

COUNCIL AGENDA

BUDGET COUNCIL MEETING

Wednesday 25 February 2026



The Mayor – Councillor Sharon Holder
Deputy Mayor – Councillor Daryl Brown

ADDISON

Jacolyn Daly (L)
Ross Melton (L)

AVONMORE

Laura Janes (L)
David Morton (I)

BROOK GREEN

Stala Antoniades (L)
Adam Peter Lang (L)

COLLEGE PARK & OLD
OAK

Wesley Harcourt (L)
Bora Kwon (L)
Alex Sanderson (L)

CONINGHAM

Lisa Homan (L)
Rowan Ree (L)
Rory Vaughan (L)

FULHAM REACH

Lucy Richardson (L)
Omid Miri (L)
Nikos Souslous (L)

FULHAM TOWN

Victoria Brocklebank-Fowler
(C)
Liam Downer-Sanderson (C)

GROVE

Stephen Cowan (L)
Helen Rowbottom (L)

HAMMERSMITH
BROADWAY

Callum Nimmo (L)
Vacancy

LILLIE

Sharon Holder (L)
Lydia Paynter (L)

MUNSTER

Adronie Alford (C)
Alex Karmel (C)
Dominic Stanton (C)

PALACE & HURLINGHAM

Aliya Afzal-Khan (C)
Jackie Borland (C)
Amanda Lloyd-Harris (C)

PARSONS GREEN &
SANDFORD

Jose Afonso (C)
Adrian Pascu-Tulbure (C)

RAVENSCOURT

Liz Collins (G)
Patrick Walsh (L)

SANDS END

Paul Alexander (L)
Ashok Patel (L)
Ann Rosenberg (L)

SHEPHERDS BUSH
GREEN

Zarar Qayyum (L)
Mercy Umeh (L)

WALHAM GREEN

Trey Campbell-Simon (G)
Genevieve Nwaogbe (L)

WENDELL PARK

Rebecca Harvey (L)
Asif Siddique (L)

WEST KENSINGTON

Daryl Brown (L)
Florian Chevoppe-Verdier (L)
Sally Taylor (L)

WHITE CITY

Andrew Jones (L)
Natalia Perez (L)
Frances Umeh (L)

WORMHOLT

Max Schmid (L)
Nicole Trehy (L)

SUMMONS

Councillors of the London Borough of Hammersmith & Fulham are requested to attend the Budget Council meeting at 7.00pm on Wednesday 25 February 2026 in the Council Chamber (Second Floor) of Hammersmith & Fulham Civic Campus, Unity Square, London, W6 9JU

Watch the meeting live

Watch live on YouTube: youtube.com/hammersmithandfulham

Public attendance

This meeting is open to the public, but spaces are limited. If you would like to attend for any reason please contact: David.Abbott@lbhf.gov.uk

Access to the building

Please can all attendees arrive at the front of the Civic Campus site on King Street, there will be signage and staff to direct you into the Council Chamber. Please allow additional time to go through security.

Accessibility

The Council Chamber is on the second floor. There is access via stairs or a lift. There are accessible toilets in the venue. The livestream will have live captions. If you have any additional accessibility requirements please contact: David.Abbott@lbhf.gov.uk

Full Council Agenda

25 February 2026

<u>Item</u>		<u>Pages</u>
1.	APOLOGIES FOR ABSENCE	
2.	DECLARATIONS OF INTERESTS	
	<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>	
3.	MINUTES	6 - 33
	<p>To approve the minutes of the previous meeting held on 28 January 2026 as an accurate record.</p>	
4.	MAYOR'S ANNOUNCEMENTS	
5.	PUBLIC QUESTIONS (20 MINUTES)	34 - 35
6.	ITEMS FOR DISCUSSION/COMMITTEE REPORTS	
6.1	REVENUE BUDGET AND COUNCIL TAX LEVELS 2026/27	36 - 154

6.2	FOUR YEAR CAPITAL PROGRAMME 2026-30 AND CAPITAL STRATEGY 2026/27	155 - 182
6.3	TREASURY MANAGEMENT STRATEGY STATEMENT 2026/27	183 - 221
6.4	PAY POLICY STATEMENT 2026/27	222 - 234
6.5	REVIEW OF THE CONSTITUTION	235 - 237
6.6	JOINT VENTURE WITH A LOCAL AUTHORITY OWNED TRADING ORGANISATION TO DELIVER MANAGED SERVICE TEMPORARY AND INTERIM STAFFING SERVICES	238 - 285

This item includes appendices that contain exempt information. Discussion of the appendices will require passing the following resolution to exclude members of the public and press:

Proposed resolution

Under Section 100A (4) of the Local Government Act 1972, that the public and press be excluded from the meeting during the consideration of an item of business, on the grounds that it contains the likely disclosure of exempt information, as defined in paragraph 3 of Schedule 12A of the said Act, and that the public interest in maintaining the exemption currently outweighs the public interest in disclosing the information.



COUNCIL MINUTES

ORDINARY COUNCIL MEETING

WEDNESDAY 28 JANUARY 2026

PRESENT

The Mayor – Councillor Sharon Holder
Deputy Mayor – Councillor Daryl Brown

Councillors:

Jose Afonso	Alex Karmel	Lucy Richardson
Aliya Afzal-Khan	Bora Kwon	Helen Rowbottom
Paul Alexander	Adam Peter Lang	Max Schmid
Adronie Alford	Amanda Lloyd-Harris	Asif Siddique
Stala Antoniadis	Ross Melton	Nikos Souslous
Jackie Borland	Omid Miri	Dominic Stanton
Victoria Brocklebank- Fowler	Callum Nimmo	Sally Taylor
Florian Chevoppe-Verdier	Genevieve Nwaogbe	Nicole Trehy
Stephen Cowan	Adrian Pascu-Tulbure	Frances Umeh
Jacolyn Daly	Ashok Patel	Mercy Umeh
Downer-Sanderson	Lydia Paynter	Rory Vaughan
Wesley Harcourt	Natalia Perez	Patrick Walsh
Lisa Homan	Zarar Qayyum	
Laura Janes	Rowan Ree	

1. APOLOGIES FOR ABSENCE

Apologies for absence were received from Councillors Andrew Jones, Ann Rosenberg, Alex Sanderson, Rebecca Harvey, David Morton, Liz Collins, and Trey Campbell-Simon.

2. DECLARATIONS OF INTERESTS

There were no formal declarations of interest, but Councillor Rory Vaughan said he would leave the meeting during Special Motions 3 and 7 for personal work reasons.

3. MINUTES

7.03pm – RESOLVED

That the minutes of the Council meeting held on 22 October 2025 were agreed as an accurate record.

4. MAYOR'S ANNOUNCEMENTS

New Year Honours 2026

On behalf of the Council, the Mayor extended the Council's congratulations to the local people who were recognised in the King's New Years Honours list:

- **Bill Bailey** – comedian, musician and broadcaster from Hammersmith, was awarded an MBE for services to entertainment.
- **Jazz Browne** – CEO of Shepherds Bush charity Nubian Life, received a British Empire Medal for her services to the borough's Afro-Caribbean community.
- **Dominique Allwood** – director of Population Health at Imperial College Healthcare NHS Trust, received an MBE for services to the NHS, recognising 20 years of senior leadership in public health medicine.
- **Val Birchall** – Hammersmith & Fulham Council's Assistant Director for Culture, Tourism and Sport, was awarded an MBE for services to public libraries and culture, marking 20 years in the cultural sector.
- **Billy McGranaghan** – founder of Fulham-based single-father charity Dads House, has been awarded an MBE.
- **Sir Tristram Hunt** – president of the William Morris Society in Hammersmith, has been knighted.
- **Neil Poulter** – Imperial College professor based in White City, was awarded an MBE for services to hypertension prevention.
- **Keira Walsh** – Chelsea Women midfielder, received an MBE for services to sport, following major success including Chelsea's domestic treble and England's European Championship victory with the Lionesses.

The Mayor thanked them for their hard work and service to the community. Speeches were made by Councillors Stephen Cowan and Dominic Stanton.

5. PUBLIC QUESTIONS (20 MINUTES)

The Mayor thanked the residents who submitted questions. Questions 3, 4, 6, 7, 8, and 9 were taken in the meeting. The responses to all questions can be found in Appendix 1.

6. ITEMS FOR DISCUSSION/COMMITTEE REPORTS

6.1 Council Tax Support Scheme 2026/27

7.30pm – The report and recommendations were formally moved for adoption by Councillor Rowan Ree.

Speeches on the report were made by Councillors Rowan Ree, Nikos Souslous, Lydia Paynter, Bora Kwon, and Patrick Walsh (for the Administration) – and Councillor Liam Downer-Sanderson (for the Opposition).

The report and recommendations were put to the vote:

FOR	UNANIMOUS
AGAINST	0
NOT VOTING	0

The recommendations were declared **CARRIED**.

7.56pm – RESOLVED

That Full Council approved:

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.

6.2 Council Tax Base and Collection Rate 2026/27 and Delegation of the Business Rate Estimate

7.56pm – The report and recommendations were formally moved for adoption by Councillor Rowan Ree.

Speeches on the report were made by Councillors Rowan Ree, Florian Chevoppe-Verdier, and Frances Umeh (for the Administration).

The report and recommendations were put to the vote:

FOR	UNANIMOUS
AGAINST	0
NOT VOTING	0

The recommendations were declared **CARRIED**.

8.08pm – RESOLVED

1. That Full Council approves for the financial year 2026/27:
 - 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.

6.3 Council Calendar of Meetings

8.08pm – The report and recommendations were formally moved for adoption by the Leader of the Council, Councillor Stephen Cowan.

The report and recommendations were put to the vote:

FOR	UNANIMOUS
AGAINST	0
NOT VOTING	0

The recommendations were declared **CARRIED**.

8.08pm – RESOLVED

1. That Full Council approves the 2026/27 Council calendar of meetings in Appendix 1.

6.4 Review of the Constitution

8.08pm – The report and recommendations were formally moved for adoption by the Leader of the Council, Councillor Stephen Cowan.

The report and recommendations were put to the vote:

FOR	UNANIMOUS
AGAINST	0
NOT VOTING	0

The recommendations were declared **CARRIED**.

8.08pm – RESOLVED

1. That Full Council notes the committee membership changes detailed in paragraph 5 and approves the committee appointment in paragraph 6.

6.5 Annual Report of the Audit Committee 2024/25 (to note)

8.09pm – The report and recommendations were moved for noting and Councillor Patrick Walsh made a speech on the report (for the Administration).

8.14pm – RESOLVED

1. That Full Council noted the report.

7. **SPECIAL MOTIONS**

Under Standing Order 16(d)3, Councillor Max Schmid moved that the special motions be taken in the order – 5, 4, 7, 1, 6, 2, and 3. The motion was agreed.

7.5 **Special Motion 5 - H&F Upstream Pathway Bond**

8.14pm – Councillor Zarar Qayyum moved, seconded by Councillor Helen Rowbottom, the special motion in their names.

“This Council agrees that, with the world changing faster than ever before, new measures to support every local young person to find the right pathway for them to pursue their dreams of their future is more important than ever before. The Council therefore welcomes the new and unique H&F Upstream Pathway Bond pioneered by the Labour Administration and thanks all the businesses and organisations who are taking part.

The Council notes that:

- 1. The H&F Upstream Pathway Bond was launched as part of the borough’s pioneering industrial strategy, Upstream London, to create stronger, sustainable linkages between education, skills development and local employment opportunities for young residents.*
- 2. Upstream London has already attracted £6.3 billion of business investment into the borough since its inception, contributing to the creation of more than 17,200 new jobs in high-growth sectors and making Hammersmith & Fulham the borough with the fastest economic growth in London.*
- 3. Already, 109 local businesses and 26 schools have shown exceptional commitment to inclusive economic growth by signing up to the Pathway Bond, agreeing to provide opportunities for young people in cutting-edge industries.*
- 4. This initiative builds on strong collaboration between the Council, Imperial College London, Imperial College NHS Trust, H&F’s international “Cooperative Growth Partners” and businesses to ensure that residents can directly share in the borough’s economic success.*

This Council believes that:

- 1. The Upstream Pathway Bond embodies the values of social democracy— harnessing cooperation between the private and public sectors. It is a powerful model of inclusive economic development that opens clear pathways from education through to rewarding local careers for H&F’s young people.*
- 2. Endorsing this programme aligns with the Council’s commitment to a strong local economy, skills development, opportunity-building, and the long-term prosperity of residents.*

3. *The breadth of business engagement in the Pathway Bond demonstrates the strength of local partnerships and confidence in the Labour administration’s industrial strategy.*”

Speeches on the motion were made by Councillors Zarar Qayyum, Helen Rowbottom, Frances Umeh, Adam Peter Lang, and Nicole Trehy (for the Administration) – and Councillor Aliya Afzal-Khan (for the Opposition).

Councillor Qayyum made a speech winding up the debate before the motion was put to the vote:

FOR	UNANIMOUS
AGAINST	0
NOT VOTING	0

The motion was declared **CARRIED**.

8.44pm – RESOLVED

This Council agrees that, with the world changing faster than ever before, new measures to support every local young person to find the right pathway for them to pursue their dreams of their future is more important than ever before. The Council therefore welcomes the new and unique H&F Upstream Pathway Bond pioneered by the Labour Administration and thanks all the businesses and organisations who are taking part.

The Council notes that:

1. The H&F Upstream Pathway Bond was launched as part of the borough’s pioneering industrial strategy, Upstream London, to create stronger, sustainable linkages between education, skills development and local employment opportunities for young residents.
2. Upstream London has already attracted £6.3 billion of business investment into the borough since its inception, contributing to the creation of more than 17,200 new jobs in high-growth sectors and making Hammersmith & Fulham the borough with the fastest economic growth in London.
3. Already, 109 local businesses and 26 schools have shown exceptional commitment to inclusive economic growth by signing up to the Pathway Bond, agreeing to provide opportunities for young people in cutting-edge industries.
4. This initiative builds on strong collaboration between the Council, Imperial College London, Imperial College NHS Trust, H&F’s international “Cooperative Growth Partners” and businesses to ensure that residents can directly share in the borough’s economic success.

This Council believes that:

1. The Upstream Pathway Bond embodies the values of social democracy— harnessing cooperation between the private and public sectors. It is a powerful model of inclusive economic development that opens clear pathways from education through to rewarding local careers for H&F’s young people.
2. Endorsing this programme aligns with the Council’s commitment to a strong local economy, skills development, opportunity-building, and the long-term prosperity of residents.
3. The breadth of business engagement in the Pathway Bond demonstrates the strength of local partnerships and confidence in the Labour administration’s industrial strategy.

7.4 Special Motion 4 - Civic Campus

8.44pm – Councillor Liam Downer-Sanderson moved, seconded by Councillor Jose Afonso, the special motion in their names.

“This Council calls on the Administration to set out the full details of the overspending and delays to the Civic Campus and explain why this has happened.”

Speeches on the motion were made by Councillors Liam Downer-Sanderson and Jose Afonso (for the Opposition).

Under Standing Order 16(d)5, Councillor Lisa Homan moved, seconded by Councillor Stala Antoniadou, an amendment:

“Delete all after “This Council” and replace with:

“... notes that the delay in the completion of the new Hammersmith & Fulham Civic Campus was due to an accident during which the subcontractor of the contractor dropped one of the main steel supports. Thankfully no one was hurt. As with all such developments, the building site is under the legal charge of the contractor until the works are completed. This accident initiated an immediate shut down of the site while the independent Health and Safety Executive carried out an extensive review. The Health and Safety Executive is the relevant independent national regulator for Great Britain. This is what has caused the delay.

The Council notes that this delay along with Brexit, the Pandemic and Liz Truss’ Fiscal Event, contributed a marginally higher cost than originally envisaged and this has been reported through all relevant channels which included a briefing to the opposition and an exempt report to the borough’s cabinet meeting which included members of the opposition. These slightly higher costs are in line with other building cost changes over this period.

*The Council also notes that despite these marginally higher final costs, the overall costs of the new Hammersmith & Fulham Civic Campus **is still significantly lower than the controversial Hammersmith Town Hall scheme which this borough’s former Conservative administration had previously saddled the borough with.***

The Council also notes that additional to this, and in direct contrast to the Conservatives' former scheme, the Civic Campus scheme allows the council to:

- 1. Significantly reduce all its office costs across the borough*
- 2. Make a substantial annual profit that will contribute to the running of high quality services and keeping council tax low*
- 3. Builds into the sky over the old Town Hall Court Yard Carpark therefore leaving other council land for housing, retail, hospitality and rentable office space*
- 4. Rejuvenate the central belt of the borough with:*
 - a. A five-screen arthouse cinema*
 - b. A public sky park*
 - c. Homework space for local children*
 - d. Affordable work space for local start-up entrepreneurs*
 - e. A public sky restaurant*
 - f. Restaurants, cafes, shops and other public facilities*
 - g. A concert hall*
 - h. An art gallery*
 - i. Two new public squares*
 - i. Unity Square – on the site of the former Town Hall extension*
 - ii. The Town Square – on the site of the former Town Hall Court Yard Car Park for senior council directors and councillors*
 - j. 204 new homes for local people of which 52% are genuinely affordable.*
 - k. A new office building which will be let to a private firm bringing hundreds of new customers for the borough's shops, cafes, restaurants, cinema and pubs*
 - l. Encourage better private sector investment to meet the Council's aim of significantly improving King Street.*

The council supports the Green Energy measures built into the Hammersmith & Fulham Civic Campus and recognises that these will also keep energy costs low.

It also supports the work undertaken to make the Civic Campus one of the most accessible buildings in the world for Disabled people.

The Council recognises that the former Conservative administration's development scheme for Hammersmith Town Hall failed when the developers said it was not properly budgeted and was undeliverable. The Conservatives scheme involved:

- 1. Using council owned land to build 196 luxury flats which were to be marketed off plan to overseas property investors which at that time were largely those buyers in Russia, the Middle East, and the Far East*
- 2. Keeping the dreadful Town Hall Extension but using the Tri-Borough framework to procure cladding for it which the Conservatives argued would improve its look.*
- 3. Keeping the Town Hall Courtyard Car Park for senior council directors and councillors which the Conservatives argued was essential for their travel needs.*

4. *That despite putting in all the land, the minimal funds raised by that scheme would be shared with its private sector partners and that this would not have produced sufficient funds to refurbish the dilapidated old Town Hall. That meant:*
 - a. *The Conservatives' scheme would have continued to cost large amounts of the borough's annual budget just to meet health, safety and employment standards.*
 - b. *The old Hammersmith Town Hall would not have been fully refurbished*
 - c. *That would have required the council to continue to rent other expensive buildings across the borough.*
5. *Zero new public space*
6. *Zero genuinely affordable housing*
7. *Zero annual profits*
8. *Zero rejuvenation of the borough's central belt*

The Council notes that the Conservatives Town Hall scheme followed a pattern of financial incompetence that also saw the former Conservative administration financially unsound measures which include:

- *Selling of Fulham Town Hall for just over £8million*
- *Selling off the West Kensington and Gibbs Green estates for £102million while failing to recognise that this land formed one third of the total former Earls Court site which was immediately later valued at £12.05billion.*

This Council thanks the hundreds of residents who have worked with it to design the new Hammersmith & Fulham Civic Campus. In particular, it thanks the Civic Campus Commissioners and the Civic Campus Disabled Residents Team."

Speeches on the amendment were made by Councillors Lisa Homan, Stala Antoniades, Callum Nimmo, Wesley Harcourt, and Stephen Cowan (for the Administration) – and Councillor Jose Afonso (for the Opposition).

The amendment was then put to the vote:

FOR	30
AGAINST	10
NOT VOTING	1

The amendment was declared **CARRIED**.

Councillor Downer-Sanderson then made a speech winding up the debate before the amended motion was put to the vote:

FOR	30
AGAINST	10
NOT VOTING	1

The amended motion was declared **CARRIED**.

9.27pm – RESOLVED

This Council notes that the delay in the completion of the new Hammersmith & Fulham Civic Campus was due to an accident during which the subcontractor of the contractor dropped one of the main steel supports. Thankfully no one was hurt. As with all such developments, the building site is under the legal charge of the contractor until the works are completed. This accident initiated an immediate shut down of the site while the independent Health and Safety Executive carried out an extensive review. The Health and Safety Executive is the relevant independent national regulator for Great Britain. This is what has caused the delay.

The Council notes that this delay along with Brexit, the Pandemic and Liz Truss' Fiscal Event, contributed a marginally higher cost than originally envisaged and this has been reported through all relevant channels which included a briefing to the opposition and an exempt report to the borough's cabinet meeting which included members of the opposition. These slightly higher costs are in line with other building cost changes over this period.

The Council also notes that despite these marginally higher final costs, the overall costs of the new Hammersmith & Fulham Civic Campus **is still significantly lower than the controversial Hammersmith Town Hall scheme which this borough's former Conservative administration** had previously saddled the borough with.

The Council also notes that additional to this, and in direct contrast to the Conservatives' former scheme, the Civic Campus scheme allows the council to:

5. Significantly reduce all its office costs across the borough
6. Make a substantial annual profit that will contribute to the running of high quality services and keeping council tax low
7. Builds into the sky over the old Town Hall Court Yard Carpark therefore leaving other council land for housing, retail, hospitality and rentable office space
8. Rejuvenate the central belt of the borough with:
 - a. A five-screen arthouse cinema
 - b. A public sky park
 - c. Homework space for local children
 - d. Affordable work space for local start-up entrepreneurs
 - e. A public sky restaurant
 - f. Restaurants, cafes, shops and other public facilities
 - g. A concert hall
 - h. An art gallery
 - i. Two new public squares
 - i. Unity Square – on the site of the former Town Hall extension
 - ii. The Town Square – on the site of the former Town Hall Court Yard Car Park for senior council directors and councillors
 - j. 204 new homes for local people of which 52% are genuinely affordable.
 - k. A new office building which will be let to a private firm bringing hundreds of new customers for the borough's shops, cafes, restaurants, cinema and pubs

- I. Encourage better private sector investment to meet the Council's aim of significantly improving King Street.

The council supports the Green Energy measures built into the Hammersmith & Fulham Civic Campus and recognises that these will also keep energy costs low.

It also supports the work undertaken to make the Civic Campus one of the most accessible buildings in the world for Disabled people.

The Council recognises that the former Conservative administration's development scheme for Hammersmith Town Hall failed when the developers said it was not properly budgeted and was undeliverable. The Conservatives scheme involved:

9. Using council owned land to build 196 luxury flats which were to be marketed off plan to overseas property investors which at that time were largely those buyers in Russia, the Middle East, and the Far East
10. Keeping the dreadful Town Hall Extension but using the Tri-Borough framework to procure cladding for it which the Conservatives argued would improve its look.
11. Keeping the Town Hall Courtyard Car Park for senior council directors and councillors which the Conservatives argued was essential for their travel needs.
12. That despite putting in all the land, the minimal funds raised by that scheme would be shared with its private sector partners and that this would not have produced sufficient funds to refurbish the dilapidated old Town Hall. That meant:
 - a. The Conservatives' scheme would have continued to cost large amounts of the borough's annual budget just to meet health, safety and employment standards.
 - b. The old Hammersmith Town Hall would not have been fully refurbished
 - c. That would have required the council to continue to rent other expensive buildings across the borough.
13. Zero new public space
14. Zero genuinely affordable housing
15. Zero annual profits
16. Zero rejuvenation of the borough's central belt

The Council notes that the Conservatives Town Hall scheme followed a pattern of financial incompetence that also saw the former Conservative administration financially unsound measures which include:

- Selling of Fulham Town Hall for just over £8million
- Selling off the West Kensington and Gibbs Green estates for £102million while failing to recognise that this land formed one third of the total former Earls Court site which was immediately later valued at £12.05billion.

This Council thanks the hundreds of residents who have worked with it to design the new Hammersmith & Fulham Civic Campus. In particular, it thanks the Civic Campus Commissioners and the Civic Campus Disabled Residents Team.

7.7 Special Motion 7 - H&F Green Investment

Councillor Rory Vaughan left the meeting for this item.

9.27pm - Councillor Rowan Ree moved, seconded by Councillor Florian Chevoppe-Verdier, the special motion in their names.

“The Council commends the successful H&F Green Investment, a pioneering £5m initiative that empowers local residents to invest directly in cleaner, greener, community-focused projects. This is the largest Community Municipal Investment of its kind, demonstrating the borough’s commitment to tackling the climate emergency.

The Council welcomes the transparency, fiscal responsibility, and climate ambition these bonds represent, delivering tangible benefits such as improved energy efficiency, cleaner air, increased resilience against flooding, and reduced carbon emissions while strengthening public trust and civic participation.

The Council commends officers and partners for their work in establishing this innovative model and affirms the administration’s commitment to expanding sustainable investment that builds a fairer, greener borough for all.”

Speeches on the motion were made by Councillors Rowan Ree, Florian Chevoppe-Verdier, Wesley Harcourt, Callum Nimmo (for the Administration) – and Councillor Alex Karmel (for the Opposition).

Councillor Ree then made a speech winding up the debate before the motion was put to the vote:

FOR	UNANIMOUS
AGAINST	0
NOT VOTING	0

The motion was declared **CARRIED**.

9.54pm – RESOLVED

The Council commends the successful H&F Green Investment, a pioneering £5m initiative that empowers local residents to invest directly in cleaner, greener, community-focused projects. This is the largest Community Municipal Investment of its kind, demonstrating the borough’s commitment to tackling the climate emergency.

The Council welcomes the transparency, fiscal responsibility, and climate ambition these bonds represent, delivering tangible benefits such as improved energy efficiency, cleaner air, increased resilience against flooding, and reduced carbon emissions while strengthening public trust and civic participation.

The Council commends officers and partners for their work in establishing this innovative model and affirms the administration’s commitment to expanding sustainable investment that builds a fairer, greener borough for all.

7.1 **Special Motion 1 - Celebrating Black History Month 2025 in Hammersmith & Fulham**

9.54pm – Councillor Frances Umeh moved, seconded by Councillor Max Schmid, the special motion in their names.

“This Council notes:

That the national theme for Black History Month 2025 is “Standing Firm in Power and Pride”, reflecting the resilience, strength, and enduring contributions of Black communities across the UK.

That Hammersmith & Fulham is a richly diverse borough, and our schools, community organisations, and cultural institutions play a vital role in amplifying Black history, heritage, and voices.

This Council believes that Black history is British history, and celebrating it strengthens our shared identity and social cohesion. That the theme “Standing Firm in Power and Pride” encourages us to not only honour past achievements but also to commit to power, representation, and dignity for all in our community.

This Council resolves to:

- 1. Promote and support Black History Month 2025 events across the borough, including the open-air King Street exhibition.*
- 2. Work with our schools and cultural partners to embed Black history in curricula and public programmes beyond October, ensuring sustained engagement and learning.*
- 3. Celebrate local Black leaders, artists, educators and organisations through Council communications, awards, and recognition, showing pride in our community’s heritage.”*

Speeches on the motion were made by Councillors Frances Umeh and Max Schmid (for the Administration).

The guillotine fell at 10pm. Councillor Frances Umeh made a short speech winding up the debate before the motion was put to the vote:

FOR	UNANIMOUS
AGAINST	0
NOT VOTING	0

The motion was declared **CARRIED**.

10.02pm – RESOLVED

This Council notes:

That the national theme for Black History Month 2025 is “Standing Firm in Power and Pride”, reflecting the resilience, strength, and enduring contributions of Black communities across the UK.

That Hammersmith & Fulham is a richly diverse borough, and our schools, community organisations, and cultural institutions play a vital role in amplifying Black history, heritage, and voices.

This Council believes that Black history is British history, and celebrating it strengthens our shared identity and social cohesion. That the theme “Standing Firm in Power and Pride” encourages us to not only honour past achievements but also to commit to power, representation, and dignity for all in our community.

This Council resolves to:

1. Promote and support Black History Month 2025 events across the borough, including the open-air King Street exhibition.
2. Work with our schools and cultural partners to embed Black history in curricula and public programmes beyond October, ensuring sustained engagement and learning.
3. Celebrate local Black leaders, artists, educators and organisations through Council communications, awards, and recognition, showing pride in our community’s heritage.

7.6 Special Motion 6 - Anniversary of Family Hubs

The special motion was withdrawn.

7.2 Special Motion 2 - Opposing Online Hate Speech

The special motion was withdrawn.

7.3 Special Motion 3 - Autumn Budget

The special motion was withdrawn.

Meeting started: 7.00 pm
Meeting ended: 10.02 pm

Mayor

Appendix 1 – Public Questions and Responses

Questions 3, 4, 6, 7, 8, and 9 were taken in the meeting and received verbal responses that have been transcribed. Written responses were provided for all other questions.

Question 1

From: Una-Jane Winfield, Resident

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

Question:

When and how will the Council start to enforce the judgement of the Supreme Court handed down on 16th April 2025 that "sex in the Equality Act 2010 means biological sex"? What changes will it make immediately and in the years to come to Council services, employment conditions, schools, and many other areas of direct and indirect influence?

Response from the Cabinet Member for Social Inclusion and Community Safety:

On 16 April 2025, the UK Supreme Court ruled that the term "sex" in the Equality Act 2010 refers to biological sex as recorded at birth.

The Equality and Human Rights Commission (EHRC), which regulates the Act, is updating its official guidance and, as a council, we have and shall continue to review our policies to ensure they follow the clarified legal definition and the law as it stands now. This includes areas where the Equality Act is directly relevant—such as employment, service provision, and equality monitoring.

Currently the Council believes that its policies and procedures are lawful and do not need amendment, this includes complying with providing toilet facilities that are compliant with the Workplace (Health, Safety and Welfare) Regulations 1992. The Council will, of course, further review the relevant policies as soon as the new EHRC code is formally issued.

As the Judgment itself cautioned, "We are aware of the strength of feeling which has been generated by the disagreements between campaigners seeking to represent the interests of each of these groups and that taxonomy itself can generate controversy". As such we remain committed to protecting all groups covered by the Act, including those with the protected characteristic of gender reassignment. Our approach will continue to be lawful, respectful, and based on national law and guidance. We will keep residents informed as further statutory guidance is published.

Question 2

From: Roxanne Roche, Resident

To: Councillor Alex Sanderson, The Deputy Leader

Question:

How are you ensuring that those with the authority to do so (e.g. education staff, safeguarding officers in education and in the council, and others with key responsibilities for safeguarding children in education) are actually keeping children safe whilst in attendance at school and following the legal requirements and the policies as set out in government legislation? Particularly when any severe and ongoing safeguarding concerns are brought to your attention.

Response from the Deputy Leader:

In Hammersmith and Fulham, safeguarding in education operates within a clear statutory framework, including Keeping Children Safe in Education and Working Together to Safeguard Children, which all schools are required to follow.

A range of mechanisms are used to monitor and gain assurance about the quality of safeguarding practice across the borough. The Local Safeguarding Children Partnership -LSCP is central to this oversight, with a strong emphasis on statutory duties, effective partnership working and rigorous multiagency challenge.

The Local Authority Designated Officer (LADO) manages all allegations against staff and volunteers working with children.

We also have a Safeguarding in Education Manager who delivers safeguarding training, supports the DSL network, supports schools with safeguarding matters, and quality assures safeguarding practices.

In line with national guidance, the council actively promotes a culture of professional challenge, escalation and whistleblowing.

All schools are required to have a suitably trained Designated Safeguarding Lead (DSL)

Safeguarding is a routine and integral component of school visits, monitoring activity and engagement with governing bodies and academy trusts. These arrangements include regular review of safeguarding policies, single central records, safeguarding and referral practice, as well as staff awareness.

Safeguarding is an integral part of all Ofsted inspections. All H&F schools are judged effective in this regard.

Our approach ensures that safeguarding is robust and consistently applied.

Question 3

From: Brian Mooney, Resident

To: Councillor Florian Chevoppe-Verdier, Cabinet Member for Public Realm

Question:

H&F Council has committed to a feasibility study on 'eco' road user charging (aka road pricing, <https://bit.ly/4svcy3Y>, p76). This has long been considered feasible

technically, so has clear implications for over-taxed drivers. What criteria do you see as making its introduction desirable?

Response from the Cabinet Member for Public Realm:

Hi, Brian. We haven't – the link that you've included in your question is a draft that went to public consultation that was reviewed by Cabinet in December 2023 and the final version doesn't have any commitment to introduce any such visibility study.

Question 4

From: Caroline Shuffrey, Resident

To: Councillor Florian Chevoppe-Verdier, Cabinet Member for Public Realm

Question:

Despite the best efforts by the Council to ensure that Uber and other private hire drivers are not fined when picking up or dropping off residents and their visitors inside our LTNs, the arrangements have failed and many drivers are refusing to cross the cameras even when residents offer to specifically put their registration numbers into RingGo. Would the Council now recommend that residents, particularly women on their own, only hire black taxis, who are automatically exempt from the camera fines, in order to ensure that they are not left stranded and forced to walk to and from home in the dark?

Response from the Cabinet Member for Public Realm:

First of all, let me say that women's safety is paramount to us, of course, as an Administration. You and I have been on the streets of South Fulham in the dark at night and you know that I always look out for my residents.

On the very topic of Uber and Bolt, I was involved with then Councillor Coleman, now our local MP, talking to Uber and Bolt to make sure that this didn't happen. That led to an agreement being signed in 2024 and last year I checked the latest data about 50,000 taxi rides went through our cameras in South Fulham.

If there are cases of people, these are companies that I talk to for a variety of other things that I look after, and I'll be sure to take it up with them. But from my indication, there's a large volume of traffic going to and from South Fulham through the cameras.

Question 5

From: Vivienne Goldstein, Resident

To: Councillor Florian Chevoppe-Verdier, Cabinet Member for Public Realm

Question:

The parklets were placed on Wandsworth Bridge Road nearly 18 months ago. Residents are very concerned about their safety especially as they have been involved in many well documented accidents and incidents. When will they be removed?

Response from the Cabinet Member for Public Realm:

Thank you for your question.

The parklets and hospitality seating currently in place on Wandsworth Bridge Road are a temporary measure intended to demonstrate how small sections of the carriageway can be re-purposed to create better spaces for pedestrians, shoppers and local businesses. They are protected from traffic by planters. Planters and parklets are fixed objects. They do not cause accidents; speeding and reckless driving do.

They will be removed as part of the delivery of the wider transformational scheme, which will include permanent pavement build-outs and high-quality community seating and planting, introduced only where road-safety experts consider it appropriate. These permanent improvements are designed to reduce speeding, enhance pedestrian comfort, and support local businesses.

The Council is currently working with Transport for London on elements of the transformation scheme, also including improvements at the New King's Road and Carnwath Road junctions to increase pedestrian space and safety.

Once this joint work has progressed further, we will be able to provide clearer information on the programme and next steps.

Question 6

From: Donald Grant, Resident

To: Councillor Florian Chevoppe-Verdier, Cabinet Member for Public Realm

Question:

I am a resident of Wandsworth Bridge Road, and you told me and a neighbour in 2024, after the imposition of Fulham's LTNs, that we would be involved in any future changes to our road. One meeting was arranged by a neighbour in 2025, but the opposite to everything that we put forward was then pushed forward by our Officers. Fortunately these plans have been paused by TfL due to further impacting bus journey times. Now in 2026 we are left in limbo with bikes using pavements as the cycle space has been obstructed for nearly 18 months, and we have to live day and night with the congestion and danger caused by a wavy road experiment. Will you now acknowledge our views and arrange a public meeting to do things with residents not to them by allowing us to co-produce the plans for Wandsworth Bridge Road?

Response from the Cabinet Member for Public Realm:

I don't think it's fortunate that TfL have paused the works. I don't think it's good that we are slower on introducing new raised crossings that will make disabled people, elderly people, and people with pushchairs safer. That's how you see it, that's not how I see it. I'm working with TfL. I, in fact, trekked all the way to City Hall just yesterday to talk to them about that and finding ways that we can resolve the problems.

I'm unashamedly in favour of those things, I think they're a good thing, accessibility and safety. I've spoken to many people on the Wandsworth Bridge Road who've told

me that their children are almost getting run over by cars multiple times a year. I'll continue to push that. On the aspect of consultation, I continue to work with residents and businesses. In the last wave of letters I sent, some people expressed they didn't want some E-Bays in specific locations, and we listened to that and taken that on board. So, it does prove to you that I want to work collaboratively with you.

Question 7

From: Caroline Brooman-White, Resident

To: Councillor Florian Chevoppe-Verdier, Cabinet Member for Public Realm

Question:

Businesses were promised a new app to register customers to go through the cameras. We have now been waiting over two years. We were promised that it would definitely be working last August. Please could you give me a firm date as the existing app is very time consuming and businesses are having problems with it?

Response from the Cabinet Member for Public Realm:

Thank you for your question. We've had to divert resources – we've got a small team working on improving the range of apps that we use for traffic and parking. They've shifted to resident experiences around the Ringo app. Now, they've been able to talk to businesses with a beta version of what we want to put out to people. We've had some really helpful feedback and we're hoping to go live in April.

Question 8

From: Nigel Singh, Resident

To: Councillor Max Schmid, Chief Whip

Question:

Shepherds Bush Market Station is the gateway to Shepherds Bush it's the first impression visitors get of our area. The station dilapidated and well past its best before date. How is the Council planning to work with TFL to modernise and improve Shepherd's Bush Market station?

Response from the Chief Whip:

Thank you, Nigel. I'd just like to thank you for all the time that you've put into improving Uxbridge Road, it's greatly appreciated.

I completely agree that Shepherd's Bush Market is a critical station. It's the gateway to the area and while it's owned by TfL, we have been working closely to try and get the condition improved. There's going to be some appearance improvement soon with the painting of the bridge, but obviously much more needs to be done, in particular to make it accessible for disabled people. I know from experience you can't get a pram up it, so making it more accessible as well as welcoming is a critical priority and it is one that we are pressing TfL on and we'll continue to press them on and as the Shepherd's Bush Market development happens hopefully, we can direct resources and convince TfL to also direct their resources to make that happen.

Question 9

From: Natalie Turner, Resident
To: Councillor Max Schmid, Chief Whip

Question:

What actions will the Council commit to improving Uxbridge Road from a visual, accessibility and accessibility perspective within the next month? What about 3 months?

Response from the Chief Whip:

Thank you very much for your question and for your interest in the future of Uxbridge Road. It is one of the Borough's most important high streets and we recognize the need to improve it from a visual accessibility and safety perspective and thankful of the time that residents have put in to help the council do that.

In response to concerns raised the Council has developed a comprehensive action plan that covers the activities of over 22 teams across the Council. We've shared that with residents we've had a meeting to go over it a few weeks ago, we're having another meeting tomorrow evening to go over it, continuing to update it as we develop the plan. To answer your question and just to pick a few things from it in the next month, things that residents will notice will be the preparatory works for the repainting of the tube bridge, decisions on a revised timed commercial waste collection which make the street much cleaner, further removal of unnecessary street furniture to improve pedestrian space, targeted enforcement activity to reduce illegal parking, making the road safer for cyclists and pedestrians, and that will include greater patrols and enforcement of the bus lanes. There'll be others, but those are just a few.

Over the next 3 months, we expect to see the visible completion of the much more welcoming bridge at Shepherd's Market Tube Station, increased greenery along the corridor, new rules for shopfront trading to make greater space for pedestrians, continued engagement with phone companies to press for the removal of their derelict phone boxes – hopefully seeing some of them removed in that time span, targeted law enforcement team patrols up and down the road responding to intelligence from residents of where those patrols are most needed, and progress towards establishing a business improvement district, which would go a long way to doing things like bringing in lighting in the festive period.

In addition, the Council already has open investigations on more than 160 properties along Uxbridge Road. We're already seeing some of those properties make the improvements the Council's asked them to make. We're engaging with them to make those improvements, but we will use our powers, including serving formal enforcement notices wherever necessary when those improvements aren't made. So, collectively, it's a team effort across the Council. I hope we'll see a lot of improvements along the road in the next month, in the next three months, and into the future. Thank you.

Question 10

From: Saul Udoma-Herman, Resident

To: Councillor Alex Sanderson, Deputy Leader

Question:

The Fulham Bilingual school is a partnership with the Lycée Charles de Gaulle. As the Council will know, the future of that partnership appears to be at risk due to the desire of the Lycée to conclude the partnership. Will the Council say what steps have been taken to ensure that there is funding for the continuation of bilingual education on the Clancarty Road site should that partnership come to an end?

Response from the Deputy Leader:

We were extremely concerned to learn about the risk to Fulham Bilingual. It is a treasured part of the borough and we are determined to see bilingual education continue. The local MP and I met with parents last Friday and will remain in contact with them until a solution is found.

Question 11

From: Sara Allan, Resident

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

Question:

Given the Law Enforcement Team's remit is limited not including core policing powers, can the Cabinet Member explain why the Council has chosen to invest further in recruiting LET officers rather than directing that funding—through partnership or lobbying—towards additional police officers with full statutory powers to address serious crime, anti-social behaviour and public safety concerns raised repeatedly by residents?

Response from the Cabinet Member for Social Inclusion and Community Safety:

Thank you for your question. While it is correct that the Law Enforcement Team (LET) does not hold core policing powers, the Council's decision to expand the team reflects the very specific role it plays in improving safety, reducing anti-social behaviour, and supporting policing across Hammersmith & Fulham.

Although LET officers do not have arrest powers, they carry out a wide range of practical enforcement and prevention tasks that complement the work of the Metropolitan Police providing a 24/7 presence – it is a unique service for our borough. The LET work to issue fixed penalty notices, enforce our Public Spaces Protection Orders, deter drug use, support rough sleepers, and addressing environmental offences such as fly-tipping and littering. These things matter to our residents as we strive to deliver a cleaner, safer, borough for all.

Investing in the LET also strengthens local policing partnerships and, unlike the police, LET officers are not subject to abstractions for matters of local, regional or national requirements. Borough police are often taken away from front line policing to attend state visits, manage protests, provide presence at international sporting venues, concerts etc which directly impact on our borough.

In addition, funding additional Metropolitan Police officers is not within the Council's core responsibilities. Police budgets, recruitment and deployments sit with the Home Office and the Mayor's Office for Policing and Crime. What the Council can do—and continues to prioritise—is building strong operational partnerships, investing in prevention, and ensuring residents receive a visible, local, and immediate response to safety concerns. The LET forms a critical part of that strategy.

Overall, the LET is designed to add capacity, extend visibility, support policing, and address the issues residents report most frequently, including anti-social behaviour, environmental crime, and safety in public spaces.

Question 12

From: Julien Cornebise, Resident

To: Councillor Alex Sanderson, Deputy Leader

Question:

With the looming collapse of the Fulham Bilingual partnership between the Lycée Français and Holy Cross school, many Fulham families risk being left without the educationally, culturally, and diplomatically rich bilingual education. While we are reassured to hear of the Council's support for Holy Cross's attempts by salvaging the partnership if possible, and most importantly by setting up a bilingual stream on its own if not, what concrete financial measures is the Council taking to give it the means to thus preserve the children's stability of bilingual studies and learning environment?

Response from the Deputy Leader:

We were extremely concerned to learn about the risk to Fulham Bilingual. It is a treasured part of the borough and we are determined to see bilingual education continue. The local MP and I met with parents last Friday and will remain in contact with them until a solution is found.

Question 13

From: Jonathan Couard, Resident

To: Councillor Alex Sanderson, Deputy Leader

Question:

In light of the serious educational and community impact that would result from the withdrawal of the Lycée Charles de Gaulle from the Fulham Bilingual partnership, what concrete steps is the Council taking to actively engage with, influence, and apply pressure where appropriate to the Lycée and relevant French authorities, in order to do everything possible to secure the continuation of this partnership and preserve the stability of bilingual education for pupils at the Clancarty Road site?

Response from the Deputy Leader:

We were extremely concerned to learn about the risk to Fulham Bilingual. It is a treasured part of the borough and we are determined to see bilingual education continue. The local MP and I met with parents last Friday and will remain in contact with them until a solution is found.

Question 14

From: Malek Ben Hamida, Resident

To: Councillor Alex Sanderson, Deputy Leader

Question:

We are a family living in the borough for 10 years now. Our 2 daughters go to the Fulham bilingual (year 5 and year 3) from holy cross side. We received lately the information that the lycée side would like to finish the partnership for financial reasons. How the borough could help to keep and maintain this amazing partnership, or is the borough preparing for a new public bilingual stream?

Response from the Deputy Leader:

We were extremely concerned to learn about the risk to Fulham Bilingual. It is a treasured part of the borough and we are determined to see bilingual education continue. The local MP and I met with parents last Friday and will remain in contact with them until a solution is found.

Question 15

From: Tania Grorud, Resident

To: Councillor Alex Sanderson, Deputy Leader

Question:

I understand the council is trying to salvage the partnership with the Lycée to continue the wonderful program at Fulham Bilingual. But if that is not possible, what plans are being made to continue the wonderful Fulham Bilingual school for Holy Cross students?

Response from the Deputy Leader:

We were extremely concerned to learn about the risk to Fulham Bilingual. It is a treasured part of the borough and we are determined to see bilingual education continue. The local MP and I met with parents last Friday and will remain in contact with them until a solution is found.

Question 16

From: Manuk Asatryan, Resident

To: Councillor Alex Sanderson, Deputy Leader

Question:

The Fulham Bilingual School currently operates in partnership with the Lycée Charles de Gaulle. However, it appears that this partnership may be at risk as the Lycée has indicated a desire to end it. Could the Council outline what measures are being taken to secure funding to ensure the continuation of bilingual education at the Clancarty Road site if the partnership does come to an end?

Response from the Deputy Leader:

We were extremely concerned to learn about the risk to Fulham Bilingual. It is a treasured part of the borough and we are determined to see bilingual education continue. The local MP and I met with parents last Friday and will remain in contact with them until a solution is found.

Question 17

From: Charles Malissard, Resident
To: Councillor Alex Sanderson, Deputy Leader

Question:

The Fulham Bilingual school is a partnership with the Lycée Charles de Gaulle. As the council will know, the future of that partnership appears to be at risk due to the desire of the Lycée to conclude the partnership. Will the Council say what steps have been taken to ensure that there is funding for the continuation of bilingual education on the Clancarty Road site should that partnership come to an end?

Response from the Deputy Leader:

We were extremely concerned to learn about the risk to Fulham Bilingual. It is a treasured part of the borough and we are determined to see bilingual education continue. The local MP and I met with parents last Friday and will remain in contact with them until a solution is found.

Question 18

From: Kate Cranfield, Resident
To: Councillor Alex Sanderson, Deputy Leader

Question:

What is the council doing to fight to preserve the Holy Cross/Lycée Partnership at the Fulham Bilingual School which would mean many Fulham families risk being left without the educationally, culturally and diplomatically rich bilingual education provided by this fantastic school and what concrete financial measures is the Council taking to preserve the children's stability of bilingual studies and learning environment?

Response from the Deputy Leader:

We were extremely concerned to learn about the risk to Fulham Bilingual. It is a treasured part of the borough and we are determined to see bilingual education continue. The local MP and I met with parents last Friday and will remain in contact with them until a solution is found.

Question 19

From: Johanna Penttilae, Resident
To: Councillor Alex Sanderson, Deputy Leader

Question:

Fulham Bilingual is a popular school providing bilingual education through a long-standing partnership between the UK and France, with the UK side being state

funded. It has been reported that the Lycée Français de Londres is considering withdrawing from this partnership. In the event that this partnership with France comes to an end, what steps will the Council take to ensure the continuation of a high-quality, state-funded bilingual education offer in the local area for current and future pupils?

Response from the Deputy Leader:

We were extremely concerned to learn about the risk to Fulham Bilingual. It is a treasured part of the borough and we are determined to see bilingual education continue. The local MP and I met with parents last Friday and will remain in contact with them until a solution is found.

Question 20

From: Alexandra Desvignes, Resident

To: Councillor Alex Sanderson, Deputy Leader

Question:

The Fulham Bilingual school (a partnership between Holy Cross and the French Lycée Français Charles de Gaulle based on Clancarty road in Fulham) is at risk of closure. What steps are the council taking to support Holy Cross School in their endeavours to save the partnership, which provides a unique education in a very popular dual curriculum that benefits hundreds of children in the borough, and what plans are being set out to provide a bilingual education alternative via the Borough and Holy Cross School, should the partnership come to an unfortunate end?

Response from the Deputy Leader:

We were extremely concerned to learn about the risk to Fulham Bilingual. It is a treasured part of the borough and we are determined to see bilingual education continue. The local MP and I met with parents last Friday and will remain in contact with them until a solution is found.

Question 21

From: Paul Micheron, Resident

To: Councillor Alex Sanderson, Deputy Leader

Question:

Fulham Bilingual is a well-regarded school delivering bilingual education through a long-standing partnership between the UK and France, with the UK component being state-funded. It has been reported that the Lycée Français de Londres may be considering withdrawal from this partnership. Should this partnership come to an end, what measures would the Council put in place to maintain the provision of this high-quality, state-funded bilingual education for current and future pupils in the local area?

Response from the Deputy Leader:

We were extremely concerned to learn about the risk to Fulham Bilingual. It is a treasured part of the borough and we are determined to see bilingual education

continue. The local MP and I met with parents last Friday and will remain in contact with them until a solution is found.

Question 22

From: Merije Delamare, Resident
To: Councillor Alex Sanderson, Deputy Leader

Question:

We understand the Lycée Charles de Gaulle wants to pull out of the partnership with Holy Cross which forms the Fulham Bilingual School. Can you set out the main pain points for the Lycée wanting to discontinue the partnership and what hurdles does Holy Cross / the council need to overcome to continue the partnership? How can parents help to support Holy Cross and the council in this?

Response from the Deputy Leader:

We were extremely concerned to learn about the risk to Fulham Bilingual. It is a treasured part of the borough and we are determined to see bilingual education continue. The local MP and I met with parents last Friday and will remain in contact with them until a solution is found.

Question 23

From: Marie Lecointre-Brown, Resident
To: Councillor Alex Sanderson, Deputy Leader

Question:

Given the Lycée Charles de Gaulle's intent to withdraw from the Fulham Bilingual partnership, what steps is the Council taking to guarantee funding for bilingual schooling on Clancarty Road if the agreement dissolves?

Response from the Deputy Leader:

We were extremely concerned to learn about the risk to Fulham Bilingual. It is a treasured part of the borough and we are determined to see bilingual education continue. The local MP and I met with parents last Friday and will remain in contact with them until a solution is found.

Question 24

From: Alexandra Green, Resident
To: Councillor Alex Sanderson, Deputy Leader

Question:

The Fulham Bilingual represents a unique asset to our borough—a thriving bridge between British and French communities that enriches local life far beyond the classroom. Will the Council recognise this cultural and educational value by committing the funding required for Holy Cross to sustain bilingual provision, regardless of the Lycée's decision?

Response from the Deputy Leader:

We were extremely concerned to learn about the risk to Fulham Bilingual. It is a treasured part of the borough and we are determined to see bilingual education continue. The local MP and I met with parents last Friday and will remain in contact with them until a solution is found.

Question 25

From: Anna Quattrone, Resident
To: Councillor Alex Sanderson, Deputy Leader

Question:

Please comment on how you intend to support the Fulham Bilingual school - to keep the partnership between HC and Lycées - to create a HC bilingual (50:50) curriculum. Could you propose to decrease/remove(?) the rent of the building and the VAT from fees for the Lycées if they stay in the partnership?

Response from the Deputy Leader:

We were extremely concerned to learn about the risk to Fulham Bilingual. It is a treasured part of the borough and we are determined to see bilingual education continue. The local MP and I met with parents last Friday and will remain in contact with them until a solution is found.

Question 26

From: Emma Bouché, Parent
To: Councillor Alex Sanderson, Deputy Leader

Question:

The Fulham Bilingual school is a partnership with the Lycée Charles de Gaulle. As the council will know, the future of that partnership appears to be at risk due to the desire of the Lycée to conclude the partnership due to funding issues. Will the Council say what steps have been taken to ensure that there is funding for the continuation of bilingual education on the Clancarty Road site?

Response from the Deputy Leader:

We were extremely concerned to learn about the risk to Fulham Bilingual. It is a treasured part of the borough and we are determined to see bilingual education continue. The local MP and I met with parents last Friday and will remain in contact with them until a solution is found.

Agenda Item 5

Full Council Public Questions – 25 February 2026

Question 1

From: Brian Mooney, Resident
To: Cabinet Member for Public Realm

Question:

Does the current administration commit now, and if, re-elected, not to introduce any form of road pricing for, or generic bans on, driving typical family vehicles? (Please regard the special case of possible Hammersmith Bridge tolls as outside the scope of the question.).

Question 2

From: Natalie Turner, Resident
To: Cabinet Member for Public Realm

Question:

What funding within the council's budget is dedicated to improving the public realm and visual quality of Uxbridge Road, and how will this be delivered in a coordinated way?

Question 3

From: Donald Grant, Resident
To: Cabinet Member for Public Realm

Question:

Whilst Albert Bridge is closed even more traffic uses Wandsworth Bridge. The LTNs currently force all through traffic to use Wandsworth Bridge Road. Will the council now consider the health and lives of residents, businesses and users on this road, and reopen Imperial and Hurlingham Roads to through traffic whilst Albert Bridge is closed?

Question 4

From: Caroline Shuffrey, Resident
To: Cabinet Member for Public Realm

Question:

The petition Stop H&F Council clogging up SW London and Wandsworth Bridge Road has been signed by more than 5100 people. 75% of those signing live in London. 52% of those signing live in our borough and Wandsworth Borough. Does the Council accept that it is negatively impacting the lives of thousands of people in the area, the majority of whom do not own a car or van and modify its traffic plans?

Question 5

From: Richard Cazenove, Resident

To: Cabinet Member for Public Realm

Question:

I'd be grateful for an update on when the exemption for non-LBHF Hurlingham Club traffic from the Hurlingham Road CAN camera is going to be implemented. Cllr Holder promised it by the summer of 2024 (at the March 2024 Full Council meeting) and, when this was delayed, Cllr Chevoppe-Verdier reported at the Full Council meeting in July 2025 that the system would be operational by the end of 2025. Seven weeks into the New Year, no exemption has been implemented and there has been no update from the Council. Action has been taken on other roads (Clancarty, Settrington) to mitigate SatNavs systems guiding traffic down previously quiet streets to avoid CAN cameras. Nearly three and a half years since identical concerns were raised in our neck of the woods, it's increasingly difficult to understand why we're still waiting for action.

Agenda Item 6.1

LONDON BOROUGH OF HAMMERSMITH & FULHAM

Report to: Full Council

Date: 25/02/2026

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

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 £10m 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.

RECOMMENDATIONS

That Full Council agrees, 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 69).
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.

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
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).

Wards Affected: All

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 savings and efficiencies across services and corporate functions that rationalise its estate and reduce its operating costs, whilst also

H&F values	Summary of how this report aligns to the H&F Priorities
	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) 1st 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, 30th January 2026.

Background Papers Used in Preparing This Report – none.

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-20020 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.

	2025/26	2026/27	2027/28	2028/29
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 26th 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 1st 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 updated 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 published¹². 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 package³ combining direct funding and national schemes.⁴ 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.

¹ OBR Economic and Fiscal Outlook – November 2025 (CP 1439)

^{2,4} [Economic and fiscal outlook – CP 1439](#)

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

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

- 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 20th 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 17th 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 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)

	2025/26 £m	2026/27 £m	Change £m
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
Total	241.8	230.5	(11.3)

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.

Government estimate of Business Rates	2026/27 - Fair Funding £m
Gross rates payable	301.3
Business Rate Baseline (borough share 30%)	86.3
Tariff (paid to Government)	(53.6)
Baseline Funding Level	32.7
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)
Base Budget 2025/26 (Balanced Budget)	-
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)
Resources	
Government	

Increase Central Govt Grants	(13.2)
Decrease in Business rates	30.7
Increase in Council Tax resources	(7.7)
Local	
Collection Fund – year on year reduction in surplus	3.3
Collection fund	(4.0)
Fair Funding - Transitional Relief	(6.0)
Budget Gap 26/27	-

31. The Band D Council Tax charge is calculated by dividing the Council Tax requirement by the Council Tax base⁵. 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
 - 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

⁵ 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.

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

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

Table 5: Categorisation of savings

Savings categories	£m
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)
Sub total Service Savings	(9.5)
Collection Fund savings	(8.4)
Total	(17.9)

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.
- We're also working to secure government funding to support our ambitious action plan – including the recently announced forthcoming £150 million High Streets Renewal Fund expected to open for bids soon. This fund is intended to revitalise high streets by improving neglected shopfronts, returning empty units to active use, and supporting independent businesses. Last year we applied to the GLA's High Street programme for £50,000 to develop a high street regeneration strategy which was heavily oversubscribed, however we will continue to pursue all opportunities.
- 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 and licensing teams, 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 further 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 £10m. 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 eleven 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 £10m 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 26th 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

Total dwellings in the borough	95,707	%
<i>Reductions:</i>		
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%
Dwellings liable for 100% of Council Tax	58,937	62%

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.

	2026/27	2027/28	2028/29
Consolidated Grant allocations	£m	£m	£m
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

<i>Budgeted expenditure 2026/27</i>	<i>£m</i>
<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)
<i>Gross budgeted expenditure</i>	711.2
<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)
<i>Gross revenue income budget requirement</i>	(488.3)
<i>Net revenue budget requirement</i>	222.9
<i>To be met from:</i>	
<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)
<i>2026/27 Council Tax requirement (including the adult social care precept)</i>	(92.6)

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
Total requirement for Council Tax	£139,378,574

- 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 19th 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.⁶

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.

⁶ 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 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)

		£	
(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.	91,726	
(e)	Being the amount at (c) divided by the amount at (d) above, calculated by the council in accordance with Section 31B of the Act as the Basic amount of Council Tax (Band D) for the year.	1,519.51	
(f)	Hammersmith & Fulham proportion of the Basic amount of its Council Tax (Band D)	1,009.00	
(g) Valuation Bands – Hammersmith & Fulham Council:			
Band A	Band B	Band C	Band D
672.67	784.78	896.89	1009.00
Band E	Band F	Band G	Band H
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:			

Band A	Band B	Band C	Band D
340.34	397.06	453.79	510.51
Band E	Band F	Band G	Band H
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:

Band A	Band B	Band C	Band D
1,013.01	1,181.84	1,350.68	1,519.51
Band E	Band F	Band G	Band H
1,857.18	2,194.84	2,523.52	3,039.02

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 17th 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 (%) ¹	3.2	3.0	2.9
Pay inflation (%) ²	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 17th December 2025. Final confirmation of this settlement was published on 9th of February 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

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

² OBR CPI forecast at November 2025

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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:

	Apr-24	Dec-25
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
Total	1,452	1,535

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)

	2026/27	2027/28	2028/29
Expenditure	£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)
Budget Requirement	222.9	245.2	254.0
Resources			
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)
Total Forecast Resources	(222.9)	(213.6)	(196.7)
Budget Gap	0.0	31.4	57.3

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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

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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,

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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 reprovion 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
		(4,247)	(2,681)	(2,681)	(2,681)

Housing Solutions Savings

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)
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 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)
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 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)
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 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)
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 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)
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)
	Total Savings and Efficiencies Proposals	(8,375)	(4,594)	(4,812)	(4,812)

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) 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 Commissioning 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"> - Training and qualifying employment - Disability/Carers benefit where possible - Resettlement into affordable housing - Introduce hardship funds from Crisis Resilience Fund
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"> - Provision of tenancy sustainment and landlord support - Welfare benefit advice - Introduce hardship funds from Crisis Resilience Fund
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

Department & Division	Short Description of Risk	Mitigation
Corporate		
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. 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 (£)
Private Sector Leasing			
Private Sector Leasing Water Charges	Varies	Varies	
	£261.07	£266.39	£5.32
Private Sector Leasing Rent (average per week)	£261.07 as at 19th November 2024	£266.39 as at 17th November 2025	
Bed and Breakfast Temporary Accommodation			
	£231.70	£233.00	£1.30
B & B Rent Single/Family (Average per week)	£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 (£)
HOUSING STANDARDS - Private Housing & Health			
House of Multiple Occupancy (HMO) Licences			
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: • £80 discount where the licence holder and/or the manager is a member of an accredited landlord body such as NLA, RLA or LLAS • £50 discount where the licence holder has signed up to the Hammersmith & Fulham Landlords Charter (You can sign up to the landlord’s rental charter as part of the application process) 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 Charge (£)	2026/27 Charge (£)	Proposed Variation (£)
HIGHWAYS			
Street Lamp Column Small Cell Attachments			
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
Attachment licence – for attachments other than small cells:			
Admin Charge	£280.00	£310.00	£30.00
6 monthly block charge per asset (i.e. lamp column)	£830.00	£910.00	£80.00
Other			
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
Pavement Licences			
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 (£)
Scaffolding / Hoarding Licences			
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
Crane Licences			
Major crane Application	£1,120.00	£1,230.00	£110.00
Minor Crane Operations, two weeks	£550.00	£610.00	£60.00
Skips & Builder's Materials Licences			
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
Other Highways Licences			
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
Highways Inspection Data			
Application	£610.00	£670.00	£60.00
Highways Land Enquires			
Text Based	£140.00	£155.00	£15.00
Drawing	£270.00	£300.00	£30.00
Street Naming and Numbering			
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
Street works (Section 50) Licences			
Application Fee	£500.00	£550.00	£50.00
Admin Fee (based on cost)	10%	20%	10%
LETTINGS & EVENTS - Zero Rated VAT (Hourly Rates)			
HIRE OF PARKS & OPEN SPACES FOR EVENTS - CHARGES PER DAY (based on 8 hours)			
Promotional activity roaming (per team of 5)	£410.00	£500.00	£90.00
Community in LBHF - for eligible voluntary organisations			

Fee Description	2025/26 Charge (£)	2026/27 Charge (£)	Proposed Variation (£)
Build and de-rig fee or non-operating day (50% of daily hire fee)			
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
Other Fees			
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 (£)
STREET & MARKET TRADING			
Specialist Markets			
Charge per waste bag per day for traders at Lyric Square, Wood Lane and Shepherds Bush Green Market	£2.36	£3.40	↑ £1.04
Administration Charges			
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
Shop Front Trading			
Shopfront trading fees on public maintained land - NEW LICENCE			
<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
Shopfront trading fees on public maintained land - LICENCE RENEWAL			
<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
Shopfront trading fees on private land - NEW LICENCE			
<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
Shopfront trading fees on private land - LICENCE RENEWAL			
<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
Other Shop Front Trading Fees			
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 (£)
Selling from front gardens			
<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
Community Markets and Street Trading Events for Charities and Not-For-Profit Organisations			
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
Seasonal and Temporary / Short-Term Events			
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
COMMUNITY SAFETY - Anti-Social Behaviour Unit (ASBU)			

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 monthly 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
EMERGENCY PLANNING & BUSINESS CONTINUITY - Services to External Organisations			
Business Continuity Advice - External Consultancy per day	N/A	£500.00	New Charge
Rest Centre Provision (Hourly rate)	N/A	£300.00	New Charge
CCTV			
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 (£)
Civil Marriage/Civil Partnership/Naming Ceremonies/Vow Renewals			
Notices			
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
Conversion of a Civil Partnership into Marriage			
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
Register Office, Clockwork Building			
Wednesday PM	£56.00	£56.00	£0.00
The Rose Gold Room (Clockwork Building - Capacity of 12) Wedding & Civil Partnership Renewal of Vows Naming Ceremonies			
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
The Copper Suite (Clockwork Building - Capacity of 60) Wedding & Civil Partnership Renewal of Vows Naming Ceremonies			
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 (£)
The Broadway Room Wedding & Civil Partnership Renewal of Vows Naming Ceremonies			
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
The Olympia Room Wedding & Civil Partnership Renewal of Vows Naming Ceremonies			
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
The Riverside Room Wedding & Civil Partnership Renewal of Vows Naming Ceremonies			
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
Mayor's Parlour Wedding & Civil Partnership Renewal of Vows Naming Ceremonies			
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 (£)
Council Chamber Wedding & Civil Partnership Renewal of Vows Naming Ceremonies			
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
Mayor's Foyer (Exclusive use of 2nd Floor) Wedding & Civil Partnership Renewal of Vows Naming Ceremonies			
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
Approved Venue Wedding & Civil Partnership Renewal of Vows Naming Ceremonies			
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
Fee for attendance at a religious building			
Fee for attendance at a religious building	£104.00	£104.00	£0.00
Fees for attendance at House bound or Detained			
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
Copy Certificates			
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
Fees for Changes to Initial Registration			
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
Cancellation & Booking Changes			
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 (£)
Citizenship Ceremony fees			
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
MARRIAGE LICENCES (including Civil partnership ceremonies)			
Marriage Licence 3 Years			
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
Application Total	£900.00	£900.00	£0.00
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
Application Total	£1,100.00	£1,100.00	£0.00
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
Application Total	£1,300.00	£1,300.00	£0.00
First Time Approved Venue Application - 1 Year Trial			
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
Application Total	£300.00	£300.00	£0.00
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
Application Total	£375.00	£375.00	£0.00
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
Application Total	£400.00	£400.00	£0.00
Religious premises who already hold religious marriage ceremonies to include civil partnership ceremonies			
PART A - Application fee	£263.00	£263.00	£0.00
PART B - Ongoing costs (visits, enforcement etc)	£52.00	£52.00	£0.00
Application Total	£315.00	£315.00	£0.00
Changes to Marriage Licences	£150.00	£150.00	£0.00

Commercial Card Charges

Fee Description	2025/26 Charge (£)	2026/27 Charge (£)	Proposed Variation (£)
Commercial Card Charges			
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 estimates¹, 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.

¹

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

GENDER REASSIGNMENT

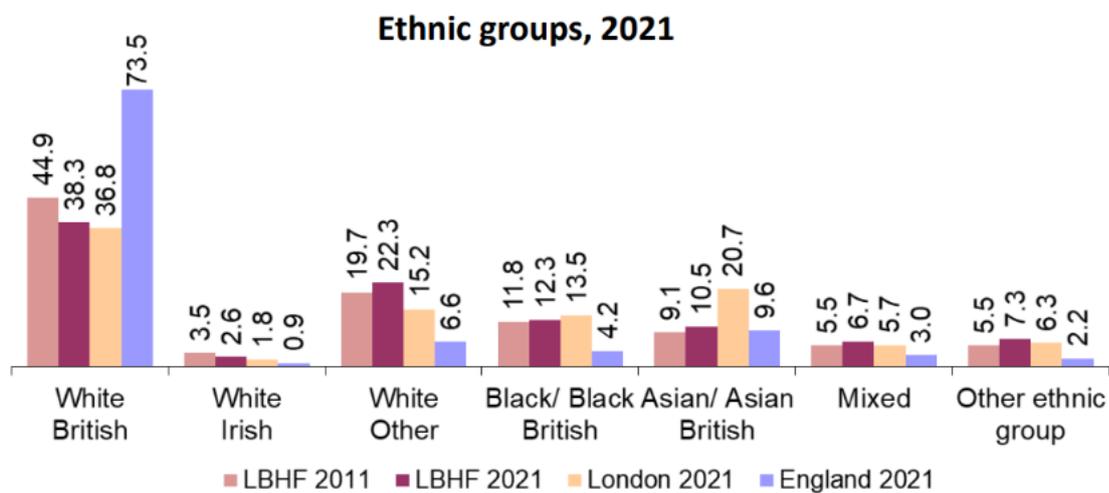
There is no Council Tax data on gender reassignment

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

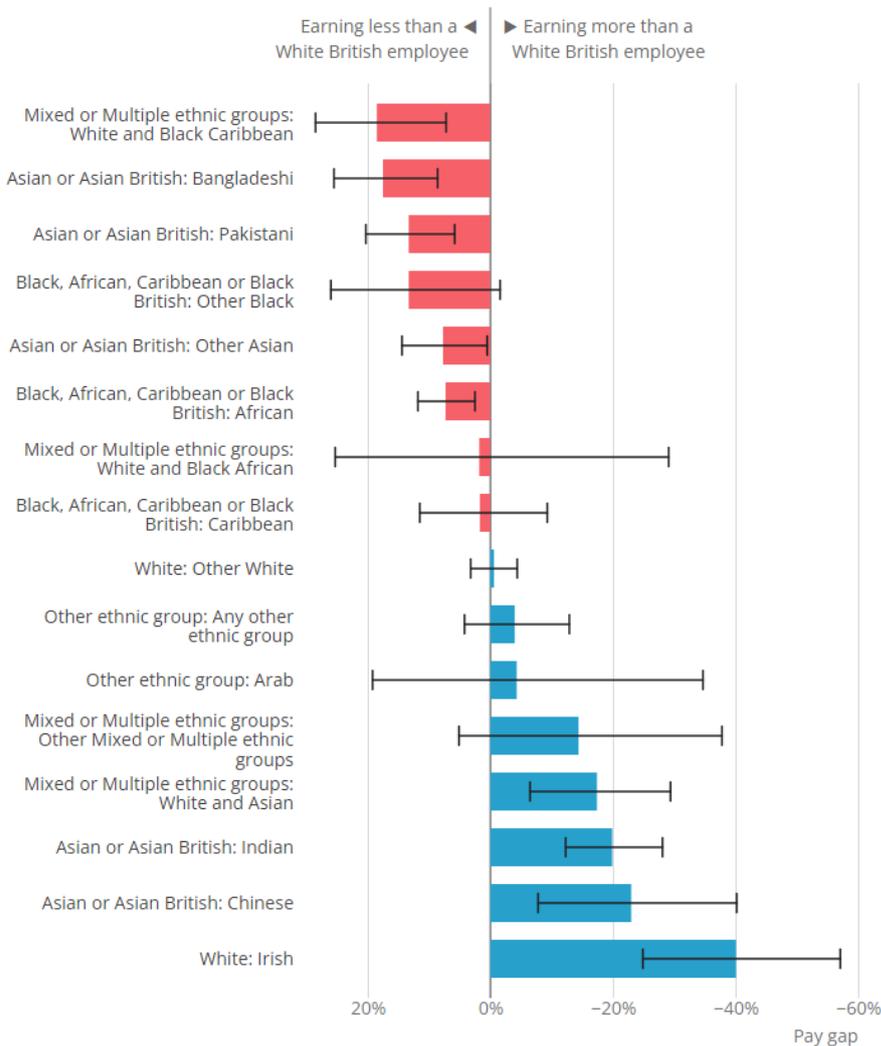
The council is an ethnically diverse place with 61.7% of residents identifying as “non-White British”.



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

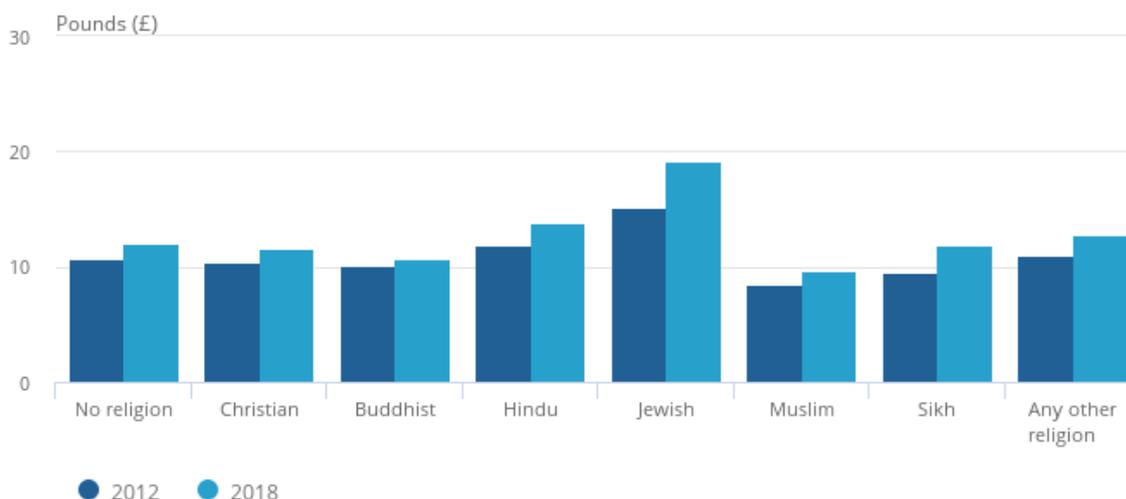
To mitigate the potential impact on those groups, those eligible for assistance for the council’s Council Tax Support Scheme which provides support with payments of council tax to low-income households in the borough. are encouraged to do so.

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:

Total dwellings in the borough	95,707	%
Reductions:		
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%
Dwellings liable for 100% of Council Tax	58,937	62%

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 20th 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
General balances	22.1	22.1	22.1	22.1
Ear marked reserves – Uncommitted / budget risk and financial resilience	43.8	39.0	38.6	38.6
Subtotal	65.9	61.0	60.7	60.7
Ear marked reserves - Committed / Planned usage	41.0	26.9	20.9	18.6
Total	106.9	87.9	81.6	79.3

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 2025¹

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

Action
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.

¹ 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
<p>The treatment of inflation and interest rates</p>	<p><i>The overall financial position of the authority (level of borrowing, debt outstanding, Council Tax collection rates etc).</i></p> <p><i>Rises in the prices of some commodities, Eg fuel and energy, highlight the relevance of using several inflation rates in the budget and financial strategy, and considering whether general reserves are adequate to deal with unexpected increases.</i></p> <p><i>Volatility in the financial markets also points to the need to consider investment and borrowing risks and their impact on income.</i></p> <p>The value of risk is the impact of a 1% increase in inflation on the forecast for contract inflation.</p> <p>The inflation reserve balance of £4.8m is adequate to meet this pressure in the short term.</p>
<p>Estimates of the level and timing of capital receipts</p>	<p><i>The authority's track record in budget and financial management including the robustness of the medium-term plans.</i></p> <p><i>Authorities will also need to consider changes in the property market and adjust estimates and assumptions for reserves accordingly.</i></p> <p>There is currently a nil future forecast for General Fund receipts.</p> <p>Dispensation for flexible use of capital</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>

	<p>£5m is set aside in the Pre-Development reserve to mitigate against risks within capital strategy and initiatives.</p>
<p>The availability of reserves, government grants and other funds to deal with major contingencies and the adequacy of provisions</p>	<p><i>The adequacy of the authority's insurance arrangements to cover major unforeseen risks.</i></p> <p><i>When considering insurance cover, the structure of the cover as well as the overall level of risk should be considered. Risk assessments should be used when balancing the levels of insurance premiums and reserves.</i></p> <p>The Council currently holds an earmarked Insurance reserve of £4.5m. Claims reviews are carried out every month and as well as periodical actuarial reviews. The most recent actuarial review gave assurance that reserves levels were adequate.</p>
<p>The general financial climate to which the authority is subject to.</p>	<p><i>External factors, such as future funding levels expected to be included in Spending Reviews and expected referenda principles and limits, will influence an authority's ability to replenish reserves once they have been used.</i></p> <p><i>Any plans for using reserves will need to consider the need and ability of the authority to replenish the reserves, and the risks to which the authority will be exposed whilst replenishing the reserves.</i></p> <p>This is the balance available in the unallocated contingency reserve to mitigate against short term pressures.</p> <p>The Council's general balance for 2025/26 is £21.6m. This is within the medium-term optimal range of £19m to £23m.</p> <p>General balances are forecast to remain within the optimum range in 2025/26.</p>

Appendix 2 – Earmarked Reserves Description

Earmarked Reserves are amounts set aside for specific purposes. The main purpose of each earmarked reserve is explained below.

	Reserve Name	Description
1	Corporate Demands and Pressures	To meet unbudgeted demands and pressures.
2	Insurance Fund	Underwrites a proportion of the Council's insurable risks.
3	Inflation	To provide for risks associated with inflationary pressures
4	Civic Campus	Can only be used to fund the costs of implementing the Civic Campus redevelopment
5	Digital	Can be used to provide for costs of the Council's digital works programme.
6	Invest to Save (Efficiency Projects)	To fund future revenue expenditure and capital investment that will provide future revenue savings.
7	Controlled Parking Fund	The surplus from the running of the Controlled Parking operations within the Borough is accumulated in this Fund. In the past, this reserve had to be used to meeting expenditure on transport and highways related activities.
8	Dedicated Schools Grant Reserves – a) DSG Support Reserve b) DSG Early Years Block	a) DSG Support Reserve –This reserve offsets the DSG Unusable Reserve Deficit to ensure that the expenditure incurred to date can be fully funded in light of continuing pressures and in the event that the deficit recovery plan is unable to recover the current cumulative position. Overall, the DSG reserve (deficit and deficit set-aside) is nil as the cumulative deficit is matched by the reserve set aside. b) DSG High Needs Block Deficit Reserve Parliament has approved the Local Authorities (Capital

	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 & Early years Block) Reserve This reserve records the cumulative balance on the Schools and Early years block. Grant deficit to unusable reserves.</p>
9	Unallocated Contingency	A reserve held to mitigate against unforeseen costs to the Council
10	Pre-Development	This reserve is to provide for the risk associated with the council's general fund capital strategy and initiatives.
11	Planning Reserve	This reserve is to support funding of CIL related projects.
12	Other Service Reserves	This comprises several smaller reserves, which are held to fund various projects and potential future commitments that are managed by service areas.
13	Other Corporate Reserves	Comprises several smaller reserve balances, which are held to fund projects that are being managed by corporately
14	HRA Reserves	This reserve provides a working balance for the Housing Revenue Account, for which transactions are ring-fenced under the provisions of the Local

		Government and Housing Act 1989.
15	Schools Balances	Reserves held to fund projects related to Schools
16	Collection Fund	Billing authorities have a statutory obligation to maintain a separate Collection Fund in relation to collections from Council tax and NNDR and the distribution of these funds to Local Authorities and the Government.

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

Summary (£m)	1st April 2025	1st April 2026	1st April 2027	1st April 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)
Budget risk and financial resilience	(43.8)	(39.0)	(38.6)	(38.6)
Available reserves and balances	(65.9)	(61.0)	(60.7)	(60.7)
Planned usage				
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)
Committed Reserves / Planned usage	(41.0)	(26.9)	(20.9)	(18.6)
Subtotal excluding General balances	(84.8)	(65.8)	(59.5)	(57.2)
Total	(106.9)	(87.9)	(81.6)	(84.3)
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

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 Budget	Inflation	Investment in Services	Savings	Corporate Adjustments	Proposed 2026/27 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
Council Net Budget Requirement	223.0	10.9	0.0	(9.5)	(1.5)	222.9
<i>Financed by:</i>						
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)
TOTAL	(223.0)	0.0	0.0	0.0	0.1	(222.9)

2026/27 Subjective Summary

	2025/26	Inflation	Investment in Services	Savings	Corporate Adjustments	Proposed 2026/27 Budget
	£m	£m	£m	£m	£m	£m
Gross Expenditure						
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
Total Gross Expenditure	702.1	10.9	0.0	(6.2)	4.5	711.2
Support Service Recharge Incon	(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 adjt	(20.4)				(1.4)	(21.8)
Total Gross Income	(479.1)	0.0	0.0	(3.3)	(5.9)	(488.3)
Council Net Budget Requirem	223.0	10.9	0.0	(9.5)	(1.4)	222.9
Financed By:						
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)
TOTAL:	(223.0)	0.0	0.0	0.0	(0.7)	(222.9)

Report to: Full Council

Date: 25/02/2026

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

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.

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.

Programme	4-Year Budget £m
Corporate Planned Maintenance	12.4
Footways and Carriageways	7.5
Column Replacement	1.4
Total	21.3

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.

Wards Affected: All

The Council's Capital Programme contains several schemes and projects which are directly linked to the Council's Business Plan, and which will deliver the Council's priorities, as set out in the plan. The Capital Strategy provides more detailed information on how these projects link to the Council's objectives.

Our Values	Summary of how this report aligns to the H&F Values
Being ruthlessly financially efficient	<p>All capital investment decisions are required to be underpinned by a robust business case that sets out the full costs, funding and risks and any expected financial return alongside the broader outcomes including economic and social benefits.</p> <p>This report provides detailed analysis of the Council's capital programme financial position and highlights potential risks and their impact on the Council's resources.</p>

Building shared prosperity	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 Code¹ 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.

¹ 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, Assistant Director of Legal Services

Background Papers Used in Preparing This Report:

None.

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
General Fund					
People	8.8	4.6	4.9	-	18.3
Place (General Fund)	65.3	38.3	8.3	4.8	116.7
Sub-Total (General Fund)	74.1	42.9	13.2	4.8	135.0
Housing Revenue Account (HRA)					
Housing (HRA)	58.7	58.1	59.0	61.4	237.2
Place (HRA)	30.2	24.2	20.9	4.7	80.0
Sub-Total (HRA)	88.9	82.3	79.9	66.1	317.2
Total Expenditure	163.0	125.2	93.1	70.9	452.2

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)
Total	(163.1)	(125.1)	(93.2)	(70.9)	(452.2)

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
General Fund					
Place (GF)	65.3	38.3	8.3	4.8	116.7
People	8.8	4.6	4.9	-	18.3
Total Expenditure	74.1	42.9	13.2	4.8	135
Capital Financing					
Specific Resources	(44.2)	(8.5)	(6.9)	-	(59.6)
Borrowing	(29.9)	(34.4)	(6.3)	(4.8)	(75.4)
Total Capital Financing	(74.1)	(42.9)	(13.2)	(4.8)	135

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

	2026/27	2027/28	2028/29	2029/30
	£m	£m	£m	£m
GF Opening CFR	375.8	384.8	374.5	362.5
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)
Forecast Closing GF CFR	384.8	374.5	362.5	356.5

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
Housing Revenue Account (HRA)					
Housing	58.7	58.1	59.0	61.4	237.2
Place	19.3	14.6	11.6	4.7	50.2
Regeneration Capital Schemes	10.9	9.5	9.4	-	29.8
Total Expenditure	88.9	82.2	80.0	66.1	317.2
Capital Financing					
Specific Resources	(88.9)	(48.8)	(33.0)	(29.6)	(200.3)
Borrowing	-	(33.4)	(47.0)	(36.5)	(116.9)
Total Capital Financing	(88.9)	(82.2)	(80.0)	(66.1)	(317.2)

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	563.3	586.8	633.8	670.2

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

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

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

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

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

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

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

Report to: Full Council

Date: 25/02/2026

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, Executive Director of Finance and Corporate Services

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.

RECOMMENDATIONS

It is recommended that:

1. Approval is given to the future borrowing and investment strategies as outlined in this report.
2. The Executive Director of Finance and Corporate Services, in consultation with the Cabinet Member for Finance and Reform, be delegated authority to manage the Council's cash flow, borrowing and investments in 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

Our Values	Summary of how this report aligns to the H&F Values
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, Executive Director of Finance and Corporate Services

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

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 (4th Edition, 2018)
 - MHCLG guidance on local government investments (3rd 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)
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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
Authorised Limit for External:					
Borrowing and other long-term liabilities	1,040	1,050	1,070	1,100	1,130
Operational Boundary for:					
Borrowing	940	950	970	1,000	1,030
Other long-term liabilities	15	15	15	15	15
TOTAL	955	965	985	1,015	1,045

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.

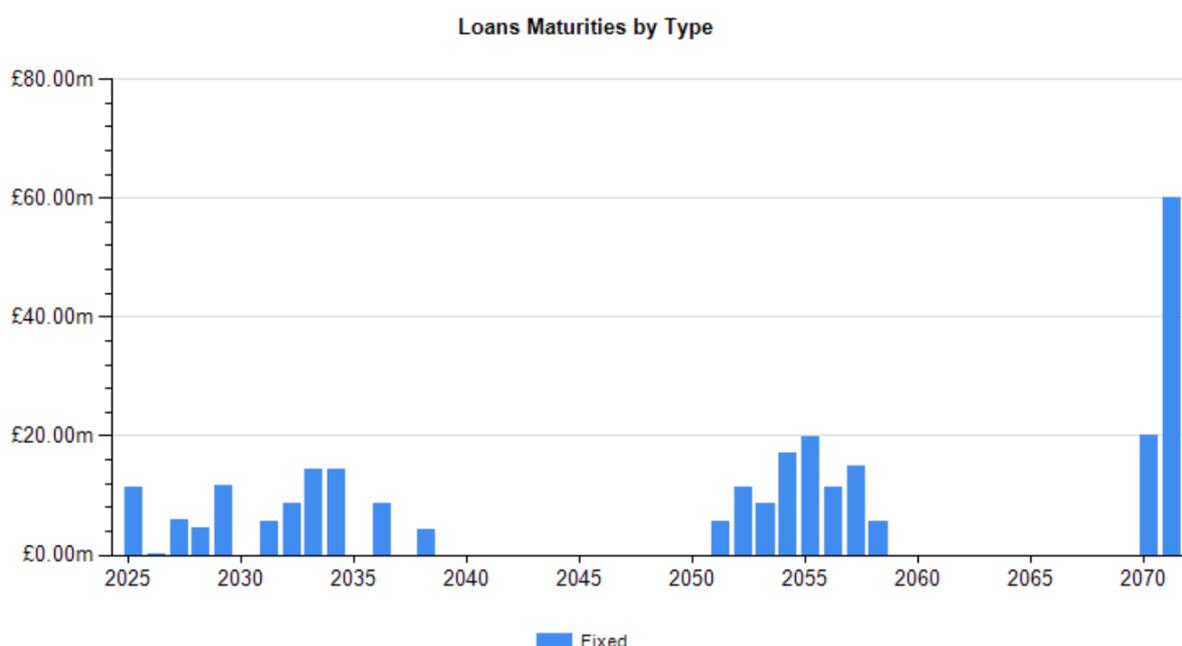
Table 2: Debt maturity profile limits

Period	Actual Maturity at 30 Nov 2025	Actual Maturity at 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
Total	426	100

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 Actuals £m		2025/26 Forecast £m	2026/27 Estimate £m	2027/28 Estimate £m	2028/29 Estimate £m	2029/30 Estimate £m
	CFR as at 30 November					
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
767	TOTAL	939	948	962	997	1027
	Annual Change					
42	General Fund	68	9	(10)	(12)	(6)
111	HRA	104	0	24	47	36
153	TOTAL	172	9	14	35	30

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

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

	2025/26 Forecast £m	2026/27 Estimate £m	2027/28 Estimate £m	2028/29 Estimate £m	2029/30 Estimate £m
GF Opening CFR	308	376	385	375	363
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)
Forecast Closing GF CFR	376	385	375	363	357

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

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 Actual %		2025/26 Forecast %	2026/27 Estimate %	2027/28 Estimate %	2028/29 Estimate %	2029/30 Estimate %
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 Actual %		2024/25 Forecast %	2025/26 Estimate %	2026/27 Estimate %	2028/29 Estimate %	2029/30 Estimate %
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

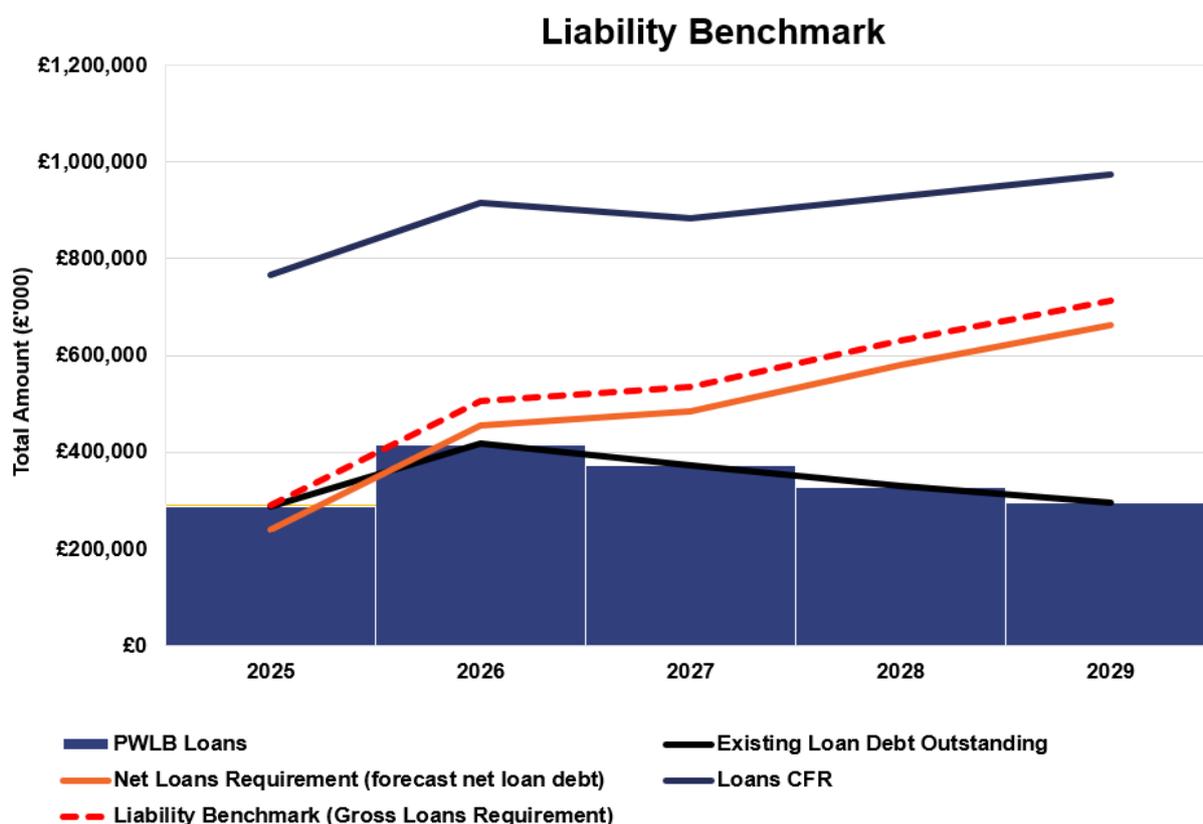
42. From 2026/27 onwards, the ratio of capital financing costs to net revenue stream for the General Fund increases, primarily for two reasons: firstly an increasing minimum revenue provision charge, with the completion of the Civic Campus project, and secondly a reducing net revenue stream as a result 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	Average Rate		Principal	Average Rate	
£m	%		£m	%	
Investments					
44	4.8	Specified	83	3.9	
0	0.0	Non-Specified	0	0.0	
44		Total	83		
Borrowing					
288	3.8	Public Works Loan Board	422	3.9	
288		Total	422		

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 Actual £m	2026/27 Forecast £m	2027/28 Estimate £m	2028/29 Estimate £m	2029/30 Estimate £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 indicator	2025/26 forecast	2026/27 proposed
Capital expenditure	£214m	£214m	£251m
Capital Financing Requirement (CFR)	£856m	£948m	£962m
Net debt vs CFR	£389m underborrowing	£487m underborrowing	£333m 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 - 100%	Lower limit 10 years and above - 76%	Lower limit 10 years and above - 100%
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	2025/26 indicator	2025/26 forecast	2026/27 proposed
Ratio of financing costs to revenue stream	GF (0.79%) HRA 29.75%	GF 1.23% HRA 29.8%	GF 2.64% HRA 27.21%
Ratio of financing costs to revenue stream	GF 1.31% HRA 3.04%	GF 1.53% HRA 3.00%	GF 1.61% 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:

Area of Responsibility	Council / Committee / Officer	Frequency
Treasury Management Strategy	1. Political Cabinet 2. Cabinet 3. Full Council	Annually at meeting before the start of the financial year.
Treasury Management Strategy: Mid-year report	Audit Committee	Annually after the first half of the financial year
Treasury Management Strategy: Updates / revisions at other times	Full Council	As and when required
Treasury Outturn Report	1. Political Cabinet 2. Cabinet 3. Audit Committee	Annually after year-end
Treasury Management Monitoring Reports	Director of Finance and Cabinet Member for Finance and Commercial Services	Weekly/Monthly

PROSPECTS FOR INTEREST RATES

- 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

- 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.
- 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.
- 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.
- 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**
- 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) %
5 years	4.81	4.10	4.20
10 years	5.39	4.70	4.70

25 years	6.01	5.30	5.30
50 years	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

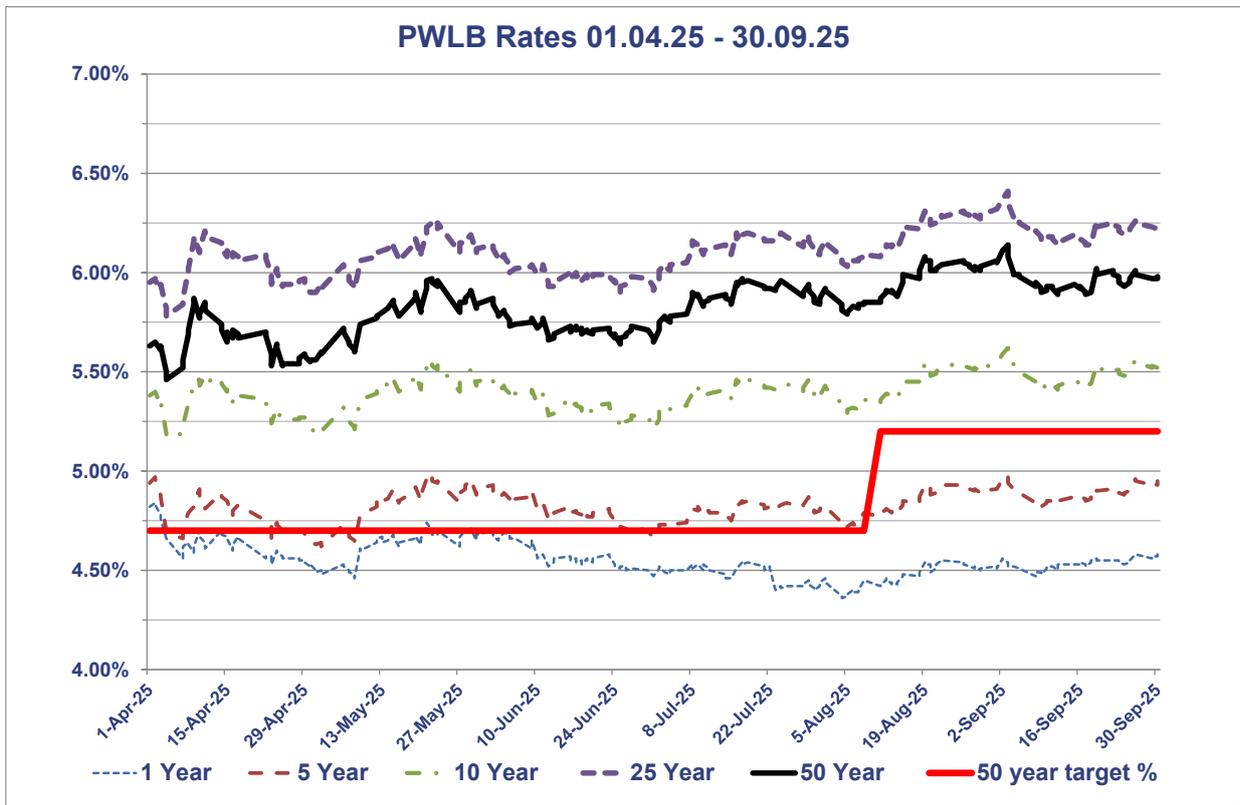
ECONOMIC UPDATE

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).

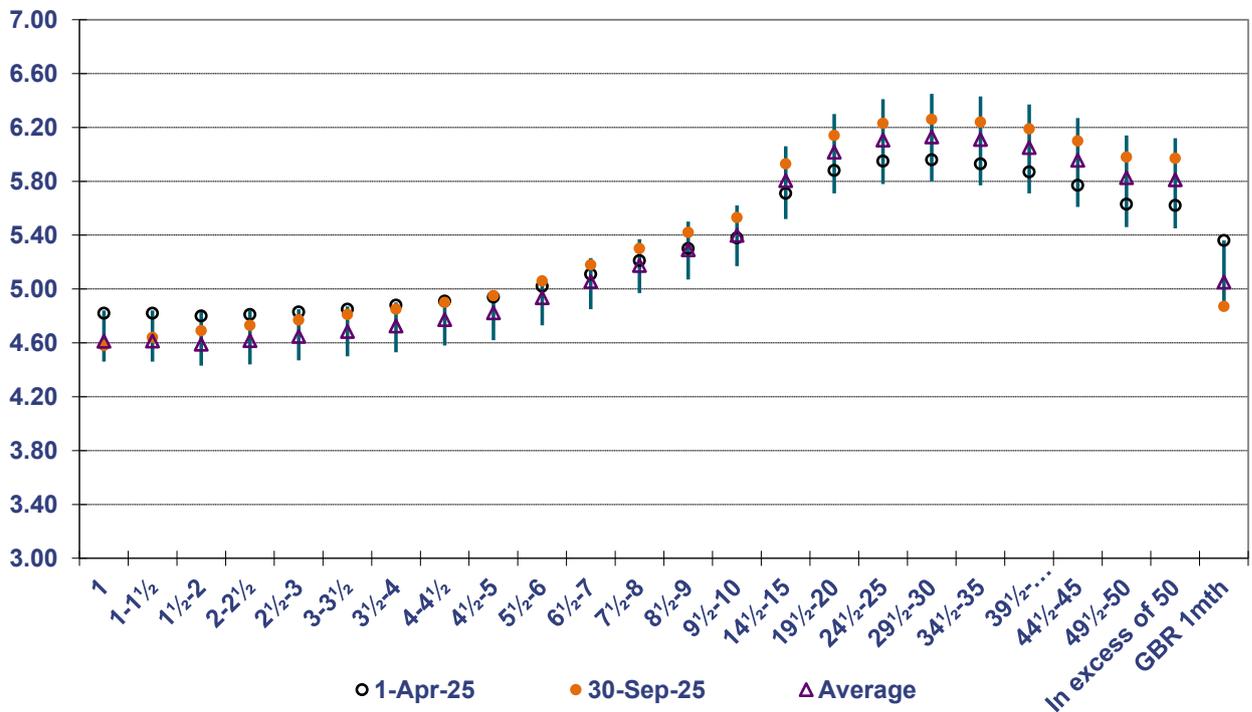
2. Leading up to the November Budget, the public finances position looked weak. The £20.2 billion borrowed in September was slightly above the £20.1 billion forecast by the OBR. The £99.8 billion borrowed is the second highest for the April to September period since records began in 1993, surpassed only 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



PWLB Certainty Rate Variations 01.04.25 to 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 %	Previously %
2025/26 (residual)	3.80	3.90
2026/27	3.40	3.60
2027/28	3.30	3.30
2028/29	3.30	3.50
2029/30	3.50	3.50
Years 6-10	3.50	3.50
Years 10+	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 swaps¹ 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

¹ 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 ².
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;

² 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 (Fitch/Moody's/S&P)	Maximum Individual Counterparty Investment Limit £m	Maximum tenure	Changes from the 2024/25 TMSS
DMO Deposits	Government Backed	Unlimited	6 months	No change
UK Government (Gilts/T-Bills/Repos)	Government Backed	Unlimited	Unlimited	No change
Supra-national Banks, European Agencies	LT: AA-/Aa3/AA-	£50m	5 years	No change
Covered Bonds	LT: AA+/Aa1/AA+	£50m	5 years	No change
Network Rail	Government guarantee	£200m maximum	Oct-52	No change
Collective Investment Scheme Investment Grade Bond Fund	Due diligence	£30m	Daily pricing	No change
GLA		GLA: £50M	3 years	No change
UK Local Authorities (LA)	N/A	LA: £30m per LA, per criteria £200m in aggregate	3 years	No change
Commercial Paper issued by UK and European Corporates	LT: AA-/Aa3/AA- ST: F1+/P-1/A-1+	£20m per name £80m in aggregate	1 year	No change
Money Market Funds (MMF)	LT: AAA by at least one of the main credit agencies	£45m per Fund Manager £300m in aggregate	3-day notice	No change
Enhanced Money Funds (EMF)	LT: AAA by at least one of the main credit agencies	£25m per fund manager, £100m in aggregate	Up to 7 day notice	No change

Investments	Minimum Credit Rating Required	Maximum Individual Counterparty Investment Limit	Maximum tenure	Changes from the 2024/25 TMSS
	Fitch/Moody's/S&P	£m		
UK Bank (Deposit/Certificates of Deposit/Short Dated Bonds)	LT: AA-/Aa3/AA- or UK Government Ownership greater than 25%	£70m	3-5 years	No change
	LT: A-/A3/A-	£50m	1-3 years	No change
	ST: F2/P-2/A-2	£50m	0-1 year	No change
Non-UK Bank (Deposit/Certificates of Deposit/Short Dated Bonds)	LT: AA-/Aa2/AA-	£50m	1-3 years	No change
	ST: F2/P-2/A-2	£30m	0-1 year	No change
Green Energy Bonds	Internal and External due diligence	Less than 25% of the total project investment or maximum of £20m per bond. £50m in aggregate	10 years	No change
Rated UK Building Societies	LT: A3/A-	£30m	3 years	No change
	ST: F2/P-2/A-2			
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	High Grade			
A2	A	A-1	Upper Medium Grade					
A3	A-	A-2	F2					
Baa1	P-2	BBB+	A-3	BBB+	F3	Lower medium grade		
Baa2	P-3	BBB		BBB				
Baa3		BBB-	BBB-					
Ba1	Not Prime	BB+	B	BB+	B	Speculative	Non Investment Grade	
Ba2		BB		BB				
Ba3		BB-		BB-				
B1		B+		B+				
B2		B		B				
B3		B-	B-					
Caa1		C	CCC+	C	CCC	C		Highly Speculative
Caa2			CCC		Substantial Risks			
Caa3			CCC-		Extremely Speculative			
Ca		CC	D	D	D	D		Default imminent with little prospect for recovery
C	C							
	DD							
	D	In Default						

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.	A clear description of the specific actions to be taken to control the risk or opportunity
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.	The name of the service that the risk is being transferred to and the reasons for the transfer.
Tolerate	Do nothing because the cost outweighs the benefits and/or an element of the risk is outside our control.	A clear description of the specific reasons for tolerating the risk.

Agenda Item 6.4

LONDON BOROUGH OF HAMMERSMITH & FULHAM

Report to: Full Council

Date: 25/02/2026

Subject: Pay Policy Statement 2026/27

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

Report author: Mary Lamont, Assistant Director, People & Talent

Responsible Director: Grant Deg, Director of Legal Services

SUMMARY

The Council is required to prepare a pay policy statement for each financial year that sets out the Council's approach to recognising and rewarding its employees in a fair, consistent, and equitable manner.

The pay for all employees increased by 3.2% in the 2025/2026 pay award.

Employees on up to PO9 spine point 50 received an increase of £1,575 (pro rata for part-time employees) to their spine point.

Employees on spine point 51 and above received an increase of 2.5% to their spine point. This has helped to reduce the multiple the highest paid officer of the Council to the median salary to 4.8 (compared to 5.2 in the previous year and 5.9 across London Councils).

The Council acknowledges that benefits are an important part of a recruitment package. The Council publishes details of staff benefits on its Total Reward intranet page to ensure that all internal staff have access to the wide range of benefits the Council offers. In addition to this, the Council publishes, as a high-level summary, the wide range of benefits available to potential employees who may be considering a career with the Council via the Jobs Portal.

RECOMMENDATIONS

1. That Full Council approve the pay policy statement for 2026/27 as set out in Appendix 1.
 2. That Full Council note the benchmarking of the Council's median pay multiple against the average of other Inner London Boroughs contained in paragraph 11 below.
-

Wards Affected: None

H&F Values	Summary of how this report aligns to the H&F Values
Creating a compassionate council	An important feature of the pay policy is the monitoring of the pay multiple and adopting approaches that protect the interests of the lowest paid employees.
Being ruthlessly financially efficient	The pay policy statement sets out how rates of pay are controlled by application of job evaluation schemes to ensure an appropriate salary is paid. It also establishes principles that contribute to achieving value for money through payroll expenditure.

Financial Impact

This report sets out the policy and position on pay within the Council. There are no direct financial implications arising from the recommendations as any resultant costs will need to be contained within existing employee budgets.

Comments approved by Sukvinder Kalsi, Executive Director of Finance and Corporate Services

Legal Implications

The statutory requirements set out in Chapter 8 of Part 1 of the Localism Act 2011 (Sections 38-43) are summarised in the report and the pay policy statement. The pay policy statement complies with the statutory requirements.

Comments approved by Grant Deg, Assistant Director, Legal

Background Papers Used in Preparing This Report

- Localism Act 2011
- Openness and Accountability in Local Pay – Guidance under section 40 of the Localism Act from Department for Communities and Local Government (DCLG)
- The Local Government Transparency Code 2015 (DCLG June 2015)
- Statutory guidance on the making and disclosure of Special Severance Payments by local authorities in England – 12 May 2022
- LBHF Council Pension Policy
- GLPC Salary Scales
- Benchmarking of Inner London Boroughs median pay multiples (contained in London Councils Chief Officer Pay and Benefits Survey 2023)

DETAILED ANALYSIS

The Statutory Requirement to Produce Pay Policy Statements

1. Section 38(1) of the Localism Act 2011 (the Act) requires the Council to prepare a pay policy statement for each financial year. This pay policy statement must be approved by Council. The provisions of the Act do not apply to local authority schools.
2. Approved pay policy statements must be published on the Council's website as soon as reasonably practicable after being approved. The Act also requires that the Council includes in its pay policy statement the approach to the publication of and access to information relating to the remuneration of chief officers. Remuneration includes salary or payment for a contract for services, expenses, bonuses, and performance related pay as well as severance payments. The definition of Chief Officers is set out in section 2 of the Local Government and Housing Act 1989.
3. Section 38(2) of the Act also requires the Council to set out its policy on remuneration for its highest paid employees alongside its policies towards its lowest paid employees. In particular, it requires the Council to explain what it thinks the relationship should be between the remuneration of its chief officers and other employees and to set out policy on the lowest paid. The Council must include its current policy towards maintaining or reaching a specific pay multiple, within its broader policy on how pay and reward should be fairly dispersed across its workforce.
4. So far as other elements of senior remuneration are concerned, including the use of any bonuses, performance related pay (PRP), severance payments and the payment of fees for election duties, the Council must also make it clear what approach it takes to the setting and publishing of these.
5. The pay policy statement must also deal with a number of aspects of re-employment of employees. The Council must explain its policy in relation to the payment of salary and pension to the same individual. It must also set out its policy in relation to the re-employment of chief officers who have retired and may be re-employed on a contract for services.
6. The Council must in setting pay policy statements, have regard to the guidance issued by the Secretary of State for Levelling Up, Housing and Communities. This includes the Local Government Transparency Code 2015 issued pursuant to section 2 of the Local Government, Planning and Land Act 1980 and guidance under section 40 of the Localism Act of February 2012 and February 2013 which requires relevant authorities to prepare pay policy statements. Due regard has been had to the guidance in the preparation of this policy.
7. Once in force, it must be complied with although it may be amended by Council during the financial year.

Key Issues

8. The Government guidance for local authorities on the preparation of a pay policy statement recommends the calculation and publication of an authority's pay multiple. That is the relationship between the median earnings figure in the organisation and the remuneration of its highest paid officer.
9. The median is defined as that earnings figure at which there are an equal number of officers' earnings figures above and below it. The highest paid officer in Hammersmith & Fulham is the Chief Executive.
10. The remuneration of the highest paid officer is divided by the median earnings figure to arrive at the pay multiple. At March 2025 this ratio was 4.7:1. This has decreased from the previous figure of 4.8:1 reported for March 2024. The Council uses the same method used for the statutory Gender Pay Gap calculations to arrive at this figure because it is a reliable method of measuring the normal pay employees receive.
11. The Council is required to keep its position on the pay multiple under review. To help decide whether this position is appropriate, the Council's average pay median pay multiple of 4.7:1 has been compared to the position of other Inner London Boroughs. Their average, as reported in the 2025/26 pay policy statements of Inner-London Boroughs was 5.1:1. This suggests the Council's own position continues to be reasonable.
12. The Council acknowledges that benefits are an important part of a recruitment package. The Council publishes details of staff benefits on its Total Reward intranet page to ensure that all internal staff have access to the wide range of benefits the Council offers. In addition to this, the Council publishes, as a high-level summary, the wide range of benefits available to potential employees who may be considering a career with the Council.

Reasons for Decision

13. The Council is required by the Act to approve a pay policy statement and for the policy to be published on the Council's website.

Equality Implications

14. It is not anticipated that the Council's pay policy statement will have any negative impact on any groups with protected characteristics, under the terms of the Equality Act 2010. The pay policy incorporates the Council's statutory requirement to publish details of its gender pay gap.

List of Appendices

Appendix 1 – Pay Policy Statement 2026/27

Appendix 2 – Greater London Provincial Council (GLPC) Grades and Salaries and Hammersmith & Fulham Chief Officer Grades and Salaries

APPENDIX 1: PAY POLICY STATEMENT 2026/27

London Borough of Hammersmith & Fulham (H&F)

1. Fairness and Transparency.

- 1.1 Hammersmith & Fulham is committed to paying its employees on a fair basis to reflect the work that they do. At the same time, it recognises that there is public interest in both the remuneration of its employees and the way in which that remuneration is set. It is therefore publishing this statement to ensure transparency and fulfil its obligations under section 38 (1) of the Localism Act 2011.
- 1.2 The Council's Chief Executive, as Head of Paid Service, is responsible for ensuring the Council meets its duties for appointment on merit, the terms and conditions of employment, compliance with the Council's Standing Orders for the appointment and remuneration of employees and the requirements set out in the Local Government and Housing Act 1989.

2. Vision and Our People

- 2.1 The Council's vision is to be the best, and it has six clear values:
 - Building shared prosperity
 - Doing things with residents not to them
 - Taking pride in Hammersmith & Fulham
 - Creating a compassionate Council
 - Being ruthlessly financially efficient
 - Rising to the challenge of the climate and ecological emergency
- 2.2 Our People Strategy complements Our Vision by setting out who we are and our focus on the employee experience, employee development, coaching, leadership and culture within the organisation.
- 2.3 The vision, desired behaviours and guide to good management are used in recruitment, discussions on learning and development needs, performance appraisal, including the determination of salary uplifts for senior managers and other forms of recognition.

3. Pay Design

- 3.1 The pay ranges for Council employees reflect the need to recruit and retain good employees.
- 3.2 Employees salaries are set through national pay bargaining. Progression through each individual salary range is by increments and is related to satisfactory service. All employees have an annual performance appraisal.
- 3.3 The Council's senior executives are paid on the locally determined salary ranges for grades A to F. Employees on these grades include all those officers

who meet the Local Government and Housing Act 1989 definition of either the Head of Paid Service, Monitoring Officer, Statutory and Non-Statutory Chief Officers or Deputy Chief Officers. Other senior employees are also paid on these grades. Pay uplifts in excess of the annual cost of living awards are considered subject to their on-going assessment through the Council's Performance Appraisal Scheme. This allows for consolidated uplifts to base salary up to the maximum of the grade. The Council does not pay performance related bonuses to senior executives.

- 3.4 Increases to pay scales and ranges will occur through national pay awards. Individual salaries will also be increased annually in line with national pay awards. Grades B to F will rise in line with any JNC for Chief Officers national pay award. Grade A will be increased in line with the national pay award of the JNC for Local Authority Chief Executives.
- 3.5 The pay ranges for all employees are set out in the attached Appendix 2.
- 3.6 The pay ranges for all posts in the Council are determined through job evaluation to ensure fairness and equality. In respect of nationally negotiated ranges (Scales 1B to PO10), this is done through the Greater London Provincial Council Job Evaluation Scheme.
- 3.7 Each senior executive role will be graded by matching into one of 6 pay grades between A and F. All posts paid on pay grades A to F are evaluated using the Korn Ferry/Hay job evaluation scheme.
- 3.8 The Act requires the Council to define its lowest paid employees.
- 3.9 The Council's lowest paid workers are defined as those on the lowest spinal column point of the NJC salary scales. From 1 April 2026, the lowest spine point will be Scale 1C spine point 3 (points 1 and 2 have been removed through collectively agreed national pay awards). This gives minimum annual salary of £30,225 based on the April 2025 rates for a standard working week of 36 hours. This figure will increase in line with the 2026/27 pay award.
- 3.10 The Council became an accredited Living Wage Employer in February 2016. Under the terms of the Council's accreditation, this means that no directly employed Council employees will earn less than the London Living Wage. This includes any directly employed interns or apprentices.
- 3.11 Each employee will receive a basic salary as defined by the Council's pay and grading structures commensurate with the level of their duties and responsibilities.
- 3.12 Starting salaries within the evaluated grade for the role are determined by reference to market rates and an individual's existing salary. The default for starting salaries is on the bottom of the salary band. Approval is required, at Assistant Director level to appoint above the bottom of the salary band and only where justification has been provided to recognise market pressures.

- 3.13 In addition to these annual salaries, the Council can choose to pay extra sums to employees to recognise market pressures or additional work undertaken. These may be time limited pay supplements, acting-up allowances or honoraria.
- 3.14 Where market supplements and additional payments for the Head of Paid Service or Statutory and Non-Statutory Chief Officers are considered necessary, they will be time limited and subject to regular reviews by the Resources Management Board (RMB).
- 3.15 As required by the Local Government and Housing Act 1989, the appointment and remuneration of Statutory and Non-Statutory Chief Officers who report directly to the Head of Paid Service (save for interim appointments), is determined by the Council's Members through the Chief Officer Appointments Committee.
- 3.16 Arrangements for shared appointments are addressed through Section 113 Agreements of the Local Government Act 1972.

4. Other Rewards and Benefits

- 4.1 The Council tries to adopt best practice and allow for market forces when determining additional benefits for its employees. In addition, it acknowledges that benefits are an important part of a recruitment package.
- 4.2 The Council publishes details of staff benefits on its Total Reward intranet page to ensure that all internal staff have access to the wide range of benefits the Council offers. In addition to this, the Council publishes, as a high-level summary, the wide range of benefits available to potential employees who may be considering a career with the Council.
- 4.3 All employees are therefore entitled to receive a range of benefits which the Council either provides or has negotiated. These include interest free travel loan, childcare vouchers, cycle to work salary sacrifice schemes, training support and outplacement support including career counselling for employees who are made redundant.
- 4.5 Professional fees and charges will be paid on behalf of employees who are required to be registered to undertake their role.
- 4.6 An officer has a statutory position in each election i.e. the Returning Officer/ Acting Returning Officer, etc. and receives a fee in recognition of this role. This fee reflects the advisory fee set for each election by the Ministry of Justice. There are also fees paid to employees who carry out the annual canvass of the electoral register and who undertake additional work at the time of the election – poll staff, inspectors, count staff, etc.
- 4.7 Any benefits, gifts or hospitality must be properly authorised and recorded in accordance with the Officer's Code of Conduct.

5. Pension and Severance Payments

- 5.1 Employees are entitled to join the Local Government Pension Scheme (LGPS) and are contracted enrolled into the scheme. If they have attained at least 2 years' service they will receive their pension at their state retirement age, employees are entitled to take a reduced pension from age 55. Pension payments will also be released early in certain circumstances including redundancy and ill health retirements provided that the appropriate criteria is met. This is updated from time to time in line with any changes to pension regulations and legislation.
- 5.2 Under the LGPS, employees may request flexible retirement whereby they can retire early and continue to work on a part-time basis or on a reduced salary, whilst being in receipt of their LGPS pension. The Pension Fund retains the discretion to agree such arrangements in line with the [LBHF Discretions Policy | Hammersmith and Fulham Pension Fund](#)
- 5.3 The fact that an individual is already receiving a pension under the LGPS regulations does not prevent the Council from appointing them. However, if an employee is in receipt of a pension from a previous employer that is a member of the LGPS and they are recruited by the Council, they must notify their pension provider of re-employment, even if they elect not to join the pension scheme here.
- 5.4 The Council will not reemploy any previous employee who received a redundancy or severance payment for a period of 3 years, without a business case justifying why it is necessary. Business cases are approved by the Chief Executive Officer and Assistant Director, People and Talent.
- 5.5 In May 2022, the Government issued guidance in connection with special severance payments for employees under section 26 of the Local Government Act 1999 as part of the best value regime for local authorities. Special severance payments are those payments over and above statutory or contractual entitlements and typically might be considered when settling a claim issued or proposed to be issued in the Employment Tribunal, which the Council has considered.
- 5.6 In order to obtain best value in the settlement of employment claims, LBHF's delegated authority is set out within the Scheme of Delegation contained in part 3 of the Constitution. The Council adheres to a strict best evaluation on a case-by-case basis which will continue to be robustly applied, as appropriate.
- 5.5 Senior executives will receive their contractual entitlement for termination payments. These entitlements are the same for NJC employees (Green Book). Where the Council is terminating the contract of employment, pay in-lieu of notice (PILON) or paid leave may be granted by the Assistant Director, People and Talent.

- 5.6 Redundancy pay for all employees is calculated based on actual weekly earnings multiplied by the numbers of weeks' pay using the statutory formula that considers length of service and age. The Council has authority under the provisions of the Local Government (Early Termination of Employment) Discretionary Compensation (England and Wales) Regulations 2006, to use the actual amount of a week's pay and not apply the statutory cap. Calculation of a full-time week's pay is subject to a locally agreed minimum equal to 1.5 x London Living Wage
- 5.7 The number of weeks redundancy is based on age and length of service at leaving and is subject to a statutory limit of 20 weeks' pay. Any discretion permitted within redundancy and pension policies are agreed by the Assistant Director, People and Talent.

6 Publication and Access to Remuneration of Chief Officers and Other Senior Employees.

- 6.1 The Council's Chief Officer structure is set out in the Constitution. The Constitution is updated with any changes to statutory posts. The statutory definition of Chief Officers, set out in section 2 of the Local Government and Housing Act 1989, is used for the purpose of the Pay Policy Statement.
- 6.2 The Council publishes details of remuneration of senior employees in the Annual Statement of Accounts and on the Council's website. The Council also publishes information about the level of remuneration of other senior employees on its website. This information is published for all senior employees on annual pro rata earnings of £50,000 or more. The information is published [here](#).
- 6.3 In addition, the Council is required to publish the pay multiple between the highest paid employee and the median salary of the workforce. The current multiple is 4.7:1 (at March 2025). A reduction since March 2024 which was 4.8:1
- 6.4 Another important indicator is the pay multiple between the highest and lowest paid employees. The current multiple is 9.2:1 (at March 2025). This is unchanged since March 2024 which was 9.2:1.
- 6.5 At present, the Council deems these multiples to be appropriate and within the acceptable benchmarked ratio of 10.0:1. The policy regarding pay multiples will be kept under review.
- 6.6 The Council calculates these pay multiples with reference to the most recent available data used for measuring the Gender Pay Gap because it provides a reliable and consistent methodology.

7 Gender, Ethnicity and Disability Pay Gaps

- 7.1 The Council's pay policy is an important tool that will help deliver on a commitment to creating a great place to work for all of our employees.

- 7.2 Setting out how the Council recognises and rewards employees in a transparent manner will help to ensure that the Council's approach and its rates of pay are fair.
- 7.3 The Council is required to publish information to show their Gender Pay Gap. Specifically, the Council must publish:
- average gender pay gap figures (mean and median).
 - the proportion of men and women in each quartile of the pay structure.
 - the gender pay gaps for any bonuses paid out during the year.
- 7.4 In addition, the Council has voluntarily published an Ethnicity Pay Gap since 2019 and Disability Pay Gap since 2021.
- 7.5 The Council's Gender Pay Gap is calculated using a method set by the Equality Act 2010 (Specific Duties and Public Authorities) Regulations 2017 and is reported on the Council's website. The Council's Ethnicity and Disability Pay Gaps are calculated using the same method.
- 7.6 Reporting Gender and Ethnicity Pay Gaps helps to demonstrate compliance under the Public Sector Equality Duty. The reported information will assist the Council in addressing how inclusive and diverse the Council is as an employer and will inform decisions around several actions delivered through the Council's People Strategy and aligned plans that will drive positive change.

8. Employee Resources

- 8.1 The Council uses the following different employee resources:
- Permanent employees on the establishment.
 - Temporary employees on fixed term contracts to fill posts on the establishment.
 - Interims employed through service contracts to fill posts on the establishment.
 - Interims where there is no established post. For example, where temporary specialist skills are needed to undertake a time limited complex project.

9. Remuneration of Interim and Temporary Employees

- 9.1 Where interim resources are determined to be required for a specific role within the Council, a process is followed. Typically, sourcing is carried out through the Managed Supplier via an approved framework. When interim resources are required, the costs of these are subject to competitive marketplace processes through the Council's approved framework.
- 9.2 For other posts where the Council requires an interim resource, which is not a Chief Officer, which may or may not be on the establishment, the Council will aim to pay for these services at a rate of pay as close as possible to total

employment costs of directly employed employees performing a comparable role, given prevailing market conditions. However, the appointing person will have discretion to settle salary or fees in line with current market factors. Any such arrangements require authorisation from the Resources Management Board (Chief Executive Officer, Executive Director of Finance, Strategic Director of Corporate Services and Assistant Director, People and Talent).

- 9.3 Where an interim appointment or temporary contract is deemed appropriate no appointment will be made without first having considered the actual employment relationship and working practices and the individual's status as defined within IR35 Legislation.

10. Contract for Services

- 10.1 On occasion it will be more appropriate to engage interim employees using a contract for services. Unlike employees employed under contracts of employment, the relevant guidance from the Department for Levelling Up, Housing and Communities does not require such appointments to be approved by Council. However, where such posts are classified as Statutory or Non-Statutory Chief Officers for pay policy purposes, those posts should appear in the Statement of Accounts.

APPENDIX 2 – Greater London Provincial Council (GLPC) Grades and Salaries and Hammersmith & Fulham Chief Officer Grades and Salaries

LBHF - GLPC SALARY SCALES 01/04/2025

This pay scale is aligned with the Greater London Provincial Council (GLPC) pay spine

Grade	01-Apr-25			Grade	01-Apr-25		
	Spine Point	Annual Salary	Hourly Rate		Spine Point	Annual Salary	Hourly Rate
Scale 1C	2	£29,808	£15.88	PO3	33	£47,925	£25.53
	3	£30,225	£16.10		34	£49,155	£26.19
Scale 2	3	£30,225	£16.10		35	£50,175	£26.73
	4	£30,654	£16.33		36	£51,228	£27.29
Scale 3	5	£31,086	£16.56	PO4	36	£51,228	£27.29
	6	£31,530	£16.80		37	£52,269	£27.84
Scale 4	7	£31,980	£17.04	PO4	38	£53,319	£28.40
	8	£32,442	£17.28		39	£54,360	£28.96
	9	£32,907	£17.53	PO5	39	£54,360	£28.96
	10	£33,384	£17.78		40	£55,353	£29.49
Scale 5	12	£34,359	£18.30	PO5	41	£56,436	£30.06
	13	£34,863	£18.57		42	£57,495	£30.63
	14	£35,373	£18.84	PO6	41	£56,436	£30.06
15	£35,892	£19.12	42		£57,495	£30.63	
Scale 6	18	£37,509	£19.98	PO6	43	£58,551	£31.19
	19	£38,070	£20.28		44	£59,574	£31.74
	20	£38,637	£20.58	PO7	44	£59,574	£31.74
SO1	23	£40,404	£21.52		45	£60,633	£32.30
	24	£41,013	£21.85		46	£61,686	£32.86
	25	£41,637	£22.18	47	£62,742	£33.42	
SO2	27	£42,912	£22.86	PO8	46	£61,686	£32.86
	28	£43,308	£23.07		47	£62,742	£33.42
	29	£44,235	£23.57		48	£63,816	£34.00
PO1	28	£43,308	£23.07	PO8	49	£64,938	£34.59
	29	£44,235	£23.57		PO9	49	£64,938
	30	£44,937	£23.94	50		£66,084	£35.20
	31	£45,852	£24.43	51	£67,260	£35.83	
PO2	30	£44,937	£23.94	PO9	52	£68,460	£36.47
	31	£45,852	£24.43		51	£67,260	£35.83
	32	£46,854	£24.96	PO10	52	£68,460	£36.47
	33	£47,925	£25.53		53	£69,660	£37.11
				54	£70,860	£37.75	

LBHF - CHIEF OFFICER PAY RANGES
01/04/2025

Grade	Minimum Salary	Maximum Salary
F	£71,763	£95,742
E	£95,745	£111,723
D	£111,729	£134,559
C	£134,562	£157,398
B	£157,401	£196,221
A	£201,930	£224,766

Report to: Full Council

Date: 25/02/2026

Subject: Review of the Constitution

Report of: The Leader of the Council - Councillor Stephen Cowan

Report author: David Abbott, Head of Governance

Responsible Director: Grant Deg, Director of Legal Services and Monitoring Officer

SUMMARY

The Council's Monitoring Officer is required to review the Council's Constitution each year to ensure that its aims and principles are given full effect in accordance with Article 14 of the Constitution.

RECOMMENDATIONS

1. That Full Council notes the updates to the Departmental Registers of Authorities approved by the Monitoring Officer, detailed in Appendix 1.

Wards Affected: All

Our Values	Summary of how this report aligns to the H&F Values
Taking pride in H&F	Ensuring a high standard of governance across the Council.

Financial Impact

The report and recommendations have no direct financial impact.

Alex Pygram, Head of Finance – Corporate Services, 13/02/2026

Legal Implications

The Local Government Act 2000 requires the Council to have and maintain a constitution. The Monitoring Officer is satisfied that the Council's Constitution continues to fulfil its stated purposes, as set out in Article 1 of the Constitution.

Background Papers Used in Preparing This Report

None.

DETAILED ANALYSIS

Proposals and Analysis of Options

1. Each local authority is required to publish the arrangements it has made to discharge its functions in a 'constitution' prepared in accordance with Section 37 of the Local Government Act 2000. The Constitution sets out how the Council operates, how decisions are made and the procedures that are followed to ensure business is conducted in an efficient, transparent, and accountable manner. Some of the content of the Constitution is required by law, the remainder is for the Council itself to determine.
2. The Constitution is reviewed at least annually to ensure it continues to promote timely, effective, transparent, and lawful decision making reflecting the arrangements Members have put in place for the running of the Council.
3. In-year amendments were approved by Council to the Scheme of Delegation to Officers to reflect recent changes in organisational structure and changes to the responsibilities of Chief Officers.
4. The Monitoring Officer has a duty to keep the Constitution under review and has delegated authority to amend the Constitution where there has been a change in law, job title, structure, rearrangement of job responsibilities or for general administrative convenience. All extensive changes to the Constitution, however, must be approved by Full Council.

Updates to the Departmental Registers of Authorities

5. Full Council is asked to note updates to the Departmental Registers of Authorities approved by the Monitoring Officer in February 2026. The updates reflect changes to legislation, job titles, and operational structures.

Reasons for Decision

6. The Council's Monitoring Officer is required to review the Council's Constitution each year to ensure that its aims and principles are given full effect in accordance with Article 14 of the Constitution.

LIST OF APPENDICES

Appendix 1 – Updates to the Departmental Registers of Authorities

Appendix 1 – Updates to the Departmental Registers of Authorities

H&F People’s Services Departmental Register of Authority

Add the following authority to ‘General’:

GENERAL	
Authority to award grant funding through use of the Public Health Grant. Up to the EU threshold.	Director of Public Health

This was approved by the Monitoring Officer on 12/02/2026.

Agenda Item 6.6

LONDON BOROUGH OF HAMMERSMITH & FULHAM

Report to: Full Council

Date: 25/02/2026

Subject: Hammersmith & Fulham Council, Joint Venture with a Local Authority Owned Trading Organisation to Deliver Managed Service Temporary and Interim Staffing Services

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

Report author: Lucy Robinson, Strategic Resourcing Lead

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

SUMMARY

This report details the proposal and feasibility of establishing a Joint Venture (JV) between Hammersmith & Fulham Council and a local authority owned trading organisation as detailed in Appendix 5 to deliver Managed Service Temporary and Interim staffing services. A comprehensive scoping and review exercise has been undertaken to assess the financial, legal, and operational requirements of forming this partnership. While the Council continues to seek reductions in the usage of agency staff it will monitor and scrutinise agency usage, however, in certain cases, it is more appropriate to engage temporary staff for specialist and short term assignments.

The JV aims to provide better control over agency staff expenditure, consolidate supply contracts, create commercial income opportunities, reduce reliance on agency workers, and improve recruitment processes and workforce planning. By working closely with the local community, the partnership will prioritise the creation of local jobs for local people, ensuring that residents benefit from employment opportunities within the borough.

The report outlines the business case, associated risks, and key considerations to support Hammersmith & Fulham's decision-making regarding the future provisions of its agency and interim staffing services.

RECOMMENDATIONS

1. To note that Appendices 1, 2, 3, 4 and 5 are not for publication on the basis that they contain 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. To approve the Business Case contained in Appendix 4 and to give in principal approval for the establishment of a Joint Venture between Hammersmith & Fulham Council with the identified partner organisation set out in Appendix 5 with the purpose of delivering Managed Service Temporary and Interim staffing services across all council departments and services.
3. The initial term of the JV will be for a period of six (6) years, with an option to extend by a further period of four (4) years.
4. To establish the JV as an LLP.
5. To delegate authority to the Executive Director of Finance & Corporate Services and Director of Legal Service in consultation with the Cabinet Member for Finance and Reform, to agree the JV agreement, ensuring compliance with all legal and regulatory requirements.
6. To provide updates to key stakeholders at key stages following approval.

Wards Affected: None

Our Values	Summary of how this report aligns to the H&F Corporate Plan and the H&F Values
Building shared prosperity	<p>The Joint Venture will play a key role in building shared prosperity by embedding inclusive economic growth into its core operations. By working closely with the local community, the partnership will prioritise the creation of local jobs for local people, ensuring that residents are the first to benefit from employment opportunities within the borough.</p> <p>The Joint Venture will:</p> <ul style="list-style-type: none"> • Support returners to work, including parents, carers, and those who have experienced long-term unemployment, by offering flexible roles and tailored pathways back into the workforce. • Tackle youth unemployment by partnering with local schools, colleges, and training providers to create entry-level opportunities, apprenticeships, and career development programmes for young people. • Promote social mobility by removing barriers to employment and ensuring

	<p>fair access to opportunities for all residents, regardless of background.</p> <ul style="list-style-type: none"> • Strengthen the local economy by reinvesting surplus income into community initiatives and supporting local suppliers through an open and inclusive supply chain. <p>Through these actions, the Joint Venture will help deliver on the Council’s vision of a fairer, more inclusive borough—where prosperity is shared, and every resident has the opportunity to thrive.</p>
<p>Creating an inclusive and compassionate council</p>	<p>The Joint Venture will actively support Hammersmith & Fulham’s ambition to be an inclusive and compassionate council by embedding fairness, equality, and dignity at the heart of its recruitment practices. All recruitment will be conducted with a commitment to equal and fair treatment for every candidate, regardless of background, identity, or circumstance. The Joint Venture will adopt inclusive hiring practices, ensure accessibility throughout the recruitment process, and promote opportunities to underrepresented groups within the borough. By working closely with local partners and community organisations, the Joint Venture will help remove barriers to employment and create pathways into meaningful work, ensuring that everyone has the opportunity to contribute to and benefit from public service in H&F.</p>
<p>Doing things with local residents, not to them</p>	<p>The Joint Venture will embody Hammersmith & Fulham’s commitment to co-production ensuring residents benefit from local employment opportunities. The partnership will work collaboratively with local communities, employment services like H&F Works, and internal teams to understand residents’ needs, aspirations, and barriers to employment. This inclusive approach ensures that services are designed with residents at the centre, empowering them to access meaningful work, contribute to public services, and help shape a workforce that reflects the borough’s diversity and values.</p>

Being ruthlessly financially efficient	The Joint Venture will deliver significant financial benefits by reducing outsourced vendor fees and supply chain mark-ups, the Council will achieve direct cost savings. Additionally, the model enables the generation of rental income and dividend payments, allowing the Council to capture a share of the profit margin that is currently retained by private sector providers. These efficiencies will contribute to a more sustainable and value-driven approach to temporary staffing.
Taking pride in H&F	All agency workers recruited through the Joint Venture will play an active role in delivering the Council's vision of 'Taking pride in H&F', a commitment to making the borough a stronger, safer, and kinder place for everyone, whilst contributing to high-quality, resident-focused services that reflect the pride and ambition of the local community
Rising to the challenge of the climate and ecological emergency	The Joint Venture will be designed to prioritise employment opportunities for Hammersmith & Fulham residents, supporting local economic growth and community development. It will collaborate closely with existing council initiatives such as H&F Works and the internal strategic resourcing team to actively promote job opportunities within the borough. By focusing on local recruitment, the Joint Venture will also encourage more sustainable commuting practices, helping to reduce the borough's overall carbon footprint and support the Council's environmental objectives.

Financial Impact

- Please see Appendix 1, 2 and 3 for detailed financial implications.
- The Council has historically relied on agency staff as part of its workforce strategy, incurring charge rate and management fees.
- A new Public-to-Public Joint Venture is proposed to manage temporary staffing and deliver financial benefits through profit-sharing via dividends and rental income, as well as through lower agency rates via a bespoke rate card.

- The Council will contribute towards initial setup costs, funded through a short-term working capital loan, which will be repaid with interest over 2–3 years.

Alex Pygram, Head of Finance, Finance and Corporate Services, 9 December 2025

Verified by James Newman, AD Finance, 15 December 2025

Legal Implications

The Council's duty when procuring services is to achieve "*best value*" under section 3 of the Local Government Act 1999 – "*to secure continuous improvement in the way its functions are exercised, having regard to a combination of economy, efficiency and effectiveness*".

The Business Case contained in Appendix 4 explains why officers consider that establishing a joint venture will achieve best value for the Council.

The Council has power under section 1 of the Localism Act 2011 to establish a joint venture. In accordance with the Local Government (Best Value Authorities) Power to Trade (England) Order 2009, before carrying out any commercial activity, the Council must approve the Business Case. In this regard the Council must be satisfied that the Business Case accurately sets out the objectives of the joint venture, the investment and resource required, the risks that the joint venture is likely to face, the significance of those risks together with the expected financial results and other outcomes that the venture is expected to be achieved.

The Council has taken specialist external legal advice on the structure of the joint venture – either a Limited Liability Partnership (LLP) or company limited by shares. It is recommended that an LLP be established because although an LLP is a separate entity it has no share capital and is a more transparent entity.

As explained in the report the joint venture will source temporary staffing, generating a significant saving for the Council. As the benefits of the joint venture are realised, it is possible that the Council might wish to offer the services of the joint venture to external bodies. This would constitute trading by the Council, which may only be carried through a company.

In order to preserve the ability of the Council to provide services to third parties, the LLP agreement will permit the establishment of a subsidiary company wholly owned by the LLP which will carry out any trading on behalf of the Council. This model aligns well with established principles of public-sector trading. Commercial trading is carried out through a company, satisfying expectations under the Localism Act 2011, while the LLP remains focused on delivering services to its member authorities.

Again, as explained in the report, there are a number of legal, regulatory and governance issues that need to be resolved ahead of the LLP being established. These include its governance arrangements, the Council's control of the venture, taxation, the ability of the LLP to establish a subsidiary company, compliance with information governance and data protection legislation and clear termination arrangements. If approval to establish a joint venture is given, officers will carry out

all due diligence before submitting further, more detailed advice to agreed key stakeholders to enable a final decision on the establishment of the joint venture to be made.

Glen Egan, Assistant Director of Legal Services 15 December 2025

Procurement Comments

The proposed joint venture for the provision of managed services and interim staffing will be established under the Vertical Arrangement as set out in Schedule 2, paragraph 2, of the Procurement Act 2023.

This exemption permits contracting authorities to award contracts directly to a controlled entity without a competitive procurement process provided that:

- The authorities exercise joint control over the entity comparable to their own departments;
- The entity conducts at least 80% of its activities for the controlling authorities;
- There is no private ownership or external influence.

This approach ensures compliance with procurement legislation, whilst enabling the Council to achieve strategic objectives, including cost efficiency, improved service quality and enhanced governance.

Subject to the approval sought in this report, a record of the decision, along with the signed agreement entered by the Council, must be uploaded on the Council's e-procurement portal capitalESourcing in line with audit and transparency requirements.

A Contract Manager must also be assigned and named via the portal.

Taiwo Adelano, Category Specialist, 05 December 2025.

Background Papers Used in Preparing This Report

None.

DETAILED ANALYSIS

Background

1. The Council currently relies on agency staff to fill temporary and hard-to-recruit roles. While the use of agency workers remains essential for service delivery, the complexity and specialisation of certain required roles has meant an agency vendor model has been the most effective solution. At present, Hammersmith & Fulham Council has a contractual arrangement, operating as a Neutral Vendor, to manage temporary and interim staffing needs.

2. A Neutral Vendor is an independent intermediary that manages the supply of temporary or permanent staff through multiple agencies. They provide a fair and transparent process, ensuring the best candidates are sourced from a wide pool of suppliers.
3. The current neutral vendor agency contract is set to expire at the end of September 2026.
4. In light of ongoing budgetary pressures, the Council sees this as a timely opportunity to explore more cost-effective and efficient alternatives for sourcing temporary staff.
5. The proposal outlines a plan for Hammersmith & Fulham Council to enter a Public-to-Public Joint Venture with a local authority owned trading organisation following the end of its neutral vendor agency contract.
6. The JV partnership would enable the Council to jointly deliver recruitment and resourcing services.

Reasons for Decision

7. Considering increased budgetary pressures and ongoing national recruitment challenges, particularly in area such as social work, planning, building control and other specialist professions and sectors, the Council recognises the need to adopt a more efficient and strategic approach to temporary recruitment.
8. The proposed Agency Joint Venture aims to establish a public-to-public partnership. This model is designed to:
 - a. Enhance the quality and flexibility of agency staffing provision across all council services.
 - b. Maximise local employment opportunities and support community shared prosperity.
 - c. Generate financial returns for the Council through shared profits and reduced reliance on private sector providers.
9. Under this proposal, the Joint Venture would operate as a vertical arrangement compliant entity, either a company limited by shares or a limited liability partnership (LLP) with a robust formal governance structure to support key decision making.
10. It is proposed to establish an LLP as it is a separate, transparent entity without share capital and it will also enable the Council to retain the ability to trade in the future through the creation of a wholly owned subsidiary to conduct trading activities on the Council's behalf.
11. It would function as a Master Vendor, directly managing the supply of temporary and interim staff.

12. Approved suppliers will be engaged through a centrally managed Open Framework, with clear KPI expectations and defined pricing controls to ensure a fair, unbiased, and transparent procurement process. Pricing structures will be adapted in areas where 100% direct fulfilment is anticipated, enabling further savings for the council. The Open Framework will operate for a maximum period of eight years before retendering.
13. The vertical arrangement JV would remain valid and compliant, with only classification changes in the regulations.
14. The Joint Venture would:
 - a. Source and place skilled, qualified candidates across all council departments.
 - b. Support permanent recruitment efforts, particularly in hard to fill roles, by offering additional search and resourcing capabilities.
 - c. Facilitate the conversion of high performing agency workers into permanent roles, under terms consistent with current supplier arrangements.
15. To ensure effective delivery, the Joint Venture would seek to employ experienced fulfilment consultants based within the borough.
16. These consultants would proactively source candidates and manage placements under a robust service level agreement, with performance monitored regularly.
17. The identified JV partner brings proven expertise in establishing and operating similar ventures as detailed in Appendix 5. and currently maintains successful partnerships with eight (8) local authorities.
18. Financially, the Council would benefit from rental income and dividend payments, capturing a share of the profit margin currently retained by private sector suppliers as detailed in Appendix 1 and 3. Dividends would be distributed equally between the parties from the Joint Venture's retained surplus.
19. Governance of the Joint Venture would be overseen by a board of directors appointed by both parties, operating under a shareholder agreement and joint accountability framework to ensure transparency and strategic alignment.
20. It is on this basis that the Council seeks approval to enter a Joint Venture, with the purpose of delivering recruitment agency services across all council departments and services.

Specification Summary

21. Our purpose and aim is to deliver a high-quality, cost-effective, and socially responsible temporary staffing and recruitment service that supports the Council's strategic priorities.

22. The JV will operate as a Master Vendor managed service, sourcing candidates for temporary/interim roles and managing a supply chain of agencies for unfilled requirements.
23. It will be set up as a vertical arrangement compliant organisation (company limited by shares or LLP), ensuring compliance with public procurement regulations and enabling direct service provision to the Council.
24. Both parties will have equal controlling shares, with joint governance and operational boards overseeing performance, strategy, and compliance.
25. Strategic Objectives
 - a. Deliver a financially efficient recruitment model aligned with H&F's "ruthlessly financially efficient" priorities.
 - b. Support inclusive, fair, and compassionate recruitment practices.
 - c. Provide a flexible, scalable service that meets the evolving needs of the Council.
 - d. Enable shared prosperity through local job creation, youth employment, and return-to-work support.
26. Scope of Services
 - a. Provision of temporary and interim staffing across all Council departments.
 - b. Direct fulfilment and supply chain management via a Master Vendor model.
 - c. Candidate attraction, screening, and placement.
 - d. Workforce planning and strategic resourcing support.
 - e. Conversion of agency workers to permanent roles where appropriate.
 - f. Management of a Dynamic Purchasing System (DPS) and Dynamic Market (post 2029) for agency supply.
 - g. Delivery of social value initiatives and local employment programmes.
27. Governance and Structure
 - a. Vertical arrangement compliant entity (Company Limited by Shares or LLP).
 - b. Jointly owned by the parties (50/50 shareholding).
 - c. Governed by a Shareholder Agreement and Joint Accountability Statement.
 - d. Oversight by a Board of Directors with representation from both parties.
 - e. Performance monitored through KPIs and Service Level Agreements (SLAs).
28. Financial Model – please refer to Appendix 1, 2 and 3
 - a. Initial start-up costs shared on a 50:50 split
 - b. Bespoke rate card to balance between initial cost savings, income and role fulfilment to ensure service delivery.
 - c. Reduction of outsourced vendor fees and mark-ups.
 - d. Shared dividend payments from retained surplus (50/50 split).
 - e. Rental income to the Council from JV operations.
 - f. Transparent cost structure.

29. Social Value and Community Impact
 - a. Prioritisation of local residents for employment opportunities.
 - b. Collaboration with H&F Works and community partners.
 - c. Support for youth employment, returners to work, and underrepresented groups.
 - d. Promotion of sustainable travel and reduced carbon footprint.
 - e. Building on the councils Employer Value Proposition.

30. Technology and Infrastructure
 - a. Access to JV partners integrated IT systems: CRM, candidate portal, vacancy management, pay/bill platform.
 - b. Dedicated recruitment website and marketing tools.
 - c. Data-driven reporting and workforce analytics.

31. Staffing and Delivery
 - a. Fulfilment consultants based in H&F to directly source candidates.
 - b. Experienced account managers and recruiters with sector specific expertise.
 - c. Access to a vetted supply chain of 300+ agencies across all specialisms.
 - d. High retention rate of supply agencies (99.4%).

Analysis of Options

32. In evaluating the future approach to agency staffing, the Council has considered several alternative arrangements. However, these options are not expected to deliver the same level of financial and strategic benefits as the proposed Joint Venture model.

33. **In-House Delivery by Hammersmith & Fulham**
 - a. **Pros:**
 - i. Greater control over recruitment processes and governance, allowing for tailored approaches aligned with Hammersmith & Fulham's specific needs.
 - ii. Improved candidate quality via internal knowledge.
 - iii. Integration with other recruitment streams (e.g. permanent roles).
 - iv. Potential for external trading under vertical arrangement exemption.
 - v. Stronger engagement with hiring managers.
 - vi. Social value impact and local employment benefits.
 - vii. Flexibility to adapt services and offerings.
 - viii. Full cost savings by removing outsourced fees and mark-ups
 - b. **Cons:**
 - i. Lack of internal experience in establishing a commercial recruitment function at the scale required to meet current interim staffing demands.
 - ii. High initial setup costs (legal, IT, property, marketing, etc.).
 - iii. Requires development of HR policies, contracts, and SLAs.

- iv. Need to recruit experienced staff and account managers.
- v. Ongoing operational and system maintenance costs.
- vi. Full risk and accountability for failure.
- vii. Limited time to develop and implement a fully functional in-house framework.
- viii. Missed opportunity to benefit from the expertise and infrastructure of an experienced partner.

34. Joint Venture (vertical arrangement) Managed Service

c. Pros:

- i. Council retains governance control.
- ii. Prioritised recruitment for the Council.
- iii. Improved candidate quality and employer value proposition.
- iv. Shared setup costs and legal frameworks with experienced partner.
- v. Access to established systems, supply chains, and experienced personnel.
- vi. Dividend returns to shareholders.
- vii. Enhanced social value and local economic impact.
- viii. Flexibility and scalability.
- ix. Proven success with other councils.
- x. Rental income and external trading opportunities.

d. Cons:

- i. Profit is shared with the JV partner (not fully retained).
- ii. Requires careful partner selection to ensure alignment.
- iii. Additional mobilisation effort compared to outsourcing.
- iv. Shared investment must be justified by sustainable returns.
- v. Profitability still dependent on Council demand.

35. Competitive Further Competition tender via framework

e. Pros:

- i. Enables market innovation and competition within a transparent procurement process.
- ii. Lower upfront cost with off-the-shelf solutions.
- iii. Minimal internal resource required for supply chain management.
- iv. Existing Council experience in managing supply chains.
- v. The Council can seek the most advantageous tender and apply its own terms and conditions.
- vi. The Council has an established procurement team capable of managing the risks associated with open tendering.

f. Cons:

- i. Bespoke system modifications can be costly.
- ii. Limited financial saving opportunities.
- iii. Risk of reduced candidate quality due to “fastest finger first” culture.
- iv. May require additional internal screening resources.
- v. Still requires investment in contracts and SLAs.
- vi. Returning to market without leveraging lessons learned may result in missed opportunities for improvement.

- vii. Continued reliance on external vendors means ongoing payment of agency fees.
- viii. Typical agency margins range from 5% to 10% of total spend, while Managed Service Providers (Neutral Vendors) charge around 0.5%.

36. Direct award via Framework call-off; MSTAR4 London Collaboration ESPO framework – Master Vend: Adecco

g. Pros:

- i. Full accountability lies with the external provider.
- ii. Service credits can offset performance issues.
- iii. Specialist recruiters for each staff category.
- iv. Potential for social value investment.
- v. Higher service quality than Neutral Vendor models.
- vi. Providers have direct recruitment expertise.

h. Cons:

- i. Potential for poor performance if provider underbids.
- ii. Resistance from managers to use external systems.
- iii. Risk of hybrid models with limited expertise in key areas.
- iv. Rigid model with limited flexibility.
- v. TUPE complications on exit.
- vi. Risk of delayed fulfilment and off-contract spend.

Market Analysis and Engagement

- 37. Market engagement was undertaken for this requirement.
- 38. The market engagement consisted of exploring both commercial and procurement routes.
- 39. Attending the MSTAR4 Launch Event - 16th October 2024 where the MSTAR4 London collaboration suppliers, Adecco and Matrix presented their offer.
- 40. Financial modelling against 42 suppliers across on the ESPO (Eastern shires purchasing organisation) MSTAR4 and MSTAR4 London collaboration as well as suppliers on the YPO (Yorkshire purchasing organisation).
- 41. Financial implications and sensitivity modelling of the Joint Venture as set out in Appendix 1, 2 and 3 demonstrate the financial impact.
- 42. The five-part business case model also gives a consistent, holistic framework for evaluating proposals in Appendix 4.
- 43. The table below sets out key findings from the business case, found in Appendix 4.

Category	Benefit / Business Case Element	Details & Rationale
Strategic Fit	Alignment with LBHF priorities, values, and ambitions	JV supports H&F's corporate plan: shared prosperity, social

		mobility, tackling youth unemployment, supporting returners, prioritising local jobs, inclusive hiring, and social value.
Current Situation	Addresses expiring neutral vendor contract and high agency staffing costs	JV offers a cost-effective, strategic, locally focused alternative, reducing reliance on private sector providers and improving workforce planning.
Value for Money	Cost-neutral front end, savings from reduced vendor fees, shared surplus, improved direct fulfilment	Enables reinvestment in community initiatives and supports local economic growth.
Social Impact	Creation of local jobs, support for youth and returners, promotion of social mobility	Income reinvested.
Risk Management	Robust mobilisation planning, clear governance, ongoing performance monitoring	Mitigates risks like mobilisation complexity, service disruption, partner alignment, and market engagement.
Legal Compliance	Vertical arrangement compliant	Ensures JV is lawful under Procurement Act 2023.
Commercial Viability	Public-to-public partnership, exempt from procurement, shared risk and investment, 50/50 ownership and profit split	Robust governance (Board of Directors, operational board, KPIs/SLA), risk managed through supply chain engagement and step in clauses.
Financial Affordability	Shared start-up costs via interest-bearing loans, repayable over 6 years, working capital managed by quarterly advances	Modelled on 7 staff, funding via partner loans, rental income / dividends flow back to council. Financial risks mitigated by scenario modelling and robust controls.
Deliverability	6-month mobilisation, clear governance, detailed planning, exit strategy, KPIs for fulfilment, cost savings, employment	Board of Directors, operational board, business manager, regular reviews, exit with 12 months' notice, financial risk limited to unrepaid loans.
Equality & Climate	Embeds EDI, supports local SMEs, encourages sustainable commuting	Holistic approach connects all five dimensions.
Comparison to Alternatives	JV offers greater strategic and financial benefits than in-house or further competition tender options	Shared setup costs, access to systems/personnel, dividend returns, enhanced social value, flexibility, proven success with other councils.

44. The JV option is designed to maximise strategic alignment, financial efficiency, and social impact for LBHF.

45. It leverages partnership strengths, legal compliance, and robust governance to mitigate risks and deliver sustainable value.
46. Compared to other models (in-house, competitive tender, framework call-off), the JV offers a balanced approach to control, cost, and community benefit.

Conflicts of Interest

47. All officers and decision makers, including elected members (where appropriate), have been required to complete a Conflict of Interest Declaration form to record any actual, potential, and/or perceived conflicts, along with appropriate mitigations (as appropriate), on the Conflicts Assessment.
48. Approval of, by way of signing, this strategy by the elected member constitutes their declaration that they do not have any actual, potential, and/or perceived conflicts, relevant to this procurement, except where a specific Conflict of Interest Declaration form has been completed and provided, advising differently.
49. The Conflicts Assessment will be kept under review and updated throughout the life of the project (from project inception to contract termination).

Local Economy and Social Value

50. The agency staffing and recruitment market is mature and well-developed, with a mix of national providers, regional specialists, and niche agencies. The market is highly segmented, offering a wide range of providers across different sectors such as social care, IT, education, and administration. This diversity presents opportunities for strategic partnerships like Joint Ventures.
51. The Joint Venture model, particularly under a vertical arrangement compliant structure, is gaining traction in the public sector. The JV partner have established successful partnerships with multiple councils, demonstrating a proven and scalable model with access to a vetted supply chain of over 300 agencies.
52. The Joint Venture presents a strong opportunity to engage with the local supply chain, including SMEs, voluntary sector organisations, and social enterprises, particularly through a Dynamic Purchasing System (DPS) that is open and inclusive.
53. The Joint Venture closely aligns to the Upstream Strategy which aims to transform H&F into a global economic hotspot by creating high-quality jobs and skills pathways for residents, particularly in high-growth sectors like science, technology, engineering, maths, medicine, and media (STEM³)
54. The Joint Venture will prioritise local recruitment, offering residents access to temporary and interim roles across the Council.

55. It will work with partners such as H&F Works, local colleges, and training providers to support youth employment, returners to work, and career changers, aligning with the Upstream Pathway Bond initiative.
56. The Joint Venture will embed equality, diversity, and inclusion in its recruitment practices, ensuring fair access to opportunities for underrepresented groups.
57. It will also promote social value by engaging with local SMEs and voluntary sector organisations through an open supply chain model.
58. The Joint Venture will work with residents, not just for them, engaging local voices in shaping recruitment campaigns, identifying barriers to employment, and co-designing support services.
59. The Joint Venture represents a modern, collaborative model of public service delivery, leveraging the expertise of JV partner while retaining Council oversight and reinvesting surplus into community priorities.
60. The JV could be structured to prioritise Greater London-based businesses and SMEs, in line with H&F's commitment to building shared prosperity. While full reservation may be limited by procurement regulations, the JV can implement weighted evaluation criteria that favour local economic impact, community engagement, and social value delivery.

People Based Considerations

61. The Transfer of Undertakings (Protection of Employment) Regulation 2006 (UKSI 2006/246) (TUPE) is likely to be applicable to this contract. Any TUPE implications will be addressed in the JV agreement and are factored in the EIA and will be reviewed as necessary.

Risk Assessment and Proposed Mitigations

62. Financial Risks
 - a. Initial Investment: Although shared, the JV requires upfront investment in legal, IT, marketing, and operational infrastructure.
 - b. Return on Investment (ROI): If demand for temporary staffing decreases, the JV may struggle to generate sufficient surplus to justify the investment.
63. Operational Risks
 - c. Mobilisation Complexity: Setting up a JV is more complex than outsourcing. It requires coordination, governance setup, and integration of systems and processes. Impact on wider stakeholder capacity to support with mobilisation.
 - d. Service Disruption: Transitioning from the current provider to the JV could disrupt service continuity if not carefully managed. Transition of agency workers on existing fees and length of service.
 - e. TUPE Implications: If applicable, TUPE transfers must be handled sensitively to avoid legal or reputational issues.

- f. Direct fulfilment rates: JV team meeting KPIs and SLA to meet direct fulfilment rates and reduce costs.
 - g. Property: Securing a location to operate the Joint Venture from on a permanent basis.
64. Strategic and Governance Risks
- h. Partner Alignment: Success depends on strong alignment between the Council and the JV partner in terms of values, objectives, and culture.
 - i. Governance Challenges: Shared decision-making can slow responsiveness or lead to conflicts if roles and responsibilities are not clearly defined.
 - j. Reputational Risk: As a public-facing entity, any failure in service delivery or employment practices could reflect poorly on the Council.
65. Market and Supply Chain Risks
- k. Supplier Engagement: Some agencies may be reluctant to work under a new JV model, especially if they perceive it as restrictive or less profitable.
 - l. Candidate Quality: If the JV fails to attract high-quality candidates, it could impact service delivery across the Council.
 - m. Market Competition: The JV must remain competitive with private sector providers in terms of speed, quality, and innovation.
66. Legal and Compliance Risks
- n. vertical arrangement compliance: The JV must maintain vertical arrangement exemption criteria to avoid triggering public procurement obligations.
 - o. Data Protection: Handling candidate and employee data requires robust UK GDPR compliance and secure IT systems.
 - p. Employment Law: The JV must ensure fair and lawful treatment of all workers, including those potentially transferring under TUPE.
67. Mitigations
- q. Plan for mobilisation and integration challenges.
 - r. Monitor financial performance and market engagement.
 - s. Establish clear exit arrangements and dispute resolution mechanisms.
 - t. Ensure robust governance and operational readiness.
 - u. Carefully assess and review financial assumptions and associated risks.
 - v. Maintain flexibility to adapt to changing needs.

Commercial Arrangement Duration Considerations

68. The Commercial arrangement will run for a minimum of seventy-two (72) months, with the option for a further forty-eight (48) month extension, in essence a maximum one hundred and twenty (120) month term, with a mutual termination clause of twelve (12) months' notice.

Timetable

	Action	Date
1.	Commercial Board	22 July 2025
2.	RMB/SLT Sign off	24 July 2025
3.	Contract Assurance Board	10 December 2025
4.	SLT Meeting	17 December 2025
5.	Member	22 December 2025
6.	Political Cabinet	19 January 2026
7.	Key Decision Entry	25 February 2026
8.	Programme Initiation & Design Phase	01 March 2026 (1-2 months)
9.	Implementation Phase	01 May 2026 (3-6 months)
10.	Launch of Joint Venture	01 October 2026

Commercial Arrangement Management

69. Services must be performed to the standards set out in the Service Level Agreement (SLA).
70. Outcomes include:
- a. Efficient and timely fulfilment of temporary/interim staffing needs
 - b. Improved recruitment processes and workforce planning
 - c. Conversion of temporary staff to permanent roles
 - d. Delivery of social value to local communities
 - e. Cost control and reduction of reliance on external agencies
71. KPIs include:
- a. Fulfilment rates: Minimum of 98% for standard assignments; 95% for hard-to-fill roles
 - b. Time to fill: Assignments filled within agreed timescales (e.g., urgent requests within 4 hours, standard within 2–3 days)
 - c. Service quality assessments: Feedback from hiring managers and temporary workforce
 - d. Agency compliance: Audit reports, safeguarding, and quality standards
 - e. Social Value delivery: Local employment, community engagement, and sustainability measures
 - f. Financial performance: Cost savings, dividend generation, and reduction in off-contract spend
 - g. Failure to meet critical KPIs (e.g., fulfilment rates, service levels) can trigger service credits, penalties, or impact dividend distribution between JV partners.
72. Relationship Management (Post-award)
- a. The relationship with the JV will be managed by the Operational Board, which includes senior representatives from both parties, plus a dedicated Business Manager for H&F.

- b. The Business Manager is responsible for day-to-day service delivery, stakeholder communication, and reporting to the Operational Board.
- 73. Performance is assessed and monitored regularly:
 - a. Monthly account reviews with hiring managers
 - b. Quarterly board meetings for statutory duties and strategic oversight
 - c. Annual audited accounts
 - d. Ongoing KPI monitoring and reporting as specified in the SLA
- 74. Social Value is embedded in the JV's objectives and measured through:
 - a. Local employment opportunities
 - b. Youth and return-to-work pathways
 - c. Fair recruitment practices
 - d. Environmental sustainability (e.g., reduced commuting emissions)
 - e. Regular reporting and assessment of Social Value outcomes
- 75. Annual Inflationary Uplifts
 - a. Any uplifts would need to be negotiated and justified, typically to ensure the JV remains financially viable and can cover increased costs (e.g., salaries, operational expenses).
 - b. Uplifts, if applied, would be agreed by both JV partners and reflected in the annual business plan and contract terms.

Commercial Implications

- The proposed Joint Venture (JV) is a move from a neutral vendor arrangement to a public-to-public partnership, enabling the council to retain greater control over service delivery, governance, and financial outcomes.
- The JV will operate as a vertical arrangement compliant entity, jointly owned on a 50:50 basis, and governed by a Shareholder Agreement and Joint Accountability Framework.
- The commercial benefits include shared investment and risk reducing financial exposure, operational efficiency with access to an established supply chain of agencies and experienced personnel, this will accelerate mobilisation and reduce overheads. The council will also receive rental income and dividend payments from JV profits alongside cost savings from bespoke rate cards and reduced agency fees.
- Risks including mobilisation complexity, partner alignment, and market engagement challenges have been considered in the report; offering mitigation through robust governance, clear exit strategies, and scenario-based financial modelling. The JV also embeds social value objectives by prioritising local employment and sustainability; this aligns with the council's corporate priorities.

Waheeda Soomro, Commercial Manager 4th December 2025

Equality and Inclusion Implications

76. The EIA in Appendix 6 demonstrates a strong commitment to advancing equity, diversity, and inclusion across all protected characteristics under the Equality Act 2010. The Council's approach is holistic, addressing overlapping barriers and ensuring that equality principles are embedded in all aspects of the joint venture, from recruitment to workforce development. Analysis of current workforce data and borough demographics informed the assessment.
77. The analysis finds a positive impact for all protected characteristics, including age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion/belief, sex, sexual orientation, and care experience. Each group benefits from targeted initiatives, inclusive policies, and ongoing support mechanisms. For example, we provide reasonable adjustments during recruitment and ensure workplace accessibility for Disabled colleagues. Flexible working opportunities and supportive family friendly leave policies benefit those who have caring responsibilities, are pregnant or on family related leave. We also promote cultural awareness, offer Multi faith rooms, respect dietary needs, and ensure LGBTQ+ inclusive policies, and equity of access to opportunities for all ages. These measures help ensure fairness and support for individuals with protected characteristics across our organisation.
78. Where TUPE applies, the Council commits to mitigating any equality risks during transition for example maintaining reasonable adjustments for Disabled employees, safeguarding existing accommodations through an iterative process.
79. The process is designed to be iterative, with regular reviews and updates to address emerging issues. Monthly meetings with the EDI Lead are scheduled to ensure ongoing compliance and to adapt to any new equality challenges that arise during implementation. The council will also consider adding KPIs or measurable outcomes (e.g., % of local hires from underrepresented groups).
80. The Council will ensure that all employment and service delivery processes uphold the principles of fairness, equality, and respect for human rights, guided by the Human Rights Act 1998 and the UN Convention on the Rights of the Child (UNCRC). Safeguarding and safer recruitment policies are integral to the approach.

Strategic Lead for EDI, Yvonne Okiyo, 25th November 2025

Risk Management Implications

81. There are no significant risks in addition to those shown above.

Jules Binney, Risk and Assurance Manager, 8th January 2026

Climate and Ecological Emergency Implications

82. The climate and ecological impacts of the proposed Joint Venture are centred on reducing the borough's carbon footprint through local recruitment, promoting sustainable commuting, and embedding environmental sustainability into service delivery and performance management. These efforts are closely aligned with Hammersmith & Fulham Council's climate and ecological emergency objectives, ensuring that the JV not only delivers economic and social value but also contributes to the borough's environmental goals.

Charlotte Slaven, Head of Climate Strategy & Engagement, 21st November 2025.

Local Economy and Social Value Implications

83. Due to the nature of this being a joint venture, as opposed to a standard procurement of goods and/or services, the standard Social Value implications are not triggered by this process.
84. This report indicates that Social Value will still underpin this venture and that local employment, youth employment and carbon reduction schemes will be inherent to the contractual arrangements.
85. It is recommended that the commissioning officer still works with the Social Value Officer to ensure that any Social Value practices embedded into this arrangement are aligned with the Council's priorities and are reflected in any sub-contracting the joint venture may undertake.

Harry Buck, Social Value Officer (Procurement), 20th November 2025

Digital Services and Information Management Implications

86. Digital services have been informed of the intention to launch a Joint Venture to deliver Managed Service Temporary and Interim staffing services. Digital services should be engaged during preparing for the technology and infrastructure elements of this joint venture; including in relation to access to the JV partner IT systems, any integrations with H&F systems, websites and marketing tools, and data/analytics requirements. It is important that Digital Services continue to be an integral part of the exercise to ensure that any IT requirements are met, that all necessary safeguards, permissions and budgets are in place, and that any IT work undertaken is in alignment with the digital strategy.
87. JV partner will be expected to have a Data Protection policy in place and staff will be expected to have received Data Protection training. Any joint venture agreements will need to include H&F's data protection and processing schedule. This is compliant with the UK Data Protection law.
88. The service have already begun work on a Data Protection Impact Assessment (DPIA) in Appendix 7, this should be reviewed and updated as appropriate, and a Supplier Security Questionnaire via the Risk Ledger platform maybe required

for the Joint Venture once set up. Information Management should be consulted.

89. H&Fs approved cyber security clauses must be incorporated into all new and renewed contracts regardless of value, or framework. Legal advice should be sought on how to incorporate the cyber security clauses into agreements which do not use our H&F contract templates.
90. The service should engage with Digital Services prior to enabling any generative AI functionality, to ensure compliance with corporate AI strategy, governance, security, and privacy requirements. The AI Governance Framework form must be completed for any enhancements to existing solutions, as well all new projects and contracts deploying AI capabilities. If colleagues are unsure as to whether a new function falls within the AI framework, they should discuss with DS.
91. This is a legal requirement and must be considered from the start, covering the front- and back-end of any systems utilised. Digital tools and services must be accessible to everyone – staff and the public. If a system has major accessibility issues, it should be treated as incomplete.

Implications completed by Cinar Altun, Strategy Lead – Digital Services, 3 December 2025

Property Implications

92. The proposed new team (estimated at 8.0 FTEs) can be accommodated within the Council's existing property portfolio, likely in space that would be retained at 145 King Street, post-decant of LBHF teams into the Civic Campus. The proposed team being 'in-house' raises no issues of access control, physical separation and the like, moreover the additional income generated from this team will help to offset continued running costs of 145 King Street on a meanwhile basis. Should redevelopment plans for 145 King Street accelerate, other opportunities to accommodate this team within the existing portfolio can be realised.

*Verified by Ian Church, Assistant Director, Corporate Property and Health & Safety
2 December 2025*

LIST OF APPENDICES

- Exempt Appendix 1 – Financial Implication
- Exempt Appendix 2 – Loan Details
- Exempt Appendix 3 – Financial model
- Exempt Appendix 4 – Business Case
- Exempt Appendix 5 – Joint Venture Partner
- Appendix 6 – Equalities Impact Assessment (EIA)
- Appendix 7 – Data Protection Impact Assessment (DPIA)



H&F Equality Impact Analysis Tool

Conducting an Equality Impact Analysis

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

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

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

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

General points

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

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

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

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

H&F Equality Impact Analysis Tool

Overall Information	Details of Full Equality Impact Analysis
Financial Year and Quarter	2025 /Q3
Name and details of policy, strategy, function, project, activity, or programme	<p>Title of EIA: New Hammersmith & Fulham Council, Joint Venture with a local authority owned trading organisation to deliver Managed Service Temporary and Interim staffing services</p> <p>Short summary: Our purpose and aim is to deliver a high-quality, cost-effective, and socially responsible temporary staffing and recruitment service that supports the Council’s strategic priorities. The JV will operate as a Master Vendor managed service, sourcing candidates for temporary/interim roles and managing a supply chain of agencies for unfilled requirements. Both parties will have equal controlling shares, with joint governance and operational boards overseeing performance, strategy, and compliance.</p> <p>Note: If your proposed strategy will require you to assess impact on staff, please consult your HR Relationship Manager.</p>
Lead Officer	<p>Name: Lucy Robinson Position: Strategic Resourcing Lead Email: lucy.robinson@lbhf.gov.uk Telephone No: 07944770890</p>
Date of completion of final EIA	17 / 11 / 2025

Section 02	Scoping of Full EIA		
Plan for completion	Timing: Resources:		
Analyse the impact of the policy, strategy, function, project, activity, or programme	Analyse the impact of the policy on the protected characteristics (including where people / groups may appear in more than one protected characteristic). You should use this to determine whether the policy will have a positive, neutral, or negative impact on equality, giving due regard to relevance and proportionality.		
	Protected characteristic	Analysis The Council is committed to promoting equity, diversity, and inclusion across all areas of its work. We have a diverse range of initiatives designed to support individuals who are furthest from the job market, ensuring that opportunities are	Impact: Positive, Negative, Neutral

		<p>accessible and inclusive. These initiatives are complemented by our Equality, Diversity and Inclusion (EDI) Policy, Equalities Plan, and Recruitment Policy, which collectively guide our approach to fair and equitable employment practices.</p> <p>As a London Living Wage (LLW) employer, we uphold our responsibility to provide fair pay and create sustainable employment opportunities. The new joint venture will strengthen our ability to deliver against these commitments, enabling us to further embed equality principles and support underrepresented groups into meaningful employment pathways.</p>	Positive
	Age	<p>The Council is committed to being an Age-Friendly Employer, ensuring that individuals of all ages have equitable access to employment opportunities. Our approach recognises the unique barriers faced by different age groups and promotes inclusive practices throughout the employment lifecycle.</p> <p>We deliver a range of targeted initiatives to support those furthest from the job market, including:</p> <ul style="list-style-type: none"> • NEET (Not in Education, Employment or Training): Tailored programs to engage young people and provide pathways into work or further education. • Care Experienced Young People: Dedicated support to help care leavers transition successfully into employment, training, or higher education. • Graduates: Structured graduate schemes offering career development and progression opportunities. • H&F Works: Our flagship employment service providing personalised support for residents, including job coaching, skills development, and employer engagement. • Apprenticeships: High-quality apprenticeship opportunities across a range of sectors, enabling individuals to earn while they learn. • Supported Internships: Specialist programs for young people with learning difficulties or disabilities, ensuring inclusive access to work experience and skills training. • Work Experience Placements: Opportunities for individuals of all ages to gain practical experience and improve employability. <p>We recognise that age intersects with other characteristics such as disability, ethnicity, and socio-economic status. Our policies and programs are designed to address these overlapping barriers holistically.</p> <p>As part of our wider Equality, Diversity, and Inclusion strategy, these measures ensure that people of all ages are not only represented but supported to</p>	Positive

		succeed. The new joint venture will strengthen these commitments by embedding age inclusion into all workforce development activities.	
	Disability	<p>The Council is proud to be a Disability Confident Leader, demonstrating our commitment to creating an inclusive workplace where Disabled people and those with long-term health conditions can thrive. Our approach includes:</p> <ul style="list-style-type: none"> • Guaranteed Interview Scheme: We offer guaranteed interviews to candidates who meet the minimum criteria for the role, ensuring fair access to opportunities for disabled applicants. • Reasonable Adjustments: We proactively provide reasonable adjustments throughout the recruitment process and in the workplace, tailored to individual needs. This includes adjustments to application formats, interview arrangements, and workplace adaptations. • Inclusive Recruitment Practices: Our recruitment policy embeds accessibility and fairness, ensuring that job descriptions, adverts, and processes are inclusive and free from barriers. • Ongoing Support: We work closely with employees and managers to review and implement adjustments as needs evolve, fostering a culture of understanding and support. <p>We recognise that disability can intersect with other characteristics such as age, ethnicity, and socio-economic background. Our policies and initiatives address these overlapping challenges holistically.</p> <p>As part of our wider Equality, Diversity, and Inclusion strategy, these measures ensure that Disabled people are not only represented but supported to succeed. The new joint venture will strengthen these commitments by embedding disability inclusion into all workforce development activities.</p>	Positive

	Gender reassignment	<p>The Council is committed to supporting individuals who are undergoing, have undergone, or plan to undergo gender reassignment, ensuring dignity, respect, and equality throughout their employment journey. Our approach includes:</p> <ul style="list-style-type: none"> • Inclusive Policies: Our Equality, Diversity and Inclusion Policy protects individuals with the protected characteristic of gender reassignment under the Equality Act 2010. • Confidentiality and Respect: We maintain strict confidentiality regarding any personal information related to gender identity or transition, ensuring privacy and trust. • Recruitment Practices: Our recruitment processes are designed to be inclusive and free from discrimination, ensuring equal access to opportunities. • Awareness and Training: We promote awareness among managers and staff to foster an inclusive culture, reduce stigma, and ensure respectful interactions. <p>We recognise that gender identity may intersect with other characteristics such as age, disability, and ethnicity, and we address these overlapping barriers holistically.</p> <p>The new joint venture will reinforce these commitments by embedding gender identity inclusion into workforce development, recruitment, and policy implementation.</p>	Positive
	Marriage and Civil Partnership	<p>The Council fully upholds the protections afforded under the Equality Act 2010 for individuals who are married or in a civil partnership. Our commitment ensures that no employee or applicant is treated less favourably because of their marital or partnership status. Key elements of our approach include:</p> <ul style="list-style-type: none"> • Non-Discrimination in Recruitment and Employment: Our recruitment policy prohibits discrimination based on marital or civil partnership status, ensuring equal access to opportunities. • Flexible Working and Family-Friendly Policies: We provide flexible working arrangements and family-friendly policies that support employees in balancing work and personal commitments, regardless of marital status. • Equal Benefits and Entitlements: All employees, whether married, in a civil partnership, or single, have equal access to benefits, leave entitlements, and career development opportunities. • Inclusive Culture: We promote respect and inclusion for all relationship statuses, ensuring that workplace culture reflects equality and fairness. 	Positive

		<p>We recognise that marital or partnership status may intersect with other characteristics such as gender, age, or caring responsibilities. Our policies are designed to address these overlapping factors holistically.</p> <p>The new joint venture will reinforce these principles by embedding inclusive practices across recruitment, workforce development, and policy implementation.</p>	
	Pregnancy and maternity	<p>The Council is committed to supporting employees during pregnancy, maternity, and parenthood, ensuring compliance with legal requirements and best practice standards. Our approach includes:</p> <ul style="list-style-type: none"> • Family-Friendly Leave Policy: We provide comprehensive maternity leave entitlements in line with statutory requirements. We also offer enhanced provisions through flexible working arrangements, shared parental leave, and time off for dependants, supporting employees to balance work and family responsibilities. • Timewise Employer Accreditation: As a Timewise Employer, we champion flexible and agile working practices, enabling parents and carers to access roles that accommodate their needs. This includes job design for flexibility, flexible hiring, and cultural change initiatives that promote work-life balance and inclusion. • New Legislation Compliance: We are preparing for changes under the Employment Rights Bill, which will strengthen protections for pregnant women and new mothers. These include: <ul style="list-style-type: none"> ○ Enhanced dismissal protections during pregnancy, maternity leave, and for up to 18 months after returning to work, ensuring job security except in very limited circumstances. ○ Day-one rights for paternity and unpaid parental leave, removing previous service requirements. ○ A review of the parental leave system and improvements to flexible working rights, making work more family-friendly across all sectors. <p>We recognise that pregnancy and maternity can intersect with other characteristics such as age, disability, and socio-economic status. Our policies and initiatives address these overlapping barriers holistically.</p> <p>The new joint venture will enable us to embed these commitments further, ensuring that family-friendly practices and legislative compliance are integrated into recruitment, workforce development, and organisational culture.</p>	Positive
	Race	<p>The Council is committed to creating an inclusive environment where individuals from all ethnic backgrounds can thrive. Our approach includes:</p>	

		<ul style="list-style-type: none"> • Race at Work Charter: We are aligned with the principles of the Race at Work Charter, which sets out seven core commitments for employers to drive racial equality in the workplace. These include: <ul style="list-style-type: none"> ○ Appointing an Executive Sponsor for Race to provide visible leadership and accountability. ○ Capturing ethnicity data and publicising progress to ensure transparency and measurable outcomes. ○ Committing at Board level to zero tolerance of harassment and bullying. ○ Making race equality the responsibility of all leaders and managers, embedding it into performance objectives. ○ Taking action to support career progression for ethnically diverse employees, including mentoring and sponsorship. ○ Supporting race inclusion allies and promoting allyship across the organisation. ○ Including diverse-led businesses in supply chains, ensuring economic opportunities extend beyond employment. • Opening Doors Initiative: We actively support the Opening Doors campaign, which provides a framework for inclusive recruitment and aims to make millions of jobs more accessible to diverse talent. <p>We recognise that race intersects with other characteristics such as age, disability, and gender identity. Our policies and programs are designed to address these overlapping barriers holistically.</p> <p>The new joint venture will strengthen these commitments by embedding race equality principles into recruitment, workforce development, and supply chain practices, ensuring measurable progress and accountability.</p>	Positive
	Religion/belief (including non-belief)	<p>The Council is committed to creating an inclusive environment that respects and values individuals of all faiths, beliefs, and non-belief. Our approach ensures that employees can express their identity freely and without discrimination. Key elements include:</p> <ul style="list-style-type: none"> • Inclusive Policies: Our Equality, Diversity and Inclusion Policy protects individuals from discrimination based on religion or belief, including philosophical beliefs and non-belief, in line with the Equality Act 2010. • Respect for Religious Observance: We accommodate requests for flexible working arrangements to support religious observance, such as prayer times, fasting periods, and religious holidays. 	Positive

		<ul style="list-style-type: none"> • Workplace Adjustments: We provide facilities and spaces where possible for prayer or quiet reflection, ensuring employees feel respected and supported. • Training and Awareness: We promote cultural and religious awareness through training and engagement activities, helping managers and teams understand diverse practices and reduce unconscious bias. • Non-Belief Inclusion: We recognise and respect individuals who identify with no religion or belief, ensuring equal treatment and freedom from coercion or assumptions. <p>We acknowledge that religion or belief may intersect with other characteristics such as ethnicity, gender, and age. Our policies and initiatives address these overlapping factors holistically.</p> <p>The new joint venture will reinforce these commitments by embedding respect for religious and philosophical diversity into recruitment, workforce development, and organisational culture.</p>	
	Sex	<p>The Council is committed to ensuring equality between men and women in all aspects of employment, in line with the Equality Act 2010. Our approach includes:</p> <ul style="list-style-type: none"> • Equal Opportunities in Recruitment and Progression: We actively monitor and address gender representation across all levels of the organisation, ensuring fair access to roles, promotions, and development opportunities. • Gender Pay Gap Reporting and Action: We publish annual gender pay gap reports and implement action plans to reduce disparities, demonstrating transparency and accountability. • Family-Friendly Policies: Our flexible working arrangements, parental leave provisions, and support for carers help remove barriers that disproportionately affect women and promote shared responsibility for family care. • Leadership and Representation: We aim to increase female representation in senior roles through targeted development programs, mentoring, and succession planning. • Zero Tolerance for Harassment and Discrimination: We enforce robust policies and training to prevent sexual harassment and gender-based discrimination, fostering a safe and respectful workplace. <p>We recognise that sex intersects with other characteristics such as race, disability, and age. Our policies and initiatives address these overlapping challenges holistically.</p>	Positive

		The new joint venture will strengthen these commitments by embedding gender equality principles into recruitment, workforce development, and organisational culture.	
	Sexual Orientation	<p>The Council is committed to creating a workplace where individuals of all sexual orientations are respected, valued, and treated equally. Our approach includes:</p> <ul style="list-style-type: none"> • Inclusive Policies: Our Equality, Diversity and Inclusion Policy explicitly prohibits discrimination based on sexual orientation, ensuring compliance with the Equality Act 2010. • Supportive Culture: We foster an environment where LGBTQ+ employees feel safe and supported. This includes promoting awareness through training and engagement activities to reduce stigma and unconscious bias. • Inclusive Recruitment Practices: Our recruitment processes are designed to be free from bias, ensuring equal access to opportunities for individuals of all sexual orientations. • Zero Tolerance for Harassment: We enforce robust policies to prevent harassment or discrimination based on sexual orientation, ensuring a safe and respectful workplace for all. <p>We recognise that sexual orientation may intersect with other characteristics such as gender identity, race, and age. Our policies and initiatives address these overlapping barriers holistically.</p> <p>The new joint venture will strengthen these commitments by embedding LGBTQ+ inclusion into recruitment, workforce development, and organisational culture.</p>	Positive
	Care Experienced as a Protected Characteristic	<p>The Council recognises Care Experienced individuals as a protected characteristic under our Equality, Diversity and Inclusion framework, ensuring that those who have been in care receive tailored support and equitable access to opportunities. Our approach includes:</p> <ul style="list-style-type: none"> • Policy Alignment: Our commitment aligns with national guidance and best practice standards for supporting care leavers, ensuring compliance and continuous improvement. • Guaranteed Interview Scheme: We offer guaranteed interviews to care experienced applicants who meet the minimum criteria for the role for apprenticeships, removing barriers and promoting fair access to employment. • Targeted Support for Care Experienced Young People: <ul style="list-style-type: none"> ○ Apprenticeships: We provide dedicated apprenticeship opportunities for care leavers, enabling them to gain skills, earn a wage, and build sustainable careers. 	Positive

- Mentoring and Coaching: Our employment services, including H&F Works, offer personalised guidance to help care experienced individuals navigate recruitment processes and workplace integration.
- Work Experience: We create pathways for care experienced young people to gain practical experience and confidence in the workplace.

We recognise that care experience often intersects with other characteristics such as age, socio-economic background, and disability. Our policies and initiatives address these overlapping challenges holistically.

The new joint venture will strengthen these commitments by embedding care experience inclusion into recruitment, workforce development, and organisational culture, ensuring that care experienced individuals are supported to thrive.

Human Rights or Children's Rights

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

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

Yes / No

The Council ensures that all employment and service delivery processes uphold the principles of fairness, equality, and respect for human rights. Our approach is guided by the Human Rights Act 1998, the Equality Act 2010, and international standards of dignity and non-discrimination.

The new joint venture will strengthen these commitments by embedding human rights principles into governance, recruitment, and workforce development, ensuring that fairness and dignity remain at the core of all activities.

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

Yes/No

The Council is committed to upholding the principles of the UN Convention on the Rights of the Child (UNCRC), ensuring that all policies, services, and employment practices reflect the rights and best interests of children and young people. The Council is committed to ensuring that all recruitment processes uphold the highest standards of safeguarding to protect children, young people, and vulnerable adults. Our approach includes:

- Safer Recruitment Policy: All recruitment activities follow our Safer Recruitment Policy, which aligns with statutory guidance and best practice standards.
- Pre-Employment Checks: We conduct robust pre-employment checks, including identity verification, right-to-work checks, and Disclosure and Barring Service (DBS) checks where roles involve regulated activity.

- Reference Verification: We obtain and verify references from previous employers to confirm suitability for the role.
- Training and Awareness: All hiring managers receive recruitment training and where applicable attend safer recruitment training to ensure compliance and vigilance throughout the process.
- Risk Assessment: Where concerns arise during recruitment, we undertake a formal risk assessment before any appointment decision.
- Ongoing Monitoring: Safeguarding responsibilities are embedded in job descriptions and reinforced through induction and continuous professional development.

The new joint venture will strengthen these commitments by embedding UNCRC principles into workforce development, recruitment, and service delivery, ensuring that children’s rights remain central to our mission.

Section 03

Analysis of relevant data

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

Documents and data reviewed

Current agency workforce data is being reviewed to support the JV and ensure robust transition and the ongoing data that will be established as the JV is implemented will be monitored along with data of the team that will be recruited.

1. Workforce Profile Data

- Agency data: Age, sex, ethnicity, disability status, sexual orientation, religion/belief. Pay, LoS, Charge rates,
- Off contract:
- Employee demographics: Age, sex, ethnicity, disability status, sexual orientation, religion/belief.
- Recruitment data: Applications, shortlisting, and appointments by protected characteristics.
- Retention and progression: Promotion rates, turnover, and exit interviews by equality strands.
- Pay Gap Analysis:
 - Gender Pay Gap
 - Ethnicity Pay Gap
 - Disability Pay Gap

2. Resident and Community Data

- Census Data (ONS): Provides population breakdown by age, sex, ethnicity, religion, disability, and socio-economic status.

3. Service-Specific Data

- H&F Works Employment Service:
 - Number of residents supported into work, apprenticeships, and training.
 - Outcomes disaggregated by age, disability, ethnicity, gender, and care experience.

4. Specialist Equality Monitoring

	<ul style="list-style-type: none"> • Guaranteed Interview Schemes: Uptake and success rates for disabled applicants and care experienced individuals. • Apprenticeships and Internships: Participation rates by age, disability, ethnicity, and care experience.
New research	N/A

Section 04	Consultation
Consultation	N/A
Analysis of consultation outcomes	The decision-making process for the Joint Venture has been undertaken as a commercial enterprise, governed by strategic business considerations and partnership objectives, rather than as a procurement exercise, ensuring compliance with governance and legal frameworks while focusing on value creation and service enhancement. This has been through Contracts Assurance Board, SLT, Lead Member and will go to Political Cabinet and Full Council for final decision. As such, consultation not required at this stage of the process

Section 05	Analysis of impact and outcomes
Analysis	N/A

Section 06	Reducing any adverse impacts and recommendations
Outcome of Analysis	Where TUPE may apply, impacts will be assessed through an iterative process, with monthly meetings scheduled with the EDI Lead following the Full Council decision to monitor and address equality implications. Where TUPE applies, we will ensure continuity of equality commitments, including maintaining reasonable adjustments for disabled employees and safeguarding any accommodations already in place. Equality risks will be managed through an iterative process, with monthly meetings scheduled with the EDI Lead post-Full Council decision to review impacts, address emerging issues, and ensure compliance with the Equality Act 2010 and Public Sector Equality Duty.

Section 07	Action Plan
Action Plan	Note: You will only need to use this section if you have identified actions as a result of your analysis

At this stage we have not identified any negative impact but as the process continues this will be revisited and updated as required on areas such as:

1. Supply Chain Diversity

- Risk: Limited representation of diverse-owned businesses in the supply chain could undermine Race at Work Charter commitments.
- Mitigation:
 - Include diversity requirements in supplier selection criteria.
 - Monitor supplier diversity through regular reporting.
 - Engage with diverse supplier networks and promote inclusive procurement practices.

2. Agency Compliance with London Living Wage (LLW)

- Risk: Recruitment agencies or third-party providers may not comply with LLW standards, creating inequality and reputational risk.
- Mitigation:
 - Mandate LLW compliance in all agency contracts.
 - Conduct periodic audits of agency pay practices.
 - Include LLW compliance as a contractual KPI.

3. Data Transparency

- Risk: Lack of ethnicity data from suppliers and agencies could hinder monitoring progress against Race at Work Charter commitments.
- Mitigation:
 - Require agencies and suppliers to provide anonymized diversity data.
 - Incorporate reporting obligations into contracts.
 - Use this data to inform targeted interventions.

4. Recruitment Bias

- Risk: Agencies may not apply inclusive recruitment practices, leading to underrepresentation of ethnic minorities.
- Mitigation:
 - Provide agencies with Council's inclusive recruitment guidelines.
 - Monitor shortlisting and appointment data by ethnicity.
 - Offer training or partnership support to agencies on inclusive hiring.

5. TUPE

Issue identified	Action (s) to be taken	When	Lead officer and department	Expected outcome	Date added to business/service plan

	Review	Review and update any implications	2 March 2026	Lucy Robinson & Yvonne Okiyo – People & Talent	Review	
	Review	Review and update any implications	2 April 2026	Lucy Robinson & Yvonne Okiyo – People & Talent	Review	
	Review	Review and update any implications	2 May 2026	Lucy Robinson & Yvonne Okiyo – People & Talent	Review	
	Review	Review and update any implications	2 June 2026	Lucy Robinson & Yvonne Okiyo – People & Talent	Review	
	Review	Review and update any implications	2 July 2026	Lucy Robinson & Yvonne Okiyo – People & Talent	Review	
	Review	Review and update any implications	2 August 2026	Lucy Robinson & Yvonne Okiyo – People & Talent	Review	

Section 08	Agreement, publication and monitoring
Senior Managers' sign-off	Name: Mary Lamont Position: Assistant Director of People & Talent Email: mary.lamont@lbhf.gov.uk Telephone No: 0785 337 2862 Considered at relevant DMT:
Key Decision Report (if relevant)	Date of report to Cabinet/Cabinet Member: 25 / 02 / 2026 Key equalities issues have been included: Yes/No
Equalities Advice (where involved)	Name: Yvonne Okiyo Position: Strategic Lead Equity, Diversity and Inclusion Date advice / guidance given: 19 th November 2025 Email: yvonne.okiyo@lbhf.gov.uk Telephone No: 07824 836 012

Appendix 7 – DPIA

H&F DATA PROTECTION IMPACT ASSESSMENT

Section 1 – Project/Initiative Details and Screening Questions

1.1	Title of Project/Programme/Process	New Hammersmith & Fulham Council, Joint Venture with a local authority owned trading organisation to deliver Managed Service Temporary and Interim staffing services
1.2	Date of completion of form	17/11/2025
1.3	Name and job title of person completing form	Lucy Robinson, Strategic Resourcing Lead
1.4	Your telephone number	07044770890
1.5	Your directorate	Finance & Corporate Services
1.6	Your service area/business unit	People & Talent
1.7	Your team	Strategic Resourcing
1.8	Name and job title of Information Asset Owner(s)	Mary Lamont, Assistant Director of People & Talent

1.9 What is the aim of the project, and what activities are involved?

Our purpose and aim is to deliver a high-quality, cost-effective, and socially responsible temporary staffing and recruitment service that supports the Council’s strategic priorities. The JV will operate as a Master Vendor managed service, sourcing candidates for temporary/interim roles and managing a supply chain of agencies for unfilled requirements. Both parties will have equal controlling shares, with joint governance and operational boards overseeing performance, strategy, and compliance. The Joint Venture will establish a strategic commercial partnership that enhances the Council’s ability to deliver employment and skills initiatives. The aim is to increase capacity, improve service delivery, and generate social value by creating sustainable pathways into work for residents furthest from the job market, while embedding equality, diversity, and inclusion principles throughout.

Who Will Be Involved

- **Internal Stakeholders:** Strategic Resourcing Lead, HR, EDI Lead, Legal Services, Finance, Service Managers.
- **External Partners:** Joint Venture partner organisation, specialist employment support agencies.

- **Community Stakeholders:** Residents, local employers, voluntary sector partners.

Nature of the Change

- It is a **commercial enterprise**, not a procurement exercise.

Outputs of the Project

- A legally established joint venture entity.
- Enhanced capacity for employment and skills delivery.
- Council retains governance control.
- Prioritised recruitment for the Council.
- Improved candidate quality and employer value proposition.
- Shared setup costs and legal frameworks with experienced partner.
- Access to established systems, supply chains, and experienced personnel.
- Dividend returns to shareholders.
- Enhanced social value and local economic impact.
- Flexibility and scalability.
- Rental income and external trading opportunities.

Data Categories involved

- **Personal Identifiers:**
 - Full name
 - Date of birth
 - Contact details (address, phone, email)
- **Employment/Professional Details:**
 - Job title
 - Work history
 - Agency or Trust affiliation
- **Sensitive (Special Category) Data:**
 - Health-related information (mental health assessments, case notes)
- **Metadata & System Information:**
 - Unique IDs (employee number, case reference)
 - Audit logs
- **Criminal Offence Data (if applicable):**
 - Any safeguarding or risk-related records

1.10 Initial Screening Questions

#	Question	Yes	No
1	Will the project involve the collection of new information about individuals?	X	
2	Will the project compel individuals to provide information about themselves?	X	
3	Will information about individuals be disclosed to organisations or people who have not previously had routine access to the information?	X	
4	Are you using information about individuals for a purpose it is not currently used for, or in a way it is not currently used?		X

5	Does the project involve you using new technology which might be perceived as being privacy intrusive? For example, the use of biometrics or facial recognition.	X	
6	Will the project result in you making decisions or taking action against individuals in ways which can have a significant impact on them?	X	
7	Is the information about individuals of a kind particularly likely to raise privacy concerns or expectations? For example, health records, criminal records or other information that people would consider to be particularly private.	X	
8	Will the project require you to contact individuals in ways which they may find intrusive?	X	

Section 2 – Detailed Data Protection Impact Assessment

2.1 Has a DPIA/Checklist been undertaken for this initiative before? If so, please give dates and provide a copy (where possible)

Response: No, this is a new Joint Venture

2.2 Please give details of our lawful basis for this project or initiative, e.g. government initiative, specific legislation such as Crime and Disorder Act 1998.

Our purpose and aim is to deliver a high-quality, cost-effective, and socially responsible temporary staffing and recruitment service that supports the Council's strategic priorities. The JV will operate as a Master Vendor managed service, sourcing candidates for temporary/interim roles and managing a supply chain of agencies for unfilled requirements. Both parties will have equal controlling shares, with joint governance and operational boards overseeing performance, strategy, and compliance.

The JV will provide a Managed Service Provision and Contingent Workforce solution to the Council to meet its demand for the purpose of employing workers on a temporary basis. The JV will collect, use and process personal information about candidates under UK GDPR, UK DPA 2018 and Data (Use and Access) Act 2025 as the Data Controller.

The JV will collect personal information for the purpose of providing employment opportunities to the candidates, and will rely on the following lawful basis for processing personal data:

Consent – the JV will collect and process candidate data with their consent for the purpose of employment opportunities when they first engage with the candidates and also to enable them to receive job alerts about vacancies within the Council. The candidates will be able to withdraw their consent at any time.

Contractual Obligation – will be relied upon for the JV to fulfil its contractual obligations where a contract for services with the candidate is required.

Legal Obligation – JV will use candidate personal information to comply with its legal obligations. This may mean that the JV will need to provide personal information of the candidate to the HMRC (for tax purposes), to the DVLA (checking driving licence requirements), or with the Cabinet Office National Fraud Initiative (for the purpose of assisting with the prevention and detection of fraud), as examples.

Legitimate Interest (LI) – the JV may rely on LI where it believes it is reasonable to expect that if the candidate is looking for an employment opportunity and have applied via a jobs board, either directly through the JV website or via any other means then the JV may have a legitimate interest to collect, use and process candidate data to offer employment services.

Where candidates have posted their CV details on various jobs boards and made their personal data publicly accessible, then the JV may contact those candidates in relation to either a specific vacancy or speculatively for future employment opportunities. In this instance, the JV will contact the candidate to gain their consent to further process their CV against job opportunities in the Council and retain their personal data for future contact.

Special Category Data – in some instances, the JV may process special category data in relation to candidates ethnic origin, sexual preferences or religion on behalf of the Council. Where this information is collected, the JV will be acting as the Data Processor on behalf of the Council (Data Controller).

Criminal Records – the JV will need to collect certain information, including the results of Disclosure and Barring Service (DBS) checks from candidates and the DBS to comply with its legal obligations necessary for the purposes of performing or exercising obligations or rights in connection with employment, including reasons for substantial public interest (e.g. preventing or detecting unlawful acts or safeguarding issues).

2.3 What data will the project use (or process)?

Title of Dataset	Data Source		Is the data Special Categories of personal data? (Y/N)	Is the data criminal offences data? (Y/N)
	Controller (e.g. Borough, Partner) name	System		
Worker information	JV	Access database (CRM system) and DBS service	Y	Y

Worker information	JV	Pay and Bill System	N	N
Worker information	Supply Chain	Agency Portal	Y	N
Worker information	JV	ME Passport (NQ Care only)	N	N

2.4 How will that data be used and have the subjects of that data been informed of and/or provided consent for this purpose?

Title of Dataset	Metadata Element	Reason for use of Data	Have data subject's been told about this use?	Has consent been obtained for use (Y/N/NA) (We only need to obtain consent if consent is our lawful basis)
Worker Information	Full name, Address, Email address, phone number, DOB, NI, Gender, Nationality, Qualifications, Right to Work, Bank Details, Statutory Tax details, HMRC Tax Information	Provision of compliant payment to worker. Compliant placement of workers with right to work. Compliant placement in safeguarding roles	Privacy Policy Key Information Document Assignment confirmation as per REC guidelines GDPR consent email at registration	Y (Consent will be captured when the JV first engages with the Candidate for employment opportunities and recorded within the Access CRM system. For continuity of service, data held by the incumbent provider will be shared with the Council and then with the JV for the provision of service under a data sharing agreement between the Council and the JV.

2.5 Who do you intend to share the data with (name all intended internal and external recipients)?

Data Title	Who will be given access to the data	reason for access
Worker Information	Hiring Managers	To enable employment fulfilment to required roles
Worker Information	JV Service Support team	To manage recruitment process to point of timesheet approval
Worker Information	CSG Payroll Team	To process pay and bill
Worker Information	HMRC	For tax purposes.

2.6 When obtaining and/or sharing the data how will it be transferred? E.g. non-encrypted email, encrypted email etc.

<p>Data transfer between systems uses secure integration with:</p> <p>A Data Sharing Agreement will be entered into by the Council with JV for the purpose of sharing information on temporary workforce to enable the initial setup of the joint venture between each partner and also to support the novation of temporary workers from the incumbent supplier.</p> <p>A Data Migration plan will be established to ensure the secure transfer of all required datasets to support the continuity of service to the Council for the provision of temporary workers.</p>

2.7 How will the data be stored, for how long will the data be stored, and what security arrangements are in place with respect of the data storage? Make sure all 3 parts of this question are answered.

<p>The JV partner have appropriate security measures in place to prevent personal information from being accidentally lost, used or accessed in an unauthorised way.</p> <p>The JV partner limit access to personal information to those who have a genuine business need to know it. Those processing information will do so only in an authorised manner and are subject to a duty of confidentiality.</p> <p>The JV partner also have procedures in place to deal with any suspected data security breach. It will notify individuals and/or partnering authorities, including any applicable regulator, of a suspected data security breach where legally it is required to do so.</p> <p>Stored in Access CRM</p> <p>Stored until worker requests Right to be Forgotten or in line with current GDPR retention policy.</p> <p>Stored in UK on SAAS secure database</p>
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2.8 Will the project involve any surveillance of any person by any means? (e.g. CCTV, communications monitoring, phone calls recorded for monitoring and training purposes)

No

2.9 Will the project involve any targeted marketing activities? (e.g., the promotions of goods or services via post, telephone and/or email?)

The JV will seek to provide updates on current vacancies with candidates through newsletters/emails where those candidates have consented to receive such notifications. Candidates will be offered the opportunity to unsubscribe from emails or manage their preferences within the portal.

2.10 At what stage in the project are you completing this DPIA and what is the target deadline for “go live”?

The DPIA will be executed during mobilisation of the new JV and go live is scheduled for 1 October 2026, as the existing Contract for Agency workers expires on 30th September 2026.

2.11 Have you or do you plan to include data protection in any of the governance documentation, such as requirements specifications, contracts, risk and issue logs or service level agreements (SLAs)?

Yes, GDPR policies will be adhered to throughout the project, including the creation of data sharing agreement between the Council and the JV.

2.12 Do you plan to use live personal data in testing the new system?

Yes based on transferred contract data from the incumbent provider (including third party supply chain) on behalf of the Council to the JV provider in a secure test system.

2.13 Where geographically will the data be held/stored?

UK Data Centres

2.14 What are the risks to the individuals whose data is being used in this project?

Data Protection and Privacy Risks	Impact (i)	Likelihood (l)	Risk rating (i x l)	Mitigation
<p>Lawfulness, Fairness, And Transparency</p> <ul style="list-style-type: none"> The data subjects (service users, customers, staff) have not been notified of or consented to their personal and special categories/criminal offence data being processed for the purposes of this project/procurement/initiative. If notification rather than consent, the legal basis for processing must be stated. We don't have a legal basis (lawful basis for processing personal data and additional conditions for processing special categories and criminal offences data) for our proposed processing. 	1	1	1	<p>Individuals will be informed through updated privacy notices, accessible via the organisation's website, service portals, and direct communications (e.g. email or letter).</p> <p>Where appropriate, face-to-face or telephone explanations will be provided.</p> <p>Incumbent supplier will be required to advise workers and existing supply chain of contract transfer. The mobilisation workstream for Supplier engagement manages the Framework for suppliers to ensure compliance to all consent for workers to remain in role via existing suppliers. Where existing suppliers are non compliant the JV service team will engage directly with incumbent workers to onboard directly to the database.</p>
<p>Purpose Limitation</p> <ul style="list-style-type: none"> The personal and special categories/criminal offence data sets to be handled aren't collected for specified, explicit, and legitimate purposes. The personal and sensitive data sets to be handled will be processed in a manner that is incompatible with those purposes. 	1	1	1	<p>Data will only be processed for national recruitment challenges</p>
<p>Data Minimisation</p> <ul style="list-style-type: none"> The personal and special categories/criminal offence data to be handled are not adequate, relevant and limited for the purposes of task in hand. 	1	1	1	<p>Any data not essential to the task will be flagged for removal or restricted access.</p> <p>Role-based access controls (RBAC) will be implemented to ensure staff only access data relevant to their duties. ?]</p>
<p>Accuracy</p> <ul style="list-style-type: none"> The personal and special categories/criminal offence data to be handled contains inaccuracies that will skew the accuracy of decisions taken. 	1	2	2	<p>Historical data will be reviewed for known inaccuracies or inconsistencies before use.</p> <p>Regular data audits will be scheduled to identify and correct outdated or incorrect information.</p> <p>A data sharing protocol will be established, including version control and update schedules.</p>
<p>Storage Limitation</p> <ul style="list-style-type: none"> The personal and special categories/criminal offence data handled is retained for longer than is necessary for the purposes for which it is processed. 	1	1	1	<p>[Insert established or planned activities, controls or measures – ask yourself these questions: What retention periods will be applied to the information before destruction?</p> <p>Data will be securely destroyed using:</p> <p>Certified digital deletion tools for electronic records (e.g. data wiping, degaussing).</p> <p>Confidential shredding services for paper records, with certificates of destruction.</p> <p>Destruction logs will be maintained for audit purposes.</p>
<p>Integrity and Confidentiality (Security)</p> <ul style="list-style-type: none"> Personal and special categories/criminal offence data is processed in a manner that is not secure - there is not an appropriate level of technical and organisation measures taken to protect the data against unauthorised or unlawful processing and against accidental loss, destruction or damage. 	1	1	1	<p>Technical measures:</p> <ul style="list-style-type: none"> Encryption of data at rest and in transit Role-based access controls and multi-factor authentication Secure servers and firewalls Regular vulnerability scans and patching

Data Protection and Privacy Risks	Impact (i)	Likelihood (l)	Risk rating (i x l)	Mitigation
				<p><i>Organisational measures:</i></p> <ul style="list-style-type: none"> • <i>Staff training on data protection and secure handling</i> • <i>Clear data protection policies and incident response procedures</i> <p><i>Disclosure and Barring Service</i></p>
<p>Accountability</p> <ul style="list-style-type: none"> • We are unable to demonstrate compliance with the data protection principles for the processing of the Personal and special categories/criminal offence data: <ol style="list-style-type: none"> a. Lawful, fair and transparent b. Purpose limitation c. Data minimisation d. Accuracy e. Storage limitation f. Security 	1	1	1	<p><i>H&F will continue to comply with the data protection principles.</i></p> <p><i>The JV will comply with UK data protection principles throughout the life of the agreement, and applicable data protection clauses will be included in the joint accountability statement entered into by the Council and the JV.</i></p>
<p>International Transfers</p> <ul style="list-style-type: none"> • Personal and special categories/criminal offence data is processed outside of the EU without appropriate safeguards in place. 	1	1	1	<p><i>Data for this project will not be processed outside of the EEA.</i></p>
<p>Data Subject Rights</p> <ul style="list-style-type: none"> • The processing of personal and special categories/criminal offence data is processed in a manner that does not comply with the rights of data subjects: <ol style="list-style-type: none"> 1. the right to be informed 2. the right of access 3. the right to rectification 4. the right to erasure 5. the right to restrict processing 6. the right to data portability 7. the right to object 	1	1	1	<p><i>Supplier contracts will include:</i></p> <ul style="list-style-type: none"> • <i>Clauses requiring timely cooperation with H&F in responding to SARs, rectification, erasure, and other rights requests.</i> • <i>Obligations to provide access to relevant data within agreed timeframes.</i> • <i>Requirements to maintain records of processing and support data portability where applicable.</i> <p><i>A commitment to notify H&F immediately if a rights request is received directly by the supplier.</i></p> <p><i>The contract between the Council and the JV partner will ensure individual data subject rights are up held.</i></p>
<p>Overall Risk Exposure Score</p>				

Service area project lead/project manager- Name.....Lucy Robinson.....

Service area project lead/project manager - Role...Strategic Resourcing Lead.....

Date...02.12.2025.....

Section 3 – Information Management Review (completed by IMT)

3.1 Comments

IM Comments provided by: [Enter IMT Officer Name]

3.2 Recommended Actions

#	IM Recommended Action	Date Implemented
1		
2		
3		

3.3 Final Agreed Project Risk Rating (Tick relevant box)

Risk level	
Low: 1-10 - Project can proceed	<input type="checkbox"/>
Medium: 11-15 – Recommend minor actions are required before proceeding	<input type="checkbox"/>
High: 16+ - Recommend significant actions required before proceeding	<input type="checkbox"/>

3.4 Sign off Level – Recommendation

Guidance Note – 3.4

DPIAs should be signed off by the Information Asset Owner (IAO) for the information that will be processed.

The IAO needs to be satisfied with the level of information risk that the service area is taking. The IAO should be at Director or Head of Service level (the IAO role should only be devolved below that level with Director/Head of Service agreement and we would advise that this delegation is documented as part of the department’s processes)

If there is more than one IAO (i.e. information will be used from more than one service area) then if all the information sits within one department the senior officer that has responsibility for the entire department may sign the DPIA off.

Where the information that will be processed comes from across the organisation then the SIRO (Senior Information Risk Owner) should sign the DPIA. However, they should only do so once the relevant Information Asset Owners have reviewed the DPIA and confirmed that they are happy for the SIRO to sign the DPIA off (the departments are still responsible for risks to their information).

This DPIA must be signed off by:

Tick Box	Level
<input type="checkbox"/>	Information Asset Owner
<input type="checkbox"/>	Senior Information Risk Owner

Section 4. Signatories

Guidance Note – 4

If any of the captured mitigations in 2.14 and IM recommended actions in 3.2 will not be implemented then the signatory must capture this here and by signing they confirm they accept the additional risk posed by this.

I am satisfied that this DPIA is an accurate summary of the intended processing of personal data, the related risks and the mitigations that will be adopted.

Signature of Information Asset Owner.....

Signature of Senior Information Risk Owner.....

**Print Name and Role of
signatory.....**

Date.....