

# Cabinet Agenda

**Monday 9 February 2026 at 7.00 pm**

**Clockwork Building (Ground Floor), 45 Beavor Lane, W6 9AR**

**Watch live on YouTube: [youtube.com/hammersmithandfulham](https://www.youtube.com/hammersmithandfulham)**

## **MEMBERSHIP**

| <b>Administration</b>   |
|---|
| Councillor Stephen Cowan, Leader (Chair)<br>Councillor Alex Sanderson, Deputy Leader (responsible for Children and Education)<br>Councillor Bora Kwon, Cabinet Member for Adult Social Care and Health<br>Councillor Wesley Harcourt, Cabinet Member for Climate Change and Ecology<br>Councillor Andrew Jones, Cabinet Member for the Economy<br>Councillor Rowan Ree, Cabinet Member for Finance and Reform<br>Councillor Frances Umeh, Cabinet Member for Housing and Homelessness<br>Councillor Florian Chevoppe-Verdier, Cabinet Member for Public Realm<br>Councillor Rebecca Harvey, Cabinet Member for Social Inclusion and Community Safety<br>Councillor Zarar Qayyum, Cabinet Member for Enterprise and Skills |

**Contact Officer:** David Abbott  
Governance and Scrutiny  
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**Members of the public are welcome to attend but spaces are limited. To register for a place please contact: [david.abbott@lbhf.gov.uk](mailto:david.abbott@lbhf.gov.uk). The building has disabled access.**

**Access to information notice**

The Cabinet gives notice of its intention that it may want to hold part of this meeting in private to consider the exempt elements of item 5 which are exempt under paragraph 3 of Schedule 12A to the Local Government Act 1972, in that they relate to the financial or business affairs of any particular person, including the authority holding the information.

The Cabinet has received no representations as to why the relevant part of the meeting should not be held in private.

**Deputations**

Members of the public may submit a request for a deputation to the Cabinet on reports on this agenda using the Council's Deputation Request Form. Completed forms 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. Forms must be sent to [david.abbott@lbhf.gov.uk](mailto:david.abbott@lbhf.gov.uk) by Wednesday 4 January 2026.

**Call-in**

A draft decision list regarding items on this agenda will be published the day after the meeting. Decision reports may be called in to the relevant Policy and Accountability Committee. The deadline for receipt of call-in requests from councillors is Friday 13 February at 3.00pm. If no valid call-in requests are received by the deadline, a confirmed decision list will be published and the decisions can be implemented.

# Cabinet agenda

9 February 2026

| <u>Item</u>  | <u>Pages</u> |
|--|--------------|
| <b>1. APOLOGIES FOR ABSENCE</b>  |              |
| <b>2. DECLARATION OF INTERESTS</b>   |              |
| <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> |              |
| <b>3. MINUTES OF THE PREVIOUS MEETING</b>  | 5 - 10       |
| <b>4. REVENUE BUDGET AND COUNCIL TAX LEVELS 2026/27</b>  | 11 - 128     |
| <b>5. FOUR YEAR CAPITAL PROGRAMME 2026-30 AND CAPITAL STRATEGY 2026/27</b>   | 129 - 156    |
| <b>6. THE HOUSING REVENUE ACCOUNT (HRA) BUDGET (2026/27), RENTS &amp; SERVICE CHARGES (2026/27) &amp; HRA 10 YEAR BUSINESS PLAN (2026/27 - 2035/36)</b>  | 157 - 178    |
| <b>7. SCHOOL AND EARLY YEARS BUDGET (DEDICATED SCHOOLS GRANT) 2026/27</b>  | 179 - 193    |

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| <b>8.</b>  | <b>TREASURY MANAGEMENT STRATEGY STATEMENT 2026/27</b>                | <b>194 - 232</b> |
| <b>9.</b>  | <b>ARTICLE 4 DIRECTION - SMALL HOUSES IN MULTIPLE<br/>OCCUPATION</b> | <b>233 - 240</b> |
| <b>10.</b> | <b>KEY DECISIONS LIST (TO NOTE)</b>                                  | <b>241 - 296</b> |

London Borough of Hammersmith & Fulham

# Cabinet

## Minutes



**Monday 19 January 2026**

### **PRESENT**

#### **Executive Members**

Councillor Stephen Cowan, Leader of the Council

Councillor Alex Sanderson, Deputy Leader (with responsibility for Children and Education)

Councillor Florian Chevoppe-Verdier, Cabinet Member for Public Realm

Councillor Wesley Harcourt, Cabinet Member for Climate Change and Ecology

Councillor Rebecca Harvey, Cabinet Member for Social Inclusion and Community Safety

Councillor Bora Kwon, Cabinet Member for Adult Social Care and Health

Councillor Zarar Qayyum, Cabinet Member for Enterprise and Skills

Councillor Rowan Ree, Cabinet Member for Finance and Reform

Councillor Frances Umeh, Cabinet Member for Housing and Homelessness

#### **Other Councillors**

Councillor Adronie Alford

#### **Officers**

Sharon Lea, Chief Executive

Grant Deg, Director of Legal Services

David Abbott, Head of Governance

### **1. APOLOGIES FOR ABSENCE**

Apologies for absence were received from Councillor Andrew Jones.

### **2. DECLARATION OF INTERESTS**

There were no declarations of interest.

### **3. MINUTES OF THE PREVIOUS MEETING**

The minutes of the meeting held on 8 December 2025 were agreed as an accurate record.

### **4. COUNCIL TAX SUPPORT SCHEME 2026/27**

Minutes are subject to confirmation at the next meeting and any amendments will be recorded in the minutes of that subsequent meeting.

Councillor Rowan Ree (Cabinet Member for Finance and Reform) introduced the report which sought to approve the Council Tax Support Scheme for 2026/27. The scheme provided up to 100% support for the most vulnerable residents, exempted care leavers and foster carers from Council Tax entirely and in recognition of the brave service of our nation's Armed Forces, and to mark 80 years since VE Day, provided a 25% discount for veterans living in the borough.

The Chair and Leader of the Council, Councillor Stephen Cowan, said he was grateful for Councillor Ree's leadership in this area.

The report and recommendations were unanimously agreed.

## **RESOLVED**

That Cabinet agreed the following recommendations to be approved by Full Council:

1. That the Council Tax Support Scheme in operation in 2025/2026 (included at Appendix 1) shall continue in 2026/2027.
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 2026/2027.

*The reasons for decision and alternative options are set out in the report.*

*There were no declarations of interest and no dispensations in respect of any declared conflict of interest.*

## **5. COUNCIL TAX BASE AND COLLECTION RATE 2026/27 AND DELEGATION OF THE BUSINESS RATE ESTIMATE**

Councillor Rowan Ree (Cabinet Member for Finance and Reform) introduced the report that set the Council Tax base for the purposes of the 2026/27 revenue budget. The proposed 2026/27 Council Tax base was 91,726, an increase of 3,422 on the figure agreed for 2025/26 which would result in increased income of £3.48m. The report also delegated authority to the Executive Director for Finance and Corporate Services to determine the business rates tax base for 2026/27.

Councillor Ree noted that the Council had increased its collection rate to 98% and said the Council continued to charge second home and empty home premiums.

The report and recommendations were unanimously agreed.

## **RESOLVED**

1. That Cabinet agreed to refer this report to Full Council and recommend approval by Full Council for the financial year 2026/27 of:

- a. The estimated numbers of properties for each Valuation Band as set out in this report.
- b. An estimated collection rate of 98.0%.
- c. The Council Tax Base of 91,726 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 2026/27.

*The reasons for decision and alternative options are set out in the report.*

*There were no declarations of interest and no dispensations in respect of any declared conflict of interest.*

## **6. FUTURE RESIDENT FACING ENERGY PROPOSALS**

Councillor Wesley Harcourt (Cabinet Member for Climate Change and Ecology) introduced the report which sought approval for a package of programmes aimed at streamlining access to clean energy opportunities and technologies for H&F residents. The heart of these proposals was a new ‘Healthy Homes’ service to guide residents through the design, funding and implementation of housing retrofit projects.

Councillor Harcourt highlighted that the two proposed Healthy Homes pilot areas would receive intensive community engagement to further drive and scale clean energy and sustainability measures. One of the pilots was based around social housing and one was in private housing. The proposals built on work underway in H&F to:

- Work with the HFCE green energy co-op to install solar PV on selected H&F.
- Schools, enabling residents to invest in solar energy in the borough.
- Trial innovative green energy flex tariffs in social housing units.
- Support fuel poor residents to save energy and access government grants.
- Design clean heat networks for larger H&F Housing estates.
- Commission the innovative new clean energy network on the Civic Campus.

The report and recommendations were unanimously agreed.

### **RESOLVED**

1. To approve a new H&F service, as part of the H&F ‘Healthy Homes’ programme, to help residents design and install measures including insulation, solar PV, heat pumps and energy storage to their homes. A proposed small grant scheme, administered by H&F, is linked to this to help less well-off residents to pay for measures.
2. To approve the selection of the portion of Wormholt and College Park & Old Oak wards that is H&F social housing as a social housing place-based decarbonisation scheme, including solar energy, batteries, heat pumps, insulation and innovative money saving energy tariffs.

3. To approve the selection of Wendell Park as a private housing place-based decarbonisation scheme, using intensive, targeted communications and engagement, alongside innovative measures such as thermal drone scans, to drive clean energy measures in the neighbourhood. The European Horizon 2020 programme, which covers leading innovative climate initiatives, has shown an interest in this. H&F proposes to work with an engagement partner who will support on research, development, implementation and measurement of this hyper-localised approach to engagement.
4. To note the other schemes already underway and expanding, including the HFCE green energy co-op, feasibility studies for large scale clean energy networks, support for residents in fuel poverty, and social housing retrofit projects in the West Kensington and White City estates among others.

*The reasons for decision and alternative options are set out in the report.*

*There were no declarations of interest and no dispensations in respect of any declared conflict of interest.*

## **7. PROCUREMENT STRATEGY FOR EDWARD WOODS TOWERS EXTERNAL FACADE AND WINDOW REPLACEMENT WORKS**

Councillor Frances Umeh (Cabinet Member for Housing and Homelessness) introduced the report that sought approval to run a procurement exercise to source a contractor to undertake the required works to the towers at the Edward Woods estate. Councillor Umeh added that the works would replace windows, improve fire safety, and improve thermal performance.

She then discussed the work that the Council had been doing on fire safety including:

- Personal evacuation plans and person-centred fire risk assessments had been put in place for residents. There was a partnership between the Adult Social Care and Housing teams to ensure vulnerable residents had evacuation plans.
- Sprinklers had been installed in 580 homes and upgrades had been made to wet rises.
- 15 minute fire doors had been installed, including for leaseholders at no additional charge.
- The Council provided free plug adapters and free portable appliance testing (PAT).
- Annual letters had been sent to residents with fire safety booklets.
- Strong governance processes had been put in place, with regular updates sent to Cabinet to give an overview on compliance. Regular update papers from the Director of Housing went to the Council's Senior Leadership Team meetings. And regular updates went to the Housing and Homelessness Policy and Accountability Committee for member scrutiny. There was also robust resident scrutiny – a resident group had been set up to look at the fire safety works.



Councillor Umeh said the Council recognised the importance of taking proactive measures to ensure residents felt safe in their homes.

The Chair added that the Council's Fire Safety Plus programme had first been put in place in 2016 following fires caused by faulty whitegoods. The Council replaced at risk whitegoods, replaced front doors with higher quality fire doors, and put risk assessments in place for a high percentage of residents. He then highlighted the Grenfell tragedy and said the victims were always in the thoughts of members and officers. He said it was the Council's duty to avoid an event like that in Hammersmith and Fulham.

Councillor Adronie Alford addressed the meeting and gave her full support to the measures outlined above. She then noted her concerns about lithium batteries being stored improperly on estates and asked that the Council remained stringent about the issue. She also noted that she had a smart meter installed that later caught fire and asked that when the Council checked properties, they checked that smart meters were correctly installed too.

The Chair said he was sorry to hear about the fire. He said the Council was also concerned about lithium batteries (used in electric scooters for example) and was in the process of changing the tenant agreement to tackle this issue. Councillor Umeh gave assurances that smart meters were installed correctly and person-centred fire risk assessments were completed for residents. Regarding electric scooters, she noted that the London Fire Brigade has spoken about the dangers of them and how they are charged. They were responsible for a fire every two days, often due to incompatible chargers. To tackle this the Council would provide spaces to charge mobility scooters in sheltered accommodation and signage was put up in housing estates warning of the dangers. She said this issue was a top priority for the Housing team.

Councillor Wesley Harcourt also noted the dangers of the disposal of lithium batteries and how it had resulted in fires at the Western Riverside Waste Authority. The Chair said the Council was very alert to the risks of lithium batteries and he had discussed the issue many times with senior officers and members. He suggested a paper on this issue should go to one of the Council's Policy and Accountability Committees for further discussion and scrutiny.

The report and recommendations were unanimously agreed.

## **RESOLVED**

1. To note that Appendix 1 is not for publication on the basis that it contains information relating to the financial or business affairs of any particular person (including the authority holding that information) as set out in paragraph 3 of Schedule 12A of the Local Government Act 1972 (as amended).
2. That Cabinet approves the procurement strategy proposing a mini-competition via the Pretium Building and Fire Safety Framework (Lot 8 – External Wall Works) to source a contractor to undertake external façade safety works at Norland House, Stebbing House, Poynter House Edward Woods estate W11.

3. That Cabinet notes that the procurement will be a two-stage design and build process with the Council entering into a pre-construction services agreement ("PCSA") with a preferred supplier. Following completion of the design phase the Council will seek to enter into a works contract with the preferred supplier.

*The reasons for decision and alternative options are set out in the report.*

*There were no declarations of interest and no dispensations in respect of any declared conflict of interest.*

## **8. FORWARD PLAN OF KEY DECISIONS (TO NOTE)**

The Key Decision List was noted.

## **9. DISCUSSION OF EXEMPT ELEMENTS (IF REQUIRED)**

There was no discussion of exempt elements.

Meeting started: 7.02 pm  
Meeting ended: 7.29 pm

Chair .....

**Report to:** Cabinet

**Date:** 09/02/2026

**Subject:** Revenue Budget and Council Tax Levels 2026/27

**Report of:** Councillor Rowan Ree, Cabinet Member for Finance and Reform

**Author:** Elizabeth Nash, Principal Accountant (Revenue Planning)  
James Newman, Assistant Director – Finance (Deputy s151)

**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 2026/27 (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.

The strategic operating environment for public services (including local government) remains challenging. While inflationary pressures have eased and interest rates are reducing, there are demand-led pressures in Adult Social Care, Children's Services and Homelessness. Combined with the impact of Fair Funding Review 2.0 and the reset of the Business Rates Retention System from April 2026, this Council will continue to face financial challenges in the years to come.

For the first time in many years, the government has confirmed a multi-year settlement from 2026/27 to 2028/29 alongside the funding formula reform. Hammersmith and Fulham is eligible for transitional funding relief over the three years to 2028/29.

Council Tax in Hammersmith & Fulham remained the third lowest in the country during 2025/26. Since coming to power in 2014, this administration has cut or frozen council tax five times in eleven 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 providing £9m of support to borough residents who need it. 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 Council welcomes the continuation of resources for Extended Producer Responsibility (for waste collection and disposal costs) and confirmation that the Household Support Fund will be phased out after March 2026 and replaced by a new Crisis and Resilience Fund, worth £1bn annually, as part of the multi-year settlement, which provides longer-term support and focus on preventative measures as well and emergency aid.

The overall objectives of the revenue budget proposals for 2026/27 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

A balanced budget for 2026/27 is proposed (whilst protecting our reserves) including £9.5m of efficiencies. The budget 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, and delivering a modest budget surplus in the last three full financial years (from 2022/23 to 2024/25) and increasing reserves at a time when many other councils are utilising them to balance the annual budgets

The proposed increase of Council Tax by 2.99% and the additional social care precept (which equates to an increase of 92p per week for Band D properties) will generate an additional £4.4m (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.

The Fair Funding Review 2.0 and Business Rates Reset from April 2026 will mean lower funding levels from central Government. The Council has a strong track record in presenting balanced annual budgets and managing its resources (as recognised in the external auditors Annual Audit Report for 2024/25 and the LGA's Finance Peer Review).

Our strategy to ensure the continued strong medium term financial governance of the Council will include driving forward service transformation programmes, to improve efficiency and outcomes, combined with a continuing our balanced strategy of combining in-house provision with external service providers to deliver services, maximising income (through fees, charges, commercial opportunities and developer contributions), ongoing review of our policy to align priorities with statutory service obligations and available resources, and strengthening financial resilience, including contingency planning and reserves strategy.

The report also includes equality impact assessments for change proposals, ensuring budget decisions do not disproportionately affect protected groups and complying with statutory regulations. The report also includes an assessment of the robustness of the budget assumptions and an assessment of the council's compliance with the CIPFA (Chartered Institute of Public Accountancy) Financial Management Code, which includes effective medium-term planning, clear accountability for financial decisions, regular monitoring of financial performance and maintenance of adequate reserves.

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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 note the three-year settlement numbers for the General Fund, covering 2026/27, 2027/28, and 2028/29
2. To approve a balanced budget for 2026/27 as set out in the report, including the underlying principles and assumptions.
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 and children's services,
6. To approve the Medium-Term Financial Strategy and to note the impact of funding reform from 2026/27 onwards, and budget projections to 2029/30 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 xx).
8. To approve the reserves strategy and forecast as set out in Appendix G.
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 2026/27 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 2026/27 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 (£)                     | 672.67   | 784.78   | 896.89   | 1,009.00 | 1,233.22 | 1,457.44 | 1,681.67 | 2018.00  |

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.

| Category of Dwelling | A      | B      | C      | D      | E      | F      | G      | H        |
|----------------------|--------|--------|--------|--------|--------|--------|--------|----------|
| Ratio                | 6/9    | 7/9    | 8/9    | 1      | 11/9   | 13/9   | 15/9   | 18/9     |
| b) GLA (£)           | 340.34 | 397.06 | 453.79 | 510.51 | 623.96 | 737.40 | 850.85 | 1,021.02 |

13. That the overall Council Tax to be set at £1,519.51 per Band D property as follows:

| Category of Dwelling | A        | B        | C        | D        | E        | F        | G        | H        |
|----------------------|----------|----------|----------|----------|----------|----------|----------|----------|
| Ratio                | 6/9      | 7/9      | 8/9      | 1        | 11/9     | 13/9     | 15/9     | 18/9     |
| a) H&F (£)           | 672.67   | 784.78   | 896.89   | 1009.00  | 1,233.22 | 1,457.44 | 1,681.67 | 2018.00  |
| b) GLA (£)           | 340.34   | 397.06   | 453.79   | 510.51   | 623.96   | 737.40   | 850.85   | 1,021.02 |
| c) Total (£)         | 1,013.01 | 1,181.84 | 1,350.68 | 1,519.51 | 1,857.18 | 2,194.84 | 2,532.52 | 3,039.02 |

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).

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**Wards Affected:** All

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| H&F values                             | Summary of how this report aligns to the H&F Priorities   |
|--|---|
| Being ruthlessly financially efficient | The council has a proud record of maintaining low Council Tax to its residents. The revenue budget for 2026/27 proposes |

| H&F values  | Summary of how this report aligns to the H&F Priorities   |
|---|---|
|   | 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 26/27 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 26/27 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.                          |
| 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, 6th January 2026*

## 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 of Legal Services, 30 January 2026*

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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 safeguards the services that make Hammersmith & Fulham unique, as well as securing our financial future against the challenges we will face in the coming years.

Our Borough enters the 2026/27 financial year in a strong position. Following the sector's backlog of external audits (caused by Covid 19 and a weakening auditor market), we have closed four sets of accounts in 20 months. We were also one of the first boroughs in the country to complete the 2024/25 audit process which, more importantly, concluded with a clean bill of health.

A Local Government Association Peer Review, by a cross-party group of councillors and finance officers from across the country, in April 2025 highlighted that H&F "is very ambitious and financially well-run" with "a track-record of delivering its savings targets", further external validation of H&F being a competently managed borough.

Our "Ruthless Financial Efficiency" ethos has, with the proposals in this report, delivered cumulative savings of over £156m over the past 13 years, and further achievements include:

- Maintained the third lowest Council Tax in the country;
- Put in place support to help residents with the cost of living, including a £900 crisis grant;
- Taken care leavers and foster carers out of Council Tax completely, while giving military veterans a 25% tax cut;
- Established one of the country's most comprehensive Council Tax Support Schemes, so those least able to pay, pay the least;
- Introduced an Ethical Debt Collection Policy, that has inspired recent central government reforms; and
- Added £1m to our unallocated reserves in the last three years.

Residents and businesses will know that whilst we're a small borough, we punch well above our weight, and this is abundantly clear when it comes to Upstream, our industrial strategy – which demonstrates that our borough is open for business, with the highest economic growth in London.

Since our Industrial Strategy launched in 2017, businesses in H&F have received a total of £6.3bn in growth investment funding, and over 17,000 jobs have been added in high-growth sectors (Life Sciences, Tech & AI, Creative Industries, Climate Tech). But this administration wants everyone to benefit from this success, and our pioneering Upstream Pathway Bond connects young people and parents with opportunities to explore careers in science, technology, engineering, maths, medicine and media (STEM3) — from work experience to workplace visits and mentoring.

The local government sector has seen huge funding reductions since the commencement of austerity, and we have managed this Council and residents' interests with care and compassion. But we know that further pressures are coming.

Changing demographics and a weak national economy will mean demand for council services will continue to rise. The so-called Fair Funding changes, which have been anticipated for over a decade, are now being implemented in 2026/27, with only a year's notice. This will reduce our central government funding over the medium term, and re-distribute more of the Business Rates income this borough generates to other parts of the country. Furthermore, investment will always be needed to ensure that the services we provide continue to be as effective as they can be.

That is why we have put in place four council-wide transformation programmes to drive spending reductions over the medium-term and make us more efficient as an organisation. These focus on staffing, maximising income generation, making the most of our property portfolio, and taking advantage of the latest technological developments and the data the council holds.

While some have chosen to scare monger about the challenges we face, we are different. We are choosing to meet them head on. Our previous prudent management and these larger transformation programmes will safeguard the borough's financial future for years to come and protect the services that matter to you.

## **NATIONAL FINANCIAL CONTEXT AND OUTLOOK**

1. Local government continues to operate in a challenging financial environment for the short and medium term. While inflationary pressures have eased compared to previous peaks, cumulative price increases over recent years continue to impact council budgets and raise the cost of living for residents and businesses. Demand-led services and workforce cost pressures remain significant drivers of financial strain.
2. CPI inflation is forecast to average at around 2.5% in 2026, slightly above the Bank of England's 2% target, before returning to target in 2027. Recent volatility is linked to energy costs and global supply chain factors. The Office of Gas and Electricity Markets (Ofgem) energy price cap for Q1 2026 is forecast to marginally increase (0.2%) from late 2025.
3. The Bank of England base rate is expected to gradually decline through 2026, moving from 3.75% in January 2026 to around 2.75% by December 2026 and stabilising thereafter in 2027.
4. The council's main source of borrowing is via the Public Works Loan Board, whose rates remain elevated compared to pre-2020 levels, with forecasts for 10-year borrowing around 4.3-4.7% in late 2026.
5. This will have an impact on the Council's capital programme and much careful consideration will have to be given by Members on how to finance and pay back any sums borrowed and repayable soon.
6. The table below sets out some of the Office of Budget Responsibility's (OBR) key economic and fiscal indicators over the medium term as at November 2025.

|                     | <b>2025/26</b> | <b>2026/27</b> | <b>2027/28</b> | <b>2028/29</b> |
|---------------------|----------------|----------------|----------------|----------------|
| CPI                 | 2.5            | 2.0            | 2.0            | 2.0            |
| Average Earnings    | 2.2            | 2.0            | 2.5            | 2.8            |
| Interest Rates      | 3.9            | 3.7            | 3.5            | 3.5            |
| Gilt Rates (5 year) | 4.1            | 4.8            | 5.3            | 5.3            |

### Autumn Budget 2025

7. The Chancellor announced the Autumn Budget on the 26<sup>th</sup> of November 2025, setting out the Government's spending plans and the estimated impact of changes to tax, welfare, and public service spending.

#### Local Government Funding

- A multi-year Local Government Finance Settlement will be introduced for the first time in a decade, alongside Fair Funding Review reforms.
- There will be an additional £4bn of funding for local government services, including targeted support for social care and high-need areas.

#### Business Rates

- A revaluation will come into effect from 1<sup>st</sup> April 2026, updating rateable values for all non-domestic rating properties to reflect current market conditions and reflect the changes to the tax base.
- The standard multiplier will be uprated by September CPI (3.8%).
- New, permanently lower tax rates for eligible retail, hospitality, and leisure properties, 5 pence below the relevant national multiplier.

#### Social Care

- Continued priority funding for adult and children's social care, with allocations to be confirmed for Council's with the PLGFS.

#### Housing & Homelessness

- Affordable Homes Programme boosted by £500m for 2026/27
- Additional funding for homelessness prevention continues, with allocations expected early 2026
- Local authorities retain 100% of Right-to-Buy receipts, while discounts will be reduced
- Consultation launched on a long-term social housing rent settlement of CPI+1% for five years, with an option for a 10-year settlement

#### SEND and Education

- £1bn increased for SEND and alternative provision in 2026/27.
- SEND reform plans will be set out early next year
- Government to take on future SEND costs centrally from 2028/29, relieving councils of statutory override pressures. There is currently no clarity on historic deficits, which is a major financial risk for Councils.

## Roads and Infrastructure

- Local roads maintenance funding rises by £500m in 2026/27

## Council Tax

- High value council tax surcharge – a new tax on owners of residential property in England for properties worth £2m or more. It will be paid by relevant homeowners in addition to council tax. Local authorities will collect the income which will pass through to Government. A consultation will launch in 2026.

## Employer National Insurance Contributions (ENICs):

- No new increase announced for 2026/27, but salary sacrifice changes confirmed for pensions from April 2029 (cap at £2,000 tax-free). This funding stream was separate in 2025/26 but will be rolled into Revenue Support Grant from 2026/27.

## National Living Wage Increase

- The National Living wage will increase by 4.1% to £12.71 per hour from April 2026. The National Minimum wage will also increase, by 8.5%.

## UK Shared Prosperity Fund:

- Extended for one more year at a reduced level of £900m across England

## Cost of Living and Benefits

8. Alongside the Autumn Statement, The Office for Budget Responsibility's (OBR) economic and fiscal outlook was published<sup>12</sup>. It is forecast that unemployment rate to peak at 4.7 per cent up from 4.3%, reflecting slower growth and labour market adjustment. This is expected to ease gradually to 4.1% by mid-2027, returning to its estimated structural rate.

Welfare spending is forecast to rise from £326.9bn in 2025/26 to £339bn in 2026/27, driven by uprating of benefits and pensions. Long-term trend for welfare spending is expected to reach £377.7bn by 2029/30 (11.1% of GDP), mainly due to ageing population and health/disability caseload growth. The Crisis and Resilience Fund (replacing the Household Support Fund) will continue in 2026/27.

9. The impact of the wider macroeconomic downturn has impacted many vulnerable households. The Council continues to implement a £10m+ support package<sup>3</sup>

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<sup>1</sup> OBR Economic and Fiscal Outlook – November 2025 (CP 1439)

<sup>22 4</sup> [Economic and fiscal outlook – CP 1439](#)

<sup>3</sup> [Cost of living support | London Borough of Hammersmith & Fulham \(lbhf.gov.uk\)](#)

combining direct funding and national schemes.<sup>4</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, Core Spending Power and Local Government Finance Reform**

10. The Local Government finance policy statement was published on the 20<sup>th</sup> of November and sets out the framework for the first multi-year Local Government Finance Settlement in a decade, covering 2026/27 to 2028/29. The Government confirmed its commitment to funding reform through Fair Funding Review 2.0, introducing a simpler, needs-based system that allocates resources based on:
  - Relative needs formulas (Adult Social Care, Children's Services, Highways, Fire and a Foundation Formula for other services.
  - Area cost adjustments for regional variations
  - Resources adjustment reflecting council's ability to raise Council Tax locally.
11. Key features of the reform are as follows:
  - Business Rates Baseline reset, together with a revaluation from 2026/27
  - Grant Simplification - Consolidation of multiple smaller grants into the Local Government Finance Settlement to reduce complexity and reliance on competitive bidding.
  - Multi-Year Certainty - Councils will receive indicative allocations for three years, enabling better financial planning.
  - Transitional Protection - Funding floors will limit losses for councils that receive less under the new formula; changes phased in over three years.
  - Focus on Deprivation - More funding directed to areas with high deprivation and lower tax bases
12. The Provisional 2026/27 Local Government Finance Settlement (LGFS) was published by MHCLG on the 17<sup>th</sup> of December 2025 and the final settlement was published in the February 2026. The statement outlines provisional funding allocations for local authorities for 2026/27 alongside the Core Spending Power for each authority.
13. The 2026/27 LGFS is expected to set out an increase in Core Spending Power for English councils of 3.1% per year in real terms across the Spending Review period (2024–2029). There will be additional £3.4bn grant funding by 2028/29 compared to

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<sup>4</sup> <https://www.lbhf.gov.uk/cost-living-support>

2024/25. Social care remains a priority with £3.7bn for adult and children's services through the Settlement, including ring-fenced grants.

14. The settlement assumes that Council tax increases will continue to be capped at 4.99% each year (2.99% general and 2% adult social care precept). It also includes assumptions around a business rates retention system reset from 2026/27, (including compensation for under indexing the multiplier) as well as growth in the Council Tax base.
15. A high level summary of the Council's Core Spending Power (including impact of transitional funding) in comparison to the previous financial year is set out in the table below.

**Table 1 – Core Spending Power (Government estimate)**

|   | <b>2025/26<br/>£m</b> | <b>2026/27<br/>£m</b> | <b>Change<br/>£m</b> |
|---|-----------------------|-----------------------|----------------------|
| Government Grants and Estimated Retained Business Rates | 156.9                 | 133.4                 | (23.5)               |
| Estimated Council Tax                                   | 84.9                  | 91.1                  | 6.2                  |
| <i>Transitional relief funding</i>                      |                       | 6.0                   | 6.0                  |
| <b>Total</b>  | <b>241.8</b>          | <b>230.5</b>          | <b>(11.3)</b>        |
|   |                       |                       |                      |

16. Overall Core Spending Power for the Council is forecast to decrease by £11.3m year on year, a reduction of almost 4.7%. This includes transitional funding of £6.0m in 2026/27. An explanation of the key funding streams is outlined below:
17. **Fair Funding Assessment** – The FFA (settlement funding assessment as was) 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. 17 funding streams will be consolidated into RSG from 2026/27, worth £25.3bn over the 3-year settlement.
18. 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.
19. **Consolidated Grants:** As part of Fair Funding Review 2.0, 16 funding streams will be consolidated into 4 new ringfenced consolidated grants. Across the three-year multi-year settlement, these grants total £21.5bn nationally:
  - Homelessness, Rough Sleeping and Domestic Abuse Grant - £2.4bn.  
Combines Homelessness Prevention Grant, Rough Sleeping Prevention, Recovery and Accommodation Programme and Domestic Abuse Safe Accommodation Grant
  - Children, Families and Youth Grant - £3.1bn  
Children's Social Care Reform (which includes Prevention Grant, Families First Partnership, Transformation Fund and Additional investment), Holiday Activities and Food Programme, Pupil Premium plus Post-16
  - Public Health Grant - £13.5bn



Consolidates existing Public Health Grant with Drug and Alcohol Treatment and Recovery, Stop Smoking services, Individual Placement and Support Services and Swap to Stop scheme.

- Crisis and Resilience Fund - £2.5bn  
Combines Household Support Fund and Discretionary Housing Payments.

20. **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. As part of Fair Funding Reform, business rates under-indexation funding to 2025/26 is brought into the main Revenue Support Grant, and this is factored into the overall Council funding position.
21. **Social Care Funding** – Social Care Grant (£17.8bn) and Market sustainability and improvement fund (£3.2bn) will be consolidated into RSG grant. This funding is addition to £2.7bn continuing ringfenced funding for adult social care in relation to the Local Authority Better Care Grant.
22. **Extender Producer Responsibility for Packaging (EPR)** – 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 is forecast to receive an estimated £2.6m as a guaranteed payment in 2026/27 towards these costs. However, the government will assess the impact of additional EPR 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.
23. 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.

## **IMPACT OF FUNDING REFORM ON HAMMERSMITH AND FULHAM**

24. It has been clear, from the two Government consultations over the last year (in December 2024 and June 2025, which included the release of a borough level relative needs formula calculator), the finance policy statement in November and finally the PLGFS, that Hammersmith and Fulham would see a sizeable reduction in Central Government funding in raw terms (ie comparing directly the old and new funding regimes, and before transitional arrangements). This is caused by a combination of relatively lower deprivation levels compared to other local authorities, and a higher resources adjustment, caused by lower than average Council Tax.
25. Government will implement the new Fair Funding framework over 2026/27, 2027/28 and 2028/29. Whilst the 2026/27 funding protection remains at 95% of 2025/26 core spending power level, transitional funding for each of the subsequent two years will be reduced by an amount equivalent to £150 per Band D equivalent of the council tax base (based on Government's forecasts of our council tax base over the period). As a result, total transitional funding across the period will be £34m.

26. The organisation will need to ensure it is ready to absorb these annual funding reductions, which will now present considerably sooner than previously modelled (because of less transitional funding). The three-year settlement information is factored into the Medium Term Financial Strategy at Appendix B.

### **Business Rates reset/revaluation**

27. The Business Rates Baseline funding level in the table above is the product of two numbers - the business rates baseline funding level (30% of rates estimated to be collected, being the borough share), less the tariff we pay to Government from its share of business rates income.
28. Fair Funding and the business rates reset has had a sizeable impact on our position. The tariff H&F pays to Government quadruples, from £12.8m in 2025/26 to £53.6m in 2026/27. This means that from an indicative gross rates collectible within the borough of £300m, Hammersmith and Fulham Council retains 10% of this. The below is Government's estimate from the Calculator it released with the Fair Funding information.

| <b>Government estimate of Business Rates</b> | <b>2026/27 - Fair Funding<br/>£m</b> |
|--|--------------------------------------|
| Gross rates payable                          | 301.3                                |
| Business Rate Baseline (borough share 30%)   | 86.3                                 |
| Tariff (paid to Government)                  | (53.6)                               |
| <b>Baseline Funding Level</b>                | <b>32.7</b>                          |
|  |                                      |
| Council budgeted level (safety net)          | 32.7                                 |

29. Within the Fair Funding review, and following strong support expressed in responses to the Fair Funding consultation, the government has increased the Business Rates Baseline Funding Level Safety Net to 100% for 2026/27. This is very much welcomed, given the disruption and uncertainty caused by the business rates revaluation and reset, as part of the comprehensive overhaul of the local government funding framework. H&F will be budgeting at the Baseline Funding Level/100% Safety net for 2026/27. The Safety Net threshold will gradually move back to 92.5% by 2028/29.

### **THE REVENUE BUDGET 2026/27**

30. The budget gap for 2026/27 was estimated at £30.7m (as reported to Council in February 2025). 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 2026/27 are set out in the table below (the individual Directorate budget analysis and other details are set out in Appendix I).

**Table 2: 2026/27 Budget Summary**

|   | (£m)   |
|---|--------|
| <b>Base Budget 2025/26 (Balanced Budget)</b>                    | -      |
| Provision for Price Inflation (3.2%)                            | 6.9    |
| Provision for Pay Inflation (2.5%)                              | 4.0    |
| Essential pressures   | 3.2    |
| Other Changes (concessionary fares/interest on balances/ other) | (5.6)  |
| Reduction in LGPS employers pension contribution                | (2.1)  |
| Savings and Efficiencies  | (9.5)  |
| <b>Resources</b>  |        |
| <b>Government</b>   |        |
| Increase Central Govt Grants                                    | (13.2) |
| Decrease in Business rates                                      | 30.7   |
| Increase in Council Tax resources                               | (7.7)  |
| <b>Local</b>  |        |
| Collection Fund – year on year reduction in surplus             | 3.3    |
| Collection fund   | (4.0)  |
| Fair Funding - Transitional Relief                              | (6.0)  |
| <b>Budget Gap 26/27</b>   | -      |

31. The Band D Council Tax charge is calculated by dividing the Council Tax requirement by the Council Tax base<sup>5</sup>. The determination of the 2026/27 Council Tax requirement is set out in Table 9. The medium-term forecast to 2029/30 is set out in Appendix B.

## SERVICE AND CORPORATE ITEMS

### Inflation, Investment and Growth

32. As outlined in the national outlook section above, inflation has moderated but is expected to remain above the long-term target, with CPI forecast at 2.5% in 2026, decreasing from 3.6% in October 2025. This represents progress towards the Bank of England's 2% target (expected by 2027) but the cumulative impact of high inflation since 2021 continues to drive up the cost of goods and services. Despite easing inflation rates, the legacy of price increases combined with rising demand linked to demographic changes and the on-going cost of living crisis, has resulted in significant financial pressures across key service areas:
- Temporary Accommodation – costs remain significant, with national spending exceeding £2.8bn in 2024/25 and projected to rise further without subsidy reform

<sup>5</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.

- Children's Services – increased complexity of cases and higher placement costs continue to strain budgets. SEND-related overspends remain a major risk without statutory override ending in March 2026.
  - Adults Social Care – demand pressures persist, compounded by workforce shortages and rising provider costs. National Living Wage increases and Employers National Insurance Contribution changes add further inflationary risk.
33. These pressures are detailed, monitored and are reported to Cabinet through the Corporate Revenue Monitoring process. The Council continues to implement mitigation measures, including income generation projects, costs controls and targeted prevention.
  34. The council has been affected by a cyber security incident in a neighbouring council with shared legacy systems. We were able to successfully isolate and safeguard our network. However, it is likely there will be short and medium cost implications to be reported in the future.
  35. For 2026/27, the council has allocated £6.9m to services to fund inflationary pressures across third party contracts. This assumes inflation of 3.2% plus additional funding targeted at contracts where inflation is expected to be higher than the 3.2% assumption (for example, energy and fuel costs).
  36. The budget also proposes a provision of 2.5% (£4.0m) for the pay award in 26/27. 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.
  37. In 2026/27, short-term efficiencies arising from lower than budgeted contributions to the concessionary fares (freedom pass) scheme have largely ended. Passenger usage on public transport has returned to near pre-pandemic levels, and the Mayor of London has implemented fare increases in line with the Government's funding settlement, requiring annual rises of RPI +1% until 2030. This means that the cost of the Freedom Pass scheme is rising significantly, driven by higher fares and an ageing population. The total cost of the scheme across London is forecast to increase by £40m to £372m in 2026 with projections of almost £500m by 2030. Boroughs' contributions are expected to rise accordingly and £0.8m has been allocated in respect of this and increases in other levy payments. The total and unavoidable cost of the Freedom Pass to Hammersmith and Fulham in 2026/27 is £9.7m
  38. Elected Council Members are now permitted to join the Local Government Pension Scheme (LGPS). Membership is typically available to councillors who receive allowances and wish to build pension benefits linked to those allowances. Contributions are calculated based on the level of pensionable allowances, and the scheme provides defined benefits similar to those for employees, including accrual based on career average earnings. The additional cost must be funded from the Council's resources and £0.3m has been included in the budget as a new, on-going pressure on revenue. This option supports long-term financial security for members while maintaining transparency and accountability in public sector pension arrangements.
  39. Any inflation, growth and investment proposals are reviewed and monitored via the regular Corporate Revenue Budget monitoring reports 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 2026/27. 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.

## Savings

40. The proposed savings are detailed in Appendix C and summarised in Tables 4 and 5.

**Table 4: 2026/27 savings proposals**

| <b>Department</b>               | <b>£m</b>     |
|---------------------------------|---------------|
| People                          | (4.2)         |
| Place                           | (2.8)         |
| Housing Solutions               | (1.2)         |
| Finance and Corporate Services  | (0.6)         |
| Centrally Managed Budgets       | (0.7)         |
| <b>Subtotal Service Savings</b> | <b>(9.5)</b>  |
| Collection Fund Savings         | (8.4)         |
| <b>Total</b>                    | <b>(17.9)</b> |

**Table 5: Categorisation of savings**

| <b>Savings categories</b>                                 | <b>£m</b>     |
|---|---------------|
| Commercialisation / income                                | (5.1)         |
| Procurement / commissioning                               | (0.2)         |
| Service reconfiguration                                   | (0.2)         |
| Service rationalisation/budget reduced in line with spend | (3.0)         |
| Staffing / productivity                                   | (0.6)         |
| Government related  | (0.5)         |
| <b>Sub total Service Savings</b>                          | <b>(9.5)</b>  |
| Collection Fund savings                                   | (8.4)         |
| <b>Total</b>  | <b>(17.9)</b> |

## Other Measures

44. Income of £2.6m relating to investing cash balances is expected to materialise in 2026/27 as interest rates continue as per the Bank of England's economic forecast assumptions. This income will be used to balance the budget in 2026/27 and cash balances and base rate assumptions will be reviewed throughout the financial year, in line with the Council's Treasury Management Strategy.
45. For 2026/27, Hammersmith & Fulham will benefit from a reduction in both the primary and secondary employer pension contribution rates following the latest triennial valuation of the Local Government Pension Scheme (LGPS). The primary rate, which

covers future service costs, has decreased (from 20.6% to 19.4%) due to improved funding levels and strong investment returns, while the secondary rate, which addresses past service deficits, has also fallen as the deficit position has improved. This change is expected to deliver a recurring saving of approximately (£2.1m) in 2026/27 compared to the previous year, easing pressure on the Council's revenue budget. These savings have been factored into the Medium-Term Financial Strategy (MTFS) and will support the delivery of efficiency targets without impacting pension fund sustainability.

## **FEES AND CHARGES**

46. *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 and Children's Services in line with administration policy.*
- commercial services that are charged 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 3.8% (in line with September CPI) is applied for other non-commercial and non-parking fees.*

47. The current proposed exceptions to the standard 3.8% increase and policies above are set out in Appendix E.

## INVESTMENT IN SERVICES

### People's Services (Gross Budget £271.1m, Net Budget £131.4m)

#### Children's and Education Services

- Gross Budget £127.8m, Net Budget £56.7m (excluding non-controllable overheads and the direct delegation of funding to Hammersmith and Fulham schools totalling £52.6m).
- Children's Services was awarded an "Outstanding" rating by Ofsted in 2024.
- £2.3m - Early intervention and prevention focus on intervening with children and their families as early as possible to improve their life chances and reduce the risk of escalating need. Included within the broader offer, targeted direct intervention is offered to circa **700** children per annum.
- £15.47m - Providing effective statutory intervention to keep families together, safeguard children and improve their outcomes with **727** children subject to an episode of social work intervention under child in need and **253** with an episode under child protection in 2024/25 with circa **1,318** statutory assessments completed per annum.
- £1m - Youth Justice Service delivering statutory intervention to children within the criminal justice system including a range court ordered and directed interventions aimed at diverting from criminality, protecting the public and improving outcomes for circa **123** children and young people allocated in 2024/25. Hammersmith & Fulham's Youth Justice Service was rated as "Outstanding" following an HM Inspectorate of Probation review in 2022.
- £21.1m - Delivering on our statutory responsibilities to provide settled and loving care arrangements for approximately **197** children looked after.
- £5.6m - Delivering our statutory responsibilities to approximately **507** Hammersmith and Fulham care leavers we owe a duty to in order to support them to thrive in adulthood.
- £1.4m – Investment into food poverty via schools breakfast clubs, providing over **4,000** breakfasts per day on average. In addition, the holiday activity and food programme provides support to over **2,600 unique** young people across the year.
- £74.5m - Education and Special Educational Needs and Disability (SEND), including:
  - statutory services including SEND travel care and support for **575** residents per annum
  - high needs support for **1,858** residents with an Education and Health Care Plan and Early Years Education supporting an estimated **1,961** full time equivalent places from 9 months to 4 years old under the governments funded entitlements.
  - Additionally, there are approximately **3,602** children in Hammersmith and Fulham with SEND support needs.

- £2.2m investment into Family Hubs, providing help and support for children, young people and their families, including children and young people with special educational needs and disabilities across 3 family hub venues.

### **Adult Social Care**

- Working compassionately with young people and adults so that they enjoy independent, healthy and fulfilling lives.
- The gross Adult Social Care Gross expenditure budget for 2026/27 is £115.3m (excluding non-controllable budgets). The net budget is £74.4m.
- This represents the full cost of delivering statutory adult social care services including residential and nursing care, home-based support, direct payments, and supported living.
- The main gross budgeted expenditure for residents is spent on:
  - Residential and Nursing placements with an investment of £40.5m (33%), supporting **459** residents, with a significant proportion aged over 75.
  - Community based services to remain independence, with £19.6m (16%) invested in Home Care supporting **1,623** residents and delivering 1.164m annual care hours in the community.
  - We are the only council in the country to provide free Home Care for those who need it, helping **1,623** residents who would otherwise have to pay for expensive care at a time when they are most vulnerable.
  - Direct Payments, with £10.9m (9%) continue to play a major role in personalisation, a total of 636 residents.
  - Supported Living and Extra Care accommodation is forecasted to have a budget allocated of £13.8m (11%) and support 285 residents, with a predominantly younger cohort requiring long-term support.
  - The “Meals and a Chat” service which supports 41 residents and an estimated 11,700 total volumes of meals delivered annually
  - The budget reflects continuing demographic and cost pressures across both older people’s services and younger adults with lifelong and complex needs
- Growth continues to be driven by:
  - Increasing demand for support due to the ageing older people population.
  - Market driven inflationary pressures in care provision.
  - Higher acuity of need.

### **Public Health**

- The provisional Public Health grant for 2026-27 is £28m and the expenditure plan is on a full range of Public Health services including sexual health services, substance misuse services, children and families' services, health promotion and prevention services.



## **Place** (Gross Budget £148.7m, Net Budget £10.6m)

(Budgets excluding non-controllable overheads)

### Public Realm

- Investing more than £30m a year in keeping the borough clean and collecting and disposing of waste and recycling from around 81,000 homes.
- Investing almost £3m a year in keeping the borough's parks, cemeteries and open spaces as an enjoyable space for all - earning 25 prestigious national Green Flag awards.

### Uxbridge Road

- Uxbridge Road is one of the borough's most important high streets and we are prioritising investment (funded from a combination of General Fund and s106) to ensure it remains a place where residents are proud to live, shop, and spend their free time.
- In the immediate term this includes deep-cleaning pavements, decluttering street furniture and tackling derelict shopfronts, supporting local artists and businesses to improve shutters and façades and expanding safety measures, (totalling £750k).
- £130k has been allocated to visual improvement of the high street by funding the painting of shop shutters by local artists.
- We are increasing greenery along the Uxbridge Road corridor.
- Via our Planning Enforcement Team, we have enforced new rules for shopfront trading and continued to engage with phone companies to press for the removal of derelict phone boxes in the area.
- We have doubled the number of patrols by the Law Enforcement Team (LET) on Uxbridge Road and neighbouring streets.
- We are progressing the establishment of a Shepherds Bush Business Improvement District, as has already been established in Hammersmith and separately Fulham, to further enhance this part of the borough and increase footfall.
- There will be a consultation on the draft Local Plan in 2026/27.

### Community Safety

- Investing £4.6m a year in the groundbreaking H&F Law Enforcement Team - 72 Council funded uniformed officers helping to make H&F one of the safest London boroughs.
- Investing £1m a year in the Gangs, Violence and Exploitation Unit (GVEU). Since its launch in 2020 the Council has supported around 200 young people and families identified as at risk of exploitation or serious youth crime.
- Investing £0.8m a year in ending Violence Against Women and Girls (VAWG) and Modern Slavery and Exploitation (MSE) - supporting around 500 women and 300 children who have been affected by violence every year.
- Investing £0.6m a year to manage and maintain one of the most advanced Council CCTV networks in the UK, with 2,000 cameras being monitored 24/7 by council staff.

### Climate Change & Ecology

- Investing more than £1m every year in the team that's driving the Council's ambitious climate change and ecology strategy.

## **Housing (General Fund)** (Gross Budget £44.3m, Net Budget £14.5m)

(Budgets excluding non-controllable overheads).

Pressure continues to rise due to increasing homelessness demand, constrained supply of affordable housing, rising temporary accommodation costs, and wider economic factors such as inflation, private rent growth and changes in legislation. In response, the Housing service (General Fund) works tirelessly to prevent homelessness, provide safe accommodation, improve housing standards, and support vulnerable residents across Hammersmith & Fulham and remains committed to delivering excellence while maintaining strong financial governance and ensuring every pound spent delivers value.

- We will invest £6.2m in **Homelessness Prevention and Assessment**, providing statutory homelessness assessments, prevention work, housing advice. This includes expanding early-intervention and prevention activity to reduce new homelessness presentations, improving discharge pathways into the private rented sector and social housing, supporting residents impacted by the cost-of-living crisis, Section 21 evictions, unaffordable private rents, and strengthening relationships with landlords to increase the supply of suitable accommodation.
- We will manage the £36.8m gross cost of **Temporary Accommodation**, managing demand through investing in maintaining and improving the current temporary accommodation portfolio, increasing placement stability and quality, reducing nightly-paid usage where possible and enhancing procurement of suitable accommodation that minimises cost and improves outcomes for families.
- We will spend £1.6m on **Housing Standards and Enforcement** teams to ensure safe, high-quality homes across the private sector by strengthening enforcement activity against non-compliant private landlords, including mandatory HMO licensing and selective licensing enforcement, improving property standards through targeted inspections and data-led interventions, supporting the work tackling severe non-compliance in HMOs and expanding enforcement in selective licensing areas to increase compliance and income.
- We will continue to work to reduce **Rough Sleeping** and provide **Support Pathways**, spending £3.8m providing outreach, specialist accommodation pathways for individuals with complex needs, and partnership working with health, adult social care and voluntary sector services.
- We will invest £2.7m to provide safe homes, tailored resettlement support, and community integration services for **refugees**, ensuring families fleeing conflict can rebuild their lives with stability and dignity. This funding will strengthen our role as a borough of sanctuary by expanding housing provision, specialist casework, education and employment support, and wider partnerships that help refugees thrive as valued members of our community.

## **Finance and Corporate Services** (Gross Budget £56.3m, Net Budget £41.2m)

(Budgets excluding non-controllable overheads).

Finance and Corporate Services is responsible for a range of back-office and customer facing functions that support the strategic aims of the Council. The delivery exceptional services and strong financial governance remain key priorities.

- We will spend £14.7m on Digital Services providing the necessary digital hardware, systems and support to all areas of the Council, leading on digital change and projects, and keeping our data safe.
- We will spend £6.2m providing governance and democratic services and support to the Council including delivery of Electoral Services, Registrars, Mortuary and Coroners' Services.
- We will spend £5.7m via our Revenues and Benefits team on the billing, collection and recovery of Council Tax (£139.4m, including GLA's share), Business Rates (£300m, including shares that statutorily go to GLA and Central Government), Housing Benefit overpayments and sundry debts. The team will also carry out the assessment and payment of Housing Benefit, Council Tax Support, free school meals, uniform grants, accessible transport solutions, and discretionary housing payments.
- We will spend £4.7m on our Finance function, establishing a clear Medium Term Financial Strategy to ensure the Council resources are well managed, completing statutory obligations, year-end accounts and ensuring the Council's financial resilience.
- We will spend £4.6m on the provision of face-to-face resident services and the Council's corporate contact centre, the administration of parking permits as well as coordinating and managing resident's complaints, requests for information and Ombudsman cases.
- We will spend £4m on our legal services ensuring the authority acts lawfully, defensibly, and in the public interest across everything it does.
- We will spend £3.7m investing in the third sector to enable community-focused projects, advice services, and development support, aiming to enhance residents' well-being, inclusion, and resilience, particularly for vulnerable groups.
- We will spend £10.7m across a range of support services including HR, Business Intelligence, Communications and Community Engagement, Audit, Fraud, Risk and Insurance services, Procurement, and on our Finance and HR system and managed service.
- The department will also lead the Council's transformation agenda to improve services and reduce costs including the delivery of the Council's Resident Experience and Access Programme and support assurance on delivery of the Council's H&F Plan, Third Sector Investment Strategy and major projects and programmes.
- We are funding the council's comprehensive Council Tax Support Scheme, which benefits 4 in 10 rate payers across the borough which costs £10. This year the scheme has been expanded, providing 100% Council Tax discounts to care leavers and foster carers, and for the first time anywhere in the country, a 25% discount for military veterans.

## COUNCIL TAX, BUSINESS RATES AND LEVIES

### COUNCIL TAX SETTING

48. 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 2026/27 local authorities “will be required to seek the approval of their local electorate in a referendum if, compared with 2025/26, 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.
49. In addition, the Government has modelled setting a precept to fund social care for adults of 2% in 2026/27. This levy is included in the Council’s budget proposals.
50. **The Council has a successful track record of keeping Council Tax low, either cutting or freezing Council Tax in five of the last twelve years.** Nationally, Council Tax is around 57% of the total Core Spending Power but only accounts for 39% in Hammersmith and Fulham, reflecting the Council’s relatively low tax base and government grant funding compared to the national average.
51. Funding reforms, inflationary lag, continued wage growth above current CPI levels and elevated interest rates makes a Council Tax increase in 2026/27 unavoidable. 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 2026/27, 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, providing a total of £9m support for residents across the borough, gives a discount to 14% of households, with the most vulnerable paying nothing at all.
52. In 2025, 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. As such, these groups who do so much for our communities do not pay a penny of Council Tax, showing the administration’s commitment to being a compassionate council. 2025 marked 80 years since the end of the Second World War. As a token of thanks to the brave men and women who have risked their lives to protect our country, all military veterans will be eligible for a 25% Council Tax cut in 2026/27.
53. The level of Council Tax increase reflects the assumption that has been outlined by Central Government in the Autumn Statement made on the 26<sup>th</sup> November 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.
54. **The council is also proposing to levy a 2% Adult Social Care precept.** The increase is equivalent to £19.22 per annum, or less than 37p per week, for 2026/27 (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.

55. As set out below 62% 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>95,707</b> | <b>%</b>   |
| <b><i>Reductions:</i></b>   |               |            |
| Demolished dwellings  | (25)          | 0          |
| Exemptions (mainly students, includes care leavers and vacant properties)                                 | (3,321)       | 3%         |
| Council Tax support claimants (elderly & working age on low income, including those with other discounts) | (13,061)      | 14%        |
| Discounts only (primarily single person discount of 25%)  | (33,424)      | 35%        |
| <b>Dwellings liable for 100% of Council Tax</b>   | <b>58,937</b> | <b>62%</b> |

## CONSOLIDATED GRANTS

56. As outlined above, as part of the Fair Funding Review the Government has consolidated 16 funding streams into four new ringfenced consolidated grants. Hammersmith and Fulham's borough allocations of these grants for 2026/27 and the following two years are as follows.

| <b>Consolidated Grant allocations</b>           | <b>2026/27<br/>£m</b> | <b>2027/28<br/>£m</b> | <b>2028/29<br/>£m</b> |
|---|-----------------------|-----------------------|-----------------------|
| Homelessness, Rough Sleeping and Domestic Abuse | 4.5                   | 4.5                   | 4.7                   |
| Public Health                                   | 28.1                  | 28.9                  | 29.4                  |
| Crisis and Resilience Fund                      | 2.9                   | 2.9                   | 2.8                   |
| Children, Families and Youth Grant              | 3.0                   | 3.0                   | 2.6                   |

57. The Public Health grant, the biggest of the consolidated grants, protects and promotes the wellbeing of the community through Health Protection and Health Improvement. It funds a number of services for Sexual Health, Substance Misuse, Families and Children and a range for Council front services.
58. The homelessness, rough sleeping and domestic abuse grant supports local authorities to deliver homelessness and rough sleeping services, as well as meeting their domestic

abuse duties. This will in part support our temporary accommodation function, but other key services too.

58. The Crisis and Resilience fund will provide continuation of support across a wide range of services and support to our more vulnerable residents, including discretionary housing payments, homelessness prevention, cost of living advice and payments to pensioners and the disabled.
59. The Children Families and Youth Grant will enable the continuation of investment in preventative services through the transition to Family Help and child protection reforms. It provides capacity for transformation in line with policy and legislative expectations for direct investment in preventative activity and multi agency child protection working.

## **COUNCIL TAX REQUIREMENT 2026/27**

**Table 8: Base Budget Requirement for 2026/27**

| <b><i>Budgeted expenditure 2026/27</i></b>  | <b><i>£m</i></b> |
|---|------------------|
| <i>Housing benefit payments</i>   | 90.7             |
| <i>Gross Departmental expenditure budgets (including non-controllable overheads):</i>   |                  |
| <i>People</i>   | 342.1            |
| <i>Place</i>  | 148.7            |
| <i>Housing Solutions</i>  | 51.6             |
| <i>Finance and Corporate Services</i>   | 65.7             |
| <i>Centrally Managed Budgets</i>  | 39.1             |
| <i>Less capital financing</i>   | (26.1)           |
| <b><i>Gross budgeted expenditure</i></b>  | <b>711.2</b>     |
| <i>Customer and client receipts</i>   | (125.1)          |
| <i>Specific and ringfenced govt grants</i>  | (266.4)          |
| <i>Reimbursements and contributions</i>   | (33.1)           |
| <i>Interest and other</i>   | (63.7)           |
| <b><i>Gross revenue income budget requirement</i></b>                                   | <b>(488.3)</b>   |
| <b><i>Net revenue budget requirement</i></b>  | <b>222.9</b>     |
| <b><i>To be met from:</i></b>   |                  |
| <i>General grants</i>   | (85.9)           |
| <i>Locally retained business rates</i>  | (32.7)           |
| <i>Transitional funding</i>   | (6.0)            |
| <i>Collection Fund</i>  | (5.7)            |
| <b><i>2026/27 Council Tax requirement (including the adult social care precept)</i></b> | <b>(92.6)</b>    |

The overall amount to be met from the Council Tax, including the GLA element, is £139.379m. This will provide a balanced budget in 2026/27.

**Table 9: Overall 2026/27 Council Tax requirement**

|  |                     |
|--|---------------------|
| London Borough of Hammersmith & Fulham   | £92,551,534         |
| Greater London Authority (proposed)      | £46,827,040         |
| <b>Total requirement for Council Tax</b> | <b>£139,378,574</b> |

- 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.
- 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:

$$\frac{\text{Total Council Tax Requirement}}{\text{Tax Base (Band D equivalent)}} = \frac{£139,378,574}{91,726} = £1,519.51 \text{ Band D}$$

- On the 19<sup>th</sup> of January 2026, Cabinet agreed a Council Tax base of 91,726 equivalent Band D properties for 2026/27. Therefore, the council's element of the Council Tax for Band D properties can be calculated as followed:

$$\frac{\text{Total Council Tax Requirement}}{\text{Tax Base (Band D equivalent)}} = \frac{£92,551,534}{91,726} = £1,009.00 \text{ Band D}$$

- 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**

58. 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 £510.51. This is subject to formal approval by the Mayor of London following the London Assembly meeting of 26 February 2026. The preceptors budget requirement will be amended should there be a change to the Mayor's proposed Band D charge.

$$\frac{\text{Preceptor's Budget Requirement}}{\text{Tax Base (Band D equivalent)}} = \frac{£46,827,040}{91,726} = £510.51 \text{ Band D}$$

59. The proposed GLA charge represents an increase of £20.13 (4.1%), compared to 2025/26. This includes a 3% increase in both the police and non-police services precepts.<sup>6</sup>

### **Business Rates**

60. In 2024-25, the Chancellor received powers to vary the increases in the small and standard multipliers (the small multiplier has been frozen in the last two years, the standard multiplier has been indexed). From 2026-27, the Chancellor also has powers to set up new multipliers. New multipliers will be set up from 2026-27 for Retail, Hospitality and Leisure (RHL) properties, with a further multiplier on high-value properties.
61. The overall business rates forecast assumes that Hammersmith & Fulham will receive and retain the minimum amount guaranteed, the safety net threshold, by Government, which for 2026/27 is set at 100% of the baseline funding level. As explained above, this is £32.7m for 2026/27.

### **Collection Fund**

62. It is currently estimated that there will be one-off surpluses of £5.7m for 2026/27 which will be agreed as part of outturn for 2025/26. Any further residual resources identified will be carried forward and dealt with in budget planning for 2027/28. These variations are due to several factors adjustments, collection rates, review of single person discount entitlements and other technical adjustments relating to tariffs.

### **Levies**

63. 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
64. As at time of writing, not all of these levies have been confirmed and therefore the budget for 2026/27 is based on the charge from 2025/26 uplifted by inflation and projected demographic changes. Once these are confirmed, the budgets will be amended before final approval at Full Council if necessary.
65. For concessionary travel budget is estimated to require £0.8m of additional investment (bringing budget to £10.2m) for 2026/27. Demand for travel has gradually returned near to pre-pandemic levels and TfL has confirmed that tube fares will increase by 5.8% in 2026.

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<sup>6</sup> Source: [Mayors Consultation Budget 2026-27 \(2\).pdf](#)



## **CONSULTATION**

### **Non-Domestic Ratepayers**

66. 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**

67. 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**

68. 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.
69. 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 2026/27 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 £6.8m (reducing to £2.2mm 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 £0.7m 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**

70. 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.
71. The key financial risks that face the council have been identified in Appendix D and the substantive risks include:
- On-going economic uncertainty – inflation remains above trend, interest rates are forecast to stay relatively high and wage pressures continue. These factors increase the cost to the Council of delivering services and borrowing costs for capital projects. They also put additional pressure on disposable household income, impacting council tax recovery and fees and charges income.
  - Legislative and regulatory changes – New burdens from the Fair Funding Review 2.0, reset of the Business Rates Retention System, compliance with environmental and social legislation (Extended Producer Responsibility for Packaging, Environment Act 2021, Social Regulation 2023, Employment Rights Bill) will add additional pressures on our service delivery.
  - Funding reform uncertainty - multi year settlement and redistribution of government grants will create “winners and losers”. Transitional arrangements will mitigate some impact but the Council is forecast to face funding cuts of up to 12% by 2028-29.
  - Regulatory burdens from Central Government (e.g., Housing Ombudsman, CQC) may increase our cost pressures if not fully funded.
  - Demographic and demand-led pressures - Adult and Children’s Social Care costs continue to escalate driven by ageing populations, complex needs and Special Educational Needs and Disabilities demand. Homelessness and temporary accommodation costs remain acute.
  - Higher pay inflation particularly given current labour shortages - National Living Wage increases and higher employer National Insurance contributions will add costs to services such as Adult Social Care.

- The stabilisation and restoration of Hammersmith Bridge the council continues to incur revenue and capital costs. Government funding is uncertain.
  - The impact of the wider economy on major council development projects and future contributions from developers – economic volatility and higher financing costs may affect developer contributions and the viability of large scale projects.
  - 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 whilst maintaining the provision of core services. The LGA project a funding gap for Councils in England of £6.2bn for 2026/27
72. The Council 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 2026/27 and across the remainder of the MTFS is in the region of £3m.

## **Debt Management**

73. Debt on the Council's balance sheet reduced from reduced by £7m in between March 2024 and March 2025, from £110m to £103m. Whilst there were reductions for debt relating to Business Rates (£4.2m), Housing Benefit Overpayments (£2.1m), and sundry creditors (£2.4m), Council Tax arrears rose by £1.9m and Housing rents debt increased by £1m
74. Improvements in debt management procedures were implemented during 2025/26. These included a Debt Management Board which continues to monitor performance, challenge services to take action to reduce debt balances and share best practice. There is a continuing 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.
75. The Council Tax debt position remains an area of priority. 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.
76. 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.
77. Provisions on the debts outstanding have been set aside based on prevailing regulations and guidelines (and are reviewed/endorsed by our external auditors).
78. The cyber security incident that the Council experienced in November 2025 may have an impact on collection rates. This will become clearer in early 2026 and will be considered through the revenue monitoring process and at financial year-end.

## **General Balances and Earmarked Reserves**

79. 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.
80. 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".
81. 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.
82. 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.
83. The Council's detailed Reserves Strategy is set out in Appendix G. General balances are forecast to remain within the optimum range in 2026/27. The council's general balance is budgeted to be £22.1m at the start of 2026/27. 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.

## **Section 106 and the community infrastructure levy**

84. 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.

85. 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.
86. 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.
87. 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.
88. In 2024/25 the council reported £22.4m 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.
89. 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**

90. An initial compliance analysis against the CIPFA Financial Management Code has been undertaken as part of the 2025/26 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.
91. 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**

92. 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**

93. 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. 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 has introduced 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.

94. 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. 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.
95. The report sets out several risks facing the council (at paragraphs 69 and 71 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. 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.
96. Appendix D sets out the financial risks against which the 2026/27 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.
97. Similarly, Appendix C sets out a range of 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: Moira Mackie, Head of Internal Audit, 13 January 2026*

## **PROCUREMENT IMPLICATIONS**

98. 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 – 2026/27 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.  | 734,310,200   |               |
| (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.  | 594,931,626   |               |
| (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.                 | 139,378,574   |               |
| (d)   | Being the amount formally agreed by council as the Council Tax base for 2026/27.  | 92,551        |               |
| (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. | TBC           |               |
| (f)   | Hammersmith & Fulham proportion of the Basic amount of its Council Tax (Band D)   | 1,009.00      |               |
| (g) Valuation Bands – Hammersmith & Fulham Council:   |   |               |               |
|   |   |               |               |
| <b>Band A</b>   | <b>Band B</b>   | <b>Band C</b> | <b>Band D</b> |
| 672.67  | 784.78  | 896.89        | 1009.00       |
| <b>Band E</b>   | <b>Band F</b>   | <b>Band G</b> | <b>Band H</b> |
| 1,233.22  | 1,457.44  | 1,681.67      | 2,018.00      |
|   |   |               |               |
| 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>   |
| 340.34   | 397.06          | 453.79          | 510.51          |
| <b>Band E</b>  | <b>Band F</b>   | <b>Band G</b>   | <b>Band H</b>   |
| 623.96   | 737.40          | 850.85          | 1,021.02        |
| (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>   |
| <b>1,013.01</b>  | <b>1,181.84</b> | <b>1,350.68</b> | <b>1,519.51</b> |
| <b>Band E</b>  | <b>Band F</b>   | <b>Band G</b>   | <b>Band H</b>   |
| <b>1,857.18</b>  | <b>2,194.84</b> | <b>2,523.52</b> | <b>3,039.02</b> |
|  |                 |                 |                 |

Medium Term Financial Strategy (MTFS)

**Introduction**

1. The Medium-Term Financial Strategy (MTFS) 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. The MTFS covers the 3-year period from 2026/27 to 2028/29, so that is coterminous with three year financial settlement that the Government has released as part of the 2026/27 local government finance settlement, within the new Fair Funding framework.
3. The MTFS 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 MTFS focuses 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. The Council has a strong record of financial governance (as outlined by our external auditors in the Annual Audit Report for 2024/25) 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.
6. The Government has proposed a multi-year finance settlement from 2026/27 to 2028/29. A detailed analysis of the provisional settlement and its impact on Hammersmith and Fulham can be found within the main report. The three year settlement gives greater certainty for resource and financial planning purposes than the previous single year settlements. Because of the Government's aims to redistribute resources towards areas of higher deprivation, inner London boroughs including Hammersmith and Fulham, are forecast to receive significantly less funding across the duration of this MTFS. Hammersmith and Fulham is eligible for transitional funding relief over the three years to 2028/29, amounting to £34m..

## **Strategic Operating Environment**

### **3 Year Funding Framework – available resources and impact of Funding Reform**

7. The Government announced its Provisional Local Government Finance Settlement (PLGFS) consultation on 17<sup>th</sup> December 2025, setting out funding plans for the next three years. For 2026/27, overall Core Spending Power for local authorities in England will increase by around 5.7% in cash terms or 3.5% in real terms (if all councils increase council tax by the maximum amount allowed) compared to 2025/26.
8. Through the Fair Funding Review 2.0, Government has overhauled the entire Local Government General Fund finance framework, with 2026/27 the first year of the new regime. A key part of this is the Fair Funding Assessment, which determines revenue support grant and retained business rates. There are two elements to this:
  - Relative needs share, based on a range of service formulae and
  - Resources adjustment, based on a local authority's ability to raise Council Tax locally compared to the national average
9. As a result of the funding reforms, grant funding is weighted towards authorities with higher levels of deprivation under a new formula, which means that inner London boroughs including Hammersmith and Fulham will see larger cuts in funding. Analysis undertaken by London Councils shows that the most deprived areas see the largest increase in core spending power over the period to 2028/29, while the least deprived areas will see the smallest increase. The gap between most and least deprived widens significantly by 2028/29.
10. The government is implementing a full 'reset' of the Business Rates Retention System for 2026/27, and this forms part of the new Fair Funding framework. Growth above baseline growth in business rates, which council's have previously been able to retain, is redistributed fairly across local authorities based on an updated assessment of local needs and resources. From 1 April 2026 growth that comes on stream will be retained by Councils for the duration of the future reset period, continuing to reward authorities for local business rates growth (subject to the new levy arrangements). It should be noted that a new business rates valuation list comes into effect from 1 April 2026 also
11. The funding reform framework will be phased in over a three-year period from 2026–27, with transitional funding in place over this period to limit losses for authorities receiving less funding under the new system, including Hammersmith and Fulham. The final transitional funding allocations, as published in the PLGFS, for Hammersmith and Fulham were lower than had been outlined one month earlier, at the policy statement stage. The final transitional allocations to 2028/29 have been factored into this MTFS.
12. The reforms for 2026–27 also include measures to give councils greater flexibility over statutory sales, fees and charges and simplify and consolidate funding streams by reducing the number of separate grants. They will apply uniform assumptions for

Council Tax when assessing locally available resources and use more current data on service costs and demand pressures to ensure allocations reflect real-world conditions.

13. Council tax policy will become increasingly significant as a result of these funding reforms. The government's proposals have set out that five councils with amongst the lowest council tax rates in the country, including Hammersmith and Fulham, have been granted pre-authorisation to exceed the standard council tax increase limit of 5% without the requirement for a resident referendum for 2027/28 and 2028/29.

### **Corporate Plan**

14. 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.
15. 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**

16. There are assumptions upon which the medium-term financial strategy is based, and these are detailed below and summarised in Table 1.
  - Core Central Government funding per PLGFS three year settlement data to 2028/29.
  - Annual government funding settlements will increase in line with the OBR forecast for CPI as at the Autumn Budget.
  - Funding reform transitional funding ceases in 2028-29
  - 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 £0.9m to allow for future investment in digital infrastructure and transformation programmes
  - the retention of contingencies in the annual budget of circa £3m (1% 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.
  - 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)
  - The Council Tax Band D equivalent rate is modelled with an annual increase of 4.99% for each year presented.
  - interest rates will reduce to 3.5% over the medium term in line with OBR forecasts

## Appendix B

- The Council had cyber security incident in late November 2025. At the point of the budget report being prepared, it has not been possible to fully quantify impact, across costs and income, at the point that this report was being prepared, but this will be done in early 2026 when we will be in a clearer place to update information.

**Table 1: Key Financial Assumptions 2026/27 to 2028/29**

|  | 2026-27 | 2027-28 | 2028-29 |
|--|---------|---------|---------|
| Price inflation (%) <sup>1</sup>                     | 3.2     | 3.0     | 2.9     |
| Pay inflation (%) <sup>2</sup>                       | 3.4     | 2.0     | 2.0     |
| Interest Rates (%)                                   | 3.75    | 3.5     | 3.5     |
| Change in Council Tax (%)                            | 4.99    | -       | -       |
| Change in Council Tax Base (no. of households)       | 1,687   | 750     | 750     |
| Council Tax Collection Rate (%)                      | 98.0    | 98.25   | 98.5    |
| Business Rates Baseline Funding Level Safety Net (%) | 100.0   | 97.0    | 92.5    |

17. The assumptions include the 3 year funding allocations set out in the Provisional Local Government Finance Settlement published on 17<sup>th</sup> December 2025. Final confirmation of this settlement is expected on xx January 2026.

### **Service Demographic Pressures**

18. 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 were 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 investment and external funding has been allocated to mitigate the impact of these.

### Adult Social Care

19. 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

<sup>1</sup> OBR RPI forecast at November 2025 [Economic and fiscal outlook – November 2025 - Office for Budget Responsibility](#)

<sup>2</sup> OBR CPI forecast at November 2025

## Appendix B

at the right time. This estimated number of residents is 47 residents potentially ageing through from Children's to Adult Social Care.

20. 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).
21. 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.

### Children's and Education Services

22. 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.
23. The Government has indicated it will be presenting plans for SEND reform early in 2026. The direction of travel is that local authorities will not be expected to use general funds to cover DSG High Needs Block deficits after the Statutory Override ends in March 2028. The Government has stated that it recognises that local authorities will need support for historic and accruing deficits and details of this support will be provided through the Local Government Finance Settlement, though this has not yet been provided.

### Homelessness Temporary Accommodation (TA)

24. During the 12 month period June 2024-June 2025, the number of households in TA across London boroughs increased by 8.3%. The number of H&F households in TA increased by 4% during the same period which is lower than the London trend. Since April 2025, the numbers in TA have remained relatively unchanged with 1,525 (as at 1 November 25) households in temporary accommodation.
25. The supply of TA in-borough is limited, and 62% 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>Apr-24</b> | <b>Dec-25</b> |
|----------------------------|---------------|---------------|
| B&B                        | 190           | 118           |
| B&B Annexe                 | 151           | 367           |
| Housing Association leases | 35            | 20            |
| Hostel                     | 59            | 59            |
| Private Sector Leases      | 959           | 859           |
| Temporary on license       | 58            | 112           |
| <b>Total</b>               | <b>1,452</b>  | <b>1,535</b>  |

24. 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 (2,981 households approached the Council as homeless in 2024/25) 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 37% increase in the number of families in B&B annexe accommodation between April 2024 and April 2025.
25. 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

26. 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 2026. This is expected to provide opportunities for the rationalisation and disposal of existing property holdings and allow the management of any residual risks.



**MTFS FORECAST**

27. A forecast of the medium-term position based on the assumptions outlined above is set out in the table below. This presents the balanced budget position for 2026/27 and cumulative position to 2028/29. The forecast assumes a Council Tax increase of 4.99% in each year.

**Table 2: Forecast Budget Gap 2026/27 to 2028/29 (Cumulative)**

|   | <b>2026/27</b> | <b>2027/28</b> | <b>2028/29</b> |
|---|----------------|----------------|----------------|
| <b>Expenditure</b>                            | £m             | £m             | £m             |
| General Fund Base Budget                      | 234.2          | 234.2          | 234.2          |
| Contract Inflation                            | 6.9            | 14.0           | 21.0           |
| Pay Inflation                                 | 4.0            | 7.2            | 10.5           |
| Recognition of Current income                 | (3.0)          | (3.0)          | (3.0)          |
| Service Pressures                             | 0.0            | 2.5            | 5.0            |
| SEND pressures                                | 0.0            | 5.0            | 0.0            |
| Collection Fund Resources                     | 0.5            | 0.5            | 0.5            |
| Net Cost of Borrowing                         | 0.0            | 1.7            | 1.7            |
| Concessionary fares                           | 0.8            | 2.2            | 3.1            |
| LGPS contributions for Members                | 0.3            | 0.3            | 0.3            |
| Corporate one off items                       | (0.6)          | (0.8)          | (0.5)          |
| LGPS employers contribution                   | (2.1)          | (2.1)          | (2.1)          |
| Corporate contingency and other revenue items | (5.1)          | (5.3)          | (5.3)          |
| Allocation of GF Overheads                    | (0.4)          | (0.4)          | (0.4)          |
| Business rates & Council maximisation         | 0.2            | 0.2            | 0.2            |
| Interest receivable                           | (2.6)          | (2.5)          | (2.5)          |
| CIL Contributions                             | (0.7)          | (0.7)          | (0.7)          |
| MTFS Savings                                  | (9.5)          | (8.0)          | (8.0)          |
| <b>Budget Requirement</b>                     | <b>222.9</b>   | <b>245.2</b>   | <b>254.0</b>   |
| <b>Resources</b>                              |                |                |                |
| Council Tax                                   | (92.6)         | (98.2)         | (104.2)        |
| Grants  | (85.9)         | (71.2)         | (43.9)         |
| Business rates (Baseline)                     | (32.7)         | (32.4)         | (32.4)         |
| Collection fund release                       | (2.0)          | 0.0            | 0.0            |
| Collection fund surplus & bad debt provision  | (3.7)          | 0.0            | 0.0            |
| Funding reform Transitional grant (95%)       | (6.0)          | (11.8)         | (16.2)         |
| <b>Total Forecast Resources</b>               | <b>(222.9)</b> | <b>(213.6)</b> | <b>(196.7)</b> |
| <b>Budget Gap</b>                             | <b>0.0</b>     | <b>31.4</b>    | <b>57.3</b>    |

28. The table above presents an initial assessment of the budget gap for the 2027/28 financial year of just over £31.4m, with the material elements of this gap being the reversal of one-off funding within the 2026/27 budget (relating to Collection Fund and one off savings), 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.
29. 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

30. 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.
31. 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 £40.4m rising to £69.0m by 2028/29.

| Worst                                   | 2027/28 | 2028/29 |
|---|---------|---------|
| Forecast Position                       | 31.4    | 57.3    |
| Expenditure                             |         |         |
| Higher Contract inflation (0.5%) (£m)   | 1.1     | 2.1     |
| Higher Pay inflation (0.5%) (£m)        | 0.8     | 1.6     |
| Headroom for growth (£m)                | 3.0     | 3.0     |
| Civic campus (£m)                       | 2.0     | 2.0     |
| SEND pressures (£m)                     | 1.0     | 1.0     |
| Concessionary fares (£m)                | 0.6     | 1.0     |
| Total increase in expenditure           | 8.5     | 10.7    |
| Resources                               |         |         |
| Council tax (£m) (250 household growth) | 0.5     | 1.0     |
| Total reduction in resources            | 0.5     | 1.0     |
| Forecast Position                       | 40.4    | 69.0    |

32. The “optimistic” scenario estimate at this stage is a budget gap of £25.9m reducing to £49.0m by 2028/29.

| Best   | 2027/28 | 2028/29 |
|--|---------|---------|
| Forecast Position                            | 31.4    | 57.3    |
| Expenditure                                  |         |         |
| Lower Contract inflation (0.5%) (£m)         | (1.1)   | (2.6)   |
| Lower Pay inflation (0.5%) (£m)              | (0.8)   | (1.7)   |
| Headroom for growth (£m)                     | (1.0)   | (1.0)   |
| Interest receivable (£m)                     | (2.0)   | (2.0)   |
| Total decrease in expenditure                | (4.9)   | (7.2)   |
| Resources                                    |         |         |
| Council tax (£m) (additional 500 households) | (0.6)   | (1.0)   |
| Total increase in resources                  | (0.5)   | (1.0)   |
| Forecast Position                            | 25.9    | 49.0    |

33. 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.
34. 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.
35. 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.
36. 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**

37. 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.
38. The Corporate Transformation Programmes are intended to deliver significant improvements to services and financial benefits to the Council in future years, through transformational activity across the Council and alongside residents,

service users and partners. Details of the programmes were set out at the Policy Oversight Board on 17 September 2025.

39. 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.
40. 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
  - 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

## Peoples Services Savings

|   |   | Budget Change                             |   |   |   |
|---|---|---|---|---|---|
| Service   | Summary   | 2026-27 Budget Change Cumulative (£000's) | 2027-28 Budget Change Cumulative (£000's) | 2028-29 Budget Change Cumulative (£000's) | 2029-30 Budget Change Cumulative (£000's) |
| Children and Young Peoples Services                       | Service efficiencies in context of greater integration and joint working.   | (380)                                     | (380)                                     | (380)                                     | (380)                                     |
| Education and Special Educational Needs                   | Service efficiencies in Education and SEND  | (150)                                     | (150)                                     | (150)                                     | (150)                                     |
| People's Commissioning                                    | Service efficiencies across People's Commissioning  | (55)                                      | (55)                                      | (55)                                      | (55)                                      |
| Specialist Support and Independent Living                 | Review care costs with NHS Continuing Health Criteria (CHC) as people with very high needs are discharged from hospital.  | (234)                                     | (234)                                     | (234)                                     | (234)                                     |
| Independent Living, Quality, Performance and Safeguarding | Optimise use of Direct Payments to meet eligible needs and improve choice and control for residents   | (200)                                     | (200)                                     | (200)                                     | (200)                                     |
| Adult Social Care   | Redesigning provision and transforming practice which enables greater choice and control for residents.   | (1,000)                                   | (1,000)                                   | (1,000)                                   | (1,000)                                   |
| Specialist Support and Independent Living                 | Mental Health services reprovision reflective of demand and to reduce duplication.  | (193)                                     | (193)                                     | (193)                                     | (193)                                     |
| People's Commissioning                                    | Commissioning and transformation service efficiencies   | (55)                                      | (55)                                      | (55)                                      | (55)                                      |
| Specialist Support and Independent Living                 | Estates efficiencies improving co-location of services  | 0   | (103)                                     | (103)                                     | (103)                                     |
| Specialist Support and Independent Living                 | Estates efficiencies improving co-location of services  | 0   | (81)                                      | (81)                                      | (81)                                      |
| Public Health   | Public Health service efficiencies  | (230)                                     | (230)                                     | (230)                                     | (230)                                     |
| Adult Social Care   | Stretch target - improving the range of local services available to residents, targeting one off opportunities, and innovating preventative services to better meet need. | (1,750)                                   | 0   | 0   | 0   |
|   |   | <b>(4,247)</b>                            | <b>(2,681)</b>                            | <b>(2,681)</b>                            | <b>(2,681)</b>                            |

Housing Solutions Savings

| Service                   | Summary  | 2026-27 Budget<br>Change<br>Cumulative<br>(£000's) | 2027-28<br>Budget<br>Change<br>Cumulative<br>(£000's) | 2028-29<br>Budget<br>Change<br>Cumulative<br>(£000's) | 2029-30 Budget<br>Change<br>Cumulative<br>(£000's) |
|---------------------------|--|--|---|---|--|
| Housing Solutions         | Transfer PSL leases to housing company - increased charges | (1,050)  | (1,050)   | (1,050)   | (1,050)  |
| Private Housing Standards | Additional income from Licences                            | (150)  | (150)   | (150)   | (150)  |
|                           |  | (1,200)  | (1,200)   | (1,200)   | (1,200)  |

Place Savings

| Service                                | Summary                                    | 2026-27<br>Budget<br>Change<br>Cumulative<br>(£000's) | 2027-28<br>Budget<br>Change<br>Cumulative<br>(£000's) | 2028-29<br>Budget<br>Change<br>Cumulative<br>(£000's) | 2029-30<br>Budget<br>Change<br>Cumulative<br>(£000's) |
|--|--|---|---|---|---|
| All Place Services                     | Place Redesign Phase 3                     | (1,300)   | (1,300)   | (1,300)   | (1,300)   |
| All Place Services                     | Review fees and charges                    | (500)   | (500)   | (500)   | (500)   |
| Public Realm                           | Other commercial initiatives               | (750)   | (750)   | (750)   | (750)   |
| Public Realm                           | Targeted reduction in waste disposal costs | (200)   | (200)   | (200)   | (200)   |
| Total Savings and Efficiency Proposals |  | (2,750)   | (2,750)   | (2,750)   | (2,750)   |

Finance and Corporate Services Savings

| Service               | Summary  | 2026-27<br>Budget<br>Change<br>Cumulative<br>(£000's) | 2027-28<br>Budget<br>Change<br>Cumulative<br>(£000's) | 2028-29<br>Budget<br>Change<br>Cumulative<br>(£000's) | 2029-30 Budget<br>Change<br>Cumulative<br>(£000's) |
|-----------------------|--|---|---|---|--|
| Revenues and Benefits | Reform Local Support Payment Scheme                      | (450)   | (450)   | (450)   | (450)  |
| Revenues and Benefits | To increase council tax summons costs by £20 per summons | (157)   | (157)   | (157)   | (157)  |
| Revenues and Benefits | To increase NNDR summons costs by £20 per summons        | (20)  | (20)  | (20)  | (20)   |
|                       | Total Savings and Efficiencies Proposals                 | (627)   | (627)   | (627)   | (627)  |



Corporate Savings

| Summary                                  | 2026-27 Budget<br>Change Cumulative<br>(£000's) | 2027-28 Budget<br>Change Cumulative<br>(£000's) | 2028-29 Budget<br>Change Cumulative<br>(£000's) | 2029-30 Budget<br>Change Cumulative<br>(£000's) |
|--|---|---|---|---|
| HBOP                                     | (200)   | (200)   | (200)   | (200)   |
| Commercial Card Charging                 | (500)   | (500)   | (500)   | (500)   |
| Total Savings and Efficiencies Proposals | (700)   | (700)   | (700)   | (700)   |

Collection Fund Savings

| Service        | Summary  | 2026-27<br>Budget<br>Change<br>Cumulative<br>(£000's) | 2027-28<br>Budget<br>Change<br>Cumulative<br>(£000's) | 2028-29<br>Budget<br>Change<br>Cumulative<br>(£000's) | 2029-30 Budget<br>Change<br>Cumulative<br>(£000's) |
|----------------|--|---|---|---|--|
| Council Tax    | Generate additional income by obtaining a 1%, 1.25%, 1.5% uplift in collection rate (includes additional resource) | (875)   | (1,094)   | (1,312)   | (1,312)  |
| Council Tax    | Further £2m collection fund release can be achieved due to a continued reduction in council tax arrears            | (2,000)   | 0   | 0   | 0  |
| Council Tax    | Increase in number of homes being charged second homes premium and increase in overall base and CTB1               | (1,700)   | (1,700)   | (1,700)   | (1,700)  |
| Business Rates | Release of bad debt provision on NNDR of £2m due to a base increase above safety net                               | (2,000)   | 0   | 0   | 0  |
| Business Rates | Increase in NNDR income achieving increase to tax base and implementing all recovery options (additional resource) | (1,700)   | (1,700)   | (1,700)   | (1,700)  |
| Business Rates | Change policy to zero relief for residents and tenant's associations and voluntary aided schools                   | (100)   | (100)   | (100)   | (100)  |
|                | <b>Total Savings and Efficiencies Proposals</b>  | <b>(8,375)</b>  | <b>(4,594)</b>  | <b>(4,812)</b>  | <b>(4,812)</b>                                     |

People Department - Risks

| Department & Division               | Short Description of Risk  | Mitigation   |
|-------------------------------------|--|--|
| Childrens and Education             |  |  |
| Education and SEND                  | Ringfenced Schools Budget - High Needs Dedicated Schools Grant (DSG)<br><br>Despite the success of the Council’s early intervention transformation programme, cost growth continues to outstrip funding allocation growth. There is subsequently a baseline DSG pressure. This reflects a National challenge, and the Department for Education has set out its intention to provide plans for reforming the SEND system early 2026, including how they will support local authorities to deal with their historic and accruing deficits. | Robust programme management oversight of transformation programme and mitigations. Continue to engage proactively with the Department for Education, London Councils and LiiA in relation to the SEND Reforms agenda.  |
| 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.   |
| Education and SEND                  | London falling rolls pressures and schools funding under the National Funding Formula not keeping track of cost growth and inflation   | Support and challenge to maintained schools with respect to financial planning, deficit recovery and medium to longer term sustainability.   |
| Children and Young Peoples Services | Increased presentation of need / cost, and subsequent growth in referrals and staff capacity to meet need and respond to legislative or system reform.   | 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.  |
| People's Commissiong Service        | In the medium to longer term, Impact of loss of grants and contributions from partners including Health.   | Review of grants versus commitments over the medium term   |
| Adult Social Care                   |  |  |
| All SC Divisions                    | Increased numbers of older residents, and disabled residents including those with complex learning disabilities, supporting them to live independently in the community in line with local policy commitments.   | Ensuring residents receive timely, comprehensive assessments and reviews to ensure support and packages of care and provided in line with our care act responsibilities. Through a strength based approach enabling residents to live as independently as they can and with choice and control over their care. Ensuring sufficient, local, high quality, cost effective provision to meet our statutory duties. |
| All SC Divisions                    | Care Provider inflation - We may see further cost pressures in the ASC care market to cover increases in London Living wages and the unquantified Employment Rights Bill will mean greater pressures than the 3.2% inflationary increase proposed in the budget in the context of a significant recommissioning programme.   | Ensuring sufficient, local, high quality, cost effective provision to meet our statutory duties. Actively managing the market and commissioned provision to meet our local sufficiency requirements.   |
| All SC Divisions                    | Resource requirements to support the implementation of the Adult Social Care Transformation programme to deliver the new operational service model.  | 2026/27 anticipated to be funded from Policy Contingencies and for future years to be discussed further.   |
| People's Total                      |  |  |

**Place Department Risk/Challenges**

| Division       | Short Description of Risk   | Mitigation   |
|----------------|---|--|
| Public Realm   | Hammersmith Bridge works 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. There may also be additional ongoing maintenance costs that will require funding | Continue to work with the Department for Transport and Transport for London  |
| Climate Change | Significant funding requirements for addressing the Climate and Ecological Emergency and achieving the Council's net zero carbon target   | Continue to maximise external funding opportunities  |
| All divisions  | Inflationary pressures impacting major service contracts and service spend (such as rising costs relating to staff, energy, fuel and materials)   | Continue to work with service contractors to manage within existing budgets  |
| Public Realm   | Waste disposal costs may be more than allowed for in the budget (challenge of influencing waste disposal habits of all residents)   | Continue to routinely monitor and assess performance against the Council's joint waste reduction strategy  |
| Public Realm   | Waste collection and street cleansing vehicles may not be available to purchase as planned, resulting in ongoing vehicle hire costs   | Continue to work with the Council's waste services contractor to promptly source available vehicles  |
| Public Realm   | The garden waste service may not deliver within budget (insufficient take up and/or insufficient waste disposal savings)  | Continue to promote, monitor and assess  |
| Property       | The Council's commercial property portfolio may not achieve budget. Property repairs and maintenance costs are likely to continue to rise   | Review existing lease arrangements and the capital maintenance programme   |
| Planning       | Planning application fees income can be volatile and may be less than budget. Risk of planning appeals resulting in additional costs  | Continue to pursue opportunities to maximise income through Planning Performance Agreements and review fees and charges to ensure full cost recovery |
| All divisions  | Potential national public finance pressures impacting specific grant funded services (such as Transport for London funded highways projects) and other income streams   | Plan for projects that can be scaled to match funding as far as possible   |
| All divisions  | Ongoing pressure and challenges to secure funding for the H&F Plan objectives   | Continue to explore funding opportunities, both internally and externally to the council. Manage within existing resources as far as possible        |

## Housing Solutions Department Risk/Challenges

| 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>- Introduce hardship funds from Crisis Resilience Fund</li> </ul> |
| Housing Solutions | Risk of Tenancy Terminations following Renters' Rights Act  | Help new TA tenants (PRS evictees) manage rent shortfalls from tapered income (non-BenCap) through: <ul style="list-style-type: none"> <li>- Provision of tenancy sustainment and landlord support</li> <li>- Welfare benefit advice</li> <li>- Introduce hardship funds from Crisis Resilience Fund</li> </ul>   |
| Housing Solutions | Increase in bad debt provision on Temporary Accommodation (Bed & 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 post CoL  |
| Housing Solutions | There is a risk of a further increase in the number of households in Temporary Accommodation - based on an additional 250 households this year above the current forecast                 | Increase access to private rented accommodation as outlined and agreed in recent changes to Council's Housing Allocation Scheme.  |
| Housing Solutions | Inflationary pressures on Temporary Accommodation landlord costs, based on an extra 5% rental inflation above the current forecast  | Reducing expensive Temporary Accommodation is likely to mean procuring additional units outside of this borough.  |
| 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 | Housing Company Implementation  |   |

## **Finance and Corporate Services Department Risk/Challenges**

| <b>Department &amp; Division</b> | <b>Short Description of Risk</b>  | <b>Mitigation</b>  |
|----------------------------------|---|--|
| <b>Corporate</b>                 |   |  |
| Council wide                     | Reductions in funding as a result of Government's Fair Funding framework for the General Fund will have an impact on the organisation's ability to deliver all the functions it currently provides. | 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                     | The cyber security incident experienced in December 2025 has had an impact on service delivery.   | The Council has been affected by a cyber security matter (through our joint working with neighbouring authorities) and the issues are being resolved. It is likely that there will be short and medium cost implications and these will be assessed and reported in the future.                              |
| 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                     | Contract and pay inflation in excess of current budget assumptions  | The budget proposals include a retained contingency reserve for inflationary risk.   |
| Council wide                     | Interest rate changes may result in higher borrowing costs for capital projects or reduced investment income.   | Careful and regular monitoring of borrowing rates with tactical additional borrowing tranches when market at more favourable points.<br><br>Monitoring of whether HRA certainty rate for PWLB borrowing will be extended from April 2026, which gives a 0.4% favourable position over General Fund borrowing |
| Finance and Corporate Services   | Insurance claim costs may increase as service budgets and resources are under pressure and external factors influence claim volumes.  | Closer working with the insurance service to understand key drivers for claims and expediate focused service improvement to reduce claim volumes.  |

# **Hammersmith & Fulham Fees & Charges**

Exceptions to the standard uplift

**2026/27**

# **PEOPLE Department Fees & Charges**

Exceptions to the standard uplift

**2026/27**



**Adult Social Care Fees & Charges Proposals 2026/27**

| Fee Description  | 2025/26 Charge (£) | 2026/27 Charge (£) | Proposed Variation (£) |
|--|--------------------|--------------------|------------------------|
| Meals and a Chat service (£2 per meal)   | £2.00              | £2.00              | £0.00                  |
| 1. Careline Alarm Gold Service (Pendant) charges are per month).                     |                    |                    |                        |
| Private Clients ( Home owners & Private Sector Tenants)                              | £23.14             | £23.14             | £0.00                  |
| Council Non-Sheltered or Housing Association (RSL) Tenants                           | £17.21             | £17.21             | £0.00                  |
| 2. Careline Alarm Silver Service (Pendant) - Monitoring Service only                 |                    |                    |                        |
| Private Clients ( Home owners & Private Sector Tenants)                              | £16.12             | £16.12             | £0.00                  |
| Council Non-Sheltered or Housing Association (RSL) Tenants                           | £10.30             | £10.30             | £0.00                  |
| 3. Careline Alarm Gold Service (Pull cord) - Emergency Response & Monitoring Service |                    |                    |                        |
| (A) Provided to Registered Social Landlord Sheltered Accommodations (RSL Financed)   | £6.76              | £6.76              | £0.00                  |

# **HOUSING Department Fees & Charges**

Exceptions to the standard uplift

**2026/27**

## Housing Solutions Fees and Charges 2026/27

| Fee Description                                  | 2025/26 Charge (£)               | 2026/27 Charge (£)               | Proposed Variation (£) |
|--|----------------------------------|----------------------------------|------------------------|
| <b>Private Sector Leasing</b>                    |                                  |                                  |                        |
| Private Sector Leasing Water Charges             | Varies                           | Varies                           |                        |
| Private Sector Leasing Rent (average per week)   | £261.07                          | £266.39                          | £5.32                  |
|  | £261.07 as at 19th November 2024 | £266.39 as at 17th November 2025 |                        |
| <b>Bed and Breakfast Temporary Accommodation</b> |                                  |                                  |                        |
| B & B Rent Single/Family (Average per week)      | £231.70                          | £233.00                          | £1.30                  |
|  | £231.70 as at 19th November 2024 | £233.00 as at 17th November 2025 |                        |

Housing Standards Fees & Charges Proposals 2026/27

| Fee Description   | 2025/26 Charge (£) | 2026-27 Charge (£) | Proposed Variation (£) |
|---|--------------------|--------------------|------------------------|
| <b>HOUSING STANDARDS - Private Housing &amp; Health</b>   |                    |                    |                        |
| <b>House of Multiple Occupancy (HMO) Licences</b>   |                    |                    |                        |
| Mandatory HMO Licence   |                    |                    |                        |
| HMO Licence Fee (Standard 5 year licence)   | £1,627.00          | £1,656.00          | £29.00                 |
| Additional Charge per Habitable Room  | £180.00            | £183.00            | £3.00                  |
| HMO Licence Fee (Reduced 2 year licence)  | £1,627.00          | £1,656.00          | £29.00                 |
| Non-mandatory HMO Licence   |                    |                    |                        |
| Additional Licence  | £742.00            | £755.00            | £13.00                 |
| Selective Licence   | £742.00            | £755.00            | £13.00                 |
| Note - Discounts are applied to HMO Licences as follows:<br><ul style="list-style-type: none"> <li>• £80 discount where the licence holder and/or the manager is a member of an accredited landlord body such as NLA, RLA or LLAS</li> <li>• £50 discount where the licence holder has signed up to the Hammersmith &amp; Fulham Landlords Charter (You can sign up to the landlord's rental charter as part of the application process)</li> </ul> N.B. Only one discount is applied per licence - the greater in value is applied |                    |                    |                        |
| Additional Costs  |                    |                    |                        |
| Financial Penalties for housing offences and non-compliance housing notices   | Maximum permitted  | Maximum permitted  | N/A                    |

# **PLACE Department Fees & Charges**

Exceptions to the standard uplift

## **2026/27**

**The Economy, Arts, Sport and Public Realm Fees & Charges Proposals 2026/27**

Exceptions to the standard 3.8% uplift

| Fee Description  | 2025/26<br>Charge (£) | 2026/27<br>Charge (£) | Proposed<br>Variation (£) |
|--|-----------------------|-----------------------|---------------------------|
| <b>HIGHWAYS</b>  |                       |                       |                           |
| <b>Street Lamp Column Small Cell Attachments</b>                               |                       |                       |                           |
| Coordination fee / checking and assessing applications (VAT to be added)       | £4,950.00             | £5,450.00             | £500.00                   |
| Inspection / surveys / structural tests, per node attachment (VAT to be added) | £270.00               | £300.00               | £30.00                    |
| Annual fee - first node deployed on each asset                                 | £330.00               | £360.00               | £30.00                    |
| Annual fee - second node deployed on each asset                                | £170.00               | £190.00               | £20.00                    |
| Annual fee - each additional node deployed on each asset after the first two   | £110.00               | £120.00               | £10.00                    |
| <b><i>Attachment licence – for attachments other than small cells:</i></b>     |                       |                       |                           |
| Admin Charge   | £280.00               | £310.00               | £30.00                    |
| 6 monthly block charge per asset (i.e. lamp column)                            | £830.00               | £910.00               | £80.00                    |
| <b>Other</b>   |                       |                       |                           |
| Provision of General Highways Information                                      | £600.00               | £660.00               | £60.00                    |
| Crossover Application fee  | £600.00               | £660.00               | £60.00                    |
| Canopy Fee - One off charge  | £360.00               | £400.00               | £40.00                    |
| Canopy Fee - Renewal   | £180.00               | £200.00               | £20.00                    |
| <b>Pavement Licences</b>   |                       |                       |                           |
| New pavement licence (per annum)   | £500.00               | £550.00               | £50.00                    |
| Renewed pavement licence (per annum)   | £350.00               | £385.00               | £35.00                    |
| Advertising Board Licence - Annual   | £250.00               | £275.00               | £25.00                    |

| Fee Description  | 2025/26 Charge (£) | 2026/27 Charge (£) | Proposed Variation (£) |
|--|--------------------|--------------------|------------------------|
| <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+              | £1,000+            | £250+                  |
| Scaffolding / Hoarding Licence Commercial Single Frontages (and residential sites measuring up to 15m) - per month   | £600.00            | £660.00            | £60.00                 |
| Scaffolding / Hoarding Licence (Any site measuring more than 15m ) - per month   | £1,060.00          | £1,170.00          | £110.00                |
| <b>Crane Licences</b>  |                    |                    |                        |
| Major crane Application  | £1,120.00          | £1,230.00          | £110.00                |
| Minor Crane Operations, two weeks  | £550.00            | £610.00            | £60.00                 |
| <b>Skips &amp; Builder's Materials Licences</b>  |                    |                    |                        |
| Damage deposit to cover damage from skips and builders materials   | £750+              | £1,000+            | £250+                  |
| Skip & Builders' Materials Licences, two weeks   | £150.00            | £165.00            | £15.00                 |
| Applications for highway licences, where applicable, also require payment for the suspension of a parking bay  |                    |                    | £0.00                  |
| <b>Other Highways Licences</b>   |                    |                    |                        |
| Magazine Dispensers  | £1,280.00          | £1,410.00          | £130.00                |
| Storage Containers (developments, stadiums, etc.), two weeks   | £1,210.00          | £1,330.00          | £120.00                |
| Cellar Doors - One off license fee   | £490.00            | £540.00            | £50.00                 |
| Cellar Doors - Renewal fee   | £250.00            | £275.00            | £25.00                 |
| Portaloo, two weeks  | £200.00            | £220.00            | £20.00                 |
| Site huts, two weeks   | £370.00            | £410.00            | £40.00                 |
| Accident Data  | £220.00            | £240.00            | £20.00                 |

| Fee Description  | 2025/26 Charge (£) | 2026/27 Charge (£) | Proposed Variation (£) |
|--|--------------------|--------------------|------------------------|
| Call outs (for first day - not including additional costs)                             | £250.00            | £275.00            | £25.00                 |
| - Each additional day  | £100.00            | £110.00            | £10.00                 |
| <b>Highways Inspection Data</b>  |                    |                    |                        |
| Application  | £610.00            | £670.00            | £60.00                 |
| <b>Highways Land Enquires</b>  |                    |                    |                        |
| Text Based   | £140.00            | £155.00            | £15.00                 |
| Drawing  | £270.00            | £300.00            | £30.00                 |
| <b>Street Naming and Numbering</b>   |                    |                    |                        |
| Initial new addressable Unit   | £450.00            | £500.00            | £50.00                 |
| Additional Addressable Unit  | £160.00            | £180.00            | £20.00                 |
| New building name  | £310.00            | £350.00            | £40.00                 |
| New Street name  | £880.00            | £970.00            | £90.00                 |
| Address Verification   | £200.00            | £220.00            | £20.00                 |
| <b>Street works (Section 50) Licences</b>  |                    |                    |                        |
| Application Fee  | £500.00            | £550.00            | £50.00                 |
| Admin Fee (based on cost)  | 10%                | 20%                | 10%                    |
|  |                    |                    |                        |
| <b>LETTINGS &amp; EVENTS - Zero Rated VAT (Hourly Rates)</b>                           |                    |                    |                        |
| <b>HIRE OF PARKS &amp; OPEN SPACES FOR EVENTS - CHARGES PER DAY (based on 8 hours)</b> |                    |                    |                        |
| Promotional activity roaming (per team of 5)   | £410.00            | £500.00            | £90.00                 |
| <b>Community in LBHF - for eligible voluntary organisations</b>                        |                    |                    |                        |




| Fee Description  | 2025/26 Charge (£) | 2026/27 Charge (£) | Proposed Variation (£) |
|--|--------------------|--------------------|------------------------|
| <b>Build and de-rig fee or non-operating day (50% of daily hire fee)</b>                         |                    |                    |                        |
| Events Under 200 people attending  | £190.00            | £200.00            | £10.00                 |
| Events 200-499 attending   | £910.00            | £350.00            | -£560.00               |
| Events 500-999 people attending  | £910.00            | £650.00            | -£260.00               |
| Events 1,000-4,999 people attending  | £910.00            | £950.00            | £40.00                 |
| Events 5,000 or more people attending  | POA                | POA                | N/A                    |
| <b>Other Fees</b>  |                    |                    |                        |
| Environmental investment fee (Commercial & private events only)                                  | N/A                | POA                | New Charge             |
| Event monitoring fee - Commercial  | N/A                | £85.00             | New Charge             |
| Event monitoring fee - Community, charity & non profit   | N/A                | £35.00             | New Charge             |
| Late collection of infrastructure  | N/A                | £100.00            | New Charge             |
| Banner removal (rate per banner)   | N/A                | £100.00            | New Charge             |
| Touring events e.g. circuses non animal per day - small up to 500 seats per performance, per day | N/A                | £1,200.00          | New Charge             |
| Promotional activity - Large PR Stunt activation   | N/A                | POA                | New Charge             |

**Social Inclusion and Community Safety Fees & Charges Proposals 2026/27 - Exceptions to the standard 3.8% uplift**

| Fee Description   | 2025/26 Charge (£) | 2026/27 Charge (£) | Proposed Variation (£) |
|---|--------------------|--------------------|------------------------|
| <b>STREET &amp; MARKET TRADING</b>  |                    |                    |                        |
| <b>Specialist Markets</b>   |                    |                    |                        |
| Charge per waste bag per day for traders at Lyric Square, Wood Lane and Shepherds Bush Green Market | £2.36              | £3.40              | ↑ £1.04                |
| <b>Administration Charges</b>   |                    |                    |                        |
| Fast track licence application (within 72 hours)  | N/A                | £116.50            | New Charge             |
| Late renewal application submission with all documents  | N/A                | £25.00             | New Charge             |
| Delayed submission of all application documents   | N/A                | £25.00             | New Charge             |
| Changes to registered assistant   | N/A                | £25.00             | New Charge             |
| <b>Shop Front Trading</b>   |                    |                    |                        |
| <b>Shopfront trading fees on public maintained land - NEW LICENCE</b>                               |                    |                    |                        |
| <i>Fees will be applicable pending completion of the agreed terms</i>                               |                    |                    |                        |
| Up to 1 metre, from the shop front entrance.  | £1,050.00          | £1,050.00          | → £0.00                |
| Up to 2 metres, from the shop front entrance.   | N/A                | £1,150.00          | New Charge             |
| Up to 3 metres, from the shop front entrance.   | N/A                | £1,250.00          | New Charge             |
| <b>Shopfront trading fees on public maintained land - LICENCE RENEWAL</b>                           |                    |                    |                        |
| <i>Fees will be applicable pending completion of the agreed terms</i>                               |                    |                    |                        |

| Fee Description   | 2025/26 Charge (£) | 2026/27 Charge (£) | Proposed Variation (£) |
|---|--------------------|--------------------|------------------------|
| Up to 1 metre, from the shop front entrance.                          | £500.00            | £500.00            | ➡ £0.00                |
| Up to 2 metres, from the shop front entrance.                         | N/A                | £600.00            | New Charge             |
| Up to 3 metres, from the shop front entrance.                         | N/A                | £700.00            | New Charge             |
| <b>Shopfront trading fees on private land - NEW LICENCE</b>           |                    |                    |                        |
| <i>Fees will be applicable pending completion of the agreed terms</i> |                    |                    |                        |
| Up to 1 metre, from the shop front entrance.                          | £500.00            | £500.00            | ➡ £0.00                |
| Up to 2 metres, from the shop front entrance.                         | N/A                | £600.00            | New Charge             |
| Up to 3 metres, from the shop front entrance.                         | N/A                | £700.00            | New Charge             |
| <b>Shopfront trading fees on private land - LICENCE RENEWAL</b>       |                    |                    |                        |
| <i>Fees will be applicable pending completion of the agreed terms</i> |                    |                    |                        |
| Up to 1 metre, from the shop front entrance.                          | £300.00            | £300.00            | ➡ £0.00                |
| Up to 2 metres, from the shop front entrance.                         | N/A                | £400.00            | New Charge             |
| Up to 3 metres, from the shop front entrance.                         | N/A                | £500.00            | New Charge             |
| <b>Other Shop Front Trading Fees</b>                                  |                    |                    |                        |
| 1-day shop front trading licence                                      | N/A                | £58.50             | New Charge             |
| 30-day shop front trading licence                                     | N/A                | £116.50            | New Charge             |
| Extended Late Licence   | N/A                | 25% of Licence Fee | New Charge             |
| Licence variation fee   | N/A                | £58.50             | New Charge             |
| Fast track licence application (within 10 working days)               | N/A                | £116.50            | New Charge             |

| Fee Description   | 2025/26 Charge (£) | 2026/27 Charge (£) | Proposed Variation (£) |
|---|--------------------|--------------------|------------------------|
| <b>Selling from front gardens</b>   |                    |                    |                        |
| <i>If you wish to sell anything from a front garden of a property to customers on the footpath you need a licence; or from a piece of land that is within 7 metres of the public highway and not enclosed, you will need a Street Trading (Private land) licence.</i> |                    |                    |                        |
| New applications  | N/A                | £100.00            | New Charge             |
| One-year renewal  | N/A                | £75.00             | New Charge             |
| <b>Community Markets and Street Trading Events for Charities and Not-For-Profit Organisations</b>   |                    |                    |                        |
| Up to 5 stalls  | N/A                | £100.00            | New Charge             |
| 6 - 10 stalls   | N/A                | £200.00            | New Charge             |
| 11 - 15 stalls  | N/A                | £300.00            | New Charge             |
| 16 - 20 stalls  | N/A                | £400.00            | New Charge             |
| Over 20 stalls  | N/A                | £500.00            | New Charge             |
| <b>Seasonal and Temporary / Short-Term Events</b>   |                    |                    |                        |
| Short term event - Temporary Street Trading Licence - 1st day   | N/A                | £61.50             | New Charge             |
| Short term event - Temporary Street Trading Licence - per day thereafter  | N/A                | £20.50             | New Charge             |
| Weekly seasonal licences (e.g. Christmas tree sales)  | N/A                | £100.00            | New Charge             |
| Weekly seasonal licences (e.g. Christmas tree sales) - Extended Stall   | N/A                | £150.00            | New Charge             |
|   |                    |                    |                        |
| <b>COMMUNITY SAFETY - Anti-Social Behaviour Unit (ASBU)</b>   |                    |                    |                        |
|   |                    |                    |                        |

| Fee Description   | 2025/26 Charge (£) | 2026/27 Charge (£)   | Proposed Variation (£)   |
|---|--------------------|--|--|
| ASBU Monthly Case Supervision of Registered Social Landlord cases and build/access to REACT Case Management System (Initial build charge of £2000) and <b>monthly</b> charge thereafter | N/A                | £2,110.00  | New Charge   |
| ASBU - Chairing follow-up professionals' meeting post CMARAC, ASB Case Review or heard at Cuckooing Risk Panel  | N/A                | £61.00 per hour  | New Charge   |
| ASBU - Chairing meetings relating to ASB on defined RSL estates, where there are no local authority landlord responsibilities.  | N/A                | £61.00 per hour  | New Charge   |
| ASBU - Deliver external online ASB or Cuckooing training  | N/A                | £600 Daily rate or £100 per hour                                       | New Charge   |
| ASBU - Deliver in-person external ASB or Cuckooing training or consultancy  | N/A                | £600 Daily rate or £100 per hour - plus travel, food and accommodation | New Charge   |
| <b>EMERGENCY PLANNING &amp; BUSINESS CONTINUITY - Services to External Organisations</b>  |                    |  |  |
| Business Continuity Advice - External Consultancy per day   | N/A                | £500.00  | New Charge   |
| Rest Centre Provision (Hourly rate)   | N/A                | £300.00  | New Charge   |
| <b>CCTV</b>   |                    |  |  |
| Footage search and release to insurers  | £294.00            | £360.00  |  £66.00 |

# **FINANCE AND CORPORATE Department Fees & Charges**

Exceptions to the standard uplift

**2026/27**

**REGISTRATION OF BIRTHS, DEATHS & MARRIAGES Fees and Charges 2026/27**

| Fee Description   | 2025/26 Charge (£) | 2026/27 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   | £226.00            | £0.00              | £0.00                  |
| Friday  | £286.00            | £0.00              | £0.00                  |
| Saturday  | £346.00            | £0.00              | £0.00                  |
| Sunday  | £456.00            | £0.00              | £0.00                  |
| Saturday (5pm and 6pm and 7pm)  | £436.00            | £0.00              | £0.00                  |
| <b>The Copper Suite (Clockwork Building - Capacity of 60)   Wedding &amp; Civil Partnership   Renewal of Vows   Naming Ceremonies</b>   |                    |                    |                        |
| Monday - Thursday   | £390.00            | £0.00              | £0.00                  |
| Friday  | £447.00            | £0.00              | £0.00                  |
| Saturday  | £507.00            | £0.00              | £0.00                  |
| Sunday  | £650.00            | £0.00              | £0.00                  |
| Saturday (5pm and 6pm and 7pm)  | £607.00            | £0.00              | £0.00                  |

**REGISTRATION OF BIRTHS, DEATHS & MARRIAGES Fees and Charges 2026/27**

| Fee Description   | 2025/26 Charge (£) | 2026/27 Charge (£) | Proposed Variation (£) |
|---|--------------------|--------------------|------------------------|
| <b>The Broadway Room Wedding &amp; Civil Partnership   Renewal of Vows   Naming Ceremonies</b>  |                    |                    |                        |
| Monday - Thursday   | £0.00              | £250.00            | NEW FEE                |
| Friday  | £0.00              | £300.00            | NEW FEE                |
| Saturday  | £0.00              | £340.00            | NEW FEE                |
| Friday (after 5pm)  | £0.00              | £400.00            | NEW FEE                |
| Saturday (after 5pm)  | £0.00              | £430.00            | NEW FEE                |
| Sunday/Bank Holidays  | £0.00              | £520.00            | NEW FEE                |
| <b>The Olympia Room Wedding &amp; Civil Partnership   Renewal of Vows   Naming Ceremonies</b>   |                    |                    |                        |
| Monday - Thursday   |                    | £305.00            | NEW FEE                |
| Friday  |                    | £350.00            | NEW FEE                |
| Saturday  |                    | £400.00            | NEW FEE                |
| Friday (after 5pm)  |                    | £495.00            | NEW FEE                |
| Saturday (after 5pm)  |                    | £530.00            | NEW FEE                |
| Sunday/Bank Holidays  |                    | £630.00            | NEW FEE                |
| <b>The Riverside Room Wedding &amp; Civil Partnership   Renewal of Vows   Naming Ceremonies</b> |                    |                    |                        |
| Monday - Thursday   |                    | £350.00            | NEW FEE                |
| Friday  |                    | £380.00            | NEW FEE                |
| Saturday  |                    | £430.00            | NEW FEE                |
| Friday (after 5pm)  |                    | £525.00            | NEW FEE                |
| Saturday (after 5pm)  |                    | £570.00            | NEW FEE                |
| Sunday/Bank Holidays  |                    | £670.00            | NEW FEE                |
| <b>Mayor's Parlour Wedding &amp; Civil Partnership   Renewal of Vows   Naming Ceremonies</b>    |                    |                    |                        |
| Monday - Thursday   |                    | £350.00            | NEW FEE                |
| Friday  |                    | £400.00            | NEW FEE                |
| Saturday  |                    | £460.00            | NEW FEE                |
| Eve Monday - Thursday   |                    | £540.00            | NEW FEE                |
| Friday (after 5pm)  |                    | £600.00            | NEW FEE                |
| Saturday (after 5pm)  |                    | £640.00            | NEW FEE                |
| Sunday/Bank Holidays  |                    | £740.00            | NEW FEE                |



**REGISTRATION OF BIRTHS, DEATHS & MARRIAGES Fees and Charges 2026/27**

| Fee Description   | 2025/26 Charge (£) | 2026/27 Charge (£) | Proposed Variation (£) |
|---|--------------------|--------------------|------------------------|
| <b>Council Chamber Wedding &amp; Civil Partnership   Renewal of Vows   Naming Ceremonies</b>                            |                    |                    |                        |
| Monday - Thursday   |                    | £425.00            | NEW FEE                |
| Friday  |                    | £490.00            | NEW FEE                |
| Saturday  |                    | £565.00            | NEW FEE                |
| Eve Monday - Thursday   |                    | £680.00            | NEW FEE                |
| Friday (after 5pm)  |                    | £730.00            | NEW FEE                |
| Saturday (after 5pm)  |                    | £780.00            | NEW FEE                |
| Sunday/Bank Holidays  |                    | £880.00            | NEW FEE                |
| <b>Mayor's Foyer (Exclusive use of 2nd Floor) Wedding &amp; Civil Partnership   Renewal of Vows   Naming Ceremonies</b> |                    |                    |                        |
| Friday  |                    | £1,000.00          | NEW FEE                |
| Friday (after 5pm)  |                    | £1,500.00          | NEW FEE                |
| Saturday  |                    | £1,800.00          | NEW FEE                |
| Sunday  |                    | £2,100.00          | NEW FEE                |
| Bank Holiday  |                    | £2,500.00          | NEW FEE                |
| <b>Approved Venue Wedding &amp; Civil Partnership   Renewal of Vows   Naming Ceremonies</b>                             |                    |                    |                        |
| Monday - Thursday   | £556.00            | £556.00            | £0.00                  |
| Friday  | £616.00            | £640.00            | £24.00                 |
| Saturday  | £686.00            | £705.00            | £19.00                 |
| Sunday/Bank Holidays  | £806.00            | £845.00            | £39.00                 |
| Monday - Thursday (after 5pm)   | £771.00            | £789.00            | £18.00                 |
| Friday (after 5pm)  | £834.00            | £859.00            | £25.00                 |
| Saturday (after 5pm)  | £897.00            | £925.00            | £28.00                 |
| 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                  |

**REGISTRATION OF BIRTHS, DEATHS & MARRIAGES Fees and Charges 2026/27**

| Fee Description   | 2025/26 Charge (£)  | 2026/27 Charge (£)  | Proposed Variation (£) |
|---|---|---|------------------------|
| 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  | £45.00  | £0.00                  |
| 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                                       | 50% of the remaining fee (non-refundable booking fee non-inclusive) | 50% of the remaining fee (non-refundable booking fee non-inclusive) |                        |
| Postal Charges  | At Cost   | At Cost   |                        |

**REGISTRATION OF BIRTHS, DEATHS & MARRIAGES Fees and Charges 2026/27**

| Fee Description  | 2025/26 Charge (£) | 2026/27 Charge (£) | Proposed Variation (£) |
|--|--------------------|--------------------|------------------------|
| <b>Citizenship Ceremony fees</b>   |                    |                    |                        |
| Individual citizenship ceremony (Monday - Thursday)  | £180.00            | £180.00            | £0.00                  |
| Individual citizenship ceremony - Friday   | £180.00            | £180.00            | £0.00                  |
| Individual citizenship ceremony - Saturday   | £210.00            | £210.00            | £0.00                  |
| <b>MARRIAGE LICENCES (including Civil partnership ceremonies)</b>  |                    |                    |                        |
| <b><u>Marriage Licence 3 Years</u></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                  |

**Commercial Card Charges**

| Fee Description                | 2025/26 Charge (£) | 2026/27 Charge (£) | Proposed Variation (£) |
|--------------------------------|--------------------|--------------------|------------------------|
| <b>Commercial Card Charges</b> |                    |                    |                        |
| Commercial Card Charges        | 0%                 | 2%                 | 2%                     |

## **Equalities Impact Assessment – Council Tax 2026/27**

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 2026/27, 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. 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 £961.04 to £1,009.00.

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 £0.92p. 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 latest ONS Mid-year population estimates<sup>1</sup>, there were 188,687 residents who live in the borough, an increase of 0.6% since 2023. Of those in the council's population in 2024, 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.

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.

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<sup>1</sup>

<https://www.ons.gov.uk/peoplepopulationandcommunity/populationandmigration/populationestimates/bulletins/populationestimatesforenglandandwales/mid2023>

## GENDER REASSIGNMENT

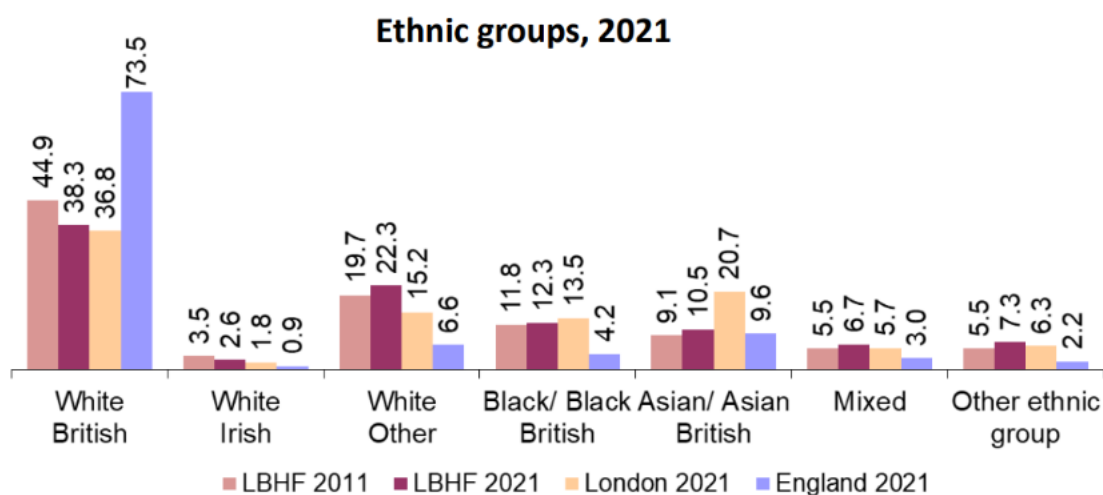
There is no Council Tax data on gender reassignment

## 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”.

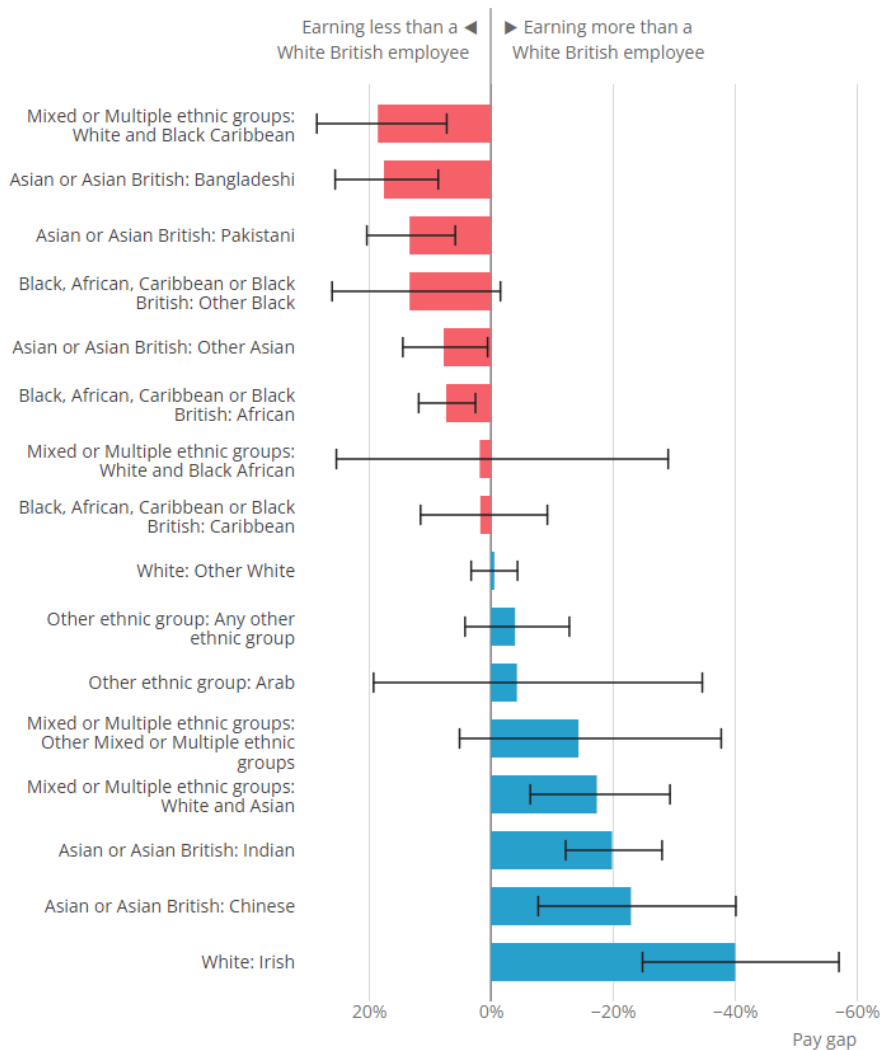


The race of the liable person is not recorded for council tax purposes, but there is no reason to believe that the increase will not negatively impact on any ethnic group disproportionately. Nationally according to the ONS, those from Bangladeshi and Pakistani backgrounds, as well as those from Black 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

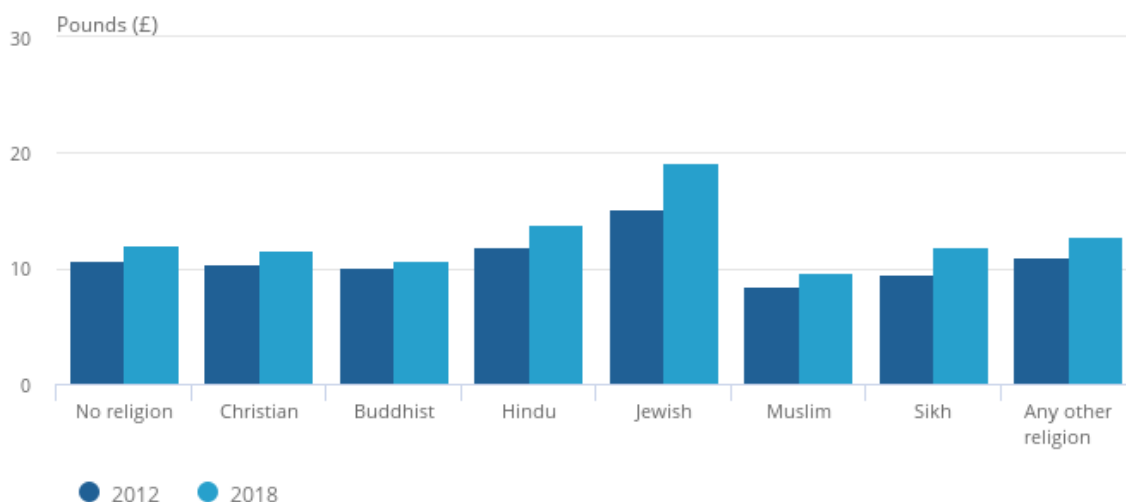
To mitigate the potential impact on those groups, those eligible for assistance for the council's Council Tax Support Scheme which provides support with payments of council tax to low-income households in the borough. are encouraged to do so.

## 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 2025 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:

|   |               |            |
|---|---------------|------------|
| <b>Total dwellings in the borough</b>   | <b>95,707</b> | <b>%</b>   |
| <b><i>Reductions:</i></b>   |               |            |
| Demolished dwellings  | (25)          | 0          |
| Exemptions (mainly students, includes care leavers and vacant properties)                                 | (3,321)       | 3%         |
| Council Tax support claimants (elderly & working age on low income, including those with other discounts) | (13,061)      | 14%        |
| Discounts only (primarily single person discount of 25%)  | (33,424)      | 35%        |
| <b>Dwellings liable for 100% of Council Tax</b>   | <b>58,937</b> | <b>62%</b> |

## **People Department Growth and Savings Proposals**

### **Children's Services Savings Proposals 2026/27**

#### **Service efficiencies in context of greater integration and joint working - £380,000**

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.

#### **Education Service Efficiencies - £150,000**

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.

#### **Commissioning and Transformation Service Efficiencies - £55,000**

This saving relates to the deletion of a vacant post within the Commissioning structure. The structure is required to deliver the strategic commissioning, service development, and provision of services. The structure reflects the new business requirements of the People's Directorate and ensures there is the skills, and expertise across the breadth of the portfolio.

## **Social Care Savings Proposals 2026/27**

### **Review care costs with NHS Continuing Health Criteria (CHC) as people with very high needs are discharged from hospital – £234,000**

This proposal will have a neutral impact on our residents with protected characteristics, as CHC can apply to any resident across health and social care. CHC enables eligible residents to receive the care and support they require from the NHS without the charges that apply to social care as their needs increase. It ensures equal access to both social care and medical support, regardless of background or identity.

This proposal seeks to address challenges with timely joint assessments by recommending a dedicated resource focused exclusively on CHC assessments across all local authority teams and the Integrated Care Board (ICB). This resource will review and assess all individuals in receipt of section 117 aftercare to confirm legal compliance and eligibility under the CHC framework. Reviewing CHC care costs is essential to ensure that funding arrangements are appropriate and proportionate and to address historical cases that may require adjustment.

### **Optimise use of Direct Payments to meet eligible needs and improve choice and control for residents - £200,000**

This proposal will have a neutral impact on residents with protected characteristics, particularly Disabled people. Direct Payments (DPs) enable autonomy and Independent Living by giving eligible residents choice and control over how they meet their assessed needs, reducing reliance on traditional care and promoting community participation. The approach to DPs in Hammersmith and Fulham has been co-produced with residents, in line with recommendations from the Disabled People's Commission (2017) and an independent review (2018).

This proposal aims to strengthen the knowledge and skills of social care teams to promote DPs as the preferred option for achieving agreed outcomes in resident support plans. It also ensures care packages are monitored and rightsized to provide tailored support to residents at every stage of their care. To mitigate potential indirect challenges that may arise with this proposal, officers will provide tailored assistance to residents who face barriers relating to digital access, financial illiteracy, and compounded accessibility needs. Additionally, we have a voluntary organisation running the DP Support Team for residents who require specific support with hiring carers.

### **Redesigning provision and transforming practice which enables greater choice and control for residents – £1,000,000**

This proposal will have a **neutral** impact on residents with protected characteristics. Care plans are integral to promoting Independent Living and enabling residents to take control of their lives. This proposal seeks to implement regular reviews of care plans to ensure that the support residents receive is proportionate to their Care Act eligible needs. Through a strengths-based approach, care plans will be tailored by identifying

what matters to each individual and building upon their own strengths and resources to achieve better outcomes.

To mitigate potential indirect challenges that may arise from this savings proposal, reviews will be conducted by suitably qualified, experienced and culturally competent staff in accessible formats (e.g. Easy Read documents, use of interpreters). All residents will have access the support of an independent advocate to ensure they understand the care and support process and that the review is person-centred and considerate of their needs and protected characteristics.

### **Mental Health Outreach Service reprovision reflective of demand and to reduce duplication – £193,000.**

This proposal will have a neutral impact on individuals with protected characteristics. The reprovision of the Mental Health Outreach Service forms part of a strategic review aimed at aligning resources with current needs, priorities and in the context of other existing services available. The service supported a small number of residents, who have all been supported via accessible reviews to access alternative provision. A full EIA will be undertaken in advance of formal consultation with staff to ascertain the potential impact including any indirect impact on staff and will be kept under review throughout, ensuring those most likely to be impacted by any changes are fully consulted and outcomes are monitored by protected characteristics.

### **Commissioning and transformation service efficiencies – savings proposal of £55,000**

This proposal had a neutral impact and there were no identified adverse impacts for any protected characteristics. This saving relates to the deletion of a vacant post within the Commissioning structure. The structure is required to deliver the strategic commissioning, service development, and provision of services for adults, across preventative and statutory complex care provision. The structure reflects the new business requirements of the People's Directorate and ensures there is the skills, and expertise across the breadth of the portfolio.

### **Public Health Service Efficiencies – savings proposal of £230,000**

It is expected that this proposal will have a neutral impact on residents with protected characteristics. Whilst the proposal seeks to review the functions and associated skills mix, it is not expected that any changes will negatively impact the provision and services available to residents. The proposed changes are not likely to result in adverse impact for any protected characteristic. A full EIA will be undertaken in advance of formal consultation to ascertain the potential impact including any indirect impact and will be kept under review throughout ensuring those most likely to be impacted by any changes are fully consulted and outcomes are monitored by protected characteristics.

### **Stretch target - improving the range of local services – savings proposal of £1,750,000**

This proposal will have a **neutral** impact on residents with protected characteristics. This proposal seeks to improve the range of local services available to residents, targeting one off opportunities, and innovating preventative services to better meet need.

### **Place Department Savings Proposals**

#### **Place Redesign Phase 3 - £1,300,000**

This budgetary saving is to be delivered through a review of staffing structures across the Place department. It is believed that this proposal has a neutral impact on groups that share protected characteristics as these are back-office savings only (mostly through the realignment of roles and responsibilities) and do not affect the delivery of front-line services. Equality impact assessments will be undertaken as part of the Council's standard reorganisation process for each affected service area. This will include consideration of any indirect impacts on individuals with protected characteristics. Any necessary reasonable adjustments will be managed as far as possible.

#### **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 and/or to ensure commercial charges remain competitive. 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. Some age-related discounts exist in some areas (such as leisure and Adult Learning). The Council acknowledges that price increases may affect some groups more than others (such as older residents, Disabled people and those on low or no income).

#### **Other Commercial Initiatives - £750,000**

This budgetary saving is expected to be delivered from a proposed Lane Rental Scheme that incentivises the prompt completion of works on the borough's roads at off peak times. Any surplus income from the scheme after covering administrative costs must be reinvested in transport and highways improvements. The application of external funding in this way is expected to reduce the need for Council funding in this area. This proposal may have a positive impact on groups that share protected characteristics if these new charges successfully reduce disruption to the borough's footways and carriageways (such as reducing accessibility issues for those with a disability). Although it is considered that the movement of people around the borough is generally lower at off peak times, the Council acknowledges that peak times are different for different people, and so the impact of this proposal might vary from person to person.

#### **Reduction in waste disposal tonnages and costs - £200,000**

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.

## **Housing Savings Proposals**

### **Transfer PSL leases to housing company - increased charges - £1,050,000**

The proposal concerns transferring existing Private Sector Leases (PSL) from the Council to the Council's housing company. The company will charge higher rents aligned with the Local Housing Allowance (LHA) as tenants will be able to claim Universal Credit rather than Housing Benefit, which is capped for council-managed temporary accommodation. This approach aims to close the subsidy gap caused by outdated Housing Benefit reimbursement rates and reduce the council's net temporary accommodation (TA) costs.

The proposal is expected to have a neutral impact on groups that share protected characteristics because homeless households will continue to be placed based on statutory criteria, not company status. Higher rents are covered by Universal Credit housing costs, so tenants should not face additional personal financial burden. The council retains responsibility for ensuring accommodation meets needs related to disability, health, and other protected characteristics. The Council will provide support for UC claims, Alternative Payment Arrangements, and ongoing monitoring through equality impact reviews. Any single person households under the age of 35 years residing in PSL properties at the time of transfer to the Housing Company will be rehoused into alternative temporary accommodation or permanently rehoused if a main housing duty has been accepted. Affordability assessments will be carried out for working households and discretionary housing payments will be made where necessary to ensure the accommodation remains affordable for the household.

### **Additional Income from Licences - £150,000**

Income has risen because of the rising number of licence renewals in line with the 5-year licensing scheme cycle. In addition, the Housing Standards team have identified non-compliance within the Selective Licensing Zone which has resulted in more applications being submitted.

This proposal has a neutral impact on groups that share protected characteristics for the following reasons. Licensing schemes are designed to raise housing standards and protect tenants, especially those at higher risk of exploitation or harm. Licensing schemes protect groups including those with protected characteristics by enforcing compliance with safety standards, ensuring landlords are suitable, ensuring repairs are carried out and amenities are adequate, prevention of overcrowding. People with protected characteristics are statistically more likely to experience poverty and poor housing conditions. Licensing income enables the Council to intervene early, preventing exploitation, and maintaining safe, decent homes. It is recognized that residents with "protected characteristics" find it more difficult to access the job



market and consequently find themselves in shared dwellings including households in multiple occupation (HMOs). The licensing and inspections of such properties leads to the identification of risk and the conditioning of such properties will improve the quality of life and living conditions of these vulnerable residents.

## **Finance and Corporate Services Savings Proposals**

### **Further £2m collection fund release can be achieved due to a continued reduction in council tax arrears - £2,000,000**

A £2m bad debt provision release relating to the collection fund can be achieved due to a continued reduction in Council Tax arrears.

Since the 1st of April 2024, Revenues have an arrears team specifically focused on reducing the outstanding arrears for both NNDR & CTAX.

The aim is to continue to generate additional income by increasing the tax base and implementing all recovery tools available, such as insolvency and early intervention to tackle non-payment. This proposal will have a neutral impact on groups that share protected characteristics as the proposal is an accounting entry that will not affect residents.

### **Release of bad debt provision on NNDR of £2m due to a base increase above safety net - £2,000,000**

This proposal is aimed at releasing bad debt provision on NNDR of £2m due to a base increase above safety net. Since the 1st of April 2024, Revenues have an arrears team specifically focused on reducing the outstanding arrears for both NNDR & CTAX. The aim is to continue to generate additional income by increasing the tax base and implementing all recovery tools available, such as insolvency and early intervention to tackle non-payment. This proposal will have a neutral impact on groups that share protected characteristics as the proposal is an accounting entry that will not affect residents.

### **To increase council tax summons costs by £20 per summons - £157,000**

Revision of the summons court fees for Council Tax and Business Rates liability order courts. The aim is to generate additional income by increasing our current summons fees from 1st April 2026. Our current summons fees are £93.50 for Council Tax and £180.50 for Business Rates. Local Authorities can set their own fee's as long as we have the justification to present to the magistrate's court if challenged. Our proposal is to increase by £20 for both which would raise an extra £280k in costs for council tax and £36k for business rates. Total = £316k. Based on a collection rate agreed with Finance of 56% of the costs raised, this would generate an extra £157k in council

tax summons costs income. This proposal will have a neutral impact on groups that share protected characteristics as the proposal is an accounting entry that will not affect residents.

**Aim to generate additional income by increasing resource to implement new processes (includes additional resource) - £200,000**

The aim is to generate additional Housing Benefit Overpayment (HBOP) income for the Council of £200k per annum from 1st April 2026.

We currently have only 1 officer working full time on Housing Benefit Overpayment Cases with some part time support from 2 other officers on the Civil Debt Recovery Team.

Overpayments raised in year total approx. £3m, although we would expect that total to fall to approx. £2.5m per annum as the HB Team are much more up to date. Current in year collection rate is approx. 85% which still leave approx. £500k per annum to recover. With such a small team, increasing the current collection rate is difficult.

In order to achieve this target, 1 extra resource will be required at a cost of £50k per annum who would be able to assist with the following actions and the expected level of enquiries that they would generate

- Blameless Tenant Recovery
- General debt chasing
- PDP Referrals
- DEA – Direct Earnings Attachments
- Instalment Default List
- Large debt list for over £10k accounts

his proposal will have a ***neutral impact on groups that share protected characteristics*** as debt collection is carried out in accordance with the Council's ethical debt policy.

The Council and team remain firmly committed to ethical, transparent and fair collection processes. The new Corporate Plan commits to continue to take an ethical and compassionate approach to debt recovery, and improve our ethical debt collection and outreach advice, whilst acting swiftly to recover taxes and retaining high recovery rates. The revised ethical debt collection policy continues to deliver this commitment by ensuring that no one who cannot pay and is engaging with the Council (so we are aware of their circumstances) is referred to enforcement agents.

**To increase NNDR summons costs by £20 per summons - £20,000**

Revision of the summons court fees for Council Tax and Business Rates liability order courts. The aim is to generate additional income by increasing our current summons fees from 1st April 2026. Our current summons fees are £93.50 for Council Tax and £180.50 for Business Rates. Local Authorities can set their own fee's as long as we have the justification to present to the magistrate's court if challenged. Our proposal is to increase by £20 for both which would raise an extra £280k in costs for council tax and £36k for business rates. Total = £316k. Based on a collection rate agreed with

Finance of 56% of the costs raised, this would generate an extra £20k in NNDR summons costs income.

This proposal will have a ***neutral impact on groups that share protected characteristics*** as debt collection is carried out in accordance with the Council's ethical debt policy.

The Council and team remain firmly committed to ethical, transparent and fair collection processes. The new Corporate Plan commits to continue to take an ethical and compassionate approach to debt recovery, and improve our ethical debt collection and outreach advice, whilst acting swiftly to recover taxes and retaining high recovery rates. The revised ethical debt collection policy continues to deliver this commitment by ensuring that no one who cannot pay and is engaging with the Council (so we are aware of their circumstances) is referred to enforcement agents.

### **Reform Local Support Payments - £450,000**

Hammersmith & Fulham have provided a discretionary Local Support Scheme since 2016. The Local Support Scheme was designed to support residents in a crisis, or an emergency caused by a specific event.

To be eligible to claim a Local Support Payment the resident must be:

- Either in receipt of, or have applied for a qualifying benefit\* and or are waiting for their claim to be determined
- Live in Hammersmith & Fulham, or have been housed elsewhere by the council
- Not have more than £1,000 savings
- Not have had more than two LSPs in the last 12 months

The scheme was previously contracted to RBKC with a budget of £600k that included administration costs of c.£150k.

A reduction of £150k was made to the budget from April 2025/26 budget, and the service now brought back in-house.

The new proposal is to end the scheme and utilise the government's Crisis and Resilience funding, which begins in April 2026, replacing the Household Support Fund, to continue to offer a hardship prevention scheme that meets urgent essential needs for residents.

Whilst it is accepted that a large proportion of applications for LSP are from residents with protected characteristics or those who require additional support, any negative impact is mitigated by the new scheme that will be available. This will be easily accessible as the application process is the same process as the current LSP process. Both schemes use the same application form. For those residents facing literacy or language barriers an assisted service can be provided and advice agencies provide this also.

This proposal will have a ***neutral impact on groups that share protected characteristics*** as an alternative scheme funded through the Crisis and Resilience fund will ensure support for those most in need can be accessed. The application process for both schemes is the same and so this will continue once local support payments are removed ensuring the revised scheme is readily accessible.

### Observations on Ethnicity

Council data shows that the largest groups accessing financial assistance were residents identifying as White (31%) and Black Caribbean or African (25%), followed closely by those selecting Other Ethnicity (25%). This suggests that the scheme is reaching a broad and diverse population, particularly among groups historically more likely to experience financial vulnerability.

### Observations on age ranges

- 25–34 years (22%) and 35–44 years (23%) received the highest proportions of awards, indicating that financial pressures are most acute among working-age adults.
- 45–54 years and 55–64 years each accounted for 16%, showing continued need as individuals approach retirement.
- 16–24 years received 11%, reflecting the challenges faced by younger adults, possibly including those in education or early employment.

### Observations on Households

- Single individuals made up the largest group of recipients, accounting for 53% of all awards. This suggests that single-person households may be particularly vulnerable to financial hardship, possibly due to the absence of shared income or support.
- Single parents received 35% of awards, highlighting the significant financial strain faced by families supported by a single adult, especially when balancing childcare and living costs.
- Couples with children accounted for 6%, indicating that while dual-income households may have more financial resilience, some still require support.
- Couples without children received only 2%, suggesting relatively lower demand for assistance in this group.

This proposal will have a neutral impact on groups that share protected characteristics as the proposal is an accounting entry that will not affect residents.

### **Commercial card transaction charge - £500,000**

The introduction of a 2% transaction charge for all payments made to the council by commercial credit and debit cards from 1 April 2026, but excluding Parking Charge Notices (as this falls outside the legislative powers).

## **2026.27 Reserves Strategy and Forecast**

### **Executive Summary**

#### **Purpose**

1. The Council's reserves strategy underpins financial resilience and enables investment in key priorities while providing protection against unforeseen risks. It is fully aligned with CIPFA's Financial Management Codes and statutory obligations set out in the Local Government Act 1992.

#### **Current Position**

2. Forecasts indicate reserves will remain within recommended levels through to 2028/29 but continued vigilance and proactive management are essential to maintain financial resilience and fund strategic priorities.
  - General Balances: £22.1m (within the recommended range of £19m–£23m).
  - Earmarked Reserves: forecast balances of £65.8m at the start of 2026/27, split between
    - Uncommitted (financial resilience / risk): £39.0m
    - Committed (planned usage) £26.9m.

#### **Strategic Principles**

3. Reserves strategy reviewed annually and commitments reassessed every six months. The following principles are applied;
  - Use of reserves only permitted for exceptional, specific, one-off purposes with clear business cases.
  - Long term view is to maintain adequacy and delivery agreed priorities.
  - Minimise use of revenue reserves by exploring use of capital receipts, partner contributions and external funding.

#### **Key Commitments**

4. The following key commitments are considered within forecast balances;
  - Civic campus redevelopment (£8.9m)
  - Digital Transformation (£3.3m)
  - Hammersmith Bridge (£1.8m)
  - Transformation Projects (£0.5m)
  - Waste collection prototypes and Clean Air Neighbourhoods Programme

#### **Risks and Challenges**

5. Key factors include;
  - Inflation and cost of living pressures
  - Uncertainty over Local Government Finance Settlement and Fair Funding Review

- Climate change impacts
- Potential write off of pre-development costs (mitigated by £5m reserve).

### Action Plan Highlights

6. Key areas for consideration:
  - Control in-year spending to enable contributions to reserves.
  - Accelerate Civic Campus relocation and capitalisation of costs.
  - Review asset disposals for capital receipts (£4.3m earmarked).
  - Twice-yearly review of all reserves and commitments.

## Introduction

### What Are Reserves?

7. CIPFA states in its Financial Management Code that “the aim of the authority’s financial reserves is to provide funding for investment in future activities and to act as a safety net in case of short-term financial challenges”.
8. The requirement for financial reserves is acknowledged in statute. Sections 32 and 43 of the Local Government Act 1992 require precepting authorities and billing authorities in England and Wales to have regard to the level of reserves needed for meeting estimated future expenditure when calculating the budget requirement.

### What is a Reserves Strategy?

9. The reserves strategy defines the level and purposes for which the Council hold reserves. 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. It consists of three elements, which together set out the Council’s ambitions for its reserves and assurance of how this ambition will be achieved:
  - I. Strategy:** what the Council is seeking to achieve through holding reserves. The reserves strategy acknowledges the challenges facing the Council and the need to ensure financial resilience is built into its medium term financial planning.
  - II. Financial Planning:** linking the level of reserves with plans for their use over the period of the Medium Term Financial Strategy (MTFS). It is supported by an action plan that proposes measures which improve the medium-term outlook.
  - III. Operational Framework:** how the Council determines the level of reserves, manages them and plans for their use in line with best practice and statutory requirements.

## RESERVES STRATEGY

10. The Council plans its finances over the short term, medium and long term so that it has adequate resources to deliver services for the residents of the borough. As a large, complex organisation, variations between actual spending and plans are inevitable. These arise from variations in demand, demographic change, changes in costs and the funding decisions of third parties, as well as the need to deliver projects and investments spanning more than one financial year.
11. To ensure financial risks are managed, whilst being able to maintain services, requires that the Authority holds funds in reserve to meet these costs as and when they arise and to deal with any unexpected emergency that may occur. A reserves strategy enables the Council to do this in a planned way.
12. Based on the most recent comparative data (the start of 2024/25) the Council's reserves are slightly above average, as a percentage of net revenue expenditure compared to other London Boroughs.
13. The Council is committed to use reserves to fund several major initiatives and priorities. These include the Civic Campus, homelessness and rough sleeping prevention, regeneration schemes, and the Dedicated Schools Grant "Safety Valve" agreement. It also faces significant financial pressures, 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.
14. The Local Government finance policy statement was published on the 20<sup>th</sup> November and sets out the framework for the first multi-year Local Government Finance Settlement in a decade, covering 2026/27 to 2028/29. The Government confirmed its commitment to funding reform through Fair Funding Review 2.0, introducing a simpler, Need-based system that allocates resources based on relative needs formulas, area cost adjustments for regional variations and resources assessment reflecting each local authorities ability to raise revenue locally.

## FINANCIAL PLANNING

15. The reserves strategy forms part of the Council's Medium Term Financial Plan. 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 so usage needs to be planned carefully.
16. Hammersmith & Fulham holds reserves for two main purposes:
  1. 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.
  2. To build up funds for known or predicted requirements; these specific reserves are known as earmarked reserves.

17. Forecast balances to 2028/29 are set out below in Table 1. The Council is forecast to carry forward budgeted general balances of £22.1m and ear-marked reserves of £65.9m as at April 2026.

**Table 1: General balance and earmarked reserves 2025/26 to 2028/29 forecast**

|   | Apr-25       | Apr-26      | Apr-27      | Apr-28      |
|---|--------------|-------------|-------------|-------------|
| <b>General balances</b>   | 22.1         | 22.1        | 22.1        | 22.1        |
| <b>Ear marked reserves – Uncommitted / budget risk and financial resilience</b> | 43.8         | 39.0        | 38.6        | 38.6        |
| Subtotal  | <b>65.9</b>  | <b>61.0</b> | <b>60.7</b> | <b>60.7</b> |
| <b>Ear marked reserves - Committed / Planned usage</b>                          | 41.0         | 26.9        | 20.9        | 18.6        |
| Total   | <b>106.9</b> | <b>87.9</b> | <b>81.6</b> | <b>79.3</b> |

18. A detailed list of the Council's earmarked reserves and their purpose is attached in **Appendix 2**.
19. **Appendix 3** summarises the balances after forecast drawdowns from, and planned contributions to, earmarked reserves. The major commitments included for 2025/26 are:
- **£3.3m** digitalisation and system improvements (offset by budget contributions to the reserve)
  - **£1.0m** provision for corporate property expenditure, including dilapidation costs, fostering extensions and development feasibility studies.
  - **£1.7m** provision for costs related to Hammersmith Bridge
  - **£0.8m** investment In Resident Experience and Access Programme
  - 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, such as 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.
  - **£1.1m** Parking Reserve – The current capital programme assumes the reserve will be fully released by 2026/27 for the Clean Air Neighbourhoods Programme.
20. A comparison between Hammersmith & Fulham and the London borough average, based on the most recent data (the start of 2025/26), 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 2025<sup>1</sup>**

| <b>Measure</b>   | <b>Hammersmith &amp; Fulham</b> | <b>Average for London Boroughs</b> | <b>Ranking relative to another London Boroughs (/32)</b> |
|--|---------------------------------|------------------------------------|--|
| <b>Total general fund and non-schools earmarked general fund reserves</b>  | £121.4m                         | £131.4m                            | 10   |
| <b>General fund and non-schools earmarked general fund reserves as a percentage of gross service revenue expenditure (%)</b> | 28.6%                           | 15.2%                              | 15   |

**Future risk / Priorities**

21. 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.

21. 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.  |
| 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. |

<sup>1</sup> Source: Ministry of Housing, Community and Local Government data

| Action  |
|---|
| 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.   |

## OPERATIONAL FRAMEWORK

### Key Principles

22. 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.

## General balances

23. General balances are held to mitigate for the impact of uneven cash flows and avoid unnecessary temporary borrowing. 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.
24. General balances cover unforeseen financial risks and provide cover for unexpected or unavoidable additional costs. 2025/26 Budget Council agreed that the medium-term recommended range for general balances is between £19m and £23m. For 2026/27 the budgeted general balance is £22.1m.
25. 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

26. Earmarked reserves can be either committed or uncommitted. Committed earmarked reserves are funds which have a planned use and have been built up to meet known or predicted requirements, such as planned investment in change programmes. These include sums set aside for;
  - major schemes, such as the decant from the Town Hall as part of the Civic Campus programme.
  - insurance costs
  - service transformation
  - one-off pressures
27. Uncommitted ear marked reserves are held to maintain the Council's financial resilience and to cushion the impact of unexpected events or emergencies. These include;
  - inflation risk reserve
  - corporate demands and pressures reserve.
28. It is important to note that some reserves are ringfenced or statutory. As these arise from circumstances largely prescribed by statute, there is no requirement for the Council to provide local policies on their level or use. Examples include;
  - specific grant funding held where expenditure is yet to be incurred
  - HRA balances
  - Schools Balances (see Appendix 3).
29. An earmarked reserve of **£14.55m** is held as at April 2025 regarding the cumulative Dedicated Schools Grant (DSG) high needs deficit. The deficit is expected to reduce 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.

### **Monitoring**

30. The level of all reserves is kept under continuous review by the Executive Director of Finance and Corporate Services. This is achieved through regular consideration of the Medium Term Financial Strategy and the budget monitoring reports. Periodic updates will be provided to the Cabinet and the Audit and Standards Advisory Committee. The planned level of reserves will be reported to Budget Council annually via the Council Tax and Revenue Budget Setting Report and will include a statement from 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.

### **Maintenance and Use of Reserves**

31. The maintenance and use of reserves play a key role in long-term financial sustainability. Just as the creation and maintenance of reserves arises in a structured way through the Council's financial planning process, so the release of reserves needs to be subject to a similarly planned and controlled process. As set out in the Council's Financial Regulations (s3.15 – 3.16);
  - It is the responsibility of the Executive Director of Finance and Corporate Services to advise the Cabinet and Full Council on prudent levels of reserves.
  - Any call on reserves will need to first be authorised by the Executive Director of Finance and Corporate Services, in consultation with the Chief Executive and Cabinet Member for Finance and Commercial Services and will be clearly identified in the Finance Impact section of the decision making report.
32. Reserves should not be used to fund overspends unless there is an agreed, realistic plan to eliminate the overspend before the reserve is exhausted (this applies to all reserves, both earmarked and non-earmarked). The Executive Director for Finance and Corporate Services must review planned uses of reserves to ensure that these are not being used to hide or obscure systemic overspends and must report to Full Council report any areas with inadequate plans to address overspends.

### **Appendices**

**Appendix 1** - Budget Assumptions and Risk

**Appendix 2** - Earmarked Reserves Description

**Appendix 3** – Forecast of General Fund Reserves to 1st April 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   |
|---|---|
| The treatment of inflation and interest rates         | <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> |
| Estimates of the level and timing of capital receipts | <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</p>  |

|  |  |
|--|--|
|  | <p>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>   |
| The treatment of demand led pressures  | <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>   |
| The treatment of planned efficiency/savings/productivity gains   | <p><i>The strength of the financial information and reporting arrangements.</i></p> <p><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>  |
| The financial risks inherent in any significant new funding partnerships, major outsourcing arrangements or major capital developments | <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> |

|   |  |
|---|--|
|   | £5m is set aside in the Pre-Development reserve to mitigate against risks within capital strategy and initiatives.   |
| The availability of reserves, government grants and other funds to deal with major contingencies and the adequacy of provisions | <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>  |
| The general financial climate to which the authority is subject to.   | <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.

|          | <b>Reserve Name</b>  | <b>Description</b>  |
|----------|--|---|
| <b>1</b> | Corporate Demands and Pressures  | To meet unbudgeted demands and pressures.   |
| <b>2</b> | Insurance Fund   | Underwrites a proportion of the Council's insurable risks.  |
| <b>3</b> | Inflation  | To provide for risks associated with inflationary pressures   |
| <b>4</b> | Civic Campus   | Can only be used to fund the costs of implementing the Civic Campus redevelopment   |
| <b>5</b> | Digital  | Can be used to provide for costs of the Council's digital works programme.  |
| <b>6</b> | Invest to Save (Efficiency Projects)   | To fund future revenue expenditure and capital investment that will provide future revenue savings.   |
| <b>7</b> | 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.   |
| <b>8</b> | Dedicated Schools Grant Reserves –<br>a) DSG Support Reserve<br><br>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.<br><br>b) DSG High Needs Block Deficit Reserve Parliament has approved the Local Authorities (Capital |



|           |                          |   |
|-----------|--------------------------|---|
|           | c) DSG High Needs Block  | <p>Finance and Accounting) (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> |
| <b>9</b>  | Unallocated Contingency  | A reserve held to mitigate against unforeseen costs to the Council  |
| <b>10</b> | Pre-Development          | This reserve is to provide for the risk associated with the council's general fund capital strategy and initiatives.  |
| <b>11</b> | Planning Reserve         | This reserve is to support funding of CIL related projects.   |
| <b>12</b> | 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.  |
| <b>13</b> | Other Corporate Reserves | Comprises several smaller reserve balances, which are held to fund projects that are being managed by corporately   |
| <b>14</b> | 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.   |
| <b>15</b> | Schools Balances | Reserves held to fund projects related to Schools  |
| <b>16</b> | 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. |

### Appendix 3 - General Fund Reserves Forecast to 1st April 2028

| Summary (£m)                                | 1st April<br>2025 | 1st<br>April<br>2026 | 1st April<br>2027 | 1st<br>April<br>2028 |
|---|-------------------|----------------------|-------------------|----------------------|
| General Balances                            | (22.1)            | (22.1)               | (22.1)            | (22.1)               |
| Financial Resilience                        | (34.0)            | (29.1)               | (28.8)            | (28.8)               |
| Collection Fund                             | (9.8)             | (9.8)                | (9.8)             | (9.8)                |
| <b>Budget risk and financial resilience</b> | <b>(43.8)</b>     | <b>(39.0)</b>        | <b>(38.6)</b>     | <b>(38.6)</b>        |
| <b>Available reserves and balances</b>      | <b>(65.9)</b>     | <b>(61.0)</b>        | <b>(60.7)</b>     | <b>(60.7)</b>        |
| <b>Planned usage</b>                        |                   |                      |                   |                      |
| Digital                                     | (6.7)             | (4.1)                | (2.9)             | (2.3)                |
| Property, Planning & Regeneration           | (19.1)            | (9.8)                | (6.0)             | (6.0)                |
| Insurance                                   | (4.5)             | (4.5)                | (4.5)             | (4.5)                |
| Parking Reserve                             | (1.1)             | 0.0                  | 0.0               | 0.0                  |
| Transformation                              | (4.5)             | (3.9)                | (3.4)             | (2.9)                |
| Other Committed Reserves                    | (5.2)             | (4.5)                | (4.1)             | (2.9)                |
| <b>Committed Reserves / Planned usage</b>   | <b>(41.0)</b>     | <b>(26.9)</b>        | <b>(20.9)</b>     | <b>(18.6)</b>        |
| <b>Subtotal excluding General balances</b>  | <b>(84.8)</b>     | <b>(65.8)</b>        | <b>(59.5)</b>     | <b>(57.2)</b>        |
| <b>Total</b>                                | <b>(106.9)</b>    | <b>(87.9)</b>        | <b>(81.6)</b>     | <b>(84.3)</b>        |
| Dedicated Schools Grant                     | (14.5)            | (19.5)               | (19.5)            | (19.5)               |
| HRA Reserves and balances                   | (16.6)            | (16.6)               | (16.6)            | (16.6)               |

# LONDON BOROUGH OF HAMMERSMITH AND FULHAM (LBHF)

## CIPFA FM CODE REVIEW 2026-27

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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.

**2026/27 Net Budgets (Includes Non-Controllable Overheads) - Objective Summary**

| Department                                | 2025/26<br>Budget | Inflation   | Investment<br>in Services | Savings      | Corporate<br>Adjustments | Proposed<br>2026/27<br>Budget |
|---|-------------------|-------------|---------------------------|--------------|--------------------------|-------------------------------|
|   | £m                | £m          | £m                        | £m           | £m                       | £m                            |
| People                                    | 146.4             | 4.2         |                           | (4.2)        | 4.00                     | 150.4                         |
| Place                                     | 37.4              | 1.3         |                           | (2.8)        | (2.6)                    | 33.3                          |
| Housing Solutions                         | 16.9              | 1.0         |                           | (1.2)        | 5.0                      | 21.7                          |
| Finance and Corporate Services            | 12.2              | 0.4         |                           | (1.3)        | 0.90                     | 12.2                          |
| Other Central Items                       | 10.1              | 4.0         |                           |              | (8.8)                    | 5.3                           |
| <b>Council Net Budget<br/>Requirement</b> | <b>223.0</b>      | <b>10.9</b> | <b>0.0</b>                | <b>(9.5)</b> | <b>(1.5)</b>             | <b>222.9</b>                  |
| <b>Financed by:</b>                       |                   |             |                           |              |                          |                               |
| Council Tax Income                        | (84.9)            |             |                           |              | (7.7)                    | (92.6)                        |
| Retained Business Rates                   | (64.4)            |             |                           |              | 31.7                     | (32.7)                        |
| General Government grants                 | (68.7)            |             |                           |              | (17.2)                   | (85.9)                        |
| Transitional grant                        | 0.0               |             |                           |              | (6.0)                    | (6.0)                         |
| Collection fund                           | (5.0)             |             |                           |              | (0.7)                    | (5.7)                         |
| <b>TOTAL</b>                              | <b>(223.0)</b>    | <b>0.0</b>  | <b>0.0</b>                | <b>0.0</b>   | <b>0.1</b>               | <b>(222.9)</b>                |

## 2026/27 Subjective Summary

|                                    | 2025/26        | Inflation   | Investment<br>in Services | Savings      | Corporate<br>Adjustments<br>Adjustments | Proposed<br>2026/27<br>Budget |
|------------------------------------|----------------|-------------|---------------------------|--------------|---|-------------------------------|
|                                    | £m             | £m          | £m                        | £m           | £m                                      | £m                            |
| <b>Gross Expenditure</b>           |                |             |                           |              |   |                               |
| Employee Expenses                  | 150.4          | 4.0         |                           | (1.9)        | (2.1)                                   | 150.4                         |
| Premises Related Expenditure       | 15.8           |             |                           |              |   | 15.8                          |
| Transport Related Expenditure      | 1.6            |             |                           |              |   | 1.6                           |
| Supplies and Services              | 72.8           | 6.9         |                           | (1.0)        |   | 78.7                          |
| Third Party Payments               | 216.9          |             |                           | (3.1)        |   | 213.8                         |
| Transfer Payments                  | 77.1           |             |                           | (0.2)        | 4.5                                     | 81.4                          |
| Housing Benefits expenditure       | 90.9           |             |                           |              |   | 90.9                          |
| Support Service Charges            | 53.8           |             |                           |              | (1.3)                                   | 52.5                          |
| Capital Charges                    | 22.7           |             |                           |              | 3.4                                     | 26.1                          |
| <b>Total Gross Expenditure</b>     | <b>702.1</b>   | <b>10.9</b> | <b>0.0</b>                | <b>(6.2)</b> | <b>4.5</b>                              | <b>711.2</b>                  |
| Support Service Recharge Incom     | (56.5)         |             |                           |              | (3.8)                                   | (60.3)                        |
| Departmental Grants                | (72.6)         |             |                           |              | (1.2)                                   | (73.8)                        |
| Dedicated Schools Grant            | (91.9)         |             |                           |              |   | (91.9)                        |
| Housing Benefits income            | (91.2)         |             |                           |              | 0.5                                     | (90.7)                        |
| Fees and Charges                   | (78.4)         |             |                           | (2.1)        |   | (80.5)                        |
| Other income                       | (68.1)         |             |                           | (1.2)        |   | (69.3)                        |
| Capital Financing and other adtl   | (20.4)         |             |                           |              | (1.4)                                   | (21.8)                        |
| <b>Total Gross Income</b>          | <b>(479.1)</b> | <b>0.0</b>  | <b>0.0</b>                | <b>(3.3)</b> | <b>(5.9)</b>                            | <b>(488.3)</b>                |
| <b>Council Net Budget Requirem</b> | <b>223.0</b>   | <b>10.9</b> | <b>0.0</b>                | <b>(9.5)</b> | <b>(1.4)</b>                            | <b>222.9</b>                  |
| <b>Financed By:</b>                |                |             |                           |              |   |                               |
| Council Tax Income                 | (84.9)         |             |                           |              | (7.7)                                   | (92.6)                        |
| Retained Business Rates            | (64.4)         |             |                           |              | 31.7                                    | (32.7)                        |
| General Government grants          | (68.7)         |             |                           |              | (17.2)                                  | (85.9)                        |
| Transitional grant                 | 0.0            |             |                           |              | (6.0)                                   | (6.0)                         |
| Collection fund                    | (5.0)          |             |                           |              | (0.7)                                   | (5.7)                         |
| <b>TOTAL:</b>                      | <b>(223.0)</b> | <b>0.0</b>  | <b>0.0</b>                | <b>0.0</b>   | <b>(0.7)</b>                            | <b>(222.9)</b>                |



**Report to:** Cabinet

**Date:** 09/02/2026

**Subject:** Four Year Capital Programme 2026-30 and Capital Strategy 2026/27

**Report of:** Councillor Rowan Ree, Cabinet Member for Finance and Reform

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

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### SUMMARY

This report presents the Council's Capital Strategy 2026/27 and four-year Capital Programme for the financial years 2026/27 to 2029/30.

The council is investing £452.2m 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:

- Investments in the Council's 12,000 housing stock, which include upgrades to lifts, heating equipment and making dwellings more climate friendly
- The development of 298 dwellings, of which 218 affordable, creating more homes for residents
- The completion of a new Civic Campus facility to provide improved environment for delivering Council services to Borough and facilities for the use of residents
- Upgrading school facilities to give local children the best opportunities possible
- The continued pre-restoration works for the Hammersmith Bridge with the expectation of funding from the Department for Transport, and Transport for London

The CIPFA Prudential Code sets out guidance and standards for the management of Local Authority finance. Local Authorities are required to set out an annual Capital Strategy, detailing how the Authority intends to invest in capital programmes across the Borough, a Treasury Management Strategy detailing how the intends to manage cash, investing and borrowing and a Minimum Revenue Provision Policy that details how borrowing for capital investments in General Fund assets is to be repaid. This report covers the Capital Strategy and the Minimum Revenue Provision Policy. The Treasury Management Strategy would be covered in a separate report.

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### RECOMMENDATIONS

1. To approve the four-year General Fund Capital Programme budget of £135.5m for the period 2026/27-2029/30 detailed in Appendix 1.
2. To approve rolling programmes included within this four-year Strategy. These are perennial capital investments required across the Borough to keep items of public infrastructure in good working condition.

| <b>Programme</b>              | <b>4-Year Budget<br/>£m</b> |
|-------------------------------|-----------------------------|
| Corporate Planned Maintenance | 12.4                        |
| Footways and Carriageways     | 7.5                         |
| Column Replacement            | 1.4                         |
| <b>Total</b>                  | <b>21.3</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 of £318.8m for the period 2026/27-2029/30 as set out in Appendix 1.
5. To approve the Capital Strategy 2026/27, as set out in the report.
6. To approve the annual Minimum Revenue Provision policy statement for 2026/27.

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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.

| <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                                      | 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. |
| 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.                                      |

## **CAPITAL STRATEGY 2026/27**

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, reward and delivery of the Council's business plan.

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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.

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 government's 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 a number of housing development schemes have been proposed, approved and completed. The Education City project delivering 109 units has recently completed and a further 298 units, of which 218 are affordable, are currently in progress.
- 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.
- Support local businesses and start-ups by facilitating access to resources, networking opportunities, affordable workspace and business support services.
- 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.

- 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.
- Transform the Grade II listed Town Hall to be one of the most environmentally positive and accessible buildings of its type in Britain, coproduced with residents to ensure accessibility to all.
- Consolidate the Council's office accommodation to enable alternative use for income generation and cultural activities.

### ***Taking pride in Hammersmith & Fulham***

- 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.
- Invest in schools and more in-borough Special Education Needs provision.
- 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 options where appropriate.

### ***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.

- Use capital investment to enable the Council to become more efficient, such as through investing in digital transformation and income generation opportunities.
- Reduce the carbon emissions of homes and infrastructure, whilst also investing so physical assets can adapt to the inevitable changes in our climate.

### ***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. Austerity, Brexit and the stagnant economy 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. The Civic Campus is at the heart of the redevelopment of the King Street area, bringing new investment, businesses and visitors to the area through the creation of office space, retail units and apartment buildings.
10. 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 overall scheme is now coming to conclusion, with the residual related budgets within this capital programme window. 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.
11. A capital budget of £64m was 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.

12. Unlike prior proposals for redevelopment of the Town Hall, the retail units and office space that make up the Civic Campus will create significant revenues, repaying the initial building costs in the medium term and creating significant future revenue streams for the council.

### **HRA Asset Management Capital Strategy**

13. The Council is the responsible landlord for approximately 11,900 homes across Hammersmith & Fulham. The financial planning for the HRA is detailed in the HRA Budget Report and informs the figures included in this capital strategy. Annual revisions to the HRA Budget Report will inform every subsequent annual revision of the Capital Programme budget.
14. The aim of the HRA Budget Report 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 aims to 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.
15. The main headings of the Strategy are:
- Fire Safety
  - Structural Safety
  - Asset Replacement
  - Disabled Adaptations
  - Stock Condition Survey findings
  - Climate Emergency
  - Estate Improvements
16. Health and Safety and Climate Emergency remain key components of the HRA strategy going forward. The strategy does this by ensuring decarbonisation and energy efficiency are designed into every scheme, whilst ensuring homes are maintained to decent homes standard.
17. 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**

18. 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.
19. 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.
20. Over the next financial year 298 affordable home units are expected to become available to residents of the Borough through a variety of tenure types. This broadens access and assists wide range of residents to establish their home within the borough.
21. In addition to direct delivery projects, the Council aims to engage in a flexible partnership arrangement to ensure that new housing units continue to be developed within the Borough whilst mitigating other financial risks.

## Hammersmith Bridge

22. The Grade II\* Listed 138-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 Bridge was stabilised in 23 January 2025 and requires further restoration work if it is to fully reopen to motor vehicles.
23. The Council has incurred significant spend to ensure the stabilisation and continued safe operation of the Hammersmith Bridge (£37m to October 2025). In addition to this, the Council has incurred significant spend for pre-restoration works, in readiness for the full restoration of the Bridge (£17m to October 2025). 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.
24. Hammersmith Bridge's main carriageway reopened on 17 April 2025 with new decking after a £2.9 million transformation to improve the experience for pedestrians, cyclists and e-scooter users. There are now three separate lanes – one dedicated for cyclists traveling north, another for cyclists traveling south and a third two-way pedestrian path. The outer footways remain open to pedestrians only. E-cargo bikes, which fit between the newly-installed 1.2m wide anti-terror barges, are being trialled on the bridge to shuttle older and Disabled residents as well as young children. The new decking was funded by a £2.9m grant from the Department for Transport (DfT). The DfT has also granted Hammersmith & Fulham Council £4.7m for works to support the bridge hangers which connect the deck to the suspension chains.
25. The Council has incurred £54m of spending to date to ensure the continued progression of works, and with the expectation that the Government and Transport for London (TfL) will pay their share. Under the terms of the funding settlement of 2 June 2021 that the Department for Transport (DfT) made with 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). DfT has so far contributed £13.0m and TfL has contributed £2.9m towards the overall spend of £54m. The council is therefore due a further total of £20.2m from DfT and TfL and is requesting that the previously agreed contributions are paid up in full.
26. The Council has made clear consistently 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 minister under the previous government 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. Even without funding from DfT and/ or TfL to proceed with further restoration works, the council is incurring ongoing costs of approximately £2m a year to safely maintain and keep the bridge open for pedestrians, cyclists and river traffic.

## **Schools Renewal Programme**

The Schools Renewal programme, agreed by Cabinet in March 2019, is still underway with £4.8m set aside for specific schools and projects over the next four years. Included in the School Capital Programme is;

- 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, to include spend such as £10.7m on Special Education Needs, £5.3m on window replacement and £6.4m on other works such as boiler upgrades and playground improvements.

## **Becoming Carbon Neutral**

27. 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.
28. 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.
29. To this end this Capital Strategy includes £30.6m set aside for Green Investment Projects, Transport Schemes and emission reduction schemes that will contribute towards the reduction of the emissions footprint and improve air quality across the Borough. Key areas within the strategy include;
  - 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.

## **Health and Safety**

30. 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's 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.

### **Uxbridge Road**

31. The Council is bringing significant investment to the Uxbridge Road area, one of the borough's most important high streets, to ensure it remains a place where residents are proud to live, shop, and spend their free time.
32. We are working with Transport for London to deliver physical improvements to the bridges at Uxbridge Road and Goldhawk Road, creating a gateway to both roads and a sense of arrival to the area from the Tube stations. The bridges are owned by TFL, who are investing their own capital resource in improvements.
33. H&F have earmarked £130k (using a combination of section 106, UK Shared Prosperity Fund and partner contributions) to decorate the parapets of both bridges with large lettering announcing the location, and a programme of planned cleaning, rust, graffiti removal and repainting. We are also working with the landowners of the former police station to install an attractive art mural on their temporary hoarding
34. The £4.5m capital investment in CCTV enhancements for the borough, as mentioned above (and together with revenue funded services such as the Law Enforcement Team), will support the control of anti-social behaviour and crime in the area.
35. We have already invested £4m in the Wood Lane cycle highway (again utilising TFL funding) and are now working with TFL on further expansion of the cycle highway in the Shepherds Bush/Uxbridge Road area, prioritising this part of the borough as the next stage of any new investment.

### **Other schemes**

36. 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.
37. 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.

38. 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**

39. 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.

40. 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.

41. 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**

42. 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.
43. 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.
44. 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.
45. Detailed monitoring is also undertaken of significant projects and reported to Finance SLT and the Cabinet Member for Finance and Commercial Services.

### **Finance Strategy**

46. 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.
47. 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.

48. 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 2026/27-2029/30**

### **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 2025 inflation rate (November), as measured by the Consumer Price Index (CPI), was 3.5% 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 was recently cut to 3.75% however this still remains high compared to 0.25% in December 2021.

For the council, as it borrows primarily from the Public Works Loans Board (PWLB), this interest rate regarding long-term borrowing now stands at 4.65% compared to 1.5% in December 2021.

The Council's General Fund 2026/27 revenue budget report explains how the Council is being impacted by the Government's implementation of the Fair Funding framework, which comprehensively overhauls the funding regime that runs to 2025/26. This will have an impact on the Council's ability to finance capital investment into the medium term. The General Fund capital programme reduces in scale considerably with the finalising of the Civic Campus scheme, and a wider review of the Capital programme post-Campus will be undertaken during 2026/27.

### **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,

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

None.

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## CAPITAL PROGRAMME 20226/27-2029/30 - OVERVIEW

1. This report sets out an updated four-year capital expenditure and resource forecast and a capital programme for 2026/27 to 2029/30, as summarised in Table 1 below. A detailed analysis of specific schemes by service is included in Appendix 1.
2. The total four year Capital Programme budget totals £452.2m, with £135m for the General Fund (GF) and £317.2m for the Housing Revenue Account (HRA).

**Table 1 - Capital Programme 2026/27 to 2029/30**

| Department                           | 2026/27      | 2027/28      | 2028/29     | 2029/30     | Total        |
|--------------------------------------|--------------|--------------|-------------|-------------|--------------|
|                                      | £m           | £m           | £m          | £m          | £m           |
| <b>General Fund</b>                  |              |              |             |             |              |
| People                               | 8.8          | 4.6          | 4.9         | -           | 18.3         |
| Place (General Fund)                 | 65.3         | 38.3         | 8.3         | 4.8         | 116.7        |
| <b>Sub-Total (General Fund)</b>      | <b>74.1</b>  | <b>42.9</b>  | <b>13.2</b> | <b>4.8</b>  | <b>135.0</b> |
| <b>Housing Revenue Account (HRA)</b> |              |              |             |             |              |
| Housing (HRA)                        | 58.7         | 58.1         | 59.0        | 61.4        | 237.2        |
| Place (HRA)                          | 30.2         | 24.2         | 20.9        | 4.7         | 80.0         |
| <b>Sub-Total (HRA)</b>               | <b>88.9</b>  | <b>82.3</b>  | <b>79.9</b> | <b>66.1</b> | <b>317.2</b> |
| <b>Total Expenditure</b>             | <b>163.0</b> | <b>125.2</b> | <b>93.1</b> | <b>70.9</b> | <b>452.2</b> |

| Funding Source                           | 2026/27        | 2027/28        | 2028/29       | 2029/30       | Total          |
|--|----------------|----------------|---------------|---------------|----------------|
|  | £m             | £m             | £m            | £m            | £m             |
| Grants                                   | (20.0)         | (8.6)          | (6.7)         | -             | (35.3)         |
| Section 106 / CIL                        | (32.6)         | (8.9)          | (6.0)         | -             | (47.5)         |
| Capital Receipts                         | (70.1)         | (7.6)          | (4.8)         | (2.9)         | (85.4)         |
| Major Repairs Reserve                    | (5.5)          | (28.9)         | (18.1)        | (18.8)        | (71.3)         |
| Revenue Contributions and Other Reserves | (5.0)          | (3.2)          | (4.3)         | (8.0)         | (20.5)         |
| Borrowing                                | (29.9)         | (67.9)         | (53.3)        | (41.1)        | (192.2)        |
| <b>Total</b>                             | <b>(163.1)</b> | <b>(125.1)</b> | <b>(93.2)</b> | <b>(70.9)</b> | <b>(452.2)</b> |

## GENERAL FUND CAPITAL PROGRAMME

3. The General Fund programme is summarised in Table 2 below with details for each service at Appendix 1.

**Table 2 – General Fund Capital Programme 2026/27 to 2029/30**

| Department                     | 2026/27       | 2027/28       | 2028/29       | 2029/30      | TOTAL      |
|--------------------------------|---------------|---------------|---------------|--------------|------------|
|                                | £m            | £m            | £m            | £m           | £m         |
| <b>General Fund</b>            |               |               |               |              |            |
| Place (GF)                     | 65.3          | 38.3          | 8.3           | 4.8          | 116.7      |
| People                         | 8.8           | 4.6           | 4.9           | -            | 18.3       |
| <b>Total Expenditure</b>       | <b>74.1</b>   | <b>42.9</b>   | <b>13.2</b>   | <b>4.8</b>   | <b>135</b> |
| <b>Capital Financing</b>       |               |               |               |              |            |
| Specific Resources             | (44.2)        | (8.5)         | (6.9)         | -            | (59.6)     |
| Borrowing                      | (29.9)        | (34.4)        | (6.3)         | (4.8)        | (75.4)     |
| <b>Total Capital Financing</b> | <b>(74.1)</b> | <b>(42.9)</b> | <b>(13.2)</b> | <b>(4.8)</b> | <b>135</b> |

**Table 3 - General Fund Capital Financing Requirement (CFR) Forecast**

|                                | 2026/27      | 2027/28      | 2028/29      | 2029/30      |
|--------------------------------|--------------|--------------|--------------|--------------|
|                                | £m           | £m           | £m           | £m           |
| <b>GF Opening CFR</b>          | <b>375.8</b> | <b>384.8</b> | <b>374.5</b> | <b>362.5</b> |
| Unfinanced Capex               | 29.9         | 34.3         | 6.3          | 4.8          |
| Voluntary Debt Payments        | (11.6)       | (33.6)       | (7.4)        | -            |
| MRP                            | (5.9)        | (7.6)        | (7.5)        | (7.3)        |
| Lease / IFRS 16                | (3.5)        | (3.5)        | (3.5)        | (3.5)        |
| <b>Forecast Closing GF CFR</b> | <b>384.8</b> | <b>374.5</b> | <b>362.5</b> | <b>356.5</b> |

4. The General Fund Capital Financing Requirement (CFR) is anticipated to reduce to £356.5m by the end of the four year budget period. The CFR represents the total outstanding debt incurred for General Fund capital expenditure.
5. Voluntary Debt Payments represents capital receipts from the sales of housing units and the repayments of loan equity, directed towards the repayment of outstanding debt.
6. The Council is required to make annual provisions for the repayment of debt related to General Fund capital expenditure. This amount is referred to as Minimum

Revenue Provision (MRP). MRP tends to increase in line with borrowing and reduce over time as outstanding debt is paid off.

## HOUSING REVENUE ACCOUNT (HRA) CAPITAL PROGRAMME

7. The HRA Capital Programme expenditure and resource forecast is summarised in Table 6 and detailed in Appendix 1.

**Table 4 - HRA Capital Programme 2026/27 to 2029/30**

| Department                           | 2026/27       | 2027/28       | 2028/29       | 2029/30       | TOTAL          |
|--------------------------------------|---------------|---------------|---------------|---------------|----------------|
|                                      | £m            | £m            | £m            | £m            | £m             |
| <b>Housing Revenue Account (HRA)</b> |               |               |               |               |                |
| Housing                              | 58.7          | 58.1          | 59.0          | 61.4          | <b>237.2</b>   |
| Place                                | 19.3          | 14.6          | 11.6          | 4.7           | <b>50.2</b>    |
| Regeneration Capital Schemes         | 10.9          | 9.5           | 9.4           | -             | <b>29.8</b>    |
|                                      |               |               |               |               |                |
| <b>Total Expenditure</b>             | <b>88.9</b>   | <b>82.2</b>   | <b>80.0</b>   | <b>66.1</b>   | <b>317.2</b>   |
| <b>Capital Financing</b>             |               |               |               |               |                |
| Specific Resources                   | (88.9)        | (48.8)        | (33.0)        | (29.6)        | <b>(200.3)</b> |
| Borrowing                            | -             | (33.4)        | (47.0)        | (36.5)        | <b>(116.9)</b> |
| <b>Total Capital Financing</b>       | <b>(88.9)</b> | <b>(82.2)</b> | <b>(80.0)</b> | <b>(66.1)</b> | <b>(317.2)</b> |

**Table 5 – HRA Capital Financing Requirement (CFR) Forecast**

|                          | 2026/27      | 2027/28      | 2028/29      | 2029/30      |
|--------------------------|--------------|--------------|--------------|--------------|
|                          | £m           | £m           | £m           | £m           |
| HRA Opening CFR          | 563.3        | 563.3        | 586.8        | 633.8        |
| Unfinanced Capex         | -            | 33.6         | 47.0         | 36.5         |
| Debt Repayment           | -            | (10.0)       | -            | -            |
| Forecast closing HRA CFR | <b>563.3</b> | <b>586.8</b> | <b>633.8</b> | <b>670.2</b> |

8. The HRA CFR is forecast to rise to £670.2m by the end of the four year budget period.

## MINIMUM REVENUE PROVISION (MRP) STATEMENT 2026/27

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 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, per MRP regulations. 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.

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.

## **EQUALITY IMPLICATIONS**

1. 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**

2. 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.
3. 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:
  - 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**

4. 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. The impact of the Fair Funding framework on medium term capital investment is recognised together with the increase in interest rates for long term borrowing. Other pressures such as labour and supply constraints, which can negatively impact the cost and delivery of capital works, are noted considered and effective governance

arrangements are established to monitor decision making, budget management and provide effective project and programme management.

5. 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: Moira Mackie, Head of Internal Audit, 13 January 2026.

## **List of Appendices**

Appendix 1 – Detailed Capital Programme by Service Area

## Appendix 1 – Detailed Capital Programme by Service Area

| <b>HRA</b>                       | <b>2026/27</b> | <b>2027/28</b> | <b>2028/29</b> | <b>2029/30</b> | <b>Total</b> |
|----------------------------------|----------------|----------------|----------------|----------------|--------------|
|                                  | <b>£m</b>      | <b>£m</b>      | <b>£m</b>      | <b>£m</b>      | <b>£m</b>    |
| <b>Housing (HRA)</b>             |                |                |                |                |              |
| Major Refurbishment Works        | 4.6            | 4.6            | 5.7            | 6.1            | <b>21.0</b>  |
| Fire Safety Compliance Programme | 2.3            | 2.5            | 4.3            | 4.7            | <b>13.9</b>  |
| Fire Safety Complex Schemes      | 18.2           | 8.9            | -              | -              | <b>27.1</b>  |
| Lift Schemes                     | 4.0            | 2.5            | 0.5            | 0.6            | <b>7.6</b>   |
| Heating Schemes                  | 2.2            | 2.0            | 2.0            | 2.1            | <b>8.4</b>   |
| Safety Works - Electrical        | 3.8            | 3.5            | 3.0            | 3.3            | <b>13.5</b>  |
| Safety Works                     | 4.2            | 3.6            | 7.5            | 8.1            | <b>23.4</b>  |
| Void Works                       | 4.6            | 4.1            | 3.7            | 4.0            | <b>16.3</b>  |
| Other Capital Improvements       | 2.5            | 15.1           | 20.5           | 14.5           | <b>52.5</b>  |
| Capitalised salaries             | 8.0            | 7.3            | 7.1            | 7.7            | <b>30.2</b>  |
| Capitalised repairs              | 4.2            | 4.1            | 4.8            | 10.2           | <b>23.3</b>  |
| <b>Total Expenditure</b>         | <b>58.7</b>    | <b>58.1</b>    | <b>59.0</b>    | <b>61.3</b>    | <b>237.2</b> |

| <b>Funding Source</b>                             | <b>2026/27</b> | <b>2027/28</b> | <b>2028/29</b> | <b>2029/30</b> | <b>Total</b> |
|---|----------------|----------------|----------------|----------------|--------------|
|   | <b>£m</b>      | <b>£m</b>      | <b>£m</b>      | <b>£m</b>      | <b>£m</b>    |
| Grants  | -              | -              | -              | -              | -            |
| Section 106 / Community Infrastructure Levy (CIL) | -              | -              | -              | -              | -            |
| Capital Receipts                                  | 50.5           | -              | -              | -              | <b>50.5</b>  |
| Major Repairs Reserve                             | 5.5            | 21.8           | 18.1           | 18.8           | <b>64.2</b>  |
| Revenue Contributions and Other Reserves          | 2.7            | 2.7            | 2.7            | 8.0            | <b>16.1</b>  |
| Borrowing   | 0.0            | 33.6           | 38.2           | 34.6           | <b>106.4</b> |
| <b>Total</b>                                      | <b>58.7</b>    | <b>58.1</b>    | <b>59.0</b>    | <b>61.3</b>    | <b>237.2</b> |



| <b>People</b>                                     | <b>2026/27</b> | <b>2027/28</b> | <b>2028/29</b> | <b>2029/30</b> | <b>Total</b> |
|---|----------------|----------------|----------------|----------------|--------------|
|   | <b>£m</b>      | <b>£m</b>      | <b>£m</b>      | <b>£m</b>      | <b>£m</b>    |
| <b>Children's Services</b>                        |                |                |                |                |              |
| SEN sufficiency                                   | 3.0            | 3.0            | 3.3            | -              | <b>9.3</b>   |
| Carer Housing Adaptations                         | -              | -              | -              | -              | -            |
| Basic Need Placement Sufficiency                  | 0.3            | -              | -              | -              | <b>0.3</b>   |
| Windows & decarbonisation                         | 3.9            | -              | -              | -              | <b>3.9</b>   |
| Family Hub Transformation Project                 | -              | -              | -              | -              | -            |
| School Maintenance Programme                      | 1.6            | 1.6            | 1.6            | -              | <b>4.8</b>   |
| Climate Investment in Schools (Salix)             | -              | -              | -              | -              | -            |
| <b>Total Expenditure</b>                          | <b>8.8</b>     | <b>4.6</b>     | <b>4.9</b>     | <b>-</b>       | <b>18.3</b>  |
|   |                |                |                |                |              |
| <b>Funding Source</b>                             | <b>2026/27</b> | <b>2027/28</b> | <b>2028/29</b> | <b>2029/30</b> | <b>Total</b> |
|   | <b>£m</b>      | <b>£m</b>      | <b>£m</b>      | <b>£m</b>      | <b>£m</b>    |
| Grants  | 3.0            | 4.1            | 3.3            | -              | <b>10.4</b>  |
| Section 106 / Community Infrastructure Levy (CIL) | 3.9            | -              | -              | -              | <b>3.9</b>   |
| Capital Receipts                                  | -              | -              | -              | -              | -            |
| Revenue Contributions and Other Reserves          | 1.9            | 0.5            | 1.6            | -              | <b>4.0</b>   |
| Borrowing   | -              | -              | -              | -              | -            |
| <b>Total</b>                                      | <b>8.8</b>     | <b>4.6</b>     | <b>4.9</b>     | <b>-</b>       | <b>18.3</b>  |

| <b>Place HRA</b>                                  |                |                |                |                |              |
|---|----------------|----------------|----------------|----------------|--------------|
|   | <b>2026/27</b> | <b>2027/28</b> | <b>2028/29</b> | <b>2029/30</b> | <b>Total</b> |
|   | <b>£m</b>      | <b>£m</b>      | <b>£m</b>      | <b>£m</b>      | <b>£m</b>    |
| <b>Development Programme</b>                      |                |                |                |                |              |
| Hartopp & Lannoy                                  | 0.9            | -              | -              | -              | <b>0.9</b>   |
| Farm Lane   | 1.2            | -              | -              | -              | <b>1.2</b>   |
| Avonmore HRA                                      | 13.4           | 14.6           | 11.6           | 4.7            | <b>44.3</b>  |
| Lillie Road                                       | 3.8            | 0.0            | -              | -              | <b>3.8</b>   |
|   | <b>19.3</b>    | <b>14.6</b>    | <b>11.6</b>    | <b>4.7</b>     | <b>50.2</b>  |
| <b>Regeneration Capital Schemes</b>               |                |                |                |                |              |
| Edith Summerskill House                           | 9.4            | 9.4            | 9.4            | -              | <b>28.2</b>  |
| Old Laundry Yard                                  | 1.6            | -              | -              | -              | <b>1.6</b>   |
| <b>Place - HRA</b>                                | <b>10.9</b>    | <b>9.5</b>     | <b>9.4</b>     | <b>-</b>       | <b>29.9</b>  |
| <b>Total Expenditure</b>                          | <b>30.2</b>    | <b>24.2</b>    | <b>20.9</b>    | <b>4.7</b>     | <b>80.0</b>  |
|   |                |                |                |                |              |
| <b>Funding Source</b>                             | <b>2026/27</b> | <b>2027/28</b> | <b>2028/29</b> | <b>2029/30</b> | <b>Total</b> |
|   | <b>£m</b>      | <b>£m</b>      | <b>£m</b>      | <b>£m</b>      | <b>£m</b>    |
| Grants  | 4.6            | 3.5            | 3.4            | -              | <b>11.5</b>  |
| Section 106 / Community Infrastructure Levy (CIL) | 6.0            | 6.0            | 6.0            | -              | <b>18.0</b>  |
| Capital Receipts                                  | 19.6           | 7.6            | 2.8            | 2.9            | <b>32.9</b>  |
| Revenue Contributions and Other Reserves          | -              | 7.1            | -              | -              | <b>-</b>     |
| Borrowing   | -              | -              | 8.8            | 1.9            | <b>10.6</b>  |
| <b>Total</b>                                      | <b>30.2</b>    | <b>24.2</b>    | <b>20.9</b>    | <b>4.7</b>     | <b>80.0</b>  |

| <b>Place GF</b>                            |                |                |                |                |              |
|--|----------------|----------------|----------------|----------------|--------------|
|  | <b>2026/27</b> | <b>2027/28</b> | <b>2028/29</b> | <b>2029/30</b> | <b>Total</b> |
|  | <b>£m</b>      | <b>£m</b>      | <b>£m</b>      | <b>£m</b>      | <b>£m</b>    |
| <b>Civic Campus</b>                        |                |                |                |                |              |
| Hammersmith Town Hall Refurbishment        | 7.9            | 1.0            | -              | -              | <b>8.9</b>   |
| Acquisition of commercial units            | -              | 0.5            | -              | -              | <b>0.5</b>   |
| Civic Campus Commercial Units Works        | 2.0            | -              | -              | -              | <b>2.0</b>   |
| Commercial Units- Cinema Fit Out           | 0.8            | -              | -              | -              | <b>0.8</b>   |
|  | <b>10.6</b>    | <b>1.5</b>     | <b>-</b>       | <b>-</b>       | <b>12.2</b>  |
| <b>Regeneration Capital Schemes (GF)</b>   |                |                |                |                |              |
| West Kensington & Gibbs Green Public Realm | 1.0            | 0.5            | -              | -              | 1.5          |
| WMC JV Exit Costs                          | 1.9            | -              | -              | -              | 1.9          |
|  | <b>2.9</b>     | <b>0.5</b>     | <b>-</b>       | <b>-</b>       | <b>3.4</b>   |
| <b>Development Programme (GF)</b>          |                |                |                |                |              |
| Mund Street - Dev                          | 0.3            | -              | -              | -              | <b>0.3</b>   |
| Avonmore GF                                | 7.8            | 26.5           | 2.0            | -              | <b>36.3</b>  |
|  | <b>8.1</b>     | <b>26.5</b>    | <b>2.0</b>     | <b>-</b>       | <b>36.6</b>  |
| <b>Planning and Corporate Property</b>     |                |                |                |                |              |
| Planned Maintenance/DDA Programme          | 3.1            | 2.4            | 2.4            | 2.4            | <b>10.3</b>  |
| Nourish Project (Good Growth Fund)         | 0.2            | -              | -              | -              | <b>0.2</b>   |
| Carnwath Road                              | 1.9            | -              | -              | -              | <b>1.9</b>   |
|  | <b>5.2</b>     | <b>2.4</b>     | <b>2.4</b>     | <b>2.4</b>     | <b>12.4</b>  |
| <b>Climate Change and Transport</b>        |                |                |                |                |              |
| Footways and Carriageways - CCT            | 0.2            | 0.2            | 0.2            | 0.2            | <b>0.6</b>   |
| Transport For London Schemes               | 8.6            | -              | -              | -              | <b>8.6</b>   |
| Other Climate & Transport Schemes - CCT    | 18.4           | 1.0            | -              | -              | <b>19.4</b>  |
| Green Investment Projects                  | 2.0            | -              | -              | -              | <b>2.0</b>   |

|   |                |                |                |                |              |
|---|----------------|----------------|----------------|----------------|--------------|
|   | <b>29.2</b>    | <b>1.1</b>     | <b>0.2</b>     | <b>0.2</b>     | <b>30.6</b>  |
| <b>Hammersmith Bridge</b>                         |                |                |                |                |              |
| Hammersmith Bridge Works                          | 3.2            | -              | -              | -              | 3.2          |
|   | <b>3.2</b>     | <b>-</b>       | <b>-</b>       | <b>-</b>       | <b>3.2</b>   |
| <b>Public Realm</b>                               |                |                |                |                |              |
| Footways and Carriageways - PR                    | 1.9            | 1.9            | 1.9            | 1.9            | <b>7.5</b>   |
| Column Replacement                                | 0.3            | 0.3            | 0.3            | 0.3            | <b>1.4</b>   |
| Parks Projects                                    | 2.7            | 3.5            | 1.6            | -              | <b>7.7</b>   |
|   | <b>4.9</b>     | <b>5.7</b>     | <b>3.8</b>     | <b>2.2</b>     | <b>16.6</b>  |
| <b>Public Protection</b>                          |                |                |                |                |              |
| Public CCTV                                       | 1.3            | 0.5            | -              | -              | <b>1.8</b>   |
|   | <b>1.3</b>     | <b>0.5</b>     | <b>-</b>       | <b>-</b>       | <b>1.8</b>   |
| <b>Total Expenditure</b>                          | <b>65.3</b>    | <b>38.3</b>    | <b>8.3</b>     | <b>4.8</b>     | <b>116.7</b> |
|   |                |                |                |                |              |
| <b>Funding Source</b>                             | <b>2026/27</b> | <b>2027/28</b> | <b>2028/29</b> | <b>2029/30</b> | <b>Total</b> |
|   | <b>£m</b>      | <b>£m</b>      | <b>£m</b>      | <b>£m</b>      | <b>£m</b>    |
| Grants  | 12.4           | 1.0            | -              | -              | <b>13.4</b>  |
| Section 106 / Community Infrastructure Levy (CIL) | 22.6           | 3.0            | -              | -              | <b>25.6</b>  |
| Capital Receipts                                  | -              | -              | 2.0            | -              | <b>2.0</b>   |
| Revenue Contributions and Other Reserves          | 0.4            | -              | -              | -              | <b>0.4</b>   |
| Borrowing   | 29.9           | 34.3           | 6.3            | 4.8            | <b>75.4</b>  |
| <b>Total</b>                                      | <b>65.3</b>    | <b>38.3</b>    | <b>8.3</b>     | <b>4.8</b>     | <b>116.7</b> |

**Report to:** Cabinet

**Date:** 09/02/2026

**Subject:** The Housing Revenue Account (HRA) Budget (2026/27), Rents and Service Charges (2026/27) and HRA 10 Year Business Plan (2026/27 – 2035/36)

**Report of:** The Cabinet Member for Housing and Homelessness, Councillor Frances Umeh and the 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 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 (£0.94bn) 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.

The Government confirmed the national rent policy of CPI+1% last Autumn and this will provide greater sustainability and resilience of the Council's housing finances. In addition, the rent convergence policy was announced on 28 January 2026 and the changes are reflected in the report (the +£2 will be phased over the next couple of years).

This report sets out the HRA budget proposals for the financial year 2026/27 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.

The Government has provided further certainty for financial planning in the housing service by announcing a national social rents policy of CPI<sup>1</sup> + 1% only for 2026/27 plus phased permissible increases from 2027/28 of an additional £1 and from 2028/29 onwards of an additional £2 to run for 10 years from 2026/27 – 2035/36). For 2026/27, 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 63% 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 2026/27 budget for council homes as set out in Table 1.
2. To approve the HRA 10-year Business Plan for Council Homes (2026/27 – 2035/36) as set out in paragraphs 3 - 4 of this report and Appendices 1 - 5.
3. To approve a rent increase of 4.8% from 6 April 2026 (in line with September 2025 CPI+1%), which equates to an average weekly increase for tenants of £6.69 in 2026/27.
4. To approve an increase to shared ownership rents of 4.8% from 1 April 2026 (in line with September 2025 CPI+1%).
5. To approve changes to tenant service charges to reflect the costs of providing communal services from 6 April 2026, which equate to an average weekly increase for tenants of £1.52 in 2026/27.
6. To approve a reduction to charges for heating and hot water to reflect the costs of provision of the district heating service from April 2026, which equate to an average weekly reduction for tenants and leaseholders on the scheme of £0.29 (communal heating), £1.27 (tenants' personal heating) and £2.08 (leaseholders' personal heating) in 2026/27.
7. To approve an increase to the management fee for temporary on licence properties of 3.8% (in line with September 2025 CPI) from 6 April 2026.

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<sup>1</sup> The Consumer Price Index is used to measure the rate of inflation.

8. To approve an increase to the rent and service charges for hostels of 4.8% from 6 April 2026 (in line with September 2025 CPI+1%).
9. To increase garage charges for council tenants, resident leaseholders, and for other customers from 6 April 2026 by 3.8% (in line with September 2025 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 2026.
11. To increase car space rental charges for all customers by 3.8% from April 2026 (in line with September 2025 CPI).
12. To approve an increase in the Leasehold After Sale – Home Buy fees by 3.8% from April 2026 from £237 to £246 (in line with September 2025 CPI).
13. To approve an increase in the Leasehold Property Alterations fees by 3.8% from April 2026.

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**Wards Affected: All**

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| <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 compliance-based capital programme is factored into 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, has been 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.

*Implications by Danny Rochford, Head of Finance (Housing), 30 January 2026*  
*Verified by Sukvinder Kalsi, Executive Director of Finance and Corporate Services, 30 January 2026*

## Legal Implication

The HRA was established by the Local Government and Housing Act 1989 ("the Act") 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 VI of 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. Under Section 76 of the Local Government and Housing Act 1989, the Council is required to prepare proposals in January and February each year relating to the income of the authority from rents and other charges, expenditure in respect of repairs, maintenance, supervision and management of HRA property and other prescribed matters. 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 Housing Act gives the Council power to set rents, but sub-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, which allows rent increases up to CPI +1% each year. The cap of a 7% increase imposed by the Direction on the Rent Standard 2023 no longer applies after 31 March 2024 and the 2020 Rent Standard will apply in full.

The rent increases recommended in this report comply with the 2020 Rent Standard. The Rent Standard requires that Registered Providers charge rents in accordance with the Government direction to the Regulator of Social Housing, and in accordance with the Government's Policy Statement on Rents for Social Housing.

Service charges - the Landlord and Tenant Act 1985 sets out the basic rules for service charges, defining what is considered a service charge, setting out requirements for reasonableness and for prior consultation of leaseholders. Section 18 (1) of the Act defines a service charge as 'an amount payable by a tenant of a dwelling as part of or in addition to the rent:

- a. which is payable, directly or indirectly, for services, repairs, maintenance, improvements or insurance or the landlord's costs of management; and
- b. the whole or part of which varies or may vary according to the relevant costs.

Rent for parking spaces, garages and advertisement hoardings- The Council is permitted by section 93 of the Local Government Act 2003 to charge for discretionary services provided that taking one financial year with another the income from charges for discretionary services does not exceed the cost of provision. In other words, the Council may not make a profit from the delivery of these discretionary services.

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 Housing Representatives Forum on 13 January 2026, at the Sheltered Housing Forum on 20 January 2026 and at the Housing and Homelessness Policy and Accountability Committee on 3 February 2026. Members must carefully consider the consultation responses and the Equalities Impact Assessment appended to this report 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.

*Implications by Afshan Ali-Syed, Senior Solicitor (Property and Planning), 4 December 2025*

*Verified by Mrinalini Rajaratnam, Head of Law – Place, 8 December 2025*

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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 11,880 including Right to Buy sales and building new homes;
  - Estimated investment of £0.94bn 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 £3.9m required by 2026/27, with no further savings required in later years.
4. The HRA Business Plan will continue to be updated and the changes on the rent convergence will be included in the next review. The HRA 10-year Business Plan

assumes rent increases based on CPI + 1% + £2 from 2026/27 onwards. The implications for the HRA Business Plan are estimated to be £2.8m.

5. 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 39% in 26/27 to 35% in 2035/36.
  - 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 2026/27**

6. 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 is enabling 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.
7. The HRA 2026/27 budget (see Table 1 below) has been updated for national rent policy changes, and other fiscal pressures. These are set out below:
  - a. The Government recently confirmed that the maximum permissible rent increase for local authorities' social housing for 2026/27 will be 4.8%. This is in line with the latest announcement on national social housing rent policy which permits rent increases of up to CPI + 1% only in 2026/27.
  - b. The budget proposals assume contractual inflation of £0.9m based on CPI of 3.0% and a provision for pay awards from April 2026 (estimated at 2.5%, or £0.7m in total).
  - c. Higher 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 2026/27 of £4.0m.
8. To offset some of these new pressures, a programme of pipeline savings of £3.9m will be delivered through a review of services to avoid any draw on reserves next year.

Table 1: HRA Budget 2025/26 and 2026/27

| Division                      | Revised Budget<br>25/26 | Movement<br>between years | Proposed<br>Budget 26/27 |
|-------------------------------|-------------------------|---------------------------|--------------------------|
|                               | £m                      | £m                        | £m                       |
| Rents (Gross)                 | (85.2)                  | (4.1)                     | (89.3)                   |
| Service Charges (Gross)       | (19.1)                  | (0.7)                     | (19.8)                   |
| Other Income                  | (4.0)                   | 0.1                       | (3.9)                    |
| Void Rent Loss                | 1.6                     | (0.3)                     | 1.3                      |
| Repairs and Maintenance       | 24.6                    | 0.5                       | 25.1                     |
| Housing Management            | 30.7                    | (4.0)                     | 26.7                     |
| Regeneration & Development    | 1.7                     | 1.5                       | 3.2                      |
| Capital Charges               | 37.2                    | 4.6                       | 41.7                     |
| Finance & Resources           | 4.6                     | 2.1                       | 6.7                      |
| Contingency                   | 1.1                     | 0.2                       | 1.3                      |
| Corporate Services            | 6.8                     | 0.2                       | 7.0                      |
| <b>Annual Balanced Budget</b> | <b>(0.0)</b>            | <b>0.0</b>                | <b>0.0</b>               |

9. Table 2 below summarises the key changes in the budget between 2025/26 and 2026/27:

Table 2: HRA Budget – Major Movements between 2025/26 - 2026/27

|   | Budget<br>Movements |
|---|---------------------|
|   | £m                  |
| Budget (Balanced) 2025/26                     | 0.0                 |
| Additional Rent Income                        | (4.1)               |
| Additional Service Charge Income              | (0.6)               |
| Pay Inflation (2.5%)                          | 0.7                 |
| Contracted Services Indexation                | 0.9                 |
| Increase in Contingency (from £1.1m to £1.3m) | 0.2                 |
| Efficiencies                                  | (3.9)               |
| Corporate Support Service Recharges           | 0.2                 |
| Provision for Housing Development Expenditure | 2.0                 |
| Depreciation                                  | 0.6                 |
| Interest Payable (Net)                        | 4.0                 |
| <b>Budget (Balanced) 2026/7</b>               | <b>(0.0)</b>        |

## Rent Trends

10. The Council has maintained a policy of minimising rent increases whilst protecting resources to deliver essential housing services including health and safety.
11. The rent increase will be set at 4.8% from April 2026 (in line with national rent policy). The income that will be generated will not fully offset the inflationary cost pressures accumulated in recent years.

12. 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.
13. Council homes' rents remain 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 £136.50 from April 2026 whereas the same in the private housing market would be likely to be at least £476. For a two-bedroom Council home, the proposed weekly rent is £141.15 from April 2026, 23% of the expected rent in the private housing market of £626.
14. The rent proposals for 2026/27 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 £0.9m (this is the amount that would be foregone for every 1% below the proposed 4.8%). This would require major service changes to protect the HRA balances (see below).

## Tenant Service Charges

15. 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 6 April 2026:

Table 3: HRA Tenant Service Charges 2026/27

| Tenant Service Charge              | Average Charge 25/26 | Average Charge 26/27 |
|------------------------------------|----------------------|----------------------|
|                                    | £ pw                 | £ pw                 |
| Caretaking                         | 7.79                 | 8.61                 |
| Grounds Maintenance                | 1.97                 | 2.13                 |
| Concierge                          | 14.27                | 15.13                |
| Door Entry                         | 0.49                 | 0.51                 |
| Lift Maintenance                   | 8.85                 | 9.26                 |
| TV Aerials                         | 0.23                 | 0.27                 |
| Communal Lighting                  | 2.42                 | 2.72                 |
| <b>All (excluding HHW)</b>         | <b>17.92</b>         | <b>19.44</b>         |
| <b>Heating and Hot Water (HHW)</b> |                      |                      |
| Communal HHW                       | 4.35                 | 4.06                 |
| Personal HHW                       | 19.42                | 18.15                |

<sup>2</sup> Office of National Statistics - Private Rental Market Statistics: Summary of median monthly rents recorded between Oct 24 and Sep 25. Rents have been conservatively uprated for 26/27 comparison using the maximum national social housing rent increase of 2.7% and for 26/27 using the maximum national social rent increase of 4.8% (September 2025 CPI+1%).

16. 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**

17. The Council is taking action to improve outcomes for residents who need repairs to their homes. Next year, we will be spending more than £25m on repairs and maintenance of our council homes.
18. We are also investing £675m 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**

19. 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.
20. 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.
21. The current HRA 10-year Business Plan includes building 198 new homes, the details of which will continue to be reported separately as part of the individual scheme approval reports.

## **Greening housing stock**

22. 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 £49m 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**

23. Two types of reserves are held within the HRA: general reserves and earmarked reserves.
24. **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.

25. The HRA general reserve as at 31 March 2025 was £5.9m. This is equivalent to less than three and a half weeks' of HRA gross rental income.
26. In 2026/27, the General Reserve is expected to be maintained at the £5.9m level (see table below).

Table 4: HRA General Reserves 2025/26 & 2026/27

|  | £m           |
|--|--------------|
| <b>General Reserve b/f (1 April 25)</b>                                    | <b>(5.9)</b> |
| In-year Pressures 25/26 - offset by provision for risk and use of balances | 0.0          |
| <b>General Reserve c/f (31 March 26)</b>                                   | <b>(5.9)</b> |
| Use of Reserve 26/27 - no planned use                                      | 0.0          |
| <b>General Reserve c/f (31 March 27) - projected</b>                       | <b>(5.9)</b> |

27. **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 £6.9m as at 31 March 2025. 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

28. 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 2026/27 at £1.3m.
29. Whilst the full cost implications of implementing the Council's HRA 10-year Business Plan are still being determined (the asset management strategy is currently being finalised), there is a risk that costs are in excess of the proposed budget for 2026/27 and in the longer term.
30. In addition to these risks above, there are several other financial risks. These are set out in detail in Appendix 6.

## Reasons for Decision

31. 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**

32. The proposed rent and service charge increases may have a disproportionate impact on residents with protected characteristics under the Equality Act 2010, particularly older people, disabled tenants, and families with young children. These groups are overrepresented among low-income households and may be more vulnerable to financial hardship
33. Approximately 63% of tenants are expected to have the additional costs covered wholly or partially through Housing Benefit or Universal Credit. However, households just above benefit eligibility thresholds may experience greater pressure on their finances. This includes individuals with intersecting characteristics, such as older disabled residents or single parents from majority ethnic backgrounds.
34. To mitigate these impacts, the Council will:
  - Proactively communicate changes and available support through multiple channels, including targeted outreach to vulnerable groups.
  - Maximise benefit take-up by offering guidance on Housing Benefit and Universal Credit entitlements.
  - Provide flexible payment plans, debt advice, and money management support for tenants experiencing hardship.
  - Refer residents to wider support services addressing fuel and food poverty and the cost-of-living crisis, including partnerships with local voluntary and community organisations.
  - Ensure reasonable adjustments for disabled tenants and those with specific needs, in line with statutory obligations.
35. The Council will monitor arrears and hardship cases by protected characteristic and report findings quarterly to the Housing and Homelessness Policy and Accountability Committee. This approach ensures compliance with the Public Sector Equality Duty and enables timely interventions where disproportionate impacts are identified.
36. An EIA has been completed to ascertain the potential impact on groups that share protected characteristics and can be found in the appendices.

*Verified by Yvonne Okiyo, Strategic Lead, EDI 9th December 2025*

## **Risk Management Implications**

37. 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 level of reserves for 2026/27 at the level held at 31 March 2025, following reductions 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, 19 December 2025*

## **Consultation**

38. Tenants and residents were consulted on the plans at the Housing Representatives Forum on 13 January 2026, the Sheltered Housing Forum on 20 January 2026 and the Housing and Homelessness Policy and Accountability Committee on the 3 February 2026 to allow the consideration of comments on the implications in advance of any formal decision being taken by Cabinet on 9 February 2026.

## **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

|                           | 2026/27   | 2027/28   | 2028/29   | 2029/30   | 2030/31   | 2031/32   | 2032/33   | 2033/34   | 2034/35   | 2035/36   |
|---------------------------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
| Average Homes             | 11,885    | 11,944    | 11,950    | 11,940    | 11,930    | 11,920    | 11,910    | 11,900    | 11,890    | 11,880    |
| New Homes                 | 78        | 177       | 198       | 198       | 198       | 198       | 198       | 198       | 198       | 198       |
| RTB Sales                 | 60        | 20        | 10        | 10        | 10        | 10        | 10        | 10        | 10        | 10        |
| National Rent Policy      | CPI+1%+£2 | CPI+1%+£2 | CPI+1%+£2 | CPI+1%+£2 | CPI+1%+£2 | CPI+1%+£2 | CPI+1%+£2 | CPI+1%+£2 | CPI+1%+£2 | CPI+1%+£2 |
| Voids                     | 1.31%     | 1.25%     | 1.25%     | 1.25%     | 1.25%     | 1.25%     | 1.25%     | 1.25%     | 1.25%     | 1.25%     |
| 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%      | 3.0%      | 3.0%      | 3.0%      | 3.0%      | 3.0%      | 3.0%      | 3.0%      | 3.0%      |
| Interest Rates (New Debt) | 4.5%      | 4.5%      | 4.5%      | 4.0%      | 4.0%      | 4.0%      | 4.0%      | 3.5%      | 3.5%      | 3.5%      |

## Appendix 2

### Housing Revenue Account: 10 Year Financial Plan Income & Expenditure Account

|                           | 2026/27      | 2027/28      | 2028/29      | 2029/30      | 2030/31       | 2031/32       | 2032/33       | 2033/34       | 2034/35       | 2035/36       |
|---------------------------|--------------|--------------|--------------|--------------|---------------|---------------|---------------|---------------|---------------|---------------|
|                           | £m           | £m           | £m           | £m           | £m            | £m            | £m            | £m            | £m            | £m            |
| Rent Income               | (90.4)       | (95.1)       | (99.2)       | (102.9)      | (106.7)       | (110.5)       | (114.3)       | (118.2)       | (122.1)       | (126.2)       |
| Other Income <sup>1</sup> | (36.0)       | (36.8)       | (37.8)       | (38.8)       | (39.8)        | (40.9)        | (42.0)        | (43.1)        | (44.2)        | (45.4)        |
| Void Rent                 | 1.3          | 1.3          | 1.4          | 1.4          | 1.5           | 1.5           | 1.6           | 1.6           | 1.7           | 1.7           |
| Repairs and Voids         | 36.1         | 37.1         | 38.1         | 39.0         | 40.0          | 41.1          | 42.1          | 43.2          | 44.3          | 45.5          |
| Estate Services           | 16.7         | 17.1         | 17.6         | 18.1         | 18.6          | 19.1          | 19.7          | 20.2          | 20.8          | 21.4          |
| Housing Services          | 33.4         | 34.1         | 34.7         | 33.4         | 34.0          | 34.7          | 35.4          | 36.1          | 36.8          | 37.6          |
| Interest                  | 24.6         | 25.6         | 27.9         | 28.3         | 29.6          | 30.6          | 31.5          | 31.0          | 31.5          | 30.5          |
| Depreciation              | 17.1         | 17.8         | 18.4         | 19.1         | 19.7          | 20.4          | 21.1          | 21.8          | 22.6          | 23.4          |
| (Savings) / Investment    | (2.8)        | (1.1)        | (1.1)        | 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>(2.5)</b> | <b>(3.1)</b>  | <b>(3.9)</b>  | <b>(4.9)</b>  | <b>(7.3)</b>  | <b>(8.6)</b>  | <b>(11.5)</b> |
| <b>Balances</b>           | <b>(5.9)</b> | <b>(5.9)</b> | <b>(5.9)</b> | <b>(8.3)</b> | <b>(11.4)</b> | <b>(15.4)</b> | <b>(20.3)</b> | <b>(27.6)</b> | <b>(36.2)</b> | <b>(47.7)</b> |

<sup>1</sup>Service Charges and Staff Capitalisation

## Appendix 3

### Housing Revenue Account: 10 Year Financial Plan Housing Capital Programme

|   | 2026/27     | 2027/28     | 2028/29     | 2029/30     | 2030/31     | 2031/32     | 2032/33     | 2033/34     | 2034/35     | 2035/36     | Total        |
|---|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|--------------|
|   | £m          | £m          | £m          | £m          | £m          | £m          | £m          | £m          | £m          | £m          | £m           |
| Asset Management & Compliance           | 58.7        | 58.1        | 59.0        | 61.3        | 63.5        | 58.2        | 60.2        | 62.1        | 56.9        | 57.0        | 595.1        |
| Building Homes and Communities Strategy | 19.3        | 14.6        | 11.6        | 4.7         | 0.0         | 0.0         | 0.0         | 0.0         | 0.0         | 0.0         | 50.2         |
| Other HRA Capital Schemes               | 10.9        | 9.5         | 9.4         | 0.0         | 0.0         | 0.0         | 0.0         | 0.0         | 0.0         | 0.0         | 29.9         |
| <b>Total Expenditure</b>                | <b>88.9</b> | <b>82.3</b> | <b>80.0</b> | <b>66.1</b> | <b>63.5</b> | <b>58.2</b> | <b>60.2</b> | <b>62.1</b> | <b>56.9</b> | <b>57.0</b> | <b>675.1</b> |
| Leaseholder Contributions               | 2.7         | 2.7         | 2.7         | 8.0         | 8.2         | 8.5         | 8.7         | 9.0         | 9.3         | 9.6         | 69.4         |
| Grants (Including S106 & GLA)           | 10.6        | 9.5         | 9.4         | 0.0         | 0.0         | 0.0         | 0.0         | 0.0         | 0.0         | 0.0         | 29.5         |
| RtB Receipts                            | 29.7        | 4.4         | 2.3         | 2.3         | 2.4         | 2.5         | 2.6         | 2.6         | 0.5         | 0.0         | 49.2         |
| Development Sales Receipts              | 40.4        | 3.2         | 0.5         | 0.5         | 0.5         | 0.5         | 0.5         | 0.5         | 0.6         | 0.6         | 47.8         |
| Major Repairs Reserve                   | 5.5         | 28.9        | 18.1        | 18.8        | 19.4        | 20.1        | 20.7        | 21.5        | 22.2        | 22.9        | 198.1        |
| Borrowing                               | 0.0         | 33.6        | 47.0        | 36.5        | 33.0        | 26.7        | 27.6        | 28.5        | 24.4        | 23.9        | 281.1        |
| <b>Total Financing</b>                  | <b>88.9</b> | <b>82.3</b> | <b>80.0</b> | <b>66.1</b> | <b>63.5</b> | <b>58.2</b> | <b>60.2</b> | <b>62.1</b> | <b>56.9</b> | <b>57.0</b> | <b>675.1</b> |

## Appendix 4

### Housing Revenue Account: 10 Year Financial Plan Balance Sheet

|                         | 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      | 31/3/36      |
|-------------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
|                         | £m           | £m           | £m           | £m           | £m           | £m           | £m           | £m           | £m           | £m           |
| Council Homes (EUV-SH)  | 1,535        | 1,591        | 1,646        | 1,702        | 1,760        | 1,820        | 1,882        | 1,946        | 2,013        | 2,082        |
| Other Property Assets   | 93           | 103          | 103          | 103          | 103          | 103          | 103          | 103          | 103          | 103          |
| Net Current Assets      | 24           | 13           | 12           | 15           | 17           | 21           | 26           | 32           | 43           | 57           |
| <b>Total Assets</b>     | <b>1,652</b> | <b>1,707</b> | <b>1,761</b> | <b>1,819</b> | <b>1,880</b> | <b>1,944</b> | <b>2,011</b> | <b>2,082</b> | <b>2,159</b> | <b>2,241</b> |
| General Balance         | 6            | 6            | 6            | 8            | 11           | 14           | 19           | 26           | 34           | 45           |
| Other Reserves (eg RTB) | 18           | 7            | 7            | 7            | 7            | 7            | 7            | 7            | 9            | 12           |
| Debt Outstanding        | 594          | 637          | 684          | 721          | 754          | 780          | 808          | 837          | 861          | 885          |
| Revaluation Reserve     | 1,034        | 1,057        | 1,064        | 1,084        | 1,109        | 1,142        | 1,177        | 1,213        | 1,255        | 1,300        |
| <b>Total Reserves</b>   | <b>1,652</b> | <b>1,707</b> | <b>1,761</b> | <b>1,819</b> | <b>1,880</b> | <b>1,944</b> | <b>2,011</b> | <b>2,082</b> | <b>2,159</b> | <b>2,241</b> |

## Appendix 5

### Housing Revenue Account: 10 Year Financial Plan Key Financial Outcomes

|  | <b>2026/27</b> | <b>2029/30</b> | <b>2032/33</b> | <b>2035/36</b> |
|--|----------------|----------------|----------------|----------------|
| Repairs to Capital Spend*  | 39%:61%        | 45%:55%        | 44%:56%        | 44%:56%        |
| Repairs to Rent Income   | 39%            | 37%            | 36%            | 35%            |
| Interest to Rent Income  | 27%            | 28%            | 28%            | 24%            |
| Housing Services to Rent Income                                  | 35%            | 32%            | 31%            | 30%            |
| Capital Spend Per Home*  | £4,800         | £4,000         | £4,400         | £4,800         |
| Repairs Spend Per Home   | £3,000         | £3,200         | £3,500         | £3,800         |
| External Borrowing Per Home                                      | £49,100        | £57,300        | £65,500        | £72,500        |
| Debt to Property Value   | 40%            | 42%            | 43%            | 43%            |
| *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>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>Cyber Security</b> - there are heightened concerns in the Council of potential online security issues and additional costs may arise in the future.  |
| <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 (1,741 properties communally metered plus a further 24 individually metered) 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 purchasing body, which purchases energy on behalf of over 100 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 2026/27.

The average weekly reduction on the scheme is £0.29 (communal heating, tenants only), £1.27 (tenants' personal heating) and £2.08 (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 1,094 garages in H&F of which 908 occupied units are rented by licence holders.

H&F standard sized garages are currently charged at the weekly prices of £28.83 (VAT exempt) for Council tenants and leaseholders, £54.49 (including VAT) for private residents of the borough and £77.88 (including VAT) for non-borough residents. The smaller motorcycle garages are charged at a fixed rate of £21.63 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 2026 by 3.8%, in line with CPI (as at September 2025).

#### 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 266 car spaces for rent on estates in H&F of which 149 are occupied.

The current charges for Council tenants and leaseholders range from £3.36 per week for uncovered bays (VAT exempt) to £3.79 per week for covered bays (VAT exempt). Private residents can rent a space on one of the commercial sites for £34.25 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 3.8% increase in car space charges from April 2026. This is in line with CPI as at September 2025.

#### Leasehold after sale – Home Buy fees

To move towards recovering the costs of service provision, it is planned to increase the fee by 3.8% from £232 to £246.

#### Advertising income

The annual budget for income generated from advertising hoardings located on housing land has been reduced from £425,000 to £162,800. 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 2026/27 has increased by £59,000 to £1,724,800. 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 2026/27.

## **Appendix 8**

### **Consultation Responses**

Tenants from the Housing Representatives Forum (13 January 2026) and from the Sheltered Housing Forum (20 January 2026) and were consulted on the HRA Budget 2026/27.

The Housing and Homelessness Policy and Accountability Committee on 3 February 2026 also considered the HRA Budget 2026/27.

**Report to:** Cabinet

**Date:** 09/02/2026

**Subject:** School and Early Years Budget (Dedicated Schools Grant) 2026/27

**Report of:** The Deputy Leader and The Cabinet Member for Finance and Reform

**Report author:** Tony Burton, Head of Finance Children's Services and Education and Peter Haylock, Director of Education

**Responsible Directors:** Sukvinder Kalsi, Executive Director of Finance & Corporate Services and Jacqui McShannon, Executive Director of People

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### SUMMARY

This report seeks approval of the final proposed 2026/27 Dedicated Schools Grant budgets for the following blocks for the financial year ending 31 March 2027:

- Schools Block
- Central Services Schools Block
- Early Years Block and Maintained Nursery Supplement funding

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 Budget:
  - Hammersmith & Fulham Schools Forum agreed the model for 2026/27 budget shares on 20 January 2026.
  - Due to the timing of the Department for Education (DfE) issuing the final allocations, it was not possible for Schools Forum to agree a provisional funding model at their meeting on 16 December 2025.
  - Instead, they agreed in principle to proposals on funding factors. The DfE require political endorsement of the Schools' Forum decision to agree the 2026/27 budget.
  - funding for mainstream primary and secondary schools. Schools block funding of £127.775m has been confirmed for Hammersmith & Fulham for 2026/27 by the DfE. This represents a 1.58% increase per pupil compared to a 2.48% increase nationally.
- The Central Services Schools Block Budget:
  - £1.758m funding in 2026/27 to meet the statutory education functions of the local authority and historic central funding commitments. This is a reduction of £0.182m versus 2025/26.
- The Early Years Block Budget:
  - £24.854m indicative budget to fund government funded childcare entitlements

- £0.99m maintained nursery supplementary grant funding.

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## RECOMMENDATIONS

1. Schools Block Dedicated Schools Grant Budget 2026/27 Financial Year:
  - a. To approve the Local Authority formula for allocating resources to Hammersmith & Fulham schools for 2026/27 as set out in Appendix 1, the Authority Proforma Tool (APT) for setting school budgets.
  - b. To approve the National Funding Formula (NFF) transitional funding formula factor rates (as set out in Appendix 1) as the basis for calculating the 2026/27 schools funding formula, together with a minus 0.5% per pupil Minimum Funding Guarantee (MFG) protection for individual schools versus 2025/26 levels with respect to pupil led funding.
  - c. To approve the transfer of £1.262m being 1.0% of the total schools' block allocation from the schools' block to the high needs block in the 2026/27 financial year. This is to support high needs education expenditure for special educational needs in Hammersmith and Fulham and follows Minister of State approval received on 9<sup>th</sup> January 2026.
  - d. To approve de-delegation budgets of £0.564m for maintained mainstream schools only as confirmed by Schools Forum on 20 January 2026.
  - e. To approve the education functions budgets of £0.285m for maintained mainstream schools only, as confirmed by Schools Forum on 20 January 2026.
2. Central Services Schools Block Budget 2026/27.
  - a. To approve the proposed budget allocation for Central Services Schools Block DSG totalling £1.758m.
3. Early Years Block Budget 2026/27
  - a. To approve the proposed budget allocation for Early Years Block Dedicated Schools Grant of £24.854m based on the provisional funding allocation December 2025.
  - b. To approve the allocation of Maintained Nursery School Supplementary Funding of £0.991m based on the provisional funding allocation December 2025.

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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 2026 to March 2027. 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 2026 to 2027 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)

Total funding in 2026.27 is £1.758m.

- The core funding relates to the statutory services provided for all schools and is £1.015m for 2026/27, a slight increase year on year.

- The historic element of CSSB funding is £0.743m in 2026/27, a reduction of £0.186m in the year to 2026/27 and £2.604m since 2019/20 financial year.
- The decrease for 2026.27 has been met by savings on historic CSSB expenditure.
- The historic CSSB will be reduced by a further £0.743m over the medium term at circa £0.186m per annum over a further 4 years until historic funding is nil in 2030/31.

### Early Years Block Budget (Government Funded Childcare Entitlements)

This report covers the allocation of the funding for all providers of early years education and childcare prior to statutory school age.

The Early Years Block budget continues the budget model from 2025/26 financial year and ensures compliance with grant conditions, the Early Years Operational Guide 2026/27 and requirements of the National Funding Formula.

Tony Burton, Head of Finance Peoples Services, 23 December 2025  
Verified by James Newman, AD Finance, 6 January 2026

### **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 2025 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.

*Glen Egan, Assistant Director of Legal Services 22 December 2025*

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

Schools Forum Papers and draft minutes:

- Schools Forum 16 December 2025 – Provisional budget principles and Decision
- Schools Forum 11 November 2025 – Decision on Block Transfer
  - [Minutes Template](#)
- Schools Forum 20 January 2026 – Final Budget and Decision

## [Schools Forum 20th January 2026](#)

- Schools revenue funding 2026 to 2027 Operational Guide  
[Schools operational guide: 2026 to 2027 - GOV.UK](#)
- Early Years Entitlements: Local Authority Funding Operational Guide 2026 to 2027  
[Early Years Operational Guide 2026 to 2027 GOV.UK](#)

## **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 20 January 2026 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 2026/27 by ensuring that schools receive a minus 0.5% minimum funding guarantee (maximum allowable in the national funding formula) on a per pupil basis for pupil led funding. The agreed factors are National Funding Formula (NFF) factors (plus area cost adjustment for inner London) uprated by 0% (to be updated following modelling) to ensure the full schools block allocation is distributed to schools. Note that 12 out of 47 schools receive MFG funding protection under the model in 2026/27 which most schools receiving pupil led funding growth year on year.
3. Schools Forum agreed on the 16 December 2025 to the following principles pending the December 2025 release of the 2026/27 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 2026/27 will provide a continuing challenge for Schools given inflation levels in the economy and the continuing impact on pay and non-pay inflation experienced during the 2025/26 financial year.
5. A short consultation for the 2026/27 schools and Early Years block budget was launched on 12<sup>th</sup> January 2026 following the release of the proposed budget model to Schools Forum on Friday 9<sup>th</sup> January. The consultation ended on Friday

16<sup>th</sup> January. An update was provided to Schools Forum on 20<sup>th</sup> January 2026 on the consultation responses from schools and in with respect to responses on the proposed Schools to High Needs block transfer of 1%.

6. A transfer to support the High Needs Block of £1.262m 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 2026/27. 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. Ministerial approval was received on the 9<sup>th</sup> January 2026
7. De-delegation budgets of £0.564m for maintained mainstream schools have been agreed at Schools Forum on 20<sup>th</sup> January 2026. These are budgets that maintained primary schools agree to delegate to the local authority to manage and spend.
8. Education functions budgets of £0.285m were also agreed at Forum on 20<sup>th</sup> January 2026. 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

9. The CSSB budget for 2026/27 is presented below and was recommended to Schools Forum on 20<sup>th</sup> January 2026.

| Area of Expenditure  | 2025/26           | 2026/27<br>Proposed | Change          |
|--|-------------------|---------------------|-----------------|
|  | £                 | £                   | £               |
| Copyright Licensing (Estimated)                              | 145,900           | 149,200             | 3,300           |
| Asset Management and Place Planning                          | 197,100           | 202,200             | 5,100           |
| Management, Support, Finance/Business Intelligence and SACRE | 654,200           | 649,900             | -4,300          |
| Virtual School   | 106,000           | 0                   | -106,000        |
| Admissions and ACE   | 592,700           | 584,000             | -8,700          |
| Time limited Support to High Needs Block Expenditure         | 243,400           | 172,500             | -70,900         |
| <b>Total Spend/Funding</b>                                   | <b>£1,939,300</b> | <b>£1,757,800</b>   | <b>-181,500</b> |

10. In 2026/27 there is no change to the arrangements for Central Schools Services Block (CSSB) of the DSG. The CSSB allocation for 2026/27 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. Planned expenditure reductions have been made with respect to the historic contribution to the Virtual School in 2026/27 achieved through streamlined resources while enhancing support through collaborative partnerships. These changes ensure continuity of enrichment and mentoring while leveraging external funding and partnerships for greater impact.
12. Reduced funding also limits the extent to which the CSSB budget can support the High Needs Block budget in 2026/27 with planned contribution reduced to £0.172m.

### **Early Years Block Budget**

13. The recommended model of distribution of the Early Years Block of the Dedicated Schools Grant through the Authority Proforma Tool was agreed by Schools Forum on 20 January 2026 as below and per the detailed funding factor rates and values in Appendix 2.
14. Schools Forum are required to agree the deployment of the 3% top slice for central services planned spend of in 2026/27 and as detailed below:

### **Proposed Early Years Central Services Budget 2026/27**

| Item of Central Expenditure                      | 24/25          |
|--|----------------|
|  | Total          |
|  | £              |
| i. Education Early Years Services                | 443,000        |
| ii. Help and Support for Families in Need        | 85,000         |
| iii. Finance and Statutory Functions             | 126,000        |
| iv. Business Intelligence census and Assessments | 65,000         |
| <b>Total Central Spend</b>                       | <b>719,000</b> |

### **Reasons for Decision**

15. 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 Department for Education (DfE).
16. 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 20th January 2026.

### **Equality Implications**

17. 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.
18. 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**

19. 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 23<sup>rd</sup> December 2025*

## **Climate and Ecological Emergency Implications**

20. 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.
21. While there are no direct capital works funded through these allocations, the revenue budgets can indirectly support the council's climate objectives by:
  - Enabling schools to deliver climate education and sustainability awareness as part of the curriculum.
  - Allowing schools to implement minor energy efficiency measures and sustainable practices within their delegated budgets (e.g., reducing waste, promoting recycling, and encouraging active travel through school travel plans).

These measures contribute to long-term behavioural change and support the borough's commitment to addressing the climate and ecological emergency.
22. 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.

*Hulya Ataoglu, Climate Programme and Finance Lead, 23 December 2025*

## **Consultation**

23. The local authority consulted with the wider schools' and Early Years provider community in January 2026 with respect to the distribution principles for the schools block budget allocation.
24. Hammersmith & Fulham Schools Forum agreed the proposed 2026/27 schools block budget shares on 20th January 2026.

## **List of Appendices**

Appendix 1, the 2026/27 Authority Proforma Tool (APT) for setting school budgets submitted to Department for Education 21/01/26

Appendix 2, Proposed Early Years Budget 2026/27 Detailed Budgets

# Appendix 1 – Authority Proforma Tool 2026/27 – Proposed Schools Block Budget Model and Factor Rates – see pages below

## 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 |
|---|--|--|---|--|
| £5,115.00                               | £6,388.00  | £7,018.00  | £6,640.00                                 |  |

## Pupil Led Factors

|  | Description  | Amount per pupil         |                            | Pupil Units                        |                                      | Sub Total   | Total       | Proportion of total pre MFG funding (%) | Notional SEN (%)         |                            |
|--|--|--------------------------|----------------------------|------------------------------------|--------------------------------------|-------------|-------------|---|--------------------------|----------------------------|
| 1) Basic per-pupil entitlement             | Primary (Years R-6)                                  | £4,805.60                |                            | 8,278.00                           |                                      | £39,780,746 | £90,617,411 | 31.58%                                  | 2.95%                    |                            |
|  | Key Stage 3 (Years 7-9)                              | £6,723.58                |                            | 4,259.00                           |                                      | £28,635,733 |             | 22.73%                                  | 2.53%                    |                            |
|  | Key Stage 4 (Years 10-11)                            | £7,579.70                |                            | 2,929.00                           |                                      | £22,200,932 |             | 17.62%                                  | 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  | £597.15                  | £597.15                    | 2,488.00                           | 2,223.00                             | £2,813,185  | £16,855,532 | 13.38%                                  | 18.41%                   | 26.40%                     |
|  | FSM6   | £1,430.80                | £2,039.78                  | 2,609.00                           | 2,629.00                             | £9,095,536  |             |   | 18.41%                   | 26.40%                     |
|  | IDACI Band F   | £283.80                  | £407.96                    | 1,005.71                           | 780.98                               | £604,022    |             |   | 7.00%                    | 8.90%                      |
|  | IDACI Band E   | £342.92                  | £543.94                    | 1,604.40                           | 1,276.97                             | £1,244,776  |             |   | 11.10%                   | 15.40%                     |
|  | IDACI Band D   | £538.03                  | £768.61                    | 794.27                             | 672.88                               | £944,526    |             |   | 27.00%                   | 33.00%                     |
|  | IDACI Band C   | £591.24                  | £839.56                    | 901.89                             | 814.98                               | £1,217,460  |             |   | 31.40%                   | 35.40%                     |
|  | IDACI Band B   | £626.71                  | £898.68                    | 494.15                             | 502.77                               | £761,525    |             |   | 1.00%                    | 1.00%                      |
|  | IDACI Band A   | £827.74                  | £1,147.01                  | 80.29                              | 94.20                                | £174,503    |             |   | 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  | £721.31                  |                            | 2,107.44                           |                                      | £1,520,127  | £2,725,087  | 1.88%                                   | 100.00%                  |                            |
|  | EAL 3 Secondary                                      |                          | £1,927.44                  |                                    | 440.93                               | £849,868    |             |   |                          | 100.00%                    |
| 4) Mobility                                | Pupils starting school outside of normal entry dates | £1,164.74                | £1,673.21                  | 225.39                             | 55.33                                | £355,092    |             | 0.28%                                   | 100.00%                  | 100.00%                    |

|                         | Description                              | Weighting | Amount per pupil<br>(primary or<br>secondary<br>respectively) | Percentage of<br>eligible pupils | Eligible proportion of<br>primary and<br>secondary NOR<br>respectively | Sub Total  | Total      | Proportion of total pre MFG<br>funding (%) | Primary<br>Notional SEN<br>(%) | Secondary<br>Notional SEN<br>(%) |
|-------------------------|--|-----------|---|----------------------------------|--|------------|------------|--|--------------------------------|----------------------------------|
| 5) Low prior attainment | Primary low prior attainment             |           | £1,418.98   | 31.41%                           | 2,600.39   | £3,689,892 | £5,858,103 | 4.65%                                      | 100.00%                        |                                  |
|                         | Secondary low prior attainment (year 7)  | 60.34%    | £2,158.03   | 13.49%                           | 1,004.72   | £2,168,211 |            |  |                                | 100.00%                          |
|                         | Secondary low prior attainment (year 8)  | 57.71%    |   | 13.84%                           |  |            |            |  |                                |                                  |
|                         | Secondary low prior attainment (year 9)  | 55.77%    |   | 14.25%                           |  |            |            |  |                                |                                  |
|                         | Secondary low prior attainment (year 10) | 54.47%    |   | 14.13%                           |  |            |            |  |                                |                                  |
|                         | Secondary low prior attainment (year 11) | 54.47%    |   | 14.15%                           |  |            |            |  |                                |                                  |

## Other Factors

| Factor   | Lump Sum per<br>Primary School (£) | Lump Sum per<br>Secondary School<br>(£)                 | Lump Sum per<br>Middle School (£) | Lump Sum per All-<br>through School (£) | Total (£)  | Proportion of total pre MFG<br>funding (%)             | Notional SEN (%) |       |
|--|------------------------------------|---|-----------------------------------|---|------------|--|------------------|-------|
| 6) Lump Sum  | £180,564.70                        | £180,564.70   |                                   |   | £8,486,541 | 6.74%  | 0.00%            | 0.00% |
| 7) Sparsity factor   | £69,293.33                         | £100,747.30   | £100,747.30                       | £100,747.30                             | £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                               | £65,154.65                        | Distance funding rate                   | £32,636.45 | £68,653  | 0.05%            | 0.00% |
| 10) Rates  |                                    |   |                                   |   |            | £1,362,604   | 1.08%            | 0.00% |
| 11) PFI funding  |                                    |   |                                   |   |            | £0   | 0.00%            | 0.00% |

| 12 ) Exceptional circumstances (can only be used with prior agreement of DfE) |           |   |                  |       |
|---|-----------|---|------------------|-------|
| Circumstance  | Total (£) | Proportion of total pre MFG funding (%) | Notional SEN (%) |       |
| Additional lump sum for schools amalgamated during FY25-26                    | £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%            |       |

|   |              |         |  |
|---|--------------|---------|--|
| Total Funding for Schools Block Formula (excluding minimum per pupil funding level and MFG Funding Total) | £125,973,931 | 100.00% |  |
|---|--------------|---------|--|

|   |              |         |       |
|---|--------------|---------|-------|
| 13) Additional funding to meet minimum per pupil funding level        | £0           | 0.00%   | 0.00% |
| Total Funding for Schools Block Formula (excluding MFG Funding Total) | £125,973,931 | 100.00% |       |

|  |                            |  |       |  |  |              |   |             |                  |
|--|----------------------------|--|-------|--|--|--------------|---|-------------|------------------|
| 14) Minimum Funding Guarantee  |                            |  |       | -0.50%   |  | £539,285     |   |             |                  |
| 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)   |                            |  |       |  |  | £539,285     | 0.43%                                   | 0.00%       |                  |
| Total Funding for Schools Block Formula  |                            |  |       |  |  | £126,513,216 |   | £14,691,257 |                  |
| Notional SEN   | Top-up - proportion of NOR |  | 4.12% | SEN support plus EHCP minus Top-up - proportion of NOR |  | 14.35%       | Notional SEN funding per eligible pupil |             | £4,894           |

|   |       |  |
|---|-------|--|
| 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   | £0.00 |  |

|   |                     |             |
|---|---------------------|-------------|
| Growth fund (if applicable)   |                     |             |
| Falling rolls fund (if applicable)  |                     |             |
| Other Adjustment to 25-26 Budget Shares   | £0                  |             |
| <b>Total Funding For Schools Block Formula (including growth and falling rolls funding)</b> | <b>£126,513,216</b> |             |
| <b>% Distributed through Basic Entitlement</b>  | <b>71.93%</b>       |             |
| <b>% Pupil Led Funding</b>  | <b>92.13%</b>       |             |
| <b>Primary: Secondary Ratio</b>   | <b>1 :</b>          | <b>1.26</b> |

|  |                     |  |
|--|---------------------|--|
| 26-27 NFF NNDR allocation, excluding prior year adjustments  | £1,362,604          |  |
| <b>Total Funding For Schools Block Formula (including growth and falling rolls funding) after deduction of 26-27 NFF NNDR allocation</b> | <b>£125,150,612</b> |  |

## Appendix 2, Proposed Early Years Budget 2026/27 Detailed Budgets

### Draft 2026/27 Early Years Budget by Entitlement

|   | <b>26/27</b><br><b>3 and 4 YO</b><br><b>Entitlements</b><br><b>(Universal &amp;</b><br><b>Extended)</b> | <b>26/27</b><br><b>2 YO</b><br><b>Entitlements</b><br><b>(Working</b><br><b>Parents &amp;</b><br><b>Targeted</b><br><b>Additional</b><br><b>Support)</b> | <b>26/27</b><br><b>Under 2 YO</b><br><b>Entitlements</b><br><b>(Working</b><br><b>Parents)</b> | <b>26/27</b><br><b>Total</b><br><b>All</b><br><b>Entitlements</b> |
|---|---|--|--|---|
|   | <b>£m</b>   | <b>£m</b>  | <b>£m</b>  | <b>£m</b>   |
| A. Base Rate - Participation based on estimated hours | 9.734   | 4.676  | 5.436  | <b>19.846</b>   |
| B. Deprivation Supplement                             | 0.933   | 0.358  | 0.268  | <b>1.559</b>  |
| C. Supplement for Quality                             | 0.388   | N/A  | N/A  | <b>0.388</b>  |
| D. SEN Inclusion Fund                                 | 0.632   | 0.279  | 0.315  | <b>1.226</b>  |
| E. Lump Sum to MNS                                    | 0.704   | N/A  | N/A  | <b>0.704</b>  |
| F. Contingency  | 0.057   | 0.066  | 0.054  | <b>0.177</b>  |
| G. Central expenditure - 3%                           | 0.373   | 0.164  | 0.182  | <b>0.719</b>  |
| H. Maintained Nursery School Supplement               | 0.991   | N/A  | N/A  | <b>0.991</b>  |



# **Draft 2026/27 Early Years Budget Factors and Hourly Rates Proposed 2026/27**

|   | <b>26/27</b><br><b>3 and 4 YO</b><br><b>Entitlements</b><br><b>(Universal &amp;</b><br><b>Extended</b> | <b>26/27</b><br><b>2 YO</b><br><b>Entitlements</b><br><b>(Working</b><br><b>Parents &amp;</b><br><b>Disadvantaged</b><br><b>Children)</b> | <b>26/27</b><br><b>Under 2 YO</b><br><b>Entitlements</b><br><b>(Working</b><br><b>Parents</b> |
|---|--|---|---|
|   | £ per hour   | £ per hour  | £ per hour  |
| A. Base Rate - Participation based on estimated hours | 6.78   | 10.57   | 15.20   |
| B. Deprivation Supplement                             | 0.65   | 0.81  | 0.75  |
| C. Supplement for Quality                             | 0.27   | N/A   | N/A   |
| D. SEN Inclusion Fund                                 | 0.44   | 0.63  | 0.88  |
| E. Lump Sum to MNS - Help & Support Families in Need  | 0.49   | N/A   | N/A   |
| F. Contingency  | 0.04   | 0.15  | 0.15  |
| G. Central services expenditure – 3%                  | 0.26   | 0.37  | 0.51  |
| <b>TOTAL Funded Rate</b>                              | <b>8.93</b>  | <b>12.53</b>  | <b>17.49</b>  |

END

# Agenda Item 8

## LONDON BOROUGH OF HAMMERSMITH AND FULHAM

**Report to:** Cabinet

**Date:** 09/02/2026

**Subject:** Treasury Management Strategy Statement 2026/27

**Report of:** Councillor Rowan Ree, Cabinet Member for Finance and Reform

**Report author:** Sophie Green, Treasury Manager

**Responsible Director:** Sukvinder Kalsi, Strategic Director of Finance

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### SUMMARY

This report sets out the Council's proposed Treasury Management Strategy Statement (TMSS) and Annual Investment Strategy for 2026/27 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 is given to the future borrowing and investment strategies as outlined in this report.
  2. The Strategic Director of Finance, in consultation with the Cabinet Member for Finance and Reform, be delegated authority to manage the Council's cash flow, borrowing and investments in 2026/27 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.
- 

**Wards Affected:** All

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| <b>Our Values</b>                      | <b>Summary of how this report aligns to the H&amp;F Values</b>      |
|--|---|
| Building shared prosperity             | Achieve best value for money in investment and borrowing decisions. |
| Being ruthlessly financially efficient | Effective management of the Council's cashflow resources.           |

## Financial Impact

This report is wholly of a financial nature.

*Implications by Phil Triggs, Director of Treasury and Pensions*

*Verified by Sukvinder Kalsi, Director of Finance*

## 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.

*Jade Monroe, Chief Solicitor Social Care*

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## Background Papers Used in Preparing This Report

- Treasury Management Strategy Statement 2025/26 (approved by Council February 2025)
- 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 December 2025. CPI inflation was 3.2% in November 2025, down from 3.6% in October. It is expected to slow to around 3.2% by March 2026.
5. The Bank of England voted by a majority of 5-4 on 18 December 2025 to reduce the Bank Rate from 4.00% to 3.75%. The Council's treasury management advisors, MUFG Corporate Markets, are currently forecasting further reductions during 2026.
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, MUFG Corporate Markets (formally 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) 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). The concessionary rate is due to end 31 March 2026, however, it is possible this will be extended. Officers are awaiting guidance from the Government on this which is expected before the end of the financial year.

### **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 be far more costly administratively.
18. There are increasingly attractive funding options available for energy efficiency and carbon reduction schemes through the National Wealth Fund and London Treasury. Strategic scheme by scheme borrowing may be suitable for these options which generally provide lower interest rates and greater flexibility than the PWLB.

## **Range of options**

19. Alternative options for funding to PWLB include:

- Banks
- Pension fund institutional investors
- Bond issuance
- The Municipal Bonds Agency
- London Treasury
- National Wealth Fund
- Other local authorities

## **Banks**

20. 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**

21. 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**

22. 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.

23. 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.

24. 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**

25. This has been in existence since 2013 but is no longer a feasible source of funds.

## **Community Municipal Bonds**



26. 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**

27. 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.
28. Officers will continue to explore alternatives to the PWLB, working with the Council's treasury advisor, MUFG Corporate Markets. PWLB rates will also be kept under regular and active review.

### **Investing Primarily for Yield**

29. Under the new 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
30. 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."
31. 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.
32. 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

33. 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 2026/27 have remained at the same level compared with the 2025/26 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**

|   | 2025/26    | 2026/27    | 2027/28    | 2028/29      | 2029/30      |
|---|------------|------------|------------|--------------|--------------|
|   | Estimate   | Estimate   | Estimate   | Estimate     | Estimate     |
|   | £m         | £m         | £m         | £m           | £m           |
| <b>Authorised Limit for External:</b>     |            |            |            |              |              |
| Borrowing and other long-term liabilities | 1,040      | 1,050      | 1,070      | 1,100        | 1,130        |
| <b>Operational Boundary for:</b>          |            |            |            |              |              |
| Borrowing                                 | 940        | 950        | 970        | 1,000        | 1,030        |
| Other long-term liabilities               | 15         | 15         | 15         | 15           | 15           |
| <b>TOTAL</b>                              | <b>955</b> | <b>965</b> | <b>985</b> | <b>1,015</b> | <b>1,045</b> |

## Maturity structure of borrowing

34. 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 2025/26.

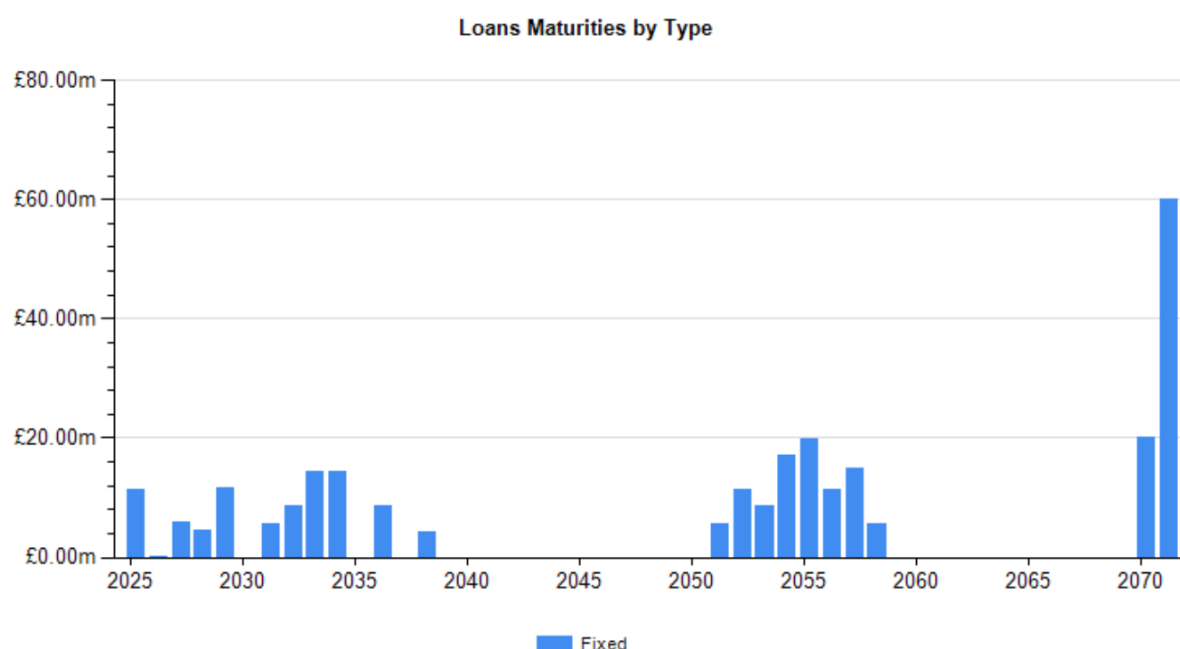
**Table 2: Debt maturity profile limits**

| Period         | Actual Maturity at<br>30 Nov 2025 | Actual Maturity at<br>30 Nov 2025 |
|----------------|-----------------------------------|-----------------------------------|
|                | £'m                               | %                                 |
| 0 to 1 year    | 44                                | 10                                |
| 1 to 2 Years   | 49                                | 12                                |
| 2 to 5 Years   | 99                                | 23                                |
| 5 to 10 Years  | 55                                | 13                                |
| 10 to 20 Years | 4                                 | 1                                 |
| 20 to 30 Years | 68                                | 16                                |
| 30 to 40 Years | 26                                | 6                                 |
| 40 to 50 Years | 80                                | 19                                |
| <b>Total</b>   | <b>426</b>                        | <b>100</b>                        |

35. 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**

36. The chart below shows that the principal repayment profile for current borrowing (as at 31 December 2025) remains within these limits.



#### **Capital Financing Requirement (CFR)**

37. 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, and reduce by minimum revenue contribution, capital receipts applied, and voluntary contributions to capital from revenue.

38. Table 3a shows that the CFR will increase over the medium term.

**Table 3a: Capital Financing Requirement forecast.**

| 2024/25<br>Actuals<br>£m     |   | 2025/26<br>Forecast<br>£m | 2026/27<br>Estimate<br>£m | 2027/28<br>Estimate<br>£m | 2028/29<br>Estimate<br>£m | 2029/30<br>Estimate<br>£m |
|------------------------------|---|---------------------------|---------------------------|---------------------------|---------------------------|---------------------------|
| <b>CFR as at 30 November</b> |   |                           |                           |                           |                           |                           |
| 308                          | GF Closing CFR (detail in Table 3b)                             | 376                       | 385                       | 375                       | 363                       | 357                       |
| 459                          | Closing Forecast HRA CFR (including deferred costs of disposal) | 583                       | 563                       | 587                       | 634                       | 670                       |
| <b>767</b>                   | <b>TOTAL</b>  | <b>939</b>                | <b>948</b>                | <b>962</b>                | <b>997</b>                | <b>1027</b>               |
| <b>Annual Change</b>         |   |                           |                           |                           |                           |                           |
| 42                           | General Fund  | 68                        | 9                         | (10)                      | (12)                      | (6)                       |
| 111                          | HRA   | 104                       | 0                         | 24                        | 47                        | 36                        |
| <b>153</b>                   | <b>TOTAL</b>  | <b>172</b>                | <b>9</b>                  | <b>14</b>                 | <b>35</b>                 | <b>30</b>                 |

39. A more detailed analysis of the closing Forecast CFR is shown below:

**Table 3b: General Fund Capital Financing Requirement forecast (detailed)**

|                                | 2025/26<br>Forecast<br>£m | 2026/27<br>Estimate<br>£m | 2027/28<br>Estimate<br>£m | 2028/29<br>Estimate<br>£m | 2029/30<br>Estimate<br>£m |
|--------------------------------|---------------------------|---------------------------|---------------------------|---------------------------|---------------------------|
| <b>GF Opening CFR</b>          | <b>308</b>                | <b>376</b>                | <b>385</b>                | <b>375</b>                | <b>363</b>                |
| Unfinanced Capex               | 58                        | 30                        | 34                        | 6                         | 5                         |
| Voluntary Debt Payments        | (6)                       | (12)                      | (34)                      | (7)                       | -                         |
| MRP                            | (3)                       | (6)                       | (8)                       | (8)                       | (7)                       |
| Lease / IFRS 16                | (1)                       | (4)                       | (4)                       | (4)                       | (4)                       |
| <b>Forecast Closing GF CFR</b> | <b>376</b>                | <b>385</b>                | <b>375</b>                | <b>363</b>                | <b>357</b>                |

40. 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 the 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**

| 2024/25<br>Actual<br>£m |                                 | 2025/26<br>Forecast<br>£m | 2026/27<br>Estimate<br>£m | 2027/28<br>Estimate<br>£m | 2028/29<br>Estimate<br>£m | 2029/30<br>Estimate<br>£m |
|-------------------------|---------------------------------|---------------------------|---------------------------|---------------------------|---------------------------|---------------------------|
| 288                     | Gross Projected Debt            | 426                       | 615                       | 658                       | 719                       | 778                       |
| 614                     | Capital Financing Requirement   | 939                       | 948                       | 962                       | 997                       | 1027                      |
| <b>326</b>              | <b>Under / (over) borrowing</b> | <b>487</b>                | <b>333</b>                | <b>304</b>                | <b>278</b>                | <b>249</b>                |

**Affordability**

41. 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**

| 2024/25<br>Actual<br>% |              | 2025/26<br>Forecast<br>% | 2026/27<br>Estimate<br>% | 2027/28<br>Estimate<br>% | 2028/29<br>Estimate<br>% | 2029/30<br>Estimate<br>% |
|------------------------|--------------|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|
| 2.85                   | General Fund | 1.23                     | 2.64                     | 3.62                     | 4.00                     | 4.22                     |
| 25.62                  | HRA          | 29.8                     | 27.21                    | 26.92                    | 28.13                    | 27.5                     |

**Table 6: Ratio of commercial/service investment income to net revenue stream**

| 2024/25<br>Actual<br>% |              | 2024/25<br>Forecast<br>% | 2025/26<br>Estimate<br>% | 2026/27<br>Estimate<br>% | 2028/29<br>Estimate<br>% | 2029/30<br>Estimate<br>% |
|------------------------|--------------|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|
| 2.85                   | General Fund | 1.53                     | 1.61                     | 2.67                     | 3.52                     | 4.45                     |
| 25.62                  | HRA          | 3.00                     | 3.76                     | 3.48                     | 3.43                     | 3.30                     |

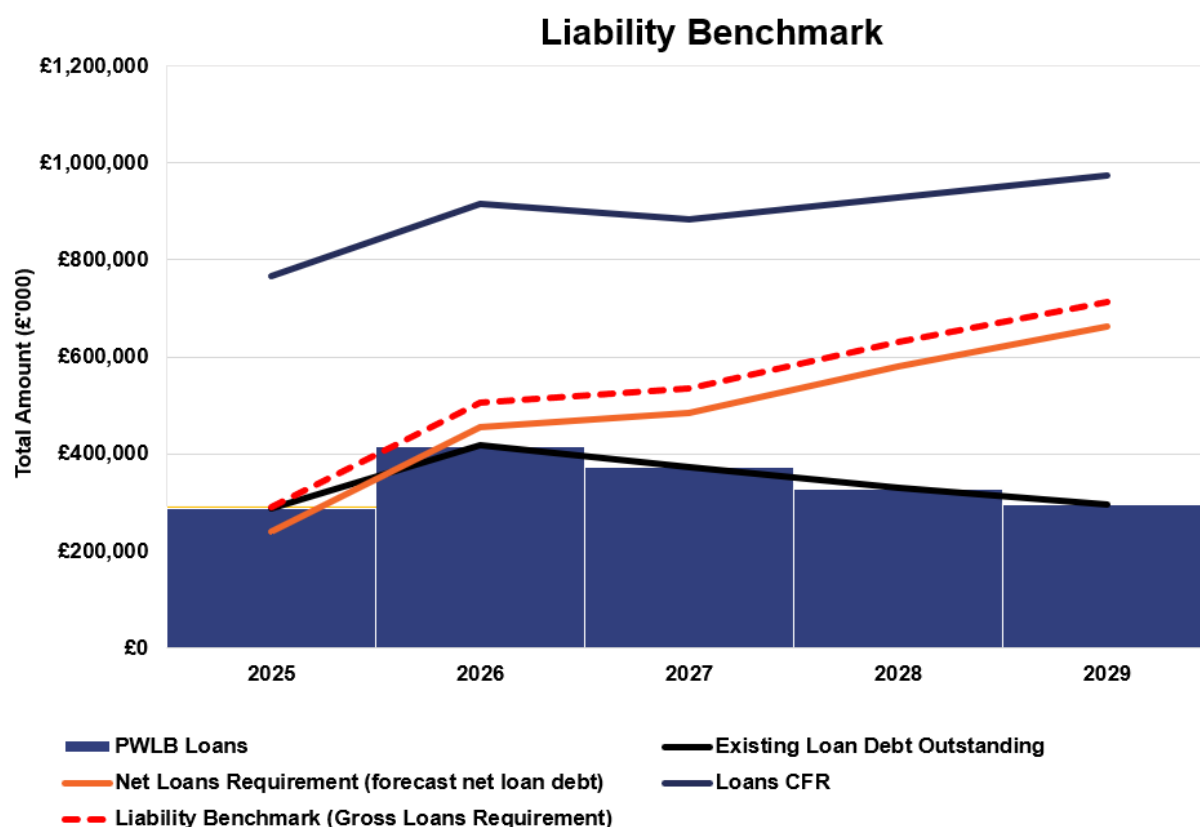
42. From 2026/27 onwards, the ratio of capital financing costs to net revenue stream for the General Fund increases, primarily for two reasons: firstly an increasing minimum revenue provision charge, with the completion of the Civic Campus project, and secondly a reducing net revenue stream as a result of Government implementing the Fair Funding framework. This latter point is something that will be considered as part of the budget planning process over the coming years. The completion of campus, which will lead to increased

commercial income over the medium term, and the reducing net revenue stream, are also the reasons for the increasing ratio for commercial income to net revenue stream for the General Fund, though the percentage remains small, from a risk perspective.

43. 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**

44. 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.
45. 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.
46. The liability benchmark uses the above information to plan the future borrowing requirements of the Council.
47. Based on the current calculations, the liability benchmark forecasts that the Council would need to borrow £86m in 2026/27, and a further £75m in 2027/28 (collective £161m requirement).



### Minimum Revenue Provision (MRP) Policy

48. 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.
49. 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.
50. The 2003 Regulations have been further amended with full effect from 1 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**

51. 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.
52. 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**

53. 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 can be very costly.
54. 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.
55. 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.
56. Any rescheduling must be authorised by the Director of Finance in consultation with the lead Cabinet Member.

## **CAPITAL**

### **Capital spending plans**

57. 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 2026/27 to 2029/30 reported elsewhere on the Committee's agenda, both in terms of those agreed previously, and those forming part of the current budget cycle.
58. Any slippage against the capital programme, or new capital approvals, will impact the figures reported throughout this report.



## Housing Revenue Account (HRA) borrowing

59. Local authorities with a HRA can borrow against their expected rental income, in line with the Prudential Code.
60. For the period 2026/27 to 2029/30, based on the planned four-year capital programme and due to reduced cash balances from the latter half of 2026/27 onwards, the HRA may need to actively consider new external borrowing.
61. 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

62. 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.
63. 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

64. Table 6 below shows that cash balances have increased by £39m and borrowing increased by £134m.

**Table 7: Cash position at 31 December 2025**

| As at 31 March 2025 |                   |                         | As at 31 December 2025 |                   |  |
|---------------------|-------------------|-------------------------|------------------------|-------------------|--|
| Principal<br>£m     | Average Rate<br>% |                         | Principal<br>£m        | Average Rate<br>% |  |
| <b>Investments</b>  |                   |                         |                        |                   |  |
| 44                  | 4.8               | Specified               | 83                     | 3.9               |  |
| 0                   | 0.0               | Non-Specified           | 0                      | 0.0               |  |
| <b>44</b>           |                   | <b>Total</b>            | <b>83</b>              |                   |  |
| <b>Borrowing</b>    |                   |                         |                        |                   |  |
| 288                 | 3.8               | Public Works Loan Board | 422                    | 3.9               |  |
| <b>288</b>          |                   | <b>Total</b>            | <b>422</b>             |                   |  |

65. 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**

66. The Bank Rate was reduced from 4.00% to 3.75% at the 18 December 2025 MPC meeting and is predicted to fall further in 2026. The Council should therefore expect investment returns to drop in 2026/27.
67. Money Market Funds (MMFs) and Debt Management Account Deposit Facility (DMADF) yields have decreased since 1 April 2025 in response to Bank Rate reductions.
68. The Table in Appendix C, provided by the treasury consultant, sets out the forecast rates.

### **Council policy on investing and managing risk**

69. 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**

70. During the first half of 2025/26, there have been no new investments of surplus funds for more than 364 days. The 2026/27 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**

| 2025/26<br>Actual<br>£m                                       | 2026/27<br>Forecast<br>£m | 2027/28<br>Estimate<br>£m | 2028/29<br>Estimate<br>£m | 2029/30<br>Estimate<br>£m |
|---|---------------------------|---------------------------|---------------------------|---------------------------|
| 0   | 120                       | 120                       | 120                       | 120                       |
| Upper Limit for principal sums invested for more the 364 days |                           |                           |                           |                           |

### **Annual Investment Strategy**

71. The Council holds significant invested funds, representing income received in advance of expenditure, balances and reserves.
72. 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.

73. 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

74. 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.
75. 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 2025/26 save for the forecast outturn CFR. It is not envisaged that there will be any difficulty in achieving compliance with the suggested indicators for 2026/27.

|   | 2025/26<br>indicator              | 2025/26<br>forecast              | 2026/27<br>proposed               |
|---|-----------------------------------|----------------------------------|-----------------------------------|
| Capital expenditure   | £214m                             | £214m                            | £251m                             |
| Capital Financing Requirement (CFR)   | £856m                             | £948m                            | £962m                             |
| Net debt vs CFR   | £389m<br>underborrowing           | £487m<br>underborrowing          | £333m<br>underborrowing           |
| Authorised limit for external debt  | £920m                             | £1,040                           | £1,050m                           |
| Operational debt boundary   | £875m                             | £955m                            | £965m                             |
| Working capital balance   | £0m                               | £0m                              | £0m                               |
| 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<br>- 100% | Lower limit 10 years and above<br>- 76% | Lower limit 10 years and above<br>- 100% |
|--|--|---|--|

|  | 2025/26<br>indicator     | 2025/26<br>forecast   | 2026/27<br>proposed    |
|--|--------------------------|-----------------------|------------------------|
| Ratio of financing costs to revenue stream | GF (0.79%)<br>HRA 29.75% | GF 1.23%<br>HRA 29.8% | GF 2.64%<br>HRA 27.21% |
| Ratio of financing costs to revenue stream | GF 1.31%<br>HRA 3.04%    | GF 1.53%<br>HRA 3.00% | GF 1.61%<br>HRA 3.76%  |

### Reasons for Decision

76. This report represents the Council's Treasury Management Strategy Statement for 2026/27. It is a regulatory requirement for this report to be reported to the Council. It is recommended that approval is given to the borrowing and investment strategies as outlined in this report.

### Equality Implications

77. 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

78. 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.
79. 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. In adopting a policy of managing risk, an authority is determining its level of risk acceptance.
80. 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 TMSS before the start of the year, which sets the objectives and boundaries for the approach to treasury activity.
81. 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.

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

- 82. 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.
- 83. 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**

- 84. 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.
- 85. 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

### **Consultation**

- 86. 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 Director of Finance 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 Director of Treasury and Pensions and his direct reports have delegated authority to implement investment management arrangements and strategy.

## **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<br>2. Cabinet<br>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<br>2. Cabinet<br>3. Audit Committee                   | Annually after year-end                                     |
| Treasury Management Monitoring Reports                           | Director of Finance and Cabinet Member for Finance and Commercial Services | Weekly/Monthly  |

## PROSPECTS FOR INTEREST RATES

1. The Authority has appointed MUFG Corporate Markets as its treasury advisor and part of their service is to assist the Authority to formulate a view on interest rates. MUFG Corporate Markets provided the following forecasts on 22 December 2025, and the narrative that follows. These are forecasts for Bank Rate, average earnings and PWLB certainty rates, gilt yields plus 80 bps.

| MUFG Corporate Markets Interest Rate View 22.12.25 |        |        |        |        |        |        |        |        |        |        |        |        |        |
|--|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
|  | Mar-26 | Jun-26 | Sep-26 | Dec-26 | Mar-27 | Jun-27 | Sep-27 | Dec-27 | Mar-28 | Jun-28 | Sep-28 | Dec-28 | Mar-29 |
| BANK RATE  | 3.75   | 3.50   | 3.50   | 3.25   | 3.25   | 3.25   | 3.25   | 3.25   | 3.25   | 3.25   | 3.25   | 3.25   | 3.25   |
| 3 month ave earnings                               | 3.80   | 3.50   | 3.50   | 3.30   | 3.30   | 3.30   | 3.30   | 3.30   | 3.30   | 3.30   | 3.30   | 3.30   | 3.30   |
| 6 month ave earnings                               | 3.80   | 3.50   | 3.50   | 3.40   | 3.30   | 3.30   | 3.30   | 3.40   | 3.40   | 3.40   | 3.40   | 3.40   | 3.40   |
| 12 month ave earnings                              | 3.90   | 3.60   | 3.60   | 3.50   | 3.40   | 3.50   | 3.50   | 3.50   | 3.50   | 3.50   | 3.60   | 3.60   | 3.60   |
| 5 yr PWLB  | 4.60   | 4.50   | 4.30   | 4.20   | 4.10   | 4.10   | 4.10   | 4.10   | 4.10   | 4.10   | 4.10   | 4.10   | 4.10   |
| 10 yr PWLB   | 5.20   | 5.00   | 4.90   | 4.80   | 4.80   | 4.70   | 4.70   | 4.70   | 4.70   | 4.60   | 4.60   | 4.60   | 4.70   |
| 25 yr PWLB   | 5.80   | 5.70   | 5.60   | 5.50   | 5.50   | 5.40   | 5.30   | 5.30   | 5.30   | 5.20   | 5.20   | 5.20   | 5.20   |
| 50 yr PWLB   | 5.60   | 5.50   | 5.40   | 5.30   | 5.30   | 5.20   | 5.10   | 5.10   | 5.10   | 5.00   | 5.10   | 5.00   | 5.00   |

2. The last interest rate forecast update was undertaken in August 2025. Since then, a combination of tepid growth, falling inflation (CPI is 3.2% at December 2025), and a November Budget that will place more pressure on the majority of households' income, has provided an opportunity for the Bank of England's Monetary Policy Committee to further reduce Bank Rate from 4% to 3.75% on 18 December 2025.
3. The most recent Bank of England's Quarterly Monetary Policy Report expects annual UK GDP to be in the region of 1.2% for Q3 2025, rising to 1.7% by Q3 2028. The Bank anticipates wage growth to moderate to a sustainable 3.75% and CPI inflation to return to 2% in around 18 months' time.
4. Further gradual reductions in the Bank Rate to 3.25% are anticipated but only if future inflation and employment data are supportive of such cuts.
5. Revised PWLB rate forecast below are based on the Certainty Rate (the standard rate minus 20 bps) which has been accessible to most authorities since 1 November 2012. **Gilt yields and PWLB rates**
6. The overall longer run trend is for gilt yields and PWLB rates to fall back over the timeline of the forecasts, but the risks to the forecasts are generally to the upsides. Target borrowing rates are set **two years forward** as rates are expected to fall back and the current PWLB (certainty) borrowing rates are set out below: -

| PWLB borrowing  | Current borrowing rates as at 22.15.25 p.m. % | Target borrowing rate now (end of Q4 2027) % | Target borrowing rate previous (end of Q4 2027) % |
|-----------------|---|--|---|
| <b>5 years</b>  | 4.81  | 4.10   | 4.20  |
| <b>10 years</b> | 5.39  | 4.70   | 4.70  |

|                 |      |      |      |
|-----------------|------|------|------|
| <b>25 years</b> | 6.01 | 5.30 | 5.30 |
| <b>50 years</b> | 5.78 | 5.10 | 5.10 |

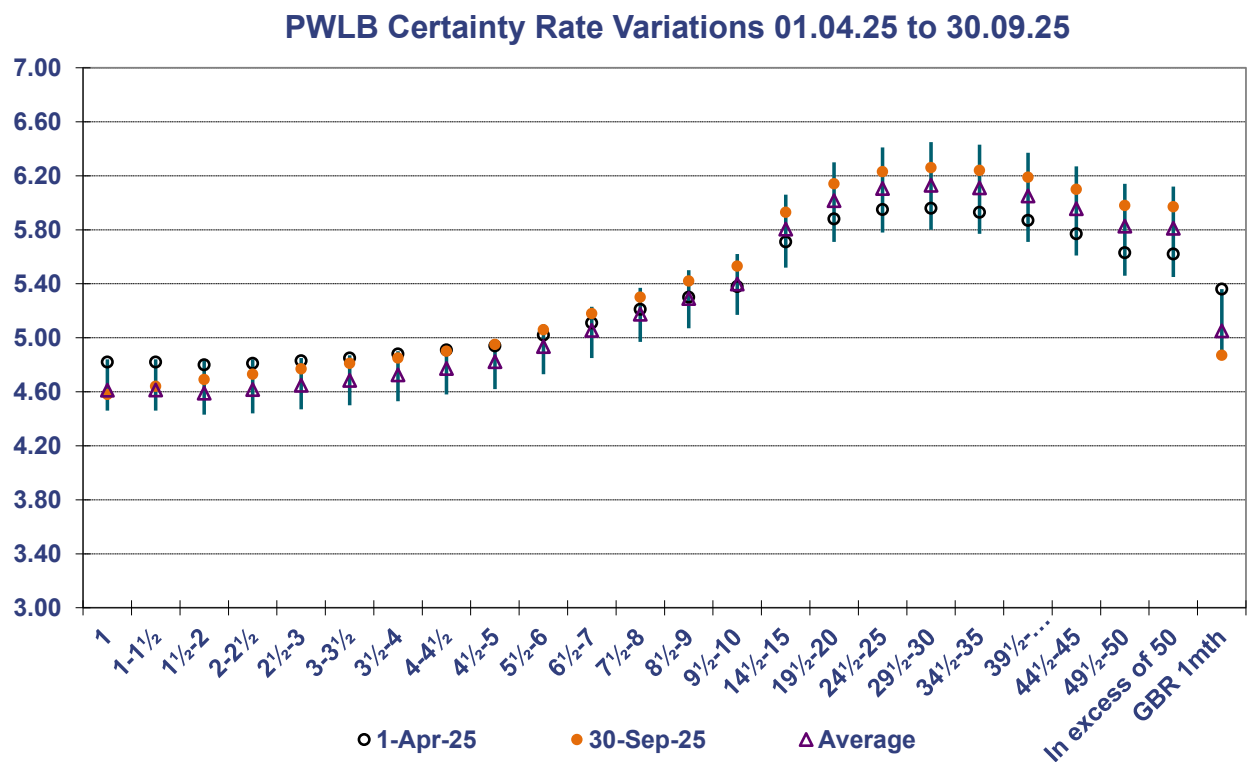
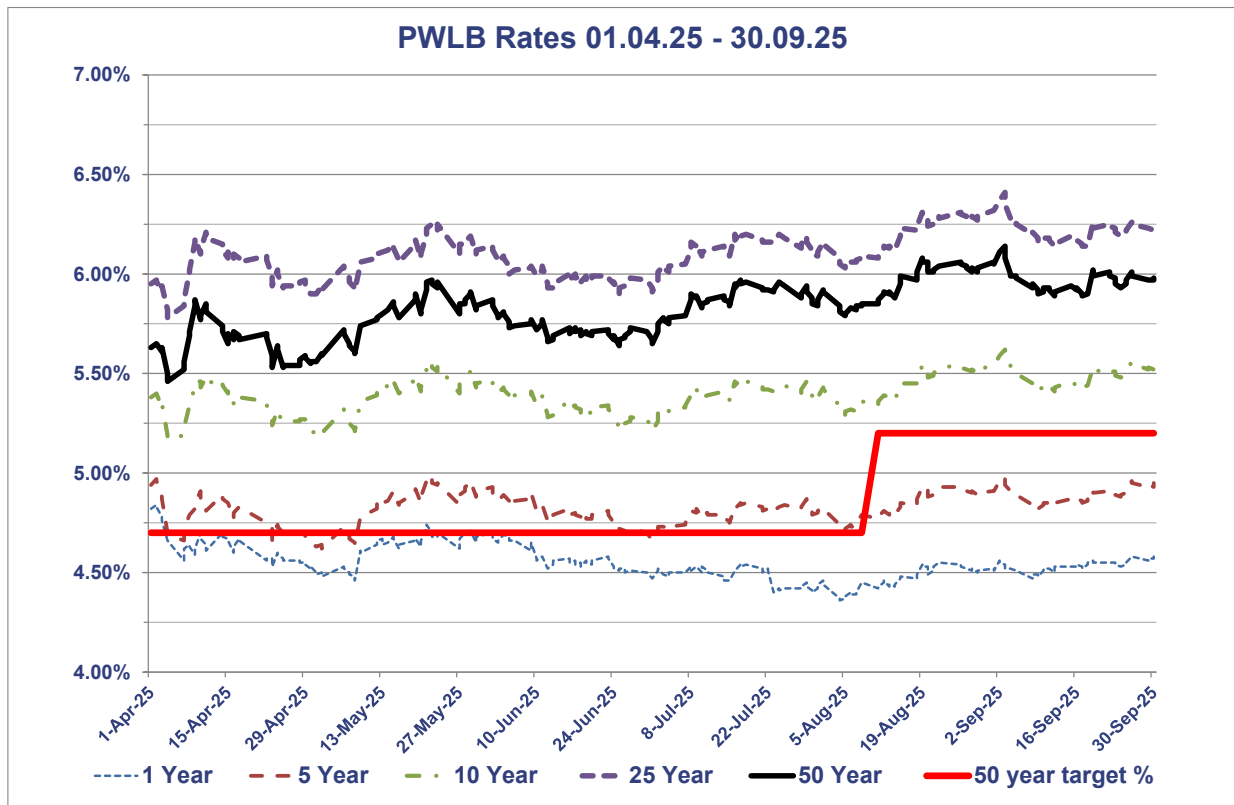
7. **Borrowing advice:** The long-term (beyond 10 years) forecast for the neutral level of Bank Rate remains at 3.5%. As all PWLB certainty rates are currently significantly above this level, borrowing strategies will need to be reviewed in that context. Overall, better value can be obtained at the shorter 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.
8. Officers continue to monitor economic and market developments as they unfold. Typically, forecasts are reviewed following the quarterly release of the Bank of England's Monetary Policy Report.
9. The 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.

**Source: MUFG Corporate Markets**

**ECONOMIC UPDATE**

1. The first half of 2025/26 saw:
  - A 0.3% pick up in GDP for the period April to June 2025. More recently, the economy flatlined in July, with higher taxes for businesses restraining growth, but picked up to 0.1% m/m in August before falling back by 0.1% m/m in September.
  - CPI inflation has ebbed and flowed but finished in November at 3.2%.
  - The Bank of England cut interest rates from 4.50% to 4.25% in May, and then to 4% in August. Rates were cut a further 0.25% in December to 3.75%.
  - The 10-year gilt yield fluctuated between 4.4% and 4.8%, ending the half year at 4.70% (before falling back to 4.43% in early November).
2. Leading up to the November Budget, the public finances position looked weak. The £20.2 billion borrowed in September was slightly above the £20.1 billion forecast by the OBR. The £99.8 billion borrowed is the second highest for the April to September period since records began in 1993, surpassed only by borrowing during the COVID-19 pandemic. The main drivers of the increased borrowing were higher debt interest costs, rising government running costs, and increased inflation-linked benefit payments, which outweighed the rise in tax and National Insurance contributions.
3. An ever-present issue throughout recent months has been the pressure being exerted on medium and longer dated gilt yields. The yield on the 10-year gilt moved sideways in the second quarter of 2025, rising from 4.4% in early April to 4.8% in mid-April following wider global bond market volatility stemming from the “Liberation Day” tariff announcement, and then easing back as trade tensions began to de-escalate. By the end of April, the 10-year gilt yield had returned to 4.4%. In May, concerns about stickier inflation and shifting expectations about the path for interest rates led to another rise, with the 10-year gilt yield fluctuating between 4.6% and 4.75% for most of May. Thereafter, as trade tensions continued to ease and markets increasingly began to price in looser monetary policy, the 10-year yield edged lower, and ended June at 4.50%.

## PWLB RATES 01.04.25 - 30.09.25



## HIGH/LOW/AVERAGE PWLB RATES FOR 01.04.25 – 30.09.25

|            | 1 Year     | 5 Year     | 10 Year    | 25 Year    | 50 Year    |
|------------|------------|------------|------------|------------|------------|
| 01/04/2025 | 4.82%      | 4.94%      | 5.38%      | 5.95%      | 5.63%      |
| 30/09/2025 | 4.58%      | 4.95%      | 5.53%      | 6.23%      | 5.98%      |
| Low        | 4.36%      | 4.62%      | 5.17%      | 5.78%      | 5.46%      |
| Low date   | 04/08/2025 | 02/05/2025 | 02/05/2025 | 04/04/2025 | 04/04/2025 |
| High       | 4.84%      | 4.99%      | 5.62%      | 6.41%      | 6.14%      |
| High date  | 02/04/2025 | 21/05/2025 | 03/09/2025 | 03/09/2025 | 03/09/2025 |
| Average    | 4.55%      | 4.82%      | 5.40%      | 6.11%      | 5.83%      |
| Spread     | 0.48%      | 0.37%      | 0.45%      | 0.63%      | 0.68%      |

Source: MUFG Corporate Markets

## ANNUAL INVESTMENT STRATEGY

1. The Council holds significant invested funds, representing income received in advance of expenditure, balances and reserves. During the 8 months of the current year, the Council's average investment balance has been around £66m. 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 MHCLG 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 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):

| Average earnings in each year | Now<br>% | Previously<br>% |
|-------------------------------|----------|-----------------|
| <b>2025/26 (residual)</b>     | 3.80     | 3.90            |
| <b>2026/27</b>                | 3.40     | 3.60            |
| <b>2027/28</b>                | 3.30     | 3.30            |
| <b>2028/29</b>                | 3.30     | 3.50            |
| <b>2029/30</b>                | 3.50     | 3.50            |
| <b>Years 6-10</b>             | 3.50     | 3.50            |
| <b>Years 10+</b>              | 3.50     | 3.50            |

**Source: MUFG Corporate Markets**

**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 2026/27, 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 Strategic 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;
  - 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

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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.



- 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;
  - 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 they consider 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;

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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%.

- 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 Strategic 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<br>(Fitch/Moody's/S&P) | Maximum Individual Counterparty Investment Limit<br>£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   | N/A   | GLA: £50M  | 3 years            | No change                     |
| UK Local Authorities (LA)                               |   | 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<br>£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<br>£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,<br>£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-<br><b>or</b><br>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   |  |                |                               |
| Sovereign approved list (AA- rated and above):                  | 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    | Upper Medium Grade |  |                      |
| A2      | A         | A    |      |       |                    |  |                      |
| A3      | A-        | A-   | F2   |       |                    | Lower medium grade                                 |                      |
| Baa1    | P-2       | BBB+ |      | BBB+  |                    |  |                      |
| Baa2    |           | BBB  |      | BBB   |                    |  |                      |
| Baa3    |           | BBB- | BBB- | F3    |                    |  |                      |
| 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    |           | CCC+ | C    | CCC   | C                  | Substantial Risks                                  |                      |
| Caa2    |           | CCC  |      |       |                    | Extremely Speculative                              |                      |
| Caa3    |           | CCC- |      |       |                    | Default imminent with little prospect for recovery |                      |
| Ca      |           | CC   |      |       |                    |  |                      |
|         |           | C    |      |       |                    |  |                      |
| C       |           | D    |      | DDD   |                    | In Default   |                      |
|         |           |      |      | 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 council's 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 up to 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.                     |



**Report to:** Cabinet

**Date:** 09/02/2026

**Subject:** Article 4 Direction – Small Houses In Multiple Occupation

**Report of:** Councillor Andrew Jones, Cabinet Member for the Economy

**Report author:** Matthew Paterson, Assistant Director - Policy and Spatial Planning

**Responsible Director:** Bram Kainth – Executive Director of Place

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### SUMMARY

Tenant and resident associations in the north of the borough have highlighted issues with a growing trend of problematic privately rented properties impacting local amenity and community cohesion.

They are asking the Council to take positive action to address these concerns, including the introduction of an Article 4 Direction to control the proliferation of small Houses in Multiple Occupation (HMOs).

Planning regulations classify small HMOs (Class C4) as properties housing between three and six unrelated people who share amenities. Small HMOs benefit from permitted development rights, meaning the change of use from a residential dwelling (Class C3) to a Class C4 HMO does not require planning permission. Larger HMOs, housing seven or more people sharing, are classed as Sui Generis and require planning permission.

Local authorities can take away permitted development rights by making an Article 4 Direction. The purpose of the Article 4 Direction would be to require the submission of a planning application for changes of use from Class C3 (residential) to Class C4 HMO. This would enable the Council to assess each application with the objective of better managing this change of use through the planning process, including securing minimum room sizes, appropriate waste collection facilities, and controls on street-parking. The process for the making of an Article 4 Direction is explained later in the report.

The purpose of this report is to seek member approval to prepare an Article 4 Direction for small HMOs. This includes the commissioning of consultants to produce a robust evidence base that supports the making of the Article 4 Direction and the geographic area to which the Direction will apply.

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### RECOMMENDATIONS

1. That Cabinet approve the making of an Article 4 Direction to remove permitted development rights for the change of use of a property from a Class C3 (residential) use to a Class C4 HMO;
2. That Cabinet approve the commissioning of a robust evidence study, estimated at £50,000, to support the making of the Article 4 Direction, including its geographic extent.
3. That Cabinet delegate authority to the Chief Planning Officer, in consultation with the Cabinet Member for Economy, to make a 'non immediate' Article 4 Direction.
4. To note that Cabinet approval will be required to confirm the Direction in 12 months' time following the statutory period of publication and consultation.

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**Wards Affected:** All

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| <b>Our Values</b>   | <b>Summary of how this report aligns to the H&amp;F Values</b>  |
|---|---|
| Building shared prosperity                                      | The Article 4 Directions seeks to address the permitted development issue of residential homes changing to small HMO use without planning permission by removing PD rights. This ensures that a proper planning assessment can be undertaken when such change of use developments are proposed. |
| Creating a compassionate council                                | Protecting residential amenity and making sure housing provided in the borough is fit for purpose.  |
| Doing things with local residents, not to them                  | This Article 4 Direction responds to issues raised by local residents which they have asked the Council to take action.   |
| Being ruthlessly financially efficient                          | See financial impacts below.  |
| Taking pride in H&F   | Ensures the cohesiveness of established residential communities is not undermined by the negative impacts of a proliferation of HMOs.   |
| Rising to the challenge of the climate and ecological emergency | The change of use will be subject of planning approval, securing higher levels of sustainable development than would be achieved through PD.  |

## Financial Impact

Officer and legal costs associated with the making and consultation of the Article 4 Direction are not considered to be significant and are expected to be absorbed within the approved budget of the Planning division. There will be a cost (estimated at £50k) associated with compiling a robust evidence base to support the Article 4 Direction. The cost of the evidence base will be met by Planning Reserves.

Applications for planning permission which would have previously been permitted, prior to an Article 4 Direction removing PD rights, are entitled to apply for planning permission without paying the usual planning application fees. The Article 4 Direction

is therefore likely to lead to an increase in the number of planning applications for which planning application fees will not be applicable. Whilst this is unlikely to be a significant sum of money, it would still be a loss of potential revenue for the Council.

*Kellie Gooch, Head of Finance (Place), 2025*

## **Legal Implications**

The GPDO allows local planning authorities to make Article 4 directions according to the procedures set out in Schedule 3 of the GPDO, to withdraw specified PD rights which would otherwise apply under the GPDO. If an Article 4 Direction is in place, planning permission will be required for the development covered by the direction.

The Council's Constitution regarding the functions of the Cabinet member for Economy states at paragraph 1.14, "the development and implementation of the Authority's planning policies" and at paragraph 3.1 "Oversight of planning regulations for new developments"

Following consultation, a further Key Decision will be brought to the Cabinet member to consider whether or not to confirm the Article 4 Directions. This is considered to be a Key Decision if it could (i) result in the Council incurring expenditure which is, or the making of savings which are, significant, having regard to the Council's budget for the service or function to which the decision relates (ii) be significant in terms of its effects on communities living or working in an area comprising two or more wards in the area of the local authority. (However, where practicable, the Council will also treat as "key" any decisions which have a significant effect on one ward).

This Article 4 Direction is significant as it will affect communities living and working in the area under the Article 4 direction and will affect at least two wards in the borough.

Section 108 of the Town and Country Planning Act 1990 provides for compensation becoming payable where an application for planning permission (for development that was formerly PD) is refused or granted subject to conditions different from the GPDO.

The grounds on which compensation can be claimed are limited to abortive expenditure or other loss or damage directly attributable to the withdrawal of permitted development rights. Compensation is only payable in respect of planning applications made within 12 months beginning on the date the directions took effect. A local planning authority is not liable to pay compensation provided that the bringing into force of the Article 4 Direction is stayed for 12 months. In relation to this Article 4 Direction as 12 months' notice is given of the Article 4 Direction, no compensation will be payable.

The Secretary of State has the power to cancel or modify an Article 4 direction at any time before or after it is confirmed.

*Mrinalini Rajaratnam – Chief Solicitor Planning and Property – 2025*

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

None.

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## **DETAILED ANALYSIS**

### **Proposals and Analysis of Options**

1. The first option the Council has is to do nothing. The Council could decide not to introduce a new Article 4 Direction. This option would include a monitoring requirement to continue to assess the impact of the Permitted Development Right and the consequence of this in terms of the loss of residential homes; impacts on local residential area; cumulative impacts. This option is not recommended, as it would not address residents' concerns.
2. Should the Council decide to make the Article 4 Direction there are two options available: an 'immediate direction' or a 'non-immediate' direction. The advantage of an immediate direction is that it takes effect from the date set out by the Council with consultation and confirmation happening within six months of the article 4 direction being made. The disadvantage of an immediate direction is that the Council are liable to pay compensation to anyone whose permitted development rights have been removed should they wish to implement the removed right within 12 months of the direction being made. This is not recommended as compensation sums have the potential to be significant depending on the extent of the Article 4 and the number of premises that would be covered by it. On this basis, we recommend a non-immediate Article 4, meaning that it comes into force 12 months after it is made.
3. As set out in the National Planning Practice Guidance, the Council has the option of placing an Article 4 on the whole borough, a specific area or on specific premises. A borough-wide Article 4 direction is likely to be preferable, avoiding the issue of areas outside of the Article 4 direction potentially seeing an increase in small HMOs and having to extend the Article 4 direction coverage post consultation. However, placing an Article 4 on the whole borough would need to be supported and justified by evidence. This is because the government have stated that Article 4 directions should be very carefully targeted, applying only to those locations where they are necessary to avoid wholly unacceptable adverse impacts. For that reason, national guidance states the geographical coverage of all Article 4 directions should be the smallest area possible to achieve the aim of the Article 4 direction. In respect of the control of small HMOs, the impact is likely to be greatest within established residential areas, rather than regeneration areas or town centre locations. Officers therefore consider the proposed boundary of this Article 4 could be restricted to residential areas within the borough that have an existing concentration of small HMOs.
4. In order to make an Article 4 in accordance with Regulation (10) of the Town and Country Planning (General Permitted Development) (England) Order 2015 direction the following tasks must be completed:
  - Publication of a notice of the Article 4 direction including maps and supporting information on the Council's website at least one year before the Article 4 direction takes effect.

- Invite representations from stakeholders for a period of at least three weeks, including publishing a Public Notice on the Council's website and in local press, displaying site notices at locations to be covered by the Article 4 direction, and for the Secretary of State to be informed in writing.
- Confirmation of the Article 4 by Cabinet
- Publication of a notice on the Council's website when the Article 4 direction takes effect.

## **Reasons for Decision**

5. The demand for shared living, houses in multiple occupation (HMOs), has been on the rise in London and Hammersmith and Fulham due to the unaffordability of rents – the average rent on a 1 bed flat in Hammersmith and Fulham is c.£2,100 per month.
6. Small HMOs provide an important supply of affordable housing for single-person accommodation, particularly for more transient residents like young professionals which in turn supports the local economy.
7. Small HMOs are those that house 6 people or less. The change in use from a residential dwelling to a small HMO is provided for as permitted development right, meaning it does not require planning permission. Many landlords see significant value in turning a standard family home into a shared home (HMOs) as it enables even greater returns.
8. While the majority of small HMOs are managed well and give no rise to ASB, as the numbers grow, they are changing the profile of more traditional residential neighbourhoods and impacting local amenity and community cohesion.
9. The Council does require all HMOs to be licensed. While mandatory licensing only applies to larger HMOs, the Housing Act allows Councils to adopt Additional Licensing that requires small HMOs to obtain a license from the Council to operate. Hammersmith & Fulham adopted borough-wide Additional Licensing scheme in June 2017 and have renewed this in June 2022. As a result, the Council currently has c. 4,600 licenced HMOs - 600 large (7 occupiers or more) and about 4,000 small (3-6 occupiers).
10. The Council has also adopted Selective Licensing Under Part 3 of the Housing Act, that allows the Council to restrict further HMOs on specified streets based upon level of private rented households in streets and the percentage of Anti-Social Behaviour (ASB) experienced. There are current 24 designated streets in Hammersmith and Fulham where Selective Licensing applies.
11. Despite the Additional and Selective licensing regimes that Council applies, it is not considered that licensing alone is capable of properly managing the proliferation of small HMOs. This is because the council must follow the national licensing requirements and must issue a licence if it is satisfied that:

- the HMO is reasonably suitable for occupation by the number of occupants/households allowed under the licence; and
  - the proposed licence holder is a 'fit and proper person'; and
  - the proposed licence holder is the most appropriate person to hold the licence; and
  - the proposed manager (if there is one) is a 'fit and proper person'; and
  - the proposed management arrangements are satisfactory; and
  - the person involved in the management of the HMO is competent.
12. While applications for HMO licenses are subject to public notification, based on the above criteria, there are limited grounds for neighbours to object or for the Council to refuse the licence.
  13. Enforcement is also an issue. In the past 3 years H&F has issued 15 notices of breach of license, and no licenses have been revoked. Over the same period, only two rogue landlords have been prosecuted.
  14. In response to similar concerns as those in H&F, many other boroughs in London already have introduced an Article 4 Direction for small HMOs –
    - Hounslow, Barnet, Brent, Enfield, Newham, Barking and Dagenham, Havering, Bexley, Waltham Forest, and Greenwich have their entire areas under Article 4 for small HMOs.
    - Hillingdon, Ealing, Haringey, Southwark, Lewisham, Merton, and Bromley have parts of their jurisdiction under Article 4 Directions for small HMOs.
  15. More recently, Ealing extended its Article 4 Direction to the entire borough.
  16. There is concern that the Article 4 Direction's in the neighbouring boroughs of Brent and Ealing will displace demand to H&F.
  17. An Article 4 Direction would remove the permitted development right for the conversion of a dwelling housing to a small HMO. Applicants would need to seek and obtain planning permission.
  18. While the Council cannot have a blanket policy refusing new planning applications for HMOs and would need robust reasons to refuse a planning application, the perception is that requiring planning may put some landlords off and would provide residents with greater opportunity to object.
  19. Even if applications are granted, it is considered that the planning permission route would secure better HMOs – through the application of policies for minimum house size and bedroom size; waste collection facilities; cycle storage; and through conditions that can be imposed, including the requirement to obtain a license. It would also provide two routes for enforcement.
  20. There was a misconception in the community that an Article 4 Direction could also restrict the number of HMOs to 10% in an area. This is something that Bristol Council has introduced but through a Supplementary Planning Document but could be considered for H&F through the new Local Plan but as a separate matter to the Article 4 Direction consideration.

21. The downsides of an Article 4 Direction for the Council are that:

- Planning applications for small HMOs would not require a planning fee, impacting planning's budget and resourcing,
- Increased expectation on Council to refuse planning permission; and
- Existing and new small HMOs will be under different regimes - the requirement for a planning application could not be applied retrospectively – meaning the existing 4,000 small HMOs would still be managed just by the licensing regime but residents may expect planning rules apply when it comes to enforcement.

22. An Article 4 Direction will also not solve the issue of rogue landlords, existing problematic HMOs, nor the use of residential properties by other public sector bodies such as health authorities or probation services that do fall under the definition of an HMO and do not require planning or licensing or prior notification of intended use to neighbours.

23. The implementation of an Article 4 Direction alongside new policies within the emerging Local Plan should provide the tools necessary to manage the impacts of small HMOs.

## **Equality Implications**

24. The Council has had due regard to its Public Sector Equality Duty contained in Section 149 of the Equality Act 2010.

## **Risk Management Implications**

25. The making of Article 4 Directions has a set legal and procedural process with the final decision resting with the Secretary of State. It is essential for the Council to follow the set processes correctly to minimise the risk of the Directions being modified or cancelled. A robust evidence base will be critical to justifying the introduction of the Article 4 Direction as well as the geographic area to which the Article will apply.

26. A further key part of the process is a set period of consultation with relevant residents and stakeholders. By consulting widely, the council will be able to reduce the risk of challenge or cancellation of the Direction by the Secretary of State. There is the risk that the act of notification could cause landowners to apply the change of use from residential to small HMO within the 12-month period before the Article 4 Direction can come into effect. The council will not be able to control this risk.

27. The risk of not seeking to implement an Article 4 Direction is that there will continue to be an erosion of residential amenity, especially in areas and streets with a higher concentration of HMOs. This will lead to further dissatisfaction from residents and an increase in complaints and requests for enforcement action.

*Implications verified by: Jules Binney, Risk and Assurance Manager, 2025*

## **Climate and Ecological Emergency Implications**

28. The making of the Article 4 Direction enables the council to better manage the provision of small HMOs in the borough. The impacts of the Direction on climate change are likely to be minimal, associated with promoting active travel and better management of municipal waste. There may be negative impacts if the Direction constrains the supply of low-cost rental accommodation, requiring key workers and young professionals working in H&F to seek housing outside of the borough and travel in for work.

*Implications verified by Charlotte Slaven, Head of Climate Strategy & Engagement, 10<sup>th</sup> December 2025.*

## **Local Economy and Social Value**

29. This report recommends that Permitted Development rights are withdrawn for the change of use of a residential dwelling to a small HMO, with the intended outcome that the residential character and community cohesion of our neighbourhoods is retained.
30. However, small HMOs are an important source of low cost, private sector housing for key workers, young professionals, and students. They currently provide c.10% of the accommodation needs for the Borough's working population and are the default accommodation for many single people and couples on average incomes who cannot afford to rent a self-contained flat or house in H&F. There is a risk that if the Direction constrains the supply of new small HMOs, this could impact growth in the local workforce and have knock-on implications for the local economy.
31. If and once the Article 4 Direction is confirmed, monitoring should be undertaken to better understand and assess the impact on the housing needs of H&F's key workers and young professionals.

*Implications verified by: Nicki Burgess (Head of Business & Enterprise) –2025*

## **Section 106**

32. The introduction of this Article 4 Direction will ensure proper assessment of residential to small HMO changes of use through the application process. This will enable the council to secure appropriate mitigation measures and other planning obligations associated with development proposals, including restrictions on on-street parking.

*Implications verified by: Matthew Paterson, Head of Spatial Planning 5<sup>th</sup> December 2025*

## **Consultation**

33. The Council will need to consult widely on the Article 4 Direction and adhere to the procedural requirements set out in Schedule 3 of the GPDO following final agreement at Cabinet.



## KEY DECISIONS LIST 156 – FEBRUARY 2026

### Notice of consideration of Key Decisions

In accordance with paragraph 9 of the Local Authorities (Executive Arrangements) (Meetings and Access to Information) (England) Regulations 2012, the Authority 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.

All Key Decisions will be subject to a 3-day call-in before they can be implemented. If a decision is called-in by Councillors, it will not be implemented until a final decision is made.

A detailed report for all decisions going to Cabinet will be available at least five working days before the date of the meeting. Cabinet Member Decision and Officer Decision reports will be published at the start of the 3-day call-in.

### Notice of the intention to conduct business in private

The Authority gives notice in accordance with paragraph 5 of Local Authorities (Executive Arrangements) (Meetings and Access to Information) (England) Regulations 2012 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 they believe the Cabinet decision should be made in public at the Cabinet meeting. If you want to make such representations, please e-mail: [governance@lbhf.gov.uk](mailto:governance@lbhf.gov.uk). Both your representations and the response will be published on the Council's website at least 5 working days before the Cabinet meeting.

### Information about Key Decisions

Key Decisions are decisions which are likely to result in one or more of the following:

- Any expenditure or savings greater than £300,000.
- 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.

### Making your views heard

For more information on an item please contact the contact officer listed under each decision. You can also submit a deputation to the Cabinet related to Cabinet Key Decisions only. Find out more on our website: [www.lbhf.gov.uk/councillors-and-democracy/councillors-committees-and-decisions/take-part-democratic-process](http://www.lbhf.gov.uk/councillors-and-democracy/councillors-committees-and-decisions/take-part-democratic-process)

The Key Decisions List will be updated and published on the Council's website at least monthly. If you have any questions about this list, please contact: [governance@lbhf.gov.uk](mailto:governance@lbhf.gov.uk)

## **KEY DECISIONS LIST**

### **Cabinet**

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**Decision maker(s):** Cabinet

**Earliest date the decision will be made:** 9 Feb 2026

**Proposed Key Decision: Article 4 Direction - Small Houses In Multiple Occupation**

The purpose of this report is to seek member approval to prepare an Article 4 Direction for small HMOs. This includes the commissioning of consultants to produce a robust evidence base that supports the making of the Article 4 Direction and the geographic area to which the Direction will apply.

**Lead Member(s):** Cabinet Member for the Economy

**Reason:** Budg/pol framework

**Wards affected:**

**Contact officer:** Matt Patterson, Matt.patterson@lbhf.gov.uk

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**Decision maker(s):** Cabinet

**Earliest date the decision will be made:** 9 Feb 2026

**Proposed Key Decision: Capital Programme 2026-2030**

This report sets out the Council's 4 year capital programme and requests approval for setting the budget and any variations to the capital programme.

**Lead Member(s):** Cabinet Member for Finance and Reform

**Reason:** Expenditure/Income over £5m & policies or new income, reserves use, overspend over £300K

**Wards affected:** All Wards

**Contact officer:** Andre Mark, andre.mark@lbhf.gov.uk

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**Decision maker(s):** Cabinet

**Earliest date the decision will be made:** 9 Feb 2026

**Proposed Key Decision: Revenue Budget and Council Tax Levels 2026/27**

To approve the Revenue Budget and Council Tax levels for 2026/27.

**Lead Member(s):** Cabinet Member for Finance and Reform

**Reason:** Affects 2 or more wards

**Wards affected:** All Wards

**Contact officer:** Andre Mark, andre.mark@lbhf.gov.uk

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**Decision maker(s):** Cabinet

**Earliest date the decision will be made:** 9 Feb 2026

**Proposed Key Decision: School and Early Years Budget (Dedicated Schools Grant) 2026/27**

This report seeks approval of the final proposed 2026/27 Dedicated Schools Grant budgets for the following blocks for the financial year ending 31 March 2027:

- Schools Block
- Central Services Schools Block
- Early Years Block and Maintained Nursery Supplement funding

**Lead Member(s):** Deputy Leader (responsible for Children and Education)

**Reason:** Expenditure/Income over £5m & policies or new income, reserves use, overspend over £300K

**Wards affected:** All Wards

**Contact officer:** Tony Burton, tony.burton@lbhf.gov.uk

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**Decision maker(s):** Cabinet

**Earliest date the decision will be made:** 9 Feb 2026

**Proposed Key Decision: The Housing Revenue Account (HRA) Budget (2026/27), Rents & Service Charges (2026/27) & HRA 10 Year Business Plan (2026/27 – 2035/36)**

This report sets out the HRA budget proposals for the financial year 2026/27 including changes to rent levels and other charges as well as an updated HRA 10-year Business Plan.

**Lead Member(s):** Cabinet Member for Finance and Reform

**Reason:** Budg/pol framework

**Wards affected:** All Wards

**Contact officer:** Danny Rochford, Danny.Rochford@lbhf.gov.uk

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**Decision maker(s):** Cabinet

**Earliest date the decision will be made:** 9 Feb 2026

**Proposed Key Decision: Treasury Management Strategy Statement**

This report sets out the Council's Treasury Management Strategy for 2026/27

**Lead Member(s):** Cabinet Member for Finance and Reform

**Reason:** Budg/pol framework

**Wards affected:** All Wards

**Contact officer:** Sukvinder Kalsi, Sukvinder.Kalsi@lbhf.gov.uk

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**Decision maker(s):** Cabinet

**Earliest date the decision will be made:** 9 Mar 2026

**Proposed Key Decision: Building affordable homes - Approval of procurement strategy for the Four Sites**

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).

The report specifically requests approval of the procurement strategy and capital budget to enable the procurement of a main construction contractor.

**Lead Member(s):** Cabinet Member for the Economy

**Reason:** Expenditure/Income over £5m & policies or new income, reserves use, overspend over £300K

**Wards affected:** Coningham; Sands End; Walham Green

**Contact officer:** Matthew Rumble, matt.rumble@lbhf.gov.uk

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**Decision maker(s):** Cabinet

**Earliest date the decision will be made:** 9 Mar 2026

**Proposed Key Decision: Capital Programme Monitor & Budget Variations, 2025/26 (Third Quarter)**

This report provides a financial update on the council's capital programme and requests approval for budget variations to the capital programme.

**Lead Member(s):** Cabinet Member for Finance and Reform

**Reason:** Expenditure/Income over £5m & policies or new income, reserves use, overspend over £300K

**Wards affected:** All Wards

**Contact officer:** Andre Mark, andre.mark@lbhf.gov.uk

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**Decision maker(s):** Cabinet

**Earliest date the decision will be made:** 9 Mar 2026

**Proposed Key Decision: Continuing support through the Cost of Living**

The report sets out how the Council's Cost of Living (COL) Programme is continuing to support residents struggling with the rise in essential living costs. The report also looks back at the help provided in 2024/25 and the difference this made.

**Lead Member(s):** Cabinet Member for Social Inclusion and Community Safety

**Reason:** Affects 2 or more wards

**Wards affected:** All Wards

**Contact officer:** Matthew Sales, matthew.sales@lbhf.gov.uk

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**Decision maker(s):** Cabinet

**Earliest date the decision will be made:** 9 Mar 2026

**Proposed Key Decision: Enhanced Biodiversity Duty Report**

This report fulfils H&F's statutory Enhanced Biodiversity Duty under the Environment Act 2021. It details actions from 2024–2026 to conserve and enhance biodiversity, including policy integration, habitat creation, community engagement, and investment. It sets future priorities aligned with the London Local Nature Recovery Strategy and borough climate goals.

**Lead Member(s):** Cabinet Member for Climate Change and Ecology

**Reason:** Affects 2 or more wards

**Wards affected:** All Wards

**Contact officer:** Phoebe Shaw Stewart, Phoebe.ShawStewart@lbhf.gov.uk

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**Decision maker(s):** Cabinet

**Earliest date the decision will be made:** 9 Mar 2026

**Proposed Key Decision: Extension of Hammersmith & Fulham Council's Integrated Substance Misuse Service contract**

This report seeks approval to extend the existing Integrated Substance Misuse Service contract delivered by Turning Point for a further two years, from 1st April 2026. The current service provider is meeting performance expectation in delivering H&F's mandated drug and alcohol service to adults in the borough. The service is a key element of the delivery of H&F's local Drug Strategy, in improving and maintaining the health and wellbeing of residents within the borough.

**Lead Member(s):** Deputy Leader (responsible for Children and Education)

**Reason:** Affects 2 or more wards

**Wards affected:** All Wards

**Contact officer:** Craig Holden, Craig.Holden@lbhf.gov.uk

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**Decision maker(s):** Cabinet

**Earliest date the decision will be made:** 9 Mar 2026

**Proposed Key Decision: H&F Affordable Workspace Strategy: 2026-2031**

This report seeks Cabinet approval for H&F's Affordable Workspace Strategy: 2026-2031, a priority project within the Upstream London delivery programme. The Strategy aims to address clear market failures in affordable workspace provision by exploring the full range of levers available to the Council - moving beyond planning policy alone to actively curate an affordable workspace ecosystem. This approach proposes facilitating, implementing and brokering delivery through four priority interventions, deploying £8.2 million of Section 106 funding ringfenced specifically for affordable workspace in the borough.

This comprehensive approach aims to serve STEM<sup>3</sup>-related sectors, directly supporting the Upstream London vision by ensuring innovative businesses can access suitable, affordable space to start and scale. Cabinet is asked to approve the Strategy as a strategic framework while noting that any future funding allocations to specific activities outlined in the Strategy will be the subject of future reports as required by the Council's usual governance processes.

**Lead Member(s):** Cabinet Member for Enterprise and Skills

**Reason:** Affects 2 or more wards

**Wards affected:** All Wards

**Contact officer:** James Collister, James.Collister@lbhf.gov.uk

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**Decision maker(s):** Cabinet

**Earliest date the decision will be made:** 9 Mar 2026

**Proposed Key Decision: Housing Strategy 2026-31**

The Housing Strategy 2026–31 sets out Hammersmith & Fulham's plan to tackle acute housing challenges and deliver on the borough's vision of a stronger, safer, and kinder community. Guided by the six core values of the Corporate Plan—compassion and inclusion, shared prosperity, co-production with residents, pride in H&F, financial efficiency, and climate action—the strategy focuses on three objectives: increasing the supply of genuinely affordable and sustainable homes, ensuring fair access and preventing homelessness, and improving housing quality and services across all tenures. It commits to annual action plans and resident engagement.

**Lead Member(s):** Cabinet Member for Housing and Homelessness

**Reason:** Affects 2 or more wards

**Wards affected:** All Wards

**Contact officer:** Ayaz Maqsood, Ayaz.Maqsood@lbhf.gov.uk

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**Decision maker(s):** Cabinet

**Earliest date the decision will be made:** 9 Mar 2026

**Proposed Key Decision: Procurement Strategy for Community Reablement and Homecare**

Procurement strategy for supporting people in the home.

**Lead Member(s):** Cabinet Member for Adult Social Care and Health

**Reason:** Expenditure/Income over £5m & policies or new income, reserves use, overspend over £300K

**Wards affected:** All Wards

**Contact officer:** Joe Gunning, Joe.Gunning@lbhf.gov.uk

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**Decision maker(s):** Cabinet

**Earliest date the decision will be made:** 9 Mar 2026

**Proposed Key Decision: Revenue Budget Review Month 9 (December 2025)**

To note the Council's forecast position

**Lead Member(s):** Cabinet Member for Finance and Reform

**Reason:** Affects 2 or more wards

**Wards affected:** All Wards

**Contact officer:** Andre Mark, andre.mark@lbhf.gov.uk

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**Decision maker(s):** Cabinet

**Earliest date the decision will be made:** 9 Mar 2026

**Proposed Key Decision: St Thomas of Canterbury Catholic Primary School Academy Conversion**

St Thomas of Canterbury Catholic Primary School Academy Conversion

**Lead Member(s):** Deputy Leader (responsible for Children and Education)

**Reason:** Budg/pol framework

**Wards affected:** Munster

**Contact officer:** Daryle Mathurin, Daryle.Mathurin@lbhf.gov.uk

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**Deputy Leader (responsible for Children and Education)**

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**Decision maker(s):** Deputy Leader (responsible for Children and Education)

**Earliest date the decision will be made:** May 2025

**Proposed Key Decision: Approving entering a lease arrangement for the Family Annex at Wendell Park Primary School to Imperial Old Oak Primary**

To approve entering into a lease for the Family Annex building at Wendell Park Primary School to Imperial Old Oak Primary on a five year full repairing lease, with option to extend for a further two years.

**Lead Member(s):** Deputy Leader (responsible for Children and Education)

**Reason:** Expenditure/ Income above £300K - Revenue up to £500k and Capital up to 1.5m

**Wards affected:** Wendell Park

**Contact officer:** Anthony Mugan, Anthony.Mugan@lbhf.gov.uk

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**Decision maker(s):** Deputy Leader (responsible for Children and Education)

**Earliest date the decision will be made:** May 2025

**Proposed Key Decision: CAMHS Contract Extension**

This paper seeks approval for a 1-year extension of our current CAMHS contract until March 2026, as stipulated within our contract agreement.

**Lead Member(s):** Deputy Leader (responsible for Children and Education)

**Reason:** Expenditure/ Income - Revenue between £500,000 and £5m and Capital between £1.5m and £5m

**Wards affected:** All Wards

**Contact officer:** Hannah parrott,

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**Decision maker(s):** Deputy Leader (responsible for Children and Education)

**Earliest date the decision will be made:** May 2025

**Proposed Key Decision: Creation of specialist SEN provision at Ark Burlington Danes Academy**

The report seeks approval for consultation on the creation of new SEND provision at Ark Burlington Danes together with associated revenue and capital funding.

**Lead Member(s):** Deputy Leader (responsible for Children and Education)

**Reason:** Affects 2 or more wards

**Wards affected:** All Wards

**Contact officer:** Daryle Mathurin, Daryle.Mathurin@lbhf.gov.uk

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**Decision maker(s):** Deputy Leader (responsible for Children and Education)

**Earliest date the decision will be made:** May 2025

**Proposed Key Decision: Creation of specialist SEN provision at Fulham Cross Academy**

The report seeks approval for consultation on the creation of new SEND provision at Fulham Cross Academy together with associated revenue and capital funding.

**Lead Member(s):** Deputy Leader (responsible for Children and Education)

**Reason:** Affects 2 or more wards

**Wards affected:** All Wards

**Contact officer:** Daryle Mathurin, Daryle.Mathurin@lbhf.gov.uk

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**Decision maker(s):** Deputy Leader (responsible for Children and Education)

**Earliest date the decision will be made:** May 2025

**Proposed Key Decision: Extension to Olive House Extra Care Contract**

The decision is to extend the Olive House Extra Care Contract for one year, with the option to extend for another year.

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.

**Lead Member(s):** Deputy Leader (responsible for Children and Education)

**Reason:** Expenditure/ Income - Revenue between £500,000 and £5m and Capital between £1.5m and £5m

**Wards affected:** Sands End

**Contact officer:** Jessie Ellis, Jessie.Ellis@lbhf.gov.uk

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**Decision maker(s):** Deputy Leader (responsible for Children and Education)

**Earliest date the decision will be made:** May 2025

**Proposed Key Decision: Procurement Strategy for Fulham Bilingual School Windows**

The report sets out the procurement strategy for works to repair or, where necessary, replace windows at Fulham Bilingual School.

**Lead Member(s):** Deputy Leader (responsible for Children and Education)

**Reason:** Expenditure/ Income - Revenue between £500,000 and £5m and Capital between £1.5m and £5m

**Wards affected:** Parsons Green & Sandford

**Contact officer:** Anthony Mugan, Anthony.Mugan@lbhf.gov.uk

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**Decision maker(s):** Deputy Leader (responsible for Children and Education)

**Earliest date the decision will be made:** May 2025

**Proposed Key Decision: Procurement Strategy for Langford Window Upgrade**

The report sets out the proposed procurement strategy for works to repair where possible, or replace if necessary, the windows at Langford Primary School

**Lead Member(s):** Deputy Leader (responsible for Children and Education)

**Reason:** Expenditure/ Income - Revenue between £500,000 and £5m and Capital between £1.5m and £5m

**Wards affected:** Sands End

**Contact officer:** Anthony Mugan, Anthony.Mugan@lbhf.gov.uk

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**Decision maker(s):** Deputy Leader (responsible for Children and Education)

**Earliest date the decision will be made:** May 2025

**Proposed Key Decision: Short extension of existing contract for Genito-Urinary Medicine (GUM) services**

This report is recommending an extension of the current GUM contract to the current provider Chelsea and Westminster Foundation NHS Trust. The current contract ends on 31st March 2025, therefore to ensure compliance a short variation of 4 months is sought while the current collaborative PSR process is completed.

**Lead Member(s):** Deputy Leader (responsible for Children and Education)

**Reason:** Expenditure/ Income - Revenue between £500,000 and £5m and Capital between £1.5m and £5m

**Wards affected:** All Wards

**Contact officer:** Helen Byrne, Helen.Byrne@lbhf.gov.uk

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**Decision maker(s):** Deputy Leader (responsible for Children and Education)

**Earliest date the decision will be made:** May 2025

**Proposed Key Decision: Short Term Lease for the School House at Hurlingham Academy**

The report requests approval for consent for Hurlingham Academy to enter into a short term lease of the School House (caretakers lodge).

**Lead Member(s):** Deputy Leader (responsible for Children and Education)

**Reason:** Expenditure/ Income above £300K - Revenue up to £500k and Capital up to 1.5m

**Wards affected:** Palace & Hurlingham

**Contact officer:** Daryle Mathurin, Daryle.Mathurin@lbhf.gov.uk

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**Decision maker(s):** Deputy Leader (responsible for Children and Education)

**Earliest date the decision will be made:** May 2025

**Proposed Key Decision: Fulham Bilingual Windows Contract Award.**

To award the contract for repairing and where necessary replacing the windows at Fulham Bilingual School.

**Lead Member(s):** Deputy Leader (responsible for Children and Education)

**Reason:** Expenditure/ Income above £300K - Revenue up to £500k and Capital up to 1.5m

**Wards affected:** Parsons Green & Sandford

**Contact officer:** Anthony Mugan, Anthony.Mugan@lbhf.gov.uk

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**Decision maker(s):** Deputy Leader (responsible for Children and Education)

**Earliest date the decision will be made:** May 2025

**Proposed Key Decision: Approval of the expansion of Queensmill satellite provision**

To approve the creation of Queensmill Special School satellite provision at Sullivan Primary School.

**Lead Member(s):** Deputy Leader (responsible for Children and Education)

**Reason:** Affects 2 or more wards

**Wards affected:** Parsons Green & Sandford

**Contact officer:** Katia Neale, katia.neale@lbhf.gov.uk

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**Decision maker(s):** Deputy Leader (responsible for Children and Education)

**Earliest date the decision will be made:** Between 31 Jul 2025 and 10 Aug 2025

**Proposed Key Decision: Awards for Minor Adaptations and Assistive Technology**

The paper seeks approval to enter new contractual arrangements for the provision of this service.

**Lead Member(s):** Deputy Leader (responsible for Children and Education)

**Reason:** Expenditure/ Income - Revenue between £500,000 and £5m and Capital between £1.5m and £5m

**Wards affected:** All Wards

**Contact officer:** Joe Gunning, Joe.Gunning@lbhf.gov.uk

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**Decision maker(s):** Deputy Leader (responsible for Children and Education)

**Earliest date the decision will be made:** 4 Aug 2025

**Proposed Key Decision: Approve licence for the use of the Dalling Rd site by Hammersmith and Fulham Foodbank**

The report seeks approval for a licence for the use of the Dalling Rd site by Hammersmith and Fulham Foodbank

**Lead Member(s):** Deputy Leader (responsible for Children and Education)

**Reason:** Expenditure/ Income - Revenue between £500,000 and £5m and Capital between £1.5m and £5m

**Wards affected:** Avonmore

**Contact officer:** Anthony Mugan, Anthony.Mugan@lbhf.gov.uk

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**Decision maker(s):** Deputy Leader (responsible for Children and Education)

**Earliest date the decision will be made:** Before 15 Aug 2025

**Proposed Key Decision: Approve bid to the Carbon Offset Fund for Projects in Schools**

The report seeks approval to bid for £1,500,000 from the Carbon Offset Fund to Progress low carbon projects including solar, air-sourced heat pumps and additional insulation at four schools, Brackenbury, Kenmont, Melcombe and Miles Coverdale Primary Schools.

**Lead Member(s):** Deputy Leader (responsible for Children and Education)

**Reason:** Affects 2 or more wards

**Wards affected:** College Park and Old Oak; Fulham Reach; Grove; Shepherds Bush Green

**Contact officer:** Anthony Mugan, Anthony.Mugan@lbhf.gov.uk

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**Decision maker(s):** Deputy Leader (responsible for Children and Education)

**Earliest date the decision will be made:** September 2025

**Proposed Key Decision: Lease of The Courtyard to United Learning Trust**

To approve the lease of The Courtyard building to United Learning Trust for use by Langford Primary.

**Lead Member(s):** Deputy Leader (responsible for Children and Education)

**Reason:** Budg/pol framework

**Wards affected:** Sands End

**Contact officer:** Anthony Mugan, Anthony.Mugan@lbhf.gov.uk

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**Decision maker(s):** Deputy Leader (responsible for Children and Education)

**Earliest date the decision will be made:** December 2025

**Proposed Key Decision: Procurement Strategy and Award for Children Looked After CAMHS 26/27**

The procurement strategy and contract award for the Preferred Supplier for Children Looked After Child and Adolescent Mental Health Services (CLA CAMHS) aligned to Regulation 7 and Schedule 2 of the Health Care Services (Provider Selection Regime) Regulations 2023

**Lead Member(s):** Deputy Leader (responsible for Children and Education)

**Reason:** Expenditure/ Income above £300K - Revenue up to £500k and Capital up to 1.5m

**Wards affected:** All Wards

**Contact officer:** Hannah parrott,

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**Decision maker(s):** Deputy Leader (responsible for Children and Education)

**Earliest date the decision will be made:** January 2026

**Proposed Key Decision: Brackenbury Primary School SEN Unit**

The 2023 HF SEND (Special Educational Needs and Disabilities) Sufficiency Review set out plans to create education provision that meets the needs of children and young people in Hammersmith & Fulham with special educational needs. This report recommends the creation and the delivery of a SEN (Special Educational Needs) Unit at Brackenbury Primary School commencing September 2026.

**Lead Member(s):** Deputy Leader (responsible for Children and Education)

**Reason:** Budg/pol framework

**Wards affected:** Grove

**Contact officer:** Daryle Mathurin, Daryle.Mathurin@lbhf.gov.uk

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**Decision maker(s):** Deputy Leader (responsible for Children and Education)

**Earliest date the decision will be made:** January 2026

**Proposed Key Decision: Wormholt Park School SEN Unit**

The 2023 HF SEND (Special Educational Needs and Disabilities) Sufficiency Review set out plans to create education provision that meets the needs of children and young people in Hammersmith & Fulham with special educational needs. This report recommends the creation and the delivery of a SEN (Special Educational Needs) Unit at Wormholt Park Primary School commencing September 2026.

**Lead Member(s):** Deputy Leader (responsible for Children and Education)

**Reason:** Budg/pol framework

**Wards affected:** Wormholt

**Contact officer:** Daryle Mathurin, Daryle.Mathurin@lbhf.gov.uk

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**Decision maker(s):** Deputy Leader (responsible for Children and Education)

**Earliest date the decision will be made:** Before 31 Jan 2026

**Proposed Key Decision: Procurement Strategy and Contract Award for Public Health GP Services**

This report seeks to get agreement to proceed with awarding the following services via the Provider Selection Regime (PSR) to GPs located in the Borough:

- NHS Health Checks programme (NHS HC)
- Long-acting reversible contraceptive service (LARC)
- Opioid Drug Dependence General Practice Shared Care Service

**Lead Member(s):** Deputy Leader (responsible for Children and Education)

**Reason:** Expenditure/ Income - Revenue between £500,000 and £5m and Capital between £1.5m and £5m

**Wards affected:** All Wards

**Contact officer:** Rebecca Richardson, James Mason, rebecca.richardson@lbhf.gov.uk, james.mason@lbhf.gov.uk

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**Decision maker(s):** Deputy Leader (responsible for Children and Education)

**Earliest date the decision will be made:** Before 1 Feb 2026

**Proposed Key Decision: Early Intervention Contracts Extension**

One year extension of all 4 lots of Early Intervention contract from 1st April 2026 - 31st March 2027

Key decision required as cost is over 300k

**Lead Member(s):** Deputy Leader (responsible for Children and Education)

**Reason:** Expenditure/ Income above £300K - Revenue up to £500k and Capital up to 1.5m

**Wards affected:** All Wards

**Contact officer:** Sophie Revell,

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**Decision maker(s):** Deputy Leader (responsible for Children and Education)

**Earliest date the decision will be made:** 16 Feb 2026

**Proposed Key Decision: CAMHS Contracts 2026**

The Local Authority and the Integrated Care Board (ICB) fund West London Trust for delivery of Community Child and Adolescent Mental Health Services and Intensive Therapeutic Behavioural Support Services, with governance for the Local Authority funding contribution to the end of FY 2025/26. This paper proposes formalising the Local Authority's contribution through a Memorandum of Understanding (MOU) with NWL ICB to unify contracting arrangements from FY 2026/27. This approach aligns with similar arrangements with the ICB for Speech and Language Services.

**Lead Member(s):** Deputy Leader (responsible for Children and Education)

**Reason:** Expenditure/ Income - Revenue between £500,000 and £5m and Capital between £1.5m and £5m

**Wards affected:** All Wards

**Contact officer:** Hannah parrott,

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**Decision maker(s):** Deputy Leader (responsible for Children and Education)

**Earliest date the decision will be made:** 24 Feb 2026

**Proposed Key Decision: Approval of the permanent move of Flora Gardens Primary School from W6 0JA to the Lena Gardens W6 7PZ**

Flora Gardens Primary School undertook a temporary move from their former location at Dalling Rd to their current location at Lena Gardens. As the move has been successful the report proposes that the relocation becomes permanent.

**Lead Member(s):** Deputy Leader (responsible for Children and Education)

**Reason:** Affects 2 or more wards

**Wards affected:** Addison; Ravenscourt

**Contact officer:** Daryle Mathurin, Daryle.Mathurin@lbhf.gov.uk

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**Cabinet Member for Adult Social Care and Health**

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**Decision maker(s):** Cabinet Member for Adult Social Care and Health

**Earliest date the decision will be made:** May 2025

**Proposed Key Decision:** H&F Healthwatch Extension

This report requests an extension to the incumbent Healthwatch while re-procurement takes place.

**Lead Member(s):** Cabinet Member for Adult Social Care and Health

**Reason:** Expenditure/ Income - Revenue between £500,000 and £5m and Capital between £1.5m and £5m

**Wards affected:** All Wards

**Contact officer:** Jessie Ellis, Jessie.Ellis@lbhf.gov.uk

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**Decision maker(s):** Cabinet Member for Adult Social Care and Health

**Earliest date the decision will be made:** 24 May 2025

**Proposed Key Decision: Careline Alarm Receiving Centre Platform**

The IT platform that Careline staff are using to receive and respond to alarms.

**Lead Member(s):** Cabinet Member for Adult Social Care and Health

**Reason:** Expenditure/ Income above £300K - Revenue up to £500k and Capital up to 1.5m

**Wards affected:** All Wards

**Contact officer:** Johan van Wijgerden, Johan.vanwijgerden@lbhf.gov.uk

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**Decision maker(s):** Cabinet Member for Adult Social Care and Health

**Earliest date the decision will be made:** 27 Oct 2025

**Proposed Key Decision: Procurement Strategy- Direct Payment Support Service**

Recommission of Direct Payment Support Service

**Lead Member(s):** Cabinet Member for Adult Social Care and Health

**Reason:** Expenditure/ Income - Revenue between £500,000 and £5m and Capital between £1.5m and £5m

**Wards affected:** All Wards

**Contact officer:** Lydia Sabatini, Lydia.Sabatini@lbhf.gov.uk

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**Decision maker(s):** Cabinet Member for Adult Social Care and Health

**Earliest date the decision will be made:** 19 Jan 2026

**Proposed Key Decision: Carers Hub - Award**

Award of the Carers Hub contract following tender and evaluation.

**Lead Member(s):** Cabinet Member for Adult Social Care and Health



**Reason:** Expenditure/ Income - Revenue between £500,000 and £5m and Capital between £1.5m and £5m

**Wards affected:** All Wards

**Contact officer:** Lydia Sabatini, Lydia.Sabatini@lbhf.gov.uk

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**Decision maker(s):** Cabinet Member for Adult Social Care and Health

**Earliest date the decision will be made:** January 2026

**Proposed Key Decision: Award of IT system for Careline Alarm Receiving Centre (ARC)**

This is an award of contract for the IT platform that Careline staff use to receive and respond to alarms. The current contract expires on 31 July 2026 with no option for extension.

**Lead Member(s):** Cabinet Member for Adult Social Care and Health

**Reason:** Expenditure/ Income above £300K - Revenue up to £500k and Capital up to 1.5m

**Wards affected:** All Wards

**Contact officer:** Lydia Sabatini, Lydia.Sabatini@lbhf.gov.uk

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**Cabinet Member for Climate Change and Ecology**

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**Cabinet Member for the Economy**

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**Decision maker(s):** Cabinet Member for the Economy

**Earliest date the decision will be made:** May 2025

**Proposed Key Decision: Avonmore Primary School - Appointment of Main Contractor**

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.

**Lead Member(s):** Cabinet Member for the Economy

**Reason:** Expenditure/Income over £5m & policies or new income, reserves use, overspend over £300K

**Wards affected:** Avonmore

**Contact officer:** Matthew Rumble, matt.rumble@lbhf.gov.uk

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**Decision maker(s):** Cabinet Member for the Economy

**Earliest date the decision will be made:** May 2025

**Proposed Key Decision: Civic campus - agreement to enter into lease in respect of the office block**

Civic campus - agreement to enter into lease/s in respect of the office block - The Edmonia Lewis Building

**Lead Member(s):** Cabinet Member for the Economy

**Reason:** Expenditure/ Income - Revenue between £500,000 and £5m and Capital between £1.5m and £5m

**Wards affected:** Hammersmith Broadway

**Contact officer:** Joanne Woodward, Joanne.Woodward@lbhf.gov.uk

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**Decision maker(s):** Cabinet Member for the Economy

**Earliest date the decision will be made:** May 2025

**Proposed Key Decision: Civic Campus Cinema Decision**

Cabinet Member for the Economy to make a decision on entering into an agreement for the cinema lease at the Civic Campus.

**Lead Member(s):** Cabinet Member for the Economy

**Reason:** Expenditure/ Income - Revenue between £500,000 and £5m and Capital between £1.5m and £5m

**Wards affected:** Hammersmith Broadway

**Contact officer:** Philippa Cartwright, Philippa.Cartwright@lbhf.gov.uk

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**Decision maker(s):** Cabinet Member for the Economy

**Earliest date the decision will be made:** May 2025

**Proposed Key Decision: Civic Campus leases**

Cabinet member decision to approve the entering into leases for the commercial units within the civic campus.

**Lead Member(s):** Cabinet Member for the Economy

**Reason:** Expenditure/ Income - Revenue between £500,000 and £5m and Capital between £1.5m and £5m

**Wards affected:** Hammersmith Broadway

**Contact officer:** Joanne Woodward, Joanne.Woodward@lbhf.gov.uk

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**Decision maker(s):** Cabinet Member for the Economy

**Earliest date the decision will be made:** May 2025

**Proposed Key Decision: Instruction to H&F Developments Ltd to grant a lease on civic campus Affordable Start-up Unit 1**

The Council's nominee company, H&F Housing Developments Ltd acts on the instruction of the Council in all matters related to the commercial leases on the civic campus

**Lead Member(s):** Cabinet Member for the Economy

**Reason:** Expenditure/ Income - Revenue between £500,000 and £5m and Capital between £1.5m and £5m

**Wards affected:** Hammersmith Broadway

**Contact officer:** Philippa Cartwright, Philippa.Cartwright@lbhf.gov.uk

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**Decision maker(s):** Cabinet Member for the Economy

**Earliest date the decision will be made:** May 2025

**Proposed Key Decision: Instruction to H&F Developments Ltd to grant a lease on civic campus Affordable Start-up Unit 2**

The Council's nominee company, H&F Housing Developments Ltd acts on the instruction of the Council in all matters related to the commercial leases on the civic campus

**Lead Member(s):** Cabinet Member for the Economy

**Reason:** Expenditure/ Income - Revenue between £500,000 and £5m and Capital between £1.5m and £5m

**Wards affected:** Hammersmith Broadway

**Contact officer:** Philippa Cartwright, Philippa.Cartwright@lbhf.gov.uk

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**Decision maker(s):** Cabinet Member for the Economy

**Earliest date the decision will be made:** May 2025

**Proposed Key Decision: Instruction to H&F Developments Ltd to grant a lease on civic campus Block B 7th floor office**

The Council's nominee company, H&F Housing Developments Ltd acts on the instruction of the Council in all matters related to the commercial leases on the civic campus.

**Lead Member(s):** Cabinet Member for the Economy

**Reason:** Expenditure/ Income - Revenue between £500,000 and £5m and Capital between £1.5m and £5m

**Wards affected:** Hammersmith Broadway

**Contact officer:** Philippa Cartwright, Philippa.Cartwright@lbhf.gov.uk

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**Decision maker(s):** Cabinet Member for the Economy

**Earliest date the decision will be made:** May 2025

**Proposed Key Decision: Instruction to H&F Developments Ltd to grant a lease on civic campus Block B Restaurant**

The Council's nominee company, H&F Housing Developments Ltd acts on the instruction of the Council in all matters related to the commercial leases on the civic campus

**Lead Member(s):** Cabinet Member for the Economy

**Reason:** Expenditure/ Income - Revenue between £500,000 and £5m and Capital between £1.5m and £5m

**Wards affected:** Hammersmith Broadway

**Contact officer:** Philippa Cartwright, Philippa.Cartwright@lbhf.gov.uk

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**Decision maker(s):** Cabinet Member for the Economy

**Earliest date the decision will be made:** May 2025

**Proposed Key Decision: Instruction to H&F Developments Ltd to grant lease on civic campus Block B ground floor office / reception**

The Council's nominee company, H&F Housing Developments Ltd acts on the instruction of the Council in all matters related to the commercial leases on the civic campus

**Lead Member(s):** Cabinet Member for the Economy

**Reason:** Expenditure/ Income above £300K - Revenue up to £500k and Capital up to 1.5m

**Wards affected:** Hammersmith Broadway

**Contact officer:** Philippa Cartwright, Philippa.Cartwright@lbhf.gov.uk

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**Decision maker(s):** Cabinet Member for the Economy

**Earliest date the decision will be made:** May 2025

**Proposed Key Decision: Procurement and award of consultancy contract**

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.

**Lead Member(s):** Cabinet Member for the Economy

**Reason:** Expenditure/ Income - Revenue between £500,000 and £5m and Capital between £1.5m and £5m

**Wards affected:** All Wards

**Contact officer:** Mo Goudah, Matthew Rumble, mo.goudah@lbhf.gov.uk, matt.rumble@lbhf.gov.uk

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**Decision maker(s):** Cabinet Member for the Economy

**Earliest date the decision will be made:** May 2025

**Proposed Key Decision: Procurement and Installation of Audio Visual Equipment, Desk Booking and Smart Technology within the refurbished Town Hall**

The Council is seeking to tender for works to procure and install the following:

- Audio Visual equipment
- Desk Booking technology
- Smart technology

**Lead Member(s):** Cabinet Member for the Economy

**Reason:** Expenditure/ Income - Revenue between £500,000 and £5m and Capital between £1.5m and £5m

**Wards affected:** Hammersmith Broadway

**Contact officer:** Philippa Cartwright, Philippa.Cartwright@lbhf.gov.uk

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**Decision maker(s):** Cabinet Member for the Economy

**Earliest date the decision will be made:** 10 Aug 2025

**Proposed Key Decision: Procurement Strategy for Property and FM to Procure an Electrical Maintenance Contract for its Corporate Estate**

To remain ruthlessly financially efficient and to obtain best value out of its supply chain, Property and Facilities Management (FM) need to re-procure the electrical maintenance contract required to maintain the corporate's estate electrical assets and meet its statutory obligations. Property and FM are looking to procure a new 5 (3+2) year contract with a specialist supplier to maintain all corporate's electrical assets covering Fixed Wire testing; Portable Appliance Testing; Lightning Protection; Emergency Lighting; Electric Vehicle (EV) Charge Points; Solar; and Backup Generators.

**Lead Member(s):** Cabinet Member for the Economy

**Reason:** Expenditure/ Income - Revenue between £500,000 and £5m and Capital between £1.5m and £5m

**Wards affected:** All Wards

**Contact officer:** Sebastian Mazurczak, Sebastian.Mazurczak@lbhf.gov.uk

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**Cabinet Member for Finance and Reform**

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**Decision maker(s):** Cabinet Member for Finance and Reform

**Earliest date the decision will be made:** May 2025

**Proposed Key Decision: Smart Building and Environmental Technologies 2023**

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.

**Lead Member(s):** Cabinet Member for Finance and Reform

**Reason:** Expenditure/ Income above £300K - Revenue up to £500k and Capital up to 1.5m

**Wards affected:** All Wards

**Contact officer:** Ramanand Ladv, Ramanand.Ladv@lbhf.gov.uk

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**Decision maker(s):** Cabinet Member for Finance and Reform

**Earliest date the decision will be made:** 5 Dec 2025

**Proposed Key Decision: Azure Managed Service**

Management and support services for the Microsoft Azure cloud hosting platform as well as for the CyberSecurity Operations Centre.

**Lead Member(s):** Cabinet Member for Finance and Reform

**Reason:** Expenditure/ Income - Revenue between £500,000 and £5m and Capital between £1.5m and £5m

**Wards affected:** All Wards

**Contact officer:** Tina Akpogheneta, Tina.Akpogheneta@lbhf.gov.uk

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**Decision maker(s):** Cabinet Member for Finance and Reform

**Earliest date the decision will be made:** January 2026

**Proposed Key Decision: Contract Award for the provision of Council's contact centre application**

Award a contract to the successful third-party partner to deliver the provision of the contact centre platform including CRM, low-code, and AI capabilities

**Lead Member(s):** Cabinet Member for Finance and Reform

**Reason:** Expenditure/ Income - Revenue between £500,000 and £5m and Capital between £1.5m and £5m

**Wards affected:** All Wards

**Contact officer:** Hina Jethwa, hina.jethwa@lbhf.gov.uk

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## **Cabinet Member for Housing and Homelessness**

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**Decision maker(s):** Cabinet Member for Housing and Homelessness

**Earliest date the decision will be made:** May 2025

**Proposed Key Decision: Approval to extend our roofing contract by 12 months**

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&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.

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.

We are seeking approval to action this extension of the contract until the 15th of May 2025.

**Lead Member(s):** Cabinet Member for Housing and Homelessness

**Reason:** Expenditure/ Income - Revenue between £500,000 and £5m and Capital between £1.5m and £5m

**Wards affected:** All Wards

**Contact officer:** Nick Marco-Wadey, Nick.Marco-Wadey@lbhf.gov.uk

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**Decision maker(s):** Cabinet Member for Housing and Homelessness

**Earliest date the decision will be made:** May 2025

**Proposed Key Decision: Charecroft estate major refurbishment**

Award of works contract for the to the major refurbishment of the Charecroft estate W12

**Lead Member(s):** Cabinet Member for Housing and Homelessness

**Reason:** Expenditure/Income over £5m & policies or new income, reserves use, overspend over £300K

**Wards affected:** Addison

**Contact officer:** Vince Conway, Vince.Conway@lbhf.gov.uk

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**Decision maker(s):** Cabinet Member for Housing and Homelessness

**Earliest date the decision will be made:** May 2025

**Proposed Key Decision: Council housing policy updates**

Decision to approve updated council housing policies, following a review of the council housing policy framework.

**Lead Member(s):** Cabinet Member for Housing and Homelessness

**Reason:** Budg/pol framework

**Wards affected:** All Wards

**Contact officer:** Harriet Potemkin, Harriet.Potemkin@lbhf.gov.uk

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**Decision maker(s):** Cabinet Member for Housing and Homelessness

**Earliest date the decision will be made:** May 2025

**Proposed Key Decision: Direct Award via the Southeast Consortium Framework for a Windows installation/replacement contractor**

We are seeking approval to compliantly direct award a 3 year, £3,000,000 windows installation and replacement contract via the Southeast Consortium Framework.

This contract will provide the council with the additional capacity required to support our increasing work order demand within the repairs service.

**Lead Member(s):** Cabinet Member for Housing and Homelessness

**Reason:** Expenditure/ Income - Revenue between £500,000 and £5m and Capital between £1.5m and £5m

**Wards affected:** All Wards

**Contact officer:** Richard Buckley, richard.buckley@lbhf.gov.uk

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**Decision maker(s):** Cabinet Member for Social Inclusion and Community Safety, Cabinet Member for Housing and Homelessness

**Earliest date the decision will be made:** May 2025

**Proposed Key Decision: Domestic Abuse Housing Services Policy**

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.

**Lead Member(s):** Cabinet Member for Social Inclusion and Community Safety, Cabinet Member for Housing and Homelessness

**Reason:** Affects 2 or more wards

**Wards affected:** All Wards

**Contact officer:** Anna L K Jane, anna.jane@lbhf.gov.uk



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**Decision maker(s):** Cabinet Member for Housing and Homelessness

**Earliest date the decision will be made:** 24 May 2025

**Proposed Key Decision: Housing First and Street Outreach Services**

A contract extension for Housing First and Street Outreach Services. This service provides the first response to rough sleeping in the borough through their outreach support, and intensive support to residents in their own home with a history of rough sleeping through the Housing First initiative.

**Lead Member(s):** Cabinet Member for Housing and Homelessness

**Reason:** Expenditure/ Income above £300K - Revenue up to £500k and Capital up to 1.5m

**Wards affected:** All Wards

**Contact officer:** Laura Palfreeman, Laura.Palfreeman@lbhf.gov.uk

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**Decision maker(s):** Cabinet Member for Housing and Homelessness

**Earliest date the decision will be made:** May 2025

**Proposed Key Decision: Procurement Strategy for Housing Lift Modernisation of Barton and Jepson House**

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.

**Lead Member(s):** Cabinet Member for Housing and Homelessness

**Reason:** Expenditure/ Income - Revenue between £500,000 and £5m and Capital between £1.5m and £5m

**Wards affected:** All Wards

**Contact officer:** Akeem Durojaye, akeem.durojaye@lbhf.gov.uk

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**Decision maker(s):** Cabinet Member for Housing and Homelessness

**Earliest date the decision will be made:** May 2025

**Proposed Key Decision: Procurement Strategy/Contract Award approval to Cablesheer to support with housing voids and repairs**

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.

This direct award will be through a compliant Construction Framework (The national framework partnership). The contract value 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.

**Lead Member(s):** Cabinet Member for Housing and Homelessness

**Reason:** Expenditure/ Income - Revenue between £500,000 and £5m and Capital between £1.5m and £5m

**Wards affected:** All Wards

**Contact officer:** Nick Marco-Wadey, Nick.Marco-Wadey@lbhf.gov.uk

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**Decision maker(s):** Cabinet Member for Housing and Homelessness

**Earliest date the decision will be made:** May 2025

**Proposed Key Decision: Rough sleeping assessment hub**

Agreement for grant funding to be allocated to continue the rough sleeping assessment hub which provides accommodation with support for single people with support needs and a history of rough sleeping or experiencing homelessness

**Lead Member(s):** Cabinet Member for Housing and Homelessness

**Reason:** Expenditure/ Income - Revenue between £500,000 and £5m and Capital between £1.5m and £5m

**Wards affected:** All Wards

**Contact officer:** Laura Palfreeman, Laura.Palfreeman@lbhf.gov.uk

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**Decision maker(s):** Cabinet Member for Housing and Homelessness

**Earliest date the decision will be made:** May 2025

**Proposed Key Decision: Short-Term Contract Variation to Council Repairs Contract (LOT 3)**

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.

The variation will involve cost changes totalling up to £680,000. This will be a temporary variation for a 17-week period.

**Lead Member(s):** Cabinet Member for Housing and Homelessness

**Reason:** Expenditure/ Income - Revenue between £500,000 and £5m and Capital between £1.5m and £5m

**Wards affected:** All Wards

**Contact officer:** Nick Marco-Wadey, Nick.Marco-Wadey@lbhf.gov.uk

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**Decision maker(s):** Cabinet Member for Housing and Homelessness

**Earliest date the decision will be made:** June 2025

**Proposed Key Decision: Extension of Pinnacle Caretaking Contract**

Extension for the Pinnacle Caretaking contract on Housing estates for a 2 year period.

**Lead Member(s):** Cabinet Member for Housing and Homelessness

**Reason:** Expenditure/Income over £5m & policies or new income, reserves use, overspend over £300K

**Wards affected:** All Wards

**Contact officer:** Patrick Mcnamara, patrick.mcnamara@lbhf.gov.uk

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**Decision maker(s):** Cabinet Member for Housing and Homelessness

**Earliest date the decision will be made:** 24 Jun 2025

**Proposed Key Decision: Rough Sleeping Assessment Hub**

Procurement strategy for a rough sleeping assessment hub which will provide short term accommodation for people experiencing rough sleeping or at risk of rough sleeping

**Lead Member(s):** Cabinet Member for Housing and Homelessness

**Reason:** Expenditure/ Income - Revenue between £500,000 and £5m and Capital between £1.5m and £5m

**Wards affected:** All Wards

**Contact officer:** Laura Palfreeman, Laura.Palfreeman@lbhf.gov.uk

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**Decision maker(s):** Cabinet Member for Housing and Homelessness

**Earliest date the decision will be made:** October 2025

**Proposed Key Decision: Procurement Strategy for Leaks from Above**

Dedicated contract for dealing with leaks in the Council's social housing homes. Specialist detection and remedial works to prevent damage to assets

**Lead Member(s):** Councillor Frances Umeh

**Reason:** Expenditure/ Income - Revenue between £500,000 and £5m and Capital between £1.5m and £5m

**Wards affected:** All Wards

**Contact officer:** Gavin Duncumb, Gavin.duncumb@lbhf.gov.uk

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**Decision maker(s):** Cabinet Member for Housing and Homelessness

**Earliest date the decision will be made:** January 2026

**Proposed Key Decision: Procurement Strategy and Contract Award Aids and Adaptations**

Aids and adaptation works to the council's housing stock and private residents which claim as part of a grant

**Lead Member(s):** Cabinet Member for Housing and Homelessness

**Reason:** Expenditure/ Income - Revenue between £500,000 and £5m and Capital between £1.5m and £5m

**Wards affected:** All Wards

**Contact officer:** Gavin Duncumb, Gavin.duncumb@lbhf.gov.uk

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**Decision maker(s):** Cabinet Member for Housing and Homelessness

**Earliest date the decision will be made:** 23 Feb 2026

**Proposed Key Decision: Award of contract for the major refurbishment of Swan Court and Ravensworth Court SW6**

This report seeks approval to award a contract for the major refurbishment of 1-30 Swan Court and 1-30 Ravensworth Court forming part of the Lancaster Court estate SW6.

**Lead Member(s):** Cabinet Member for Housing and Homelessness

**Reason:** Expenditure/ Income - Revenue between £500,000 and £5m and Capital between £1.5m and £5m

**Wards affected:** Walham Green

**Contact officer:** Vince Conway, Vince.Conway@lbhf.gov.uk

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**Cabinet Member for Public Realm**

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**Decision maker(s):** Cabinet Member for Public Realm

**Earliest date the decision will be made:** May 2025

**Proposed Key Decision: Approval for a 10 year lease on 27 Bulwer street W12 8AR**

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.

**Lead Member(s):** Cabinet Member for Public Realm

**Reason:** Expenditure/ Income - Revenue between £500,000 and £5m and Capital between £1.5m and £5m

**Wards affected:** Shepherds Bush Green

**Contact officer:** Gary Hannaway, gary.hannaway@lbhf.gov.uk

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**Decision maker(s):** Cabinet Member for Public Realm

**Earliest date the decision will be made:** May 2025

**Proposed Key Decision: Cashless Parking Solution Procurement**

Carry out a procurement exercise for the councils Pay & Display mobile operator.

**Lead Member(s):** Cabinet Member for Public Realm

**Reason:** Affects 2 or more wards

**Wards affected:** All Wards

**Contact officer:** Oscar Turnerberg, oscar.turnerberg@lbhf.gov.uk

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**Decision maker(s):** Cabinet Member for Public Realm

**Earliest date the decision will be made:** May 2025

**Proposed Key Decision: Contract Award of the On Street Residential Chargepoint Scheme (ORCS 4) Grant**

Award of a contract to deliver 23 on-street fast electric vehicle charging points.

**Lead Member(s):** Cabinet Member for Public Realm

**Reason:** Expenditure/ Income above £300K - Revenue up to £500k and Capital up to 1.5m

**Wards affected:** All Wards

**Contact officer:** Masum Choudhury, Masum.Choudhury@lbhf.gov.uk

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**Decision maker(s):** Cabinet Member for Public Realm

**Earliest date the decision will be made:** 24 May 2025

**Proposed Key Decision: Grounds Maintenance Contract Variation**

Contract variation to incentivise Idverde to improve performance

**Lead Member(s):** Cabinet Member for Public Realm

**Reason:** Expenditure/ Income - Revenue between £500,000 and £5m and Capital between £1.5m and £5m

**Wards affected:** All Wards

**Contact officer:** Simon Ingyon, Simon.Ingyon@lbhf.gov.uk

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**Decision maker(s):** Cabinet Member for Public Realm

**Earliest date the decision will be made:** May 2025

**Proposed Key Decision: Highway Asset Management Strategy**

Highway Asset Management Strategy outlines how the highway will be managed in the future.

**Lead Member(s):** Cabinet Member for Public Realm

**Reason:** Affects 2 or more wards

**Wards affected:** All Wards

**Contact officer:** Ian Hawthorn, [ian.hawthorn@lbhf.gov.uk](mailto:ian.hawthorn@lbhf.gov.uk)

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**Decision maker(s):** Cabinet Member for Public Realm

**Earliest date the decision will be made:** May 2025

**Proposed Key Decision: Leisure Contract Variation**

Leisure Contract Variation

**Lead Member(s):** Cabinet Member for Public Realm

**Reason:** Expenditure/ Income - Revenue between £500,000 and £5m and Capital between £1.5m and £5m

**Wards affected:** All Wards

**Contact officer:** Simon Ingyon, [Simon.Ingyon@lbhf.gov.uk](mailto:Simon.Ingyon@lbhf.gov.uk)

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**Decision maker(s):** Cabinet Member for Public Realm

**Earliest date the decision will be made:** May 2025

**Proposed Key Decision: Linford Christie Stadium Athletics Track Refurbishment**

Refurbishment of athletics track and installation of new LED floodlights.

**Lead Member(s):** Cabinet Member for Public Realm

**Reason:** Expenditure/ Income above £300K - Revenue up to £500k and Capital up to 1.5m

**Wards affected:** College Park and Old Oak

**Contact officer:** Simon Ingyon, [Simon.Ingyon@lbhf.gov.uk](mailto:Simon.Ingyon@lbhf.gov.uk)

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**Decision maker(s):** Cabinet Member for Public Realm

**Earliest date the decision will be made:** May 2025

**Proposed Key Decision: Pan London Contract on the Future of Micro-mobility**

Authority to negotiate terms, agree charges and enter into contracts related to e-bike hire and e-scooter hire contracts .

**Lead Member(s):** Cabinet Member for Public Realm

**Reason:** Expenditure/ Income - Revenue between £500,000 and £5m and Capital between £1.5m and £5m

**Wards affected:** All Wards

**Contact officer:** Masum Choudhury, Masum.Choudhury@lbhf.gov.uk

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**Decision maker(s):** Cabinet Member for Public Realm

**Earliest date the decision will be made:** May 2025

**Proposed Key Decision: Parking Bailiff Enforcement Procurement Strategy**

This decision will be to sign off on the procurement strategy relating to the bailiff enforcement contract for outstanding Penalty Charge Notice (PCN) debt.

**Lead Member(s):** Cabinet Member for Public Realm

**Reason:** Expenditure/ Income - Revenue between £500,000 and £5m and Capital between £1.5m and £5m

**Wards affected:** All Wards

**Contact officer:** Gary Hannaway, Bram Kainth, gary.hannaway@lbhf.gov.uk, bram.kainth@lbhf.gov.uk

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**Decision maker(s):** Cabinet Member for Public Realm

**Earliest date the decision will be made:** May 2025

**Proposed Key Decision: Registration and Mortuary (Fees and Charges)**

To agree the introduction of new service charge categories and approve the proposed uplifted fees and charges from 1 April 2024.

**Lead Member(s):** Cabinet Member for Public Realm

**Reason:** Expenditure/ Income - Revenue between £500,000 and £5m and Capital between £1.5m and £5m

**Wards affected:** All Wards

**Contact officer:** Kayode Adewumi, Kayode.Adewumi@lbhf.gov.uk

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**Decision maker(s):** Cabinet Member for Public Realm

**Earliest date the decision will be made:** May 2025

**Proposed Key Decision: Smart Transport - Traffic Data Procurement**

To procure Smart Transport to handle the Parking departments on-street data collection needs.

**Lead Member(s):** Cabinet Member for Public Realm

**Reason:** Expenditure/ Income - Revenue between £500,000 and £5m and Capital between £1.5m and £5m

**Wards affected:** All Wards

**Contact officer:** Oscar Turnerberg, oscar.turnerberg@lbhf.gov.uk

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**Decision maker(s):** Cabinet Member for Public Realm

**Earliest date the decision will be made:** May 2025

**Proposed Key Decision: Strategy and call off Ealing Framework to use Matrix SCM Limited for Neighbourhood Improvements and Place Shaping Projects**

Professional services for civil and traffic engineering design, project management and community engagement

**Lead Member(s):** Cabinet Member for Public Realm

**Reason:** Expenditure/ Income - Revenue between £500,000 and £5m and Capital between £1.5m and £5m

**Wards affected:** All Wards

**Contact officer:** Russell Trewartha, Russell.Trewartha@lbhf.gov.uk

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**Decision maker(s):** Cabinet Member for Public Realm

**Earliest date the decision will be made:** May 2025

**Proposed Key Decision: Suspensions Fees & Charges Uplift**

Uplift of Suspensions Fees & Charges to reflect current requirements.

**Lead Member(s):** Cabinet Member for Public Realm

**Reason:** Affects 2 or more wards

**Wards affected:** All Wards

**Contact officer:** Oscar Turnerberg, oscar.turnerberg@lbhf.gov.uk

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**Decision maker(s):** Cabinet Member for Public Realm

**Earliest date the decision will be made:** May 2025



**Proposed Key Decision: Traffic Orders Fees & Charges Uplift**

Uplift of Traffic Orders Fees & Charges to reflect current requirements.

**Lead Member(s):** Cabinet Member for Public Realm

**Reason:** Affects 2 or more wards

**Wards affected:** All Wards

**Contact officer:** Oscar Turnerberg, oscar.turnerberg@lbhf.gov.uk

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**Decision maker(s):** Cabinet Member for Public Realm

**Earliest date the decision will be made:** June 2025

**Proposed Key Decision: Procurement Strategy for Fuel Cards**

Procurement of a provider to provide petrol and EV charging forecourt cards for council fleet

**Lead Member(s):** Cabinet Member for Public Realm

**Reason:** Expenditure/ Income - Revenue between £500,000 and £5m and Capital between £1.5m and £5m

**Wards affected:** All Wards

**Contact officer:** Pat Cosgrave, Pat.Cosgrave@lbhf.gov.uk

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**Decision maker(s):** Cabinet Member for Public Realm

**Earliest date the decision will be made:** 14 Jul 2025

**Proposed Key Decision: Cycle Training & Bike Mechanics**

Procurement via Waltham Forest Framework for 3 years + 2 years contract to cover LBHF's cycle training & bike mechanic contracts

**Lead Member(s):** Cabinet Member for Public Realm

**Reason:** Expenditure/ Income - Revenue between £500,000 and £5m and Capital between £1.5m and £5m

**Wards affected:** All Wards

**Contact officer:** Philippa Robb, Philippa.Robb@lbhf.gov.uk

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**Decision maker(s):** Cabinet Member for Public Realm

**Earliest date the decision will be made:** 4 Aug 2025

**Proposed Key Decision: Procurement Strategy and Award of Contract for Statutory Printing Services**

Decision report seeking approval for LB Hammersmith & Fulham, to procure and award a contract for the provision of Statutory Documentation Printing Services.

**Lead Member(s):** Cabinet Member for Public Realm

**Reason:** Expenditure/ Income - Revenue between £500,000 and £5m and Capital between £1.5m and £5m

**Wards affected:** All Wards

**Contact officer:** Mark Fanneran, mark.fanneran@lbhf.gov.uk

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**Decision maker(s):** Cabinet Member for Public Realm

**Earliest date the decision will be made:** 13 Aug 2025

**Proposed Key Decision: Fulham Football club funding for Stevenage Park**

Fulham Football club has offered to fund improvements to Stevenage Park, adjacent to Craven Cottage Stadium. This report assesses the current issues at the site and the proposals to address these, and recommends acceptance of funding.

**Lead Member(s):** Cabinet Member for Public Realm

**Reason:** Expenditure/ Income - Revenue between £500,000 and £5m and Capital between £1.5m and £5m

**Wards affected:** Fulham Reach

**Contact officer:** Heather Marsh, HEATHER.MARSH@lbhf.gov.uk

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**Decision maker(s):** Cabinet Member for Public Realm

**Earliest date the decision will be made:** 20 Aug 2025

**Proposed Key Decision: Farmers Market Tender**

There were previously established weekly farmer's markets in Ravenscourt Park and Bishops Park up until 2019. We are looking to re-establish these and add a new market to Shepherds Bush Green. There will be an additional opportunity for adhoc markets under the Hammersmith flyover to compliment the existing events programme.

Hammersmith and Fulham Council are inviting market companies to provide high quality weekly farmers markets in Bishops Park, Ravenscourt Park and Shepherds Bush Green (with the potential for additional parks).

The markets should be high quality with locally sourced suppliers and produce.

The markets should be inclusive and attract as wide a section of the borough's residents as possible.

- For each of the 3 sites there will be 1 farmer's market –operating up to 50 weeks a year per site
- Bishops Park Sunday
- Ravenscourt Saturday
- Shepherds Bush Green Sunday

This will be a concession contract. The contract period will be for a three-year term and will be income based with no council expenditure.  
In addition, the contract will invite bidders to express an interest for the opportunity to tender for under the Hammersmith Flyover to deliver a minimum of 6 various markets a year.  
Each bidder can submit an expression of interest for individual sites or can apply for all locations.

**Wards Affected:** Ravenscourt, Shepherds Bush Green, Hammersmith, Palace and Hurlingham

**Lead Member(s):** Cabinet Member for Public Realm

**Reason:** Affects 2 or more wards

**Wards affected:** Palace & Hurlingham

**Contact officer:** Emma Jerrard, Emma.Jerrard@lbhf.gov.uk

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**Decision maker(s):** Cabinet Member for Public Realm

**Earliest date the decision will be made:** Before 30 Sep 2025

**Proposed Key Decision: Variation of the RBKC Framework to finalise Council wide public realm procurement**

A variation is required of the RBKC framework to finalise the Council wide Public Realm works and Professional Service Contract. This will extend the framework by a maximum of 6 months to allow the procurement to be completed and an effective mobilisation period established.

**Lead Member(s):** Cabinet Member for Public Realm

**Reason:** Expenditure/ Income - Revenue between £500,000 and £5m and Capital between £1.5m and £5m

**Wards affected:** All Wards

**Contact officer:** Ian Hawthorn, ian.hawthorn@lbhf.gov.uk

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**Decision maker(s):** Cabinet Member for Public Realm

**Earliest date the decision will be made:** November 2025

**Proposed Key Decision: Play Maintenance and Inspections Contract**

5-year contract for a supplier to inspect and undertake maintenance on play equipment within Parks and Open Spaces.

**Lead Member(s):** Cabinet Member for Public Realm

**Reason:** Expenditure/ Income above £300K - Revenue up to £500k and Capital up to 1.5m

**Wards affected:** All Wards

**Contact officer:** Hugo Ross-Tatam, Hugo.ross-tatam@lbhf.gov.uk

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**Decision maker(s):** Cabinet Member for Public Realm

**Earliest date the decision will be made:** December 2025

**Proposed Key Decision: Wormwood Scrubs AEM (Alternative Ecological Mitigation) Masterplan for Contract Award**

To award a contract to a suitably qualified and experienced supplier for the implementation of the Alternative Ecological Mitigation (AEM) Masterplan capital works and 10 Year Management and Maintenance Plan (MMP) for Wormwood Scrubs.

**Lead Member(s):** Cabinet Member for Public Realm

**Reason:** Expenditure/ Income - Revenue between £500,000 and £5m and Capital between £1.5m and £5m

**Wards affected:** College Park and Old Oak

**Contact officer:** Vicki Abel, Victoria.Abel@lbhf.gov.uk

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**Decision maker(s):** Cabinet Member for Public Realm

**Earliest date the decision will be made:** January 2026

**Proposed Key Decision: Commercial Waste Time Banding for Uxbridge Road and King Street**

Decision whether to proceed with timed commercial waste collections on Uxbridge Rd and King St following consultation

**Lead Member(s):** Cabinet Member for Public Realm

**Reason:** Affects 2 or more wards

**Wards affected:** Coningham; Hammersmith Broadway; Ravenscourt; Shepherds Bush Green; Wendell Park; White City; Wormholt

**Contact officer:** Annie Baker, Annie.Baker@lbhf.gov.uk

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**Decision maker(s):** Cabinet Member for Public Realm

**Earliest date the decision will be made:** February 2026

**Proposed Key Decision: Award of contract for the provision of Liquid Fuels**

Award for provision of diesel, HVO and AdBlue for a period of 2 years

**Lead Member(s):** Cabinet Member for Public Realm

**Reason:** Expenditure/ Income - Revenue between £500,000 and £5m and Capital between £1.5m and £5m

**Wards affected:** All Wards

**Contact officer:** Pat Cosgrave, Pat.Cosgrave@lbhf.gov.uk

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**Decision maker(s):** Cabinet Member for Public Realm

**Earliest date the decision will be made:** 20 Feb 2026

**Proposed Key Decision: Kings Coronation Youth Fund Grants**

To award grant funding to voluntary sector organisations to deliver project activities for children and young people in support of the Active Wellbeing Strategy, in accordance with the published criteria.

**Lead Member(s):** Cabinet Member for Public Realm

**Reason:** Budg/pol framework

**Wards affected:** All Wards

**Contact officer:** Val Birchall, Val.Birchall@lbhf.gov.uk

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**Decision maker(s):** Cabinet Member for Public Realm

**Earliest date the decision will be made:** 27 Feb 2026

**Proposed Key Decision: Play Transformation Programme - Normand Park**

To consult with park users on a re-design and upgrade of the play provision at Normand Park. This is part of the Play Transformation Programme 2025-2028.

**Lead Member(s):** Cabinet Member for Public Realm

**Reason:** Expenditure/ Income above £300K - Revenue up to £500k and Capital up to 1.5m

**Wards affected:** Fulham Reach

**Contact officer:** Hugo Ross-Tatam, Hugo.ross-tatam@lbhf.gov.uk

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**Decision maker(s):** Cabinet Member for Public Realm

**Earliest date the decision will be made:** 17 May 2026

**Proposed Key Decision: Play Transformation Programme - Ravenscourt Park**

To consult with park users and re-design the three playgrounds and paddling pool area in Ravenscourt Park as part of the Play Transformation Programme

**Lead Member(s):** Cabinet Member for Public Realm

**Reason:** Expenditure/ Income above £300K - Revenue up to £500k and Capital up to 1.5m

**Wards affected:** Ravenscourt

**Contact officer:** Hugo Ross-Tatam, Hugo.ross-tatam@lbhf.gov.uk

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**Cabinet Member for Social Inclusion and Community Safety**

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**Decision maker(s):** Cabinet Member for Social Inclusion and Community Safety

**Earliest date the decision will be made:** May 2025

**Proposed Key Decision: Cost of Living Funding Strategy**

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.

**Lead Member(s):** Cabinet Member for Social Inclusion and Community Safety

**Reason:** Affects 2 or more wards

**Wards affected:** All Wards

**Contact officer:** Bathsheba Mall, Matthew Sales, Bathsheba.Mall@lbhf.gov.uk, matthew.sales@lbhf.gov.uk

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**Decision maker(s):** Cabinet Member for Social Inclusion and Community Safety

**Earliest date the decision will be made:** July 2025

**Proposed Key Decision: Cost of Living Funding Strategy 2025/26**

Report agrees the allocation of Cost of Living response programme funding in 2025/26

**Lead Member(s):** Cabinet Member for Social Inclusion and Community Safety

**Reason:** Expenditure/ Income - Revenue between £500,000 and £5m and Capital between £1.5m and £5m

**Wards affected:** All Wards

**Contact officer:** Matthew Sales, matthew.sales@lbhf.gov.uk

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**Decision maker(s):** Cabinet Member for Social Inclusion and Community Safety

**Earliest date the decision will be made:** October 2025

**Proposed Key Decision: Procurement Strategy for Violence Against Women and Girls (VAWG) Services**

Procurement strategy for the re-commissioning of H&F's VAWG services. This is a service that operates over H&F and the Bi-Borough and H&F will be leading on the procurement this time around.

**Lead Member(s):** Cabinet Member for Social Inclusion and Community Safety

**Reason:** Expenditure/Income over £5m & policies or new income, reserves use, overspend over £300K

**Wards affected:** All Wards

**Contact officer:** Claire Horn, Claire.Horn@lbhf.gov.uk

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**Decision maker(s):** Cabinet Member for Social Inclusion and Community Safety

**Earliest date the decision will be made:** December 2025

**Proposed Key Decision: Decision on the introduction of a public space protection order to tackle anti-social behaviour**

The public space protection order would restrict the following -

- \*Professional beggars, and aggressive and/or persistent begging
- \*Congregating or gathering in groups (of two or more) engaged in anti-social behaviour
- \*Wearing a face covering in an attempt to conceal their identity and cause harassment, alarm or distress

**Lead Member(s):** Cabinet Member for Social Inclusion and Community Safety

**Reason:** Affects 2 or more wards

**Wards affected:** All Wards

**Contact officer:** Laura Seamons, Neil Thurlow, laura.seamons@lbhf.gov.uk, Neil.Thurlow@lbhf.gov.uk

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**Decision maker(s):** Cabinet Member for Social Inclusion and Community Safety

**Earliest date the decision will be made:** February 2026

**Proposed Key Decision: Violence Against Women and Girls (VAWG) Services Award Report**

Awarding contracts to the successful tenderers for the recommissioning of Violence Against Women and Girls (VAWG) services in H&F. The procurement covered three Lots: (1) Multi-Agency Risk Assessment Conference (MARAC) Coordination, (2) VAWG Integrated Support Service (ISS), and (3) Harmful Practices Coordination. The services are essential to meeting our strategic responsibilities around VAWG.

**Lead Member(s):** Cabinet Member for Social Inclusion and Community Safety

**Reason:** Affects 2 or more wards

**Wards affected:** All Wards

**Contact officer:** Claire Horn, Claire.Horn@lbhf.gov.uk

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**Cabinet Member for Enterprise and Skills**

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**Executive Director of People**

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**Decision maker(s):** Executive Director of People

**Earliest date the decision will be made:** May 2025

**Proposed Key Decision: Approve spend for windows related works at Langford Primary**

Approve spend for H&S related windows works at Langford Primary School

**Lead Member(s):** Deputy Leader (responsible for Children and Education)

**Reason:** Expenditure/ Income above £300K - Revenue up to £500k and Capital up to 1.5m

**Wards affected:** Sands End

**Contact officer:** Anthony Mugan, Anthony.Mugan@lbhf.gov.uk

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**Decision maker(s):** Executive Director of People

**Earliest date the decision will be made:** May 2025

**Proposed Key Decision: Direct Award Report of Carers Services to Carers Network**  
2 year direct award

**Lead Member(s):** Cabinet Member for Adult Social Care and Health

**Reason:** Expenditure/ Income above £300K - Revenue up to £500k and Capital up to 1.5m

**Wards affected:** All Wards

**Contact officer:** Lydia Sabatini, Lydia.Sabatini@lbhf.gov.uk

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**Decision maker(s):** Executive Director of People

**Earliest date the decision will be made:** May 2025

**Proposed Key Decision: Direct Award Report of Spot Contract to Living With Equal Opportunities**

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

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.

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.

2 years also provides enough time to monitor the contract and terminate it if it is found to be underperforming

A waiver will go to Contract Assurance Board.

A strategy paper for a reprocurement will be presented in 2025.

**Lead Member(s):** Cabinet Member for Adult Social Care and Health

**Reason:** Expenditure/ Income above £300K - Revenue up to £500k and Capital up to 1.5m

**Wards affected:** All Wards

**Contact officer:** Lydia Sabatini, Lydia.Sabatini@lbhf.gov.uk

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**Decision maker(s):** Executive Director of People

**Earliest date the decision will be made:** May 2025

**Proposed Key Decision: Direct Award Report of Statutory Advocacy Services to Libra Partnership**

Direct award of contract for two years

**Lead Member(s):** Cabinet Member for Adult Social Care and Health

**Reason:** Expenditure/ Income above £300K - Revenue up to £500k and Capital up to 1.5m

**Wards affected:** All Wards

**Contact officer:** Lydia Sabatini, Lydia.Sabatini@lbhf.gov.uk

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**Decision maker(s):** Executive Director of People

**Earliest date the decision will be made:** May 2025

**Proposed Key Decision: Direct Award to Jontek for the Careline Alarm Receiving Centre Platform**

Hammersmith & Fulham (H&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&F Careline to manage and respond to calls and emergency alerts from residents, including telecare.

The decision is to direct award to Jontek to provide Answerlink.

**Lead Member(s):** Cabinet Member for Adult Social Care and Health

**Reason:** Expenditure/ Income above £300K - Revenue up to £500k and Capital up to 1.5m

**Wards affected:** All Wards

**Contact officer:** Jessie Ellis, Jessie.Ellis@lbhf.gov.uk

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**Decision maker(s):** Executive Director of People

**Earliest date the decision will be made:** May 2025

**Proposed Key Decision: Sullivan Primary School Contract Award for Creation of a Specialist Unit**

To award the contract for refurbishment and remodelling works at Sullivan Primary School to create an early years and Key Stage One autism unit that will be a satellite provision of Queensmill Special School.

**Lead Member(s):** Deputy Leader (responsible for Children and Education)

**Reason:** Expenditure/ Income above £300K - Revenue up to £500k and Capital up to 1.5m

**Wards affected:** Parsons Green & Sandford

**Contact officer:** Anthony Mugan, Anthony.Mugan@lbhf.gov.uk

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**Decision maker(s):** Executive Director of People

**Earliest date the decision will be made:** 4 Jul 2025

**Proposed Key Decision: Contract Award for Works to Satellite Provision for Queensmill Special School to be Located at Sullivan Primary School**

Contract award for works to create provision for EYFS and KS1 learners with Autism located at Sullivan Primary School, as a satellite provision of Queensmill Special School

**Lead Member(s):** Deputy Leader (responsible for Children and Education)

**Reason:** Expenditure/ Income above £300K - Revenue up to £500k and Capital up to 1.5m

**Wards affected:** All Wards

**Contact officer:** Anthony Mugan, Anthony.Mugan@lbhf.gov.uk

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**Executive Director of Place**

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**Decision maker(s):** Executive Director of Place

**Earliest date the decision will be made:** May 2025

**Proposed Key Decision: Appointment of Employer's Agent for Construction Works**

Appointment of Employer's Agent for existing construction contract

**Lead Member(s):** Cabinet Member for the Economy

**Reason:** Expenditure/ Income above £300K - Revenue up to £500k and Capital up to 1.5m

**Wards affected:** Hammersmith Broadway

**Contact officer:** Daniel Murray, daniel.murray@lbhf.gov.uk

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**Decision maker(s):** Executive Director of Place

**Earliest date the decision will be made:** May 2025

**Proposed Key Decision: Approval to award contract for 6th Floor Terrace Landscaping Works (Civic Campus)**

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.

**Lead Member(s):** Cabinet Member for the Economy

**Reason:** Expenditure/ Income above £300K - Revenue up to £500k and Capital up to 1.5m

**Wards affected:** Hammersmith Broadway

**Contact officer:** Philippa Cartwright, Philippa.Cartwright@lbhf.gov.uk

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**Decision maker(s):** Executive Director of Place

**Earliest date the decision will be made:** May 2025

**Proposed Key Decision: Contract Variation for the Purchase and Installation of Purpose-built Community Room and WC Portacabins for Linford Christie**

To approve the contract variation for the provision of additional portable cabin facilities to Coleman & Company Limited for a value of up to £338,000.

**Lead Member(s):** Cabinet Member for the Economy

**Reason:** Expenditure/ Income above £300K - Revenue up to £500k and Capital up to 1.5m

**Wards affected:** Wormholt

**Contact officer:** Sebastian Mazurczak, Chris Nolan, Sebastian.Mazurczak@lbhf.gov.uk, Chris.Nolan@lbhf.gov.uk

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**Decision maker(s):** Executive Director of Place

**Earliest date the decision will be made:** May 2025

**Proposed Key Decision: Instruction to H&F Developments Ltd to grant a lease on civic campus Block C cafe**

The Council's nominee company, H&F Housing Developments Ltd acts on the instruction of the Council in all matters related to the commercial leases on the civic campus

**Lead Member(s):** Cabinet Member for the Economy

**Reason:** Expenditure/ Income above £300K - Revenue up to £500k and Capital up to 1.5m

**Wards affected:** Hammersmith Broadway

**Contact officer:** Philippa Cartwright, Philippa.Cartwright@lbhf.gov.uk

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**Decision maker(s):** Executive Director of Place

**Earliest date the decision will be made:** May 2025

**Proposed Key Decision: Instruction to H&F Developments Ltd to grant cinema lease to successful operator**

The Council's nominee company, H&F Housing Developments Ltd, acts upon the instruction of the council in matters relating to commercial leases at the Civic Campus.

**Lead Member(s):** Cabinet Member for the Economy

**Reason:** Expenditure/Income over £5m & policies or new income, reserves use, overspend over £300K

**Wards affected:** Hammersmith Broadway

**Contact officer:** Philippa Cartwright, Philippa.Cartwright@lbhf.gov.uk

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**Decision maker(s):** Executive Director of Place

**Earliest date the decision will be made:** May 2025

**Proposed Key Decision: Instruction to H&F Developments Ltd to grant lease on civic campus Block B 1st floor office**

The Council's nominee company, H&F Housing Developments Ltd acts on the instruction of the Council in all matters related to the commercial leases on the civic campus.

**Lead Member(s):** Cabinet Member for the Economy

**Reason:** Expenditure/Income over £5m & policies or new income, reserves use, overspend over £300K

**Wards affected:** Hammersmith Broadway

**Contact officer:** Philippa Cartwright, Philippa.Cartwright@lbhf.gov.uk

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**Decision maker(s):** Executive Director of Place

**Earliest date the decision will be made:** May 2025

**Proposed Key Decision: Instruction to H&F Developments Ltd to grant lease on civic campus Block B 2nd floor office**

The Council's nominee company, H&F Housing Developments Ltd acts on the instruction of the Council in all matters related to the commercial leases on the civic campus.

**Lead Member(s):** Cabinet Member for the Economy

**Reason:** Expenditure/Income over £5m & policies or new income, reserves use, overspend over £300K

**Wards affected:** Hammersmith Broadway

**Contact officer:** Philippa Cartwright, Philippa.Cartwright@lbhf.gov.uk

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**Decision maker(s):** Executive Director of Place

**Earliest date the decision will be made:** May 2025

**Proposed Key Decision: Instruction to H&F Developments Ltd to grant lease on civic campus Block B 3rd floor office**

The Council's nominee company, H&F Housing Developments Ltd acts on the instruction of the Council in all matters related to the commercial leases on the civic campus.

**Lead Member(s):** Cabinet Member for the Economy

**Reason:** Expenditure/Income over £5m & policies or new income, reserves use, overspend over £300K

**Wards affected:** Hammersmith Broadway

**Contact officer:** Philippa Cartwright, Philippa.Cartwright@lbhf.gov.uk

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**Decision maker(s):** Executive Director of Place

**Earliest date the decision will be made:** May 2025

**Proposed Key Decision: Instruction to H&F Developments Ltd to grant lease on civic campus Block B 4th floor office**

The Council's nominee company, H&F Housing Developments Ltd acts on the instruction of the Council in all matters related to the commercial leases on the civic campus.

**Lead Member(s):** Cabinet Member for the Economy

**Reason:** Expenditure/Income over £5m & policies or new income, reserves use, overspend over £300K

**Wards affected:** Hammersmith Broadway

**Contact officer:** Philippa Cartwright, Philippa.Cartwright@lbhf.gov.uk

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**Decision maker(s):** Executive Director of Place

**Earliest date the decision will be made:** May 2025

**Proposed Key Decision: Instruction to H&F Developments Ltd to grant lease on civic campus Block B 5th floor office**

The Council's nominee company, H&F Housing Developments Ltd acts on the instruction of the Council in all matters related to the commercial leases on the civic campus.

**Lead Member(s):** Cabinet Member for the Economy

**Reason:** Expenditure/Income over £5m & policies or new income, reserves use, overspend over £300K

**Wards affected:** Hammersmith Broadway

**Contact officer:** Philippa Cartwright, Philippa.Cartwright@lbhf.gov.uk

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**Decision maker(s):** Executive Director of Place

**Earliest date the decision will be made:** May 2025

**Proposed Key Decision: Instruction to H&F Developments Ltd to grant lease on civic campus Block B 6th floor office**

The Council's nominee company, H&F Housing Developments Ltd acts on the instruction of the Council in all matters related to the commercial leases on the civic campus.

**Lead Member(s):** Cabinet Member for the Economy

**Reason:** Expenditure/Income over £5m & policies or new income, reserves use, overspend over £300K

**Wards affected:** Hammersmith Broadway

**Contact officer:** Philippa Cartwright, Philippa.Cartwright@lbhf.gov.uk

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**Decision maker(s):** Executive Director of Place

**Earliest date the decision will be made:** May 2025

**Proposed Key Decision: Instruction to H&F Developments Ltd to grant lease on civic campus Block C retail unit**

The Council's nominee company, H&F Housing Developments Ltd acts on the instruction of the Council in all matters related to the commercial leases on the civic campus

**Lead Member(s):** Cabinet Member for the Economy

**Reason:** Expenditure/ Income above £300K - Revenue up to £500k and Capital up to 1.5m

**Wards affected:** Hammersmith Broadway

**Contact officer:** Philippa Cartwright, Philippa.Cartwright@lbhf.gov.uk

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**Decision maker(s):** Executive Director of Place

**Earliest date the decision will be made:** May 2025

**Proposed Key Decision: Instruction to H&F Developments Ltd to grant lease on civic campus convenience store to successful operator**

The Council's nominee company, H&F Housing Developments Ltd acts on the instruction of the Council in all matters related to the commercial leases on the civic campus.

**Lead Member(s):** Cabinet Member for the Economy

**Reason:** Expenditure/Income over £5m & policies or new income, reserves use, overspend over £300K

**Wards affected:** Hammersmith Broadway

**Contact officer:** Philippa Cartwright, Philippa.Cartwright@lbhf.gov.uk

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**Decision maker(s):** Executive Director of Place

**Earliest date the decision will be made:** May 2025

**Proposed Key Decision: Procure joinery works in relation to large Furniture and Fixtures at the refurbished Town Hall**

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

**Lead Member(s):** Cabinet Member for the Economy

**Reason:** Expenditure/ Income above £300K - Revenue up to £500k and Capital up to 1.5m

**Wards affected:** Hammersmith Broadway

**Contact officer:** Philippa Cartwright, Philippa.Cartwright@lbhf.gov.uk

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**Decision maker(s):** Executive Director of Place

**Earliest date the decision will be made:** May 2025

**Proposed Key Decision: Procurement of a Marquee for the refurbished Hammersmith Town Hall**

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

**Lead Member(s):** Cabinet Member for the Economy

**Reason:** Expenditure/ Income above £300K - Revenue up to £500k and Capital up to 1.5m

**Wards affected:** Hammersmith Broadway

**Contact officer:** Philippa Cartwright, Philippa.Cartwright@lbhf.gov.uk

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**Decision maker(s):** Executive Director of Place

**Earliest date the decision will be made:** May 2025

**Proposed Key Decision: Procurement of a works contract for Commercial office block lobby fit-out (Civic Campus)**

The existing build contract is for shell and core only. Work is required to fit-out the lobby area.

**Lead Member(s):** Cabinet Member for the Economy

**Reason:** Expenditure/ Income above £300K - Revenue up to £500k and Capital up to 1.5m

**Wards affected:** Hammersmith Broadway

**Contact officer:** Philippa Cartwright, Philippa.Cartwright@lbhf.gov.uk

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**Decision maker(s):** Executive Director of Place

**Earliest date the decision will be made:** May 2025

**Proposed Key Decision: Refurbished Town Hall - Level 06 Fit-Out**

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.

**Lead Member(s):** Cabinet Member for the Economy

**Reason:** Expenditure/ Income above £300K - Revenue up to £500k and Capital up to 1.5m

**Wards affected:** Hammersmith Broadway

**Contact officer:** Philippa Cartwright, Philippa.Cartwright@lbhf.gov.uk

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**Decision maker(s):** Executive Director of Place

**Earliest date the decision will be made:** 24 Jun 2025

**Proposed Key Decision: Procurement Strategy and Contract Award for S106 Highway Works at Fulham Reach - Chancellor's Road, Distillery Road and Winslow Road W6**

The Council has secured section 106 funding to deliver public realm and highway improvement works at Chancellor's Road, Distillery Road, and Winslow Road (W6), within the Fulham Reach area. These works are part of a wider strategy to enhance local infrastructure and support sustainable travel in line with the Council's climate and transport objectives. The proposed scheme will improve the overall streetscape and safety of Chancellors Road. This will involve the resurfacing of both the footways and carriageway, replacing the existing street lighting columns and implementing traffic-calming measures.

**Lead Member(s):** Cabinet Member for Public Realm

**Reason:**



**Wards affected:** Fulham Reach

**Contact officer:** Russell Trewartha, Russell.Trewartha@lbhf.gov.uk

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**Decision maker(s):** Executive Director of Place

**Earliest date the decision will be made:** 20 Aug 2025

**Proposed Key Decision: Procuring a delivery partner to support the end-to-end retrofit journey**

This service will provide the support and guidance to the “able to pay” residents through installing retrofit measures will increase uptake of domestic energy efficiency and clean energy retrofit technologies. The service is aimed at the 'able-to-pay' market— owner-occupiers who have the financial means to fund and implement retrofit measures independently without needing to make significant lifestyle changes. They are unaware of the opportunities or are hesitant to start without support from a reputable provider.

**Lead Member(s):** Cabinet Member for Climate Change and Ecology

**Reason:** Affects 2 or more wards

**Wards affected:** All Wards

**Contact officer:** Christine Chung, christine.chung@lbhf.gov.uk

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**Decision maker(s):** Executive Director of Place

**Earliest date the decision will be made:** Before 31 Aug 2025

**Proposed Key Decision: Civic Campus CCTV**

A project to deliver site-wide CCTV at Civic Campus

**Lead Member(s):** Cabinet Member for Public Realm

**Reason:** Expenditure/ Income above £300K - Revenue up to £500k and Capital up to 1.5m

**Wards affected:** All Wards

**Contact officer:** Ramanand Ladva, Ramanand.Ladva@lbhf.gov.uk

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**Decision maker(s):** Executive Director of Place

**Earliest date the decision will be made:** 30 Sep 2025

**Proposed Key Decision: Contract Award for Wormwood Scrubs AEM (Alternative Ecological Mitigation) Masterplan**

The Alternative Ecological Mitigation (AEM) Masterplan for Wormwood Scrubs will include capital works to create a sustainable urban drainage scheme and create ecological habitats and a 10 Year Management and Maintenance Plan (MMP). This plan will fulfil a legal agreement between the council and High Speed Two Limited (HS2) to improve biodiversity on Wormwood Scrubs as mitigation for the work to build the HS2 station and Old Oak

Common.

This project will contribute to Council priorities and aspirations, including becoming the country's greenest borough and 'rising to the challenge of the climate and ecological emergency'.

**Lead Member(s):** Cabinet Member for Public Realm

**Reason:** Expenditure/ Income - Revenue between £500,000 and £5m and Capital between £1.5m and £5m

**Wards affected:** College Park and Old Oak

**Contact officer:** Vicki Abel, Victoria.Abel@lbhf.gov.uk

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**Decision maker(s):** Executive Director of Place

**Earliest date the decision will be made:** Before 30 Nov 2025

**Proposed Key Decision: Bagley's Lane depot: Workshop roof replacement**

Urgent replacement of the workshop roof due to end-of-life condition, persistent leaks and safety concerns

**Lead Member(s):** Cabinet Member for the Economy

**Reason:** Expenditure/ Income above £300K - Revenue up to £500k and Capital up to 1.5m

**Wards affected:** Sands End

**Contact officer:** Nick Totton, Nick.Totton@lbhf.gov.uk

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**Decision maker(s):** Executive Director of Place

**Earliest date the decision will be made:** January 2026

**Proposed Key Decision: Direct award for enhanced CCTV technology**

To deliver on the commitments outlined in the crime strategy to enhance our Video Surveillance Systems to include AI assisted operations

**Lead Member(s):** Cabinet Member for Social Inclusion and Community Safety

**Reason:** Expenditure/ Income above £300K - Revenue up to £500k and Capital up to 1.5m

**Wards affected:** All Wards

**Contact officer:** Neil Thurlow, Neil.Thurlow@lbhf.gov.uk

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**Decision maker(s):** Executive Director of Place

**Earliest date the decision will be made:** 27 Feb 2026

**Proposed Key Decision: Vehicle Capital for Street Cleansing Fleet**

Decision to purchase local authority assets to replace vehicles currently on hire.

**Lead Member(s):** Cabinet Member for Public Realm

**Reason:** Expenditure/ Income above £300K - Revenue up to £500k and Capital up to 1.5m

**Wards affected:** All Wards

**Contact officer:** Pat Cosgrave, Pat.Cosgrave@lbhf.gov.uk

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**Decision maker(s):** Executive Director of Place

**Earliest date the decision will be made:** February 2026

**Proposed Key Decision: 5 Fielding Road and 22 Exhibition Close - Refurbishment**

5 Fielding Road serves as supported housing, providing a safe, secure and affordable place to call home for those with additional care or support needs. 22 Exhibition Close is a Children's Services base. The Council, as landlord, has a statutory obligation to comply with all legislative requirements for building maintenance. Urgent internal refurbishment works are required to ensure that these buildings are in good condition, safe and meet the needs of the users. To raise the habitable standard to a comfortable and inviting place that feels like home, the Property and Facilities Management (FM) team propose to procure a contract for refurbishment works through the South East Consortium (SEC) Internal and External Works Framework. The proposed building maintenance will help to optimise the asset life cycles.

**Lead Member(s):** Cabinet Member for Housing and Homelessness

**Reason:** Expenditure/ Income above £300K - Revenue up to £500k and Capital up to 1.5m

**Wards affected:** College Park and Old Oak

**Contact officer:** Nick Totton, Nick.Totton@lbhf.gov.uk

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**Executive Director of Finance and Corporate Services**

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**Decision maker(s):** Executive Director of Finance and Corporate Services

**Earliest date the decision will be made:** May 2025

**Proposed Key Decision: Seven Week Extension of Pinnacle Caretaking Contract**

Extension of the existing Pinnacle Caretaking Contract until the end of June.

**Lead Member(s):** Cabinet Member for Housing and Homelessness

**Reason:** Expenditure/ Income - Revenue between £500,000 and £5m and Capital between £1.5m and £5m

**Wards affected:** All Wards

**Contact officer:** Richard Shwe, Richard.Shwe@lbhf.gov.uk

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**Decision maker(s):** Executive Director of Finance and Corporate Services

**Earliest date the decision will be made:** May 2025

**Proposed Key Decision: Contract award for provision of disrepair and void works**  
Contract award for the provision of disrepair works

**Lead Member(s):** Cabinet Member for Housing and Homelessness

**Reason:** Expenditure/ Income above £300K - Revenue up to £500k and Capital up to 1.5m

**Wards affected:** All Wards

**Contact officer:** Emma Lucas, Emma.Lucas@lbhf.gov.uk

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**Decision maker(s):** Executive Director of Finance and Corporate Services

**Earliest date the decision will be made:** May 2025

**Proposed Key Decision: Contract Award Report – Consultancy Services Framework Engineering Surveys**  
Direct Award to Ingleton Wood LLP using Hammersmith and Fulham Consultancy Framework Lot 5

**Lead Member(s):** Cabinet Member for Housing and Homelessness

**Reason:** Affects 2 or more wards

**Wards affected:** All Wards

**Contact officer:** Gavin Duncumb, Gavin.duncumb@lbhf.gov.uk

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**Decision maker(s):** Executive Director of Finance and Corporate Services

**Earliest date the decision will be made:** May 2025

**Proposed Key Decision: Extension of call off contract for the Portal, E forms & CRM system**  
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.

**Lead Member(s):** Cabinet Member for Finance and Reform

**Reason:** Expenditure/ Income above £300K - Revenue up to £500k and Capital up to 1.5m

**Wards affected:** All Wards

**Contact officer:** Darren Persaud, Ashley Bryant, Darren.Persaud@lbhf.gov.uk, ashley.bryant@lbhf.gov.uk

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**Decision maker(s):** Executive Director of Finance and Corporate Services

**Earliest date the decision will be made:** May 2025

**Proposed Key Decision: Land and Property Based IT CMS**

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

**Lead Member(s):** Cabinet Member for Finance and Reform

**Reason:** Expenditure/ Income - Revenue between £500,000 and £5m and Capital between £1.5m and £5m

**Wards affected:** All Wards

**Contact officer:** Graham Pottle, graham.pottle@lbhf.gov.uk

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**Decision maker(s):** Executive Director of Finance and Corporate Services

**Earliest date the decision will be made:** May 2025

**Proposed Key Decision: Land and Property Based IT CMS - Data Migration**

To procure specialist support for data migration

**Lead Member(s):** Cabinet Member for Finance and Reform

**Reason:** Affects 2 or more wards

**Wards affected:** All Wards

**Contact officer:** Graham Pottle, graham.pottle@lbhf.gov.uk

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**Decision maker(s):** Executive Director of Finance and Corporate Services

**Earliest date the decision will be made:** May 2025

**Proposed Key Decision: Lift Modernisation Upgrades at Barton and Jepson House**

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.

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.

**Lead Member(s):** Cabinet Member for Housing and Homelessness

**Reason:** Expenditure/ Income above £300K - Revenue up to £500k and Capital up to 1.5m

**Wards affected:** Sands End

**Contact officer:** Nick Marco-Wadey, Nick.Marco-Wadey@lbhf.gov.uk

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**Decision maker(s):** Executive Director of Finance and Corporate Services

**Earliest date the decision will be made:** May 2025

**Proposed Key Decision: Major Refurbishment of Derwent Court W6**

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.

**Lead Member(s):** Cabinet Member for Housing and Homelessness

**Reason:** Expenditure/ Income above £300K - Revenue up to £500k and Capital up to 1.5m

**Wards affected:** Ravenscourt

**Contact officer:** Vince Conway, Vince.Conway@lbhf.gov.uk

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**Decision maker(s):** Executive Director of Finance and Corporate Services

**Earliest date the decision will be made:** May 2025

**Proposed Key Decision: Procurement Strategy for Garage Refurbishment**

Approval for the strategy to procure a contractor to deliver the Phase 3 programme of refurbishment works to garages on housing land.

**Lead Member(s):** Cabinet Member for Housing and Homelessness

**Reason:** Expenditure/ Income above £300K - Revenue up to £500k and Capital up to 1.5m

**Wards affected:** All Wards

**Contact officer:** Emma Lucas, Emma.Lucas@lbhf.gov.uk

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**Decision maker(s):** Executive Director of Finance and Corporate Services

**Earliest date the decision will be made:** May 2025

**Proposed Key Decision: Wood Lane estate improvements**

Approval to incur expenditure under existing Term Contracts for environmental improvement works to Wood Lane estate W12

**Lead Member(s):** Cabinet Member for Housing and Homelessness

**Reason:** Expenditure/ Income above £300K - Revenue up to £500k and Capital up to 1.5m

**Wards affected:** College Park and Old Oak

**Contact officer:** Vince Conway, Vince.Conway@lbhf.gov.uk

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**Decision maker(s):** Executive Director of Finance and Corporate Services

**Earliest date the decision will be made:** July 2025

**Proposed Key Decision: Procurement strategy for remedial works to main roof and porch parapets at Walham Green Court SW6**

This report seeks approval of a procurement strategy to source a contractor for remedial works to the main roof and porch parapets at Walham Green Court SW6.

**Lead Member(s):** Cabinet Member for Housing and Homelessness

**Reason:** Expenditure/ Income above £300K - Revenue up to £500k and Capital up to 1.5m

**Wards affected:** Walham Green

**Contact officer:** Richard Buckley, richard.buckley@lbhf.gov.uk

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**Decision maker(s):** Executive Director of Finance and Corporate Services

**Earliest date the decision will be made:** Before 30 Sep 2025

**Proposed Key Decision: Procurement of Geographical Information System (GIS)**

Procurement of new long term sovereign LBHF-only Geographical Information System

**Lead Member(s):** Cabinet Member for Finance and Reform

**Reason:** Affects 2 or more wards

**Wards affected:** All Wards

**Contact officer:** Roland de la Mothe, Roland.delaMothe@lbhf.gov.uk

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**Decision maker(s):** Executive Director of Finance and Corporate Services

**Earliest date the decision will be made:** Before 30 Jan 2026

**Proposed Key Decision: Acquisition of a family-sized home using affordable housing subsidy**

This decision requests approval, in line with the council's adopted family housing strategy, to use the council's retained affordable housing subsidy to purchase a family-sized home that will serve to address demand for homes of this nature across the borough.

**Lead Member(s):** Cabinet Member for the Economy

**Reason:** Expenditure/ Income above £300K - Revenue up to £500k and Capital up to 1.5m

**Wards affected:** Fulham Reach

**Contact officer:** Joe Coyne, joe.coyne@lbhf.gov.uk

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**Decision maker(s):** Executive Director of Finance and Corporate Services

**Earliest date the decision will be made:** 17 Feb 2026

**Proposed Key Decision: Procurement Strategy and Contract Award for Responsive Roofing Works**

Responsive roofing works to our social housing council homes across the borough

**Lead Member(s):** Cabinet Member for Housing and Homelessness

**Reason:** Affects 2 or more wards

**Wards affected:** All Wards

**Contact officer:** Gavin Duncumb, Gavin.duncumb@lbhf.gov.uk

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