACTING** venture builders and offering entrepreneurs access to good business investors.
- 8. ALIGNING** education and skills opportunities to the local industrial strategy.
- 9. BUILDING** education and youth centres at the heart of the innovation district.
- 10. PUTTING** in place international economic collaboration agreements with other innovation districts.



As we move into the second phase of our mission-led strategy to achieve growth across the Borough and beyond, *Upstream London*, our focus is on doing everything we can to ensure economic growth is inclusive and improves the lives of everyone in our community.

We believe the three core pillars of our strategy and vision for this next phase - *Partnership, Place and Pathways* - will help to anchor our work and achieve total inclusive growth.

We would like to hear the views of more residents, businesses, educational institutions, community groups, and other partners and stakeholders as we further develop our vision for the second phase. If you would like to feed in your thoughts please get in contact with us.

*Upstream* of Central London and the City, we want Hammersmith & Fulham to be a place where ideas upstream of current thinking become a reality, where everyone has a say and where everyone can thrive and grow.



Cllr Bora Kwon, Cabinet Member for Adult Social Care and Health, with a visiting delegation from Anderlecht



“As we move into the second phase of our mission-led strategy to achieve growth across the Borough and beyond, *Upstream London*, our focus is on doing everything we can to ensure economic growth is inclusive and improves the lives of everyone in our community.”





hammersmith & fulham

# ↑UPSTREAM LONDON

[lbhf.gov.uk/upstream-london](http://lbhf.gov.uk/upstream-london)





## APPENDIX 2 - H&F Equality Impact Analysis Tool

### Conducting an Equality Impact Analysis

An EIA is an improvement process which helps to determine whether our policies, practices, or new proposals will impact on, or affect different groups or communities. It enables officers to assess whether the impacts are positive, negative, or unlikely to have a significant impact on each of the protected characteristic groups.

The tool is informed by the [public sector equality duty](#) which came into force in April 2011. The duty highlights three areas in which public bodies must show compliance. It states that a public authority must, in the exercise of its functions, have due regard to the need to:

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- 1. Eliminate discrimination, harassment, victimisation, and any other conduct that is prohibited under the Equality Act 2010**
- 2. Advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it**
- 3. Foster good relations between persons who share a relevant protected characteristic and persons who do not share it**

Whilst working on your Equality Impact Assessment, you must analyse your proposal against these three tenets.



## General points

1. In the case of matters such as service closures or reductions, considerable thought will need to be given to any potential equality impacts. Case law has established that due regard cannot be demonstrated after the decision has been taken. Your EIA should be considered at the outset and throughout the development of your proposal, it should demonstrably inform the decision, and be made available when the decision is recommended.
2. Wherever appropriate, the outcome of the EIA should be summarised in the Cabinet/Cabinet Member report and equalities issues dealt with and cross referenced as appropriate within the report.
3. Equalities duties are fertile ground for litigation and a failure to deal with them properly can result in considerable delay, expense, and reputational damage.
4. Where dealing with obvious equalities issues e.g. changing services to disabled people/children, take care not to lose sight of other less obvious issues for other protected groups.
5. If you already know that your decision is likely to be of high relevance to equality and/or be of high public interest, you should contact the Strategy & Communities team for support.

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Further advice and guidance can be accessed online and on the intranet:

<https://www.gov.uk/government/publications/public-sector-equality-duty>

<https://officesharedservice.sharepoint.com/sites/Governance/SitePages/Reports.aspx>



## H&F Equality Impact Analysis Tool

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Overall Information	Details of Full Equality Impact Analysis
<b>Financial Year and Quarter</b>	2024/25 – Q3
<b>Name and details of policy, strategy, function, project, activity, or programme</b>	<p>Update on ‘<i>Upstream London</i>’: the vision for the next phase of the Council’s Industrial Strategy</p> <p>Short summary:</p> <p>‘<i>Upstream London</i>’ is the next phase of the Council’s pioneering local Industrial Strategy. Launched in November 2024, the goal is to make the borough a global hub of innovation and inclusive growth.</p> <p>Upstream London is a strategic framework setting the direction of travel the Council will take to ensure economic growth is inclusive. It incorporates existing and proposed activities from across the Council, as well as collaborative activity with external partner organisations. It will be underpinned by a delivery plan which will set out a series of objectives grouped across three ‘pillars’ of activity – Pathways, Place, and Partnerships.</p> <p>Launched alongside and a central component of the wider strategy, the <i>Upstream London Pathway Bond</i> is a new partnership with business that will offer local people pathways to new skills and careers opportunities.</p>
<b>Lead Officer</b>	<p>Name: David Pack            Position: Strategic Head – Economic Growth            Email: David.Pack@lbhf.gov.uk            Telephone No: 07970 952101</p>
<b>Date of completion of final EIA</b>	19/12/24

Section 02	Scoping of Full EIA
<b>Plan for completion</b>	<p>Timing: The Upstream London white paper document covers a multi-year vision with no fixed duration. However, the outline delivery plan to follow will cover the period to March 2026</p> <p>Resources: TBC</p>



Analyse the impact of the policy, strategy, function, project, activity, or programme	Protected characteristic	Analysis	Impact:
	Age	<p>The Upstream London white paper vision document outlines several provisions targeted at young people to increase their engagement with / returns from a growing and inclusive local economy. In particular, the <i>Upstream London Pathways Bonds</i> – a new programme of initiatives with partner businesses – will provide local residents with pathways into new skills, new careers, and the jobs of the future</p> <p>Businesses which register for the <i>Pathways Bonds</i> programme will commit to offering one or more of the activities listed below for young local residents to support their individual pathway towards continued education / employment:</p> <ul style="list-style-type: none"> <li>- STEM inspiration and connections (workshops, activities, events, visits)</li> <li>- Apprenticeships and work experience</li> <li>- Extra-curricular and community support</li> <li>- Mentoring and sponsorship</li> <li>- Skills and education</li> </ul>	Positive
	Disability	<p>There is no anticipated impact in relation to disability at the current stage</p> <p>However, as part of the delivery plan under development, measures are being considered which would provide for targeted support for young people and adults with Special Educational Needs and Disabilities (SEND).</p> <p>This includes, as part of the <i>Upstream London Pathways Bonds</i> programme, the development of a bespoke offer for young people with SEND and, as part of a re-set offer Adult Learning &amp; Skills Service, a programme of courses for individuals with Special Educational Needs to support learners into higher level courses, work opportunities, or supported employment</p>	Positive
	Gender reassignment	There is no anticipated impact in relation to gender reassignment	Neutral



Marriage and Civil Partnership	There is no anticipated impact in relation to marriage and civil partnership	Neutral
Pregnancy and maternity	There is no anticipated impact in relation to pregnancy and maternity	Neutral
Race	There is no anticipated impact in relation to race	Neutral
Religion/belief (including non-belief)	There is no anticipated impact in relation to religion / belief	Neutral
Sex	There is no anticipated impact in relation to sex	Neutral
Sexual Orientation	There is no anticipated impact in relation to sexual orientation	Neutral
Care Experienced as a Protected Characteristic	There is no anticipated impact in relation to care at the current stage  However, as part of the delivery plan under development, measures are being considered which would provide for targeted support for Care Leavers. This is expected to include a further enhanced Care Leavers' Offer and Care Leavers' Hub as platforms to help care leavers benefit from H&F's career opportunities	Positive

### Human Rights or Children's Rights

If your decision has the potential to affect Human Rights or Children's Rights, please contact your Equality Lead for advice

Will it affect Human Rights, as defined by the Human Rights Act 1998?

Yes / **No**

Will it affect Children's Rights, as defined by the UNCRC (1992)?

Yes/**No**

### Section 03

#### Analysis of relevant data

Examples of data can range from census data to customer satisfaction surveys. Data should involve specialist data and information and where possible, be disaggregated by different equality strands.



<b>Documents and data reviewed</b>	<p>The Upstream London white paper vision document was informed by, and makes reference to, a range of supporting evidence. This includes literature discussing one of the central aims of the document – to achieve “total <i>inclusive</i> economic growth”. The paper refers to a report from the OECD which defines inclusive growth as “growth that is distributed fairly across society and creates opportunities for all” – a concept which underpins the <i>Upstream London</i> vision and is embedded within the various policy ambitions.</p> <p>The white paper document also draws on a range of other data sources, including central government policy papers and statistical releases; articles and research papers from relevant think-tanks; internal LBH&amp;F strategy documents and reports; academic research and journal articles; media reports; and assorted quantitative socio-economic indicators such as high-street footfall, commercial property, and business investment metrics. Individually and where appropriate, many of these documents do feature data disaggregated by different equality strands</p>
<b>New research</b>	N/A

<b>Section 04</b>	<b>Consultation</b>
<b>Consultation</b>	Details of consultation findings (if consultation is required. If not, please move to section 06)
<b>Analysis of consultation outcomes</b>	<p>A range of key stakeholders were consulted during the development of the Upstream London white paper and these views helped to shape the ‘pillars’ of activity which underpin the vision. These stakeholders include local businesses, Imperial College London, government representatives, and relevant think tanks</p> <p>This consultation informed the themes of the whitepaper vision document – including the central aim of ensuring that any opportunities and economic growth generated in the Borough are “inclusive” and “improve the lives of everyone in our community”. In practice, this aim is embedded across the policy ambitions contained within the white paper – which will support the delivery of a range of amenities and services accessible to the public freely, equitably, and without distinction to individual and/or group characteristics.</p> <p>Further rounds of engagement are expected to take place as development of a costed delivery plan is undertaken. At appropriate stages following this engagement, the EIA will be updated accordingly to capture input from groups most likely to be impacted by proposed policies and any resultant equalities and inclusion findings will be summarised on that basis</p>

<b>Section 05</b>	<b>Analysis of impact and outcomes</b>
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<b>Analysis</b>	<p>Overall, the consultation and data analysis undertaken with regard to the Upstream London strategy – and associated white paper vision document – at their present stage, have identified only positive and neutral and no potential adverse impacts with regard to any of the groups that share protected characteristics. The analysis did identify certain areas where proposed policies are anticipated to yield positive impacts regarding groups that share certain protected characteristics – in particular with regard to of age and interventions contained within the strategy that target support for young people</p> <p>It is noted that the Upstream London Industrial Strategy is in the early phases of its development and, at this stage, the scope of recommendations for cabinet members is to note the publication of the white paper and the intention to develop and cost a delivery plan. As such, and given that the EIA is an iterative process, it is acknowledged that the EIA is to be kept under review and updated accordingly at appropriate subsequent stages of its development and implementation</p>
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<b>Section 06</b>	<b>Reducing any adverse impacts and recommendations</b>
<b>Outcome of Analysis</b>	The analysis of the strategy undertaken has identified only positive and neutral and no adverse impacts on any groups that share protected characteristics and as such no changes or mitigating actions are recommended

<b>Section 07</b>	<b>Action Plan</b>
<b>Action Plan</b>	N/A

<b>Section 08</b>	<b>Agreement, publication and monitoring</b>
<b>Senior Managers' sign-off</b>	Name: Andrew Munk Position: Assistant Director – Economic Development Email: andrew.munk@lbhf.gov.uk Telephone No: 07868 745840 Considered at relevant DMT: 19 December 2024
<b>Key Decision Report (if relevant)</b>	Date of report to Cabinet/Cabinet Member: 10/02/2025 Key equalities issues have been included: <b>Yes/No</b>
<b>Equalities Advice (where involved)</b>	Name: Yvonne Okiyo Position: Strategic Lead Equity, Diversity, and Inclusion Date advice / guidance given: 17/12/2024 Email: yvonne.okiyo@lbhf.gov.uk Telephone No: 07824 836 012



**Report to:** Cabinet

**Date:** 10/02/2025

**Subject:** H&F Private Rented Sector Policy

**Report of:** Cabinet Member for Housing and Homelessness, Councillor Frances Umeh

**Report author:** Matthew Sales, Assistant Director, Programmes,  
Assurance and Analytics  
Stefan Robinson, Head of Policy and PMO  
Clancy Connolly, Policy Officer

**Responsible Director:** Sukvinder Kalsi, Executive Director of Finance and  
Corporate Services

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## SUMMARY

This report proposes the adoption of a new Private Rented Sector (PRS) policy for Hammersmith and Fulham (H&F) to ensure that private rented housing standards in the borough are among the best in London. The PRS has increased significantly in the past two decades, driven by historical national policy failures that paved the way for a reducing social housing and owner occupy housing sector. We have excellent landlords in the borough but national and local evidence shows that a significant number of PRS homes are poorly maintained and are unaffordable for local residents. Parts of the sector are also exploited by the rogue and unscrupulous behaviour of some landlords, agents and intermediaries, with families living in fear that they could lose their home with little notice or justification.

For many years, H&F has been delivering a comprehensive set of measures designed to improve the experience of private renting in our borough, through effective regulation and enforcement – led by our Private Sector Housing team. The PRS policy brings a renewed focus to how we will improve standards under four strategic priorities:

- **Priority 1: Working together with residents and private landlords** to listen to their views, raise awareness of rights and obligations and meet local housing needs.
- **Priority 2: Improving private rented quality, maintenance, and standards** so the borough has the right homes for our residents through local licensing and a national PRS register, leading in safety and a long-overdue Decent Homes Standard (DHS).
- **Priority 3: Delivering comprehensive enforcement action** that targets the poorly performing parts of the sector to safeguard the exploitation of residents.



- **Priority 4: Building a more inclusive and accessible PRS** that tackles discriminatory rental practices and delivers a more accessible and inclusive sector.

We will work to deliver against these priorities now, but what we need most urgently is significant national reforms to improve renters’ rights, security, and housing standards. We are committed to collaborating with the new government on our shared ambitions to improve oversight of the sector and bring about a more equitable and balanced housing market for all.

## RECOMMENDATIONS

1. That Cabinet adopts the Private Rented Sector Policy for H&F (Appendix 1).
2. That Cabinet notes that a delivery plan will drive forward implementation of the policy.

**Wards Affected:** All

Our Values	Summary of how this report aligns to the <a href="#">H&amp;F Corporate Plan</a> and the H&F Values
Building shared prosperity	The policy intends to deliver improved private housing standards for all residents.
Creating a compassionate and inclusive council	The policy sets out a range of measures to support residents in accessing good quality housing, and commits to help tackle rental discrimination in the sector, and listen to the needs of residents and landlords.
Doing things with residents, not to them	The policy commits to a programme of both landlord and resident engagement, and these groups have been engaged actively through the development of the policy.
Being ruthlessly financially efficient	The policy primarily identifies targeted support to renters that can be delivered within existing resources. Any additional expenditure in delivery will need to be agreed through the council’s normal budget setting process.
Taking pride in H&F	The policy sets out the importance of high-quality private rented housing in our borough to our residents.
Rising to the challenge of the climate and ecological emergency	The policy speaks directly to the importance of the PRS in helping to deliver a net zero future and the need for central government to improve national energy efficiency standards.

## Financial Impact

The Council (in common with all public sector services) continues to face significant medium term financial challenges with increasing demographic, legislative and financial pressures. There are no direct financial implications arising from this report



or the Policy. Existing resources in this area will be directed towards delivery of the commitments in the policy and any additional expenditure will need to be agreed through the Council's normal budget setting process.

*Verified by James Newman (Assistant Director of Finance), 8 November 2024)*

## **Legal Implications**

The Council's principal powers and responsibilities relating to the private rented housing sector and renters are contained in the Housing Act 2004. This Act includes an obligation on the Council to keep housing conditions under review and to take appropriate enforcement action (including both civil and criminal penalties) to maintain standards in both self-contained and shared accommodation. In addition, the Renters Rights Bill will increase the Council's powers relating to the private rented sector.

Further legal advice will be given on a case-by-case basis whenever necessary to protect the interests of the Council and residents.

*Verified by Glen Egan (Assistant Director Legal), 2 December 2024*

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## **Background Papers Used in Preparing This Report**

None.

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## **DETAILED ANALYSIS**

### **The rise of the PRS**

1. The PRS fulfils an important role in H&F providing many residents and families with housing arrangements that they want and need. The sector has grown significantly in the last two decades and is now the largest tenure and accounts for approximately 30,000 properties (almost 32%). As a result, H&F has one of the highest densities of private rented properties nationally.
2. Since the 1980s, the UK has experienced a shift in housing tenure. This has been driven by historical national policy failures from the introduction of Assured Shorthold Tenancies in 1988 and the end of Protected Tenancies; the introduction of Right to Buy in 1980 and associated under-investment by central government in new affordable housing; growth in buy-to-let mortgages during a period of low interest rates; and the significant growth in house prices which has made purchasing unaffordable for many people in London. This paved the way for a reducing social housing and owner occupy housing sector.
3. This Council is committed to increasing the number of genuinely affordable and accessible homes in the borough, with the target for 3,000 new affordable homes to be built or underway by 2026.

## Standards in the PRS

4. English Housing Survey data shows that PRS homes are more likely to fall below national housing standards, when compared to socially rented and privately owned homes<sup>1</sup>. In 2022-23, the English Housing Survey estimated that 21% of PRS homes fall short of the Decent Homes Standard (DHS), the minimum legal threshold that must be met by socially rented properties. This means there are likely to be a significant minority of PRS homes in the borough that are unsafe, cold, in a poor state of repair or with outdated kitchen or bathroom amenities. Local residents have identified this as a key concern. Of the private renters we consulted as part of developing this policy, 37% said they were unhappy with the quality of their housing.
5. Today, the PRS is the least secure of all tenures, with a complex tenancy system. Renters withhold concerns about poor and unsafe conditions because of a fear they will be evicted through no-fault Section 21 evictions, with just two months' notice.<sup>2</sup> Nationally, cases of families being evicted by bailiffs in 2023, because of no-fault evictions, rose by 40% compared to the previous year.<sup>3</sup> For this reason, more and more people are presenting as homeless and requiring temporary accommodation in the borough.
6. We are aware that the high cost of renting is the biggest concern for some PRS residents living in the borough. Recent economic instability and inflation have fuelled record rent rises across London. Rental growth on newly let properties during 2023 peaked at 17% in inner London,<sup>4</sup> with the median monthly rent for a two-bedroom flat in H&F being £2,319 – the 4<sup>th</sup> highest in London.<sup>5</sup>
7. The PRS is broadly composed of three types of renter; those renters who pay for their accommodation themselves; renters on low incomes who experience little choice and have to rely on benefits to pay their rent; and non-mainstream renters in the shadow economy. This policy is for all private renters in the borough, but with a particular focus on the latter two groups, given they can be vulnerable to some landlords, agents and intermediaries who seek to exploit and discriminate against them.

## The role of the Council

8. For several years, H&F has been delivering a comprehensive set of measures designed to improve the experience of private renting in our borough, by driving up standards through effective regulation and enforcement. At the heart of this long-standing approach has been our selective PRS Licensing schemes which cover 20% of our borough and require landlords to register their properties and offer a decent standard of housing.
9. The Council's Private Sector Housing team takes a multi-disciplinary approach to improving the PRS, working across Trading Standards, Environmental

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<sup>1</sup> English Housing Survey 2022 to 2023: housing quality and condition. Available [here](#).

<sup>2</sup> DLUHC. (February 2023). Reforming the Private Rented Sector. Available [here](#).

<sup>3</sup> Guardian. (February 2024). Renters in England face rising no-fault evictions as reform bill delayed again. Available [here](#).

<sup>4</sup> Hamptons (2024). Rental index data. Available [here](#).

<sup>5</sup> H&F BI data, August 2024.



Health, and Housing and Homelessness services to deliver a range of statutory duties and discretionary work. Measures taken by the Council to improve private renting in the borough have included:

- Launching and incentivising sign up to H&F's Landlord's Charter
  - Promotion of the London Landlords Accreditation Scheme and membership of recognised landlords' associations
  - Enforcement action taken against hazardous housing conditions and failure to comply with legal obligations, including securing the largest fine we have ever issued to a private landlord
  - Securing affordable home ownership and rental products to meet the needs of Home Buy clients
  - Dealing with landlords that are not complying with their obligations, including multiple prosecutions for breaching existing housing regulations
  - Assisting renters to obtain Rent Repayment Orders.
10. H&F has exemplary landlords (including local residents) and letting agencies that provide an important, professional, and dependable service. They are hugely valued, and the Council wants to retain and work in partnership with all landlords to achieve our ambition for H&F to be the best place to live in London where residents can thrive and fulfil their ambitions. However, H&F seeks to put on notice any rogue and unscrupulous landlords, agents, and intermediaries operating within the sector. Through this policy, we will seek to clamp down on those practices which prey upon and exploit our private renters. The Council is pleased that the sector recognises the need for improvements to ensure that private rented housing for residents is affordable, fair and secure as this will promote long term sustainability for both tenants and landlords.

### **National reforms**

11. To support our ambitions, what renters need today is a significant change in national policy to improve their rights, security, and raise standards. The new government is taking significant steps to bring about the necessary change through the Renters' Rights Bill.
12. The Council will work with the new government to introduce the reforms that residents and landlords need. This will provide clarity and security to tenancies, introduce an independent arbitration service to put the sector on an equal footing to social housing, aid regulation and compliance through a national PRS register and improve standards through the introduction of a DHS for the sector.

### **The Private Rented Sector Policy (Appendix 1)**

13. The policy has been developed because the PRS today is the most unaffordable and insecure of all housing tenures in the borough, with lower housing standards and limited recourse to challenge injustices and redress with landlords. Affordable, accessible, secure, and high-quality private rented housing is essential to ensure that the borough remains a place where people want to live, work, and thrive.

14. The policy supports delivery of the Council’s ambition within the [H&F Plan 2023-2026](#) to, “continue to work with residents to provide more affordable, accessible, safe, and sustainable housing... ensuring we have the right mix of affordable housing options that are accessible and of a high standard.” The policy sits alongside the Council’s wider strategic housing policy, including our Housing Strategy and Older and Disabled Peoples Housing Strategies<sup>6</sup>, which provides the overarching framework for delivering our housing services and improving the local housing market.
15. The policy brings a refreshed and renewed focus to make private rented housing standards among the best in London. The policy has four strategic priorities which provide a clear course of action. They are:
- **Priority 1: Working together with residents and private landlords** to listen to their views, raise awareness of rights and obligations and meet local housing needs.
  - **Priority 2: Improving private rented quality, maintenance, and standards** so the borough has the right homes for our residents through local licensing and a national PRS register, leading in safety and a long-overdue DHS.
  - **Priority 3: Delivering comprehensive enforcement action** that targets the poorly performing parts of the sector to safeguard the exploitation of residents.
  - **Priority 4: Building a more inclusive and accessible PRS** that tackles discriminatory rental practices and delivers a more accessible and inclusive sector.
16. The policy sets out a series of commitments under each of the four themes focusing on a range of approaches, including, but not limited to:
- Improved engagement between the council, landlords and private renters, led by the establishment of a new landlords forum
  - Continued commitment to our selective license scheme
  - Robust enforcement action through our licensing schemes, and exploring the case for expanding the schemes
  - Ahead of national reforms, continued promotion of London’s Landlord Accreditation, National Residential Landlord Association membership, the Property Ombudsman scheme, and our own Landlord Charter.
  - Ensuring developers commit to building better energy efficient homes
  - Robust enforcement against unscrupulous landlords
  - Bringing empty properties back into use
  - Supporting Disabled residents with grants to adapt their homes
  - Tackling rental discrimination and supporting those most at risk of homelessness.

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<sup>6</sup> H&F Housing Strategy.. Available [here](#).



17. The policy has been developed by a cross-council working group of officers, drawing on a best practice review commissioned from the New Economics Foundation. A delivery plan will monitor progress against the commitments in this policy, led by a senior officer, who will carry out a review after one year of the policy being adopted, to ensure our actions are having the desired impact.

### **Options**

18. The policy sets out clearly, the Council's aspirations and ambitions that will help to enhance the reputation of the sector in LBHF.

### **Reasons for Decision**

19. As the PRS is the largest housing tenure in the borough, made up of around 30,000 properties, the PRS policy will be significant in terms of its effects on residents in all wards of the borough. Cabinet is therefore being asked to adopt the policy as a key decision and as part of the Council's policy framework.

### **Equality Implications**

20. An Equality Impact Assessment (EIA) of the policy has been compiled and is attached in Appendix 2. This explains that the policy seeks to tackle and prohibit rental discrimination within the PRS that threatens the ability of some residents to secure accessible, secure, and safe housing. Drawing on our pioneering co-production initiatives, the policy sets out that we will work to drive out systemic discrimination and unfairness within the PRS and help people with additional support needs to ensure that the local PRS works for them. Overall, the EIA concludes that the PRS Policy is expected to have a positive impact on protected groups, with no negative impact expected based on our analysis.

### **Risk Management Implications**

21. There is a management risk that this policy is not adhered to, is not updated and that supporting processes are not maintained. It is therefore recommended that the policy is reviewed at a frequency of not less than biannually and that as applicable changes are made, approved, and communicated.

*Jules Binney, Risk and Assurance Manager, 6 December 2024*

### **Climate and Ecological Emergency Implications**

22. In 2021, Fuel Poverty statistics showed that 11.3% of households in H&F were fuel poor, having both a low income and low Energy Performance Certificate (EPC) rating, with higher concentrations in the north of the borough. Poor energy efficiency penalises fuel poor private renters, with EPC E rated properties consuming 48% more gas than those properties with an EPC C rating.<sup>7</sup>

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<sup>7</sup> Resolution Foundation (2022). *Shrinking footprints: The impacts of the net zero transition on households and consumption*. Available [here](#)

23. The policy speaks directly to the importance of the PRS in helping to deliver a net zero future. The new government has indicated that it will push for raising the Minimum Energy Efficiency Standard (MEES) up to EPC C rating as the minimum requirement for properties to be let in the long-term. The policy supports this move, whilst recognising that further work is needed to look at financial and tax instruments to assist landlords in meeting the costs of upgrading their properties. In the meantime, the policy supports the introduction of a DHS for the PRS, and for that to include standards on energy efficiency to raise standards in the sector.

*Matthew Sales, Assistant Director, 18 October 2024.*

## **Consultation**

24. H&F is a council that believes in doing things with residents, not to them. In developing this policy, we have consulted widely with PRS renters, local residents, landlords, letting agents and other stakeholders. In total, 234 people responded to our consultation survey, and 36 people participated in interviews and focus groups. In July 2024, we also consulted the Housing and Homelessness Policy Accountability Committee (PAC). We value the views and experiences gained from these engagements which have enhanced the policy.

## **LIST OF APPENDICES**

Appendix 1 – H&F Private Rented Sector Policy  
Appendix 2 – EIA Assessment



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# Improving the Private Rented Sector

## A private rented sector policy for Hammersmith and Fulham

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## **FOREWORD**

A safe, secure and affordable home is a fundamental aspiration for everyone. Whether a home is owned, rented privately or from the Council or Registered Housing Provider (or Housing Associations) we know a good, decent and safe home contributes positively to health, wellbeing, stability and society. Having somewhere to call home is a crucial foundation for everyone; providing warmth, comfort, a space to be ourselves, and a place to enjoy with our families and friends.

And yet, Britain's housing rented sector requires major reforms. The historic failures of the former government policies have led to declining rates of home ownership, increasing tenure insecurity and a significant increase in people unable to access rented homes or to own their own homes. The PRS today is the most unaffordable and insecure of all housing tenures, with lower housing standards and limited recourse to challenge injustices and redress with landlords.

What renters need today is a significant change in national policies to improve their rights, security, and raise standards. The new government is taking significant steps to bring this about through the Renters Rights Bill. We will work with the new government to introduce these much-needed reforms especially:

- increased security in tenancy agreements and an independent arbitration service
- greater regulation and compliance to standards through a national register
- fair rent levels
- introduction of a Decent Homes Standard (DHS) for the sector.

We want H&F to be the best place to live in London where residents can thrive and fulfil their ambitions. Affordable, accessible, secure and high-quality private rented housing is what residents have told us they want and need. We want to work with all landlords to achieve this. The Council is pleased that the sector recognises the need for improvements to ensure that private rented housing for residents is affordable, fair and secure as this will promote long-term sustainability for both private renters and landlords.

This policy builds on strong local collaboration and wide-ranging engagement with private renters, landlords, and other stakeholders. It describes how we will collaborate with the new government on our shared ambitions to improve oversight of the sector and bring about a more just and balanced housing market for all.

**Cllr Frances Umeh**  
**Cabinet Member for Housing and Homelessness**



## **EXECUTIVE SUMMARY**

The Private Rented Sector (PRS) in H&F has grown significantly in the last two decades and now accounts for approximately 30,000 properties. This has been driven by historical national policy failures that paved the way for a reducing social housing and owner occupy housing sector.

We have excellent landlords in the borough that provide a good service that an increasing number and diversity of residents rely on. However, national and local evidence shows parts of the sector are exploited by the rogue and unscrupulous behaviour of some landlords, agents and intermediaries. Furthermore, a significant minority of PRS homes in the borough are poorly maintained and are unaffordable for local residents, with families living in fear that they could lose their home with little notice or justification.

A safe, secure, and affordable home is essential for everyone, and we want to make housing standards among the best in London. For many years, H&F has been delivering a comprehensive set of measures designed to improve the experience of private renting in our borough, by driving up standards through effective regulation and enforcement – led by our Private Sector Housing team. Our licensing schemes are at the heart of this long-standing approach and target support to areas that need it most.

This policy brings a renewed focus to what is needed to raise standards in the PRS. We have engaged and consulted extensively with local residents and landlords to develop our four priorities for the sector, with key commitments under each:

- Priority 1: Working together with residents and private landlords
- Priority 2: Improving private rented quality, maintenance, and standards
- Priority 3: Delivering comprehensive enforcement action
- Priority 4: Building a more inclusive and accessible private rented sector.

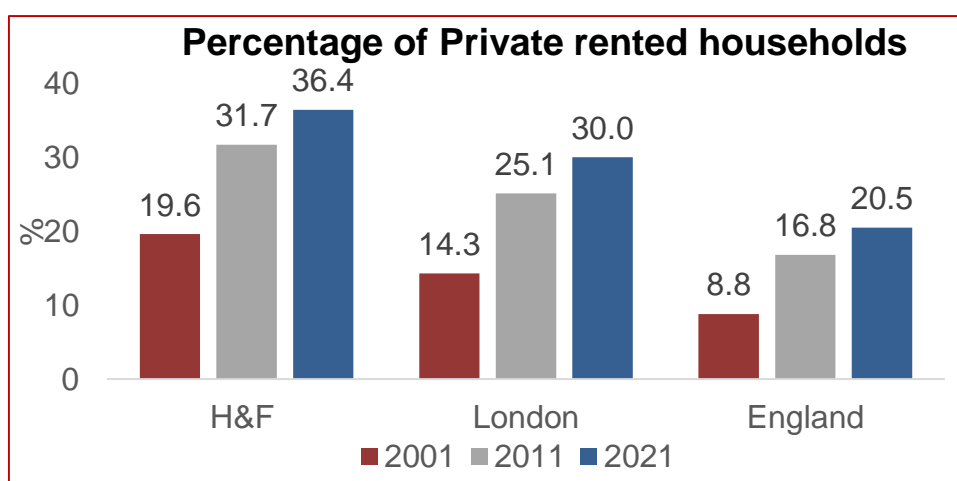
We will work to deliver against these priorities, but what we need most urgently is significant national reforms to improve renters' rights, security, and housing standards. The new government's Renters Rights Bill is exactly what the sector needs now, and the Council will work with the government to implement these reforms. We need tenancy reform that provides real security for private renters; a new independent arbitration service; a new national PRS register of all landlords and their properties; fair rents; and a new decent homes standard for the PRS.

## **WHAT THE PRIVATE RENTED SECTOR NEEDS TODAY**

### **The growth of the PRS in H&F**

The PRS in H&F has grown significantly in the last two decades and is now the largest tenure, accounting for approximately 30,000 properties. As a result, H&F has one of the highest densities of private rented properties nationally.

Over this time, the PRS has become more diverse with a wider range of residents relying on it for their housing needs. This includes; more mobile residents including those renting seeking to own their own home; those unable to access social housing and relying on benefits to pay their rent; and those that can be vulnerable to rogue and unscrupulous landlords, agents and intermediaries in the shadow economy. This policy is for all private renters in the borough, with a particular focus on the latter two groups, given they can be economically vulnerable to some landlords, agents and intermediaries who seek to discriminate against them.



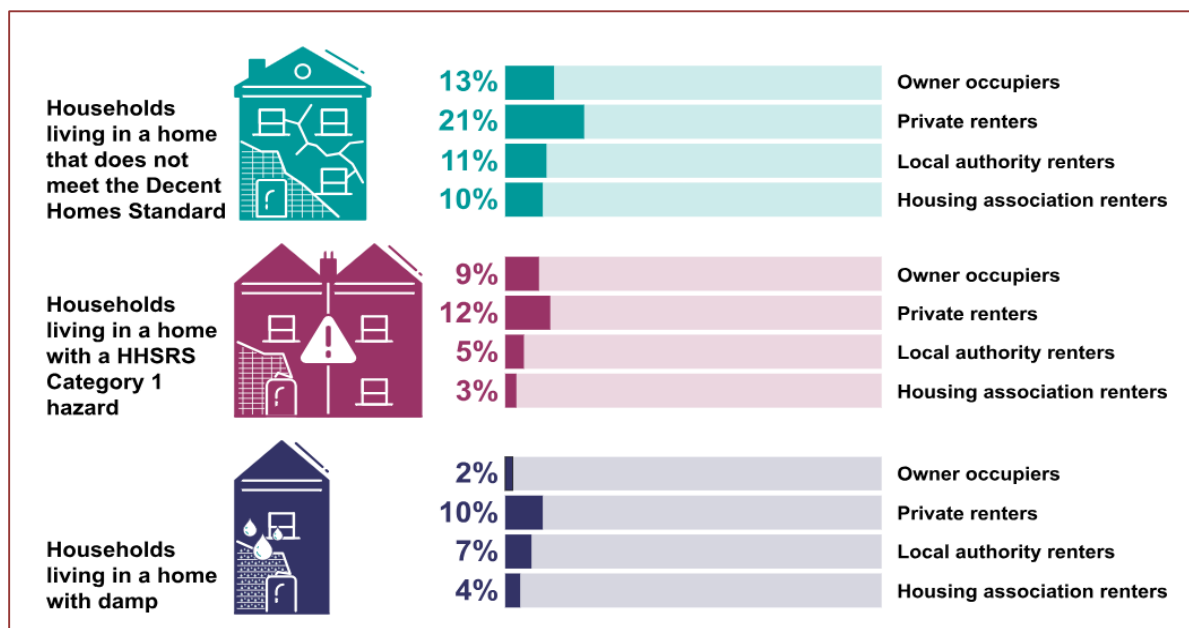
The growth in the PRS has been driven by national policies such as the introduction of Assured Shorthold Tenancies, the Right to Buy scheme, historic low levels of social housing construction and the significant uptake in low-interest buy-to-let mortgages. Increasing the supply of genuinely affordable and accessible homes was strongly supported in the consultation on this policy. This Council is committed to increasing the number of genuinely affordable and accessible homes in the borough, with the target for 3,000 new affordable homes to be built or underway by 2026.

English Housing Survey data shows that PRS homes are more likely to fall short in housing standards, when compared to socially rented and privately owned homes<sup>1</sup>. In 2022-23, the English Housing Survey estimated that 21% of PRS homes were non-decent, meaning they were unsafe, cold, in a poor state of repair or without modern facilities.<sup>2</sup>

<sup>1</sup> English Housing Survey 2022 to 2023: housing quality and condition. Available [here](https://www.gov.uk/government/statistics/english-housing-survey-2022-to-2023-housing-quality-and-condition/english-housing-survey-2022-to-2023-housing-quality-and-condition).

<sup>2</sup> English Housing Survey 2022 to 2023: housing quality and condition. Available [here](https://www.gov.uk/government/statistics/english-housing-survey-2022-to-2023-housing-quality-and-condition/english-housing-survey-2022-to-2023-housing-quality-and-condition).





This national survey suggests thousands of homes in the borough may suffer with safety hazards, poor heating or insulation, or outdated kitchen or bathroom amenities. In a 2021 survey of 99 private renters, we found that 68% were satisfied with the service provided by their landlord.<sup>3</sup> This had decreased to 49% in the 2024 consultation on this policy.<sup>4</sup> Of the private renters in our 2024 survey, 37% said they were unhappy with the quality of their housing.

This has arisen because the sector lacks sufficient regulation to enforce and drive standards, so that good landlords can demonstrate their compliance. Today, the PRS is the least secure of all tenures, with a complex tenancy system. Renters withhold concerns about poor and unsafe conditions because of a fear they will be evicted through no-fault Section 21 evictions, with just two months' notice.<sup>5</sup> Nationally, cases of families being evicted by bailiffs in 2023, because of no-fault evictions, rose by 40% compared to the previous year.<sup>6</sup> For this reason, more and more people are presenting as homeless and requiring temporary accommodation in the borough.

Many exemplary landlords and estate agencies operate within the borough. They provide an important service to private renters, and some are also residents of the borough. They are hugely valued, and we want to retain them. But some rogue and unscrupulous landlords and agencies have been known to operate in the borough. Through this policy and resultant enforcement actions, we seek to put those parties on notice and clamp down on such practices.

We also know that the high cost of renting is the biggest concern for some PRS residents living in the borough. Recent economic instability and inflation have fuelled record rent

<sup>3</sup> Appendix 5, Survey of tenants in H&F PRS. Available [here](https://democracy.lbhf.gov.uk/documents/s117609/PAC%20Report%2019%2020%20July%202021%20Private%20Sector%20Housin%20g.pdf).

<sup>4</sup> Note: Survey answers in 2021 did not include a "neither satisfied, nor dissatisfied" option.

<sup>5</sup> DLUHC. (February 2023). Reforming the Private Rented Sector. Available [here](https://committees.parliament.uk/publications/33924/documents/185831/default/).

<sup>6</sup> Guardian. (February 2024). Renters in England face rising no-fault evictions as reform bill delayed again. Available [here](https://www.theguardian.com/society/2024/feb/08/renters-in-england-face-rising-no-fault-evictions-as-reform-bill-delayed-again).

rises across London. Rental growth on newly let properties during 2023 peaked at 17% in inner London,<sup>7</sup> with the median monthly rent for a two-bedroom flat in H&F being £2,319 – the 4<sup>th</sup> highest in London.<sup>8</sup>

We also know that many renters face discrimination from the sector in multiple ways. The PRS is demonstrably more difficult to access for; Black and minority ethnic groups; foreign nationals; Disabled people; people who have children; single parents; and people in receipt of benefits. This policy will seek to challenge discrimination and discriminatory practices, and will seek to better inform and empower renters in the borough.

This policy has been developed because the PRS today is the most unaffordable and insecure of all housing tenures in the borough, with lower housing standards and limited recourse to challenge injustices and redress with landlords. The growth and diversity of the PRS warrants taking a fresh look at what's needed in H&F to work better with residents and good landlords, raise standards, ensure obligations are understood and enforced, and deliver a fairer, more inclusive and accessible PRS. This policy sets out our plan to transform the experience of private renting in the borough and to make housing standards among the best in London. To support this, what renters need today is a significant change in national policy to improve their rights, security, and raise standards, which is set out below.

## **Tenancy reform and Section 21**

Section 21 of the Housing Act must go. There is a clear consensus that the abolition of Section 21 would be a transformational reform that would give private renters greater security and confidence to exercise their rights. It is extremely encouraging to see that the new government's Renters Rights Bill seeks to abolish this and implement a single and simpler tenancy system for the PRS.

We support scrapping Assured Shorthold Tenancies (ASTs) and replacing them with open-ended periodic tenancies. This will provide renters with greater confidence, security of tenure and the basis for them to challenge bad practice without fear of retaliation. Periodic tenancies will afford flexibility to renters so that they are not trapped into agreements for significant periods, when a property is of an inadequate standard.

The new tenancies should only be ended on defined grounds, most of them involving default by the renter. It is right that responsible landlords have clear and robust grounds for possession and we support the new government's intention to expand and strengthen them, whilst ensuring rogue/ unscrupulous landlords cannot misuse grounds. Students will also benefit from open-ended tenancies, but with appropriate possession grounds for landlords to exercise if the property is required for a new group of students in line with the academic year.

We also recommend that landlords who evict private renters with a stated intention to sell their PRS property, must be held to honour that intention so that this route is not abused

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<sup>7</sup> Hamptons (2024). Rental index data. Available [here](https://www.hamptons.co.uk/research/rental-index-data/).  
<https://www.hamptons.co.uk/research/rental-index-data/>

<sup>8</sup> H&F BI data, August 2024.



to evict a standing private renter. Research by Generation Rent sheds light on a practice in which an apparent intention to sell can be used as a proxy to evict.<sup>9</sup> A 12-month embargo should be placed on re-letting such properties, to deter this practice.

### **Private Rented Sector Landlord Ombudsman**

To improve the rights of private renters and raise standards, we need an independent arbitration service for the PRS. We welcome the Renters' Rights Bill intention to introduce a PRS Landlord Ombudsman, which all private landlords in the borough will be required to join, including those who use a managing agent. Nationally the vast majority (94%) of landlords are individuals, with the majority (71%) having no current or previous membership of any professional organisation. The Affordable Housing Commission went so far as to conclude that the PRS, "was in large part made up of "amateur landlords".

The new ombudsman will put the PRS on an equal footing to the social rented sector, providing a formal route for private renters to complain about a landlords' actions or behaviours. Landlords will be required to register and comply with ombudsman decisions, and we will be able to enforce if they don't. The ombudsman will help landlords to improve their complaint handling practices and learn if fault is found. We also support landlords having access to alternative dispute resolution means, to resolve issues with their private renters.

### **Private Rented Sector landlord register**

In the UK, there is no single coherent framework for understanding what the PRS is, who lives there, and who owns these properties. Leading academics and experts agree that the sector needs a comprehensive PRS annually updated landlords register. We recommend that landlords should be legally obligated to provide details about themselves, their properties, rent levels, and adherence to a new DHS as part of the register. This should also extend to PRS managing agents who must register, pay registration fees, and comply with appropriate training and accreditation standards.

A PRS register, facilitated through a digital property portal is long overdue, as England lags behind its neighbours in implementing this vital piece of regulation. It is excellent to see that the Renters Rights Bill<sup>10</sup> speaks of such a register. The register will be 'win' 'win' for all stakeholders and will be an important step in reforming the sector and bringing greater transparency and accountability. For landlords, we learnt through the consultation undertaken on this policy that good local landlords welcome more guidance and support. The register will provide a central portal for landlords to demonstrate their compliance and access guidance relevant to their obligations. And for private renters, the register will provide them with the information they need to take informed decisions and understand their rights. We welcome the new government's commitment that a landlord will not be able to market a dwelling, or exercise most possession grounds, unless there is an active landlord entry in the register.

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<sup>9</sup> Generation Rent. (May 2022). Evictions in Scotland - what do we know? Available [here](https://www.generationrent.org/2022/05/25/evictions-in-scotland/).

<sup>10</sup> Renters Rights Bill, (2024). Available [here](https://publications.parliament.uk/pa/bills/cbill/59-01/0008/240008.pdf).

For H&F, the register will provide us with a trusted and up-to-date source of data on PRS properties in the borough not within one of our licensing schemes. It will enable a more systematic, efficient and targeted approach to non-compliance and enforcement, including against non-registration with the register, and to pursue civil penalties under the Housing and Planning Act 2016. The register will also help us understand the scale of overseas property investment in our borough, as we are seeing many properties remaining empty that could otherwise be homes for residents.

### **Prohibiting rental discrimination**

The new government's Renters Rights Bill sets a positive ambition to tackle discrimination that we know exists in the sector. The Bill identifies, in particular, support for those households who are in receipt of housing benefits, as well as those households with children, who can fall victim to discrimination.<sup>11</sup> It is unacceptable for a landlord or agent to refuse a tenancy based on a household being in receipt of benefits or having children, or based on their ethnicity, gender, sexual orientation, Disability, or any other protected characteristic. We welcome the detail set out in the Bill to tackle the various forms of discriminatory practices that exist in the PRS.

### **Fair rents and rent stabilisation**

The high cost of renting is the biggest concern for our residents, as shown through our consultation. Recent economic instability and inflation have fuelled record rent rises across London. Rents in the borough are amongst the very highest in the country. This is unsustainable, and these unprecedented rises mean the case for rent stabilisation is clear.

Internationally, much research and debate has taken place on the efficacy of interventions to manage rents, and there is a growing consensus that rent stabilisation measures within tenancies may be needed to protect private renters from unreasonable rises in heated markets. The Renters' Rights Bill proposes that, in future, landlords will be able to increase rents once per year to the market rate (the rate that would be achieved if the property was newly advertised) with two months' notice to the private renter. Private renters will be able to challenge increases beyond market rates at the First-tier Tribunal.

We believe what is needed locally for the PRS is fair rents. We welcome the simplification to a single process by which landlords can raise rents. Importantly for residents, under the Bill landlords and agents will be required to publish an asking rent for their property and it will be illegal to accept offers made above this rate. But we believe the government can go further on this issue. Where price pressures exist such as in H&F, stabilisation should be index linked to the lower of local wage growth or the Consumer Price Index (CPI), and rises should be annual, with at least four months' notice for the tenant.

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<sup>11</sup> Renters Rights Bill, (2024). Available [here](https://publications.parliament.uk/pa/bills/cbill/59-01/0008/240008.pdf).  
<https://publications.parliament.uk/pa/bills/cbill/59-01/0008/240008.pdf>



We are of the view that landlords should be legally required to submit details of the rents they charge, specifically as part of an annual submission to the National Landlord's Register. This will provide transparency for renters, landlords and government agencies to ensure that rent increases are kept in line with local wage growth or CPI. These steps are essential in regaining control of a rental market that has become prohibitively expensive for many residents, and those who would aspire to be renters in our borough.

The Tribunal will be a vital mechanism to stop unscrupulous and rogue landlords using rent increases as a backdoor to eviction. For a number of the national reforms, it will be essential that there is sufficient capacity in the court system to provide confidence to both landlords and private renters.

### **Decent Homes Standard**

A Decent Homes Standard (DHS) can no longer be overlooked for the PRS. This is essential for creating a healthier, happier, and more stable living environment for private renters. By ensuring that all rental properties meet certain standards, we can begin to eliminate substandard housing, reduce health risks, and enhance the overall quality of life for renters. Renters have a right to expect their homes to be warm, free from drafts, damp, and mould, and to be well maintained by landlords who are responsive to these issues.

We support the new government's plans to set a new DHS for the sector through the Renters' Rights Bill and to apply 'Awaab's Law' to the sector, setting clear legal expectations about the timeframes within which landlords must take action to make homes safe where they contain serious hazards and be liable to legal action and offer compensation to private renters if they fail to meet their duties.

The DHS should also include obligations on letting agents to advertise DHS properties only; that landlords and letting agents must undertake appropriate training; and that there must be obligations to provide safe domestic utilities and safety certification, and adequate internet capabilities. The new government has indicated that it will push for Energy Performance Certificate (EPC) C-rating as the minimum requirement for properties to be let in the long-term. We support this move, whilst recognising that further work is needed to look at financial and tax instruments to assist landlords in meeting the costs of upgrading their properties.

The DHS must also factor in an accessibility standard, with renters having a right to accessibility adaptations. There are nearly 10 million Disabled people living in England, nearly 20% of whom are living in the PRS. Our population is also getting older, and domestic adaptations need to be more commonplace to support independent living.

The definition of a DHS must evolve and improve to help meet our environmental ambitions, harness the benefits of emerging technologies, and provide more accessible homes for our communities. Standards should therefore be reviewed at reasonable intervals.

## **Renter's Charter and Landlord's Code of Conduct**

A new Renter's Charter should be developed, together with input from renters from all backgrounds, to provide an accessible guide that helps renters understand their rights and obligations. It should explain how issues such as rent increases and stabilisation measures, the DHS and eviction processes work. Good legislation and regulations are not enough if people are unaware of how to exercise their rights. Many residents in our consultation were unsure of where to find more information, or who to turn to in times of hardship, and this would be a valuable tool to tackle the lack of information.

The charter should also explain private renters' rights in relation to having a pet. The Renters Rights Bill seeks to support responsible pet ownership so that landlords cannot unreasonably withhold consent for renters wishing to have a pet at home. We support the new government in these progressive steps, recognising that suitable insurance cover will ensure a satisfactory arrangement in the vast majority of tenancy arrangements.

In addition to the Renters Charter, we also need a Code of Conduct for landlords, as no such mandated code currently exists. H&F introduced a [Landlord's Charter](#) in 2017, encouraging landlords to commit to best practice in managing housing standards, living rent, and security of tenancies. The purpose of a national code should be to provide an accessible guide that helps landlords to understand their rights and legal responsibilities in relation to areas such as the PRS register, possession grounds, rent increases, rules regarding pets and mechanisms for private renter redress with the landlord, specifying completion timeframes for works or repairs, and standards of customer satisfaction.



## **OUR PRIVATE SECTOR HOUSING TEAM**

For many years, we have been delivering a comprehensive set of measures designed to improve the experience of private renting in our borough, by driving up standards through effective regulation and enforcement. At the heart of this long-standing approach has been our PRS Licensing schemes, which have required some landlords to register their properties and offer a decent standard of housing. As part of the [H&F Plan 2023-2026](#), we have re-affirmed our commitment to continue to deliver targeted regulatory action, support the supply of new affordable housing, and work with residents, landlords and partners to raise housing standards.

The Council's Private Sector Housing Team takes a multi-disciplinary approach to improving the PRS, working across Trading Standards, Environmental Health, and Housing and Homelessness services to deliver a range of statutory duties and discretionary work to improve our local PRS. Their work includes inspecting private homes using the Housing Health & Safety Rating System and managing our property licensing schemes, to help reduce anti-social behaviours and encourage landlords to raise standards. The team also inspect high risk buildings (over 18 metres in height) and have other responsibilities such as dealing with minimum energy efficiency standards, empty properties, and other public health related nuisances.

Measures driven forward by our Private Sector Housing Team in recent years have included:

- Clamping down on the small number of landlords that deliver poor standards, and imposing financial penalties and prosecutions against those guilty of offences.
- Launching and incentivising sign up to H&F's Landlord's Charter.
- Promotion of the London Landlords Accreditation Scheme and membership of recognised landlord associations.
- Enforcement action taken against hazardous housing conditions and failure to comply with legal obligations, including the largest fine we have ever secured against a private landlord.
- Securing affordable home ownership and rental products to meet the needs of Home Buy clients.
- Assisting private renters to obtain Rent Repayment Orders.

Activity of this nature would be supported further, and improved, with the introduction of the PRS register. We welcome the new government's New Burdens Doctrine and commitment to fully fund the net additional costs that fall on local councils as a result of national reforms to the PRS. We look forward to learning more on this as we work closely with the new government on the reforms that the sector needs.

Our PRS Housing Team will play a pivotal role in the long-term delivery of ambitions throughout this policy, to better support local renters and good landlords.

## **OUR STRATEGIC PRIORITIES**

In developing this policy, we developed an evidence base on the PRS in the borough (see Appendix 1) and undertook a comprehensive public consultation to understand the views of local renters, landlords and letting agents. The messages were clear; high rents, low housing supply, and poor housing standards are some of the biggest challenges for private renters and the sector.

To ensure the local PRS can deliver for our residents in the long-term, we have adopted four strategic priorities based around these challenges. They are:

- Priority 1: Working together with residents and private landlords.
- Priority 2: Improving private rented quality, maintenance, and standards.
- Priority 3: Delivering comprehensive enforcement action.
- Priority 4: Building a more inclusive and accessible private rented sector.

Our unique approach responds to what residents have told us they need, but also to leading thinking and business intelligence insights, which provide the evidence we need to bring about change. These priorities must be underpinned by the national reforms set out earlier.

The commitments in this policy reflect the need to continue with existing support and enforcement action, but also expand and explore new ways to improve what we do, learning from other areas and pioneering our own ideas.

### **PRIORITY 1: WORKING TOGETHER WITH RESIDENTS AND PRIVATE LANDLORDS**

We won't achieve an improved PRS without understanding the views of private renters and landlords. Our priority is to continue to listen to and work with local people to help improve the local private rented experience. In developing this policy, we consulted with local renters, residents, landlords and letting agents through focus groups, interviews and an in-depth online survey, across 270 participants. Our consultation was key to learning more about the needs of local people, in the spirit of doing things with residents, not to them. Private renters have told us they are worried about the high cost of renting, and many feel their properties are not up to standard, with limited routes to recourse.

#### **Our Commitments**

**Renter's voice and engagement:** We will actively listen to residents to better understand what more we can do to improve our approach. We will also use our Residents Voice work to test and challenge how we do things, ensuring we hold ourselves accountable for delivering commitments. We will put private renter engagement at the heart of our strategic approach, working closer with representative groups and agencies in delivering this policy.

**Better public awareness:** We understand that the regulatory framework around private housing is complex and not every renter knows their rights. We will work with the new government and new PRS Landlord Ombudsman on our shared ambitions to improve the



sector. We need their help in introducing a national Renter's Charter and Landlord's Code of Conduct to standardise practice and improve understanding of rights and responsibilities.

Locally, we will be proactive and improve our own web-based resources and our relationships with estate agents and landlords, to ensure landlords and private renters are provided with full information about what they should expect, and what the Council can do to help. This will include providing information about changes in national legislation, the right to request an EPC, Disabled Facilities grants, and routes for redress. Advice will be available in more than 100 languages, and we will aim to have excellent customer service and build a culture of awareness about the barriers to housing that residents from protected groups, or those with additional needs, can face.

**Landlord's forum:** We will establish a new H&F Landlord's forum to work with the many good landlords in the borough, and promote high standards across the sector, ensuring that landlords are aware of their responsibilities. We will also listen to the barriers they face in providing high quality accommodation, and tackle practical barriers between H&F and landlords in discharging their duties. We will also promote and raise awareness of national reforms, such as sign up to the National Landlord Register.

We will host an annual Landlord Conference to bring together sector experts and local landlords, to share ideas, and take forward improvements in landlord practices locally, whilst offering support to landlords encountering difficult situations such as intentional non-payment of rent, as was an issue raised through our consultation.

**Tenancy sustainment:** We will work through H&F Link to sustain tenancies in the PRS to prevent homelessness. This includes brokering private rented accommodation for households faced with homelessness, as an alternative to temporary accommodation. Our Dedicated Tenancy Sustainment resource offers up to 12 weeks resettlement support for any resident placed in the PRS. This includes ensuring that universal credit payments are made swiftly, and providing Discretionary Housing Payments (DHP) in certain circumstances to cover shortfalls in rent.

We will continue to provide residents with additional support needs with transport for viewings and in some cases host accompanied viewings with social care officers. The service also acts as intermediary between private renters struggling with their rent arrears and their landlords to mitigate their situation – accessing DHPs or other funds to preserve or extend tenancies.

**Ethical debt collection:** H&F has led the way in local government since 2017 with an ethical debt collection policy. We remain committed to an ethical approach, where we maximise income collection using ethical, fair, supportive, consistent, and proportionate means; thereby helping residents to enable them to pay their Council Tax. We also offer a range of emergency support options for residents most in need.

**Delivering our statutory duties:** We are making use of powers under the Homelessness Reduction Act 2017, discharging our prevention and relief duty by helping applicants access housing in the private sector within 56 days of them coming to us with

a housing issue. In 2023/24, we helped to house 221 homeless households into safe and decent PRS properties. The service also provides a fast landlord vetting and matching service. However, the high cost of renting in H&F means we face more challenges in supporting residents to stay living locally, in part due to the previous government freezing the Local Housing Allowance from 2020 to 2024. Improved security of tenure and rent stabilisation measures will help to recalibrate these issues but we will continue to work with more local landlords to help more residents to stay in the borough.

**Rough sleeping and homelessness:** Homelessness is an ever-growing national crisis, requiring increasing levels of emergency support. We are at crisis point, with record levels of households presenting as homeless, requiring significant levels of investment in temporary accommodation. We will deliver on the commitments of our Rough Sleeping and Homelessness Strategy, ensuring there is complete support to private renters at risk of sleeping rough, and working with private landlords and Registered Providers to increase access to housing for rough sleepers.

## **PRIORITY 2: IMPROVING PRIVATE RENTED QUALITY, MAINTENANCE, AND STANDARDS**

We want the right homes for our residents; homes that are safe, affordable, and of a high standard, and meet our net-zero ambitions. A DHS for the sector is long overdue, and we have made the case for why and how that needs to be introduced. Responses in our consultation told us that the quality of properties in the PRS is a key concern. Nearly 40% of people in our survey had quality issues, including; damp and mould, poor heating, cosmetic repairs, broken fixtures such as windows and doors, and slow resolution of these issues. Some renters spoke of the need for support, and for recourse to raise concerns about these issues, without fear of reprisal.

### **Our Commitments**

**Private sector licensing:** We will continue delivering our ambitious selective and additional PRS licensing schemes. This covers 24 streets until 2027 – meaning that rented properties and the landlords who rent them are under enhanced scrutiny to ensure good housing standards.

In 2023/24, 7,863 PRS properties were covered by either selective or additional licensing schemes. This allows substantially greater powers of inspection and enforcement to ensure our residents live in safe and healthy homes. We will build our evidence and intelligence to inform whether the scheme's expansion can deliver further benefits, beyond improvements from a new national PRS register. This will help us adopt a more targeted means to detect unlicensed landlords, including expanding data-sharing and monitoring of on-line platforms advertising private rentals.

The introduction of a new national PRS register would help us to streamline our processes, enhance data accuracy and improve compliance across our schemes.

**Our local landlord's charter and accreditation:** We know that raising landlord awareness of best practice is key to raising standards, getting ahead of issues before they arise. We support the introduction of a national Landlord's Code of Conduct to better



inform landlords. In the meantime, until that code comes forward, we will continue to promote the London Landlord's Accreditation Scheme and membership of recognised landlord's associations, such as the National Residential Landlords Association. We will also continue to promote other accessible materials, such as the guidance that Citizen's Advice offers to both PRS landlords and private renters.

We will encourage and incentivise all landlords in H&F to sign up to the H&F Landlord's Charter, with discounted property licencing fees and prioritised working relations for those estate agents and landlords who sign up. We will endorse case exemplars to our many residents seeking housing within the borough.

**Increasing the supply of affordable energy efficient homes:** We know from our consultation and other research that the supply and availability of affordable homes is a key challenge for our borough. This is principally owing to supply side failures of historical national policy. However, we will continue to demand that developers build 50% genuinely affordable homes on their residential developments and apply the highest possible planning, and design standards to ensure all new major developments are as energy efficient as possible. This includes ensuring that 3,000 new energy efficient affordable homes are built, or underway, by 2026.

Delivery of our affordable homes programme will contribute to our affordable housing supply challenges, but this will not meet everyone's needs. We will continue to ensure we achieve robust nominations agreements with all registered providers of social housing. We will also explore opportunities to increase affordable housing supply in private developments, including through acquisitions and untapped arrangements with other social and PRS landlords.

**Leading in safety:** We will deliver safe housing solutions by supporting high standards in the PRS, working with the third sector to support victims of domestic violence, and where possible, minimising the number of children in bed and breakfast accommodation. Our PRS team will continue to inspect private homes using the Housing Health & Safety Rating System, inspect high risk buildings, and enforce against hazardous housing conditions.

**Greening the private rented sector:** The first objective of H&F's Fuel Poverty Strategy is to reduce energy bills for residents. We will help retrofit old and inefficient housing stock, promote take up of retrofit measures, and address installer capacity through the H&F Retrofit Strategy. We also want to support our landlords to embrace these changes and the positive effects this offers everyone and our environment.

We will enforce minimum energy efficiency standards and support landlords to go beyond this, taking steps to help private renters at risk from excess cold. We will help inform renters about their rights to ask their landlord for an EPC, and ensure landlords are aware of their obligations under the Energy Act, which requires that rented homes must achieve a minimum of an EPC E, or otherwise spend £3,500 getting closer to this target. The new government has signalled that it will set aims for PRS homes to meet a level of EPC C by 2030, which we support, backed by financial and tax instruments for landlords.

We will promote uptake of grant schemes and energy audits that encourage private renters to request home improvements.

### **PRIORITY 3: DELIVERING COMPREHENSIVE ENFORCEMENT ACTION**

We have many exemplary landlords and estate agencies in the borough. They are hugely valued, and we want to retain them. But some unscrupulous landlords, agencies and intermediaries have been known to operate in the borough and exploit residents, and swift enforcement action will be taken to drive them out.

In our consultation, renters and landlords recognised that Councils need the right funding and powers to enforce effectively. Renters often asked for effective ways to report issues to hold poor performing landlords and agents to account. We will be bold in taking tough action to clamp down on those who seek to exploit and underserve our residents.

Through our Private Sector Housing Enforcement Policy, we are delivering comprehensive enforcement measures. We have also adopted the [London Lettings Enforcement Policy](#) which sets out how we will address issues related to tenancy deposits, letting agency fees, charges and [redress schemes](#). Whilst we have issued several penalties for non-compliance, we know there is still more work to do. We will continue to work collaboratively with the [National Trading Standards Estate and Letting Agency Team](#), proactively seek additional resources that can support our residents, and require that estate and letting agents provide the essential materials our residents need to make informed decisions and know their rights.

#### **Our Commitments**

**Comprehensive enforcement action:** We will continue to enforce robustly against inadequate maintenance and poor management. We will take measures to improve protections for residents and enforce against hazardous housing conditions and compliance failures. This means using the full range of our powers including the use of civil penalties and our Housing and Planning Act powers. We will register and track complaints, recording how they are resolved. We will also track Enforcement Notices served alongside the number of Financial Penalty Notices issued, ensuring they are paid.

Research tells us that Houses of Multiple Occupation (HMOs) can sometimes attract unscrupulous landlords, agents, and intermediaries seeking to exploit renters.<sup>12</sup> Our PRS Housing team have secured convictions against unlicensed HMO landlords, issuing significant fines, and recovering legal costs. This work will continue to safeguard our residents from exploitation, put other substandard landlords on notice, and drive-up standards. In extreme cases, through our licensing schemes, we will prohibit landlords from renting out properties in our borough.

Partnership working, between Council teams and with external agencies such as the NHS, Police and the Fire Brigade will be central to our approach to enforce against antisocial behaviour, and other offences. We will also work in partnership with the Mayor

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<sup>12</sup> Cambridge House / University of York. (August 2020). Journeys in the shadow private rented sector. Available [here](https://ch1889.org/wp-content/uploads/2023/11/JourneysintheShadowPrivateRentedSector-FullReportAugust2020.pdf).  
<https://ch1889.org/wp-content/uploads/2023/11/JourneysintheShadowPrivateRentedSector-FullReportAugust2020.pdf>



of London by investigating complaints, generated through the Mayor's Reporting Line, which are referred to us.

**Delivering 'good' enforcement:** We will continue to deliver on the principles of good enforcement, carrying out enforcement action in a transparent, accountable, proportionate, and fair way, in line with our Private Sector Housing Enforcement Policy. We will actively advise and work with landlords to help them comply with the law and ensure that key policies and messages are set out on our website, and are accessible.

**Accreditation and redress:** We will take enforcement action against those landlords and letting agents who are not members of the planned PRS Landlord's Ombudsman, the property [Ombudsman](#) or the [Property Redress Scheme](#), and those who do not display their fees in accordance with the regulations or provide inaccurate information.

The Renters Rights Bill proposes the introduction of a national redress scheme in the form of an ombudsman, of which membership will be mandatory for all PRS landlords. We will then have the power to issue civil penalties and/or fines for those PRS landlords who fail to join and fail to act on the ombudsman's directions. We support government proposals to introduce civil penalties of up to £7,000 for initial breaches (if they could have reasonably been prevented), and up to £40,000 (or criminal prosecution) for repeated breaches.

**Empty Homes:** We will join up our approach across the Council to ensure that privately owned empty homes are brought back into use and use enforcement powers where owners won't engage. Where dwellings have been vacant for a long time and the owner is failing to restore it within a reasonable time, we may start statutory enforcement action. We will further explore the case for additional specialist provision for locating empty properties and bringing them back into use, and to maximise availability to our residents.

We will also review and make use of new penalty powers afforded through the Levelling Up and Regeneration Act 2023, to charge a 100% council tax penalty where properties are left empty for 12 months. We will also look at more effective strategies including the potential of enforced sale if there are arrears of council tax, and placing a charge on the property to recover costs of works in default by the owner. We would seek the new government's support as current housing laws (Empty Dwelling Management Orders, or Compulsory Purchase Orders) do not provide a practical means for dealing with empty homes.

**Short-term lets:** We will act against unlawful short-term lets being let out beyond the 90-day annual limit without applying to the Council for permission first. This area of the market needs much tighter regulation and is open to illegal practices by landlords, letting agents, and sub-letting renters. We would advocate that the new government should discourage PRS landlords from entering the short-term and holiday let market through regulation and equalising the tax treatment for all forms of private letting. The lack of data on short-term lets makes enforcement challenging, and local councils need tools to better identify these properties within their areas, with better cross-borough data sharing.

**Letting agencies:** The borough is home to many reputable agents, who provide a dependable and efficient service to residents each year. However, insufficient national regulations have fuelled a small hidden economy of biased agents who rarely face justice. National research has found agents active in illegal activity in the sector, ranging from deliberate overcrowding, paperless tenancy agreements and cash payments, through to intimidation against renters who may have little recourse to counter with.<sup>13</sup> Renters in our consultation typically were less satisfied with the performance of their letting agent than with their landlord, or the quality of the property they rent. We need to better understand the letting agent market in the borough and how we can work together to improve private renting in the borough.

#### **PRIORITY 4: BUILDING A MORE INCLUSIVE AND ACCESSIBLE PRIVATE RENTED SECTOR**

Housing is a key component of inequality in the UK, and there are long-standing inequalities with regards to ethnicity, age, sex, sexual orientation, and disability, among other protected groups. Housing has the potential to both cause, and be a tool to address, inequalities that exist in today's society.

It is promising to see that the new Renters Rights Bill is taking a strong focus on tackling discriminatory rental practices, and we will play our part locally. We will work with the new government to deliver a new DHS that delivers a more accessible and inclusive PRS.

#### **Our Commitments**

**Tackling discrimination:** There are long-standing inequalities in housing in the UK with regards to race and disability, and we are committed to making H&F the most inclusive borough in the country. We know some ethnic groups to be overrepresented in overcrowded and poorly insulated PRS homes.<sup>14</sup> Residents from overseas and Disabled residents are also likely to have more challenges in accessing accommodation in the first place.<sup>15</sup> This is something we are already addressing in our [Disabled People's Housing Strategy](#).

We will tackle discrimination in the sector that threatens the ability of some residents to secure accessible, secure, and safe housing. Drawing on the lessons from our Disabled and Older People's Resident Commissions, and our pioneering co-production initiatives, we will work to drive out discrimination and unfairness in the PRS and help people with additional support needs to ensure that the local PRS works for them. We will also seek to enforce provisions within the Renters Rights Bill to ensure children, families and people claiming benefits are not unfairly penalised when seeking to secure a home.

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<sup>13</sup> Cambridge House / University of York. (August 2020). Journeys in the shadow private rented sector. Available [here](https://ch1889.org/wp-content/uploads/2023/11/JourneysintheShadowPrivateRentedSector-FullReportAugust2020.pdf).

<sup>14</sup> Gulliver, K. (2017). Racial discrimination in UK housing has a long history and deep roots. Available [here](https://blogs.lse.ac.uk/politicsandpolicy/racial-discrimination-in-housing/).

<sup>15</sup> Grant, S., Peel, CH. (2015). "No Passport Equals No Home": An independent evaluation of the 'Right to Rent' scheme. Available [here](https://naccom.org.uk/wp-content/uploads/2019/04/No_Passport_Equals_No_Home.pdf).



We will proactively prevent discrimination by raising awareness of what constitutes discrimination – and related rights and obligations among landlords and private renters – through an information campaign and our landlord forum. Through our engagements and consultation, it's clear that renters and landlords see significant value in knowing more about tackling inequality and their legal responsibility to do this. We will support local renters so that they have somewhere to turn when they are discriminated against, particularly those who may have additional support needs, and those who are exploited or excluded for being themselves.

**Disabled facilities grants (DFGs):** Some Disabled residents face a significant challenge in accessing homes adapted to meet their needs, in an already highly competitive housing market.

Renters have a right to accessibility adaptations, and PRS standards should adhere to the UN Convention on the Rights of Persons with Disabilities. Nationally, the new DHS must adopt a social model of disability, to ensure homes are adapted to meet their needs. We will continue to offer grants to help eligible Disabled people adapt their home and live independently. We have found locally that some Disabled residents are not aware of the funding available or are dissatisfied with the process and length of time it takes. We will review how we are performing and ensure improvements are made.

**Wraparound support:** We strive to be a compassionate and inclusive Council. We will provide wraparound support to residents with additional support needs, helping to negotiate accommodation with private landlords at LHA levels so that the property is affordable to benefit-capped households. This includes offering landlords incentives to bridge the gap between the LHA rate and market rents, in addition to carrying out checks to ensure that the property meets decent standards. The previous government froze the LHA rates from 2020 to 2024, at a time of unprecedented inflation, and this has been disastrous for many families. The new government should revisit the LHA to ensure it reflects the real living costs of all residents.

**Refugees and Asylum Seekers:** Everyone deserves a safe home, including those fleeing war, persecution, and conflict. Refugees and asylum seekers are welcome in our borough. They make significant contributions to our community and economy, and we value the diversity they bring. We will continue to work with the UK Home Office to rehouse refugees and work with local landlords to achieve this.

Our PRS Housing Team has a dedicated officer working in partnership with *Clearview*, the Home Office Property Procurement Service. The team is developing a database, listing properties being used for the purpose of accommodating refugees and asylum seekers, with the aim of proactively dealing with complaints-handling and property inspections on behalf of refugees and asylum-seeking residents. Again, the new national PRS register would help provide a more holistic view across the sector.

**New housing development:** We will continue to ensure that at least 10% of all new housing in the borough meets the London Plan standards on wheelchair accessible housing, and that 90% of new homes meet the M4(2) standards, which require step free access and a range of other design features to enhance home accessibility.

## **MONITORING AND REVIEW**

Developing this policy has strengthened our local PRS evidence, but also provides a clear and comprehensive account of our aspirations to improve the quality, affordability, and security of local PRS accommodation.

A Council delivery group will monitor progress against the commitments in this policy, some of which are reliant on more government funding. This will be led by a senior officer within H&F, who will carry out a review after one year of the policy being adopted, to ensure our actions are having the desired impact.



## **Appendix 1: Strategic Evidence Base**

This appendix sets out a high-level overview of the PRS in H&F which has been used to inform this policy.

### **The growth of the private rented sector**

The PRS is now the largest single tenure in the borough, accounting for approximately 30,000 properties (36% of homes in H&F).

A range of national policy decisions have led to exponential growth of the sector. Since 1980, the UK has experienced a shift in tenure composition because of: the introduction of Assured Shorthold Tenancies in 1988 and the end of Protected Tenancies; the introduction of Right to Buy in 1980; growth in buy-to-let mortgages during a period of low interest rates; and significant growth in house prices which has made purchasing unaffordable for many people in London. These influences have contributed to a prolonged contraction in the number of socially rented homes, a reduction in home ownership, with concurrent expansion of the PRS.

Growth in the PRS, however, may be levelling off with the introduction of a further stamp duty surcharge on new purchases since 2016, increased tax burdens, and reductions in tax relief, and rising interest rates.<sup>16</sup> Indeed, many of the landlords we spoke to were concerned about these pressures making their business model unviable, leading to higher rents or exiting the market. However, the New Economics Foundation estimates that between 2021/22 and 2025/26, PRS landlords will be in receipt of over £58bn of local housing allowance and universal credit benefits payments, as there remains an insufficient supply of social housing nationally and policy announcements under the previous government.

Increasing the number of genuinely affordable and accessible homes in the borough remains a high priority of the Council's Housing Strategy, with our ambition being for 3,000 new affordable homes to be built or underway by 2026. Increasing the supply of affordable homes was strongly supported through our consultation, and we are continuing to build social rented homes through our development programme, and we will require that developers build 50% affordable homes on their residential developments.

### **Standards in the PRS**

The English Housing Survey finds that 21% of England's homes in the PRS could fall short of the DHS, the minimum legal threshold that must be met by socially rented properties. As we have discussed, PRS homes are more likely to fall short when compared to socially rented and privately owned homes.<sup>17</sup> Although London performs better than the national average, there are still likely to be thousands of homes in the borough with either safety hazards, poor heating or insulation, or outdated kitchen or bathroom amenities – issues that recent data suggests are confined principally to flats.

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<sup>16</sup> Lloyd, T., Grayston, R., and Hudson, N. (2023). *Reboot: building a housing market that works for all*.

<sup>17</sup> English Housing Survey 2022 to 2023: housing quality and condition. Available [here](https://www.gov.uk/government/statistics/21english-housing-survey-2022-to-2023-housing-quality-and-condition/21english-housing-survey-2022-to-2023-housing-quality-and-condition).

We also know from our consultation that renters will under-report issues about their rented property, due to fears of negative consequences and repercussions.

Unfortunately, there are instances of landlords who do not fulfil their obligations and fail to keep their properties in a safe and decent condition. In a 2021 survey of 99 private renters, we found that 68% were satisfied with the service provided by their landlord.<sup>18</sup> This had decreased to only 49% in our 2024 consultation.<sup>19</sup> Of the private renters in our 2024 survey, 37% said they were unhappy with the quality of their housing.

Many of those private renters cited issues pertaining to poor conditions, or their landlords responding poorly to repairs. Some were reluctant to raise these issues with their landlords, in anticipation that they could be met with reprisals, such as increased rent or eviction notices.

Research shows that Black and ethnic minority renters are disproportionately faced with barriers that prevent them from securing a home in the sector, compared to White renters. In particular, renters of colour are more likely to encounter prejudicial barriers from landlords or agents if they; have children; are single parent households; and/or are in receipt of benefits. They are also disproportionately more likely to be asked to provide high levels of rent up front.<sup>20</sup> Renters of colour are 87% more likely to have experienced illegal acts by their landlord in the last year. These pressures perpetuate a broader under-reporting of issues which could result in reprisal such as eviction, and the resultant inequitable struggle to find a new home.<sup>21</sup>

Research shows that poor relationships with landlords can lead to feelings of powerlessness, stigma, financial stress, and anxiety.<sup>22</sup> With so many of the homes in our borough in the PRS, it is vital we respond effectively and swiftly to these problems with a comprehensive plan of action. The transparency achieved through annual landlord reporting, rent stabilisation, security of tenure, and a Landlord's Code of Conduct would undoubtedly help to smooth many of these fractious issues.

London wide data shows that nearly half of PRS homes (46%) had EPC ratings of "D", which could equate to as many as 14,000 homes in H&F. In autumn 2023, the then government scrapped its plans to introduce a national standard from 2025 that would require all PRS homes to hold an EPC C rating (or above) by 2028. The new government has signalled they will pursue a 2030 target for that aforementioned national standard, and although this is a huge national challenge and undertaking by the government, we fully support that ambition.<sup>23</sup> For many properties these upgrades could require structural alterations which could realise huge benefits to living standards.

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<sup>18</sup> Appendix 5, Survey of tenants in H&F PRS. Available [here](https://democracy.lbh.gov.uk/documents/s117609/PAC%20Report%2019%2020%20July%202021%20Private%20Sector%20Housin%20g.pdf).

<sup>19</sup> Note: Survey answers in 2021 did not include a "neither satisfied, nor dissatisfied" option.

<sup>20</sup> Shelter (December 2023). Racism in the private rented sector. Available [here](https://england.shelter.org.uk/what_we_do/updates_insights_and_impact/prejudice_in_practice_racism_in_the_private_rented_sector).

<sup>21</sup> Shelter (May 2024). The Fight for Home is a Fight Against Racism. Available [here](https://england.shelter.org.uk/professional_resources/policy_and_research/policy_library/the_fight_for_home_is_a_fight_against_racism#:~:text=Everyone%20deserves%20an%20affordable%2C%20decent.a%20roof%20over%20their%20head.).

<sup>22</sup> Harris, J. (2021). Health and wellbeing in the UK PRS.

<sup>23</sup> Property118. (July 2024) | Ed Miliband: Landlords must meet EPC C targets by 2030. Available [here](https://www.property118.com/news/ed-miliband-landlords-must-meet-epc-c-targets-by-2030).



In 2021, Fuel Poverty statistics showed that 11.3% of households in H&F were fuel poor, having both a low income and low EPC rating, with higher concentrations in the north of the borough. This further penalises private renters, with EPC E rated properties consuming 48% more gas than those properties with an EPC C rating.<sup>24</sup>

Decarbonising the PRS should start with raising the Minimum Energy Efficiency Standard (MEES) up to EPC C, meaning that landlords must ascertain this rating to be legitimately able to register and let out a property.

Unlike the social sector, private rented properties are not classified in terms of accessibility. This makes it difficult for Disabled people, who need accessible properties. With a fast-moving PRS market in London, where prospective renters will out-bid for properties, there are few incentives for landlords to prioritise renters based on issues such as accessibility, where further commitments to adaptation might be required.

This can compound an issue in which Disabled people will start from a disadvantaged financial baseline. Non-Disabled workers earn approximately 17% more than Disabled workers – with Disabled women this gap increases to 35% – whilst Disabled workers are over twice as likely to be unemployed as non-disabled workers<sup>25</sup>. Where the cost of social care is incurred, households with at least one Disabled person face costs of nearly £1,000 per month<sup>26</sup> – pricing many out of the PRS.

As the population ages, domestic adaptations will become increasingly necessary. A report by the Centre for Ageing Better observes that accessibility, adaptations, and maintenance are a problem across all housing sectors. It highlights: ‘We must prepare for the reality of an ageing population... by 2041, one in four people in England will be aged 65 or over... with the number of people aged 85 and over expected to double to 3.2 million by 2041’.<sup>27</sup> The vast majority of us would prefer to remain living independently as we age, and independent living forms a key pillar in our Adult Social Care approach, which is outlined in the H&F Plan (2023-2026).

## The high cost of renting

Our consultation showed that the primary issue of concern for private renters was the high cost of renting. Around three-quarters of private renters in our survey referenced the financial strain of renting in the borough. Some of the consequences of this include the view that private renters will be forced to leave the borough to rent elsewhere, or they may stay renting accommodation that is substandard to keep an affordable rate of rent.

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[Property118 | Ed Miliband: Landlords must meet EPC C targets by 2030 - Property118](#)

<sup>24</sup> Resolution Foundation (2022). *Shrinking footprints: The impacts of the net zero transition on households and consumption*. Available [here](#)

<https://economy2030.resolutionfoundation.org/wp-content/uploads/2022/03/Shrinking-footprints.pdf>

<sup>25</sup> TUC, (November 2022). Non-disabled workers paid 17% more than disabled peers. Available [here](#).

<https://www.tuc.org.uk/news/non-disabled-workers-paid-17-more-disabled-peers-tuc>

<sup>26</sup> H&F BI data, August 2024.

<sup>27</sup>The Good Home Enquiry, (2021). Available [here](#).

<https://ageing-better.org.uk/sites/default/files/2021-09/good-homes-for-all-a-proposal.pdf>

This pressure has intensified recently with rising rents and inflation. Figures indicate rental growth on newly let properties during 2023 peaked at 17% in inner London,<sup>28</sup> with the median monthly rent for a two-bedroom flat in H&F being £2,319 – the 4<sup>th</sup> highest in London.<sup>29</sup> This equates to nearly £28,000 a year – a prohibitively high figure for many households. Without rent stabilisation measures to bring levels back into line with resident’s wages, we face an unsustainable future for most people wanting to rent a home in the borough, and across London.

According to Trust for London, private renters of one-bedroom homes in H&F spend 53% of their income on housing, well above the London average (46%).<sup>30</sup> The practicalities of moving home are also very costly to private renters. More than half a billion pounds is spent annually on PRS rental moves in England, costing the average PRS renter around £670, according to the charity Shelter.<sup>31</sup> Those costs can include paying rent and bills on two homes simultaneously.

The challenge of affordability has been further exacerbated by the freezing of Local Housing Allowance (LHA) since March 2020 – the cap used by the previous government to calculate Housing Benefit for low-income residents renting from private landlords. LHA was finally unfrozen and increased to 30<sup>th</sup> percentile of local rents from April 2024. LHA will need to remain in step with living costs going forward if it is to remain an effective method of support to renters.

An increased demand for PRS homes in the borough means that some landlords, agents and intermediaries (such as sub-letting renters, or so-called rent-to-rent organisations) are able to get away with letting poorly maintained properties. Unfortunately, this supply and demand imbalance is particularly pronounced for people living on lower incomes, potentially encouraging some landlords operating at that end of the market to capitalise where people are less likely to complain.<sup>32</sup>

## Private renters in H&F

The English Housing Survey shows that the PRS has a much greater diversity of household types than in the past. The PRS is increasingly being relied on by those who require more than mere flexibility, but also affordability, stability and security, which can be challenging in the PRS. The growing sector means that more younger households, lone parents and single-person households are exposed to a lack of secure tenure, unaffordable housing costs and, consequently, are at risk of financial distress and homelessness.<sup>33</sup> Based on 2011 data, 92% of private renters are aged under 50.<sup>34</sup>

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<sup>28</sup> Hamptons (2024). Rental index data. Available [here](https://www.hamptons.co.uk/research/rental-index-data/)  
<https://www.hamptons.co.uk/research/rental-index-data/>

<sup>29</sup> H&F BI data, August 2024.

<sup>30</sup> Trust for London, (2023). London rent as a percentage of gross pay. Available [here](https://trustforlondon.org.uk/data/rent-affordability-borough/).  
<https://trustforlondon.org.uk/data/rent-affordability-borough/>

<sup>31</sup> Shelter, (April 2024). Unwanted moves cost renters more than half a billion pounds a year. Available [here](https://england.shelter.org.uk/media/press_release/unwanted_moves_cost_renters_more_than_half_a_billion_pounds_a_year_)  
[https://england.shelter.org.uk/media/press\\_release/unwanted\\_moves\\_cost\\_renters\\_more\\_than\\_half\\_a\\_billion\\_pounds\\_a\\_year\\_](https://england.shelter.org.uk/media/press_release/unwanted_moves_cost_renters_more_than_half_a_billion_pounds_a_year_)

<sup>32</sup> Shelter, (March 2014). Can't complain. Available [here](https://england.shelter.org.uk/professional_resources/policy_and_research/policy_library/report_cant_complain).  
[https://england.shelter.org.uk/professional\\_resources/policy\\_and\\_research/policy\\_library/report\\_cant\\_complain](https://england.shelter.org.uk/professional_resources/policy_and_research/policy_library/report_cant_complain)

<sup>33</sup> Lloyd, T., Grayston, R., and Hudson, N. (2023). *Reboot: building a housing market that works for all*.

<sup>34</sup> Data Viewer - Nomis - Official Census and Labour Market Statistics. Available [here](https://www.nomisweb.co.uk/).  
<https://www.nomisweb.co.uk/>



In H&F, White groups make up the majority of private renters (73%), which is slightly above the average across all tenures in the borough, at 68%. Asian households in the borough are also overrepresented in the PRS (12%) compared to the average across all tenures in the borough (10%). Conversely, Black, Black British and other Black groups are underrepresented in the PRS, making up 4% in PRS households, compared to 12% in all households across the borough. However, it is notable that, 30% of social rented households are accounted for by Black, Black British and other Black groups, representing the biggest proportional discrepancy between these two tenure types<sup>35</sup>

We also know that some Black, Asian and minority ethnic groups are overrepresented in overcrowded and poorly insulated homes,<sup>36</sup> and that Disabled residents and residents from overseas can face more challenges in accessing accommodation.<sup>37</sup> The 2022 English Housing Survey showed that of all groups in the PRS, it is struggling families (typically low-income lone parents) that suffer most with respect to overcrowding, damp and mould and affordability challenges, with singles most at risk of homelessness.<sup>38</sup>

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<sup>35</sup> H&F BI data (Nov 2024)

<sup>36</sup> Gulliver, K. (October 2017). Racial discrimination in UK housing has a long history and deep roots. Available [here](https://blogs.lse.ac.uk/politicsandpolicy/racial-discrimination-in-housing/).  
<https://blogs.lse.ac.uk/politicsandpolicy/racial-discrimination-in-housing/>

<sup>37</sup> Grant, S., Peel, CH. (2015). *"No Passport Equals No Home": An independent evaluation of the 'Right to Rent'*

<sup>38</sup> English Housing Survey 2022 to 2023: housing quality and condition. Available [here](https://www.gov.uk/government/statistics/english-housing-survey-2022-to-2023-housing-quality-and-condition/english-housing-survey-2022-to-2023-housing-quality-and-condition).  
<https://www.gov.uk/government/statistics/english-housing-survey-2022-to-2023-housing-quality-and-condition/english-housing-survey-2022-to-2023-housing-quality-and-condition>

## Appendix 2: Equality Impact Assessment

Overall Information	Details of Full Equality Impact Analysis
Financial Year	2024/25
Name and details of policy, strategy, function, project, activity, or programme	<p>Private Rented Sector Policy</p> <p><u>Short summary:</u> The Council is seeking to adopt an ambitious Private Rented Sector (PRS) Policy for H&amp;F, which aims to make private rented housing standards in the borough the best in London. The policy sets out how we will work with private renters and landlords to create a more accessible, secure, and high quality PRS for local residents. This work contributes positively towards the ambitions of the H&amp;F Plan 2023-2026 and the Council's wider Housing Strategy, as we seek to deliver more affordable, accessible, safe, and sustainable housing options for our residents. This follows a wide-ranging public consultation that has shaped the policy.</p>
Lead Officer	<p>Name: Clancy Connolly                      Position: Policy Officer                      Email: clancy.connolly@lbhf.gov.uk</p>
Date of completion of final EIA	18 November 2024

Section 02	Scoping of Full EIA
Analyse the impact of the policy, strategy, function, project, activity, or programme	<p>Housing is a key component of inequality in the UK, and there are particularly long-standing inequalities with regards to ethnicity, age, sex, sexual orientation, and disability, among other protected groups identified in the Equalities Act 2010. Housing has the potential to both cause, and be a tool to address, inequalities that exist in today's society. This Policy contributes positively to tackling these issues. The Policy explains how we will tackle rental discrimination within the PRS that threatens the ability of some residents to secure accessible, secure, and safe housing. Drawing on the lessons from our Disabled and Older People's Resident Commissions, and our pioneering co-production initiatives, the policy sets out that we will work to drive out systemic discrimination and unfairness within the PRS and help people with additional support needs to ensure that the local PRS works for them. The Policy also seeks to tackle discrimination if faced by landlords in the borough, although this EIA focuses more so on renters, given this is a much larger group.</p>



The rising cost of private renting, growth of the sector, and comparative low quality of this tenure compared to owner and social tenures means there is inequality, as the sector has insufficient regulation, and research shows that some illegal and unethical practices happen.

English Housing Survey [data](#) (2022-23) shows that there is great diversity across the PRS, particularly compared to owner-occupied housing, with migrants from the EU and rest of the world renting in the borough. Statistics show that Black representation in the PRS (and owner occupied / mortgaged properties) is comparatively low, but accounts for a much higher percentage of social renters in the borough.<sup>1</sup>

Private renters in particular protected groups can face discrimination when renting, or when seeking to agree a tenancy agreement, from unscrupulous landlords and letting agents. Research shows that private renters disproportionately encounter discrimination and barriers to access PRS homes if they; are Black or of an ethnic minority background; are in receipt of benefits; have children; are a single-parent household; or have pets.<sup>2</sup>

The financial and socio-economic barriers to renting in the PRS are also disproportionately high. More people in London spend a relatively high amount of their income on their rents (42% of the average Londoner's income) compared to the average 26%-30% seen more broadly nationally. Renters in the PRS will have less disposable income, whilst many residents are financially precluded from renting in the PRS to begin with, which is likely to add to pressures in social housing demand and/or force people to rent elsewhere.

Other socio-economic factors preclude people from the PRS, particularly around the decision-making of landlords. The English Private Landlord [Survey](#) (2021) reveals that private landlords are more likely to let to white collar, professional workers (60%), followed by blue collar / manual workers (39%), whilst the minority will let to people in receipt of Housing Benefit or Local Housing Allowance (~18%), or people in receipt of Universal Credit (~16%), key groups that rely on the PRS. The vast majority of landlords (83%) state that they believe their tenants do not receive any benefits.<sup>3</sup>

The policy explicitly seeks to target the poorest performing sub-sectors of the PRS market, where iniquity is most likely to exist. Accordingly, this PRS policy speaks directly to an awareness of these inequalities, how we will help to tackle discrimination in the sector and make the sector more accessible and inclusive for everyone through robust enforcement, resident engagement, implementation of national reforms and ensuring the Council continues to support the supply of more affordable homes that meets residents' needs.

<sup>1</sup> English Housing Survey. Jul 2024.

<https://www.gov.uk/government/statistics/english-housing-survey-2022-to-2023-rented-sectors/english-housing-survey-2022-to-2023-rented-sectors>

<sup>2</sup> Shelter. Dec 2023.

[https://england.shelter.org.uk/what\\_we\\_do/updates\\_insights\\_and\\_impact/prejudice\\_in\\_practice\\_racism\\_in\\_the\\_private\\_rented\\_sector](https://england.shelter.org.uk/what_we_do/updates_insights_and_impact/prejudice_in_practice_racism_in_the_private_rented_sector)

<sup>3</sup> English Private Landlord Survey. Sep 2024.

<https://www.ethnicity-facts-figures.service.gov.uk/work-pay-and-benefits/benefits/state-support/latest/>

This policy, and the equality implications that surround broader housing in the borough, is supported through wider strategic work through the Council's Housing, Rough Sleeping and Homelessness, older and Disabled residents housing strategies, among others – all of which inform and are informed by our corporate priority in the H&F plan 2023-2026 of promoting fairness, equity and inclusions for all – alongside our organisational value of being a compassionate and inclusive council. A full equalities impact analysis is provided below, but in summary, the Council's PRS Policy is only expected to have a positive impact on protected groups, with no negative impact expected based on our analysis.

Protected characteristic	Analysis	Impact:
Age	<p>The proposal will have a direct positive impact on people of different ages in the borough. We expect some people of all ages may be negatively impacted by poor housing conditions in different ways, and this Policy seeks to support all residents in that respect.</p> <p>For older residents in ill-health or Disabled residents, the Council offers funding for residents to adapt private rented homes with the support of their landlord. In line with English Housing Survey data, we recognise that the sector houses many younger residents, more so than other tenures (owner occupied, mortgage, or social housing). Supporting residents of all ages in accessing safe and warm housing, with secure tenancy agreements in place, will serve to provide a more solid foundation for residents going forward.</p> <p>This policy recognises that the law will change to end Assured Shorthold tenancies, which will be replaced by periodic / rolling tenancies – and that this will affect student living in the PRS. Under the Renters Rights Bill, purpose-built student accommodation will be exempt from the scope of the bill providing they have signed up to government approved codes of practice. Student off-street properties will be within scope of the Bill and we await clarifications from government on how new tenancy agreements will fall in step with the academic year in order to remain open to new student intakes.</p>	Positive
Disability	<p>Disabled and long-term ill residents are likely to be more impacted by poor PRS housing they may be more susceptible to the impacts of cold homes if they are less mobile. Disabled residents nationally are twice as likely to live in poverty and often need more domestic energy for essential living. <a href="#">Resolution Foundation</a></p>	Positive



		<p>research highlights that around half of disabled adults are having to cut back on food, have significantly less disposable income or savings than non-disabled people, and will struggle to heat their homes.<sup>4</sup></p> <p>A separate <a href="#">report</a> by Trust for London showed that disabled and long term sick people were the demographic group most likely to be unable to afford to keep their house warm.<sup>5</sup></p> <p><a href="#">Disability groups</a> have called for more accessibility in the PRS, noting that the shortage of social housing has meant that renting privately has become the only option for many Disabled people, with 1 in 5 currently relying on the PRS. Of these PRS renters, 1 in 3 are forced to live in homes which are unsuitable.</p> <p>Disabled residents can also find it harder to secure suitable homes, in part because of discrimination that can exist, and with highly damaging repercussions. Disabled people living in unsuitable accommodation are; less likely to be in work; more likely to experience physical and mental health deterioration; more likely to be admitted to hospital as a result of falls; more likely to rely on social care and are not able to live independently.</p> <p>This Policy actively seeks to drive up home energy efficiency standards (supported by our housing development programme and Fuel Poverty Strategy) and offers to support Disabled residents with home improvements and / or adaptations through Disabled Facilities Grants.</p>	
	Gender reassignment	<p>As of the 2021 Census, 425 people in the borough identified as transgender. Research suggests that some landlords may refuse to let properties to transgender tenants based on their own personal prejudice. H&amp;F offers the facility to register complaints in these situations and the policy commits to challenge discrimination, including for transgender residents – of which the <a href="#">2021 Census</a> found there were over 330 H&amp;F residents living in the PRS, or rent-free. Discrimination within a housing context can take many forms – from landlords and estate agents refusing to rent to LGBTQ+ people, to harassment and abuse</p>	Positive

<sup>4</sup> Resolution Foundation. Jan 2023.

<https://www.resolutionfoundation.org/press-releases/44-per-cent-disability-income-gap-makes-people-with-disabilities-more-likely-to-struggle-to-heat-their-homes-and-cut-back-on-food-this-winter/>

<sup>5</sup> Trust for London. Jul 2022.

[https://trustforlondon.fra1.cdn.digitaloceanspaces.com/media/documents/Londons\\_Poverty\\_Profile\\_2022\\_report\\_150dpi33\\_copy\\_4VN0wdD.pdf](https://trustforlondon.fra1.cdn.digitaloceanspaces.com/media/documents/Londons_Poverty_Profile_2022_report_150dpi33_copy_4VN0wdD.pdf)

	<p>from neighbours. <a href="#">A 2022 study</a> found that around 1 in 5 LGBTQ+ private renters have experienced discrimination from landlords, with transgender individuals experiencing even higher levels of discrimination and risk of homelessness. <sup>6</sup></p> <p>The policy commits to prevent discrimination by raising awareness of what constitutes discrimination – and related rights and obligations among landlords and private renters – through an information campaign and our landlord forum.</p>	
Marriage and Civil Partnership	The policy supports all residents regardless of their marital status.	Neutral
Pregnancy and maternity	<p>Around 90% of single parents are women.<sup>7</sup> The British Psychological Study have warned that the recent rise in everyday living costs, which is fuelled in part by high housing costs, will have a disproportionate impact on women’s mental health, in part because of childcare responsibilities and the associated costs, and the challenges that childbirth can create for re-entering the workplace.</p> <p>In 2023, the Property Ombudsman <a href="#">ruled</a> that blanket bans on letting properties to families with children discriminates against women and are against the sector’s code of practice in England. Around 20% of parents – equating to almost 300,000 families in England – have been unable to rent somewhere they wanted in the last five years because they have children, according to Shelter.</p> <p>The UK has the highest childcare costs in Europe. The high cost of housing is a key issue and challenge for residents, and the high cost of childcare together with gender based average income inequality exacerbates affordability challenges for women.</p> <p>Our survey had over 60% of responses from women and this policy has been developed with their views in mind.</p>	Positive
Race	In H&F, ‘white’ groups make up 63% of the population, and the majority of private renters (73%), which is slightly above the average across all tenures in	Positive

<sup>6</sup> Generation Rent. Jun 2022. <https://www.generationrent.org/2022/06/28/i-didnt-feel-safe-being-my-full-self/>

<sup>7</sup> Gingerbread. Jul 2024. <https://www.gingerbread.org.uk/our-work/single-parents-facts-and-figures/>



		<p>the borough (68%). Asian households make up around 10% of the population in the borough, and are slightly overrepresented in the PRS (12%) compared to the average across all tenures in the borough (10%). Conversely, nearly 14% of the borough 's population is Black residents or residents identifying as being of any other Black background, but these groups are underrepresented in the PRS, making up just 4% of PRS households, compared to 12% in all households (predominantly social rented housing) across the borough.<sup>8</sup></p> <p>Research shows that Black and Ethnic Minority renters are disproportionately faced with barriers that prevent them from securing a home in the sector, compared to White renters. In particular, Black and Ethnic renters are more likely to encounter prejudicial barriers from landlords or agents if they; have children; are single parent households; and/or are in receipt of benefits. They are also disproportionately more likely to be asked to provide high levels of rent up front and tolerate poorer living arrangements.<sup>9</sup> We also know that some ethnic groups are overrepresented in overcrowded and poorly insulated homes.</p> <p>The Policy focusses specifically on these poorest performing sectors of the market. The policy is explicit that “We will support local renters so that they have somewhere to turn when they are discriminated against, particularly those who may have additional support needs, and those who are exploited or excluded for being themselves.” This includes those who are discriminated against based on race.</p>	
	Religion/belief (including non-belief)	The policy is explicit that “We will support local renters so that they have somewhere to turn when they are discriminated against, particularly those who may have additional support needs, and those who are exploited or excluded for being themselves.” This includes those who are discriminated against based on religion or belief.	Positive
	Sex	English Housing Survey <a href="#">data</a> finds that around 60% of private renters are male, whilst a similar percentage of social renters are women. As this document has highlighted, it is also highly likely that single parents, 90% of whom are female, will encounter discrimination and exclusion to renting in the PRS.	Positive

<sup>8</sup> Census 2021 data for H&F.

<sup>9</sup> Shelter (December 2023). Racism in the private rented sector.

[https://england.shelter.org.uk/what\\_we\\_do/updates\\_insights\\_and\\_impact/prejudice\\_in\\_practice\\_racism\\_in\\_the\\_private\\_rented\\_sector](https://england.shelter.org.uk/what_we_do/updates_insights_and_impact/prejudice_in_practice_racism_in_the_private_rented_sector)

	Our survey had over 60% of responses from women and this policy has been developed accordingly. The policy supports all residents regardless of sex, and is committed to tackling discrimination in this respect.	
Sexual Orientation	The policy supports all residents, regardless of their sexual orientation. We know that LGBTQ+ people are disproportionately likely to face disadvantage in seeking appropriate housing, which in turn can impact their wellbeing. The policy is explicit that “We will support local renters so that they have somewhere to turn when they are discriminated against, particularly those who may have additional support needs, and those who are exploited or excluded for being themselves.” This includes those who are discriminated against based on religion or sexual orientation.	Positive
Care leavers	<p>The policy supports all residents including care leavers and is committed to tackling any discrimination this group faces in accessing PRS homes as part of living independently.</p> <p>In June 2023, Cabinet agreed that 'care experienced' be recognised as a protected characteristic in H&amp;F. By agreeing to include care experience as a protective characteristic, H&amp;F pledges to support those residents into housing, until the age of 25. We are committed that future services and policies made and adopted by the council will be assessed through equality impact assessments to determine the impact of changes on people with care experience.</p> <p>H&amp;F commits, through our housing <a href="#">charter</a> for care experienced young people, to work with suitable private landlords to support care experienced renters in accessing suitable and affordable PRS tenancies, pledging to provide the deposit and first month's rent, and act as a guarantor where necessary.</p> <p>Our charter also pledges to support renters to understand their rights and landlord responsibilities, whilst dealing with complaints promptly and fairly – escalating any issues where appropriate.</p>	Neutral

#### Human Rights or Children's Rights

Will it affect Human Rights, as defined by the Human Rights Act 1998? No

Will it affect Children's Rights, as defined by the UNCRC (1992)? No



<b>Section 03</b>	<b>Analysis of relevant data</b> Examples of data can range from census data to customer satisfaction surveys. Data should involve specialist data and information and where possible, be disaggregated by different equality strands.
<b>Documents and data reviewed</b>	<p>Key data sets and reported figures considered are:</p> <ul style="list-style-type: none"> <li>• Census 2021, Office for National Statistics.</li> <li>• Gulliver, K. (2017). Racial discrimination in UK housing has a long history and deep roots.</li> <li>• Grant, S., Peel, CH. (2015). “No Passport Equals No Home”: An independent evaluation of the ‘Right to Rent’ scheme.</li> <li>• Single parents: facts and figures, Gingerbread <a href="https://www.gingerbread.org.uk/">https://www.gingerbread.org.uk/</a></li> <li>• UK inflation rate is substantially higher for women’, New Statesman, August 2022. <a href="https://www.newstatesman.com/business/economics/2022/08/uk-inflation-rate-higher-for-women">https://www.newstatesman.com/business/economics/2022/08/uk-inflation-rate-higher-for-women</a></li> <li>• Back on target, <i>Resolution Foundation</i>, May 2022, <a href="https://www.resolutionfoundation.org/publications/back-on-target/">https://www.resolutionfoundation.org/publications/back-on-target/</a></li> <li>• Falling faster amidst a cost-of-living crisis: Poverty, Inequality and Ethnicity in the UK’, <i>Runnymede Trust</i>, October 2022. <a href="https://www.runnymedetrust.org/wp-content/uploads/2022/10/633d8007a3bfa49bd4cd0fa8_Runnymede_Briefing_Cost_of_Living_FINAL.pdf">633d8007a3bfa49bd4cd0fa8 Runnymede Briefing Cost of Living FINAL.pdf</a></li> <li>• From Disability to Destitution’, <i>Joseph Rowntree Foundation</i>, July 2022. <a href="https://www.jrf.org.uk/deep-poverty-and-destitution/from-disability-to-destitution">https://www.jrf.org.uk/deep-poverty-and-destitution/from-disability-to-destitution</a></li> <li>• English Housing Survey, 2021-22. <a href="https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/107422/English_Housing_Survey_2021_to_2022_private_rented_sector.pdf">English Housing Survey 2021 to 2022: private rented sector - GOV.UK</a></li> <li>• English Housing Survey, 2022-23. <a href="https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/111422/English_Housing_Survey_2022_to_2023_rented_sectors.pdf">English Housing Survey 2022 to 2023: rented sectors - GOV.UK</a></li> <li>• English Private Landlord Survey, 2021. <a href="https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/107422/English_Private_Landlord_Survey_2021_main_report.pdf">English Private Landlord Survey 2021: main report - GOV.UK</a></li> <li>• Family Resources Survey, 2022. <a href="https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/111422/State_support_ethnicity_facts_and_figures.pdf">State support - GOV.UK Ethnicity facts and figures</a></li> <li>• H&amp;F Housing charter for care experienced young people. <a href="https://www.hammersmithandfulham.gov.uk/housing-charter-for-care-experienced-young-people">Housing charter for care experienced young people   London Borough of Hammersmith &amp; Fulham</a></li> <li>• Disability Rights UK. Disability Groups Call for More Accessible Housing for Private Renters, 2024. <a href="https://www.disabilityrightsuk.org/news/disability-groups-call-for-more-accessible-housing-for-private-renters">Disability Groups Call for More Accessible Housing for Private Renters   Disability Rights UK</a></li> <li>• ‘I don’t feel safe being my full self’, Generation Rent, 2022. <a href="https://www.generationrent.com/blog/i-didnt-feel-safe-being-my-full-self/">"I didn't feel safe being my full self" - Generation Rent</a></li> </ul>
<b>Section 04</b>	<b>Consultation</b>
<b>Consultation</b>	A separate consultation summary has been developed

<b>Analysis of consultation outcomes</b>	In our survey, there were approximately twice as many men who were landlords compared to women. Conversely, there were twice as many women who identified as private renters. Whilst the sample size was not statistically significant, it raises the importance of having a gender balance in future engagement activities, such as through the landlords forum proposed in the policy.
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<b>Section 05</b>	<b>Action Plan</b>
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<b>Action Plan</b>	Note: You will only need to use this section if you have identified actions as a result of your analysis			
	Action to be taken	When	Lead officer and department	Expected outcome
	To monitor on an ongoing basis which protected groups are accessing funding, to ensure they are fairly represented in the support we offer.	Over the course of the policy's delivery	Assistant Director, Housing Standards	Better and more equal representation of the views of residents and landlords.

<b>Section 08</b>	<b>Agreement, publication and monitoring</b>
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<b>Senior Managers' sign-off</b>	Name: Matthew Sales Position: Assistant Director Email: <a href="mailto:matthew.sales@lbhf.gov.uk">matthew.sales@lbhf.gov.uk</a> Telephone No: 07776 672963
<b>Key Decision Report (if relevant)</b>	Date of report to Cabinet Member: 20 November 2024 Key equalities issues have been included: Yes



## London Borough Of Hammersmith & Fulham

**Report to:** Cabinet

**Date:** 10/02/2025

**Subject:** Revenue Budget and Council Tax Levels 2025/26

**Report of:** Cabinet Member for Finance and Reform, Councillor Rowan Ree

**Report Author:** Elizabeth Nash, Principal Accountant (Revenue Planning)  
Andre Mark, Head of Finance (Strategic Planning and investment)

**Responsible Director:** Sukvinder Kalsi, Executive Director of Finance and Corporate Services

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### SUMMARY

This report sets out the Council's Revenue Budget for 2025/26 (including the key assumptions, details of new additional investment proposals and the efficiencies that are expected to be delivered by services). The report also provides an update on the Council's Medium Term Financial Strategy (MTFS) including the impact of the Local Government Finance Settlement (LGFS) and the adequacy of the balances and reserves to ensure that the Council can maintain long term sustainability and maintain the strong financial governance of the resources.

Nationally, the strategic operating environment for public services (including local government) has been challenging over the past decade with continuing demographic, legislative and regulatory demands. Combined with the recent macro-economic turmoil, and fluctuations in interest and inflation rates, this has resulted in considerable financial pressures.

The Autumn Budget combined with other central government communications on the local government finance settlement suggest that it is likely that there will be more collaborative and partnership working in the future combined with reforms to the existing funding frameworks for local authorities. The Council will work with national government on this reform programme.

The Council welcomes new resources for Extended Producer Responsibility (for waste collection and disposal costs), additional resources for Social Care, Children Services, Homelessness, and funding for the extra national insurance levies, in addition to an extension of Household Support Fund (Round 7).

The overall objectives of the revenue budget proposals for 2025/26 are intended to:

- continue to protect the delivery of core services valued by residents, businesses and visitors
- ensure the safety of our borough
- support prosperity across Hammersmith and Fulham
- promote an exceptional, innovative and efficient Council
- maintain strong financial governance and resilience across the Council and

- preserve one of the lowest Council Tax rates in the country.

A balanced budget for 2025/26 is proposed (whilst protecting our reserves and in year contingencies) including £5.1m of efficiencies, plus additional investment of £12.3m across many services and will allow the continued delivery of the best services to our residents, businesses and visitors. This builds on the administration's record of prudential financial management, running a budget surplus in the last full financial year (2023/24) and increasing reserves at a time when many other councils are utilising them to balance the books.

The key investment proposals of £12.3m for 2025/26 include:

- £3.4m for community safety and social inclusion through permanent funding for our Law Enforcement Team and Gangs Unit, including additional investment to tackle Violence against Women and Girls.
- £2.8m for Adult Social Care (primarily residential and nursing care in addition to existing free home care services).
- £2.2m for Children Services (including family hubs, travel support, looked after children and supporting school attendance).
- £1.8m for Waste Collection and Disposal Services (extra packaging waste, contractual costs on pensions, fuel, and addressing cost pressures).
- £1.2m for Homelessness (in addition to a further £3.5m from the Homelessness Prevention Grant and inflationary uplifts).
- £0.3m to support the continued delivery of the Upstream Strategy (this will promote the long-term economic growth and prosperity of the Borough).
- £0.6m across a range of services to including our Climate Team, Sports Facilities, Insurance Services and enhancing protection against fraud through digital inclusion.

The proposed increase of Council Tax by 2.99% and the additional social care precept (which equates to a total increase of 88p per week) will generate an additional £4m (or 2% of the council's net budget) per annum to fund Council services. This is essential funding for the Council to ensure continuing financial resilience, protect its funding position over the medium term, meet the challenges posed by increasing demand and inflation, whilst balancing the impact on local council taxpayers.

Council Tax in Hammersmith & Fulham remains the third lowest in the country. Since coming to power in 2014, this administration has cut or frozen council tax five times in ten years. But who pays council tax is just as important as how much they pay, which is why we are rightly proud to have one of the most comprehensive Council Tax Support Schemes in the country. Almost four in ten households receive some sort of discount, with those least able to pay paying nothing at all, and the administration choosing to exclude care leavers and foster carers entirely.

The MTFs (Appendix B) suggests that service pressures are likely to continue in Adult Social Care, Children Services and Homelessness (this is consistent with other London Councils). Other factors that are considered include the macro-economic projections and future central government financial settlements. The Council has a good track record in presenting balanced annual budgets and managing its resources (as recognised in the external auditors Annual Audit Report for 2023/24). Our strategy to ensure the continued strong medium term financial governance of the Council will include our service transformation programmes combined with a continuing our



balanced strategy of utilising external service providers to deliver services, maximising income (through fees, charges and developer contributions) and ongoing review of our policy priorities and statutory service obligations.

The report also includes equality impact assessments of those change proposals, alongside an assessment of the robustness of the budget estimates and an assessment of the council's compliance with the CIPFA (Chartered Institute of Public Accountancy) Financial Management Code.

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## RECOMMENDATIONS

That Cabinet is recommended to consider this report, and make the following recommendations to Full Council for approval, for the reasons set out in this report and appendices:

1. To approve a balanced budget for 2025/26 as set out in the report, including the underlying principles and assumptions.
2. To approve **£12.3m** of new investment on key services for residents.
3. To increase the Hammersmith & Fulham element of Council Tax by 2.99% as modelled by the Government in its spending power calculations for local government.
4. To apply the Adult Social Care precept levy of 2% as modelled by the Government in its spending power calculations for local government.
5. To approve fees and charges, as set out in Appendix E, including freezing charges in adult social care, children's services, and General Fund housing.
6. To approve the Medium-Term Financial Strategy and to note the proposed funding reforms from 2026/27 onwards and budget projections to 2028/29 made by the Executive Director of Finance and Corporate Services in consultation with the Strategic Leadership Team. (Appendix B)
7. To note the statement of the Executive Director of Finance and Corporate Services, under Section 25 of the Local Government Act 2003, regarding the adequacy of reserves and robustness of estimates (paragraph 66).
8. To approve the reserves strategy and forecast as set out in Appendix H.
9. To require all Directors to report on their projected financial position compared to their revenue estimates in accordance with the Corporate Revenue Monitoring Report timetable.
10. To authorise Directors to implement their service spending plans for 2025/26 in accordance with the recommendations within this report, the council's Standing Orders, Financial Regulations, relevant Schemes of Delegation and undertake any further consultation required regarding the Equalities Impact Assessment.

11. Set the council's element of Council Tax for 2025/26 for each category of dwelling, as outlined in the table below and in full in Appendix A and calculated in accordance with Sections 31A to 49B of the Localism Act 2011.

<b>Category of Dwelling</b>	<b>A</b>	<b>B</b>	<b>C</b>	<b>D</b>	<b>E</b>	<b>F</b>	<b>G</b>	<b>H</b>
Ratio	6/9	7/9	8/9	1	11/9	13/9	15/9	18/9
H&F (£)	640.69	747.47	854.25	961.04	1,174.60	1,388.16	1,601.73	1,922.08

12. To note, based on the Mayor of London's draft consolidated budget, the element of Council Tax to be charged by the Greater London Authority in accordance with Section 40 of the Local Government Finance Act 1992 for each of the categories of dwellings as shown in the table below.

<b>Category of Dwelling</b>	<b>A</b>	<b>B</b>	<b>C</b>	<b>D</b>	<b>E</b>	<b>F</b>	<b>G</b>	<b>H</b>
Ratio	6/9	7/9	8/9	1	11/9	13/9	15/9	18/9
b) GLA (£)	326.92	381.41	435.89	490.38	599.35	708.33	817.30	980.76

13. That the overall Council Tax to be set at £1,451.42 per Band D property as follows:

<b>Category of Dwelling</b>	<b>A</b>	<b>B</b>	<b>C</b>	<b>D</b>	<b>E</b>	<b>F</b>	<b>G</b>	<b>H</b>
Ratio	6/9	7/9	8/9	1	11/9	13/9	15/9	18/9
a) H&F (£)	640.69	747.47	854.25	961.04	1,174.60	1,388.16	1,601.73	1,922.08
b) GLA (£)	326.92	381.41	435.89	490.38	599.35	708.33	817.30	980.76
c) Total (£)	967.61	1,128.88	1,290.14	1,451.42	1,773.95	2,096.49	2,419.03	2,902.84

14. To authorise the Executive Director of Finance and Corporate Services to collect and recover National Non-Domestic Rate and Council Tax in accordance with the Local Government Finance Act 1988 (as amended), the Local Government Finance Act 1992 and the Council's Scheme of Delegation.

15. To note the Council's estimated position on the Collection Fund (as set out in paragraph 60).



16. To note the performance on the management of arrears across the Council on all debts due (as set out from paragraph 71).

**Wards Affected:** All

<b>H&amp;F values</b>	<b>Summary of how this report aligns to the H&amp;F Priorities</b>
Being ruthlessly financially efficient	The council has a proud record of maintaining low Council Tax to its residents. The revenue budget for 2025/26 proposes savings and efficiencies across services and corporate functions that rationalise its estate and reduce its operating costs, whilst also delivering value for money from external contractors.
Creating a compassionate council	The proposals in the revenue budget for 25/26 supports the ongoing investment in services that directly support residents in living, healthy and independent lives. This includes continuing to provide free homecare for older residents, continuing to provide comprehensive Council Tax support to those eligible and increasing investment to tackle homelessness and rough sleeping.
Building shared prosperity	The budget proposals support the launch of the next phase of the industrial strategy (Upstream London) which sets a clear strategy to grow a localised economic ecosystem, with a focus on the sectors that are set to grow and that are deemed right for the local area.
Doing things with residents, not to them	The budget for 25/26 will continue investment in our Family Hubs, ensuring that every child, young person, and family is able to access the right support at the right time. The Hubs will also be developed by collaborating with children and young people and their families, family groups, the local third sector, the NHS and the council's children's services in genuine partnership.
Taking pride in H&F	The council's revenue budget will invest over £50m in public realm services. These services will provide access to safe clean, green spaces for all to enjoy, visit and live in. It will deliver improvements to highways, whilst continuing to invest in the Law Enforcement Team and regulatory services to crack down on anti-social behaviour and rogue traders.

H&F values	Summary of how this report aligns to the H&F Priorities
Rising to the challenge of the climate and ecological emergency	The council has an ambitious target to become a net zero borough. To help achieve this, the budget will support work to increase engagement and investment in green energy and technologies, increase investment in its waste services, continue to keep our streets and parks clean, and take a tough stance against anyone dropping litter, creating graffiti, or dumping rubbish.

## Financial Impact

This report is wholly financial in nature and those implications are contained within.

*Verified by James Newman, Assistant Director of Finance, 6 January 2025*

## Legal Implications

The council is obliged to set the Council Tax and a balanced budget for the forthcoming financial year in accordance with the provisions set out in the body of the report.

In addition to the statutory provisions the council must also comply with general public law requirements and, in particular, it must take into account all relevant matters, ignore irrelevant matters and act reasonably and for the public good when setting the Council Tax and budget. The council should be satisfied that the proposals put forward are a reasonably prudent use of resources in both the short and long term and that the interests of Council Taxpayers and ratepayers on the one hand and the users of council services on the other are both considered. The recommendations contained in the report have been prepared in line with these requirements.

Section 30 of the Local Government Finance Act 1992 provides that no amount of Council Tax may be set before the earlier of the following— (a) 1<sup>st</sup> March in the financial year preceding that for which the amount is set; (b) the date of the issue to the authority of the last precept capable of being issued to it (otherwise than by way of substitute) by a major precepting authority for the financial year for which the amount is set. The GLA precept is due to be agreed at its meeting of 23 February 2023 in advance of the Hammersmith & Fulham Council Tax setting meeting.

Section 25 of the Local Government Act 2003 requires the Strategic Director of Finance to report on the robustness of the estimates made for the purposes of budget calculations and the adequacy of the proposed financial reserves. The council must take these matters into account when making decisions about the budget calculations.

A public authority must, in the exercise of its functions, comply with the requirements of the Equality Act 2010 and in particular section 149, the Public Sector Equality Duty (“PSED”). Members need to consider this duty in relation to the present proposals. In addition, where specific budget proposals have a potential equalities impact these are



considered and assessed by the relevant service as part of the final decision-making and implementation processes and changes made where appropriate.

The protected characteristics to which the PSED applies are age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race/ ethnic/ national origin, sexual orientation, religion or belief and sex.

The PSED provides (so far as relevant) as follows:

*(1) a public authority must, in the exercise of its functions, have due regard to the need to:*

*(a) eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under this Act;*

*(b) advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it;*

*I foster good relations between persons who share a relevant protected characteristic and persons who do not share it.*

*(3) Having due regard to the need to advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it involves having due regard, in particular, to the need to:*

*(a) remove or minimise disadvantages suffered by persons who share a relevant protected characteristic that are connected to that characteristic.*

*(b) take steps to meet the needs of persons who share a relevant protected characteristic that are different from the needs of persons who do not share it (c) encourage persons who share a relevant protected characteristic to participate in public life or in any other activity in which participation by such persons is disproportionately low.*

*(4) The steps involved in meeting the needs of disabled persons that are different from the needs of persons who are not disabled include, in particular, steps to take account of disabled persons' disabilities.*

*(5) Having due regard to the need to foster good relations between persons who share a relevant protected characteristic and persons who do not share it involves having due regard, in particular, to the need to —*

*(a) tackle prejudice, and*

*(b) promote understanding.*

*(6) Compliance with the duties in this section may involve treating some persons more favourably than others; but that is not to be taken as permitting conduct that would otherwise be prohibited by or under this Act.*

Case law has established the following principles relevant to compliance with the PSED which the council will need to consider:

(106) (i) The PSED is an integral and important part of the mechanisms for ensuring the fulfilment of the aims of anti-discrimination legislation.

(ii) The duty to have "due regard" to the various identified "needs" in the relevant sections does not impose a duty to achieve results. It is a duty to have "due regard" to the "need" to achieve the identified goals.

(iii) Due regard is regard that is appropriate in all the circumstances, including the importance of the area of life of people affected by the decision and such countervailing factors as are relevant to the function that the decision-maker is performing.

(iv) Although the weight to be given to equality issues and countervailing factors is for the decision-maker, it is for the Court to determine whether "due regard" has been given. This will include the court assessing for itself whether in the circumstances appropriate weight has been given by the authority to those "needs" and not simply deciding whether the authority's decision is a rational or reasonable one.

(v) The duty to have "due regard" to disability equality is particularly important where the decision will have a direct impact on disabled people. The same goes for other protected groups where they will be particularly and directly affected by a decision.

(vi) The PSED does not impose a duty on public authorities to carry out a formal equalities impact assessment in all cases when carrying out their functions, but where a significant part of the lives of any protected group will be directly affected by a decision, a formal Equalities Impact Assessment ("EIA") is likely to be required by the courts as part of the duty to have 'due regard'.

(vii) The duty to have 'due regard' involves considering not only whether taking the particular decision would unlawfully discriminate against particular protected groups, but also whether the decision itself will be compatible with the equality duty, i.e. whether it will eliminate discrimination, promote equality of opportunity and foster good relations. Consideration must also be given to whether, if the decision is made to go ahead, it will be possible to mitigate any adverse impact on any particular protected group, or to take steps to promote equality of opportunity by, for e.g., treating a particular affected group more favourably.

(viii) The duty is non-delegable and must be fulfilled by the council and Members personally.

(ix) The Council must ensure that it is properly informed before taking a decision.

(x) Council officials must be rigorous in both enquiring and reporting to the council on equalities issues to assist council and Members to fulfil that duty.

(xi) The duty must be exercised in substance, with rigour, and with an open mind. It is not a question of "ticking boxes".

(xii) The duty is a continuing one and equalities issues must be kept under review.

All these matters have been, or will be, considered by service departments as part of the final decision-making and implementation processes, but must also be considered by the council when taking its decision.

To assist the council in fulfilling its PSED, an EIA in respect of the proposed overall budget is attached to this report at Appendix F. This Appendix includes a screening of all budget measures undertaken to ensure that the equality duty has been considered where appropriate. These will need to be carefully read and taken into account by the council, together with the requirements of the PSED itself set out above, in reaching a decision on the recommendations in this report.

Section 106 of the Local Government Finance Act 1992, applies to Members where:

- they are present at a meeting of the Council, the Cabinet or a Committee and at the time of the meeting an amount of Council Tax is payable by them and has remained unpaid for at least two months; and



- any budget or Council Tax calculation, or recommendation or decision which might affect the making of any such calculation, is the subject of consideration at the meeting.

In these circumstances, any such Members shall at the meeting and as soon as practicable after its commencement disclose the fact that Section 106 applies to them and shall not vote on any question concerning the matter. Such Members are not debarred from speaking. Failure to comply with these requirements constitutes a criminal offence, unless any such Members can prove they did not know that Section 106 applied to them at the time of the meeting or that the matter in question was the subject of consideration at the meeting.

*Verified by Glen Egan, Assistant Director Legal, 7 January 2025.*

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**Background Papers Used in Preparing This Report – none.**

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## **CABINET MEMBER FOR FINANCE AND REFORM FOREWORD**

This is a budget that funds the fight against crime and anti-social behaviour in Hammersmith & Fulham. It allocates record funding to prevention efforts through our unique Law Enforcement Team, our innovative Gangs Unit, and new investment to stop violence against women and girls. It does so whilst also tackling the causes of crime, with new resources allocated to stop truancy from our schools and educate residents of the growing risk of fraud.

Since 2010, centrally imposed reductions in numbers of police and police stations have made it harder for neighbourhood policing to combat crime in our communities. Residents are increasingly contacting the council for help, and while the council has no control over the police or police numbers, we see it as our duty to act to keep our streets safe.

Concern about crime is by far the most common issue that my residents in Coningham ward contact me about, in my role as a councillor. Across the borough, residents are frustrated that despite regularly reporting crimes committed in their communities, they do not see action taken to address them.

The local police work extremely hard, but resource constraints mean that they often are not able to work as effectively as they would like. The numbers of police officers allocated to wards has reduced in the last decade and a half, and in recent years my own Safer Neighbourhood Team has, at times, just had one officer. This makes it impossible to provide a visible presence across the ward to reassure the public.

Since 2010, centrally imposed reductions in numbers of police and police stations have made it harder for neighbourhood policing to combat crime in our communities. Residents are increasingly contacting the council for help, and while the council has no control over the police or police numbers, we see it as our duty to act to keep our streets safe.

Cuts to police number and police stations in the borough since 2010 have undoubtedly had a major impact on residents' perception of crime. Although crime prevention is the responsibility of the police, rather than the council, this administration sees it as its duty to act when we can to keep residents safe. We will do what we can to support them in this, the most important part of any area of government.

This is why we established the Law Enforcement Team, a unique service among councils in the UK, which provides a visible presence on our streets to tackle anti-social behaviour. This is why we established the innovative Gangs Unit, which works with the police to keep young people out of a life of organised crime. This is why we have funded more CCTV cameras per person, than any other local authority in the country as part of our capital budget. This is why we were the first council in the country to establish a borough wide Public Spaces Protection Order to prevent street harassment of women and girls in the area.

This work is now more important than ever, which is why this budget funds the fight against crime here in Hammersmith & Fulham. This is a budget which, to borrow a phrase, is tough on crime, but tough on the causes of crime too.

It does so with new resources allocated to stop truancy from our schools and educate residents of the growing risk of fraud.

In this budget we have chosen to:

- Secure the funding of the Law Enforcement Team, moving this to the base budget so that it is protected against fluctuations in the economic cycle and residents can be reassured that it will be there when they need it.
- Fully fund the innovative Gangs Unit, which has so successfully choked off organised crime at its roots in recent years.
- Invest new resources in the prevention of violence against women and girls here in our borough.
- Allocated additional funding to a school attendance strategy, which will keep young people in education and reduce the risk of the falling into a life of crime or committing anti-social behaviour; and
- Ensuring that residents have the digital skills and awareness to avoid fraud, the fastest growing crime in the country.

Public safety cannot be done on the cheap. This budget is vital to keep our streets safe and to protect the residents of Hammersmith & Fulham. Criminals across the borough will desperately hope that this is not passed, but the message should go out from this council that their days of terrorising residents are numbered, and that we are coming for them.

The objectives of the General Fund revenue budget proposals for 2025/26 as set out in the report are to:

- continue to protect the delivery of core services valued by residents, businesses, and visitors.
- ensure the safety of our borough.
- support prosperity across Hammersmith & Fulham.
- promote an exceptional, innovative and efficient Council.
- maintain strong financial governance and resilience across the Council; and

- preserve one of the lowest Council Tax rates in the country.

In recent years a combination of statutory requirements placed on councils without corresponding funding, and the lacklustre performance of the economy creating additional need for council services, have stretched local government finances. This budget recognises pressures placed on areas like school transport, temporary accommodation and social care, and provides new funding to address these.

Anyone involved in local government over the last decade and a half should appreciate how difficult budget setting has become. The national public finance policies adopted since 2010 and the economic turmoil from events like Brexit and the 2022 “mini budget” directly caused significant pressure on services and the finances of the Council. This has increased the costs for both provision of and delivery of key services, and has eroded the disposable income for many, increasing the demand for the provision of and delivery of key services. The high interest rates directly impact on the cost of mortgages for homeowners whilst making it more expensive for the council to borrow and resource its capital programme.

However, the cumulative impact of austerity imposed by the previous Government has meant funding from central government has reduced by 54% in real terms<sup>1</sup> and 19% in cash terms, from £164m in 2010/11 to £132m in 2025/26<sup>2</sup>.

A change in Government after 14 years of continued austerity for local government has provided the opportunity for the relationship between local and central government to be reset and planned reform of the financial funding framework for local authorities. The Chancellor’s Budget on 30<sup>th</sup> October 2024 outlined a set of measures aimed at fixing the foundations of the economy and delivering change.

Despite the financial pressures being experienced across all local authorities, our ruthlessly financially efficient approach (by generating more than £123m of efficiencies since 2014/15), securing more than £100m in contributions from developing the Borough and generating more than £60m in annual income) has allowed the council to ease financial burdens on residents by keeping taxes low, freezing key charges and providing one of the country’s most comprehensive Council Tax Support Schemes.

Few organisations would be able to deliver the same services they delivered over a decade ago with less than half of the resources available. In Hammersmith & Fulham we have not just maintained front line services that residents rely on, but we have gone further, providing new services like the local Law Enforcement Teams to keep our streets and communities safe and clean, maintain weekly bin collections, free breakfasts in primary schools and establishing three Family Hubs at the heart of our communities.

We have also eased financial burdens that residents face by residents by abolishing home care costs, using an Ethical Debt Collection Policy to support those struggling

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<sup>1</sup> As per RPI indices - [Retail Prices Index: Long run series: 1947 to 2023: Jan 1974=100 - Office for National Statistics \(ons.gov.uk\)](https://www.ons.gov.uk/retail-prices-index/long-run-series/1947-to-2023)

<sup>2</sup> Funding includes Revenue Support Grant, Business Rates Funding Baseline, Social Care and other general grants.



with Council Tax rather than taking further enforcement action, and providing one of the country's most comprehensive Council Tax Support Schemes.

While the national tax burden reached historically high levels due to the previous government, there is nowhere better to be a Council Taxpayer than right here in Hammersmith & Fulham. Not only have we set the third lowest Council Tax in the country by cutting or freezing rates in five of the last ten years, but we have one of the most comprehensive Council Tax Support Schemes, which ensures that those least able to pay, pay the least.

We are one of just three London councils that has maintained no minimum payment, meaning the most vulnerable residents will not need to pay a penny of their Council Tax when they are struggling to make ends meet. We have also taken the decision to exclude Care Leavers and Foster Carers from Council Tax entirely, in recognition of the unique difficulties that they face and their inspiring contribution to our community.

This has only been possible because of the ruthlessly financially efficient approach that we have taken to managing residents' money. We will continue to reform the council to ensure that we provide the best value for their money possible. This budget does this through innovative use of new technology and data, and council-wide efficiency programmes to streamline operations and ensure the best use of resources.

This council will continue to manage its financial resources effectively to ensure financial resilience and sustainability (including a good level of reserves and in year contingencies). Despite the wider challenges faced by councils across the country, the council will continue to rise to the financial challenges faced to protect its residents, businesses and visitors services, and deliver on its commitment to make the borough a stronger, safer, and kinder place for everyone.

## **NATIONAL FINANCIAL CONTEXT AND OUTLOOK**

1. Local government continues to operate in a challenging financial environment for the short and medium term. Although inflation has fallen in recent months, inflationary price rises over the last twelve months continue to impact the Council's budgetary position and increase the cost of living for its residents and businesses.
2. CPI (Consumer Price Index) inflation has returned to the Bank of England's 2% target level in 2024/25, falling to as low as 1.7% in September 2024. However there has been an upward turn in recent months mainly attributed to the rise of the Office of Gas and Electricity Markets (Ofgem) energy price cap in October 2024.
3. Whilst CPI inflation is no longer at the peak of 11.1% experienced in October 2022 (this was the highest rate in over 40 years), the lower level of inflation is applicable to prices which have seen a cumulative increase of more than 20% over the last 3 years.
4. As part of its fiscal policy and to meet the Government's 2% inflation target, the Bank of England have put up the UK base interest fourteen times over the past two years, and the base rate now stands at 4.75%, down from a peak of 5.25% from August 2023 to July 2024. For the council, its main source of borrowing is via the Public Works Loan Board, whose rates vary slightly from those issued by the Bank of England, being based on gilt rates.

5. This will have an impact on the Council’s capital programme as much careful consideration will have to be given by Members on how to finance and pay back any sums borrowed and repayable soon.

The table below sets out some of the Office of Budget Responsibility’s (OBR) key economic and fiscal indicators over the medium term.

	<b>2025/26</b>	<b>2026/27</b>	<b>2027/28</b>	<b>2028/29</b>
CPI	2.6	2.2	2.1	2.1
Average Earnings	3.0	2.1	2.0	2.3
Interest Rates	3.9	3.7	3.6	3.5
Gilt Rates	4.1	4.2	4.3	4.5

### Autumn Budget 2024

6. The Chancellor announced the Autumn Budget on the 30<sup>th</sup> of October 2024, which outlined the Government’s spending plans and the estimated impact of changes to tax, welfare and public service spending policy that carry a direct, quantifiable impact on households.
7. For councils, an increase in funding of £1.3bn was announced, with £600m earmarked for social care. Other key announcements affecting local government funding in 2025/26 are outlined below:
- An additional £233m for homelessness prevention. Details of the allocation for the council were to be confirmed at the time of writing this report.
  - The extension of the Household Support Fund until the end of 2025/26
  - An increase of £1bn for SEND and alternative provision in 2025/26.
  - The Affordable Homes Programme will increase by £500m in 2025/26
  - Consultation on a new long-term social housing rent settlement of CPI+1% for 5 years as well as the option on further potential measures such as a 10-year settlement.
  - Right-to-buy discounts will be reduced by government, and local authorities will be able to retain 100% of the receipts from right-to-buy purchases.
  - Employer National Insurance Contributions (ENICs) will increase by 1.2% in 2025/26 – The Government has announced initial funding of £515m to be made available. Funding will only be for the direct costs affecting local authorities therefore services provided by 3<sup>rd</sup> parties such as social care providers will not be funded as well. If they are not able to absorb the increase in costs, there is a risk of an inflationary increase for the Council.
  - Local roads maintenance funding will increase by £500m in 2025/26.

- The UK Shared Prosperity Fund will continue for one more year at a reduced level of £900m across England.
- The standard business rate multiplier will be increased by September CPI (1.7%), retail, hospitality and leisure (RHL) businesses will receive a 40% business rates relief in 2025/26, and the small business rate multiplier will be frozen for a fifth consecutive year.

### Cost of Living and Benefits

8. Alongside the Autumn Statement, The Office for Budget Responsibility's (OBR) economic and fiscal outlook was published<sup>3</sup>. It is forecast that unemployment rate to peak at 4.3 per cent, equivalent to 1.5 million people, in the third quarter of 2024, before falling to a trough of 4.0 per cent in mid-2025 as a positive output gap opens. Unemployment then returns to its estimated structural rate of 4.1 per cent in mid-2027.

Welfare spending is forecast to rise sharply this year (by £17.3 billion, or 5.8 per cent) driven by the uprating of most benefits with CPI inflation, to £313.6 billion (11.1 per cent of GDP). It is then forecast to rise by an average of £12.8 billion (3.8 per cent) a year over the rest of the forecast period, reaching £377.7 billion (11.1 per cent GDP) in 2029-30. The main drivers of this increase are higher pensioner spending due to the ageing population and the triple lock, and rising caseloads for health and disability benefits.<sup>4</sup>

9. The impact of the wider macroeconomic downturn has impacted many vulnerable households. In response to this, a cost-of-living strategy has been developed by the Council and financial support of more than £10m has been provided including direct Council funding and the continuation of Household Support Fund<sup>5</sup>. This package, and other support across the council, includes:
- providing free breakfasts in primary schools
  - abolishing home care charges for elderly and Disabled residents
  - frozen or cut service charges across the council in real terms.
  - supporting the local foodbank and local charities
  - expanding advice services for anyone in need of extra support
  - making more funding available to help prevent emergencies and crisis.
  - providing financial help to low-income families with essential living costs.

## **LOCAL GOVERNMENT FUNDING**

### Local Government Finance Settlement and Core Spending Power

10. The Local Government finance policy statement was published on the 28<sup>th</sup> of November setting out the Government's financial framework for 2025/26 and beyond.

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<sup>3</sup> [Economic and fiscal outlook – CP 1169](#)

<sup>5</sup> [Cost of living support | London Borough of Hammersmith & Fulham \(lbhf.gov.uk\)](#)



11. The policy statement set out the Government's intention for Local Government funding reform and outlined its intentions from 2026/27 to fundamentally improve the way it funds councils and directs funding to where it is most needed, based on an up-to-date assessment of need and local resources.
12. These reforms will build on the proposals set out in the previous government's review of Relative Needs and Resources (also referred to as the 'Fair Funding Review'), using the best available evidence to inform local authority funding allocations.
13. The Provisional 2025/26 Local Government Finance Settlement (LGFS) was published by MHCLG on the 18th of December 2024. This statement outlines provisional funding allocations for local authorities for 2025/26 alongside the Core Spending Power for each authority.
14. The 2025/26 PLGFS continues the recent trend of single year funding settlements with no grant allocations confirmed beyond next year. However, in the statement, the new Government has set out its intention to simplify the wider local funding landscape, reducing the number of grants and consolidating them into the Local Government Finance Settlement, as well as moving towards a multi-year settlement for local government from 2026/27 so local authorities can plan more effectively.
15. A consultation was also launched at the PLGFS asking authorities for their views on the reforms. The proposed reforms will have no impact on funding for 2025/26 but are set out in more detail in Appendix B as part of the MTFs.
16. Core Spending Power estimates total revenue funding available to authorities. The provisional settlement provided an real terms increase in Core Spending Power of 3.5% however within this calculation what is shown as funding for local authorities is in large part, the ability for local authorities to raise Council Tax locally as opposed to direct grant funding from central government.
17. The settlement assumes that local authorities will need to increase local tax by 5% each year until 2028/29. It also includes assumptions on business rates income (including compensation for under indexing the multiplier) as well as growth in the Council Tax base.

A summary of the Council's Core Spending Power in comparison to the previous financial year is set out in the table below

**Table 1 - Core Spending Power**

	<b>2024/25 £m</b>	<b>2025/26 £m</b>	<b>Change between years £m</b>
Revenue Support Grant and Estimated Retained Business Rates	89.1	90.4	1.3
Government Grants	53.2	58.3	5.1
Estimated Council Tax	78.8	84.2	5.4
<b>Total</b>	<b>220.3</b>	<b>232.9</b>	<b>11.8</b>

18. It should be noted that whilst the overall Core Spending Power for the Council has increased by £11.8m, £5.5m (47%) of this relates to grant funding distributed directly

to local authorities as part of the LGFS, as both Council Tax and business rates income are locally generated sources of income.

An explanation of the key funding streams is outlined below:

19. **Settlement Funding Assessment (SFA)** – The SFA is made up of two elements: The Revenue Support Grant (RSG) and the Baseline Funding Level (BFL). RSG is given to local authorities and can be used to finance revenue expenditure on any service. This grant has increased by £0.42m. The BFL is the estimated retained Business Rates as calculated by the Government, usually uprated in line with the small business rates multiplier. The actual business rates estimated by the Council is set out in the business rates section below.

20. **Social Care funding** – An additional £1.13bn of new funding was announced for local authorities targeted at adult and children social care (with £250m of this being a new Children’s Social Care Prevention Grant, distributed using a new children’s needs-based formula).

This funding is in addition to £1.05bn continuing ringfenced funding for adult social care in relation to the Local Authority Better Care Grant (which now includes the Discharge Fund) and the Market Sustainability and Improvement Fund.

21. **Compensation for the under-indexing of the business rates multiplier** – this is funding to compensate local authorities for lost business rates income arising from the decision to freeze the small business rates multiplier.
22. **New Homes Bonus** - There will be new rounds of New Homes Bonus (NHB) payments in 2025/26. In line with last year, these payments will not attract new legacy payments. It was announced that this will be the last year of the funding, with further announcements on alternative funding to be determined.

The statement confirmed the repurposing of the **Services Grant** to simplify the system, in line with the assumptions set out in the MTFS.

#### Other Funding

23. **Household Support Fund (HSF)** - In 2021, the Department for Work and Pensions announced that vulnerable households across the country would be able to access a new support fund to help them with essentials over the winter. The total HSF allocated to Hammersmith and Fulham during 2024/25 was £2.8m, all of which is planned to be spent as part of the council’s Cost of Living response.
24. It was confirmed by the Chancellor in her Autumn Statement that the HSF will continue until the end of 2025/26 (with £740m distributed to councils in England) which is welcome news given how vital this additional funding has been to support those most vulnerable and affected by the Cost-of-Living crisis.
25. **Extender Producer Responsibility for Packaging (pEPR)** – This income will cover the existing costs local authorities incur for managing household packaging waste, provide additional funding for new legal duties, and support much needed investment in the waste and recycling industry. The council will receive an estimated £1.87m as a guaranteed payment in 2025/26 towards these costs. However, the government will

assess the impact of additional pEPR income on the relative needs and resources of individual local authorities, and how it factors into the measurement of local authority spending power, ahead of the 2026/27 Settlement.

The Government has outlined as part of the terms of the funding that councils will be subject to monitoring and evaluation of the efficiency and effectiveness of its waste management functions. The council may be subject to improvement actions if it is not deemed 'efficient and effective', and potential deductions on payments from 2027/28 if improvements are not delivered.

26. The Council will receive £24.3m for the Public Health Grant, £6.6m for the Homelessness Prevention Grant (although in a change in policy it should be noted that 49% of this grant cannot be spent on temporary accommodation and must be spend on prevention, relief and staffing activity) plus a further £1.0m for rough sleeping prevention and recovery, plus £188.3m for the Dedicated Schools Grant (DSG). These grants are ringfenced within departmental budgets and are assumed will have a neutral impact in the current budget proposals.

### THE REVENUE BUDGET 2025/26

27. The budget gap for 2025/26 was estimated at £18.7m (as reported to Council in February 2024). This forecast has been under continuous re-assessment during the financial year as service pressures have emerged and/or been mitigated, plus announcements on funding are known. The key changes that resulted in a balanced budget proposal for 2025/26 are set out in the table below (the individual Directorate budget analysis and other details are set out in Appendix I).

**Table 2: 2025/26 Budget Summary**

	<b>Proposed (£m)</b>
<b>Base Budget 2024/25 (Balanced Budget)</b>	-
Provision for Price Inflation (2.7% plus some targeting)	6.2
Provision for Pay Inflation (2%)	3.1
Provision for Growth and Investment in Services	12.3
Other Changes (cost of borrowing/minimum revenue provision/concessionary fares/interest on balances)	7.2
Recognition of current income projections	(3.0)
Savings and Efficiencies	(5.1)
<b>Resources</b>	
Increase in Central Govt Grants	(7.9)
Collection Fund (business rates and prior year surpluses)	(6.8)
Increase in Council Tax Base (Households)	(2.0)
Additional Council Tax Income (from April 2025)	(4.0)
<b>Budget Gap 25/26</b>	-



28. The Band D Council Tax charge is calculated by dividing the Council Tax requirement by the Council Tax base<sup>6</sup>. The determination of the 2025/26 Council Tax requirement is set out in Table 9. The medium-term forecast, to 2028/29 is set out in Appendix B.

## **SERVICE AND CORPORATE ITEMS**

### **Inflation, Investment and Growth**

29. As outlined in the national outlook section above, inflation has now returned down to 2.6% as of November 2024. However, the cumulative impact of high inflation over the preceding years has impacted significantly on the price of goods and services. As a result of this and increasing demand driven by demographic changes and the cost of living crisis, the council has experienced significant cost pressures in Temporary Accommodation, Children's Services and Adults Social Care. These pressures are detailed, monitored and are reported to Cabinet as part of the Corporate Revenue Monitoring process.
30. For 25/26, the council has allocated £6.2m to services to fund inflationary pressures across third party contracts. This assumes inflation of 2.7% plus additional funding targeted at contracts where inflation is expected to be higher than the 2.7% assumption (for example, energy and fuel costs).
31. The budget also proposes a provision of 2% (£3.1m) for the pay award in 25/26. At this time negotiations on the future pay award have not yet been made public so it is unclear what the final settlement will be. The trend in prior years for a cash uplift as opposed to a percentage uplift which is proportionately more beneficial for those on the lower end of the pay scale.
32. Total investment and growth of £12.3m is being provided following the budget setting and review process. This funding is required to meet the costs of statutory obligations, demographic, service and demand pressures and key resident priorities.
33. The Council's strategy to manage growth, investment and its impact on cost pressures has been for service areas to manage pressures within their budgets wherever possible including by factoring one-off funding, grants and income generation where possible. However, where such mitigations are not able to contain emerging cost pressures budget growth has been made available to fund these pressures.
34. The inflation, growth and investment proposals are reviewed and monitored via the Corporate Revenue Monitor on an ongoing basis as more information becomes available and any variances to these estimates are reported accordingly where appropriate. In recent years, the council has experienced significant increases in cost and demand for adults and children's social care expenditure as well temporary accommodation, and there is an element of risk that even with mitigation plans and service actions, expenditure may exceed budget for 2025/26. Work is underway across these areas to address cost pressures, but given trends in recent years a corporate contingency and earmarked reserves are also held to mitigate these risks.

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<sup>6</sup> The Council Tax requirement is the expenditure that is to be funded from Council Tax. The Council Tax base is the income that will be generated from a Council Tax charge of £1.

35. The investment proposal details are set out in Appendix C to this report, and key elements are summarised below:

**Table 3: 2025/26 investment proposals by Department**

Department	£m
People	5.0
Place	5.5
Housing Solutions	1.2
Finance and Corporate Services	0.6
<b>Total</b>	<b>12.3</b>

**Table 4: Investment proposals by Department**

Proposal Summary	£m
Law Enforcement and Gangs Unit / Violence against Women and Girls	3.4
Adults Care Packages (Residential/Nursing)	2.8
Waste Management Services (contractual obligations on pensions, fuel costs, new wheeled bin services)	1.8
Children Services (Care Prevention, Travel Care and Placements, Family Support and Child Protection, Contact & Assessment Teams, School Attendance, and Family Hubs)	2.2
Homelessness and rough sleeping prevention <sup>7</sup>	1.2
Industrial Strategy - Upstream (one-off)	0.3
Other (insurance premiums, sports facilities, preventing fraud through digital services)	0.6
<b>Total</b>	<b>12.3</b>

## Savings

36. The proposed savings are detailed in Appendix C and summarised in Tables 5 and 6.

**Table 5: 2025/26 savings proposals**

Department	£m
People	(1.8)
Place	(2.1)
Housing Solutions	-
Finance and Corporate Services	(0.5)
Centrally Managed Budgets	(0.8)
<b>Total</b>	<b>(5.1)</b>

<sup>7</sup> Total investment in homelessness and rough sleeping is £4.2m - £2.2m additional Homelessness Prevention Grant funding, £1.2m investment and £0.8m inflation.

**Table 6: Categorisation of savings**

<b>Savings categories</b>	<b>£m</b>
Commercialisation / income	(1.5)
Procurement / commissioning	(0.8)
Service reconfiguration	(1.7)
Service rationalisation/budget reduced in line with spend	(0.1)
Prevention	(0.6)
Estate rationalisation	(0.3)
Staffing/productivity	(0.1)
<b>Total savings</b>	<b>(5.1)</b>

### **Other Measures**

37. Additional income of £5.0m relating to investing cash balances is expected to materialise in 2025/26 as interest rates continue as per the Bank of England's economic forecast assumptions. This income will be used to balance the budget in 2025/26, and our cash balances and base rate assumptions will be reviewed throughout the financial year in line with our treasury management strategy.
38. Completing a two year comprehensive review in parking, across both front and back-office functions within parking services, has resulted in a programme of measures that has delivered more effective and efficient systems and processes and is reflected in the budget for 25/26. There have been significant improvements through the adopting of new systems in the processing and management of permits, suspensions and traffic orders, together with a more streamlined approach in the administrative functions underpinning our work with the registration of debts and warrants. There has been a significant change in the way we deliver services reducing our dependence on external support, particularly regarding our moving traffic operational model. All functions are now in house and the move to a fully automated cameras network across the borough has been completed. Other operational and administrative improvements in our call centre, correspondence and appeals processes, has also reduced the need for external support.
39. In addition, there are short-term efficiencies arising from lower than budgeted contributions to the concessionary fares (freedom pass) scheme. This is due to the impact of passenger usage on public transport in response to the pandemic and changes to ways of working, plus the cumulative impact of the freeze on fares by the Mayor of London. This is not expected to continue beyond 2025/26 as demand is forecast to return to pre pandemic levels and fares increase.
40. It is also proposed to establish a one-off funding programme of £52,500 in 2025/26 to support the delivery of local community projects. The projects will be developed in consultation with residents and led by Ward Members (and each project will be limited to a maximum sum of £1,000 within a total of £2,500 for each of the 21 wards of the Council).



## FEES AND CHARGES

41. Charges governed by statute are set in accordance with those requirements and not varied in accordance with inflation. For non-statutory fees and charges, levied by Hammersmith & Fulham, it is recommended that:
- they are frozen for Adult Social Care, Children’s Services and Housing in line with administration policy.
  - commercial services that are charged on a for-profit basis, will be reviewed on an ongoing basis in response to market conditions and varied up and down as appropriate, with appropriate authorisations according to the council Constitution.
  - parking charges and fines are set in line with transport policy objectives and not considered as part of the budget process.
  - a standard uplift of 1.7% (in line with September CPI) is applied for other non-commercial and non-parking fees.

The current proposed exceptions to the standard 1.7% increase and policies above are set out in Appendix E.

## COUNCIL TAX, BUSINESS RATES AND LEVIES

### COUNCIL TAX SETTING

42. As part of the Localism Act 2011, the Government replaced the power to cap excessive budgets and Council Tax increases with compulsory referenda on Council Tax increases above limits it sets. For 2025/26 local authorities “will be required to seek the approval of their local electorate in a referendum if, compared with 2024/25, they set an increase in the relevant basic amount of Council Tax that is 3% or higher”. As the proposed Council Tax increase for this Council is 2.99%, no such referendum is required.
43. In addition, the Government has modelled setting a precept to fund social care for adults of 2% in 2025/26. This levy is included in the Council’s budget proposals.
44. **The Council has a successful track record of keeping Council Tax low, either cutting or freezing Council Tax in five of the last ten years.** Nationally Council Tax is around 56% of the total Core Spending Power (but only accounts for 38% in Hammersmith and Fulham).
45. Inflationary lag, continued wage growth above current CPI levels and elevated interest rates makes a Council Tax increase in 2025/26 unavoidable and a 2.99% increase in the Hammersmith & Fulham element of Council Tax is required to achieve a sustainable budget. As the current level of Council Tax is so low, even an increase of 2.99% keeps the overall level well below other local authorities. For 2025/26, despite the financial pressures on the council, our ruthlessly financially efficient approach has allowed us to keep Council Tax levels low. There are fewer better places to be a Council Taxpayer than here in Hammersmith & Fulham. Not only do we have the third lowest council tax rates in the country, but our Council Tax Support Scheme provides a discount to 39% of households, with the most vulnerable paying nothing at all.

46. This administration took the decision to exempt care leavers from paying Council Tax entirely along with exemptions for in-house foster carers and special guardians so that they do not pay a penny of Council Tax, showing its commitment to being a compassionate council.
47. The level of Council Tax increase reflects the assumption that has been outlined by Central Government in the Autumn Statement made on the 30th October by the Chancellor and assumed in the funding settlement for local government. The additional income will fund rising costs, protect, and support investment in key services for residents, and strengthen future financial resilience. The increase is equivalent to £27.37 per annum, or less than 53p per week, for 2025/26 (at Band D). The Council Tax charge for Hammersmith & Fulham is the third lowest in the country.
48. **The council is also proposing to levy a 2% Adult Social Care precept.** The increase is equivalent to £18.31 per annum, or less than 36p per week, for 2025/26 (at Band D) and is ringfenced to support Adult Social Care. The continued delay in the national review of the funding of adult social care is a major concern and the government is continuing with the strategy of using an adult social care precept (since 2016/17). In the first years of the levy, Hammersmith & Fulham was determined not to apply the levy even though the council's funding from Government was modelled on the assumption that it would. Due to the continued high levels of inflation and instability in the social care market, the impact of the Covid-19 pandemic and the absence of a long-term funding solution to social care funding, the council has accepted the need to apply this levy to fund core services to vulnerable adults.
49. As set out below 61% of dwellings in Hammersmith & Fulham are liable for 100% Council Tax with exemptions/discounts for Council Tax support claimants, students, care leavers and single person households.

**Table 7: Liability for Council Tax**

<b>Total dwellings in the borough</b>	<b>94,867</b>	<b>100%</b>
<i>Reductions:</i>		
Exemptions (mainly students, includes care leavers and vacant properties)	(3,257)	(3%)
Council Tax support claimants (elderly & working age on low income, including those with other discounts)	(13,080)	(14%)
Discounts only (primarily single person discount of 25%)	(21,135)	(22%)
<b>Dwellings liable for 100% of Council Tax</b>	<b>57,395</b>	<b>61%</b>

## COUNCIL TAX REQUIREMENT 2025/26

**Table 8: Base Budget Requirement for 2025/26**

<b>Budgeted expenditure 2025/26</b>	<b>£m</b>
Housing benefit payments	90.9
<i>Departmental budgets:</i>	
People	323.3
Place	146.5
Housing Solutions	45.6
Finance and Corporate Services	62.6
Centrally Managed Budgets	33.9
<i>Less capital financing</i>	<i>(20.5)</i>
<b>Gross budgeted expenditure</b>	<b>682.2</b>
Customer and client receipts	(120.4)
Specific and ringfenced govt grants	(242.3)
Reimbursements and contributions	(34.6)
Interest and other	(64.3)
<b>Gross revenue income budget requirement</b>	<b>(461.6)</b>
<b>Net revenue budget requirement</b>	<b>220.6</b>
<b>To be met from:</b>	
General grants	(66.4)
Locally retained business rates	(63.3)
Retained business rates above safety net	(6.0)
<b>2025/26 Council Tax requirement (including the adult social care precept)</b>	<b>(84.9)</b>

50. The overall amount to be met from the Council Tax, including the GLA element, is £128.166m. This will provide a balanced budget in 2025/26.

**Table 9: Overall 2025/26 Council Tax requirement**

London Borough of Hammersmith & Fulham	£84,863,676
Greater London Authority (proposed)	£43,302,516
<b>Total requirement for Council Tax</b>	<b>£128,166,192</b>

51. In accordance with the Local Government Finance Act 1992, the Council is required to calculate and approve a Council Tax requirement for its own budgetary purposes (section 9) and then add the separate Council Tax requirements for each of the preceptors (section 10). The requisite calculation is set out in Appendix A.
52. The council must then set the overall Council Tax for the Borough. These calculations must be carried out for each of the valuation bands, A to H. The amount per Band D equivalent property is calculated as follows:

<u>Total Council Tax Requirement</u>	=	<u>£128,166,192</u>	=	£1451.42	Band D
<u>Tax Base (Band D equivalent)</u>		88,304			



53. On the 13<sup>th</sup> of January 2025, Cabinet agreed a Council Tax base of 88,304 equivalent Band D properties for 2025/26. Therefore, the council's element of the Council Tax for Band D properties can be calculated as followed:

$\frac{\text{Total Council Tax Requirement}}{\text{Tax Base (Band D equivalent)}} = \frac{\pounds 84,863,676}{88,304} = \pounds 961.04 \text{ Band D}$
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54. This represents a 2.99% increase in the Hammersmith & Fulham element of the Council Tax charge and a 2% levy for the adult social care precept.

**PRECEPTOR’S (Greater London Authority) COUNCIL TAX REQUIREMENT**

55. The Greater London Authority’s (GLA) precept is also funded from Council Tax. The following table analyses the total amount to be funded and the resulting proposed overall Band D Council Tax level. The Mayor of London’s budget proposals set out a provisional Band D charge of £490.38. This is subject to formal approval by the Mayor of London following the London Assembly meeting of 25 February 2025. The preceptors budget requirement will be amended should there be a change to the Mayor’s proposed Band D charge.

$\frac{\text{Preceptor’s Budget Requirement}}{\text{Tax Base (Band D equivalent)}} = \frac{\pounds 43,302,516}{88,304} = \pounds 490.38 \text{ Band D}$
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56. The proposed GLA charge represents an increase of £18.98 (4%), compared to 2024/25. This includes a £14.00 increase in the police precept, and a £4.98 increase for non-police services.<sup>8</sup>

**Business Rates**

57. The recent change in legislation has meant that the business rates multiplier has been ‘decoupled’ and ministers now have the power to set different levels of rates for the elements of the multiplier (small and standard multipliers). The Autumn Statement confirmed that the standard multiplier rate would increase in line with September’s CPI inflation (1.7%).
58. There will continue to be a freeze in 2025/26 for the small business rate multiplier for the fifth year in a row. There has been a change to the relief given to Retail, Hospitality and Leisure businesses which will now be subject to a 40% relief (previously this was at 75%). Local authorities will be compensated by the government for the resultant loss of income from these measures.

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<sup>8</sup> Source: [Mayor's Consultation Budget \(london.gov.uk\)](https://www.london.gov.uk/press-releases/mayor/budget-2025)

59. The forecast assumes that Hammersmith & Fulham will receive and retain the minimum amount guaranteed, the safety net threshold, by Government. This is £63.3m for 2025/26.

### **Collection Fund**

60. There has been a surplus of £6m in the Collection Fund relating to 2023/24, that has been included in the proposed base budget for 2025/26 (the final figures for 2023/24 were agreed in the autumn as part of the 2023/24 external audit of the financial statements, creating a time lag). It is currently estimated that there will be further one-off surplus resources for 2024/25 which will be agreed as part of outturn for 2024/25. Any further residual resources identified will be carried forward and dealt with in budget planning for 2026/27. These variations are due to several factors adjustments, collection rates, review of single person discount entitlements and other technical adjustments relating to tariffs.

### **Levies**

61. The Council, alongside other London local authorities, contributes towards London wide services in the form of levy payments. Levies are paid to the following agencies:
- Environment Agency (for flood defences)
  - London Pension Fund Authority
  - London Councils (for concessionary travel for those 60+)
  - Lea Valley Regional Park Authority
  - Western Riverside Waste Authority
62. As at time of writing, not all of these levies have been confirmed and therefore the budget for 2025/26 is based on the charge from 2024/25 uplifted by inflation and projected demographic changes. Once these are confirmed, the budgets will be amended before final approval at Full Council if necessary.
63. For concessionary travel, this budget is estimated to remain at the budgeted level (£9m) for 2025/26. Demand for travel has slowly returned close to pre-pandemic levels and TfL has confirmed that tube fares will increase by 4.6% in 2025 therefore no savings are expected unlike in previous years.

## **CONSULTATION**

### **Non-Domestic Ratepayers**

64. In accordance with the Local Government Finance Act 1992, the council has consulted with non-domestic ratepayers on the budget proposals. The consultation can have no effect on the business rate, which is set by the Government.

### **Policy and Accountability (PAC) Committees**

65. As part of the consultation process the budget proposals have been reviewed by the Policy and Oversight Board, and the relevant Policy and Accountability Committees.

## **VIEWS OF THE EXECUTIVE DIRECTOR OF FINANCE AND CORPORATE SERVICES**

### **The robustness of the budget estimates**

66. Under Section 25 of the Local Government Act 2003, the Executive Director of Finance and Corporate Services is required to include, in the budget report, a view of the robustness of the budget estimates.
67. Budget estimates are exactly that, estimates of spending and income at a point in time. This statement about the robustness of estimates cannot give a guaranteed assurance about the budget but gives Members reasonable assurances that the budget has been based on the best available information and assumptions. For the reasons set out below the Executive Director of Finance and Corporate Services, is satisfied with the accuracy and robustness of the estimates included in this report:
- The budget proposals have been developed following guidance from the Executive Director of Finance and Corporate Services and have been through a robust process of development and challenge with the Strategic Leadership Team, service leads and directors and Cabinet Members.
  - The assumptions made for pay and price inflation, investment and other expenditure are pragmatic and prudent.
  - The rigorous budget monitoring framework will be continued in 2025/26 and any risk/pressures arising will be reported and mitigating actions identified and implemented.
  - Ongoing pressures identified as part of the budget monitoring process will be considered as part of MTFS proposals.
  - Service directors have made reasonable assumptions about growth pressures which, where not manageable within current budgets, have resulted in additional investment.
  - Rigorous mechanisms will be in place to monitor sensitive areas of expenditure and the delivery of savings. The council recognises that it faces an increasing financial challenge due to the combination of the impact of the Covid-19 pandemic, government grant funding cuts of £39m since 2010/11, new burdens from government, demographic trends including increasing demand and complexity and cost of that demand. The latest current year Corporate Revenue Monitoring Report (month 6) forecasts an overspend of £3.4m (reducing to £1.4m should current mitigating actions be delivered, and the use of contingency budgets).
  - Key risks have been identified and considered.
  - Prudent assumptions have been made about interest rates payable and the budget proposals are joined up with the requirements of the Prudential Code and Treasury Management Strategy. The revenue effects of the capital programme are reflected in the budget with an increase of £3.7m in the revenue net cost of borrowing.
  - The recommendations regarding fees and charges are in line with the assumptions in the budget.
  - A review with the Strategic Leadership Team of proposed savings, their impact and their achievability has taken place.
  - Cabinet Members have reviewed and challenged all budget proposals. In addition, the Oversight Board and relevant Policy and Accountability Committees have scrutinised the budget proposals.
  - There are appropriate management and monitoring arrangements for the delivery of savings programmes.



- A prudent approach has been adopted on the local share of business rates income receivable based on the latest information available on appeals and debt management arrangements.

## **Risk and Debt Management**

68. Under Section 25 of the Local Government Act 2003, the Executive Director of Finance and Corporate Services is required to include, in budget reports, views of the adequacy of the balances and reserves the budget provides for considering the medium-term risks facing the authority.
69. The key financial risks that face the council have been identified in Appendix D and the substantive risks include:
- The continuing economic conditions relating to inflation, interest rates, unemployment, real household incomes (these may all increase our service delivery costs, recovery of income and viability of major projects).
  - Legislative requirements (e.g., Environment Act 2021, Social Regulation 2023, Employment Rights Bill) will add additional pressures on our service delivery.
  - Regulatory burdens from Central Government (e.g., Housing Ombudsman, CQC) may increase our cost pressures if not fully funded.
  - The demographic pressures especially on Adult and Childrens Social Care, Special Educational Needs and Disabilities, homelessness and rough sleeping and people from abroad will continue (as is the case nationally for many other local authorities). This is a combination of several factors including the Covid-19 recovery, addressing pent-up demand and supply issues post Brexit.
  - Higher pay inflation particularly given current labour shortages.
  - The stabilisation and restoration of Hammersmith Bridge, with the council incurring revenue and capital costs at risk until government funding is confirmed.
  - The future impact on London of the government's wider local government finance reform (such as business rates)
  - The impact of the wider economy on major council development projects and future contributions from developers
  - The impact of, and costs of, tackling climate change
  - The challenge of identifying further significant future savings that balance the budget over the longer-term.
70. The Council also holds a corporate contingency which can be called upon to manage risks to the agreed budget reduction programme in any one year as well as addressing unforeseen budget pressures which may manifest themselves through the financial year and the medium term. The budgeted level of contingency for 2025/26 and across the remainder of the MTFS is c.£9m.

## **Debt Management**

71. Debt on the Council's balance sheet increased marginally by £1.6m in cash terms (1.8%) between March 2023 and March 2024, from £86.8m to £88.4m. Whilst there were reductions for debt relating to Business Rates (£0.7m), HRA debt (£1.3m) and Housing Benefit Overpayments (£0.9m), Council Tax increased by £2.4m and sundry General Fund debt increased by £1.2m.

72. Improvements in debt management procedures have been implemented during the current financial year. These include a new Debt Management Board which has been set up to monitor performance, challenge services to take action to reduce debt balances and share best practice. There has been a drive to reduce the creation of new debt and to balance financial support offered to residents through the cost-of-living crisis with responsible lending.
73. The Council Tax debt position has been given specific focus, and we expect to see a marked improvement in the coming year. Residents have been helped by our ethical approach to debt recovery and repayment plans – which is both empathetic and effective in collecting revenues. However, for those who refuse to pay their council tax and haven't spoken to us about help with their finances, we have no other option other than to recoup this funding through legal means, where necessary. This includes the use of recovery agents. We have a duty to those taxpayers who are paying to pursue those that can pay but won't.
74. Initiatives such as use of algorithms to predict rent arrears and transformation programmes to free officer time for debt recovery and development have been implemented. There has been an increase in following up overdue debts with legal action and changes in the Council's policies which now allow for using enforcement agents to recover Council Tax debts from ex-residents. There will be a continued focus on the Top 10 debtors, which make up 18% of the total debt outstanding.
75. Provisions on the debts outstanding have been set aside based on prevailing regulations and guidelines (and are reviewed/endorsed by our external auditors).

### **General Balances and Earmarked Reserves**

76. In accordance with guidance from CIPFA, the council sets aside specific funding to mitigate risk, ensure it has contingency for any unexpected financial liabilities, invest in its strategic corporate priorities and the carry forward of grants ringfenced for project delivery.
77. In the last full financial year (2023/24) the administration ran a budget surplus, underspending on its budgets over the course of the year, and adding £0.3m to reserves. At a time when other local authorities are relying on reserves to balance their budgets, this demonstrates the prudent management of council finances in Hammersmith & Fulham, and the ruthlessly financially efficient approach the administration takes to managing budgets.
78. The lack of an appropriate safety net has resulted in several councils running into financial difficulties. The issuance of a section 114 notice (this is a notice from the s151 officer in their view that a Council's resources are not sufficient to fund its forecasted expenditure for a financial year) has become increasingly common in recent years and one in five local authorities have reported that they "think it is very or fairly likely that their chief finance officer will need to issue a Section 114 notice this year or next due to a lack of funding to keep key services running".
79. The Executive Director of Finance and Corporate Services considers that current reserves are adequate to deal with anticipated risks and liabilities. Reserves can only be spent once and need careful management and review to safeguard future financial resilience and deliver service transformation and key resident priorities. All reserves

are regularly reviewed to ensure they are appropriate balances and in line with strategic priorities and may be reallocated to align with any change in strategy or to meet budgetary pressures should the budgeted contingency and mitigation plans not be sufficient.

80. The use of general balances or revenue reserves should not be regarded as a sustainable long-term strategy to fill the gap from core funding reductions and emerging demand and demographic budget pressures. Continued focus will be required on keeping spend within budget, avoiding the use of reserves to balance future budgets and on rebuilding reserves to support future investment. In the previous 2 financial years, the council ran a budget surplus and added to its revenue reserves.
81. General balances are forecast to remain within the optimum range in 2025/26. The council's general balance is budgeted to be £21.6m at the start of 2025/26. This equates to 3.2% (12 days spend) of the council's gross budget of £682.2m. This is well within the medium-term optimal range of £19m to £23m set as part of the council's reserves strategy (Appendix H). The Executive Director of Finance and Corporate Services considers that this optimal range is sufficient to allow for the risks identified and to support effective medium-term financial planning.
82. The latest forecast to 2028/29 is summarised in Table 12 and detailed in Appendix H. It is the view of the Executive Director of Finance and Corporate Services that such reserves are adequate to deal with anticipated risks and liabilities.

**Table 12: Reserves and general balances - cash flow forecast to 2028/29**

	April	April	April	April	April
	2024	2025	2026	2027	2028
	£m	£m	£m	£m	£m
General balances (recommended range £19m - £23m)	21.6	21.6	21.6	21.6	21.6
Earmarked reserves	95.7	73.5	69.2	68.4	70.0
<b>Sub Total</b>	<b>117.4</b>	<b>95.1</b>	<b>90.9</b>	<b>90.0</b>	<b>91.6</b>
Developer contributions (Subject to separate monitoring and approval)	65.5				

### **Section 106 and the community infrastructure levy**

83. Planning obligations under section 106 of the Town and Country Planning Act 1990 (as amended), known as section 106 agreements, are a mechanism which make a development proposal acceptable in planning terms, which would not otherwise be acceptable. They are focused on site specific mitigation of the impact of development. Property developments have placed increased pressure on council services in recent years.



84. The council has determined that a key priority area for the investment of available section 106 funds is to support regeneration, housing, and other infrastructure schemes.
85. Several section 106 agreements have been negotiated which will result in the receipt of additional funds in the future. There is a level of uncertainty and risk around the receipt of future section 106 funds as this relies on developments commencing and achieving specified trigger points which may be delayed or not progressed due to the impact of Covid-19 and broader economic conditions.
86. The Community Infrastructure Levy (CIL) is a planning charge, introduced by the Planning Act 2008, which can be levied by local authorities on new development in their area. It is an important tool for local authorities to use to help them deliver the infrastructure needed to support development in their area. The levy only applies in areas where a local authority has consulted on, and approved, a charging schedule which sets out its levy rates and has published the schedule on its website. Most new development which creates net additional floor space of 100 square metres or more, or creates a new dwelling, is potentially liable for the levy. The Community Infrastructure Levy Regulations set out various reliefs or exemptions from the levy and there are also economic factors which might impact on future CIL receipts.
87. In 2023/24 the council reported a record £22m of investment resulting from section 106 and CIL charges. This money is contributing to improvements across the borough such as regeneration, improvements to the public realm, and increasing community safety. Consistently raising such large sums is a testament to the administration's approach to negotiating with property developers, to ensure that the whole borough can benefit from new developments in the area.
88. The council will continue to monitor the receipt of section 106 and CIL funds expected in the short and medium term, where the level of uncertainty around trigger points increases.

### **CIPFA Financial Management Code**

89. An initial compliance analysis against the CIPFA Financial Management Code has been undertaken as part of the 2024/25 budget assurance work. The Code requires that a local authority demonstrates that its processes satisfy the principles of good financial management for an authority of its size, responsibilities, and circumstances. Demonstrating this compliance with the CIPFA Financial Management Code is a collective responsibility of elected members, the Section 151 Officer, and professional colleagues in the leadership team.
90. The annual compliance analysis is included at Appendix I and shows that the Council achieves a high level of compliance against the vast majority of the CIPFA Financial Management Code statements of standard (or best) practice. Where there is only a medium level of compliance, actions are suggested that would take the council to high level. The compliance analysis should be seen as an organic piece of work, re-visited at least annually as part of the budget process, with any actions or recommendations implemented on an ongoing basis.

## EQUALITY IMPLICATIONS

91. Published with this report there is a corporate budget EIA which assesses the impacts on equality of the decision to increase Council Tax and apply the social care precept increase to Full Council. The full EIA is attached at Appendix F.

## RISK MANAGEMENT IMPLICATIONS

92. In line with the council's priorities of Being Ruthlessly Financially Efficient and Being a Compassionate Council, members and officers will need to be mindful of the following factors faced by the council, in common with other local authorities, in approving the proposed budget, including savings and growth proposals:

- Future Pressures: It is inevitable that, in addition to the ongoing financial pressures relating to national economic conditions, further, as yet unidentified and therefore unquantified, budget pressures will manifest over the term of the current Medium Term Financial Strategy (MTFS), both in terms of additional/unplanned expenditure and reductions in sources of funding and income. While additional core spending power has been granted to councils through the LGFS for 2025/26, this is only a one-year settlement which creates ongoing uncertainty over funding levels in the medium term. The council must be prepared for such eventualities and maintain the progress for further savings, efficiencies and income generating initiatives and retain sufficient reserves to manage unexpected costs.
- Demand Pressures: There is a real risk of increased demand for children's services, adult social care, and homelessness services over the coming years. These are difficult areas in which to accurately quantify future demand, particularly given economic uncertainty. However, recent years have demonstrated that cost pressures are appearing because of diminishing resources, growing demand and new duties placed upon local authorities by central government. Current demand pressures exist in several areas including Social Care, Children's Services and Temporary Accommodation.
- Use of Balances: The risk associated with drawing on balances is that they are one-off non-sustainable options rather than permanent efficiencies. Prudent levels of balances should be maintained for later years where grant losses continue.
- Procurement and Contracts: The council will continue to review and develop forward planning for Commissioning and Procurement activities to identify new efficiencies and opportunities, increasing value to its residents. Continued robust management of the council's contracts is essential to ensure that they remain resilient during the challenges posed by changes resulting from the trade deal agreed with the European Union in December 2020. In addition, the new Procurement Act will introduce further requirements and burdens on local authorities from 24 February 2025.
- Cost of living crisis: The impact of the ongoing impact inflationary rises over the past three years, interest rates and fuel, food and other commodities is having a

significant impact on residents. The report sets out additional support which is being and will be made available to support residents. However, the ongoing economic situation is likely to lead to increasing demand for services and increasing cost of procured services.

93. The economic climate in which the council must operate continues to be extremely challenging. Cost overspends on significant projects can pose a risk for financing, particularly in the current economic climate when funding is limited. Project and budget management processes are currently in place to limit the risk of overspend or slippage whilst accounting advice is sought to mitigate against any such risk should it occur. While there is an increase in core spending power for 2025/26, against the back drop of real terms cuts to local government funding for more than a decade, external cost pressures and the need to fund local priorities mean that the council must continue with its significant savings and transformation programmes.
94. The report sets out several risks facing the council (at paragraph 68 and in Appendix D), along with other local authorities in terms of previous reductions in local government funding and future prospects for funding, increases in demand for key services and the need to maintain adequate levels of reserves in the face of these pressures and the significant investment which the council is applying or seeking to apply to a range of key programmes. The report clearly sets out the increased level of financial risk and the known and planned reductions in the level of reserves, which include the significant investment proposed in respect of the regeneration of Civic Campus programme and affordable housing developments. Strong programme governance and oversight is in place, and it is important that this is maintained to ensure that key objectives and outcomes are being delivered within approved budgets.
95. Appendix D sets out the financial risks against which the 2025/26 budget and MTFs are being proposed for approval. There are significant financial risks around ongoing demand for transport for children and young people with Special Educational Needs and increases in referrals, funding for social care services, increases in the demand for and cost of temporary accommodation, the reliability of a range of income and funding streams (in particular where affected by the cost of living crisis) needed to support the delivery of front-line services, along with inflationary pressures on staffing and employment costs and contracts. Appendix D contains high level mitigating actions in many cases. It is vital that clear mitigation plans are developed for all risks identified, which will then be implemented, monitored, and reported on to ensure that the council is able to deliver vital services within its overall cost envelope.
96. Similarly, Appendix C sets out a range of growth and savings proposals which will need to be appropriately planned, implemented, managed, monitored, and reported on. Robust controls and governance will need to be applied to ensure that key activities support the delivery of the council's objectives while ensuring that costs are appropriately controlled, savings delivered, and growth investment achieves the required outcomes. Where actions are not delivering savings or mitigating financial pressures, prompt and appropriate action will need to be identified and taken.

*Implications verified by: David Hughes, Director of Audit, Fraud, Risk and Insurance, 9 January 2025.*



## **PROCUREMENT IMPLICATIONS**

97. There are no direct implications resulting from this report.

### **LIST OF APPENDICES:**

Appendix A – The requisite Council Tax calculations for Hammersmith & Fulham

Appendix B – Medium term financial forecast

Appendix C – Investment and savings proposals

Appendix D – Budget risks

Appendix E – Fees and charges

Appendix F – Equalities Impact Assessment

Appendix G – Reserves strategy and forecast

Appendix H – CIPFA FM Code Compliance

Appendix I – 2025/26 Budget Schedules

## APPENDIX A

The Requisite Calculations for Hammersmith & Fulham (as set out in Section 31A to 49B in the Localism Act 2011)

		<b>£</b>	
(a)	Being the aggregate of the amounts which the council estimates for the items set out in section 31A (2) (a) to (f) of the Act.	597,637,892	
(b)	Being the aggregate of the amounts which the council estimates for the items set out in Section 31A (3) (a) to (d) of the Act.	469,471,700	
(c)	Being the aggregate difference of (a) and (b) above calculated by the council in accordance with Section 31A (4) of the Act, as its Council Tax requirement for the year.	128,166,192	
(d)	Being the amount formally agreed by council as the Council Tax base for 2025/26.	88,304	
(e)	Being the amount at (c) divided by the amount at (d) above, calculated by the council in accordance with Section 31B of the Act as the Basic amount of Council Tax (Band D) for the year.	1,451.42	
(f)	Hammersmith & Fulham proportion of the Basic amount of its Council Tax (Band D)	961.04	
(g) Valuation Bands – Hammersmith & Fulham Council:			
<b>Band A</b>	<b>Band B</b>	<b>Band C</b>	<b>Band D</b>
640.69	747.47	854.25	961.04
<b>Band E</b>	<b>Band F</b>	<b>Band G</b>	<b>Band H</b>
1,174.60	1,388.16	1,601.73	1,922.08
being the amounts given by multiplying the amount at (f) above by the number which, in proportion set out in section 5 (1) of the Act, is applicable to dwellings listed in a particular valuation band divided by the number which that proportion is applicable to dwellings listed in band D, calculated by the council, in accordance with Section 36 (1) of the Act, as the amounts to be taken into account for the year in respect of dwellings listed in the different valuation bands.			
(h) Valuation Bands – Greater London Authority			
That it be noted that the following amounts in precepts issued to the council in respect of the Greater London Authority, its functional and predecessor bodies, in accordance with Section 40 of the Local Government Finance Act 1992, for each of the categories of dwellings shown below:			
<b>Band A</b>	<b>Band B</b>	<b>Band C</b>	<b>Band D</b>
326.92	381.41	435.89	490.38

<b>Band E</b>	<b>Band F</b>	<b>Band G</b>	<b>Band H</b>
599.35	708.33	817.30	980.76
(i) That having calculated the aggregate in each case of the amounts at (g) and (h) above, the council, in accordance with Section 30 (2) of the Local Government Finance Act 1992, hereby sets the following amounts of Council Tax for the year 2025/26 for each of the categories of dwellings shown below:			
<b>Band A</b>	<b>Band B</b>	<b>Band C</b>	<b>Band D</b>
967.61	1,128.88	1,290.14	1,451.42
<b>Band E</b>	<b>Band F</b>	<b>Band G</b>	<b>Band H</b>
1,773.95	2,096.49	2,419.03	2,902.84



Medium Term Financial Strategy

**Introduction**

1. The medium-term financial forecast for the Council is set out in this Appendix to the main budget report and sets out the key fiscal assumptions, service/demographic pressures, projected grant settlements and the potential risks.
2. This covers the 3-year period from 2026/27 to 2028/29 and is a reasonable medium-term planning timespan (as the MTFFS is subject to in year review as part of the annual budget setting process combined with the annual update).
3. The MTFFS ensures that budget proposals are not viewed in isolation for a single year but take a medium term view as to the estimated resources available to the Council, prudent budget (income and expenditure, including demand led pressures) expectations, and assist the Council in developing medium term plans to ensure continued sustainability and resilience.
4. This MTFFS focuses on the on the General Fund revenue budget and it should be viewed alongside the HRA Business Plan, Treasury Management Strategy Statement and the Capital Strategy in order to provide a more complete view of the Council's finances, medium term pressures and approach to financial sustainability.
5. Although key economic indicators show that the economy has stabilised in recent months, the financial challenge for local authorities remains considerable, particularly given another single year finance settlement. The new Government has committed to a multi-year finance settlement from 2026/27 onwards. On one hand this will give greater certainty for resource and financial planning purposes. However, there has also been a commitment to overhaul the local government finance system. This is no doubt overdue and necessary, and we will work with the LGA and London Councils to support the government in this review. At this stage, only general forecasts are possible, and these will be refined as more details are published.
6. The Council has a strong record of financial governance (as outlined by our external auditors in the Annual Audit Report for 2023/24) and will plan to build on this to deliver financially sustainable services for our residents, visitors and businesses across the medium term. However significant risks remain across core services as demand and price pressures manifest themselves. To mitigate these, services will need to reform, transform and develop robust action plans which address issues and provide sustainable solutions to reduce cost pressures.
7. Whilst reforms can provide an opportunity for transformation and embed positive change, there are risks that Councils with the demographic profile like Hammersmith and Fulham may see funding redirected elsewhere, based on previous needs assessments conducted. At this moment in time, it is too uncertain what the financial impact may be, but the MTFFS will be updated once the potential impacts become clearer.

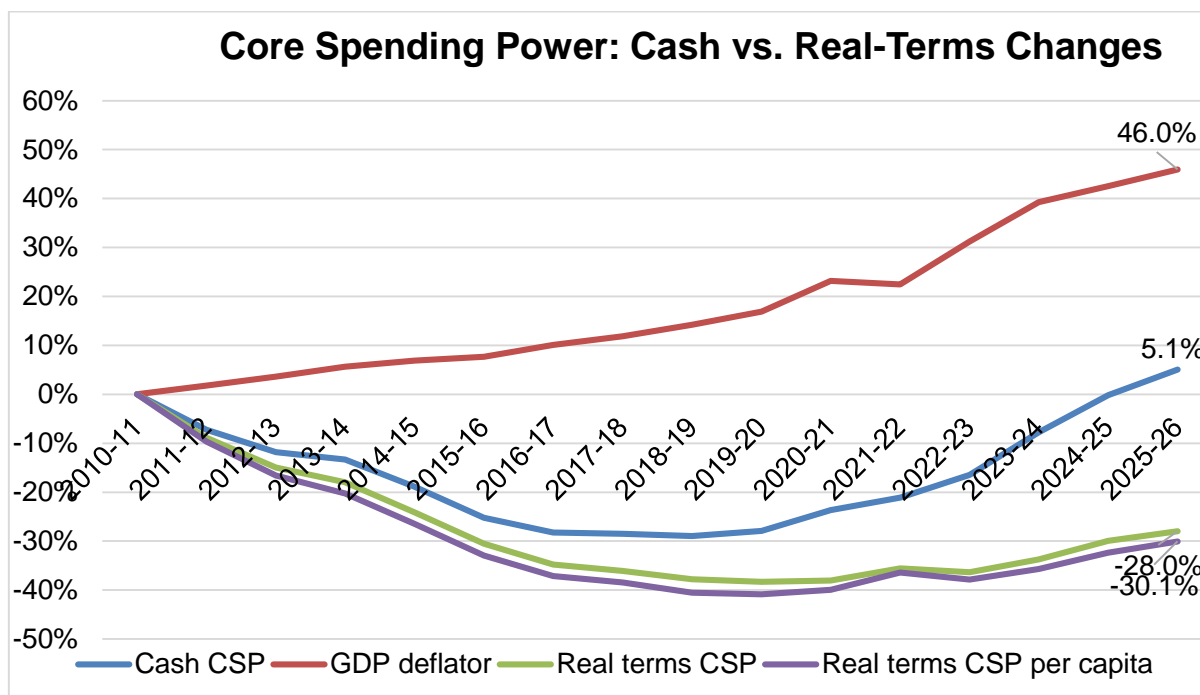
## Strategic Operating Environment

8. The Chancellor's Autumn Budget outlined overall Government departmental funding levels for the 3 years after 2025/26, but the amounts available for day-to-day spending (and therefore the funding framework for local government) will only become clear as part of the planned Spending Review in March 2025. It is anticipated that efficiency savings of up to 5% over the period will need to be found by departments, and therefore local authorities are at risk of seeing funding levels reduce.
9. Since then, the Local Government Finance Provisional Settlement, the government published a consultation on the reform of the current local government financial system, and this is intended to govern settlements for future years and the allocation of resources.<sup>1</sup>
10. These reforms will include plans to 'reset' the business rates retention system, as was originally intended when the previous government established the system. Additionally, there are plans that will build on the proposals set out in the previous government's review of Relative Needs and Resources (previously referred to as the 'Fair Funding Review') from 2018, using the best available evidence to inform local authority funding allocations and direct funding to where it is most needed, based on an up-to-date assessment of need and local resources.
11. The reforms also include plans to allow local authorities greater flexibility and control over statutory sales, fees and charges, streamline and reduce the number of funding pots, ending the New Homes Bonus, using uniform assumptions adjusting for Council Tax when assessing locally available resources, and more up to date information when assessing the cost and demand for delivering services.
12. An update to the Fair Funding Review and a reset of the business rates retention system could see LBHF lose out on funding, if for example the methodology used for the Recovery Grant (which relies on deprivation and the ability to raise local resources) is used more widely for general funding. Transitional arrangements will likely provide a safety net for losses incurred in the immediate term.
13. The Council has extensive frameworks for the development of policies and priorities in conjunction with our residents (this includes Commissions led by independent experts) and the significant element of public scrutiny on the finances of the Council is undertaken at Cabinet and the Public Accountability Committees (PACS). This is expected to be more extensive in the future as major service led transformations are developed and implemented.
14. Our budgets are set within the context of over a decade of reduced funding and increasing demand for services. Analysis undertaken by London Councils shows

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<sup>1</sup> <https://www.gov.uk/government/consultations/local-authority-funding-reform-objectives-and-principles/local-authority-funding-reform-objectives-and-principles>

that since 2010/11, the Council's Core Spending Power has fallen by 28% in real terms.



15. The Council's Corporate Plan has a comprehensive and cross-cutting set of ambitions for the organisation. It provides the golden thread on which the council's overarching budget, policy and governance framework is based, and it explains how we will transform our services and spend and invest money to help protect high quality essential services for our residents.
16. The MTFs looks to build upon the ambitions set out in the Corporate Plan and allocate resources where priorities lie and to ensure sufficient funding for statutory services. It also sets out the size and scale of the budget gap ahead and whilst the council will continue to be Ruthlessly Financially Efficient and aim to maximise efficiency there will also be tough choices given the available resources.

### Strategic Financial Planning Assumptions of the MTFs

17. There are assumptions upon which the medium-term financial strategy is based, and these are detailed below and summarised in Table 1.
  - provision for future pay awards and contractual inflation is set in line with OBR forecasts for CPI as per the Autumn Budget.
  - budgeted annual contributions to corporate reserves of £1.6m (thought it was £0.8m) to allow for future investment in digital infrastructure and transformation programmes
  - the retention of contingencies in the annual budget of circa £9m (4% of the net controllable budget) at the start of the MTFs for 2026/27 to mitigate for any unbudgeted in year cost pressures that may arise
  - all the planned efficiencies in 2025/26 will be fully delivered.



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- concessionary fares and other levies will increase in line with the latest forecasts from TfL/London Councils and the other precepting authorities
- the Council Tax base will increase by 750 households (>1% of the overall CT base)
- a working assumption that there will be no increase in council tax (these decisions will be determined as necessary by the majority administration)
- annual government funding settlements will increase in line with the OBR forecast for CPI as at the Autumn Budget.
- interest rates will reduce to 3.5% over the medium term in line with OBR forecasts

**Table 1: Key Financial Assumptions 2026/27 to 2028/29**

	2026-27	2027-28	2028-29
Price inflation (%)	2.2	2.1	2.1
Pay inflation (%)	2.2	2.1	2.1
Interest Rates (%)	3.7	3.6	3.5
Change in Council Tax (%)	-	-	-
Change in Council Tax Base (no. of households)	750	750	750
Council Tax Collection Rate (%)	97	97	97
Business Rates Collection Rate (%)	97	97	97
Change in Settlement Funding for Revenue Support Grant and Business Rates Baseline (%)	2.2	2.1	2.1
Government Grants	Variable	Variable	Variable

18. The assumptions above are taken with the best current information available. The forecast for future years is uncertain because grant funding is crucial to the validity of the forecast and a one-year finance settlement does not provide this at present. The upcoming Spending Review in March 2025 and commitment to future multi-year finance settlements would provide more certainty for medium term decision making.
19. No assumptions have been made in the forecasts for any funding reforms or Business Rates reset given the uncertainty and lack of information on the impact of them yet. However, it should be noted given the fundamental reforms proposed in the policy statement and by way of exemplification, a funding decrease of 5% compared to 2025/26 would result in an estimated reduction in grants of £3m for the Council.

### **Service Demographic Pressures**

20. The Council is currently experiencing significant cost pressures across key services such as temporary accommodation, home to school transport plus children and adult social care (as with most other London Councils). Additional resources have been allocated to these services in 2024/25 and 2025/26. Further pressures have arisen in relation to changes in driving behaviours and energy costs across the estate. These pressures are reported to Cabinet as part of the in-year budget monitoring reports. Whilst there is an assumption that some these pressures will continue to manifest themselves in future years, additional

## Appendix B

investment and external funding has been allocated to mitigate the impact of these.

### Adult Social Care

21. Learning Disability Transitions – funding to meet the needs of young people ageing through into Adult Social Care with Special Educational Needs and Disabilities (SEND) needs in the context of the extension of the SEND regulations up to the age of 25. Ensuring young people have access to the right services and provision at the right time. This estimated number of residents is 47 residents potentially ageing through from Children's to Adult Social Care.
22. There are baseline budget pressures for existing residents in Residential & Nursing Placements and in Supported Living Accommodation - the full year effect of all residents receiving care services (open care packages).
23. Unlike local authorities, care providers are not funded directly for the changes in the Autumn Budget regarding Employer's National Insurance Contributions. Additionally, the uplift of the London Living wage and the unquantified Employment Rights Bill will likely mean greater pressures than the inflationary increase proposed in the budget. (The current working assumption is a 6% increase from April 2025).

### Children's and Education Services

24. Existing baseline budget pressures exist within Children's Services which we continue to monitor to identify mitigations against, including pressures for home to school travel assistance, and placement and non-placement expenditure for children looked after and care leavers. These pressures are directly linked to service demands along with increased complexity of need for these cohorts of children and young people.

### Homelessness Temporary Accommodation (TA)

25. During the last financial year, the number of households in TA increased from 1,176 to 1,455 households. This represents a 24% increase which is higher than the London trend. Since April 2024, the numbers in TA have remained relatively unchanged with 1,434 households in temporary accommodation.
26. The supply of TA in-borough is limited, and 61% of households are placed in TA across other London boroughs. Only a small number of households (2%) are currently placed in boroughs outside London. The following table summarises the type of TA households are living in:

	<b>April 2023</b>	<b>April 2024</b>
B&B	128	190
B&B Annexe	-	151
Housing Association leases	44	35
Hostel	63	59

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Private Sector Leases	885	959
Temporary on license	56	58
<b>Total</b>	<b>1,176</b>	<b>1,452</b>

27. The Council did not use B&B annexe accommodation prior to 2023, but the supply of other types of TA was not able to keep pace with the increase in homelessness demand (3,425 households approached the Council as homeless in 2023/24) and it was necessary to venture into the B&B annexe market in 2023 to ensure a supply of self-contained TA was available for families with children. The use of B&B annexes increased significantly during 2023/24, with a further 30% increase in the number of families in B&B annexe accommodation during the last 3 months.
28. A working group has been established and has developed a strategy and mitigation plan to manage the pressures and some of the key actions are listed below:
- Reducing the flow of new homelessness households into TA
  - Proactive homelessness prevention
  - Reducing the cost of placements into TA by the Out of Hours service
  - Move households in top 100 most expensive TA to lower cost TA and procure more lower cost provision
  - Procure additional lower cost TA units
  - Introduce a nightly cap framework
  - Increase properties used as Temporary on Licence (TOL)
  - Ensuring a flow out of TA into settled accommodation

### Other Issues

29. The Council is undertaking a major regeneration scheme in partnership with A2D (a new town hall, 200 new homes and commercial property. Major components of this are completed (especially the new homes) and is scheduled for full handover in December 2025. This is expected to provide opportunities for the rationalisation and disposal of existing property holdings and allow the management of any residual risks.

### **FORECAST MTFS – 2026/27 to 2028/29**

30. A forecast of the medium-term position based on the assumptions outlined above is set out in the table below



**Table 2: Forecast Budget Gap 2026/27 to 2028/29 (Cumulative)**

	<b>2026/27 £m</b>	<b>2027/28 £m</b>	<b>2028/29 £m</b>
Provision for Price Inflation	4.2	8.5	13.0
Provision for Pay Inflation	3.5	6.9	10.6
Concessionary Fares and Other Levies	1.2	2.2	3.1
<i>Service Demographic and Demand Pressures (as below)</i>			
Adult Social Care	7.4	7.4	7.4
Childrens and Education	0.9	1.4	1.9
Temporary Accommodation	-	-	-
Other Pressures (Savings Programme, Civic Campus, Waste, Digital)	3.5	3.5	3.5
Cost of Borrowing (Minimum Revenue Provision and Interest Payable)	-	-	-
Prior Year One-Offs (interest/collection fund)	10.1	10.2	10.3
Government Grants	2.6	1.2	0.2
Retained Business Rates	(1.0)	(1.9)	(2.9)
Council Tax (additional households)	(0.7)	(1.4)	(2.2)
Step Up of Existing Savings and Efficiencies	(1.0)	(1.0)	(1.0)
<b>Forecast Position</b>	<b>30.7</b>	<b>37.0</b>	<b>43.9</b>

31. The table above presents an initial assessment of the budget gap for the 2026/27 financial year of just over £30m, with the material elements of this gap being the reversal of one-off funding within the 2025/26 budget (relating to Collection Fund, interest on balances and one-off increases in income), price and pay inflation (even considering an anticipated ongoing steady decline in inflation), and demand led pressures projections. As has already been mentioned, the MTFs position will be updated regularly through the year to give members and officers, the evolving position upon which to make decisions.
32. Officers will continue to engage with key stakeholders (London Councils, Society of London Treasurers etc) to set out a clearer position on the proposed funding reforms ahead of 2026/27.

### **Scenario Planning Analysis**

33. Due to the complexity and increasingly changing landscape across political, demographic and economic factors, it is prudent to set out a number of scenarios taking into account known information at the time, risks which may present themselves plus potential changes to the current financial landscape.
34. Taking this into account across the council's forecast assumptions on expenditure, income and demand pressures, the "pessimistic" scenario estimate at this stage is a budget gap of £38.7m rising to £57.9m by 2028/29.

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	2026/27 £m	2027/28 £m	2028/29 £m
<b>Forecast Position</b>	<b>30.7</b>	<b>37.0</b>	<b>43.9</b>
Higher Pay Inflation (0.5%)	0.8	1.6	2.6
Higher Price Inflation (0.5%)	1.0	2.0	3.2
Lower Investment Income (0.5%)	0.4	0.4	0.4
Lower Savings Programme Delivery in 2025/26 (10%)	0.5	0.5	0.5
Changes in Grant Funding (excl impact of Fair Funding Review)	(0.3)	(0.6)	(0.9)
Lower Council Tax Base (250 household growth)	0.5	1.0	1.4
Lower Council Tax Collection Rate (95%)	1.8	1.7	1.7
Lower Council Tax Change (-1%)	0.8	1.7	2.6
Retained Business Rates at Safety Net	1.0	1.0	1.0
Concessionary Fares and other levies	0.6	0.6	0.6
Changes to Capital Programme	1.1	1.1	1.1
<b>Revised Budget Gap</b>	<b>38.7</b>	<b>47.9</b>	<b>57.9</b>

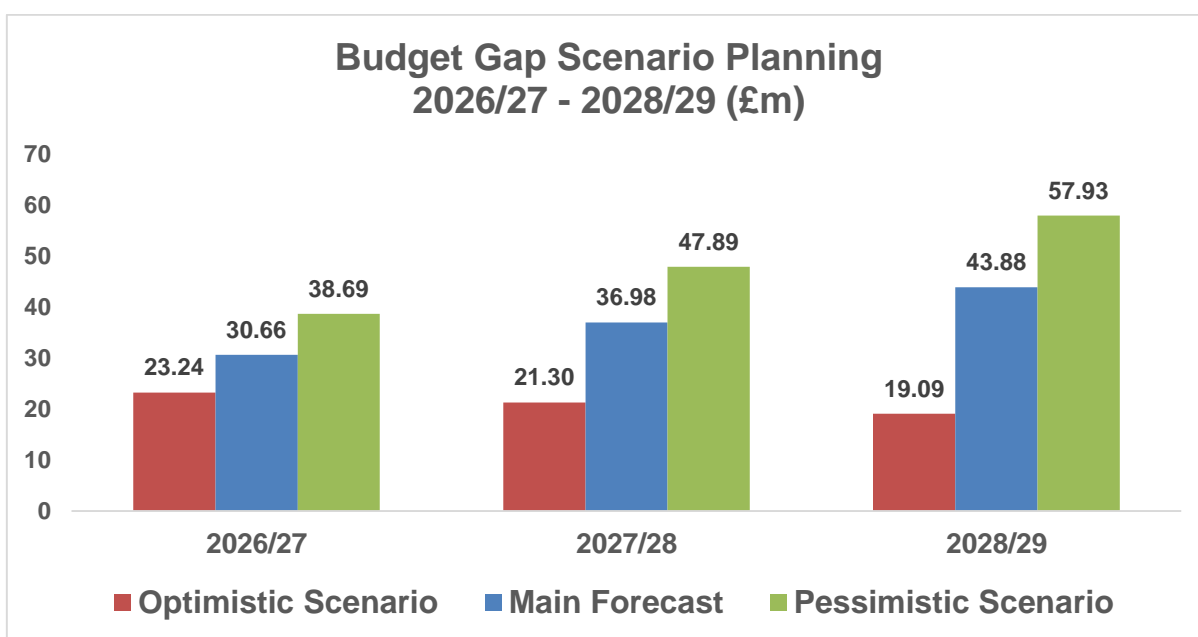
35. The “optimistic” scenario estimate at this stage is a budget gap of £23.2m reducing to £19.1m by 2028/29.

	2026/27 £m	2027/28 £m	2028/29 £m
<b>Forecast Position</b>	<b>30.7</b>	<b>37.0</b>	<b>43.9</b>
Lower Pay Inflation (0.5%)	(0.8)	(1.6)	(2.5)
Lower Price Inflation (0.5%)	(1.0)	(2.0)	(3.1)
Higher Investment Income (0.5%)	(0.2)	(0.2)	(0.2)
Changes in Grant Funding (excl impact of Fair Funding Review)	0.3	0.6	0.9
Higher Council Tax Base (2% household growth from 25/26 Base)	(1.0)	(2.0)	(4.0)
Higher Council Tax Collection Rate (98% from 27/28)	-	(0.9)	(0.9)
Higher Council Tax Change (4.99% as per Govt modelled assumptions)	(4.3)	(9.1)	(14.5)
Retained Business Rates	-	-	-
Concessionary Fares and other levies	(0.5)	(0.5)	(0.5)
Changes to Capital Programme	-	-	-
<b>Revised Budget Gap</b>	<b>23.2</b>	<b>21.3</b>	<b>19.1</b>

36. These scenarios are subject to a high degree of uncertainty, assumptions and variations in estimates are likely to change over time. The outcome of both the local authority funding reform consultation and the Chancellor’s Spring Budget will inform the council as to its likely available resources in the medium term and an update will be provided to members once the full implications of both are known.
37. All scenarios contain an estimated level of demand and demographic pressures across services as known at this time. If these pressures can be reduced, then the budget gap would decrease accordingly.

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38. The estimates for the revenue cost of financing the capital programme are based on the current approved capital programme over the medium term and does not include any forecasts based on projects which may be at planning permission stage or have not received Cabinet/Full Council sign off for the project budget in full.
39. Although most of these projects are held in the Housing Revenue Account, any projects which would require additional borrowing to fund costs in the General Fund would increase the budget gap.



### Mitigation Strategy

40. The Council has several Corporate Transformation Programmes focusing on Property, Digitalisation, Commercialism and Workforce. Other service transformation programmes are in progress and most notably Adult Social Care, and Homelessness.
41. There are other programmes that have been established e.g. Debt Management Board (intended to provide a focus on the management of the collection of income). It may be necessary for the Council to continuously review its current policy priorities and to maintain a focus on the major statutory services.
42. The mitigation strategy that is in development will focus on following service/corporate transformation programmes:

Homeless Reduction Strategy – as outlined above

- Adult Social Care Transformation – a holistic review of functions across workforce, strategy, performance and commissioning



## Appendix B

- Further automation of manual processes and use of digital tools (Machine Learning, Artificial Intelligence, Business Intelligence) to improve efficiency and service delivery.
- Property Rationalisation
- Workforce Planning
- Improving Debt Management
- Policy Choices/Discretionary Services
- Service Delivery Choices
- Use of General Reserves and Release of Budgeted Contingencies

## PEOPLE

Change and Savings Proposals		Budget Change			
Service	Summary	2025-26 Budget Change Cumulative (£000's)	2026-27 Budget Change Cumulative (£000's)	2027-28 Budget Change Cumulative (£000's)	2028-29 Budget Change Cumulative (£000's)
Independent living, Quality, Performance and Safeguarding	Review care costs with NHS (CHC) as people with very high needs are discharged from hospital.	(100)	(150)	(150)	(150)
Independent living, Quality, Performance and Safeguarding	Focus on prevention to further promote independent living including promotion of services and support provided in the local area by the voluntary and community sector.	(300)	(350)	(350)	(350)
Independent living, Quality, Performance and Safeguarding	Further increased take-up of Direct Payments to improve choice and control for residents.	(200)	(400)	(400)	(400)
Commissioning	In line with our choice and control principles, increasingly residents are choosing to order online or make other independent meals arrangements. This change in resident activity enables the delivery of this saving.	(50)	(50)	(50)	(50)
Specialist Support and Independent Living	Review of placement sufficiency to ensure the right provision is available at the right time, reducing Housing voids to better meet demand.	0	(200)	(200)	(200)
Care Leavers Placements	Cost avoidance through working with our block SIL provider to develop our in-borough provision to meet the needs of young people	(217)	(217)	(217)	(217)
Care Leavers Placements	Cost avoidance through investing in Housing First programme to support post 19 care leavers to independence with the right support in place as necessary	0	(96)	(96)	(96)
Care Leavers Placements	Improved support following the opening of new site to enable young people in out of borough placements to move into in-borough placements.	(310)	(310)	(310)	(310)
Preventing Family Breakdown	Preventative programme, supporting families to stay together and preventing family breakdown by providing short-breaks to young people at risk of coming in to care to enable de-escalation and stabilisation mitigating higher costs.	(310)	(310)	(310)	(310)
Staffing / Fostering Shared Service	Benefits of collaborative working and practices	(116)	(116)	(116)	(116)
Travel Care and Support	Contract retender savings and further independent travel training	(200)	(200)	(200)	(200)
<b>Total Firm Change and Savings Proposals</b>		<b>(1,803)</b>	<b>(2,399)</b>	<b>(2,399)</b>	<b>(2,399)</b>

<b>Investment, Demand and Demographic Growth</b>					
<b>Service</b>	<b>Summary</b>	<b>2025-26 Budget Change Cumulative (£000's)</b>	<b>2026-27 Budget Change Cumulative (£000's)</b>	<b>2027-28 Budget Change Cumulative (£000's)</b>	<b>2028-29 Budget Change Cumulative (£000's)</b>
Independent living, Quality, Performance and Safeguarding & Specialist Support.	Adults Care Packages - Baseline budget pressures in Residential & Nursing Placements and in Supported Living Accommodation with the full year effect in 2024/25 of all residents receiving care services and supporting the care market.	2,800	2,800	2,800	2,800
Special Educational Needs	Needs led services following growth in statutory Education and Health Care Plans for children and young people with special educational needs and disability	519	519	519	519
Children and Young Peoples Services	Budget investment in social work staffing to support: - workforce pressures identified by Ofsted - Increased management oversight - Swift decision making to review, close and step down where appropriate.  Investment in: - Contact and Assessment Service - Family Support and Child Protection Service	458	458	458	458
Education - Family Hubs	Further investment following the expansion of Family Hubs which will act as a single point of access to help families navigate and receive the support they need when they need it.	173	173	173	173
Education - Attendance	Investment in statutory responsibilities to work with school partners to remove barriers to good attendance recognising attending schools is a protective factor for children and young people.	243	243	243	243
Contingency	New grant funding for Children's Services held corporately until final conditions are known (Childrens Prevention Grant)	835	835	835	835
<b>Total Firm Investment, Demand and Demographic Growth Proposals</b>		<b>5,028</b>	<b>5,028</b>	<b>5,028</b>	<b>5,028</b>



## PLACE

Change and Savings Proposals		Budget Change			
Service	Summary	2025-26 Budget Change Cumulative (£000's)	2026-27 Budget Change Cumulative (£000's)	2027-28 Budget Change Cumulative (£000's)	2028-29 Budget Change Cumulative (£000's)
Street Environment Services	Waste disposal - targeted shift from general waste to recycling	(300)	(300)	(300)	(300)
Street Environment Services	Introduce time banded commercial waste collections	(50)	(50)	(50)	(50)
Various	Review fees and charges	(500)	(500)	(500)	(500)
Highways	Review street lighting asset inventory	(150)	(150)	(150)	(150)
Highways	Additional income from highways assets	(200)	(200)	(200)	(200)
Highways	Enforcement of Advertising board licences	(50)	(50)	(50)	(50)
Leisure	Additional sports bookings income from enhanced facilities	(100)	(100)	(100)	(100)
Leisure	Review sports bookings discounts	(50)	(50)	(50)	(50)
Leisure	Review sports bookings administration	(50)	(50)	(50)	(50)
Libraries	Review Home Library Service	(64)	(64)	(64)	(64)
Libraries	Café franchise in libraries	(20)	(20)	(20)	(20)
Corporate Property Management	Non-domestic property portfolio master plan	(100)	(400)	(400)	(400)
Development Management	Review discretionary Planning charges	(175)	(175)	(175)	(175)
Council Property Development	Homebuy matching and marketing service	(75)	(75)	(75)	(75)
Community Safety	Enhanced specialist enforcement of environmental street scene crime	(150)	(150)	(150)	(150)
Community Safety	Additional external income for CCTV	(30)	(30)	(30)	(30)
<b>Total Firm Change and Savings Proposals</b>		<b>(2,064)</b>	<b>(2,364)</b>	<b>(2,364)</b>	<b>(2,364)</b>

Investment, Demand and Demographic Growth		Budget Change			
Service	Summary	2025-26 Budget Change Cumulative (£000's)	2026-27 Budget Change Cumulative (£000's)	2027-28 Budget Change Cumulative (£000's)	2028-29 Budget Change Cumulative (£000's)
<b>Firm Investment, Demand and Demographic Growth</b>					
Community Safety	New investment in preventing Violence Against Women and Girls	250	250	250	250
Community Safety	New investment in the Law Enforcement and Gangs teams	3,075	3,075	3,075	3,075
Street Environment Services	Align waste contract budget with service provision (from new Government funding)	1,800	1,800	1,800	1,800
Leisure	Enhanced maintenance of bookable sports facilities	60	60	60	60
Economic Development	Additional investment in Upstream London Industrial Strategy	250	0	0	0
Economic Development	Reversal of prior year one off growth - specialist expertise to support development of the Industrial Strategy	(25)	(25)	(25)	(25)
Climate Change	Additional investment in Climate Change projects and activities	120	120	120	120
<b>Total Firm Investment, Demand and Demographic Growth Proposals</b>		<b>5,530</b>	<b>5,280</b>	<b>5,280</b>	<b>5,280</b>

## HOUSING SOLUTIONS

Investment, Demand and Demographic Growth					
Service	Summary	2025-26 Budget Change Cumulative (£000's)	2026-27 Budget Change Cumulative (£000's)	2027-28 Budget Change Cumulative (£000's)	2028-29 Budget Change Cumulative (£000's)
Housing Solutions	An increase in homeless households placed in more expensive temporary accommodation combined with constraints in the supply of rehousing solutions is resulting in additional costs*	1,212	1,212	1,212	1,212
<b>Total Firm Investment, Demand and Demographic Growth Proposals</b>		<b>1,212</b>	<b>1,212</b>	<b>1,212</b>	<b>1,212</b>
	*To note - An additional £2.7m of ringfenced funding (via the Homelessness Prevention Grant) to mitigate demand and cost pressures above also being invested into the service.	2,700	2,700	2,700	2,700



## FINANCE AND CORPORATE SERVICES

Change and Savings Proposals					
Service	Summary	2025-26 Budget Change Cumulative (£000's)	2026-27 Budget Change Cumulative (£000's)	2027-28 Budget Change Cumulative (£000's)	2028-29 Budget Change Cumulative (£000's)
Digital	Remove the need for server licencing and reduce support costs for smaller applications following migration to Microsoft Azure platform.	0	(20)	(20)	(20)
ALL	An organisational review of the senior chief officer structures of the Council	(750)	(750)	(750)	(750)
Procurement and Commercial	An increase in digital advertising rental income based on contractual inflation where applicable.	(100)	(175)	(175)	(175)
Registrars	Review of fees and charges	(100)	(100)	(100)	(100)
Digital	Reduction in mobile phone contract costs	(80)	(80)	(80)	(80)
Resident Services	Local Support Payments - bringing the service in-house and reducing administration costs	(150)	(150)	(150)	(150)
Community Engagement	Removal of 2 out of 3 vacant posts	(80)	(80)	(80)	(80)
<b>Total Firm Change and Savings Proposals</b>		<b>(1,260)</b>	<b>(1,355)</b>	<b>(1,355)</b>	<b>(1,355)</b>

Investment, Demand and Demographic Growth					
Service	Summary	2025-26 Budget Change Cumulative (£000's)	2026-27 Budget Change Cumulative (£000's)	2027-28 Budget Change Cumulative (£000's)	2028-29 Budget Change Cumulative (£000's)
Insurance	Increase in cost of insurance premiums.	425	425	425	425
Digital Services	Enhancing corporate and resident anti-fraud measures through the Digital Inclusion Strategy	124	124	124	124
<b>FINANCE AND CORPORATE SERVICES - Total Investment, Demand and Demographic Growth</b>		<b>549</b>	<b>549</b>	<b>549</b>	<b>549</b>

**People Dept - Risks / Challenges**

Department & Division	Short Description of Risk	Mitigation
<b>Childrens and Education</b>		
Education and SEND	Sustained travel care growth across all client groups (Special Educational Needs and Disabilities and Children Looked After) in excess of current growth.	Robust assurance processes, route optimisations and transport sharing opportunities.
Children and Young Peoples Services	Increased presentation of need / cost, and subsequent growth in referrals and staff capacity to meet need.	Current additional fourth Contact and Assessment Team to support managing throughput of need, undertaking risk assessments, close monitoring of need.
Children and Young Peoples Services	Demand for high cost statutory or court led placements or non-placement support and expenditure	2025/26 investment in Family Support and Child Protection social work to support managing throughput of need, undertaking risk assessments, close monitoring of need.
All Services	In the medium to longer term, Impact of loss of grants and the subsequent impact on services including the Household Support Fund Support to statutory Family Support Packages	
Education and SEND	School Financial Sustainability - General Fund risk to the Local Authority due to declining pupil rolls, leading to unrecoverable deficits	Support and challenge to maintained schools with respect to financial planning, deficit recovery and medium to longer term sustainability.
<b>Adult Social Care</b>		
Learning Disabilities	<b>Learning Disability Transitions</b> – funding to meet the needs of young people aging through into Adult Social Care with SEND needs in the context of the extension of the SEND regulations up to the age of 25. Ensuring young people have access to the right services and provision at the right time. This estimated number of residents is 47 residents potentially ageing through from Children's to Adult Social Care	Regular and robust review of residents' care is needed to ensure that care plans accurately reflect current assessed care needs.
All SC Divisions	<b>Adult Care Packages</b> - Baseline budget pressures in Residential & Nursing Placements and in Supported Living Accommodation with the full year effect in 2024/25 of all residents receiving care services	Tight monitoring of the budget on a monthly basis, reprioritising as required.
All SC Divisions	<b>Demographic pressures</b> relating to the increased numbers of older and disabled residents requiring adult social care is forecast to be an average of 1.81% over the period 2024 to 2027 and equates in monetary terms to a cumulative total of £5.9m. The largest demographic pressure is expected in the 85+ years age bracket, with a projected increase of 9.68% and second is the 65-74 age group, which is expected to rise 9.60% over the same period. Placements, Home Care and Direct Payments saw an average increase in the first 6 months of 2024/25, resident numbers have increased by 4.2% (110) residents. If the increase continues at this pace for the remainder of the financial year, the residents are estimated to increase by 220, which is a 8.4% increase.	Tight monitoring of the budget on a monthly basis, reprioritising as required.
All SC Divisions	<b>Care Provider inflation</b> - Increases in London Living wages, Employer's NI and the unquantified Employment Rights Bill could mean greater pressures than the 2.5% inflationary increase proposed in the budget. (Current assumption is a 6% increase from April 2025, therefore 3.5% has been added as risk).	Monitoring as part of the contract negotiations as part of 2025-26 inflationary uplifts.
All SC Divisions	<b>Better Care Fund (BCF) NWL Integrated Care Board review.</b>	We would welcome further discussions with the NWL ICB to explore how we can work together as a whole system to deliver improved outcomes for residents in the most efficient way possible.

**PLACE Department Risk/Challenges**

Division	Short Description of Risk	Mitigation
Climate Change	Significant funding requirements for addressing the Climate and Ecological Emergency and achieving the Council's net zero carbon target	Financial strategy being developed to ascertain level of required investment and funding options
Public Realm	Hammersmith Bridge works are being undertaken at risk, pending confirmation of funding contributions from the Department for Transport and Transport for London. If the full strengthening and restoration project does not go ahead, some capital costs to date may need to be charged back to revenue	Continue to work with the Department for Transport and Transport for London
Public Realm	Waste disposal savings from the new wheeled bin waste collection service may be insufficient to cover the new service costs	Impact of roll out will be monitored and assessed. Expected to deliver longer term reductions in waste disposal tonnages and costs.
Public Realm	The new garden waste service may not fully recover its cost (insufficient take up and/or insufficient waste disposal savings)	Impact of roll out will be monitored and assessed. Expected to deliver longer term reductions in waste disposal tonnages and costs.



**HOUSING SOLUTIONS Department Risk/Challenges**

Department & Division	Short Description of Risk	Mitigation
Housing Solutions	Overall Benefit Cap (OBC) and Discretionary Housing Payments (DHP)	Support and enable residents to gain exemption from the Benefit Cap or meet the shortfall through: <ul style="list-style-type: none"> <li>- Training and qualifying employment</li> <li>- Disability/Carers benefit where possible</li> <li>- Resettlement into affordable housing</li> <li>- Personal budgeting</li> </ul>
Housing Solutions	Cost of Living Crisis and End of Eviction Ban	Help new Temporary Accommodation (TA) tenants Private Rented Sector (PRS evictees) manage rent shortfalls from tapered income (non-Benefits Cap) through: <ul style="list-style-type: none"> <li>- Personal budgeting</li> <li>- Welfare benefit advice</li> </ul>
Housing Solutions	Increase in bad debt provision on Temporary Accommodation (Bed and Breakfast and Private Sector Leasing) rent arrears because of reductions in personal income due to Cost of Living Crisis	Robust but sensitive TA Income collection processes
Housing Solutions	There is a risk of a further increase in the number of households in Temporary Accommodation	Increase access to private rented accommodation as outlined and agreed in Council's Housing Allocation Scheme.
Housing Solutions	Inflationary pressures on Temporary Accommodation landlord costs	Procuring alternative affordable units
Housing Solutions	There is a risk of large families being accommodated in B&B due to unsuitable accommodation available	Procure Temporary Accommodation for larger families.
Housing Solutions	Domestic Abuse Act - increase in households in temporary accommodation	Increase access to private rented accommodation.

## Finance and Corporate Services Risk/Challenges

Department & Division	Short Description of Risk	Mitigation
<b>Corporate</b>		
Council wide	Contract and pay inflation in excess of current budget assumptions	The budget proposals include a retained contingency reserve for inflationary risk.
Council wide	Uncertainty over medium term future government and partnership funding and continuation of existing funded programmes (e.g. TfL, Household Support Fund, Homelessness Prevention, Market Sustainability and Improvement Fund)	Continue to work proactively with our partners and highlight the major outcomes being achieved through the grant funded programmes. Develop alternative funding strategies as practical.
Council wide	Increasing risks on IT systems (cyber security)	The budget proposes additional investment in cyber security processes and infrastructure, plus maintain a strong level of General Balances. There will also continue to be regular cyber security updates to staff as appropriate.
Council wide	Abortive costs for development and other capital schemes which cannot be capitalised and therefore would need to be funded by revenue resources.	Continue to work with service contractors to manage within existing budgets
Council wide	The outcome of the latest triennial pension review is due late 2025 with the impact to be reflected in the 2026/27 budget	Robust review and challenge with independent advisors to obtain best outcomes for the council and pension members

# **Hammersmith & Fulham Fees & Charges**

Exceptions to the standard uplift

**2025/26**



**PEOPLE**  
**Department**  
**Fees & Charges**

Exceptions to the standard uplift

**2025/26**

**Adult Social Care Fees & Charges Proposals 2025/26**

Fee Description	2024/25 Charge (£)	2025/26 Charge (£)	Proposed Variation (%)
<b>1. Meals and a Chat service</b>	<b>£2.00</b>	<b>£2.00</b>	⇒ 0%
1. Careline Alarm Gold Service (Pendant)			
Private Clients ( Home owners & Private Sector Tenants)	<b>£23.14</b>	<b>£23.14</b>	⇒ 0%
Council Non-Sheltered or Housing Association (RSL) Tenants	<b>£17.21</b>	<b>£17.21</b>	⇒ 0%
2. Careline Alarm Silver Service (Pendant) - Monitoring Service only			
Private Clients ( Home owners & Private Sector Tenants)	<b>£16.12</b>	<b>£16.12</b>	⇒ 0%
Council Non-Sheltered or Housing Association (RSL) Tenants	<b>£10.30</b>	<b>£10.30</b>	⇒ 0%
3. Careline Alarm Gold Service (Pull cord) - Emergency Response & Monitoring Service			
(A) Provided to Registered Social Landlord Sheltered Accommodations (RSL Financed)	<b>£6.76</b>	<b>£6.76</b>	⇒ 0%

**PLACE**  
**Department**  
**Fees & Charges**

Exceptions to the standard uplift

**2025/26**



## Public Realm Fees &amp; Charges Proposals 2025/26

Fee Description	2024/25 Charge (£)	2025/26 Charge (£)	Proposed Variation (£)
<b>BULKY HOUSEHOLD WASTE COLLECTIONS</b>			
<i>20% discount applied for charities</i>			
Standard - up to 3 items of household bulky waste	£45.00	£49.00	£4.00
Standard - each additional item	£4.50	£9.80	£5.30
Special fee – broken down sheds - per shed	£75.00	£80.00	£5.00
<b>GARDEN WASTE</b>			
Annual Garden Waste Subscription	£90.00	£90.00	£0.00
<b>COMMERCIAL WASTE</b>			
<b>DUTY OF CARE CERTIFICATES</b>			
Duty of Care Certificate (new and revisions)	£80.00	£85.00	£5.00
<b>WASTE AND RECYCLING COLLECTIONS - charge per sack/empty</b>			
<i>20% discount applied for charities. Prices subject to negotiation</i>			
Recycling Sacks	£2.30	£2.50	£0.20
Waste Sacks	£3.30	£3.60	£0.30
360 Ltr Recycling Bin	£8.50	£9.30	£0.80
360 Ltr Waste Bin	£14.40	£15.90	£1.50
660 Ltr Recycling Bin	£12.00	£13.20	£1.20
660 Ltr Waste Bin	£18.90	£20.80	£1.90
940 Ltr Waste Bin	£26.20	£28.80	£2.60
1100 Ltr Waste Bin	£26.20	£28.80	£2.60
1100 Ltr Waste Bin (heavy)	£28.50	£31.30	£2.80
1280 Ltr Recycling Bin	£17.60	£19.30	£1.70
1280 Ltr Recycling Bin (heavy)	£19.50	£21.40	£1.90
Compactors	£617.50	£675.00	£57.50
<b>DOMESTIC BIN HIRE - charge per bin per week</b>			
360 Ltr Euro Bin	£1.80	£1.90	£0.10
660 Ltr Bin	£3.50	£3.60	£0.10
940 Ltr Bin	£2.60	£2.70	£0.10
1100 Ltr Euro Bin	£3.80	£3.90	£0.10
1280 Ltr Euro Bin	£3.80	£3.90	£0.10
<b>CONTAINER REPLACEMENT - charge per bin</b>			
360 Ltr Bin	£169.10	£172.00	£2.90
660 Ltr Bin	£449.00	£457.00	£8.00
940 Ltr Palladin Bin	£472.70	£481.00	£8.30
940 Ltr Chamberlain	£472.70	£481.00	£8.30
1100 Ltr Euro Bin	£465.60	£474.00	£8.40
1280 Litre Euro Bin	£588.60	£599.00	£10.40
<b>COMMERCIAL RECYCLING CONTAMINATION CHARGE</b>			
Per occurrence - one off charge in addition to standard collection charges above	£50.00	£75.00	£25.00

## Public Realm Fees &amp; Charges Proposals 2025/26

Fee Description	2024/25 Charge (£)	2025/26 Charge (£)	Proposed Variation (£)
<b>HIGHWAYS</b>			
<b>Street Lamp Column Small Cell Attachments</b>			
Coordination fee / checking and assessing applications (VAT to be added)	£4,500.00	£4,950.00	£450.00
Inspection / surveys / structural tests, per node attachment (VAT to be added)	£240.00	£270.00	£30.00
Annual fee - first node deployed on each asset	£300.00	£330.00	£30.00
Annual fee - second node deployed on each asset	£150.00	£170.00	£20.00
Annual fee - each additional node deployed on each asset after the first two	£100.00	£110.00	£10.00
<b>Attachment licence – for attachments other than small cells:</b>			
Admin Charge	£250.00	£280.00	£30.00
6 monthly block charge per asset (i.e. lamp column)	£750.00	£830.00	£80.00
<b>Other</b>			
Provision of General Highways Information	£550.00	£600.00	£50.00
Crossover Application fee	£550.00	£600.00	£50.00
Canopy Fee - One off charge	£330.00	£360.00	£30.00
Canopy Fee - Renewal	£165.00	£180.00	£15.00
<b>Pavement Licences</b>			
New pavement licence (per annum)	£300.00	£500.00	£200.00
Renewed pavement licence (per annum)	£200.00	£350.00	£150.00
Advertising Board Licence - Annual	£220.00	£250.00	£30.00
<b>Scaffolding / Hoarding Licences</b>			
A damage deposit of at least £750 applies for all for scaffold & hoarding licences (refundable on completion following verbal or written confirmation & satisfactory site inspection).	£750+	£750+	N/A
Scaffolding / Hoarding Licence Commercial Single Frontages (and residential sites measuring up to 15m) - per month	£420.00	£600.00	£180.00
Scaffolding / Hoarding Licence (Any site measuring more than 15m) - per month	£960.00	£1,060.00	£100.00
<b>Crane Licences</b>			
Major crane Application	£1,000.00	£1,120.00	£120.00
Minor Crane Operations, two weeks	£500.00	£550.00	£50.00
<b>Skips &amp; Builder's Materials Licences</b>			
A damage deposit has been introduced to cover damage from skips and builders materials. This is set at £750 in line with the damage deposit for scaffolding and hoarding licences	£750.00+	£750.00+	
Skip & Builders' Materials Licences, two weeks	£130.00	£150.00	£20.00
Applications for highway licences, where applicable, also require payment for the suspension of a parking bay			
<b>Other Highways Licences</b>			
Magazine Dispensers	£1,155.00	£1,280.00	£125.00
Storage Containers (developments, stadiums, etc.), two weeks	£1,100.00	£1,210.00	£110.00
Cellar Doors - One off license fee	£440.00	£490.00	£50.00
Cellar Doors - Renewal fee	£220.00	£250.00	£30.00
Portaloos, two weeks	£110.00	£200.00	£90.00
Site huts, two weeks	£330.00	£370.00	£40.00
Accident Data	£200.00	£220.00	£20.00
Call outs (for first day - not including additional costs)	£220.00	£250.00	£30.00
- Each additional day	£82.50	£100.00	£17.50
<b>Highways Inspection Data</b>			
Application	£550.00	£610.00	£60.00
<b>Highways Land Enquires</b>			
Text Based	£120.00	£140.00	£20.00
Drawing	£240.00	£270.00	£30.00
<b>Street Naming and Numbering</b>			
Initial new addressable Unit	£400.00	£450.00	£50.00
Additional Addressable Unit	£140.00	£160.00	£20.00
New building name	£280.00	£310.00	£30.00
New Street name	£800.00	£880.00	£80.00
Address Verification	£180.00	£200.00	£20.00
<b>Street works (Section 50) Licences</b>			
Application Fee	£370.00	£500.00	£130.00
Officer Time Charges, per hour, estimated as at least £750 per job	£750.00	£750.00	£0.00
Admin Fee	7%	10%	3%
Reinstatement Bond	To be estimated	To be estimated	

## Public Realm Fees &amp; Charges Proposals 2025/26

Fee Description	2024/25 Charge (£)	2025/26 Charge (£)	Proposed Variation (£)
<b>TRANSPORT POLICY</b>			
<b>Costs of Traffic Surveys</b>			
4 Arm Junction	£770.00	£850.00	£80.00
Single Carriageway	£770.00	£850.00	£80.00
Other Junctions	£770.00	£850.00	£80.00
<b>ENVIRONMENTAL QUALITY</b>			
Demolition Notice S80 Building Act (VAT not included)	£360.00	£440.00	£80.00
<b>Environmental Searches for Contaminated Land Enquiries (Environmental Information Regulations 2004)</b>			
Residential Property*	£240.00	£270.00	£30.00
Commercial Property*	£240.00	£270.00	£30.00
*A scaled increase is applied to these charges for bespoke searches, large sites or adjacent properties. The Environmental Quality team should be contacted for an estimate in all cases. VAT is not included.			
<b>Private Water Supplies - General Charges</b>			
<i>Statutory charges. The Regulations* allow the Council to recover reasonable costs.</i>			
Risk Assessment (for each assessment)	£85.00	£100.00	£15.00
Sampling (for each visit)**	£85.00	£100.00	£15.00
Investigation (each investigation)	£85.00	£100.00	£15.00
Granting an authorisation (each authorisation)	£85.00	£100.00	£15.00
<b>LETTINGS &amp; EVENTS - Zero Rated VAT (Hourly Rates)</b>			
<b>Corporate and Private</b>			
<b>Build and de-rig fee or non-operating day (50% of daily hire fee)</b>			
Events Under 200 people attending	£1,761.00	£1,900.00	£139.00
Events 200-499 people attending	£2,343.00	£2,600.00	£257.00
Events 500-999 people attending	£2,929.00	£3,200.00	£271.00
Events 1,000-4,999 people attending	£5,858.00	£6,500.00	£642.00
Events 5,000-9,999 people attending	£11,714.00	£13,000.00	£1,286.00
Events 10,000-19,999 people attending	POA	POA	N/A
<b>Fairground</b>			
<b>Build and de-rig fee or non-operating day (50% of daily hire fee)</b>			
Small (up to 5 ride)	£604.00	£700.00	£96.00
Medium ( up to 10 rides)	£1,209.00	£1,300.00	£91.00
Large ( over 10 rides)	£2,418.00	£2,500.00	£82.00
<b>Surcharge for large infrastructure</b>			
Staging and Screens	£587.00	£650.00	£63.00
<b>Other Fees</b>			
Short notice surcharge	N/A	POA	New Charge
Event Duty Management half day (min 4 hours)	N/A	£400-£750	New Charge
Event Duty Management full day	N/A	£500-£1,000	New Charge



## Public Realm Fees &amp; Charges Proposals 2025/26

Fee Description	2024/25 Charge (£)	2025/26 Charge (£)	Proposed Variation (£)
<b>FILMING/PHOTOGRAPHY</b>			
<b>GENERAL (ADMIN AND STAFF)</b>			
Admin fee per hour (10 and above crew)	N/A	£150.00	New Charge
Late Notice Application Fee (less than two weeks)	£106.80	£150.00	£43.20
Late Notice cancellation (within 48 hours of start)	N/A	50% of total fees	New Charge
Security per hour	£27.60	Cost plus 25%	N/A
Electricians per hour	£47.60	Cost plus 25%	N/A
Licence fee (small crew) 1 -10	£46.90	£100.00	£53.10
Licence fee (Medium crew) 11 - 24	£70.40	£150.00	£79.60
Licence fee (large crew) 25-49	£129.10	£200.00	£70.90
Licence fee (extra large) 50+	£176.10	£300.00	£123.90
Licence fee (students and charities)	£23.50	£30.00	£6.50
<b>PARKS AND CEMETERIES</b>			
Larger parks - Ravenscourt, Bishops, Wormwood Scrubs, Hammersmith, South (per hour)	£434.30	£500.00	£65.70
All other sites (per hour)	POA	POA	N/A
Small parks: Small crew 1 -10 (per day)	£586.90	£750.00	£163.10
Small parks: Medium crew 11 - 24 (per day)	£1,173.70	£1,500.00	£326.30
Small parks: Large crew 25 - 49 (per day)	£1,173.70	£2,000.00	£826.30
Small parks: Extra large crew 50+ (per day)	£2,347.40	£2,500.00	£152.60
Large parks: Small crew 1 -10 (per day)	£1,760.60	£2,000.00	£239.40
Large parks: Medium crew 11 - 24 (per day)	£2,347.40	£2,500.00	£152.60
Large parks: Large crew 25 - 49 (per day)	£2,934.30	£3,500.00	£565.70
Large parks: Extra large crew 50+ (per day)	£3,521.10	£4,000.00	£478.90
<b>LOCATION FEES</b>			
<b>Libraries / Sports Centres / Housing Estates / Mortuary:</b>			
Extra large crew 50+ (per day)	£3,521.10	£4,000.00	£478.90
<b>LIBRARIES</b>			
<b>Archives Reproduction Fees</b>			
Exhibitions - Permanent display - small audience	£45.00	£60.00	£15.00
Exhibitions - Permanent display - large audience	£90.00	£120.00	£30.00
Television, Film & Video - Facility fee for film or TV companies - negotiable per day	£100-£500	£110-£550	£10-£50
<b>TV &amp; Audio</b>			
DVDs & boxed sets per day	£0.30	£1.00	£0.70
Learning pack/ language course	£0.30	£1.00	£0.70
<b>Loss &amp; Damage</b>			
Lost / damaged membership cards - over 15	£3.00	£3.50	£0.50

## Public Realm Fees &amp; Charges Proposals 2025/26

Fee Description	2024/25 Charge (£)	2025/26 Charge (£)	Proposed Variation (£)
<b>PARKS</b>			
Professional Dog Walker Licence - Resident (annual)	£210.00	£230.00	£20.00
Professional Dog Walker Licence - Non Resident (annual)	£410.00	£460.00	£50.00
<b>LEISURE IN PARKS</b>			
<b>PROFESSIONAL PERSONAL TRAINING</b>			
Professional Trainer License With 3 or more people up to 25 (6 Months)	£960.00	£1,060.00	£100.00
professional Trainer License With 3 or more people up to 25 (12 Months)	£1,710.00	£1,890.00	£180.00
<b>FOOTBALL (GRASS PITCHES) - LBHF</b>			
<i>Inclusive of Changing Rooms when available &amp; Nets/Flags</i>			
Full-Size Pitch Per Game	£121.30	£133.00	£11.70
7-A-Side Size Pitch Per Game	£59.90	£66.00	£6.10
5-a-side pitch per hour	£49.90	£55.00	£5.10
Per Pitch Per Hour - In Borough State Schools	£42.30	£45.00	£2.70
Per Pitch Per Hour - Out of Borough & Private Schools	£100.00	£110.00	£10.00
<b>11-A-SIDE ALL-WEATHER PITCHES (11AWP)</b>			
<i>Inclusive of Pitch Hire Only</i>			
Per Pitch Per Hour	£121.30	£133.00	£11.70
Per Pitch (off-peak 9am-5pm Monday-Thursday, all day Friday and weekends)	£108.60	£119.00	£10.40
Per Pitch Per Hour - In Borough State Schools	£42.30	£45.00	£2.70
Per Pitch Per Hour - Out of Borough & Private Schools	£100.00	£110.00	£10.00
Per Pitch Per Hour - H&F Primary Schools Sports association (1pm-3.30pm) - Session	£55.00	£58.00	£3.00
Per pitch (Group Training/Coaching Every Day)	£116.20	£133.00	£16.80
Per Pitch Per Hour - H&F Primary Schools Sports association (9am-3.30pm) - 5 times a year	£172.40	£182.00	£9.60
<b>5-A-SIDE ALL-WEATHER PITCHES (5AWP)</b>			
<i>Inclusive of Pitch Hire Only</i>			
Per Pitch Per Hour	£59.90	£66.00	£6.10
Per Pitch (off-peak 9am-5pm Monday-Thursday, all day Friday and weekends)	£47.10	£52.00	£4.90
Per Pitch Per Hour - In Borough State Schools	£34.30	£37.00	£2.70
Per Pitch Per Hour - Out of Borough & Private Schools	£61.00	£66.00	£5.00
Per pitch (Group Training/Coaching Every Day)	£63.40	£70.00	£6.60
<b>RUGBY / GAELIC FOOTBALL / LA CROSSE / HOCKEY / AUSTRALIAN RULES</b>			
<i>Inclusive of Changing Rooms when available</i>			
Per Pitch, Per Adult, Per game -	£121.40	£134.00	£12.60
Junior Size pitch - Game	£75.90	£83.00	£7.10
Per Pitch Per Hour - In Borough State Schools	£42.30	£45.00	£2.70
Per Pitch Per Hour - Out of Borough & Private Schools	£100.00	£110.00	£10.00
<b>CRICKET PITCH - LBHF</b>			
<i>Wormwood Scrubs only (Inclusive of Changing Rooms when available)</i>			
Per pitch per match (weekend and bank holiday)	£163.50	£180.00	£16.50
Per pitch per hour (Group training/coaching everyday)	£63.10	£69.00	£5.90
Per pitch per match (weekday)	£135.10	£149.00	£13.90
Per pitch - In-Borough State School	£42.30	£45.00	£2.70
Per pitch - Out of Borough and Private School	£100.00	£110.00	£10.00
<b>CRICKET (NETS)</b>			
<i>South Park Only (Inclusive of Net Hire only, where requested without a pitch).</i>			
Per net - Hour	£21.00	£23.00	£2.00
Per net - In-Borough State School - Hour	£16.20	£18.00	£1.80
Per net - Out of Borough and Private School - Hour	£23.00	£25.00	£2.00
<b>ROUNDERS/BASEBALL/SOFTBALL</b>			
<i>Wormwood Scrubs only (Inclusive of Changing Rooms when available)</i>			
Per pitch - adult	£121.50	£134.00	£12.50
Per Pitch Per Hour - In Borough State Schools	£55.00	£58.00	£3.00
Per Pitch Per Hour - Out of Borough & Private Schools	£95.00	£105.00	£10.00
<b>TOUCH/TAG RUGBY</b>			
<i>Inclusive of Pitch Hire Only</i>			
Per Pitch Per Game	£64.10	£71.00	£6.90
Per Pitch Per Hour - In Borough State Schools	£42.30	£45.00	£2.70
Per Pitch Per Hour - Out of Borough & Private Schools	£100.00	£110.00	£10.00
<b>ATHLETICS &amp; SPORTS DAYS - HURLINGHAM PARK &amp; SOUTH PARK</b>			
<i>Inclusive of Line Markings (100m Track) (No Changing Rooms)</i>			
Per Space Per Hour	£85.00	£94.00	£9.00
Per Space Per Hour - In Borough State Schools	£42.30	£45.00	£2.70
Per Space Per Hour - Out of Borough & Private Schools	£100.00	£110.00	£10.00
<b>ATHLETICS &amp; SPORTS DAYS - All Other Sites</b>			
<i>Inclusive of Pitch Hire Only</i>			
Per Space Per Hour	£39.80	£44.00	£4.20
Per Space Per Hour - In Borough State Schools	£34.30	£37.00	£2.70
Per Space Per Hour - Out of Borough & Private Schools	£64.00	£70.00	£6.00
Group training and coaching per area per hour	£65.00	£72.00	£7.00
<b>TENNIS - LBHF</b>			
Pay and play - Hour (non-member court fee)	£13.30	£15.00	£1.70
Tennis Membership (Annual - Adult)	N/A	£25.00	New charge
Member Pay and play - Adult - Hour / Out of borough & Private School	£9.90	£11.00	£1.10
Member Pay and play - Youth (under 18) - Hour	£4.70	£5.00	£0.30

**Public Realm Fees & Charges Proposals 2025/26**

Fee Description	2024/25 Charge (£)	2025/26 Charge (£)	Proposed Variation (£)
Pre-booked - State school - Hour	£4.70	£5.00	£0.30
Floodlights - Hour	£4.20	£5.00	£0.80
Coaches licence fee - Annual	£1,602.70	£1,800.00	£197.30
Chelsea Harbour Club Adult Courses (per week)	N/A	£15.00	New charge
Chelsea Harbour Club Junior Courses (per week)	N/A	£12.50	New charge
Chelsea Harbour Club Disability Courses (per week)	N/A	£5.00	New charge
<b>NETBALL - LBHF</b>			
Per Court Per Hour - Daytime	£28.50	£32.00	£3.50
Per Court (Group training/coaching daytime)	£31.60	£35.00	£3.40
Per Court Per Hour - Floodlit	£42.70	£47.00	£4.30
Per Court (Group training/coaching floodlit)	£45.30	£50.00	£4.70
Per Court Per Hour - In Borough State Schools	£23.30	£26.00	£2.70
Per Court Per Hour - Out of Borough & Private Schools	£36.00	£40.00	£4.00
Netball - Per Court Per Hour - In Borough State Schools - Floodlit	£30.00	£33.00	£3.00
Netball - Per Court Per Hour - Out of Borough & Private Schools - Floodlit	£43.00	£47.00	£4.00
<b>COMMUNITY ROOM - Hurlingham Park Only</b>			
Room Hire	£44.20	£49.00	£4.80
Room Hire - Hammersmith And Fulham RFC (2 Hours)	£100.80	£111.00	£10.20
<b>TRAINING AREAS (FLOODLIT AND NON FLOODLIT)</b>			
<b>HURLINGHAM PARK TRAINING AREA</b>			
<i>Inclusive of Changing Rooms &amp; Floodlights (Where Available)</i>			
Training Area Per Hour	£56.40	£62.00	£5.60
Training Area Per Hour - Group Training/Coaching Every Day	£63.40	£70.00	£6.60
Training Area Per Hour - In Borough State Schools	£54.60	£58.00	£3.40
Training Area Per Hour - Out of Borough & Private Schools	£81.00	£89.00	£8.00
Per area - Hammersmith & Fulham RFC (90 minutes) - Session	£113.10	£124.00	£10.90
Training Area Per Day - Fulham Football Club Foundation	£178.60	£196.00	£17.40

## Public Realm Fees &amp; Charges Proposals 2025/26

Fee Description	2024/25 Charge (£)	2025/26 Charge (£)	Proposed Variation (£)
<b>BISHOPS PARK, BROOK GREEN, EEL BROOK COMMON, LILLIE ROAD, NORMAND PARK, RAVENSCOURT PARK, SOUTH PARK &amp; WORMWOOD SCRUBS TRAINING BOOKABLE AREAS</b>			
<i>Inclusive of Pitch Hire Only</i>			
Training - In-Borough State School	£32.70	£35.00	£2.30
Training - Out Of Borough And Private School and General	£41.00	£45.00	£4.00
Training Area Per Hour (Public- without Changing Rooms)	£32.70	£36.00	£3.30
Training Area Per Hour (Commercial - without Changing Rooms)	£36.50	£40.00	£3.50
Training Area Per Hour (with Changing Rooms)	£56.40	£62.00	£5.60
Training Area Per Hour/Day rate - Fulham Football Club Foundation (School Holidays Only)	£128.30	£141.00	£12.70
<b>LINFORD CHRISTIE STADIUM</b>			
<b>Annual Inclusive Pass</b>			
Adult (member)	£125.50	£140.00	£14.50
Adult (non-member)	£195.20	£210.00	£14.80
Concessionary (member)	£55.50	£60.00	£4.50
Concessionary (non-member)	£97.70	£110.00	£12.30
Student	£97.70	£110.00	£12.30
Adult (member) - 6 months	£69.50	£80.00	£10.50
Adult (non-member) - 6 months	£111.30	£120.00	£8.70
<b>Casual Use session Price (pay as you go)</b>			
Adult (Member)	£5.10	£6.00	£0.90
Adult (Non Member)	£6.50	£7.00	£0.50
*Concessionary (12 months only) (member)	£2.60	£3.00	£0.40
*Concessionary (12 months only) (Non Member)	£3.90	£4.00	£0.10
Lifestyle Plus Member	£0.60	£1.00	£0.40
Adult spectator/ entrance fee (events)	£2.60	£3.00	£0.40
Use of shower facilities / changing facilities	£2.60	£3.00	£0.40
<b>Running Track Hire</b>			
Training - In-Borough State School	£28.70	£31.00	£2.30
Training - Out Of Borough And Private School and General	£94.00	£103.00	£9.00
Training - Group training/coaching	£94.60	£104.00	£9.40
Sports Day - In-Borough State School (Up to 3 hours)	£220.80	£232.00	£11.20
Sports Day - Out Of Borough And Private School and General (Up to 3 hours)	£308.00	£339.00	£31.00
Sports Day - Group/corporate (Up to 3 hours)	£378.30	£416.00	£37.70
Sports Day - In-Borough State School (Each additional hour)	£88.90	£94.00	£5.10
Sports Day - Out Of Borough And Private School and General (Each additional hour)	£126.00	£139.00	£13.00
Sports Day - Group/corporate (Each additional hour)	£126.10	£166.00	£39.90
Thames Valley Harrier Meeting	£78.50	£86.00	£7.50
<b>PITCHES &amp; ANCILLARY HIRE SERVICES</b>			
<b>7-A-SIDE ALL WEATHER PITCH (Sand based)</b>			
<i>Inclusive of changing rooms when available</i>			
Per Pitch Per Hour (Peak from 5pm onwards Monday-Thursday)	N/A	£65.00	New charge
Per Pitch Per Hour (off-peak 9am-5pm Monday-Thursday, all day Friday and weekends)	N/A	£45.00	New charge
Per Pitch Per Hour - In-Borough State School	N/A	£35.00	New charge
Per Pitch Per Hour - Out Of Borough And Private School	N/A	£55.00	New charge
<b>7-A-SIDE 4G WEATHER PITCH</b>			
<i>Inclusive of changing rooms when available</i>			
Per Pitch Per Hour (Peak from 5pm onwards Monday-Thursday)	N/A	£85.00	New charge
Per Pitch Per Hour (off-peak 9am-5pm Monday-Thursday, all day Friday and weekends)	N/A	£60.00	New charge
Per Pitch Per Hour - In-Borough State School	N/A	£50.00	New charge
Per Pitch Per Hour - Out Of Borough And Private School	N/A	£70.00	New charge
<b>5-A-SIDE ALL WEATHER PITCH</b>			
<i>Inclusive of changing rooms when available</i>			
Per Pitch (Peak from 5pm onwards Monday-Thursday)	£59.90	£66.00	£6.10
Per Pitch (off-peak 9am-5pm Monday-Thursday, all day Friday and weekends)	£39.60	£44.00	£4.40
Per Pitch - In-Borough State School	£34.10	£36.00	£1.90
Per Pitch - Out Of Borough And Private School	£51.00	£56.00	£5.00
<b>GRASS CENTRE PITCH (Linford Christie Stadium)</b>			
<i>Bookings for 10 or more games are exempt from VAT - Inclusive of changing rooms if desired</i>			
Centre Pitch Per Game Without Floodlighting	£149.30	£164.00	£14.70
Centre Pitch Per Hour Without Floodlighting	£128.30	£141.00	£12.70
Centre Pitch Per Hour Without Floodlighting - In-Borough State School	£88.90	£94.00	£5.10
Centre Pitch Per Hour Without Floodlighting - Out-of-Borough & Private School	£128.30	£141.00	£12.70
Centre Pitch Per Hour With Floodlighting	£164.20	£181.00	£16.80
Centre Pitch Per Hour With Floodlighting - In-Borough State School	£103.50	£109.00	£5.50
Centre Pitch Per Hour With Floodlighting - Out-of-Borough & Private School	£164.20	£181.00	£16.80
<b>ROOMS / STORAGE HIRE</b>			
Community room - Hour	£35.50	£39.00	£3.50
Announcers box - Hour	£35.50	£39.00	£3.50
Changing room per team - Game	£35.50	£39.00	£3.50
Community room - School - Hour	£28.40	£31.00	£2.60
Announcers box - School - Hour	£28.40	£31.00	£2.60
Changing room per team - School - Game	£28.40	£31.00	£2.60
Storage container - School - Annual	£1,850.50	£2,036.00	£185.50



## Public Realm Fees &amp; Charges Proposals 2025/26

Fee Description	2024/25 Charge (£)	2025/26 Charge (£)	Proposed Variation (£)
<b>CEMETERIES - Exempt for VAT</b>			
<b>GRAVE PURCHASE - HAMMERSMITH &amp; FULHAM</b>			
Grave Purchase & Grant - North Sheen / Mortlake - Resident	£3,666.00	£4,400.00	£734.00
Grave Purchase & Grant - North Sheen / Mortlake - Non Resident	£7,332.00	£8,800.00	£1,468.00
Grave Purchase & Grant - Fulham / Margravine - Resident	£14,548.50	£15,300.00	£751.50
Grave Purchase & Grant - Fulham / Margravine - Non Resident	£21,823.40	£23,000.00	£1,176.60
<b>INTERMENT &amp; REOPENING OF GRAVES</b>			
<i>The interment cost for residents' children up to 18 years of age are waived</i>			
Up to 2 interments / Reopening's (each) - Resident	£1,787.20	£1,900.00	£112.80
Up to 2 interments / Reopening's (each) - Non Resident	£3,574.50	£3,700.00	£125.50
Subsequent interment at same time - Resident	£608.20	£640.00	£31.80
Subsequent interment at same time - Non Resident	£1,216.40	£1,280.00	£63.60
Per extra interment (below 7ft) - Resident	£373.50	£400.00	£26.50
Per extra interment (below 7ft) - Non Resident	£746.90	£800.00	£53.10
Additional charge for casket over 6'8" long or over 26" wide - Resident	£3,259.70	£3,500.00	£240.30
Additional charge for casket over 6'8" long or over 26" wide - Non Resident	£6,519.40	£7,000.00	£480.60
<b>INTERMENT OF CREMATED REMAINS</b>			
<i>The interment cost for residents' children up to 18 years of age are waived</i>			
Grave Purchase & Reserve - Resident	£1,737.10	£1,830.00	£92.90
Grave Purchase & Reserve - Non Resident	£3,281.00	£3,660.00	£379.00
Grave Purchase and Grant - Resident	£868.50	£920.00	£51.50
Grave Purchase and Grant - Non Resident	£1,641.00	£1,840.00	£199.00
Interment - Resident	£446.00	£500.00	£54.00
Interment - Non Resident	£892.00	£500.00	-£392.00
Subsequent Interment of Cremated Remains in a Grave	£234.70	£250.00	£15.30
Scattering of Ashes - Resident	£128.00	£140.00	£12.00
Scattering of Ashes - Non Resident	£128.00	£140.00	£12.00
<b>INTERMENTS - PRIVATE GRAVES</b>			
<i>The interment cost for residents' children up to 18 years of age are waived</i>			
<b>NON PRIVATE GRAVES</b>			
Grave Space Only - Resident	£1,787.20	£1,900.00	£112.80
Grave Space Only - Non Resident	£3,574.50	£3,800.00	£225.50
<b>MEMORIALS</b>			
Headstone (including Tablet, Vase, etc.) - Resident	£334.00	£360.00	£26.00
Headstone (including Tablet, Vase, etc.) - Non Resident	£667.90	£720.00	£52.10
Additional inscription - Resident	£111.00	£120.00	£9.00
Additional inscription - Non Resident	£221.90	£240.00	£18.10
Memorial Cleaning	£70.40	£80.00	£9.60
<b>REGISTER SEARCH FEE</b>			
1 Search	£30.00	£32.00	£2.00
2 Searches	£50.00	£53.00	£3.00
3 Searches	£60.00	£63.00	£3.00
<b>CHANGE OF OWNERSHIP</b>			
Registering change of ownership & new Deed	£117.00	£123.00	£6.00
As above but statutory declaration required	£200.00	£210.00	£10.00
<b>USE OF CHAPEL (Per Hour)</b>			
Standard Hours (Monday - Friday 10am-4pm)	£128.00	£135.00	£7.00
Out of Hours (Weekdays After 4pm / Saturdays / Bank Holidays). 24 Hours Notice Required	£128.00	£135.00	£7.00
Late arrival fee	£256.10	£270.00	£13.90
<b>MAINTENANCE OF GRAVES &amp; MEMORIALS</b>			
<b>Grave Planting and Maintenance (Per annum/per grave space)</b>			
Full Maintenance	£229.60	£250.00	£20.40
Full Maintenance - Pensioners	£106.70	£125.00	£18.30

**Public Protection Fees & Charges Proposals 2025/26**

Fee Description	2024/25 Charge (£)	2025/26 Charge (£)	Proposed Variation (£)
<b>ANIMAL LICENCES (Fees Set by City of London)</b>			
<b>Animal Boarding Establishments dogs &amp; cats (NEW LICENCE)</b>			
PART A - Application fee	£698.40	£977.40	£279.00
PART B - Ongoing costs (visits, enforcement etc)	£195.50	£198.82	£3.32
<b>Application Total</b>	<b>£893.90</b>	<b>£1,176.20</b>	<b>£282.30</b>
<b>Animal Boarding Establishments dogs &amp; cats (LICENCE RENEWAL)</b>			
Part A - Application fee	£616.60	£904.20	£287.60
Part B - Ongoing costs (visits, enforcement etc)	£195.50	£198.82	£3.32
<b>Application Total</b>	<b>£812.10</b>	<b>£1,103.02</b>	<b>£290.92</b>
<b>Dog breeding kennels (NEW LICENCE)</b>			
PART A - Application fee	£873.40	£1,111.80	£238.40
PART B - Ongoing costs (visits, enforcement etc)	£195.50	£198.82	£3.32
<b>Application Total</b>	<b>£1,068.90</b>	<b>£1,310.62</b>	<b>£241.72</b>
<b>Dog breeding kennels (LICENCE RENEWAL)</b>			
PART A - Application fee	£709.60	£977.40	£267.80
PART B - Ongoing costs (visits, enforcement etc)	£195.50	£198.82	£3.32
<b>Application Total</b>	<b>£905.10</b>	<b>£1,176.20</b>	<b>£271.10</b>
<b>Dog breeding - Domestic (NEW LICENCE)</b>			
PART A - Application fee	£703.40	£927.00	£223.60
PART B - Ongoing costs (visits, enforcement etc)	£195.50	£198.82	£3.32
<b>Application Total</b>	<b>£898.90</b>	<b>£1,125.82</b>	<b>£226.92</b>
<b>Dog breeding - Domestic (LICENCE RENEWAL)</b>			
PART A - Application fee	£585.60	£831.00	£245.40
PART B - Ongoing costs (visits, enforcement etc)	£195.50	£198.82	£3.32
<b>Application Total</b>	<b>£781.10</b>	<b>£1,029.82</b>	<b>£248.72</b>
<b>Dangerous Wild Animals (NEW LICENCE - Commercial)</b>			
PART A - Application fee	£902.40	£819.00	-£83.40
PART B - Ongoing costs (visits, enforcement etc)	£195.50	£198.82	£3.32
<b>Application Total</b>	<b>£1,097.90</b>	<b>£1,017.82</b>	<b>-£80.08</b>
<b>Dangerous Wild Animals (LICENCE RENEWAL - Commercial)</b>			
PART A - Application fee	£710.60	£634.20	-£76.40
PART B - Ongoing costs (visits, enforcement etc)	£195.50	£198.82	£3.32
<b>Application Total</b>	<b>£906.10</b>	<b>£833.02</b>	<b>-£73.08</b>
<b>Dangerous Wild Animals (NEW LICENCE - Domestic)</b>			
PART A - Application fee	£769.40	£634.20	-£135.20
PART B - Ongoing costs (visits, enforcement etc)	£195.50	£198.82	£3.32
<b>Application Total</b>	<b>£964.90</b>	<b>£833.02</b>	<b>-£131.88</b>
<b>Dangerous Wild Animals (LICENCE RENEWAL - Domestic)</b>			
PART A - Application fee	£623.60	£541.80	-£81.80
PART B - Ongoing costs (visits, enforcement etc)	£195.50	£198.82	£3.32
<b>Application Total</b>	<b>£819.10</b>	<b>£740.62</b>	<b>-£78.48</b>
<b>Performing Animals (NEW LICENCE)</b>			
PART A - Application fee	£667.40	£757.80	£90.40
PART B - Ongoing costs (visits, enforcement etc)			
<b>Application Total</b>	<b>£667.40</b>	<b>£757.80</b>	<b>£90.40</b>
<b>Performing Animals (LICENCE RENEWAL)</b>			
PART A - Application fee only required	£524.60	£611.40	£86.80

**Public Protection Fees & Charges Proposals 2025/26**

Fee Description	2024/25 Charge (£)	2025/26 Charge (£)	Proposed Variation (£)
PART B - Ongoing costs (visits, enforcement etc)			
<b>Application Total</b>	£524.60	£611.40	£86.80
<b>Pet Sales (NEW LICENCE)</b>			
PART A - Application fee	£854.40	£1,123.80	£269.40
PART B - Ongoing costs (visits, enforcement etc)	£195.50	£198.82	£3.32
<b>Application Total</b>	£1,049.90	£1,322.62	£272.72
<b>Pet Sales (LICENCE RENEWAL)</b>			
PART A - Application fee	£709.60	£904.20	£194.60
PART B - Ongoing costs (visits, enforcement etc)	£195.50	£198.82	£3.32
<b>Application Total</b>	£905.10	£1,103.02	£197.92
<b>Riding Establishments (LICENCE RENEWAL) based on 15 - 29 horses</b>			
PART A - Application fee	£1,460.60	£2,566.20	£1,105.60
PART B - Ongoing costs (visits, enforcement etc)	£195.50	£198.82	£3.32
<b>Application Total</b>	£1,656.10	£2,765.00	£1,108.90
<b>Home Boarders/daycare (NEW LICENCE) Up to 6 dogs</b>			
PART A - Application fee	£574.40	£831.00	£256.60
PART B - Ongoing costs (visits, enforcement etc)	£195.50	£198.82	£3.32
<b>Application total</b>	£600.30	£1,029.80	£429.50
<b>Home Boarders/daycare (LICENCE RENEWAL) Up to 6 dogs</b>			
PART A - Application fee	£491.60	£757.80	£266.20
PART B - Ongoing costs (visits, enforcement etc)	£195.50	£198.82	£3.32
<b>Application total</b>	£687.10	£956.62	£269.52
<b>Dog Day Care (NEW LICENCE) More than 10 dogs</b>			
PART A - Application fee	£636.40	£1,046.60	£410.20
PART B - Ongoing costs (visits, enforcement etc)	£195.50	£198.82	£3.32
<b>Application total</b>	£831.90	£1,245.42	£413.52
<b>Dog Day Care (LICENCE RENEWAL) More than 10 dogs</b>			
PART A - Application fee	£554.60	£904.20	£349.60
PART B - Ongoing costs (visits, enforcement etc)	£195.50	£198.82	£3.32
<b>Application total</b>	£750.10	£1,103.02	£352.92
<b>Franchisee Arranger (NEW LICENCE)</b>			
PART A - Application fee	£570.40	£831.00	£260.60
PART B - Ongoing costs (visits, enforcement etc)	£195.50	£198.82	£3.32
<b>Application total</b>	£765.90	£1,029.82	£263.92
<b>Franchisee Arranger (LICENCE RENEWAL)</b>			
PART A - Application fee	£491.60	£757.80	£266.20
PART B - Ongoing costs (visits, enforcement etc)	£195.50	£198.82	£3.32
<b>Application total</b>	£687.10	£956.62	£269.52
<b>Hobbyist Host</b>			
Inspection fee	£187.00	£292.80	£105.80

**Public Protection Fees & Charges Proposals 2025/26**

Fee Description	2024/25 Charge (£)	2025/26 Charge (£)	Proposed Variation (£)
<b>FOOD HYGIENE TRAINING</b>			
<i>Discounts apply on the following rates for charities</i>			
Introductory -Level 1 (half day course)	N/A	£200.00	New Charge
Foundation (Food Hygiene Level 2) full day	N/A	£400.00	New Charge
Intermediate Food Hygiene Level (3 days)	N/A	£1,200.00	New Charge
<i>All above fees attract additional charge per candidate for supplies (exam paper, course books, course materials etc.)</i>			
<b>PEST CONTROL (Including VAT)</b>			
<b>Mice and Rats</b>			
For up to 3 visits for mice	£151.60	£170.00	£18.40
For each additional visit required	£47.10	£50.00	£2.90
<b>Fleas</b>			
1 visit for fleas; maximum of 3 rooms (additional rooms £15 each)	£137.20	£150.00	£12.80
<b>Wasps</b>			
1 visit for wasps	£82.60	£90.00	£7.40
<b>Bedbugs</b>			
2 visit for bedbug treatments; maximum of two bedrooms (additional rooms £26 each)	£271.20	£300.00	£28.80
For each additional visit required	£132.20	£150.00	£17.80
<b>Cockroaches</b>			
Up to 3 visits for cockroaches	£181.60	£200.00	£18.40
For each additional visit required	£57.10	£60.00	£2.90
<b>Tropical ants</b>			
Up to 2 visits	£147.80	£160.00	£12.20
For each additional visit required	£59.00	£70.00	£11.00
<b>Garden ants</b>			
1 visit for up to 4 rooms	£57.50	£70.00	£12.50
<b>Other pests</b>			
Other pests - Includes squirrels, common clothes moths, etc.	POA	POA	N/A
Commercial Charge - up to 1 hour	£146.50	£160.00	£13.50
Commercial Charge - per 30 minutes after first hour	£73.90	£80.00	£6.10
<b>FIXED PENALTY NOTICES</b>			
<b>50% discount on the following rates for prompt payment (within 14 days)</b>			
Fixed Penalty Notices (Fly-tipping)	£1,000	£1,000	£0
Fixed Penalty Notices (Littering)	£150	£250	£100
Fixed Penalty Notices (Graffiti)	£100	£500	£400
Fixed Penalty Notices (Household Duty of Care)	£400	£600	£200
<b>40% discount on the following rates for prompt payment (within 14 days)</b>			
Fixed Penalty Notices (Street trading contravention of conditions).	£100	£150	£50
<b>No legislative discount permitted on the following rates for prompt payment</b>			
Fixed Penalty Notices (Commercial waste receptacle breach)	£110	£150	£40
Fixed Penalty Notices (Repairing vehicles on road)	£100	£150	£50
Fixed Penalty Notices (2 or more vehicles for sale)	£100	£150	£50



**Planning Fees & Charges Proposals 2025/26**

Fee Description	2024/25 Charge (£)	2025/26 Charge (£)	Proposed Variation (£)
<b>PLANNING - NON-STATUTORY CHARGES</b>			
Planning History Search	£129	£150	£21
<b>Planning Performance Agreements</b>			
Senior management team	£1,014	£1,650	£636
Team leaders and deputy team leader	£907	£998	£91
Principal officers	£800	£880	£80
Senior officers	£800	£880	£80
Technical support officer	£587	£646	£59
<b>Pre Application Charges</b>			
<b>Householder and small-scale proposals</b>			
Householder written advice	£373	£435	£62
Householder meeting with planning officer	£534	£630	£97
Householder including basement and/or listed building– meeting with planning officer	N/A	£1,320	New Charge
Other - including advertisements, telecommunications, prior approvals, witten advice	N/A	£900	New Charge
Other - including advertisements, telecommunications, prior approvals, witten advice (with meeting)	N/A	£1,350	New Charge
<b>Residential Schemes</b>			
1 unit	£1,761	£3,095	£1,334
2-5 units	N/A	£6,080	New Charge
6-9 units	N/A	£9,595	New Charge
10-20 units	N/A	<b>£15,790*</b>	New Charge
<b>*This is a minimum charge and PPA is encouraged with an agreed fee</b>			
<b>Non-Residential Schemes</b>			
No new floor space/up to 99sqm	£907	£1,205	£298
100-199sqm new floor space	N/A	£5,122	New Charge
200-499sqm new floor space	N/A	£6,010	New Charge
500-849sqm new floor space	N/A	£7,800	New Charge
850sqm and above new floor space	N/A	<b>£15,760**</b>	New Charge
<b>**This is a minimum charge and PPA is encouraged with an agreed fee</b>			
<b>Residential and Non-Residential Mix Use</b>			
Pre-planning advice fees are equivalent to the sum of the residential and non-residential elements derived from the tables above. For example: 8 residential units plus 350sqm of non-residential would be £15,605 (£9,595 plus £6,010)			

**Homebuy Fees & Charges 2025/26**

<b>Fee Description</b>	<b>2024/25 Charge (£)</b>	<b>2025/26 Charge (£)</b>	<b>Proposed Variation (£)</b>
Discount Market Sale Home Buy Fee	£200.00	£250.00	£50.00
Discount Market Sale Marketing and Resale Cost (per property)	N/A	£750.00	New Charge

**Adult Learning Skills Service Fees & Charges Proposals 2025/26**

Fee Description	Fee Description	2024/25 Charge (£)	2025/26 Charge (£)	Proposed Variation (£)
<b>Classes</b>				
<i>60% concession rate applies to the following classes</i>				
Adult Education Class Full Fee per hour Band B	Accredited courses aimed at GLA/ESFA priorities e.g. low incomes (London Living wage) ESOL, SEN.	£3.23	£3.60	£0.37
Adult Education Class Full Fee per hour Band C	For courses leading to qualifications which attract a higher level of GLA/ESFA subsidy e.g. Childcare, HSC, TA, Book - Keeping etc	£4.89	£5.40	£0.51
Adult Education Class Full Fee per hour Band D	Courses that offer further personal progression and do not have primary aim of providing first steps e.g. advanced courses L3 and above.	£6.76	£7.40	£0.64
Adult Education Class Full Fee per hour Band E	Courses whose primary purpose is seen by learners to be a personal development activity e.g. MFL, Humanities and BE.	£8.45	£9.30	£0.85
Adult Education Class Full Fee per hour Band F	Full cost fee for students not resident in GLA and not eligible for GLA/ESFA subsidy (Full Fee).	£16.35	£18.00	£1.65
Adult Education Class Full Fee per hour Band G	Fee determined by market to cover full cost at a minimum	Market Rate	Market Rate	N/A
Adult Education Class Full Fee per hour SEND (all Bands) <b>per course per term</b>	Non accredited provision, 2 hours per week.	£42.21	£46.40	£4.19
Agewell Specific Programmes Class Fee per course per term Band AW	H&F borough residents	£50.00	£55.00	£5.00
Agewell Specific Programmes Class Fee per course per term Band AW	Out-of-H&F borough residents	£50.00	£55.00	£5.00
Agewell Specific Programmes Class Fee per course per term Band AW	Concessions	£25.00	£27.50	£2.50

**Adult Learning Skills Service Fees & Charges Proposals 2025/26**

Fee Description	Fee Description	2024/25 Charge (£)	2025/26 Charge (£)	Proposed Variation (£)
<b>Hire Charges</b>				
<b>Community Hire Charges</b>				
1 Room	Hourly Rate per Room 1-5 hours	£20.00	£22.00	£2.00
	Daily Rate per Room 6 hours plus	£113.30	£124.60	£11.30
	Weekly rate for Bookings of 5 days	£557.14	£612.90	£55.76
1 Hall	Hourly Rate per Room 1-5 hours	£32.38	£35.60	£3.22
	Daily Rate per Room 6 hours plus	£182.85	£201.10	£18.25
	Weekly rate for Bookings of 5 days	£902.85	£993.10	£90.25
Upholstery/ Kitchen/ Sewing room/ Art room/ Woodwork Room/Jewellery/ Stained Glass	Hourly Rate per Room 1-5 hours	£26.60	£29.30	£2.70
	Daily Rate per Room 6 hours plus	£158.10	£173.90	£15.80
	Weekly rate for Bookings of 5 days	£777.14	£854.90	£77.76
Motor Vehicle/ Pottery Workshop	Hourly Rate per Room 1-5 hours	£46.66	£51.30	£4.64
	Daily Rate per Room 6 hours plus	£277.14	£304.90	£27.76
	Weekly rate for Bookings of 5 days	£1,375.24	£1,512.80	£137.56
ICT	Hourly Rate per Room 1-5 hours	£38.10	£41.90	£3.80
	Daily Rate per Room 6 hours plus	£220.00	£242.00	£22.00
	Weekly rate for Bookings of 5 days	£1,092.38	£1,201.60	£109.22
<b>Commercial Hire Charges</b>				
1 Room	Hourly Rate per Room 1-5 hours	£56.19	£61.80	£5.61
	Daily Rate per Room 6 hours plus	£315.24	£346.80	£31.56
	Weekly rate for Bookings of 5 days	£1,521.90	£1,674.10	£152.20
1 Hall	Hourly Rate per Room 1-5 hours	£97.14	£106.90	£9.76
	Daily Rate per Room 6 hours plus	£573.30	£630.60	£57.30
	Weekly rate for Bookings of 5 days	£2,814.29	£3,095.70	£281.41
Upholstery/ Kitchen/ Sewing room/ Art room/ Woodwork Room/Jewellery/ Stained Glass	Hourly Rate per Room 1-5 hours	£65.71	£72.30	£6.59
	Daily Rate per Room 6 hours plus	£394.29	£433.70	£39.41
	Weekly rate for Bookings of 5 days	£1,900.00	£2,090.00	£190.00
Motor Vehicle/ Pottery Workshop	Hourly Rate per Room 1-5 hours	£85.71	£94.30	£8.59
	Daily Rate per Room 6 hours plus	£511.43	£562.60	£51.17
	Weekly rate for Bookings of 5 days	£2,424.76	£2,667.20	£242.44
ICT	Hourly Rate per Room 1-5 hours	£76.19	£83.80	£7.61
	Daily Rate per Room 6 hours plus	£446.66	£491.30	£44.64
	Weekly rate for Bookings of 5 days	£2,183.81	£2,402.20	£218.39
<b>H&amp;F Training &amp; Development Unit</b>				
IT Equipment, IWB, computer, wifi	Unit price per day	£114.29	£125.70	£11.41
Flipchart & pens	Unit price per day	£13.33	£14.70	£1.37
Lectern (adjustable)	Unit price per day	£21.90	£24.10	£2.20
PA systems includes microphone	Unit price per day	£110.48	£121.50	£11.02
Kitchen Utensil Hire	Unit price per day	£11.43	£12.60	£1.17
Room Set Up	Unit price	£19.05	£21.00	£1.95
Refreshments, tea, coffee & water	Unit price, per person, per break	£1.90	£2.10	£0.20



**Parking Fees & Charges Proposals 2025/26**

Fee Description	2024/25 Charge (£)	2025/26 Charge (£)	Proposed Variation (£)
<b>Pay and Display Parking</b>			
Visitor Parking 0g/km	£2.80	£2.80	£0.00
Visitor Parking 1-75g/km CO2	£2.80	£2.80	£0.00
Visitor Parking 76-120g/km CO2	£4.00	£4.00	£0.00
Visitor Parking 121-150g/km CO2	£4.50	£4.50	£0.00
Visitor Parking 151- 185g/km CO2	£5.50	£5.50	£0.00
Visitor Parking 186- 225g/km CO2	£6.00	£6.00	£0.00
Visitor Parking Over 225k/km CO2	£7.00	£7.00	£0.00
RVP 0g/km	£1.80	£1.80	£0.00
RVP 1-75g/km CO2	£1.80	£1.80	£0.00
RVP 76-120g/km CO2	£1.80	£1.80	£0.00
RVP 121-150g/km CO2	£2.30	£2.30	£0.00
RVP 151- 185g/km CO2	£2.80	£2.80	£0.00
RVP 186- 225g/km CO2	£3.30	£3.30	£0.00
RVP Over 225k/km CO2	£3.80	£3.80	£0.00
Business Visitor Permit 0g/km	£2.50	£2.50	£0.00
Business Visitor Permit 1-75g/km CO2	£2.50	£2.50	£0.00
Business Visitor Permit 76-120g/km CO2	£3.50	£3.50	£0.00
Business Visitor Permit 121-150g/km CO2	£3.50	£3.50	£0.00
Business Visitor Permit 151- 185g/km CO2	£4.25	£4.25	£0.00
Business Visitor Permit 186- 225g/km CO2	£5.00	£5.00	£0.00
Business Visitor Permit Over 225k/km CO2	£5.00	£5.00	£0.00
<b>Permits</b>			
Business Permit 0g/km	£200.00	£200.00	£0.00
Business Permit 1-75g/km CO2	£395.00	£395.00	£0.00
Business Permit 76-120g/km CO2	£791.00	£791.00	£0.00
Business Permit 121-150g/km CO2	£850.00	£850.00	£0.00
Business Permit 151- 185g/km CO2	£950.00	£950.00	£0.00
Business Permit 186- 225g/km CO2	£1,050.00	£1,050.00	£0.00
Business Permit Over 225k/km CO2	£1,200.00	£1,200.00	£0.00
Resident Permit 0g/km	£119.00	£119.00	£0.00
Resident Permit 1-75g/km CO2	£156.00	£156.00	£0.00
Resident Permit 76-120g/km CO2	£193.00	£193.00	£0.00
Resident Permit 121-150g/km CO2	£230.00	£230.00	£0.00
Resident Permit 151- 185g/km CO2	£266.00	£266.00	£0.00
Resident Permit 186- 225g/km CO2	£303.00	£303.00	£0.00
Resident Permit Over 225k/km CO2	£340.00	£340.00	£0.00
Motorcycle Permit	30% discount of banding cost	30% discount of banding cost	£0.00
2nd Permit	3x cost based on banding	3x cost based on banding	£0.00
Car Club	£791.00	£791.00	£0.00
Market Traders	£791.00	£791.00	£0.00
<b>Suspensions</b>			
Short notice fee	£255.00	£281.00	£26.00
Admin Fee	£40.00	£44.00	£4.00
Per bay per day 1 - 5 days	£48.00	£53.00	£5.00
Per bay per day 6 - 31 days	£74.00	£81.00	£7.00
Per bay per day 32 - 93 days	£99.00	£109.00	£10.00
Per bay per day 94+ days	£110.00	£121.00	£11.00
Overstay charge per day	£150.00	£165.00	£15.00
Resident Discount up to 2 bays and 31 days	50%	50%	£0.00
Resident discount for emergency circumstances up to 2 bays for 1 day	100%	100%	£0.00

**FINANCE AND CORPORATE  
Department  
Fees & Charges**

Exceptions to the standard uplift

**2025/26**

## REGISTRATION OF BIRTHS, DEATHS &amp; MARRIAGES Fees and Charges 2025/26

Fee Description	2024/2025 Charge (£)	2025/26 Charge (£)	Proposed Variation (£)
<b>Civil Marriage/Civil Partnership/Naming Ceremonies/Vow Renewals</b>			
<b>Notices</b>			
Notice of marriage/civil partnership	£42.00	£42.00	£0.00
Notice of marriage/civil partnership (subject to Home Office referral)	£57.00	£57.00	£0.00
Consideration of Divorce/Dissolution (outside of British Isles) by LRS	£55.00	£55.00	£0.00
Consideration of Divorce/Dissolution (outside of British Isles) by GRO	£83.00	£83.00	£0.00
Waiver (reduce 28 day notice period)	£66.00	£66.00	£0.00
RG's Licence	£18.00	£18.00	£0.00
<b>Conversion of a Civil Partnership into Marriage</b>			
At Register Office	£50.00	£50.00	£0.00
Completing the declaration	£30.00	£30.00	£0.00
Signing the declaration in a religious building registered for same sex couples	£101.00	£101.00	£0.00
<b>Register Office, Clockwork Building</b>			
Wednesday PM	£56.00	£56.00	£0.00
<b>The Rose Gold Room (Clockwork Building - Capacity of 12)   Wedding &amp; Civil Partnership   Renewal of Vows   Naming Ceremonies</b>			
Monday - Thursday	£206.00	£226.00	£20.00
Friday	£266.00	£286.00	£20.00
Saturday	£326.00	£346.00	£20.00
Sunday	£406.00	£456.00	£50.00
Saturday (5pm and 6pm and 7pm)	N/A	£436.00	NEW FEE
<b>The Copper Suite (Clockwork Building - Capacity of 60)   Wedding &amp; Civil Partnership   Renewal of Vows   Naming Ceremonies</b>			
Monday - Thursday	£380.00	£390.00	£10.00
Friday	£437.00	£447.00	£10.00
Saturday	£497.00	£507.00	£10.00
Sunday	£552.00	£652.00	£100.00
Saturday (5pm and 6pm and 7pm)	N/A	£607.00	NEW FEE
<b>Approved Venue Wedding &amp; Civil Partnership   Renewal of Vows   Naming Ceremonies</b>			
Monday - Thursday	£506.00	£556.00	£50.00
Friday	£606.00	£616.00	£10.00
Saturday	£656.00	£686.00	£30.00
Sunday/Bank Holidays	£796.00	£806.00	£10.00
Monday - Thursday (after 5pm)	£771.00	£771.00	£0.00
Friday (after 5pm)	£834.00	£834.00	£0.00
Saturday (after 5pm)	£897.00	£897.00	£0.00
Sunday/Bank Holidays (after 5pm)	£1,028.00	£1,028.00	£0.00
<b>Fee for attendance at a religious building</b>			
Fee for attendance at a religious building	£104.00	£104.00	£0.00
<b>Fees for attendance at House bound or Detained</b>			
Registrar attending a marriage at the residence of a housebound person	£98.00	£98.00	£0.00
Registrar attending a marriage at the residence of a detained person	£106.00	£106.00	£0.00
Superintendent attending the marriage of a housebound person	£101.00	£101.00	£0.00
Superintendent attending the marriage of a detained person	£113.00	£113.00	£0.00
<b>Copy Certificates</b>			
Copy certificate	£12.50	£12.50	£0.00
Priority service for copy certificate - 24 hours	£38.50	£38.50	£0.00
Copy certificate from historical records - administration fee	£5.00	£5.00	£0.00
While You Wait service for copy certificates - Price on application	£45.00	£48.50	£3.50
Search indexes (no more than 6 hours)	£20.00	£20.00	£0.00
<b>Fees for Changes to Initial Registration</b>			
Consideration of Space 17	£44.00	£44.00	£0.00
Consideration of Space 17 (On the day certificate issue Admin Fee)	£10.00	£10.00	£0.00
Consideration of Corrections by LRS	£83.00	£83.00	£0.00
Consideration of Corrections by GRO	£99.00	£99.00	£0.00
<b>Cancellation &amp; Booking Changes</b>			
Non-refundable deposit per form 48 notice	£42.00	£42.00	£0.00
Non-refundable deposit per form 49 notice	£54.00	£54.00	£0.00
Non-refundable deposit for ceremony bookings	£150.00	£150.00	£0.00
Amendment administration fee for ceremony bookings	£40.00	£50.00	£10.00
Cancellation within one month	N/A	50% of the remaining fee (non-refundable booking fee non-inclusive)	NEW FEE
Postal Charges	At Cost	At Cost	
<b>Citizenship Ceremony fees</b>			
Individual citizenship ceremony (Monday - Thursday)	£150.00	£180.00	£30.00
Individual citizenship ceremony - Friday	£170.00	£180.00	£10.00
Individual citizenship ceremony - Saturday	£200.00	£210.00	£10.00

**REGISTRATION OF BIRTHS, DEATHS & MARRIAGES Fees and Charges 2025/26**

Fee Description	2024/2025 Charge (£)	2025/26 Charge (£)	Proposed Variation (£)
<b>MARRIAGE LICENCES (including Civil partnership ceremonies)</b>			
<b>Marriage Licence 3 Years</b>			
PART A - Application fee (Capacity up to 100 people)	£700.00	£700.00	£0.00
PART B - Ongoing costs (visits, enforcement etc)	£200.00	£200.00	£0.00
<b>Application Total</b>	<b>£900.00</b>	<b>£900.00</b>	<b>£0.00</b>
PART A - Application fee (Capacity between 101 - 200 people)	£900.00	£900.00	£0.00
PART B - Ongoing costs (visits, enforcement etc)	£200.00	£200.00	£0.00
<b>Application Total</b>	<b>£1,100.00</b>	<b>£1,100.00</b>	<b>£0.00</b>
PART A - Application fee (Capacity over 201 people)	£950.00	£950.00	£0.00
PART B - Ongoing costs (visits, enforcement etc)	£350.00	£350.00	£0.00
<b>Application Total</b>	<b>£1,300.00</b>	<b>£1,300.00</b>	<b>£0.00</b>
<b>First Time Approved Venue Application - 1 Year Trial</b>			
PART A - Application fee (Capacity up to 100 people)	£225.00	£225.00	£0.00
PART B - Ongoing costs (visits, enforcement etc)	£75.00	£75.00	£0.00
<b>Application Total</b>	<b>£300.00</b>	<b>£300.00</b>	<b>£0.00</b>
PART A - Application fee (Capacity between 101 - 200 people)	£281.25	£281.25	£0.00
PART B - Ongoing costs (visits, enforcement etc)	£93.75	£93.75	£0.00
<b>Application Total</b>	<b>£375.00</b>	<b>£375.00</b>	<b>£0.00</b>
PART A - Application fee (Capacity over 201 people)	£300.00	£300.00	£0.00
PART B - Ongoing costs (visits, enforcement etc)	£100.00	£100.00	£0.00
<b>Application Total</b>	<b>£400.00</b>	<b>£400.00</b>	<b>£0.00</b>
<b>Religious premises who already hold religious marriage ceremonies to include civil partnership ceremonies</b>			
PART A - Application fee	£263.00	£263.00	£0.00
PART B - Ongoing costs (visits, enforcement etc)	£52.00	£52.00	£0.00
<b>Application Total</b>	<b>£315.00</b>	<b>£315.00</b>	<b>£0.00</b>
Changes to Marriage Licences	£150.00	£150.00	£0.00



## Equalities Impact Assessment – Council Tax

Decision makers should have due regard to the public sector equality duty in making their decisions. The equalities duty is a continuing legal duty and is not a duty to secure a particular outcome. Where appropriate the equalities impact will be revisited on each of the projects and/or savings proposals as they are developed. Consideration of the duty should precede the decision to implement them.

The statutory grounds of the public sector equality duty are found at Section 149 of the Equality Act 2010 and are as follows: A public authority must, in the exercise of its functions, have due regard to the need to:

- eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under this Act.
- advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it.
- Foster good relations between persons who share a relevant protected characteristic and persons who do not share it.

Having due regard to the need to advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it involves having due regard to the need to:

- remove or minimise disadvantages suffered by persons who share a relevant protected characteristic that are connected to that characteristic.
- take steps to meet the needs of persons who share a relevant protected characteristic that are different from the needs of persons who do not share it.
- Encourage persons who share a relevant protected characteristic to participate in public life or in any other activity in which participation by such persons is disproportionately low.

The steps involved in meeting the needs of Disabled persons that are different from the needs of persons who are not disabled include steps to take account of Disabled persons' impairment or long-term health condition.

Having due regard to the need to foster good relations between persons who share a relevant protected characteristic and persons who do not share it involves having due regard, in particular, to the need to:

- Tackle prejudice,
- Promote understanding.

Compliance with the duties in this section may involve treating some persons more favourably than others; but that is not to be taken as permitting conduct that would otherwise be prohibited by or under this Act.

The relevant protected characteristics are:

- Age
- Disability
- Gender reassignment
- Pregnancy and maternity
- Race
- Religion or belief
- Sex
- Sexual orientation
- Marriage and Civil partnership

In addition to the above, the Council also recognise those who are 'care experienced' as being a protected characteristic.

The Council must give due regard to its equalities duties, in particular with respect to general duties arising pursuant to Section 149 of the Equality Act 2010.

When making any decisions about growth, savings, and investment the Council must have due regard to the need to advance equality, in particular, to the need to remove or minimise disadvantages suffered by persons who share a relevant protected characteristic that are connected to that characteristic.

An analysis of the proposal to increase Council Tax levels is detailed below.

**Analysis of the impact of a Council Tax increase of 2.99% and applying the Adult Social Care precept of 2%.**

The Council is obliged to set a balanced budget and council tax in accordance with the Local Government Finance Act 1992. For 2025/26, a balanced budget is proposed based on investment in services to mitigate continuing inflationary, demand and demographic pressures, with prioritisation being given to the most vulnerable groups, savings and strengthening financial resilience.

The Council proposes to apply the maximum increase assumed by central government in the Local Government Finance Settlement of 4.99%; of which 2.99% is core Council Tax and 2% is the social care precept.

This is in line with government assumptions on Core Spending Power for local authorities. The increase is estimated to generate an additional £4m of council tax in 2025/26, with the intention of using the additional resources to help balance the budget. By increasing Council Tax, the Council can prevent reductions in services to residents and in so doing can continue to mitigate against adverse impacts facing individual households.

A 2.99% increase in Council Tax is proposed and the application of a 2% adult social care precept. These increases are modelled by the government in their spending

power calculations for local government. This will take the average Band D Council Tax from £915.37 to £961.04.

The percentage increase will be applied to all bands of council tax, as required by law. This will impact on all residents who are eligible to pay Council Tax. The average increase in cost per week on a Band D property is £0.88p. Since Council Tax is applicable to all properties it is not considered that the increase targets any one group; rather it is an increase that is applied across the board. At the same time because the increase is applied to all properties it is not possible to exempt any group.

The impact of Council Tax can be mitigated through the Local Council Tax Support scheme and other exemptions and discounts.

## Protected Characteristics

### AGE

The age of the liable person is not recorded for council tax purposes, but as per the ONS Mid-year population estimates<sup>1</sup>, there were 186,176 residents who live in the borough. Of those in the council's population in 2023, 73.5% were of working age (16-64), and 10.8% who are 65 and over.

Eligible pensioners receive support under the Local Council Tax Support scheme.

Pension age claimants ( ) are protected by law from any amendments under a local scheme and therefore continuation of the scheme will have a neutral impact upon them. For couples, both members of the couple must be pensioners.

The minimum age for receiving Local Council Tax Support is linked to the minimum age for being liable for council tax (which is 18), so residents younger than this will not be affected.

### DISABILITY

The current scheme provides a maximum CTS of up to 100% for claimants who are classified as falling into the protected category.

The following people are classed as protected under the current scheme:

- Entitled to a disability premium, severe disability premium, enhanced disability premium or carer premium when their award is calculated
- Entitled to a disabled earnings disregard, a Disabled person's reduction for Council Tax purposes, war disablement pension or war widow's pension
- Classified as a Care Leaver under the age of 25
- Lone parents with a child under five years of age.

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1

<https://www.ons.gov.uk/peoplepopulationandcommunity/populationandmigration/populationestimates/bulletins/populationestimatesforenglandandwales/mid2023>

Those that currently fall into the protected category can receive up to 100% reduction in their council tax. Many of the customers who fall into the protected category under the council's CTS scheme will fall into the protected disability characteristic.

## GENDER REASSIGNMENT

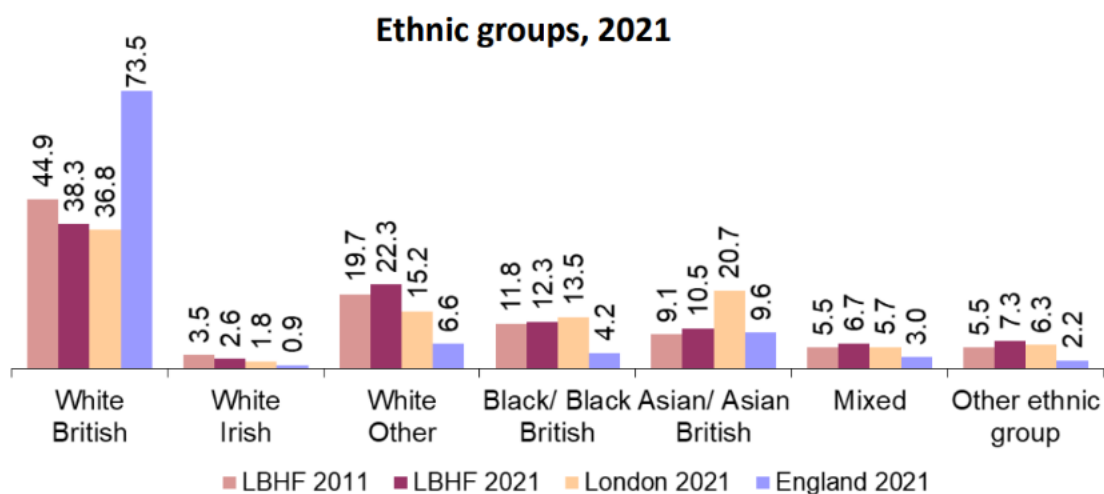
There is no Council Tax data on gender reassignment

## PREGNANCY AND MATERNITY

Pregnancy or maternity status of the liable person is not recorded for council tax purposes. Those who are expectant or new parents may benefit from the protection of specific services for families, children and education that the proposed increase will deliver.

## RACE

The council is an ethnically diverse place with 61.7% of residents identifying as “non-White British”.

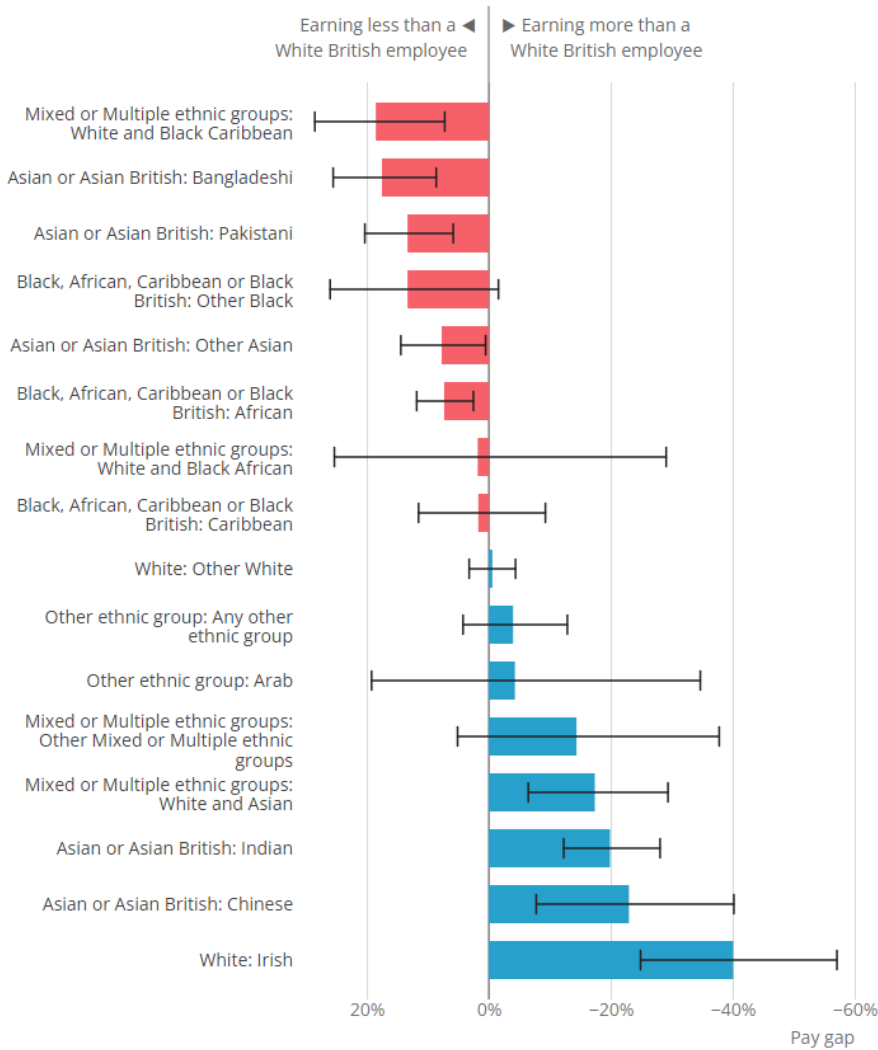


The race of the liable person is not recorded for council tax purposes, but there is no reason to believe that the increase will not negatively impact on any ethnic group disproportionately. Nationally according to the ONS, those from Bangladeshi and Pakistani backgrounds, as well as those from Black African and Caribbean backgrounds are more likely to earn less than those from a White British background.



**Raw pay gaps, 18-category ethnicity, England and Wales, 2022**

— 95% confidence interval



Source: Annual Population Survey from the Office for National Statistics

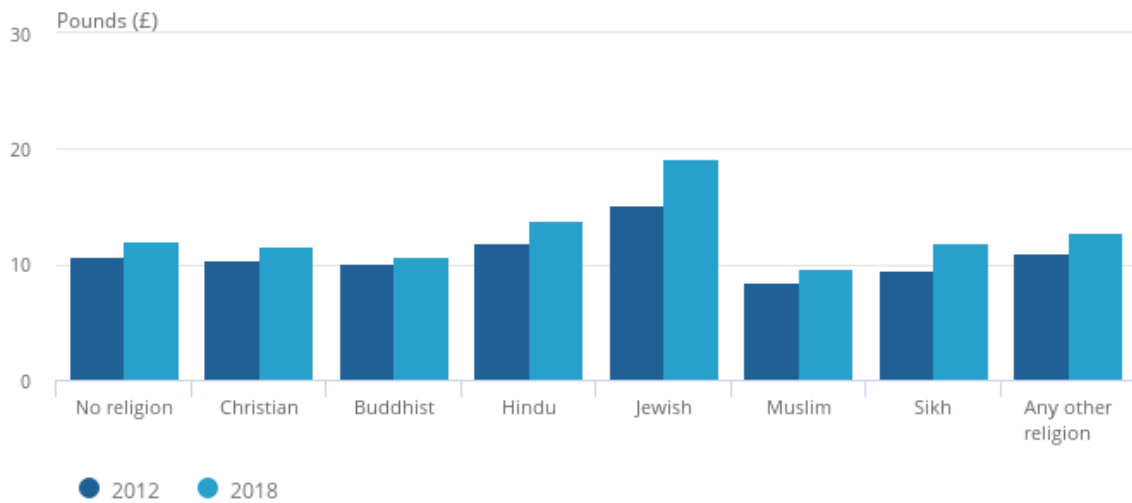
To mitigate the potential impact on those groups, those eligible for assistance for the council’s Council Tax Support Scheme which provides support with payments of council tax to low-income households in the borough. are encouraged to do so.

**RELIGION OR BELIEF**

The religion of the liable person is not recorded for council tax purposes, but there is no reason to believe that the increase will not negatively impact on any religious group disproportionately.

Nationally according to the ONS, those who identify themselves as being Muslim are likely to earn less than other religious affiliations and beliefs.

Median hourly pay of employees by religious affiliation, England and Wales, 2012 and 2018



Source: Office for National Statistics – Annual Population Survey

To mitigate the potential negative impact on those groups, those eligible for assistance for the council's Council Tax Support Scheme which provides support with payments of council tax to low-income households in the borough. are encouraged to do so.

## SEX

Approximately 53.2% of the borough are females, with 46.8% recorded as male as per the mid-year census.

The sex of the liable person is not recorded for council tax purposes, but there is no reason to believe that the increase will impact either sex disproportionately.

Statistically according to the ONS, as at April 2024 the median pay for all employees was 13.1% less for women than for men and are more likely to work part-time or in lower-paid jobs. This means that an increase in council tax can disproportionately affect women, especially single mothers and elderly women living alone.

To mitigate the potential negative impact on those groups, those eligible for assistance for the council's Council Tax Support Scheme which provides support with payments of council tax to low-income households in the borough. are encouraged to do so.

## SEXUAL ORIENTATION

The sexual orientation of the liable person is not recorded for council tax purposes, but there is no reason to believe that the increase will impact disproportionately.

## MARRIAGE OR CIVIL PARTNER

The marital status of the liable person is not recorded for council tax purposes (except for those who are eligible for single person discounts), but there is no reason to believe that the increase will impact those who are married or in civil partnerships disproportionately.

## Council Tax Exemptions and Discounts

Some properties are exempt, or qualify for a discount, from Council Tax. The different classes of exemptions/discounts are listed below.

### Occupied Properties with only the following residents:

- a) full time students (they must complete an application form and return it to us with a council tax certificate from their place of study).
- b) severely mentally impaired people.
- c) a foreign diplomat who would normally have to pay Council Tax.
- d) people who are under 18.
- e) members of a visiting force who would normally have to pay Council Tax.
- f) elderly or disabled relatives of a family who live in the main property, in certain annexes and self-contained accommodation.

If there is only one other resident in the property who does not fall into one of the above categories, then the property will receive a 25% discount rather than be exempt. If there are more than two such residents, then the property will neither be exempt nor receive a discount.

### Unoccupied properties

- g) owned by a charity are exempt for up to six months.
- h) empty due to resident receiving care in a hospital or home elsewhere.
- i) empty as resident has been sent to prison.
- j) empty as resident has moved to care for someone else.
- k) empty awaiting probate and for six months after probate is granted.
- l) has been repossessed.
- m) is the responsibility of a bankrupt's trustee.
- n) is waiting for a minister of religion to move in,
- o) empty by a student whose term-time address is elsewhere,
- p) empty because it is against the law to live there, including from 1st April 2007 where a planning condition prevents occupation.
- q) empty as it forms part of another property and may not be let separately.

### Pitch or mooring

- r) that doesn't have a caravan or boat on it is also exempt.

Those who are care experienced up to the age of 25 are now exempt from having to pay Council Tax. As well as exemptions for in-house foster carers and special guardians. This is in addition to over 13,000 households who currently receiving Council Tax support in Hammersmith and Fulham.

Those who feel they are entitled to an exemption are encouraged to contact the Council and information on how to do that is provided by the Council when Council Tax Bills are issued. Support for people struggling with their Council Tax bill is also offered through advice centres.

The liability for Council Tax is summarised below:

Total dwellings in the borough	94,867	100%
<b>Reductions:</b>		
Exemptions (mainly students, includes care leavers and vacant properties)	(3,257)	(3%)
Council Tax support claimants (elderly & working age on low income, including those with other discounts)	(13,080)	(14%)
Discounts only (primarily single person discount 25%)	(21,135)	(22%)
<b>Dwellings liable for 100% of Council Tax</b>	<b>57,395</b>	<b>61%</b>



## **People Department Growth and Savings Proposals**

### **Children's Services Growth Proposals 2025/26**

#### **Travel Care and Support Demand - £519,000**

Officers have assessed that the proposed budget growth will have a positive impact on groups that share protected characteristics and in particular age and disability, as children and young people are already receiving provision, and this will continue to be provided. Approved growth will allow the Council to continue to respond to growing demands and meet its obligations under published travel care policies.

#### **Early Intervention Family Hubs - £173,000**

Officers have assessed that the proposed budget growth will have a positive impact on groups that share protected characteristics, making it simpler for families to access a wide range of council services. The hubs will allow the council and its partners to support all children and young people from pre-birth to adulthood, and their families, through earlier intervention. Family Hubs act as a single point of access to help families navigate and receive the support they need when they need it.

#### **Investment in Attendance Services - £243,000**

It is expected that this proposal will have a neutral impact on residents with protected characteristics. Investment in statutory responsibilities to work with school partners to remove barriers to good attendance recognising attending schools is a protective factor for children and young people.

#### **Investment in Front Line Social Work - £458,000**

It is expected that this proposal will have a neutral impact on residents with protected characteristics. Whilst the proposal seeks to review the operating model and skills mix, it is not expected that any changes will negatively impact the provision and services available for children and young people. Whilst it may result in a change in worker for a small number of young people and families this is common within business as usual with well-developed processes and controls in place to mitigate the impact on children and young people. Any disruption will be short term. An Equality Impact Assessment will be undertaken as part of any restructure process to ascertain any potential impact on staff.

### **Children's Services Saving Proposals 2025/26**

#### **In-borough High Support Placements - £217,000**

It is expected that these proposals will continue to have a continued positive impact on groups that share protected characteristics as there will be no change to

placements for children and young people because of savings identified. This proposal will particularly impact on young people who are currently looked after or leaving the care system, and young people at risk of homelessness, by providing them with a supportive home whilst they build the skills required to move on into independence.

### **Supporting post 19 care leavers to independence (from 2026/27) - £96,000**

It is expected that this proposal will continue to have a continued positive impact on groups that share protected characteristics. There is a clear pathway to independence, providing young people with substantial support including key worker, social care, and housing support. Young people will only be moved to independence when deemed appropriate and will require approval at Housing Panel which considers young people's individual needs. This is because additional floating support will be provided to post 19 care leavers to ensure that their transition into the Housing pathway is successful and to encourage independence.

### **Expansion of Semi-Independent Living (SIL) places - £310,000**

It is expected that these proposals will have a positive impact on groups who share protected characteristics as there will be no change to placements for children and young people because of savings identified. This proposal will particularly impact on young people who are currently looked after or leaving the care system, and young people at risk of homelessness, by providing them with a supportive home whilst they build the skills required to move on into independence. We will expect provision to be tailored to meet needs, for example by having female-only spaces and creating LGBTQ-friendly provision.

### **Supporting Families to Stay Together and Preventing Family Breakdown - £310,000**

It is expected that these proposals will have a positive impact on those with protected characteristics as there will be no negative impact/change to placements for children and young people because of savings identified. This proposal will provide intensive support for families and young people to reduce conflict or avoid family breakdown, enabling families to build resilience. Support will be tailored to the individual needs of the young people and their families. Support arrangements will be planned in conjunction with other work being carried out with families and acts as a part of a package of support offered to the family.

### **Shared Service Staffing Efficiencies - £116,000**

It is expected that this proposal will have a neutral impact on residents with protected characteristics. Whilst the proposal seeks to review the operating model and skills mix, it is not expected that any changes will negatively impact the provision and services available for children and young people.

The investment may result in a change in worker for a small number of young people and families this is common within business as usual with well-developed processes and controls in place to mitigate the impact on children and young people. Any disruption will be short term. An Equality Impact Assessment will be undertaken as part of any restructure process to ascertain any potential impact on staff.

### **Travel Care and Support (Bus contract and Travel Training) - £200,000**

Officers have assessed that the proposed savings will have a positive impact on protected groups and in particular age and disability, as creative alternatives to travel care such as the phased transfer of travel training and efficiencies in casework planning will promote independence, aligned to a key priority within our SEND strategy to promote successful preparation for adulthood.

### **Social Care Savings Proposals**

#### **Review care costs with NHS Continuing Health Criteria (CHC) as people with very high needs are discharged from hospital – savings proposal of £0.100m**

This proposal has a **positive** impact on our residents that share protected characteristics as CHC can apply to any resident across health and social care. It also allows eligible residents to receive the care and support they require from the NHS without charge.

#### **Focus on prevention to further promote independent living including promotion of services and support provided in the local area by the voluntary and community sector - savings proposal of £0.300m**

This proposal has a **positive** impact for those with shared protected characteristics as the service re-design aims to promote independent living through improving the process of signposting residents to the range of services and support provided in the local area by the voluntary and community sector. ASC provides a level of support to residents through welfare checks and through links to a range of support available locally through volunteers and the wider voluntary and community sector.

#### **Further increased take-up of Direct Payments to improve choice and control for residents – savings proposal of £0.200m**

This proposal has a **positive** impact on groups that share protected characteristics and in particular Disabled people as Direct Payments (DP's) are key enablers for Independent Living giving people choice and control over how they meet their assessed needs. The approach to DPs in Hammersmith and Fulham has been co-produced with residents in line with recommendations of the Disabled People's Commission (2017) and an independent review of DPs in Hammersmith and Fulham (2018).

**Increasing choice and flexibility to access meals – savings proposal of £0.050m**

In line with our choice and control principles, residents are choosing to order online or make other independent meals arrangements. This change in resident activity enables the delivery of this saving. This proposal has a **neutral** impact on groups that share protected characteristics

**Social Care Investment Proposals****Adults Care Packages - Baseline budget pressures in Residential & Nursing Placements and in Supported Living Accommodation with the full year effect in 2024/25 of all residents receiving care services and supporting the care market – investment proposal of £2.8m**

The Adult Social Care (ASC) budget is under severe pressure due to (a) an ageing population with an increased acuity of care needs (b) the increasingly complex needs of Disabled residents with learning difficulties (including young people reaching adulthood, (c) increasing number of residents with higher acuity needs being discharged from hospital and being supported by the community, (d) the increased demand on services and support from residents with mental health issues. This proposed funding will have a **positive** impact for residents requiring assessed needs with physical support, learning difficulties, and mental health needs as there is additional funding to partly meet the new care needs in Residential & Nursing care homes, and Supported Living Accommodation.

Some of the proposed growth will be to support the Social Care Market from April 2025 on the additional cost impact of the increases in the London Living wages, Employers National Insurance contributions and business operational costs.



## **Place Department Investment and Growth Proposals**

### **Continued investment in prevention of Violence Against Women & Girls - £250,000**

This additional ongoing investment will enhance the support provided to victims, and those at risk of becoming victims, of violent crime (particularly women and girls), and the prevention of this type of crime. The service is specifically designed to be inclusive of all women, including transgender women, and non-binary individuals. It therefore has a positive impact on groups that share protected characteristics (and particularly on age, sex and gender reassignment).

### **Continued investment in the Law Enforcement and Gangs teams - £3.075m**

This additional ongoing investment will ensure the continuation of the Law Enforcement and Gangs teams, whose purpose is to improve safety and the feeling of safety and prevent crime across the borough. Although the Law Enforcement Team is a universal service, there to protect all residents, businesses and visitors to the borough, it is believed that this additional ongoing investment has a positive impact on groups that share protected characteristics. Particularly those groups that are at greater risk of becoming victims of crime (such as women and girls) or those that are disproportionately disadvantaged by obstructions on the highway (such as those with mobility issues). The continued investment in the Gangs team is also believed to have a positive impact on those with protected characteristics, such as age, given the focussed work the service does with children and young people.

### **Align waste contract budget with service provision - £1.8m**

This additional investment in the waste collection and street cleansing service is believed to have a neutral impact on those with protected characteristics as it is a universal service from which all residents benefit.

### **Additional investment in Climate Change projects and activities - £120,000**

This additional investment may have a positive impact for certain protected groups. For example, older people with poor health are more at risk of being adversely affected by the impact of climate change and poor air quality.

### **Enhanced maintenance of bookable sports facilities to improve standards - £60,000**

This additional investment in sports facilities is believed to have a neutral impact on those with protected characteristics as it is a bookable service that is available to everyone. It will have a positive impact on Disabled people where any works improve accessibility (although works required to improve health and safety, including accessibility issues, are already prioritised within the service).

### **Additional investment in Upstream London Industrial Strategy - £250,000**

This additional one off investment may have a positive impact for certain protected groups. For example, age, race and sex, as it could enable improved employment opportunities in industries that might be typically underrepresented by young or older people, women, or people from multiethnic backgrounds.

**Reversal of prior year one off growth - specialist expertise to support development of the Industrial Strategy - £25,000 budget reduction**

There is no service impact as a result of this budget change, which therefore has a neutral impact on groups with protected characteristics.

**Place Department Savings Proposals**

**Enhanced specialist enforcement of environmental street scene crime - £150,000**

The purpose of this specialist service is to improve street cleanliness and reduce health and safety risks relating to environmental street crime (such as fly tipping, littering and obstructions on the public highway). Although this is a universal service, there to protect all residents, businesses and visitors to the borough, it is believed that this has a positive impact on groups that share protected characteristics. Particularly those groups that are disproportionately disadvantaged from obstructions on the highway (such as those with mobility issues). An equalities impact assessment will be undertaken as part of the options appraisal and decision process.

**Additional external income for CCTV - £30,000**

This budgetary saving is to be delivered through new external funding, with no impact on the current service delivery model. It is believed that this proposal has a neutral impact on groups that share protected characteristics as there are no planned service changes, and this service is provided to all residents, businesses and visitors.

**Waste disposal - targeted shift from general waste to recycling - £300,000**

This budgetary saving is to be delivered through a sustained reduction in overall waste disposal tonnages, along with a targeted shift from general waste to recycling. It is believed that this proposal has a neutral impact on groups that share protected characteristics as the Council collects waste and recycling from every household in the borough.

**Introduce time banded commercial waste collections - £50,000**

The introduction of time banded commercial waste collections is believed to have a positive impact on Disabled groups, as it should restrict the number of obstructions (waste presented for collection) on the highway to a reduced number of occurrences, making it easier for those with mobility issues to move around the borough more safely.

**Review fees and charges - £500,000**

This budgetary saving is to be delivered through a review of fees and charges to ensure at least full cost recovery. It is believed that this proposal has a neutral impact on groups that share protected characteristics, as all customers are charged equally based on the goods/services purchased, apart from registered charities and community groups who receive discounts in some areas.

#### **Review street lighting asset inventory - £150,000**

This budgetary saving is to be delivered by ensuring improved efficiency in street lighting energy payments (ensuring that payments are aligned to the existing number and type of streetlights). This will not impact service provision, and therefore is believed to have a neutral impact on those with protected characteristics. Although not directly as a result of this saving, street lighting is an effective aid in designing out crime, and so has a positive impact on those that are at greater risk of becoming victims of crime (such as women and girls and older people).

#### **Additional income from highways assets - £200,000**

This budgetary saving is to be delivered through securing new external income from contractors that make use of the Council's highway assets (such as electric vehicle charging points, and attachments to lamp columns). It is believed that this has a neutral impact on groups that share protected characteristics.

#### **Enforcement of Advertising board licences - £50,000**

Unlicensed advertising boards positioned on the public highway can cause obstruction and present health and safety risks. Enhanced enforcement and regulation of their use is expected to have a positive impact on Disabled people, particularly those with mobility issues, who may be disproportionately disadvantaged by obstructions on the public highway.

#### **Additional sports bookings income from enhanced facilities - £100,000**

It is expected that there will be increased income generating potential following the major refurbishment and upgrade of Linford Christie Stadium and the enhanced maintenance of bookable sports facilities across the borough. It is expected that this income will be generated through a combination of increased usage and a review of fees and charges. It is believed that this has a neutral impact on groups that share protected characteristics, as these facilities are available to all, and all users are charged equally according to an agreed schedule of charges.

#### **Review sports bookings discounts - £50,000**

The removal of existing sports bookings discounts (for those users who are members of other sporting bodies) will regularise charges for all users. It is believed that this has a neutral impact on groups that share protected characteristics.

#### **Review sports bookings administration - £50,000**

This is a back office saving and will not affect front line service delivery. As such, it is believed that this proposal has a neutral impact on groups that share protected characteristics.

#### **Review Home Library Service - £64,000**

It is proposed to review the current operational arrangements for this service so that it can be provided in a more efficient way. This service is currently delivered to a relatively small number of users, the majority of whom have mobility or other health issues which make it difficult for them to visit a library. An equalities impact assessment will be undertaken as part of the options appraisal and decision process.

#### **Café franchise in libraries - £20,000**

This saving is to be delivered through securing new external income from the provision of a new café franchise in libraries. Libraries already provide an accessible, warm, safe and sociable space for users which will be further enhanced by the introduction of a café franchise. It is believed that this proposal has a positive impact on those with protected characteristics, particularly based on age and disability as well those who might be socially isolated.

#### **Non-domestic property portfolio master plan - £100,000**

This saving is expected to have a neutral impact on groups with protected characteristics as it relates to making the Council's non-domestic property portfolio more efficient. Any specific proposals to change the existing use or tenancy arrangements of currently occupied buildings will consider an equalities impact assessment as part of the proposal and decision.

#### **Review discretionary Planning charges - £175,000**

This budgetary saving is to be delivered through a review of discretionary Planning fees and charges to ensure at least full cost recovery. It is believed that this proposal has a neutral impact on groups that share protected characteristics, as all customers are charged equally based on the services purchased.

#### **Homebuy matching and marketing service - £75,000**

This budgetary saving is to be delivered through the introduction of a fees for the Homebuy service, to ensure at least full cost recovery. It is believed that this proposal has a neutral impact on groups that share protected characteristics, as all customers are charged equally based on the services purchased.



## **Housing Solutions Investment and Growth Proposals**

### **Increase in Temporary Accommodation Households in more expensive accommodation - £1.2m**

An increase in the use of more Bed and Breakfast (B&B) and B&B annexes as Temporary Accommodation (TA) for homeless households at more costly rates combined with constraints in the supply of private sector leased (PSL) accommodation is resulting in additional costs for the Council's Temporary Accommodation service.

It is expected that this proposal will have a positive impact on groups that share protected characteristics as the budget growth will fund the increasing cost of homelessness within the borough and assist in having a positive impact on the cohort. The budget growth will enable the Council to meet the increased cost of providing temporary accommodation for homeless households. A mitigation strategy is in place to ensure homeless households that the Council has a duty towards are placed into suitable but affordable accommodation. This is being achieved through measures including improved procurement of lower cost temporary accommodation and supplementing the supply of properties by discharging the Council's main housing duty into the private rented sector.

## **Finance and Corporate Services Investment and Growth Proposals**

### **Increase in insurance premiums budget - £425,000**

This additional ongoing investment is required to ensure the insurance premiums budget is sufficient to match current expenditure. There have been significant cost increases across the sector in recent years and this investment will address the current pressure being reported. There is no change to the current provision so the proposal will not impact any of the groups that share protected characteristics.

### **Enhancing corporate and resident anti-fraud measures through the Digital Inclusion Strategy - £124,000**

Ongoing investment is required to implement the Digital Inclusion Strategy for the borough. The Strategy vision is for Hammersmith and Fulham to be a more digitally inclusive borough by 2025 (aligned with the Greater London Authority); a place where residents have access to the digital skills, devices and support they need to achieve their aspirations. The proposal is for a digital inclusion programme manager and resource budget to be allocated to ensure the ambitions set out in the strategy are delivered. There are no direct negative equality implications for groups who share protected characteristics, under the Equality Act 2010. The implementation of the strategy Individual actions as part of the digital inclusion programme will be evaluated appropriately to ascertain any potential negative impact on groups that share protected characteristics and mitigating action to address potential digital exclusion to some groups in particular, age, disability and socio-economic factors prior to delivery, however the overall impact on equalities is expected to be positive.

## **Finance and Corporate Services Savings Proposals**

### **Local Support Payments - bringing the service in-house and reducing administration costs - £150,000**

The proposal is based on the reduction of administration costs in delivering the Local Support Payments scheme by bringing it in-house. Legal implications of bringing the service in-house are currently being investigated. This cannot currently be confirmed and if this is not achievable the budget will need to be supplemented by the Household Support Fund (HSF). This proposal will have a neutral impact on groups that share protected characteristics as the mitigation proposed will ensure that the value of awards are maintained. There is a dependency on HSF round 7 to achieve this.

### **Digital Advertising - £100,000**

An increase in the income target budget for digital advertising based on increasing the rental income in line with contracted annual inflation based increases. There is no change to the current provision so the proposal will not impact any of the groups that share protected characteristics.

### **Increase in increase in income budgets from a review of Registrars fees and charges - £100,000**

An annual review provides Registrars with an opportunity to benchmark against other register offices (particularly those in neighbouring boroughs). This allows the Council to remain competitive and responsive to trends, introduce innovative ideas and create additional streams of income. The proposal to review and benchmark fees and charges annually will not negatively impact groups that share protected characteristics. An Equality Analysis will be undertaken as part of the process to move from paper-based system to electronic registration to consider the potential impacts on groups that share protected characteristics, including socioeconomic factors.

#### **Removal of two vacant Community Engagement posts - £80,000**

Removal of two vacant posts in the existing Community Engagement team. This team has three posts in total but has been dormant since COVID. The proposal involves recruiting to one of the posts and removing the other two. A portion of the total saving made will be used to address existing budget shortfalls in the wider Communications team leaving £80,000 to be taken as an MTFs saving. The posts are currently vacant and have not been filled since their creation. However, the proposal will impact the opportunity to improve service provision of Community Engagement from the corporate centre, and impact groups that share protected characteristics. It should be noted that community engagement work is carried out by officers throughout the Council for their respective departments and campaigns.

#### **Reduction in mobile phone contract costs - £80,000**

A reduction in contract cost allows for mobile phone budgets across the Council to be reduced in line with reduced charges. There is no impact on services and therefore no impact on groups that share protected characteristics.

### **Council Wide Savings Proposals**

#### **Corporate redesign - £750,000**

The Corporate Redesign has reduced the Council from 6 to 3 departments, each of which is led by a director. A £250k saving was planned in 2024/25 and the further £750k is planned to be delivered in 2025/26 from a review of Chief Officer posts in People, Place, and Finance & Corporate Services. It is anticipated that there will be a reduction in posts and there will be redundancies arising from the proposal. Staff consultations will take place and full EIAs will take place as plans are developed.

## APPENDIX G - 2025/26 RESERVES STRATEGY AND FORECAST

### Summary

The reserves strategy acknowledges the challenges facing the Council and the need to ensure financial resilience is built into its medium term financial planning. It is supported by an action plan that proposes measures which improve the medium-term outlook.

Hammersmith & Fulham will carry forward a budgeted general balance of £21.6m and estimated earmarked reserves of £73.5m at the start of 2025/26. Based on the most recent comparative data (the start of 2023/24) the Council’s reserves are slightly above average, as a percentage of net revenue expenditure, for a London Borough. After considering future commitments, ear marked reserves are expected to reduce by 22% over the next four years.

The Council is already committed to use reserves to fund several major initiatives and priorities. These include the Civic Campus, our device refresh and Windows 11 upgrade programme (‘Tectonic 2), homelessness and rough sleeping prevention, regeneration schemes, and the Dedicated Schools Grant “Safety Valve” agreement. It also faces significant current and future financial pressures and risks and potential costs of future service improvements. The Council receives a good level of contributions from s106 and CIL agreements. These are subject to a separate monitoring process.

### Detailed analysis

1. Reserves play a crucial role in good public financial management. They enable investment in service transformation and provide resilience against unexpected events or emergent needs. As one-off resources they can only be spent once.
2. Hammersmith & Fulham holds reserves for two main purposes:
  - As a contingency to cushion the impact of unexpected events or emergencies – this forms part of general balances. The lack of an appropriate safety net has resulted in several councils, including Thurrock, Slough, Bexley, Croydon and Northamptonshire, running into financial difficulties.
  - To build up funds for known or predicted requirements; these specific reserves are known as earmarked reserves.
3. For 2024/25 Hammersmith and Fulham carried forward General Fund reserves and balances of £117.4m. Forecast balances to 2028/29 is set out below in Table 1.

**Table 1 – The general balance and earmarked reserves 2024/25 to 2028/29 forecast**

	April	April	April	April	April
	2024	2025	2026	2027	2028
	£m	£m	£m	£m	£m
General balances (recommended range £19m - £23m)	21.6	21.6	21.6	21.6	21.6



Earmarked reserves	95.7	73.5	69.2	68.4	70.0
<b>Sub Total</b>	<b>117.4</b>	<b>95.1</b>	<b>90.9</b>	<b>90.0</b>	<b>91.6</b>
Developer contributions (Subject to separate monitoring and approval)	65.5				

4. The reserves include, in line with accounting practice, £65.5m relating to developer contributions. The use, and monitoring of such contributions, is subject to a separate approval and monitoring process which ensure the conditions within the relevant s106 legal agreements and Community Infrastructure Levy requirements are met.
5. A comparison between Hammersmith & Fulham and the London borough average, based on the most recent data (the start of 2023/24), is set out in Table 2. The final row of the table (General Fund and non-schools earmarked general fund reserves as a percentage of service revenue expenditure) is the more illuminating, as it takes into account the Council's smaller size compared to most other London boroughs.

**Table 2 – Comparison to other London Boroughs as of 31 March 2023**

<b>Measure</b>	<b>Hammersmith &amp; Fulham</b>	<b>Average for London Boroughs</b>	<b>Ranking relative to another London Boroughs (/32)</b>
Total general fund and non-schools earmarked general fund reserves	£121.1m	£141.5m	15
General fund and non-schools earmarked general fund reserves as a percentage of gross service revenue expenditure (%)	19.3%	58%	12

6. The Council has put in place a reserves strategy to ensure effective oversight regarding the level and use of reserves and has established an action plan to maintain reserves at an appropriate level.

### **RESERVES STRATEGY**

7. The Council's reserves strategy is based on the following key principles:
  - General Balances are reviewed annually as part of the Council Tax and Budget report.
  - Those reserves no longer required for their intended purpose are identified and made available for other defined priorities.
  - The level of reserves and forecast should be re-assessed every 6 months to ensure their adequacy.

- The risk assumptions to be reviewed every 6 months. A detailed analysis of risk assumptions is attached in **Appendix 1**.
- A long-term view will be used when assessing the use of reserves to ensure that existing commitments and agreed priorities can be delivered.
- Being 'ruthlessly financial efficient' will underpin any request for use of reserves. Internal bids for one-off funding will be peer challenged, and clear business cases presented so that using reserves is agreed in exceptional cases. The 'one-off nature' and funding solution/ outcome will be rigorously assessed during the funding term and at the end of life. Use of reserves will only be progressed once agreed with the Executive Director of Finance and Corporate Services, the Chief Executive and the Cabinet Member for Finance and Reform.
- Reserves can only be used once, and the required future service transformation is significant given the expected future financial challenges. In accordance with proper accounting practice, and subject to affordability, the draw down from reserves will be minimised through consideration of government provisions for the flexible use of capital receipts, securing an appropriate contribution from partners and non-General Fund services, revenue contributions and regular balance sheet review.
- When the Council is in receipt of one-off and non-recurrent resources it should aim to utilise them to replenish and top-up reserves.
- The reserves strategy is supported by an action plan, that is updated regularly, that aims to ensure the adequacy of reserves over the medium-term.

## **Planned use of reserves**

### **General balances**

8. Under Section 25 of the Local Government Act 2003, the Executive Director of Finance and Corporate Services is required to include, in budget reports, views on the adequacy of Council's balances and reserves.
9. General balances cover unforeseen financial risks and provide cover for unexpected or unavoidable additional costs. 2024/25 Budget Council agreed that the medium-term recommended range for general balances is between £19m and £23m. For 2025/26 the budgeted general balance is £21.6m.
10. Whilst use of the general balance can be part of a plan to ease future budget reductions, and to allow longer term savings to come to fruition, it is not a prudent use to draw down from the general balance with no clear plan on how any future budget gap will be bridged. Should general balances be anticipated to fall below the recommended range then concerns may arise regarding the Council's financial resilience and sustainability.

### **Earmarked reserves**

11. Earmarked reserves are held for several purposes:
  - sums set aside for major schemes, such as the decant from the Town Hall as part of the Civic Campus programme.
  - insurance reserves
  - service transformation
  - to meet one-off pressures

- unspent revenue grants, held for specific purposes.

12. A detailed list of the Council's earmarked reserves and their purpose is attached in **Appendix 2**. As set out in **Table 3**, the level of General Fund earmarked reserves carried forward at the start of 2024/25 was **£95.7m**. In accordance with the reserves strategy the intended purpose, and level of such reserves has been reviewed. The proposed balances carried forward after in year contributions and commitments are £73.5m.

**Table 3 - Earmarked Reserves Opening Balance 2024/26 and Proposed Closing Balance After Commitments and Contributions (as at Month 6 2024/25)**

	<b>Opening Balance 1st April 2024</b>	<b>Forecast Movement</b>	<b>Forecast Closing Balance 31st March 2025</b>
<b>Ear Marked Reserves</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>
Corporate Demands and Pressures	(29.2)	6.5	(22.7)
Insurance Fund	(4.5)	0.0	(4.5)
Inflation Risk	(4.8)	0.0	(4.8)
Civic Campus	(8.4)	8.4	0.0
Digital	(6.7)	4.3	(2.4)
Invest to save	(3.4)	(0.1)	(3.5)
Parking	(2.9)	(0.5)	(3.4)
DSG	(14.6)	(2.3)	(17.0)
Unallocated Contingency	(1.5)	0.4	(1.2)
Pre-Development Costs	(5.0)	0.0	(5.0)
Planning Reserve	(1.7)	0.8	(1.0)
Other Service Reserves	(6.4)	2.3	(4.1)
Other Corporate Reserves	(6.7)	2.6	(4.1)
<b>Sub Total General Fund Ear-Marked Reserves</b>	<b>(95.7)</b>	<b>22.2</b>	<b>(73.5)</b>

13. An earmarked reserve of **£14.6m** is held regarding the cumulative Dedicated Schools Grant (DSG) high needs deficit. The deficit is expected to reduce further in future years following the Council securing additional government funding and continuing to manage its DSG recovery plan. As the deficit reduces as grant is received, resources will be freed up for transfer to the corporate demands and pressures reserve.
14. **Appendix 3** summarises the current forecast drawdowns from, and planned contributions to, earmarked reserves. The major commitments include:
- £8.4m regarding investment in Civic Campus
  - £5.1m regarding Tectonic 2 and system implementations
  - £1.1m provision for corporate property expenditure, including dilapidation costs, fostering extensions and development feasibility studies.
  - £0.2m provision for Early Year's Inclusion Team
  - £0.5m provision for Children's High Needs block

- £1.7m provision for costs related to Hammersmith Bridge
- Further investment to undertake an area-based prototypes for an **alternative waste collection scheme** and for contract procurement of a new waste, recycling and street cleansing contract. Prototype collection schemes relating to, for example, separate food waste collection and wheeled bin containers need to be carried out to inform the Council’s requirements for the services going forward. In Hammersmith & Fulham a 1% shift from general waste to recycling equates to a saving of approximately £70,000 per year in waste disposal fees.
- £3.3m Parking Reserve – The current capital programme assumes the reserve will be fully released by 2026/27 for the Clean Air Neighbourhoods Programme.

### Reserves adequacy and future risk / priorities

15. A detailed analysis of the budget assumptions and management assessment of the impact on the financial position is set out in **Appendix 1**. The reserves cashflow forecast detailed in **Appendix 3** is for financial modelling purposes and significant uncertainty remains regarding the timing of expenditure and income flows. The forecast excludes any movement in developer contributions.

**Table 5 – Cash flow (general balances, earmarked and restricted reserves)**

	2024/25 £m	2025/26 £m	2026/27 £m	2027/28 £m
<b>Opening balance</b>	<b>(117.4)</b>	<b>(95.1)</b>	<b>(90.9)</b>	<b>(90.0)</b>
Forecast movement	22.3	4.2	0.9	(1.6)
<b>Closing balance</b>	<b>(95.1)</b>	<b>(90.9)</b>	<b>(90.0)</b>	<b>(91.6)</b>
Developer contributions	65.5			

16. The Council faces several potential risks whilst indicative plans for further service transformation highlight possible further calls on reserves. Such risks include:
- Discussions are on-going regarding the future of Hammersmith Bridge and the Council is incurring revenue and capital costs at risk until government funding is confirmed.
  - An upturn in inflation and the cost-of-living crisis.
  - Cuts to government funding and the impact on London of the ‘levelling-up’ agenda
  - The impact of, and tackling, climate change
  - Any write-off of pre-development costs should it not be possible to take forward planned capital schemes - the updated reserves strategy incorporates an earmarked reserve of £5m as mitigation against this risk.
17. **The future risks forecast highlights that action continues to be required to ensure that reserves remain adequate over the medium-term.** The current action plan is set out in Table 6.

**Table 6 – Reserves action plan**



<b>Action</b>
Relocate back to the new Civic Campus at the earliest opportunity and capitalisation of appropriate programme costs.
Manage in-year council spend within budget to enable additional contributions to reserves.
Prepare and consider a programme of asset disposals to deliver capital receipts to fund invest to save and IT investment costs through the flexible use of capital receipts. £4.3m of receipts are earmarked within the capital programme mainly for REAP.
Review of future requests to use reserves, such as the Resident Experience and Access Programme, to identify potential use of capital receipts.
Ensure all Council budgets (such as the Housing Revenue Account/ Pension Fund) and partners pay a fair share of costs falling on reserves. The actions taken to date include an HRA contribution to the Civic Campus.
Release the Dedicated Schools Grant (DSG) support reserve in line with the DSG recovery plan
Review external funding opportunities and developer contributions.
Assess the IT funding requirement over the medium-term.
Review of the balance sheet and existing commitments against all reserves that are held on a twice-yearly basis, including those that are restricted, to ensure they are required for their intended purpose. Actions taken included above.
Consider additional contributions to reserves as part of annual revenue budget setting process.

## **Appendices**

**Appendix 1 - Budget Assumptions and Risk**

**Appendix 2 - Earmarked Reserves Description**

**Appendix 3 - General Fund reserves forecast to 31st March 2028**

## Appendix 1 - Budget assumptions and Risk

The Codes of Audit Practice in England, Wales, Scotland and Northern Ireland make it clear that it is the responsibility of the audited body to identify and address its operational and financial risks, and to develop and implement proper arrangements to manage them, including adequate and effective systems of internal control. The financial risks should be assessed in the context of the authority's overall approach to risk management.

### Budget Assumptions and Management Assessment of Impact on Financial Position

Budget Assumption	Adequacy of Reserve
<p>The treatment of inflation and interest rates</p>	<p><i>The overall financial position of the authority (level of borrowing, debt outstanding, Council Tax collection rates etc).</i></p> <p><i>Rises in the prices of some commodities, Eg fuel and energy, highlight the relevance of using several inflation rates in the budget and financial strategy, and considering whether general reserves are adequate to deal with unexpected increases.</i></p> <p><i>Volatility in the financial markets also points to the need to consider investment and borrowing risks and their impact on income.</i></p> <p>The value of risk is the impact of a 1% increase in inflation on the forecast for contract inflation.</p> <p>The inflation reserve balance of £4.8m is adequate to meet this pressure in the short term.</p>
<p>Estimates of the level and timing of capital receipts</p>	<p><i>The authority's track record in budget and financial management including the robustness of the medium-term plans.</i></p> <p><i>Authorities will also need to consider changes in the property market and adjust estimates and assumptions for reserves accordingly.</i></p> <p>There is currently a nil future forecast for General Fund receipts.</p> <p>Dispensation for flexible use of capital receipts has been extended to FY 2029/30 which gives greater flexibility for medium term planning</p>

	<p>Any use of short term borrowing would incur a revenue cost of borrowing (Minimum Revenue Provision) plus interest payments. An estimate is factored into the MTFS.</p>
<p>The treatment of demand led pressures</p>	<p><i>The authority's capacity to manage in-year budget pressures, and its strategy for managing both demand and service delivery in the longer term.</i></p> <p>The Council holds an earmarked Corporate Demands and Pressures reserve, current balance of £29.2m to mitigate for fluctuations in demand.</p>
<p>The treatment of planned efficiency/savings/productivity gains</p>	<p><i>The strength of the financial information and reporting arrangements.</i> <i>The authority should also be able to activate contingency plans should the reporting arrangements identify that planned savings or gains will either not be achieved or be delayed.</i></p> <p>In year savings plans of £5.1m are assumed in the 2025/26 budget.</p> <p>If 50% of the target became unachievable, the shortfall could be met by the Corporate Demands and Pressure reserve in the short term.</p>
<p>The financial risks inherent in any significant new funding partnerships, major outsourcing arrangements or major capital developments</p>	<p><i>The authority's virement and end of year procedures in relation to budget under/overspends at authority and department/directorate level.</i></p> <p><i>Risk management measures in relation to partnerships, including consideration of risk allocation.</i></p> <p><i>Contract provisions designed to safeguard the authority's position in the event of problems arising from outsourcing arrangements.</i></p> <p><i>Reserves may also need to be established to manage commercial risks where authorities have invested in commercial properties.</i></p> <p>Civic Campus – risks around profit share. If this forecast decreased by 10%, this would reduce the forecast level of reserves.</p> <p>£5m is set aside in the Pre-Development reserve to mitigate against risks within capital strategy and initiatives.</p>

<p>The availability of reserves, government grants and other funds to deal with major contingencies and the adequacy of provisions</p>	<p><i>The adequacy of the authority's insurance arrangements to cover major unforeseen risks.</i></p> <p><i>When considering insurance cover, the structure of the cover as well as the overall level of risk should be considered. Risk assessments should be used when balancing the levels of insurance premiums and reserves.</i></p> <p>The Council currently holds an earmarked Insurance reserve of £4.5m. Claims reviews are carried out every month and as well as periodical actuarial reviews. The most recent actuarial review gave assurance that reserves levels were adequate.</p>
<p>The general financial climate to which the authority is subject to.</p>	<p><i>External factors, such as future funding levels expected to be included in Spending Reviews and expected referenda principles and limits, will influence an authority's ability to replenish reserves once they have been used.</i></p> <p><i>Any plans for using reserves will need to consider the need and ability of the authority to replenish the reserves, and the risks to which the authority will be exposed whilst replenishing the reserves.</i></p> <p>This is the balance available in the unallocated contingency reserve to mitigate against short term pressures.</p> <p>The Council's general balance for 2025/26 is £21.6m. This is within the medium-term optimal range of £19m to £23m.</p> <p>General balances are forecast to remain within the optimum range in 2025/26.</p>



## Appendix 2 – Earmarked Reserves Description

Earmarked Reserves are amounts set aside for specific purposes. The main purpose of each earmarked reserve is explained below.

	Reserve Name	Description
1	Corporate Demands and Pressures	To meet unbudgeted demands and pressures.
2	Insurance Fund	Underwrites a proportion of the Council's insurable risks.
3	Inflation	To provide for risks associated with inflationary pressures
4	Civic Campus	Can only be used to fund the costs of implementing the Civic Campus redevelopment
5	Digital	Can be used to provide for costs of the Council's digital works programme.
6	Invest to Save (Efficiency Projects)	To fund future revenue expenditure and capital investment that will provide future revenue savings.
7	Controlled Parking Fund	The surplus from the running of the Controlled Parking operations within the Borough is accumulated in this Fund. In the past, this reserve had to be used to meeting expenditure on transport and highways related activities.
8	Dedicated Schools Grant Reserves – a) DSG Support Reserve  b) DSG Early Years Block	a) DSG Support Reserve –This reserve offsets the DSG Unusable Reserve Deficit to ensure that the expenditure incurred to date can be fully funded in light of continuing pressures and in the event that the deficit recovery plan is unable to recover the current cumulative position. Overall, the DSG reserve (deficit and deficit set-aside) is nil as the cumulative deficit is matched by the reserve set aside.  b) DSG High Needs Block Deficit Reserve Parliament has approved the Local Authorities (Capital Finance and Accounting)

	c) DSG High Needs Block	<p>(England) (Amendment) Regulations 2020 in November 2020 which amends the 2003 Regulations by establishing new accounting practices in relation to the treatment of local authorities' schools budget deficits which must now be recorded in a separate account established solely for the purpose of recording deficits relating to school's budget and account for the cumulative Dedicated Schools Grant deficit in unusable reserves. As the statutory requirement is time limited, it continues to set aside reserves to match the High Needs Block deficit until such time as the cumulative deficit is eliminated.</p> <p>c) DSG (Schools &amp; Early years Block) Reserve This reserve records the cumulative balance on the Schools and Early years block. Grant deficit to unusable reserves.</p>
9	Unallocated Contingency	A reserve held to mitigate against unforeseen costs to the Council
10	Pre-Development	This reserve is to provide for the risk associated with the council's general fund capital strategy and initiatives.
11	Planning Reserve	This reserve is to support funding of CIL related projects.
12	Other Service Reserves	This comprises several smaller reserves, which are held to fund various projects and potential future commitments that are managed by service areas.
13	Other Corporate Reserves	Comprises several smaller reserve balances, which are held to fund projects that are being managed by corporately
14	HRA Reserves	This reserve provides a working balance for the Housing Revenue Account, for which transactions are ring-fenced under the provisions of the Local Government and Housing Act 1989.

15	Schools Balances	Reserves held to fund projects related to Schools
16	Collection Fund	Billing authorities have a statutory obligation to maintain a separate Collection Fund in relation to collections from Council tax and NNDR and the distribution of these funds to Local Authorities and the Government.
17	S106 / CIL (Community Infrastructure Levy)	These reserves exist to fund various projects and potential future commitments in line with the requirements of the agreements

### Appendix 3 - General Fund reserves forecast to 31st March 2028

Appendix 3 - General Fund reserves forecast to 31 <sup>st</sup> March 2027	31st March 2024	31st March 2025	31st March 2026	31st March 2027	31 <sup>st</sup> March 2028
<b>Earmarked Reserves</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>
Corporate Demands and Pressures	(29.2)	(22.7)	(21.6)	(20.9)	(20.9)
Insurance Fund	(4.5)	(4.5)	(4.5)	(4.5)	(4.5)
Inflation Risk	(4.8)	(4.8)	(4.8)	(4.8)	(4.8)
Civic Campus	(8.4)	0.0	(5.2)	(5.2)	(5.2)
Digital	(6.7)	(2.4)	1.1	0.5	(0.3)
Invest to save	(3.4)	(3.5)	(3.5)	(3.6)	(4.3)
Parking	(2.9)	(3.4)	(0.5)	(0.5)	(0.5)
DSG	(14.6)	(17.0)	(17.0)	(17.0)	(17.0)
Unallocated Contingency	(1.5)	(1.2)	(1.2)	(1.2)	(1.2)
Pre-Development Costs	(5.0)	(5.0)	(5.0)	(5.0)	(5.0)
Planning Reserve	(1.7)	(1.0)	(1.0)	(1.0)	(1.0)
Other Service Reserves	(6.4)	(4.1)	(2.0)	(1.3)	(1.3)
Other Corporate Reserves	(6.7)	(4.1)	(4.1)	(4.0)	(4.1)
<b>Sub Total General Fund EM Reserves</b>	<b>(95.7)</b>	<b>(73.5)</b>	<b>(69.2)</b>	<b>(68.4)</b>	<b>(70.0)</b>
<b>General Balances</b>	<b>(21.6)</b>	<b>(21.6)</b>	<b>(21.6)</b>	<b>(21.6)</b>	<b>(21.6)</b>
<b>Total General Fund Reserves</b>	<b>(117.4)</b>	<b>(95.1)</b>	<b>(90.9)</b>	<b>(90.0)</b>	<b>(91.6)</b>
HRA Reserves and Balances	(15.5)	(9.6)	(9.6)	(9.6)	(9.6)
Schools Balances	(0.0)	(0.2)	(0.2)	(0.2)	(0.2)
Collection Fund Reserve	(10.0)	(10.0)	(10.0)	(10.0)	(10.0)
s106 / CIL	0.0	0.0	0.0	0.0	0.0
<b>Total</b>	<b>(145.1)</b>	<b>(115.0)</b>	<b>(110.7)</b>	<b>(109.9)</b>	<b>(111.5)</b>

# APPENDIX H - LONDON BOROUGH OF HAMMERSMITH AND FULHAM (LBHF) CIPFA FM CODE REVIEW 2025-26

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## **SUMMARY**

1. The tightening fiscal landscape of recent years has placed the finances of local authorities under intense pressure. Therefore, it is crucial to have robust financial management embedded as part of the organisation to ensure that local service provision is sustainable.
2. The CIPFA Financial Management Code (FM Code) is designed to support good practice in financial management and to assist local authorities in demonstrating their financial sustainability. The FM Code sets out the standards of financial management for local authorities.
3. The underlying principles set out in the code are:
  - Organisational leadership
  - Accountability
  - Financial management is undertaken with transparency at its core.
  - Adherence to professional standards
  - Sources of assurance are recognised.
  - The long-term sustainability of local services is at the heart of all financial management processes.
4. Whilst budgets are set on an annual basis, the Code emphasises that financial sustainability requires a longer-term perspective. Local authorities have been required to apply the Code from April 2020.
5. This report sets out how LBHF demonstrates the application of the CIPFA financial management standards. A “Red Amber Green” (RAG) summary of the Council’s self-assessment against the seven sections of the code is set out as follows:

### **Self- Assessment Conclusion**

	Green	Amber	Red
Leadership Team and CFO Role			
Governance and Financial Management Style			
Long to Medium Term Financial Management			
The Annual Budget			
Stakeholder Engagement and Business Plans			
Monitoring Financial Planning			
External Financial Reporting			



## **FINANCIAL MANAGEMENT CODE – SELF ASSESSMENT ANALYSIS**

### **Section 1 – the responsibilities of the chief financial officer and leadership team**

*A – The leadership team is able to demonstrate that the services provided by the authority provide value for money.*

*B - The authority complies with the CIPFA Statement on the Role of the Chief Finance Officer in Local Government.*

6. At LBHF there are various processes and structures in place to ensure that our services provide value for money. These include:
- The annual budget setting process, incorporating:
    - Internal budget challenge meetings.
    - Scrutiny via Policy and Accountability Committees (PACs); and
    - approval by Budget Council.
  - Corporate Revenue Monitoring (CRM) and Capital monitoring.
  - Preparation of the annual accounts and critical review of annual outturns.
  - Longer-term financial planning through the Medium-Term Finance Strategy (MTFS); and
  - Contracts Assurance Board (CAB).
7. These structures and processes ensure all financial decisions are reviewed and challenged if needed.
8. The role of Chief Finance Officer (CFO) complies with the CIPFA statement as the role specification is as defined in the financial regulations.

### **Section 2 – Governance and financial management style**

*C – The leadership team demonstrates in its actions and behaviours responsibility for governance and internal control.*

*D – The authority applies the CIPFA/SOLACE Delivering Good Governance in Local Government: Framework (2016).*

*E – The financial management style of the authority supports financial sustainability.*

9. LBHF demonstrates responsibility for governance and internal control as follows:
- An Audit Committee is in place to oversee LBHF's internal audit functions, the control environment and external financial reporting.
  - The internal audit function undertakes periodic, risk-based internal audits and will oversee audit processes, internal controls, risk, fraud, and compliance with regulations.
  - The Annual Governance Statement (AGS) is reviewed regularly.
  - The Senior Leadership Team (SLT) have dedicated meetings covering both finance and assurance on a periodic cycle.
10. The Annual Governance Statement (AGS) details the application of the CIPFA/SOLACE Framework. The Council's most recent AGS can be found in the annual statement of accounts here:

[Statement of accounts | LBHF](#)

11. One of LBHF's core values is being ruthlessly financially efficient which supports a sustainable financial culture.

### **Section 3 – Long to medium term financial management**

*F – The authority has carried out a credible and transparent financial resilience assessment.*

*G – The authority understands its prospects for financial sustainability in the longer term and has reported this clearly to members.*

*H – The authority complies with the CIPFA Prudential Code for Capital Finance in Local Authorities.*

*I – The authority has a rolling multi-year medium-term financial plan consistent with sustainable service plans.*

12. The authority is subject to external audit every year which includes a going concern assessment as well as recommendations for any improvements. The Audit Committee are provided with regular updates on borrowing and liquidity. LBHF also produces an Annual Reserves Strategy and works to maintain reserves within a target level to provide financial resilience. A balanced budget is set prior to the beginning of the financial year.

13. To ensure financial sustainability in the longer term the authority carries out a Medium-Term Financial Strategy (MTFS) which is reported to Members and provides the basis for setting the annual budget. This includes growth, savings and inflation requests which are reviewed by SLT. This is followed by further review at member challenge meetings and then presented to scrutiny and overview committees.

14. There is a capital programme in place with regular monitoring and reporting to Cabinet. This programme complies with financial reporting requirements including the CIPFA Prudential Code.

15. As above, LBHF has a rolling medium term financial plan covering four years which is revised on a yearly basis through a robust process.

### **Section 4 – The annual budget**

*J - The authority complies with its statutory obligations in respect of the budget setting process.*

*K - The budget report includes a statement by the chief finance officer on the robustness of the estimates and a statement on the adequacy of the proposed financial reserves.*

16. A balanced budget is set each year in line with the Local Government Finance Act 1992

17. In the budget report there is a section titled views of the Executive Director of Finance and Corporate Services which gives an opinion on the robustness of the estimates as required under Section 25 of the Local Government Finance Act 2003.

### **Section 5 – Stakeholder engagement and business plans**

*L - The authority has engaged where appropriate with key stakeholders in developing its long-term financial strategy, medium-term financial plan and annual budget.*

*M - The authority uses an appropriate documented option appraisal methodology to demonstrate the value for money of its decisions.*

18. The budget process includes a robust consultation process with stakeholders including challenge meetings and cabinet meetings. The Council also engages key external stakeholders through rent consultations and benchmarking.
19. LBHF's use of appropriate documented option appraisal methodologies to demonstrate the value for money of its decisions is evidenced through decision reports, option appraisal and a stringent procurement process.

## **Section 6 – Monitoring financial planning.**

*N - The leadership team takes action using reports enabling it to identify and correct emerging risks to its budget strategy and financial sustainability.*

*O - The leadership team monitors the elements of its balance sheet that pose a significant risk to its financial sustainability.*

20. The regular Corporate Revenue Monitoring (CRM) and capital monitoring process enables management and decision makers to identify any emerging financial risks and correct them through mitigating actions. LBHF also maintains a risk register which helps the authority to manage significant risks as well as conducting analysis of the political and economic environment to help identify emerging risks.
21. A regular feature of monitoring activity is for leadership to monitor the elements that pose a significant risk to financial sustainability. Examples of this include regular reviews of the debt position, capital monitoring to assess spend on non-current assets and the inclusion of pension and treasury finance managers in regular board and committee meetings.

## **Section 7 – External Financial reporting**

*P - The chief finance officer has personal and statutory responsibility for ensuring that the statement of accounts produced by the local authority complies with the reporting requirements of the Code of Practice on Local Authority Accounting in the United Kingdom.*

*Q - The presentation of the final outturn figures and variations from budget allows the leadership team to make strategic financial decisions.*

22. The Chief Finance Officer actively reviews both the draft and the final audited versions of the statement of accounts. They meet regularly with officers and auditors to discuss issues arising. They are responsible for producing the narrative report in the accounts and sign the Statement of Responsibilities within the accounts.
23. The final outturn figures are presented to SLT and Cabinet. The statement of accounts includes annual report on financial position, including capital and balance sheet reserves.

## 2025/26 Net Expenditure Budget - Objective Summary

Department	2024/25 Budget £m	Inflation £m	Investment in Services £m	Savings £m	Corporate Adjustments £m	Proposed 2025/26 Budget £m
People	135.5	3.5	5.0	(1.8)	4.3	146.5
Place	31.9	1.4	5.6	(2.0)	6.5	43.4
Housing Solutions	13.4	0.8	1.2	0.0	0.3	15.7
Finance and Corporate Services	20.4	0.5	0.5	(1.3)	(4.0)	16.1
Other Central Items	(1.4)	0.0	0.0	0.0	0.2	(1.2)
<b>Council Net Budget Requirement</b>	<b>199.9</b>	<b>6.2</b>	<b>12.3</b>	<b>(5.1)</b>	<b>7.3</b>	<b>220.6</b>
<b>Financed by:</b>						
Council Tax Income	(78.8)	0.0	0.0	0.0	(6.1)	(84.9)
Retained Business rates	(62.5)	0.0	0.0	0.0	(6.8)	(69.3)
General Government grants	(58.6)	0.0	0.0	0.0	(7.8)	(66.4)
<b>TOTAL</b>	<b>(199.9)</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>(20.7)</b>	<b>(220.6)</b>



## 2025/26 Subjective Summary

	2024/25	Inflation	Investment in Services	Savings	Corporate Adjustments	Proposed 2025/26 Budget
	£m	£m	£m	£m	£m	£m
<b>Gross Expenditure</b>						
Employee Expenses	144.9	3.1	3.9	(0.3)	(1.2)	150.4
Premises Related Expenditure	16.2	0.6	0.7	(0.2)	(1.6)	15.8
Transport Related Expenditure	1.6	0.0	0.0			1.6
Supplies and Services	67.5	0.8	2.9	(2.6)	4.2	72.8
Third Party Payments	203.3	4.3	4.8	(2.1)	6.5	216.9
Transfer Payments	82.2	0.4		(0.1)	(5.5)	77.1
Housing Benefits expenditure	90.9					90.9
Support Service Charges	52.6				1.3	53.8
Capital Charges	20.5				2.2	22.7
<b>Total Gross Expenditure</b>	<b>679.8</b>	<b>9.3</b>	<b>12.3</b>	<b>(5.1)</b>	<b>5.9</b>	<b>702.1</b>
Support Service Recharge Income	(56.5)					(56.5)
Departmental Grants	(72.6)					(72.6)
Dedicated Schools Grant	(88.9)				5.3	(83.6)
Housing Benefits income	(91.2)					(91.2)
Fees and Charges	(78.4)					(78.4)
Other income	(73.5)				(5.3)	(78.8)
Capital Financing and other adjustments	(18.7)				(1.7)	(20.4)
<b>Total Gross Income</b>	<b>(479.8)</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>(1.7)</b>	<b>(481.5)</b>
<b>Council Net Budget Requirement</b>	<b>199.9</b>	<b>9.3</b>	<b>12.3</b>	<b>(5.1)</b>	<b>4.2</b>	<b>220.6</b>
<b>Financed By:</b>						
Council Tax Income	(78.8)	0.0	0.0	0.0	(6.1)	<b>(84.9)</b>
Retained Business Rates	(62.5)	0.0	0.0	0.0	(6.8)	<b>(69.3)</b>
General Government grants	(58.6)	0.0	0.0	0.0	(7.8)	<b>(66.4)</b>
<b>TOTAL:</b>	<b>(199.9)</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>(20.7)</b>	<b>(220.6)</b>

# Agenda Item 7

## London Borough of Hammersmith & Fulham

**Report to:** Cabinet

**Date:** 10/02/2025

**Subject:** Four Year Capital Programme 2025-29 and Capital Strategy 2025/26

**Report of:** Cabinet Member for Finance and Reform, Councillor Rowan Ree

**Responsible Director:** Sukvinder Kalsi, Executive Director, Finance and Corporate Services

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### SUMMARY

This report presents the Council's Capital Strategy 2025/26 and four-year Capital Programme for the period 2025 to 2029.

The council is investing £532.3m over the next four financial years to develop and enhance its assets (including council housing), to meet its strategic objectives and provide better outcomes for its residents, businesses, and visitors. Key schemes within the programme include:

- Significant investment in the major repairs and health and safety compliance of the council's 12,000 dwellings
- Investment in housing development schemes to provide additional affordable accommodation across the borough
- Public CCTV equipment purchases and installation
- School maintenance programme
- Investment in energy efficient lighting and decarbonisation schemes.
- Hammersmith Bridge pre-restoration works, with funding from the Department of Transport and Transport for London
- Civic Campus programme/ refurbishment of Hammersmith Town Hall
- Investment in the council's public realm including column replacement, footways, and carriageways

The council is required by the CIPFA Prudential Code for Capital Finance and statutory guidance to prepare certain capital related strategies and policies. The Capital Strategy and Minimum Revenue Provision (MRP) Policy are included in this report. The Treasury Management Strategy Statement 2025/26 will also be presented to Cabinet in February 2025 under a separate agenda item.

In accordance with the requirements of the Prudential Code for Capital Finance, local authorities are required to maintain several prudential indicators. These are set out in the Treasury Management Strategy Statement 2025/26. The indicator used to reflect the underlying need of an authority to borrow for a capital purpose is the Capital Financing Requirement (CFR) which is set out within this report.

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## RECOMMENDATIONS

1. To approve the four-year General Fund Capital Programme budget at £103.8m for the period 2025/26-2028/29 (presented in Table 2 and Appendix 1).
2. To approve the continuation of rolling programmes for 2025/26 funded from the Council's mainstream resources. For financial modelling purposes, these programmes are assumed to continue at the same level until 2028/29:

	<b>£m</b>
Corporate Planned Maintenance	2.400
Footways and Carriageways	2.030
Column Replacement	0.346
<b>Total</b>	<b>4.776</b>

3. To delegate approval of the detailed programmes for use of the rolling programmes, in recommendation 2, to the relevant SLT Director in consultation with the Executive Director, Finance and Corporate Services and the relevant Lead Cabinet Member.
4. To approve the four-year Housing (HRA) Capital Programme at £428.5m for the period 2025/26-2028/29 as set out in Table 6 and Appendix 1.
5. To approve the Capital Strategy 2025/26, as set out in the report.
6. To approve the annual Minimum Revenue Provision policy statement for 2025/26, as set out in Appendix 2.
7. To note the potential financial impact of a number of development schemes not included in the current programme but being in the various predevelopment stages.

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**Wards Affected:** All

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The Council's Capital Programme contains several schemes and projects which are directly linked to the Council's Business Plan, and which will deliver the Council's priorities, as set out in the plan. The Capital Strategy provides more detailed information on how these projects link to the Council's objectives.

Our Values	Summary of how this report aligns to the H&F Values
Being ruthlessly financially efficient	<p>All capital investment decisions are required to be underpinned by a robust business case that sets out the full costs, funding and risks and any expected financial return alongside the broader outcomes including economic and social benefits.</p> <p>This report provides detailed analysis of the Council's capital programme financial position and highlights potential risks and their impact on the Council's resources.</p>
Building shared prosperity	<p>We need to always confirm that spend fits our council's priorities; challenge how much needs to be spent; and achieve results within agreed budgets. Finance is everyone's business and every penny counts. The council will continue to invest in our ambitious housing development programme and work through the planning system to enable 3,000 new energy-efficient 50% genuinely affordable homes to be built.</p>
Creating a compassionate council	<p>As the council's resources have been reduced, we have protected the services on which the most vulnerable residents rely.</p>
Doing things with local residents, not to them	<p>A significant proportion of services are delivered in partnership with local and national companies, and this will continue to promote all business sectors to the benefit of residents. The proposals will implement the Disabled People's Housing Strategy, working in co- production with disabled residents.</p>
Taking pride in H&F	<p>The strategy proposals include significant investment in public realm services, to maintain world-class parks, open spaces and cemeteries, making sure that parks are a safe space for residents.</p> <p>The proposals also are continuing to invest in CCTV so that residents feel secure in their homes and on the streets.</p>
Rising to the challenge of the climate and ecological emergency	<p>The council has approved a Climate and Ecology Strategy and action plan to deliver its target of net zero greenhouse gas emissions in the borough by 2030. It has been shaped by the work of the resident-led Climate and Ecological Emergency Commission, who worked closely with the Council's Climate Unit and was devised by ten cross-departmental officer working groups.</p>



## CAPITAL STRATEGY 2025/26

1. The Prudential Code<sup>1</sup> obliges local authorities to approve a capital strategy.
2. The Hammersmith & Fulham capital strategy sets out the long-term context in which capital investment decisions are made and the governance for those decisions. It supports the development of a capital programme that is affordable, prudent, and sustainable whilst giving due consideration to risk and reward and delivery of the Council's business plan.
3. The Council's priorities include being ruthlessly financial efficient. The capital strategy sets out the way capital projects are managed to improve delivery and achieve greater efficiency.
4. A key focus of the capital strategy is future finance resilience. Capital investment can enable the delivery of invest to save projects and grow future income and resources and provide regeneration opportunities within the borough.

### Strategic Context

5. The Council's Corporate Plan 2023-26 sets out the Council's main priorities. These are underpinned by an underlying target date of 2030 for the whole borough to be carbon neutral. From a capital investment perspective, the values include:

#### ***Building shared prosperity***

- In line with the governments announcements in the Autumn Statement to build 1.5m homes and the additional funds made available for the schools rebuilding programme, the Council will be presenting several schemes for approval that would increase the housing supply within the borough and rebuild or refurbish some schools.
- The Local Plan which was adopted in February 2018 sets ambitious targets for the creation of more dwellings within the Borough. In keeping with this Plan, officers will be presenting schemes for approval that would create an extra 344 dwellings within the borough if approved.
- The Council will continue to invest in its ambitious housing development programme and work through the planning system to enable 3,000 new energy-efficient 50% genuinely affordable homes to be built or underway by 2026.
- Implement the Special School Organisation and Capital Plan to invest in provision for children and young people with Special Educational Needs and Disabilities.
- Continue the implementation of our Family Hubs, co-produced with local families and young people, to make it simpler for families to access a wide range of council services.
- Deliver the £118m EdCity education campus to align career opportunities in the White City Innovation District to the work of schools, apprenticeships, and reskilling programmes.
- Support local businesses and start-ups by facilitating access to resources, networking opportunities, affordable workspace and business support services.

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<sup>1</sup> The CIPFA Prudential Code for Capital Finance in Local Authorities (2021) – by regulation local authorities are required to have regard to the Code when carrying out their duties.

- Deliver retrofit strategy to generate renewable energy and improve the energy performance of our housing stock.
- Continue with shared equity affordable home ownership solution for residents and workers in the borough.
- Develop a council owned housing company model to support an increase in council owned intermediate rent homes for key workers.
- Continue leading role in providing housing and much wider support to refugees and asylum seekers.

### ***Doing things with residents, not to them***

- Continue to expect all major strategies, projects and service design works to have co-production principles, openness, and transparency at their core.

### ***Taking pride in Hammersmith & Fulham***

- Transform the Grade II listed Town Hall to be one of the most environmentally positive and accessible buildings of its type in Britain.
- Introduce segregated cycle lanes, more cycle storage, and green roofs on estates.
- Deliver a vision for high streets as experience destinations and community hubs, including a refreshed plan for Hammersmith Town Centre.
- Improve the public realm to make it a better place for people to shop, eat, drink, relax and enjoy local arts and facilities.
- Ensure major investment programmes, such as in White City, Earls Court, Olympia, and Old Oak Common serve to benefit residents and businesses.
- Deliver a £4.5m CCTV replacement and investment programme.

### ***Creating a compassionate council***

- Deliver the Air Quality Action Plan, by tackling the sources of pollution, raising awareness of local emissions, and working with partners to reduce pollution.

### ***Being ruthlessly financially efficient***

- Maximise efficiencies to be gained through digital transformation, income generation, corporate accommodation, and agile working practices.
- Continue regular assurance reporting for major projects and programmes through the Corporate Programme Management Office and Strategic Leadership Teams.
- Deliver on the aspirations of Resident Experience and Access Programme to provide a consistent and inclusive approach for resident access across the Council.
- Embed universal standards for policy and strategy development across the council, centred on co-production, high-quality evidence, equity, and climate considerations.
- Enhance commercial culture, financial returns and added value through our refreshed Commercial Strategy.
- Maximise the added value secured through procurement processes.
- Continue to operate effective governance arrangements across the Council, to support assurance, compliance, transparency and collaboration across decisions.
- Deliver and fund significant investment in the council homes where it will make the biggest impact on residents' quality of life, health and wellbeing.
- Fix the Grade II listed iconic Hammersmith Bridge in partnership with Transport for London and the Department for Transport

- Use capital investment to enable the Council to become more efficient, such as through investing in digital transformation and income generation opportunities.
- Invest in schools and more in-borough Special Education Needs provision.
- Reduce the carbon emissions of homes and infrastructure, whilst also investing so physical assets can adapt to the inevitable changes in our climate.
- Regenerate the borough through schemes such as EdCity, Hartopp and Lannoy and White City, making use of joint ventures with the private sector and other funding.
- Consolidate the Council's office accommodation to enable alternative use for income generation and cultural activities.

### ***Rising to the challenge of the climate and ecological emergency***

The Council has approved a Climate and Ecology Strategy and action plan to deliver its target of net zero greenhouse gas emissions in the borough by 2030. It has been shaped by the work of the resident-led Climate and Ecological Emergency Commission, who worked closely with the Council's Climate Unit and was devised by ten cross-departmental officer working groups. The capital strategy incorporates several measures that support the Climate and Ecology Strategy which include:

- Deliver retrofit programmes to upgrade our council homes and non-domestic buildings with energy efficiency and low-carbon heating.
  - Build industry leading Passivhaus homes with zero fossil fuels.
  - Identify opportunities for new heat networks in our Clean Heat Plan.
  - Continue to expand active travel infrastructure and support.
  - Host one of the densest electric vehicles charging networks in Britain and transition its own fleet to low-carbon vehicles.
  - Undertake a full climate risk assessment of the borough and continue to deliver sustainable drainage that increases our resilience to the changing climate.
  - Renew the Air Quality Action Plan in consultation with residents and cut air pollution through field-leading projects and partnerships.
  - Implement the 'parks for the future' strategy and invest in improving the appearance, maintenance and facilities of parks and open spaces.
  - Retrofit ecology into the Council's building estate, including investigating the significant potential for green roofing.
6. A recent economic downturn has affected the expected costs, market and viability of schemes whilst funding from partners, such as Transport for London, has been under pressure. As part of the capital strategy the impact of increasing inflation and interest rate will be kept under review and mitigating actions taken as necessary.
  7. Learning the lessons from working from home during the pandemic, and in preparation for the workforce's return to the new Civic Campus, a review of council accommodation is being undertaken. This might result in consolidation of office accommodation, the identification of assets for alternative use/ redevelopment or disposal and review of the rolling planned maintenance programme. Any plans will be incorporated into the capital programme as the relevant business cases are prepared and will be the subject of separate decision reports.
  8. The capital programme will continue to be developed in line with the Council's priorities and new schemes will be added as and when they are identified and approved. A brief

overview of the current and planned major schemes is provided in the Major Projects section of the report. Where budgets have been approved for these schemes, these are included in the Capital Programme.

## **MAJOR PROJECTS**

### **Civic Campus Programme**

9. In January 2019, Full Council approved plans for major regeneration of the King Street area which included the redevelopment of the failing, existing Hammersmith Town Hall building, creating a new Civic Campus. This involved entering into a joint venture named West King Street Renewal Limited Liability Partnership (the LLP), with A2 Dominion Development Limited, for the delivery of the scheme, and a conditional land sale agreement between the Council and the LLP, plus the approval of the associated funding for the Civic Campus. The budget for the scheme is included in the Council's Capital Programme and the project is in the construction phase. The completed development will:
- create a new civic and community campus, including new fit-for-purpose, inclusively designed office accommodation for the Council and act as a catalyst for change, with the inclusion of open public realm and shared spaces within the Town Hall for use by the neighbourhood as well as the greater community.
  - refurbish and restore the heritage elements of the Town Hall, whilst creating an opportunity for improved ways of working in order to be ruthlessly financially efficient and address the financial challenges faced by the Council.
  - contribute to the borough's housing ambitions by increasing the supply of good quality, genuinely affordable housing for local residents to meet local housing need.
  - create pride in H&F by transforming King Street into a new civic and cultural destination, improving the public realm and Grade II listed Town Hall, providing new local amenities for residents, including a new five screen cinema, café/restaurant, retail and public event spaces.
  - promote economic growth in line with the H&F Industrial Strategy, Economic Growth for Everyone, through the creation of new retail and commercial space, including affordable space for start-up businesses to combat High Street decline; and
  - contribute to meeting the climate change emergency by the use of cutting-edge green technology.
10. A capital budget of £64m has also been approved for the acquisition of commercial units that will be constructed by the LLP as part of the Civic Campus Programme. For each of the buildings, the Council will then secure lessees paying rent to the Council, covering the cost of the acquisition over 45 years. Negotiations have already begun with potential occupiers for some of the commercial spaces and a managing agent has been procured for the office space. Investment in these units allows the Council to benefit from the regeneration opportunity that they present.

### **HRA Asset Management Capital Strategy**

11. The Council is the responsible landlord for over 12,000 homes across Hammersmith & Fulham. The HRA Asset Management Capital Strategy (the Strategy) details the spending priorities for the twelve-year period between 2022/23 and 2033/34, priorities that represent £728.6m of capital spend. The purpose of the Strategy is to inform the four-year Capital Programme budget that is submitted annually for Full Council approval.



The Strategy will inform every subsequent annual revision of the Capital Programme budget for the duration of the twelve-year Strategy period, subject to annual reviews of the Strategy.

12. The aim of the Strategy is to direct capital investment to where it will make the biggest impact on residents' quality of life, health and wellbeing. The programme of capital investment will deliver housing assets that residents can be proud of and that will serve as a foundation for healthy, happy lives. We know that poor quality housing has a huge impact on physical and mental health and can impede people from reaching their full potential. Addressing structural damp and mould issues is a key theme of this Strategy. The programme will deliver 21st century assets that are fit for the future. Many of the projects detailed in the Strategy involve new windows, kitchens and bathrooms, things that will make a big difference to residents' quality of life.

13. The main headings of the Strategy are:

- Fire Safety
- Structural Safety
- Asset Replacement
- Disabled Adaptations
- Stock Condition Survey findings
- Climate Emergency
- Estate Improvements
- White City Estate
- Charecroft Estate Phase 2
- West Kensington Estate

14. The number one priority of the Strategy is health and safety and compliance. While safety and compliance come first, every capital project covered in this programme will be designed to maximise the impact on reducing carbon emissions. Wherever possible works will use methods and materials that improve energy efficiency and will be increasingly delivered as part of comprehensive whole-home retrofit schemes. The programme features more than £100m specifically earmarked for decarbonisation projects, to be supplemented by other financial mechanisms as they become available and government funding bids.

15. Our commitment to ensuring the safety of our residents and compliance across all building safety areas continues to be a major priority for the council, investing and meeting the highest standards in safety and compliance. To date our achievements are delivering assurance and results for our residents:

- We commissioned an external independent audit by Pennington Choices (industry experts) who after an extensive investigation delivered a satisfactory assurance with excellent feedback: ***'Leadership of compliance is strong. Teams are well resourced and technically competent to deliver each service area, keeping residents safe was a clear theme and driving priority across all areas'***
- We have diligently followed and adhered to the application of Building Safety and Compliance new regulations, with 49 of our higher risk premises registered ahead of schedule with the new Building Safety Regulator.

- We have rolled out a unique Evacuation System (commended by the fire service) in 9 higher risk buildings, upgraded 4,000+ fire doors to high spec, and installed sprinklers in over 600 properties with more planned, Personal Emergency Evacuation Plans for vulnerable residents.
- A newly established resident group – chaired by resident (FRAG) now have oversight and involvement in the monitoring of Fire Safety and other compliance functions across the council. The group meets monthly and is provided with fire safety data and information, and with opportunities to help shape safety and compliance initiatives that relates to their homes.
- Our compliance assurance is supported by a strong performance management framework that extends to Cabinet, scrutiny, leadership teams and our resident forums.

### **Building Homes and Communities Strategy**

16. The Building Homes and Communities Strategy sets out a self-funding programme of investment in homes and community assets, where the council utilises its land and property assets to meet its key priorities of delivering affordable housing and supporting the council's financial challenge. The strategy aims to:

- build new, genuinely affordable housing which will help maintain the borough's vibrant social mix
- support the Council's Business Plan priority of 'Building Shared Prosperity'
- renew key community assets, including schools and leisure centres
- generate income to reinvest in frontline services and the Housing Revenue Account.

17. Through this strategy, the council established a development programme to directly deliver a substantial number of affordable homes and renew community assets. The development programme will directly benefit the council by generating revenue from the sale of market homes, alongside the long-term rental income from the affordable homes. It will also mean the council accrues the long-term assets it builds.

18. Currently, there are 17 projects in the development programme delivering 1,134 new homes, of which, 732 (65%) are affordable and 402 will be for market sale (35%).

19. Of the 17 development projects, the Springvale infill project is complete and delivered 10 new social rent homes. Education City is under construction, the first phase has already delivered the new primary school, Youth Zone, 24 London Affordable Rent homes and a new office. The remaining 108 affordable homes, nursery and adult education centre will be delivered in phase two, due to be completed in late 2025.

20. Construction of the development on the Hartopp and Lannoy site continues and will deliver 134 new homes of which 112 (84%) will be affordable rents.

21. The Farm Lane and Lillie Road projects have both obtained planning permission and have started on site delivering a combined total of 73 homes and a new community hall. The Avonmore School scheme secured planning consent on the 6<sup>th</sup> of November with construction works planned to start in mid-2025. The planning application for White City Central, the council's largest direct delivery scheme, was submitted in July, following 4

years of co-production with the White City community. The ambitious plans will see 253 new homes as well as a nursery and community hub in the heart of the White City Estate.

22. The development programme also delivers against the Council's climate emergency commitments with the first three development projects (Hartopp and Lannoy, Farm Lane and Lilie Road) being delivered to PassivHaus standards of energy efficiency, to reduce carbon emissions and help alleviate fuel poverty.
23. In addition to the council's direct delivery projects, the development programme includes scheme acquisitions. By the end of the year the council will complete on the purchase of 37 new affordable homes as part of the Quayside Lodge development in Sands End and has purchased 18 family homes to resettle refugee families in the borough.

### **Hammersmith Bridge**

24. As of December 2024, LBHF has incurred £32m towards stabilisation works and the continued safe operation of the Bridge (how much of this is stabilisation cost versus operational cost). A further £16m has been incurred towards pre-restoration works in readiness for the full restoration of the Bridge. The pre-restoration works include the removal and diversion of gas mains from the Bridge, geotechnical works, planning application for an innovative truss option and the development of the contract and procurement process for the bridge restoration works. These preliminary works are to ensure that full restoration works can be undertaken with greater expediency, effectiveness and minimisation of technical and financial risks. The Grade II\* Listed 137-year-old Hammersmith Bridge (the Bridge) was closed to motor vehicles in April 2019 and to all users in August 2020 on public safety grounds. Following an 11-month closure and extensive investigations by Hammersmith & Fulham engineers and the introduction of a pioneering temperature control scheme, it re-opened to pedestrians, cyclists, and river traffic on 17 July 2021. The re-opening, with strict conditions, was recommended by the Board for the Continued Case for the Safe Operation (CCSO). One condition was that for the Bridge to remain open, it must be properly and permanently stabilised as soon as possible. The Council has incurred significant spend (at risk) of £32m (to December 2024) to ensure the continued safe operation of the Bridge and work towards stabilisation. In addition to this, the Council has incurred significant spend (again at risk) of almost £16m (to December 2024) for pre-restoration works, in readiness for the full restoration of the Bridge. These works include removal of the two gas mains off the Bridge and diversion on an alternative route, the planning application for the innovative truss option, geotechnical works and further development of the contract and procurement process for the full restoration of the bridge. These pre-restoration works will ensure that the future project to fully restore the Bridge can be undertaken with greater expediency and effectiveness, and with minimisation of technical and financial risks.
25. Under the terms of the funding settlement of 2 June 2021 that the Department for Transport (DfT) made with Transport for London (TfL), it was stated that TfL and DfT would fund two-thirds of the total project costs. It was stated that this would be formalised in a proposed Memorandum of Understanding (MoU). Despite the council's work to draft an MoU, this was never signed. DfT has so far contributed £8.3m and TfL has contributed £2.9m towards the overall spend of almost £48m. The council is therefore due a further total of £20.7m from DfT and TfL and is requesting that the previously agreed contributions are paid up in full.

26. The Council has repeatedly stated that its one third contribution can only be funded from a road user charging scheme or a toll of motorists using the bridge. Despite the relevant government minister expressing support for the council's use of a toll or road user charging scheme to fund its contribution, support has not been forthcoming to date from TfL and/or DfT.
27. Detailed evaluations of engineering options for the stabilisation and full strengthening and restoration of the Bridge have been undertaken. H&F developed its Business Case to fully restore Hammersmith Bridge in line with HM Treasury's Green Book Five Case Model (strategic, economic, commercial, financial and management). It submitted the first parts of its business case to the DfT for advice and comments on 11 December 2022 with the final economic case given to the DfT on 22 December 2022. The Business Case, which included all five parts, was then formally submitted on 31 March 2023. The Business Case was presented to the DfT's Investment Portfolio Delivery Committee (IPDC) on 19 June 2023. They requested further information. It was resubmitted and tabled for the IPDC on 20 November 2023. However, the IPDC dropped the Business Case from its 20 November agenda with the explanation it had to consider "more time-critical decisions". The IPDC then confirmed that the Business Case was on the agenda for its 8 January 2024 meeting. That was pulled with the explanation that DfT officials had not met "conditions" at their end. The council is still awaiting consideration of the Business Case.

### **Schools Renewal Programme**

28. Included within the Building Homes and Communities Strategy is the Council's commitment to a Schools Renewal programme, agreed by Cabinet in March 2019. The programme is intended to:
- re-provide modern, fit for purpose schools to support the borough's ambition to give children the best start in life.
  - support the funding of education in Hammersmith & Fulham including the future repair and planned maintenance requirements across the school community.
  - fund school development through the creation of badly needed affordable housing which will help maintain the borough's vibrant social mix.
  - provide significant investment in the condition of the schools' estate through the first three-year schools' capital strategy agreed in 2021.

The school renewal programme is well underway with the delivery of the 2021-2024 three-year programme completed and the implementation of the ambitious 2023-2028 five-year programme now underway.

### **Other Housing projects**

29. In addition to the Building Homes and Communities Strategy the Council is progressing several partnership projects in relation to the provision of affordable housing. These include the redevelopment of the Edith Summerskill House site is being taken forward in conjunction with Peabody Housing Trust. It is expected to deliver 133 Social Rent homes. Demolition is complete and Peabody Housing Trust will develop the new scheme with the Council transferring the land and providing a grant towards construction costs.



30. Planning permission was secured in September 2024 to invest in Shepherds Bush Market, alongside a commercial development which will include affordable workspace and STEM incubator space. The scheme delivered in partnership with Yoo Capital will include build 40 affordable homes for the council.

### **Becoming Carbon Neutral**

31. The Council's Climate and Ecology Strategy and action plan set out the Council's approach to delivering its target of net zero greenhouse gas emissions in the borough by 2030.

32. This will require the development of a sustainable financial model that secures the necessary investment in the services the Council provides or commissions. The Council must also influence, convince, incentivise, and support government and private sector investment across local businesses and households to tackle emissions from transport and buildings outside our direct control.

33. Assets owned by the Council accounts for 75% of the organisation's direct operational CO2 emissions and is a priority area that the Council can directly influence through retrofit programmes. Three quarters of CO2 emissions from homes come from heating and hot water, mostly powered by gas. To achieve net zero, the majority of homes and corporate assets under H&F operational control must be retrofitted with energy efficiency measures, and gas boilers replaced with low carbon heating such as air-source heat pumps, by 2030. The Council can influence this through:

- Investment in retrofitting Council homes and other corporate assets which will reduce the borough's emissions and grow the market for retrofit, driving down cost.
- Energy planning and investment to bring about district heating networks.
- Information and incentives to homeowners and landlords encourage retrofit.
- Enforcement of Minimum Energy Efficiency Standards for landlords.

34. £345.5m has been identified as required to decarbonise the Council-owned housing stock. The 12-year Housing Asset Management Capital Strategy earmarked £106.5m for net zero works, with a further £91m earmarked for other works that will support this agenda, with a view to bidding for government funding to make up the shortfall as well as achieving cost and programme synergies by carrying out these works out in conjunction with other planned maintenance needs.

### **Digital Inclusion Strategy**

35. The Council has recently approved the Digital Inclusion Strategy which aims to address barriers arising from digital advancements impacting residents' lives and service delivery. It has been coproduced with residents, the Voluntary and Community Sector (VCS), and stakeholders to ensure that the needs of residents and the various service areas are effectively captured. Within the approved capital programme £4m has been identified to refresh the Council's existing devices. As part of the Council's commitment to being a digitally inclusive borough, the Council is supporting those in need to access and will repurpose existing devices as part of H&F charity technology equality projects or as part of its reuse and sustainability agenda.

## **Health and Safety**

36. Health and Safety works have been included within the Housing Asset Management Compliance Strategy and Capital Programme, which gives priority to fire and other health and safety works in the Council's housing stock. The Council is committed to the safety and welfare of all residents and other capital projects and budgets including the School's Maintenance and Corporate Planned Maintenance Programme include Health and Safety related works.

## **Other schemes**

37. The Council's Capital Programme contains a number of schemes which are necessary investments in the Council's assets to ensure their sustainability, to address health and safety and legislative requirements and to provide future revenue savings. Examples of such schemes are:

- Schools Maintenance Programme
- Schemes funded from ring-fenced resources within the Housing Revenue Account (HRA) such as major refurbishments, heating works, lift works, garage improvements, electrical installations, estate roads, disabled adaptations, etc.
- Required investment from Council resources, including capital receipts, to support strategic priorities such as investment in the highways' infrastructure, ICT, asset management and parks.

38. The Council set out its strategic ambition around specialist housing (short and long-term care and accommodation for groups such as care leavers, rough sleepers etc) through a report to Cabinet in December 2018. This provided an anchor for future investment decisions and strategic commissioning around these key preventative services. There are issues with supply of this type of housing, and the suitability of the borough's current stock to meet changing needs, much of which is owned and operated by housing associations. The Council continues work on understanding the type of capital investment required and the levers for renewing this portfolio of assets which can help to reduce current and future pressures on the Council's revenue budget. This work will help define future calls on the Council's capital programme.

39. All capital investment decisions will be underpinned by a robust business plan that set out any expected financial return alongside the broader outcomes including economic and social benefits.

## **Governance**

40. As part of being ruthlessly financially efficient, the Council has arrangements in place to ensure capital and other major projects are managed to achieve greater efficiency and improve delivery, improving the management of capital projects and introducing new reporting systems to tighten up oversight. The reforms include:

- A monthly Finance Strategic Leadership Team (SLT) is chaired by the Executive Director of Finance and Corporate Services. In addition to revenue budgets, S106, commercial income and audit issues, its remit includes major programmes, including large capital schemes such as the affordable housing development programme. Programme highlight reports and gateway reviews, capital and monitoring are routinely discussed.

- Capital project management – SLT directors must involve finance at the inception of significant capital projects to consider business cases (including affordability, best value, funding and ongoing revenue costs and savings).
- Specific decision making, governance and oversight arrangements are in place for significant projects such as the Civic Campus (Executive and Member Oversight Boards) and the Development Board for the Building Homes and Communities Strategy.

41. Through the gateway and highlight/ exception report process for major programmes, Finance SLT (or a board reporting to Finance SLT) will:

- consider the funding and feasibility of large new schemes
- review business cases, approvals, and variations, signing off draft
- reports to Cabinet
- monitor process in the procurement and delivery of capital works to programme
- monitor actual spend and forecast against budgets.

42. The Programme Management Office (PMO) has been set up to help people who deliver programme and projects across the Council. It will also provide the SLT with improved oversight and confidence around our major projects and programmes. The main objectives of PMO are to ensure the strategic alignment of projects and programmes, provide expert advice and support to directorates and bring all projects and programmes under one umbrella.

### **Decision making**

43. Council capital investments should be made in line with the Capital Strategy priorities which are set out in this document. Capital expenditure is spent on the purchase or improvement of assets that have a long-term value to the Council, such as land and buildings. It is the Council's policy to capitalise any expenditure, over a total value of £10,000, which fulfils this criterion.

44. The capital expenditure and investment decision making process is the governance framework used by the Council when making decisions relating to the capital programme. All expenditure must be formally authorised, to ensure funding is in place and clearly understood before any spending decisions are taken. Financial regulations and the scheme of delegation must be adhered to. Other relevant financial controls are:

- Any call on reserves will need to be authorised by the Executive Director, Finance and Corporate Services in consultation with the Chief Executive and Cabinet Member for Finance and Commercial Services.
- All decisions reports will only be progressed if they are fully funded before any spend is incurred
- All Cabinet Member Decisions, Cabinet, and Policy and Accountability Committee (PAC) reports must include full and transparent financial impact section prepared by finance officers (with final sign off by Director of Finance)
- Leader's Urgency reports will only be used in exceptional circumstances, and these must be cleared in advance by the Chief Executive. The Director of Finance must fully consider the financial impact. A Cabinet Urgency Committee has also been established to ensure decisions can be made quickly where these are urgent.
- Committee services will ensure that the correct review and sign off requirements have been followed before any papers are dispatched.

45. The Council's annual Capital Programme is approved by the Cabinet and Full Council. The SLT and Cabinet receive quarterly updates on the programme detailing financial forecasts, risks, and expected outcomes. Variances to the Capital Programme are approved quarterly by Cabinet.
46. Detailed monitoring is also undertaken of significant projects and reported to Finance SLT and the Cabinet Member for Finance and Commercial Services.

### **Finance Strategy**

47. The Capital Strategy is an integral part of the Council's wider finance strategy. As well as informing the capital programme it links directly to the Treasury Management Strategy, Medium Term Financial Strategy and annual revenue budget. The revenue consequences of the programme are also allowed for within the revenue budget.
48. The Business Plan has a strong emphasis on growth and affordable housing and the use of capital to generate revenue. The Council's Building Homes and Communities Strategy, above, sets out a self-funding programme of investment in homes and community assets where the Council will utilise its land and property assets to meet key priorities to deliver affordable housing and support the Council's financial challenge. The Council is considering its approach to development, risk and reward to capture some of the potential benefits, including income from private sale and market rent to support its revenue position and subsidise the creation of new affordable housing. A Development Board is in place to oversee the progress of projects or schemes within the Building Homes and Communities Strategy and manage risk.
49. Alongside the Building Homes and Communities Strategy, work has also begun to develop a more strategic approach to its role as a Corporate Landlord and Corporate Accommodation. This will consider the Council's long-term accommodation requirements, greater corporate oversight of operational asset management, and investment in our data to ensure we are getting value from our property and land holdings. The Council is also developing options to support the Council's investment in the borough to enable the borough's economic recovery from Covid-19 which will be self-financing. Options, governance and appraisal arrangements will be developed over the next financial year. As initiatives are brought forward, they will inform, and be considered as part of, the overall Capital Strategy.

## **CAPITAL PROGRAMME 2025/26-2028/29**

### **Financial Impact**

This report is of a wholly financial nature.

Economic shocks in prior years have led to labour and supply constraints, plus cost pressures for works and materials and pressure on wages. These shocks have had a material negative impact on the delivery and cost estimate of capital works resulting in slippage as well as a need for additional funding to complete projects. The latest 2024 inflation rate (November), as measured by the Consumer Price Index (CPI), was 2.6% with the Bank of England (BoE) forecasting that it will likely remain above the targeted 2% throughout 2025. The headline Bank of England interest rate remains high (currently 4.75% compared to 0.25% in December 2021) however it has reduced by 0.25% in recent



months and there are indications that further reductions may be forthcoming as the inflationary pressures subside.

For the council, as it borrows primarily from the Public Works Loans Board (PWLB), this interest rate regarding long-term borrowing now stands at 5.2% compared to 1.5% in December 2021.

The increase in build cost inflation and borrowing costs is bad news for the council and will result in additional financial pressures that need to be addressed through the Medium-Term Financial Strategy and HRA Business Plan for both General Fund and HRA services. Actions that may partially mitigate against the increase in interest rates, such as use of available internal cash balances or borrowing for shorter-term periods, have been utilised over the previous periods and will continue to be monitored with the Council's Treasury Management Team. However, these are only short term measures, and a longer term strategy will need to be considered for future capital investment. The revenue affordability and financial sustainability of the council's current, and future, capital expenditure plans, including self-financing schemes, will also need to be reviewed on ongoing basis and as part of the development of the future capital programme.

*Andre Mark, Head of Strategic Planning and Investment, 03 January 2025*

### **Legal Implications**

The Executive Director of Finance and Corporate Services is responsible for ensuring that a four-year rolling capital programme and capital strategy is prepared jointly with SLT directors. This must be submitted on an annual basis for consideration by Cabinet before being approved by Full Council (Financial Regulation 3.12). There are no direct legal implications in relation to this report. Legal advice will be sought for each Procurement within the programme which will need comply with the Council's Contract Standing Orders and Financial Regulations.

*Verified by Glen Egan, Assistant Director Legal, 7 January 2025*

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### **Background Papers Used in Preparing This Report:**

None

## CAPITAL PROGRAMME 2025/26-2028/29 - OVERVIEW

1. This report sets out an updated four-year capital expenditure and resource forecast and a capital programme for 2025/26 to 2028/29, as summarised in Table 1 below. A detailed analysis of specific schemes by service is included in Appendix 1.

**Table 1 - Capital Programme 2025/26 to 2028/29**

	2025/26 £'000	2026/27 £'000	2027/28 £'000	2028/29 £'000	Total Budget (All years) £'000
<b>CAPITAL EXPENDITURE</b>					
People	8,099	5,040	4,314	-	17,453
Place	67,985	5,636	6,270	4,776	84,667
Finance & Corporate	1,662	-	-	-	1,662
<b>Total Expenditure GF</b>	<b>77,746</b>	<b>10,676</b>	<b>10,584</b>	<b>4,776</b>	<b>103,782</b>
Housing Revenue Account	135,842	115,955	88,786	87,931	428,514
<b>Total Expenditure HRA</b>	<b>135,842</b>	<b>115,955</b>	<b>88,786</b>	<b>87,931</b>	<b>428,514</b>
<b>Total Expenditure</b>	<b>213,588</b>	<b>126,631</b>	<b>99,370</b>	<b>92,707</b>	<b>532,296</b>
<b>CAPITAL FINANCING - General Fund</b>					
<b>Specific/External Financing:</b>					
Government/Public Body Grants	8,799	5,040	4,314	-	18,153
Grants and Contributions from Private Developers (includes S106/CIL)	6,100	500	1,494	-	8,094
Capital Grants/Contributions from Non-departmental public bodies	915	-	-	-	915
Capital Grants and Contributions from GLA Bodies	408	-	-	-	408
<b>Sub-total - Specific Financing</b>	<b>16,222</b>	<b>5,540</b>	<b>5,808</b>	<b>-</b>	<b>27,570</b>
<b>Mainstream Financing (Internal):</b>					
Capital Receipts (GF)	1,417	-	-	-	1,417
Earmarked Reserves (Revenue)	1,060	-	-	-	1,060
<b>Sub-total - Mainstream Funding</b>	<b>2,477</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,477</b>
Borrowing-General Fund	58,802	5,136	4,776	4,776	73,490
Borrowing -HRA	245	-	-	-	245
<b>Total GF Capital Financing</b>	<b>77,746</b>	<b>10,676</b>	<b>10,584</b>	<b>4,776</b>	<b>103,782</b>
<b>CAPITAL FINANCING - HRA</b>					
<b>Specific/External Financing:</b>					
Government/Public Body Grants	755	-	-	-	755
Grants and Contributions from Private Developers (includes S106/CIL)	631	6,000	6,000	6,000	18,631
Capital Grants and Contributions from GLA Bodies	545	3,388	3,388	3,388	10,709
Leaseholder Contributions	2,700	2,700	2,700	2,700	10,800
<b>Sub-total - Specific Financing</b>	<b>4,631</b>	<b>12,088</b>	<b>12,088</b>	<b>12,088</b>	<b>40,895</b>
<b>Mainstream Financing (Internal):</b>					
1-4-1 receipts	2,674	267	-	-	2,941
Capital Receipts - HRA	8,042	48,478	3,000	3,000	62,520
Major Repairs Reserve (MRR)	16,534	17,128	17,929	18,777	70,368
<b>Sub-total - Mainstream Funding</b>	<b>29,727</b>	<b>66,945</b>	<b>21,800</b>	<b>21,777</b>	<b>135,829</b>
Borrowing -HRA	103,961	37,994	55,769	54,066	251,790
<b>Total HRA Capital Financing</b>	<b>135,842</b>	<b>115,955</b>	<b>88,786</b>	<b>87,931</b>	<b>428,514</b>
<b>Grand Total Financing</b>	<b>213,588</b>	<b>126,631</b>	<b>99,370</b>	<b>92,707</b>	<b>532,296</b>

2. The programme for this period totals £532.3m. The gross programme for 2025/26 totals £213.6m. This comprises the General Fund (GF) Programme of £77.7m and the Housing Revenue Account (HRA) Programme of £135.8m.
3. The Regeneration and Development Strategy in the current capital programme includes several General Fund and HRA schemes that are at an early stage of development and the total budget envelope required to complete these schemes have not yet been formally approved or included in the capital programme. As further phases are brought forward and approved, subject to agreement of the business case and confirmation of viability, significant additional borrowing will be incurred by the Council. The capital programme will be updated as and when further phases and schemes are approved.
4. Should these schemes not fully progress there is a risk that some, or all, of the expenditure incurred to date will need to be written off to revenue. In line with the arrangements agreed in the Building Homes and Communities Strategy, the Development Board is providing a gateway and governance process for these schemes before commitment of funds.

## GENERAL FUND CAPITAL PROGRAMME

5. The General Fund programme is summarised in Table 2 below with details for each service at Appendix 1.

**Table 2 – General Fund Capital Programme 2025/26 to 2028/29**

<b>CAPITAL EXPENDITURE</b>					
People	8,099	5,040	4,314	-	<b>17,453</b>
Place	67,985	5,636	6,270	4,776	<b>84,667</b>
Finance & Corporate	1,662	-	-	-	<b>1,662</b>
<b>Total Expenditure GF</b>	<b>77,746</b>	<b>10,676</b>	<b>10,584</b>	<b>4,776</b>	<b>103,782</b>

<b>CAPITAL FINANCING</b>					
<b>Specific/External Financing:</b>					
Use of specific resources (grant/section106/receipts)	18,699	5,540	5,808	-	<b>30,047</b>
Borrowing - General Fund	58,802	5,136	4,776	4,776	<b>73,490</b>
Borrowing - HRA*	245				<b>245</b>
<b>Total Capital Financing</b>	<b>77,746</b>	<b>10,676</b>	<b>10,584</b>	<b>4,776</b>	<b>103,782</b>

\*0.245m borrowing from the HRA is in respect of the Tectonic 2 Device Refresh project

6. Table 3 below shows the projects funded from mainstream resource (borrowing or capital receipts) and comprises the progression and completion of existing schemes and the continuation of rolling programmes. It incorporates expenditure slippage from the 2024/25 programme as detailed in the 2024/25 quarter 3 capital monitoring report.

**Table 3 – General Fund Mainstream Programme 2025/26 to 2028/29**

	Indicative Budget 2025/26 £'000	Indicative Budget 2026/27 £'000	Indicative Budget 2027/28 £'000	Indicative Budget 2028/29 £'000	Total Budget (All years) £'000
<b>Approved Expenditure</b>					
<b>Ad Hoc Schemes:</b>					
Business Intelligence Infrastructure [F&C]	52	-	-	-	52
Tech-tonic 2 Device refresh [F&C]	1,365	-	-	-	1,365
WMC JV Exit Costs [Place]	1,857	-	-	-	1,857
Carnwath Road [Place]	1,870	-	-	-	1,870
Hammersmith Bridge Pre Restoration Works [Place]	2,680	-	-	-	2,680
Green Investment Projects [Place]	3,245	-	-	-	3,245
North End Road - Good Growth Fund [Place]	350	-	-	-	350
Leisure Centre Capital Investment [Place]	150	-	-	-	150
Corporate Planned Maintenance Programme [Place]	6,517	2,400	2,400	2,400	13,717
Waste Collection and Disposal Projects [Place]	5,404	-	-	-	5,404
Footways and Carriageways [Place]	2,034	2,030	2,030	2,030	8,124
Column Replacement [Place]	346	346	346	346	1,384
Hammersmith Town Hall Refurbishment [Place]	15,319	-	-	-	15,319
Mund Street [Place]	973	360	-	-	1,333
<b>Total Mainstream Programmes</b>	<b>42,273</b>	<b>5,136</b>	<b>4,776</b>	<b>4,776</b>	<b>56,961</b>
<b>Financing</b>					
Capital Receipts	1,417	-	-	-	1,417
Increase/(Decrease) in Borrowing	40,856	5,136	4,776	4,776	55,544
<b>Total Financing</b>	<b>42,273</b>	<b>5,136</b>	<b>4,776</b>	<b>4,776</b>	<b>56,961</b>

- The mainstream programme contains £28.6m of rolling programmes budgets for the corporate planned maintenance (£13.7m including slippages from previous years), footways and carriageways (£8.1m) and street lighting and column replacement (£1.4m). The capital programme approves a funding envelope for rolling programmes. It does not approve the detail of how such funding is utilised. It is the responsibility of the responsible Executive Director to agree a planned programme of works in consultation with the Executive Director, Finance and Corporate Services and the lead Cabinet Member.
- The mainstream programme presented in Table 3 does not include self-financing schemes (where the net General Fund revenue borrowing costs are nil). Whilst the schemes will impact the Council's CFR, it is assumed that all Minimum Revenue Payment (MRP) and interest costs will be fully reimbursed through the charging of a state-aid compliant interest rate, loan repayment and commercial income.
- Such self-financing borrowing is forecast to decrease by £11m over the next 4 years and relates to the Civic Campus development. Detailed programme management and officer and member governance arrangements are in place to ensure that officers and members understand the key financial assumptions and risks associated with the self-

financing schemes. These schemes are subject to regular monitoring and scrutiny. Table 4 summarises forecast spend on these schemes.

**Table 4 - Self-financing schemes and loans CFR movements 2025/26-2028/29**

Indicative Budget 2025/26	Indicative Budget 2026/27	Indicative Budget 2027/28	Indicative Budget 2028/29	Total Budget (All years)
£'000	£'000	£'000	£'000	£'000

Approved Expenditure					
<b>Ad Hoc Schemes:</b>					
Acquisition of commercial units (Civic Campus) [Place]	16,196	-	-	-	<b>16,196</b>
Commercial Units- Cinema Fit Out [Place]	1,750	-	-	-	<b>1,750</b>
<b>Total Mainstream Programmes</b>	<b>17,946</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>17,196</b>

Financing					
Increase/(Decrease) in Borrowing	17,946	-	-	-	17,946
<b>Total Financing</b>	<b>17,946</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>17,946</b>

10. General Fund debt is measured by the Capital Finance Requirement (CFR). The CFR measures an authority's underlying need to borrow for a capital purpose. It is considered by the Chartered Institute of Public Finance Accountancy (CIPFA) as the best measure of Council debt as it reflects both external and internal borrowing. The forecast for the General Fund CFR is shown in Table 5 below.

**Table 5 - Forecast General Fund headline Capital Financing Requirement (CFR)**

GENERAL FUND CFR ANALYSIS	2024/25	2025/26	2026/27	2027/28	2028/29
HEADLINE CFR EXCLUDING SELF FINANCING SCHEMES AND LOANS	£m	£m	£m	£m	£m
<b>Opening Capital Finance Requirement (CFR)</b>	<b>163.09</b>	<b>187.30</b>	<b>225.64</b>	<b>226.83</b>	<b>227.64</b>
Revenue Repayment of Debt (MRP)	(2.72)	(2.51)	(3.94)	(3.97)	(4.00)
Mainstream Programme (Surplus)/Shortfall	26.93	40.86	5.14	4.78	4.78
<b>Closing Capital Finance Requirement (CFR)</b>	<b>187.30</b>	<b>225.64</b>	<b>226.83</b>	<b>227.64</b>	<b>228.42</b>
SELF FINANCING SCHEMES AND LOANS	£m	£m	£m	£m	£m
<b>Opening Capital Finance Requirement (CFR)</b>	<b>88.23</b>	<b>71.89</b>	<b>64.72</b>	<b>63.43</b>	<b>62.16</b>
Revenue Repayment of Debt (MRP)	-	(0.11)	(1.29)	(1.27)	(1.24)
Repayment of loans	(32.06)	(25.00)	-	-	-
In Year Borrowing	15.71	17.95	-	-	-
<b>Closing Capital Finance Requirement (CFR)</b>	<b>89.83</b>	<b>64.72</b>	<b>63.43</b>	<b>62.16</b>	<b>60.92</b>
Finance leases/PFI/ Deferred costs of disposal	11.69	10.99	10.29	9.59	8.89



Total Closing GF CFR	270.87	301.35	300.55	299.39	298.22
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11. The forecast General Fund Headline CFR (excluding self-financing schemes) at the start of 2025/26 is £187.3m and is expected to increase to £228.42m by the end of 2028/29. The net increase of £41.1m over the next four years will add a revenue budget pressure, relating to the borrowing costs (MRP plus external interest), of c£3.3m<sup>2</sup>per annum by the end of 2028/29.
12. Any capital receipts received during the year may be applied to lower the closing CFR. In addition, the Council may opt to apply additional Section 106 or CIL identified during the year to fund eligible elements of the capital programme to reduce the closing CFR. The current General Fund capital receipts forecast contained in this report assumes no new receipts for financial years 2025/26 - 2028/29. Should capital receipts be identified, they will be added to the programme, as an additional funding source, and will reduce the forecast CFR and MRP.
13. The Council is required to make an annual provision from revenue, known as the Minimum Revenue Provision (MRP), which set-asides resource to repay debt and in so doing reduces the CFR. The Council's 2025/26 MRP policy is set out in Appendix 3.
14. The MRP payments (including self-financing schemes) are forecast to be £2.63m for 2025/26, raising to £5.24m in 2028/29.
15. Several affordable housing schemes (already approved or subject to future approvals) contain use of General Fund land for their development and further appropriations of the General Fund land to HRA will be required. The timing of the actual appropriations is to be confirmed but is expected to be prior to build completion and will be reported through the Council's quarterly capital budget monitoring process. Such an appropriation would trigger a transfer of debt from the General Fund to the HRA equal to an appropriate valuation of the site. The legal and financial details of this will be set out in a future decision. For monitoring purposes, current capital programme assumes the split between General Fund and HRA, as per the Cabinet recommendation. However, should the scheme be cancelled before the completion of HRA affordable homes, there is a risk that costs associated with the termination could impact General Fund revenue budgets.
16. The current capital programme forecast is based on known funding allocations as at December 2024 and will be updated in accordance with relevant government spending announcements. This will include a review of Children's Services and Disabled Facilities Grant (DFG) allocations. At present schools' funding is not confirmed by Government beyond 2024/25. As additional grants and contributions are confirmed, the General Fund capital programme will increase.

## HOUSING REVENUE ACCOUNT (HRA) CAPITAL PROGRAMME

17. The HRA Capital Programme expenditure and resource forecast is summarised in Table 6 and detailed in Appendix 1.

<sup>2</sup> Cost of borrowing calculated using current PWLB rate of 5.3% and MRP rate of 2.65%.

## Housing Expenditure and Resource Forecast 2025-29

CAPITAL EXPENDITURE					
Place (HRA)	65,683	34,764	11,368	9,388	121,203
Housing (HRA)	70,159	81,191	77,418	78,543	307,311
<b>Total Expenditure HRA</b>	<b>135,842</b>	<b>115,955</b>	<b>88,786</b>	<b>87,931</b>	<b>428,514</b>

CAPITAL FINANCING					
<b>Specific/External Financing:</b>					
Use of specific resources (grant/section106/receipts)	31,881	77,961	33,017	33,865	176,724
Borrowing	103,961	37,994	55,769	54,066	251,790
<b>Total Capital Financing</b>	<b>135,842</b>	<b>115,955</b>	<b>88,786</b>	<b>87,931</b>	<b>428,514</b>

18. The forecast Housing Capital Finance Requirement (HRA CFR) is shown in Table 7, below.

**Table 7– Housing CFR Forecast 2025-29**

HRA CFR Forecast	2024/25	2025/26	2026/27	2027/28	2028/29
	£m	£m	£m	£m	£m
Opening HRA CFR	348.34	451.19	555.40	593.39	649.16
In Year Borrowing	102.85	104.21	37.99	55.77	54.07
<b>Closing HRA CFR</b>	<b>451.19</b>	<b>555.40</b>	<b>593.39</b>	<b>649.16</b>	<b>703.23</b>

19. The HRA CFR is forecast to be £555.4 by the end of 2025/26 and £703.2m by the end of 2028/29. The significant borrowing costs that arise from the increase in the HRA CFR will impact on future HRA revenue budgets. This impact is regularly assessed as part of the HRA Business Plan and is reflected in the proposed 2024/25 HRA revenue budget.

20. As set out in the HRA business plan the increase in borrowing costs will require significant additional HRA revenue savings to be made. There are also multiple interacting assumptions and risks that need to be regularly stress tested and reviewed to ensure the underlying strength and resilience of the plan. Key risks that need to be closely monitored to ensure the delivery and affordability of the Strategy include:

- Interest rate changes. The current base case uses borrowing rates after consultation with the Council's Treasury Advisor. However, there is a risk that inflation and interest rates may not fall at the same rate as the business plan anticipates or that inflation and / or interest rates rise further above the long term assumptions within the business plan.
- Rent Regulation. Amongst other policy announcements, the Government is currently consulting on an updated rent policy which will limit rental income increases for social and affordable rents to CPI + 1%, and this would be in place

for the next 5 years from the 1<sup>st</sup> of April 2026. Whilst this is welcomed for medium term planning and decision making, there is a risk that labour and material inflation may outstrip this for future years.

- New developments. Building additional homes not only provides much needed affordable housing for the boroughs' residents but is also a key factor in the HRA's future viability. If new build developments were to cease completely then it is estimated that additional revenue savings of £0.8m above the base model savings requirement would be required.
- Build and works inflation. A mounting concern is inflation with supply constraints and labour shortages, driven by Covid and Brexit, leading to higher prices and pressure on wages.
- Climate change funding. The Strategy includes climate change investment of £213m and it is assumed that this will be funded by 50% borrowing/recharges and 50% government grant. There is risk that lower grant funding will be identified/awarded, and this may further impact on the HRA CFR.

21. Right to Buy (RTB) one-for-one receipts need to be repaid with interest to Central Government where affordable housing schemes do not proceed. These receipts are ringfenced to the provision of affordable housing within five years of receipt. The existing approved Housing Development schemes and the pipeline of yet to be approved schemes<sup>3</sup> are sufficient to make use of these receipts if delivered on time, however there are risks to meeting these deadlines.

## **EQUALITY IMPLICATIONS**

22. There are no direct equalities implications in relation to this report. This paper is concerned entirely with financial management issues and, as such, the recommendations relating to increase in capital allocations will not impact directly on any group with protected characteristics, under the terms of the Equality Act 2010.

## **VAT IMPLICATIONS**

23. With regard to all major capital schemes and disposals, the Council will need to give careful consideration to its VAT partial exemption threshold. Ordinarily, entities cannot reclaim VAT incurred in the provision of VAT exempt activities, however special provision for Local Authorities means that Council can reclaim such costs, providing these do not exceed 5% of the Council's total VAT reclaimed in any one year. This threshold is known as the Council's Partial Exemption Limit. If this threshold is breached without HMRC mitigation, then all VAT incurred in support of exempt activities, in that year, can no longer be reclaimed from HM Revenue and Customs (HMRC) and becomes payable by the Council. This would represent a cost of approximately £2m per year of breach.

24. Capital transactions represent a significant portion of the Council's VAT exempt activity and accordingly pose the biggest risk to the partial exemption threshold. The Council monitors the partial exemption position closely, however unanticipated expense or slippages can present challenges to this process. The Cabinet has adopted the following VAT policy to aid the management of the Partial Exemption position:

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<sup>3</sup> The housing development pipeline was presented to Cabinet on 3 March 2020 in the report "Financial Plan for Council Homes".

- In all cases of new or reprofiled projects, the Corporate Accountancy, Systems and Tax team should be consulted in advance.
- Projects should be 'opted-to-tax' where this option is available and is of no financial disadvantage to the Council.

## **RISK MANAGEMENT**

25. The report content presents a balanced and measured profile of the main aspects, risks and issues relating to the Capital Programme and its deliverables. The exposure to property market conditions, consultation requirements, potential delays due to legal challenge, gaining planning consent, protracted negotiations, or exchange of contracts with potential purchasers are known risks and these are outlined in the report. Furthermore, are the impacts of the Covid-19 pandemic on the economy coupled with Brexit impacting on prices in the short and potentially longer term, along with high levels of inflation, which will affect construction related costs and increases in interest rates which will impact on the cost of borrowing. The report identifies a number of risks identified in the report which could impact on the delivery of the HRA Business Plan and strategy, and the need for robust monitoring to continue in respect of these risks.

26. Risk mitigation is undertaken on a case-by-case basis, and it is the responsibility of departments to capture risks that may affect the successful delivery of capital projects contained in their programme in their departmental registers. A number of significant opportunity risks to regenerate areas of the borough have previously been considered on the Council's risk register which has been reviewed by the Strategic Leadership Team. Exposure to risks such as the potential for Fraud and Bribery in relation to its property and asset dealings are covered through the Council's existing Anti-Fraud and Bribery policies. The service maintains a register of key risks, where there may become significant, they may be escalated to the corporate level.

*Implications completed by: David Hughes, Director of Audit, Fraud, Risk and Insurance, 28 November 2024*

## **LIST OF APPENDICES:**

Appendix 1 – Council Capital Programme by Service Area

Appendix 2 – Minimum Revenue Provision (MRP) Statement 2025/26

## APPENDIX 1 – Detailed Analysis by Service

2025/26	2026/27	2027/28	2028/29	Total Budget (All years)
£'000	£'000	£'000	£'000	£'000

CAPITAL EXPENDITURE					
People	8,099	5,040	4,314	-	17,453
Place (General Fund)	67,985	5,636	6,270	4,776	84,667
Finance & Corporate	1,662	-	-	-	1,662
<b>Sub-total (General Fund)</b>	<b>77,746</b>	<b>10,676</b>	<b>10,584</b>	<b>4,776</b>	<b>103,782</b>
Place (HRA)	65,683	34,764	11,368	9,388	121,203
Housing (HRA)	70,159	81,191	77,418	78,543	307,311
<b>Sub-total (HRA)</b>	<b>135,842</b>	<b>115,955</b>	<b>88,786</b>	<b>87,931</b>	<b>428,514</b>
<b>Total Expenditure</b>	<b>213,588</b>	<b>126,631</b>	<b>99,370</b>	<b>92,707</b>	<b>532,296</b>

CAPITAL FINANCING					
<b>Specific/External Financing:</b>					
Government/Public Body Grants	9,554	5,040	4,314	-	18,908
Grants and Contributions from Private Developers (includes S106/CIL)	6,731	6,500	7,494	6,000	26,725
Capital Grants/Contributions from Non-departmental public bodies	915	-	-	-	915
Capital Grants and Contributions from GLA Bodies	953	3,388	3,388	3,388	11,117
Leaseholder Contributions	2,700	2,700	2,700	2,700	10,800
<b>Sub-total - Specific Financing</b>	<b>20,853</b>	<b>17,628</b>	<b>17,896</b>	<b>12,088</b>	<b>68,465</b>
<b>Mainstream Financing (Internal):</b>					
Capital Receipts (GF)	1,417	-	-	-	1,417
1-4-1 receipts	2,674	267	-	-	2,941
Capital Receipts - HRA	8,042	48,478	3,000	3,000	62,520
Major Repairs Reserve (MRR)	16,534	17,128	17,929	18,777	70,368
Earmarked Reserves (Revenue)	1,060	-	-	-	1,060
<b>Sub-total - Mainstream Funding</b>	<b>29,727</b>	<b>65,873</b>	<b>20,929</b>	<b>21,777</b>	<b>138,306</b>
Borrowing-General Fund	58,802	5,136	4,776	4,776	73,490
Borrowing -HRA	104,206	37,994	55,769	54,066	252,035
<b>Total Capital Financing</b>	<b>213,588</b>	<b>126,631</b>	<b>99,370</b>	<b>92,707</b>	<b>532,296</b>



## APPENDIX 1 – Detailed Analysis by Service

Future Years Budgets					
Place - HRA schemes	2025/26 Budget	2026/27 Budget	2027/28 Budget	2028/29 Budget	Total Budget (All years)
	£'000	£'000	£'000	£'000	£'000
<b>Scheme Expenditure Summary</b>					
<b>Development Programme</b>					
White City Estate Regeneration	365	-	-	-	365
Becklow Gardens	806	203	-	-	1,009
Barclay Close	285	50	-	-	335
Jepson House	1,200	1,178	-	-	2,378
The Grange	960	99	-	-	1,059
Hartopp & Lannoy	23,900	3,995	1,000	-	28,895
Farm Lane	10,000	3,737	400	-	14,137
Lillie Road	8,500	12,100	580	-	21,180
<b>Subtotal Development Programme</b>	<b>46,016</b>	<b>21,362</b>	<b>1,980</b>	<b>-</b>	<b>69,358</b>
<b>Regeneration Capital Schemes</b>					
Stanhope Joint Venture	400	9,388	9,388	9,388	28,564
Old Laundry Yard	903	653	-	-	1,556
Education City	18,000	3,361	-	-	21,361
Property Acquisition for Affordable Housing	133	-	-	-	133
<b>Subtotal Regeneration Capital Schemes</b>	<b>19,436</b>	<b>13,402</b>	<b>9,388</b>	<b>9,388</b>	<b>51,614</b>
<b>Planning and Corporate Property</b>					
Nourish Project (Good Growth Fund)	231	-	-	-	231
<b>Subtotal Planning and Corporate Property</b>	<b>231</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>231</b>
<b>Total Place -HRA Schemes</b>	<b>65,683</b>	<b>34,764</b>	<b>11,368</b>	<b>9,388</b>	<b>121,203</b>

## APPENDIX 1 – Detailed Analysis by Service

	2025/26 Budget	2026/27 Budget	2027/28 Budget	2028/29 Budget	Total Budget (All years)
	£'000	£'000	£'000	£'000	£'000
<b>Capital Financing Summary</b>					
<b>Specific/External or Other Financing</b>					
Grants and Contributions from Private Developers (includes S106)	631	6,000	6,000	6,000	18,631
RtB GLA Ringfence and Affordable Housing Grants	545	3,388	3,388	3,388	10,709
<b>Sub-total - Specific or Other Financing</b>	<b>1,176</b>	<b>9,388</b>	<b>9,388</b>	<b>9,388</b>	<b>29,340</b>
<b>Mainstream Financing (Internal Council Resource)</b>					
Capital Receipts (HRA)	5,842	46,278	-	-	52,120
1-4-1 capital receipts	2,674	267	-	-	2,941
<b>Sub-total - Mainstream Funding</b>	<b>8,516</b>	<b>46,545</b>	<b>-</b>	<b>-</b>	<b>55,061</b>
<b>HRA Borrowing</b>	<b>55,991</b>	<b>(21,169)</b>	<b>1,980</b>	<b>-</b>	<b>36,802</b>
<b>Total Capital Financing</b>	<b>65,683</b>	<b>34,764</b>	<b>11,368</b>	<b>9,388</b>	<b>121,203</b>

## APPENDIX 1 – Detailed Analysis by Service

Place- General Fund Schemes	2025/26 Budget	2026/27 Budget	2027/28 Budget	2028/29 Budget	Total Budget (All years)
	£'000	£'000	£'000	£'000	£'000
<b>Scheme Expenditure Summary</b>					
<b><i>Civic Campus</i></b>					
Hammersmith Town Hall Refurbishment	15,319	-	-	-	15,319
Acquisition of commercial units	16,196	-	-	-	16,196
Commercial Units- Cinema Fit Out	1,750	-	-	-	1,750
<b>Sub-total -Civic Campus</b>	<b>33,265</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>33,265</b>
<b><i>Development Programme</i></b>					
Mund Street	973	360	-	-	1,333
<b>Sub-total -Development Programme</b>	<b>973</b>	<b>360</b>	<b>-</b>	<b>-</b>	<b>1,333</b>
<b><i>Regeneration Capital Schemes</i></b>					
West Kensington & Gibbs Green Public Realm	1,400	500	500	-	2,400
WMC JV Exit Costs	1,857	-	-	-	1,857
<b>Sub-total- Regeneration Capital Schemes</b>	<b>3,257</b>	<b>500</b>	<b>500</b>	<b>-</b>	<b>4,257</b>
<b><i>Planning and Corporate Property</i></b>					
Planned Maintenance/DDA Programme	6,517	2,400	2,400	2,400	13,717
Carnwath Road	1,870	-	-	-	1,870
North End Road - Good Growth Fund	350	-	-	-	350
<b>Sub-total -Planning and Corporate Property</b>	<b>8,737</b>	<b>2,400</b>	<b>2,400</b>	<b>2,400</b>	<b>15,937</b>
<b>Total Expenditure</b>	<b>46,232</b>	<b>3,260</b>	<b>2,900</b>	<b>2,400</b>	<b>54,792</b>

## APPENDIX 1 – Detailed Analysis by Service

Place- General Fund Schemes	2025/26 Budget	2026/27 Budget	2027/28 Budget	2028/29 Budget	Total Budget (All years)
	£'000	£'000	£'000	£'000	£'000
<b>Capital Financing Summary</b>					
<b>Specific/External or Other Financing</b>					
Grants and Contributions from Private Developers (includes S106)	1,400	500	500	-	2,400
<b>Sub-total - Specific or Other Financing</b>	<b>1,400</b>	<b>500</b>	<b>500</b>	<b>-</b>	<b>2,400</b>
GF Borrowing	44,832	2,760	2,400	2,400	52,392
<b>Total Borrowing</b>	<b>44,832</b>	<b>2,760</b>	<b>2,400</b>	<b>2,400</b>	<b>52,392</b>
<b>Total Capital Financing</b>	<b>46,232</b>	<b>3,260</b>	<b>2,900</b>	<b>2,400</b>	<b>54,792</b>

## APPENDIX 1 – Detailed Analysis by Service

Place- General Fund Schemes	2025/26 Budget	2026/27 Budget	2027/28 Budget	2028/29 Budget	Total Budget (All years)
	£'000	£'000	£'000	£'000	£'000
<b>Climate Change and Transport</b>					
Footways and Carriageways	150	150	150	150	600
Transport For London Schemes	408	-	-	-	408
Other Highways Capital Schemes	4,511	-	994	-	5,505
Green Investment Projects	3,245	-	-	-	3,245
<b>Sub-total- Climate Change and Transport</b>	<b>8,314</b>	<b>150</b>	<b>1,144</b>	<b>150</b>	<b>9,758</b>
<b>Hammersmith Bridge</b>					
Hammersmith Bridge Stabilisation Works	700	-	-	-	700
Hammersmith Bridge Pre Restoration Works	2,680	-	-	-	2,680
<b>Sub-total- Hammersmith Bridge</b>	<b>3,380</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3,380</b>
<b>Public Realm</b>					
Footways and Carriageways	1,884	1,880	1,880	1,880	7,524
Column Replacement	346	346	346	346	1,384
Other Highways Capital Schemes	700	-	-	-	700
Waste Collection and Disposal Projects	5,404	-	-	-	5,404
Kings Coronation Youth Fund	462	-	-	-	462
Parks Projects	485	-	-	-	485
Leisure Centre Capital Investment	150	-	-	-	150
<b>Sub-total- Public Realm</b>	<b>9,431</b>	<b>2,226</b>	<b>2,226</b>	<b>2,226</b>	<b>16,109</b>
<b>Public Protection</b>					
Public CCTV	628	-	-	-	628
<b>Sub-total- Public Protection</b>	<b>628</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>628</b>
<b>Total Expenditure</b>	<b>21,753</b>	<b>2,376</b>	<b>3,370</b>	<b>2,376</b>	<b>29,875</b>
<b>Capital Financing Summary</b>					
<b>Specific/External or Other Financing</b>					
Capital Grants from Central Government	700	-	-	-	700
Grants and Contributions from Private Developers (includes S106/S278)	4,700	-	994	-	5,694
Capital Grants/Contributions from Non-departmental public bodies	915	-	-	-	915
Capital Grants and Contributions from GLA Bodies	408	-	-	-	408
<b>Sub-total - Specific or Other Financing</b>	<b>6,723</b>	<b>-</b>	<b>994</b>	<b>-</b>	<b>7,717</b>
<b>Use of Reserves</b>					
Use of Reserves	1,060	-	-	-	1,060
<b>Sub-total - Mainstream Funding</b>	<b>1,060</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,060</b>
<b>Borrowing</b>					
Borrowing	13,970	2,376	2,376	2,376	21,098
<b>Total Capital Financing</b>	<b>21,753</b>	<b>2,376</b>	<b>3,370</b>	<b>2,376</b>	<b>29,875</b>



## APPENDIX 1 – Detailed Analysis by Service

People	Future Years Budgets				
	2025/26 Budget	2026/27 Budget	2027/28 Budget	2028/29 Budget	Total Budget (All years)
	£'000	£'000	£'000	£'000	£'000
<b>Scheme Expenditure Summary</b>					
<b>Children's Services</b>					
SEN sufficiency	3,011	3,334	2,807	-	9,152
Basic Need Placement Sufficiency	88	221	-	-	309
Windows & decarbonisation	2,848	-	-	-	2,848
School Maintenance Programme	2,152	1,485	1,507	-	5,144
<b>Subtotal Children's Services</b>	<b>8,099</b>	<b>5,040</b>	<b>4,314</b>	<b>-</b>	<b>17,453</b>
<b>Capital Financing Summary</b>					
<b>Specific/External or Other Financing</b>					
Capital Grants from Central Government	8,099	5,040	4,314	-	17,453
<b>Total Capital Financing</b>	<b>8,099</b>	<b>5,040</b>	<b>4,314</b>	<b>-</b>	<b>17,453</b>

## APPENDIX 1 – Detailed Analysis by Service

### Finance and Corporate Services

### Future Years Budgets

2025/26 Budget	2026/27 Budget	2027/28 Budget	2028/29 Budget	Total Budget (All years)
£'000	£'000	£'000	£'000	£'000

### Scheme Expenditure Summary

Tech-tonic 2 Device refresh	1,610	-	-	-	1,610
Business Intelligence Infrastructure	52	-	-	-	52
<b>Total Expenditure</b>	<b>1,662</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,662</b>

### Capital Financing Summary

#### Mainstream Financing (Internal Council Resource)

Capital Receipts	1,417	-	-	-	1,417
<b>Sub-total - Mainstream Funding</b>	<b>1,417</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,417</b>
<b>Borrowing (HRA)</b>	<b>245</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>245</b>
<b>Total Capital Financing</b>	<b>1,662</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,662</b>

## APPENDIX 1 – Detailed Analysis by Service /cont.

### Housing

### Future Years Budgets

2025/26 Budget	2026/27 Budget	2027/28 Budget	2028/29 Budget	Total Budget (All years)
£'000	£'000	£'000	£'000	£'000

### Scheme Expenditure Summary

#### HRA Asset Management and Compliance Programme

Major Refurbishment Works	13,974	6,205	6,026	8,118	34,323
Fire Safety Compliance Programme	6,534	3,148	3,652	6,603	19,937
Fire Safety Complex Schemes	10,016	24,676	13,577	-	48,269
Lift Schemes	2,912	1,404	1,079	800	6,195
Heating Schemes	6,975	7,000	5,635	3,000	22,610
Safety Works - Electrical	4,933	5,100	5,100	6,500	21,633
Safety Works	6,285	14,369	9,989	16,622	47,265
Void Works	1,201	1,200	1,400	1,200	5,001
Other Capital Improvements	1,497	915	1,148	1,218	4,778
Capitalised salaries	10,822	10,822	10,822	10,822	43,288
Capitalised repairs	3,500	3,500	3,982	4,000	14,982
Climate Emergency and Other future works	1,510	2,852	15,008	19,660	39,030
<b>HRA Asset Management and Compliance Programme</b>	<b>70,159</b>	<b>81,191</b>	<b>77,418</b>	<b>78,543</b>	<b>307,311</b>

### Capital Financing Summary

#### Specific/External or Other Financing

Capital Grants from Central Government	755	-	-	-	755
Contributions from leaseholders	2,700	2,700	2,700	2,700	10,800
<b>Sub-total - Specific or Other Financing</b>	<b>3,455</b>	<b>2,700</b>	<b>2,700</b>	<b>2,700</b>	<b>11,555</b>

#### Mainstream Financing (Internal Council Resource)

Capital Receipts (HRA)	2,200	2,200	3,000	3,000	10,400
Major Repairs Reserve (MRR) / Major Repairs Allowance (MRA)	16,534	17,128	17,929	18,777	70,368
<b>Sub-total - Mainstream Funding</b>	<b>18,734</b>	<b>19,328</b>	<b>20,929</b>	<b>21,777</b>	<b>80,768</b>

Borrowing (HRA)	47,970	59,163	53,789	54,066	214,988
<b>Total Capital Financing</b>	<b>70,159</b>	<b>81,191</b>	<b>77,418</b>	<b>78,543</b>	<b>307,311</b>

## **APPENDIX 2- MINIMUM REVENUE PROVISION (MRP) STATEMENT 2025/26**

1. This statement covers the minimum revenue provision (MRP) that Hammersmith & Fulham Council will set-aside from revenue to reduce borrowing and credit liabilities arising from capital expenditure.
2. Regulations 27 and 28 in the Local Authorities (Capital Finance and Accounting) (England) Regulations 2003 [SI3146, as amended] require local authorities to make a prudent amount of minimum revenue provision (MRP). The Secretary of State (Ministry for Housing, Communities and Local Government) issued statutory guidance on determining the “prudent” level of MRP, to which this Council is required to have regard, in 2018. This guidance applies for accounting periods starting on or after 1 April 2019. The MRP will, over time, reduce the CFR.
3. The statutory guidance lists a number of options for calculating MRP. In addition to MRP, authorities can make voluntary provisions to reduce the CFR. These provisions can be made from capital or revenue resources. Voluntary reduction of the CFR delivers a benefit to revenue in the subsequent year as it reduces the mandatory MRP charge.
4. No MRP is required in respect of the Housing Revenue Account (HRA).

### **Annual MRP Statement – frequency of update and approval**

5. The Secretary of State recommends that before the start of each financial year, Hammersmith & Fulham prepares a statement of its policy on making MRP in respect of that financial year and submits it to the Full Council. The statement should indicate how it is proposed to discharge the duty to make prudent MRP in the financial year. If it is ever proposed to vary the terms of the original statement during the year, a revised statement should be put to the Council at that time.

### **Meaning of “Prudent Provision”**

6. The broad aim of prudent provision is to ensure that debt is repaid over a period that is either reasonably commensurate with that over which the capital expenditure provides benefits, or, in the case of borrowing supported by Government Revenue Support Grant, reasonably commensurate with the period implicit in the determination of that grant.

### **Supported Capital Expenditure or Capital Expenditure incurred before 1 April 2008:**

7. MRP is calculated using Option 1 - Regulatory Method. The MRP formula contains a ‘floor’ - known as ‘Adjustment A’ - which has been individually fixed for all authorities. When the CFR drops below this level, MRP is no longer payable. For Hammersmith & Fulham, the floor has been set at £43.2m. In short, there is no revenue incentive to reduce the CFR below this level. For the expenditure above Adjustment A, the MRP rate will be calculated based on useful asset lives.



### **Capital Expenditure incurred after 1 April 2008 (unsupported borrowing):**

8. The guidance states for all capitalised expenditure incurred on or after 1 April 2008, which is (a) financed by borrowing or credit arrangements; and (b) treated as capital expenditure by virtue of either a direction under section 16(2)(b) of the 2003 Act or regulation 25(1) of the 2003 Regulations, the authority should make MRP in accordance with Option 3 Asset Life Method. This method spreads the cost over the estimated life of an asset.
9. The determination as to which scheme is funded from borrowing and which from other sources shall be made by the Executive Director, Finance and Corporate Services. Where an asset is only temporarily funded from borrowing in any one financial year and it is intended that its funding be replaced with other sources by the following year, no MRP shall apply.
10. MRP commencement: When borrowing to provide an asset, the authority may treat the asset life as commencing in the year in which the asset first becomes operational. The Council's policy is to postpone beginning to make MRP until the financial year following the one in which the asset becomes operational. "Operational" here has its standard accounting definition. Investment properties should be regarded as becoming operational when they begin to generate revenues.
11. MRP charges are deferred for development projects until year after their completion. The rate charged is based on the estimated life of an asset (50 years for new developments).
12. MRP on rolling capital programmes and smaller scale ad hoc schemes is charged year after the expenditure incurs. The rate used is based on weighted average life of an assets funded by borrowing.
13. Loans and grants towards capital expenditure by third parties: MRP should be charged using useful economic life of the assets for in relation to which the third-party expenditure is incurred and similarly will be charged once assets are operational.
14. Finance leases and PFI: In the case of finance leases and on-balance sheet PFI contracts, the MRP requirement would be regarded as met by a charge equal to the element of the rent/charge that goes to write down the balance sheet liability. Where a lease (or part of a lease) or PFI contract is brought onto the balance sheet, having previously been accounted for off-balance sheet, the MRP requirement would be regarded as having been met by the inclusion in the charge, for the year in which the restatement occurs, of an amount equal to the write-down for that year plus retrospective writing down of the balance sheet liability that arises from the restatement.
15. The Executive Director, Finance and Corporate Services is responsible for implementing the Minimum Revenue Provision Statement and has managerial, operational and financial discretion necessary to ensure that MRP is calculated in accordance with this Statement and with regulatory and financial requirements and resolve any practical interpretation issues.

# Agenda Item 8

## London Borough of Hammersmith and Fulham

**Report to:** Cabinet

**Date:** 10/02/2025

**Subject:** Treasury Management Strategy Statement 2025/26

**Report of:** Cabinet Member for Finance and Reform, Councillor Rowan Ree

**Report author:** Sophie Green, Treasury Manager

**Responsible Director:** Sukvinder Kalsi, Executive Director of Finance and Corporate Services

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### SUMMARY

This report sets out the Council's proposed Treasury Management Strategy Statement and Annual Investment Strategy for 2025/26 and seeks authority for the Strategic Director of Finance to deliver the treasury management activities as set out in the report.

The report is also designed to demonstrate compliance with the Local Government Act 2003, other regulations and statutory guidance for ensuring that the Council's borrowing and investment plans are prudent, affordable and sustainable, and comply with statutory requirements.

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### RECOMMENDATIONS

It is recommended that:

1. Approval be given to the future borrowing and investment strategies as outlined in this report.
2. The Executive Director of Finance and Corporate Services, in consultation with the Cabinet Member for Finance and Reform, be delegated authority to manage the Council's cash flow, borrowing and investments in 2025/26 in line with this report.
3. In relation to the Council's overall borrowing for the financial year, to approve the Prudential Indicators as set out in this report and the revised Annual Investment Strategy set out in Appendix E.

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**Wards Affected:** All

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Our Values	Summary of how this report aligns to the H&F Values
<ul style="list-style-type: none"> <li>Building shared prosperity</li> </ul>	Achieve best value for money in investment and borrowing decisions.
<ul style="list-style-type: none"> <li>Being ruthlessly financially efficient</li> </ul>	Effective management of the Council's cashflow resources.

## Financial Impact

This report is wholly of a financial nature.

*Phil Triggs, Director of Treasury and Pensions*

*Verified by Sukvinder Kalsi, Executive Director of Finance and Corporate Services, 6 January 2025*

## Legal Implications

The Local Government Act 2003 and the regulations made under that Act require the Council to:

- set out an annual statement of its treasury management strategy for borrowing, having regard to the Prudential Code and setting out the Prudential Indicators for the next three years to ensure that the Council's capital investment plans are affordable, prudent and sustainable.
- prepare an Annual Investment Strategy, setting out the Council's policies for managing its investments and for giving priority to the security and liquidity of those investments.

The Treasury Management Strategy Statement and Annual Investment Strategy must both have regard to guidance issued by the Ministry for Housing, Communities, and Local Government (MHCLG) and must be approved by the Full Council.

All other legal implications are contained within the body of the report.

*Verified by Jade Monroe, Chief Solicitor, 7 January 2025*

## Background Papers Used in Preparing This Report – ALL PUBLISHED

- Treasury Management Strategy Statement 2023/24 (approved by Council February 2023)
- Local Authorities (Capital Finance and Accounting) (England) Regulations 2003, as amended

- MHCLG guidance on minimum revenue provision (4<sup>th</sup> Edition, 2018)
  - MHCLG guidance on local government investments (3<sup>rd</sup> Edition, 2018)
  - CIPFA Prudential Code for Capital Finance in Local Authorities (2021 Edition)
  - CIPFA Treasury Management in the Public Services: Code of Practice and Cross-Sectoral Guidance Notes (2021 Edition)
- 

## **DETAILED ANALYSIS**

### **BACKGROUND**

1. The Council is required to set a balanced budget, which means that resources available during the year are budgeted for to meet expenditure. Part of the treasury management operation is to ensure that:
  - The Council's capital programme and corporate investment plans are adequately funded.
  - Cash flow is adequately planned, with cash being available when needed to discharge the Council's legal obligations and to deliver Council services.
  - Surplus monies are invested wisely in counterparties or financial instruments commensurate with the Council's low risk appetite, providing security of capital and adequate liquidity before considering investment yield.
2. Treasury management strategies provide a guide to the borrowing needs of the Council, essentially long-term cash flow planning, to ensure that the Council can meet its capital spending obligations. The management of long-term cash may involve arranging long or short-term loans, using cash flow surpluses, or restructuring any debts previously transacted to meet Council risk or cost objectives.
3. The Council has formally adopted CIPFA's Code of Practice on Treasury Management (the Code). The Code and Cross Sectoral Guidance Notes issued in 2021 require that each local authority has a Treasury Management Policy Statement that is approved by the Full Council, and this is set out in Appendix A.
4. The Council also follows other key requirements of the Code as set out in Appendix B. Prospects for interest rate changes and investment returns have been considered in developing and updating the Council's Treasury Management Strategies. The Bank of England published its latest Monetary Policy report in November 2024. CPI inflation fell to 1.70% in September but is expected to increase to around 2.50% by the end of the year.
5. The Bank of England made a majority decision on 7 November 2024 to reduce Bank Rate by 0.25% to 4.75%. The Council's treasury management advisors,

Link Asset Services, are currently forecasting a further reduction to 4.50% in March 2025 followed by 4.00% in June 2025.

6. The importance of external economic factors is also a key driver in external parties setting rates and also the availability of instruments in which to invest and borrow. Appendix D sets out the present views of our treasury consultant, Link Asset Services.
7. The remainder of this report comprises the Council's Treasury Management Strategy Statement which covers three main areas as summarised below:  
Borrowing

- Overall borrowing strategy
- Limits on external borrowing
- Maturity structure of borrowing
- Capital Financing Requirement (CFR) projections
- Affordability
- Minimum Revenue Provision (MRP) policy
- Borrowing in advance of need
- Debt rescheduling

#### Capital spending plans

- Capital spending plans
- Housing Revenue Account borrowing needs
- Other investment opportunities

#### Managing cash balances and investments

- Current cash position
  - Cash flow forecast
  - Prospects for investment returns
  - Council policy on investing and managing risk
  - Balancing short and long-term investments
  - Annual Investment Strategy
8. The report summarises the key Prudential Indicators. These provide a reference point or "dashboard" so that senior officers and members can easily identify whether approved treasury management policies are being applied correctly in practice and take corrective action as required.
  9. The Annual Investment Strategy in Appendix E provides more detail on how the Council's surplus cash investments are to be managed in 2025/26 including approved schedules of specified and non-specified investments.
  10. These elements cover the requirements of the Local Government Act 2003, the CIPFA Prudential Code, the CIPFA Treasury Management Code and MHCLG Investment Guidance.



## **BORROWING**

### **Overall borrowing strategy**

11. The Council's main objective when borrowing money is to strike an appropriate balance between securing low interest costs and achieving cost certainty over the period for which funds are required.
12. Given the significant historic cuts to public expenditure and local government funding, the Council's borrowing strategy continues to address the key issue of affordability without compromising the long-term stability of the debt portfolio. The key factors influencing the 2025/26 strategy are:
  - forecast capital funding;
  - the current economic and market environment; and
  - interest rate forecasts.
13. The Council is currently maintaining an under-borrowed position. This means that capital expenditure has not been fully funded from loan debt as other funding streams (such as government grants and third-party contributions, use of Council reserves and cash balances and capital receipts) have been employed where available.
14. However, officers are constantly reviewing the situation to see if this remains the appropriate solution, or whether the Council should undertake more long-term borrowing to match the anticipated Capital Financing Requirement (CFR) over the coming years. Given that the Council's resources available for internal borrowing are expected to reduce as capital spending intensifies, the Council needs to maintain flexibility to borrow at opportune moments in line with the approved Prudential Indicators.
15. All new Public Works Loan Board (PWLB) loans are subject to relevant gilt yields +0.80% (certainty rate) in the General Fund, and gilt yields +0.40% for the Housing Revenue Account (HRA).

### **Alternatives to PWLB**

16. The Council's treasury management strategy permits borrowing from various sources, but it has not been previously anticipated that any alternatives to PWLB would need to be utilised for any substantial borrowing, given the current low cost of PWLB funding.
17. In addition to the low interest rate payable, the key advantage of PWLB is the speed and ease of transaction processing and the low fee and administration cost associated with the loans. Alternative types of funding could result in lengthy due diligence, consultancy costs, legal advice and fees, and will be far more costly administratively.

## **Range of options**

18. Alternative options for funding to PWLB include:

- Banks
- Pension fund institutional investors
- Bond issuance
- The Municipal Bonds Agency

### **Banks**

19. Discussions with the Council's treasury consultant suggest that the Council could access borrowing from banks. However, current PWLB certainty rate pricing has resulted in banks being placed in an overly competitive environment.

### **Pension fund institutional investors**

20. Initial indications have suggested that the Council may be able to borrow from institutional investors at rates of around gilt yield plus 1.00% for periods of over 30 to 40 years, via a private placement agreement (PPA). Such an arrangement will be subject to extensive negotiations with the lenders, who will need to carry out due diligence on a Council's finances, budgets and balance sheet.

### **Bond investors**

21. A bond issuance would first require the Council to become credit rated by one (or more) of the major ratings agencies: Fitch, S&P or Moody's. This is a complex, lengthy, repetitive and costly process.

22. The precise rate offered will be market led and dependent on the market's perception of the financial resilience of the authority and its creditworthiness.

23. Councils with significant reserves and a record of not overspending on budget will be able to secure the most advantageous rates. Bond releases typically require a minimum size of at least £200m.

### **Municipal Bonds Agency**

24. This has been in existence since 2013 but has only recently in 2020 transacted its first bond issuance and local authority borrower, at a rate of 1.73%.

### **Community Municipal Bonds**

25. The treasury management strategy will also allow the use of community municipal investments, a bond like instrument, where funds can be raised from multiple investor sources, including individuals.

## **Future Prospects**

26. Alternative opportunities for the Council may well present themselves, and the borrowing strategy will be designed to allow for this. The 'benchmark' for a borrowing opportunity is regarded at around gilts +0.8%. It is unclear at this stage whether feasible PWLB competition will materialise, and it is likely to take some time to do so.
27. Officers will continue to explore alternatives to the PWLB, working with the Council's treasury advisor, Link Asset Services. PWLB rates will also be kept under regular and active review.

## **Investing Primarily for Yield**

28. Under the new Public Work Loans Board (PWLB) framework, the Council will need to submit its three-year capital plan to the PWLB and classify under different areas of spend, listed below, with classification the responsibility of the S151 officer. Any monies lent by the PWLB would also need to be classified under the following areas of spend:
  - Service spending
  - Housing
  - Regeneration
  - Preventative action
  - Treasury Management: refinancing and externalisation of internal borrowing
29. Under the PWLB criteria, it is stipulated: "Local authorities must not pursue a deliberate strategy of using private borrowing or internal borrowing to support investment in an asset that the PWLB would not support and then refinancing or externalising this with a PWLB loan."
30. On transacting a PWLB loan, the S151 officer is required to confirm that the local authority is not borrowing in advance of need and does not intend to buy investment assets primarily for yield. When applying for a new PWLB loan, the Council will be asked to confirm that the latest plans submitted remain current and provide assurance it does not intend to buy investment assets primarily for yield.
31. The PWLB guidance defines investment assets bought primarily for yield as:
  - buying land or existing buildings to let out at market rate;
  - buying land or buildings which were previously operated on a commercial basis which is then continued by the local authority without any additional investment or modification;
  - buying land or existing buildings, other than housing, which generate income and are intended to be held indefinitely, rather than until the achievement of some meaningful trigger, such as the completion of land assembly;

- buying a speculative investment asset (including both financial and non-financial assets) that generates yield without a direct policy purpose.

### Limits on external borrowing

32. The Prudential Code requires the Council to set two limits on its total external debt, as set out in Table 1 below. The limits for 2025/26 have remained at the same level compared with the 2024/25 Treasury Management Strategy Statement (TMSS) to reflect slippage in the capital programme from previous years. The limits are:

- **Authorised Limit for External Debt (Prudential Indicator 5a):** This is the limit prescribed by section 3(1) of the Local Government Act 2003, representing the maximum level of borrowing which the Council may incur. It reflects the level of external debt which, while not desired, could be afforded in the short term, but may not be sustainable in the longer term.
- **Operational Boundary (Prudential Indicator 5b):** This is the limit which external debt is not normally expected to exceed. The boundary is based on current debt plus anticipated net financing need for future years.

**Table 1: Overall borrowing limits**

	2024/25	2025/26	2026/27	2027/28
	Approved	Estimate	Estimate	Estimate
	£m	£m	£m	£m
<b>Authorised Limit for External:</b>				
Borrowing and other long-term liabilities	790	940	960	1,010
<b>Operational Boundary for:</b>				
Borrowing	730	860	900	950
Other long-term liabilities	15	15	15	15
<b>TOTAL</b>	<b>745</b>	<b>875</b>	<b>915</b>	<b>965</b>

### Maturity structure of borrowing

33. Managing the profile of when debt matures is essential for ensuring that the Council is not exposed to large, fixed rate sums falling due for refinancing within a short time period, and thus potentially exposing the Council to additional risk and cost. Table 2 below sets out current upper and lower limits for debt maturity which are unchanged from 2024/25.

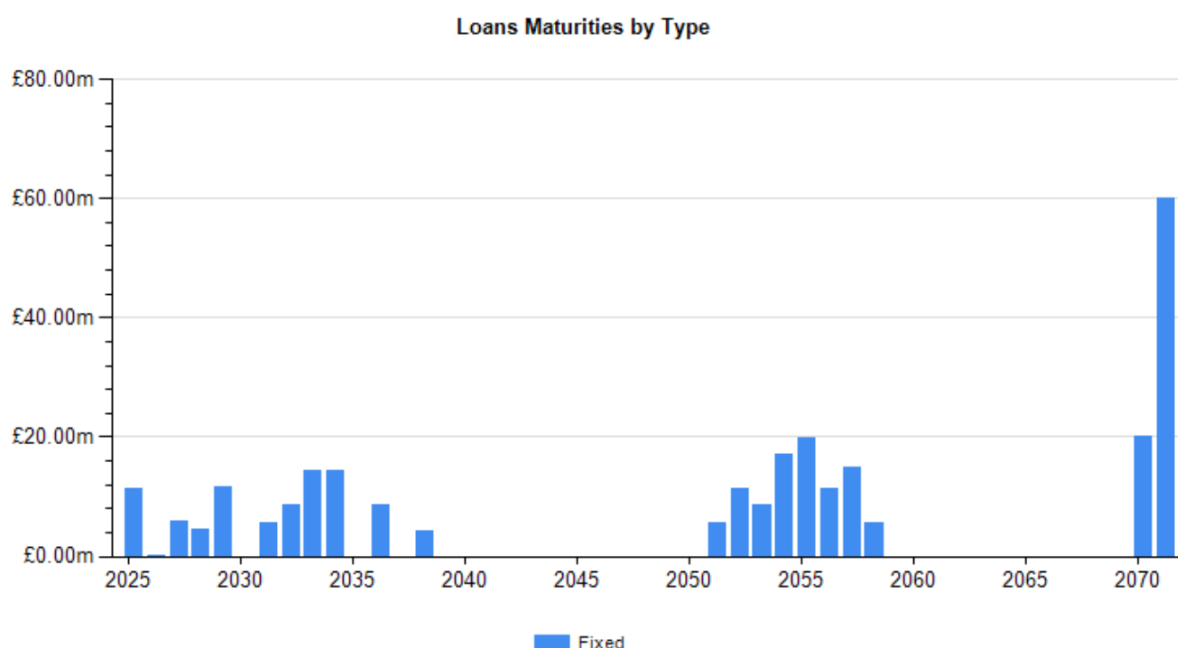
**Table 2: Debt maturity profile limits**

Period	Actual Maturity at 30 Sep 2024	Actual Maturity at 30 Sep 2024
	£'m	%
0 to 1 year	11	4
1 to 2 Years	6	2
2 to 5 Years	16	6
5 to 10 Years	43	16
10 to 20 Years	13	5
20 to 30 Years	57	22
30 to 40 Years	38	14
40 to 50 Years	80	30
<b>Total</b>	<b>263</b>	<b>100</b>

34. The limit for debt maturity is a maximum 30% in one year. The Council is currently within these limits.

**Maturity profile of long-term borrowing**

35. The chart below shows that the principal repayment profile for current borrowing (as at 30 September 2024) remains within these limits.



**Capital Financing Requirement (CFR)**

36. The CFR measures the extent to which capital expenditure has not yet been financed from either revenue or other capital resources. Essentially, it measures the Council’s underlying borrowing need. Each year, the CFR will increase by the amounts of new capital expenditure not immediately financed.

37. Table 3a shows that the CFR will increase over the medium term.



**Table 3a: Capital Financing Requirement forecast.**

2023/24 Actuals £m		2024/25 Forecast £m	2025/26 Estimate £m	2026/27 Estimate £m	2027/28 Estimate £m
<b>CFR as at 30 September</b>					
266	General Fund Closing CFR (detail in Table 3b)	271	301	301	300
348	Closing Forecast HRA CFR (including deferred costs of disposal)	451	555	593	650
<b>614</b>	<b>TOTAL</b>	<b>722</b>	<b>856</b>	<b>894</b>	<b>950</b>
<b>Annual Change</b>					
113	General Fund	5	30	0	(1)
115	HRA	103	104	38	57
<b>228</b>	<b>TOTAL</b>	<b>108</b>	<b>134</b>	<b>38</b>	<b>56</b>

38. A more detailed analysis of the closing Forecast CFR is shown below:

**Table 3b: General Fund Capital Financing Requirement forecast (detailed)**

2023/24 Actuals £m		2024/25 Forecast £m	2025/26 Estimate £m	2026/27 Estimate £m	2027/28 Estimate £m
163	General Fund CFR excluding self-financing schemes and loans	187	225	227	228
88	Self-financing schemes and loans	72	65	63	62
14	PFI and Finance lease liabilities	12	11	11	10
<b>265</b>	<b>TOTAL</b>	<b>271</b>	<b>301</b>	<b>301</b>	<b>300</b>

39. Table 4 below confirms that the Council's gross debt does not exceed the total of the CFR in the preceding year plus the estimates of any additional CFR for current year and the following two financial years. This allows some flexibility for limited early borrowing for future years but ensures that borrowing is not undertaken for revenue purposes.

**Table 4: Borrowing compared to the Capital Financing Requirement**

2023/24 Actual £m		2024/25 Forecast £m	2025/26 Estimate £m	2026/27 Estimate £m	2027/28 Estimate £m
268	Gross Projected Debt	253	467	594	693
614	Capital Financing Requirement	722	856	894	950
<b>346</b>	<b>Under / (over) borrowing</b>	<b>469</b>	<b>389</b>	<b>300</b>	<b>257</b>

**Affordability**

40. The objective of the affordability indicators is to ensure that the level of investment in capital assets proposed remains within sustainable limits, including the impact on the Council's "bottom line" as reflected in the impact on council tax and rent levels. Table 5 below sets out the expected ratio of capital financing costs to income for both General Fund and HRA activities:

**Table 5: Ratio of capital financing costs to income**

2023/24 Actual %		2024/25 Forecast %	2025/26 Estimate %	2026/27 Estimate %	2027/28 Estimate %
2.85	General Fund	2.82	(0.79)	0.69	0.84
25.62	HRA	35.42	29.75	31.95	32.39

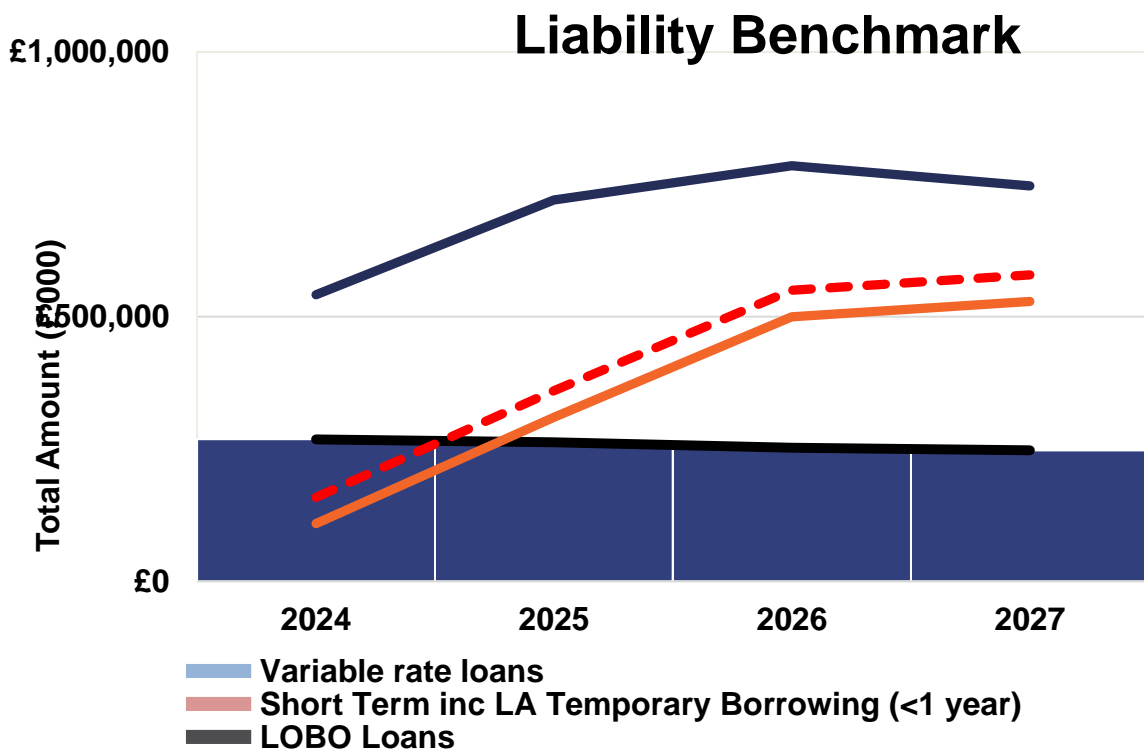
**Table 6: Ratio of commercial/service investment income to net revenue stream**

2023/24 Actual %		2024/25 Forecast %	2025/26 Estimate %	2026/27 Estimate %	2027/28 Estimate %
1.80	General Fund	1.80	1.31	1.33	1.34
2.71	HRA	0.07	3.04	2.99	2.91

41. From 2025/26 onwards, gross capital financing charges (loan interest, MRP and finance and PFI payments) for the General Fund capital programme will start to increase as a proportion of the income from investments and the commercial property portfolio, as new debts are raised to close the gap between funding and the CFR.
42. The capital financing charges arising from the HRA capital programme increase in line with the forecast increased income, hence capital charges as a proportion of the HRA net revenue stream will remain fairly steady.

## Liability Benchmark

43. The updated prudential code requires the Council to produce a liability benchmark. The Council is required to estimate and measure the liability benchmark for the forthcoming financial year and the following two financial years, as a minimum.
44. There are four components to the Liability Benchmark:
- **Existing loan debt outstanding:** the Authority's existing loans that are still outstanding in future years.
  - **Loans CFR:** this is calculated in accordance with the loans CFR definition in the Prudential Code and projected into the future based on approved prudential borrowing and planned MRP.
  - **Net loans requirement:** this will show the Authority's gross loan debt less treasury management investments at the last financial year-end, projected into the future and based on its approved prudential borrowing, planned MRP and any other major cash flow forecast.
  - **Liability benchmark (or gross loans requirement):** this equals net loans requirement plus short-term liquidity allowance.
45. The liability benchmark uses the above information to plan the future borrowing requirements of the Council.
46. Based on the current calculations, the liability benchmark forecasts that the Council would need to borrow £97m in 2025/26, and a further £200m in 2026/27 (collective £297m requirement).



## **Minimum Revenue Provision (MRP) Policy**

47. Capital expenditure is generally defined as expenditure on assets that have a life expectancy of more than one year. The accounting approach is to spread the cost over the estimated useful life of the asset. The mechanism for spreading these costs is through an annual MRP. The MRP is the means by which capital expenditure, which is financed by borrowing or credit arrangements, is funded by Council Tax.
48. Regulation 27 of the Local Authorities (Capital Finance and Accounting) (England) Regulations 2003, as amended (Statutory Instrument (SI) 3146/2003) requires Full Council to approve a Minimum Revenue Provision (MRP) Statement setting out the policy for making MRP and the amount of MRP to be calculated which the Council considers to be prudent. In setting a level which the Council considers to be prudent, the guidance states that the broad aim is to ensure that debt is repaid over a period reasonably commensurate with that over which the capital expenditure provides benefits to the Council.
49. The 2003 Regulations have been further amended with full effect from April 2025 to expressly provide that in determining a prudent provision local authorities cannot exclude any amount of CFR from its calculation, unless by an exception set out in statute.

## **Borrowing in advance of need**

50. The Council has the power to borrow in advance of need in line with its future borrowing requirements under the Local Authorities (Capital Finance and Accounting) (England) Regulations 2003, as amended. Any decision to borrow in advance will be within forward approved Capital Financing Requirement estimates and will be considered carefully to ensure that value for money can be demonstrated, and that the Council can ensure the security of such funds..
51. Risks associated with any borrowing in advance of activity will be subject to prior appraisal and subsequent reporting through the mid-year or annual reporting mechanism.

## **Debt rescheduling**

52. As short-term borrowing rates will be considerably cheaper than longer term fixed interest rates, there may be opportunities to generate savings by switching from long term debt to short term debt. However, these savings will need to be considered in light of the current treasury position and the cost of debt repayment (premiums incurred), which are very costly.
53. The reasons for any rescheduling to take place will include:
  - generating cash savings and / or discounted cash flow savings;
  - helping to fulfil the treasury strategy; and

- enhancing the balance of the portfolio by amending the maturity profile and/or the balance of volatility.
54. Consideration will also be given to identifying the potential for making savings by running down investment balances to repay debt prematurely as short-term rates on investments are likely to be lower than rates paid on current debt.
  55. Any rescheduling must be authorised by the Director of Finance in consultation with the lead Cabinet Member.

## **CAPITAL**

### **Capital spending plans**

56. The Prudential Code requires that any borrowing and investment decisions are taken in light of capital spending plans and consideration of how that proposed capital expenditure will be financed. The Council's capital expenditure plans have been reported in the four-year capital programme 2025/26 to 2028/29 reported elsewhere on the Committee's agenda, both in terms of those agreed previously, and those forming part of the current budget cycle.
57. Any slippage against the capital programme, or new capital approvals, will impact the figures reported throughout this report.

### **Housing Revenue Account (HRA) borrowing**

58. Local authorities with a HRA can borrow against their expected rental income, in line with the Prudential Code.
59. For the period 2025/26 to 2028/29, based on the planned four-year capital programme and due to reduced cash balances from the latter half of 2025/26 onwards, the HRA may need to actively consider new external borrowing.
60. Where the HRA is borrowing below its level of CFR and is under borrowed, the General Fund will make an accounting charge to the HRA based on the average yield earned on the General Fund investment portfolio applied to the under borrowed position.

### **Other investment opportunities**

61. As well as investing in assets owned by the Council and used in the delivery of services, the Council also invests, or may invest, where appropriate, in:
  - Infrastructure projects, such as green energy;
  - Loans to third parties;
  - Shareholdings in limited companies and joint ventures.
62. Such investments are treated as expenditure for treasury management and Prudential borrowing purposes, even though they do not create physical assets in the Council's accounts. Appropriate budgets in respect of these activities will



be agreed as part of the Council's budget setting and ongoing monitoring processes and considered as part of the Annual Investment Strategy.

## MANAGING CASH BALANCES

### Current position and cash flow forecast

63. Table 6 below shows that cash balances have decreased by £42m. The cash largely comprises the Council's usable reserves, capital receipts and unspent grants.

**Table 7: Cash position at 30 September 2024**

As at 31 March 2024			As at 30 September 2024		
Principal	Average Rate		Principal	Average Rate	
£m	%		£m	%	
<b>Investments</b>					
159	5.6	Specified	117	5.2	
0	0.0	Non-Specified	0	0.0	
<b>159</b>		<b>Total</b>	<b>117</b>		
<b>Borrowing</b>					
269	3.7	Public Works Loan Board	264	3.7	
<b>269</b>		<b>Total</b>	<b>264</b>		

64. The Council aims to manage daily cash flow peaks and troughs to achieve a nil current account balance daily throughout the year. As such the average yearly surplus cash balances should be fully invested throughout.

### Prospects for investment returns

65. The Bank Rate was reduced from 5.00% to 4.75% at the November MPC meeting and is predicted fall further in 2025. The Council should therefore expect investment returns to drop in 2025/26.
66. Money Market Funds (MMFs) and Debt Management Account Deposit Facility (DMADF) yields have decreased since 1 April 2024 in response to Bank Rate reductions.
67. The Table in Appendix C, provided by the treasury consultant, sets out the forecasted rates.

### Council policy on investing and managing risk

68. The aim is to manage risk and reduce the impact of any adverse movement in interest rates while providing sufficient flexibility to capitalise on opportunities to reduce costs or improve performance.

## Balancing short- and longer-term investments

69. During the first half of 2024/25, there have been no new investments of surplus funds for more than 364 days. The 2025/26 Annual Investment Strategy permits investing for more than 364 days. Using longer term maturity investments would improve yields; however, this needs to be balanced with liquidity needs.

**Table 8: Investment limits**

2023/24 Actual £m	2024/25 Forecast £m	2025/26 Estimate £m	2026/27 Estimate £m	2027/28 Estimate £m
0	120	120	120	120

## Annual Investment Strategy

70. The Council holds significant invested funds, representing income received in advance of expenditure, balances and reserves.
71. The Local Government Act 2003 requires the Council to prepare an Annual Investment Strategy, setting out the Council's policies for managing its investments and for ensuring the security and liquidity of those investments. This strategy is set out in Appendix E.
72. Investments are made with reference to the core balance, future cash flow requirements and the outlook for interest rates. The Council's investment priorities will always be security of capital first, liquidity second, then investment yield.

## SUMMARY OF PRUDENTIAL INDICATORS

73. The purpose of prudential indicators (PIs) is to provide a reference point or "dashboard" so that senior officers and members can:
- easily identify whether approved treasury management policies are being applied correctly in practice; and
  - take corrective action as required.
74. As the Council's S151 officer, the Strategic Director of Finance has responsibility to ensure that appropriate prudential indicators are set and monitored and that any breaches are reported to members. The Strategic Director of Finance has confirmed that the PIs set out below are all expected to be complied with in 2023/24 and it is not envisaged at this stage that there will be any difficulty in achieving compliance with the suggested indicators for 2024/25.

	2024/25 indicator	2024/25 forecast	2025/26 proposed
Authorised limit for external debt	£850m	£264m	£920m
Operational debt boundary	£805m	£264m	£875m
Capital Financing Requirement (CFR)	£784m	£740m	£856m
Capital expenditure	£264m	£245m	£214m
Working capital balance	£0m	£0m	£0m
Net debt vs CFR	£317m underborrowing	£243m underborrowing	£389m underborrowing
Limit on surplus funds invested for more than 364 days (i.e. non-specified investments)	£120m	£0m	£120m
Maturity structure of borrowing	Upper limit under 12 months - 15%	Upper limit under 12 months - 2%	Upper limit under 12 months - 15%
	Lower limit 10 years and above - 100%	Lower limit 10 years and above - 76%	Lower limit 10 years and above - 100%

	2024/25 indicator	2024/25 forecast	2025/26 proposed
Ratio of financing costs to revenue stream	GF 2.82%	GF 2.82%	GF (0.79%)
	HRA 35.42%	HRA 35.42%	HRA 29.75%
Ratio of financing costs to revenue stream	GF 1.80%	GF 1.80%	GF 1.31%
	HRA 3.41%	HRA 0.07%	HRA 3.04%

### Reasons for Decision

75. This report represents the Council's Treasury Management Strategy Statement for 2025/2026. It is a regulatory requirement for this report to be reported to the Council. It is recommended that approval is given to the future borrowing and investment strategies as outlined in this report.

### Equality Implications

76. There are no equality implications for groups with protected characteristics (under the Equality Act 2010) as a result of this report. EIAs have been completed for each service area to which the underlying financing in this report relates to. Additionally, there is a general EIA which assesses the impacts on equality of the main items in the budget proposed to Full Council.

## **Risk Management Implications**

77. Treasury Management contributes to all the Council values and objectives. Management of treasury risks are commensurate to the risk appetite of the Council. The effective understanding, control and management of the many aspects of risk associated with treasury management are essential to achieving and Council's objectives. Risk management is therefore embedded throughout treasury guidance, policies and practices.
78. Treasury risks present themselves in many forms. These include failure to optimise performance by not taking advantage of opportunities or managing exposure to changing economic circumstances. Most recently the situation is somewhat uncertain due to the impact of the pandemic and the subsequent high levels of inflation. In adopting a policy of managing risk, an authority is determining its level of risk acceptance.
79. The key challenge is to understand, identify, monitor and manage risks in a planned and effective way. Local authorities are required to report annually to Full Council on their treasury management strategy statement (TMSS) before the start of the year, which sets the objectives and boundaries for the approach to treasury activity.
80. The authority supplements this with treasury management practice schedules (TMPs), which set out the practical arrangement to achieve those objectives. The TMPs inform the day-to-day practices applied to manage and control treasury activities. Local authorities are typically financially risk averse and greatly value stability in order to form council tax and housing rent levels, through to general fund and HRA budgets.

*Implications verified by: David Hughes, Director of Audit, Risk and Fraud, tel. 020 7361 2389, December 2024*

## **Climate and Ecological Emergency Implications**

81. The Council will not intentionally place cash investment deposits which are inconsistent with its environmental and social policy objectives. This would include avoiding direct investment in institutions where there is verifiable material links to harmful practices, such as human rights abuse or environmentally climate damaging activities.
82. The Council will consider investments that deliver environmental and social benefits, provided that security and liquidity criteria have already been met.

## **Local Economy and Social Value**

83. The Council's borrowing and investment activity represents significant expenditure and income within the Borough and, consequently, where supplies are sourced locally, changes in borrowing or investment may impact either positively or negatively on local contractors and sub-contractors.

84. Where capital expenditure increases, or is brought forward, this may have a beneficial impact on local businesses. Conversely, where expenditure decreases, or is slipped, there may be an adverse impact on local businesses.

*Implications verified by: Nicki Burgess, Economic Development Team, tel: 0208 753 5695, December 2024*

### **Consultation**

85. Consultation took place with the Council's investment advisor, Link Asset Services, in respect of the economic and interest rate update.

### **List of Appendices:**

Appendix A: Treasury Management Policy Statement

Appendix B: Meeting CIPFA requirements

Appendix C: Interest Rate Prospects

Appendix D: Economic Update

Appendix E: Annual Investment Strategy

Appendix F: Credit Ratings

Appendix G: Risk Register



## **THE TREASURY MANAGEMENT POLICY STATEMENT**

The CIPFA recommendations contained in the Code of Practice and Cross Sectoral Guidance Notes issued as a revised version in 2009, 2011 and 2018 for Treasury Management in the Public Services require that each Local Authority has a Treasury Management Policy Statement that is approved by the Full Council.

CIPFA recommends that the Council's treasury management policy statement adopts the following form of words below to define the policies and objectives of its treasury management activities.

This Council defines its Treasury Management activities as:

- The management of the Council's investments and cash flows, its banking, money market and capital market transactions; the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks.
- This Council regards the successful identification, monitoring and control of risk to be the prime criteria by which the effectiveness of its treasury management activities will be measured. Accordingly, the analysis and reporting of Treasury Management activities will focus on their risk implications for the organisation, and any financial instruments entered into to manage these risks.

This Council acknowledges that effective Treasury Management will provide support towards the achievement of its business and service objectives. It is therefore committed to the principles of achieving value for money in treasury management, and to employing suitable comprehensive performance.

**MEETING CIPFA REQUIREMENTS**

The Council has formally adopted CIPFA's Code of Practice on Treasury Management (updated 2018) and complies with the requirements of the Code as detailed below:

- Maintaining a Treasury Management Policy Statement setting out the policies and objectives of the Council's treasury management activities
- Maintaining a statement of Treasury Management Practices that sets out the manner in which the Council will seek to achieve these policies and objectives.
- Presenting to the appropriate body an annual Treasury Management Strategy Statement, including an annual investment strategy (this report) and Minimum Revenue Provision policy for the year ahead (separate report on the agenda), a half year review report and an annual report (stewardship report) covering compliance during the previous year
- A statement of delegation for treasury management functions and for the execution and administration of treasury management decisions (see below).
- Delegation of the role of scrutiny of treasury management activities and reports to a specific named body. At the London Borough of Hammersmith & Fulham, this role is undertaken by the Audit Committee.

**Treasury Management Delegations and Responsibilities**

The respective roles of the Council, Cabinet, Audit Committee, and of the Section 151 officer and the Director of Treasury and Pensions are summarised below. Further details are set out in the Statement of Treasury Management Practices.

**Council**

Council will approve the annual treasury management strategy statement, including borrowing and investment strategies. In doing so, Council will establish and communicate its appetite for risk within treasury management having regard to the Prudential Code.

**Cabinet**

Cabinet will recommend to Council the annual treasury strategy, including borrowing and investment strategies and receive a half-year report and annual outturn report on treasury activities. Cabinet also approves revenue budgets, including those for treasury activities.

**Audit Committee**

This committee is responsible for ensuring effective scrutiny of treasury strategy and policies.

## **Section 151 Officer**

The role of the Section 151 is vested in the Executive Director of Finance and Corporate Services post (the S151 Officer), pursuant to Section 101 of the Local Government Act 1972 and by the Executive under Section 15 of the Local Government Act 2000.

The S151 Officer may authorise officers to exercise on their behalf functions delegated to them. Any decisions taken under this authority shall remain the responsibility of the S151 Officer and must be taken within the guidelines of the Treasury Management Strategy.

The S151 Officer has full delegated powers from the Council and is responsible for the following activities:

- Investment management arrangements and strategy;
- Borrowing and debt strategy;
- Monitoring investment activity and performance;
- Overseeing administrative activities;
- Ensuring compliance with relevant laws and regulations;
- Provision of guidance to officers and members in exercising delegated powers.

## **Director of Treasury and Pensions**

Has responsibility for the execution and administration of treasury management decisions, acting in accordance with the Council's Treasury Policy Statement and CIPFA's 'Standard of Professional Practice on Treasury Management'. The authority to implement investment management arrangements and strategy delegated to the S151 Officer extends to the Tri-Borough Director of Treasury and Pensions, and the Tri-Borough Director of Treasury and Pensions' direct reports within the limits outlined in this report.

## **Treasury team**

Undertakes day-to-day treasury investment and borrowing activity in accordance with strategy, policy, practices and procedures.

## **Training**

The Code requires the S151 officer to ensure that members with responsibility for making treasury management decisions and for scrutinising treasury functions receive adequate training. The training needs of all officers are reviewed periodically as part of the Learning and Development programme. Officers attend various seminars, training sessions and conferences during the year and appropriate Member training is offered as and when needs and suitable opportunities are identified.

## **Monitoring and Reporting**

The Treasury Management activities during the year will be included in the monitoring reports to the Audit Committee.

The Council's Treasury Management Strategy will be approved annually by Full Council and there will also be a mid-year report. The aim of these reporting arrangements is to ensure that those with the responsibility for treasury management policies and activities and those implementing policies and executing transactions have properly fulfilled their responsibilities with regard to delegation and reporting.

The Council will adopt the following reporting arrangements in accordance with the requirements of the revised code:

<b>Area of Responsibility</b>	<b>Council / Committee / Officer</b>	<b>Frequency</b>
Treasury Management Strategy	1. Political Cabinet 2. Cabinet 3. Full Council	Annually at meeting before the start of the financial year.
Treasury Management Strategy: Mid-year report	Audit Committee	Annually after the first half of the financial year
Treasury Management Strategy: Updates / revisions at other times	Full Council	As and when required
Treasury Outturn Report	1. Political Cabinet 2. Cabinet 3. Audit Committee	Annually after year-end
Treasury Management Monitoring Reports	Executive Director of Finance and Corporate Services and Cabinet Member for Finance and Reform	Weekly/Monthly

## PROSPECTS FOR INTEREST RATES

1. The Authority has appointed Link Group as its treasury advisor and part of their service is to assist the Authority to formulate a view on interest rates. Link provided the following forecasts on 11 November 2024. These are forecasts for Bank Rate, average earnings and PWLB certainty rate borrowing (gilt yields plus 80 bps).

Link Group Interest Rate View	11.11.24												
	Dec-24	Mar-25	Jun-25	Sep-25	Dec-25	Mar-26	Jun-26	Sep-26	Dec-26	Mar-27	Jun-27	Sep-27	Dec-27
<b>BANK RATE</b>	4.75	4.50	4.25	4.00	4.00	3.75	3.75	3.75	3.50	3.50	3.50	3.50	3.50
3 month ave earnings	4.70	4.50	4.30	4.00	4.00	4.00	3.80	3.80	3.80	3.50	3.50	3.50	3.50
6 month ave earnings	4.70	4.40	4.20	3.90	3.90	3.90	3.80	3.80	3.80	3.50	3.50	3.50	3.50
12 month ave earnings	4.70	4.40	4.20	3.90	3.90	3.90	3.80	3.80	3.80	3.50	3.50	3.50	3.50
5 yr PWLB	5.00	4.90	4.80	4.60	4.50	4.50	4.40	4.30	4.20	4.10	4.00	4.00	3.90
10 yr PWLB	5.30	5.10	5.00	4.80	4.80	4.70	4.50	4.50	4.40	4.30	4.20	4.20	4.10
25 yr PWLB	5.60	5.50	5.40	5.30	5.20	5.10	5.00	4.90	4.80	4.70	4.60	4.50	4.50
50 yr PWLB	5.40	5.30	5.20	5.10	5.00	4.90	4.80	4.70	4.60	4.50	4.40	4.30	4.30

2. Following the 30 October Budget, the outcome of the US Presidential election on 6 November, and the 25bps Bank Rate cut undertaken by the Monetary Policy Committee (MPC) on 7 November, Link have significantly revised their central forecasts for the first time since May. In summary, the Bank Rate forecast is now 50bps – 75bps higher than was previously the case, whilst PWLB forecasts have been materially lifted to not only reflect increased concerns around the future path of inflation, but also the increased level of Government borrowing over the term of the current Parliament.
3. Following the 30 October Budget, Link's central case is that those policy announcements will be inflationary, at least in the near-term. The Office for Budgetary Responsibility and the Bank of England concur with that view. The latter have the CPI measure of inflation hitting 2.5% y/y by the end of 2024 and staying sticky until at least 2026. The Bank forecasts CPI to be 2.7% y/y (Q4 2025) and 2.2% (Q4 2026) before dropping back in 2027 to 1.8% y/y.
4. The anticipated major investment in the public sector, according to the Bank, is expected to lift UK real GDP to 1.7% in 2025 before growth moderates in 2026 and 2027. The debate around whether the Government's policies lead to a material uptick in growth primarily focus on the logistics of fast-tracking planning permissions, identifying sufficient skilled labour to undertake a resurgence in building, and an increase in the employee participation rate within the economy.
5. There are inherent risks to all the above. The worst-case scenario would see systemic blockages of planning permissions and the inability to identify and resource the additional workforce required to deliver large-scale IT, housing and infrastructure projects. This would lead to upside risks to inflation, an increased prospect of further Government borrowing & tax rises, and a tepid GDP performance.
6. Link's central view is that monetary policy is sufficiently tight at present to cater for some further moderate loosening, the extent of which, however, will continue to be data dependent. Link forecast the next reduction in Bank Rate to be made in



February and for a pattern to evolve whereby rate cuts are made quarterly and in keeping with the release of the Bank's Quarterly Monetary Policy Reports (February, May, August and November).

7. Any movement below a 4% Bank Rate will, nonetheless, be very much dependent on inflation data in the second half of 2025. The fact that the November MPC rate cut decision saw a split vote of 8-1 confirms that there are already some concerns around inflation's stickiness, and with recent public sector wage increases beginning to funnel their way into headline average earnings data, the market will be looking very closely at those releases.
8. Regarding Link's PWLB forecast, the short to medium part of the curve is forecast to remain elevated over the course of the next year, and the degree to which rates moderate will be tied to the arguments for further Bank Rate loosening or otherwise. The longer part of the curve will also be impacted by inflation factors, but there is also the additional concern that with other major developed economies such as the US and France looking to run large budget deficits there could be a glut of government debt issuance that investors will only agree to digest if the interest rates paid provide sufficient reward for that scenario.
9. Donald Trump's victory in the US election paves the way for the introduction/extension of tariffs that could prove inflationary whilst the same could be said of further tax cuts and an expansion of the current US budget deficit. Invariably the direction of US Treasury yields in reaction to his core policies will, in all probability, impact UK gilt yields. So, there are domestic and international factors that could impact PWLB rates whilst, as a general comment, geo-political risks abound in Europe, the Middle East and Asia.
10. Link's revised PWLB rate forecasts below are based on the Certainty Rate (the standard rate minus 20 bps) which has been accessible to most authorities since 1 November 2012. Please note, the lower Housing Revenue Account (HRA) PWLB rate started on 15 June 2023 for those authorities with an HRA (standard rate minus 60 bps).

### Gilt yields and PWLB rates

11. The overall longer-run trend is for gilt yields and PWLB rates to fall back over the timeline of Link's forecasts, but the risks to their forecasts are to the upside. Link's target borrowing rates are set **two years forward** (as they expect rates to fall back) and the current PWLB (certainty) borrowing rates are set out below: -

PWLB debt	Current borrowing rate as at 11.11.24 p.m.	Target borrowing rate now (end of Q3 2026)	Target borrowing rate previous (end of Q3 2026)
5 years	5.02%	4.30%	3.90%
10 years	5.23%	4.50%	4.10%
25 years	5.66%	4.90%	4.40%

50 years	5.42%	4.70%	4.20%
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12. **Borrowing advice:** Link’s long-term (beyond 10 years) forecast for Bank Rate has been increased to 3.25% (from 3%). As all PWLB certainty rates are currently significantly above this level, borrowing strategies will need to be reviewed in that context. Overall, better value can be obtained at the shorter end of the curve and short-dated fixed LA to LA monies should also be considered. Temporary borrowing rates will, generally, fall in line with Bank Rate cuts.
13. Link’s suggested budgeted earnings rates for investments up to about three months’ duration in each financial year are set out below.

Average earnings in each year	Now	Previously
2024/25 (residual)	4.60%	4.25%
2025/26	4.10%	3.35%
2026/27	3.70%	3.10%
2027/28	3.50%	3.25%
2028/29	3.50%	3.25%
Years 6 to 10	3.50%	3.25%
Years 10+	3.50%	3.50%

14. Link will continue to monitor economic and market developments as they unfold. Link formally review their forecasts following the quarterly release of the Bank of England’s Monetary Policy Report but will also consider their position on an ad hoc basis as required.
15. Link’s interest rate forecast for Bank Rate is in steps of 25 bps, whereas PWLB forecasts have been rounded to the nearest 10 bps and are central forecasts within bands of + / - 25 bps. Link continue to monitor events and will update its forecasts as and when appropriate.

**Source: Link Asset Services**

**ECONOMIC UPDATE**

1. The third quarter of 2024 saw:
  - GDP growth stagnating in July following downwardly revised Q2 figures (0.5% q/q)
  - A further easing in wage growth as the headline 3myy rate (including bonuses) fell from 4.6% in June to 4.0% in July;
  - CPI inflation hitting its target in June before edging above it to 2.2% in July and August;
  - Core CPI inflation increasing from 3.3% in July to 3.6% in August;
  - The Bank of England initiating its easing cycle by lowering interest rates from 5.25% to 5.0% in August and holding them steady in its September meeting;
  - 10-year gilt yields falling to 4.0% in September.
2. The economy's stagnation in June and July points more to a mild slowdown in GDP growth than a sudden drop back into a recession. Moreover, the drop in September's composite activity Purchasing Managers Index, from 53.8 in August to 52.9, was still consistent with GDP growth of 0.3%-0.4% for the summer months. This is in line with the Bank of England's view, and it was encouraging that an improvement in manufacturing output growth could be detected, whilst the services PMI balance suggests non-retail services output grew by 0.5% q/q in Q3. Additionally, the services PMI future activity balance showed an uptick in September, although readings after the Chancellor's announcements at the Budget on 30th October will be more meaningful.
3. The 1.0% m/m jump in retail sales in August was stronger than the consensus forecast for a 0.4% m/m increase. The rise was reasonably broad based, with six of the seven main sub sectors recording monthly increases, though the biggest gains came from clothing stores and supermarkets, which the ONS reported was driven by the warmer-than-usual weather and end of season sales. As a result, some of that strength is probably temporary.
4. The Government's plans to raise public spending by around £16bn a year (0.6% GDP) have caused concerns that a big rise in taxes will be announced in the Budget, which could weaken GDP growth in the medium-term. However, if taxes are raised in line with spending (i.e., by £16bn) that would mean the overall stance of fiscal policy would be similar to the previous government's plan to reduce the budget deficit. Additionally, rises in public spending tend to boost GDP by more than increases in taxes reduce it.
5. The further easing in wage growth will be welcomed by the Bank of England as a sign that labour market conditions are continuing to cool. The 3myy growth rate of average earnings fell from 4.6% in June to 4.0% in July. On a three-month annualised basis, average earnings growth eased from 3.0% to 1.8%, its lowest rate since December 2023. Excluding bonuses, the 3myy rate fell from 5.4% to 5.1%.
6. Other labour market indicators also point to a further loosening in the labour market. The 59,000 fall in the alternative PAYE measure of the number of

employees in August marked the fourth fall in the past five months. And the 77,000 decline in the three months to August was the biggest drop since November 2020. Moreover, the number of workforce jobs fell by 28,000 in Q2. The downward trend in job vacancies continued too. The number of job vacancies fell from 872,000 in the three months to July to 857,000 in the three months to August. That leaves it 34% below its peak in May 2022, and just 5% above its pre-pandemic level. Nonetheless, the Bank of England is still more concerned about the inflationary influence of the labour market rather than the risk of a major slowdown in labour market activity.

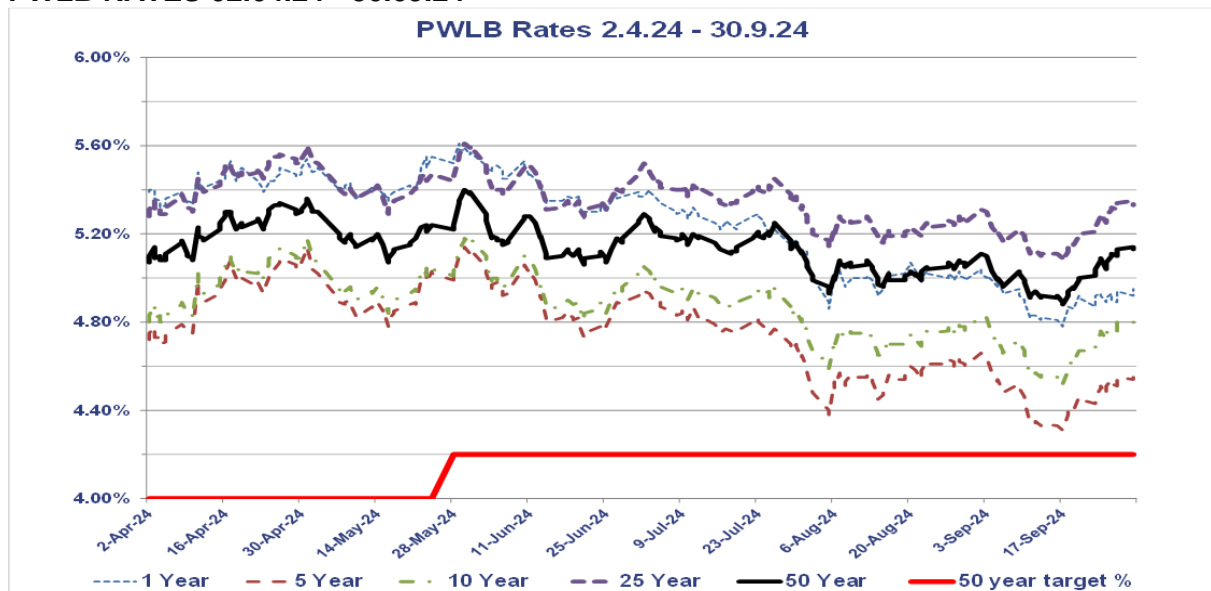
7. CPI inflation stayed at 2.2% in August, but services inflation rose from a two-year low of 5.2% in July to 5.6%, significantly above its long-run average of 3.5%. Food and fuel price inflation exerted some downward pressure on CPI inflation, but these were offset by the upward effects from rising furniture/household equipment inflation, recreation/culture inflation and a surprisingly large rise in airfares inflation from -10.4% in July to +11.9% in August. As a result, core inflation crept back up from 3.3% to 3.6%. CPI inflation is also expected to rise in the coming months, potentially reaching 2.9% in November, before declining to around 2.0% by mid-2025.
8. The Bank initiated its loosening cycle in August with a 25bps rate cut, lowering rates from 5.25% to 5.0%. In its September meeting, the Bank, resembling the ECB more than the Fed, opted to hold rates steady at 5.0%, signalling a preference for a more gradual approach to rate cuts. Notably, one Monetary Policy Committee (MPC) member (Swati Dhingra) voted for a consecutive 25bps cut, while four members swung back to voting to leave rates unchanged. That meant the slim 5-4 vote in favour of a cut in August shifted to a solid 8-1 vote in favour of no change.
9. Looking ahead, CPI inflation will likely rise in the coming months before it falls back to its target of 2.0% in mid-2025. The increasing uncertainties of the Middle East may also exert an upward pressure on inflation, with oil prices rising in the aftermath of Iran's missile attack on Israel on 1 October. China's recent outpouring of new fiscal support measures in the latter stages of September has also added to the upshift in broader commodity prices, which, in turn, may impact on global inflation levels and thus monetary policy decisions. Despite these recent developments, our central forecast is still for rates to fall to 4.5% by the end of 2024 with further cuts likely throughout 2025. This is in line with market expectations, however, although a November rate cut still looks likely, December may be more problematic for the Bank if CPI inflation spikes towards 3%. In the second half of 2025, though, we think a more marked easing in inflation will prompt the Bank to speed up, resulting in rates eventually reaching 3.0%, rather than the 3.25-3.50% currently priced in by financial markets.
10. Looking at gilt movements in the first half of 2024/25, the 10-year gilt yield declined from 4.32% in May to 4.02% in August as the Bank's August rate cut signalled the start of its loosening cycle. Following the decision to hold the Bank Rate at 5.0% in September, the market response was muted, with the 10-year yield rising by only 5bps after the announcement. This likely reflected the fact that money markets had priced in a 25% chance of a rate cut prior to the meeting. The yield had already increased by about 10bps in the days leading up to the meeting, driven in part by the Fed's "hawkish cut" on 18 September. There is a possibility that gilt yields will rise near-term as UK policymakers remain cautious due to persistent inflation concerns, before declining in the longer term as rates fall to 3.0%.

11. The FTSE 100 reached a peak of 8,380 in the third quarter of 2024, but its performance is firmly in the shade of the US S&P500, which has breached the 5,700 threshold on several occasions recently. Its progress, however, may pause for the time being whilst investors wait to see who is elected the next US President, and how events in the Middle East (and Ukraine) unfold. The catalyst for any further rally (or not) is likely to be the degree of investors' faith in AI.

**MPC meetings: 9 May, 20 June, 1 August, 19 September 2024**

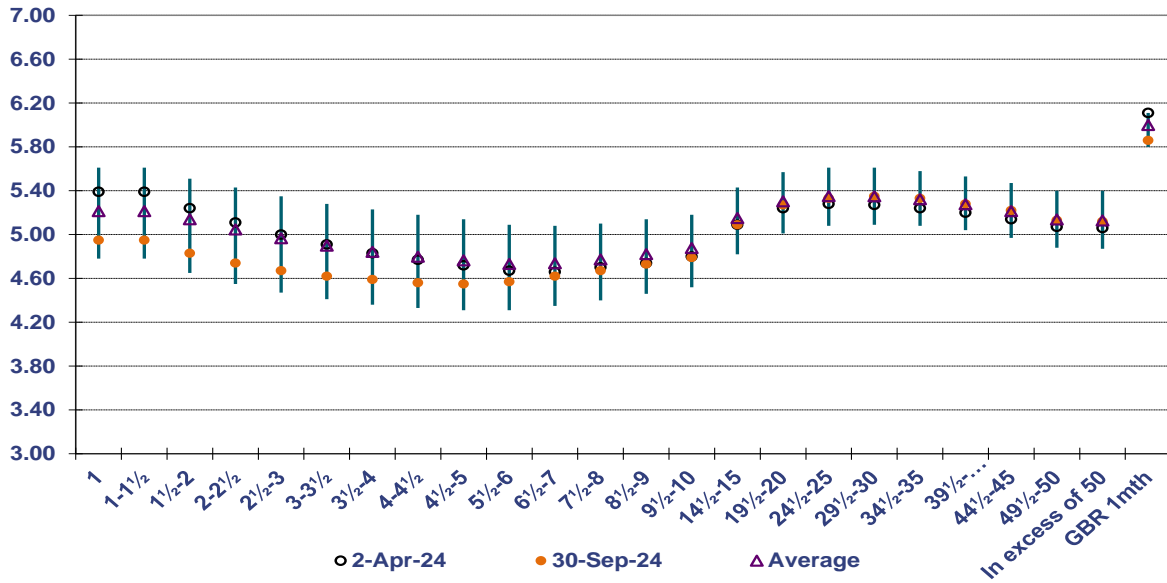
- 12. On 9 May, the Bank of England's Monetary Policy Committee (MPC) voted 7-2 to keep Bank Rate at 5.25%. This outcome was repeated on 20<sup>th</sup> June.
- 13. However, by the time of the August meeting, there was a 5-4 vote in place for rates to be cut by 25bps to 5%. However, subsequent speeches from MPC members have supported Governor Bailey's tone with its emphasis on "gradual" reductions over time.
- 14. Markets thought there may be an outside chance of a further Bank Rate reduction in September, following the 50bps cut by the FOMC, but this came to nothing.
- 15. Nonetheless, November still looks most likely to be the next month to see a rate cut to 4.75% but, thereafter, inflation and employment data releases, as well as geo-political events, are likely to be the determinant for what happens in the remainder of 2024/25 and into 2025/26.
- 16. In the chart below, despite a considerable gilt market rally in mid-September, rates started and finished the six-month period under review in broadly the same position.

**PWL B RATES 02.04.24 - 30.09.24**





PWLB Certainty Rate Variations 2.4.24 to 30.9.24



HIGH/LOW/AVERAGE PWLB RATES FOR 02.04.24 – 30.09.24

	1 Year	5 Year	10 Year	25 Year	50 Year
<b>02/04/2024</b>	5.39%	4.72%	4.80%	5.28%	5.07%
<b>30/09/2024</b>	4.95%	4.55%	4.79%	5.33%	5.13%
<b>Low</b>	4.78%	4.31%	4.52%	5.08%	4.88%
<b>Low date</b>	17/09/2024	17/09/2024	17/09/2024	17/09/2024	17/09/2024
<b>High</b>	5.61%	5.14%	5.18%	5.61%	5.40%
<b>High date</b>	29/05/2024	01/05/2024	01/05/2024	01/05/2024	01/05/2024
<b>Average</b>	5.21%	4.76%	4.88%	5.35%	5.14%
<b>Spread</b>	0.83%	0.83%	0.66%	0.53%	0.52%

Source: Link Asset Services

**ANNUAL INVESTMENT STRATEGY**

1. The Council holds significant invested funds, representing income received in advance of expenditure, balances and reserves. During the first half of the current year, the Council’s average investment balance has been around £150m. Investments are made with reference to the core balance, future cash flow requirements and the outlook for interest rates.
2. The Council’s investment policy has regard to the DLUHC’s Guidance on Local Government Investments (“the Investment Guidance”) and the CIPFA Treasury Management in Public Services Code of Practice and Cross Sectoral Guidance Notes (“the CIPFA TM Code”). The Council’s investment priorities will be security first, liquidity second, then return.
3. In accordance with the above guidance and to minimise the risk to investments, the Council applies minimum acceptable credit criteria to generate a list of highly creditworthy counterparties, which will provide security of investments, enable diversification and minimise risk. The key ratings used to monitor counterparties are the short-term and long-term ratings.

**Investment return expectations**

4. The current forecast shown in paragraph 5 includes a forecast for Bank Rate to fall to a low of 3.5%.
5. The suggested budgeted investment earnings rates for returns on investments placed for periods up to about three months during each financial year are as follows (the long-term forecast is for periods over ten years in the future):

<b>Average earnings in each year</b>	<b>Now</b>	<b>Previously</b>
2024/25 (residual)	4.60%	4.25%
2025/26	4.10%	3.35%
2026/27	3.70%	3.10%
2027/28	3.50%	3.25%
2028/29	3.50%	3.25%
Years 6 to 10	3.50%	3.25%
Years 10+	3.50%	3.50%

**Source: Link Asset Services**

### **Investment time limits**

6. This limit is set with regard to the Council's liquidity requirements and to reduce the need for early sale of an investment. For the year 2025/26, the proposed limit of investments for over 364 days is £120m, as set out in the TMSS.

### **Investment Policy**

7. The Council's officers recognise that ratings should not be the sole determinant of the quality of an institution and that it is important to assess continually and monitor the financial sector on both a micro and macro basis and in relation to the economic and political environments in which institutions operate. The assessment will also take account of information that reflects the opinion of the markets. To this end the Council will engage with its advisors to maintain a monitor on market pricing such as "credit default swaps" and overlay that information on top of the credit ratings.
8. Other information sources used will include the financial press, share price and other such information pertaining to the banking sector to establish the most robust scrutiny process on the suitability of potential investment counterparties.

### **Creditworthiness Policy**

9. The primary principle governing the Council's investment criteria is the security of its investments, although the yield or return on the investment is also a key consideration. After this main principle, the Council will ensure that:
  - It maintains a policy covering both the categories of investment types it will invest in, criteria for choosing investment counterparties with adequate security and monitoring their security; and
  - It has sufficient liquidity in its investments. For this purpose, it will set out procedures for determining the maximum periods for which funds may prudently be committed. These procedures also apply to the Council's prudential indicators covering the maximum principal sums invested.
10. The Director of Finance will maintain a counterparty list in compliance with the following criteria and will revise the criteria and submit them to Council for approval as necessary. These criteria are separate to those which determine which types of investment instrument are either specified or non-specified as they provide an overall pool of counterparties considered high quality which the Council may use, rather than defining what types of investment instruments are to be used.
11. The Council takes into account the following relevant matters when proposing counterparties:
  - the financial position and jurisdiction of the institution;
  - the market pricing of credit default swaps<sup>1</sup> for the institution;

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<sup>1</sup> Credit Default Swaps (CDS) are tradable instruments where the buyer receives a pay-out from the seller if the party to whom the CDS refers (often a financial institution) has a "credit event" (e.g. default, bankruptcy, etc.). The price of the CDS gives an indication to the market's view of likelihood: the higher the price the more likely the credit event.

- any implicit or explicit Government support for the institution;
  - Standard & Poor, Moody's and Fitch short- and long-term credit ratings;
  - Sovereign ratings to select counterparties from only the most creditworthy countries; and
  - Core Tier 1 capital ratios <sup>2</sup>.
12. Changes to the credit rating will be monitored and, in the event that a counterparty is downgraded and does not meet the minimum criteria specified, the following action will be taken immediately:
- no new investments will be made;
  - existing investments will be recalled if there are no penalties; and
  - full consideration will be given to recall or sell existing investments which would be liable to penalty clause.

### **Specified and Non-specified investments**

13. The MHCLG Guidance on Local Government Investments made under section 15(1) of the Local Government Act 2003, places restrictions on local authorities around the use of specified and non-specified investments. A specified investment is defined as an investment which satisfies all of the conditions below:
- The investment and any associated cash flows are denominated in Sterling;
  - The investment has a maximum maturity of one year;
  - The investment is not defined as capital expenditure; and
  - The investment is made with a body or in an investment scheme of high credit quality; or with the UK Government, a UK Local Authority or parish/community council.
14. Investments with UK local authorities are deemed to be high credit quality because of the strong regulatory financial framework within which local authorities are required to operate and which mitigates against the risk of default, summarised below:
- The requirement to set a balanced budget annually under sections 31A and 42A of the Local Government Finance Act 1992;
  - The requirement to budget for a minimum level of reserves including risk under the Local Government Act 2003;

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<sup>2</sup> The Tier 1 capital ratio is the ratio of a bank's core equity capital to its total risk-weighted assets (RWA). Risk-weighted assets are the total of all assets held by the bank weighted by credit risk according to a formula determined by the Regulator (usually the country's central bank). Most central Banks follow the Basel Committee on Banking Supervision (BCBS) guidelines in setting formulae for asset risk weights.

The Core Tier 1 ratios for the four UK banks that the Council uses are: Barclays: 10.2%, HSBC: 11.2%, Lloyds: 12.0% and RBS: 10.8%.

- The requirement for the S151 officer to issue a statutory report in the event that the authority intends to not set an adequate level of reserves or intends to undertake a course of action which he considers to be unlawful;
  - The requirement for long-term borrowing to be solely for capital expenditure;
  - The cap on excessive borrowing through the operation of the limits in the Prudential Code;
  - All borrowing has to be secured on revenues of a local authority rather than assets.
15. All investments with local authorities will be subject to due diligence review of their accounts and financial health by the Director of Treasury and Pensions.
16. A non-specified investment is any investment that does not meet all the conditions above. In addition to the long-term investments listed in the table below, the following non-specified investments that the Council may make include:
- **Green Energy Bonds:** Investments in solar farms are a form of Green Energy Bonds that provide a secure enhanced yield. The investments are structured as unrated bonds and secured on the assets and contracts of solar and wind farms. Before proceeding with any such investment, internal and external due diligence will be undertaken in advance of investments covering the financial, planning and legal aspects.
  - **Loans:** The Council may consider advancing loans (as a form of investment) to organisations delivering services for the Council where this will lead to the enhancement of services to Council stakeholders. The Council will undertake due diligence checks to confirm the borrower's creditworthiness before any sums are advanced and will obtain appropriate levels of security or third party guarantees for loans advanced. The Council would expect a return commensurate with the type and duration of the loan. All loans would need to be in line with the Council's Scheme of Delegation and Key Decision thresholds levels.
  - **Shareholdings in limited companies and joint ventures:** The Council may invest in three forms of company:
    - Small scale businesses aimed at promoting economic growth in the area. Individual investments are no more than £0.5m and the aim is for these to be self-financing over the medium term. Any such loans will be subject to due diligence and the Council's Scheme of Delegation and Key Decision thresholds levels.
    - Trading vehicles which the Council has set up to undertake particular functions. Currently the Council has interests in the following companies: Lyric Theatre Hammersmith Ltd, Hammersmith and Fulham Urban Studies Centre, Hammersmith and Fulham Bridge Partnership, HFS Developments LLP, HFS Developments 2 LLP, LBHF Ventures Ltd, LBHF Joint Ventures Ltd and LBHF Family Support Services Ltd. These are not held primarily as investments but to fulfil Council service objectives. Any new proposals will be subject to due diligence as part of the initial business case. As these are



not to be held primarily as investment vehicles, then there is an expectation that they will break even.

- Trading vehicles held for a commercial purpose where the Council is obliged to undertake transactions via a company vehicle. These will be wholly owned subsidiaries of the Council with the aim of diversifying the investment portfolio risk.

17. For any such investments, specific proposals will be considered by the Director of Treasury and Pensions, and the Director of Finance in consultation with the Cabinet Member for Finance and Commercial Services and approvals to be in accordance with the Council's Constitution and governance processes, after taking into account:

- cash flow requirements
- investment period
- expected return
- the general outlook for short to medium term interest rates
- creditworthiness of the proposed investment counterparty
- other investment risks
- due diligence review

The value of non-specified investments will not exceed their investment allocation.

#### **Country of Domicile**

18. The current TMSS allows deposits / investments with financial entities domiciled in the countries listed at the foot of the schedule of investments table.

#### **Schedule of investments**

19. The current criteria for providing a pool of high quality short, medium and long-term, cash-based investment counterparties along with the time and monetary limits for institutions on the Council's counterparty list are in the table below.

20. The counterparties and specific limits have been reviewed and updated.

**All investments listed below must be Sterling denominated**

Investments	Minimum Credit Rating Required (Fitch/Moody's/S&P)	Maximum Individual Counterparty Investment Limit £m	Maximum tenure	Changes from the 2024/25 TMSS
DMO Deposits	Government Backed	Unlimited	6 months	No change
UK Government (Gilts/T-Bills/Repos)	Government Backed	Unlimited	Unlimited	No change
Supra-national Banks, European Agencies	LT: AA-/Aa3/AA-	£50m	5 years	No change
Covered Bonds	LT: AA+/Aa1/AA+	£50m	5 years	No change
Network Rail	Government guarantee	£200m maximum	Oct-52	No change
Collective Investment Scheme Investment Grade Bond Fund	Due diligence	£30m	Daily pricing	No change
GLA		GLA: £50M	3 years	No change
UK Local Authorities (LA)	N/A	LA: £30m per LA, per criteria £200m in aggregate	3 years	No change
Commercial Paper issued by UK and European Corporates	LT: AA-/Aa3/AA- ST: F1+/P-1/A-1+	£20m per name £80m in aggregate	1 year	No change
Money Market Funds (MMF)	LT: AAA by at least one of the main credit agencies	£45m per Fund Manager £300m in aggregate	3-day notice	No change
Enhanced Money Funds (EMF)	LT: AAA by at least one of the main credit agencies	£25m per fund manager, £100m in aggregate	Up to 7 day notice	No change

Investments	Minimum Credit Rating Required	Maximum Individual Counterparty Investment Limit	Maximum tenure	Changes from the 2024/25 TMSS
	Fitch/Moody's/S&P	£m		
UK Bank (Deposit/Certificates of Deposit/Short Dated Bonds)	LT: AA-/Aa3/AA- or UK Government Ownership greater than 25%	£70m	3-5 years	No change
	LT: A-/A3/A-	£50m	1-3 years	No change
	ST: F2/P-2/A-2	£50m	0-1 year	No change
Non-UK Bank (Deposit/Certificates of Deposit/Short Dated Bonds)	LT: AA-/Aa2/AA-	£50m	1-3 years	No change
	ST: F2/P-2/A-2	£30m	0-1 year	No change
Green Energy Bonds	Internal and External due diligence	Less than 25% of the total project investment or maximum of £20m per bond. £50m in aggregate	10 years	No change
Rated UK Building Societies	LT: A3/A-	£30m	3 years	No change
	ST: F2/P-2/A-2			
<b>Sovereign approved list (AA- rated and above):</b>	Australia, Belgium, Canada, Denmark, Finland, France, Germany, Netherlands, Norway, Singapore, Sweden, Switzerland, UK and USA			

**UK T-Bills:** UK Government Treasury Bills (T-Bills) are short term promissory notes issued by the UK Government at a discount to par, for tenors of up to one year.

**UK Gilts:** UK Government Gilts provide a greater yield than cash deposits with the DMO.

**UK Government repurchase agreements (Repos):** UK Government repurchase agreements are the purchase of UK Government securities with an agreement to resell them back at a higher price at a specific future date.

**Commercial Paper (CP)** is similar to a very short-term bond issue (up to one year), issued to investors on a discounted basis, and with the interest rate based on prevailing rates at the time of pricing.

**Supra-national institutions** are those that sovereign backed or supported institutions that span more than one country, such as the European Investment Bank, the European Bank of Reconstruction and Development, the World Bank, etc.

**Network Rail:** All Network Rail infrastructure debt is directly and explicitly backed by a financial indemnity from the Secretary of State for Transport acting for and on behalf of the government of the United Kingdom of Great Britain. The financial indemnity is a direct UK sovereign obligation of the crown and cannot be cancelled for any reason (prior to its termination date in October 2052). Propose to change TMSS limit to £200m and set the maximum maturity to Oct 2052.

**Due diligence:** Due diligence will be carried out by officers where appropriate or in conjunction with the Council's treasury advisor. The Tri-Borough Director of Treasury and Pensions will authorise the investment on behalf of the authority.

CREDIT RATINGS

Moody's		S&P		Fitch		Description		
LT	ST	LT	ST	LT	ST			
Aaa	P-1	AAA	A-1+	AAA	F1+	Prime	Investment Grade	
Aa1		AA+		AA+				
Aa2		AA		AA				
Aa3		AA-		AA-				
A1		A+	A+	F1	High Grade			
A2	A	A						
A3	A-	A-	F2		Upper Medium Grade			
Baa1	P-2	BBB+		BBB+				
Baa2	P-3	BBB	A-3	BBB	F3	Lower medium grade		
Baa3		BBB-		BBB-				
Ba1	Not Prime	BB+	B	BB+	B	Speculative	Non Investment Grade	
Ba2		BB		BB				
Ba3		BB-		BB-				
B1		B+		B+				
B2		B		B				
B3		B-	B-					
Caa1		C	CCC+	C	CCC	C		Highly Speculative
Caa2			CCC		Substantial Risks			
Caa3			CCC-		Extremely Speculative			
Ca		CC	In Default	D	D	D		Default imminent with little prospect for recovery
C	C							
	D							
	DD							
				D				

## APPENDIX G

Risk Group	Risk Ref.	Risk Description	Impact			Likelihood	Current risk score	Mitigation actions
			Financial	Reputation	Total			
Financial	1	Interest Rate Risk: the risk that rises in interest rates create an unexpected burden on the organisation's finances, against which the organisation has failed to protect itself adequately.	2	1	3	4	12	The Council will continue to invest and borrow in accordance with the TMSS. Borrowing conversations will be set by "trigger points", enacted when gilt yields reach a certain long term levels, where discussions with the Council's S151 officer, T&P Director and the Cabinet Member will take place to discuss potential actions.
Financial	2	Prudent Investment Strategy: the overall treasury management strategy is too prudent and unnecessarily stringent, resulting in investment returns being lower than might have been achieved with a more risky, but ultimately safe, approach.	3	2	5	2	10	The TMSS, outturn reports and mid-year reports are scrutinised on a regular basis by the Audit Committee with actions minuted and implemented.
Financial	3	Credit and counterparty risk: the risk of failure by a counterparty to meet its contractual investment or borrowing obligations to the organisation, particularly as a result of the counterparty's diminished creditworthiness, and the resulting detrimental effect on the organisation's capital or	3	4	7	1	7	As part of the TMSS, counterparty criteria have been set at a level to allow only the most financially secure banks and counterparties a place within the lending list, which is regularly monitored against consultant updates and advice provided by the Council's Treasury advisor.
Financial	4	Geopolitical factors: the risk of investment market uncertainty and investor panic, leading to unexpected volatility in gilt yields and interest rates.	2	3	5	3	15	Recent forecasts from the Council's Treasury consultant predict that the Bank Rate will gradually reduce over the coming months resulting in return on investing declining. However, the cost of borrowing will also decrease, helping to minimise the cost of carry.
Financial	5	Liquidity Risk: the risk that cash will not be available when it is needed, leading to additional costs, with the organisation's business/service objectives ultimately compromised.	4	2	6	1	6	Around half of the councils funds are kept fully liquid in Money Market Funds, which offer same day accessibility for both deposits and withdrawals. The remainder of the funds are placed as fixed-term deposits for upto 1 year.
Operational	6	Fraud, error and corruption: the risk that an organisation fails to identify the circumstances in which it may be exposed to loss through fraud, error, corruption or other eventualities in its treasury management dealings, and fails to employ suitable systems and internal controls to maintain effective management arrangements to these ends.	3	4	7	1	7	Internal controls within the treasury function are extremely robust in terms of internal check, accounting, authorisation and segregation of duties. Treasury is currently awaiting the results of an internal audit that took place in October 2024.
Operational	7	Financial failure of the Council's main bank: the collapse of the council's main banker, leading to a total shutdown of services.	4	4	8	1	8	The suitability of NatWest is assessed regularly along with other institutions. It is regarded as highly unlikely that the UK Government would permit a clearing bank to fail.
Operational	8	Online banking platform failure: the partial or complete failure of the Council's online banking system, resulting in termination of online payments and provision of banking data.	2	4	6	1	6	NatWest is regarded as having considerable resilience, both in preventing such failures and having recovery programmes in place if such an event happened. In the event that payments cannot be made online, the Council can make a manual payment by faxing a payment request to the CHAPS team at NatWest.



**RISK REGISTER**

Appendix 1 - Risk Management Scoring Matrix		
Scoring ( Impact )		
Impact Description	Category	Description
1 Very Low	Cost/Budgetary Impact	£0 to £25,000
	Impact on life	Temporary disability or slight injury or illness less than 4 weeks (internal) or affecting 0-10 people (external)
	Environment	Minor short term damage to local area of work.
	Reputation	Decrease in perception of service internally only – no local media attention
	Service Delivery	Failure to meet individual operational target – Integrity of data is corrupt no significant effect
2 Low	Cost/Budgetary Impact	£25,001 to £100,000
	Impact on life	Temporary disability or slight injury or illness greater than 4 weeks recovery (internal) or greater than 10 people (external)
	Environment	Damage contained to immediate area of operation, road, area of park single building, short term harm to the immediate ecology or community
	Reputation	Localised decrease in perception within service area – limited local media attention, short term recovery
	Service Delivery	Failure to meet a series of operational targets – adverse local appraisals – Integrity of data is corrupt, negligible effect on indicator
3 Medium	Cost/Budgetary Impact	£100,001 to £400,000
	Impact on life	Permanent disability or injury or illness
	Environment	Damage contained to Ward or area inside the borough with medium term effect to immediate ecology or community
	Reputation	Decrease in perception of public standing at Local Level – media attention highlights failure and is front page news, short to medium term recovery
	Service Delivery	Failure to meet a critical target – impact on an individual performance indicator – adverse internal audit report prompting timed improvement/action plan - Integrity of data is corrupt, data falsely inflates or reduces outturn of indicator
4 High	Cost/Budgetary Impact	£400,001 to £800,000
	Impact on life	Individual Fatality
	Environment	Borough wide damage with medium or long term effect to local ecology or community
	Reputation	Decrease in perception of public standing at Regional level – regional media coverage, medium term recovery
	Service Delivery	Failure to meet a series of critical targets – impact on a number of performance indicators – adverse external audit report prompting immediate action - Integrity of data is corrupt, data falsely inflates or reduces outturn on a range of indicators
5 Very High	Cost/Budgetary Impact	£800,001 and over
	Impact on life	Mass Fatalities
	Environment	Major harm with long term effect to regional ecology or community
	Reputation	Decrease in perception of public standing nationally and at Central Government – national media coverage, long term recovery
	Service Delivery	Failure to meet a majority of local and national performance indicators – possibility of intervention/special measures – Integrity of data is corrupt over a long period, data falsely inflates or reduces outturn on a range of indicators

Scoring ( Likelihood )	
Descriptor	Likelihood Guide
1. Improbable, extremely unlikely	Virtually impossible to occur 0 to 5% chance of occurrence.
2. Remote possibility	Very unlikely to occur 6 to 20% chance of occurrence
3. Occasional	Likely to occur 21 to 50% chance of occurrence
4. Probable	More likely to occur than not 51% to 80% chance of occurrence
5. Likely	Almost certain to occur 81% to 100% chance of occurrence

Control	Details required
Terminate	Stop what is being done.
Treat	Reduce the likelihood of the risk occurring.
Take	Circumstances that offer positive opportunities
Transfer	Pass to another service best placed to deal with mitigations but ownership of the risk still lies with the original service.
Tolerate	Do nothing because the cost outweighs the benefits and/or an element of the risk is outside our control.

London Borough of Hammersmith & Fulham

**Report to:** Cabinet

**Date:** 10/02/2025

**Subject:** The Housing Revenue Account (HRA) Budget (2025/26), Rents & Service Charges (2025/26) & HRA 10 Year Business Plan (2025/26 – 2034/35)

**Report of:** Cabinet Member for Housing and Homelessness, Councillor Frances Umeh  
Cabinet Member for Finance and Reform, Councillor Rowan Ree

**Responsible Director:** Sukvinder Kalsi  
Executive Director, Finance and Corporate Services

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## Summary

The current strategic and financial operating environment for the Council's housing service remains extremely challenging. We are aiming to increase the provision of social and affordable housing with a commitment to build new homes within the next few years, investing (£0.85bn) in existing / new homes over 10 years, improving the services available to residents, making the necessary improvements to building standards and safety, and strengthening resident engagement.

The national economic conditions are expected to stabilise and improve over the next five years (inflation and reducing interest rates). Despite this, the Council's Housing Revenue Account (HRA) finances continue to be under pressure due to the continuing need for provision of good quality housing and services.

In addition, the confirmation from Government of the national rent policy for the next five years of Consumer Price Index (CPI) plus 1% will help to provide greater sustainability and resilience of the Council's housing finances.

This report sets out the HRA budget proposals for the financial year 2025/26 including changes to rent levels and other charges as well as an updated HRA 10-year Business Plan.

The strategic objectives of all our financial plans are to:

- Preserve the delivery of housing services for our tenants including estate services and resident engagement,
- Build more new homes, invest in improvements to our existing homes, re-balance capital and revenue maintenance spend,
- Deliver a modern and efficient housing service with high performance standards,
- Maintain the long-term financial resilience of the HRA and thus the continued provision of services in the future.

Following the national elections in July, the new Government has provided some certainty for financial planning in the housing service by announcing a national social rents policy of CPI<sup>1</sup> + 1% to run for 5 years from 2025/26 – 2029/30). For 2025/26, the Council will implement this national policy to enable the delivery of the Council's strategic housing objectives and will endeavour to provide as much support to our tenants during the continuing economic difficulties. The rent increases for up to 58% of current tenancies will be covered either wholly or partially by housing benefit or universal credit in line with government policy.

The Council has aspired to keep rents and service charges as low as possible over the past decade and this strategy has ensured that ours remain among the lowest cost homes in London and provide value for money to residents.

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## RECOMMENDATIONS

That Cabinet agrees:

1. To approve the Housing Revenue Account 2025/26 budget for council homes as set out in Table 1.
2. To approve the HRA 10-year Business Plan for Council Homes (2025/26 – 2034/35) as set out in paragraphs 3 - 4 of this report and Appendices 1 - 5.
3. To approve a rent increase of 2.7% from 7 April 2025 (in line with September 2024 CPI+1%), which equates to an average weekly increase for tenants of £3.65 in 2025/26.
4. To approve an increase to shared ownership rents of 2.7% from 1 April 2025 (in line with September 2024 CPI+1%).
5. To approve changes to tenant service charges to reflect the costs of providing communal services from 7 April 2025, which equate to an average weekly reduction for tenants of £1.32 in 2025/26.
6. To approve a reduction to charges for heating and hot water to reflect the costs of provision of the district heating service from 1 April 2025, which equate to an average weekly reduction for tenants and leaseholders on the scheme of £0.45 (communal heating), £1.99 (tenants' personal heating) and £3.80 (leaseholders' personal heating) in 2025/26.
7. To approve an increase to the management fee for temporary on licence properties of 1.7% (in line with September 2024 CPI) from 7 April 2025.
8. To approve an increase to the rent and service charges for hostels of 2.7% from 7 April 2025 (in line with September 2024 CPI+1%).

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<sup>1</sup> The Consumer Price Index is used to measure the rate of inflation.

9. To increase garage charges for council tenants, resident leaseholders, and for other customers from 7 April 2025 by 1.7% (in line with September 2024 CPI).
10. To note that any change to parking charges on housing estates were considered separately with the Council's parking plans at Cabinet in January 2025.
11. To increase car space rental charges for all customers by 1.7% from April 2025 (in line with September 2024 CPI).
12. To approve an increase in the Leasehold After Sale – Home Buy fees by 1.7% from April 2025 from £232 to £237 (in line with September 2024 CPI).
13. To approve an increase in the Leasehold Property Alterations fees by 1.7% from April 2025.

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**Wards Affected:** All

<b>Our Values</b>	<b>Summary of how this report aligns to the H&amp;F Values</b>
Building shared prosperity	The HRA budget supports the Council's ambitions of delivering more genuinely affordable homes in the HRA. This will be through an increased level of borrowing, capital receipts and government grants to invest over the long term in the delivery of new homes either directly or in partnership.
Creating a compassionate council	The HRA budget supports the ongoing investment in services that directly support residents in living healthy and independent lives. This includes making provision for aids and adaptations to tenanted accommodation.
Doing things with local residents, not to them	The HRA budget supports continued investment in resident engagement and involvement. This also reflects and aligns with the Social Housing Act 2023 and Consumer Standard requirements which set out the need to adapt how we engage and support residents to hold the Council to account.
Being ruthlessly financially efficient	The HRA budget funds investment in the long-term repairs delivery model and the reform of services to better deliver for residents, and the delivery of a significant number of new homes.
Taking pride in H&F	The significantly expanded compliance-based capital programme is factored in to the HRA budget. Some of the works will deliver wider estate improvements, particularly the communal works undertaken by the Direct Labour



	Organisation – H&F Maintenance. There will also be ongoing investment in caretaking and other estate services which will be focussed on improving the quality of council estates. New homes will be built to the latest compliant standards, ensuring cost-efficient, safe and secure homes for our tenants and residents for the long term.
Rising to the challenge of the climate and ecological emergency	Housing accounts for around 83% of the organisation’s direct operational CO2 emissions. Given this, a retrofit strategy, in conjunction with other areas of the Council, is being formulated that outlines a path to zero carbon emissions.

## Financial Impact

The report is predominantly of a financial nature and therefore the impact is contained within the body of the report.

*Danny Rochford, Head of Finance (Housing), 15 January 2025*

*Verified by: Sukvinder Kalsi, Executive Director of Finance and Corporate Services, 15 January 2025*

## Legal Implications

The HRA was established by statute to ensure that council taxpayers cannot subsidise council rents and nor can council rents subsidise council tax. Failure to adhere to this statutory guidance can render the Council’s accounts subject to challenge and/ or qualification by the External Auditor.

The HRA ring-fence was introduced in Part IV of the Local Government and Housing Act 1989 (“the Act”) and was designed to ensure that rents paid by local authority tenants accurately reflect the cost of associated services. The Act specifies that expenditure and income relating to property listed in section 74 (that is houses and buildings provided for the provision of accommodation including the land on which they sit, excluding leases taken out for less than 10 years to provide temporary accommodation) must be accounted for in the HRA. Schedule 4 of the Act (as amended by section 127 of the Leasehold Reform, Housing and Urban Development Act 1993) specifies the allowable debits and credits. The Housing (Welfare Services) Order 1994 specifies more detail on the welfare services which must be accounted for outside the HRA. Section 76 of the Act states that it is unlawful to approve a budget which will result in a debit position on HRA reserves. Rents and charges have been set to ensure that the budget forecast does not result in a debit position.

It is not possible for a local housing authority to subsidise rents from its General Fund.

Section 24 of the Act gives the Council power to set rents, but Section 5 requires that the Council must have regard to relevant standards which are set for them under section 193 of the Housing and Regeneration Act 2008 (“HRA 2008”). Section 193 of

the HRA 2008 allows the regulator of social housing to fix standards which social landlords must abide by. On 25 February 2019 the Government issued a Direction on the Rent Standard 2019 which requires the regulator of social housing to set a new rent standard which applies to all local authority social landlords with effect from 1 April 2020. Further, the cap of a 7% increase imposed by the Direction on the Rent Standard 2023 will not apply after 31 March 2024.

The rent increases recommended in this report comply with the Direction on the Rent Standard 2019.

A consultation has been carried out with residents and the outcome of that consultation is shown at Appendix 8. Tenants were consulted on the rent increase at the Sheltered Housing Forum on 14 January 2025 and the Housing Representatives Forum on 21 January 2025 and at the Housing and Homelessness Policy and Accountability Committee on 27 January 2025. Members must carefully consider the consultation responses and the Equalities Impact Assessment when approving the recommendations in this report to ensure they are satisfied that the Council has complied with its public sector equality duty under the Equalities Act 2010.

*Afshan Ali-Syed, Senior Solicitor (Property and Planning), 15 October 2024*  
*Verified by: Grant Deg, Director of Legal Services, 17 October 2024*

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## **Background Papers Used in Preparing This Report**

None

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## **DETAILED ANALYSIS**

### **Background**

1. The Housing Revenue Account (HRA) only contains the costs arising from the management and maintenance of the Council's housing stock, funded by income from tenant rents and service charges, leaseholder service charges, commercial property rents and other housing-related activities. It is a ring-fenced account and the Council is required under statute to account separately for local authority housing provision. In addition, local authorities must not budget for a deficit in the HRA, the account must remain balanced or in surplus. The Council ensures rigorous monitoring including the identification of mitigations to deal with in-year pressures. The provision of social and affordable housing is one of the key services the Council provides to residents and the Building Homes and Communities Strategy is intended to increase the supply of new homes to meet the expected demand for homes.

### **Strategic Objectives of the Council's Financial Plans**

2. The HRA's strategic objectives are to:

- Preserve the delivery of housing services for our tenants including estate services and resident engagement,
- Build more new homes, invest in improvements to our existing homes, re-balance capital and revenue maintenance spend,
- Deliver a modern and efficient housing service with high performance standards,
- Maintain the long-term financial resilience of the HRA and thus the continued provision of services in the future.

## **Strategic Financial Overview**

3. The HRA 10-year Business Plan is set out in Appendices 1 - 5 and a summary of the notable service and financial outcomes are set out below:
  - Estimated stock of 12,700 including 95 Right to Buy sales and 831 new homes;
  - Estimated investment of £1.09bn to complete day-to-day repairs and investment in our existing / new stock and decarbonisation programmes;
  - Minimum general balances of £5m will be maintained and increased throughout the duration of the plan (this is currently equivalent to c5% of annual spend);
  - Cumulative savings programme of c£1.7m required by 2026/27, with no further savings required in later years.
4. The HRA 10-year Business Plan will continue to be managed rigorously to ensure the long-term sustainability of services and financial resilience. There will be additional borrowing and some key ratios are set out below and will be preserved:
  - The ratio of day-to-day repairs spend to rent income will improve as more investment is undertaken in our stock such that the expenditure on our repairs will reduce from 40% in 25/26 to 36% in 2034/35.
  - The external borrowing on properties will be no more than 55% of the value of the housing stock (the latter based on an adjusted social housing value at 25% of open market value).

## **HRA Budget 2025/26**

5. The financial position of the HRA has improved considerably from 2022/23 (the base deficit of £4.1m in that year has been fully eliminated from 2024/25 onwards). This will allow a strategy to ensure that minimum balances of £5m will continue to be maintained and these will be supplemented in future years as the financial operating environment allows.
6. The HRA 2025/26 budget (see Table 1 below) has been updated for national rent policy changes, and other fiscal pressures. These are set out below:
  - a. The new Government recently confirmed that the maximum permissible rent increase for local authorities' social housing for 2025/26 will be 2.7%. This is in line with the latest announcement on national social housing rent policy which

sets out a 5 year plan to permit rent increases of up to CPI + 1% each year based on the previous September's CPI.

- b. The budget proposals assume contractual inflation of £0.5m based on CPI of 3% and a provision for pay awards from April 2025 (estimated at 2%, or £0.5m in total).
  - c. The recent increases in interest rates, together with an increase in borrowing to support the compliance-based capital programme, are expected to result in a significant increase in debt servicing costs for 2025/26 of £6.8m.
7. To offset some of these new pressures, a programme of pipeline savings of £5.3m will be delivered through a reduction in budgeted provisions for risk and a review of services to avoid any draw on reserves next year.

Table 1: HRA Budget 2024/25 and 2025/26

Division	Revised Budget 24/25	Movement between years	Proposed Budget 25/26
	£m	£m	£m
Rents (Gross)	(83.3)	(1.9)	(85.2)
Service Charges (Gross)	(19.9)	0.8	(19.1)
Other Income	(3.8)	(0.2)	(4.0)
Void Rent Loss	2.0	(0.4)	1.6
Repairs and Maintenance	24.3	(0.1)	24.2
Housing Management	31.4	(1.1)	30.3
Regeneration & Development	1.0	(0.1)	0.9
Capital Charges	31.3	5.9	37.2
Finance & Resources	7.2	(1.0)	6.2
Contingency	3.4	(2.3)	1.1
Corporate Services	6.4	0.4	6.8
<b>Annual Balanced Budget</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

8. Table 2 below summarises the key changes in the budget between 2024/25 and 2025/26:

Table 2: HRA Budget – Major Movements between 2024/25 - 2025/26

	<b>£m</b>
Budget (Balanced) 2024/25	0.0
Additional Rent Income	(2.3)
Lower Service Charge Income (see below Energy Costs)	0.6
Pay Inflation (2%)	0.5
National Insurance Increase	0.5
Contracted Services Indexation (3%)	0.5
Energy Costs Reduction	(0.7)
Reduction in Contingency (from £3.4m to £1.1m)	(2.3)
Efficiencies	(3.0)
Corporate Support Service Recharges	0.4
Depreciation	(0.8)
Interest Payable (Net)	6.7
<b>Budget (Balanced) 2025/26</b>	<b>0.0</b>

## Rent Trends

9. The Council has maintained a policy of minimising rent increases whilst protecting resources to deliver essential housing services including health and safety.
10. The rent increase will be set at 2.7% from April 2025 (in line with national rent policy). The income that will be generated will not fully offset the inflationary cost pressures accumulated in recent years.
11. The average rent for our Council homes remains lower than the average rent of other neighbouring London boroughs. In setting its rent, the Council has given due consideration to the balance between affordability for tenants and its income to invest in current stock, new housing and service provision.
12. Council homes' rents are on average less than a third of private housing market rents<sup>2</sup> in the borough. For illustration, the weekly rent for a one-bedroom Council home is proposed to be £129.30 from April 2025 whereas the same in the private housing market would be likely to be at least £490.37. For a two-bedroom Council home, the proposed weekly rent is £134.11 from April 2025, only 20.9% of the expected rent in the private housing market of £637.46.
13. The rent proposals for 2025/26 are necessary to protect the long-term financial resilience of the HRA. Some option modelling has been completed and for exemplification, the income from every 1% is estimated at £0.8m (this is the amount that would be foregone for every 1% below the proposed 2.7%). This would require major service changes to protect the HRA balances (see below).

<sup>2</sup> Office of National Statistics - Private Rental Market Statistics: Summary of median monthly rents recorded between Oct 23 and Sep 24. Rents have been conservatively uprated for 24/25 comparison using the maximum national social housing rent increase of 7.7% and for 25/26 using the maximum national social rent increase of 2.7% (September 2024 CPI+1%).



## Tenant Service Charges

14. On 10 October 2022, Cabinet approved a change in policy from fixed to variable service charges. This means that the actual costs incurred by the Council in providing communal services can be fully recovered and that tenants and leaseholders pay a fair proportion of those costs. The table below sets out the different charges and the average increases or reductions from 1 April 2025:

Table 3: HRA Tenant Service Charges 2025/26

Tenant Service Charge	Average Charge 24/25	Average Charge 25/26	Average Change	Average Change
	£ pw	£ pw	£ pw	%
Caretaking	7.10	7.79	0.69	9.7%
Grounds Maintenance	1.77	1.97	0.20	11.3%
Concierge	13.82	14.27	0.45	3.3%
Door Entry	0.60	0.49	-0.11	-18.3%
Lift Maintenance	8.40	8.85	0.45	5.4%
TV Aerials	0.20	0.23	0.03	15.0%
Communal Lighting	4.45	2.42	-2.03	-45.6%
<b>All (excluding HHW)</b>	<b>19.24</b>	<b>17.92</b>	<b>-1.32</b>	
<b>Heating and Hot Water (HHW)</b>				
Communal HHW	4.80	4.35	-0.45	-9.4%
Personal HHW	21.41	19.42	-1.99	-9.3%

15. The major changes in charges relate to reductions in the costs of communal lighting and the heating and hot water service (following the peak of the energy crisis).
16. On 15 April 2024, Cabinet approved a procurement strategy for the Housing Cleaning (Caretaking) Services contract. This report assumes that caretaking service charges will increase based on an inflationary uplift of the current contract costs and overheads. Any proposed changes to the caretaking service and tenant service charges because of the planned re-procurement will be subject to consultation with tenants and a separate contract award report.
17. The details of the changes to charges for communal heating schemes, garage and parking space rents, water and sewerage charges, home buy and income from advertising hoardings and commercial properties are set out in Appendix 7.

## Repairs

18. The Council is taking action to improve outcomes for residents who need repairs to their homes. Next year, we will be spending more than £24m on repairs and maintenance of our council homes.

19. We are also investing £674m over 10 years for major improvement work to existing homes as well as supporting the energy efficiency programme. This programme is important for de-carbonising the housing stock and reducing energy costs in the future, helping to tackle fuel poverty.

### **Affordable housing**

20. There is significant need for affordable and social housing in the borough. The existing stock is aging and will require increasing investment to maintain modern building standards.
21. The acquisition and building of new homes will help to sustain the current housing provision and will assist in averting future risks (such as disrepair litigation) and reduce existing repairs maintenance and investment costs. It will also assist in the establishment of strong communities and neighbourhoods and reduce pressure on other public services such as homelessness.
22. The current HRA 10-year Business Plan includes building 831 new homes, the details of which will continue to be reported separately as part of the individual scheme approval reports.

### **Greening housing stock**

23. Housing accounts for around 83% of the Council's direct operational CO2 emissions and the cost of living means energy efficiency is more important than ever. The Council plans to spend £39m over the next four years. These funds will deliver retrofit projects, providing residents with affordably heated and well-adapted homes that are cost and energy efficient and have net zero carbon impact.

### **Reserves**

24. Two types of reserves are held within the HRA: general reserves and earmarked reserves.
25. **HRA general reserves** should provide sufficient cover against unanticipated events. The risks facing the HRA must be viewed in the context of the level of HRA general reserves. A prudent level of reserves is important to support long term investment planning for 17,000 properties with an existing use value of £1.4 billion.
26. The HRA general reserve as at 31 March 2024 was £5.4m. This is equivalent to less than three and a half weeks' of HRA gross rental income.
27. In 2025/26, the General Reserve is expected to be maintained at the £5.4m level (see table below).

Table 4: HRA General Reserves 2024/25 & 2025/26

	£m
<b>General Reserve b/f (1 April 24)</b>	<b>(5.4)</b>
In-year Pressures 24/25 - offset by provision for risk and use of balances	0.0
<b>General Reserve c/f (31 March 25)</b>	<b>(5.4)</b>
Use of Reserve 25/26 - no planned use	0.0
<b>General Reserve c/f (31 March 26) - projected</b>	<b>(5.4)</b>

28. **HRA earmarked reserves** are funds set aside to cover specific future plans that are not covered by annual budgets and to protect the HRA from specific risks. HRA cashable earmarked reserves were £6.2m as at 31 March 2024. These include funds set aside for the risk relating to potential revenue, abortive and other write-off costs associated with the Council’s affordable housing and regeneration plans (£3.6m) if plans do not progress.

### Risks

29. The HRA faces multiple financial risks including those arising from the Government’s programme of Welfare Reform which continues to represent a risk to the Council’s ability to collect rental income and may result in increased bad debt charges to the HRA. All new benefit claims are subject to Universal Credit and all existing claims are currently subject to a migration process to Universal Credit that was delayed due Covid-19 and is now anticipated to be completed by December 2025. There is a risk that the migration of tenants to Universal Credit moves at a faster pace than expected. The increase in bad debt provision for rents has been budgeted for 2025/26 at £0.8m.
30. Whilst the full cost implications of implementing the Council’s HRA 10-year Business Plan are still being determined (the asset management strategy will be completed next year), there is a risk that costs are in excess of the proposed budget for 2025/26 and in the longer term.
31. In addition to these risks above, there are several other financial risks. These are set out in detail in Appendix 6.

### Reasons for Decision

32. Section 76 (1)-(4) of the Local Government & Housing Act 1989 (“the Act”) requires local authorities to set a budget for their HRA on an annual basis using the best assumptions available. The Act also specifies that it is unlawful to approve a budget which will result in a debit position on the HRA general reserves.

### Equality Implications

33. The provision of social housing is important for residents, who include the most disadvantaged and economically vulnerable members of society, including many groups with shared protected characteristics. Tenants will be supported by the

Council to maximise entitlement to financial welfare benefits, and it is estimated that around 58% will be able to cover these additional costs through Housing Benefit and Universal Credit.

34. Rent increases will impact the household finances of tenants and leaseholders on low pay. However, the significant levels of inflation, when combined with the other challenges to balancing the HRA, has necessitated the changes proposed in this report. The need to ensure the HRA budget is secure and available to deliver the essential services and improvements that are needed is a key means of supporting tenants.
35. People with shared protected characteristics, including age, disability, gender, race and pregnancy are likely to be disproportionately affected by any measure that impacts on low-income families just above the level of eligibility for mainstream benefits. We will work to identify and support individuals struggling to make ends meet, and this help will benefit those with shared protected characteristics who are overrepresented within low-income families just above the level of eligibility to benefits. The available help includes the provision of support with money management, debt and arrears, flexible payment plans for service charges and referral to the wider and developing range of services that are available to help with wider related issues such as fuel and food poverty and the cost-of-living crisis.

## **Risk Management Implications**

36. The principal risks are detailed in paragraphs 27-29 and in Appendix 6. These are included in the departmental risk register. While it is proposed to maintain the current level of reserves, which have reduced in previous years to meet ongoing investment in the Council's housing stock, it is vital that robust controls are maintained in respect of expenditure (including works carried out by contractors), income collection, budget management, monitoring and reporting. It is also important that regular review and monitoring of known and emerging risks is undertaken, and mitigations amended where risks change, or new mitigations put in place promptly as new risks emerge.

*Implications completed by: David Hughes, Director of Audit, Fraud, Risk and Insurance, 29 October 2024*

## **Consultation**

37. Tenants and residents were consulted on the plans at the Sheltered Housing Forum on 14 January 2025, the Housing Representatives Forum on 21 January 2025 and the Housing and Homelessness Policy and Accountability Committee on the 27 January 2025 to allow the consideration of comments on the implications in advance of any formal decision being taken by Cabinet on 10 February 2025.

**List of Appendices:**

Appendix 1: 10 Year Financial Plan Key Business Plan Principles and Assumptions

Appendix 2: 10 Year Financial Plan Income and Expenditure Account

Appendix 3: 10 Year Financial Plan Housing Capital Programme

Appendix 4: 10 Year Financial Plan Balance Sheet

Appendix 5: Key Financial Outcomes

Appendix 6: Risks

Appendix 7: Fees, Charges and Other Income

Appendix 8: Consultation Responses



## Appendix 1

### Housing Revenue Account: 10 Year Financial Plan Key Business Plan Principles & Assumptions

	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34	2034/35
Average Homes	11,941	12,010	12,205	12,410	12,613	12,730	12,740	12,729	12,717	12,706
New Homes	37	133	334	543	752	874	889	882	876	870
RTB Sales	50	5	5	5	5	5	5	5	5	5
National Rent Policy (%)	CPI+1%	CPI+1%	CPI+1%	CPI+1%	CPI+1%	CPI only	CPI only	CPI only	CPI only	CPI only
Voids	1.6%	1.1%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%
Debts and Arrears	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%
Consumer Price Inflation	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%
Cost Inflation (Pay)	2.5%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%
Cost Inflation (Non-Pay)	3.0%	3.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%
Interest Rates (New Debt)	3.5%	3.5%	3.5%	3.5%	3.5%	3.0%	3.0%	3.0%	3.0%	3.0%

## Appendix 2

### Housing Revenue Account: 10 Year Financial Plan Income & Expenditure Account

	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34	2034/35
	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m
Rent Income	(85.2)	(88.4)	(92.8)	(97.3)	(102.1)	(105.3)	(107.7)	(110.0)	(112.3)	(114.7)
Other Income <sup>1</sup>	(35.4)	(36.4)	(37.6)	(38.9)	(40.2)	(41.3)	(42.4)	(43.4)	(44.4)	(45.4)
Void Rent	1.6	1.1	1.1	1.1	1.2	1.2	1.2	1.3	1.3	1.3
Repairs and Voids	35.0	36.1	37.2	38.0	38.8	39.3	39.8	40.5	41.3	42.1
Estate Services	16.2	16.8	17.2	17.6	17.9	18.2	18.5	18.8	19.2	19.6
Housing Services	30.5	31.5	32.5	33.2	34.0	34.7	35.3	36.1	36.9	37.8
Interest	20.6	23.8	25.2	27.5	29.5	30.7	31.2	31.5	31.7	31.8
Depreciation	16.5	17.1	17.9	18.8	19.7	20.4	21.1	21.7	22.3	23.0
(Savings) / Investment	0.0	(1.7)	(0.8)	(0.0)	0.0	0.0	0.0	0.0	0.0	0.0
<b>Net Budget</b>	<b>(0.0)</b>	<b>0.0</b>	<b>(0.0)</b>	<b>0.0</b>	<b>(1.3)</b>	<b>(2.2)</b>	<b>(3.0)</b>	<b>(3.5)</b>	<b>(4.0)</b>	<b>(4.6)</b>
<b>Balances</b>	<b>(5.4)</b>	<b>(5.4)</b>	<b>(5.4)</b>	<b>(5.4)</b>	<b>(6.7)</b>	<b>(8.9)</b>	<b>(11.9)</b>	<b>(15.5)</b>	<b>(19.4)</b>	<b>(24.0)</b>
<sup>1</sup> Service Charges and Staff Capitalisation										

## Appendix 3

### Housing Revenue Account: 10 Year Financial Plan Housing Capital Programme

	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34	2034/35	Total
	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m
Asset Management & Compliance	68.6	78.3	62.4	58.9	62.0	65.7	54.1	55.1	50.7	29.4	585.2
Climate Emergency	1.5	2.9	15.0	19.7	13.2	13.5	6.9	7.1	7.2	1.3	88.4
Building Homes and Communities Strategy	46.0	21.4	2.0	0.0	56.8	0.2	0.1	0.1	0.0	0.0	126.6
Other HRA Capital Schemes	19.7	13.4	9.4	9.4	0.0	0.0	0.0	0.0	0.0	0.0	51.8
<b>Total Expenditure</b>	<b>135.8</b>	<b>116.0</b>	<b>88.8</b>	<b>87.9</b>	<b>132.1</b>	<b>79.4</b>	<b>61.0</b>	<b>62.2</b>	<b>58.0</b>	<b>30.8</b>	<b>852.1</b>
Leaseholder Contributions	2.7	2.7	2.7	2.7	8.0	8.2	8.5	8.6	8.9	4.5	57.5
Grants (Including S106 & GLA)	1.9	9.4	9.4	9.4	47.6	6.3	6.2	6.4	5.9	4.5	106.9
Capital Receipts	10.7	48.7	3.0	3.0	13.6	12.7	13.0	9.6	6.6	4.5	125.5
Major Repairs Reserve	16.5	17.1	17.9	18.8	20.2	21.0	21.5	22.0	22.5	17.3	194.9
Borrowing	104.0	38.0	55.8	54.1	42.7	31.3	11.9	15.6	14.1	0.0	367.3
<b>Total Financing</b>	<b>135.8</b>	<b>116.0</b>	<b>88.8</b>	<b>87.9</b>	<b>132.1</b>	<b>79.4</b>	<b>61.0</b>	<b>62.2</b>	<b>58.0</b>	<b>30.8</b>	<b>852.1</b>

## Appendix 4

### Housing Revenue Account: 10 Year Financial Plan Balance Sheet

	31/3/26	31/3/27	31/3/28	31/3/29	31/3/30	31/3/31	31/3/32	31/3/33	31/3/34	31/3/35
	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m
Council Homes (EUV-SH)	1,469	1,505	1,543	1,582	1,621	1,662	1,703	1,746	1,789	1,834
Other Property Assets	75	77	79	80	82	85	87	89	91	93
Net Current Assets	8	8	8	8	8	8	8	8	8	8
<b>Total Assets</b>	<b>1,551</b>	<b>1,590</b>	<b>1,629</b>	<b>1,670</b>	<b>1,711</b>	<b>1,754</b>	<b>1,798</b>	<b>1,842</b>	<b>1,888</b>	<b>1,935</b>
General Balance	5	5	5	5	5	5	5	5	5	5
Other Reserves (eg RTB)	34	37	37	8	8	8	8	8	8	8
Debt Outstanding	555	593	649	703	746	777	789	804	818	818
Revaluation Reserve	957	955	938	953	952	964	995	1,025	1,056	1,103
<b>Total Reserves</b>	<b>1,551</b>	<b>1,590</b>	<b>1,629</b>	<b>1,670</b>	<b>1,711</b>	<b>1,754</b>	<b>1,798</b>	<b>1,842</b>	<b>1,888</b>	<b>1,935</b>

## Appendix 5

### Housing Revenue Account: 10 Year Financial Plan Key Financial Outcomes

	<b>2025/26</b>	<b>2028/29</b>	<b>2031/32</b>	<b>2034/35</b>
Repairs to Capital Spend*	33%:67%	39%:61%	42%:58%	58%:42%
Repairs to Rent Income	40%	38%	36%	36%
Interest to Rent Income	24%	28%	29%	28%
Housing Services to Rent Income	36%	34%	33%	33%
Capital Spend Per Home*	£5,700	£4,700	£4,200	£2,300
Repairs Spend Per Home	£2,900	£3,000	£3,100	£3,300
External Borrowing Per Home	£37,800	£52,300	£61,000	£64,400
Debt to Property Value	31%	42%	47%	46%
*Asset & Compliance only (excludes carbon / other capital works)				



## Appendix 6

### Housing Revenue Account: General Risks

<b>Social Regulation Act</b> - this will place significant additional requirements on the Council including tenant engagement and required expertise of housing staff.
<b>Right to Buy (RTB) disposals</b> - although 5 disposals per year are assumed within the business plan, an increase above this number could reduce the net income due to the HRA.
<b>Housing repairs</b> – unpredicted events may result in additional expenditure (for example, following new health and safety directives, legislation, insurance claims).
The <b>Building Safety Act and Fire Safety Act</b> requires H&F, as landlord, to resource significant additional investment, both revenue and capital, to achieve compliance.
<b>Staff Capacity and Expertise</b> – the shortage of technical staff available on the market could delay and increase the cost of the delivery of the Council’s compliance-based Asset Management Capital Strategy.
<b>Market risk on re-procurement and recruitment</b> – there is a risk that it will become harder to re-procure contracts or recruit staff at the predicted rates given the recent inflationary environment.
<b>Other changes in central Government policy towards social housing</b>
<b>Additional fire safety costs</b> – fire safety improvements to the housing stock above and beyond the current plans may be required as stock condition surveys reveal the full cost of implementing the Hackitt recommendations.
<b>The state of the UK economy</b> – this includes the impact on the housing sector on costs of a weakening currency, loss of grants funding opportunities, inflationary pressures on contracts and an increase in tenant rent arrears.
<b>Depreciation</b> – this could divert funds away from revenue as a result of changes in housing stock valuations or from changes in the regulations governing HRA assets.
<b>Asbestos management</b> – as fire safety works are undertaken, the volume of asbestos removal may be greater and more costly than anticipated.
<b>Additional compliance costs and other repairs risks such as uninsured events</b>
<b>Aging housing and asset stock condition maintenance</b> – this has been addressed via the Asset Management Capital Strategy but there is a risk that the investment required will exceed the approved resources.
<b>Delivering the efficiencies</b> – there is a risk to future savings delivery in accordance with the HRA Business Plan

## Appendix 7

### Fees, Charges and Other Income

#### Heating charges

Tenants and leaseholders who receive communal heating (around 1,743 properties) pay a weekly charge towards the energy costs of the scheme. The Council meets the costs of heating in the year, and recharges tenants and leaseholders based on an estimated cost and usage.

The Council is part of the LASER energy procurement group, which purchases energy on behalf of 48 local authorities. A system of flexible procurement is used which should ensure that LASER tenders for new energy contracts on a rolling basis, so that it can purchase when rates are low.

An estimate has been prepared in consultation with the Council's utilities management function of the new contract rate the Council can expect to achieve. Based on this estimate, combined with the need to balance the heating account for the year, and in the light of recent changes in the cost of energy, a reduction in charges is proposed for 2025/26.

The average weekly reduction on the scheme is £0.45 (communal heating, tenants only), £1.99 (tenants' personal heating) and £3.80 (leaseholders' personal heating). However, there is a range of reductions both below and significantly above the average particularly for leaseholders. Additional detail has been provided to tenants as part of the consultation process referred to at Appendix 8.

#### Garage rents

There are 1,082 garages in H&F of which 892 occupied units are rented by licence holders.

H&F standard sized garages are currently charged at the weekly prices of £28.34 (VAT exempt) for Council tenants and leaseholders, £53.58 (including VAT) for private residents of the borough and £76.58 (including VAT) for non-borough residents. The smaller motorcycle garages are charged at a fixed rate of £21.26 per week.

Currently blue badge holders and pensioners are offered discounts at 25% and 10% respectively.

The current garage pricing is competitive with other local authorities and a garage refurbishment programme is enabling voids to become viable again for lettings. H&F's garage lettings strategy varies from many other local authorities in that residents both within and out of the borough can rent garages and licensees can use garages for either vehicles or general storage.

It is proposed to increase garage charges for council tenants, resident leaseholders and for other customers from April 2025 by 1.7%, in line with CPI (as at September 2024).

### Car space rentals

Residents can rent an allocated parking space on the non-traffic order sites which gives them exclusive access to that bay during their licence. This is open both to Council tenants/leaseholders and private residents/companies in the borough. There are 299 car spaces for rent on estates in H&F of which 164 are occupied.

The current charges for Council tenants and leaseholders range from £3.30 per week for uncovered bays (VAT exempt) to £3.73 per week for covered bays (VAT exempt). Private residents can rent a space on one of the commercial sites for £33.68 per week (inclusive of VAT). There is a concessionary rate of 25% discount for blue badge holders available.

It is proposed to implement a general 1.7% increase in car space charges from April 2025. This is in line with CPI as at September 2024.

### Leasehold after sale – Home Buy fees

To move towards recovering the costs of service provision, it is planned to increase the fee by 1.7% from £232 to £236.

### Advertising income

The annual budget for income generated from advertising hoardings located on housing land has been increased by £3,000 to £425,000. This follows a commercial review of all sites based on current market conditions.

Legal and accounting advice previously has confirmed that the income and expenditure associated with advertising hoardings on HRA land should be accounted for within the HRA.

### Rents on shops

The budget for commercial property rents for 2024/25 has increased by £58,000 to £1,666,000. This approach reflects market conditions based on informed assumptions from the Council's Valuation and Property Services team. Additionally, the budgeted charge for the bad debt provision has been set at £100,000 for 2024/25.

## **Appendix 8**

### **Consultation Responses**

Tenants from the Sheltered Housing Forum (14 January 2025) and from the Housing Representatives Forum (21 January 2025) were consulted on the HRA Budget 2025/26.

The Housing and Homelessness Policy and Accountability Committee on 27 January 2025 also considered the HRA Budget 2025/26.

**Report to:** Cabinet

**Date:** 10/02/2025

**Subject:** School Budget (Dedicated Schools Grant) 2025/26

**Report of:** Deputy Leader (responsible for Children and Education), Councillor Alex Sanderson and Cabinet Member for Finance and Reform, Councillor Rowan Ree

**Report author:** Tony Burton, Head of Finance Children's Services and Education  
Peter Haylock, Director of Education

**Responsible Director:** Sukvinder Kalsi, Executive Director of Finance and Corporate Services  
Jacqui McShannon, Executive Director of People

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### SUMMARY

This report seeks approval of the final proposed 2025/26 schools block allocation and funding to schools through the schools funding formula for the financial year ending 31 March 2026. Hammersmith & Fulham Schools Forum agreed the model for 2025/26 budget shares on 21 January 2025. Due to the timing of the 2024 General Election, it was not possible for Schools Forum to agree a provisional model at the Schools Forum on the 12 November 2024. Instead, they agreed in principle to proposals on funding factors. The Education and Skills Funding Agency (ESFA) require political endorsement of the Schools' Forum decision to agree the 2025/26 budget.

This report covers the budget decisions for the following Hammersmith & Fulham education provision funded from the four blocks of the Dedicated Schools Grant:

- The Schools Block – funding for mainstream primary and secondary schools. Schools block funding of £124.352m has been confirmed for Hammersmith & Fulham for 2025/26 by The Department of Education (DfE). This represents a 1.72% increase per pupil compared to a 2.33% increase nationally.
- The Central Services Schools Block Budget – £1.939m funding in 2025/26 to meet the statutory education functions of the local authority and historic central funding commitments.

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### RECOMMENDATIONS

1. Schools Block Budget 2025/26 Financial Year:
  - a. To approve the Local Authority formula for allocating resources to Hammersmith & Fulham schools for 2025/26 as set out in Appendix 1 the Authority Proforma Tool (APT) for setting school budgets.

- b. To approve the National Funding Formula (NFF) funding formula factor rates (as set out in Appendix 1) as the basis for calculating the 2025/26 schools funding formula, together with a minus 0.25% per pupil Minimum Funding Guarantee (MFG) protection for individual schools versus 2024/25 levels with respect to pupil led funding. Minus 0.25% represents the affordable protection achievable within the grant funding allocation confirmed.
  - c. To approve the transfer of £1.23m being 1.0% of the total schools' block allocation from the schools' block to the high needs block in the 2025/26 financial year. This is to support high needs education expenditure for special educational needs in Hammersmith and Fulham. This is subject to Ministerial agreement from the Department of Education which is expected in February 2025.
  - d. If the 1% block transfer is rejected by the Minister of State in February 2025, to approve the budget allocation as per the alternative model as set out in Appendix 2 with a reduced 0.5% block transfer to High Needs.
  - e. To approve de-delegation budgets of £0.555m for maintained mainstream schools only as confirmed by Schools Forum on 21 January 2025.
  - f. To approve the education functions budgets of £0.289m for maintained mainstream schools only, as confirmed by Schools Forum on 21 January 2025.
2. Central Services Schools Block Budget 2025/26.
- a. To approve the proposed budget allocation for Central Services Schools Block DSG totalling £1.939m.

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**Wards Affected:** All

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<b>Our Values</b>	<b>Summary of how this report aligns to the <a href="#">H&amp;F Corporate Plan</a> and the H&amp;F Values</b>
Building shared prosperity	The allocation of funding to local schools who are employers within the borough.
Creating a compassionate and inclusive council	Enables pupils within the borough to receive a good quality education.
Doing things with local residents, not to them	Providing educational opportunities for all pupils within the borough.
Being ruthlessly financially efficient	Contributes to a level of financial stability for schools. The high needs block transfer enables this support to



	schools to continue and helps to reduce the high needs budget pressure.
Taking pride in H&F	Ensures continuing good quality provision in the borough's schools enabling pupils to take pride in their school and the borough.
Rising to the challenge of the climate and ecological emergency	Assists with the delivery of climate Education to young people within the borough.

## Financial Impact

### Schools Block Budget

This report covers the allocation of the funding for all mainstream schools in Hammersmith & Fulham for education between reception and year 11 for the period April 2025 to March 2026. The basis for the distribution of funds within the Schools Block of the Dedicated Schools Grant across all schools is in line with the regulated range of allowable variables in the grant conditions as determined by the National Funding Formula for Schools and Schools revenue funding 2025 to 2026 Operational Guidance.

Other than the proposed transfer between blocks the remaining funds are distributed to individual schools in line with their individual characteristics and with regard to the National Funding Formula.

De-delegated budgets are budgets managed for schools centrally by the local authority on their behalf.

Funding for education functions is to meet the cost of providing statutory education functions on behalf of maintained schools and in line with the education funding regulations.

### Central Services Schools Block (CSSB)

The core funding relates to the statutory services provided for all schools. The historic element of CSSB funding has reduced by £0.232m in the year to 2025/26. The decrease has been met by savings on historic CSSB.

The core funding is expected has reduced by 1.54% per the provisional allocations. This is expected to reduce further once the final allocation is confirmed due to the expected fall in pupil numbers per the October 2024 census data.

A balanced budget has been proposed for 2025/26 which includes a planned contribution to support High Needs Block expenditure on the education for children and young people with special educational needs.

The Education and Skills Funding Agency will confirm further block funding reductions from 2026/27 in the new financial year. The Education Department is exploring budget options for 2026/26 to mitigate expected further block reductions and potential impact on core services.

*Tony Burton, Head of Finance Children's Services and Education, 19 December 2024  
Verified by Sukvinder Kalsi, Executive Director of Finance and Corporate Services, 28  
January 2025*

## **Legal Implications**

The Dedicated Schools Grant is payable to local authorities under section 14 of the Education Act 2002. It is a 'ring fenced grant' that is to say it must be solely spent on the grant conditions and guidance has been prepared by the Education and Skills Funding Agency (ESFA) to assist local authorities in the operation of the dedicated schools grant (DSG). Each year new regulations are issued as they only cover one year the current being School and Early Years Finance and Childcare (Provision of Information About Young Children) (Amendment) (England) Regulations 2024 These Regulations provide that Local Authorities must consult their Schools Forum and schools maintained by them when determining the school funding formula. Cabinet is the decision-making body for the schools funding formula and must consider the outcome of the consultation and take that into consideration when making a decision on whether to adopt the NFF, as per Schools Forum's recommendation. Although not duty bound to follow the recommendation of Schools Forum following the consultation, if Cabinet departs from the recommendation clear reasons must be given.

*Jade Monroe, Chief Solicitor Social Care, 11 December 2024*

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## **Background Papers Used in Preparing This Report**

Schools Forum Papers and draft minutes:

- Schools Forum 13 November 2024 including disapplication Proforma for Block Movement to High Needs
  - [Agenda for Schools Forum on Tuesday, 12th November, 2024, 2.00 pm | London Borough of Hammersmith & Fulham](#)
- Schools Forum 21 January 2025 – Final Budget and Decision
  - [Agenda for Schools Forum on Tuesday, 21st January, 2025, 2.00 pm | London Borough of Hammersmith & Fulham](#) - see Item 3
- Schools revenue funding 2025 to 2026 Operational Guide
  - [Schools operational guide: 2025 to 2026 - GOV.UK](#)

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## **DETAILED ANALYSIS**

### **Proposals and Analysis of Options**

#### **Schools Block**

1. The recommended model of distribution of the Schools Block of the Dedicated Schools Grant through the Authority Proforma Tool was agreed by Schools Forum on 21 January 2025 as below and per the detailed funding factor rates and values in Appendix 1.

2. The agreed model aims to provide stability to schools in 2025/26 by ensuring that schools receive the maximum MFG (minimum funding guarantee) that is affordable with national funding formula rates for 2025/26 financial year. Following the release of the final schools block funding allocation, this is minus 0.25% on a per pupil basis for pupil led funding. This ensures the full schools block allocation is distributed to schools.
3. Schools Forum agreed on the 12 November 2024 to the following principles pending the December 2024 release of the 2025/26 national funding formula (NFF) allocations:
  - Firstly, increase the Minimum Funding Guarantee up to the maximum allowed subject to affordability within the final allocations. This will ensure all schools benefit from a minimum increase in funding levels in pupil led funding year on year.
  - Secondly increase factor rates uniformly above national funding formula rates after inner London Area cost Adjustment (subject to affordability within the final funding allocation). This ensures that schools receive funding according to the NFF and mirroring the NFF as is required by grant regulations.
4. The national uplift in schools funding for 2025/26 provides a challenge for Schools given inflation levels in the economy and the impact on pay and non-pay inflation experienced during the 2024/25 financial year. The DfE announced in October 2024 that an additional £1.3 billion nationally will cover the remaining costs of the 2024 teacher's pay award in mainstream schools so that the full 12 months of salary costs are fully funded at national level, an increase to mainstream schools NFF, increases to the pupil premium and other elements of core funding.
5. In addition, the DfE anticipates that further funding will be provided for the increase in National Insurance contributions announced in the November 2024 budget statement. This will be a separate grant outside of the NFF.
6. The consultation for the 2025/26 schools block budget was launched on 19<sup>th</sup> November 2024. The consultation ended on the 3<sup>rd</sup> December 2024. An update was provided to Schools Forum in January 2025 on the consultation responses from schools and in with respect to responses on the proposed Schools to High Needs block transfer of 1%.
7. A transfer to support the High Needs Block of £1.23m or 1.0% of the Schools Block has been agreed with Schools Forum and will be used to mitigate funding pressures in the high needs budget in 2025/26. As the block movement proposed is greater than 0.5% it requires agreement of the Department for Education Safety Valve Team and the Minister of State for Education. If the proposal isn't agreed by the Department for Education, a 0.5% transfer or £0.615m will be made in line with the operational guidance which allows this with Schools Forum agreement.
8. De-delegation budgets of £0.555m for maintained mainstream schools have been agreed at Schools Forum on 21<sup>st</sup> January 2025. These are budgets that maintained primary schools agree to delegate to the local authority to manage and spend.

9. Education functions budgets of £0.289m were also agreed at Forum on 21<sup>st</sup> January 2025. These budgets are set with reference to DfE schools funding guidance to meet the cost of meeting the local authorities retained education functions with respect to maintained mainstream schools.

### Central Services Schools Block

10. In 2025/26 there is no change to the arrangements for Central Schools Services Block (CSSB) of the DSG. The CSSB allocation for 2025/26 provides funding for:
- The retained duties element of the Education Services Grant (ESG) for all schools
  - Ongoing central statutory functions – for example Admissions – for maintained schools
  - Ongoing historic commitments.
11. DfE funding allocations indicate a reduction in core funding of 1.54% for Hammersmith and Fulham compared to the maximum of 2.5% nationally.
12. For historic commitments there will be a further reduction to this element of funding for all local authorities receiving it. For Hammersmith & Fulham this equates to a further 20% reduction in grant of £0.232m in 2025/26 versus 2024/25 (a circa £2.419m reduction since 2019/20).
13. The CSSB budget for 2025/26 is presented below and was recommended to Schools Forum on 21st January 2025.

### Central Services Planned Expenditure 2025/26

Area of Expenditure	2025/26 Proposed
	£m
Copyright Licensing (Estimated)	0.146
Asset Management, Place Planning and Strategic Operations	0.197
Management, Support, Finance/Business Intelligence and SACRE	0.654
Virtual School	0.106
Admissions and ACE	0.593
Time limited support to High Needs Block expenditure	0.243
<b>Total Spend/Funding</b>	<b>1.939</b>

### Reasons for Decision

14. Schools' budget shares from the schools' block of the Dedicated Schools Grant (DSG) are agreed annually according to the process and regulations set out by the Education and Schools Funding Agency (ESFA).

15. Schools Forum and the Local Authority must approve the basis for the allocation to schools. Hammersmith & Fulham Schools Forum agreed the budget model proposed at a meeting on 21 January 2025.

## **Equality Implications**

16. There are no direct negative equality implications for groups with protected characteristics, under the Equality Act 2010, by the approval of these funding proposals set out in the Recommendations.
17. Officers anticipate a neutral impact as the funding model outlined in this report is determined by the National Funding Formula for mainstream schools. The proposals around Minimum Funding Guarantee intend to ensure that all schools receive a minimum level of funding increase on a per pupil basis versus 2023/24 financial year.

## **Risk Management Implications**

18. The council continues to experience growing pressures on the High Needs budget as a result of demographic growth, government policy changes and the continuing impact of the government's austerity. In addition, there will be further pressure from pay and non-pay inflation. Ensuring that resources available to schools are appropriately allocated supports the delivery of the council's corporate priorities to ensure that children and young people will receive a great start in life and that schools will be amongst the best in the country, with enough places for all and with all children achieving the best that they can.

*Jules Binney, Risk and Assurance Manager. 10 December 2024*

## **Climate and Ecological Emergency Implications**

19. This report covers are the revenue budgets for schools and education in Hammersmith and Fulham rather than the maintenance or capital programme on the school's estate. There is no expectation from the DfE that these budgets are used by education providers for anything other than minor revenue maintenance.

The local authority holds the budget for the school's capital investment as this is not delegated to schools and subject to separate decisions as part of the medium-term capital strategy.

*Approved by Hinesh Mehta, Assistant Director Climate Change, 03 December 2024*

## **Consultation**

20. The local authority consulted with the wider schools' community in November 2024 with respect to the distribution principles for the schools block budget allocation.

A further budget briefing was held in the week commencing 6<sup>th</sup> January 2025 including details of the final recommended proposals and the updated final funding notified by the ESFA in December 2024, prior to Schools Forum on the 21 January 2025.

21. Hammersmith & Fulham Schools Forum agreed the proposed 2024/25 schools block budget shares on 21 January 2025.

## **LIST OF APPENDICES**

Appendix 1, the recommended 2025/26 Authority Proforma Tool (APT) for setting school budgets on the assumption of approval of the disapplication to transfer 1% schools to high needs block.

Appendix 2, the alternative 2025/26 Authority Proforma Tool (APT) for setting school budgets to transfer 0.5% schools to high needs block.



# Appendix 1 – Recommended Authority Proforma Tool 2025/26 – Proposed Schools Block Budget Model and Factor Rates – at 1% Transfer to High Need Block

## Local Authority Funding Reform Proforma

LA Name:	Hammersmith and Fulham
LA Number:	205

Primary minimum per pupil funding level	Secondary (KS3 only) minimum per pupil funding level	Secondary (KS4 only) minimum per pupil funding level	Secondary minimum per pupil funding level	Disapplication number where alternative MPPL values are used
£4,955.00	£6,221.00	£6,831.00	£6,465.00	

## Pupil Led Factors

1) Basic Entitlement Age Weighted Pupil Unit (AWPU)	Reception uplift	No	Pupil Units		0.00					
	Description	Amount per pupil		Pupil Units		Sub Total	Total	Proportion of total pre MFG funding (%)	Notional SEN (%)	
	Primary (Years R-6)	£4,556.46		8,331.00		£37,959,868	£87,260,431	31.42%	2.95%	
	Key Stage 3 (Years 7-9)	£6,421.93		4,316.00		£27,717,050		22.94%	2.53%	
	Key Stage 4 (Years 10-11)	£7,240.36		2,981.00		£21,583,513		17.86%	2.53%	
2) Deprivation	Description	Primary amount per pupil	Secondary amount per pupil	Eligible proportion of primary NOR	Eligible proportion of secondary NOR	Sub Total	Total	Proportion of total pre MFG funding (%)	Primary Notional SEN (%)	Secondary Notional SEN (%)
	FSM	£586.29	£586.29	2,555.00	2,117.00	£2,739,137	£15,704,700	13.00%	18.41%	26.40%
	FSM6	£1,255.49	£1,841.77	2,671.00	2,537.00	£8,025,979			18.41%	26.40%
	IDACI Band F	£278.34	£402.70	989.47	776.32	£588,033			7.00%	8.90%
	IDACI Band E	£337.56	£532.99	1,599.03	1,287.56	£1,226,024			11.10%	15.40%
	IDACI Band D	£527.07	£752.11	825.51	664.22	£934,663			27.00%	33.00%
	IDACI Band C	£580.37	£823.17	903.44	838.23	£1,214,328			31.40%	35.40%
	IDACI Band B	£615.90	£882.39	520.23	539.20	£796,194			1.00%	1.00%
	IDACI Band A	£811.33	£1,125.20	89.04	96.07	£180,341			1.00%	1.00%
3) English as an Additional Language (EAL)	Description	Primary amount per pupil	Secondary amount per pupil	Eligible proportion of primary NOR	Eligible proportion of secondary NOR	Sub Total	Total	Proportion of total pre MFG funding (%)	Primary Notional SEN (%)	Secondary Notional SEN (%)
	EAL 3 Primary	£704.73		2,214.28		£1,560,469	£2,725,911	1.99%	100.00%	
	EAL 3 Secondary		£1,889.15		447.13	£844,702				100.00%
4) Mobility	Pupils starting school outside of normal entry dates	£1,142.97	£1,640.42	194.56	59.96	£320,740		0.27%	100.00%	100.00%

## Appendix 1 – Recommended Authority Proforma Tool 2025/26 – Proposed Schools Block Budget Model and Factor Rates – at 1% Transfer to High Need Block

	Description	Weighting	Amount per pupil (primary or secondary respectively)	Percentage of eligible pupils	Eligible proportion of primary and secondary NOR respectively	Sub Total	Total	Proportion of total pre MFG funding (%)	Primary Notional SEN (%)	Secondary Notional SEN (%)	
5) Low prior attainment	Primary low prior attainment		£1,391.69	29.95%	2,495.17	£3,472,517	£5,635,531	4.66%	100.00%		
	Secondary low prior attainment (year 7)	57.71%	£2,114.19	14.14%	1,023.09	£2,163,014					100.00%
	Secondary low prior attainment (year 8)	55.77%		13.94%							
	Secondary low prior attainment (year 9)	54.47%		14.07%							
	Secondary low prior attainment (year 10)	54.47%		14.19%							
	Secondary low prior attainment (year 11)	64.53%		13.78%							

### Other Factors

Factor	Lump Sum per Primary School (£)	Lump Sum per Secondary School (£)	Lump Sum per Middle School (£)	Lump Sum per All-through School (£)	Total (£)	Proportion of total pre MFG funding (%)	Notional SEN (%)		
6) Lump Sum	£171,859.34	£171,859.34			£8,077,389	6.68%	0.00%	0.00%	
7) Sparsity factor	£67,985.71	£98,780.63	£98,780.63	£98,780.63	£0	0.00%	0.00%	0.00%	
Rows 45 to 48 are populated with the NFF methodology, please leave this as is if you wish to follow the NFF. As per the Operational Guidance, the distance thresholds can be increased or the year group size thresholds decreased and the distance threshold taper is optional. An alternative method of allocation to the NFF's average year group size taper can be chosen: the continuous taper (Tapered) or fixed sum (Fixed). Examples of each are provided in the Operational Guidance.									
Primary distance threshold (miles)	2.00	Primary pupil number average year group threshold	21.40	Apply primary distance taper	Yes	NFF, tapered or fixed sparsity primary lump sum?	NFF		
Secondary distance threshold (miles)	3.00	Secondary pupil number average year group threshold	120.00	Apply secondary distance taper	Yes	NFF, tapered or fixed sparsity secondary lump sum?	NFF		
Middle schools distance threshold (miles)	2.00	Middle school pupil number average year group threshold	69.20	Apply middle school distance taper	Yes	NFF, tapered or fixed sparsity middle school lump sum?	NFF		
All-through schools distance threshold (miles)	2.00	All-through pupil number average year group threshold	62.50	Apply all-through distance taper	Yes	NFF, tapered or fixed sparsity all-through lump sum?	NFF		
8) Fringe Payments				Fringe multiplier	1.0000	£0	0.00%		
9) Split Sites	Basic eligibility funding	£63,958.68	Distance funding rate	£31,979.34	£67,387	0.06%	0.00%		
10) Rates					£1,357,589	1.12%	0.00%		
11) PFI funding					£0	0.00%	0.00%		

Appendix 1 – Recommended Authority Proforma Tool 2025/26 – Proposed Schools Block Budget Model and Factor Rates – at 1% Transfer to High Need Block

12) Exceptional circumstances (can only be used with prior agreement of ESFA)				
Circumstance	Total (£)	Proportion of total pre MFG funding (%)	Notional SEN (%)	
Additional lump sum for schools amalgamated during FY24-25	£0	0.00%	0.00%	0.00%
Additional sparsity lump sum for small schools	£0	0.00%	0.00%	
Exceptional Circumstance3	£0	0.00%	0.00%	
Exceptional Circumstance4	£0	0.00%	0.00%	
Exceptional Circumstance5	£0	0.00%	0.00%	
Exceptional Circumstance6	£0	0.00%	0.00%	
Exceptional Circumstance7	£0	0.00%	0.00%	

<b>Total Funding for Schools Block Formula (excluding minimum per pupil funding level and MFG Funding Total)</b>	<b>£120,828,938</b>	<b>100.00%</b>	
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13) Additional funding to meet minimum per pupil funding level	£0	0.00%	0.00%
<b>Total Funding for Schools Block Formula (excluding MFG Funding Total)</b>	<b>£120,828,938</b>	<b>100.00%</b>	

14) Minimum Funding Guarantee		-0.25%		£2,292,809		
Where a value less than -0.5% or greater than 0% has been entered please provide the disapplication reference number authorising the value						
Apply capping and scaling factors? (gains may be capped above a specific ceiling and/or scaled)					No	
Capping Factor (%)		Scaling Factor (%)				
Total deduction if capping and scaling factors are applied					£0	
		Total (£)	Proportion of Total funding(%)	Notional SEN (%)		
MFG Net Total Funding (MFG + deduction from capping and scaling)		£2,292,809	1.86%	0.00%		
<b>Total Funding for Schools Block Formula</b>		<b>£123,121,747</b>		<b>£14,096,626</b>		
Notional SEN	Top-up - proportion of NOR	4.02%	SEN support plus EHCP minus Top-up - proportion of NOR	13.54%	Notional SEN funding per eligible pupil	£4,882

Appendix 1 – Recommended Authority Proforma Tool 2025/26 – Proposed Schools Block Budget Model and Factor Rates – at 1% Transfer to High Need Block

High Needs threshold (only fill in if, exceptionally, a high needs threshold different from £6,000 has been approved)			
Additional funding from the high needs budget			
Growth fund (if applicable)			
Falling rolls fund (if applicable)			
Other Adjustment to 24-25 Budget Shares		£0	
<b>Total Funding For Schools Block Formula (including growth and falling rolls funding)</b>		<b>£123,121,747</b>	
<b>% Distributed through Basic Entitlement</b>		<b>72.22%</b>	
<b>% Pupil Led Funding</b>		<b>92.14%</b>	
<b>Primary: Secondary Ratio</b>	<b>1:</b>	<b>1.26</b>	
25-26 NFF NDR allocation, excluding prior year adjustments		£1,357,589	
<b>Total Funding For Schools Block Formula (including growth and falling rolls funding) after deduction of 25-26 NFF NDR allocation</b>		<b>£121,764,158</b>	

# Appendix 2 – Alternative Authority Proforma Tool 2025/26 – Proposed Schools Block Budget Model and Factor Rates at 0.5% Transfer to High Needs Bock

## Local Authority Funding Reform Proforma

LA Name:

Hammersmith and Fulham

LA Number:

205

Primary minimum per pupil funding level	Secondary (KS3 only) minimum per pupil funding level	Secondary (KS4 only) minimum per pupil funding level	Secondary minimum per pupil funding level	Disapplication number where alternative MPPL values are used
£4,955.00	£6,221.00	£6,831.00	£6,465.00	

## Pupil Led Factors

Description	Reception uplift	No	Pupil Units		0.00					
	Description	Amount per pupil		Pupil Units		Sub Total	Total	Proportion of total pre MFG funding (%)	Notional SEN (%)	
1) Basic Entitlement Age Weighted Pupil Unit (AWPU)	Primary (Years R-6)	£4,619.11		8,331.00		£38,481,816	£88,460,262	31.42%	2.95%	
	Key Stage 3 (Years 7-9)	£6,510.23		4,316.00		£28,098,159		22.94%	2.53%	
	Key Stage 4 (Years 10-11)	£7,339.91		2,981.00		£21,880,286		17.87%	2.53%	
Description	Primary amount per pupil	Secondary amount per pupil	Eligible proportion of primary NOR	Eligible proportion of secondary NOR	Sub Total	Total	Proportion of total pre MFG funding (%)	Primary Notional SEN (%)	Secondary Notional SEN (%)	
2) Deprivation	FSM	£594.35	£594.35	2,555.00	2,117.00	£2,776,800	£15,920,639	13.00%	18.41%	26.40%
	FSM6	£1,272.75	£1,867.10	2,671.00	2,537.00	£8,136,337			18.41%	26.40%
	IDACI Band F	£282.17	£408.24	989.47	776.32	£596,119			7.00%	8.90%
	IDACI Band E	£342.20	£540.32	1,599.03	1,287.56	£1,242,882			11.10%	15.40%
	IDACI Band D	£534.31	£762.45	825.51	664.22	£947,514			27.00%	33.00%
	IDACI Band C	£588.35	£834.49	903.44	838.23	£1,231,025			31.40%	35.40%
	IDACI Band B	£624.37	£894.53	520.23	539.20	£807,142			1.00%	1.00%
	IDACI Band A	£822.48	£1,140.67	89.04	96.07	£182,821			1.00%	1.00%
Description	Primary amount per pupil	Secondary amount per pupil	Eligible proportion of primary NOR	Eligible proportion of secondary NOR	Sub Total	Total	Proportion of total pre MFG funding (%)	Primary Notional SEN (%)	Secondary Notional SEN (%)	
3) English as an Additional Language (EAL)	EAL 3 Primary	£714.42		2,214.28		£1,581,926	£2,763,392	1.99%	100.00%	
	EAL 3 Secondary		£1,915.13		447.13	£856,317				
4) Mobility	Pupils starting school outside of normal entry dates	£1,158.68	£1,662.98	194.56	59.96	£325,150		0.27%	100.00%	100.00%

## Appendix 2 – Alternative Authority Proforma Tool 2025/26 – Proposed Schools Block Budget Model and Factor Rates at 0.5% Transfer to High Needs Bock

	Description	Weighting	Amount per pupil (primary or secondary respectively)	Percentage of eligible pupils	Eligible proportion of primary and secondary NOR respectively	Sub Total	Total	Proportion of total pre MFG funding (%)	Primary Notional SEN (%)	Secondary Notional SEN (%)
5) Low prior attainment	Primary low prior attainment		£1,410.83	29.95%	2,495.17	£3,520,264	£5,713,020	4.66%	100.00%	
	Secondary low prior attainment (year 7)	57.71%	£2,143.26	14.14%	1,023.09	£2,192,756				
	Secondary low prior attainment (year 8)	55.77%		13.94%						
	Secondary low prior attainment (year 9)	54.47%		14.07%						
	Secondary low prior attainment (year 10)	54.47%		14.19%						
	Secondary low prior attainment (year 11)	64.53%		13.78%						
									100.00%	

### Other Factors

Factor	Lump Sum per Primary School (£)	Lump Sum per Secondary School (£)	Lump Sum per Middle School (£)	Lump Sum per All-through School (£)	Total (£)	Proportion of total pre MFG funding (%)	Notional SEN (%)		
6) Lump Sum	£174,222.41	£174,222.41			£8,188,453	6.69%	0.00%	0.00%	
7) Sparsity factor	£68,920.51	£100,138.86	£100,138.86	£100,138.86	£0	0.00%	0.00%	0.00%	
Rows 45 to 48 are populated with the NFF methodology, please leave this as is if you wish to follow the NFF. As per the Operational Guidance, the distance thresholds can be increased or the year group size thresholds decreased and the distance threshold taper is optional. An alternative method of allocation to the NFF's average year group size taper can be chosen: the continuous taper (Tapered) or fixed sum (Fixed). Examples of each are provided in the Operational Guidance.									
Primary distance threshold (miles)	2.00	Primary pupil number average year group threshold	21.40	Apply primary distance taper	Yes	NFF, tapered or fixed sparsity primary lump sum?	NFF		
Secondary distance threshold (miles)	3.00	Secondary pupil number average year group threshold	120.00	Apply secondary distance taper	Yes	NFF, tapered or fixed sparsity secondary lump sum?	NFF		
Middle schools distance threshold (miles)	2.00	Middle school pupil number average year group threshold	69.20	Apply middle school distance taper	Yes	NFF, tapered or fixed sparsity middle school lump sum?	NFF		
All-through schools distance threshold (miles)	2.00	All-through pupil number average year group threshold	62.50	Apply all-through distance taper	Yes	NFF, tapered or fixed sparsity all-through lump sum?	NFF		
8) Fringe Payments				Fringe multiplier	1.0000	£0	0.00%		
9) Split Sites		Basic eligibility funding	£64,838.11	Distance funding rate	£32,419.06	£68,313	0.06%	0.00%	
10) Rates						£1,357,589	1.11%	0.00%	
11) PFI funding						£0	0.00%	0.00%	



Appendix 2 – Alternative Authority Proforma Tool 2025/26 – Proposed Schools Block Budget Model and Factor Rates at 0.5% Transfer to High Needs Bock

12 ) Exceptional circumstances (can only be used with prior agreement of ESFA)				
Circumstance	Total (£)	Proportion of total pre MFG funding (%)	Notional SEN (%)	
Additional lump sum for schools amalgamated during FY24-25	£0	0.00%	0.00%	0.00%
Additional sparsity lump sum for small schools	£0	0.00%	0.00%	
Exceptional Circumstance3	£0	0.00%	0.00%	
Exceptional Circumstance4	£0	0.00%	0.00%	
Exceptional Circumstance5	£0	0.00%	0.00%	
Exceptional Circumstance6	£0	0.00%	0.00%	
Exceptional Circumstance7	£0	0.00%	0.00%	

<b>Total Funding for Schools Block Formula (excluding minimum per pupil funding level and MFG Funding Total)</b>	<b>£122,471,669</b>	<b>100.00%</b>		
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13) Additional funding to meet minimum per pupil funding level	£0	0.00%	0.00%	
<b>Total Funding for Schools Block Formula (excluding MFG Funding Total)</b>	<b>£122,471,669</b>	<b>100.00%</b>		

14) Minimum Funding Guarantee	0.00%		£1,264,924			
Where a value less than -0.5% or greater than 0% has been entered please provide the disapplication reference number authorising the value						
Apply capping and scaling factors? (gains may be capped above a specific ceiling and/or scaled)					No	
Capping Factor (%)		Scaling Factor (%)				
Total deduction if capping and scaling factors are applied					£0	
		<b>Total (£)</b>		<b>Proportion of Total funding(%)</b>		<b>Notional SEN (%)</b>
MFG Net Total Funding (MFG + deduction from capping and scaling)		£1,264,924		1.02%		0.00%
<b>Total Funding for Schools Block Formula</b>					<b>£123,736,594</b>	
<b>Notional SEN</b>		<b>Top-up - proportion of NOR</b>	4.02%	<b>SEN support plus EHCP minus Top-up - proportion of NOR</b>	13.54%	<b>Notional SEN funding per eligible pupil</b>
						<b>£4,974</b>

Appendix 2 – Alternative Authority Proforma Tool 2025/26 – Proposed Schools Block Budget Model and Factor Rates at 0.5% Transfer to High Needs Bock

High Needs threshold (only fill in if, exceptionally, a high needs threshold different from £6,000 has been approved)		
Additional funding from the high needs budget		
Growth fund (if applicable)		
Falling rolls fund (if applicable)		
Other Adjustment to 24-25 Budget Shares	£0	
<b>Total Funding For Schools Block Formula (including growth and falling rolls funding)</b>	<b>£123,736,594</b>	
<b>% Distributed through Basic Entitlement</b>	<b>72.23%</b>	
<b>% Pupil Led Funding</b>	<b>92.15%</b>	
<b>Primary: Secondary Ratio</b>	<b>1 :</b>	<b>1.26</b>
25-26 NFF NDR allocation, excluding prior year adjustments	£1,357,589	
<b>Total Funding For Schools Block Formula (including growth and falling rolls funding) after deduction of 25-26 NFF NDR allocation</b>	<b>£122,379,004</b>	

Report Ends

**Report to:** Cabinet

**Date:** 10/02/2025

**Subject:** Early Years Budget (Dedicated Schools Grant) 2025/26

**Report of:** Deputy Leader (responsible for Children and Education), Councillor Alex Sanderson and Cabinet Member for Finance and Reform, Councillor Rowan Ree

**Report author:** Tony Burton, Head of Finance Children's Services and Education  
Peter Haylock, Director of Education

**Responsible Director:** Sukvinder Kalsi, Executive Director Finance and Corporate Services  
Jacqui McShannon, Executive Director Peoples Services

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### SUMMARY

This report seeks approval of the 2025/26 Early Years Block of the Dedicated Schools Grant which covers the existing childcare entitlements in addition to the expanding entitlements for working parents of 2-year-old children and children from 9 months up to 2 years old.

The government has extended the number of free childcare offers available to working parents (subject to eligibility) from September 2025 to a maximum of 30 hours per week for 38 weeks for all preschool children from the term after they turn 9 months old.

Local authorities are required to set a local formula for all government funded childcare entitlements for the 2025/26 financial year.

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### RECOMMENDATIONS

1. To approve the 2025/26 budget of £12.920m for 3 and 4-year-olds in line with grant conditions and according to the detailed model outlined in the report.
  2. To approve the 2025/26 budget of £3.781m for 2-year-olds in line with grant conditions and according to the detailed model outlined in the report.
  3. To approve the 2025/26 budget of £3.611m for children from 9 months to 2 years old in line with grant conditions and according to the detailed model outlined in the report.
  4. To note the Department for Education Grant for Maintained Nursery School Supplementary funding estimated at £1.103m for 2025/26.
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## Wards Affected: All

<b>Our Values</b>	<b>Summary of how this report aligns to the H&amp;F Values</b>
Building shared prosperity	The allocation of funding to local schools who are employers within the borough.
Creating a compassionate council	Enables pupils within the borough to receive a good quality education.
Doing things with local residents, not to them	Providing educational opportunities for all pupils within the borough.
Being ruthlessly financially efficient	Contributes to a level of financial stability for schools. The high needs block transfer enables this support to schools to continue and helps to reduce the high needs budget pressure.
Taking pride in H&F	Ensures continuing good quality provision in the borough's schools enabling pupils to take pride in their school and the borough.
Rising to the challenge of the climate and ecological emergency	Assists with the delivery of climate Education to young people within the borough.

## Financial Impact

The Early Years proposed budget for 2025/26 will ensure the 96% pass through rate of grant directly to early years providers as required by the funding regulations and grant conditions.

The increases in funding to early years providers proposed is afforded by the increase in the hourly funded rate confirmed by the ESFA for 2025/26. The budget has been based on expected take-up of the government's funded childcare entitlements in the 2025/26 financial year.

An allowance has been budgeted for contingency in each of the entitlements. This allows for risk around census points that guide funding received by Hammersmith and Fulham versus those paid to providers based on the profiled of uptake of entitlements. The contingency also allows for volatility with respect to the deprivation supplement which is paid on a sliding scale according to the child's home postcode.

The deprivation bands remain unchanged from the 2024/25 financial year and affordability within the proposed funding model has been validated with respect to IDACI deprivation ratings in the Autumn 2024 cohort as represented in the termly census.

*Tony Burton, Head of Finance Children's Services and Education, 16 December 2024  
Verified by Sukvinder Kalsi, Executive Director of Finance and Corporate Services, 28 January 2025*

## Legal Implications

The Council has the power to create a budget and incur this expenditure as part of its duties to provide support for Early Education and Childcare under the Childcare Acts 2006 and 2016 together with its statutory guidance.

The Early Years block of Dedicated Schools Grant (DSG) is payable to local authorities under section 14 of the Education Act 2002. It is a 'ring fenced grant' that is to say it must be solely spent on the grant conditions, which need to be monitored to ensure compliance. Guidance has been prepared by the Education and Skills Funding Agency (ESFA) to assist local authorities in the operation of the grant, including the 2025 and 2026 Technical Guidance published in December 2024, the Early Years Entitlements: Local Authority Funding Operational Guide 2025 2026 and the School and Early Years Finance and Childcare (Provision of Information About Young Children) (Amendment) (England) Regulations 2024 which all support the changes and new entitlements outlined in the report in relation to how the grant funding must be spent.

Each year new regulations are issued as they only cover one year the current being School and Early Years Finance and Childcare (Provision of Information About Young Children) (Amendment) (England) Regulations 2024. These Regulations provide that Local Authorities must consult their Schools Forum and schools maintained by them when determining the school funding formula. Cabinet is the decision-making body for the schools funding formula and must consider the outcome of the consultation and take that into consideration when making a decision on whether to adopt the NFF, as per Schools Forum's recommendation. Although not duty bound to follow the recommendation of Schools Forum following the consultation, if Cabinet departs from the recommendation clear reasons must be given.

*Implications verified by Jade Monroe, Chief Solicitor, Social Care, 16 December 2024*

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## Background Papers Used in Preparing This Report

Schools Forum Papers and draft minutes:

- Schools Forum 21<sup>st</sup> January 2025 – Proposed Early Years Budget 2025/26  
[Schools Forum](#) – see item 4
- Early Years Operational Guidance 2025 to 2026  
[Early years entitlements: local authority funding operational guide 2025 to 2026 - GOV.UK](#)

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## DETAILED ANALYSIS

### Background to the Early Years National Funding Formula 2025/26

1. The 2025/26 Early Years Block funding allocation and operational guidance was received on 10<sup>th</sup> December 2024.

2. The proposed budget for 2025/26 early years entitlements is based on the January 2024 early years census and estimates of expected take-up of the new entitlements in 2025/26. Table 1 below gives a high-level summary of the proposed budget which totals £21.407m across all funding elements.
3. Summary explanations of the funded childcare offer including funding rates applicable in 2025/26 are set out below:
4. Universal entitlement for 3 and 4-year-olds – 15 hours free childcare for all 3 and 4-year-olds available from the term after their 3rd birthday for a maximum of 38 weeks per year. Funding will be received by LBHF at £8.87 per hour in 2025/26. This is a £0.16 per hour increase or 1.84% increase on the final 2024/25 funded rate at £8.61.
5. Note that of the £0.16 per hour increase, £0.12 per hour relates to mainstreaming of the Early Years Block Grant of £0.12 per hour for primary schools with Nursery provision. The Early Years Block Grant was introduced as a separate grant for schools from September 2024 to meet the national pay award for qualified teachers from September 2024.
6. Additional entitlement working parents 3 and 4-year-olds – additional 15 hours free childcare for eligible working parent from the term after their 3rd birthday for a maximum of 38 weeks per year. Parents are required to obtain a 30-hour code. Funding will be received by LBHF at £8.87 per hour in 2025/26 financial year.
7. Targeted offer for families receiving additional support (formerly known as the disadvantaged offer for 2-Year Olds) – 15 hours free childcare for eligible 2-year-old children from the term after their 2nd birthday for a maximum of 38 weeks per year. Funding received is £11.98 per hour in the 2025/26 financial year.
8. Working Parent entitlement for 2-year-olds – this is a new offer of 15 hours free childcare for eligible children following their 2nd birthday for a maximum of 38 weeks per year. 30 hours will be available to eligible parents from September 2025. Funding received is £11.98 per hour in the 2025/26 financial year.
9. Working Parent entitlement for 9 months up to 2 years old – this is a new offer of 15 hours free childcare for eligible children from the term after they are 9 months for a maximum of 38 weeks per year. 30 hours will be available to eligible parents from September 2025. Funding received is £16.58 per hour in the 2025/26 financial year.
10. Maintained Nursery School Supplementary Funding – this additional funding for maintained nurseries was initiated as part of the move to the National Funding Formula to provide funding protection with respect to historic duties to 3 and 4-year-olds. An estimated initial allocation of £1.103m in 2025/26 is based on the January 2024 census for 3 and 4-year-olds accessing the universal entitlement. This figure includes the allowance for MNS share of Teachers Pay and Pension Grant and the September 2024 Early Years Block Grant for Teachers pay. This allocation is subject to change depending on actual participation and will be adjusted accordingly in July 2026 as a result of the January 2026 census.



11. Early Years (EY) Pupil Premium – additional funding for disadvantaged children has been extended to all the Early Years offers detailed above. It will be paid as a top up of £1.00 per hour up in 2025/26 to a maximum of £500 per year (38 weeks). This is a 51.5% increase on the 2024/25 rate. Eligibility relates to benefits received by the family and must be confirmed by the provider and recorded on the termly head count.
12. Disability Access Fund – additional per pupil funding for those receiving DLA to access all EY entitlements. This was previously for 3 and 4-year-olds only and has been extended to all Early Years offers from 1st April 2024. Funding has increased by £28 to £938 per eligible pupil per annum.

**Table 1: Breakdown of Initial Early Years Funding Allocations 2025/26**  
(January 2024 headcount and DfE estimates)

<b>Childcare Entitlement</b>	<b>Amount £m</b>
<b>3 and 4-year-olds</b>	
Universal Offer - 15 hours	10.573
Extended Offer for Working Parents - Additional 15 hours	2.151
Disability Access Fund	0.076
EY Pupil Premium	0.12
<b>Sub-total 3 and 4-year-olds offer</b>	<b>12.920</b>
<b>Two-year-olds</b>	
Targeted Offer - Families Receiving Additional Support - 15 Hours	1.332
Working Parent offer - 15 hours rising to 30 September 2025	2.388
Disability Access Fund	0.014
EY Pupil Premium	0.047
<b>Sub-total 2-year-old Offer</b>	<b>3.781</b>
<b>9 Month up to 2 years</b>	
Working Parent offer - 15 hours rising to 30 September 2025	3.601
Disability Access Fund	0.006
EY Pupil Premium	0.004
<b>Sub-total 9 Months up to 2 years old offer</b>	<b>3.611</b>
<b>Maintained nursery school supplementary grant funding</b>	<b>1.103</b>
<b>TOTAL</b>	<b>21.415</b>

## 2025/26 Proposed Budget Model – All Entitlements

13. The 2025/26 draft budget model is based on the initial allocation detailed above and summarised in Table 2. The proposed breakdown of the use of the new hourly funding rates for each entitlement is shown in the Table 3.

**Table 2: Draft 2025/26 Early Years Budget by entitlement**

	<b>25/26</b>	<b>25/26</b>	<b>25/26</b>
	<b>3 and 4 YO Entitlements (Universal &amp; Extended)</b>	<b>2 YO Entitlements (Working Parents &amp; Targeted Additional Support)</b>	<b>Under 2 YO Entitlements (Working Parents)</b>
	<b>£m</b>	<b>£m</b>	<b>£m</b>
A. Base Rate - Participation based on estimated hours	9.640	3.121	3.125
B. Deprivation Supplement - Participation	1.033	0.270	0.167
C. Supplement for Quality	0.416	0.000	0.000
D. SEN Inclusion Fund	0.502	0.149	0.143
E. Lump Sum to MNS	0.574	0.000	0.000
F. Contingency	0.057	0.031	0.022
G. Central expenditure - 4%	0.502	0.149	0.143
<b>TOTAL Planned Expenditure</b>	<b>12.724</b>	<b>3.720</b>	<b>3.600</b>

**Table 3: Factors and Hourly Rates Proposed 2025/26**

	<b>25/26</b>	<b>25/26</b>	<b>25/26</b>
	<b>3 and 4 YO Entitlements (Universal &amp; Extended)</b>	<b>2 YO Entitlements (Working Parents &amp; Targeted Additional Support)</b>	<b>Under 2 YO Entitlements (Working Parents)</b>
	<b>£ per hour</b>	<b>£ per hour</b>	<b>£ per hour</b>
A. Base Rate - Participation based on estimated hours	6.72	10.05	14.39
B. Deprivation Supplement - Participation	0.72	0.87	0.77
C. Supplement for Quality	0.29	Nil	Nil
D. SEN Inclusion Fund	0.35	0.48	0.66
E. Lump Sum to MNS	0.40	Nil	Nil
F. Contingency	0.04	0.10	0.10
G. Central expenditure - 4%	0.35	0.48	0.66
<b>TOTAL Funded Hourly Rate</b>	<b>8.87</b>	<b>11.98</b>	<b>16.58</b>

## Key Elements of the Proposed Budget Models 2025/26

14. All providers, both schools, private & voluntary nursery providers and childminders to be funded according to the DFE regulations. The value of supplements for each entitlement must not exceed 12% of the total amount of the payments made.
15. Factor A - Universal base rates paid for every hour under the governments early years Entitlements for the financial year starting April 2025.
16. Factor B – Deprivation Supplement
  - This is a mandatory supplement for 3 and 4-year-old offer and in order to remain within the overall supplements limit of 12% (including Factor C Quality). Modelling of current payments indicates that the current IDACI banding hourly rates pay over this limit. The rates have been held at 2024/25 levels. Details are provided in Appendix A.
  - A deprivation supplement has been included for both 2-year-old offers and under 2-year-old offer on the same basis as the 3 and 4-year-old offer.
17. Factor C - Quality. This supplement is for 3 and 4-year-old offer only and relates solely to the Teachers Pay and Pension grants which was rolled into the EY funding in 2023/24 and continues to be applicable in 2025/26. This funding includes:
  - Teachers Pay Additional Grant paid to schools in 2023/24 which was mainstreamed for 2024/25
  - an allowance for the proposed Teachers Pension Employer contribution increase from April 2024.
  - Early Years Block Grant paid separately to schools by government grant in 2024/25 and now mainstreamed into the Early Years Block from 2025/26
  - This funding will be used for mainstream primaries with nurseries as prescribed by the DfE guidance. Maintained Nursery Schools are not eligible for this funding as pay grants have been added to the Maintained Nursery School supplement.
18. Factor D - SEN Inclusion Fund. All providers at some stage may require additional funding to help them support the needs of individual children with lower level or emerging SEN in their settings. The 2025/26 budget is proposed across all entitlements is based on 4% of the funded rate for each element. This will enable to budget to grow as the activity from new entitlements expands in 2025/26 and 2026/27 financial years.
  - The Early Years Inclusion Fund has been expanded to include all children covered by the extended entitlements who have a low level or emerging SEN from April 2024 as required by regulation.
  - The funding is for use in the setting and is allocated to the provider on an individual basis.
19. Factor E – Lumps sum to maintained nursery schools to support the enhanced offer available to families and children requiring additional support. Increased in 2025/26 to include sector wide early intervention support which had been provided centrally by the Local Authority in 2024/25.

20. Factor F – contingency funding. The contingency is available to manage volatility in funding versus activity between terms and also intended to manage the risk with respect to deprivation for the new entitlements where average IDACI is based on estimates of uptake.
21. Factor G - Central Services Expenditure. The model assumes a budget for central services of £0.794m which is the maximum amount allowed across the entitlements under regulations with the new requirement to pass through 96% of funding to providers.
- The proposed allocation of the central items is detailed in Table 4 below. This represents a reduction in the central budget of circa £0.056m per annum for central spend versus the 2024/25 original budget.
  - A further reduction in central expenditure of circa £0.116m could be expected in 2026/27 financial year if passthrough requirement is further increased from 96% to 97%.
  - Early Intervention services and outreach are therefore proposed to be delivered via H&F maintained nursery schools via an increase in the lump sum budget provision within the 3 and 4 year old budget model.

**Table 4: Proposed Central Services Budget 2025/26**

Item of Central Expenditure	25/26
	Total
	£m
i. Education Early Years Services	0.418
ii. Help and Support for Families in Need	0.237
iii. Finance	0.076
iv. Business Intelligence incl. census	0.063
<b>Total Central Spend</b>	<b>0.794</b>

### Reasons for Decision

22. The Early Years Block of the Dedicated Schools Grant (DSG) are set out and agreed annually according to the process and regulations set out by the Education and Schools Funding Agency (ESFA).
23. The Local Authority must approve the basis for the allocation to schools. Hammersmith & Fulham Schools Forum and Providers have been consulted in December 2024 to January 2025 with the budget details and provider funding rates proposed in this report.

### Equality Implications

24. There are no direct negative equality implications for groups with protected characteristics, under the Equality Act 2010, by the approval of these funding proposals set out in the Recommendations.

25. Officers anticipate a neutral impact as the funding model outlined in this report is determined by the National Funding Formula for Early Years.
- Deprivation funding at the maximum level permitted is being sustained and applied across all the entitlements.
  - The Special Educational Needs Inclusion Fund is being extended across the new entitlements to continue the support provided to meet needs early. This element of the budget will grow over the medium term as the take-up and extension of the entitlements proceed.

### **Risk Management Implications**

26. The report recommends the basis of allocation of Early Years funding to schools for the provision for services for pre-school age children. The report sets out the basis of allocation for existing and new entitlements and includes contingency to cater for the impact of deprivation on entitlement, which could be subject to fluctuation in funded census and termly census data. The report's recommendations are in line with the council's objectives, including creating a compassionate council.

*Jules Binney, Risk and Assurance Manager, 9 December 2024*

### **Climate and Ecological Emergency Implications**

26. There are no climate implications to this decision. This report covers the revenue budgets for the local authority and all early years providers including school in Hammersmith & Fulham. There is no expectation from the DfE that these budgets are used by education providers for anything other than the provision of the government's free childcare entitlements, and the local authority is not able to impose any additional requirements on providers.

*Verified by: Hinesh Mehta, Assistant Director Climate Change, 13 December 2024*

### **Consultation**

27. The local authority consulted with Schools Forum on 21<sup>st</sup> January 2025 with respect to this budget model and to agree the central deployment of funds as required by grant conditions.
28. Prior to Schools Forum the local authority began a short consultation in January 2025 with both schools and private and voluntary nurseries and childminders.
29. Feedback from providers across the sector to date and at workshops held in January suggest broad sufficiency for the new entitlements in Hammersmith and Fulham. This will need to be monitored as uptake of the new government entitlements becomes clearer in the coming months.

### **LIST OF APPENDICES:**

Appendix 1 – Deprivation Supplement

## Appendix 1 – Deprivation Supplement

IDACI Deciles Sliding Scale on postcodes – Decile 1 is most deprived

IDACI Bandings used for Deprivation Supplement to universal hourly rate across all entitlements from April 2025.

IDACI banding	2024/25	
	Hourly Rate Proposed (All Entitlements)	
		£
1		1.33
2		1.23
3		1.12
4		1.02
5		0.92
6		0.40
7		0.20
8		0.05
9		0.00
10		0.00

END



## London Borough of Hammersmith & Fulham

**Report to:** Cabinet

**Date:** 10/02/2025

**Subject:** Capital Programme Monitor and Budget Variations 2024/25 (Quarter 3)

**Report of:** Cabinet Member for Finance & Reform, Councillor Rowan Ree

**Responsible Director:** Sukvinder Kalsi, Executive Director of Finance & Corporate Services

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### SUMMARY

The Council's Corporate Plan for 2023-26 sets out the Council's strategy for delivering on the ambitions and vision to transform its services and spend and invest money to help protect high quality essential services for its residents.

A key value is Building Shared Prosperity, and the Council's overall financial strategy includes significant capital investment in the infrastructure of the Borough and this in turn supports the delivery of the Council's key priorities and strategies. These are:

- build a better future for children and young people
- foster inclusive, sustainable economic growth for everyone
- build more affordable, accessible, safe and sustainable housing
- deliver high quality housing services

All capital programmes are complex and involve considerable local community engagement, procurement, and planning considerations. The capital expenditure forecast for the third quarter of 2024/25 is £226.6m and includes:

- £72.3m investment in acquiring and building new affordable housing and supported accommodation in the Borough
- £77.5m maintaining the existing council homes to ensure compliance and building affordable new homes for residents
- £11m ensuring the safety of Hammersmith Bridge and progressing the stabilisation work
- £10m investment in transport infrastructure
- £5.8m spend on public realm and protection, climate change initiatives and waste collection
- £2.6m investment in school maintenance and decarbonisation schemes and SEN sufficiency provision
- £2.4m investment in disabled facilities adaptation works and social care capital projects

Work is also continuing to complete the Civic Campus development that will re-open the iconic town hall to the public, which will rejuvenate and regenerate an important part of the Borough, providing a vibrant entertainment, arts, business, education, and social destination featuring world-class architecture.

The details of the forecast capital programme for the financial year 2024/25 (including the financing of the programme for the year) and the future years are set out in the report.

**RECOMMENDATIONS**

1. To note the overall forecast of £226.6m for 2024/25 capital expenditure which is a net decrease of £47.5m in comparison to the second quarter forecast of £274.1m.
2. To approve the updated four-year capital programme for 2024-2028 of £666.2m, as detailed in Appendix 1. This is a net increase of £89.8m in comparison to the four-year programme of £576.4m approved at Full Council in February 2024.
3. To note the revenue impact of any additional borrowing, as outlined in the Economic and Strategic Overview section.
4. To approve the net increase in budget for the four-year Housing Capital Programme of £30.1m funded from HRA borrowing, as detailed in the table in Appendix 5
5. To note the prudential indicators presented in Appendix 4, as per Prudential Code requirements.

**Wards Affected:** All

The capital programme contains schemes and projects which are directly linked to the Council’s priorities.

<b>Our Values</b>	<b>Summary of how this report aligns to the H&amp;F Values</b>
Being ruthlessly financially efficient	<p>All capital investment decisions are required to be underpinned by a robust business case that sets out the full costs, funding and risks and any expected financial return alongside the broader outcomes including economic and social benefits.</p> <p>This report provides detailed analysis of the Council’s capital programme financial position and highlights potential risks and their impact on the Council’s resources.</p>
Building shared prosperity	<p>We need to always confirm that spend fits our council’s priorities; challenge how much needs to be spent; and achieve results within agreed budgets. Finance is everyone’s business, and every penny counts. The council will continue to invest in our ambitious housing development programme and work through the planning system to enable 3,000 new energy-efficient 50% genuinely affordable homes to be built.</p>

Creating a compassionate council	As the council's resources have been reduced, we have protected the services on which the most vulnerable residents rely.
Doing things with local residents, not to them	A significant proportion of services are delivered in partnership with local and national companies, and this will continue to promote all business sectors to the benefit of residents. The proposals will implement the Disabled People's Housing Strategy, working in co- production with disabled residents.
Taking pride in H&F	The strategy proposals include significant investment in public realm services, to maintain world-class parks, open spaces, and cemeteries, making sure that parks are a safe space for residents. The proposals also are continuing to invest in CCTV so that residents feel secure in their homes and on the streets.
Rising to the challenge of the climate and ecological emergency	The council has approved a Climate and Ecology Strategy and action plan to deliver its target of net zero greenhouse gas emissions in the borough by 2030. It has been shaped by the work of the resident-led Climate and Ecological Emergency Commission, who worked closely with the Council's Climate Unit and was devised by ten cross-departmental officer working groups.

## Financial Impact

This report and its contents are wholly of a financial nature.

*Andre Mark, Head of Finance (Strategic Planning and Investment), 12 December 2024*

## Legal Implications

There are no direct legal implications in relation to this report. Legal advice will be sought for each Procurement within the programme which will need to comply with the Council's Contract Standing Orders and Financial Regulations.

*Jade Monroe, Chief Solicitor, 11 December 2024*

## Background Papers Used in Preparing This Report

The following documents disclose important facts on which the report is based and have been relied upon in preparing the report:

- Capital Programme 2024-28 (published February 2024)  
[Four Year Capital Programme.pdf \(lbhf.gov.uk\)](#)

## ECONOMIC AND STRATEGIC OVERVIEW

The macro-economic picture is still one of relative uncertainty despite an improving picture. The previous environment of the highest interest rates and inflation seen for a generation has had a significant impact on the cost of materials, labour, and funding costs.

Inflation has risen to 2.3% as at October 2024 after being consistently above the Government target of 2% throughout the previous 2 financial years. The rate of inflation has remained relatively consistent in this financial year, and it is hoped this will provide more stability to cost pressures experienced over previous periods.

The headline Bank of England interest rate remains high (currently 4.75% compared to 0.25% in December 2021). Although the Bank of England reduced the rate by 0.25% in November, uncertainty remains over any future interest rate cuts following the recent Budget announcements.

For the Council, the interest rate regarding long-term borrowing from the Public Works Loans Board (PWLB - where most of the external borrowing is sourced) now stands at 5.3% for General Fund borrowing and 4.7% for HRA borrowing. This is compared to 1.5% in December 2021 (so borrowing is now more than 3 times more expensive than at December 2021).

The Council's underlying need to borrow (Capital Financing Requirement - CFR) to support the capital programme is forecast to increase by £365.3m over the next 4 years (£64.5m regarding the headline General Fund CFR and £300.8m regarding the Housing Revenue Account). CFR in relation to self-financing schemes and finance leases is expected to reduce by £26.1m, mainly due to anticipated loan repayments due to the Council in 2024/25 and 2025/26.

For illustrative purposes it is currently estimated that the increase of £64.5m in the General Fund CFR will result in an estimated additional revenue budget requirement of £5.4m<sup>1</sup> per annum by 2027/28.

These potential revenue implications will need to be reflected in the Council's Treasury Management Strategy and its overall Medium Term Financial Strategy.

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<sup>1</sup> Current cost of borrowing rate of 8.44% calculated using the latest discounted certainty PWLB interest rate of 5.3% and minimum revenue provision (MRP) of 3.24%. MRP on new developments is charged at 2%.

## CAPITAL PROGRAMME 2024/25 – Q3 OVERVIEW

- The updated Quarter 3 2024/25 capital programme is summarised in Table 1. The programme forecast for the year has decreased by £47.5m to £226.6m in comparison to the second quarter. All the variations are detailed in Appendix 1.

**Table 1 – LBHF Capital Programme 2024/25 with proposed Q3 variations**

2024/25 Original Budget (Full Council)	Adjustment to Approved Budget / Slippages	Revised Budget 2024/25	2024/25 Forecast (Q3)	2024/25 Actual spend to date	Slippages / Reprofiting from/(to) future years	Additions/ (Reductions)	Transfers	Total Variances
£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000

EXPENDITURE									
People	7,915	(175)	7,740	5,005	2,361	(878)	(1,857)	-	(2,735)
Place	100,049	4,916	104,965	72,170	32,223	(35,145)	2,350	-	(32,795)
Finance & Corporate	7,587	(5,536)	2,051	2,051	605	-	-	-	-
Housing	-	2,251	2,251	2,251	1,945	-	-	-	-
<b>Sub-total (General Fund)</b>	<b>115,551</b>	<b>1,456</b>	<b>117,007</b>	<b>81,477</b>	<b>37,134</b>	<b>(36,023)</b>	<b>493</b>	<b>-</b>	<b>(35,530)</b>
Place (HRA)	72,538	6,017	78,555	69,872	30,045	(1,305)	(7,378)	-	(8,683)
Housing (HRA)	75,570	2,947	78,517	75,251	27,186	(2,647)	(619)	-	(3,266)
<b>Sub-total (HRA)</b>	<b>148,108</b>	<b>8,964</b>	<b>157,072</b>	<b>145,123</b>	<b>57,231</b>	<b>(3,952)</b>	<b>(7,997)</b>	<b>-</b>	<b>(11,949)</b>
<b>Total Expenditure</b>	<b>263,659</b>	<b>10,420</b>	<b>274,079</b>	<b>226,600</b>	<b>94,365</b>	<b>(39,975)</b>	<b>(7,504)</b>	<b>-</b>	<b>(47,479)</b>

CAPITAL FINANCING									
<b>Specific/External Financing:</b>									
Use of specific resources (grant/section106/ receipts)	76,864	16,897	93,761	81,113	45,358	(6,872)	(6,769)	993	(12,648)
Borrowing-General Fund	53,081	(14,475)	38,606	26,924	9,564	(11,349)	-	(333)	(11,682)
Self-financing borrowing - General Fund	29,914	3,745	33,659	15,713	10,628	(17,946)	-	-	(17,946)
Borrowing -HRA	103,800	4,253	108,053	102,850	28,815	(3,808)	(735)	660	(5,203)
<b>Total Capital Financing</b>	<b>263,659</b>	<b>10,420</b>	<b>274,079</b>	<b>226,600</b>	<b>94,365</b>	<b>(39,975)</b>	<b>(7,504)</b>	<b>-</b>	<b>(47,479)</b>

- Details of the main departmental spend areas and the analysis of variance to the 24/25 are set out below.

**CAPITAL PROGRAMME 2024/25 – DEPARTMENTAL SPEND FORECAST AND VARIANCE ANALYSIS (QUARTER 3)**

**PLACE**

<b>Programme</b>	<b>2024/25 Original Budget (Full Council)</b> £'000	<i>Adjustment to Approved Budget / Slippages</i> £'000	<b>Revised Budget 2024/25 (Q2)</b> £'000	<b>2024/25 forecast (Q3)</b> £'000	<b>2024/25 Actual spend to date</b> £'000	<b>Total Variances</b> £'000	<b>Variance Analysis</b>
Development Programme	40,867	(9,906)	30,961	28,661	10,567	<b>(2,300)</b>	£1.4m Homes and Communities Strategy budget envelope reduced due the predevelopment budgets no longer required, £0.9m slippage to future years
Regeneration Capital Schemes	36,033	16,883	52,916	43,776	20,412	<b>(9,140)</b>	£6m budget reduction in relation to Homes for Refugees scheme as the scheme ended in November 2024, £3.1m slippages to future years with regards to: Stanhope JV payment (£1.9m) , West Kensington Gibbs Green public realm (£0.9m) and Quayside and Old Laundry Yard schemes (£0.4m)
Planning and Corporate Property	8,694	(816)	7,878	6,474	2,161	<b>(1,404)</b>	£1.4m slippage mainly due to rescoping of works at public mortuary
Civic Campus	57,116	(3,950)	53,166	35,220	18,645	<b>(17,946)</b>	Budget reprofiling due to updated cash flow forecast with regards to acquisition of Civic Campus commercial units
Climate Change and Transport	11,670	(394)	11,267	9,969	2,818	<b>(1,307)</b>	Some externally funded schemes (s.106/TfL) will now take place in 2025/26
Hammersmith Bridge	8,809	5,619	14,428	11,048	4,694	<b>(3,380)</b>	Budget reprofiled to reflect latest works programme
Public Realm	8,296	2,827	11,123	5,750	1,991	<b>(5,373)</b>	Availability of waste vehicles may delay purchase to 2025/26
Public Protection	1,102	670	1,772	1,144	980	<b>(682)</b>	Budget reprofiled to align with external funding agreement
<b>Total Place Expenditure</b>	<b>172,587</b>	<b>10,933</b>	<b>183,511</b>	<b>142,042</b>	<b>62,268</b>	<b>(41,478)</b>	



## PEOPLE

Programme	2024/25 Original Budget (Full Council)	Adjustment to Approved Budget / Slippages	Revised Budget 2024/25 (Q2)	2024/25 forecast (Q3)	2024/25 Actual spend to date	Total Variances	Variance Analysis
	£'000	£'000	£'000	£'000	£'000	£'000	
Children's Services	7,915	(3,863)	4,052	2,574	1,693	<b>(1,478)</b>	Net decrease in the forecast mainly due to £0.9m of SEN and School Maintenance budgets being profiled to future years and £0.6m budget adjustment to reflect funding being devolved directly to schools
Adult Social Care	-	3,688	3,688	2,431	688	<b>(1,257)</b>	Revised forecast to remove grant funding currently set aside for future projects. These budgets will be added to the future programme once the approval for the schemes is obtained
<b>Total People Expenditure</b>	<b>7,915</b>	<b>(175)</b>	<b>7,740</b>	<b>5,005</b>	<b>2,381</b>	<b>(2,735)</b>	

## HOUSING

Programme	2024/25 Original Budget (Full Council)	Adjustment to Approved Budget / Slippages	Revised Budget 2024/25 (Q2)	2024/25 forecast (Q3)	2024/25 Actual spend to date	Total Variances	Variance Analysis
	£'000	£'000	£'000	£'000	£'000	£'000	
HRA Asset Management and Compliance Programme	75,570	5,198	78,517	75,251	27,186	<b>(3,266)</b>	The net decrease of £3.3m comprises of: £2.7m carried forward to future years for fire safety schemes. £3.1m reduction in grant funding in relation to climate emergency schemes. An increase of £2.5m in major works and other capital improvements
Single homelessness and rough sleeping supported accommodation	-	-	2,251	2,251	1,945	-	

## FINANCE AND CORPORATE SERVICES

Programme	2024/25 Original Budget (Full Council)	Adjustment to Approved Budget / Slippages	Revised Budget 2024/25 (Q2)	2024/25 forecast (Q3)	2024/25 Actual spend to date	Total Variances	Variance Analysis
	£'000	£'000	£'000	£'000	£'000	£'000	
IT & Digital Services	7,587	(5,536)	2,051	2,051	605	-	

## FOUR YEAR CAPITAL PROGRAMME OVERVIEW

3. Budget Council in February 2024 approved a four-year capital programme for 2024/25 to 2027/28 of £576.4m. The revised programme now stands at £666.2m. The movement (a net increase) of £89.8m is summarised in the below table:

Budget Movement Summary for 2024/25-2027/28 capital programme	General Fund	HRA	Total
	£'m	£'m	£'m
<b>Four-year capital programme budget approved at Full Council in February 2024</b>	<b>143.6</b>	<b>432.8</b>	<b>576.4</b>
2023/24 approved adjustments including carry forward of unspent budgets	22.9	30.1	<b>53.0</b>
Additional budgets approved in 2024/25	14.2	22.6	<b>36.8</b>
<b>Revised four-year capital programme as at Q3 2024/25</b>	<b>180.7</b>	<b>485.5</b>	<b>666.2</b>

4. Detail of the four-year capital programme, including proposed Q3 variations, is presented in Appendix 1.

## General Fund CFR and MRP

5. The General Fund (GF) mainstream programme cuts across the departments and represents schemes which are funded from Council resources (capital receipts or borrowing). It is the area of the programme where the Council has the greatest discretion. The mainstream programme forecast for 2024/25 is £35.3m which represents a net decrease of £11.7m in comparison to the previous quarter. The mainstream programme and quarter 3 movements are summarised in Appendix 2.
6. The mainstream programme does not include self-financing schemes (where the net General Fund revenue borrowing costs are nil). Whilst these will have an impact on the Council's CFR, it is assumed that all Minimum Revenue Payment (MRP) and interest costs will be fully reimbursed through grant contributions, the charging of a state-aid compliant interest rate, the loan repayment, commercial income, or reduction in revenue costs (e.g. lease rental payments). CFR for these schemes is forecast to decrease by £16.4m (£15.7m new expenditure less £32.1m loan repayments) to £71.9m in 2024/25. Appendix 3 details the self-financing schemes and their movements.

7. The additional borrowing forecast for 2024/25 is currently assumed to be internal borrowing, i.e. funded temporarily via our own cash balances, thereby negating the need to borrow externally and the related cost of borrowing. This is particularly advantageous currently given Public Works Loans Board (PWLB) rates are above 5%, which is more than the opportunity cost of the return from investing cash balances. Internal borrowing is however by its nature a finite option and must be considered alongside other strategic priorities for the use of cash balances (such as use of earmarked reserves and the council's investment strategy). This is considered within the overall borrowing strategy, which is constructed across key strands including our capital programme, treasury management strategy and revenue strategy.
8. The below attached table 3 summaries the Councils' CFR <sup>2</sup>(Capital Financing Requirement) and MRP <sup>3</sup>(Minimum Revenue Provision) forecast movements for the four-year programme:

**Table 3 - CFR and MRP forecast movements 2024/25-2027/28 (as at Q3)**

	2024/25 £m	2025/26 £m	2026/27 £m	2027/28 £m
Budgeted MRP (approved at Full Council)	3.02	6.29	6.31	5.24
Forecast MRP (as at Q3 2024/25)	2.72	2.63	5.24	5.24
Forecast closing GF CFR (Full Council)	317.78	317.58	315.70	313.48
Forecast closing GF CFR (as at Q3 2024/25)	270.87	301.35	300.55	299.39
Forecast closing HRA CFR (Full Council)	466.57	534.74	540.14	596.63
Forecast closing HRA CFR (as at Q3 2024/25)	451.19	555.40	593.39	649.16

## CAPITAL PROGRAMME RISKS

9. The following risks have been identified within the current capital programme:
10. **Pre-development costs:** The capital programme includes several affordable housing schemes totalling £24.6m (GF £9.7m and HRA £14.9m) that are still in predevelopment stages. Of this £11.3m was spent by 31 March 2024 (GF £6.1m, HRA £5.2m). Should these schemes not fully progress there is a risk that some, or all, of the expenditure may need to be written off to revenue. As mitigation against this risk the Development Board (chaired by the Executive Director-Place) is providing a gateway and governance process for these schemes before commitment of funds. An earmarked revenue reserves totalling £8.6m (£5m GF and £3.6m HRA) have been also set aside as further mitigation.
11. **Self-financing:** £63m of the self-financing schemes is in relation to acquisition of Civic Campus commercial units. The financing of the borrowing costs for this scheme is highly sensitive to market changes and therefore there is a risk that, in

<sup>2</sup> Capital Financing Requirement (CFR) – measurement of the Council's underlying need to borrow for capital purpose. Increase in CFR puts additional pressures on revenue budgets.

<sup>3</sup> Minimum Revenue Provision (MRP)- minimum amount by statute which a Council must charge to its revenue budget each year, to set aside a provision for repaying external borrowing (loans). This is an annual revenue expense in a Council's budget and is reflected in the Medium-Term Financial Strategy (MTFS). The MRP will, over time, reduce the CFR.

the current economic climate, anticipated rental income targets might be lower than forecast and will not be sufficient to cover the associated borrowing costs, currently estimated at £4.5m per annum based on 2% MRP and a 5.2% interest rate.

12. **Capital receipts:** There are currently no forecast General Fund capital receipts and therefore the Council will rely on borrowing to finance capital programmes in future years. However, the Council's Property Transformation team is systematically reviewing all assets as part of asset management best practice and as part of the wider accommodation strategy. As part of this programme of work, surplus assets may be identified that cannot be re-purposed for other uses and that could be sold for a capital receipt to support the capital programme. Any decisions on asset disposals will be the subject of a future report.
13. **The Civic Campus** continues to be delayed due to the impact of the site incident in May 2022. Principal delays concern the completion of the steel structure of the glass box extension, and the consequences of sustained water ingress and damage in the Town Hall requiring repair and restoration. Works are closely monitored by the Client Management Team (CMT) which has been expanded to bring in further specialist technical and legal advisers. Analysis of the build programme with specialist programme planners is underway to establish an updated programme. The Health & Safety Executive (HSE) report on the site incident is still awaited, and the Council is making representations to the HSE regarding this continued delay and its impact on the conclusion of the outstanding insurance claim.
14. **Right to Buy funding (retained receipts):** The Council has retained £20.4m of RTB 1-4-1 receipts which need to be spent within five years from the date of retention on eligible expenditure in respect of building new affordable housing schemes. £3.7m of these receipts is due to be spent by 31 March 2025. Should these receipts not be spent in a timely basis, the Council will have to repay them back to the Ministry of Housing, Communities and Local Government (MHCLG) with interest which would be an additional cost to the HRA.
15. **Capital programme affordability:** As with any capital programme, there are associated risk with affordability of the programme in relation to timing and size of capital receipts, prudential borrowing limits and the repayment of any debt incurred (via MRP and interest payments). The MTFS is updated regularly to review and report on these risks to allow for senior officers and members to undertake any reassessment of the approved capital programme and pipeline proposals.

## REASONS FOR DECISION

16. This report reports the quarter 1 position to Cabinet and seeks revisions to the Capital Programme which require the approval of Cabinet in accordance with the Council's financial regulations.

## **EQUALITY IMPLICATIONS**

17. There are no direct equalities implications in relation to this report. This paper is concerned entirely with financial management issues and, as such, the recommendations relating to an increase in capital allocations, will not impact directly on any group with protected characteristics, under the terms of the Equality Act 2010.

## **RISK MANAGEMENT**

18. In the initial stages of any development, major capital projects will have significant uncertainties. For example, these may relate to the planning process, the views and interest of residents and stakeholders who must be consulted, ground conditions, or the costs of rectifying or demolishing existing buildings (e.g. the cost of asbestos removal). Construction companies and developers contracting with the Council which experience financial instability, particularly an issue following Brexit, the war in Ukraine, the impact of cost inflation, high interest rates and increased employment costs. They may not be able to raise sufficient finance to cash flow operations, any potential insolvency process could lead to a costly process of changing suppliers without any guarantee of remaining within overall budget, the Council could suffer direct financial loss, and any defects or other issues may not be resolvable as anticipated. To mitigate the Council carefully considers the financial robustness of any contractor and requests appropriate financial standing assurance and support wherever possible.
19. Large scale capital projects can operate in environments which are complex, turbulent, and continually evolving. Effective risk identification and control within such a dynamic environment is more than just populating a project risk register or appointing a project risk officer. Amplifying the known risks so that they are not hidden or ignored, demystifying the complex risks into their more manageable sum of parts, and anticipating the slow emerging risks which can escalate rapidly are all necessary components of good capital programme risk management.
20. The impact to councils and the construction sector following on from the Grenfell Tower fire has become more apparent with the Phase 2 report being published in September 2024. Government is due to provide its formal response in Spring 2025, at which point the extent of the impact of the Inquiry's recommendations will become clearer. Many councils have or are undertaking property reviews to determine the levels of improvements required to ensure fire safety arrangements within their buildings meet both the expectations of the residents and that they comply with building regulations and other statutory duties.
21. The Fire Safety Act 2021 (the Act) commenced on 16 May 2022. The Act amended the Regulatory Reform (Fire Safety) Order 2005 (the Fire Safety Order). The Act confirms that responsible persons (RPs) for multi-occupied residential buildings must assess, manage, and put in place measures to reduce the risk of fire for the structure and external walls of the building, including cladding, balconies and windows, and entrance doors to individual flats that open into common parts.
22. The Dame Judith Hackitt independent review of fire safety, following the Grenfell tragedy, recognises that High Rise Residential Buildings (10 Storeys and above) are a special risk where layers of fire protection must be put in place to reduce

the risk to as low as reasonably possible, however reducing the risk for all residential accommodation is fundamental. This process is on-going and must be continually reviewed at least annually. The Building Safety Act 2022 has placed additional requirements on existing building owners and on those who are constructing new buildings. Oversight is provided by the Building Safety Regulator.

23. All works must comply with the Construction (Design and Management) Regulations. The Council must appoint a Principal Designer and Principal Contractor with the necessary and demonstrable expertise and competence.
24. Proposals set out in this report seek to comply with the Council's legal duties.
25. The report sets out the ongoing economic uncertainty, including the impact of high interest rates and rising inflation, and identifies actions which will, in part, mitigate this risk.

*Implications verified by: David Hughes, Director of Audit, Fraud, Risk and Insurance, 2 December 2024*

### **VAT IMPLICATIONS**

26. The Council needs to carefully consider its VAT partial exemption calculation and the risk of breaching the partial exemption threshold. Capital projects represent the bulk of this risk. A breach would likely cost the Council between £2-£3m per year whilst in breach. Finance officers are working closely with departments to ensure that partial exemption risks are considered as part of significant capital projects.

*Implications verified by: Joanna Monaghan, Principal Accountant (Taxation), Corporate Finance, 28 August 2024*

### **LIST OF APPENDICES:**

- Appendix 1 – Detailed capital budget, spend and variation analysis by department
- Appendix 2 – GF Mainstream Capital Programme 2024-28
- Appendix 3 – Self-financing schemes
- Appendix 4 – Summary of Prudential Indicators
- Appendix 5- Summary of Housing HRA Budget Movements



## Appendix 1 – Detailed capital budget, spend and variation analysis by department

### SUMMARY CAPITAL PROGRAMME 2024/25-2027/28

2024/25 Original Budget (Full Council) £'000	Adjustment to Approved Budget / Slippages £'000	Revised Budget 2024/25 £'000	2024/25 Forecast (Q3) £'000	2024/25 Actual spend to date £'000	Slippages / Reprofiling from/(to) future years £'000	Additions/ (Reductions) £'000	Transfers £'000	Total Variances £'000
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2025/26 £'000	2026/27 £'000	2027/28 £'000	Total Budget (All years) £'000
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CAPITAL EXPENDITURE									
People	7,915	(175)	7,740	5,005	2,361	(878)	(1,857)	-	(2,735)
Place (General Fund)	100,049	4,916	104,965	70,170	32,223	(35,145)	2,350	-	(32,795)
Finance & Corporate	7,587	(5,536)	2,051	2,051	605	-	-	-	-
Housing (General Fund)	-	2,251	2,251	2,251	1,945	-	-	-	-
<b>Sub-total (General Fund)</b>	<b>115,551</b>	<b>1,456</b>	<b>117,007</b>	<b>81,477</b>	<b>37,134</b>	<b>(36,023)</b>	<b>493</b>	<b>-</b>	<b>(35,530)</b>
Place (HRA)	72,538	6,017	78,555	69,872	30,045	(1,305)	(7,378)	-	(8,683)
Housing (HRA)	75,570	2,947	78,517	75,251	27,186	(2,647)	(619)	-	(3,266)
<b>Sub-total (HRA)</b>	<b>148,108</b>	<b>8,964</b>	<b>157,072</b>	<b>145,123</b>	<b>57,231</b>	<b>(3,952)</b>	<b>(7,997)</b>	<b>-</b>	<b>(11,949)</b>
<b>Total Expenditure</b>	<b>263,659</b>	<b>10,420</b>	<b>274,079</b>	<b>226,200</b>	<b>94,365</b>	<b>(39,975)</b>	<b>(7,504)</b>	<b>-</b>	<b>(47,479)</b>

8,099	5,040	4,314	<b>22,458</b>
67,985	5,636	6,270	<b>152,061</b>
1,662	-	-	<b>3,713</b>
-	-	-	<b>2,251</b>
<b>77,746</b>	<b>10,676</b>	<b>10,584</b>	<b>180,483</b>
65,683	34,764	11,368	<b>181,687</b>
70,159	81,191	77,418	<b>304,019</b>
<b>135,842</b>	<b>115,955</b>	<b>88,786</b>	<b>485,706</b>
<b>213,588</b>	<b>126,631</b>	<b>99,370</b>	<b>666,189</b>

CAPITAL FINANCING									
<b>Specific/External Financing:</b>									
Use of specific resources (grant / section106 / receipts)	76,864	16,897	93,761	81,113	45,358	(6,872)	(6,769)	993	(12,648)
Borrowing-General Fund	53,081	(14,475)	38,606	26,924	20,192	(11,349)	-	(333)	(11,682)
Self-financing borrowing - General Fund	29,914	3,745	33,659	15,713		(17,946)	-	-	(17,946)
Borrowing -HRA	103,800	4,253	108,053	102,850	28,815	(3,808)	(735)	(660)	(5,203)
<b>Total Capital Financing</b>	<b>263,659</b>	<b>10,420</b>	<b>274,079</b>	<b>226,200</b>	<b>94,365</b>	<b>(39,975)</b>	<b>(7,504)</b>	<b>-</b>	<b>(47,479)</b>

50,580	83,501	38,825	<b>254,019</b>
40,856	5,136	4,776	<b>77,692</b>
17,946	-	-	<b>33,659</b>
104,206	37,994	55,769	<b>300,819</b>
<b>213,588</b>	<b>126,631</b>	<b>99,370</b>	<b>666,189</b>

Appendix 1 – Detailed capital budget, spend and variation analysis by department/cont.

Housing	Current Year Programme									Future Years Budgets			
	2024/25 Original Budget (Full Council)	Adjustment to Approved Budget / Slippages	2024/25 Revised Forecast (Q2)	2024/25 Forecast (Q3)	2024/25 Actual spend to date	Variance analysis			Total Variances	2025/26 Budget	2026/27 Budget	2027/28 Budget	Total Budget (All years)
						Adjustment to Approved Budget / Slippages	Additions/ (Reductions)	Transfers					
£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
<b>Scheme Expenditure Summary</b>													
<b>HRA Asset Management and Compliance Programme</b>													
Major Refurbishment Works	7,773	14,037	21,810	22,430	13,801	(596)	1,106	110	620	13,974	6,205	6,026	48,635
Fire Safety Compliance Programme	5,064	486	5,550	6,528	1,899	978			978	6,534	3,148	3,652	19,862
Fire Safety Complex Schemes	15,185	(10,230)	4,955	5,715	2,937	(3,029)		3,789	760	10,016	24,676	13,577	53,984
Lift Schemes	4,192	(1,286)	2,906	2,906	-				-	2,912	1,404	1,079	8,301
Heating Schemes	6,922	(3,897)	3,025	3,025	31				-	6,975	7,000	5,635	22,635
Safety Works - Electrical	5,382	(1,282)	4,100	4,100	1,509				-	4,933	5,100	5,100	19,233
Safety Works	7,924	(5,972)	1,952	1,952	673				-	6,285	14,369	9,989	32,595
Void Works	3,200	7,775	10,975	9,629	1,212			(1,346)	(1,346)	1,201	1,200	1,400	13,430
Other Capital Improvements	2,265	4,211	6,476	4,791	1,213		362	(2,047)	(1,685)	1,497	915	1,148	8,351
Capitalised salaries	11,000	(935)	10,065	10,065	2,040				-	10,822	10,822	10,822	42,531
Capitalised repairs	4,070	-	4,070	4,070	1,614				-	3,500	3,500	3,982	15,052
Climate Emergency and Other future works	2,593	40	2,633	40	257		(2,087)	(506)	(2,593)	1,510	2,852	15,008	19,410
Single homelessness and rough sleeping supported accommodation	-	2,251	2,251	2,251	1,945				-	-	-	-	2,251
<b>HRA Asset Management and Compliance Programme</b>	<b>75,570</b>	<b>5,198</b>	<b>80,768</b>	<b>77,502</b>	<b>29,131</b>	<b>(2,647)</b>	<b>(619)</b>	<b>-</b>	<b>(3,266)</b>	<b>70,159</b>	<b>81,191</b>	<b>77,418</b>	<b>306,270</b>

Appendix 1 – Detailed capital budget, spend and variation analysis by department/cont.

Housing	2024/25 Original Budget (Full Council) £'000	Adjustment to Approved Budget / Slippages £'000	2024/25 Revised Forecast (Q2) £'000	2024/25 Forecast (Q3) £'000	2024/25 Actual spend to date £'000	Adjustment to Approved Budget / Slippages £'000	Additions/ (Reductions) £'000	Transfers £'000	Total Variances £'000	2025/26 Budget £'000	2026/27 Budget £'000	2027/28 Budget £'000	Total Budget (All years) £'000
<b>Capital Financing Summary</b>													
<b>Specific/External or Other Financing</b>													
Capital Grants from Central Government	2,593	995	3,588	506	-		(3,082)		(3,082)	755			1,261
Contributions from leaseholders	3,100	10	3,110	3,110	-				-	2,700	2,700	2,700	11,210
Grants and Contributions from Private Developers (includes S106)	-	1,029	1,029	1,029	306				-	-	-	-	1,029
Capital Grants and Contributions from GLA Bodies	-	1,362	1,362	1,362	1,362				-	-	-	-	1,362
<b>Sub-total - Specific or Other Financing</b>	<b>5,693</b>	<b>3,396</b>	<b>9,089</b>	<b>6,007</b>	<b>1,668</b>	<b>-</b>	<b>(3,082)</b>	<b>-</b>	<b>(3,082)</b>	<b>3,455</b>	<b>2,700</b>	<b>2,700</b>	<b>14,862</b>
<b>Mainstream Financing (Internal Council Resource)</b>													
Capital Receipts (HRA)	2,200	657	2,857	2,857	2,857	-	-	-	-	2,200	2,200	3,000	10,257
Major Repairs Reserve (MRR) / Major Repairs Allowance (MRA)	17,600	(1,519)	16,081	16,081	16,081	-	-	-	-	16,534	17,128	17,929	67,672
<b>Sub-total - Mainstream Funding</b>	<b>19,800</b>	<b>(862)</b>	<b>18,938</b>	<b>18,938</b>	<b>18,938</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>18,734</b>	<b>19,328</b>	<b>20,929</b>	<b>77,929</b>
Borrowing(HRA)	50,077	1,775	51,852	51,668	7,942	(2,647)	2,463		(184)	47,970	59,163	53,789	212,590
Borrowing (GF)	-	889	889	889	583				-	-	-	-	889
<b>Total Capital Financing</b>	<b>75,570</b>	<b>5,198</b>	<b>80,768</b>	<b>77,502</b>	<b>29,131</b>	<b>(2,647)</b>	<b>(619)</b>	<b>-</b>	<b>(3,266)</b>	<b>70,159</b>	<b>81,191</b>	<b>77,418</b>	<b>306,270</b>

Appendix 1 – Detailed capital budget, spend and variation analysis by department/cont.

Place - HRA schemes	Current Year Programme									Future Years Budgets			
	2024/25 Original Budget (Full Council)	Adjustment to Approved Budget / Slippages	2024/25 Revised Forecast (Q2)	2024/25 Forecast (Q3)	2024/25 Actual spend to date	Variance analysis			Total Variances	2025/26 Budget	2026/27 Budget	2027/28 Budget	Total Budget (All years)
						Adjustment to Approved Budget / Slippages	Additions/ (Reductions)	Transfers					
£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	
<b>Scheme Expenditure Summary</b>													
<b>Development Programme</b>													
Homes & Communities Strategy	1,378	(1,378)	-	-	-	1,378	(1,378)	-	-	-	-	-	-
White City Estate Regeneration	958	(212)	746	746	409	-	-	-	365	-	-	1,111	
Becklow Gardens	295	355	650	600	269	(50)	-	(50)	806	203	-	1,609	
Barclay Close	205	345	550	500	246	(50)	-	(50)	285	50	-	835	
Jepson House	525	275	800	750	351	(50)	-	(50)	1,200	1,178	-	3,128	
The Grange	475	175	650	600	241	(50)	-	(50)	960	99	-	1,659	
Hartopp & Lannoy	20,512	(1,012)	19,500	18,000	7,918	(1,500)	-	(1,500)	23,900	3,995	1,000	46,895	
Farm Lane	4,960	(1,960)	3,000	3,000	122	-	-	-	10,000	3,737	400	17,137	
Lillie Road	9,564	(6,964)	2,600	2,000	90	(600)	-	(600)	8,500	12,100	580	23,180	
<b>Subtotal Development Programme</b>	<b>38,872</b>	<b>(10,376)</b>	<b>28,496</b>	<b>26,196</b>	<b>9,646</b>	<b>(922)</b>	<b>(1,378)</b>	<b>(2,300)</b>	<b>46,016</b>	<b>21,362</b>	<b>1,980</b>	<b>95,554</b>	
<b>Regeneration Capital Schemes</b>													
Stanhope Joint Venture	3,522	(2,491)	1,031	1,031	15	-	-	-	400	9,388	9,388	20,207	
Old Laundry Yard	415	(62)	353	103	61	(250)	-	(250)	903	653	-	1,659	
Education City	29,729	(4,729)	25,000	25,000	13,201	-	-	-	18,000	3,361	-	46,361	
Property Acquisition for Affordable Housing	-	9,631	9,631	9,498	103	(133)	-	(133)	133	-	-	9,631	
New Homes for Refugees	-	14,044	14,044	8,044	7,019	-	(6,000)	(6,000)	-	-	-	8,044	
<b>Subtotal Regeneration Capital Schemes</b>	<b>33,666</b>	<b>16,393</b>	<b>50,059</b>	<b>43,676</b>	<b>20,399</b>	<b>(383)</b>	<b>(6,000)</b>	<b>(6,383)</b>	<b>19,436</b>	<b>13,402</b>	<b>9,388</b>	<b>85,902</b>	
<b>Planning and Corporate Property</b>													
Nourish Project (Good Growth Fund)	-	-	-	-	-	-	-	-	231	-	-	231	
<b>Subtotal Planning and Corporate Property</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>231</b>	<b>-</b>	<b>-</b>	<b>231</b>	
<b>Total Place -HRA Schemes</b>	<b>72,538</b>	<b>6,017</b>	<b>78,555</b>	<b>69,872</b>	<b>30,045</b>	<b>(1,305)</b>	<b>(7,378)</b>	<b>(8,683)</b>	<b>65,683</b>	<b>34,764</b>	<b>11,368</b>	<b>181,687</b>	

## Appendix 1 – Detailed capital budget, spend and variation analysis by department/cont.

Place - HRA schemes	2024/25 Original Budget (Full Council) £'000	Adjustment to Approved Budget / Slippages £'000	2024/25 Revised Forecast (Q2) £'000	2024/25 Forecast (Q3) £'000	2024/25 Actual spend to date £'000	Adjustment to Approved Budget / Slippages £'000	Additions/ (Reductions) £'000	Transfers £'000	Total Variances £'000	2025/26 Budget £'000	2026/27 Budget £'000	2027/28 Budget £'000	Total Budget (All years) £'000
<b>Capital Financing Summary</b>													
<b>Specific/External or Other Financing</b>													
Grants and Contributions from Private Developers (includes S106)	2,299	(1,278)	1,021	1,021	15	-	-	-	-	631	6,000	6,000	13,652
Capital Grants/Contributions from Non-departmental public bodies	-	-	-	-	-	-	-	-	-	-	-	-	-
Capital Grants and Contributions from GLA Bodies	300	9,012	9,312	5,792	2,923	-	(4,180)	660	(3,520)	-	-	-	5,792
RtB GLA Ringfence and Affordable Housing Grants	7,168	432	7,600	7,600	6,213	-	-	-	-	545	3,388	3,388	14,921
<b>Sub-total - Specific or Other Financing</b>	<b>9,767</b>	<b>8,166</b>	<b>17,933</b>	<b>14,413</b>	<b>9,151</b>	<b>-</b>	<b>(4,180)</b>	<b>660</b>	<b>(3,520)</b>	<b>1,176</b>	<b>9,388</b>	<b>9,388</b>	<b>34,365</b>
<b>Mainstream Financing (Internal Council Resource)</b>													
Capital Receipts (HRA)	7,374	(3,674)	3,700	3,700	-	-	-	-	-	5,842	46,278	-	55,820
1-4-1 capital receipts	1,909	(942)	967	823	78	(144)	-	-	(144)	2,674	267	-	3,764
<b>Sub-total - Mainstream Funding</b>	<b>9,283</b>	<b>(4,616)</b>	<b>4,667</b>	<b>4,523</b>	<b>78</b>	<b>(144)</b>	<b>-</b>	<b>-</b>	<b>(144)</b>	<b>8,516</b>	<b>46,545</b>	<b>-</b>	<b>59,584</b>
<b>HRA Borrowing</b>	<b>53,488</b>	<b>2,467</b>	<b>55,955</b>	<b>50,936</b>	<b>20,816</b>	<b>(1,161)</b>	<b>(3,198)</b>	<b>(660)</b>	<b>(5,019)</b>	<b>55,991</b>	<b>(21,169)</b>	<b>1,980</b>	<b>87,738</b>
<b>Total Capital Financing</b>	<b>72,538</b>	<b>6,017</b>	<b>78,555</b>	<b>69,872</b>	<b>30,045</b>	<b>(1,305)</b>	<b>(7,378)</b>	<b>-</b>	<b>(8,683)</b>	<b>65,683</b>	<b>34,764</b>	<b>11,368</b>	<b>181,687</b>

Appendix 1 – Detailed capital budget, spend and variation analysis by department/cont.

Place- General Fund Schemes

2024/25 Revised Budget	Adjustment to Approved Budget / Slippages	2024/25 Revised Forecast (Q2)	2024/25 Forecast (Q3)	2024/25 Actual spend to date	Adjustment to Approved Budget / Slippages	Additions/ (Reductions)	Transfers	Total Variances	2025/26 Budget	2026/27 Budget	2027/28 Budget	Total Budget (All years)
£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000

Scheme Expenditure Summary

Civic Campus

Hammersmith Town Hall Refurbishment	27,202	(7,695)	19,507	19,507	8,017			-	-	15,319	-	-	34,826
Acquisition of commercial units	29,264	(2,532)	26,732	10,536	6,529	(16,196)		-	(16,196)	16,196	-	-	26,732
Commercial Units- Cinema Fit Out	-	1,750	1,750	-	-	(1,750)		-	(1,750)	1,750	-	-	1,750
JV Partnership Loan (Civic Campus)	650	4,527	5,177	5,177	4,099	-		-	-	-	-	-	5,177
<b>Sub-total -Civic Campus</b>	<b>57,116</b>	<b>(3,950)</b>	<b>53,166</b>	<b>35,220</b>	<b>18,645</b>	<b>(17,946)</b>		-	-	<b>33,265</b>	-	-	<b>68,485</b>

Development Programme

Mund Street	1,645	542	2,187	2,187	707			-	-	973	360	-	3,520
Community Schools Programme	350	(72)	278	278	214	-		-	-	-	-	-	278
<b>Sub-total -Development Programme</b>	<b>1,995</b>	<b>470</b>	<b>2,465</b>	<b>2,465</b>	<b>921</b>	<b>-</b>		-	-	<b>973</b>	<b>360</b>	<b>-</b>	<b>3,798</b>

Regeneration Capital Schemes

West Kensington & Gibbs Green Public Realm	510	490	1,000	100	13	(900)		-	-	1,400	500	500	2,500
WMC JV Exit Costs	1,857	-	1,857	-	-	(1,857)		-	-	1,857	-	-	1,857
<b>Sub-total- Regeneration Capital Schemes</b>	<b>2,367</b>	<b>490</b>	<b>2,857</b>	<b>100</b>	<b>13</b>	<b>(2,757)</b>		-	-	<b>3,257</b>	<b>500</b>	<b>500</b>	<b>4,357</b>

Planning and Corporate Property

Planned Maintenance/DDA Programme	6,580	386	6,966	5,912	1,843	(1,054)			(1,054)	6,517	2,400	2,400	17,229
Carnwath Road	1,870	(1,870)	-	-	-				-	1,870	-	-	1,870
North End Road - Good Growth Fund	244	668	912	562	318	(350)			(350)	350	-	-	912
<b>Sub-total -Planning and Corporate Property</b>	<b>8,694</b>	<b>(816)</b>	<b>7,878</b>	<b>6,474</b>	<b>2,161</b>	<b>(1,404)</b>		-	-	<b>8,737</b>	<b>2,400</b>	<b>2,400</b>	<b>20,011</b>
<b>Total Expenditure</b>	<b>70,172</b>	<b>(3,806)</b>	<b>66,366</b>	<b>44,259</b>	<b>21,740</b>	<b>(22,107)</b>		-	-	<b>46,232</b>	<b>3,260</b>	<b>2,900</b>	<b>96,651</b>



# Appendix 1 – Detailed capital budget, spend and variation analysis by department/cont.

Place- General Fund Schemes	2024/25 Revised Budget £'000	Adjustment to Approved Budget / Slippages £'000	2024/25 Revised Forecast (Q2) £'000	2024/25 Forecast (Q3) £'000	2024/25 Actual spend to date £'000	Adjustment to Approved Budget / Slippages £'000	Additions/ (Reductions) £'000	Transfers £'000	Total Variances £'000	2025/26 Budget £'000	2026/27 Budget £'000	2027/28 Budget £'000	Total Budget (All years) £'000
<b>Capital Financing Summary</b>													
<b>Specific/External or Other Financing</b>													
Capital Grants from Central Government		194	194	194	194	-	-	-	-	-	-	-	194
Grants and Contributions from Private Developers (includes S106)	1,036	252	1,288	388	150	(900)	-	-	(900)	1,400	500	500	2,788
Community Infrastructure Levy (CIL)	7,200	3,077	10,277	10,277	8,017	-	-	-	-	-	-	-	10,277
Capital Grants/Contributions from Non-departmental public bodies	-	-	-	-	-	-	-	-	-	-	-	-	0
Capital Grants and Contributions from GLA Bodies	20	292	312	312	242	-	-	-	-	-	-	-	312
<b>Sub-total - Specific or Other Financing</b>	<b>8,256</b>	<b>3,815</b>	<b>12,071</b>	<b>11,171</b>	<b>8,603</b>	<b>(900)</b>	<b>-</b>	<b>-</b>	<b>(900)</b>	<b>1,400</b>	<b>500</b>	<b>500</b>	<b>13,571</b>
<b>Mainstream Financing (Internal Council Resource)</b>													
Capital Receipts (GF)			-	-	-	-	-	-	-	-	-	-	-
1-4-1 capital receipts			-	-	-	-	-	-	-	-	-	-	-
<b>Sub-total - Mainstream Funding</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
GF Borrowing	61,916	(7,621)	54,295	33,088	13,137	(21,207)			(21,207)	44,832	2,760	2,400	83,080
<b>Total Borrowing</b>	<b>61,916</b>	<b>(7,621)</b>	<b>54,295</b>	<b>33,088</b>	<b>13,137</b>	<b>(21,207)</b>	<b>-</b>	<b>-</b>	<b>(21,207)</b>	<b>44,832</b>	<b>2,760</b>	<b>2,400</b>	<b>83,080</b>
<b>Total Capital Financing</b>	<b>70,172</b>	<b>(3,806)</b>	<b>66,366</b>	<b>44,259</b>	<b>21,740</b>	<b>(22,107)</b>	<b>-</b>	<b>-</b>	<b>(22,107)</b>	<b>46,232</b>	<b>3,260</b>	<b>2,900</b>	<b>96,651</b>

**Appendix 1 – Detailed capital budget, spend and variation analysis by department/cont.**

Place- General Fund Schemes	2024/25 Revised Budget	Adjustment to Approved Budget / Slippages	2024/25 Revised Forecast (Q2)	2024/25 Forecast (Q3)	2024/25 Actual spend to date	Adjustment to Approved Budget / Slippages	Additions/ (Reductions)	Transfers	Total Variances	2025/26 Budget	2026/27 Budget	2027/28 Budget	Total Budget (All years)
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
<b>Climate Change and Transport</b>													
Footways and Carriageways	150	97	247	247	76	-	-	-	-	150	150	150	697
Transport For London Schemes	-	1,360	1,360	952	443	(408)	-	-	(408)	408	-	-	1,360
Other Highways Capital Schemes	6,520	1,474	7,994	7,095	2,264	(3,261)	2,362	-	(899)	4,511	-	994	12,600
Green Investment Projects	5,000	(3,325)	1,675	1,675	36	-	-	-	-	3,245	-	-	4,920
<b>Sub-total- Climate Change and Transport</b>	<b>11,670</b>	<b>(394)</b>	<b>11,276</b>	<b>9,969</b>	<b>2,818</b>	<b>3,669</b>	<b>2,362</b>	<b>-</b>	<b>(1,307)</b>	<b>8,314</b>	<b>150</b>	<b>1,144</b>	<b>19,577</b>
<b>Hammersmith Bridge</b>													
Hammersmith Bridge Stabilisation Works	4,688	5,914	10,602	10,124	4,447	(700)	-	222	(478)	700	-	-	10,824
Hammersmith Bridge Pre Restoration Works	4,121	(295)	3,826	924	247	(2,680)	-	(222)	(2,902)	2,680	-	-	3,604
<b>Sub-total- Hammersmith Bridge</b>	<b>8,809</b>	<b>5,619</b>	<b>14,428</b>	<b>11,048</b>	<b>4,694</b>	<b>3,380</b>	<b>-</b>	<b>-</b>	<b>(3,380)</b>	<b>3,380</b>	<b>-</b>	<b>-</b>	<b>14,428</b>
<b>Public Realm</b>													
Footways and Carriageways	1,880	254	2,134	2,130	566	(4)	-	-	(4)	1,884	1,880	1,880	7,774
Column Replacement	406	(10)	396	396	116	-	-	-	-	346	346	346	1,434
Other Highways Capital Schemes	453	295	748	748	292	-	-	-	-	700	-	-	1,448
Waste Collection and Disposal Projects	3,381	3,101	6,482	1,078	191	(5,404)	-	-	(5,404)	5,404	-	-	6,482
Kings Coronation Youth Fund	597	(442)	155	107	49	-	(48)	-	(48)	462	-	-	569
Parks Projects	1,359	(221)	1,138	1,221	777	47	36	-	83	485	-	-	1,706
Leisure Centre Capital Investment	220	(150)	70	70	-	-	-	-	-	150	-	-	220
<b>Sub-total- Public Realm</b>	<b>8,296</b>	<b>2,827</b>	<b>11,123</b>	<b>5,750</b>	<b>1,991</b>	<b>(5,361)</b>	<b>(12)</b>	<b>-</b>	<b>(5,373)</b>	<b>9,431</b>	<b>2,226</b>	<b>2,226</b>	<b>19,633</b>
<b>Public Protection</b>													
Public CCTV	1,102	670	1,772	1,144	980	(628)	-	-	(628)	628	-	-	1,772
<b>Sub-total- Public Protection</b>	<b>1,102</b>	<b>670</b>	<b>1,772</b>	<b>1,144</b>	<b>980</b>	<b>628</b>	<b>-</b>	<b>-</b>	<b>(628)</b>	<b>628</b>	<b>-</b>	<b>-</b>	<b>1,772</b>
<b>Total Expenditure</b>	<b>29,877</b>	<b>8,722</b>	<b>38,599</b>	<b>27,911</b>	<b>10,483</b>	<b>(13,038)</b>	<b>2,350</b>	<b>-</b>	<b>(10,688)</b>	<b>21,753</b>	<b>2,376</b>	<b>3,370</b>	<b>55,410</b>

Appendix 1 – Detailed capital budget, spend and variation analysis by department/cont.

Place- General Fund Schemes	2024/25 Revised Budget	Adjustment to Approved Budget / Slippages	2024/25 Revised Forecast (Q2)	2024/25 Forecast (Q3)	2024/25 Actual spend to date	Adjustment to Approved Budget / Slippages	Additions/ (Reductions)	Transfers	Total Variances	2025/26 Budget	2026/27 Budget	2027/28 Budget	Total Budget (All years)
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
<b>Capital Financing Summary</b>													
<b>Specific/External or Other Financing</b>													
Capital Grants from Central Government	-	3,257	3,257	2,557	321	(700)	-	-	(700)	700	-	-	3,257
Grants and Contributions from Private Developers (includes S106/S278)	5,675	1,115	6,790	6,789	2,494	(2,336)	2,335	-	(1)	4,700	-	994	12,483
Capital Grants/Contributions from Non-departmental public bodies	320	361	681	366	132	(628)	(20)	333	(315)	915	-	-	1,281
Capital Grants and Contributions from GLA Bodies	124	1,439	1,563	1,155	452	(408)	-	-	(408)	408	-	-	1,563
<b>Sub-total - Specific or Other Financing</b>	<b>6,119</b>	<b>6,172</b>	<b>12,291</b>	<b>10,867</b>	<b>3,399</b>	<b>(4,072)</b>	<b>2,315</b>	<b>333</b>	<b>(1,424)</b>	<b>6,723</b>	<b>-</b>	<b>994</b>	<b>18,584</b>
<b>Mainstream Financing (Internal Council Resource)</b>													
Capital Receipts	-	6,798	6,798	6,798	-	-	-	-	-	-	-	-	6,798
General Fund Revenue Account (revenue funding)	-	-	-	-	-	-	-	-	-	-	-	-	-
Use of Reserves	2,679	108	2,787	1,944	722	(878)	35	-	(843)	1,060	-	-	3,004
<b>Sub-total - Mainstream Funding</b>	<b>2,679</b>	<b>6,906</b>	<b>9,585</b>	<b>8,742</b>	<b>722</b>	<b>(878)</b>	<b>35</b>	<b>-</b>	<b>(843)</b>	<b>1,060</b>	<b>-</b>	<b>-</b>	<b>9,802</b>
<b>Borrowing</b>	<b>21,079</b>	<b>(4,356)</b>	<b>16,723</b>	<b>8,302</b>	<b>6,363</b>	<b>(8,088)</b>	<b>-</b>	<b>(333)</b>	<b>(8,421)</b>	<b>13,970</b>	<b>2,376</b>	<b>2,376</b>	<b>27,024</b>
<b>Total Capital Financing</b>	<b>29,877</b>	<b>8,722</b>	<b>38,599</b>	<b>27,911</b>	<b>10,483</b>	<b>(13,038)</b>	<b>2,350</b>	<b>-</b>	<b>(10,688)</b>	<b>21,753</b>	<b>2,376</b>	<b>3,370</b>	<b>55,410</b>

Appendix 1 – Detailed capital budget, spend and variation analysis by department/cont.

People	Current Year Programme									Future Years Budgets			Total Budget (All years)
	2024/25 Original Budget (Full Council)	Adjustment to Approved Budget / Slippages	2024/25 Revised Forecast (Q2)	2024/25 Forecast (Q3)	2024/25 Actual spend to date	Variance analysis			2025/26 Budget	2026/27 Budget	2027/28 Budget		
						Adjustment to Approved Budget / Slippages	Additions/ (Reductions)	Transfers				Total Variances	
£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	
<b>Scheme Expenditure Summary</b>													
<b>Children's Services</b>													
SEN sufficiency	2,500	(2,200)	300	100	-	(200)	-	-	(200)	3,011	3,334	2,807	9,252
Carer Housing Adaptations	-	480	480	480	430	-	-	-	-	-	-	-	480
Basic Need Placement Sufficiency	291	700	991	972	972	(19)	-	-	(19)	88	221	-	1,281
Windows & decarbonisation	3,201	3,175	26	58	10	32	-	-	32	2,848	-	-	2,906
Family Hub Transformation Project	-	64	64	64	30	-	-	-	-	-	-	-	64
School Maintenance Programme	1,923	268	2,191	900	251	(691)	(600)	-	(1,291)	2,152	1,485	1,507	6,044
<b>Subtotal Children's Services</b>	<b>7,915</b>	<b>(3,863)</b>	<b>4,052</b>	<b>2,574</b>	<b>1,693</b>	<b>(878)</b>	<b>(600)</b>	<b>-</b>	<b>(1,478)</b>	<b>8,099</b>	<b>5,040</b>	<b>4,314</b>	<b>20,027</b>
<b>Adults Social Care</b>													
Extra Care New Build project (Adults' Personal Social Services Grant)	-	957	957	-	-	-	(957)	-	(957)	-	-	-	-
Disabled Facilities Grant	-	1,519	1,519	1,519	388	-	-	-	-	-	-	-	1,519
Transforming Care (Winterbourne Grant)	-	300	300	-	-	-	(300)	-	(300)	-	-	-	-
Social Care Capital Projects	-	912	912	912	280	-	-	-	-	-	-	-	912
<b>Subtotal Adults Social Care</b>	<b>-</b>	<b>3,688</b>	<b>3,688</b>	<b>2,431</b>	<b>668</b>	<b>-</b>	<b>(1,257)</b>	<b>-</b>	<b>(1,257)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,431</b>
<b>Total Expenditure</b>	<b>7,915</b>	<b>(175)</b>	<b>7,740</b>	<b>5,005</b>	<b>2,361</b>	<b>(878)</b>	<b>(1,857)</b>	<b>-</b>	<b>(2,735)</b>	<b>8,099</b>	<b>5,040</b>	<b>4,314</b>	<b>22,458</b>

Appendix 1 – Detailed capital budget, spend and variation analysis by department/cont.

People	2024/25 Original Budget (Full Council)	Adjustment to Approved Budget / Slippages	2024/25 Revised Forecast (Q2)	2024/25 Forecast (Q3)	2024/25 Actual spend to date	Adjustment to Approved Budget / Slippages	Additions/ (Reductions)	Transfers	Total Variances	2025/26 Budget	2026/27 Budget	2027/28 Budget	Total Budget (All years)
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
<b>Capital Financing Summary</b>													
<b>Specific/External or Other Financing</b>													
Capital Grants from Central Government	7,915	(784)	7,131	4,396	1,931	(878)	(1,857)	-	(2,735)	8,099	5,040	4,314	21,849
<b>Sub-total - Specific or Other Financing</b>	<b>7,915</b>	<b>(784)</b>	<b>7,131</b>	<b>4,396</b>	<b>1,931</b>	<b>(878)</b>	<b>(1,857)</b>	<b>-</b>	<b>(2,735)</b>	<b>8,099</b>	<b>5,040</b>	<b>4,314</b>	<b>21,849</b>
<b>Mainstream Financing (Internal Council Resource)</b>													
General Fund Revenue Account (revenue funding)	-	48	48	48	-	-	-	-	-	-	-	-	48
Use of Reserves	-	432	432	432	430	-	-	-	-	-	-	-	432
<b>Sub-total - Mainstream Funding</b>	<b>-</b>	<b>480</b>	<b>480</b>	<b>480</b>	<b>430</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>480</b>
Borrowing	-	129	129	129	-	-	-	-	-	-	-	-	129
<b>Total Capital Financing</b>	<b>7,915</b>	<b>(175)</b>	<b>7,740</b>	<b>5,005</b>	<b>2,361</b>	<b>(878)</b>	<b>(1,857)</b>	<b>-</b>	<b>(2,735)</b>	<b>8,099</b>	<b>5,040</b>	<b>4,314</b>	<b>22,458</b>

Appendix 1 – Detailed capital budget, spend and variation analysis by department/cont.

Finance and Corporate Services	Current Year Programme									Future Years Budgets			
						Variance analysis							Total Budget (All years) £'000
	2024/25 Original Budget (Full Council) £'000	Adjustment to Approved Budget / Slippages £'000	2024/25 Revised Forecast (Q2) £'000	2024/25 Forecast (Q3) £'000	2024/25 Actual spend to date £'000	Adjustment to Approved Budget / Slippages £'000	Additions/ (Reductions) £'000	Transfers £'000	Total Variances £'000	2025/26 Budget £'000	2026/27 Budget £'000	2027/28 Budget £'000	
<b>Scheme Expenditure Summary</b>													
Invest to Save - Flexible Use of Capital Receipts	3,597	(3,597)	-	-	-	-	-	-	-	-	-	-	-
Investment in Digital Infrastructure	-	229	229	229	109	-	-	-	-	-	-	-	229
Tech-tonic 2 Device refresh	3,990	(2,373)	1,617	1,617	377	-	-	-	-	1,610	-	-	3,227
Business Intelligence Infrastructure	-	205	205	205	119	-	-	-	-	52	-	-	257
<b>Total Expenditure</b>	<b>7,587</b>	<b>(5,536)</b>	<b>2,051</b>	<b>2,051</b>	<b>605</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,662</b>	<b>-</b>	<b>-</b>	<b>3,713</b>
<b>Capital Financing Summary</b>													
<b>Mainstream Financing (Internal Council Resource)</b>													
Capital Receipts	3,597	(2,021)	1,576	1,576	439	-	-	-	-	1,417	-	-	2,993
Use of Reserves	3,755	(3,755)	-	-	-	-	-	-	-	-	-	-	-
<b>Sub-total - Mainstream Funding</b>	<b>7,352</b>	<b>(5,776)</b>	<b>1,576</b>	<b>1,576</b>	<b>439</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,417</b>	<b>-</b>	<b>-</b>	<b>2,993</b>
<b>Borrowing (GF)</b>	<b>-</b>	<b>229</b>	<b>229</b>	<b>229</b>	<b>109</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>229</b>
<b>Borrowing (HRA)</b>	<b>235</b>	<b>11</b>	<b>246</b>	<b>246</b>	<b>57</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>245</b>	<b>-</b>	<b>-</b>	<b>491</b>
<b>Total Capital Financing</b>	<b>7,587</b>	<b>(5,536)</b>	<b>2,051</b>	<b>2,051</b>	<b>605</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,662</b>	<b>-</b>	<b>-</b>	<b>3,713</b>



## Appendix 2 – General Fund Mainstream Capital Programme 2024-28 with proposed 2024/25 Q3 variations

Revised Budget (Q2) £'000	Total Variations £'000	2024/25 Forecast (Q3) £'000	Indicative Budget 2025/26 £'000	Indicative Budget 2026/27 £'000	Indicative Budget 2027/28 £'000	Total Budget (All years) £'000
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Approved Expenditure							
<b>Ad Hoc Schemes:</b>							
Social Care Capital projects [People]	129	-	129	-	-	129	
Business Intelligence Infrastructure [F&C]	205	-	205	52	-	257	
Investment in Digital Infrastructure [F&C]	229	-	229	-	-	229	
Tech-tonic 2 Device refresh [F&C]	1,371	-	1,371	1,365	-	2,736	
WMC JV Exit Costs [Place]	1,857	(1,857)	-	1,857	-	1,857	
Carnwath Road [Place]	-	-	-	1,870	-	1,870	
Hammersmith Bridge Strengthening [Place]	4,797	-	4,797	-	-	4,797	
Hammersmith Bridge Pre Restoration Works [Place]	6,731	(2,680)	4,051	2,680	-	6,731	
Green Investment Projects [Place]	1,920	-	1,920	3,245	-	5,165	
Public CCTV [Place]	1,354	(333)	1,021	-	-	1,021	
North End Road - Good Growth Fund [Place]	601	(350)	251	350	-	601	
Leisure Centre Capital Investment [Place]	70	-	70	150	-	220	
Divestment in local supported housing [Place]	-	-	-	-	-	-	
Mund Street Refurbishment [Place]	1,336	-	1,336	-	-	1,336	
Single homelessness and rough sleeping supported accommodation [Housing]	889	-	889	-	-	889	
Corporate Planned Maintenance Programme [Place]	6,966	(1,054)	5,912	6,517	2,400	17,229	
Waste Collection and Disposal Projects [Place]	6,482	(5,404)	1,078	5,404	-	6,482	
Footways and Carriageways [Place]	1,631	(4)	1,627	2,034	2,030	7,721	
Column Replacement [Place]	396	-	396	346	346	1,434	
Parks Programme & Libraries [Place]	140	-	140	-	-	140	
Hammersmith Town Hall Refurbishment [Place]	9,230	-	9,230	15,319	-	24,549	
Community Schools Programme [Place]	278	-	278	-	-	278	
Mund Street [Place]	369	-	369	973	360	1,702	
<b>Total Mainstream Programmes</b>	<b>46,981</b>	<b>(11,682)</b>	<b>35,299</b>	<b>42,273</b>	<b>5,136</b>	<b>4,776</b>	<b>87,484</b>

Financing							
Capital Receipts	8,374	-	8,374	1,417	-	9,791	
Increase/(Decrease) in Borrowing	38,607	(11,682)	26,925	40,856	5,136	4,776	
<b>Total Financing</b>	<b>46,981</b>	<b>(11,682)</b>	<b>35,299</b>	<b>42,273</b>	<b>5,136</b>	<b>4,776</b>	<b>87,484</b>

## Appendix 3 – Self-financing schemes

**Table 2 - Self-financing schemes and loans CFR movements 2024/25-2027/28 (Quarter 3 forecast)**

	Revised Budget (Q2)	Total Variations	2024/25 Forecast (Q3)	Indicative Budget 2025/26	Indicative Budget 2026/27	Indicative Budget 2027/28	Total Budget (All years)
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
<b>Approved Expenditure</b>							
<i>Ad Hoc Schemes:</i>							
Acquisition of commercial units (Civic Campus) [Place]	26,732	(16,196)	10,536	16,196	-		26,732
Commercial Units- Cinema Fit Out [Place]	1,750	(1,750)	-	1,750	-		1,750
JV Partnership Loan (Civic Campus) [Place]	5,177		5,177	-	-		5,177
<b>Total Mainstream Programmes</b>	<b>33,659</b>	<b>(17,946)</b>	<b>15,713</b>	<b>17,946</b>	<b>-</b>	<b>-</b>	<b>33,659</b>
<b>Financing</b>							
Increase/(Decrease) in Borrowing	33,659	(17,946)	15,713	17,946	-		33,659
<b>Total Financing</b>	<b>33,659</b>	<b>(17,946)</b>	<b>15,713</b>	<b>17,946</b>	<b>-</b>	<b>-</b>	<b>33,659</b>

The current self-financing schemes include:

- £25m equity loan to the Civic Campus programme
- £10m development financing to WKSR LLP
- £63m investment in acquisition of Civic Campus commercial units
- £1.75m Civic Campus Cinema Fit Out

## Appendix 4 – Summary of Prudential Indicators

The Prudential Code requires local authorities to set up and monitor several prudential indicators to ensure that all their capital expenditure, investments and borrowing decisions are prudent and sustainable. In doing so the local authorities will consider their arrangements for the repayment of debt (including through MRP or loans fund repayments) and consideration of risk and the impact, and potential impact, on the authority's overall fiscal sustainability. Indicators for prudence are required to be set over a minimum three-year rolling period. They should also be set in line with a capital strategy and asset management plan that is sustainable over the longer term. Where statutorily ringfenced resources such as the HRA or police fund exist, the indicators of prudence should be set separately for these areas.

As the Council's S151 officer, the Executive Director of Finance and Corporate Services has responsibility to ensure that appropriate prudential indicators are set and monitored and that any breaches are reported to members. The Executive Director of Finance and Corporate Services has confirmed that the PIs set out below are all expected to be complied with in 2024/25 and it is not envisaged at this stage that there will be any difficulty in achieving compliance with the suggested indicators for future years.

Prudential Indicator	2023/24 Actual			2024/25 Forecast			2025/26 Forecast			2026/27 Forecast			2027/28 Forecast		
	GF	HRA	Total	GF	HRA	Total	GF	HRA	Total	GF	HRA	Total	GF	HRA	Total
Capital Expenditure	£102.1m	£82.7m	£184.8m	£81.5m	£145.1m	£226.6m	£77.7m	£135.8m	£213.5m	£10.7m	£116m	£126.7m	£10.6m	£88.8m	£99.4m
Capital Financing Requirement (CFR)	£265.71m	£348.38m	£614.0m	£270.9m	£451.2m	£722.1m	£301.4m	£555.4m	£856.8m	£300.6m	£593.39m	£893.99m	£299.4m	£649.16m	£948.56m
Ratio of Financing Costs to Net Revenue Streams	2.85%	25.62%		2.82%	35.42%		-0.79%	29.75%		0.69%	31.95%		0.84%	32.39%	
Ratio of Commercial/Service Investment Income to Net Revenue Stream	1.80%	2.71%		1.80%	0.07%		1.31%	3.04%		1.33%	2.99%		1.34%	2.91%	
Net Debt vs CFR			£141m under-borrowed			£317m under-borrowed			£474m under-borrowed			£517m under-borrowed			£257m under-borrowed
Authorised Limit for External Debt			£700m			£850m			£920m			£920m			£1,010m
Operational Debt Boundary			£640m			£790m			£860m			£860m			£950m
Limit on surplus funds invested for more than 364 days (non-specified investments)			£120m			£120m			£120m			£120m			£120m
Maturity structure of borrowing			Upper limit under 12 months: 15% Lower limited 10 years and above:100%			Upper limit under 12 months:15% Lower limited 10 years and above:100%			Upper limit under 12 months:15% Lower limited 10 years and above:100%			Upper limit under 12 months: 15% Lower limited 10 years and above:100%			Upper limit under 12 months:15% Lower limited 10 years and above:100%

## Appendix 5 – Summary of Housing HRA Budget Movements

	<b>Additions / (Reductions)</b>	<b>Total Transfers 2024/25-2027/28</b>	<b>Total</b>
	<b>£'m</b>	<b>£'m</b>	<b>£'m</b>
<b>4-year capital programme budget as at Q2 2024/25</b>	<b>273.9</b>	-	273.9
Additional budget for HRA Capitalised Salaries	22.6	-	22.6
Additional budget for HRA Major Refurbishment works, fire safety, and capitalised repairs	10.6	5.44	16.04
Void works & other capital improvements	-	(3.64)	(3.64)
Climate emergency & other future works	-	(1.8)	(1.8)
Reduction in SHDF grant budget in relation to Climate Emergency and Major Refurbishment Works Budgets	(3.1)	-	(3.1)
<b>Total budget movement requiring approval at Q3</b>	<b>30.1</b>	-	<b>30.1</b>
<b>Revised 4-year capital programme as at Q3 2024/25</b>	<b>304.0</b>	-	<b>304.0</b>

## NOTICE OF CONSIDERATION OF A KEY DECISION

In accordance with paragraph 9 of the Local Authorities (Executive Arrangements) (Meetings and Access to Information) (England) Regulations 2012, the Authority hereby gives notice of Key Decisions which the Cabinet, Cabinet Members or Chief Officers intend to consider. The list may change from the date of publication as further items may be entered.

## NOTICE OF THE INTENTION TO CONDUCT BUSINESS IN PRIVATE

The Authority also hereby gives notice in accordance with paragraph 5 of the above Regulations that it may meet in private to consider Key Decisions going to a Cabinet meeting which may contain confidential or exempt information.

Reports relating to Cabinet key decisions which may be considered in private are indicated in the list of Cabinet Key Decisions below, with the reasons for the decision being made in private. Any person is able to make representations to the Cabinet if he/she believes the Cabinet decision should instead be made in the public at the Cabinet meeting. If you want to make such representations, please e-mail Katia Neale on [katia.neale@lbhf.gov.uk](mailto:katia.neale@lbhf.gov.uk). You will then be sent a response in reply to your representations. Both your representations and the Executive's response will be published on the Council's website at least 5 working days before the Cabinet meeting.

## KEY DECISIONS PROPOSED TO BE MADE BY THE AUTHORITY FROM FEBRUARY UNTIL JUNE 2025

The following is a list of Key Decisions which the Authority proposes to take from February 2025. The list may change over the next few weeks.

**KEY DECISIONS** are those which are likely to result in one or more of the following:

- Any expenditure or savings which are significant (ie. in excess of £300,000) in relation to the Council's budget for the service function to which the decision relates;
- Anything affecting communities living or working in an area comprising two or more wards in the borough;
- Anything affecting the budget and policy framework set by the Council.

The Key Decisions List will be updated and published on the Council's website at least on a monthly basis.

**NB: Key Decisions will generally be taken by the Executive at the Cabinet, by a Cabinet Member or by a Chief Officer.**

*If you have any queries on this Key Decisions List, please contact  
Katia Neale on 07776 672 956 or by e-mail to [katia.neale@lbhf.gov.uk](mailto:katia.neale@lbhf.gov.uk)*

## **Access to Key Decision reports and other relevant documents**

Key Decision reports and documents relevant to matters to be considered at the Authority by Cabinet only, will be available on the Council's website ([www.lbhf.org.uk](http://www.lbhf.org.uk)) a minimum of 5 working days before the Cabinet meeting. Further information, and other relevant documents as they become available, can be obtained from the contact officer shown in column 4 of the list below.

## **Decisions**

All Key Decisions will be subject to a 3-day call-in before they can be implemented, unless called in by Councillors.

## **Making your Views Heard**

You can comment on any of the items in this list by contacting the officer shown in column 4. You can also submit a deputation to the Cabinet related to Cabinet Key Decisions only. Full details of how to do this (and the date by which a deputation must be submitted) will be shown in the Cabinet agenda.

## **LONDON BOROUGH OF HAMMERSMITH & FULHAM CABINET**

<b>Leader of H&amp;F</b>	<b>Councillor Stephen Cowan</b>
<b>Deputy Leader (with responsibility for Children and Education)</b>	<b>Councillor Alexandra Sanderson</b>
<b>Cabinet Member for Adult Social Care and Health</b>	<b>Councillor Bora Kwon</b>
<b>Cabinet Member for Social Inclusion and Community Safety</b>	<b>Councillor Rebecca Harvey</b>
<b>Cabinet Member for the Economy</b>	<b>Councillor Andrew Jones</b>
<b>Cabinet Member for Housing and Homelessness</b>	<b>Councillor Frances Umeh</b>
<b>Cabinet Member for Finance and Reform</b>	<b>Councillor Rowan Ree</b>
<b>Cabinet Member for Climate Change and Ecology</b>	<b>Councillor Wesley Harcourt</b>
<b>Cabinet Member for Public Realm</b>	<b>Councillor Sharon Holder</b>
<b>Cabinet Member for Enterprise and Skills</b>	<b>Councillor Zarar Qayyum</b>

*Key Decisions List No. 144 (published 30 January 2025)*



## KEY DECISIONS LIST – FROM FEBRUARY 2025

**The list also includes decisions proposed to be made by future Cabinet meetings**

*Where column 3 shows a report as EXEMPT, the report for this proposed decision will be considered at the private Cabinet meeting. Anybody may make representations to the Cabinet to the effect that the report should be considered at the open Cabinet meeting (see above).*

\* All these decisions may be called in by Councillors; If a decision is called in, it will not be capable of implementation until a final decision is made.

Decision to be made by	Type of decision	Proposed Key Decision  Most decisions are made in public unless indicated below, with the reasons for the decision being made in private.	Lead Executive Councillor(s), Wards Affected, and officer to contact for further information or relevant documents	Documents publication
<b>CABINET MEMBER AND OFFICER DECISIONS</b>				
<b>Finance</b>				
Deputy Leader (with responsibility for Children and Education)	Expenditure/ Income above £300K - Revenue up to £500k and Capital up to 1.5m	<b>Short Term Lease for the School House at Hurlingham Academy</b>  The report requests approval for consent for Hurlingham Academy to enter into a short term lease of the School House (caretakers lodge).	Deputy Leader (with responsibility for Children and Education)	A detailed report for all decisions going to <b>Cabinet</b> will be available at least five working days before the date of the meeting. <b>Cabinet Member Decisions and Officer Decisions</b> reports will be published at the start of the 3-day call-in.
			Ward(s): Palace & Hurlingham	
			Contact officer: Daryle Mathurin Tel: 07816 661199 Daryle.Mathurin@lbhf.gov.uk	
Deputy Leader (with responsibility for Children and Education)	Expenditure/ Income - Revenue between £500,000 and £5m and Capital between £1.5m and £5m	<b>Breakfast Support Provider to Address Food Poverty in Schools</b>  Deliver of expert advice and support to establish hunger focused breakfast provision in schools as well as food deliveries.	Deputy Leader (with responsibility for Children and Education)	A detailed report for all decisions going to <b>Cabinet</b> will be available at least five working days before the date of the meeting. <b>Cabinet Member Decisions and Officer Decisions</b> reports will be published at the start of the
			Ward(s): All Wards	
			Contact officer: Marcus Robinson  Marcus.RobinsonCHS@lbhf.gov.uk	

Decision to be Made by (Cabinet or Council)	Type of decision	Proposed Key Decision  Most decisions are made in public unless indicated below, with the reasons for the decision being made in private.	Lead Executive Councillor(s), Wards Affected, and officer to contact for further information or relevant documents	Documents to be submitted to Cabinet (other relevant documents may be submitted)
				3-day call-in.
Executive Director of Place	Expenditure/ Income above £300K - Revenue up to £500k and Capital up to 1.5m	<p><b>Refurbished Town Hall - Level 06 Fit-Out</b></p> <p>The Council is seeking to tender for works to fit-out the new bar and restaurant area on Level 06 of the refurbished Town Hall. Works are likely to include, floor and wall finishes, lighting, kitchen and bar counter.</p>	<p>Cabinet Member for the Economy</p> <hr/> <p>Ward(s): Hammersmith Broadway</p> <hr/> <p>Contact officer: Philippa Cartwright  Philippa.Cartwright@lbhf.gov.uk</p>	A detailed report for all decisions going to <b>Cabinet</b> will be available at least five working days before the date of the meeting. <b>Cabinet Member Decisions</b> and <b>Officer Decisions</b> reports will be published at the start of the 3-day call-in.
Deputy Leader (with responsibility for Children and Education)	Expenditure/ Income - Revenue between £500,000 and £5m and Capital between £1.5m and £5m	<p><b>GLA funding for Primary School Universal Free School Meals</b></p> <p>The Mayor for London announced £130 million of one-off funding to ensure all school children at publicly funded primary schools in London can receive free school meals for the academic year beginning in September 2023.</p> <p>The funding allocation for Hammersmith &amp; Fulham is funding for schools to implement the meal provision for children in Key Stage 2 who are not otherwise eligible for free school meals.</p>	<p>Deputy Leader (with responsibility for Children and Education)</p> <hr/> <p>Ward(s): All Wards</p> <hr/> <p>Contact officer: Marcus Robinson  Marcus.RobinsonCHS@lbhf.gov.uk</p>	A detailed report for all decisions going to <b>Cabinet</b> will be available at least five working days before the date of the meeting. <b>Cabinet Member Decisions</b> and <b>Officer Decisions</b> reports will be published at the start of the 3-day call-in.
Cabinet Member for the Economy	Affects 2 or more wards	<p><b>Article 4 Direction</b></p> <p>Direction to remove permitted development rights for commercial premises to change use to residential in identified commercial</p>	<p>Cabinet Member for the Economy</p> <hr/> <p>Ward(s): All Wards</p>	A detailed report for all decisions going to <b>Cabinet</b> will be available at

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		areas within the borough.	Contact officer: David Gawthorpe  David.Gawthorpe@lbhf.gov.uk	least five working days before the date of the meeting. <b>Cabinet Member Decisions and Officer Decisions</b> reports will be published at the start of the 3-day call-in.
Cabinet Member for Finance and Reform	Expenditure/ Income above £300K - Revenue up to £500k and Capital up to 1.5m	<b>Smart Building and Environmental Technologies 2023</b>  The council has ambitions to invest in technology to support climate and environmental targets within offices. Facilities are needed to monitor and manage energy and power usage and operate technically efficient buildings whilst providing powerful utilization data.	Cabinet Member for Finance and Reform  Ward(s): All Wards  Contact officer: Ramanand Ladva Tel: 07493864847 Ramanand.Ladva@lbhf.gov.uk	A detailed report for all decisions going to <b>Cabinet</b> will be available at least five working days before the date of the meeting. <b>Cabinet Member Decisions and Officer Decisions</b> reports will be published at the start of the 3-day call-in.
Executive Director of Finance and Corporate Services	Expenditure/ Income above £300K - Revenue up to £500k and Capital up to 1.5m	<b>Council Tax Single Person Discount Review</b>  In line with recommendations from DLUHC, the Council conducts a yearly review of the Single Persons Discount (SPD) which has been granted to residents previously under Section.11 Council Tax (Discount and Disregard) LGFA 1993. This review is to establish whether the resident is still eligible for the discount, which is a 25% reduction on the council tax charge.	Cabinet Member for Finance and Reform  Ward(s): All Wards  Contact officer: Jamie Mullins Tel: 020 8753 1650 Jamie.Mullins@lbhf.gov.uk	A detailed report for all decisions going to <b>Cabinet</b> will be available at least five working days before the date of the meeting. <b>Cabinet Member Decisions and Officer Decisions</b> reports will be published at

Decision to be Made by (Cabinet or Council)	Type of decision	Proposed Key Decision  Most decisions are made in public unless indicated below, with the reasons for the decision being made in private.	Lead Executive Councillor(s), Wards Affected, and officer to contact for further information or relevant documents	Documents to be submitted to Cabinet (other relevant documents may be submitted)
				the start of the 3-day call-in.
Cabinet Member for the Economy	Expenditure/ Income - Revenue between £500,000 and £5m and Capital between £1.5m and £5m	<p><b>Instruction to H&amp;F Developments Ltd to grant a lease on civic campus Block B Restaurant</b></p> <p>The Council's nominee company, H&amp;F Housing Developments Ltd acts on the instruction of the Council in all matters related to the commercial leases on the civic campus</p>	<p>Cabinet Member for the Economy</p> <hr/> <p>Ward(s): Hammersmith Broadway</p> <hr/> <p>Contact officer: Philippa Cartwright</p> <p>Philippa.Cartwright@lbhf.gov.uk</p>	A detailed report for all decisions going to <b>Cabinet</b> will be available at least five working days before the date of the meeting. <b>Cabinet Member Decisions and Officer Decisions</b> reports will be published at the start of the 3-day call-in.
Executive Director of Place	Expenditure/ Income over £5m & policies or new income, reserves use, overspend over £300K	<p><b>Instruction to H&amp;F Developments Ltd to grant cinema lease to successful operator</b></p> <p>The Council's nominee company, H&amp;F Housing Developments Ltd, acts upon the instruction of the council in matters relating to commercial leases at the Civic Campus.</p> <p>PART OPEN PART PRIVATE Part of this report is exempt from disclosure on the grounds that it contains information relating to the financial or business affairs of a particular person (including the authority holding that information) under paragraph 3 of Schedule 12A of the Local Government Act 1972, and in all the circumstances of the case, the public interest in maintaining the exemption outweighs the public interest in disclosing the information.</p>	<p>Cabinet Member for the Economy</p> <hr/> <p>Ward(s): Hammersmith Broadway</p> <hr/> <p>Contact officer: Philippa Cartwright</p> <p>Philippa.Cartwright@lbhf.gov.uk</p>	A detailed report for all decisions going to <b>Cabinet</b> will be available at least five working days before the date of the meeting. <b>Cabinet Member Decisions and Officer Decisions</b> reports will be published at the start of the 3-day call-in.

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Executive Director of Place	Expenditure/ Income above £300K - Revenue up to £500k and Capital up to 1.5m	<p><b>Instruction to H&amp;F Developments Ltd to grant a lease on civic campus Block C cafe</b></p> <p>The Council's nominee company, H&amp;F Housing Developments Ltd acts on the instruction of the Council in all matters related to the commercial leases on the civic campus</p>	<p>Cabinet Member for the Economy</p> <hr/> <p>Ward(s): Hammersmith Broadway</p> <hr/> <p>Contact officer: Philippa Cartwright  Philippa.Cartwright@lbhf.gov.uk</p>	<p>A detailed report for all decisions going to <b>Cabinet</b> will be available at least five working days before the date of the meeting. <b>Cabinet Member Decisions and Officer Decisions</b> reports will be published at the start of the 3-day call-in.</p>
Executive Director of Place	Expenditure/ Income above £300K - Revenue up to £500k and Capital up to 1.5m	<p><b>Instruction to H&amp;F Developments Ltd to grant lease on civic campus Block C retail unit</b></p> <p>The Council's nominee company, H&amp;F Housing Developments Ltd acts on the instruction of the Council in all matters related to the commercial leases on the civic campus</p>	<p>Cabinet Member for the Economy</p> <hr/> <p>Ward(s): Hammersmith Broadway</p> <hr/> <p>Contact officer: Philippa Cartwright  Philippa.Cartwright@lbhf.gov.uk</p>	<p>A detailed report for all decisions going to <b>Cabinet</b> will be available at least five working days before the date of the meeting. <b>Cabinet Member Decisions and Officer Decisions</b> reports will be published at the start of the 3-day call-in.</p>
Executive Director of Place	Expenditure/ Income over £5m & policies or new income, reserves use, overspend over £300K	<p><b>Instruction to H&amp;F Developments Ltd to grant lease on civic campus convenience store to successful operator</b></p> <p>The Council's nominee company, H&amp;F Housing Developments Ltd acts on the instruction of the Council in all matters related to the commercial leases on the civic campus.</p>	<p>Cabinet Member for the Economy</p> <hr/> <p>Ward(s): Hammersmith Broadway</p> <hr/> <p>Contact officer: Philippa Cartwright Philippa.Cartwright@lbhf.gov.uk</p>	<p>A detailed report for all decisions going to <b>Cabinet</b> will be available at least five working days before the date of the meeting. <b>Cabinet</b></p>

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		<p>PART OPEN PART PRIVATE</p> <p>Part of this report is exempt from disclosure on the grounds that it contains information relating to the financial or business affairs of a particular person (including the authority holding that information) under paragraph 3 of Schedule 12A of the Local Government Act 1972, and in all the circumstances of the case, the public interest in maintaining the exemption outweighs the public interest in disclosing the information.</p>		<p><b>Member Decisions and Officer Decisions</b> reports will be published at the start of the 3-day call-in.</p>
Executive Director of Place	Expenditure/Income over £5m & policies or new income, reserves use, overspend over £300K	<p><b>Instruction to H&amp;F Developments Ltd to grant lease on civic campus Block B 1st floor office</b></p> <p>The Council's nominee company, H&amp;F Housing Developments Ltd acts on the instruction of the Council in all matters related to the commercial leases on the civic campus.</p>	<p>Cabinet Member for the Economy</p> <hr/> <p>Ward(s): Hammersmith Broadway</p> <hr/> <p>Contact officer: Philippa Cartwright</p> <p>Philippa.Cartwright@lbhf.gov.uk</p>	<p>A detailed report for all decisions going to <b>Cabinet</b> will be available at least five working days before the date of the meeting. <b>Cabinet Member Decisions and Officer Decisions</b> reports will be published at the start of the 3-day call-in.</p>
Executive Director of Place	Expenditure/Income over £5m & policies or new income, reserves use, overspend over £300K	<p><b>Instruction to H&amp;F Developments Ltd to grant lease on civic campus Block B 2nd floor office</b></p> <p>The Council's nominee company, H&amp;F Housing Developments Ltd acts on the instruction of the Council in all matters related to the commercial leases on the civic campus.</p>	<p>Cabinet Member for the Economy</p> <hr/> <p>Ward(s): Hammersmith Broadway</p> <hr/> <p>Contact officer: Philippa Cartwright</p> <p>Philippa.Cartwright@lbhf.gov.uk</p>	<p>A detailed report for all decisions going to <b>Cabinet</b> will be available at least five working days before the date of the meeting. <b>Cabinet Member Decisions and Officer</b></p>



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				Decisions reports will be published at the start of the 3-day call-in.
Executive Director of Place	Expenditure/Income over £5m & policies or new income, reserves use, overspend over £300K	<p><b>Instruction to H&amp;F Developments Ltd to grant lease on civic campus Block B 3rd floor office</b></p> <p>The Council's nominee company, H&amp;F Housing Developments Ltd acts on the instruction of the Council in all matters related to the commercial leases on the civic campus.</p>	<p>Cabinet Member for the Economy</p> <hr/> <p>Ward(s): Hammersmith Broadway</p> <hr/> <p>Contact officer: Philippa Cartwright  Philippa.Cartwright@lbhf.gov.uk</p>	A detailed report for all decisions going to <b>Cabinet</b> will be available at least five working days before the date of the meeting. <b>Cabinet Member Decisions and Officer Decisions</b> reports will be published at the start of the 3-day call-in.
Executive Director of Place	Expenditure/Income over £5m & policies or new income, reserves use, overspend over £300K	<p><b>Instruction to H&amp;F Developments Ltd to grant lease on civic campus Block B 4th floor office</b></p> <p>The Council's nominee company, H&amp;F Housing Developments Ltd acts on the instruction of the Council in all matters related to the commercial leases on the civic campus.</p>	<p>Cabinet Member for the Economy</p> <hr/> <p>Ward(s): Hammersmith Broadway</p> <hr/> <p>Contact officer: Philippa Cartwright  Philippa.Cartwright@lbhf.gov.uk</p>	A detailed report for all decisions going to <b>Cabinet</b> will be available at least five working days before the date of the meeting. <b>Cabinet Member Decisions and Officer Decisions</b> reports will be published at the start of the 3-day call-in.

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Executive Director of Place	Expenditure/Income over £5m & policies or new income, reserves use, overspend over £300K	<p><b>Instruction to H&amp;F Developments Ltd to grant lease on civic campus Block B 5th floor office</b></p> <p>The Council's nominee company, H&amp;F Housing Developments Ltd acts on the instruction of the Council in all matters related to the commercial leases on the civic campus.</p>	<p>Cabinet Member for the Economy</p> <hr/> <p>Ward(s): Hammersmith Broadway</p> <hr/> <p>Contact officer: Philippa Cartwright  Philippa.Cartwright@lbhf.gov.uk</p>	<p>A detailed report for all decisions going to <b>Cabinet</b> will be available at least five working days before the date of the meeting. <b>Cabinet Member Decisions and Officer Decisions</b> reports will be published at the start of the 3-day call-in.</p>
Executive Director of Place	Expenditure/Income over £5m & policies or new income, reserves use, overspend over £300K	<p><b>Instruction to H&amp;F Developments Ltd to grant lease on civic campus Block B 6th floor office</b></p> <p>The Council's nominee company, H&amp;F Housing Developments Ltd acts on the instruction of the Council in all matters related to the commercial leases on the civic campus.</p>	<p>Cabinet Member for the Economy</p> <hr/> <p>Ward(s): Hammersmith Broadway</p> <hr/> <p>Contact officer: Philippa Cartwright  Philippa.Cartwright@lbhf.gov.uk</p>	<p>A detailed report for all decisions going to <b>Cabinet</b> will be available at least five working days before the date of the meeting. <b>Cabinet Member Decisions and Officer Decisions</b> reports will be published at the start of the 3-day call-in.</p>
Cabinet Member for the Economy	Expenditure/Income - Revenue between £500,000 and £5m and Capital between £1.5m and £5m	<p><b>Instruction to H&amp;F Developments Ltd to grant a lease on civic campus Block B 7th floor office</b></p> <p>The Council's nominee company, H&amp;F Housing Developments Ltd acts on the instruction of the Council in all matters related to the commercial leases on the civic campus.</p>	<p>Cabinet Member for the Economy</p> <hr/> <p>Ward(s): Hammersmith Broadway</p> <hr/> <p>Contact officer: Philippa Cartwright Philippa.Cartwright@lbhf.gov.uk</p>	<p>A detailed report for all decisions going to <b>Cabinet</b> will be available at least five working days before the date of the meeting. <b>Cabinet</b></p>

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				<b>Member Decisions and Officer Decisions</b> reports will be published at the start of the 3-day call-in.
Cabinet Member for the Economy	Expenditure/ Income above £300K - Revenue up to £500k and Capital up to 1.5m	<p><b>Instruction to H&amp;F Developments Ltd to grant lease on civic campus Block B ground floor office / reception</b></p> <p>The Council's nominee company, H&amp;F Housing Developments Ltd acts on the instruction of the Council in all matters related to the commercial leases on the civic campus</p>	<p>Cabinet Member for the Economy</p> <hr/> <p>Ward(s): Hammersmith Broadway</p> <hr/> <p>Contact officer: Philippa Cartwright  Philippa.Cartwright@lbhf.gov.uk</p>	A detailed report for all decisions going to <b>Cabinet</b> will be available at least five working days before the date of the meeting. <b>Cabinet Member Decisions and Officer Decisions</b> reports will be published at the start of the 3-day call-in.
Cabinet Member for the Economy	Expenditure/ Income - Revenue between £500,000 and £5m and Capital between £1.5m and £5m	<p><b>Instruction to H&amp;F Developments Ltd to grant a lease on civic campus Affordable Start-up Unit 2</b></p> <p>The Council's nominee company, H&amp;F Housing Developments Ltd acts on the instruction of the Council in all matters related to the commercial leases on the civic campus</p>	<p>Cabinet Member for the Economy</p> <hr/> <p>Ward(s): Hammersmith Broadway</p> <hr/> <p>Contact officer: Philippa Cartwright  Philippa.Cartwright@lbhf.gov.uk</p>	A detailed report for all decisions going to <b>Cabinet</b> will be available at least five working days before the date of the meeting. <b>Cabinet Member Decisions and Officer Decisions</b> reports will be published at the start of the 3-day call-in.

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Cabinet Member for the Economy	Expenditure/ Income - Revenue between £500,000 and £5m and Capital between £1.5m and £5m	<p><b>Instruction to H&amp;F Developments Ltd to grant a lease on civic campus Affordable Start-up Unit 1</b></p> <p>The Council's nominee company, H&amp;F Housing Developments Ltd acts on the instruction of the Council in all matters related to the commercial leases on the civic campus</p>	Cabinet Member for the Economy	A detailed report for all decisions going to <b>Cabinet</b> will be available at least five working days before the date of the meeting. <b>Cabinet Member Decisions and Officer Decisions</b> reports will be published at the start of the 3-day call-in.
			Ward(s): Hammersmith Broadway	
			Contact officer: Philippa Cartwright  Philippa.Cartwright@lbhf.gov.uk	
Executive Director of Finance and Corporate Services	Expenditure/ Income over £5m & policies or new income, reserves use, overspend over £300K	<p><b>Acquisition of freehold properties</b></p> <p>Acquisition of freehold properties under the Refugee Housing Programme / Local Authority Housing Fund Round 2.</p>	Cabinet Member for Housing and Homelessness	A detailed report for all decisions going to <b>Cabinet</b> will be available at least five working days before the date of the meeting. <b>Cabinet Member Decisions and Officer Decisions</b> reports will be published at the start of the 3-day call-in.
Ward(s):				
Contact officer: Joe Coyne  joe.coyne@lbhf.gov.uk				
Cabinet Member for the Economy	Expenditure/ Income - Revenue between £500,000 and £5m and Capital between £1.5m and £5m	<p><b>Civic Campus Cinema Decision</b></p> <p>Cabinet Member for the Economy to make a decision on entering into an agreement for the cinema lease at the Civic Campus.</p>	Cabinet Member for the Economy	A detailed report for all decisions going to <b>Cabinet</b> will be available at least five working days before the date of the meeting. <b>Cabinet</b>
Ward(s): Hammersmith Broadway				
Contact officer: Philippa Cartwright Philippa.Cartwright@lbhf.gov.uk				

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				<b>Member Decisions and Officer Decisions</b> reports will be published at the start of the 3-day call-in.
Cabinet Member for Social Inclusion and Community Safety	Affects 2 or more wards	<b>LET FPN fine increase</b>  Amendments to fixed penalty notice charges to be issued by Law Enforcement Team	Cabinet Member for Social Inclusion and Community Safety  Ward(s): All Wards  Contact officer: Mohammed Basith  Mohammed.Basith@lbhf.gov.uk	A detailed report for all decisions going to <b>Cabinet</b> will be available at least five working days before the date of the meeting. <b>Cabinet Member Decisions and Officer Decisions</b> reports will be published at the start of the 3-day call-in.
Cabinet Member for Public Realm	Expenditure/ Income - Revenue between £500,000 and £5m and Capital between £1.5m and £5m	<b>Approval for a 10 year lease on 27 Bulwer street W12 8AR</b>  We are seeking approval for a 10 year lease in the north of the borough to house our parking on street enforcement team. the search for a suitable property has been on going for the last 18 months. This property is highly suitable for our operation and will be funded from the existing parking budgets.	Cabinet Member for Public Realm  Ward(s): Shepherds Bush Green  Contact officer: Gary Hannaway Tel: 020 8753 gary.hannaway@lbhf.gov.uk	A detailed report for all decisions going to <b>Cabinet</b> will be available at least five working days before the date of the meeting. <b>Cabinet Member Decisions and Officer Decisions</b> reports will be published at the start of the 3-day call-in.

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Cabinet Member for Public Realm	Expenditure/ Income - Revenue between £500,000 and £5m and Capital between £1.5m and £5m	<b>Registration and Mortuary (Fees and Charges)</b>  To agree the introduction of new service charge categories and approve the proposed uplifted fees and charges from 1 April 2024.	Cabinet Member for Public Realm	A detailed report for all decisions going to <b>Cabinet</b> will be available at least five working days before the date of the meeting. <b>Cabinet Member Decisions and Officer Decisions</b> reports will be published at the start of the 3-day call-in.
			Ward(s): All Wards	
			Contact officer: Kayode Adewumi  Kayode.Adewumi@lbhf.gov.uk	
Executive Director of Place	Expenditure/ Income above £300K - Revenue up to £500k and Capital up to 1.5m	<b>Decision to acquire a property under the Refugee Housing Programme</b>  Decision to acquire leasehold properties in the borough.	Cabinet Member for the Economy	A detailed report for all decisions going to <b>Cabinet</b> will be available at least five working days before the date of the meeting. <b>Cabinet Member Decisions and Officer Decisions</b> reports will be published at the start of the 3-day call-in.
			Ward(s): All Wards	
			Contact officer: Joe Coyne  joe.coyne@lbhf.gov.uk	
Executive Director of Place	Expenditure/ Income above £300K - Revenue up to £500k and Capital up to 1.5m	<b>Delivering affordable homes - acquisition of freehold properties</b>  Acquisition of freehold properties in the borough.	Cabinet Member for the Economy	A detailed report for all decisions going to <b>Cabinet</b> will be available at least five working days before the date of the meeting. <b>Cabinet</b>
			Ward(s): All Wards	
			Contact officer: Joe Coyne  joe.coyne@lbhf.gov.uk	



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				<b>Member Decisions and Officer Decisions</b> reports will be published at the start of the 3-day call-in.
Deputy Leader (with responsibility for Children and Education)	Expenditure/ Income - Revenue between £500,000 and £5m and Capital between £1.5m and £5m	<b>LD Supported Accommodation at Emlyn Gardens</b>  To provide supported accommodation for up to 8 residents to live independently.	Deputy Leader (with responsibility for Children and Education)  Ward(s): White City  Contact officer: Adie Smith Tel: 07554 222 716 adie.smith@lbhf.gov.uk	A detailed report for all decisions going to <b>Cabinet</b> will be available at least five working days before the date of the meeting. <b>Cabinet Member Decisions and Officer Decisions</b> reports will be published at the start of the 3-day call-in.
Cabinet Member for Public Realm	Affects 2 or more wards	<b>Suspensions Fees &amp; Charges Uplift</b>  Uplift of Suspensions Fees & Charges to reflect current requirements.	Cabinet Member for Public Realm  Ward(s): All Wards  Contact officer: Oscar Turnerberg Tel: 074 9854 2978 oscar.turnerberg@lbhf.gov.uk	A detailed report for all decisions going to <b>Cabinet</b> will be available at least five working days before the date of the meeting. <b>Cabinet Member Decisions and Officer Decisions</b> reports will be published at the start of the 3-day call-in.

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Cabinet Member for Public Realm	Affects 2 or more wards	<b>Traffic Orders Fees &amp; Charges Uplift</b>  Uplift of Traffic Orders Fees & Charges to reflect current requirements.	Cabinet Member for Public Realm	A detailed report for all decisions going to <b>Cabinet</b> will be available at least five working days before the date of the meeting. <b>Cabinet Member Decisions</b> and <b>Officer Decisions</b> reports will be published at the start of the 3-day call-in.
			Ward(s): All Wards	
			Contact officer: Oscar Turnerberg Tel: 074 9854 2978 oscar.turnerberg@lbhf.gov.uk	
Executive Director of Place	Expenditure/ Income - Revenue between £500,000 and £5m and Capital between £1.5m and £5m	<b>Decision to acquire properties to support refugee resettlement - D</b>  This decision is one of several key decisions to enable the council to purchase properties to support refugee resettlement in line with the aims of the Refugee Housing Programme.	Cabinet Member for the Economy	A detailed report for all decisions going to <b>Cabinet</b> will be available at least five working days before the date of the meeting. <b>Cabinet Member Decisions</b> and <b>Officer Decisions</b> reports will be published at the start of the 3-day call-in.
Ward(s): All Wards				
Contact officer: Joe Coyne  joe.coyne@lbhf.gov.uk				
Executive Director of Place	Expenditure/ Income - Revenue between £500,000 and £5m and Capital between £1.5m and £5m	<b>Decision to acquire properties to support refugee resettlement - E</b>  This decision is one of several key decisions to enable the council to purchase properties to support refugee resettlement in line with the aims of the Refugee Housing Programme.	Cabinet Member for the Economy	A detailed report for all decisions going to <b>Cabinet</b> will be available at least five working days before the date of the meeting. <b>Cabinet</b>
Ward(s): All Wards				
Contact officer: Joe Coyne  joe.coyne@lbhf.gov.uk				

Decision to be Made by (Cabinet or Council)	Type of decision	Proposed Key Decision  Most decisions are made in public unless indicated below, with the reasons for the decision being made in private.	Lead Executive Councillor(s), Wards Affected, and officer to contact for further information or relevant documents	Documents to be submitted to Cabinet (other relevant documents may be submitted)
				<b>Member Decisions and Officer Decisions</b> reports will be published at the start of the 3-day call-in.
Executive Director of Place	Expenditure/ Income - Revenue between £500,000 and £5m and Capital between £1.5m and £5m	<b>Decision to acquire properties to support refugee resettlement - F</b>  This decision is one of several key decisions to enable the council to purchase properties to support refugee resettlement in line with the aims of the Refugee Housing Programme.	Cabinet Member for the Economy  Ward(s): All Wards  Contact officer: Joe Coyne  joe.coyne@lbhf.gov.uk	A detailed report for all decisions going to <b>Cabinet</b> will be available at least five working days before the date of the meeting. <b>Cabinet Member Decisions and Officer Decisions</b> reports will be published at the start of the 3-day call-in.
Executive Director of People	Expenditure/ Income above £300K - Revenue up to £500k and Capital up to 1.5m	<b>Approve spend for windows related works at Langford Primary</b>  Approve spend for H&S related windows works at Langford Primary School	Deputy Leader (with responsibility for Children and Education)  Ward(s): Sands End  Contact officer: Anthony Mugan  Anthony.Mugan@lbhf.gov.uk	A detailed report for all decisions going to <b>Cabinet</b> will be available at least five working days before the date of the meeting. <b>Cabinet Member Decisions and Officer Decisions</b> reports will be published at the start of the 3-day call-in.

Decision to be Made by (Cabinet or Council)	Type of decision	Proposed Key Decision  Most decisions are made in public unless indicated below, with the reasons for the decision being made in private.	Lead Executive Councillor(s), Wards Affected, and officer to contact for further information or relevant documents	Documents to be submitted to Cabinet (other relevant documents may be submitted)
Deputy Leader (with responsibility for Children and Education)	Expenditure/ Income - Revenue between £500,000 and £5m and Capital between £1.5m and £5m	<p><b>Extension to Olive House Extra Care Contract</b></p> <p>The decision is to extend the Olive House Extra Care Contract for one year, with the option to extend for another year.</p> <p>The service is based on a core and flexi model which fits around resident's needs. This extension will provide a consistent and sustainable Extra Care Service for resident of the borough, which promotes independent living, enabling them to remain in their own home for as long as possible and reduces the need for more expensive residential care.</p>	<p>Deputy Leader (with responsibility for Children and Education)</p> <hr/> <p>Ward(s): Sands End</p> <hr/> <p>Contact officer: Jessie Ellis Jessie.Ellis@lbhf.gov.uk</p>	A detailed report for all decisions going to <b>Cabinet</b> will be available at least five working days before the date of the meeting. <b>Cabinet Member Decisions</b> and <b>Officer Decisions</b> reports will be published at the start of the 3-day call-in.
Cabinet Member for Public Realm	Expenditure/ Income above £300K - Revenue up to £500k and Capital up to 1.5m	<p><b>Linford Christie Stadium Athletics Track Refurbishment</b></p> <p>Refurbishment of athletics track and installation of new LED floodlights.</p>	<p>Cabinet Member for Public Realm</p> <hr/> <p>Ward(s): College Park and Old Oak</p> <hr/> <p>Contact officer: Simon Ingyon Simon.Ingyon@lbhf.gov.uk</p>	A detailed report for all decisions going to <b>Cabinet</b> will be available at least five working days before the date of the meeting. <b>Cabinet Member Decisions</b> and <b>Officer Decisions</b> reports will be published at the start of the 3-day call-in.
Executive Director of Place	Expenditure/ Income above £300K - Revenue up to £500k and Capital up to 1.5m	<p><b>Appointment of Employer's Agent for Construction Works</b></p> <p>Appointment of Employer's Agent for existing construction contract</p>	<p>Cabinet Member for the Economy</p> <hr/> <p>Ward(s): Hammersmith Broadway</p> <hr/> <p>Contact officer: Daniel Murray daniel.murray@lbhf.gov.uk</p>	A detailed report for all decisions going to <b>Cabinet</b> will be available at least five working days before the date of the meeting. <b>Cabinet</b>

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				<b>Member Decisions and Officer Decisions</b> reports will be published at the start of the 3-day call-in.
Deputy Leader (with responsibility for Children and Education)	Affects 2 or more wards	<b>Supported Living Provision</b>  Contract for the provision of supported living services for H&F residents.	Deputy Leader (with responsibility for Children and Education)  Ward(s): All Wards  Contact officer: Rebecca Richardson Tel: 07827879659 rebecca.richardson@lbhf.gov.uk	A detailed report for all decisions going to <b>Cabinet</b> will be available at least five working days before the date of the meeting. <b>Cabinet Member Decisions and Officer Decisions</b> reports will be published at the start of the 3-day call-in.
Cabinet Member for Housing and Homelessness , Cabinet Member for Social Inclusion and Community Safety	Affects 2 or more wards	<b>Domestic Abuse Housing Services Policy</b>  Hammersmith & Fulham Housing Department is required to have a domestic abuse policy as part of the Social Housing Act 2023. Our Domestic Abuse Policy relates to Hammersmith & Fulham tenants and survivors of domestic abuse who apply to Hammersmith & Fulham homelessness service, and sets out how we will identify and respond to domestic abuse.	Cabinet Member for Housing and Homelessness, Cabinet Member for Social Inclusion and Community Safety  Ward(s): All Wards  Contact officer: Anna L K Jane Tel: 07554222791 anna.jane@lbhf.gov.uk	A detailed report for all decisions going to <b>Cabinet</b> will be available at least five working days before the date of the meeting. <b>Cabinet Member Decisions and Officer Decisions</b> reports will be published at the start of the 3-day call-in.

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Executive Director of Finance and Corporate Services	Expenditure/Income over £5m & policies or new income, reserves use, overspend over £300K	<p><b>Third Sector Investment Fund</b></p> <p>A decision, with delegated authority from Cabinet in consultation with the Cabinet Member for Social Inclusion and Community Safety, to award grants to voluntary and community sector organisations in line with the Third Sector Investment Strategy agreed by Cabinet on 15 July 2024.</p>	<p>Cabinet Member for Social Inclusion and Community Safety</p> <hr/> <p>Ward(s): All Wards</p> <hr/> <p>Contact officer: Stefan Robinson stefan.robinson@lbhf.gov.uk</p>	<p>A detailed report for all decisions going to <b>Cabinet</b> will be available at least five working days before the date of the meeting. <b>Cabinet Member Decisions</b> and <b>Officer Decisions</b> reports will be published at the start of the 3-day call-in.</p>
Cabinet Member for Housing and Homelessness	Budg/pol framework	<p><b>Council housing policy updates</b></p> <p>Decision to approve updated council housing policies, following a review of the council housing policy framework.</p>	<p>Cabinet Member for Housing and Homelessness</p> <hr/> <p>Ward(s): All Wards</p> <hr/> <p>Contact officer: Harriet Potemkin harriet.potemkin@lbhf.gov.uk</p>	<p>A detailed report for all decisions going to <b>Cabinet</b> will be available at least five working days before the date of the meeting. <b>Cabinet Member Decisions</b> and <b>Officer Decisions</b> reports will be published at the start of the 3-day call-in.</p>
Cabinet Member for Social Inclusion and Community Safety	Affects 2 or more wards	<p><b>Decision on the renewal of the Public Space Protection Orders - Use of amplifiers</b></p> <p>Prohibit the use of amplifiers in public spaces in Hammersmith Town Centre, Shepherds Bush, and an area of White City.</p>	<p>Cabinet Member for Social Inclusion and Community Safety</p> <hr/> <p>Ward(s): All Wards</p> <hr/> <p>Contact officer: Laura Seamons Tel: 07786965292 laura.seamons@lbhf.gov.uk</p>	<p>A detailed report for all decisions going to <b>Cabinet</b> will be available at least five working days before the date of the meeting. <b>Cabinet</b></p>



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				<b>Member Decisions and Officer Decisions</b> reports will be published at the start of the 3-day call-in.
Cabinet Member for Social Inclusion and Community Safety	Affects 2 or more wards	<p><b>Cost of Living Funding Strategy</b></p> <p>This report sets out the council's Cost of Living Funding Strategy for 2024/25 including the allocation of Household Support Fund grant. The Cost-of-Living programme underscores the Council's ongoing commitment to building a resilient and supportive community, ensuring that no resident is left behind. The Council is investing £6.8m across last year and this year in Cost-of-Living support, continuing to deliver a comprehensive range of support to residents including low-income older residents who have been impacted by the rise in everyday living costs, as well as other priority households and individuals.</p>	<p>Cabinet Member for Social Inclusion and Community Safety</p> <hr/> <p>Ward(s): All Wards</p> <hr/> <p>Contact officer: Matthew Sales, Bathsheba Mall</p> <p>matthew.sales@lbhf.gov.uk, Bathsheba.Mall@lbhf.gov.uk</p>	A detailed report for all decisions going to <b>Cabinet</b> will be available at least five working days before the date of the meeting. <b>Cabinet Member Decisions and Officer Decisions</b> reports will be published at the start of the 3-day call-in.
Cabinet Member for Children and Education (expired July 2024)	Expenditure/ Income - Revenue between £500,000 and £5m and Capital between £1.5m and £5m	<p><b>Accommodation and Travel</b></p> <p>The provision of Travel, Transport, Accommodation and Venue Solutions, across People's Services.</p>	<p>Cabinet Member for Children and Education (expired July 2024)</p> <hr/> <p>Ward(s): All Wards</p> <hr/> <p>Contact officer: Joe Gunning Tel: 07769672031 Joe.Gunning@lbhf.gov.uk</p>	A detailed report for all decisions going to <b>Cabinet</b> will be available at least five working days before the date of the meeting. <b>Cabinet Member Decisions and Officer</b>

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				Decisions reports will be published at the start of the 3-day call-in.
Cabinet Member for the Economy	Expenditure/ Income - Revenue between £500,000 and £5m and Capital between £1.5m and £5m	<p><b>Civic campus - agreement to enter into lease in respect of the office block</b></p> <p>Civic campus - agreement to enter into lease/s in respect of the office block - The Edmonia Lewis Building</p>	<p>Cabinet Member for the Economy</p> <hr/> <p>Ward(s): Hammersmith Broadway</p> <hr/> <p>Contact officer: Joanne Woodward</p> <p>Joanne.Woodward@lbhf.gov.uk</p>	A detailed report for all decisions going to <b>Cabinet</b> will be available at least five working days before the date of the meeting. <b>Cabinet Member Decisions and Officer Decisions</b> reports will be published at the start of the 3-day call-in.
Cabinet Member for the Economy	Expenditure/ Income - Revenue between £500,000 and £5m and Capital between £1.5m and £5m	<p><b>Civic Campus leases</b></p> <p>Cabinet member decision to approve the entering into leases for the commercial units within the civic campus.</p>	<p>Cabinet Member for the Economy</p> <hr/> <p>Ward(s): Hammersmith Broadway</p> <hr/> <p>Contact officer: Joanne Woodward</p> <p>Joanne.Woodward@lbhf.gov.uk</p>	A detailed report for all decisions going to <b>Cabinet</b> will be available at least five working days before the date of the meeting. <b>Cabinet Member Decisions and Officer Decisions</b> reports will be published at the start of the 3-day call-in.

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Executive Director of Finance and Corporate Services	Expenditure/ Income above £300K - Revenue up to £500k and Capital up to 1.5m	<p><b>Utilisation of unspent RtB receipts (A)</b></p> <p>This decision is one of multiple that relate to the expenditure of unspent Right to Buy receipts.</p> <p>The authority to spend these receipts was delegated to the Strategic Head of Regeneration and Development in consultation with the Executive Director of Finance and Corporate Services as a result of Cabinet's decision to agree item 7 at its meeting of 16 December 2024.</p>	<p>Cabinet Member for Finance and Reform</p> <hr/> <p>Ward(s): All Wards</p> <hr/> <p>Contact officer: Joe Coyne, Matthew Rumble, Mo Goudah</p> <p>joe.coyne@lbhf.gov.uk, matt.rumble@lbhf.gov.uk, mo.goudah@lbhf.gov.uk</p>	A detailed report for all decisions going to <b>Cabinet</b> will be available at least five working days before the date of the meeting. <b>Cabinet Member Decisions and Officer Decisions</b> reports will be published at the start of the 3-day call-in.

### Corporate

Cabinet Member for Housing and Homelessness		<p><b>Variations to Housing Repairs Contract</b></p> <p>Contract variation to existing housing repairs contract</p>	<p>Cabinet Member for Housing and Homelessness</p> <hr/> <p>Ward(s): All Wards</p> <hr/> <p>Contact officer: Emma Lucas Tel: 07827883247 Emma.Lucas@lbhf.gov.uk</p>	A detailed report for all decisions going to <b>Cabinet</b> will be available at least five working days before the date of the meeting. <b>Cabinet Member Decisions and Officer Decisions</b> reports will be published at the start of the 3-day call-in.
Cabinet Member for Public Realm	Expenditure/ Income - Revenue between £500,000 and £5m and Capital between £1.5m and	<p><b>Parking Bailiff Enforcement Procurement Strategy</b></p> <p>This decision will be to sign off on the procurement strategy relating to the bailiff enforcement contract for outstanding Penalty Charge Notice (PCN) debt.</p>	<p>Cabinet Member for Public Realm</p> <hr/> <p>Ward(s): All Wards</p> <hr/> <p>Contact officer: Gary Hannaway, Bram</p>	A detailed report for all decisions going to <b>Cabinet</b> will be available at least five working days before the date

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	£5m		Kainth Tel: 020 8753, Tel: 07917790900 gary.hannaway@lbhf.gov.uk , bram.kainth@lbhf.gov.uk	of the meeting. <b>Cabinet Member Decisions</b> and <b>Officer Decisions</b> reports will be published at the start of the 3-day call-in.
Deputy Leader (with responsibility for Children and Education)	Expenditure/ Income - Revenue between £500,000 and £5m and Capital between £1.5m and £5m	<b>Procurement Strategy for Community Schools Programme Refurbishment Works</b>  To refurbish Lena Gardens and Mund St. sites to serve as decant locations for schools in the Community Schools Programme	Deputy Leader (with responsibility for Children and Education)  Ward(s): Addison; Avonmore; Brook Green; Ravenscourt  Contact officer: Anthony Mugan  Anthony.Mugan@lbhf.gov.uk	A detailed report for all decisions going to <b>Cabinet</b> will be available at least five working days before the date of the meeting. <b>Cabinet Member Decisions</b> and <b>Officer Decisions</b> reports will be published at the start of the 3-day call-in.
Executive Director of Finance and Corporate Services	Affects 2 or more wards	<b>Community Schools Programme – Variation to the appointment of Design Team (BPTW)</b>  Variation to existing contract for Design Team services (encompassing architectural design services) for the Community Schools Programme.	Cabinet Member for the Economy  Ward(s): Avonmore; Ravenscourt  Contact officer: Patrick Vincent  Patrick.Vincent@lbhf.gov.uk	A detailed report for all decisions going to <b>Cabinet</b> will be available at least five working days before the date of the meeting. <b>Cabinet Member Decisions</b> and <b>Officer Decisions</b> reports will be published at the start of the 3-day call-in.

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Deputy Leader (with responsibility for Children and Education)	Expenditure/ Income - Revenue between £500,000 and £5m and Capital between £1.5m and £5m	<p><b>Direct Award of Contract for Minterne Gardens Extra Care Service</b></p> <p>The decision is to agree that the Contract with Housing 21 will start from February 2023 until 31st March 2027.</p> <p>The decision is to agree that the total value of the four-year Housing 21 Minterne Gardens contract is expected to be £3,919,566.</p> <p>The service is based on a core and flexi model which fits around resident's needs. This contract will provide a consistent and sustainable Extra Care Service for resident of the borough, which promotes independent living, enabling them to remain in their own home for as long as possible and reduces the need for more expensive residential care.</p>	<p>Deputy Leader (with responsibility for Children and Education)</p> <p>Ward(s): White City; Wormholt</p> <p>Contact officer: Johan van Wijgerden Tel: 07493864829 Johan.vanwijgerden@lbhf.gov.uk</p>	A detailed report for all decisions going to <b>Cabinet</b> will be available at least five working days before the date of the meeting. <b>Cabinet Member Decisions and Officer Decisions</b> reports will be published at the start of the 3-day call-in.
Cabinet Member for Housing and Homelessness	Expenditure/ Income - Revenue between £500,000 and £5m and Capital between £1.5m and £5m	<p><b>Procurement Strategy/Contract Award approval to Cablesheer to support with housing voids and repairs</b></p> <p>We are looking for both procurement strategy and contract award approval to direct award a 3 year contract to Cablesheer. The contract will instruct work orders to Cablesheer to support our term-service patch contractors with housing voids and repairs.</p> <p>This direct award will be through a compliant Construction Framework (The national framework partnership). The contract value</p>	<p>Cabinet Member for Housing and Homelessness</p> <p>Ward(s): All Wards</p> <p>Contact officer: Nick Marco-Wadey Tel: 07988490264 Nick.Marco-Wadey@lbhf.gov.uk</p>	A detailed report for all decisions going to <b>Cabinet</b> will be available at least five working days before the date of the meeting. <b>Cabinet Member Decisions and Officer Decisions</b> reports will be published at the start of the

Decision to be Made by (Cabinet or Council)	Type of decision	Proposed Key Decision  <b>Most decisions are made in public unless indicated below, with the reasons for the decision being made in private.</b>	Lead Executive Councillor(s), Wards Affected, and officer to contact for further information or relevant documents	Documents to be submitted to Cabinet (other relevant documents may be submitted)
		will be for a maximum value of £4,500,000 over a 36 month duration. The contract will apportion the spend equally at £1,500,000 per annum.		3-day call-in.
Cabinet Member for Housing and Homelessness	Expenditure/ Income - Revenue between £500,000 and £5m and Capital between £1.5m and £5m	<p><b>Approval to extend our roofing contract by 12 months.</b></p> <p>We seek approval to extend our existing contract with our roofing subcontractor. This contract currently supports our DLO by carrying out roofing repairs and maintenance works, on behalf of H&amp;F Maintenance, our Direct Labour Organisation ('the DLO'). The DLO has responsibility for carrying out repairs to communal areas for most of our council housing stock. Due to the specialist nature of roofing works the DLO requires a subcontractor to carry out roofing repairs and maintenance works on its behalf.</p> <p>We initially procured this provider under a JCT measured term contract from the 16th of May 2022 until the 15th of May 2024. The original contract award allowed for a 12 month extension of the contract until the 15th of May 2025.</p> <p>We are seeking approval to action this extension of the contract until the 15th of May 2025.</p>	<p>Cabinet Member for Housing and Homelessness</p> <hr/> <p>Ward(s): All Wards</p> <hr/> <p>Contact officer: Nick Marco-Wadey Tel: 07988490264 Nick.Marco-Wadey@lbhf.gov.uk</p>	A detailed report for all decisions going to <b>Cabinet</b> will be available at least five working days before the date of the meeting. <b>Cabinet Member Decisions and Officer Decisions</b> reports will be published at the start of the 3-day call-in.
Executive Director of Place	Expenditure/ Income - Revenue between £500,000 and £5m and Capital between £1.5m and £5m	<p><b>Alternative Ecological Mitigation at Wormwood Scrubs Contractors Procurement</b></p> <p>This report is seeking permission for the council to approach the market and procure contractors for the implementation of the Alternative Ecological Mitigation (AEM) Masterplan capital works and 10 Year Management and</p>	<p>Cabinet Member for Public Realm</p> <hr/> <p>Ward(s): College Park and Old Oak</p> <hr/> <p>Contact officer: Vicki Abel  Victoria.Abel@lbhf.gov.uk</p>	A detailed report for all decisions going to <b>Cabinet</b> will be available at least five working days before the date of the meeting. <b>Cabinet</b>



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		Maintenance Plan (MMP) for Wormwood Scrubs.		<b>Member Decisions and Officer Decisions</b> reports will be published at the start of the 3-day call-in.
Deputy Leader (with responsibility for Children and Education)	Expenditure/ Income - Revenue between £500,000 and £5m and Capital between £1.5m and £5m	<b>Day Opportunities Direct Award Contract</b>  The purpose of this report is to approve a Direct Award to both Nubian Life and the Alzheimer's Society to the total value of £564,887. For both services, the contract ends on the 31st March 2023 and to ensure service continuity as well as planning a co-production project and tender in order that on the 1 June 2024 a revised service will be put in place.	Deputy Leader (with responsibility for Children and Education)  Ward(s): All Wards  Contact officer: Laura Palfreeman Tel: 0208 753 1953 Laura.Palfreeman@lbhf.gov.uk	A detailed report for all decisions going to <b>Cabinet</b> will be available at least five working days before the date of the meeting. <b>Cabinet Member Decisions and Officer Decisions</b> reports will be published at the start of the 3-day call-in.
Executive Director of People	Expenditure/ Income above £300K - Revenue up to £500k and Capital up to 1.5m	<b>Procurement Strategy for Temporary Classroom Unit at Woodlane High School</b>  Provision of 20 additional temporary spaces at Woodlane High Schools	Deputy Leader (with responsibility for Children and Education)  Ward(s): All Wards  Contact officer: Anthony Mugan  Anthony.Mugan@lbhf.gov.uk	A detailed report for all decisions going to <b>Cabinet</b> will be available at least five working days before the date of the meeting. <b>Cabinet Member Decisions and Officer Decisions</b> reports will be published at the start of the 3-day call-in.

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Cabinet Member for Housing and Homelessness	Expenditure/ Income - Revenue between £500,000 and £5m and Capital between £1.5m and £5m	<p><b>Direct Award via the Southeast Consortium Framework for a Windows installation/replacement contractor</b></p> <p>We are seeking approval to compliantly direct award a 3 year, £3,000,000 windows installation and replacement contract via the Southeast Consortium Framework.</p> <p>This contract will provide the council with the additional capacity required to support our increasing work order demand within the repairs service.</p>	Cabinet Member for Housing and Homelessness	A detailed report for all decisions going to <b>Cabinet</b> will be available at least five working days before the date of the meeting. <b>Cabinet Member Decisions and Officer Decisions</b> reports will be published at the start of the 3-day call-in.
			Ward(s): All Wards	
			Contact officer: Richard Buckley richard.buckley@lbhf.gov.uk	
Executive Director of Place	Expenditure/ Income above £300K - Revenue up to £500k and Capital up to 1.5m	<p><b>Procurement of a Marquee for the refurbished Hammersmith Town Hall</b></p> <p>The Council is seeking to procure a marquee for the outdoor area of the rooftop bar and restaurant on Level 06 of the refurbished Town Hall</p>	Cabinet Member for the Economy	A detailed report for all decisions going to <b>Cabinet</b> will be available at least five working days before the date of the meeting. <b>Cabinet Member Decisions and Officer Decisions</b> reports will be published at the start of the 3-day call-in.
			Ward(s): Hammersmith Broadway	
			Contact officer: Philippa Cartwright Philippa.Cartwright@lbhf.gov.uk	
Cabinet Member for the Economy	Expenditure/ Income - Revenue between £500,000 and £5m and Capital between £1.5m and £5m	<p><b>Procurement and Installation of Audio Visual Equipment, Desk Booking and Smart Technology within the refurbished Town Hall</b></p> <p>The Council is seeking to tender for works to procure and install the following:</p> <ul style="list-style-type: none"> <li>- Audio Visual equipment</li> <li>- Desk Booking technology</li> <li>- Smart technology</li> </ul>	Cabinet Member for the Economy	A detailed report for all decisions going to <b>Cabinet</b> will be available at least five working days before the date of the meeting. <b>Cabinet</b>
			Ward(s): Hammersmith Broadway	
			Contact officer: Philippa Cartwright Philippa.Cartwright@lbhf.gov.uk	

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				<b>Member Decisions and Officer Decisions</b> reports will be published at the start of the 3-day call-in.
Executive Director of Place	Expenditure/ Income above £300K - Revenue up to £500k and Capital up to 1.5m	<p><b>Procure joinery works in relation to large Furniture and Fixtures at the refurbished Town Hall</b></p> <p>The Council is seeking to tender a joinery package for the provision of two large reception desks and a bar counter at the refurbished Town Hall</p>	<p>Cabinet Member for the Economy</p> <hr/> <p>Ward(s): Hammersmith Broadway</p> <hr/> <p>Contact officer: Philippa Cartwright  Philippa.Cartwright@lbhf.gov.uk</p>	A detailed report for all decisions going to <b>Cabinet</b> will be available at least five working days before the date of the meeting. <b>Cabinet Member Decisions and Officer Decisions</b> reports will be published at the start of the 3-day call-in.
Cabinet Member for the Economy	Expenditure/ Income above £300K - Revenue up to £500k and Capital up to 1.5m	<p><b>Fulham Library &amp; Macbeth Centre Roof Replacement</b></p> <p>Roof Replacement works</p>	<p>Cabinet Member for the Economy</p> <hr/> <p>Ward(s): Fulham Reach</p> <hr/> <p>Contact officer: Sebastian Mazurczak Tel: 020 8753 1707 Sebastian.Mazurczak@lbhf.gov.uk</p>	A detailed report for all decisions going to <b>Cabinet</b> will be available at least five working days before the date of the meeting. <b>Cabinet Member Decisions and Officer Decisions</b> reports will be published at the start of the 3-day call-in.

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Deputy Leader (with responsibility for Children and Education)	Expenditure/ Income - Revenue between £500,000 and £5m and Capital between £1.5m and £5m	<p><b>GLA funding for Primary School Universal Free School Meals</b></p> <p>The Mayor for London announced £130 million of one-off funding to ensure all school children at publicly funded primary schools in London can receive free school meals for the academic year beginning in September 2023.</p> <p>The funding allocation for Hammersmith &amp; Fulham is funding for schools to implement the meal provision for children in Key Stage 2 who are not otherwise eligible for free school meals.</p>	Deputy Leader (with responsibility for Children and Education)	A detailed report for all decisions going to <b>Cabinet</b> will be available at least five working days before the date of the meeting. <b>Cabinet Member Decisions and Officer Decisions</b> reports will be published at the start of the 3-day call-in.
			Ward(s): All Wards	
			Contact officer: Marcus Robinson  Marcus.RobinsonCHS@lbhf.gov.uk	
Executive Director of Place	Expenditure/ Income above £300K - Revenue up to £500k and Capital up to 1.5m	<p><b>Procurement of a works contract for Commercial office block lobby fit-out (Civic Campus)</b></p> <p>The existing build contract is for shell and core only. Work is required to fit-out the lobby area.</p>	Cabinet Member for the Economy	A detailed report for all decisions going to <b>Cabinet</b> will be available at least five working days before the date of the meeting. <b>Cabinet Member Decisions and Officer Decisions</b> reports will be published at the start of the 3-day call-in.
			Ward(s): Hammersmith Broadway	
			Contact officer: Philippa Cartwright  Philippa.Cartwright@lbhf.gov.uk	
Executive Director of Place	Expenditure/ Income above £300K - Revenue up to £500k and Capital up to 1.5m	<p><b>Procurement of furniture for Ground to floor 5 of the Civic Campus</b></p> <p>As part of the transition of the workforce to the Civic Campus, furniture is required in order to allow the workforce to continue to deliver the services it currently does.</p>	Cabinet Member for the Economy	A detailed report for all decisions going to <b>Cabinet</b> will be available at least five working days before the date of the meeting. <b>Cabinet</b>
			Ward(s): Hammersmith Broadway	
			Contact officer: Philippa Cartwright Philippa.Cartwright@lbhf.gov.uk	

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				<b>Member Decisions and Officer Decisions</b> reports will be published at the start of the 3-day call-in.
Executive Director of Place	Expenditure/ Income above £300K - Revenue up to £500k and Capital up to 1.5m	<b>Approval to award contract for 6th Floor Terrace Landscaping Works (Civic Campus)</b>  The refurbishment of the Civic Campus building is currently underway. A contract is required to procure for the work on the roof garden, which will be on the 6th floor terrace.	Cabinet Member for the Economy  Ward(s): Hammersmith Broadway  Contact officer: Philippa Cartwright  Philippa.Cartwright@lbhf.gov.uk	A detailed report for all decisions going to <b>Cabinet</b> will be available at least five working days before the date of the meeting. <b>Cabinet Member Decisions and Officer Decisions</b> reports will be published at the start of the 3-day call-in.
Executive Director of Finance and Corporate Services	Expenditure/ Income above £300K - Revenue up to £500k and Capital up to 1.5m	<b>Contract award for provision of disrepair and void works</b>  Contract award for the provision of disrepair works	Cabinet Member for Housing and Homelessness  Ward(s): All Wards  Contact officer: Emma Lucas Tel: 07827883247 Emma.Lucas@lbhf.gov.uk	A detailed report for all decisions going to <b>Cabinet</b> will be available at least five working days before the date of the meeting. <b>Cabinet Member Decisions and Officer Decisions</b> reports will be published at the start of the 3-day call-in.

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Executive Director of Finance and Corporate Services	Expenditure/ Income above £300K - Revenue up to £500k and Capital up to 1.5m	<p><b>Procurement Strategy for Garage Refurbishment</b></p> <p>Approval for the strategy to procure a contractor to deliver the Phase 3 programme of refurbishment works to garages on housing land.</p>	<p>Cabinet Member for Housing and Homelessness</p> <hr/> <p>Ward(s): All Wards</p> <hr/> <p>Contact officer: Emma Lucas Tel: 07827883247 Emma.Lucas@lbhf.gov.uk</p>	<p>A detailed report for all decisions going to <b>Cabinet</b> will be available at least five working days before the date of the meeting. <b>Cabinet Member Decisions and Officer Decisions</b> reports will be published at the start of the 3-day call-in.</p>
Deputy Leader (with responsibility for Children and Education)	Expenditure/ Income - Revenue between £500,000 and £5m and Capital between £1.5m and £5m	<p><b>Procurement Strategy for Voucher Payment Solution</b></p> <p>Procurement Strategy for the provision of closed loop supermarket vouchers</p>	<p>Deputy Leader (with responsibility for Children and Education)</p> <hr/> <p>Ward(s): All Wards</p> <hr/> <p>Contact officer: Marcus Robinson  Marcus.RobinsonCHS@lbhf.gov.uk</p>	<p>A detailed report for all decisions going to <b>Cabinet</b> will be available at least five working days before the date of the meeting. <b>Cabinet Member Decisions and Officer Decisions</b> reports will be published at the start of the 3-day call-in.</p>
Cabinet Member for Finance and Reform	Expenditure/ Income - Revenue between £500,000 and £5m and Capital between £1.5m and £5m	<p><b>CONTRACT EXTENSION FOR VARIABLE DATA PRINTING SERVICES</b></p> <p>The Council's four-year contract for variable data print services ended on 30 November 2021. This contract included printing and mailing communications for several Council services, including revenues and benefits, housing</p>	<p>Cabinet Member for Finance and Reform</p> <hr/> <p>Ward(s): All Wards</p> <hr/> <p>Contact officer: Jamie Mullins Tel: 020 8753 1650 Jamie.Mullins@lbhf.gov.uk</p>	<p>A detailed report for all decisions going to <b>Cabinet</b> will be available at least five working days before the date of the meeting. <b>Cabinet</b></p>



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		<p>and electoral services. These services continue to go through a programme of transformation, with a focus on improved digital delivery. A new two-year contract (with the option to extend for a further two years) was recommended to ensure short-term stability of service as this transformation is embedded and services focus on Covid recovery.</p> <p>The contract was awarded to the current supplier, (Financial Data Management Ltd) who had performed well throughout the contract and continues to actively support the council in the delivery of a wide range of business-critical services. As such, and to ensure ongoing service delivery, an extension of a further 2 years as per the terms of the contract awarded in Nov 2021, is considered to be the most efficient and economically advantageous solution. The extension of the contract will be on the same terms and conditions as the current contract, where costs are incurred based on actual service volumes. This provides for the opportunity to reduce printing and mailing costs as the Council expands its' programme of digitalisation across these service areas.</p>		<b>Member Decisions and Officer Decisions</b> reports will be published at the start of the 3-day call-in.
Cabinet Member for Housing and Homelessness	Expenditure/ Income - Revenue between £500,000 and £5m and Capital between £1.5m and £5m	<p><b>Procurement Strategy for Housing Lift Modernisation of Barton and Jepson House</b></p> <p>To maintain the lift service, it has been recommended that works to modernise the lift should be carried out. This will both improve the reliability of the lifts and reduce future running costs.</p>	<p>Cabinet Member for Housing and Homelessness</p> <hr/> <p>Ward(s): All Wards</p> <hr/> <p>Contact officer: Akeem Durojaye akeem.durojaye@lbhf.gov.uk</p>	A detailed report for all decisions going to <b>Cabinet</b> will be available at least five working days before the date of the meeting. <b>Cabinet Member Decisions and Officer</b>

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				Decisions reports will be published at the start of the 3-day call-in.
Cabinet Member for Public Realm	Expenditure/ Income - Revenue between £500,000 and £5m and Capital between £1.5m and £5m	<p><b>Smart Transport - Traffic Data Procurement</b></p> <p>To procure Smart Transport to handle the Parking departments on-street data collection needs.</p>	<p>Cabinet Member for Public Realm</p> <hr/> <p>Ward(s): All Wards</p> <hr/> <p>Contact officer: Oscar Turnerberg Tel: 074 9854 2978 oscar.turnberg@lbhf.gov.uk</p>	A detailed report for all decisions going to <b>Cabinet</b> will be available at least five working days before the date of the meeting. <b>Cabinet Member Decisions and Officer Decisions</b> reports will be published at the start of the 3-day call-in.
Cabinet Member for Housing and Homelessness	Expenditure/ Income - Revenue between £500,000 and £5m and Capital between £1.5m and £5m	<p><b>Short-Term Contract Variation to Council Repairs Contract (LOT 3)</b></p> <p>This report is seeking approval to temporarily vary the Mears Central Repairs contract. This variation will involve allowing for additional temporary supervisory and administrative support as well as an enhancement on the current contract rates.</p> <p>The variation will involve cost changes totalling up to £680,000. This will be a temporary variation for a 17-week period.</p>	<p>Cabinet Member for Housing and Homelessness</p> <hr/> <p>Ward(s): All Wards</p> <hr/> <p>Contact officer: Nick Marco-Wadey Tel: 07988490264 Nick.Marco-Wadey@lbhf.gov.uk</p>	A detailed report for all decisions going to <b>Cabinet</b> will be available at least five working days before the date of the meeting. <b>Cabinet Member Decisions and Officer Decisions</b> reports will be published at the start of the 3-day call-in.

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Strategic Director, Chief Operating Officer, Corporate Services	Expenditure/ Income above £300K - Revenue up to £500k and Capital up to 1.5m	<p><b>Extension of call off contract for the Portal, E forms &amp; CRM system</b></p> <p>To approve the award to Granicus-Firmstep Limited of a two-year permitted extension to the existing call off contract. The total value of the contract to date is £850k. The estimated minimum value of this 2-year extension is £340k.</p>	<p>Cabinet Member for Finance and Reform</p> <hr/> <p>Ward(s): All Wards</p> <hr/> <p>Contact officer: Ashley Bryant, Darren Persaud</p> <p>ashley.bryant@lbhf.gov.uk, Darren.Persaud@lbhf.gov.uk</p>	A detailed report for all decisions going to <b>Cabinet</b> will be available at least five working days before the date of the meeting. <b>Cabinet Member Decisions and Officer Decisions</b> reports will be published at the start of the 3-day call-in.
Cabinet Member for the Economy	Expenditure/ Income - Revenue between £500,000 and £5m and Capital between £1.5m and £5m	<p><b>Procurement and award of consultancy contract</b></p> <p>Procurement and award of a contract under a call-off procedure from "Yorkshire Purchasing Organisation 001141 Managing Consultancy and Professional Services Framework" to Reed Specialist Recruitment trading as Consultancy+ for the provision of professional consultancy services in relation to leisure and recreational infrastructure.</p>	<p>Cabinet Member for the Economy</p> <hr/> <p>Ward(s): All Wards</p> <hr/> <p>Contact officer: Mo Goudah, Matthew Rumble</p> <p>mo.goudah@lbhf.gov.uk, matt.rumble@lbhf.gov.uk</p>	A detailed report for all decisions going to <b>Cabinet</b> will be available at least five working days before the date of the meeting. <b>Cabinet Member Decisions and Officer Decisions</b> reports will be published at the start of the 3-day call-in.
Executive Director of Finance and Corporate Services	Expenditure/ Income above £300K - Revenue up to £500k and Capital up to 1.5m	<p><b>Major Refurbishment of Derwent Court W6</b></p> <p>Award of contract to carry out major refurbishment works to 1-10 Derwent Court W6. Works include new roof covering, new windows and doors, and general fabric repairs and redecoration.</p>	<p>Cabinet Member for Housing and Homelessness</p> <hr/> <p>Ward(s): Ravenscourt</p> <hr/> <p>Contact officer: Vince Conway Tel: 020 8753 1915 Vince.Conway@lbhf.gov.uk</p>	A detailed report for all decisions going to <b>Cabinet</b> will be available at least five working days before the date of the meeting. <b>Cabinet</b>

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				<b>Member Decisions and Officer Decisions</b> reports will be published at the start of the 3-day call-in.
Cabinet Member for Public Realm	Expenditure/ Income - Revenue between £500,000 and £5m and Capital between £1.5m and £5m	<b>Pan London Contract on the Future of Micro-mobility</b>  Authority to negotiate terms, agree charges and enter into contracts related to e-bike hire and e-scooter hire contracts .	Cabinet Member for Public Realm  Ward(s): All Wards  Contact officer: Masum Choudhury  Masum.Choudhury@lbhf.gov.uk	A detailed report for all decisions going to <b>Cabinet</b> will be available at least five working days before the date of the meeting. <b>Cabinet Member Decisions and Officer Decisions</b> reports will be published at the start of the 3-day call-in.
Cabinet Member for Public Realm	Expenditure/ Income - Revenue between £500,000 and £5m and Capital between £1.5m and £5m	<b>Leisure Contract Variation</b>  Leisure Contract Variation	Cabinet Member for Public Realm  Ward(s): All Wards  Contact officer: Simon Ingyon  Simon.Ingyon@lbhf.gov.uk	A detailed report for all decisions going to <b>Cabinet</b> will be available at least five working days before the date of the meeting. <b>Cabinet Member Decisions and Officer Decisions</b> reports will be published at the start of the 3-day call-in.

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Executive Director of People	Expenditure/Income above £300K - Revenue up to £500k and Capital up to 1.5m	<p><b>Direct Award Report of Spot Contract to Living With Equal Opportunities</b></p> <p>This is a decision to directly award a 2-year spot contract worth £340 000 to Living With Equal Opportunities (LWEO) in order to regularise existing arrangements starting 1st October 2024 to 30th September 2026</p> <p>The reason for this decision is to ensure that residents have access to a responsive and good quality service in an area with insufficient local provision and to allow time for commissioners to coproduce a new model for day opportunities to be tendered for in 2025/6.</p> <p>A timeline and plan is in place the co-production and governance around a new service model to take place by the end of this contract extension.</p> <p>2 years also provides enough time to monitor the contract and terminate it if it is found to be underperforming</p> <p>A waiver will go to Contract Assurance Board.</p> <p>A strategy paper for a reprocurement will be presented in 2025.</p>	<p>Cabinet Member for Adult Social Care and Health</p> <hr/> <p>Ward(s): All Wards</p> <hr/> <p>Contact officer: Lydia Sabatini</p> <p>Lydia.Sabatini@lbhf.gov.uk</p>	<p>A detailed report for all decisions going to <b>Cabinet</b> will be available at least five working days before the date of the meeting. <b>Cabinet Member Decisions and Officer Decisions</b> reports will be published at the start of the 3-day call-in.</p>
Cabinet Member for Housing and Homelessness	Expenditure/Income over £5m & policies or new income, reserves use, overspend over £300K	<p><b>Award of contract for White City major refurbishment Phase 1 incorporating works to Batman Close, Davis House, Evans House, Mackay House, White City estate W12</b></p> <p>This report seeks approval to award a contract for the major refurbishment of eleven blocks forming part of the White City estate W12.</p>	<p>Cabinet Member for Housing and Homelessness</p> <hr/> <p>Ward(s): White City</p> <hr/> <p>Contact officer: Vince Conway Tel: 020 8753 1915 Vince.Conway@lbhf.gov.uk</p>	<p>A detailed report for all decisions going to <b>Cabinet</b> will be available at least five working days before the date of the meeting. <b>Cabinet Member</b></p>

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		The scheme was included in the Procurement Strategy approved by December 22 Cabinet, which identified sites for investment during the period 2023-2025.		<b>Decisions and Officer Decisions</b> reports will be published at the start of the 3-day call-in.
Cabinet Member for Public Realm	Expenditure/ Income - Revenue between £500,000 and £5m and Capital between £1.5m and £5m	<p><b>Strategy and Award of contract for Neighbourhood Improvements and Place Shaping Projects via the Neutral Vendor Model of the Ealing Framework</b></p> <p>Professional services for civil and traffic engineering design, project management and community engagement</p>	<p>Cabinet Member for Public Realm</p> <hr/> <p>Ward(s): All Wards</p> <hr/> <p>Contact officer: Russell Trewartha Tel: 07551680551 Russell.Trewartha@lbhf.gov.uk</p>	A detailed report for all decisions going to <b>Cabinet</b> will be available at least five working days before the date of the meeting. <b>Cabinet Member Decisions and Officer Decisions</b> reports will be published at the start of the 3-day call-in.
Cabinet Member for Public Realm	Affects 2 or more wards	<p><b>Highway Asset Management Strategy</b></p> <p>Highway Asset Management Strategy outlines how the highway will be managed in the future.</p>	<p>Cabinet Member for Public Realm</p> <hr/> <p>Ward(s): All Wards</p> <hr/> <p>Contact officer: Ian Hawthorn Tel: 020 8753 3058 ian.hawthorn@lbhf.gov.uk</p>	A detailed report for all decisions going to <b>Cabinet</b> will be available at least five working days before the date of the meeting. <b>Cabinet Member Decisions and Officer Decisions</b> reports will be published at the start of the 3-day call-in.



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Executive Director of People	Expenditure/ Income above £300K - Revenue up to £500k and Capital up to 1.5m	<p><b>Direct Award to Jontek for the Careline Alarm Receiving Centre Platform</b></p> <p>Hammersmith &amp; Fulham (H&amp;F) Careline is a critical emergency alarm receiving service, safeguarding approximately 3,000 residents, primarily comprising elderly and vulnerable individuals within the borough. Jontek's platform, Answerlink, is the current provider of the Careline Alarm Receiving Centre Platform (ARC) used by H&amp;F Careline to manage and respond to calls and emergency alerts from residents, including telecare.</p> <p>The decision is to direct award to Jontek to provide Answerlink.</p>	<p>Cabinet Member for Adult Social Care and Health</p> <hr/> <p>Ward(s): All Wards</p> <hr/> <p>Contact officer: Jessie Ellis Jessie.Ellis@lbhf.gov.uk</p>	A detailed report for all decisions going to <b>Cabinet</b> will be available at least five working days before the date of the meeting. <b>Cabinet Member Decisions and Officer Decisions</b> reports will be published at the start of the 3-day call-in.
Executive Director of People	Expenditure/ Income above £300K - Revenue up to £500k and Capital up to 1.5m	<p><b>Direct Award Report of Statutory Advocacy Services to Libra Partnership</b></p> <p>Direct award of contract for two years</p>	<p>Cabinet Member for Adult Social Care and Health</p> <hr/> <p>Ward(s): All Wards</p> <hr/> <p>Contact officer: Lydia Sabatini Lydia.Sabatini@lbhf.gov.uk</p>	A detailed report for all decisions going to <b>Cabinet</b> will be available at least five working days before the date of the meeting. <b>Cabinet Member Decisions and Officer Decisions</b> reports will be published at the start of the 3-day call-in.
Executive Director of People	Expenditure/ Income above £300K - Revenue up to £500k and Capital up to 1.5m	<p><b>Direct Award Report of Carers Services to Carers Network</b></p> <p>2 year direct award</p>	<p>Cabinet Member for Adult Social Care and Health</p> <hr/> <p>Ward(s): All Wards</p> <hr/> <p>Contact officer: Lydia Sabatini</p>	A detailed report for all decisions going to <b>Cabinet</b> will be available at least five working days before the date

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			Lydia.Sabatini@lbhf.gov.uk	of the meeting. <b>Cabinet Member Decisions</b> and <b>Officer Decisions</b> reports will be published at the start of the 3-day call-in.
Deputy Leader (with responsibility for Children and Education)	Expenditure/ Income - Revenue between £500,000 and £5m and Capital between £1.5m and £5m	<p><b>Procurement Strategy for Fulham Bilingual School Windows</b></p> <p>The report sets out the procurement strategy for works to repair or, were necessary, replace windows at Fulham Bilingual School.</p>	<p>Deputy Leader (with responsibility for Children and Education)</p> <hr/> <p>Ward(s): Parsons Green &amp; Sandford</p> <hr/> <p>Contact officer: Anthony Mugan</p> <p>Anthony.Mugan@lbhf.gov.uk</p>	A detailed report for all decisions going to <b>Cabinet</b> will be available at least five working days before the date of the meeting. <b>Cabinet Member Decisions</b> and <b>Officer Decisions</b> reports will be published at the start of the 3-day call-in.
Deputy Leader (with responsibility for Children and Education)	Expenditure/ Income - Revenue between £500,000 and £5m and Capital between £1.5m and £5m	<p><b>Procurement Strategy for Langford Window Upgrade</b></p> <p>The report sets out the proposed procurement strategy for works to repair where possible, or replace if necessary, the windows at Langford Primary School</p>	<p>Deputy Leader (with responsibility for Children and Education)</p> <hr/> <p>Ward(s): Sands End</p> <hr/> <p>Contact officer: Anthony Mugan</p> <p>Anthony.Mugan@lbhf.gov.uk</p>	A detailed report for all decisions going to <b>Cabinet</b> will be available at least five working days before the date of the meeting. <b>Cabinet Member Decisions</b> and <b>Officer Decisions</b> reports will be published at the start of the 3-day call-in.

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Executive Director of Finance and Corporate Services	Expenditure/ Income - Revenue between £500,000 and £5m and Capital between £1.5m and £5m	<p><b>Land and Property Based IT CMS</b></p> <p>Award to Idox Software limited of 24 months contract under the Crown Commercial Service Vertical Application Solutions (CCS VAS) call off framework for the provision of Land and property case management system</p>	<p>Cabinet Member for Finance and Reform</p> <hr/> <p>Ward(s): All Wards</p> <hr/> <p>Contact officer: Graham Pottle Tel: 07733 038 882 graham.pottle@lbhf.gov.uk</p>	A detailed report for all decisions going to <b>Cabinet</b> will be available at least five working days before the date of the meeting. <b>Cabinet Member Decisions and Officer Decisions</b> reports will be published at the start of the 3-day call-in.
Executive Director of Finance and Corporate Services	Expenditure/ Income above £300K - Revenue up to £500k and Capital up to 1.5m	<p><b>Global Custody Services, Award of Contract - Pension Fund</b></p> <p>Contract award for supplier of asset servicing to LBHF pension fund through LGPS framework.</p>	<p>Cabinet Member for Finance and Reform</p> <hr/> <p>Ward(s): All Wards</p> <hr/> <p>Contact officer: Phil Triggs, Mat Dawson  ptriggs@westminster.gov.uk , mdawson@westminster.gov.uk</p>	A detailed report for all decisions going to <b>Cabinet</b> will be available at least five working days before the date of the meeting. <b>Cabinet Member Decisions and Officer Decisions</b> reports will be published at the start of the 3-day call-in.
Executive Director of Finance and Corporate Services	Affects 2 or more wards	<p><b>Contract Award Report – Consultancy Services Framework Engineering Surveys</b></p> <p>Direct Award to Ingleton Wood LLP using Hammersmith and Fulham Consultancy Framework Lot 5</p>	<p>Cabinet Member for Housing and Homelessness</p> <hr/> <p>Ward(s): All Wards</p> <hr/> <p>Contact officer: Gavin Duncumb  Gavin.duncumb@lbhf.gov.uk</p>	A detailed report for all decisions going to <b>Cabinet</b> will be available at least five working days before the date of the meeting. <b>Cabinet</b>

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				<b>Member Decisions and Officer Decisions</b> reports will be published at the start of the 3-day call-in.
Executive Director of Finance and Corporate Services	Expenditure/ Income above £300K - Revenue up to £500k and Capital up to 1.5m	<b>Procurement strategy and award of contract for the major refurbishment of various void properties</b>  Major refurbishment of 6 void properties including structural works and extension and reconfiguration to 1 property	Cabinet Member for Housing and Homelessness  Ward(s): College Park and Old Oak; White City; Wormholt  Contact officer: Vince Conway Tel: 020 8753 1915 Vince.Conway@lbhf.gov.uk	A detailed report for all decisions going to <b>Cabinet</b> will be available at least five working days before the date of the meeting. <b>Cabinet Member Decisions and Officer Decisions</b> reports will be published at the start of the 3-day call-in.
Cabinet Member for Public Realm	Affects 2 or more wards	<b>Cashless Parking Solution Procurement</b>  Carry out a procurement exercise for the councils Pay & Display mobile operator.	Cabinet Member for Public Realm  Ward(s): All Wards  Contact officer: Oscar Turnerberg Tel: 074 9854 2978 oscar.turnerberg@lbhf.gov.uk	A detailed report for all decisions going to <b>Cabinet</b> will be available at least five working days before the date of the meeting. <b>Cabinet Member Decisions and Officer Decisions</b> reports will be published at the start of the 3-day call-in.

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Executive Director of Finance and Corporate Services	Expenditure/ Income above £300K - Revenue up to £500k and Capital up to 1.5m	<p><b>Award of contract for spandrel panel replacement and associated works on four high-rise blocks</b></p> <p>This report seeks approval to award a works contract to enable the continuation of a programme to replace insulated panels forming part of the external walls of residential buildings, either fixed to masonry or incorporated into window frames.</p>	<p>Cabinet Member for Housing and Homelessness</p> <hr/> <p>Ward(s): Fulham Reach; Sands End; Lillie; Ravenscourt</p> <hr/> <p>Contact officer: Vince Conway Tel: 020 8753 1915 Vince.Conway@lbhf.gov.uk</p>	A detailed report for all decisions going to <b>Cabinet</b> will be available at least five working days before the date of the meeting. <b>Cabinet Member Decisions and Officer Decisions</b> reports will be published at the start of the 3-day call-in.
Cabinet Member for Adult Social Care and Health	Expenditure/ Income - Revenue between £500,000 and £5m and Capital between £1.5m and £5m	<p><b>Direct Award of Floating Support Services to Hestia</b></p> <p>Hestia provide homelessness prevention services which need to be directly awarded while a recommission is undertaken.</p>	<p>Cabinet Member for Adult Social Care and Health</p> <hr/> <p>Ward(s): All Wards</p> <hr/> <p>Contact officer: Lydia Sabatini  Lydia.Sabatini@lbhf.gov.uk</p>	A detailed report for all decisions going to <b>Cabinet</b> will be available at least five working days before the date of the meeting. <b>Cabinet Member Decisions and Officer Decisions</b> reports will be published at the start of the 3-day call-in.
Cabinet Member for Adult Social Care and Health	Expenditure/ Income above £300K - Revenue up to £500k and Capital up to 1.5m	<p><b>Careline Alarm Receiving Centre Platform</b></p> <p>The IT platform that Careline staff are using to receive and respond to alarms.</p>	<p>Cabinet Member for Adult Social Care and Health</p> <hr/> <p>Ward(s): All Wards</p> <hr/> <p>Contact officer: Johan van Wijgerden Tel: 07493864829 Johan.vanwijgerden@lbhf.gov.uk</p>	A detailed report for all decisions going to <b>Cabinet</b> will be available at least five working days before the date of the meeting. <b>Cabinet</b>

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				<b>Member Decisions and Officer Decisions</b> reports will be published at the start of the 3-day call-in.
Cabinet Member for Public Realm	Expenditure/ Income above £300K - Revenue up to £500k and Capital up to 1.5m	<b>Contract Award of the On Street Residential Chargepoint Scheme (ORCS 4) Grant</b>  Award of a contract to deliver 23 on-street fast electric vehicle charging points.	Cabinet Member for Public Realm  Ward(s): All Wards  Contact officer: Masum Choudhury  Masum.Choudhury@lbhf.gov.uk	A detailed report for all decisions going to <b>Cabinet</b> will be available at least five working days before the date of the meeting. <b>Cabinet Member Decisions and Officer Decisions</b> reports will be published at the start of the 3-day call-in.
Cabinet Member for Housing and Homelessness	Affects 2 or more wards	<b>Extension and Modification of Asbestos Term-Service Contract</b>  In relation to our term-service contract for asbestos which is due to expire on the 27th of September 2025 we are seeking approval to: 1) Extend the contract by 24 months. This extension is allowed in line with the contract provisions. 2) Modify the overall contract sum for the entire 7 year term from £2,250,000 to £2,470,173.84.	Cabinet Member for Housing and Homelessness  Ward(s): All Wards  Contact officer: Richard Buckley  richard.buckley@lbhf.gov.uk	A detailed report for all decisions going to <b>Cabinet</b> will be available at least five working days before the date of the meeting. <b>Cabinet Member Decisions and Officer Decisions</b> reports will be published at the start of the 3-day call-in.



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Cabinet Member for Housing and Homelessness	Expenditure/ Income - Revenue between £500,000 and £5m and Capital between £1.5m and £5m	<p><b>Electrical Term-Service Contract</b></p> <p>We seek approval to:</p> <p>1) Mutually terminate the term-service contract with AJS Ltd. Effective immediately on governance clearance.</p> <p>2) Award the reserve contract to Openview Security Solutions Ltd. Effective immediately on governance clearance.</p> <p>3) Award Openview the contract for its full term (with extensions) until the 31st of July 2027. This will be for a maximum contract value of £4,900,000</p>	Cabinet Member for Housing and Homelessness	A detailed report for all decisions going to <b>Cabinet</b> will be available at least five working days before the date of the meeting. <b>Cabinet Member Decisions and Officer Decisions</b> reports will be published at the start of the 3-day call-in.
			Ward(s): All Wards	
			Contact officer: Richard Buckley  richard.buckley@lbhf.gov.uk	
Cabinet Member for Housing and Homelessness	Affects 2 or more wards	<p><b>Extension and Modification of Asbestos Remediation Term-Service Contract</b></p> <p>We are seeking approval to:</p> <p>1) Extend our Asbestos Remedial Term-Service contract with Cablesheer (Asbestos) Limited. We seek to action the 24 month contract allowable extension. This extension will cover the period of 01st of August 2025 until the 31st of July 2027.</p> <p>2) We seek approval to extend the total contract value from £1,382,341.33 to £1,673,721.</p>	Cabinet Member for Housing and Homelessness	A detailed report for all decisions going to <b>Cabinet</b> will be available at least five working days before the date of the meeting. <b>Cabinet Member Decisions and Officer Decisions</b> reports will be published at the start of the 3-day call-in.
			Ward(s): All Wards	
			Contact officer: Richard Buckley  richard.buckley@lbhf.gov.uk	
Cabinet Member for Adult Social Care and Health	Expenditure/ Income - Revenue between £500,000 and £5m and Capital between £1.5m and £5m	<p><b>Elgin Resource Centre</b></p> <p>This report requests approval to award a contract for day services to Elgin Close Resource Centre.</p>	Cabinet Member for Adult Social Care and Health	A detailed report for all decisions going to <b>Cabinet</b> will be available at least five working days before the date of the meeting. <b>Cabinet</b>
			Ward(s): All Wards	
			Contact officer: Jessie Ellis  Jessie.Ellis@lbhf.gov.uk	

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				<b>Member Decisions and Officer Decisions</b> reports will be published at the start of the 3-day call-in.
Executive Director of Finance and Corporate Services	Expenditure/ Income above £300K - Revenue up to £500k and Capital up to 1.5m	<p><b>Lift Modernisation Upgrades at Barton and Jepson House</b></p> <p>We seek approval to undertake a procurement for the Lift modernisation works required at Barton and Jepson House. Across these two properties, we have four lifts that require necessary upgrades to ensure compliance with regulations in relation to Lift Safety and Performance.</p> <p>We are recommending an open tender. We anticipate the cost of these works costing £1,400,000. We anticipate these Lift upgrades taking up to 63 weeks to complete.</p>	<p>Cabinet Member for Housing and Homelessness</p> <hr/> <p>Ward(s): Sands End</p> <hr/> <p>Contact officer: Nick Marco-Wadey Tel: 07988490264 Nick.Marco-Wadey@lbhf.gov.uk</p>	A detailed report for all decisions going to <b>Cabinet</b> will be available at least five working days before the date of the meeting. <b>Cabinet Member Decisions and Officer Decisions</b> reports will be published at the start of the 3-day call-in.
Executive Director of Place	Expenditure/ Income above £300K - Revenue up to £500k and Capital up to 1.5m	<p><b>Contract Variation for the Purchase and Installation of Purpose-built Community Room and WC Portacabins for Linford Christie</b></p> <p>To approve the contract variation for the provision of additional portable cabin facilities to Coleman &amp; Company Limited for a value of up to £338,000.</p>	<p>Cabinet Member for the Economy</p> <hr/> <p>Ward(s): Wormholt</p> <hr/> <p>Contact officer: Chris Nolan, Sebastian Mazurczak Tel: 020 8753 1707 Chris.Nolan@lbhf.gov.uk, Sebastian.Mazurczak@lbhf.gov.uk</p>	A detailed report for all decisions going to <b>Cabinet</b> will be available at least five working days before the date of the meeting. <b>Cabinet Member Decisions and Officer Decisions</b> reports will be published at the start of the 3-day call-in.

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Executive Director of Finance and Corporate Services	Affects 2 or more wards	<p><b>Procurement of Geographical Information System (GIS)</b></p> <p>Procurement of new long term sovereign LBHF-only Geographical Information System</p>	<p>Cabinet Member for Finance and Reform</p> <hr/> <p>Ward(s): All Wards</p> <hr/> <p>Contact officer: Roland de la Mothe Tel: 07776 672584 Roland.delaMothe@lbhf.gov.uk</p>	A detailed report for all decisions going to <b>Cabinet</b> will be available at least five working days before the date of the meeting. <b>Cabinet Member Decisions and Officer Decisions</b> reports will be published at the start of the 3-day call-in.
Cabinet Member for the Economy	Expenditure/ income over £5m & policies or new income, reserves use, overspend over £300K	<p><b>Avonmore Primary School - Appointment of Main Contractor</b></p> <p>This decision requests approval from the Cabinet Member for the Economy to award a contract for the construction of a new primary school and 91 new homes on the site of Avonmore primary school.</p>	<p>Cabinet Member for the Economy</p> <hr/> <p>Ward(s): Avonmore</p> <hr/> <p>Contact officer: Matthew Rumble  matt.rumble@lbhf.gov.uk</p>	A detailed report for all decisions going to <b>Cabinet</b> will be available at least five working days before the date of the meeting. <b>Cabinet Member Decisions and Officer Decisions</b> reports will be published at the start of the 3-day call-in.
Cabinet Member for Housing and Homelessness	Expenditure/ income over £5m & policies or new income, reserves use, overspend over £300K	<p><b>Charecroft estate major refurbishment</b></p> <p>Award of works contract for the to the major refurbishment of the Charecroft estate W12</p>	<p>Cabinet Member for Housing and Homelessness</p> <hr/> <p>Ward(s): Addison</p> <hr/> <p>Contact officer: Vince Conway Tel: 020 8753 1915 Vince.Conway@lbhf.gov.uk</p>	A detailed report for all decisions going to <b>Cabinet</b> will be available at least five working days before the date of the meeting. <b>Cabinet</b>

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				<b>Member Decisions and Officer Decisions</b> reports will be published at the start of the 3-day call-in.
Executive Director of Place	Expenditure/ Income above £300K - Revenue up to £500k and Capital up to 1.5m	<b>Approval of Capital Spend for vehicles for waste, recycling, and street cleansing contract</b>  Purchase of local authority assets for waste, recycling and street cleansing contract.	Cabinet Member for Public Realm  Ward(s): All Wards  Contact officer: Pat Cosgrave Tel: 020 8753 2810 Pat.Cosgrave@lbhf.gov.uk	A detailed report for all decisions going to <b>Cabinet</b> will be available at least five working days before the date of the meeting. <b>Cabinet Member Decisions and Officer Decisions</b> reports will be published at the start of the 3-day call-in.
Executive Director of Place	Expenditure/ Income above £300K - Revenue up to £500k and Capital up to 1.5m	<b>Procurement Strategy and Contract Award - H&amp;F Adult Learning &amp; Skills Service (HFALS) Management Information Services (MIS) Contract</b>  This report seeks approval for expenditure related to the provision of specialist Management Information Service (MIS) for the council's adult learning service HFALS. The Tribal system (EBS4) is included on the "G Cloud 14 Framework Agreement, Lot 2 Crown Commercial Services". The original price quoted by Tribal for an updated MIS system in 2024 was £370,545 which equates to £123,515 per year over a three-year period.	Councillor Zarar Qayyum  Ward(s): All Wards  Contact officer: Eamon Scanlon Tel: 020 8753 6321 Eamon.Scanlon@lbhf.gov.uk	A detailed report for all decisions going to <b>Cabinet</b> will be available at least five working days before the date of the meeting. <b>Cabinet Member Decisions and Officer Decisions</b> reports will be published at the start of the 3-day call-in.

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		<p>The Head of HFALS has negotiated a reduced contract price for a period of 3 years at a price of £103,757 per year for a total cost of £311,271 over 3 years. This is a reduction of £59,274 from the original quoted price. Included in the negotiations was the cost for some additional modules and implementation days to allow for some future proofing. This resulted in an additional cost avoidance of £43,480 if these modules and implementation days were added separately. Therefore, the total negotiated value is £102,754.</p> <p>Digital Services have covered the historic costs for the contract over the last 5 years at £75K per year. Digital Services will continue to pay that same amount £75k per year from March 2025 to Feb 2028 DS = £225k in total (given the inflationary awards to DS). Our Adult Learning Service can then pay the difference of £29k per year X 3 = approx. £87k from our annual GLA Grant Adult Skills Budget (ASB).</p> <p>The Tribal system (EBS4) is included on the “G Cloud 14 Lot 2 Crown Commercial Services”. There are other providers listed on this framework but none of these can provide the service HFALS requires. This being the case, the Corporate Procurement team have advised that HFALS can make a direct award for a new contract with Tribal Group PLC.</p>		

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Deputy Leader (with responsibility for Children and Education)	Expenditure/ Income - Revenue between £500,000 and £5m and Capital between £1.5m and £5m	<p><b>Extension of Holiday Activity and Food Programme coordination</b></p> <p>12 month extension of the contract for the coordination the local implementation on the Holiday Activity and Food Programme.</p>	<p>Deputy Leader (with responsibility for Children and Education)</p> <hr/> <p>Ward(s): All Wards</p> <hr/> <p>Contact officer: Marcus Robinson  Marcus.RobinsonCHS@lbhf.gov.uk</p>	A detailed report for all decisions going to <b>Cabinet</b> will be available at least five working days before the date of the meeting. <b>Cabinet Member Decisions and Officer Decisions</b> reports will be published at the start of the 3-day call-in.
Executive Director of Finance and Corporate Services	Affects 2 or more wards	<p><b>Land and Property Based IT CMS - Data Migration</b></p> <p>To procure specialist support for data migration</p>	<p>Councillor Rowan Ree</p> <hr/> <p>Ward(s): All Wards</p> <hr/> <p>Contact officer: Graham Pottle Tel: 07733 038 882 graham.pottle@lbhf.gov.uk</p>	A detailed report for all decisions going to <b>Cabinet</b> will be available at least five working days before the date of the meeting. <b>Cabinet Member Decisions and Officer Decisions</b> reports will be published at the start of the 3-day call-in.
Executive Director of People	Expenditure/ Income above £300K - Revenue up to £500k and Capital up to 1.5m	<p><b>Alzheimer's Society Direct Award</b></p> <p>This report requests approval to award a contract for the provision of day services to Alzheimer's Society at St Vincent's House Day Centre.</p>	<p>Cabinet Member for Adult Social Care and Health</p> <hr/> <p>Ward(s): Hammersmith Broadway</p> <hr/> <p>Contact officer: Jessie Ellis  Jessie.Ellis@lbhf.gov.uk</p>	A detailed report for all decisions going to <b>Cabinet</b> will be available at least five working days before the date of the meeting. <b>Cabinet</b>



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				<b>Member Decisions and Officer Decisions</b> reports will be published at the start of the 3-day call-in.
Executive Director of Finance and Corporate Services	Expenditure/Income above £300K - Revenue up to £500k and Capital up to 1.5m	<b>Wood Lane estate improvements</b>  Approval to incur expenditure under existing Term Contracts for environmental improvement works to Wood Lane estate W12	Cabinet Member for Housing and Homelessness  Ward(s): College Park and Old Oak  Contact officer: Vince Conway Tel: 020 8753 1915 Vince.Conway@lbhf.gov.uk	A detailed report for all decisions going to <b>Cabinet</b> will be available at least five working days before the date of the meeting. <b>Cabinet Member Decisions and Officer Decisions</b> reports will be published at the start of the 3-day call-in.

**CABINET - 10 February**

Cabinet	Expenditure/Income over £5m & policies or new income, reserves use, overspend over £300K	<b>CAPITAL PROGRAMME MONITOR &amp; BUDGET VARIATIONS, 2024/25 (THIRD QUARTER)</b>  This report reports the quarter 3 position to Cabinet and seeks revisions to the Capital Programme which require the approval of Cabinet in accordance with the Council's financial regulations.	Cabinet Member for Finance and Reform  Ward(s): All Wards  Contact officer: Andre Mark Tel: 020 8753 7227 andre.mark@lbhf.gov.uk	A detailed report for all decisions going to <b>Cabinet</b> will be available at least five working days before the date of the meeting. <b>Cabinet Member Decisions and Officer Decisions</b> reports will be published at the start of the 3-day call-in.
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Cabinet	Expenditure/Income over £5m & policies or new income, reserves use, overspend over £300K	<p><b>THE HOUSING REVENUE ACCOUNT (HRA) BUDGET (2025/26), RENTS &amp; SERVICE CHARGES (2025/26) &amp; HRA 10 YEAR BUSINESS PLAN (2025/26 – 2034/35)</b></p> <p>The current strategic and financial operating environment for the Council's housing service remains extremely challenging. We are aiming to increase the provision of social and affordable housing with a commitment to build new homes within the next few years, investing (£0.85bn) in existing / new homes over 10 years, improving the services available to residents, making the necessary improvements to building standards and safety, and strengthening resident engagement.</p> <p>The national economic conditions are expected to stabilise and improve over the next five years (inflation and reducing interest rates). Despite this, the Council's Housing Revenue Account (HRA) finances continue to be under pressure due to the continuing need for provision of good quality housing and services.</p> <p>In addition, the confirmation from Government of the national rent policy for the next five years of Consumer Price Index (CPI) plus 1% will help to provide greater sustainability and resilience of the Council's housing finances.</p> <p>This report sets out the HRA budget proposals for the financial year 2025/26 including changes to rent levels and other charges as well as an updated HRA 10-year Business Plan.</p>	<p>Cabinet Member for Housing and Homelessness</p> <hr/> <p>Ward(s): All Wards</p> <hr/> <p>Contact officer: Danny Rochford</p> <p>Danny.Rochford@lbhf.gov.uk</p>	<p>A detailed report for all decisions going to <b>Cabinet</b> will be available at least five working days before the date of the meeting. <b>Cabinet Member Decisions</b> and <b>Officer Decisions</b> reports will be published at the start of the 3-day call-in.</p>

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Cabinet		<p><b>Treasury Management Strategy Statement 2025/26</b></p> <p>This report sets out the Council's Treasury Management Strategy for 2025/26</p>	<p>Cabinet Member for Finance and Reform</p> <hr/> <p>Ward(s): All Wards</p> <hr/> <p>Contact officer: Andre Mark Tel: 020 8753 7227 andre.mark@lbhf.gov.uk</p>	<p>A detailed report for all decisions going to <b>Cabinet</b> will be available at least five working days before the date of the meeting. <b>Cabinet Member Decisions and Officer Decisions</b> reports will be published at the start of the 3-day call-in.</p>
Cabinet	Expenditure/ income over £5m & policies or new income, reserves use, overspend over £300K	<p><b>FOUR YEAR CAPITAL PROGRAMME 2025/26 AND CAPITAL STRATEGY 2025/26</b></p> <p>This report sets out an updated four-year capital expenditure and resource forecast and a capital programme and strategy for 2025/26 to 2028/29</p>	<p>Cabinet Member for Finance and Reform</p> <hr/> <p>Ward(s): All Wards</p> <hr/> <p>Contact officer: Andre Mark Tel: 020 8753 7227 andre.mark@lbhf.gov.uk</p>	<p>A detailed report for all decisions going to <b>Cabinet</b> will be available at least five working days before the date of the meeting. <b>Cabinet Member Decisions and Officer Decisions</b> reports will be published at the start of the 3-day call-in.</p>
Cabinet	Affects 2 or more wards	<p><b>REVENUE BUDGET AND COUNCIL TAX LEVELS 2025/26</b></p> <p>To approve the Revenue Budget and Council Tax levels for 2025.26</p>	<p>Cabinet Member for Finance and Reform</p> <hr/> <p>Ward(s): All Wards</p> <hr/> <p>Contact officer: Sukvinder Kalsi  Sukvinder.Kalsi@lbhf.gov.uk</p>	<p>A detailed report for all decisions going to <b>Cabinet</b> will be available at least five working days before the date of the meeting. <b>Cabinet</b></p>

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				<b>Member Decisions and Officer Decisions</b> reports will be published at the start of the 3-day call-in.
Cabinet	Expenditure/Income over £5m & policies or new income, reserves use, overspend over £300K	<b>School Budget (Dedicated Schools Grant) 2025/26</b>  To approve the schools budget funding formula for allocating resources to H&F schools for the financial year 2025/26	Deputy Leader (with responsibility for Children and Education)  Ward(s): All Wards  Contact officer: Tony Burton  tony.burton@lbhf.gov.uk	A detailed report for all decisions going to <b>Cabinet</b> will be available at least five working days before the date of the meeting. <b>Cabinet Member Decisions and Officer Decisions</b> reports will be published at the start of the 3-day call-in.
Cabinet	Expenditure/Income over £5m & policies or new income, reserves use, overspend over £300K	<b>Early Years Dedicated Schools Grant budget for the financial year 2025/26</b>  To approve the Early Years Dedicated Schools Grant budget for the financial year 2025/26	Deputy Leader (with responsibility for Children and Education)  Ward(s): All Wards  Contact officer: Tony Burton  tony.burton@lbhf.gov.uk	A detailed report for all decisions going to <b>Cabinet</b> will be available at least five working days before the date of the meeting. <b>Cabinet Member Decisions and Officer Decisions</b> reports will be published at the start of the 3-day call-in.

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Cabinet	Affects 2 or more wards	<p><b>Update on ‘Upstream London’: the vision for the next phase of the Council’s Industrial Strategy</b></p> <p>This report presents to Cabinet an update on the development of the next phase of the Council’s pioneering Industrial Strategy: Upstream London, launched in late November at an event at the new WEST Youth Zone in White City. The goal is to make the borough a global hub of innovation and inclusive growth.</p> <p>It follows the establishment of a partnership with world-leading Imperial College London in 2017 to establish a cluster of science, technology, engineering, maths, medicines and media (STEM<sup>3</sup>) businesses around Imperial’s existing research and development to create a world-leading economic ecosystem in future industries.</p> <p>The Council has now set a clear strategy to grow a localised economic ecosystem, with a focus on the sectors that are set to grow and that are deemed right for the local area. This comes at a time when the Greater London Authority is developing their London Growth Plan, set to launch in January 2025.</p> <p>Since the inception of our Industrial Strategy, the Council has helped to generate £6billion of high-growth business investment, creating over 13,000 jobs, increasing opportunities in the community through working closely with partners including anchor institutions, businesses and investors.</p> <p>At the same event and as a central part of Upstream London, the</p>	<p>Cabinet Member for the Economy</p> <hr/> <p>Ward(s): All Wards</p> <hr/> <p>Contact officer: David Pack</p> <p>david.pack@lbhf.gov.uk</p>	<p>A detailed report for all decisions going to <b>Cabinet</b> will be available at least five working days before the date of the meeting. <b>Cabinet Member Decisions and Officer Decisions</b> reports will be published at the start of the 3-day call-in.</p>

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		<p>Council also launched the Upstream Pathway Bond, a groundbreaking initiative giving people a clearer pathway into new careers and more opportunities to develop new skills.</p> <p>By utilising relationships with businesses and with the international partnerships the Council has developed, young people will have more opportunities than ever before.</p> <p>Organisations who sign up offer advice, work experience, apprenticeships, interview skills, mentoring and inspiration - even travelling abroad to experience our partner innovation districts. In return, businesses have a highly-skilled workforce on their doorstep.</p> <p>This report covers a 'white paper' vision document launched at the late November event mentioned above; structures put in place to ensure a 'whole Council' approach to delivery, with appropriate Member oversight; proposals for staff engagement; and the intention to put in place a delivery plan.</p>		
Cabinet	Affects 2 or more wards	<p><b>Private Rented Sector Policy</b></p> <p>This report proposes the adoption of a new Private Rented Sector (PRS) policy for Hammersmith and Fulham (H&amp;F) to ensure that private rented housing standards in the borough are among the best in London.</p>	<p>Cabinet Member for Housing and Homelessness</p> <hr/> <p>Ward(s): All Wards</p> <hr/> <p>Contact officer: Matthew Sales  matthew.sales@lbhf.gov.uk</p>	<p>A detailed report for all decisions going to <b>Cabinet</b> will be available at least five working days before the date of the meeting. <b>Cabinet Member Decisions</b> and <b>Officer Decisions</b> reports will be published at</p>

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				the start of the 3-day call-in.
<b>CABINET - 3 March</b>				
Cabinet	Expenditure/Income over £5m & policies or new income, reserves use, overspend over £300K	<p><b>Local Electric Vehicle Infrastructure (LEVI) Grant Acceptance</b></p> <p>Acceptance of the indicative LEVI grant allocation of £7.4m on behalf of the sub-regional partnership. Creation of associated income and expenditure accounts and administering of funds on behalf of the partnership as the lead authority.</p>	<p>Cabinet Member for Public Realm</p> <hr/> <p>Ward(s):</p> <hr/> <p>Contact officer: Masum Choudhury</p> <p>Masum.Choudhury@lbhf.gov.uk</p>	<p>A detailed report for all decisions going to <b>Cabinet</b> will be available at least five working days before the date of the meeting. <b>Cabinet Member Decisions and Officer Decisions</b> reports will be published at the start of the 3-day call-in.</p>
Cabinet	Affects 2 or more wards	<p><b>H&amp;F Suicide Prevention Strategy, 2024-27</b></p> <p>This decision is to adopt a new suicide prevention strategy for H&amp;F for 2024-27</p>	<p>Cabinet Member for Adult Social Care and Health</p> <hr/> <p>Ward(s): All Wards</p> <hr/> <p>Contact officer: Jessica Dawson</p> <p>jessica.dawson@lbhf.gov.uk</p>	<p>A detailed report for all decisions going to <b>Cabinet</b> will be available at least five working days before the date of the meeting. <b>Cabinet Member Decisions and Officer Decisions</b> reports will be published at the start of the 3-day call-in.</p>



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Cabinet	Affects 2 or more wards	<p><b>H&amp;F Plastic Free Policy Refresh</b></p> <p>This report refreshes the objectives and actions set out in Hammersmith and Fulham's Plastic Free Policy Proposal published in 2018. Cabinet approval is sought for the updated policy and accompanying action plan so that we can eliminate non-essential single-use plastics from the Council's operations and facilitate a reduction in single-use plastic consumption across the borough.</p>	<p>Cabinet Member for Climate Change and Ecology</p> <hr/> <p>Ward(s): All Wards</p> <hr/> <p>Contact officer: Hinesh Mehta  Hinesh.Mehta@lbhf.gov.uk</p>	<p>A detailed report for all decisions going to <b>Cabinet</b> will be available at least five working days before the date of the meeting. <b>Cabinet Member Decisions</b> and <b>Officer Decisions</b> reports will be published at the start of the 3-day call-in.</p>

**CABINET - 1 April**

Cabinet	Expenditure/Income over £5m & policies or new income, reserves use, overspend over £300K	<p><b>Secondary Power in communal areas (Firefighting Lifts).</b></p> <p>Due to changes in fire safety guidance and a commitment to enhance fire safety, the Lift service team have undertaken a review of Lift infrastructure and potential safety performance in the event of a fire. This review has determined that within high rise buildings and sheltered schemes improvements are required to ensure that lift operability is maintained in the event of a fire.</p> <p>To convert our current lift stock into 'firefighting lifts' the Lift service team seek to undertake a phased programme for a contractor to install secondary power units within communal areas to 68 high risk profile buildings (see the detailed analysis for further information). These secondary power units will allow Lift provision to the fire service in the event of a fire.</p>	<p>Cabinet Member for Housing and Homelessness</p> <hr/> <p>Ward(s): All Wards</p> <hr/> <p>Contact officer: Richard Buckley  richard.buckley@lbhf.gov.uk</p>	<p>A detailed report for all decisions going to <b>Cabinet</b> will be available at least five working days before the date of the meeting. <b>Cabinet Member Decisions</b> and <b>Officer Decisions</b> reports will be published at the start of the 3-day call-in.</p>
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		We seek approval to procure this programme and award a contract to a winning bidder. We also seek to award a 'reserve contract' to the second-place bidder.		
Cabinet	Affects 2 or more wards	<p><b>Public Realm Works Procurement</b></p> <p>Highways works framework is ending in April 2026 this is a strategy to enhance the procurement to be a one council contract for all public realm type works across multiple departments</p>	<p>Cabinet Member for Public Realm</p> <hr/> <p>Ward(s): All Wards</p> <hr/> <p>Contact officer: Ian Hawthorn Tel: 020 8753 3058 ian.hawthorn@lbhf.gov.uk</p>	A detailed report for all decisions going to <b>Cabinet</b> will be available at least five working days before the date of the meeting. <b>Cabinet Member Decisions and Officer Decisions</b> reports will be published at the start of the 3-day call-in.
Cabinet	Expenditure/Income over £5m & policies or new income, reserves use, overspend over £300K	<p><b>Redevelopment of White City Central</b></p> <p>Approval of revised procurement strategy and other recommendations to enable the progression of the White City Central project.</p>	<p>Cabinet Member for the Economy</p> <hr/> <p>Ward(s): White City</p> <hr/> <p>Contact officer: Matthew Rumble matt.rumble@lbhf.gov.uk</p>	A detailed report for all decisions going to <b>Cabinet</b> will be available at least five working days before the date of the meeting. <b>Cabinet Member Decisions and Officer Decisions</b> reports will be published at the start of the 3-day call-in.

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Cabinet	Expenditure/ Income - Revenue between £500,000 and £5m and Capital between £1.5m and £5m	<p><b>Refurbishment of void properties to expand supported housing provision</b></p> <p>This decision requests approval of a number of recommendations that will enable the council to invest in the refurbishment of three void properties so as to achieve an important expansion of its domestic abuse refuge provision.</p>	<p>Cabinet Member for the Economy</p> <hr/> <p>Ward(s): All Wards</p> <hr/> <p>Contact officer: Joe Coyne, Mo Goudah</p> <p>joe.coyne@lbhf.gov.uk, mo.goudah@lbhf.gov.uk</p>	A detailed report for all decisions going to <b>Cabinet</b> will be available at least five working days before the date of the meeting. <b>Cabinet Member Decisions and Officer Decisions</b> reports will be published at the start of the 3-day call-in.
Cabinet	Affects 2 or more wards	<p><b>2024/25 Corporate Revenue Monitor - Month 9 (December 2024)</b></p> <p>To note the Council's forecast position.</p>	<p>Cabinet Member for Finance and Reform</p> <hr/> <p>Ward(s): All Wards</p> <hr/> <p>Contact officer: Sukvinder Kalsi</p> <p>Sukvinder.Kalsi@lbhf.gov.uk</p>	A detailed report for all decisions going to <b>Cabinet</b> will be available at least five working days before the date of the meeting. <b>Cabinet Member Decisions and Officer Decisions</b> reports will be published at the start of the 3-day call-in.
Cabinet	Expenditure/ income over £5m & policies or new income, reserves use, overspend over £300K	<p><b>Procurement strategy for Hammersmith &amp; Fulham's sexual health offer</b></p> <p>This report seeks approval for to take part in the procurement of clinic-based genito-urinary medicine (GUM) and sexual and reproductive health (SRH) services and e-services being procured by the City of London, as</p>	<p>Cabinet Member for Adult Social Care and Health</p> <hr/> <p>Ward(s): All Wards</p> <hr/> <p>Contact officer: Craig Holden Tel: 07850 541 477 Craig.Holden@lbhf.gov.uk</p>	A detailed report for all decisions going to <b>Cabinet</b> will be available at least five working days before the date of the meeting. <b>Cabinet</b>

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		<p>part of Hammersmith &amp; Fulham Council's ongoing participation in the pan London sexual health programme. These services are mandated functions under the Health and Social Care Act (2012), which requires each local authority to provide, or secure the provision of, open access sexual health services in its area including: access to all types of contraception, preventing the spread of sexually transmitted infections (STIs); through treating and testing of STIs.</p> <p>The new contract is set to commence from 1st April 2025, as part of the London Sexual Health Programme (LSHP), under Provider Selection Regime Direct Award Process C.</p> <p>This report has two recommendations:</p> <ol style="list-style-type: none"> <li>1. After considering the Procurement Strategy, to delegate authority to the Cabinet Member for Adult Social Care and Health to directly awarding the contract through a compliant procurement process under PSR 2023 Direct Award Process C to Chelsea and Westminster Hospital NHS Foundation Trust ("ChelWest"), for the provision of GUM Sexual Health Services. The contract is planned to commence on the 01/04/2025 for a period of two years, with an option to extend for a further four years through two extension periods of two years each (six-years total). The projected value of the contract is £17,855,628 for six years.</li> <li>2. Agree to Hammersmith and Fulham participating in the pan London Sexual Health Programme, which would mean agreeing to City of London leading</li> </ol>		<p><b>Member Decisions and Officer Decisions</b> reports will be published at the start of the 3-day call-in.</p>

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		on the procurement of the sexual health e-services. The anticipated costs for these services is £4,200,000 for a seven year contract.		
Cabinet	Affects 2 or more wards	<p><b>Carbon Offset Cost</b></p> <p>Report outlining a new Carbon offset Cost for developers in the borough.</p>	<p>Cabinet Member for the Economy</p> <hr/> <p>Ward(s): All Wards</p> <hr/> <p>Contact officer: David Gawthorpe</p> <p>David.Gawthorpe@lbhf.gov.uk</p>	<p>A detailed report for all decisions going to <b>Cabinet</b> will be available at least five working days before the date of the meeting. <b>Cabinet Member Decisions and Officer Decisions</b> reports will be published at the start of the 3-day call-in.</p>
Cabinet	Expenditure/income over £5m & policies or new income, reserves use, overspend over £300K	<p><b>Hartopp &amp; Lannoy Appropriation</b></p> <p>A report seeking approval to appropriate the land known as Hartopp &amp; Lannoy Land for planning purposes to facilitate the redevelopment of the land and engage powers under Section 203 of the Housing and Planning Act 2016.</p>	<p>Cabinet Member for the Economy</p> <hr/> <p>Ward(s): Munster</p> <hr/> <p>Contact officer: Labab Lubab Tel: 020 8753 4203 Labab.Lubab@lbhf.gov.uk</p>	<p>A detailed report for all decisions going to <b>Cabinet</b> will be available at least five working days before the date of the meeting. <b>Cabinet Member Decisions and Officer Decisions</b> reports will be published at the start of the 3-day call-in.</p>

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Cabinet	Expenditure/Income over £5m & policies or new income, reserves use, overspend over £300K	<p><b>Building affordable homes - Approval of procurement strategy and construction budget for the Four Sites</b></p> <p>This report requests Cabinet approval of a range of recommendations to enable the progression of four council-led development schemes in the borough: Pearscroft Road, The Grange, Becklow Gardens and Barclay Close (known as the Four Sites).</p> <p>The report specifically requests approval of the procurement strategy and capital budget to enable the procurement of a main construction contractor.</p>	<p>Cabinet Member for the Economy</p> <hr/> <p>Ward(s): Sands End; Coningham; Walham Green</p> <hr/> <p>Contact officer: Matthew Rumble matt.rumble@lbhf.gov.uk</p>	A detailed report for all decisions going to <b>Cabinet</b> will be available at least five working days before the date of the meeting. <b>Cabinet Member Decisions and Officer Decisions</b> reports will be published at the start of the 3-day call-in.

**CABINET - 16 June**

Cabinet	Affects 2 or more wards	<p><b>Emergency Planning &amp; Business Continuity Cabinet Report</b></p> <p>The Council has responsibilities under the Civil Contingencies Act 2004 to plan and respond to emergencies and to have business continuity arrangements in place to reduce the risk of service disruption.</p> <p>This report provides an overview of activity over the previous year and the priorities and dynamic work plan for the forthcoming year.</p> <p>The reporting period covered by this Cabinet Report is from 01 October 2023, to 30 December 2024. The report highlights areas of work for the current financial year to ensure continuous improvement in the service.</p>	<p>Cabinet Member for Social Inclusion and Community Safety</p> <hr/> <p>Ward(s): All Wards</p> <hr/> <p>Contact officer: Denise Prieto, Neil Thurlow Tel: 0208 753 2286, Denise.Prieto@lbhf.gov.uk, Neil.Thurlow@lbhf.gov.uk</p>	A detailed report for all decisions going to <b>Cabinet</b> will be available at least five working days before the date of the meeting. <b>Cabinet Member Decisions and Officer Decisions</b> reports will be published at the start of the 3-day call-in.
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