

LONDON BOROUGH OF HAMMERSMITH & FULHAM

Report to: Social Inclusion and Community Safety Policy and Accountability Committee

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Subject: 2026/27 Revenue Budget and Medium-Term Financial Strategy (MTFS)

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SUMMARY

Cabinet will present their revenue budget and Council Tax proposals to Budget Council on 25 February 2026. This report provides an update on the overall preparation and proposals for the 2026/27 revenue budget, risks, financial resilience, and the impact of those proposals.

This report also sets out the budget proposals for the services covered by this Policy and Accountability Committee, and the committee is invited to comment on the budget proposals set out in detail in the appendices. Risk schedules and Equalities Impact Assessments of any budget changes are provided in the appendices alongside an update on any proposed changes in fees and charges in the budget where applicable.

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 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.

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.

RECOMMENDATIONS

1. That the Policy and Accountability Committee considers the budget proposals and makes recommendations to Cabinet as appropriate.
2. That the Committee considers the proposed changes to fees and charges and makes recommendations as appropriate.

Wards Affected: All

Our values	Summary of how this report aligns to the H&F values
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 delivering value for money from external contractors.
Creating a compassionate council	The proposals in the revenue budget for 2026/27 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

Our values	Summary of how this report aligns to the H&F values
	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.

Background Papers Used in Preparing This Report

None.

THE REVENUE BUDGET 2026/27

1. The proposals for balancing the budget for 2026/27 are included in table 1 below.

Table 1: 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)	(4.9)
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)
CIL	(0.7)
Fair Funding - Transitional Relief	(6.0)
Budget Gap 26/27	-

Savings

2. The total proposed savings for 2026/27 are set out in Table 2.

Table 2: 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)

3. The savings relevant to this committee are summarised in table 3 below. The details set out in Appendix 1 to this report and as part of the Director's comments section below.

Table 3: Summary of savings relevant to this committee

Proposal	£m
Place Redesign Phase 3	(1.3)
Review Fees and Charges	(0.5)
Reform Local Support Payment Scheme	(0.5)
Total savings	(2.3)

Fees and Charges

4. The Council provides an extensive range of services to local businesses and residents that are chargeable. Within this Policy and Accountability Committee, examples are environmental health licensing, food hygiene, pest control and building control.

5. Charges governed by statute are set in accordance with those requirements and not varied in accordance with inflation. Where proposed changes require consultation under statute (such as markets and street trading), this will be undertaken as necessary.

6. For non-statutory fees and charges, levied by Hammersmith & Fulham, it is recommended that for 2026/27:

- 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.

7. For fees and charges within this Policy and Accountability Committee, it is proposed to apply the standard inflationary uplift of 3.8% on all fees and charges from April 2026, with the exception of those set out in Appendix 4.

Equalities Implications

8. Each budget proposal has been subject to an Equalities Impact Assessment (EQIA) Review. Those relevant to this Committee are attached in Appendix 3. A consolidated EQIA report will be presented to Budget Council in February 2026.

Comments of the Relevant Executive Directors on the 2026/27 Budget Proposals

9. The Social Inclusion and Community Safety Policy & Accountability Committee oversees budgets that span the Council's Place and Finance and Corporate Services (FCS) Departments. These budgets are invested in improving safety, inclusion and quality of

life for the borough's residents, businesses and visitors. Social inclusion budgets held in FCS fund equalities, diversity and inclusion programmes, support for vulnerable and disadvantaged groups, community engagement and empowerment, and the Council's voluntary sector strategy. Budgets held in the Place Department fund a variety of services including community safety and crime reduction, tackling anti-social behaviour and violence against women and girls, the Law Enforcement team, the Gangs, Violence and Exploitation service, licensing and gambling oversight, and Environmental Health and Regulatory Services.

Community Safety (Place Services)

10. Hammersmith & Fulham (H&F) has one of the biggest community safety operations in the country. In 2025 overall crime levels in H&F remained stable or reduced compared to 2024 – burglaries decreased by 16%, vehicle offences decreased by 12%, theft decreased by 7%, and violence with injury decreased by 5%. This is all down to the significant investment that H&F makes in vital crime fighting services, combining smart technology with strong community ties. Keeping local people safe remains one of the Council's top priorities.
11. The Council has invested £5.4m of one-off capital funding in CCTV over the past five years to help keep the borough's streets safe. The H&F CCTV network is one of the most advanced in the UK. In addition to this the Council invests £0.6m a year to manage and maintain its CCTV network, with 2,000 cameras being monitored 24/7 by council staff. The Council's approach is about prevention as well as enforcement, with cameras also used to deter Anti-Social Behaviour, fly-tipping, and street harassment, not just to respond after offences have occurred. The Council's 24/7 operators spot suspicious behaviour in real time and help guide the response from both the police and the H&F Law Enforcement Team to prevent and tackle crime. In 2024 the H&F CCTV service became the only Borough Command Unit to host all CCTV cameras across three London boroughs in one control room, improving both public safety and value for money for H&F residents. CCTV is a core contributor to crime reduction, supporting on average 600 arrests a year.
12. The Council also invests £4.6m a year in its groundbreaking Law Enforcement Team to help make H&F one of the safest London boroughs, working with local communities as the eyes and ears of the Council. During 2025 the team of 72 Council funded uniformed officers conducted almost 150,000 patrols and almost 3,000 weapon sweeps. More than 8,400 Law Enforcement cases were resolved by the team during the year. The team is vital to taking swift, visible action against crime. For example, responding within minutes to a report of a man catcalling for around 20 seconds from a van to a 26-year-old woman in Fulham Palace Road. The swift action of the team led to the man being issued with a fixed penalty notice within a few days for breaching H&F's borough-wide ban on street harassment. The Council's street harassment Public Space Protection Order (PSPO) was the first of its kind in London when it was introduced in July 2024.
13. The Council is committed to ending Violence Against Women and Girls (VAWG) and Modern Slavery and Exploitation (MSE). The Council invests £0.8m a year in these services (supplemented by external grant funding) to deliver a coordinated community response, developing interventions across multiple levels. In the last year this investment has supported almost 500 women and more than 300 children who have been affected

by violence. Each year, H&F marks the United Nation's 16 Days of Activism against VAWG through its '16 Hours in 16 Days' campaign, combining community participation, fundraising for specialist services, and awareness raising linked to enforcement and survivor support.

14. With investment of £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. The success of the GVEU has been formally recognised through award-winning partnership work, with the unit's expertise and input in safeguarding, exploitation prevention and youth engagement being explicitly credited. For example, the "Cross the Lines" theatre project delivered in partnership with Lyric Theatre performed a powerful production to 30 schools in the borough, earning a National Theatre Award in 2025. The GVEU has also expanded its programme of school-based initiatives by delivering presentations on exploitation to 740 students, reinforcing the Council's commitment to prevention and awareness. So far in 2025/26 almost 1,500 young people and almost 250 residents have been engaged in the Council's GVE projects. One longtime West Kensington resident received vital support from the GVEU when her 16-year-old son became a victim of serious youth violence. After being connected with the Council's GVEU, the resident found the help she needed. As well as connecting the resident with a therapist who could support her son through his trauma, the youth programme also helped the son to secure an apprenticeship, "giving him a sense of purpose and a path towards a brighter future," according to the mother.

Social Inclusion (Finance and Corporate Services)

15. Through the Third Sector Investment Programme (3SIF), the Council has invested over £3.5m per year in community-based services and infrastructure, even during a sustained period of financial pressure on local government budgets. At any one time, this covers over 40 organisations delivering more than 50 services and underpins the Council's ambition to be a compassionate, inclusive authority, while also delivering financially efficient, community-led solutions to complex social challenges.
16. Since April 2022, the Council has operated a coordinated Cost-of-Living (CoL) Programme, bringing together council services, public health, housing, community safety and voluntary-sector partners to provide both immediate hardship relief and longer-term resilience support. Utilising the government's Household Support Fund and £1m of the Council's own funding, measures have helped prevent homelessness, reduce debt escalation, and support households that fell outside national eligibility thresholds but were still experiencing severe financial pressure. A notable example was the identification of, and financial support to, pensioners entitled to pension credit after the Winter Fuel Allowance was cut by government. In 2026/27 a new government Crisis and Resilience Fund will be administered by the Council to utilise £2.9m of funding to support residents.
17. As part of the Cost-of-Living strategy, the Council's own funding has been used to develop a new Financial Inclusion Strategy to address financial exclusion, poverty, problem debt and low financial resilience across the borough. This work will continue in 2026/27 with external expertise used to co-design and produce the strategy and implementation plan, with resident input shaping priorities and interventions.

18. In 2025/26 the Council has progressed its Digital Inclusion Strategy, co-produced with residents and the voluntary and community sector to make Hammersmith & Fulham a digitally inclusive borough, where all residents can access the skills, devices, connectivity and support needed to participate fully in modern life, including work, education, healthcare and public services. Ongoing revenue budget has been allocated to ensure these outcomes are met.

Revenue Budget 2026/27

19. The 2026/27 revenue budget for the services within this Policy and Accountability Committee are summarised in the table below.

Table 4 – Social Inclusion & Community Safety Controllable Revenue Budget 2026/27

Service	Expenditure £m	Income £m	Net Budget £m
Community Safety	10.8	(3.3)	7.5
Environmental Health & Regulatory Services	3.5	(2.2)	1.3
Building Control	0.8	(0.7)	0.1
Compliance and Business Development	0.9	(0.8)	0.1
Equality, Diversity and Inclusion	0.1	0.0	0.1
Digital Inclusion Strategy	0.1	0.0	0.1
Financial Inclusion Strategy	0.1	0.0	0.1
Crisis and Resilience Fund	2.9	(2.9)	(0.0)
Community Investment Third Sector	3.7	(1.0)	2.7
Total Budget Relevant to this Committee	23.0	(10.9)	12.0

20. The net controllable revenue budget for 2026/27 is £12m and will ensure the continued investment of resources in key services for residents. In particular, the following matters should be noted for services relating to this Committee:

- contract inflation on externally provided services has been allowed for in the budget (£35,000 in total based on a minimum of 3.2%).
- savings of £0.9m will contribute to the setting of a balanced budget for the Council (details in Appendices 1 and 3). These are intended to preserve and improve front line services through service transformation and reconfiguration, increased commercial income generation and maximising Government funding.

21. For 2025/26 the services relating to this Committee are expected to be managed within their approved revenue budgets. The same is expected for 2026/27.

List of Appendices:

Appendix 1 – Savings proposals

Appendix 2 – Service Risks

Appendix 3 – Equality Impact Assessments

Appendix 4 – Fees and Charges