

COUNCIL BUDGETS

2026-2027



WANDSWORTH BOROUGH COUNCIL – BUDGET BOOK 2026/27

Contents	Page
General Fund Revenue – Council Tax	3-31
Subjective Analysis	32-34
Better Service Partnership Percentage Split	35-38
Budget Pages	39-82
General Fund Capital	83-120
Treasury Management	121-149
Housing Revenue Account	150-216
Dedicated Schools Budget	217-226
Medium Term Financial Strategy	227-261
Pension Fund	262-268

General Fund Revenue Council Tax



Cabinet

Title: Budget and Council Tax 2026/27

Paper No. **26-63**

Date: 23rd February 2026

Cabinet Member for: Finance

Details of Executive Director: Fenella Merry, Executive Director of Finance

EXECUTIVE SUMMARY

1. This is the fourth budget and council tax setting exercise under the current Administration and is based on budgets that reflect its priorities as set out in the Corporate Plan. The Council has a reputation for constant, sound financial management and its approach to finances, reserves and commitment to making developers pay has enabled it to set the lowest council tax in the country and deliver excellent services to residents. This budget aims to balance the Council's overall financial position and future outlook with a continuation of key priorities whilst supporting households with the current cost of living crisis.
2. The Cabinet Member's recommendation represents a freeze in Wandsworth's share of the main council tax and a 2% increase in relation to the adult social care precept. Wandsworth's charge will continue to be the lowest in the country.
3. The Conservators' charge will increase by 3.2% and the GLA increase for the year is 4.1%. Revised figures are as follows:

	<u>2025/26</u>	<u>2026/27</u>	
Majority of the borough:	£	£	
Wandsworth Council	409.80	409.80	0.0%
Adult Social Care Precept	89.89	100.04	2.0%
Greater London Authority	490.38	510.51	4.1%
<u>Total Band D</u>	<u>990.07</u>	<u>1,020.35</u>	<u>3.1%</u>

	<u>2025/26</u>	<u>2026/27</u>	
Commons part of the borough:	£	£	
Wandsworth Council	409.80	409.80	0.0%
Adult Social Care Precept	89.89	100.04	2.0%
Greater London Authority	490.38	510.51	4.1%
Wimbledon & Putney Commons Levy	40.10	41.38	3.2%
Total Band D	1,030.17	1,061.73	3.1%
Average Band D bill	997.75	1,028.21	3.1%

COMMENTS OF THE CABINET MEMBER FOR FINANCE

4. This budget continues to deliver better services with the same low council tax by putting fairness and compassion at its heart, delivering on our commitment to make Wandsworth cleaner, greener and safer.
5. We know our hard-working residents continue to struggle with rising bills and we are committed to doing what we can to help. Therefore, I am delighted to recommend that the main element of the Council's share of council tax is frozen at current levels for the fourth year in a row. Residents in Wandsworth will continue to pay the lowest council tax in the country under Wandsworth Labour.
6. We can do this because we put value for money at the heart of everything we do to correct decades of underinvestment. Wandsworth runs excellent services with some of the highest reserves and lowest debt of any London borough, ensuring our financial stability without burdening our residents. The new Government funding allocations do disadvantage Wandsworth, but our sound financial management allows us to respond without adding additional burden on Wandsworth residents.
7. That is why our Administration remains committed to keeping Council Tax low and will not be using the freedom to increase Council Tax beyond the 5% referendum limit in the coming years as proposed by the Government in December. Instead, we will continue to deliver sound financial management through smarter and efficient service delivery, making property developers pay to improve our streets and facilities, and setting up partnerships to deliver excellent services to residents at no extra cost.
8. This budget acknowledges the lingering effects of inflation and growing demand on services which continue to impact all local authorities, taking active steps to address these. The previous Conservative Government presided over high inflation, years of poor growth, falling living standards and decimated public services. Their disastrous failure continues to put pressure on council budgets through unprecedented demand for council services and weakening the country's economy.



9. Despite inflation falling under the new Labour Government, the cumulative effect of rising prices, particularly during 2021 and 2022, means households still face a much higher cost of living than prior to 2021.
10. We also continue to see increased demand for services from some of our most vulnerable residents. That is why our budget proposals include continued support across a range of services and an extended offer for those struggling during this cost of living crisis.
11. Recognising the continuing and growing pressures on our social care services, I recommend an adult social care precept increase of 2% in 2026/27 in order to protect these critical services as much as possible.
12. In addition, we will continue our commitment to this Council's cost of living response, the biggest response in London, our generous council tax reduction scheme and the continued roll out of our Access for All scheme to ensure Council services and local opportunities are affordable for all.
13. Looking to the future, this budget also supports our Administration's desire to deliver a more forward looking, innovative Council, supporting growth in Wandsworth and delivering faster, more effective support for residents. That is why this budget supports our transformation programme to invest in efficiency and cost reduction, while protecting essential services and resident experience. This will help turn Wandsworth into one of Britain's most modern, digitally accessible councils by 2030, delivering better services to our residents.
14. The following report by the Executive Director of Finance outlines in further detail the budget pressures, projections and financial information that informed this recommendation.
15. I therefore recommend this budget to the Council.

RECOMMENDATIONS

16. The Cabinet Member for Finance recommends the Cabinet to recommend to the Council as follows:
 - i. to approve a revised General Fund Budget Requirement of £209.9m for 2025/26, £259.0m for 2026/27, £319.6m in 2027/28 and £322.0m in 2028/29 with detailed budgets as shown in [Appendix A](#);
 - ii. to endorse the proposals for reserves summarised in [Appendix D](#);
 - iii. to recommend the Council, in the form shown in [Appendix E](#) to give effect to the council tax requirement and council tax amounts for 2026/27 which represents a freeze in the Council's main element of council tax and a 2% increase for the adult social care precept element;



- iv. to recommend the Council to adopt the budget framework shown in Appendix F, subject to any variations subsequently approved by the Cabinet within the overriding restriction that unearmarked reserves should not be forecast to fall below £6.75m in 2026/27; and
- v. to agree that, should it be necessary following the meeting of the Greater London Authority (GLA) on 25th February 2026, the Executive Director of Finance be authorised to update the content of this report for any changes to the GLA's band D council tax as shown in this report, for the approval of full Council at its meeting on 4th March 2026.

INTRODUCTION

17. Section 32 of the Local Government Finance Act 1992 requires the Council to calculate its budget requirement before 11th March, and Section 30 requires that by the same date the Council sets amounts of council tax for each category of dwellings in its area. The Council's Constitution requires the Cabinet to submit to the Council, in February or early March, after having regard to the advice of the Executive Director of Finance, its estimates in relation to revenue budgets for the current financial year, the revenue budgets for future financial years including allocation to different services and projects, and reserves for specified and general contingencies for the forthcoming financial year, the budget requirement and council tax.
18. For these calculations, this paper updates the current approved revenue budgets to include the latest estimates of expenditure. It then considers reserves, including the need for a general reserve appropriate to meet contingencies, and reviews the financial reserves appropriate for specific purposes. The calculation of the council tax requirement follows, with the calculation of the Council's share of council tax. It also sets out the requirements of the Greater London Authority.
19. The Cabinet Member for Finance recommends proposed council tax levels and the results for taxpayers in 2026/27 are set out in paragraph 65. The recommended revenue budget framework is discussed in paragraphs 67-70.

MACRO ECONOMIC CONTEXT

20. The local government sector continues to operate in a challenging macroeconomic environment impacted by sustained inflation, rising service demand, and a prolonged period of real-terms funding constraint. After several years of elevated inflation, councils are facing higher costs particularly in social care and homelessness where demand and prices have risen. Many authorities are reporting significant overspends in adults', children's and homelessness services.
21. The Council has a track record of sound financial management which puts it in a strong position to manage these pressures. The budget monitoring position at



Quarter 3 (see report elsewhere on this agenda) is forecasting a year end overspend of £5.594m against the approved budget equivalent to a 2% overspend, one of the lowest in London. The estimated ongoing impacts of these projections have been considered when setting budgets for future years.

REVENUE BUDGETS

22. This report sets out the Council's General Fund revenue budget for the current and future years. It is set in the context of ongoing financial pressures within the local government sector due to increased pressure on key statutory services.
23. Detailed budgets are set out in [Appendix A](#). These show the effects of inflation, developments, likely future demand pressures and transformation savings. These budget proposals have been updated alongside levies and precepts from other bodies, treasury returns, capital investment, the Government's finance settlement and the use of the Council's own reserves to give a view of the medium term financial outlook for the Council.
24. The total of 2026/27 service budgets is £319.9m at November 2025 price levels, a net increase of £16.9m on the revised 2025/26 budget. This increase is made up of a number of budget increases and decreases as detailed in [Appendix A](#) and has been particularly impacted this year by the consolidation of a number of specific grants previously included in service budgets into Revenue Support Grant i.e. have been removed from committee budgets.
25. The resulting budget has been put forward for statutory consultation with business ratepayers' representatives and as the basis for considering the Council's budget requirement, council tax amounts for 2026/27 and the three year budget framework in March.
26. The Council's financial strategy supports delivery of the Administration's priorities and this budget delivers on key commitments:
 - Cleaner Borough Plan including free bulky waste collections, weekly waste and recycling collections and food waste collections
 - Council Tax Reduction Scheme and Cost of Living Support Fund to provide extra support with bills
 - Community safety including a strong CCTV network and tackling violence against women and girls
 - Investment in parks, green spaces and play areas
 - Decade of Renewal delivering a carbon-neutral Council by 2030 and resurfacing our roads and pavements
 - Access for All scheme to make Council services and local activities more affordable for all residents
 - Wandsworth as a Borough of Sanctuary to support refugees
 - A listening Council including the 7 rings, 7 days resident guarantee
 - A successful year as London's Borough of Culture and delivering a lasting

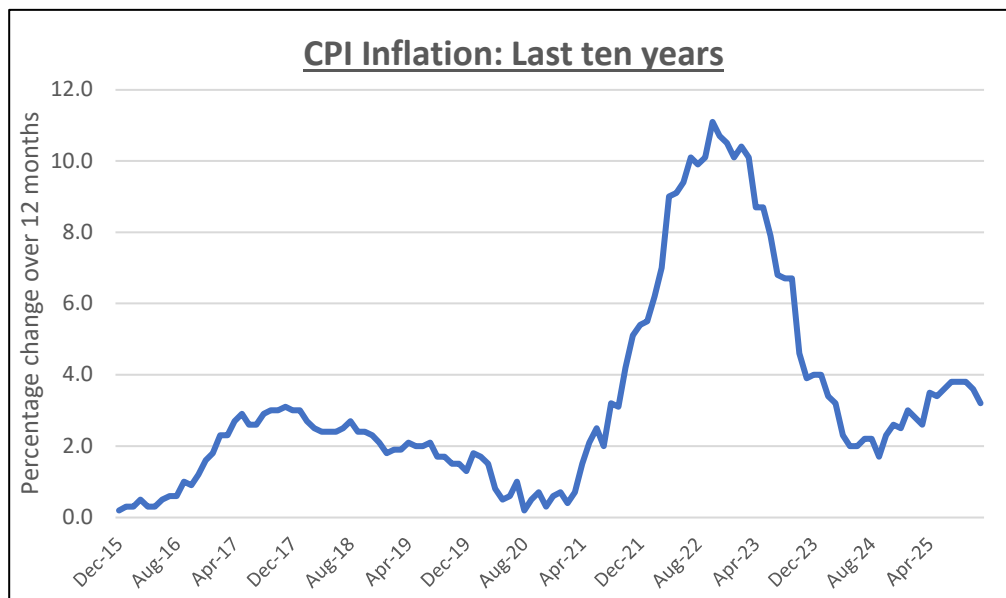


legacy

- Transformation Programme to modernise services, support growth and improve support for residents.

Inflation

27. The chart below shows how inflation has largely been between 0% and 3% until the last three years which has seen prices increase much more quickly and then drop again. Whilst current inflation rates are 3.4% (December 2025 CPI), past increases (peaking at 11.1% in October 2022) have had a significant impact on the Council’s budgets.



28. The Council’s budget is sensitive to inflation, with 1% of inflation adding £5m to costs. The proposed inflation contingency for 2026/27 is £15.362m which reflects forecast salary inflation, energy price increases, assumptions in changes for levies and precepts, plus estimates of contract inflation (linked to CPI) and market conditions. The Council’s exposure to inflation will be impacted by a number of factors including CPI, externally set levies and precepts, energy prices, nationally agreed pay awards and the increase in the National Living Wage by 4.1% from April 2026 plus London Living Wage increases at 5.3%. As a result, weighted average inflation has been assumed at 2.8% in 2026/27 and 2027/28 and 2.5% thereafter. The current year has seen social care contractors’ inflation increases at higher rates than CPI due to market pressures and the impact of the employers’ national insurance increase from April 2025.

Developments

29. In common with the rest of the sector, the Council is facing significant demand pressures, in particular in relation to social care services and homelessness. Mitigating actions are being taken and are having some impact. However, despite this, overall demand, complexity and costs continue to rise. Additional budget of £16.1m (excluding inflation) to reflect demand growth was included in the 2025/26 base and a further £5.5m within these service areas has been added to 2026/27



reflecting latest estimates of demand. This is informed both by the current year's performance and initial assessment of the scope for demand management within the transformation programme which is expected to contain any future demand based growth. These budgets will need to be kept under review, particularly with the continuing level of uncertainty around demand pressures.

30. More detailed explanations, including those mitigating actions being taken to minimise service pressures where possible, are included in the Q3 overall monitoring report to Cabinet elsewhere on this agenda.
31. The Council's contribution towards the cost of Transport for London's concessionary fares scheme had previously dropped as low as £8.6m during the pandemic based on passenger numbers and journey costs being passed on to London boroughs. Since then, the levy amount has been increasing back up reflecting increased usage and inflationary increase of charges. In 2026/27 the charge is expected to increase to around £15.0m which is a 10% increase compared to 2025/26's levy of £13.6m.
32. As in previous years, in response to the financial pressures, existing budgets have been reviewed and a number of contract, service delivery and back office efficiencies have been implemented. In addition, the launch of the transformation programme has enabled a number of service initiatives to be identified and budget adjustments made as detailed in the appendix. Work has started with the Council's external transformation partner on a series of detailed business cases which will aim to improve outcomes across the organisation, protect services and contribute significantly to delivering a longer term financially sustainable position. The programme's initial ambition is to reduce the Council's costs by £45m a year ongoing in three years' time. Initiatives to deliver £14m of this have already been identified and committee budgets reduced as a result, with the remaining £31m to be developed further as the detailed business cases are scoped out.
33. Overall service budgets have been amended as follows:

	2025/26	2026/27
	£'000	£'000
2025/26 ORIGINAL BUDGET	287,992	287,992
Inflation to Current Prices (Nov 2025)	16,799	17,846
Changes in Government Grants	(3,494)	10,700
Government & Other Bodies' Changes	58	1,322
Demand Led Growth	115	6,896
Efficiency Savings	(10)	(2,005)
Investment Priorities	9,711	7,129
Other Growth & Savings	(9,374)	(9,859)
Budget Transfers	1,223	(81)
REVISED BUDGET	303,020	319,939



Local Government Finance Settlement

34. The Provisional Local Government Finance Settlement released in December 2025 is a multi-year finance settlement covering three years to 2028/29. It is the first multi-year settlement since 2020 and incorporates the impact of the Fair Funding Review 2.0 (FFR2.0), the Government's long awaited "once-in-a-generation reset" of local government finance. There is a headline increase in Core Spending Power (defined as Government grant plus the ability to increase council tax) in 2026/27 of 5.7% nationally. However the review redistributes resources towards areas with higher deprivation and weaker tax bases. While this aims to address historic underfunding in poorer regions, it disadvantages boroughs like Wandsworth that have historically low council tax rates and relatively strong tax bases.
35. The Government released a consultation on FFR2.0 in August 2025. Following clarification with and lobbying from the sector the proposed formulae have since been amended to include better indicators of deprivation and to include the high cost of housing in London.
36. Despite this, the overall position for Wandsworth is still a significant loss of grant funding as fundamentally the formulae indicates that Wandsworth has been historically "over funded" relative to other parts of the country. Whilst the majority of boroughs will receive either a real terms increase in funding or protection at 100% of current funding i.e. cash flat, Wandsworth is one of five London boroughs plus one unitary authority that have been protected with only a 95% funding guarantee i.e. a 5% cash cut. This is because these six all have low council tax and currently receive grant funding which is more than 15% above the assessed need under the new formulae.
37. The settlement also includes a simplification of the complex grants system. As a result, 33 individual funding streams have been consolidated either into general grant (Revenue Support Grant) or into one of four consolidated grants:
- Homelessness, Rough Sleeping and Domestic Abuse Grant
 - Children, Families and Youth Grant
 - Public Health Grant
 - Crisis and Resilience Fund
38. This has been done with the aim of reducing fragmentation in councils' funding giving greater certainty, flexibility to deliver local priorities, ending competitive bidding and cutting down reporting requirements.
39. Whilst in theory simpler there is still complexity in the system as some grants retain their own allocation formulae, some follow the FFR2.0 formulae, some sit within Core Spending Power and some sit outside. Most grants (28 of them) will now effectively have only notional allocations as the grant cut being applied to the Council's overall funding overrides individual grant allocations. Effectively this means any additional funding put into the sector by the Government for identified priorities will not necessarily flow through to increased grant allocations for



Wandsworth. This is particularly relevant for social care grants.

40. The following ringfenced grants continue to have allocations which sit outside of Core Spending Power and therefore are in addition to the overall finance settlement. These have been included in the budget figures as follows:

- **Public Health Grant** allocations have been announced for the next three years and are inflated each year. The allocation for 2026/27 is £36.1m, increasing to £36.8m in 2027/28 and £37.6m in 2028/29 which includes grants for Drug and Alcohol Treatment and Recovery Improvement Grant, Individual Placement and Support Grant, Swap to Stop Scheme and Local Stop Smoking Services and Support Grant which were previously separate.
- The Household Support Fund, the Government grant to help financially vulnerable households established during the pandemic and continued as a result of the cost of living crisis, is one of the consolidated grants as part of the simplification of grant funding and now forms part of the **Crisis and Resilience Fund (CRF)** grant. Wandsworth's notional allocation has been combined with the Discretionary Housing Payment grant into a sum of £3.8m in 2026/27 compared to a combined total of £4.4m in 2025/26. Prior year funding has already been fully committed in supporting financially vulnerable residents, leaving no carry-forward to absorb the reduction in grant. With a lower level of funding and more restrictions on its use, the CRF will be deployed to best effect in conjunction with the Council's own Cost of Living Fund (funded from reserves). The Council's overall response will continue to aim to move away from immediate crisis support and focus on longer-term interventions to ensure financial resilience and community capacity to support those who are struggling. The CRF grant conditions have only just been released and more detailed plans to use the grant to best effect will therefore be brought forward in June. In the meantime, to ensure no temporary drop off of key areas of support, it is proposed to extend existing initiatives eligible under the CRF grant conditions until then, where appropriate.
- The **Children, Families and Youth Grant** is a new grant, created by combining the Families First Partnership programme, Holiday Activities and Food Grant and Post-16 Pupil Premium Plus Programme which totalled £3.7m in 2025/26. Wandsworth's allocation in 2026/27 is £5.2m.
- The Government has a series of waste collection and packaging reforms it plans to implement over the next few years. The **Extended Producer Responsibility scheme** came into effect in October 2025 and is intended to shift the cost of handling packaging waste from local authorities to the industry with the ultimate aim of increasing recycling and reducing waste. The original allocation of grant to Wandsworth in 2025/26 was £3.6m which increased to £5.1m in year and has been notified as £5.2m in 2026/27. However revenue from this programme is likely to diminish over time as producers change behaviour, and other planned reforms such as the Emissions Trading Scheme are likely to increase waste disposal costs. With these pressures in mind, the grant will continue to be put into the Waste



Reserve to support the Cleaner Borough Plan and introduction of future waste reforms, until there is more clarity on likely future funding levels that can be relied on.

41. In addition the Government is implementing a fundamental reset of the business rates retention system from April 2026 as part of the multi-year finance settlement. This incorporates the impact of the 2026 revaluation and new business rates multipliers and ensures funding is redistributed according to a refreshed assessment of local need. All business rates growth accumulated since the last reset in 2013/14 has been removed from local retention and absorbed into the national redistribution system. The only exception to this for Wandsworth is any growth relating to Nine Elms that isn't ringfenced to fund the Northern Line Extension. Around £5m of business rates income in 2026/27 is expected to be retained by the Council as a result.
42. Within the settlement Government has amended the business rates system from two multipliers (standard and small) to a five-tier structure, including reduced multipliers for Retail, Hospitality and Leisure properties, lower core multipliers and a high-value multiplier for properties over £0.5m rateable value. Whilst Government compensates local authorities for any reliefs/freezes given, the impact is included within the overall finance settlement and therefore subject to the funding cap. Early estimates of the level of business rates income retained have been made in the budget framework.
43. In addition to moving funding away from Wandsworth based on relative need, the provisional settlement assumes future council tax increases in six boroughs of 4.99% each year plus, for two years only (2027/28 and 2028/29), a further £150 (Band D equivalent) each year. This assumption means less transitional support over the three year period. For Wandsworth this means protection of just £7m each year, with total grant funding loss of £19m in 2026/27 rising to £79m by the end of the three year settlement.
44. The Council's net expenditure for 2026/27 through to 2028/29 is as follows:

	2026/27	2027/28	2028/29
	£m	£m	£m
Committee budgets	319.939	312.551	310.775
Provision for inflation	15.362	31.314	47.314
Revised committee budgets	335.301	343.865	358.089
Transformation Programme to come	0.000	-17.000	-31.000
Non-Service Specific Grants	-4.995	-5.074	-5.153
Improved Better Care Fund	-20.954	0.000	0.000
Council Net Expenditure	309.352	321.791	321.936



GENERAL FUND REVENUE RESERVES

45. The calculation of the Council's requirements has to include the amount of financial reserves which it will be appropriate to raise or use in the financial year and the Council must also make an appropriate prudent allowance for contingencies for the forthcoming year.
46. Special reserves are those appropriate for meeting future expenditure in performing the Council's functions. The Council's approach to the use of reserves, their purpose and expected change in their balances, including the proposals in this report, are shown in [Appendix D](#).
47. The final 2024/25 outturn report left the general reserve with a balance of £15.021m (of which £13.5m is the agreed contingency level) so that £1.521m could be used to fund 2025/26 expenditure. This, along with other planned movement in reserves, will then be used to fund the Council's net expenditure.
48. There is also a planned net use of reserves in 2025/26 and the remaining period of the framework due to agreed investments funded from the Cost of Living Fund, the corporate transformation programme via the Service Transformation Reserve, the Cleaner Borough Plan, Access for All and a drawdown on grant income held in the Refugee and Homelessness Support Reserve. There is also an assumed level of investment from the Renewals Fund reserve to deliver capital investment that supports continuation of service delivery. The latest triennial valuation of the Pension Fund indicates that drawdown of the Pensions Resilience Reserve will not be needed over the next three years as it was previously.
49. The impact of this planned reserve use, along with other pressures and lost income detailed above, is that £38m of reserve balances are required to balance the budget in 2026/27 which is an increase on the level assumed in 2025/26. Wandsworth has high levels of reserves compared to others and its reserve strategy recognises a continued need for reserves to smooth the impact of inflation, service pressures and reductions in funding, enabling time for the planning and implementation of transformation to deliver savings and any structural adjustments to the base budget that are needed. It will also be important that reserve balances are used to invest in the transformation programme which, over time, is expected to deliver significant cost savings.

<u>Use of Balances and Reserves</u>	2025/26	2026/27	2027/28	2028/29
	£m	£m	£m	£m
Council's Net Expenditure	233.093	309.352	321.791	321.936
Use of General Fund Working Balance	-1.521			
Planned use of reserves	-6.689	-12.325	-2.214	0.085
Use of reserves to balance the budget	-14.933	-38.000		
Net Budget Requirement	209.950	259.027	319.577	322.021



50. Overall, this will produce a 2026/27 budget requirement of £259.027m. There are a number of future variables which could impact on these budgets and these are shown in Appendix C. For that reason, it is considered prudent to again retain a general reserve for contingencies of all kinds of £13.5m.

CALCULATION OF COUNCIL TAX AMOUNTS

Collection Fund

51. The tax requirements of the Council are aggregated with those of the precepting authorities within the Collection Fund. The Council's part represents its budget requirement less its share of retained business rates, and any Collection Fund surplus or deficit.
52. Local business rates due are also credited to the Collection Fund and are shared between the Council (30%), the GLA (37%) and the Government (33%). The impact of changes in net collectible debt due to properties being removed from the listing, bad debt and appeals provision required feed into the Collection Fund and are shared between the Council, GLA and Government. The Council holds a Business Rates Volatility Reserve which is used to reflect accounting adjustments in business rates income. The reserve will continue to be used to mitigate any shortfall against this level of income in future years if necessary, particularly relevant following the full reset of the national system taking effect from April 2026.
53. It is estimated that the Collection Fund will have a surplus at 31st March 2026 enabling £4m to be credited to the Council's General Fund in 2026/27. This is higher than in previous years due to the recognition of council tax premiums as outlined below.

Wandsworth Council Tax Requirement

54. After taking account of business rates and central Government support and the use of balances and reserves detailed in paragraph 49, the Council Tax Requirement in 2026/27 is as follows:



	2025/26 £m	2026/27 £m	2027/28 £m	2028/29 £m
Net Budget Requirement	209.950	259.027	319.577	322.021
Collection Fund Surplus	-2.000	-4.000	-4.000	-2.000
	207.950	255.027	315.577	320.021
Less:				
Retained Business Rates	-64.577	-60.974	-63.579	-64.657
Business Rates Top Up	-39.538	-4.131	-4.190	-4.249
Revenue Support Grant	-29.448	-106.468	-96.844	-66.091
Fair Funding Transitional Protection	0	-6.835	-7.769	-6.592
	-133.563	-178.408	-172.382	-141.589
Wandsworth Council Tax Requirement	74.387	76.619	143.195	178.432

55. The statutory form of calculation by the Council relating to 2026/27 is shown in [Appendix E](#).

Council Tax Base

56. The council tax bases are calculated annually by the Executive Director of Finance under authority delegated by the Council at its meeting on 4th February 2004. These have now been determined as 147,999 for the Borough as a whole and 28,109 for the Wimbledon and Putney Commons Conservators' (W&PCC) area. The figures for 2025/26 were 146,613 and 28,070. The base in 2026/27 has grown as a result of a number of new properties coming online in the past year and the estimated impact of the additional council tax premiums referenced below. Further growth has been assumed for future years and will be kept under review.

57. 2025/26 is the first year the Council has charged a 100% council tax premium on second homes and shortened the timeframe for charging the "long term empty" council tax premium from two years to one. The aim is to incentivise the occupation of empty properties which, considering the acute national housing crisis and lack of available housing in the borough, is a key priority for this Council.

58. To date 1,431 properties have been identified as eligible for the second homes charge, generating £1.4m of additional council tax income. The Council retains 51% of all additional income collected with 49% passed to the GLA.

Council Tax 2026/27

59. The Government has confirmed the council tax referendum thresholds for 2026/27 and that an increase in the relevant amount of council tax that is considered to be excessive is 3% or more.



60. The Government's recognition of continuing funding pressures is evidenced by its continuation of the adult social care precept, first introduced in 2016/17, which gives those authorities responsible for adult social care an extra flexibility on their council tax referendum threshold to be used entirely for social care. The Local Government Finance Settlement for 2026/27 confirmed that local authorities could again raise this precept, with the limit set at 2%.
61. Taking all of the above matters into account, the Cabinet Member for Finance recommends that for 2026/27 the Council's general element of the council tax is frozen and, in light of continuing pressure on adult social care services, an adult social care precept increase of 2% is levied. Each 1% of council tax income foregone equates to a loss of council tax income of £0.77m per annum.

Wimbledon and Putney Commons Conservators (W&PCC)

62. The Council is required to treat as a special expense the levy of the W&PCC, and formally resolved to do so for successive financial years at its meeting on 10th March 1993. For 2026/27 this levy amounts to £1,163,281, an increase of £37,724 on the 2025/26 levy of £1,125,557. As a special expense it must be charged only to taxpayers within the Conservators' area, who will therefore have tax amounts £41.38 (£40.10 in 2025/26) higher than elsewhere in the Borough at Band D, a 3.2% increase.
63. The Council has to calculate first an average Band D tax element (dividing the tax needs shown in paragraph 54 by the 147,999 tax base figure), and then separate amounts for the majority of the Borough (excluding the special expenses) and for the Conservators' levy area. The statutory form of statement is shown in Appendix E sets out these amounts.

Greater London Authority

64. The Mayor of London is expected to increase the precepts with the result of the GLA element on council tax bills increasing by £20.13 (4.1%) to £510.51 for 2026/27. The GLA is due to consider its final budget on 25th February 2026. Should the GLA change their budget and/or council tax requirement, it is proposed that the Executive Director of Finance be authorised to update the content of this report for any changes to the GLA's budget and precept reported within this report, for the approval of full Council at its meeting on 4th March 2026 when considering the council tax requirement.

Council Tax Amounts

65. Combining this Council's tax amount with that of the GLA produces total band D amounts as follows for 2026/27:



Annual Band D 2026/27	Average £	Majority £	Conservators' £
Wandsworth Council	517.70	509.84	551.22
Greater London Authority	510.51	510.51	510.51
Total	1,028.21	1,020.35	1,061.73

66. The amounts for all valuation bands are shown in [Appendix E](#) part (f). After taking account of discounts, exemptions and the distribution of properties over valuation bands, the average bill for all dwellings in the borough is estimated to be around £983 which is expected to remain as the lowest average bill in the country.

FUTURE YEARS' BUDGET FRAMEWORK

67. The estimated service budgets, inflation allowances, current level of assumed transformation savings and future years' grant allocations generate a significant and rising budget gap in future years. The budget framework showing these amounts is in [Appendix F](#).

68. In accordance with the Council's Constitution, the Council should be recommended to adopt this framework on the basis that the Cabinet may then approve budget variations within the overriding restrictions that unearmarked reserves should not be forecast to fall below £6.75m (50% of that set aside for contingencies) in 2026/27.

69. Wandsworth's overall position over the next three years has significantly worsened because of the Fair Funding Review. The multi-year finance settlement has confirmed this loss of funding due to relative resource needs, reduced transitional protection and assumed council tax increases. In order to maintain spending power the Government has confirmed it will not set council tax increase referendum principles for Wandsworth in 2027/28 and 2028/29. This means the Council has the freedom to increase council tax beyond the 4.99% limit in these two years without the need for a referendum. Government has stressed that decisions on council tax levels remain a matter for local authorities, and this flexibility gives greater choice in deciding how to manage the Council's overall financial position in the most appropriate way.

70. In addition there are continuing service pressures relating to costs and demand. Whilst the Council has reserves identified to meet some of these pressures, these cannot be used indefinitely and, as in previous years, the Council will need to identify efficiencies and other sources of income to help meet the ongoing budget shortfall. Reserves should be carefully controlled and aligned with the Council's Transformation Programme to deliver a sustainable financial future, rather than solely to meet annual budget shortfalls. The gap will need to be addressed by the Council in its Medium Term Financial Strategy due to be submitted for approval in September 2026.



CONSULTATION

71. The Council has a statutory duty to consult with business ratepayers' representatives. A copy of this report has been placed on the Economic Development Office business home page on the Council's website. Written comments have been invited by 22nd February in order to be considered by the Cabinet.

EQUALITIES IMPLICATIONS

72. The Equality Act 2010 requires that the Council when exercising its functions must have "due regard" to the need to eliminate discrimination, to advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it and to foster good relations between persons who share a relevant protected characteristic and persons who do not share it. As such an Equality Impact and Needs Analysis (EINA) has been undertaken on the proposals in this report and is attached as [Appendix G](#). This takes into account the Executive decision to extend the scope of EINAs to consider the socio-economic factors of the proposals.

STATEMENT UNDER SECTION 25(2) OF THE LOCAL GOVERNMENT ACT 2003

73. Section 25(2) of the Local Government Act 2003 requires the Chief Financial Officer of an authority to report on:

- (a) the robustness of the estimates made for the purposes of the calculations, and
- (b) the adequacy of the proposed financial reserves.

74. In doing so, the Executive Director of Finance has had particular regard to guidance offered by the Chartered Institute of Public Finance and Accountancy and the views of the Council's external auditor.

75. The Council aims to continue operating with long term stability underpinning its finances. To achieve this, the Council must have regard to the major risks to its financial position and in particular:

- The reductions in Government funding resulting from the redistribution of national resources under the Fair Funding Review and subsequent finance settlement.
- The current economic position and future outlook.
- Whether budget setting and monitoring processes are robust and effective.
- Demand pressures on the budget, particularly in light of the high proportion of the budget spent on social care and homelessness services and the



continuing increased demand and complexity pressures as well as inflation both on social care in particular and wider council services.

- The Government's proposal to end the current statutory override relating to Dedicated Schools Grant deficits.
- Identifying and achieving cost and income improvements and delivery of the council wide transformation programme.
- Changes to the system of local government including Local Government Reform.
- Risks to wider income streams.

76. The 2026/27 budget has been developed against a backdrop of sustained demand for statutory services, wider market pressures and the significant impact of the Fair Funding Review. The assumptions underpinning the 2026/27 estimates – including demand forecasts, inflation, treasury activity, savings and transformation delivery, and income expectations – are reasonable and robust, informed by the risks identified. Reserves are required to balance the budget at a higher level than is needed in 2025/26 as the structural deficit grows.

77. The Council has a strong track record in sound financial management and in the delivery of value for money, with low levels of debt and high reserve balances. The Council has sufficient reserves to deal with the challenges it faces in the short term and continually reviews its savings and efficiency programme as part of medium and longer-term planning. The building up of the Financial Resilience Reserve over a number of years has improved the Council's position and allows for in year budget gaps to be funded from reserves. However the size of the projected budget gap and loss of grant funding means this is not a long term solution and the Council must look to deliver financial sustainability in other ways.

78. The ongoing financial sustainability of the Council depends on finding significant opportunities for efficiencies, cost-reduction or additional income to meet projected budget shortfalls. It is necessary to invest to save to unlock these opportunities at scale, and to protect critical services and resident experience from the impact of budget reductions where possible. The Transformation Programme is key to addressing the Government's funding reduction and budget pressures and will also contribute to achievement of the Council's objectives including to become the most digitally enabled council in the country.

79. In order to maintain spending power the Government has confirmed it will not set council tax increase referendum principles for Wandsworth in 2027/28 and 2028/29. This means the Council has the freedom to increase council tax beyond the 4.99% limit in these two years without the need for a referendum. Government has stressed that decisions on council tax levels remain a matter for local authorities, and this flexibility gives greater choice in deciding how to manage the Council's overall financial position in the most appropriate way.

80. A full list of the current General Fund reserves held by the Council is attached at [Appendix D](#) and will be reviewed again as part of the update of the Medium Term



Financial Strategy in September. The overall level of useable reserves remains adequate for the purposes identified at this stage however, unless the projected structural budget gap is addressed in other ways, the continuing use of reserve balances for this purpose will become unsustainable.

81. Despite the financial challenges, the Council remains committed to maintaining the services that residents both rely on and value, continuing to be a fair, compassionate and sustainable borough. Ongoing investment in infrastructure is key in continuing to deliver high quality services and the affordability of the capital programme has been significantly boosted by the use of contributions from developers which fund more than half of the programme. The capital strategy around affordability of borrowing is outlined in the capital programme paper elsewhere on this agenda. The scale of investment requires prudent borrowing in future years and the impact of this is built into the budget framework and MTFS and will be kept under regular review with the aim of reducing the borrowing need where possible.

82. In summary, the Chief Financial Officer (being the Executive Director of Finance) confirms that she is content that the estimates are robust for the purposes of the required budget and council tax calculations and that the Council's reserves are adequate in setting the 2026/27 budget. Members' attention is drawn to the need to address the future position through the measures outlined above to ensure ongoing financial viability.

The Town Hall
Wandsworth
SW18 2PU

FENELLA MERRY
Executive Director of Finance

10th February 2026

Please note, Appendix A can be found on pages 36-78.

Background Papers

The following background papers were used in the preparation of this report:

1. The Council's Budget Book 2025/26
2. Budget variations approved by the Cabinet in this financial year
3. Provisional Local Government Finance Settlement notification
4. GLA precept and levying bodies' documents.



FUTURE VARIABLES

1. There are a number of variables which influence the level of expenditure or income and thus impact eventually on the level of Council Tax. These are: general price inflation, pay costs, general economic climate, interest earned on investments, underlying demand for services, charges for services, and third party levies, as detailed below.

General price inflation

2. The inflation forecasts published by HM Treasury identify a range of inflation indices for the year to December 2026. Taking these into account general inflation has been assumed at an average 2.8% in 2026/27 and 2027/28 and 2.5% thereafter. Assumptions around contract inflation vary depending on the main driver of the contract with those in social care expected to be significantly higher due a higher weighting towards salary increases, in particular assumptions around the London Living Wage. A variation in the actual rate of inflation of 1% upwards or downwards in each year on running expenses would eventually add to or reduce budgets by c: £5.0m each year equivalent to £16m by 2028/29. As many of the Council's contractual requirements are effectively linked to inflation, these costs are unavoidable and, in the event of inflation being higher than forecast, these costs would be met initially from reserves but in future years from council tax payers. However inflation is also applied to some income lines in the Council's budgets which can help to offset the gross increases shown above.

Pay costs

3. These relate to nationally agreed pay awards for Council staff and the associated national insurance and pension contributions. A public sector pay award of 2.8% was built into original budgets for 2025/26 but the agreed award was finalised in July 2025 at a 3.2% increase. Each 1% pay increase will increase budgets by approximately £1.5m. An estimated average of 2.5% has been allowed for the 2026/27 pay award.

Interest earned on investments

4. Interest earned on treasury investments (cash balances) is linked to the Bank of England base rate which is currently 3.75%, a drop of 1% over the past year. The Council has benefited from significant additional revenue income over the past few years linked to high bank rates. Active treasury management has enabled an average return on investments in 2024/25 of 5.10% with 4.48% expected in 2025/26. Market opinion of future movements suggests that rates may fall again in March 2026, dropping to 3.5% with the longer term estimates expected to have a 'norm' of around 3%. Based on average investments assumed in 2026/27 of £415m, if interest rates change by 1% across investment types not currently locked in, the gross annual sum received by the General Fund would change by approximately £2.3m.



Underlying demand for services

5. The budget figures already reflect assumed volume demands which in future years are assumed to be mitigated by further proactive work to manage costs. However, any unforeseen increased demand for the Council's services can lead to additional expenditure pressures. This is often the case in relation to statutory duties surrounding vulnerable groups such as the homeless, adults with social care needs or children looked after and is a significant factor currently impacting on the Council's financial stability. These budget areas are all particularly volatile at the moment, a pressure common to all local authorities.

Charges for services

6. The Council has discretion to set a wide variety of charges for services. The Council's charging policy is to maximise charges for specific services so as to minimise any indirect subsidy from the council tax payer, seeking wherever possible to recover the cost of service provision as a minimum but with a comprehensive concessionary offer for those who need assistance. The cost recovery policy may be relaxed where there are economic, policy or statutory reasons for charging a reduced rate, or where concession policies apply. The successful Access for All programme looks to remove the barriers some residents face, including financial, to accessing services. So far £2.1m of support has been allocated to fund concessions in 2024/25 and 2025/26 (although actual costs will be subject to take up). The total income budget from fees and charges set by the Council is approximately £34m in 2026/27. Across all income streams a 1% increase over each of the three years would result in an increased income level of £1.1m by 2028/29.

Third party precepts and levies

7. The Council has no control over the levies and charges raised by a number of external bodies included as part of general expenditure. Official notification of these for 2026/27 have not all been received and therefore indicative amounts are currently included in the budget. An increase of 1% above the predicted increase on levies would increase expenditure by £49,000 in 2026/27.



**EXAMPLES OF CONTINGENCIES WHICH COULD INCREASE
GENERAL FUND EXPENDITURE**

- (a) Changes in application of legislation and the conditions for Government specific grants.
 - (b) Increase in inflation above the levels anticipated when setting the budget.
 - (c) The application of higher than anticipated inflation indices to contracted-out services, where increases are contractually based on the inflation index for specified calendar months.
 - (d) Retendering of service contracts at higher costs due to factors such as the statutory minimum wage, London Living Wage and highly competitive markets.
 - (e) Unforeseen difficulties in recovering arrears, requiring additional provision to be made for doubtful debts.
 - (f) Other unforeseen demands, and opportunities for service improvements in line with the Council's general policies, which could not be accommodated within approved budgets.
 - (g) Budgetary pressures facing services arising from changes in local demographics such as adult social services and housing, and increased demand for statutory services especially in relation to looked after children.
 - (h) Impact of the cost of living crisis on demand for Council services.
 - (i) Shortfalls in assumed capital receipts, or increases in the cost of external borrowing, adding to the net interest borne by the General Fund.
 - (j) Cost of a local disaster not covered by Government grant under the Bellwin Scheme.
 - (k) Transferred responsibilities from health authorities to local authorities.
 - (l) Reduction in income streams due to the economic climate or ongoing behaviour changes.
 - (m) Differences in levy or charge from that estimated before formal notice issued by levying bodies.
-

GENERAL FUND REVENUE RESERVES

Reserves are an important part of the Council's financial planning. The Council retains a level of reserves to mitigate current risks and ensure financial sustainability whilst enabling investment. This last point is of particular relevance to the current administration that is working towards delivery of its strategic priorities. Reserves and their use should therefore adequately reflect future needs, mitigate against risk and provide opportunities for service investment towards delivery of the Corporate Plan whilst helping the Council work towards longer term financial resilience.

Their use can allow the Council to smooth the impact of underlying funding and service changes but must be carefully considered as part of longer-term planning as their use cannot be regarded as a sustainable long term strategy to fill the gap from budget pressures and funding reductions. However reserves are a useful tool to manage issues over the short and medium term to allow time for proper consideration of any structural adjustments to the base budget that are needed.

A reserves strategy enables us to do this in a planned way. Within the budget framework being recommended for approval the assumed use of reserves relate to:

- Earmarked reserves being used for time limited investment to fund important policy objectives such as providing crisis / longer term support during the cost of living crisis, homelessness / refugee support, supporting the Access for All initiative and the corporate transformation programme.
- Draw down to enable the smoothing of impacts over time to protect the council tax requirement (applied in relation to employer's pension contributions).
- IT investment being funded from the Renewals Fund, the balance on which has been built up over time for that purpose. Plus to fund capital maintenance costs to ensure services can continue to be delivered.
- A continued need for reserves to smooth the impact of inflation, service pressures and reductions in funding, enabling time for the planning and implementation of change to deliver savings.

The following reserves are legally part of the Council's General Fund, though earmarked for specific purposes. The reserves, their purposes, and the expected change in their balances, under existing policies, are summarised below.



	Balance 1st April 2025 £'000	Budgeted Change 2025/26 £'000	Balance 1st April 2026 £'000	Budgeted Change 2026/27 £'000	Balance 1st April 2027 £'000
Financial Resilience Reserve	91,472	-14,933	76,539	-38,000	38,539
This reserve was established in 2014/15 in recognition of the substantial pressures on budgets and diminishing Government support. Any surplus or deficit balance at year end will be transferred into/from this reserve.					
Pensions Resilience Reserve	41,724	-850	40,874	0	40,874
This reserve was established in 2017/18 by consolidating the balances on three other pension related reserves. This reserve will continue to mitigate the impact of future increases in employer's pension contributions following fund revaluation, provide for any deficit to be funded for those pensions falling under the remit of the London Pension Fund Authority and meet costs relating to pensions enhancements which fall outside statutory pension schemes (mainly for teachers). The March 2022 actuarial valuation increased the Council's contribution rate from 18% to 19.1%. To mitigate the impact of this on Council budgets £0.85m of this reserve (the cash impact of the increase) has been used each year over the period of that valuation but following the March 2025 valuation this will no longer be required.					
Renewals Fund	25,707	-1,100	24,607	-3,103	21,504
This fund is for "loans" to services with unusually large requirements for building refurbishment, energy conservation schemes, computer software and vehicle and plant replacements. The planned expenditure is chiefly for IT hardware and software plus capital maintenance of service related premises as reported in the capital report elsewhere on this agenda.					
Service Transformation Reserve	7,151	-1,566	5,585	-3,433	2,152
This reserve was established to meet the short-term costs of service restructuring including redundancy. As agreed in Paper No. 23-318, some funding has been used to invest in additional capacity to deliver the corporate Change Programme and is now being used to fund the Transformation Programme which is in its first phase. It is anticipated that further investment from this reserve will be needed once the results of the external consultant's diagnostic phase have been received.					
Waste Reserve	725	3,275	4,000	2,708	6,708
This is a new reserve for 2025/26, set up to support the significant number of nationally mandated waste reforms due to come into effect over the next few years. The intention is hold the Extended Producer Responsibility funding received in this reserve and draw it down as investment in delivering the waste reforms as required and also to fund the Council's Cleaner Borough Plan. The reserve may also be needed to fund increased waste disposal costs which are expected once the Emissions Trading Scheme comes into effect.					



	Balance 1st April 2025 £'000	Budgeted Change 2025/26 £'000	Balance 1st April 2026 £'000	Budgeted Change 2026/27 £'000	Balance 1st April 2027 £'000
Refugee and Homelessness Support Reserve	5,451	-2,246	3,205	-1,369	1,836
This reserve was established at 2022/23 outturn (Paper No. 23-237) to reflect unused ringfenced Government grant. From this, a £1.75m commitment was made to establishing a new Borough of Sanctuary Fund (Paper No. 23-230) plus further drawing to support the staffing of the Council's response. In addition, the reserve is being used to fund direct costs in year across a number of services relating to housing and supporting refugees.					
Cost of Living Reserve	8,796	-2,522	6,274	-4,591	1,683
This reserve was originally established in 2022/23 in recognition of the significant pressures on Cost of Living. A further £5m top up was made to bring a total allocation to date of £15m which is being used to deliver a number of initiatives delivering crisis support and longer term financial resilience.					
Access for All Reserve	4,467	-1,680	2,787	-1,787	1,000
This reserve was established during 2024/25 using the revenue underspend identified at outturn 2023/24 of £4.85m. It is being used to support the Council's Access for All programme which aims to provide equal opportunity to all residents, removing the barriers some residents face to accessing services.					
Other Balances including DSO	8,395	0	8,395	-750	7,645
Reserve balances relating to accrued surpluses from the Council's Operational Services and Design Service Direct Services Organisations are used to enable future investment in plant and equipment or to meet redundancy costs if they arise.					
Total revenue reserves available for council tax setting purposes	193,888	-21,622	172,266	-50,325	121,941
Any in year overspend would need to be funded from reserves		-5,594 Forecast use as at Q3			



FORM OF COUNCIL RESOLUTION

- (a) That the revenue estimates for the year 2025/26 as adjusted and the revenue estimates for 2026/27 as summarised in this report be approved;
- (b) That the details of the council tax requirement for the year 2026/27 be approved;
- (c) That it be noted that the following amounts for the year 2026/27 have been calculated in accordance with the delegation made by the Council on 4th February 2004 and with regulations made under Section 33(5) and 34(4) of the Local Government Finance Act 1992:
- (i) 147,999 being the amount calculated by the Council, in accordance with regulation 3 of the Local Authorities (Calculation of Council Tax Base) Regulations 1992, as its council tax base for the year; and
 - (ii) 28,109 being the amount calculated by the Council, in accordance with Regulation 6 of the Regulations, as the amount of its council tax base for the year for dwellings in the Wimbledon and Putney Commons Conservators' Levy Area;
- (d) That it be noted in accordance with Section 25 of the Local Government Act 2003 that the Executive Director of Finance has reported that the estimates are sufficiently robust for the purposes of the calculations and that the proposed financial reserves are adequate, and the following amounts be now calculated by the Council for the year 2026/27 in accordance with Sections 31 to 36 of the Local Government Finance Act 1992:
- (i) £1,129,855,827 being the aggregate of the amounts which the Council estimates for the items set out in Section 31A of the Act;
 - (ii) £1,053,236,756 being the aggregate of the amounts which the Council estimates for the items set out in Section 31A(3) of the Act;
 - (iii) £76,619,071 being the amount by which the aggregate at d(i) above exceeds the aggregate at (d)(ii) above, calculated by the Council in accordance with Section 31A(4) of the Act as its Council Tax requirement for the year;
 - (iv) £517.70 being the amount at (d)(iii) divided by the amount at (c)(i) above, calculated by the Council in accordance with Section 33(1) of the Act as the basic amount of its council tax for the year;



- (v) £1,163,281 being the aggregate amount of all special items referred to in Section 34(1) of the Act, namely the levy of the Wimbledon and Putney Commons Conservators;
- (vi) £509.84 being the amount at (d)(iv) above less the result given by dividing the amount at (d)(v) above by the amount at (c)(i) above, calculated by the Council in accordance with Section 34(2) of the Act as the basic amount of its council tax for the year for dwellings in those parts of its area to which no special item relates;
- (vii) £551.22 being the amount given by adding to the amount at (d)(vi) above the amount of the special item at (d)(v) above divided by the amount at (c)(ii) above, calculated by the Council in accordance with Section 34(3) of the Act as the basic amount of its council tax for the year for dwellings in that part of its area to which the special item relates; and
- (viii)

<u>Valuation Band</u>	Wimbledon and Putney Commons Conservators' Levy Area	All other parts of the Council's Area
	£	£
A	367.48	339.89
B	428.73	396.54
C	489.98	453.19
D	551.22	509.84
E	673.72	623.14
F	796.22	736.44
G	918.70	849.73
H	1,102.45	1,019.68

being the amounts given by multiplying the amounts at (d)(vi) and (d)(vii) above by the number which, in the 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 in that proportion is applicable to dwellings listed in valuation 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 categories of dwellings listed in different valuation bands;

- (e) That it be noted that for the year 2026/27 the Greater London Authority has stated the following amounts in precepts issued to the Council, in accordance with



Section 40 of the Local Government Finance Act 1992, for each of the categories of dwellings shown below:

(f)

Greater London Authority	
<u>Valuation Band</u>	£
A	340.34
B	397.06
C	453.79
D	510.51
E	623.96
F	737.40
G	850.85
H	1,021.02

(g) That having calculated the aggregate in each case of the amounts at (d)(viii) and (e) above, the Council, in accordance with Section 30(2) of the Local Government Finance Act 1992, hereby sets the following amounts as the amounts of council tax for the year 2026/27 for each of the categories of dwellings shown below:

<u>Valuation Band</u>	Wimbledon and Putney Commons Conservators' Levy Area	All other parts of the Council's Area
	£	£
A	707.82	680.23
B	825.79	793.60
C	943.77	906.98
D	1,061.73	1,020.35
E	1,297.68	1,247.10
F	1,533.62	1,473.84
G	1,769.55	1,700.58
H	2,123.47	2,040.70



APPENDIX F**GENERAL REVENUE BUDGET FRAMEWORK**

	2025/26	2026/27	2027/28	2028/29
	£m	£m	£m	£m
Original Budget	287.992	287.992	287.992	287.992
Inflation to Current Prices	16.799	17.846	17.846	17.846
Developments	-1.771	14.101	6.713	4.937
Concurrent Budget Variations	0.000	0.000	0.000	0.000
Revised Committee Budgets	303.020	319.939	312.551	310.775
Inflation	0.460	15.362	31.314	47.314
Transformation Programme to come	0.000	0.000	-17.000	-31.000
New Homes Bonus	-7.810	0.000	0.000	0.000
Non-Service Specific Grants	-62.578	-25.949	-5.074	-5.153
Total	233.092	309.352	321.791	321.936
Planned Use of Balance and Reserves	-23.143	-50.325	-2.214	0.085
Budget Requirement	209.949	259.027	319.577	322.021
Collection Fund surplus	-2.000	-4.000	-4.000	-2.000
Retained Business Rates	-104.115	-65.105	-67.769	-68.906
Revenue Support Grant	-29.448	-106.468	-96.844	-66.091
Fair Funding Transitional Protection	0.000	-6.835	-7.769	-6.592
Council Tax Requirement	74.387	76.619	143.195	178.432
Band D Council Tax	£	£	£	£
Wandsworth Majority	499.69	509.84	535.28	561.99
Greater London Authority	490.38	510.51	520.72	531.13
Total	990.07	1,020.35	1,056.00	1,093.13
Assumed Adult Social Care Precept increase		2%	2%	2%
Assumed Council Tax increase			2.99%	2.99%
Budget gap			61.993	92.379



Subjective Analysis

ANALYSIS OF SERVICE BUDGETS 2026/27

£'000	Health	Children's	Environment	Finance	Housing	Transport	GENERAL FUND TOTAL	Dedicated Schools Budget	Housing Revenue Account	TOTAL
EXPENDITURE										
Employee Costs	28,608	54,790	5,222	9,537	7,952	6,837	112,946	151,633	25,649	290,228
Premises	92	805	7,904	957	971	1,287	12,016	0	74,182	86,198
Use of Transport	1,222	7,792	165	29	17	41	9,265	0	329	9,594
Supplies and Services										
- Funding to Voluntary Bodies	102	0	5	560	0	0	667	0	0	667
- Other	4,226	10,176	2,427	23,234	2,634	4,013	46,710	60,712	17,137	124,559
Third Party Payments										
- Precepts, Levies and Charges	0	807	17,034	857	0	793	19,491	0	0	19,491
- Other	151,283	38,149	26,543	5,029	62,780	8,791	292,574	1,803	6,007	300,384
Transfer Payments	11,283	1,753	0	133,863	2,263	14,990	164,152	16,012	573	180,737
Support Services Recharges	3,740	7,263	3,041	20,792	817	4,433	40,085	0	14,865	54,950
Depreciation and Impairment	117	3,972	5,708	-18,769	0	8,051	-921	0	27,423	26,502
Capital Financing Charges	0	0	0	0	0	0	0	0	18,719	18,719
TOTAL	200,673	125,508	68,049	176,087	77,433	49,235	696,984	230,160	184,884	1,112,028

ANALYSIS OF SERVICE BUDGETS (continued)

£'000	Health	Children's	Environment	Finance	Housing	Transport	GENERAL FUND TOTAL	Dedicated Schools Budget	Housing Revenue Account	TOTAL
INCOME										
Government Grants	46,048	17,795	0	130,325	6,366	0	200,533	214,802	0	415,335
Other Grants & Contributions	4,472	1,147	793	345	57	596	7,410	108	0	7,518
Customer & Client Receipts	27,688	2,315	14,038	14,762	27,130	50,896	136,828	15,250	192,089	344,167
Interest	0	0	0	23,276	12	0	23,288	0	8,403	31,691
Recharge Income	0	4,227	4	1,240	0	141	5,613	0	0	5,613
Internal Charges	0	0	236	1,926	2,955	114	5,232	0	0	5,232
Contribution to(-)/from(+) Reserves	0	0	0	-2,593	735	0	-1,858	0	-15,608	-17,466
TOTAL	78,207	25,484	15,071	169,283	37,255	51,747	377,046	230,160	184,884	792,090
NET EXPENDITURE	122,466	100,024	52,978	6,804	40,178	-2,512	319,938	0	0	319,938

Improved Better Care Fund	-20,954
Other Non-Service Specific Grants	-4,995
General Fund inflation from November 2025 to end of 2026/27	15,362
	<u>309,351</u>

Better Service Partnership Percentage Split

Better Service Partnership with the London Borough of Richmond upon Thames

A Better Service Partnership (BSP) between Wandsworth Council and the London Borough of Richmond upon Thames was established on 1st October 2016 (previously known as the Shared Staffing Arrangement, SSA).

Staff are jointly employed by the two boroughs and all costs relating to the BSP are shared appropriately. The cost of BSP employed staff working across both councils was initially split based upon historic budget proportions of both councils. In accordance with Operational Budget Protocol agreed by both Councils, these budget apportionments have and will continue to be reviewed at least annually and upon any specific event taking place that could have a significant impact on the apportionment, e.g. one Council changing provision in response to an incident or inspection report. This annual review takes place in the Autumn so that any changes can be accounted for in each Council's budget/Council Tax setting cycle for the following year. Minor changes have been implemented since the original proportions were set in order to reflect actual apportionment of time and value between the boroughs. Additional teams have also been added to those working across both boroughs.

The following table details the percentage split between the two boroughs for those service areas served by BSP staff working across both boroughs. The budgets for those BSP staff providing services for one borough only (for instance Wandsworth's Children's Services and Wandsworth's Housing Management) are 100% charged to that borough and therefore excluded from this list. In addition, some teams still work for a sovereign borough due to the complexities of working across both although management skills span both boroughs (e.g. Customer Services).

Better Service Partnership By Committee				
DIRECTORATE	SERVICE	RICHMOND %	WANDSWORTH %	RATIONALE FOR SPLIT OF SALARY COSTS
Health Committee				
Adults	Adult Social Care Services Teams	40%	60%	Wandsworth picks up more of the cost due to borough size differential
Adults	Assurance and Innovation	34%	66%	Wandsworth picks up more of the cost due to borough size differential
Adults	Commissioning Teams	48%	52%	Based on historic salary budgets these management costs are split almost equally across the two councils
Adults	Core Public Health	38%	62%	Wandsworth picks up more of the cost due to borough size differential
Adults	Exec Director of ASCPH & Business Resources	37%	63%	Average Chief Officer apportionment across both councils based on historic salary costs
Adults	Health and Care Integration	27%	73%	Wandsworth picks up more of the cost due to borough size differential
Adults	Professional Standards & Safeguarding	40%	60%	Wandsworth picks up more of the cost due to borough size differential
Chief Executive Group	Community Safety	40%	60%	Wandsworth picks up more of the cost due to borough size differential
Environment Committee				
Resident Services	Management Team	37%	63%	Average Chief officer apportionment across both councils based on historic salary costs
Resident Services	Culture & Leisure Management	50%	50%	Wandsworth and Richmond have outsourced their leisure services separately and this team support and manage the individual contracts from April 2026
Resident Services	Libraries contract	71%	29%	Wandsworth has contracted out its Library Services therefore BSP staff do not provide direct operational and management to these services, leaving the overall staffing split weighted more heavily to Richmond
Resident Services	Inspection & Enforcement	40%	60%	Wandsworth picks up more of the cost due to borough size differential
Resident Services	Network Management	50%	50%	Based on historic salary budgets these costs are split equally across the two councils
Resident Services	Finance and Performance	73%	27%	The split of this team reflects the ratio of inhouse services supported
Chief Executive Group	Climate Change	50%	50%	Management time is split equally across the two councils
Resident Services	Registrars	28%	72%	Average volumes within Richmond are much lower than in Wandsworth and the management time reflects this
Resident Services	Waste & Street Cleansing Contract Management	45%	55%	Wandsworth picks up slightly more of the cost due to borough size differential

DIRECTORATE	SERVICE	RICHMOND %	WANDSWORTH %	RATIONALE FOR SPLIT OF SALARY COSTS
Finance Committee				
Chief Executive Group	Chief Exec and Business Support	37%	63%	Average Chief Officer apportionment across both councils based on historic salary costs
Chief Executive Group	Community and Partnerships	46%	54%	The split of these support services reflect the average split of historic salary costs from the two councils
Chief Executive Group	Emergency Planning	50%	50%	Management time is split equally across the two councils
Chief Executive Group	Member Services	50%	50%	
Chief Executive Group	Policy, Performance and Analysis	50%	50%	
Chief Executive Group	Resident Engagement	50%	50%	The complaints and FOI team work equally across both councils
Chief Executive Group	Consultations	82%	18%	The weighting of the team reflects differing approaches to consultations in the two boroughs
Chief Executive Group	Partnership and Voluntary Sector	80%	20%	The majority of the Wandsworth activity is grant funded or locality specific and therefore not shared with Richmond and excluded from this calculation
Chief Executive Group	Stronger and Safer Community	61%	39%	The team's remit has a smaller scope in Wandsworth where work has a different focus
Change and Innovation	Directorate and Support	38%	62%	The split of these support services reflect the average split of historic salary costs from the two councils
Change and Innovation	HR and Organisational Devt	38%	62%	
Change and Innovation	ICT & Digitalisation	38%	62%	
Change and Innovation	Internal Communications	38%	62%	
Change and Innovation	Customer Experience	50%	50%	Management time is split equally across the two councils
Change and Innovation	Data and Insight	50%	50%	
Change and Innovation	Graduate Trainees	50%	50%	The graduate scheme runs and the capacity is split equally across both boroughs.
Finance	Corporate Management	38%	62%	The split of these support services reflect the average split of historic salary costs from the two councils
Finance	Cost of Living	50%	50%	Management time is split equally across the two councils
Finance	Directorate	37%	63%	Average Chief Officer apportionment across both councils based on historic salary costs
Finance	Financial Control & Accountancy	46%	54%	The team supports Wandsworth's Housing Revenue Account whereas Richmond does not have any housing stock
Finance	Insurance	33%	67%	The split of this support service reflects the split of historic salary costs from the two councils
Finance	Pension & Insurance Accounting	60%	40%	This reflects the current staffing workload of supporting the relevant services with a separate charge to the Wandsworth Pension Fund
Finance	Procurement	38%	62%	The split of these support services reflect the average split of historic salary costs from the two councils
Finance	Technical Support inc Social Fund	27%	73%	The historic budgets in each council are driven by volume caseload where Wandsworth is larger
Finance	Health and Safety Team	27%	73%	
Finance	Housing Benefits Team	27%	73%	
Finance	Council Tax & Business Rates	33%	67%	Based on volume of residents and businesses in the boroughs.
Resident Services	Environmental Services	52%	48%	Based on historic salary budgets these management costs are split almost equally across the two councils
Growth and Place	Economic Development	40%	60%	This reflects the current staffing workload of supporting the relevant services
Growth and Place	Land Charges	42%	58%	The team's split is according to the volume of local land charges searches within the borough
Resident Services	Facilities Management	50%	50%	Facilities management and School Capital split based upon a mixture of size of portfolio and service requirements
Resident Services	Schools Capital	50%	50%	

DIRECTORATE	SERVICE	RICHMOND %	WANDSWORTH %	RATIONALE FOR SPLIT OF SALARY COSTS
Housing Committee				
Resident Services	Home Improvement Agency	34%	66%	Wandsworth picks up more of the costs due to borough size differential
Resident Services	Housing Services Teams	34%	66%	
Chief Executive Group	Joint Control Centre	48%	52%	Split is based on call data provided by assistive technology service with a proportion also charged to the Wandsworth Housing Revenue Account
Resident Services	Management & Support Services	37%	63%	Wandsworth picks up more of the cost due to borough size differential
Resident Services	Finance and Business Support	4%	96%	Wandsworth has retained its housing stock whereas Richmond has not. The cost share therefore reflects the support provided to Wandsworth in its role as a housing landlord
Resident Services	Strategy, Compliance & Enabling	25%	75%	
Resident Services	Private Sector Housing	38%	62%	The split of these support services reflect the average split of historic salary costs from the two councils
Resident Services	Corporate Project Office	55%	45%	The split of this service reflects the average project delivery across the two councils, with direct charging to capital projects where applicable
Transport Committee				
Resident Services	Management Team	37%	63%	Average chief officer apportionment across both councils based on historic salary costs
Resident Services	Parking Management & Support	22%	78%	Wandsworth picks up more of the cost due to borough size differential
Growth and Place	Building Control	45%	55%	Wandsworth picks up more of the cost due to borough size and volume differential
Growth and Place	Development Management	45%	55%	
Growth and Place	Engineering and Parking Policy	50%	50%	Based on historic salary budgets these management costs are split equally across the two councils
Growth and Place	Information & Business Support	42%	58%	Wandsworth picks up more of the costs due to borough size differential in relation to inner/outer London transport issues
Growth and Place	Policy & Design	42%	58%	
Growth and Place	Transport Strategy	42%	58%	
Finance	Accessible Transport Unit/Concessionary Fares	38%	62%	The historic budgets in each council are driven by volume caseload where Wandsworth is larger
Finance	Parking	38%	62%	

Budget Pages

GENERAL FUND REVENUE SUMMARY

SUMMARY BY COMMITTEE

<u>COMMITTEE</u>	<u>2025/26</u> <u>Revised</u> £	<u>2026/27</u> <u>Budget</u> £	<u>2027/28</u> <u>Budget</u> £	<u>2028/29</u> <u>Budget</u> £
Children's	104,012,800	100,023,900	99,268,900	99,895,100
Environment	53,433,600	52,977,800	51,163,800	49,423,800
Finance	(4,307,400)	6,804,000	2,097,300	740,300
Health	116,658,400	122,466,300	121,017,700	120,051,000
Housing	33,209,300	40,178,000	40,277,800	40,743,100
Transport	12,900	(2,511,800)	(1,274,800)	(77,800)
Overall Committee Total	303,019,600	319,938,200	312,550,700	310,775,500

<u>Variation Analysis</u>	<u>2025/26</u> <u>Revised</u> £	<u>2026/27</u> <u>Budget</u> £	<u>2027/28</u> <u>Budget</u> £	<u>2028/29</u> <u>Budget</u> £
2025/26 ORIGINAL BUDGET	287,991,500	287,991,500	287,991,500	287,991,500
Inflation to Current Prices	16,799,100	17,845,700	17,845,700	17,845,700
Changes in Government Grants	(3,493,800)	10,699,500	10,298,100	10,759,900
Other Government or Outside Body Changes	57,500	1,321,500	2,619,500	3,816,500
Demand Led Growth	115,200	6,896,400	6,150,400	6,150,400
Efficiency Savings	(9,900)	(2,005,000)	(5,116,000)	(6,851,000)
Investment Priorities	9,710,600	7,128,900	5,431,600	517,600
Other Growth & Savings	(9,374,000)	(9,859,300)	(12,545,100)	(9,330,100)
Budget Transfers	1,223,400	(81,000)	(125,000)	(125,000)
NET EXPENDITURE	303,019,600	319,938,200	312,550,700	310,775,500

GENERAL FUND REVENUE SUMMARY

SUBJECTIVE ANALYSIS

	<u>2025/26</u> <u>Revised</u> £	<u>2026/27</u> <u>Budget</u> £	<u>2027/28</u> <u>Budget</u> £	<u>2028/29</u> <u>Budget</u> £
<u>Expenditure</u>				
Employees	118,885,300	112,945,800	112,152,000	111,559,000
Premises	11,868,900	12,016,200	11,641,200	11,641,200
Transport	9,265,000	9,265,000	9,265,000	9,265,000
Supplies & Services	41,573,600	46,710,300	37,994,300	36,423,300
Third Party Payments	308,842,300	312,731,200	311,942,000	311,777,000
Transfer Payments	165,538,100	166,009,800	167,257,800	168,454,800
Support Service Recharges	41,816,700	40,084,700	38,609,600	38,609,600
Depreciation & Impairment	(921,100)	(921,100)	(921,100)	(921,100)
TOTAL EXPENDITURE	696,868,800	698,841,900	687,940,800	686,808,800
<u>Income</u>				
Government Grants	(214,442,600)	(200,533,200)	(200,934,600)	(200,472,800)
Other Grants & Contributions	(9,181,700)	(7,409,700)	(7,409,700)	(7,409,700)
Customer & Client Receipts	(131,683,200)	(136,828,200)	(137,813,200)	(139,318,200)
Interest	(28,055,600)	(23,288,300)	(18,388,300)	(17,988,300)
Recharge Income	(5,235,100)	(5,612,700)	(5,612,700)	(5,612,700)
Internal charges	(5,251,000)	(5,231,600)	(5,231,600)	(5,231,600)
TOTAL INCOME	(393,849,200)	(378,903,700)	(375,390,100)	(376,033,300)
NET EXPENDITURE	303,019,600	319,938,200	312,550,700	310,775,500

CHILDREN'S OVERVIEW AND SCRUTINY COMMITTEE

SUMMARY BY SERVICE AREA

<u>SERVICE</u>	<u>2025/26</u> <u>Revised</u> £	<u>2026/27</u> <u>Budget</u> £	<u>2027/28</u> <u>Budget</u> £	<u>2028/29</u> <u>Budget</u> £
Business Resources	24,500,600	22,292,200	21,537,200	22,163,400
Children We Care For	53,525,300	52,598,600	52,598,600	52,598,600
Place and Partnerships	18,337,300	17,714,700	17,714,700	17,714,700
Education Standards and Inclusion	7,649,600	7,418,400	7,418,400	7,418,400
CHILDREN'S OVERVIEW AND SCRUTINY COMMITTEE TOTAL	104,012,800	100,023,900	99,268,900	99,895,100

<u>Variation Analysis</u>	<u>2025/26</u> <u>Revised</u> £	<u>2026/27</u> <u>Budget</u> £	<u>2027/28</u> <u>Budget</u> £	<u>2028/29</u> <u>Budget</u> £
2025/26 ORIGINAL BUDGET	99,857,800	99,857,800	99,857,800	99,857,800
Inflation to Current Prices	3,408,600	3,260,100	3,260,100	3,260,100
Changes in Government Grants	0	(522,700)	(522,700)	103,500
Efficiency Savings	0	(940,000)	(1,685,000)	(1,685,000)
Investment Priorities	767,800	0	0	0
Other Growth and Savings	0	(1,593,600)	(1,603,600)	(1,603,600)
Budget Transfers	(21,400)	(37,700)	(37,700)	(37,700)
NET EXPENDITURE	104,012,800	100,023,900	99,268,900	99,895,100

CHILDREN'S OVERVIEW AND SCRUTINY COMMITTEE

SUBJECTIVE ANALYSIS

	<u>2025/26</u> <u>Revised</u> £	<u>2026/27</u> <u>Budget</u> £	<u>2027/28</u> <u>Budget</u> £	<u>2028/29</u> <u>Budget</u> £
<u>Expenditure</u>				
Employees	56,256,000	54,790,400	54,790,400	54,790,400
Premises	798,900	805,400	805,400	805,400
Transport	7,791,700	7,791,700	7,791,700	7,791,700
Supplies & Services	11,513,000	10,175,900	9,386,700	9,386,700
Third Party Payments	39,596,500	38,956,000	38,956,000	38,956,000
Transfer Payments	1,753,400	1,753,400	1,753,400	1,753,400
Support Service Recharges	7,262,900	7,262,900	7,262,900	7,262,900
Depreciation & Impairment	3,971,800	3,971,800	3,971,800	3,971,800
TOTAL EXPENDITURE	128,944,200	125,507,500	124,718,300	124,718,300
<u>Income</u>				
Government Grants	(17,242,400)	(17,794,600)	(17,760,400)	(17,134,200)
Other Grants & Contributions	(1,146,900)	(1,146,900)	(1,146,900)	(1,146,900)
Customer & Client Receipts	(2,314,900)	(2,314,900)	(2,314,900)	(2,314,900)
Recharge Income	(4,227,200)	(4,227,200)	(4,227,200)	(4,227,200)
TOTAL INCOME	(24,931,400)	(25,483,600)	(25,449,400)	(24,823,200)
NET EXPENDITURE	104,012,800	100,023,900	99,268,900	99,895,100

CHILDREN'S OVERVIEW AND SCRUTINY COMMITTEE

BUSINESS AND RESOURCES

	<u>2025/26</u> <u>Revised</u> <u>£</u>	<u>2026/27</u> <u>Budget</u> <u>£</u>	<u>2027/28</u> <u>Budget</u> <u>£</u>	<u>2028/29</u> <u>Budget</u> <u>£</u>
SEN Travel Assistance	7,988,600	7,975,600	7,975,600	7,975,600
School Support	1,200,900	1,141,200	1,141,200	1,141,200
Children's Services Commissioning	565,600	550,300	550,300	550,300
Children's Services Finance Team	1,146,400	1,116,500	1,116,500	1,116,500
Children's Services Management	4,710,000	3,522,300	2,767,300	2,767,300
Performance and Improvement	2,239,700	1,361,000	1,361,000	1,987,200
Schools Finance Central Costs	2,862,200	2,862,200	2,862,200	2,862,200
Schools Finance Team	277,900	253,800	253,800	253,800
Schools Depreciation	3,509,300	3,509,300	3,509,300	3,509,300
	24,500,600	22,292,200	21,537,200	22,163,400

Variation Analysis	<u>2025/26</u> <u>Revised</u> <u>£</u>	<u>2026/27</u> <u>Budget</u> <u>£</u>	<u>2027/28</u> <u>Budget</u> <u>£</u>	<u>2028/29</u> <u>Budget</u> <u>£</u>
2025/26 ORIGINAL BUDGET	24,008,200	24,008,200	24,008,200	24,008,200
Inflation to Current Prices	534,700	534,700	534,700	534,700
Changes in Government Grants				
- Children Families and Youth Grant	(3,565,000)	(3,565,000)	(3,565,100)	(3,565,100)
- Children Social Care Grant now Families First Partnership	0	(782,100)	(782,100)	(155,900)
Efficiency Savings				
- Efficient Delivery Models	0	(940,000)	(1,685,000)	(1,685,000)
Investment Priorities				
- Access for All - Playparks	40,000	0	0	0
Other Growth and Savings				
- Family Help Review		(28,000)	(38,000)	(38,000)
- 'Market Innovation		(100,000)	(100,000)	(100,000)
- Pensions Actuarial Adjustment	0	(318,300)	(318,300)	(318,300)
- Children Families and Youth Grant	3,565,000	3,565,000	3,565,100	3,565,100
Budget Transfers	(82,300)	(82,300)	(82,300)	(82,300)
NET EXPENDITURE	24,500,600	22,292,200	21,537,200	22,163,400

CHILDREN'S OVERVIEW AND SCRUTINY COMMITTEE

CHILDREN'S SOCIAL CARE

	<u>2025/26</u> <u>Revised</u> £	<u>2026/27</u> <u>Budget</u> £	<u>2027/28</u> <u>Budget</u> £	<u>2028/29</u> <u>Budget</u> £
Children We Care For	37,020,800	36,943,300	36,943,300	36,943,300
Social Care Operational Costs	3,425,100	2,914,200	2,914,200	2,914,200
Practice Standards	2,576,900	2,510,900	2,510,900	2,510,900
Social Work with Families	10,502,500	10,230,200	10,230,200	10,230,200
	53,525,300	52,598,600	52,598,600	52,598,600
	<u>2025/26</u> <u>Revised</u> £	<u>2026/27</u> <u>Budget</u> £	<u>2027/28</u> <u>Budget</u> £	<u>2028/29</u> <u>Budget</u> £
Variation Analysis				
2025/26 ORIGINAL BUDGET	52,399,900	52,399,900	52,399,900	52,399,900
Inflation to Current Prices	1,728,500	1,728,700	1,728,700	1,728,700
Changes in Government Grants				
- Children Social Care Grant now Families First Partnership	0	139,400	139,400	139,400
Investment Priorities				
- Access for All projects (Free School Meals, School Uniforms, Baby Boxes)	469,200	0	0	0
Other Growth and Savings				
- Pensions Actuarial Adjustment	0	(597,100)	(597,100)	(597,100)
Budget Transfers	(1,072,300)	(1,072,300)	(1,072,300)	(1,072,300)
NET EXPENDITURE	53,525,300	52,598,600	52,598,600	52,598,600

CHILDREN'S OVERVIEW AND SCRUTINY COMMITTEE

PLACE AND PARTNERSHIPS

	<u>2025/26</u> <u>Revised</u> £	<u>2026/27</u> <u>Budget</u> £	<u>2027/28</u> <u>Budget</u> £	<u>2028/29</u> <u>Budget</u> £
Public Health	8,377,300	8,206,000	8,206,000	8,206,000
Place and Partnerships	9,103,000	8,651,700	8,651,700	8,651,700
Early Help - Contracts	857,000	857,000	857,000	857,000
	18,337,300	17,714,700	17,714,700	17,714,700

Variation Analysis	<u>2025/26</u> <u>Revised</u> £	<u>2026/27</u> <u>Budget</u> £	<u>2027/28</u> <u>Budget</u> £	<u>2028/29</u> <u>Budget</u> £
2025/26 ORIGINAL BUDGET	16,289,900	16,289,900	16,289,900	16,289,900
Inflation to Current Prices	713,300	564,600	564,600	564,600
Changes in Government Grants				
- Holiday Activity and Food Programme	(860,000)	(889,500)	(855,300)	(855,300)
Investment Priorities				
- Alton Renewal Project - After School Provision	90,000	0	0	0
- Winstanley York Road Renewal Scheme	90,000	0	0	0
- Access for All - Power to Connect	78,600	0	0	0
Other Growth and Savings				
- Pensions Actuarial Adjustment	0	(199,000)	(199,000)	(199,000)
- Holiday Activity and Food Programme	860,000	889,500	855,300	855,300
Budget Transfers	1,075,500	1,059,200	1,059,200	1,059,200
NET EXPENDITURE	18,337,300	17,714,700	17,714,700	17,714,700

CHILDREN'S OVERVIEW AND SCRUTINY COMMITTEE

EDUCATION STANDARDS AND INCLUSION

	<u>2025/26</u> <u>Revised</u> £	<u>2026/27</u> <u>Budget</u> £	<u>2027/28</u> <u>Budget</u> £	<u>2028/29</u> <u>Budget</u> £
School Participation & Improvement	2,276,200	2,195,200	2,195,200	2,195,200
Lifelong Learning	204,400	161,300	161,300	161,300
Pupil Services	179,000	164,300	164,300	164,300
Special Education Needs & Disability Services	4,262,700	4,073,500	4,073,500	4,073,500
Virtual School	727,300	824,100	824,100	824,100
	7,649,600	7,418,400	7,418,400	7,418,400
	<u>2025/26</u> <u>Revised</u> £	<u>2026/27</u> <u>Budget</u> £	<u>2027/28</u> <u>Budget</u> £	<u>2028/29</u> <u>Budget</u> £
Variation Analysis				
2025/26 ORIGINAL BUDGET	7,159,800	7,159,800	7,159,800	7,159,800
Inflation to Current Prices	432,100	432,100	432,100	432,100
Changes in Government Grants				
- Virtual School Head rolled into RSG	0	120,000	120,000	120,000
Other Growth and Savings				
- Pensions Actuarial Adjustment	0	(351,200)	(351,200)	(351,200)
Budget Transfers	57,700	57,700	57,700	57,700
NET EXPENDITURE	7,649,600	7,418,400	7,418,400	7,418,400

ENVIRONMENT OVERVIEW AND SCRUTINY COMMITTEE

SUMMARY BY SERVICE AREA

<u>SERVICE</u>	<u>2025/26</u>	<u>2026/27</u>	<u>2027/28</u>	<u>2028/29</u>
	<u>Revised</u>	<u>Budget</u>	<u>Budget</u>	<u>Budget</u>
	<u>£</u>	<u>£</u>	<u>£</u>	<u>£</u>
Arts	1,952,600	1,237,400	908,400	908,400
Climate Change	391,400	357,600	357,600	357,600
Leisure	18,472,300	17,474,100	16,136,100	14,485,100
Waste	32,464,300	34,004,200	33,957,000	33,946,800
Highways Operations and Streetscene	153,000	(95,500)	(195,300)	(274,100)
ENVIRONMENT OVERVIEW AND SCRUTINY COMMITTEE	53,433,600	52,977,800	51,163,800	49,423,800

Variation Analysis	<u>2025/26</u>	<u>2026/27</u>	<u>2027/28</u>	<u>2028/29</u>
	<u>Revised</u>	<u>Budget</u>	<u>Budget</u>	<u>Budget</u>
	<u>£</u>	<u>£</u>	<u>£</u>	<u>£</u>
2025/26 ORIGINAL BUDGET	50,321,900	50,321,900	50,321,900	50,321,900
Inflation to Current Prices	1,001,400	1,923,300	1,923,300	1,923,300
Other Government or Outside Body Changes	55,800	113,300	113,300	113,300
Demand Led Growth	115,200	115,200	115,200	115,200
Efficiency Savings	0	(573,500)	(1,908,500)	(3,643,500)
Investment Priorities	3,017,500	422,000	(222,000)	(222,000)
Other Growth and Savings	(1,796,000)	638,800	803,800	798,800
Budget Transfers	717,800	16,800	16,800	16,800
NET EXPENDITURE	53,433,600	52,977,800	51,163,800	49,423,800

ENVIRONMENT OVERVIEW AND SCRUTINY COMMITTEE

SUBJECTIVE ANALYSIS

	<u>2025/26</u> <u>Revised</u> £	<u>2026/27</u> <u>Budget</u> £	<u>2027/28</u> <u>Budget</u> £	<u>2028/29</u> <u>Budget</u> £
<u>Expenditure</u>				
Employees	6,269,200	5,222,200	4,972,200	4,722,200
Premises	7,748,000	7,904,000	7,779,000	7,779,000
Transport	164,700	164,700	164,700	164,700
Supplies & Services	4,423,100	2,427,300	2,083,300	2,083,300
Third Party Payments	42,144,600	43,581,800	43,581,800	43,596,800
Transfer Payments	0	0	0	0
Support Service Recharges	3,064,400	3,040,600	3,030,600	3,030,600
Depreciation & Impairment	5,708,000	5,708,000	5,708,000	5,708,000
TOTAL EXPENDITURE	69,522,000	68,048,600	67,319,600	67,084,600
<u>Income</u>				
Government Grants	0	0	0	0
Other Grants & Contributions	(2,192,900)	(792,900)	(792,900)	(792,900)
Customer & Client Receipts	(13,655,100)	(14,037,500)	(15,122,500)	(16,627,500)
Interest	0	0	0	0
Recharge Income	(4,000)	(4,000)	(4,000)	(4,000)
Internal charges	(236,400)	(236,400)	(236,400)	(236,400)
Schools Income	0	0	0	0
TOTAL INCOME	(16,088,400)	(15,070,800)	(16,155,800)	(17,660,800)
NET EXPENDITURE	53,433,600	52,977,800	51,163,800	49,423,800

ENVIRONMENT OVERVIEW AND SCRUTINY COMMITTEE

ARTS SERVICE

	<u>2025/26</u> <u>Revised</u> £	<u>2026/27</u> <u>Budget</u> £	<u>2027/28</u> <u>Budget</u> £	<u>2028/29</u> <u>Budget</u> £
Arts Service	1,952,600	1,237,400	908,400	908,400
	1,952,600	1,237,400	908,400	908,400
	<u>2025/26</u> <u>Revised</u> £	<u>2026/27</u> <u>Budget</u> £	<u>2027/28</u> <u>Budget</u> £	<u>2028/29</u> <u>Budget</u> £
Variation Analysis				
2025/26 ORIGINAL BUDGET	1,434,100	1,434,100	1,434,100	1,434,100
Inflation to Current Prices	33,100	17,100	17,100	17,100
Investment Priorities				
- Alton Plan Projects 2025-2027	486,100	107,000	(222,000)	(222,000)
- London Borough of Culture	1,590,000	190,000	0	0
- Access for All LBOC tickets	255,900	0	0	0
Other Growth and Savings				
- Pension Actuarial Adjustment	0	(15,000)	(15,000)	(15,000)
- Developer Contributions	(1,590,000)	(190,000)	0	0
Budget Transfers	(256,600)	(305,800)	(305,800)	(305,800)
NET EXPENDITURE	1,952,600	1,237,400	908,400	908,400

ENVIRONMENT OVERVIEW AND SCRUTINY COMMITTEE

CLIMATE CHANGE SERVICE

	<u>2025/26</u> <u>Revised</u> £	<u>2026/27</u> <u>Budget</u> £	<u>2027/28</u> <u>Budget</u> £	<u>2028/29</u> <u>Budget</u> £
Climate Change	391,400	357,600	357,600	357,600
	391,400	357,600	357,600	357,600

Variation Analysis	<u>2025/26</u> <u>Revised</u> £	<u>2026/27</u> <u>Budget</u> £	<u>2027/28</u> <u>Budget</u> £	<u>2028/29</u> <u>Budget</u> £
2025/26 ORIGINAL BUDGET	447,200	447,200	447,200	447,200
Inflation to Current Prices	8,000	8,000	8,000	8,000
Investment Priorities				
- 24-170 (July 24) Alton Renewal Plan - Warm Packs	30,000	0	0	0
- 25-255 (July 25) Warm Home Packs	10,000	0	0	0
- Cost of Living Response Measures	102,200	0	0	0
Other Growth and Savings				
- WESS - Removal Temporary Climate Priority Initiatives	(206,100)	(88,100)	(88,100)	(88,100)
- Pension Actuarial Adjustment	0	(8,100)	(8,100)	(8,100)
Budget Transfers	100	(1,400)	(1,400)	(1,400)
NET EXPENDITURE	391,400	357,600	357,600	357,600

ENVIRONMENT OVERVIEW AND SCRUTINY COMMITTEE

LEISURE

	<u>2025/26</u>	<u>2026/27</u>	<u>2027/28</u>	<u>2028/29</u>
	<u>Revised</u>	<u>Budget</u>	<u>Budget</u>	<u>Budget</u>
	£	£	£	£
Libraries contract	5,572,000	5,514,600	5,507,300	5,501,000
Registrars	216,700	77,000	29,100	(18,800)
Retained Mutual Services	11,025,200	10,983,400	10,798,600	10,738,800
Culture & Leisure Management	169,700	174,300	168,600	162,900
Leisure Facilities	4,296,300	3,532,400	2,440,100	908,800
Leisure & Culture Contract	(2,807,600)	(2,807,600)	(2,807,600)	(2,807,600)
	18,472,300	17,474,100	16,136,100	14,485,100

	<u>2025/26</u>	<u>2026/27</u>	<u>2027/28</u>	<u>2028/29</u>
	<u>Revised</u>	<u>Budget</u>	<u>Budget</u>	<u>Budget</u>
	£	£	£	£
Variation Analysis				
2025/26 ORIGINAL BUDGET	17,098,500	17,098,500	17,098,500	17,098,500
Inflation to Current Prices	430,000	504,400	504,400	504,400
Other Government or Outside Body Changes				
- Lee Valley Park Levy	1,400	1,400	1,400	1,400
- North East Surrey Crematorium Board Distribution Adjustment	22,600	22,600	22,600	22,600
- Wimbledon & Putney Commons Conservators Levy	31,900	31,900	31,900	31,900
Efficiency Savings				
- Income, Contract and Departmental Efficiencies	0	(3,000)	(5,000)	(5,000)
- Operating Model Review	0	(292,000)	(438,000)	(584,000)
- Leisure Services Contract	0	0	(1,060,000)	(2,560,000)
Investment Priorities				
- 24-170 (July 24) Alton Plan - Community Wellbeing	4,000	0	0	0
- Tree Maintenance	0	125,000	0	0
- Access for All	463,500	0	0	0
- Change Programme	75,800	0	0	0
Other Growth and Savings				
- 25-369 (Nov 25) Income Generation and Revenue Protection	0	(16,000)	(16,000)	(16,000)
- Concessions in Parks	0	(60,000)	(65,000)	(70,000)
- Pension Actuarial Adjustment	0	(78,300)	(78,300)	(78,300)
Budget Transfers	344,600	139,600	139,600	139,600
NET EXPENDITURE	18,472,300	17,474,100	16,136,100	14,485,100

ENVIRONMENT OVERVIEW AND SCRUTINY COMMITTEE

WASTE SERVICES

	<u>2025/26</u> <u>Revised</u> £	<u>2026/27</u> <u>Budget</u> £	<u>2027/28</u> <u>Budget</u> £	<u>2028/29</u> <u>Budget</u> £
Street Cleansing	5,800,600	5,837,100	5,836,100	5,836,100
Waste Collection & Recycling	11,851,200	12,451,800	12,408,600	12,398,400
Waste Disposal inc Levy	14,812,500	15,715,300	15,712,300	15,712,300
	32,464,300	34,004,200	33,957,000	33,946,800

Variation Analysis	<u>2025/26</u> <u>Revised</u> £	<u>2026/27</u> <u>Budget</u> £	<u>2027/28</u> <u>Budget</u> £	<u>2028/29</u> <u>Budget</u> £
2025/26 ORIGINAL BUDGET	31,335,200	31,335,200	31,335,200	31,335,200
Inflation to Current Prices	485,100	1,348,600	1,348,600	1,348,600
Other Government or Outside Body Changes				
- Port of London - River Debris Clearance	0	400	400	400
- Western Riverside Waste Authority Levy	0	57,100	57,100	57,100
Demand Led Growth				
- Waste Contract Increase for New Properties	115,200	115,200	115,200	115,200
Efficiency Savings				
- Income, Contract and Departmental Efficiencies	0	(11,000)	(33,000)	(33,000)
- Operating Model Review	0	(109,600)	(134,800)	(145,000)
Other Growth and Savings				
- Cleaner Borough Plan	0	1,265,000	1,265,000	1,265,000
- 25-369 (Nov 25) Income Generation and Revenue Protecti	0	(55,200)	(55,200)	(55,200)
- Pension Actuarial Adjustment	0	(15,000)	(15,000)	(15,000)
- Completion of Waste Diversion & Contamination Reduction	0	(10,000)	(10,000)	(10,000)
Budget Transfers	528,800	83,500	83,500	83,500
NET EXPENDITURE	32,464,300	34,004,200	33,957,000	33,946,800

ENVIRONMENT OVERVIEW AND SCRUTINY COMMITTEE

HIGHWAYS OPERATIONS AND STREETSCENE

	<u>2025/26</u>	<u>2026/27</u>	<u>2027/28</u>	<u>2028/29</u>
	<u>Revised</u>	<u>Budget</u>	<u>Budget</u>	<u>Budget</u>
	<u>£</u>	<u>£</u>	<u>£</u>	<u>£</u>
Inspection & Enforcement	505,700	351,900	292,200	232,500
Network Management	(823,000)	(917,700)	(957,800)	(976,900)
Tree Root Provision	367,700	367,700	367,700	367,700
Winter Maintenance	102,600	102,600	102,600	102,600
	153,000	(95,500)	(195,300)	(274,100)

	<u>2025/26</u>	<u>2026/27</u>	<u>2027/28</u>	<u>2028/29</u>
	<u>Revised</u>	<u>Budget</u>	<u>Budget</u>	<u>Budget</u>
	<u>£</u>	<u>£</u>	<u>£</u>	<u>£</u>
Variation Analysis				
2025/26 ORIGINAL BUDGET	6,900	6,900	6,900	6,900
Inflation to Current Prices	45,200	45,200	45,200	45,200
Efficiency Savings				
- Income, Contract and Departmental Efficiencies	0	(3,000)	(4,000)	(4,000)
- Transformation Programme Efficiencies	0	(154,900)	(233,700)	(312,500)
Other Growth and Savings				
- 25-369 (Nov 25) Income Generation and Revenue Protect	0	(26,800)	(26,800)	(26,800)
- Income Generation and Revenue Protection	0	(20,000)	(40,000)	(40,000)
- Pension Actuarial Adjustment	0	(43,800)	(43,800)	(43,800)
Budget Transfers	100,900	100,900	100,900	100,900
NET EXPENDITURE	153,000	(95,500)	(195,300)	(274,100)

FINANCE OVERVIEW AND SCRUTINY COMMITTEE

SUMMARY BY SERVICE AREA

<u>SERVICE</u>	<u>2025/26</u>	<u>2026/27</u>	<u>2027/28</u>	<u>2028/29</u>
	<u>Revised</u>	<u>Budget</u>	<u>Budget</u>	<u>Budget</u>
	£	£	£	£
General Services	15,611,700	14,239,800	12,480,300	12,137,300
General Services - Finance	(30,459,200)	(18,075,000)	(19,676,700)	(20,690,700)
Revenue Services	7,539,900	7,395,100	7,040,600	7,040,600
Property Services	(2,825,000)	(2,490,300)	(3,481,300)	(3,481,300)
Economic Development	2,006,800	1,887,500	1,887,500	1,887,500
Environmental Services and Regulatory Services	3,818,400	3,846,900	3,846,900	3,846,900
FINANCE OVERVIEW AND SCRUTINY COMMITTEE TOTAL	(4,307,400)	6,804,000	2,097,300	740,300

<u>Variation Analysis</u>	<u>2025/26</u>	<u>2026/27</u>	<u>2027/28</u>	<u>2028/29</u>
	<u>Revised</u>	<u>Budget</u>	<u>Budget</u>	<u>Budget</u>
	£	£	£	£
2025/26 ORIGINAL BUDGET	2,521,100	2,521,100	2,521,100	2,521,100
Inflation to Current Prices	1,814,100	1,902,000	1,902,000	1,902,000
Changes in Government Grants	0	1,300	1,300	1,300
Other Government or Outside Body Changes	0	0	0	0
Demand Led Growth	0	1,281,200	535,200	535,200
Efficiency Savings	(9,900)	(407,500)	(1,148,500)	(1,148,500)
Investment Priorities	3,888,200	7,483,100	6,370,000	1,613,000
Other Growth and Savings	(11,876,300)	(5,201,800)	(7,308,400)	(3,908,400)
Budget Transfers	(644,600)	(775,400)	(775,400)	(775,400)
NET EXPENDITURE	(4,307,400)	6,804,000	2,097,300	740,300

FINANCE OVERVIEW AND SCRUTINY COMMITTEE

SUBJECTIVE ANALYSIS

	<u>2025/26</u> <u>Revised</u> <u>£</u>	<u>2026/27</u> <u>Budget</u> <u>£</u>	<u>2027/28</u> <u>Budget</u> <u>£</u>	<u>2028/29</u> <u>Budget</u> <u>£</u>
<u>Expenditure</u>				
Employees	10,825,700	9,536,500	9,119,700	8,776,700
Premises	977,800	956,700	706,700	706,700
Transport	28,900	28,900	28,900	28,900
Supplies & Services	13,429,600	23,233,500	15,728,700	14,314,700
Third Party Payments	7,078,500	6,445,300	6,445,300	6,445,300
Transfer Payments	133,960,900	133,862,900	133,862,900	133,862,900
Support Service Recharges	22,330,500	20,791,900	19,356,800	19,356,800
Depreciation & Impairment	(18,769,200)	(18,769,200)	(18,769,200)	(18,769,200)
TOTAL EXPENDITURE	169,862,700	176,086,500	166,479,800	164,722,800
<u>Income</u>				
Government Grants	(130,555,900)	(130,325,100)	(130,325,100)	(130,325,100)
Other Grants & Contributions	(345,000)	(345,000)	(345,000)	(345,000)
Customer & Client Receipts	(12,417,200)	(12,169,500)	(12,169,500)	(12,169,500)
Interest	(28,043,600)	(23,276,300)	(18,376,300)	(17,976,300)
Recharge Income	(862,600)	(1,240,200)	(1,240,200)	(1,240,200)
Internal charges	(1,945,800)	(1,926,400)	(1,926,400)	(1,926,400)
TOTAL INCOME	(174,170,100)	(169,282,500)	(164,382,500)	(163,982,500)
NET EXPENDITURE	(4,307,400)	6,804,000	2,097,300	740,300

FINANCE OVERVIEW AND SCRUTINY COMMITTEE

GENERAL SERVICES

	<u>2025/26</u> <u>Revised</u> £	<u>2026/27</u> <u>Budget</u> £	<u>2027/28</u> <u>Budget</u> £	<u>2028/29</u> <u>Budget</u> £
Corporate Initiatives	2,170,300	1,009,400	1,009,400	666,400
Community and Partnerships	2,379,300	1,557,100	1,494,600	1,494,600
Emergency Planning	265,900	253,300	253,300	253,300
Registration of Electors	856,900	1,588,400	842,400	842,400
Apprenticeship Levy	562,900	562,900	562,900	562,900
Corporate Management	8,427,400	8,317,700	8,317,700	8,317,700
Transformation Programme	949,000	951,000	0	0
	<u>15,611,700</u>	<u>14,239,800</u>	<u>12,480,300</u>	<u>12,137,300</u>

Variation Analysis	<u>2025/26</u> <u>Revised</u> £	<u>2026/27</u> <u>Budget</u> £	<u>2027/28</u> <u>Budget</u> £	<u>2028/29</u> <u>Budget</u> £
2025/26 ORIGINAL BUDGET	13,106,100	13,106,100	13,106,100	13,106,100
Inflation to Current Prices	148,000	154,700	154,700	154,700
Demand Led Growth				
- Local Election Costs	0	746,000	0	0
Efficiency Savings				
- Income, Contract and Departmental Efficiencies	0	(8,500)	(8,500)	(8,500)
- Operating Model Review	0	(50,000)	(50,000)	(50,000)
Investment Priorities				
- Change Programme	535,400	0	0	0
- Cost of Living Response Measures	270,000	0	0	0
- Corporate Priorities	200,000	500,000	500,000	0
- Access for All Initiatives	295,900	0	0	0
- Investment in Transformation Programme	949,000	951,000	0	0
- Alton Renewal Plan Projects	79,300	62,500	0	0
Other Growth and Savings				
- Pensions Actuarial Adjustment	0	(167,900)	(167,900)	(167,900)
- Reprofiling of Temporary Initiatives	314,000	(157,000)	(157,000)	0
Budget Transfers	(286,000)	(897,100)	(897,100)	(897,100)
	<u>15,611,700</u>	<u>14,239,800</u>	<u>12,480,300</u>	<u>12,137,300</u>
NET EXPENDITURE				

FINANCE OVERVIEW AND SCRUTINY COMMITTEE

GENERAL SERVICES - FINANCE

	<u>2025/26</u> <u>Revised</u> £	<u>2026/27</u> <u>Budget</u> £	<u>2027/28</u> <u>Budget</u> £	<u>2028/29</u> <u>Budget</u> £
General Services Finance	(13,213,100)	(6,504,500)	(2,374,200)	(2,388,200)
Capital Financing Account	(19,202,500)	(19,202,500)	(19,202,500)	(19,202,500)
Planned Use of Reserves (budgets for distribution to services re: Cost of Living/ Change Programme/ Access for All)	1,956,400	7,632,000	1,900,000	900,000
	<u>(30,459,200)</u>	<u>(18,075,000)</u>	<u>(19,676,700)</u>	<u>(20,690,700)</u>

Variation Analysis	<u>2025/26</u> <u>Revised</u> £	<u>2026/27</u> <u>Budget</u> £	<u>2027/28</u> <u>Budget</u> £	<u>2028/29</u> <u>Budget</u> £
2025/26 ORIGINAL BUDGET	(20,166,500)	(20,166,500)	(20,166,500)	(20,166,500)
Inflation to Current Prices	984,300	887,500	887,500	887,500
Changes in Government Grants				
- Fair Funding Grant Consolidation	0	1,300	1,300	1,300
Demand Led Growth				
- South London Legal Partnership (SLLP) Charges Increase	0	285,200	285,200	285,200
- Insurance Premiums Increase	0	250,000	250,000	250,000
Investment Priorities				
- WESS Climate Initiatives	78,100	88,100	0	0
- Transformation Programme Invest to Save Projects	0	1,200,000	824,000	747,000
- IT Cyber Networking, Licenses and Cloud Hosting	0	236,000	236,000	236,000
- Housing Pilot Extension	0	606,000	0	0
- Capital Schemes Financed from Revenue Reserves	736,000	3,417,000	842,000	505,000
Other Growth and Savings				
- Pensions Actuarial Adjustment	0	(432,600)	(432,600)	(432,600)
- Cost of Living Response Distribution of Budget To Services/Reprofiling of Reserve Use	(5,351,900)	(3,254,700)	(6,754,500)	(6,754,500)
- Change Programme Distribution of Budget To Services/Reprofiling of Reserve Use	(2,090,300)	(2,577,200)	(1,031,300)	(1,031,300)
- Access for All Distribution of Budget to Services/Reprofiling of Reserve Use	(4,423,000)	(2,698,800)	(3,601,500)	(4,601,500)
- Process Improvement and Digital Transformation	0	(495,000)	(495,000)	(495,000)
- Operating Model Review	0	(426,000)	(426,000)	(426,000)
- Third Party Spend Review	0	(50,000)	(50,000)	(50,000)
- NESCB Interest	(1,000)	(1,000)	(1,000)	(1,000)
- Treasury - Cost of Capital Investment	0	4,767,300	9,667,300	10,067,300
Budget Transfers	(224,900)	288,400	288,400	288,400
NET EXPENDITURE	<u>(30,459,200)</u>	<u>(18,075,000)</u>	<u>(19,676,700)</u>	<u>(20,690,700)</u>

FINANCE OVERVIEW AND SCRUTINY COMMITTEE

REVENUE SERVICES

	<u>2025/26</u> <u>Revised</u> £	<u>2026/27</u> <u>Budget</u> £	<u>2027/28</u> <u>Budget</u> £	<u>2028/29</u> <u>Budget</u> £
Council Tax & Business Rates Collection	1,602,600	1,467,900	1,467,900	1,467,900
Housing & Council Tax Benefits	5,937,300	5,927,200	5,572,700	5,572,700
	<u>7,539,900</u>	<u>7,395,100</u>	<u>7,040,600</u>	<u>7,040,600</u>

Variation Analysis	<u>2025/26</u> <u>Revised</u> £	<u>2026/27</u> <u>Budget</u> £	<u>2027/28</u> <u>Budget</u> £	<u>2028/29</u> <u>Budget</u> £
2025/26 ORIGINAL BUDGET	7,196,000	7,196,000	7,196,000	7,196,000
Inflation to Current Prices	243,900	239,000	239,000	239,000
Investment Priorities				
- Cost of Living Response - Projects	146,500	40,000	0	0
- Cost of Living Response - Financial Resilience Navigators	0	127,000	0	0
- Cost of Living Response - Staffing	100,000	187,500	0	0
Other Growth and Savings				
- Pensions Actuarial Adjustment	0	(132,900)	(132,900)	(132,900)
- Process Improvement and Digital Transformation	0	(90,000)	(90,000)	(90,000)
Budget Transfers	(146,500)	(171,500)	(171,500)	(171,500)
NET EXPENDITURE	<u>7,539,900</u>	<u>7,395,100</u>	<u>7,040,600</u>	<u>7,040,600</u>

FINANCE OVERVIEW AND SCRUTINY COMMITTEE

PROPERTY SERVICES

	<u>2025/26</u> <u>Revised</u> £	<u>2026/27</u> <u>Budget</u> £	<u>2027/28</u> <u>Budget</u> £	<u>2028/29</u> <u>Budget</u> £
Commercial Properties	(5,598,100)	(5,142,000)	(5,142,000)	(5,142,000)
Energy and Sustainability Team	13,700	10,500	10,500	10,500
Operational Properties	2,630,900	2,512,700	1,521,700	1,521,700
Properties Pending Disposal	128,500	128,500	128,500	128,500
	<u>(2,825,000)</u>	<u>(2,490,300)</u>	<u>(3,481,300)</u>	<u>(3,481,300)</u>

	<u>2025/26</u> <u>Revised</u> £	<u>2026/27</u> <u>Budget</u> £	<u>2027/28</u> <u>Budget</u> £	<u>2028/29</u> <u>Budget</u> £
Variation Analysis				
2025/26 ORIGINAL BUDGET	(3,213,000)	(3,213,000)	(3,213,000)	(3,213,000)
Inflation to current prices	257,000	439,900	439,900	439,900
Efficiency Savings				
- Transformation - Rationalisation of Estate	(9,900)	(75,000)	(816,000)	(816,000)
- Cleaning Contract Retendering	0	(234,000)	(234,000)	(234,000)
Investment Priorities				
- 24-100 (Feb 24) Relocation of Frogmore Depot	100,000	100,000	0	0
- Change Programme - Accommodation Review	31,200	0	0	0
Other Growth and Savings				
- Investment in Growth and Place Division	0	320,000	320,000	320,000
- National Non Domestic Rates adjustments	(10,100)	(10,100)	(10,100)	(10,100)
- Commercial income review	0	160,200	160,200	160,200
- Pensions Actuarial Adjustment	0	(60,600)	(60,600)	(60,600)
- Operational Buildings Food Waste Recycling	0	62,500	62,500	62,500
- Removal of Temporary Budgets	0	0	(150,000)	(150,000)
Budget Transfers	19,800	19,800	19,800	19,800
NET EXPENDITURE	<u>(2,825,000)</u>	<u>(2,490,300)</u>	<u>(3,481,300)</u>	<u>(3,481,300)</u>

FINANCE OVERVIEW AND SCRUTINY COMMITTEE

Economic Development

	<u>2025/26</u> <u>Revised</u> £	<u>2026/27</u> <u>Budget</u> £	<u>2027/28</u> <u>Budget</u> £	<u>2028/29</u> <u>Budget</u> £
Economic Development	663,700	601,600	601,600	601,600
Town Centres	1,343,100	1,285,900	1,285,900	1,285,900
	<u>2,006,800</u>	<u>1,887,500</u>	<u>1,887,500</u>	<u>1,887,500</u>

	<u>2025/26</u> <u>Revised</u> £	<u>2026/27</u> <u>Budget</u> £	<u>2027/28</u> <u>Budget</u> £	<u>2028/29</u> <u>Budget</u> £
Variation Analysis				
2025/26 ORIGINAL BUDGET	1,888,100	1,888,100	1,888,100	1,888,100
Inflation to Current Prices	67,000	67,000	67,000	67,000
Investment Priorities				
- Alton Renewal Plan Projects	6,000	0	0	0
- Cost of Living Response - Energy and Sustainability Support	46,800	0	0	0
Other Growth and Savings				
- Pensions Actuarial Adjustment	0	(58,600)	(58,600)	(58,600)
Budget Transfers	(1,100)	(9,000)	(9,000)	(9,000)
NET EXPENDITURE	<u>2,006,800</u>	<u>1,887,500</u>	<u>1,887,500</u>	<u>1,887,500</u>

FINANCE OVERVIEW AND SCRUTINY COMMITTEE

ENVIRONMENTAL SERVICES AND REGULATORY SERVICES

	<u>2025/26</u> <u>Revised</u> £	<u>2026/27</u> <u>Budget</u> £	<u>2027/28</u> <u>Budget</u> £	<u>2028/29</u> <u>Budget</u> £
Coroners' Court and Mortuary	732,900	732,900	732,900	732,900
Regulatory Services	3,085,500	3,114,000	3,114,000	3,114,000
	<u>3,818,400</u>	<u>3,846,900</u>	<u>3,846,900</u>	<u>3,846,900</u>

Variation Analysis	<u>2025/26</u> <u>Revised</u> £	<u>2026/27</u> <u>Budget</u> £	<u>2027/28</u> <u>Budget</u> £	<u>2028/29</u> <u>Budget</u> £
2025/26 ORIGINAL BUDGET	3,710,400	3,710,400	3,710,400	3,710,400
Inflation to Current Prices	113,900	113,900	113,900	113,900
Efficiency Savings				
- Income, Contract and Departmental Efficiencies				
- Operating Model Review	0	(90,000)	(90,000)	(90,000)
Investment Priorities				
- RSP Licensing Services Enhancement	0	125,000	125,000	125,000
Other Growth and Savings				
- 25-369 (Nov 25) Income Generation and Revenue Protection	0	(6,400)	(6,400)	(6,400)
Budget Transfers	(5,900)	(6,000)	(6,000)	(6,000)
NET EXPENDITURE	<u>3,818,400</u>	<u>3,846,900</u>	<u>3,846,900</u>	<u>3,846,900</u>

HEALTH OVERVIEW AND SCRUTINY COMMITTEE

SUMMARY BY SERVICE AREA

<u>SERVICE</u>	<u>2025/26</u> <u>Revised</u> £	<u>2026/27</u> <u>Budget</u> £	<u>2027/28</u> <u>Budget</u> £	<u>2028/29</u> <u>Budget</u> £
Adult Service Operations	115,502,700	122,266,400	121,656,400	121,476,400
Commissioning and Quality Standards	22,442,400	17,878,300	17,726,300	17,524,400
Business Resources	4,120,200	4,035,700	4,035,700	4,035,700
Assurance and Innovation	2,746,000	2,525,500	2,525,500	2,525,500
Health and Care Integration	195,300	190,000	190,000	190,000
Public Health	(29,818,500)	(25,718,500)	(26,315,900)	(26,900,700)
Community Safety	1,470,300	1,288,900	1,199,700	1,199,700
HEALTH OVERVIEW AND SCRUTINY COMMITTEE TOTAL	116,658,400	122,466,300	121,017,700	120,051,000

<u>Variation Analysis</u>	<u>2025/26</u> <u>Revised</u> £	<u>2026/27</u> <u>Budget</u> £	<u>2027/28</u> <u>Budget</u> £	<u>2028/29</u> <u>Budget</u> £
2025/26 ORIGINAL BUDGET	106,774,100	106,774,100	106,774,100	106,774,100
Inflation to Current Prices	8,170,600	8,166,000	8,166,000	8,166,000
Changes in Government Grants	1,078,600	10,352,500	9,603,100	8,816,400
Other Government or Outside Body Changes	0	0	0	0
Demand Led Growth	0	2,500,000	2,500,000	2,500,000
Efficiency Savings	0	0	0	0
Investment Priorities	851,700	(220,300)	(309,500)	(309,500)
Other Growth and Savings	0	(4,824,600)	(5,434,600)	(5,614,600)
Budget Transfers	(216,600)	(281,400)	(281,400)	(281,400)
NET EXPENDITURE	116,658,400	122,466,300	121,017,700	120,051,000

HEALTH OVERVIEW AND SCRUTINY COMMITTEE

SUBJECTIVE ANALYSIS

	<u>2025/26</u> <u>Revised</u> £	<u>2026/27</u> <u>Budget</u> £	<u>2027/28</u> <u>Budget</u> £	<u>2028/29</u> <u>Budget</u> £
<u>Expenditure</u>				
Employees	30,272,200	28,608,100	28,548,100	28,548,100
Premises	92,200	92,200	92,200	92,200
Transport	1,221,900	1,221,900	1,221,900	1,221,900
Supplies & Services	5,366,200	4,225,800	4,225,800	4,225,800
Third Party Payments	151,600,000	151,384,700	150,795,500	150,615,500
Transfer Payments	11,783,400	11,283,400	11,233,400	11,233,400
Support Service Recharges	3,739,700	3,739,700	3,739,700	3,739,700
Depreciation & Impairment	117,400	117,400	117,400	117,400
TOTAL EXPENDITURE	204,193,000	200,673,200	199,974,000	199,794,000
<u>Income</u>				
Government Grants	(55,995,600)	(46,047,500)	(46,796,900)	(47,583,600)
Other Grants & Contributions	(4,743,900)	(4,471,900)	(4,471,900)	(4,471,900)
Customer & Client Receipts	(26,795,100)	(27,687,500)	(27,687,500)	(27,687,500)
TOTAL INCOME	(87,534,600)	(78,206,900)	(78,956,300)	(79,743,000)
NET EXPENDITURE	116,658,400	122,466,300	121,017,700	120,051,000

HEALTH OVERVIEW AND SCRUTINY COMMITTEE

ADULT SERVICE OPERATIONS

	<u>2025/26</u> <u>Revised</u> £	<u>2026/27</u> <u>Budget</u> £	<u>2027/28</u> <u>Budget</u> £	<u>2028/29</u> <u>Budget</u> £
Adult Service Operations Teams	17,072,400	16,758,700	16,758,700	16,758,700
Early Help & Enablement Services	1,076,300	1,076,300	1,076,300	1,076,300
Services for Adults with Learning Disabilities	55,451,300	52,060,400	52,060,400	52,060,400
Services for Adults with Mental Health Needs	14,911,900	12,825,900	12,775,900	12,775,900
Services for Older People, Sensory & Physical Disabilities	25,704,400	39,076,400	38,516,400	38,336,400
Borough of Sanctuary Operational & Team Budget	1,286,400	468,700	468,700	468,700
	115,502,700	122,266,400	121,656,400	121,476,400

Variation Analysis	<u>2025/26</u> <u>Revised</u> £	<u>2026/27</u> <u>Budget</u> £	<u>2027/28</u> <u>Budget</u> £	<u>2028/29</u> <u>Budget</u> £
2025/26 ORIGINAL BUDGET	105,818,100	105,818,100	105,818,100	105,818,100
Inflation to Current Prices	7,804,400	7,804,400	7,804,400	7,804,400
Changes in Government Grants				
- Hospital Discharge Fund	1,187,400	1,187,400	1,187,100	1,187,100
- Prisons Grant Rolled into Revenue Support Grant	34,400	34,400	34,400	34,400
- Market Sustainability Improvement Fund Rolled into RSG	0	5,963,600	5,963,900	5,963,900
- Improved Better Care Fund Fair Funding Review	0	3,968,800	3,968,800	3,968,800
Demand Led Growth				
- Existing Demographic Pressures resulting in New Packages of Care	0	1,000,000	1,000,000	1,000,000
- Growth Pressures in Adult Social Care	0	1,100,000	1,100,000	1,100,000
Other Growth and Savings				
- Prevent, Reduce, Delay	0	(590,000)	(620,000)	(620,000)
- Sustainable Costs of Care	0	(1,440,000)	(1,910,000)	(1,990,000)
- Person-centred Operations and Improved Business Processes	0	(2,100,000)	(2,210,000)	(2,310,000)
- Pensions Actuarial Adjustment	0	(333,800)	(333,800)	(333,800)
- Borough of Sanctuary	495,400	(309,500)	(309,500)	(309,500)
Budget Transfers	163,000	163,000	163,000	163,000
NET EXPENDITURE	115,502,700	122,266,400	121,656,400	121,476,400

HEALTH OVERVIEW AND SCRUTINY COMMITTEE

COMMISSIONING

	<u>2025/26</u> <u>Revised</u> <u>£</u>	<u>2026/27</u> <u>Budget</u> <u>£</u>	<u>2027/28</u> <u>Budget</u> <u>£</u>	<u>2028/29</u> <u>Budget</u> <u>£</u>
Public Health and Wellbeing	8,566,500	8,907,500	8,907,500	8,907,500
Advocacy, Supported Employment & Other Minor Services	515,500	515,500	515,500	515,500
Commissioning Teams	2,458,300	2,406,200	2,406,200	2,406,200
Public Health and Specialist Commissioning	9,191,100	4,371,500	4,219,500	4,017,600
Professional Standards & Safeguarding	1,711,000	1,677,600	1,677,600	1,677,600
	22,442,400	17,878,300	17,726,300	17,524,400

Variation Analysis	<u>2025/26</u> <u>Revised</u> <u>£</u>	<u>2026/27</u> <u>Budget</u> <u>£</u>	<u>2027/28</u> <u>Budget</u> <u>£</u>	<u>2028/29</u> <u>Budget</u> <u>£</u>
2025/26 ORIGINAL BUDGET	22,494,800	22,494,800	22,494,800	22,494,800
Inflation to Current Prices	107,200	107,200	107,200	107,200
Changes in Government Grants				
- Substance Misuse Grant Allocation	0	(4,819,600)	(4,971,600)	(5,173,500)
Demand Led Growth				
- Sexual Health Services	0	400,000	400,000	400,000
Other Growth and Savings				
- Pensions Actuarial Adjustment	0	(85,500)	(85,500)	(85,500)
- Sustainable Costs of Care	0	(59,000)	(59,000)	(59,000)
Budget Transfers	(159,600)	(159,600)	(159,600)	(159,600)
NET EXPENDITURE	22,442,400	17,878,300	17,726,300	17,524,400

HEALTH OVERVIEW AND SCRUTINY COMMITTEE

BUSINESS RESOURCES

	<u>2025/26</u> <u>Revised</u> <u>£</u>	<u>2026/27</u> <u>Budget</u> <u>£</u>	<u>2027/28</u> <u>Budget</u> <u>£</u>	<u>2028/29</u> <u>Budget</u> <u>£</u>
Business Resources	4,120,200	4,035,700	4,035,700	4,035,700
	4,120,200	4,035,700	4,035,700	4,035,700

	<u>2025/26</u> <u>Revised</u> <u>£</u>	<u>2026/27</u> <u>Budget</u> <u>£</u>	<u>2027/28</u> <u>Budget</u> <u>£</u>	<u>2028/29</u> <u>Budget</u> <u>£</u>
Variation Analysis				
2025/26 ORIGINAL BUDGET	3,992,500	3,992,500	3,992,500	3,992,500
Inflation to Current Prices	122,100	122,100	122,100	122,100
Changes in Government Grants				
- War Pensions Grant rolled into RSG	1,000	10,600	10,600	10,600
Other Growth and Savings				
- Pensions Actuarial Adjustment	0	(94,100)	(94,100)	(94,100)
Budget Transfers	4,600	4,600	4,600	4,600
NET EXPENDITURE	4,120,200	4,035,700	4,035,700	4,035,700

HEALTH OVERVIEW AND SCRUTINY COMMITTEE

ASSURANCE AND INNOVATION

	<u>2025/26</u> <u>Revised</u> £	<u>2026/27</u> <u>Budget</u> £	<u>2027/28</u> <u>Budget</u> £	<u>2028/29</u> <u>Budget</u> £
Assurance and Innovation	2,746,000	2,525,500	2,525,500	2,525,500
	2,746,000	2,525,500	2,525,500	2,525,500

	<u>2025/26</u> <u>Revised</u> £	<u>2026/27</u> <u>Budget</u> £	<u>2027/28</u> <u>Budget</u> £	<u>2028/29</u> <u>Budget</u> £
Variation Analysis				
2025/26 ORIGINAL BUDGET	2,738,800	2,738,800	2,738,800	2,738,800
Inflation to Current Prices	48,000	48,000	48,000	48,000
Investment Priorities				
- Transforming Social Care (TSC) Programme	191,000	0	0	0
Other Growth and Savings				
- Pensions Actuarial Adjustment	0	(29,500)	(29,500)	(29,500)
Budget Transfers	(231,800)	(231,800)	(231,800)	(231,800)
NET EXPENDITURE	2,746,000	2,525,500	2,525,500	2,525,500

HEALTH OVERVIEW AND SCRUTINY COMMITTEE

HEALTH AND CARE INTEGRATION

	<u>2025/26</u> <u>Revised</u> £	<u>2026/27</u> <u>Budget</u> £	<u>2027/28</u> <u>Budget</u> £	<u>2028/29</u> <u>Budget</u> £
Health and Care Integration	195,300	190,000	190,000	190,000
	195,300	190,000	190,000	190,000

	<u>2025/26</u> <u>Revised</u> £	<u>2026/27</u> <u>Budget</u> £	<u>2027/28</u> <u>Budget</u> £	<u>2028/29</u> <u>Budget</u> £
Variation Analysis				
2025/26 ORIGINAL BUDGET	189,000	189,000	189,000	189,000
Inflation to Current Prices	6,100	6,100	6,100	6,100
Other Growth and Savings				
- Pensions Actuarial Adjustment	0	(5,300)	(5,300)	(5,300)
Budget Transfers	200	200	200	200
NET EXPENDITURE	195,300	190,000	190,000	190,000

HEALTH OVERVIEW AND SCRUTINY COMMITTEE

PUBLIC HEALTH

	<u>2025/26</u>	<u>2026/27</u>	<u>2027/28</u>	<u>2028/29</u>
	<u>Revised</u>	<u>Budget</u>	<u>Budget</u>	<u>Budget</u>
	£	£	£	£
Children 0-5	90,900	80,000	80,000	80,000
Health Protection	34,000	34,000	34,000	34,000
NHS Health Checks	429,800	409,800	409,800	409,800
Obesity	12,000	12,000	12,000	12,000
Other Public Health	2,581,900	2,525,800	2,525,800	2,525,800
Physical Activity	155,600	165,600	165,600	165,600
Sexual Health	385,000	385,000	385,000	385,000
Smoking & Tobacco	144,500	(57,000)	(57,000)	(57,000)
Public Health Grant	(33,652,200)	(29,273,700)	(29,871,100)	(30,455,900)
	(29,818,500)	(25,718,500)	(26,315,900)	(26,900,700)

	<u>2025/26</u>	<u>2026/27</u>	<u>2027/28</u>	<u>2028/29</u>
	<u>Revised</u>	<u>Budget</u>	<u>Budget</u>	<u>Budget</u>
	£	£	£	£
Variation Analysis				
2025/26 ORIGINAL BUDGET	(29,713,600)	(29,713,600)	(29,713,600)	(29,713,600)
Inflation to Current Prices	52,000	52,000	52,000	52,000
Changes in Government Grants				
- Public Health Grant Allocations - Fair Funding Review	(144,200)	4,007,300	3,409,900	2,825,100
Investment Priorities				
- 25-255 (July 25) Winstanley York Road Renewal Plan	12,500	0	0	0
Other Growth and Savings				
- Pensions Actuarial Adjustment	0	(45,300)	(45,300)	(45,300)
- Sustainable Costs of Care	0	(20,000)	(20,000)	(20,000)
Budget Transfers	(25,200)	1,100	1,100	1,100
NET EXPENDITURE	(29,818,500)	(25,718,500)	(26,315,900)	(26,900,700)

HEALTH OVERVIEW AND SCRUTINY COMMITTEE

COMMUNITY SAFETY

	<u>2025/26</u> <u>Revised</u> £	<u>2026/27</u> <u>Budget</u> £	<u>2027/28</u> <u>Budget</u> £	<u>2028/29</u> <u>Budget</u> £
Community Safety	1,470,300	1,288,900	1,199,700	1,199,700
	1,470,300	1,288,900	1,199,700	1,199,700
Variation Analysis				
	<u>£</u>	<u>£</u>	<u>£</u>	<u>£</u>
2025/26 ORIGINAL BUDGET	1,254,500	1,254,500	1,254,500	1,254,500
Inflation to Current Prices	30,800	26,200	26,200	26,200
Investment Priorities				
- Cost of Living Response	55,500	59,200	0	0
- Alton Renewal Plan - Community Safety Support	86,300	30,000	0	0
- Winstanley and York Rd Renewal - Community Safety Support	11,000	0	0	0
Other Growth & Savings				
- Pensions Actuarial Adjustment	0	(22,100)	(22,100)	(22,100)
Budget Transfers	32,200	(58,900)	(58,900)	(58,900)
NET EXPENDITURE	1,470,300	1,288,900	1,199,700	1,199,700

HOUSING OVERVIEW AND SCRUTINY COMMITTEE

SUMMARY BY SERVICE AREA

<u>SERVICE</u>	<u>2025/26</u> <u>Revised</u> £	<u>2026/27</u> <u>Budget</u> £	<u>2027/28</u> <u>Budget</u> £	<u>2028/29</u> <u>Budget</u> £
Housing Management and Service Strategy	984,800	971,500	971,500	971,500
Housing Services	30,156,300	36,974,600	37,088,400	37,710,700
Private Sector Housing	821,800	546,700	491,700	491,700
Regeneration	1,246,400	1,685,200	1,726,200	1,569,200
HOUSING OVERVIEW AND SCRUTINY COMMITTEE TOTAL	33,209,300	40,178,000	40,277,800	40,743,100

<u>Variation Analysis</u>	<u>2025/26</u> <u>Revised</u> £	<u>2026/27</u> <u>Budget</u> £	<u>2027/28</u> <u>Budget</u> £	<u>2028/29</u> <u>Budget</u> £
2025/26 ORIGINAL BUDGET	29,740,000	29,740,000	29,740,000	29,740,000
Inflation to Current Prices	1,851,000	1,855,400	1,855,400	1,855,400
Changes in Government Grants	(1,591,500)	2,401,200	2,715,000	3,337,300
Other Government or Outside Body Changes	0	0	0	0
Demand Led Growth	0	3,000,000	3,000,000	3,000,000
Efficiency Savings	0	(148,000)	(403,000)	(403,000)
Investment Priorities	1,798,300	3,274,500	3,315,500	3,158,500
Other Growth and Savings	0	(605,500)	(605,500)	(605,500)
Budget Transfers	1,411,500	660,400	660,400	660,400
NET EXPENDITURE	33,209,300	40,178,000	40,277,800	40,743,100

HOUSING OVERVIEW AND SCRUTINY COMMITTEE

SUBJECTIVE ANALYSIS

	<u>2025/26</u> <u>Revised</u> £	<u>2026/27</u> <u>Budget</u> £	<u>2027/28</u> <u>Budget</u> £	<u>2028/29</u> <u>Budget</u> £
<u>Expenditure</u>				
Employees	8,117,100	7,951,700	7,951,700	7,951,700
Premises	971,000	971,000	971,000	971,000
Transport	17,300	17,300	17,300	17,300
Supplies & Services	2,387,700	2,634,400	2,675,400	2,518,400
Third Party Payments	58,529,200	62,780,000	62,580,000	62,580,000
Transfer Payments	2,311,800	2,262,500	2,262,500	2,262,500
Support Service Recharges	902,400	816,500	816,500	816,500
TOTAL EXPENDITURE	73,236,500	77,433,400	77,274,400	77,117,400
<u>Income</u>				
Government Grants	(10,648,700)	(6,366,000)	(6,052,200)	(5,429,900)
Other Grants & Contributions	(792,400)	(792,400)	(792,400)	(792,400)
Customer & Client Receipts	(25,619,400)	(27,130,300)	(27,185,300)	(27,185,300)
Interest	(12,000)	(12,000)	(12,000)	(12,000)
Recharge Income	0	0	0	0
Internal Charges	(2,954,700)	(2,954,700)	(2,954,700)	(2,954,700)
TOTAL INCOME	(40,027,200)	(37,255,400)	(36,996,600)	(36,374,300)
TOTAL NET EXPENDITURE	33,209,300	40,178,000	40,277,800	40,743,100

HOUSING OVERVIEW AND SCRUTINY COMMITTEE

HOUSING MANAGEMENT AND SERVICE STRATEGY

	<u>2025/26</u> <u>Revised</u> £	<u>2026/27</u> <u>Budget</u> £	<u>2027/28</u> <u>Budget</u> £	<u>2028/29</u> <u>Budget</u> £
Affordable Housing and Service Strategy	(24,800)	(31,000)	(31,000)	(31,000)
Animal Welfare	40,900	40,900	40,900	40,900
Graffiti Removal	271,400	269,300	269,300	269,300
House Purchase and Leaseholder Advances	(13,900)	(13,900)	(13,900)	(13,900)
Travellers Site	10,900	10,200	10,200	10,200
Warden Services	30,500	30,100	30,100	30,100
Joint Control Room	669,800	665,900	665,900	665,900
	984,800	971,500	971,500	971,500
	<u>2025/26</u> <u>Revised</u> £	<u>2026/27</u> <u>Budget</u> £	<u>2027/28</u> <u>Budget</u> £	<u>2028/29</u> <u>Budget</u> £
Variation Analysis				
2025/26 ORIGINAL BUDGET	661,900	661,900	661,900	661,900
Inflation to Current Prices	22,300	23,000	23,000	23,000
Investment Priorities				
- 25-179 (Jul 2025) Additional CCTV staffing resources	67,000	135,000	135,000	135,000
Other Growth and Savings				
- Pension Actuarial Adjustment	0	(29,500)	(29,500)	(29,500)
- Removal of Temporary Budgets	0	(52,500)	(52,500)	(52,500)
Budget Transfers	233,600	233,600	233,600	233,600
NET EXPENDITURE	984,800	971,500	971,500	971,500

HOUSING OVERVIEW AND SCRUTINY COMMITTEE

HOUSING SERVICES

	<u>2025/26</u> <u>Revised</u> £	<u>2026/27</u> <u>Budget</u> £	<u>2027/28</u> <u>Budget</u> £	<u>2028/29</u> <u>Budget</u> £
Individuals With No Recourse to Public Funds	458,600	458,600	458,600	458,600
Direct Homelessness Costs	23,309,900	28,595,000	28,708,800	29,331,100
Homelessness Prevention Schemes	2,257,300	2,257,300	2,257,300	2,257,300
Housing Services Administration	4,084,800	4,027,700	4,027,700	4,027,700
Rough Sleeping	45,700	1,636,000	1,636,000	1,636,000
	30,156,300	36,974,600	37,088,400	37,710,700

Variation Analysis	<u>2025/26</u> <u>Revised</u> £	<u>2026/27</u> <u>Budget</u> £	<u>2027/28</u> <u>Budget</u> £	<u>2028/29</u> <u>Budget</u> £
2025/26 ORIGINAL BUDGET	28,177,000	28,177,000	28,177,000	28,177,000
Inflation to Current Prices	1,812,700	1,816,400	1,816,400	1,816,400
Changes in Government Grants				
- Rough Sleeping Prevention and Recovery Grant	(1,591,500)	(1,591,500)	(1,591,500)	(1,591,500)
- Homelessness Grant rolled into RSG	0	3,992,700	4,306,500	4,928,800
Demand Led Growth				
- Temporary Accommodation Pressures	0	3,000,000	3,000,000	3,000,000
- 25-175 (Jul 25) Occupancy Checks - Additional Staffing	163,000	280,000	280,000	280,000
Efficiency Savings				
- Operating Model Review	0	(106,000)	(306,000)	(306,000)
Investment Priorities				
- Rough Sleeping Prevention (grant funded)	1,591,500	1,591,500	1,591,500	1,591,500
Other Growth and Savings				
- Pension Actuarial Adjustment	0	(189,100)	(189,100)	(189,100)
Budget Transfers	3,600	3,600	3,600	3,600
NET EXPENDITURE	30,156,300	36,974,600	37,088,400	37,710,700

HOUSING OVERVIEW AND SCRUTINY COMMITTEE

PRIVATE SECTOR HOUSING

	<u>2025/26</u> <u>Revised</u> £	<u>2026/27</u> <u>Budget</u> £	<u>2027/28</u> <u>Budget</u> £	<u>2028/29</u> <u>Budget</u> £
Private Sector Housing	821,800	546,700	491,700	491,700
	821,800	546,700	491,700	491,700
Variation Analysis				
2025/26 ORIGINAL BUDGET	573,100	573,100	573,100	573,100
Inflation to Current Prices	16,000	16,000	16,000	16,000
Efficiency Savings				
- Income Generation and Revenue Protection	0	(42,000)	(97,000)	(97,000)
Other Growth and Savings				
- 25-369 (Nov 25) Annual Review of Charges	0	(6,400)	(6,400)	(6,400)
Budget Transfers	232,700	6,000	6,000	6,000
NET EXPENDITURE	821,800	546,700	491,700	491,700

HOUSING OVERVIEW AND SCRUTINY COMMITTEE

REGENERATION

	<u>2025/26</u> <u>Revised</u> £	<u>2026/27</u> <u>Budget</u> £	<u>2027/28</u> <u>Budget</u> £	<u>2028/29</u> <u>Budget</u> £
Regeneration Schemes	1,246,400	1,685,200	1,726,200	1,569,200
	1,246,400	1,685,200	1,726,200	1,569,200
Variation Analysis				
	<u>2025/26</u> <u>Revised</u> £	<u>2026/27</u> <u>Budget</u> £	<u>2027/28</u> <u>Budget</u> £	<u>2028/29</u> <u>Budget</u> £
2025/26 ORIGINAL BUDGET	328,000	328,000	328,000	328,000
Investment Priorities				
- 25-255 (July 25) Winstanley & York Rd Regeneration Plan	771,000	1,430,000	1,309,000	1,152,000
- Reallocation of Alton Regeneration budgets	(773,400)	(162,000)	0	0
- Reallocation of Winstanley Regeneration budgets	(127,500)	0	0	0
- Change Programme Funding for Alton Regeneration	106,700	0	0	0
Other Growth and Savings				
- Removal of Temporary Budgets	0	(328,000)	(328,000)	(328,000)
Budget Transfers	941,600	417,200	417,200	417,200
NET EXPENDITURE	1,246,400	1,685,200	1,726,200	1,569,200

TRANSPORT OVERVIEW AND SCRUTINY COMMITTEE

SUMMARY BY SERVICE AREA

<u>SERVICE</u>	<u>2025/26</u> <u>Revised</u> <u>£</u>	<u>2026/27</u> <u>Budget</u> <u>£</u>	<u>2027/28</u> <u>Budget</u> <u>£</u>	<u>2028/29</u> <u>Budget</u> <u>£</u>
Precepts & Levies	350,300	357,300	357,300	357,300
Planning and Transport	3,415,200	2,346,500	2,140,500	2,140,500
Traffic and Engineering	(3,752,600)	(5,215,600)	(3,772,600)	(2,575,600)
TRANSPORT OVERVIEW AND SCRUTINY COMMITTEE TOTAL	12,900	(2,511,800)	(1,274,800)	(77,800)

<u>Variation Analysis</u>	<u>2025/26</u> <u>Revised</u> <u>£</u>	<u>2026/27</u> <u>Budget</u> <u>£</u>	<u>2027/28</u> <u>Budget</u> <u>£</u>	<u>2028/29</u> <u>Budget</u> <u>£</u>
2025/26 ORIGINAL BUDGET	(1,223,400)	(1,223,400)	(1,223,400)	(1,223,400)
Inflation to Current Prices	553,400	738,900	738,900	738,900
Other Government or Outside Body Changes	1,700	1,208,200	2,506,200	3,703,200
Efficiency Savings	0	(61,000)	(151,000)	(151,000)
Investment Priorities	210,000	82,000	0	0
Other Growth and Savings	0	(3,508,300)	(3,353,300)	(3,353,300)
Budget Transfers	471,200	251,800	207,800	207,800
NET EXPENDITURE	12,900	(2,511,800)	(1,274,800)	(77,800)

TRANSPORT OVERVIEW AND SCRUTINY COMMITTEE

SUBJECTIVE ANALYSIS

	<u>2025/26</u> <u>Revised</u> £	<u>2026/27</u> <u>Budget</u> £	<u>2027/28</u> <u>Budget</u> £	<u>2028/29</u> <u>Budget</u> £
<u>Expenditure</u>				
Employees	7,145,100	6,836,900	6,769,900	6,769,900
Premises	1,281,000	1,286,900	1,286,900	1,286,900
Transport	40,500	40,500	40,500	40,500
Supplies & Services	4,454,000	4,013,400	3,894,400	3,894,400
Third Party Payments	9,893,500	9,583,400	9,583,400	9,583,400
Transfer Payments	13,870,800	14,989,800	16,287,800	17,484,800
Support Service Recharges	4,516,800	4,433,100	4,403,100	4,403,100
Depreciation & Impairment	8,050,900	8,050,900	8,050,900	8,050,900
TOTAL EXPENDITURE	49,252,600	49,234,900	50,316,900	51,513,900
<u>Income</u>				
Other Grants & Contributions	(695,600)	(595,600)	(595,600)	(595,600)
Customer & Client Receipts	(48,288,700)	(50,895,700)	(50,740,700)	(50,740,700)
Recharge Income	(141,300)	(141,300)	(141,300)	(141,300)
Internal Charges	(114,100)	(114,100)	(114,100)	(114,100)
TOTAL INCOME	(49,239,700)	(51,746,700)	(51,591,700)	(51,591,700)
TOTAL NET EXPENDITURE	12,900	(2,511,800)	(1,274,800)	(77,800)

TRANSPORT OVERVIEW AND SCRUTINY COMMITTEE

PRECEPTS AND LEVIES

	<u>2025/26</u> <u>Revised</u> <u>£</u>	<u>2026/27</u> <u>Budget</u> <u>£</u>	<u>2027/28</u> <u>Budget</u> <u>£</u>	<u>2028/29</u> <u>Budget</u> <u>£</u>
Precepts and Levies	350,300	357,300	357,300	357,300
	350,300	357,300	357,300	357,300

	<u>2025/26</u> <u>Revised</u> <u>£</u>	<u>2026/27</u> <u>Budget</u> <u>£</u>	<u>2027/28</u> <u>Budget</u> <u>£</u>	<u>2028/29</u> <u>Budget</u> <u>£</u>
Variation Analysis				
2025/26 ORIGINAL BUDGET	348,600	348,600	348,600	348,600
Other Government or Outside Body Changes - Environment Agency Levy	1,700	8,700	8,700	8,700
NET EXPENDITURE	350,300	357,300	357,300	357,300

TRANSPORT OVERVIEW AND SCRUTINY COMMITTEE

TRAFFIC AND ENGINEERING

	<u>2025/26</u>	<u>2026/27</u>	<u>2027/28</u>	<u>2028/29</u>
	<u>Revised</u>	<u>Budget</u>	<u>Budget</u>	<u>Budget</u>
	£	£	£	£
CCTV	98,500	98,500	98,500	98,500
Concessionary Fares	14,227,300	15,338,600	16,636,600	17,833,600
Engineering - Traffic Management	362,200	436,500	436,500	436,500
Engineering - Highways	12,777,100	12,619,200	12,616,200	12,616,200
Engineering - Road Safety	808,900	711,800	711,800	711,800
Parking Administration	3,449,800	3,411,600	3,411,600	3,411,600
Parking Management & Support	2,870,500	2,830,400	2,823,400	2,823,400
Transport Policy and Enforcement	(38,346,900)	(40,662,200)	(40,507,200)	(40,507,200)
	(3,752,600)	(5,215,600)	(3,772,600)	(2,575,600)

	<u>2025/26</u>	<u>2026/27</u>	<u>2027/28</u>	<u>2028/29</u>
	<u>Revised</u>	<u>Budget</u>	<u>Budget</u>	<u>Budget</u>
	£	£	£	£
Variation Analysis				
2025/26 ORIGINAL BUDGET	(4,562,300)	(4,562,300)	(4,562,300)	(4,562,300)
Inflation to Current Prices	427,800	613,300	613,300	613,300
Other Government or Outside Body Changes				
- Concessionary Fares	0	1,119,000	2,417,000	3,614,000
- Traffic Technology Levy	0	80,500	80,500	80,500
Efficiency Savings				
- Operating Model Review	0	(29,000)	(44,000)	(44,000)
- Income Generation and Revenue Protection	0	(8,000)	(68,000)	(68,000)
Other Growth and Savings				
- 25-369 (Nov 25) Income Generation and Revenue Prc	0	(7,100)	(7,100)	(7,100)
- Behavioural Change Affecting Parking Income	0	80,000	300,000	300,000
- Regulatory Recoveries	0	(2,770,000)	(2,770,000)	(2,770,000)
- Pension Actuarial Adjustment	0	(113,900)	(113,900)	(113,900)
Budget Transfers	381,900	381,900	381,900	381,900
NET EXPENDITURE	(3,752,600)	(5,215,600)	(3,772,600)	(2,575,600)

TRANSPORT OVERVIEW AND SCRUTINY COMMITTEE

Planning and Transport

	<u>2025/26</u> <u>Revised</u> £	<u>2026/27</u> <u>Budget</u> £	<u>2027/28</u> <u>Budget</u> £	<u>2028/29</u> <u>Budget</u> £
Building Control	566,900	545,400	544,400	544,400
Development Management	363,700	(49,400)	(124,400)	(124,400)
Information & Business Support	99,300	97,100	97,100	97,100
Policy & Design	1,739,800	1,298,600	1,168,600	1,168,600
Transport Strategy	645,500	454,800	454,800	454,800
	3,415,200	2,346,500	2,140,500	2,140,500

	<u>2025/26</u> <u>Revised</u> £	<u>2026/27</u> <u>Budget</u> £	<u>2027/28</u> <u>Budget</u> £	<u>2028/29</u> <u>Budget</u> £
Variation Analysis				
2025/26 ORIGINAL BUDGET	2,990,300	2,990,300	2,990,300	2,990,300
Inflation to Current Prices	125,600	125,600	125,600	125,600
Efficiency Savings				
- Operating Model Review	0	(24,000)	(39,000)	(39,000)
Investment Priorities				
- 25-370 (Nov 25) Clapham Junction Masterplan	82,000	82,000	0	0
- WESS - Implementation of Retrofit	128,000	0	0	0
Other Growth and Savings				
- 24-320 (Dec 24) Local Plan Temporary Budget	0	(290,400)	(290,400)	(290,400)
- 25-369 (Nov 25) Income Generation and Revenue Protection	0	(4,900)	(4,900)	(4,900)
- Regulatory Recoveries	0	(305,000)	(370,000)	(370,000)
- Pension Actuarial Adjustment	0	(97,000)	(97,000)	(97,000)
Budget Transfers	89,300	(130,100)	(174,100)	(174,100)
NET EXPENDITURE	3,415,200	2,346,500	2,140,500	2,140,500

General Fund Capital



Cabinet

Paper No. **26-64**

Title: General Fund Capital Programme

Date: 23rd February 2026

Cabinet Member for: Finance

Details of Executive Director: Fenella Merry, Executive Director of Finance

EXECUTIVE SUMMARY

- 1.1. Wandsworth is a great place to live where residents enjoy high quality services. As part of a decade of renewal the Council is committed to investing in communities. The current Administration has committed to delivering a fair, compassionate and more sustainable Council and the levels of future capital investment play a key part in supporting these ambitions. This paper is the annual General Fund capital bids report continuing those ambitions.
- 1.2. At this stage it is proposed to add capital schemes totalling £52.3m to the capital programme in 2026/27 and future years, including £7.6m being met by grants and contributions, £5.1m from developer contributions, and £39.6m from the Council's own resources (receipts, reserves or borrowing).
- 1.3. This extra investment recognises taking pride in our streets as well as delivering significant improvements to our leisure facilities, investment in our communities and a number of additional schemes to make the borough a more attractive place for many years to come.
- 1.4. The Council is therefore able to announce total investment in the borough of £470.6m over the next six years.

GLOSSARY

CCP	Committed Capital Programme
CIL	Community Infrastructure Levy
DP	Development Pool
HRA	Housing Revenue Account
NCIL	Neighbourhood Community Infrastructure Levy
PWLB	Public Works Loan Board

(Paper No. 26-64)

Proposed Additions to the General Fund Capital Programme

S106	Section 106 receipts
SCIL	Strategic Community Infrastructure Levy

RECOMMENDATIONS

- 2.1. The Cabinet is recommended: -
- (a) to approve the updated Committed Capital Programme and its funding in Appendix A which include additions to the Development Pool as detailed in Appendix B; and
 - (b) to approve the Council's Capital Strategy for 2026/27 as set out in Appendix C.

INTRODUCTION

- 3.1. On 22nd October 2025, on the recommendation of the Cabinet (Paper No. 25-327), the Council adopted the General Fund Capital Programme budget and its financing for the years 2025/26 to 2029/30. This paper updates the previous review in the light of latest information on potential finance and of the additional spending now proposed.
- 3.2. As detailed in Paper No. 24-283 a revised process has been adopted in order to more effectively track the progress of capital projects (the process, workflow, gateways and terminology is contained in Appendix B of that report). As a result the overall capital programme has been separated into the Committed Capital Programme (CCP) and the Development Pool. The CCP contains the schemes which have passed "Gateway 2" and entered their planning and delivery phase and have started to incur expenditure. Detailed capital monitoring, expenditure forecasting and income monitoring is undertaken on schemes within the CCP.
- 3.3. Schemes which have not progressed through Gateway 2 but have been prioritised by the Council and received indicative budgets remain in the Development Pool until they are ready to progress to the delivery phase. Whilst schemes are within the Development Pool no detailed financial monitoring is undertaken as schemes have not progressed to delivery. However, key milestones and regular project governance enables checks and balances to occur to ensure schemes are progressing toward Gateway 2 and promotion to commence.

CURRENT APPROVED CAPITAL BUDGET

- 4.1. During the course of the year, budget variations have been made to the programme under the appropriate approval process and it has also been possible to release budgets for completed schemes. A breakdown of these movements since October 2025 is shown below:

(Paper No. 26-64)

Proposed Additions to the General Fund Capital Programme

	£000	£000
October Published Capital Programme All Year Budgets (before in-year variations below)		423,715
<u>Removal of budgets from programme:</u>		<u>Funded by / Reason:</u>
General Fund Inflation budget	(7,890)	Unallocated funding to be released to support other capital priorities
Paddock Primary & Secondary Schools -Access Controls	(67)	Project complete
Other	(55)	Various budget reductions all under £40k where projects have come to an end
<u>New budgets added to programme:</u>		
Wandsworth Town Station – Accessibility and Second Entrance	1,183	Funded by S106 receipts (Paper No. 25-367)
Roads and Pavements	655	Funded by grant from Department for Transport
Affordable Workspace (Wandsworth Old York Library)	312	Funded by London Innovation Corridor grant
Greener Schools Pilot Programme (Smallwood Primary & Garratt Park)	200	Funded by grant from Greater London Authority
Roads and Pavements	179	Funded by S106 receipts
Cleaner Borough Plan – Pride in our estates	60	Funded by grant from DEFRA
Katherine Low Community Centre Accessibility Works	30	Funded by NCIL receipts
Total Adjustments since October 2025		(5,393)
Updated Capital Programme (before changes proposed in this report) All Year Budgets		418,322

- 4.2. In addition, there has been a review of the forecast expenditure profiles for schemes, the budgets have been rephased accordingly. The table below shows the revised budget with changes made since October 2025 (before new bids proposed in this report):

(Paper No. 26-64)

Proposed Additions to the General Fund Capital Programme

Updated Capital Programme (before changes proposed in this report)

	2025/26 £000	2026/27 £000	2027/28 £000	2028/29 £000	2029/30 £000	TOTAL £000
<u>CCP by Committee</u>						
Environment	14,083	10,401	2,788	1,538	0	28,810
Children's	37,945	27,590	17,000	0	0	82,535
Finance	14,705	11,407	4,676	2,350	2,050	35,188
Health	6,409	2,996	1,400	1,249	708	12,762
Housing (non-HRA)	2,194	2,616	1,830	250	250	7,140
Transport	39,273	35,453	18,714	13,836	10,460	117,736
 <u>Development Pool - Existing</u>	 2,830	 61,623	 43,216	 14,236	 12,246	 134,151
Total Updated Capital Budget	117,439	152,086	89,624	33,459	25,714	418,322
 <u>Financed By</u>						
Grants and Other Contributions	18,889	11,390	5,458	708	708	37,153
Section 106 and CIL Receipts	63,963	93,729	58,308	9,090	5,910	231,000
Earmarked Reserves	736	1,572	507	505	0	3,320
Revenue Contribution	444	131	541	541	0	1,657
Capital Receipts	5,638	7,016	446	226	0	13,326
Borrowing	27,769	38,248	24,364	22,389	19,096	131,866
Total Financing	117,439	152,086	89,624	33,459	25,714	418,322

DEVELOPMENT POOL – NEW SCHEMES AND INDICATIVE BUDGETS

- 5.1. Following consultation with Cabinet Members, additions to the General Fund capital programme Development Pool have been included for recommendation, taking account of the resulting revenue costs. Gross additions of £52.3m are proposed with £7.6m met by grants and/or contributions, £5.1m by Section 106 receipts, £2.2m from Council reserves, £28m from borrowing, and there is a further £9.4m of invest to save borrowing to fund schemes that are expected to generate ongoing revenue efficiencies and therefore are classified as Invest to Save schemes.
- 5.2. The proposed additions to the Council's capital programme can be found in Appendix B which details the new schemes and increases to budgets which can be added to the Council's capital programme Development Pool. The indicative budgets and associated financing is summarised below:

(Paper No. 26-64)

Proposed Additions to the General Fund Capital Programme

Development Pool – New Schemes	Indicative Budgets & Financing					
	2025/26	2026/27	2027/28	2028/29	2029/30	TOTAL
<u>Committee</u>	£000	£000	£000	£000	£000	£000
Environment	0	1,926	3,750	9,270	983	15,929
Children's	0	530	0	0	0	530
Finance	2,900	2,275	9,075	8,400	0	22,650
Health	0	0	0	0	0	0
Housing (non-HRA)	0	610	1,476	1,476	1,476	5,038
Transport	0	4,165	3,000	1,000	0	8,165
Total New Schemes	2,900	9,506	17,301	20,146	2,459	52,312
<u>Financed By</u>						
Grants & Contributions	0	1,210	3,493	1,476	1,476	7,655
Developer Contributions	0	1,603	2,069	1,200	200	5,072
Earmarked Reserves	0	1,845	335	0	0	2,180
Borrowing - Invest 2 Save	0	510	563	8,325	0	9,398
Borrowing	2,900	4,338	10,841	9,145	783	28,007
Total Financing	2,900	9,506	17,301	20,146	2,459	52,312

- 5.3. The proposed new investment of £52.3m includes:
- a) £19.5m in the new family and community building at Portswood Place as part of the regeneration of the Alton Estate. This is in addition to £16.7m of investment in the Roehampton Community Hub which is already in the approved capital programme.
 - b) £12.5m in leisure facilities, including two new 3G pitches and also includes a further extension of the Leisure Infrastructure Plan as outlined within the new leisure management contract award paper (Paper No. 25-177), enhancing the offer to residents.
 - c) £8m for improved Highway and Public Realm with investment encompassing road safety, traffic management, lighting and signage.
 - d) £5m for the continuation of Disabled Facilities Grants funded scheme to support disabled residents in making adaptations to their homes to support independent living.
 - e) £2.9m additional funding to complete delivery of the Northcote Development, which includes the construction of a new library, community hall and residential units.
 - f) £2.9m over the next four years for the annual tree planting project, focussing on planting new trees to enhance the borough's tree canopy.

(Paper No. 26-64)

Proposed Additions to the General Fund Capital Programme

FINANCING THE GENERAL FUND CAPITAL PROGRAMME

- 6.1. The potential sources of finance for the Council's capital expenditure are: -
- (a) grants and other contributions earmarked for particular schemes or services, and obtained only on condition that a corresponding addition is made to the programme;
 - (b) Government capital grants not earmarked for particular schemes or services;
 - (c) Strategic Community Infrastructure Levy (SCIL), Neighbourhood Community Infrastructure Levy (NCIL) and Section 106 payments;
 - (d) usable capital receipts and reserves (currently invested and generating revenue income);
 - (e) contributions from Council revenue accounts; and
 - (f) borrowing.
- 6.2. Using earmarked resources to finance capital spend has no financial cost to the Council as these resources are only to be used for this purpose. These are therefore the first source of finance for any qualifying schemes. Some resources are given for a specific project (e.g. TfL grant which is bid for using a list of proposed schemes) and some have a wider restriction (e.g. CIL receipts, a Section 106 agreement may refer to provision of educational services rather than naming a school or ward) which gives the Council some scope to allocate them to finance priority schemes.
- 6.3. The use of non-earmarked grants/contributions or the Council's own receipts and reserves does have an opportunity cost, as they can only be used once. This cost is calculated as the loss of the interest that would have been received had this money been invested per the Council's Treasury Policy.
- 6.4. If no other funding is available and borrowing (either internal or external) is taken, then the Council will need to repay the cost of this borrowing which is a charge to revenue. In addition to paying interest charges on any debt it must also create a General Fund revenue "minimum revenue provision" (MRP) budget to contribute to paying down this debt. This is similar in concept to paying off the capital on a mortgage.

Grants and Reimbursements

- 7.1. The proposed capital programme (including the new schemes in Appendix B) shows grants and reimbursements use totalling £44.8m. The most significant of these are Government Grants to support school places and the continuing need to maintain the condition of schools.

Community Infrastructure Levy (CIL)

- 8.1. CIL is a levy which local authorities can charge on new developments and use to fund infrastructure in the local area. This levy came into force in Wandsworth in November 2012. The CIL is a standard charge based on the value of the development, the size and location, and is indexed to the Consumer Price Index (CPI).

(Paper No. 26-64)

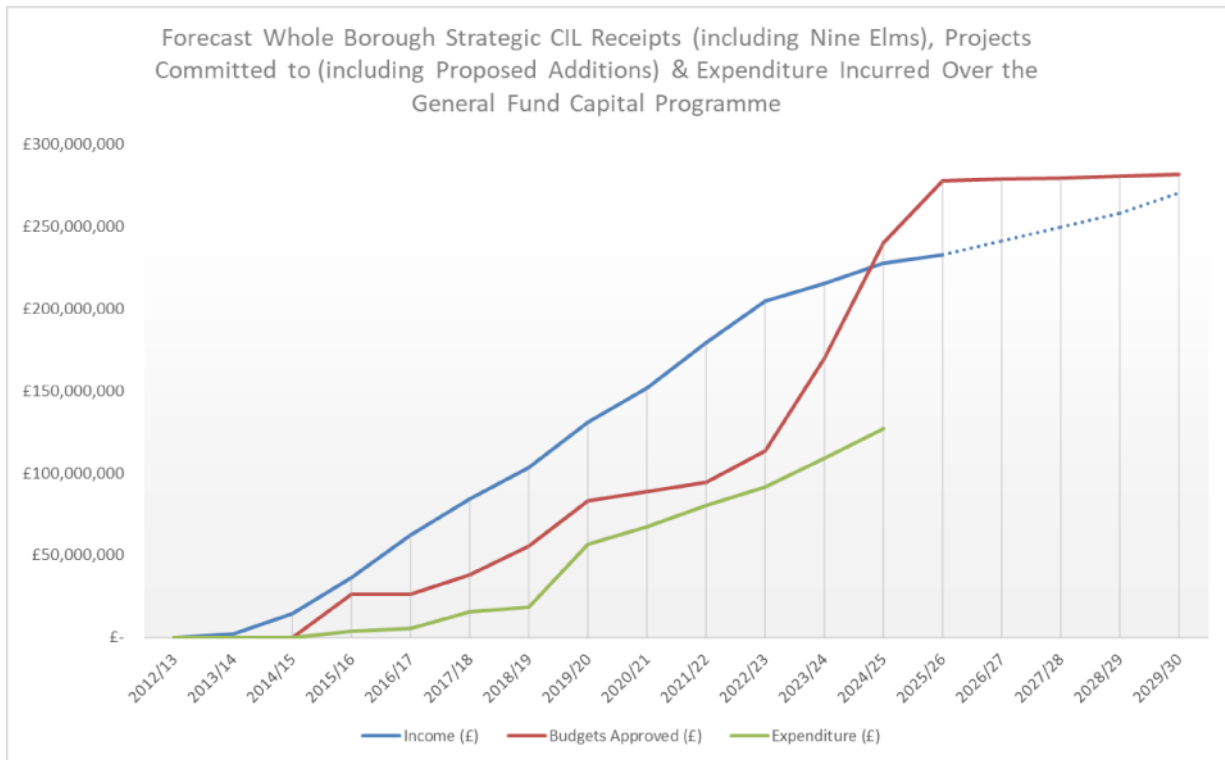
Proposed Additions to the General Fund Capital Programme

linked from the date that the scheme was introduced to the date of planning approval. Under the requirements of the legislation governing the CIL, at least 15% of all receipts must be earmarked for use in the local area (Neighbourhood CIL) from where they are received. After a further deduction of an amount set aside for administration, capped at a maximum of 5%, outstanding CIL income, referred to as SCIL, is treated as general resources to fund general infrastructure works throughout the borough, not ringfenced to the area of development. CIL income arising within the Vauxhall Nine Elms Opportunity Area (VNEBOA) used to be subject to separate arrangements as set out in Paper No. 13-135 where the payments were set aside to be used to pay for relevant infrastructure within the Opportunity Area. Paper No. 24-182 approved a boroughwide approach to infrastructure investment funded by SCIL receipts and this un-ringfenced Nine Elms SCIL receipts from the VNEBOA to be made available for investment in infrastructure throughout the borough.

- 8.2. The use of SCIL receipts must fall within the CIL Regulations' definition of allowable expenditure and CIL spend must support the provision of infrastructure to support growth in the borough. As part of its Local Plan submission the Council must set out its approach to its prioritisation of SCIL use. The Planning Inspector will then consider how this relates to the provision of infrastructure as set out in the Council's Infrastructure Delivery Plan, and whether the delivery of that plan is achievable.
- 8.3. The actual level of SCIL receipts is affected by many varying factors outside the Council's control (such as general market conditions, the timing and phasing of developments and any subsequent revisions to planning applications). The Cabinet has already made decisions to commit SCIL to some schemes with planned expenditure in excess of receipts held but spend to date is lower than this. The table in Appendix D lists SCIL receipts to date, those schemes to be funded, including new proposals in this report and spend to date. The following graph summarises the Quarter 3 position:

(Paper No. 26-64)

Proposed Additions to the General Fund Capital Programme



- 8.4. The figures above include the proposed use of an estimated £1m per annum of SCIL receipts for the years since 2019/20 to fund revenue maintenance costs which fall within the CIL Regulations’ definition of allowable expenditure. The actual value of SCIL applied to fund infrastructure maintenance costs in 2024/25 was calculated to be £1.008m. Future SCIL receipts will be applied towards the costs of infrastructure maintenance in future years, subject to further SCIL being received.
- 8.5. By the end of quarter three 2025/26, the gross amount of SCIL received was £232.579m. Expenditure to date funded by SCIL is £127.059m and future commitments already made to schemes approved to be funded by SCIL is a further £154.489m. To date, therefore, an over commitment of £58.071m of SCIL has been made to fund projects compared to SCIL actual receipts to date. In cash terms, however, there are £105.519m of unspent receipts currently available, with the progress of some projects being dependent on factors outside of the Council’s control. The Wandsworth Town Centre Transformation scheme would be an additional call on SCIL receipts.
- 8.6. The forecast for receipts in future years of £8.5m per year is based on payment demand notices that have been issued to developers and where estimated due dates for payments are known, with a broader assumption of receipts made in later years. Whilst this forecast is prudent, receipts are not guaranteed as actual levels are affected by many varying factors which are outside the Council’s control such as general market conditions, the timing and phasing of developments and any subsequent revisions to planning applications. SCIL receipts have been forecast for the duration of the capital programme up to year end 2030/31. There is therefore a further £37.745m of SCIL receipts forecast

(Paper No. 26-64)

Proposed Additions to the General Fund Capital Programme

for the duration of this period, and if received, this would mean a shortfall of uncommitted SCIL receipts of £11.224m.

- 8.7. The Levelling Up and Regeneration Act became law on 26 October 2023. The Act included provisions for a new Infrastructure Levy. It was intended that a new mandatory Infrastructure Levy would largely replace the current system of developer contributions (CIL and S106 including provision of affordable housing), with levy rates set and revenues collected by local planning authorities. However, the proposals were widely unsupported and legislation to implement the Levy has not been forthcoming. Whilst the Government continues to consider options to improve the existing system of developer contributions in the longer term, an emergency package of measures to accelerate housebuilding in London was announced in late 2025.
- 8.8. These include a proposal to provide borough CIL relief for a temporary period where schemes deliver over 20% affordable housing. Consultation on the proposals is taking place until 22nd January 2026 and relief will apply once regulations have been made (expected in first half of 2026). The Council has a number of practical concerns about the proposals which are outlined in the Council's response, alongside suggested more favourable and workable alternatives which may better respond to the root causes of suppressed delivery (poor absorption of market housing, high build costs, high borrowing costs). It is considered that the proposed relief does not sufficiently target genuinely stalled sites and incentivises more viable developments to cap affordable housing at 20% in return for abnormal developer profit. The proposals risk undermining ability to secure community benefits which over the long term have embedded planning policy requirements into the value of land transactions as intended.
- 8.9. Whilst it is difficult to accurately forecast potential financial implications for the Council, it is clear that any reduction in affordable housing delivery and CIL revenues could have significant consequences both in terms of ongoing temporary accommodation costs and financing capital investment programmes, particularly in the context of reduced Government funding settlements. In Wandsworth around 40% of the capital programme is funded by CIL. Borough CIL receipts to date are fully committed to a wide range of important strategic and neighbourhood projects, with a further pipeline of projects anticipating future receipts.

Realisation of Investments

- 9.1. The amount of the Council's investments at any time reflects daily variations in routine cashflows as well as capital spending, debt redemption and new capital receipts. The Council's Treasury Management Strategy and Policy for 2026/27 Paper 26-65 elsewhere on this agenda, shows expected total investments of above £430m as at 31st March 2026. The Council's total cash invested at the end of December 2025 was £508m. These balances relate almost entirely to current liabilities and to General Fund and Housing Revenue Account (HRA) reserves for contingencies and specific purposes. The only investments available specifically for financing the general capital programme are those arising from General Fund capital receipts and an element of the Renewals Fund.

(Paper No. 26-64)

Proposed Additions to the General Fund Capital Programme

- 9.2. As the use of HRA receipts for capital spending in the General Fund is in most cases restricted by Regulation, the forecast capital receipts includes mainly estimates relating to sales of General Fund sites already identified as surplus, amounting to £13.3m over the next five years. These figures include estimates of further receipts due largely from the development of the former Northcote Library site. In general, future receipts are estimated to be at much lower levels than have been received in recent years.
- 9.3. Limited HRA receipts are anticipated to become available for General Fund use, with £3m included in the receipt forecast for 2025/26. This increase is largely driven by the acceleration in applications from existing tenants accessing the higher discount rates that were reduced as part of the Autumn Budget statement. With the revised Right to Buy (RTB) discount levels now in play (£16,000 maximum discount in London) for all new applications post November 2024, RTB sales are expected to drop to minimal levels from 2027/28 onwards when the applications backlog is expected to be cleared. The Government is currently consulting on the future use of RTB receipts and the forecast will be reviewed following the outcome of this exercise.
- 9.4. In addition to funding capital expenditure, capital receipts could also be used for revenue spend under the Government's "flexible use of capital receipts" initiative reported to this committee in Paper No. 21-281. This could contribute to alleviating the pressure on revenue resources but would however reduce the availability of resources for capital spending. It was announced by Government in December 2023 the continuation of the "flexible use of capital receipts" initiative from 31 March 2025 to 31 March 2030. To date the Executive Director of Finance has not used this option, nevertheless it remains a potentially useful flexibility and could contribute to alleviating some of the pressure on revenue resources. The last update to the "use of flexible receipts strategy" was reported to this Cabinet in Paper No. 25-327 (Appendix C) and noted the intention to potentially make use of this flexibility in relation to the Transformation Programme, with the aim of delivering ongoing efficiency savings.

Borrowing

- 10.1. Over many years the Council has benefited from a steady flow of capital receipts as asset use has been reviewed/rationalised. As a result, the Council is in the very unusual position of having so far avoided the need to externally borrow to fund General Fund capital investment, with internal borrowing utilised in 2024/25.
- 10.2. Any use of borrowing will add to future years' revenue costs at a time when revenue support from central Government has reduced as a result of Fair Funding and there are constraints on the level to which borrowing can be supported by council tax increases.
- 10.3. However, as flagged over the past few years, unless other sources and/or external funding are identified, the Council will need to borrow to fund future General Fund capital expenditure that it wishes to pursue. It is standard practice for local authorities to borrow to fund capital investment for the benefit of the borough and Wandsworth is currently an outlier in this respect. Available resources have, up until now, matched the Council's

(Paper No. 26-64)

Proposed Additions to the General Fund Capital Programme

investment ambitions and so borrowing has been avoided. Historically low capital receipts are predicted to soon be depleted and CIL income received to date is already over committed. The current Administration has committed to delivering a fair, compassionate and more sustainable Council and the levels of future capital investment play a key part in supporting these ambitions.

- 10.4. When borrowing is taken, the Council is required to pay interest (charged to revenue) and create a General Fund revenue minimum revenue provision (MRP) budget to contribute to paying down this debt. In total, for every £1m of capital spend funded by external borrowing, over 25 years using the current PWLB borrowing rates, there will be an ongoing revenue cost in the region of £78,000 per year.
- 10.5. The Council has a borrowing requirement within the current Committed Capital Programme of £78.6m (see Appendix A), assuming external borrowing costs, would increase revenue costs by an estimated £6.1m per year.
- 10.6. Financing of the Development Pool assumes £90.7m borrowing (see Appendix B), including borrowing to support Invest to Save schemes, which if all realised would incur external borrowing costs of £7.1m per year. These costs are deemed to be affordable within the assessment of available revenue resources.
- 10.7. However, where possible, the Council will continue to use internal borrowing, using its cash balances to avoid taking out external debt. The debt charge on internal borrowing is the loss of interest earned from reducing balances invested, which is (almost always) lower than external borrowing rates. Internal borrowing has been an attractive alternative to external borrowing in recent years as loss of investment income by internally borrowing has been lower than the cost of externally borrowing. Where internal borrowing is unavailable, or if external borrowing becomes financially advantageous, this will normally be advanced via the Public Works Loan Board (PWLB).
- 10.8. Where schemes have been earmarked as Invest to Save schemes these will only be confirmed as affordable following robust business cases which confirm that the revenue savings that will materialise from the scheme are greater than the borrowing costs incurred. Detailed monitoring and project management of the delivery of these schemes and their savings will form part of the Council's capital programme reporting and delivery.
- 10.9. The Prudential Code allows local authorities to set their own limits on borrowing as part of the freedoms and flexibilities introduced in the 2003 Local Government Act. The revised Code required all authorities to publish prudential indicators from 2023/24. Prudential Indicators are designed to support and record local decision making in a manner that is publicly accountable. When the Council borrows, the indicators should be used to monitor the overall level of borrowing and capital plans to ensure it remains financially sustainable. Prudential indicators are included in the Treasury Management Policy for 2026/27 presented elsewhere on this agenda; these have been reviewed, and an acceptable level of borrowing set, with the proposals included within this paper being confirmed as affordable.

(Paper No. 26-64)

Proposed Additions to the General Fund Capital Programme

Contributions from Revenue

- 11.1. Contributions directly from Council revenue accounts are rarely available for funding the capital programme because of the impact on Council Tax.
- 11.2. The Renewals Fund is a General Fund revenue reserve with a balance of £25.3m as at 31st March 2025. Its balance has built up over time in order to fund (largely irregular) spend such as building refurbishment, computer hardware and vehicle and plant equipment. This reserve can therefore be considered as a source of funding for future capital expenditure in order to maintain capital receipts and avoid borrowing and the additional revenue cost that incurs. £4.8m of capital projects will be funded from this reserve from within the current programme.

REVENUE EFFECTS

- 12.1. Capital payments financed by grant have no revenue effect provided that the timing of the grant receipt is matched to the spend. Payments financed by the realisation of investments entail loss of interest on those investments. There is also a revenue impact of using CIL and Section 106 receipts as their use inevitably reduces cash balances available for investment.
- 12.2. The overall revenue impact of new proposals financed by borrowing (including Invest to Save schemes) is expected to result in a loss of investment income based on the budgeted average treasury return rate for each year and a prudent Minimum Revenue Provision, which has been forecast to be £6.2m across the period 2025/26 to 2028/29 which has been and will be reflected in future treasury budgets.

FUTURE BIDS AND THE CAPITAL PIPELINE

- 13.1. Further investment in the borough, in addition to the announced schemes in this paper, will continue to be assessed as they come forward for fit with the priorities of the Council and the levels of funding availability.
- 13.2. Consideration will also need to be given to any potential capital investment linked to other investment priorities identified, such as the borough's ambitious Growth Plan, in particular how any such investment might be funded.

PROPOSED CAPITAL PROGRAMME

- 14.1. Following all the proposals in this paper, the Council is in a position to announce a revised five-year capital programme with investment in the borough totalling £470.6m over the period 2025/26 to 2030/31.

(Paper No. 26-64)

Proposed Additions to the General Fund Capital Programme

- 14.2. The most significant sources of financing are CIL and Section 106 receipts from property developers (£236m) which represents 50% of the funding of the five year programme, borrowing (£169.3m), grants and other contributions (£44.8m) and capital receipts (£13.3m), however opportunities are taken to make use of ringfenced sources of funding to minimise borrowing, where possible.
- 14.3. A summary of the full capital programme is shown in the table below, along with how the programme is financed. Full details of the Committed Capital Programme and Development Pools are available in Appendix A and B.

<u>Programme</u>	2025/26 £000	2026/27 £000	2027/28 £000	2028/29 £000	2029/30 £000	TOTAL £000
Committed Capital Programme (CCP)	114,609	90,463	46,408	19,223	13,468	284,171
Development Pool – Existing	2,830	61,623	43,216	14,236	12,246	134,151
Development Pool – New bids	2,900	9,506	17,301	20,146	2,459	52,312
Total Proposed Investment	120,339	161,592	106,925	53,605	28,173	470,634
<u>Financed By</u>						
Grants and Other Contributions	18,889	12,600	8,951	2,184	2,184	44,808
Section 106 and CIL Receipts	63,963	95,332	60,377	10,290	6,110	236,072
Earmarked Reserves	736	3,417	842	505	0	5,500
Revenue Contribution	444	131	541	541	0	1,657
Capital Receipts	5,638	7,016	446	226	0	13,326
Borrowing – Invest to Save	877	10,490	4,747	17,213	8,750	42,077
Borrowing	29,792	32,606	31,021	22,646	11,129	127,194
Total Financing	120,339	161,592	106,925	53,605	28,173	470,634

GENERAL CAPITAL PROGRAMME FRAMEWORK

- 15.1. The table in paragraph 14.3 updates the general capital budget framework to take account of the latest forecast of spending, grants and receipts. To serve as the new framework, it needs to be adopted as such at a meeting of the full Council.
- 15.2. The Council must balance the flexibility given by retaining capital resources against the cost of borrowing, whether internally from cash surpluses or externally in a formal debt instrument. The cost of borrowing will continue to be considered when approving additional spend which does not have external financing (such as earmarked grant or contributions) identified from the outset. In order to minimise borrowing, the Council will maximise all external funding avenues.

(Paper No. 26-64)

Proposed Additions to the General Fund Capital Programme

APPROVALS UNDER DELEGATED AUTHORITY

- 16.1. Members are reminded that the Council's Constitution now allows for some capital schemes to be added to the approved capital programme by the Executive Director of Finance under delegated authority in the following limited circumstances:
- a. Where schemes are fully funded by ringfenced specific funding, unless the proposed scheme is subject to public consultation (in which case consultation under SO83(A) is required); and
 - b. For schemes up to £100,000 subject to a maximum total spend and within defined parameters around the types of schemes being approved as decided by the Council each year.
- 16.2. It is proposed that a maximum total spend of £0.5m for non-ringfenced schemes be set for 2026/27.

The Town Hall
Wandsworth
SW18 2PU

FENELLA MERRY
Executive Director of Finance

10th February 2026

Appendices

- Appendix A – General Fund Committed Capital Programme
- Appendix B – Summary of Development Pool – existing and new schemes (bids)
- Appendix C – Capital Strategy 2026/27
- Appendix D – Strategic CIL Statement as at 31 December 2025

Background papers

There are no background papers to this report.

(Paper No. 26-64)



Appendix A - General Fund Capital Programme

Committed Capital Programme (CCP)

	2025/26 £'000	2026/27 £'000	2027/28 £'000	2028/29 £'000	2029/30 £'000	Total £'000
ENVIRONMENT						
<u>LEISURE CENTRES AND SPORTS SERVICES</u>						
Accessible Toilet/Change Area Refurbishment - Balham and Putney Leisure Centres	4	102	0	0	0	106
Air Handling Unit Upgrades - Latchmere, Putney and Tooting Leisure Centres	760	0	0	0	0	760
Balham & Wandle Leisure Centres - Replacement/refurbishment of Air Handling systems	52	0	0	0	0	52
Battersea Sports Centre Toilet Refurbishment	103	0	0	0	0	103
BMS Controls Upgrades- Various Leisure Centres	200	238	0	0	0	438
Door Replacement- Leisure Centres	321	0	0	0	0	321
Heating Pumps and Motor Replacements Latchmere, Putney and Tooting Leisure Centres	285	0	0	0	0	285
Latchmere Leisure Centre - Roof Structure Repairs	167	0	0	0	0	167
Latchmere Leisure Centre - Replacement of significantly leaning overflow car park boundary wall	68	0	0	0	0	68
Latchmere Leisure Centre Intruder Alarm Replacement	0	66	0	0	0	66
Leisure Centres - Swimming Pool Improvements	4	0	0	0	0	4
Leisure Infrastructure Plan - Project Management	120	120	0	0	0	240
Lift Replacements at various leisure centres	791	0	0	0	0	791
Play Centre Installation- Putney Leisure Centre	0	291	0	0	0	291
Putney Leisure Centre Dryburgh Hall Kitchen refurbishment	0	80	0	0	0	80
Putney Leisure Centre: Heat Recovery and LED Lighting	115	236	0	0	0	351
Putney Leisure Centre investment	0	3,090	0	0	0	3,090
Roehampton Sport & Fitness Centre investment	0	320	0	0	0	320
Roehampton Leisure Centre - Renewal of Roof Coverings	67	0	0	0	0	67
Roehampton Sports and Fitness Centre - Replacement of Air Conditioning	0	183	0	0	0	183
Tooting Leisure Centre Investment	0	2,276	2,276	1,138	0	5,690
Tooting Leisure Centre - Replacement of Failed Pool Basin Tiling	1	0	0	0	0	1
TOTAL LEISURE CENTRES	3,058	7,002	2,276	1,138	0	13,474
<u>OUTDOOR FACILITIES</u>						
Barn Elms Sports Centre- Replacement of Artificial Multi-Use Games Surface	193	0	0	0	0	193
Battersea Park - River Wall	205	0	0	0	0	205
Battersea Park : - Improvements funded from Formula E	684	0	0	0	0	684
Battersea River Wall – Urgent Stabilisation Works	111	0	0	0	0	111
Boroughwide - Essential repairs to roads & paths across parks, open spaces and cemeteries in the borough	551	0	0	0	0	551
Boroughwide Parks Railings and Pathways	0	210	0	0	0	210
Furzedown Recreation Ground Improvements	270	0	0	0	0	270
Garratt Park S106 Court & Gym Improvement works	286	290	0	0	0	576
Grass Playing Pitch Drainage	0	600	0	0	0	600
Harroway Gardens Playground	0	52	0	0	0	52
Harroway Gardens Redesign and Landscape	13	0	0	0	0	13
Heathbrook Park Playzone	0	30	0	0	0	30
Improving Battersea Park All Weather Pitch (AWP)	50	57	0	0	0	107



Appendix A - General Fund Capital Programme

Committed Capital Programme (CCP)

	2025/26 £'000	2026/27 £'000	2027/28 £'000	2028/29 £'000	2029/30 £'000	Total £'000
Kimber Skatepark Refurbishment	93	0	0	0	0	93
King George's Park	0	20	0	0	0	20
Latchmere Recreation Ground Boundary Wall Repairs	38	0	0	0	0	38
Putney Park Lane Improvements	75	100	48	0	0	223
Refurbishment and Replacement of Boundary Railings	274	0	0	0	0	274
Resurfacing of courts 1-10 at Battersea Park Millennium Arena	69	62	0	0	0	131
Resurfacing of Footpaths	63	0	0	0	0	63
Roehampton Playing Fields	15	0	0	0	0	15
Shillington Park - Pathway Lighting Installation	8	0	0	0	0	8
Shillington Park Playground & Outdoor Gym Improvements	1,962	0	0	0	0	1,962
St Mary's Church Boundary Wall - Essential Repairs	120	268	0	0	0	388
Swaffield Road Pocket Park	249	119	0	0	0	368
Tooting Common Lakeside Playground Refurbishment	49	0	0	0	0	49
Wandle Recreation Centre - Replacement of Netting and Fences for the Artificial Pitches and Patch Repairs	131	0	0	0	0	131
Wandle Recreation Centre Investment	0	900	0	0	0	900
Wandsworth Park Playground & Grassland Improvements	0	140	64	0	0	204
Wandsworth Play Strategy - Project Management	65	65	0	0	0	130
WESS Pocket Parks	380	0	0	0	0	380
TOTAL OUTDOOR FACILITIES	5,954	2,913	112	0	0	8,979
CEMETERIES & CREMATORIA						
Putney Vale Cemetery Chapel lifts	160	0	0	0	0	160
Wandsworth Cemetery Burial Space Extension	130	0	0	0	0	130
TOTAL CEMETERIES & CREMATORIA	290	0	0	0	0	290
LIBRARIES & HERITAGE						
Battersea District Library Roof & Glass Dome Repair and Replacement	50	86	0	0	0	136
Balham Library - Roofing Works	130	0	0	0	0	130
Balham Children's Library Refurbishment	120	0	0	0	0	120
Putney Library	253	0	0	0	0	253
WESS Earlsfield Library - Replacement of Heating Plant, Pipework & Radiators	173	0	0	0	0	173
WESS Southfields Library - Replacement of Heating Plant	12	0	0	0	0	12
Wandsworth Town Library Fit-Out (Fairfield)	69	0	0	0	0	69
TOTAL LIBRARIES & HERITAGE	807	86	0	0	0	893
OTHER ENVIRONMENT SCHEMES						
Cleaner Borough Plan – Waste Bins & Caddies	1,560	0	0	0	0	1,560
Garratt Park Depot Upgrade	414	0	0	0	0	414
Waste Fleet Vehicles	1,046	0	0	0	0	1,046
Wandsworth Environment and Sustainability Strategy (WESS) Unallocated	954	400	400	400	0	2,154
TOTAL OTHER ENVIRONMENT SCHEMES	3,974	400	400	400	0	5,174
TOTAL ENVIRONMENT COMMITTEE	14,083	10,401	2,788	1,538	0	28,810



Appendix A - General Fund Capital Programme

Committed Capital Programme (CCP)

	2025/26 £'000	2026/27 £'000	2027/28 £'000	2028/29 £'000	2029/30 £'000	Total £'000
CHILDREN'S						
PRIMARY EDUCATION						
PRIMARY EXPANSION						
Battersea - Nine Elms: School and Community Provision	19,545	22,287	17,000	0	0	58,832
TOTAL PRIMARY EXPANSION	19,545	22,287	17,000	0	0	58,832
PRIMARY PLANNED MAINTENANCE						
Brandlehow Primary Roof Works	384	0	0	0	0	384
Conditions Survey	20	0	0	0	0	20
Design Development	40	0	0	0	0	40
Furzedown Primary Dining Hall Relocation	671	700	0	0	0	1,371
Furzedown Primary - ASHP Heating System	10	0	0	0	0	10
Granard Primary School - Lighting and Fire Alarm Phase 1 works	3	27	0	0	0	30
Heathmere Primary - Replacement Electrics/Alarm/CCTV	13	0	0	0	0	13
Honeywell Schools - Reception relocation	2	0	0	0	0	2
Hotham School 3 Boilers to ASHP Phase 1	19	0	0	0	0	19
Sellingcourt Primary-Asbestos	9	5	0	0	0	14
Smallwood Primary Sch-WC refurbishment	12	0	0	0	0	12
WESS Schools Smallwood Prim Decarbonisation LED Lighting	3	0	0	0	0	3
Southmead Primary ASD Learning Space	5	0	0	0	0	5
Paddock Primary School - Boiler Replacement phase 2	5	0	0	0	0	5
Paddock Primary Internal and External Doors	250	75	0	0	0	325
Paddock Primary Lower Roof	178	0	0	0	0	178
Penwortham Primary - Boundary Fence	38	11	0	0	0	49
Penwortham Boiler Replacement	100	200	0	0	0	300
Programme Contingency	2	0	0	0	0	2
Westhill Primary School – Hot Water system	27	0	0	0	0	27
Unallocated Schools Planned Maintenance	494	0	0	0	0	494
TOTAL PRIMARY PLANNED MAINTENANCE	2,285	1,018	0	0	0	3,303
TOTAL PRIMARY EDUCATION	21,830	23,305	17,000	0	0	62,135
SECONDARY EDUCATION						
SECONDARY EXPANSION						
St. Cecilia's Church of England School (Additional 1FE)	892	0	0	0	0	892
TOTAL SECONDARY EXPANSION	892	0	0	0	0	892



Appendix A - General Fund Capital Programme

Committed Capital Programme (CCP)

	2025/26 £'000	2026/27 £'000	2027/28 £'000	2028/29 £'000	2029/30 £'000	Total £'000
SECONDARY PLANNED MAINTENANCE						
Ark Putney School lift	534	108	0	0	0	642
Ernest Bevin Sixth Form Boiler Works & Roof Cladding	4	454	0	0	0	458
Paddock Secondary School - Playspace Perimeter Fencing	1	0	0	0	0	1
TOTAL SECONDARY PLANNED MAINTENANCE	539	562	0	0	0	1,101
TOTAL SECONDARY EDUCATION	1,431	562	0	0	0	1,993
SPECIAL SCHOOLS						
SPECIAL EXPANSION						
Paddock Special School expansion at Broadwater Primary	9,847	2,571	0	0	0	12,418
TOTAL SPECIAL EXPANSION	9,847	2,571	0	0	0	12,418
SPECIAL PLANNED MAINTENANCE						
Garratt Park - 3 Boilers to ASHP Phase 1	39	0	0	0	0	39
WESS Schools Garratt Park Sch Decarbonisation LED Lighting	3	0	0	0	0	3
Greenmead Sch-Replace Emergency Lighting	30	0	0	0	0	30
TOTAL SPECIAL PLANNED MAINTENANCE	72	0	0	0	0	72
TOTAL SPECIAL SCHOOLS/OTHER	9,919	2,571	0	0	0	12,490
HIGH NEEDS CAPITAL PROVISION						
Granard Primary New Resource Base	0	30	0	0	0	30
Granard School Resource Base Expansion	1,100	551	0	0	0	1,651
TOTAL HIGH NEEDS CAPITAL PROVISION	1,100	581	0	0	0	1,681
TOTAL EDUCATION	34,280	27,019	17,000	0	0	78,299
OTHER CHILDREN'S SERVICES						
Alton Activity Centre Building Works	90	0	0	0	0	90
Balham Nursery - phase 1 Roofing Works	78	0	0	0	0	78
Childcare Expansion Capital Grant	278	0	0	0	0	278
Eastwood Nursery - Decking Works phase 1	80	0	0	0	0	80
George Shearing Centre Football Pitch	423	0	0	0	0	423
Lady Allen Adventure Playground Refurbishment	435	150	0	0	0	585
Latchmere Recreation Ground Playground Refurbishment	400	98	0	0	0	498
Oakdene Children's Home Improvements	221	20	0	0	0	241
Roehampton Family Hub Play and Youth Provision	25	0	0	0	0	25
SEND Hub (Seward Road)	75	0	0	0	0	75
School Playgrounds - Open Access Play	100	100	0	0	0	200
Schools LED Lighting Upgrade Programme	232	0	0	0	0	232
Tooting Family Hub Play & Youth Provision	20	0	0	0	0	20
Urgent Health & Safety Works	40	0	0	0	0	40
Various Retention Payments	100	203	0	0	0	303
Wandsworth Family Hub Programme	1,068	0	0	0	0	1,068
TOTAL OTHER CHILDREN'S SERVICES	3,665	571	0	0	0	4,236
TOTAL CHILDREN'S COMMITTEE	37,945	27,590	17,000	0	0	82,535



Appendix A - General Fund Capital Programme

Committed Capital Programme (CCP)

	2025/26 £'000	2026/27 £'000	2027/28 £'000	2028/29 £'000	2029/30 £'000	Total £'000
FINANCE						
OPERATIONAL BUILDINGS						
Operational Plant and Equipment Renewal (OPER)	1,955	800	800	800	800	5,155
Operational Roof and Fabric Renewal (ORFR)	482	300	300	300	300	1,682
Emergency Plant and Equipment In Core Buildings	14	0	0	0	0	14
Minimum Energy Efficiency Rating Compliance Work	333	0	0	0	0	333
PSDS4 Heat Decarbonisation and Energy Efficiency	700	5,025	2,325	0	0	8,050
SSA wide, Replace Access Control System Hardware and Software	249	0	0	0	0	249
Statutory Compliance and Remedial Works (SCRWCB)	1,118	750	750	750	750	4,118
Wandsworth Town Hall Medium Term Accommodation Strategy	150	0	0	0	0	150
WESS Operational Buildings EV Charging	30	0	0	0	0	30
TOTAL OPERATIONAL BUILDINGS	5,031	6,875	4,175	1,850	1,850	19,781
IT SERVICES						
ICT Infrastructure	717	767	301	300	0	2,085
TOTAL IT SERVICES	717	767	301	300	0	2,085
PROPERTY SERVICES						
Acquisition of Atheldene and Surrounding Sites	1,613	252	0	0	0	1,865
TOTAL PROPERTY SERVICES	1,613	252	0	0	0	1,865
SCHEMES IN THE NINE ELMS REGENERATION AREA						
Health Facilities	4,095	2,444	0	0	0	6,539
Utilities	174	0	0	0	0	174
TOTAL SCHEMES IN THE NINE ELMS REGENERATION AREA	4,269	2,444	0	0	0	6,713
GENERAL FINANCE & CORPORATE SERVICES						
Affordable Workspace (Wandsworth Old York Library)	312	0	0	0	0	312
Alton Renewal Plan - Lighting Strategy and Lighting Interventions	0	80	0	0	0	80
Alton Renewal Plan - Art Interventions	0	52	0	0	0	52
Alton Renewal Plan - Shopfront Improvements on Danebury Avenue	112	0	0	0	0	112
Alton Renewal Plan - Alton Activity Centre Play & Access Improvements	1,889	313	0	0	0	2,202
Increasing Public Safety through the use of CCTV	0	227	0	0	0	227
Katherine Low Community Centre Accessibility Works	30	0	0	0	0	30
Loans to Leaseholders	200	200	200	200	200	1,000
Loans to Other Bodies	0	100	0	0	0	100
Winstanley Neighbourhood Renewal Plan (WNRP): Falconbrook	532	97	0	0	0	629
TOTAL GENERAL FINANCE & CORPORATE SERVICES	3,075	1,069	200	200	200	4,744
TOTAL FINANCE COMMITTEE	14,705	11,407	4,676	2,350	2,050	35,188



Appendix A - General Fund Capital Programme

Committed Capital Programme (CCP)

	2025/26 £'000	2026/27 £'000	2027/28 £'000	2028/29 £'000	2029/30 £'000	Total £'000
HEALTH						
Better at Home Improvement Scheme	90	90	90	90	90	450
Digital Switchover Telecare	277	303	0	0	0	580
Health Bus	50	0	0	0	0	50
Integrated Sexual Health and Substance Misuse Treatment Hub	980	1,029	0	0	0	2,009
Joint Integrated Community Equipment	673	1,281	871	871	330	4,026
Occupational Therapist DFG	288	288	288	288	288	1,440
Springfield Village Supported Housing Acquisition	4,051	5	151	0	0	4,207
TOTAL HEALTH COMMITTEE	6,409	2,996	1,400	1,249	708	12,762

HOUSING

Disabled Facilities Grants	1,484	866	0	0	0	2,350
Empty Properties Grant	250	250	250	250	250	1,250
Wandsworth Affordable Housing Programme	460	1,500	1,580	0	0	3,540
TOTAL HOUSING COMMITTEE	2,194	2,616	1,830	250	250	7,140



Appendix A - General Fund Capital Programme

Committed Capital Programme (CCP)

	2025/26 £'000	2026/27 £'000	2027/28 £'000	2028/29 £'000	2029/30 £'000	Total £'000
TRANSPORT						
CCTV						
CCTV Moving Traffic Enforcement Cameras	0	42	0	0	0	42
Mobile CCTV to Combat Flytipping	45	0	0	0	0	45
TOTAL CCTV SCHEMES	45	42	0	0	0	87
HIGHWAYS						
Alton Renewal Plan - Zebra Crossings and Parade Decoration	81	0	0	0	0	81
ASDA Clapham Junction	164	120	0	0	0	284
Battersea High Street Public Realm - phase 2	158	0	0	0	0	158
Blocked Gullies & Ongoing Renewal	130	150	148	126	0	554
Boroughwide - Tree Works	89	0	0	0	0	89
Boroughwide Highway Bridges and Structures Works	60	150	150	100	100	560
Burntwood Lane	1,212	1,019	0	0	0	2,231
Clapham Junction Masterplan	140	10	0	0	0	150
Crossings - upgrades	320	320	360	360	360	1,720
Cycle Parking at Railway Stations	209	140	0	0	0	349
Cycle Parking Programme	97	0	0	0	0	97
Electric Vehicle Street lighting charging - OZEV	33	162	0	0	0	195
Falcon Road Corridor Study (Battersea Link)	60	302	0	0	0	362
Falcon Road Underpass	4,902	0	0	0	0	4,902
Flood Alleviation Works - SUDS	10	394	0	0	0	404
Garratt Lane BPRN Renewal	200	0	0	0	0	200
Granville Merton Brathways Rds Junction Improvement	20	130	0	0	0	150
Heathbrook Youth Centre / Elays Network Scheme	38	0	0	0	0	38
Heaver Estate & Traffic Reduction Measures	110	0	0	0	0	110
Improvement to Battersea Park Station	500	8,339	5,502	0	0	14,341
Key Gateways	500	1,880	0	0	0	2,380
Lower Richmond Road Safety Corridor Review	99	0	0	0	0	99
Nine Elms Park	8,541	500	1,600	2,500	0	13,141
Old York Road improvements	1,251	570	0	0	0	1,821
One Way Streets Conversion to Two Way Cycling	43	97	0	0	0	140
Osiers Road S278	0	18	0	0	0	18
Pedestrian Crossings - at 10 locations borough wide	38	0	0	0	0	38
Pride in Our Streets	1,000	2,875	0	0	0	3,875
Putney High Street Public Realm & Environment Improvements	200	0	0	0	0	200
Queenstown Road Corridor Scheme (Nine Elms Element)	2,402	500	0	0	0	2,902
Railway Bridges Enhancements and Improvements	100	842	500	500	0	1,942
Refurbishment of East Putney Railway Bridges	600	0	0	0	0	600
Replace defective lights under Balham Railway Bridge	0	88	0	0	0	88
River Promenade Works	16	26	0	0	0	42
Riverwalk	0	1,651	0	0	0	1,651



Appendix A - General Fund Capital Programme

Committed Capital Programme (CCP)	2025/26 £'000	2026/27 £'000	2027/28 £'000	2028/29 £'000	2029/30 £'000	Total £'000
Roads and Pavements	10,983	10,071	10,250	10,250	10,000	51,554
Signal Controlled Pedestrian Crossings	10	0	0	0	0	10
Speed Indicator Devices	90	60	0	0	0	150
Street Signage Improvements	750	0	0	0	0	750
Tooting Town Centre - Phase 1	284	0	0	0	0	284
Totterdown Street Pedestrianisation	138	0	0	0	0	138
Upper Richmond Road and Putney Stations	0	1,800	0	0	0	1,800
Upper Richmond Road Improvements	0	1,236	0	0	0	1,236
Wandsworth Bridge Cycleways	158	1,300	0	0	0	1,458
Wandsworth Town Centre Transformation Scheme	1,666	72	54	0	0	1,792
Wandsworth Town Station - Access to all	1,180	186	0	0	0	1,366
WESS Bike Hangars	184	0	0	0	0	184
WESS E-cargo Bike Sustainable Freight Grants	23	0	0	0	0	23
WESS Electric Vehicle Charge Points	0	157	150	0	0	307
WESS Putney High St area Cycle Improvements	150	0	0	0	0	150
WESS School Streets	289	246	0	0	0	535
TOTAL HIGHWAYS	39,228	35,411	18,714	13,836	10,460	117,649
TOTAL TRANSPORT COMMITTEE	39,273	35,453	18,714	13,836	10,460	117,736
TOTAL GENERAL FUND COMMITTED CAPITAL PROGRAMME (CCP)	114,609	90,463	46,408	19,223	13,468	284,171

CCP FINANCED BY

Grants & Contributions	17,692	6,920	2,208	708	708	28,236
S106 & NCIL	33,701	28,563	18,830	250	250	81,594
SCIL	23,060	9,919	8,528	6,010	5,460	52,977
Nine Elms CIL	6,582	14,414	7,102	2,500	0	30,598
Earmarked reserves	736	399	301	300	0	1,736
Revenue funding	444	131	541	541	0	1,657
Capital receipts	5,013	3,067	446	226	0	8,752
Borrowing	27,381	27,050	8,452	8,688	7,050	78,621
TOTAL FINANCING OF GENERAL FUND COMMITTED CAPITAL PROGRAMME (CCP)	114,609	90,463	46,408	19,223	13,468	284,171

Appendix B - General Fund Capital Programme

Development Pool Indicative Budgets



	2025/26 £'000	2026/27 £'000	2027/28 £'000	2028/29 £'000	2029/30 £'000	Total £'000
New Schemes 2025/26 to 2029/30						
ENVIRONMENT						
Barn Elms Sports Centre 3G Sports Pitch	0	50	1,350	0	0	1,400
Garratt Park Depot Resurfacing	0	550	0	0	0	550
Leisure Infrastructure Plan	0	0	0	8,325	0	8,325
Morden Cemetery Flooding Alleviation	0	260	260	0	0	520
Parklets and Pocket Parks Extension	0	0	200	200	200	600
Pear Tree Café in Battersea Park Roof Refurbishment	0	330	0	0	0	330
Springfield Park 3G Sports Pitch	0	60	1,230	0	0	1,290
Tree planting: Growing the Urban Forest	0	676	710	745	783	2,914
TOTAL ENVIRONMENT COMMITTEE	0	1,926	3,750	9,270	983	15,929
CHILDREN'S						
Frogmore Archive Records to Offsite Storage	0	194	0	0	0	194
Oakdene Short Breaks Children's Home Improvements	0	336	0	0	0	336
TOTAL CHILDREN'S COMMITTEE	0	530	0	0	0	530
FINANCE						
Digital & Data Back Up	0	175	75	0	0	250
Northcote Development additional budget	2,900	0	0	0	0	2,900
TOTAL FINANCE COMMITTEE	2,900	175	75	0	0	3,150
HOUSING						
Alton Estate Renewal - Portswood Place	0	2,100	9,000	8,400	0	19,500
Disabled Facilities Grant	0	610	1,476	1,476	1,476	5,038
TOTAL HOUSING COMMITTEE	0	2,710	10,476	9,876	1,476	24,538
TRANSPORT						
Albert Bridge Road Walking and Cycling Corridor	0	50	0	0	0	50
CCTV Parking Enforcement Cameras	0	400	0	0	0	400
Pride in Our Streets - Street Lighting Columns & Signs	0	1,518	1,500	0	0	3,018
Putney High Street Highway Improvements	0	250	0	0	0	250
Queenstown Road (South of Battersea Park Road)	0	500	1,500	1,000	0	3,000
Roads and Pavements	0	547	0	0	0	547
Wandsworth Bridge Walking and Cycling Corridor	0	900	0	0	0	900
TOTAL TRANSPORT COMMITTEE	0	4,165	3,000	1,000	0	8,165
TOTAL NEW DEVELOPMENT POOL SCHEMES	2,900	9,506	17,301	20,146	2,459	52,312



Development Pool Indicative Budgets

	2025/26 £'000	2026/27 £'000	2027/28 £'000	2028/29 £'000	2029/30 £'000	Total £'000
Existing Development Pool Schemes 2025/26 to 2029/30						
ENVIRONMENT						
Battersea Reference Library Refurbishment	0	1,000	900	100	0	2,000
Cleaner Borough Plan - Estates Waste & Recycling Bins	0	694	0	0	0	694
Cleaner Borough Plan – Pride in our Estates	0	60	0	0	0	60
Combined Heat & Power Unit Repairs/Replacements Latchmere and Tooting Leisure Centres	0	120	0	0	0	120
Enable better use of space by improving access to Tooting Triangle	0	300	0	0	0	300
Improve Facilities at Balham Library	0	300	0	0	0	300
Improving Infrastructure at Battersea Park	0	50	0	0	0	50
Improving the Children's Play Area at Battersea Park Library	0	200	0	0	0	200
Improving Wandle Recreation Centre	0	800	0	0	0	800
Leisure Infrastructure Plan - Protect	0	8,835	5,735	2,578	2,296	19,444
Oasis Park	0	1,500	500	0	0	2,000
Parklets and Pocket Parks Extension	0	200	200	200	200	800
Peace Pagoda Works Phase 1	0	150	0	0	0	150
Provide better community facilities at Furzedown Recreation Pavillion	0	220	0	0	0	220
Provide improved athletics track at Battersea Park Millenium Arena	0	500	0	0	0	500
Providing better Outdoor Gyms	0	230	0	0	0	230
Tooting Common Capital Ring Drainage	0	300	0	0	0	300
Wandsworth Common Boardwalk	0	94	0	0	0	94
Wandsworth Environment and Sustainability Strategy (WESS)	0	3,000	1,000	1,000	1,000	6,000
Wandsworth Play Strategy	0	890	1,371	0	0	2,261
TOTAL ENVIRONMENT COMMITTEE	0	19,443	9,706	3,878	3,496	36,523
CHILDREN'S						
Bradstow Special School	40	460	0	0	0	500
Conversion/Extension Foster Carers' Properties	143	0	0	0	0	143
Francis Barber PRU Relocation	0	320	0	0	0	320
Granard School Resource Base Expansion	0	229	0	0	0	229
Granard Specialist Nursery Base	200	0	0	0	0	200
Greener Schools Pilot Programme (Smallwood Primary & Garratt Park)	300	0	0	0	0	300
Hospital and Home Tuition Service Medical PRU Site	150	0	0	0	0	150
Riversdale School Portacabin Replacement	100	1,700	0	0	0	1,800
SEND Hub (Siward Rd)	905	20	0	0	0	925
Unallocated High Needs Provision	247	0	0	0	0	247
TOTAL CHILDREN'S COMMITTEE	2,085	2,729	0	0	0	4,814



Development Pool Indicative Budgets

	2025/26 £'000	2026/27 £'000	2027/28 £'000	2028/29 £'000	2029/30 £'000	Total £'000
Existing Development Pool Schemes 2025/26 to 2029/30						
FINANCE						
Council Funded Decarbonisation Projects - Phase 2	282	0	0	0	0	282
Enhancing user experience of the STORM Family Centre	0	30	0	0	0	30
Improve Shopfronts at Ashburton Parade	0	80	0	0	0	80
Improving Doddington and Rollo Community Centre	0	90	0	0	0	90
IT Investment	0	423	206	205	0	834
Net Zero Decarbonisation Strategy	0	3,250	3,250	6,750	6,750	20,000
Alton Estate Renewal - Roehampton Community Hub	0	11,200	5,450	0	0	16,650
Supporting Carneys Community Bike employment programme	0	25	0	0	0	25
Three Mobile CCTV Cars	0	338	0	0	0	338
Town Hall Annex - Great Employer Investment	0	5,850	0	0	0	5,850
Turning the L'Affaire Pub on Wandsworth High Street into a community space	0	200	0	0	0	200
TOTAL FINANCE COMMITTEE	282	21,486	8,906	6,955	6,750	44,379
HEALTH						
Digital Switchover Telecare Project	0	370	0	0	0	370
TOTAL HEALTH COMMITTEE	0	370	0	0	0	370
HOUSING						
Trewint Travellers Site Upgrades	0	150	0	0	0	150
Winstanley Neighbourhood Renewal Plan (WNRP)	263	1,219	2,336	1,373	0	5,191
TOTAL HOUSING COMMITTEE	263	1,369	2,336	1,373	0	5,341
TRANSPORT						
Alton Renewal Plan - Improved Access to Richmond Park	0	225	0	0	0	225
Alton Renewal Plan - Pedestrian Environment Improvements	50	125	0	0	0	175
Alton Renewal Plan - Quiet Cycle Routes	25	250	0	0	0	275
Bike Hangars Expansion	0	1,000	500	0	0	1,500
Buildings Maintenance Fleet	0	750	0	0	0	750
Controlled Parking Zone Improvement	0	100	0	0	0	100
Crossings - Standards and Compliance Improvements	0	60	30	30	0	120
Cycle Lane Segregation	0	80	0	0	0	80
Henry Prince Estate Footbridge	0	50	0	0	0	50
New Push Button Crossing on the Henry Prince Estate on Garratt Lane	0	40	0	0	0	40
Preventing Vehicle Incursion on Railways	0	150	0	0	0	150
Pride in Our Streets	125	500	2,000	2,000	2,000	6,625
Quiet Cycle Routes	0	750	0	0	0	750
Tooting Town Centre Improvement Fund	0	3,170	0	0	0	3,170
Wandsworth Town Centre Transformation Scheme	0	3,262	19,738	0	0	23,000
Wandsworth Town Station - Accessibility and Second Entrance	0	5,714	0	0	0	5,714
TOTAL TRANSPORT COMMITTEE	200	16,226	22,268	2,030	2,000	42,724
TOTAL EXISTING DEVELOPMENT POOL SCHEMES	2,830	61,623	43,216	14,236	12,246	134,151



Development Pool Indicative Budgets

	2025/26 £'000	2026/27 £'000	2027/28 £'000	2028/29 £'000	2029/30 £'000	Total £'000
TOTAL GENERAL FUND DEVELOPMENT POOL	5,730	71,129	60,517	34,382	14,705	186,463
DEVELOPMENT POOL FINANCED BY						
Grants & Contributions	1,197	5,680	6,743	1,476	1,476	16,572
S106 & NCIL	0	6,189	2,069	1,200	200	9,658
SCIL	620	36,247	23,848	330	200	61,245
Nine Elms CIL	0	0	0	0	0	0
Earmarked reserves	0	3,018	541	205	0	3,764
Revenue funding	0	0	0	0	0	0
Capital receipts	625	3,949	0	0	0	4,574
Borrowing	3,288	16,046	27,316	31,171	12,829	90,650
TOTAL FINANCING OF GENERAL FUND DEVELOPMENT POOL	5,730	71,129	60,517	34,382	14,705	186,463

Proposed Additions to the General Fund Capital ProgrammeAPPENDIX C**WANDSWORTH BOROUGH COUNCIL****THE COUNCIL'S CAPITAL STRATEGY 2026/27**

1. This capital strategy is in response to CIPFA's Prudential Code and Treasury Management Code and sets out the long-term context within which capital expenditure, borrowing and investment decisions are made. It is to be approved by full Council. The overall aim of the framework is to demonstrate that such decisions properly take account of stewardship, prudence, value for money, sustainability, proportionality and affordability.
2. Both the Prudential Code and the Treasury Code were revised in December 2021 with full implementation of both these codes required from 2023/24. The amendments to both Codes largely related to commercial investments such as purchase of investment properties, investments in subsidiaries or investments for service objectives including regeneration. The wording changes within the revised Prudential Code were incorporated into the 2022/23 Capital Strategy (Paper No. 22-70). The update to the Prudential Code also introduced the need for Prudential Indicators for all boroughs to further strengthen the testing of limits and boundaries. Estimated Prudential Indicators for 2026/27 are included as Appendix F to the Treasury Management Policy elsewhere on this agenda as Paper No. 25-65. These estimated Prudential Indicators will be monitored and updated as required through 2026/27 and if any material change is needed will be reported to a future Cabinet meeting.

3. **Capital Expenditure – General Fund Capital Programme**

Overview of Governance Process

- 3.1 The General Fund (non-HRA) capital programme is one of the Council's four financial frameworks, as detailed in the Council's Medium Term Financial Strategy. It is based upon the approved capital schemes, Treasury Management Strategy, Asset Management strategy, capital resources projections and an annual process for prioritising additions which recognises cost in use and sustainability issues.
- 3.2 It contains currently approved spending and assesses commitments in the context of reserves and resources anticipated in the medium-term outlook.
- 3.3 Monitoring of capital expenditure is embedded throughout the organisation with project managers working with finance teams to update their cost estimates and budgets. These reports are regularly reviewed by the Council's management team.

(Paper No. 26-64)

Proposed Additions to the General Fund Capital Programme

- 3.4 Capital budgets are reviewed and reported annually to Full Council. Budgets are reviewed and updated throughout the year, with additional capital budgets approved where appropriate. These projects are prioritised based on their ability to meet strategic priorities, ensure continued service delivery, reduce annual revenue costs and protect Council income. All bids are reviewed by senior officer working groups and lead Council Members before being presented for consideration and approval at Full Council.

General assumptions are as follows:

- a) schools expenditure for repairs and new places (both primary and secondary) is currently fully funded from either Government grant or from directly linked site sales. A list of prioritised repairs and maintenance schemes has been presented to the Children's Committee with a reserve list of schemes identified if additional funding becomes available;
 - b) routine bids for Empty Properties Grants and Disabled Facilities Grants are funded from grant or other contributions and so have no impact on available General Fund capital receipts;
 - c) highways and other related schemes bids include investment in carriageways and footways across the Borough over the capital framework period in order to boost those areas of the borough in need of additional investment; and
 - d) schemes to be funded from Section 106 contributions or Community Infrastructure Levy (CIL) will be assessed on their merits and, whilst these may initially be predicated on assumed levels of receipts, any successful bids will ultimately need to take account of actual resources.
- 3.5 It is important to consider potential future demands when deciding how much new spend is considered affordable as there are some potentially large items of capital spend in the pipeline. Any future capital schemes that emerge as part of service remodelling and deliver ongoing revenue savings tend to come forward for approval as and when, but such schemes will still need to be reviewed in detail before going through the approval process.
- 3.6 Capital spend and the availability of resources to finance that spend are monitored by the Executive Director of Finance on a monthly basis.

Long-term view of capital spending plans

- 3.7 The General Fund capital programme considers the programme and available resources for the current year and four subsequent years. The Council's ability to finance capital spending is restricted only by its own view on

Proposed Additions to the General Fund Capital Programme

affordability, subject to the Government's possible imposition of limits on local authority borrowing for macro-economic reasons

3.8 The potential sources of finance for the General Fund capital programme are:

- e) *Grants* – either earmarked for specific schemes or services, or available for any scheme. There is no revenue effect, provided that the receipt of grant is not significantly delayed.
- f) *CIL and Section 106 receipts* – can be used to finance capital infrastructure works. Where receipts are held in reserves, there is a loss of investment interest associated with their use.
- g) *Revenue and Renewals Fund* – other than specific schemes from the Renewals Fund this is rarely used because of the impact upon council tax.
- h) *Capital Receipts* freely available to the General Fund – these are used where resources from the above three categories are not available. There is a loss of investment interest associated with their use. The Council has an active policy of rationalising and disposing of under-utilised assets and has used the proceeds extensively over time to support the capital programme. The framework takes account of the forecast availability of capital receipts in determining the size of the capital programme that is affordable. There is also the possibility of capital receipts being used for revenue spend in limited circumstances under the Government's "flexible use of receipts" initiative. This could contribute to alleviating the pressure on revenue resources but would reduce the availability of resources for capital spending.
- i) *Borrowing* – the potential to generate new capital receipts has diminished over time to the point now where capital receipts are at a relatively low level. The Council will therefore need to consider borrowing to fund future General Fund capital expenditure unless other sources and/or external funding are identified. When borrowing is taken, then the Council will need to pay interest (charged to revenue) and create a "minimum revenue provision (MRP) budget to contribute to paying down this debt.

Proposed Additions to the General Fund Capital Programme

4. Capital Expenditure – Housing Revenue Account Capital Programme

Overview of Governance Process

- 4.1 The Housing Revenue Account (HRA) Budget Framework is another of the Council's four financial frameworks as detailed in the Council's Medium Term Financial Strategy. It is based upon the 30-year HRA business plan that models the resources necessary to manage the housing stock and the cycles of work necessary to maintain to the Decent Homes Standard.
- 4.2 The framework plots both projected capital and revenue resources. It is generally reset annually in January, monitored throughout the year by the Executive Director of Finance, and reviewed again in the autumn. When considering decisions on rents for the Council's housing stock, regard is given to the overriding objective of keeping the HRA business plan in balance.
- 4.3 The HRA business plan is also the basis for the four-year budget framework that sets parameters within which HRA resources may be committed under the Council's Constitution.
- 4.4 The HRA capital programme element of the business plan follows a similar approach to the General Fund capital programme in that the cash flows for existing approved schemes are reviewed in autumn and capital additions are generally approved in January. Schemes can be approved and added to the programme during the year subject to approval of budget variations.

Long-term view of capital spending plans

- 4.5 In addition to the four-year budget framework of spend and resources the HRA capital programme considers estimated spend and resources over the 30-years of the Business Plan.
- 4.6 The potential sources of finance for the HRA capital programme are in some cases similar to those for the General Fund programme but with other notable differences. These include: -
 - a) *Capital receipts* – receipts arising from disposals of HRA sites, land or from vacant property sales not subject to Right to Buy pooling arrangements.
 - b) *Right to Buy 1-4-1 receipts* – as per the agreement with the Government, the residual receipts from Right to Buy sales are retained by the Council to be used for one-for-one replacement build or acquisitions.

Proposed Additions to the General Fund Capital Programme

- c) *Grants and reimbursements* – Section 106 funds (specifically for Affordable Housing), other external capital grants and reimbursements, in particular from leaseholders.
- d) *Borrowing* – HRA borrowing, whether internal or external, increases HRA debt. It is anticipated that there will need to be a significant increase in HRA borrowing over the next 10 years to support the Council’s ambitions for estate regeneration and new housing development through the Homes for Wandsworth programme.
- e) *Major Repairs Reserve* – this is used where resources from the above categories are not available. Any amount used must be affordable within the 30-year business plan.

4.7 The overriding aim of the HRA capital programme is to maintain an investment level consistent with that assumed in the stock condition survey in order to keep, as a minimum standard, the housing stock decent. The risk of changes to the assumptions used in the business plan and the effect on reserves are considered as part of developing proposals.

Investments

5.1 The underlying objectives of the Council’s Investment Policy are security of the capital sums invested and liquidity to ensure the funds invested are available for expenditure when needed. Once proper levels of security and liquidity are determined, it is then reasonable to consider what yield can be obtained consistent with these priorities. The Council’s Investment activities are conducted in a manner that regards the successful identification, monitoring and control of risk as of prime importance and accordingly the analysis and reporting includes a substantial focus on the risk implications.

Treasury Management Investments

5.2 These are investments that arise from the Council’s cash flows and ultimately represent balances which need to be invested until the cash is required for use in the course of business.

5.3 The Council’s policy on Treasury Management Investments is submitted to the Cabinet and approved by the full Council. The overall arrangements and strategy for the ensuing financial year are reviewed and approved in the Treasury Policy Statement at this Committee (as Appendix A), an Annual Report after the end of the financial year and a mid-year review report in November or December. From time to time the Executive Director of Finance may submit additional reports recommending changes in Policy for approval if circumstances require.

(Paper No. 26-64)

Proposed Additions to the General Fund Capital Programme

- 5.4 The Council's Treasury Management Practices (TMPs) are in accordance with the Treasury Management Code issued by CIPFA in 2002, which was revised most recently in 2021. As prescribed in the new Code, the Executive Director of Finance will ensure that there are clear written statements of the responsibilities for each post engaged in treasury management, and the arrangements for absence cover. The Executive Director of Finance will also ensure that those engaged in treasury management follow the policies and procedures set out. The present arrangements are documented and monitored by the responsible officer in effective day to day management of the treasury management function. Treasury management activities and issues are reviewed monthly by a meeting within the Finance Directorate, attended by the Executive Director of Finance (or deputy) and day to day treasury management activities are handled by the Accountancy Team within the Financial Management Division of the Finance Directorate. Treasury management staff attend training courses and seminars to ensure they maintain sufficient knowledge as prescribed by the Code in order to keep up to date with current developments.

Treasury management advisers are appointed at least once within the lifetime of each Council to carry out an independent review of the Council's Treasury Management activities. Mitsubishi UFJ Financial Group Inc, MUFG (previously Link Treasury Services) completed the last lifetime review in March 2025. The next lifetime review is due in March 2029.

- 5.5 The Council's detailed investment policy is contained within the Treasury Policy Statement as Appendix A. Its overriding purpose is the control of risk. It specifies the types of investments that may be used and the limits of their use. These limits relate to the maximum time period for each investment type and to the maximum amount that may be held at any one time. The choice of limits is governed by the requirement to safeguard the security of the Council's portfolio and to spread risk through suitable diversification. The Council uses credit rating information from the three main credit rating agencies (Fitch, Moody's and Standard and Poor's) and this data is supplemented by other available information where appropriate. The limits also consider liquidity requirements and finally the yield that may be obtained.
- 5.6 The Council held investments of £508 million at the end of December 2025 and the average rate of return for 2025/26 as at end of December 2025 is 4.55% (excluding investment property). The Council is budgeting to begin 2026/27 with investments of above £430 million and the estimated movements for the following two years based upon current cash flows show that investments are likely to reduce as the HRA Regeneration schemes progress and other balances fall.

Investments that are not part of Treasury Management Activity

- 5.7 The Council may invest in other financial assets and property primarily for financial return that are not part of Treasury Management activity. These activities are subject to similar assessments of risk as for Treasury

(Paper No. 26-64)

Proposed Additions to the General Fund Capital Programme

Management investments. They are approved as part of the capital programme as described in Sections 2 and 3 of this Capital Strategy.

- 5.8 Investment Property: The Council's Corporate Asset Strategy was approved by the Executive in November 2015. One of its aims was to identify opportunities to generate General Fund revenue income by acquiring commercial property in strategic locations and in some cases transferring surplus operational properties to the investment portfolio.
- 5.9 In 2015/16 the Council approved a policy to acquire commercial investment properties to augment its revenue budgets. Between 2014/15 and 2017/18, when funding of the scheme ended, the Council spent a net £27.6m on the purchase of 10 properties. There was an additional acquisition in 2019 of Sergeant Industrial Estate, which was acquired for strategic purposes.
- 5.10 The properties were carefully selected using a range of weighted criteria that considered location, strength of covenant, lot size, ease of re-letting, yield, etc. The properties' locations are diverse and range from Wandsworth, Islington, Nine Elms to Cardiff. All the acquisitions were inspected and appraised by qualified external investment valuers and reviewed and agreed by Property Services.
- 5.11 The pandemic and, until recently, increased interest rates had an adverse impact on commercial property letting. Online retailing has also weakened the rents on high street properties. Despite these negative impacts on the capital fluctuations of property investments, because of the varied and diverse nature of the acquired portfolio and the location of the properties the Council's investment property portfolio as a whole has managed to weather the downturn in this investment class.
- 5.12 The portfolio currently generates rents of £2.45 million per annum which represents a return of 4.4% on the Council's original investment. There have been a small number of properties in the portfolio where rents have decreased due to lease renewals where market evidence shows that the new rents are lower than the rents in the old leases. However, this has been balanced by increases realised from other parts of the portfolio.
- 5.13 All investment properties are revalued annually at fair value as part of the Council's preparation of final accounts and audit process. Consideration is given at the end of each financial year as to whether impairment of any properties is required.
- 5.14 Loans to facilitate Council Policy. The Council may make loans to organisations such as Staff Mutuals, other Service Providers, Voluntary Organisations or start up loans to Wandsworth based Business Improvement Districts (BIDS). The detailed terms of each loan will be determined on an individual basis by the Executive Director of Finance, subject to an overall maximum limit of £5 million per loan with the exception of BIDS which is £1

(Paper No. 26-64)

Proposed Additions to the General Fund Capital Programme

million. If the loan is for cash flow or revenue purposes it is reported as part of the Council's treasury investments. A hypothetical £5 million loan amount would equate to 1.0% of average investments in 2025/26 therefore poses little risk for the Council and as result independent advice is not sought in addition to Executive Director of Finance approval as set out in the Treasury Management Policy Statement 2026/27 in Paper No. 26-XX (Appendix C). Loans can also be made for capital purposes, and such loans are approved as part of the capital programme.

6 Borrowing

- 6.1 **External Borrowing.** The Council does not currently have any external borrowing as the last Public Works Loan Board (PWLB) debt in relation to the HRA subsidy buy-out was fully repaid at the end of the 2024/25.
- 6.2 The Council also offers deposit facilities to other bodies such as the North East Surrey Crematorium Board and the Western Riverside Waste Authority. At 31st December 2025 £22.6m was held for WRWA and £0.4m for NESCB. The Council's General Fund has no external debt other than any amounts relating to these deposit facilities.
- 6.3 **Internal Borrowing.** In recent years the Council has had substantial cash balances, and these have been used to support internal borrowing where required as it is cheaper than external borrowing.
- 6.4 The HRA borrowed £210 million internally for the HRA subsidy buy-out in 2012 to supplement the £223 million external borrowing. This has been partially repaid and it is anticipated that £57 million of internal borrowing relating to the subsidy buy-out will remain outstanding at the end of 2025/26.
- 6.5 In 2024/25 the General Fund internally borrowed £10.6m to finance capital expenditure, this is the first time internal borrowing has been utilised for many years, other than for a school spend to save scheme. Cash balances for internal borrowing are only available to the extent that the Council has reserves that have not yet been required for their original purpose and the availability may well reduce over the next few years.
- 6.6 **Minimum Revenue Provision.** Regulations issued under the Local Government Act 2003 require local authorities to calculate an annual amount of minimum revenue provision (MRP) to be set aside from revenue for the repayment of debt that is "prudent". The MRP should not take account of capital expenditure on HRA assets. The Council has an MRP to repay the internal borrowing by the Dedicated Schools Budget (DSB) for a spend-to-save scheme; this was originally to be repaid over nine years but has been extended for a further twelve years, will be fully charged to the DSB and will more than cover any minimum required under guidance. The annual statement on the Council's MRP policy is contained within the Treasury Policy Statement and approved by full Council in February or March.

(Paper No. 26-64)

Proposed Additions to the General Fund Capital Programme

- 6.7 **Voluntary Revenue Provision.** Although the HRA is not required by regulation to provide an MRP, an equivalent amount has been prudently charged to the HRA on an annual basis as a voluntary revenue provision. For the HRA in Wandsworth the policy is to charge an annual amount to reflect both the actual repayment of the HRA's external debt (when applicable) and the agreed repayment profile of its internal borrowing which can be varied.
- 6.8 **Authorised and Operational Borrowing Limits.** Section 3 of Part 1 of the Local Government Act 2003 requires local authorities to set an authorised borrowing limit and operational boundary each year. This is contained within the Treasury Policy Statement and approved by full Council in February or March each year. The authorised limit was set at £210 million in March 2025 for 2025/26 and a limit of £136 million is proposed for 2026/27.



Appendix D

Whole Borough Strategic CIL Receipts (including Nine Elms), Projects Committee to & Expenditure Incurred as at 31st December 2025			
SCIL Receipts	£		
Total SCIL Receipts to 31st December 2025	-232,578,544		
Projects to be funded by SCIL	SCIL Budget Committed	Expenditure Incurred to date	Net Remaining Budget
	£	£	£
Committed Capital Programme			
Alton Activity Centre Building Works	90,000	0	90,000
ARP - Alton Activity Centre Play & Access Improvements	86,000	83,000	3,000
ARP -Zebra Crossings and Parade Decoration	295,000	11,047	283,953
Balham children's library refurbishment	120,000	0	120,000
Balham Library - Roofing Works	130,000	142	129,858
Barn Elms Sports Centre- Replacement of Artificial Multi-Use Games Surface	193,000	0	193,000
Battersea District Library Roof & Glass Dome repair and replacement	150,000	14,224	135,776
Battersea River Wall – urgent stabilisation works	1,969,000	6,532	1,962,468
Blocked Gullies & ongoing renewal to improve condition	211,822	111,822	100,000
Boroughwide - Essential Repairs to Roads & Paths Across Parks	204,000	0	204,000
Boroughwide - Tree Works	456,885	367,472	89,413
Boroughwide highway bridges and structures works	100,000	0	100,000
Boroughwide Parks Railings and Pathways	209,650	4,650	205,000
Capitalised Repairs: - Footways	10,577,136	4,577,136	6,000,000
Capitalised Repairs: -Carriageways	23,009,827	7,662,827	15,347,000
Clapham Junction Masterplan	75,000	0	75,000
Completed SCIL Projects	64,262,047	64,262,047	0
Crossings - upgrades	1,720,000	0	1,720,000
Cycle Parking at Railway Stations	500,000	150,772	349,228
East Putney Railway Bridges Refurbishment	600,000	0	600,000
Falcon Road Underpass	4,500,000	48,199	4,451,801
Flood Alleviation Works - SUDS	953,798	549,371	404,428
Furzedown Recreation Ground Improvements	685,000	750	684,250
Granard School Resource Base Expansion	640,000	0	640,000
Granville Merton Brathways Rds Junction Improvement	150,000	0	150,000
Grass Playing Pitch Drainage	1,401,074	850,074	551,000
Harroway Gardens Playground	210,000	0	210,000
Heathbrook Park Playzone	290,000	0	290,000
Heaver Estate & Traffic Reduction Measures	150,000	40,000	110,000
Inflation Provision for Capital Projects	4,672,000	0	4,672,000
Integrated Sexual Health and Substance Misuse Treatment Hub	1,200,000	0	1,200,000
Kimber Skatepark Refurbishment	30,000	0	30,000
Lady Allen Adventure Playground Refurbishment	240,000	0	240,000
Latchmere Leisure Centre - Roof Structure Repairs	176,000	8,581	167,419
Latchmere Recreation Ground playground refurbishment	500,189	2,189	498,000
Leisure Centres - Balham & Wandle Air Handling Systems	253,111	201,111	52,000
Leisure Centres - Swimming Pool Improvements	396,000	392,868	3,132
Leisure Infrastructure Plan - Project Management	240,000	0	240,000
Lower Richmond Road Safety Corridor Review	300,000	201,412	98,588
Nine Elms - Completed Projects	23,465,553	23,465,553	0
Nine Elms - Health Facilities	11,627,238	5,088,727	6,538,511
Nine Elms - Improvements to Battsea Park Station	16,485,647	2,483,647	14,002,000
Nine Elms - Key gateways	2,594,974	214,769	2,380,204
Nine Elms - Park	4,600,000	0	4,600,000
Nine Elms - Queenstown Road Corridor Scheme (Nine Elms Element)	1,613,755	361,755	1,252,000
Nine Elms - Thames River Path	4,445,174	2,794,662	1,650,512
Nine Elms - Utilities	955,362	781,857	173,505
Old York Road Public Realm Improvements	2,000,000	591,321	1,408,679
One Way Streets - Conversion to Two Way for Cycling	470,211	330,648	139,563
Pedestrian Crossings - Signal Controlled	200,000	190,718	9,282
Pocket Parks	400,000	19,800	380,200
PRIF River Promenade Works	483,400	441,514	41,886
Pride in Our Streets - Street Name Plate Renewal	683,000	0	683,000
Putney High Street - Public Realm & Environment Improvements	2,573,735	2,373,735	200,000

	SCIL Budget Committed £	Expenditure Incurred to date £	Net Remaining Budget £
Projects to be funded by SCIL			
Putney Vale Cemetery Chapel Lifts	200,009	40,009	160,000
Railway Bridges Enhancements and Improvements	1,942,000	0	1,942,000
Resurfacing of courts 1-10 at Battersea Park Millennium Arena	38,000	0	38,000
Replace defective lights under Balham Railway Bridge	58,000	0	58,000
Roehampton Family Hub Play and Youth Provision	25,000	0	25,000
Roehampton Leisure Centre - Renewal of Roof Coverings	156,340	89,340	67,000
Roehampton Sports and Fitness Centre - Replacement of Air Conditioning	183,000	0	183,000
School Playgrounds - Open Access Play	200,000	0	200,000
Schools LED Lighting – Phase 2 Feasibility & Design	180,000	0	180,000
SCIL Infrastructure Maintenance (Revenue)	10,752,379	5,752,379	5,000,000
SEND Hub (Siward Road)	75,000	0	75,000
Shillington Park - pathway lighting installation	63,000	0	63,000
Swaffield Rd Pocket Park	400,000	12,386	387,614
Tooting Common Lakeside playground refurbishment	384,000	15,879	368,122
Tooting Family Hub Play & Youth Provision	20,000	0	20,000
Tooting Town Centre - Phase 1	330,000	96,055	233,945
Totterdown Street pedestrianisation	248,451	205,451	43,000
Upper Richmond Road & Putney Stations	1,800,000	0	1,800,000
Wandle Recreation Centre - Artificial Pitch Repairs	90,101	41,101	49,000
Wandsworth Bridge Cycleways	908,000	0	908,000
Wandsworth Cemetery Burial Space Extension	256,000	126,251	129,749
Wandsworth Environmental and Sustainability Strategy (WESS)	5,329,221	1,755,414	3,573,807
Wandsworth Family Hub Programme	550,000	0	550,000
Wandsworth Play Strategy - Project Management	130,000	0	130,000
Wandsworth Town Centre Transformation Scheme	437,000	0	437,000
Wandsworth Town Station - Accessibility Improvements	900,000	240,000	660,000
Total Committed Capital Programme SCIL Funded Projects	220,200,089	127,059,196	93,140,892
Development Pool Schemes Approved	61,348,000		
Total Projects To be funded from SCIL	281,548,089		
Value of SCIL Receipts Over Committed to date	48,969,545		
Forecast of further CIL receipts by 31.3.2030	-37,745,063		
Forecast Value of SCIL Receipts Overcommitted by 31.3.2030	11,224,482		
Cash Balance of SCIL Receipts unspent to date		-105,519,348	

Treasury Management

Cabinet

Title: Treasury Management Strategy and Policy 2026/27

Date: 23rd February 2026

Cabinet Member for: Finance

Details of Executive Director: Fenella Merry, Executive Director of Finance

EXECUTIVE SUMMARY

- 1.1. This Council has a reputation for strong financial management which supports delivery of its priorities. Strong financial performance in its treasury management activity is a key part of this and has been independently verified as being one of the best in the country. The Council currently has no external debt and this is expected to continue in the short term. All borrowing continues to only be used to fund capital investment in the borough's infrastructure, public facilities and housing stock, both existing and new social housing, in order to maintain standards and meet residents' needs.
- 1.2. This report reviews the treasury management activities so far during 2025/26 and makes proposals for 2026/27 for approval by full Council. Approval is now sought for an updated Treasury Policy Statement for 2026/27, including the determination of the Council's borrowing limit and operational boundary, and the Minimum Revenue Provision policy for the financial year 2026/27. Prudential Indicators are also included where the affordability limit and the impact of capital investment decisions are assessed.
- 1.3. The Council's cash balances at the start of the financial year were £567m. Balances were £508m at 31 December 2025 and are expected to be £435m at the end of the year. The average return on investments so far this year is 4.58% and is expected to be around 4.48% at year-end. Long-term investments in pooled funds have cumulatively increased in capital value in 2025/26 by £6.6m as at 31 December 2025 and are expected to yield revenue income in 2025/26 around £6.2m.

GLOSSARY

BIDS	Business Improvement Districts
CCLA	Charities, Church of England, Local Authorities
CIPFA	Chartered Institute of Public Finance and Accountancy
DMADF	Debt Management Account Deposit Facility
DSB	Dedicated Schools Budget
HRA	Housing Revenue Account
MHCLG	Ministry of Housing, Communities and Local Government
MMFs	Money Market Funds
MRP	Minimum Revenue Provision

PWLB Public Works Loan Board
IFRS International Financial Reporting Standard

RECOMMENDATIONS

- 2.1. That Cabinet is recommended to:
- (a) to approve, as required under Section 3 of Part 1 of the Local Government Act 2003, for the financial year 2026/27, an authorised borrowing limit and operational boundary £136m and £76m, as referenced in paragraph 3 in [Appendix B](#).
 - (b) to approve, a Minimum Revenue Provision (MRP) for 2026/27 to repay internal borrowing by the Dedicated Schools Budget (DSB) over a period of twelve years as shown in paragraph 7 of [Appendix B](#), and any new MRP that the Council may pay on new internal borrowing, as referenced in paragraph 8 of [Appendix B](#); and
 - (c) to approve the updated Prudential Indicators and Liability Benchmark as set out in [Appendix F](#) and [Appendix G](#).

INTRODUCTION

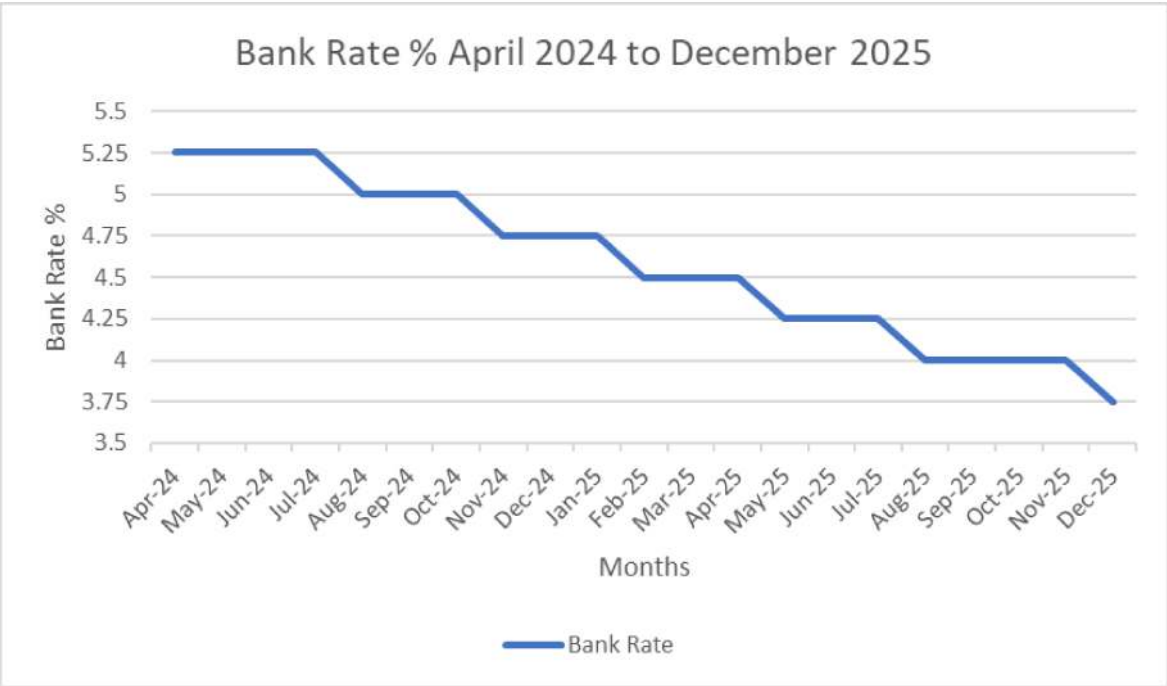
- 3.1. The Treasury Management Policy (the Policy) gives an overview of the purpose and scope of the Treasury Management function, as well as identifying and setting criteria to limit risks. It is intended to give context to the Treasury Management Strategy (the Strategy). CIPFA (Chartered Institute of Public Finance and Accountancy) issue a Treasury Management Code and the Prudential Code, both of which were revised in December 2021. The Council's investment strategy also considers the investment guidance issued under Section 15 of the Local Government Act 2003 by the Ministry of Housing, Communities and Local Government (MHCLG). CIPFA consulted on further revisions to both Codes in Autumn 2025, but no timeline is known for updated guidance at this time.
- 3.2. The overall arrangements for Treasury Management include provision for reviewing and updating of the Policy at this time of year. The last annual review of the Policy was in February 2025 (Paper No. 25-86) and a mid-year review was more recently produced in December 2025 (Paper No. 25-423). The updated Policy for 2026/27 is attached as Appendix C to this report.
- 3.3. The Council has a proactive and robust Treasury Management function which whilst protecting the Council's assets, strives to yield a healthy return on investments for the Council. It also engages independent specialist advisors to ensure the approach being taken is maximising returns where possible. The Council has over the last five years undertaken various projects and analysis of options to derive the correct mix of investments for the Council depending on the economic backdrop at that specific time. Moving into 2026/27, this will continue while interest rates are expected to remain relatively high in the short term.

3.4. The Council undertook the scheduled external lifetime review in early 2025 of the Treasury Management Function. The outcome of the review was positive, with Wandsworth achieving the best rate of return nationally.

TREASURY MANAGEMENT EXPERIENCE IN 2025/26

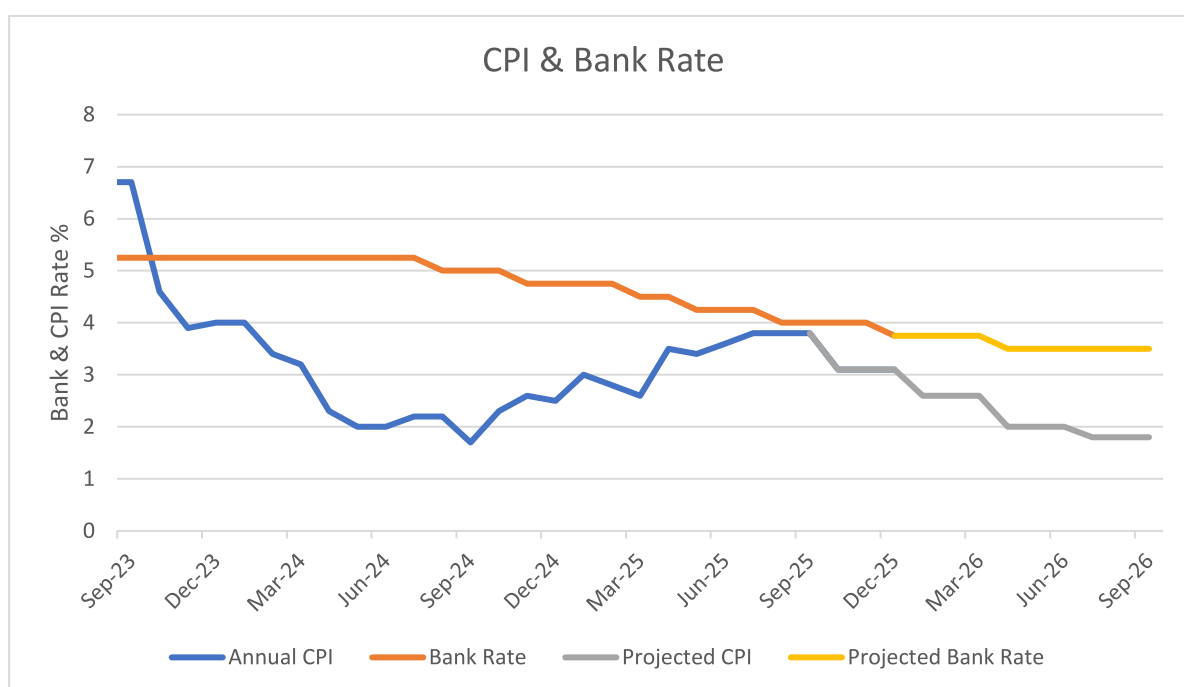
ECONOMIC BACKGROUND

4.1. The UK economy continues to experience slow growth and inflation higher than the Bank of England target of 2%, however there has been easing of inflation alongside four reductions in the Bank Rate (interest rate) during 2025, with further reductions expected in 2026.



4.2. The graph below shows the combined CPI and Bank Rate between September 2023 and December 2025, and a projected CPI and Bank Rate to September 2026:





INVESTMENTS

- 4.3. The Council’s investments at 31 December 2025 are £508m compared to £625m at 31 December 2024. The level of investment during the year has remained above £500m and peaked at £597m in May 2025. Average balances of £578m were budgeted for in 2025/26 with the current average being £567m to 31 December 2025. Investment balances are expected to finish the year above £430m. The size and composition of the Council’s investments at 31 March 2025 and 31 December 2025 is shown in [Appendix C](#).
- 4.4. The Council’s overall average rate of interest on investments is 4.58% as at 31 December 2025. This is predicted to be 4.48% as at 31 March 2026. This is lower than the budgeted rate of 4.86% and compares to 5.10% in 2024/25 and 4.80% in 2023/24. This variance to budget is due to three Bank Rate reductions from April 2025 bringing the Bank Rate down to 3.75%. When budgets were set the Bank Rate was forecast to drop to 4.50%. However, due to supply and demand in the local authority lending market, interest rates remain substantially above the Bank Rate in this sector.
- 4.5. The Council’s strategy allows the use of different investment products to reduce risk, ensure liquidity, and maximise returns. By engaging with the market brokers, officers continue to ensure the range of products are as broad as possible. The table below shows investments as at 31 December 2025:

	31 December 2025		
	% of investment portfolio	Total Investments £m	Weighted Average return %
Local Authority Fixed Term Deposits (1 year)	29.3%	155.0	4.6%
Multi Asset Funds	19.7%	103.9	4.9%
Money Market Funds (same day)	13.3%	70.2	4.2%
Bank Fixed Term Deposits (1 year)	11.3%	60.0	4.4%
Local Authority Fixed Term Deposits (2 years)	9.5%	50.0	4.4%
Money Market Funds (+1 day)	7.6%	40.2	4.2%
CCLA Property Fund	5.3%	27.9	4.5%
Bank Fixed Term Deposits (3 years)	3.8%	20.0	4.7%
NatWest Reserve Account*	0.2%	1.5	2.0%
Subtotal	100.0%	528.7	4.5%
Less amount invested on behalf of:			
- Western Riverside Waste Authority		-22.0	
- North East Surrey Crematorium Board		-0.4	
Total		506.3	

*The NatWest Reserve Account is used to hold small surplus funds.

- 4.6. Further detail around investments is outlined in Appendix A, E, and F. Appendix B outlines the Treasury Policy which does not propose any changes in 2026/27 to counterparty limits in Appendix C. In addition, Appendix F includes revised Prudential Indicators for approval and Appendix G outlines the Liability Benchmark for information.

The Town Hall
Wandsworth
SW18 2PU

FENELLA MERRY
Executive Director of Finance

25th February 2026

Appendices

- [Appendix A](#) – Investments Overview
- [Appendix B](#) – Proposed Updated Treasury Policy Overview
- [Appendix C](#) – Treasury Policy Statement
- [Appendix D](#) – External Debt
- [Appendix E](#) – Investments at 31 December 2025
- [Appendix F](#) – Prudential Indicators
- [Appendix G](#) – Liability Benchmark

Background Papers

No background papers were used in the preparation of this report: -
All reports to the Overview and Scrutiny Committees, regulatory and other committees, Executive and the full Council can be viewed on the Council website

(www.wandsworth.gov.uk/moderngov) unless the report was published before May 2001 in which case the Democratic Services Officer can supply a copy if required.

Appendix A – Investments Overview

Short Term Liquid Investments

1. As at 31 December 2025, £70.2m were held in Money Market Funds (MMFs). MMF weighted average rates on 31 December 2025 were 4.21% compared to 5.13% at 31 December 2024. MMFs were budgeted at 4.45% for 2025/26 to follow just below Bank Rate predictions at that time.
2. The +1 day access MMF continues to grow in capital value in the first nine months of 2025/26 totalling £1.3m growth since 31 March 2025. As a Low Variable Net Asset Value Fund (LVNAV), the investment is directly related to the price of the fund and therefore, when the price increases, the value of the fund will also increase. The Council's investment as at 31 December 2025 is £40.2m.

Short Term Fixed Term Deposits

3. Opportunities for fixed term deposits (comprising banks and local authority investments) are widespread in 2025/26 especially in the local authority market. New fixed term deposits were budgeted to achieve 4.75% in 2025/26 compared to 4.92% in 2024/25. For the first 9 months of the year, fixed term deposits for Banks have achieved 3.85% on average whilst Local Authorities are 4.30%.
4. Local authority lending demand has remained high with a premium on short term borrowing rates as an alternative to short term Public Works Loan Board (PWLB) borrowing. The Council currently has invested £155m with other local authorities compared to £318m at the same time last year. As at 31 December 2025, local authorities are paying between 4.20% and 4.40% compared to between 5.10% and 5.30% in December 2024. As this type of lending is low risk, the Council has continued to offer a number of loans to other local authorities although lower than in 2024/25. The Council will continue to lend into 2026 although this is expected to reduce further if cash flow reduces due to potential internal borrowing.
5. The Council invests with several banks and renews ('rolls') these fixed term investments forward when the rates offered are competitive. The Council has not rolled any bank deals in 2025/26 due to banks reacting strongly and immediately to the decline in the Bank Rate. As at 31 December 2025, investments with banks stand at £60m compared to £65m at the same time last year. As at 31 December 2025, banks are offering a one-year fixed term deposit at 3.90% compared to 4.50% as at 31 December 2024.

Long Term Investments

6. As at 31 December 2025, pooled investment funds (Multi Asset Funds and the CCLA Property Fund) have achieved a weighted average rate of return of 4.71% against a budget of 5.08%. The current investment balance is £131.8m as at 31 December

(Paper No. 26-65)



Treasury Policy Statement 2026/27

2025. The principal investment of these funds was £130m and the 31 March 2025 value was £124.4m, showing a £7.4m recovery from the start of the year and £0.8m increase from principal in line with recovery expected after adverse market conditions effected valuations in September 2023 (i.e. 18 months to 2-year recovery). It is difficult to forecast capital bearing funds as performance depends on market conditions and the composition of each fund. Multi Asset Funds will in general improve as the Bank Rate falls as borrowing and general demand increases but will be volatile in times of Bank Rate changes or uncertainty. Property Funds will also perform better when the Bank Rate is low as the property market becomes more active with increased property prices.

7. The table below is a summary of the value of the pooled investments held at 30 December 2025 and the change from principal and the start of the financial year:

	Principal £m	March 2025 Valuation £m	December 2025 Valuation £m	Gain/(Loss) from Principal, as at December 2025 £m	Gain/(Loss) from 31 March 2025, as at 31 December 2025 £m
Multi Asset Funds	100.0	96.6	103.9	3.9	7.3
Property Funds	30.0	27.8	27.9	-2.1	0.1
Total Value	130.0	124.4	131.8	1.8	7.4

8. These funds are intended to be held long term. Combined with the LVNAV fund (+1 day MMF) as referenced in paragraph 2, all capital bearing funds are showing an overall net gain from principal of £8.0m (£1.8m gain from Multi Asset Funds and £6.2m gain from the +1 day MMF). The Investment Volatility Reserve referenced below mitigates the Council against losses in this area of activity.
9. In 2015/16, the Council approved a policy to acquire commercial investment properties to augment its revenue budgets. Between 2014/15 and 2017/18, when funding of the scheme ended, the Council spent a net £27.6m on the purchase of 10 properties. There was an additional acquisition in 2019 of the Sergeant Industrial Estate, which was acquired for strategic purposes.
10. The properties were carefully selected using a range of weighted criteria that considered location, strength of covenant, lot size, ease of letting, yield, etc. The properties' locations are diverse and range from Wandsworth, the City of London, Islington, Nine Elms to Cardiff. All the acquisitions were inspected and appraised by qualified external investment valuers and reviewed and agreed by Property Services.
11. The varied nature of the acquired portfolio and the location of the properties the portfolio has managed to weather the downturn in this investment class. The portfolio currently generates annual rents of £2.5m, up from £1.9m from the initial rents, which represents a return of 4.4% on the Council's original investment.

12. A full report on the 2025/26 treasury management performance will be made to committee as part of the outturn 2025/26 publication or with the Treasury Management mid-year review, in accordance with the arrangements prescribed in the Policy Statement.

REVIEW OF LONGER-TERM INVESTMENTS

13. The Bank Rate is forecast to fall in April 2026 to 3.5% after seeing the first reduction in May 2025 followed by the latest reduction in December 2025. Therefore, it is expected that there will be fewer high yielding short term investments available. The Council will continue to proactively consider its counterparty limits for longer term investments against a backdrop also of lower balances.
14. There are no immediate plans to add further investment to any existing or new Multi Asset or Property Funds. The Council is at present protected under IFRS 9 to 1 April 2029 of any impact from adverse losses from these funds if the current investment value gain is reversed by economic conditions or worldwide event. If the Council divested from any of the existing funds IFRS 9 would apply and any gains or losses would need to be charged to revenue in the year that they occur (currently those gains and losses sit solely on the Balance Sheet).
15. Regardless of surplus (gain) in value of the funds at present, in preparation for the override ending in 2028/29, the Council has built up a IFRS 9 Volatility Reserve over the last four years which holds £8m at present and should cover any losses of all capital bearing funds if they occurred in the future. This Reserve is not planned to be contributed to further from 2026/27.
16. Officers have also actively tried to maximise other long term deposit opportunities and mitigate against drops in interest rates and therefore invested £20m with NatWest Bank (the Council's bank) for three years and £30m with other local authorities for two years. This will provide the Council a higher interest yield through to 2027/28 and will help mitigate against further bank rate decreases.
17. The size and composition of the Council's debt at 31 December 2024 and 31 December 2025 is shown in Appendix D. In 2024/25, gross debt had reduced from £8.6m to nil, reflecting full repayments of PWLB debt. No new external borrowing has been undertaken in 2025/26 and the council does not expect to borrow externally until 2028/29 at the earliest.

REGULATIONS

18. The use of Money Market Funds by local authorities as non-capital expenditure is governed by regulation which refers to European legislation. The governance and wording of this regulation have been amended when the United Kingdom ceased to be a member of the European Union as part of The Money Market Funds (Amendment) (EU Exit) Regulations 2019 No. 394.

19. The impact of IFRS 9 on (measurement of) Financial Instruments is outlined above in paragraphs 13 and 14. All capital bearing funds will continue to be analysed alongside regulation updates from the Government and as outlined above, the Council has made provisions by setting aside a sum within a reserve.

Appendix B – Proposed Updated Treasury Policy

1. The Council balances have reduced considerably from last year and are expected to reduce further over the next three years. Assuming (most prudent position) that all General Fund and HRA borrowing is to be taken internally, balances should remain above £384m in 2026/27 and remain above the approved liquidity level of £200m in 2027/28. No other changes are proposed to the policy statement as the Policy already sufficiently supports investment and borrowing plans for 2026/27.
2. The Council is projecting to begin the year with investments greater than £430m. The Council has no PWLB loans for the Housing Revenue Account (HRA) and doesn't intend to borrow externally.

Authorised Borrowing Limit and Operational Boundary for 2026/27

3. The Council has set a borrowing limit and operational boundary for 2026/27 under Section 3 of Part 1 of the Local Government Act 2003. This limit refers only to gross borrowing, ignoring investments. It is intended to reflect the maximum amount that a local authority can borrow without further reference back to the Council. The current authorised borrowing limit and operational boundary are set at £136m and £76m, although it is not proposed that the Council will borrow up to these limits in 2026/27.

Minimum Revenue Provision Statement for 2026/27

4. Regulations issued under the Local Government Act 2003 require local authorities to calculate an annual amount of Minimum Revenue Provision (MRP) to be set aside from revenue for the repayment of debt that is "prudent". Accompanying guidance, to which local authorities should have regard, recommends the preparation of an annual statement of policy on making MRP, for approval by full Council. The MRP should not take account of capital expenditure on housing assets.
5. The Government consulted on MRP guidance in February 2022. The proposals were to strengthen the duty to make an MRP and proposed adding additional text to regulations to make it explicit that that capital receipts may not be used in place of the revenue charge and prudent MRP must be determined with respect to an authority's total capital financing requirement. Following the consultation and after sector concerns, the proposals were amended to offer more flexibility regarding capital loans, balancing the need for MRP with the risk of non-repayment. In February 2024, the consultation following the above amendments was opened by Government. The new regulations were introduced in spring 2024, but this has not changed Wandsworth's policy as the Council was already compliant with the regulations since no external or internal borrowing has been previously taken for the General Fund.
6. For Wandsworth a "prudent" MRP was, until 2017/18, nil, reflecting the fact that the Council's debt related solely to the Housing Revenue Account subsidy buy out. However, in 2016/17 internal borrowing of £7m took place to partially fund the scheme to develop Greenmead/Ronald Ross schools to be charged to the Dedicated Schools Budget (DSB).

(Paper No. 26-65)



7. It was proposed that the Council would have an MRP, commencing in 2017/18 and charged to the DSB, to repay any such internal borrowing, at the equivalent to the PWLB rate for nine years. From 2018/19 onwards, the repayment period has been extended to twelve years. This will still more than cover any minimum required under guidance for a prudent MRP.
8. To reflect any General Fund internal borrowing, at year end there will also be an amount set aside as MRP as appropriate, in line with the MRP policy.

CAPITAL STRATEGY

9. The requirement to produce an annual Capital Strategy was introduced in 2018 by amendments to CIPFA's Prudential Code and remains under later updates to the Code. The Code allows local authorities to set their own limits on borrowing as part of the freedoms and flexibilities introduced in the 2003 Local Government Act. This is achieved by setting limits to ensure that spending is affordable, prudent, and sustainable. The addition of a Capital Strategy to this framework gives further context and direction to these decisions. Investment properties are still addressed via the CIPFA Prudential Property Investment guidance which specifically addresses the decision-making process for investing in property. The proposed Capital Strategy for 2026/27 (Paper No. 26-64) is reported elsewhere on this agenda.
-

WANDSWORTH BOROUGH COUNCILTREASURY POLICY STATEMENT – MARCH 20261. SCOPE OF CORPORATE TREASURY MANAGEMENT

- 1.1. Treasury management activities are defined as the ‘management of the Council’s cash flows, 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, supporting the achievement of the Council’s business and service objectives.
- 1.2. All cash, bank balances, financial assets, borrowings and credit arrangements held or made by any person in the course of their employment by the Council fall within the scope of Corporate Treasury Management, apart from items specifically excepted for this purpose by the Executive. The current exceptions are:
- (a) Funds held as cash and as bank balances, and managed by officers of the Education and Youth Services for the purposes of school journey grants, and voluntary funds;
 - (b) Funds held as cash and as bank balances and managed by officers of the Adult Social Services Care and Public Health and Children’s Services Departments’ Care Establishments for small items of expenditure and on behalf of residents;
 - (c) Funds held in bank accounts for school disbursements and managed by officers in schools that have exercised their right to use different bankers from the Council; and
 - (d) Pension Fund investments and balances under the control of investment managers appointed by the Pensions Committee.

2. ADMINISTRATION

- 2.1. The Executive Director of Finance’s responsibilities for Treasury Management are prescribed in the Council’s Financial Regulations. Corporate Treasury Management is part of the statutory responsibility of the Executive Director of Finance under Section 151 of the Local Government Act 1972, and no other Council or school employee is authorised to borrow or make credit arrangements on behalf of the Council.
- 2.2. Subject to 2.3 below, the Executive Director of Finance has delegated authority in relation to Treasury Management as follows:
- (a) To invest any surplus balances of the Council’s funds other than the Pension Fund and to sell investments for the purpose of re-investment or to meet the needs of a particular fund.

Treasury Policy Statement

(b) to administer the Council's external debt within the ambit of any policy as to borrowing which the Council may have from time to time determined, and specifically:

(i) to raise, repay, renew and otherwise vary the terms of the loans; and

(ii) to enter into any collateral agreements necessary to facilitate effective debt management; and

(iii) to negotiate and enter into leasing agreements to finance the acquisition of vehicles, plant and equipment and to enter into any collateral agreements necessary to facilitate an effective leasing policy.

2.3. The Executive Director of Finance shall submit for the approval of the full Council by 31st March of each year, a Treasury Policy Statement defining the overall arrangements and strategy for the ensuing financial year, a report on the exercise of their delegated authority by 30th September in the following financial year, and a mid-year review report. Such statements and reports will have regard to good professional practice and relevant codes such as the CIPFA Guide to Treasury Management in the Public Services. The Policy Statement shall distinguish between general strategy, which shall be followed without exception, and strategy specific to the circumstances foreseen for the coming year, from which the Executive Director may depart if changed circumstances so require provided that the departure shall be reported to the next available meeting of Cabinet (or Finance Committee) and the Council. The Executive Director may depart from the policy to act upon the lowest credit rating of the three credit rating agencies when making investment decisions, following consultation with the Cabinet Member for Finance, if circumstances become such that investment opportunities under this policy are so restricted that it is not possible to place investments other than with the Debt Management Account Deposit Facility (DMADF).

2.4. The Executive Director of Finance will ensure that there are clear written statements of the responsibilities for each post engaged in treasury management, and the arrangements for absence cover. The Executive Director of Finance will also ensure that those engaged in treasury management follow the policies and procedures set out. The present arrangements are documented and monitored by the responsible officer in effective day to day management of the treasury management function.

2.5. Treasury Management activities and issues shall be reviewed at least monthly at the Treasury Management meeting within the Finance Department chaired by the Executive Director and attended by the Director of Financial Management and the Chief Accountant. This meeting discusses strategic decisions relating to items such as structure of investments and timing of long-term borrowing. The Executive Director of Finance or, in their absence, the Director of Financial Management may authorise changes in strategy previously defined at a monthly meeting if circumstances require.

2.6. The Council uses specialist Treasury Management advisers who are appointed at least once every four years to carry out an independent review of the Council's Treasury Management activities, to include an assessment of risk. The 2025 review is complete and the next due in March 2029. Advisors may also be appointed for advice on a one-off specific treasury management activity if the Executive Director of Finance considers that it is appropriate.

3. GENERAL STRATEGY

3.1. Corporate Treasury Management will be conducted in a manner that regards the successful identification, monitoring, and control of risk as of prime importance, and accordingly the analysis and reporting of treasury management will include a substantial focus on the risk implications and employ suitable performance measurement techniques within the context of effective risk management.

3.2. Investments:

3.2.1. Cash Balances

The Council shall not borrow to make financial investments. Investment of the Council's surplus cash balances (other than the exceptions listed under longer term investments) shall be for up to 364 days through brokers in the sterling money market, through an investment firm in Certificates of Deposit (CDs), directly through the Government's DMADF, directly with sterling AAA rated Money Market Funds (MMFs), or directly with sterling A rated Notice Funds at banks that own 20% or more by the UK Government (e.g. NatWest Group). Investments may also be placed directly with institutions where more attractive interest rates can be obtained than by investing through brokers. Where MMFs are used, the choice of fund shall be determined at the monthly Treasury Management meeting within the Finance Directorate, as described in paragraph 2.5 above. At least 20% of the portfolio shall be invested for 3 months or less, and the remaining balance shall be invested for periods of between 3 months and 364 days, except in the case of longer-term investments referred to in paragraph 3.2.5.

3.2.2. Investments

Investments shall, subject to the exceptions listed under long term investments in paragraph 3.2.5, be placed with institutions in accordance with the following criteria shown in the table and sub-paragraphs below. Any non-UK financial institution must have a country of origin with a sovereign credit rating of at least AA.

<u>Policy para 3.2.2</u>	<u>Short-term rating</u>	<u>Long-term rating</u>	<u>Short-term watch</u>	<u>Institution</u>	<u>Maximum Investment</u>	<u>Maximum Investment > 6 months</u>
(a)	F1+	AA-	Not Negative	UK or non-UK	£50m	£30m
(b)				UK Local Authority or precepting authority	£100m	£100m
(c)	F1+	AA-	Negative	UK or non-UK	£20m	Nil
(d)	F1+	A	Not Negative	UK or non-UK	£20m	£20m
(e)	F1+	A	Negative	UK or non-UK	£10m	Nil
(f)	F1	A	Not Negative	UK or non-UK	£10m	£10m
(g)	F1	A+	Negative	UK or non-UK	£5m	Nil
(h)	F1	A	Not Negative	UK or non-UK – 2 out of 3 rating agencies	£10m	3 months only
(i)				NatWest Group	£50m	

Treasury Policy Statement

- (a) up to £50m with UK or non-UK institutions with a Fitch credit rating of at least F1+ short-term, AA- long-term, and a short-term watch that is not negative, (or equivalent under Moody's or Standard and Poor's), and where generally no more than £30m is placed for periods longer than 6 months.
- (b) up to £100m with other UK local authorities or precepting authorities.
- (c) up to £20m for a maximum of 6 months with UK or non-UK institutions with a Fitch credit rating of at least F1+ short-term, AA- long-term, and a short-term watch that is negative (or equivalent under Moody's or Standard and Poor's).
- (d) up to £20m with UK or non-UK institutions with a Fitch credit rating of at least F1+ short-term, A long-term, and a short-term watch that is not negative (or equivalent under Moody's or Standard and Poor's).
- (e) up to £10m for a maximum of 6 months with UK or non-UK institutions with a Fitch credit rating of at least F1+ short-term, A long-term, and a short-term watch that is negative (or equivalent under Moody's or Standard and Poor's).
- (f) up to £10m with UK or non-UK institutions with a Fitch credit rating of at least F1 short-term, A long-term, and a short-term watch that is not negative (or equivalent under Moody's or Standard and Poor's).
- (g) up to £5m for a maximum of 6 months with UK or non-UK institutions with a Fitch credit rating of at least F1 short-term, A+ long-term, and a short-term watch that is negative (or equivalent under Moody's or Standard and Poor's).
- (h) up to £10m with UK or non-UK institutions for a maximum of 3 months where 2 out of 3 credit rating agencies have a Fitch credit rating of at least F1 short-term, A long-term, and a short-term watch that is not negative (or equivalent under Moody's or Standard and Poor's).
- (i) up to £50m with banks owned 20% or more by the UK Government (e.g. NatWest Group). Included in this limit is any balance held in notice funds held with these institutions.

The credit ratings from Fitch, Moody's and Standard and Poor's shall be reviewed monthly and before any investment is placed, and the lowest of the three will be used.

3.2.3. Bank Investments

In addition to criteria set out in 3.2.2 investments with banks shall not exceed the following percentage parameters.

- (a) No more than 40% of total investments shall be held in banks as fixed term deposits (this excludes those banks owned 20% or more by the UK Government (e.g. NatWest Group).
- (b) No more than 30% of total investments shall be held in overseas banks as fixed term deposits.

- (c) No more than 10% of total investments shall be held in one overseas sovereign country in relation to fixed term deposits.

The above investment criteria shall be regarded as maximum levels and due regard shall be had to market conditions. Restrictions on the above limits may be placed from time to time on a temporary basis by the Executive Director of Finance or, in their absence, the Director of Financial Management. Any such temporary restrictions applied shall be reported to the next available meeting of Cabinet or Finance Committee, and the Council.

3.2.4. Money Market Funds and Short Dated Income Funds

Investments may also be placed directly in sterling MMFs with AAA ratings or with Short Dated Income Funds with AA ratings. Investments shall be placed in accordance with the following criteria:

- (a) These Funds may be either short-dated funds with daily liquidity or slightly longer dated funds with a short notice period. Where MMFs are used this is to be determined at the monthly Treasury Management meeting within the Finance Department, as described in paragraph 2.5 above. Daily operation of the funds will be managed by the Treasury Management Team within the Financial Management Division.
- (b) The maximum overall limit for the use of MMFs and Short Dated Income Funds shall be 50% of total investments.
- (c) The maximum limit for each counterparty with AAA rating shall be £50m.
- (d) The Federated +1-day MMF may exceed £50m to allow for capital appreciation only. Principal investment (including net investments and divestments must remain under £50m). This capital value will be formally reviewed at the monthly Treasury Management Meeting with the Executive Director of Finance each month.
- (e) Each MMF shall have as a minimum AAA credit rating from one of the three main credit rating agencies and, if the Fund has more than one rating, each rating shall be AAA.
- (f) Each Short-Dated Income Fund shall have as a minimum AA credit rating from one of the three main credit rating agencies.
- (g) The maximum investment placed in any Fund shall not exceed £50m in total assets under management in the Fund (excluding the capital bearing MMF which is bound by 3.2.4 (d)).
- (h) For an AA rated Short Dated Income Fund, the maximum investment in any Fund shall not exceed £5m, or 7.5% of assets under management, whichever is lower.
- (i) Short Dated Income Funds held at a bank which is 20% or more owned by the UK Government (e.g. NatWest Group) are exempt from the criteria in paragraphs 3.2.4 (f-h) but subject to the restriction in paragraph 3.2.2 (i).

Treasury Policy Statement

3.2.5. Longer Term Investments. Investments for periods longer than 364 days must be authorised by the Executive Director of Finance and placed in accordance with the following criteria:

- (a) Investments shall be for no longer than three years, unless specifically identified as one of the exceptions under b) below. The amount that can prudently be invested for longer than 364 days (with banks or local authorities), but for no longer than three years, must relate to forecasts of investments considering foreseeable net spending needs and allowing for adequate reserves and contingencies. The Council will allow the maximum amount to be invested for longer than 364 days but for no longer than three years of £100m. Investments over 364 days shall not exceed £50m with any individual counterparty. Non-specified investments of this type must also have 50% of the aggregate total maturing within two years.
- (b) Investments may be placed for periods longer than three years as follows. Any such investments will not count against the £100m limit in a) above.
- (i) Up to £50m may be placed in a Property Fund that is set up under a scheme approved by HM Treasury so that it does not count as capital expenditure. Total investments in a Property Fund should not be greater than 5% of total investments, or greater than 10% of the lowest cash flow projection over 3 years (inclusive of the year of investment), when placed.
- (ii) Up to £50m may be placed in a Covered Bond. The bond will have a maturity period of no longer than three years and will have a credit rating of AAA from at least one of the three credit rating agencies. If the bond issuer is one of the institutions on the Council's investment list this investment will not count against the limit for that counterparty under paragraph 3.2.2.
- (iii) Loans may be made to Staff Mutuals, other Service Providers or Voluntary Organisations at market rates of interest. The detailed terms of each loan will be determined on an individual basis by the Executive Director of Finance, subject to an overall maximum limit of £5m per loan.
- (iv) Loans may be made by any Joint Venture arrangement, development partner or vehicle set up for the purpose of regenerating the Council's housing estates. This may be in either cash or backed by property assets. Any such investment shall not exceed £50m per investment/ loan type and £125m in total.
- (v) Loans may be made to Wandsworth based Business Improvement Districts (BIDS) for start-up loans at up to market rates of interest to an overall maximum limit of £1m.
- (vi) Investments may be made from the Pensions Resilience Reserve and other cash balances up to an aggregate limit of £150m for around five years, subject to meeting the criteria that investments do not count as capital expenditure. The following classes of assets may be utilised – Individual Corporate Bonds (grade BBB and above), Fixed Income Funds, Equity Funds and Mixed Asset Funds (including Multi Asset Credit). In addition, investments may be made in products akin to those currently used by the

Pension Fund. Where practicable, suitable hedging arrangements will be made on all such investments; however, it is recognised that hedging (outside a fund) against downside risk will often be cost prohibitive therefore risk management will focus on diversification. The total amount invested with any one manager shall not exceed £35m unless capital appreciation takes an initial investment over that value. Any new investment should not make the cumulative investments higher than 25% of total investments or 25% of the lowest cash flow projection over 3 years (inclusive of the year of investment) when placed.

- (vii) The investment of amounts set aside from HRA reserves for repayment of long-term PWLB loans which may be invested for longer periods, if the maturity date is no later than the maturity date of the long-term PWLB loan.

3.3. No credit arrangements shall be undertaken except:

- (a) leases of land and buildings approved by the Executive or under powers delegated to the Head of Property or another officer; and
- (b) finance leases for vehicles, plant, and equipment on terms more favourable than realisation of investments.

3.4. Generally, the Council’s borrowing shall be taken in the form of loans. The duration of the loan will be guided by the current interest rate forecast and the Council’s current debt profile. Long-term loans shall be taken up either through brokers in the sterling money market, the Public Works Loan Board (PWLB), or by the issuing of a bond.

The Town Hall
Wandsworth
SW18 2PU

Fenella Merry
Executive Director of Finance

25th February 2026



APPENDIX D
Paper No. 26-65

TOTAL DEBT				
			Balance	Balance
	Maturity Date	Rate of Interest	31/12/2024	31/12/2025
		%	£'000	£'000
<u>Long-Term Debt</u>				
Public Works Loan Board - Equal				
Instalments of Principal Loans	28/03/2025	N/A	8,601	-
Total Long-Term Debt			8,601	-
<u>Deposit Facilities for other Bodies</u>				
North East Surrey Crematorium Board			800	440
Western Riverside Waste Authority			26,050	22,000
<u>TOTAL DEBT</u>			35,451	22,440

	Value £m	Interest Rate	Fitch Ratings		Outlook
			Long Term	Short Term	
Bank Account					
Natwest Bank	1.5	2.00%	A+	F1	Not Negative
Money Market Funds					
Deutsche Sterling Platinum	31.1	3.88%	AAA rating		
Federated Global Cash Plus (1 Day Notice)	40.2	3.92%	AAA rating		
Insight Liquidity Fund	12.5	3.90%	AAA rating		
Fixed - Under 3 Months Remaining					
Australia and New Zealand Banking Group Ltd	10.0	4.45%	AA-	F1+	Not Negative
Cornwall County Council	10.0	4.30%			
Cornwall County Council	10.0	4.40%			
First Abu Dhabi Bank PJSC	20.0	4.30%	AA-	F1+	Not Negative
First Abu Dhabi Bank PJSC	10.0	4.20%	AA-	F1+	Not Negative
Surrey County Council	10.0	4.40%			
Surrey County Council	5.0	4.55%			
Fixed - 3 to 6 Months Remaining					
Australia and New Zealand Banking Group Ltd	20.0	4.39%	AA-	F1+	Not Negative
Cornwall County Council	20.0	4.40%			
Plymouth City Council	10.0	4.25%			
South Ayrshire Council	5.0	4.40%			
Surrey County Council	5.0	4.40%			
West Dunbartonshire Council	10.0	4.15%			
Fixed - 6 Months to 1 Year Remaining					
Aberdeen City Council	10.0	4.55%			
Aberdeen City Council	10.0	4.25%			
Aberdeen City Council	10.0	4.30%			
Aberdeen City Council	5.0	4.15%			
Fife Council	10.0	4.40%			
Moray Council	5.0	4.40%			
Powys County Council	10.0	4.30%			
West Dunbartonshire Council	10.0	4.30%			
Fixed - Over 1 Year Remaining					
NatWest Bank	10.0	4.82%	A+	F1	Not Negative
NatWest Bank	10.0	4.44%	A+	F1	Not Negative
Northumberland County Council	20.0	4.40%			
Northumberland County Council	10.0	4.30%			
Longer Term Investments					
CCLA Property Fund					
	27.9	4.49%			
Multi Asset Income Funds					
Aegon Diversified Monthly Income Fund	21.7	5.44%			
Artemis Monthly Distribution Fund	18.7	3.85%			
Fidelity Multi Asset Income Fund	25.5	6.97%			
JPM Multi-Asset Income Fund	15.7	3.72%			
Royal London Sustainable Fund	22.4	3.76%			
TOTAL INVESTMENTS 31 DECEMBER 2025	482.2				

INVESTMENTS AT 31 March 2025

	Value £m	Interest Rate	Fitch Ratings		
			Long Term	Short Term	
Bank Account					
NatWest Bank	0.8	2.50%	A+	F1	Not Negative
Money Market Funds					
Aberdeen Liquidity (Lux)	39.5	4.54%	AAA rating		
Federated Global Cash Plus (1 Day Notice)	39.0	4.53%	AAA rating		
Fixed - Under 3 Months Remaining					
Central Bedfordshire Council	5.0	4.80%			
Cheshire East Council	5.0	5.15%			
Cheshire East Council	10.0	5.10%			
Cheshire East Council	20.0	5.20%			
Cornwall County Council	10.0	4.70%			
Cornwall County Council	30.0	4.85%			
DBS Bank Ltd.	10.0	4.73%	AA-	F1+	
First Abu Dhabi Bank PJSC	10.0	5.25%	A+	F1	
First Abu Dhabi Bank PJSC	10.0	5.30%	A+	F1	
First Abu Dhabi Bank PJSC	10.0	5.39%	A+	F1	
South Ayrshire Council	5.0	5.20%			
Surrey County Council	10.0	5.02%			
West Dunbartonshire Council	10.0	5.20%			
Fixed - 3 to 6 Months Remaining					
Aberdeen City Council	10.0	4.80%			
Aberdeen City Council	5.0	4.95%			
Aberdeen City Council	10.0	5.10%			
Manchester City Council	10.0	4.80%			
Monmouthshire County Council	5.0	5.10%			
North Lanarkshire Council	10.0	5.05%			
North Tyneside Metropolitan Borough Council	3.0	4.80%			
North Tyneside Metropolitan Borough Council	10.0	4.55%			
Powys County Council	10.0	4.80%			
West Dunbartonshire Council	5.0	4.75%			
West Dunbartonshire Council	5.0	5.20%			
Worcestershire County Council	10.0	4.80%			
Fixed - 6 Months to 1 Year Remaining					
Aberdeen City Council	10.0	4.95%			
Aberdeenshire Council	5.0	5.05%			
Cambridgeshire County Council	10.0	4.55%			
Cambridgeshire County Council	10.0	4.70%			
Cambridgeshire County Council	10.0	4.75%			
Falkirk Council	10.0	4.85%			
Fife Council	20.0	4.95%			
London Borough of Brent	10.0	4.75%			
London Borough of Brent	10.0	4.85%			
Moray Council	5.0	4.55%			
Suffolk County Council	10.0	4.75%			
West Dunbartonshire Council	5.0	4.75%			
Fixed - Over 1 Year Remaining					
NatWest Bank	10.0	4.82%	A+	F1	Not Negative
Longer Term Investments					
CCLA Property Fund					
	27.8	4.99%			
Multi Asset Income Funds					
Artemis Monthly Distribution Fund	19.9	6.03%			
JPM Multi-Asset Income Fund	16.2	4.20%			
Fidelity Multi Asset Income Fund	24.7	5.98%			
Aegon Diversified Monthly Income Fund	14.5	3.61%			
Royal London Sustainable Trust	21.3	3.82%			
TOTAL INVESTMENTS 31 MARCH 2025	566.7				

Prudential Indicators

The Local Government Act 2003 requires councils to have regards for the Prudential Code when determining how much money it can afford to borrow. The Prudential Code requires local authorities ensure their capital investment plans are affordable, prudent and sustainable and treasury management decisions are taken in accordance with sound professional practices. The Prudential Code details a number of measures, limits and parameters known as Prudential Indicators (PIs) that are required to be set, monitored and evaluated each financial year.

The Prudential Code and PIs should be taken into account throughout financial planning processes. Forecasts should be regularly updated as the capital programme develops, and budget proposals should be considered in terms of their impact on the overall corporate position. Integration of these features into financial processes ensures that prudence and affordability are taken into account.

PIs are therefore included within this report to document the estimated outturn for this financial year, the forthcoming financial year and the subsequent two years as required.

Capital Expenditure Indicators

Capital expenditure indicators are designed to provide an overview of capital expenditure plans as they are a key driver of treasury management activity.

A. Capital Expenditure

Councils are only authorised to borrow long term to fund capital spend (although they can borrow very short term to cover cash flow). The financing of the Capital Programme is therefore key to determining future borrowing need.

Capital expenditure forms the basis of determining the need to borrow. The capital expenditure shown in this indicator reflects the actual/estimated Capital Programme from 2024/25 to 2028/29:

	Actual 2024/25 £000	Estimate 2025/26 £000	Estimate 2026/27 £000	Estimate 2027/28 £000	Estimate 2028/29 £000
HRA Capital Programme	105,711	122,737	264,702	323,647	196,787
General Fund Capital Programme	79,021	120,339	161,592	106,925	53,605
Estimated Cash Impact at Outturn			-149,203	-86,114	235,317
Total Capital Expenditure	184,732	243,076	277,091	344,458	485,709
Of Which (HRA):					
Financed from Grants & Contributions	7,752	42,503	25,132	21,964	10,096
Financed by Wandsworth (Capital Receipts & Reserves)	47,583	31,615	37,746	52,421	80,655
<i>New Borrowing Required by Programme:</i>					
Internal Borrowing	50,376	48,619	109,178	184,533	0
External Borrowing	0	0	0	0	263,411
Of Which (GF):					
Financed from Grants & Contributions	50,526	82,852	79,653	58,636	50,245
Financed by Wandsworth (Capital Receipts & Reserves)	17,871	6,818	10,564	1,829	1,272
<i>New Borrowing Required by Programme:</i>					
Internal Borrowing	10,624	30,669	14,817	25,076	80,030
External Borrowing	0	0	0	0	0
Total Financing	184,732	243,076	277,091	344,458	485,709

The estimate of capital expenditure changes during the course of the year as schemes are added, completion dates change, or as additional resources become available to reduce the need to borrow. The budget monitoring reports during the year detailed these changes.

The amount financed by Wandsworth includes the use of capital receipts that the Council has generated during the current and previous years. Amounts financed by Wandsworth also includes direct revenue contributions and use of earmarked reserves (primarily the HRA Major Repairs Reserve for the HRA).

Actual capital expenditure is projected to rise over the next three years, in line with the current approved capital programme. To ensure the council is managing its resources effectively, slippage has been included which is based on trends seen in previous financial years. As per the liability benchmark, which should be used to decide on the appropriate time to borrow externally, it is assumed that the General Fund will continue to borrow internally as cash reserves are at an adequate level. The liability benchmark is currently showing that the HRA will need to externally borrow in 2028/29.

B. The Capital Financing Requirement

The Capital Financing Requirement (CFR) determines the authority's underlying need to borrow for capital purposes. Schemes that have no specific funding source increase the authority's underlying need to borrow hence the CFR increases. The level of provision required to repay debt (MRP) also increases, which will decrease the CFR.

HRA CFR	<u>Actual</u> 2024/25 £000	<u>Estimate</u> 2025/26 £000	<u>Estimate</u> 2026/27 £000	<u>Estimate</u> 2027/28 £000	<u>Estimate</u> 2028/29 £000
Opening CFR	127,207	135,570	172,679	269,375	439,242
Schemes financed by Borrowing (incl. leases)	50,376	48,619	109,178	184,533	263,411
MRP contributions to fund the Requirement	-42,013	-11,510	-12,482	-14,666	-20,082
Closing CFR	135,570	172,679	269,375	439,242	682,571

General Fund CFR	<u>Actual</u> 2024/25 £000	<u>Estimate</u> 2025/26 £000	<u>Estimate</u> 2026/27 £000	<u>Estimate</u> 2027/28 £000	<u>Estimate</u> 2028/29 £000
Opening CFR	15,643	25,802	55,780	69,144	92,457
Schemes (potentially) financed by Borrowing (incl. leases)	10,624	30,669	14,817	25,076	80,030
MRP contributions to fund the Requirement	-465	-691	-1,453	-1,763	-2,251
Closing CFR	25,802	55,780	69,144	92,457	170,236

The CFR increases when there is an increase in spending which is not funded from existing resources. The Council would therefore need to borrow to fund this expenditure. The CFR does not distinguish between real borrowing (either by taking out a loan or financing lease from an external body) and internal borrowing from cash flow.

C. Ratio of Financing Costs to Net Revenue Stream

The General Fund indicator compares the net financing costs budget (interest payable and amounts set aside for actual repayment of principal, and interest receivable) to the Council's Budget Requirement (before Revenue Support Grant, Business Rates and Council Tax). The HRA indicator compares the net financing costs budget (as above) to the HRA to revenue expenditure.

HRA	<u>Actual</u> 2024/25 £000	<u>Estimate</u> 2025/26 £000	<u>Estimate</u> 2026/27 £000	<u>Estimate</u> 2027/28 £000	<u>Estimate</u> 2028/29 £000
Net Financing Costs	23,334	5,166	6,978	10,350	25,364
Net Revenue Stream	212,755	175,285	181,577	192,965	208,274
As a Ratio	10.97%	2.95%	3.84%	5.36%	12.18%

General Fund	<u>Actual</u> 2024/25 £000	<u>Estimate</u> 2025/26 £000	<u>Estimate</u> 2026/27 £000	<u>Estimate</u> 2027/28 £000	<u>Estimate</u> 2028/29 £000
Net Financing Costs	-17,150	-12,350	-10,339	-9,607	-9,198
Net Revenue Stream	199,711	233,092	309,325	325,094	322,098
As a Ratio	-8.59%	-5.30%	-3.34%	-2.96%	-2.86%

Financing costs represent the net interest costs (interest receivable less interest payable on debt) and a prudent provision for debt repayment (the Minimum Revenue Provision).

The General Fund Net Financing Costs are negative as interest receivable income is higher than interest payable costs. However this reduces as cash is used up for internal borrowing and interest rates are predicted to fall. For the HRA, Net Financing Costs are positive as interest payable is the dominant factor. HRA financing costs reduced in 2025/26 as existing external borrowing from the PWLB has been repaid, and increase in subsequent years as new borrowing is forecast to be taken.

Indicators of Prudence

Prudence indicators are designed to ensure authorities consider the impact of their spending decisions on borrowing. To do this, they compare Gross Borrowing (being loan debt and other financing lease arrangements) to the Capital Financing Requirement.

D Gross Debt and the Capital Financing Requirement

The Prudential Code states that 'In order to ensure that over the medium term borrowing will only be for a capital purpose, the local authority should ensure that borrowing does not, except in the short term, exceed the total of capital financing requirement in the preceding year plus the estimates of any additional capital financing requirement for the current and next two financial years.'

Gross Debt is defined as all external borrowing in the form of loans as well as financing leases.

The limit for debt is based on the current CFR plus the increase in the CFR over the next 3 years (the amount of the capital programme which is financed from borrowing in these years) to comply with the Code.

This limit allows authorities to borrow to meet their current need and to borrow in advance of need where this is prudent. For example, if an authority has £50m borrowing planned for capital spend over the next 3 years and interest rates are anticipated to rise next year, it could be prudent to borrow some of that £50m now.

	<u>Actual</u> <u>2024/25</u> <u>£000</u>	<u>Estimate</u> <u>2025/26</u> <u>£000</u>	<u>Estimate</u> <u>2026/27</u> <u>£000</u>	<u>Estimate</u> <u>2027/28</u> <u>£000</u>	<u>Estimate</u> <u>2028/29</u> <u>£000</u>
Gross External Debt Limit Set	327,658	558,139	823,942	1,163,444	1,390,894
Gross External Debt	16,355	16,505	16,555	14,605	278,341
Amount above/(below) limit	-311,303	-541,634	-807,386	-1,148,839	-1,112,553

The Council is well within this limit and the Indicator is split further below between the General Fund and HRA for information. The HRA large variance is due to internal borrowing having been taken over the past few years and into 2025/26, external borrowing is expected to be taken in 2028/29. As external debt is taken this amount below the limit starts to decrease. The General Fund's Gross External Debt is due to balances being held on behalf of external bodies, these balances are expected to reduce.

<u>Of which:</u>	<u>Actual</u> <u>2024/25</u> <u>£000</u>	<u>Estimate</u> <u>2025/26</u> <u>£000</u>	<u>Estimate</u> <u>2026/27</u> <u>£000</u>	<u>Estimate</u> <u>2027/28</u> <u>£000</u>	<u>Estimate</u> <u>2028/29</u> <u>£000</u>
<u>HRA Debt Limit</u>					
Gross External Debt Limit Set	269,375	476,351	691,938	1,008,438	1,178,597
Gross External Debt	0	0	0	0	261,686
Amount above/(below) limit	-269,375	-476,351	-691,938	-1,008,438	-916,911

<u>General Fund Debt Limit</u>	<u>Actual</u> <u>2024/25</u> <u>£000</u>	<u>Estimate</u> <u>2025/26</u> <u>£000</u>	<u>Estimate</u> <u>2026/27</u> <u>£000</u>	<u>Estimate</u> <u>2027/28</u> <u>£000</u>	<u>Estimate</u> <u>2028/29</u> <u>£000</u>
Gross External Debt Limit Set	58,283	81,788	132,003	155,006	212,297
Gross External Debt	0	0	0	0	0
Amount above/(below) limit	-58,283	-81,788	-132,003	-155,006	-212,297

The Council does not currently have any external debt, it does hold balances on behalf of NESCB which is recorded as short-term borrowing on the Council's balance sheet.

Indicators for Treasury Management

The CIPFA Code of Practice sets out best practice in treasury management. All Treasury activities currently adhere to the Code of Practice and regular reviews ensure that this continues.

E. Authorised Limit for External Debt

The authorised limit is the absolute limit of borrowing based upon the authority's plans and includes sufficient headroom for unpredictable cash movements, this currently calculated as £50 million above the operational boundary. External Debt includes both direct borrowing and indirect borrowing implied in a finance lease. It excludes internal borrowing.

	<u>Actual</u> <u>2024/25</u> <u>£000</u>	<u>Estimate</u> <u>2025/26</u> <u>£000</u>	<u>Estimate</u> <u>2026/27</u> <u>£000</u>	<u>Estimate</u> <u>2027/28</u> <u>£000</u>	<u>Estimate</u> <u>2028/29</u> <u>£000</u>
Authorised Limit Set	153,600	136,500	136,600	134,600	398,400
Gross External Debt	0	0	0	0	261,686
Amount above/(below) limit	-153,600	-136,500	-136,600	-134,600	-136,714

Of which:	<u>Actual</u> <u>2024/25</u> <u>£000</u>	<u>Estimate</u> <u>2025/26</u> <u>£000</u>	<u>Estimate</u> <u>2026/27</u> <u>£000</u>	<u>Estimate</u> <u>2027/28</u> <u>£000</u>	<u>Estimate</u> <u>2028/29</u> <u>£000</u>
HRA Debt Limit					
Gross External Debt Limit Set	77,200	60,000	60,000	60,000	321,700
Gross External Debt	0	0	0	0	261,686
Amount above/(below) limit	-77,200	-60,000	-60,000	-60,000	-60,014

	<u>Actual</u> <u>2024/25</u> <u>£000</u>	<u>Estimate</u> <u>2025/26</u> <u>£000</u>	<u>Estimate</u> <u>2026/27</u> <u>£000</u>	<u>Estimate</u> <u>2027/28</u> <u>£000</u>	<u>Estimate</u> <u>2028/29</u> <u>£000</u>
General Fund Debt Limit					
Gross External Debt Limit Set	76,400	76,500	76,600	74,600	76,700
Gross External Debt	0	0	0	0	0
Amount above/(below) limit	-76,400	-76,500	-76,600	-74,600	-76,700

F. Operational Boundary

The operational boundary should be based upon the authority's planned borrowing plus head room for fluctuations year, the head room is currently at £70 million which is the liquidity allowance that the Council aims to hold as part of its liability benchmark. It excludes internal borrowing as per Indicator F.

	<u>Actual</u> <u>2024/25</u> <u>£000</u>	<u>Estimate</u> <u>2025/26</u> <u>£000</u>	<u>Estimate</u> <u>2026/27</u> <u>£000</u>	<u>Estimate</u> <u>2027/28</u> <u>£000</u>	<u>Estimate</u> <u>2028/29</u> <u>£000</u>
Operational Boundary Set	104,000	87,000	87,000	85,000	348,000
Projected External Debt	0	0	0	0	261,686
Amount below Limit	-104,000	-87,000	-87,000	-85,000	-86,314

G. Liquidity Risk Indicator

The Council has adopted a voluntary measure of its exposure to liquidity risk to meet unexpected payments. This cash will be held in a money market fund, the Council has deemed an appropriate level of liquidity to be £70m. £40m of this is held in a capital growth Money Market Fund that needs one day notice to withdraw from, the Council does not usually withdraw from this fund as it is traditionally very high performing. The remainder of the Council's liquidity is held in same day access Money Market Funds.

	<u>Actual</u> <u>2024/25</u> <u>£'000</u>	<u>Estimate</u> <u>2025/26</u> <u>£'000</u>	<u>Estimate</u> <u>2026/27</u> <u>£'000</u>	<u>Estimate</u> <u>2027/28</u> <u>£'000</u>	<u>Estimate</u> <u>2028/29</u> <u>£'000</u>
Average Cash held in MMF +1 day (£40m target)	42,000	40,000	40,000	40,000	40,000
Average Cash held in MMFs (£30m target)	99,000	62,000	30,000	30,000	30,000

The Council has kept more than enough liquidity to meet the target of £70m liquidity. However the Council should try and keep closer to the £70m target to ensure we are maximising income from less liquid investments. Due to the yearly cash cycle this indicator will likely remain above the target.

H. Interest Rate Risk Exposure

The Council has adopted a voluntary measure of its exposure to interest rate risk. The table below shows the impact of a 1% change in interest rates. The Council is not expected to borrow any money until 2028/29 and therefore an interest rate rise in 2026/27 and 2027/28 has a positive affect on the Council's Treasury budget. In 2028/29 the Council is expected to borrow for its Housing Revenue Account and therefore the affect of a 1% rise in interest rates has an adverse affect.

	<u>2026/27</u>	<u>2027/28</u>	<u>2028/29</u>	<u>2029/30</u>
	<u>£'000</u>	<u>£'000</u>	<u>£'000</u>	<u>£'000</u>
Revenue impact of a 1% rise in interest rates	-1,083	-738	665	3,033
Revenue impact of a 1% decrease in interest rates	1,748	837	-661	-3,022

I. Adoption of the CIPFA Code of Practice for Treasury Management

The CIPFA Code of Practice sets out best practice in treasury management and the Code has always been followed by Wandsworth. The Prudential Indicator states that authorities should adhere to the Code of Practice. All treasury activities adhere to the Code of Practice and regular reviews ensure that this continues.

Appendix G - Liability Benchmark

This is a new requirement in the CIPFA Treasury Management Code that the Council must report on. It compares the Council's external loans against its current and future borrowing need, net of cash resources that could be applied to suppress external debt (internal borrowing).

The liability benchmark is intended to highlight whether external borrowing is required and, if so, when, how much and for how long.

As a minimum, the local authority will estimate and measure the liability benchmark for the forthcoming financial year and the following two financial years. However, CIPFA strongly recommends that the liability benchmark is produced for at least ten years.

The liability benchmark is not a single measure but should be presented as a chart of four balances as follows:

Existing Loan Debt Outstanding: the authority's existing loans that are still outstanding in future years - this is nil for Wandsworth.

Loans Capital Financing Requirement: this represents the unfinanced element of the capital programme yet to be paid for by a cash resource. This is calculated in accordance with the "loans CFR" definition in the Prudential Code and projected into the future based on approved prudential borrowing. This is not the same as the "accounting CFR" which includes finance leases (and Public Finance Initiatives where applicable – Wandsworth has none). Deducted from the loans CFR is the Minimum Revenue Provision (MRP) set aside to repay the liability.

Net Loans Requirement: external loans less cash investment balances projected into the future and based on the approved prudential borrowing, planned MRP and any other major cash flows forecast.

Liability benchmark (or Gross Loans Requirement) = Net loans requirement + short term liquidity allowance.

The short term liquidity allowance provides a level of liquidity for daily cash flow management.

The Council's overall Liability Benchmark

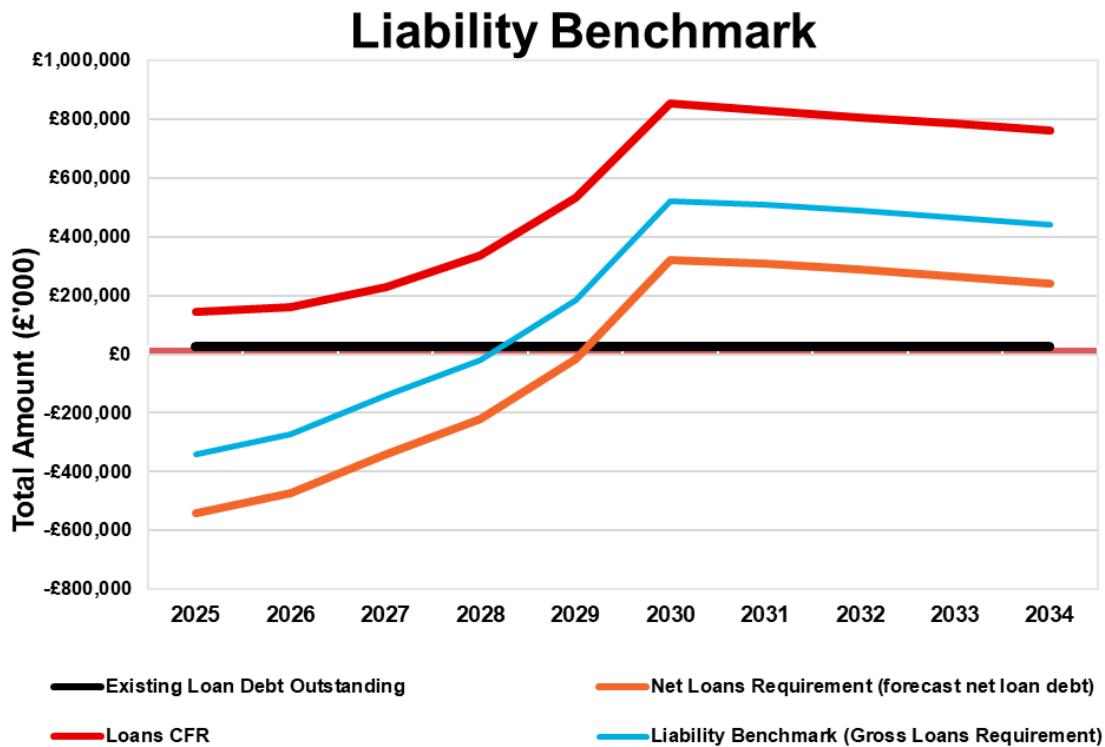
The graph below shows when the Council would need to externally borrow to fund its capital commitments across the HRA and General Fund, whilst keeping an appropriate level of liquidity. The liquidity level that has been deemed acceptable is £200m, £150m for the General Fund and £50m for the HRA.

This is a relatively high liquidity level, and this reflects that the Council holds £130m of its investments in multi asset funds and property funds that are intended to be held for

(Paper No. 26-65)

a longer period of time (as their value can fluctuate over time) and would not want to be withdrawn from. Adjusting for this therefore increases the liquidity requirement i.e. the headroom above the net loans requirement which is considered to be the *real* level at which point external borrowing is required. This level is discretionary, can be altered if required, and will be kept under review.

The liability benchmark has been plotted over ten years as this period covers all the borrowing decisions that have been made to date across both the HRA and General Fund. Projecting further forward than this would be of little benefit at this stage as the benchmark does not make assumptions about future investment decisions not yet made. This period will be kept under review to ensure the benchmark is presented appropriately.



Potential external borrowing is represented by the liability benchmark (blue line) being above zero (i.e. above the x-axis). The graph shows that, based on current approved spending plans, the Council would need to borrow £165m externally in 2028/29 to remain within the liability benchmark, with internal borrowing continuing until then.

Housing Revenue Account



Cabinet

Title: Housing Revenue Account Budget (including Rents & Other Charges for Council Dwellings)

Paper No. 26-7

Date: 26 January 2026

Cabinet Member for: Housing

Details of Executive Director: Fenella Merry, Executive Director of Finance

Executive Summary

- 1.1. The Housing Revenue Account (HRA) is a ringfenced account which is separate from the Council's General Fund. It contains the income and expenditure – both capital and revenue – relating only to the management and maintenance of Wandsworth's housing stock. The HRA business plan fulfils a number of important functions. It informs strategic housing management decisions and is a critical tool to secure and demonstrate the continued financial viability of the Council's management of its housing stock. It is also the basis for the four-year budget framework that sets parameters within which the Cabinet may commit HRA resources under the Council's Constitution. Full Council resets the framework annually, and the position is monitored throughout the year.
- 1.2. Despite the national position, the Council's reputation for constant, sound financial management, the continued current strong overall reserves position (particularly when compared to other councils) and low current level of borrowing within the HRA continue to reflect a strong base position. The HRA is in a much healthier financial position than most other stock holding authorities, allowing flexibility and a continuation of the ambitious regeneration plans and development schemes alongside continuing necessary investment in the existing stock.
- 1.3. This report reviews various matters relating to the HRA, including Council housing rents and charges, the housing capital programme and the overall HRA budget framework for the period 2025/26 to 2028/29.
- 1.4. The report first recommends additions to the existing Housing Revenue Account capital programme (as set out in summary in [Appendix A](#)) totalling £241.907m as detailed in [Appendix B](#) culminating in an overall capital programme amounting to £758.227m over the framework period as shown in [Appendix C](#) before turning to proposals for revenue expenditure and income.

- 1.5. As far as proposals for income are concerned, the Council has a duty to review Council housing rents. Taking account of all relevant factors the Cabinet Member for Housing recommends that Council housing rents are increased by a maximum of 4.8% with effect from the first Monday in April 2026. The Cabinet Member for Housing also proposes general increases in non-residential charges of 3.8% as set out in [Appendix D](#), again to take effect from the first Monday in April 2026 and an overall reduction in heating and hot water charges.
- 1.6. [Appendix E](#) shows the revised budget framework that reflects the proposals in this report and [Appendix F](#) graphically reflects the revised Housing Revenue Account business plan forecast projections over both the next 10 and 30 years.
- 1.7. The corporate Transformation Programme is expected to lead to new ways of working across the Council through innovation, challenge and harnessing digital and technological advancements. This transformation towards a more forward looking, innovative council will unlock new opportunities for growth for Wandsworth, ensure residents who need support get assistance earlier and are able to engage with services quickly and effectively. This will ensure the Council continues to deliver for residents whilst identifying efficiencies that will support the ongoing financial sustainability of the HRA, which will create additional capacity for further investment in the future. This programme will advance the Council's vision of becoming a fairer, compassionate, and more sustainable borough.
- 1.8. To summarise, on the forecast parameters used, the HRA business plan demonstrates that the Council continues to be in a position to finance future plans. The Transformation Programme, the creation of the Resident Services Directorate as well as further demand management actions are expected to deliver efficiencies which have been assumed within the business plan and help to deliver an ongoing viable position.

2. **Comments of the Cabinet Member for Housing**

- 2.1. Wandsworth, like the rest of London, continues to face a housing crisis. There is an acute shortage of social housing, with London boroughs spending over £5m a day on homelessness in 2024/25. Wandsworth has the second-highest rate of statutory homelessness in London, with annual spending on homelessness support rising to £60m (net of Government grant) in 2024/25 and rising. We have over 10,000 households on our housing waiting lists including more than 4,500 households, including families with children, living in temporary accommodation. Investing to build new homes for council rent is vital in tackling the housing crisis and getting Wandsworth families off waiting lists and into secure and comfortable tenancies.
- 2.2. The Homes for Wandsworth programme is on track to deliver well over 1,000 new council rent homes across the borough, including homes for older



residents looking to downsize, bigger family homes for those currently in overcrowded accommodation, wheelchair accessible homes, and homes for those with additional needs. This includes the additional units secured on the Battersea Power Station site as agreed by Cabinet in December 2025. During this financial year residents have moved into four new developments at Randall Close, Patmore Street and Putney Vale alongside 55 homes at Braund Mansions on the Winstanley Estate, adding another 232 new homes for council rent.

- 2.3. Alongside this, we also have an aging stock and new regulatory burdens which our capital programme must address to ensure our existing homes are safe and maintained to a decent standard. This comes at significant cost and although the rate of inflation has reduced from the high levels seen over the recent years the legacy of this continues to pose significant financial challenges for local authority budgets and across the social housing sector.
- 2.4. It will be recalled that for 2023/24 the usual CPI + 1% formula for rent increases (an implied 11.1% increase) was replaced with a 7% cap imposed by the then government. This meant a real terms funding cut to Wandsworth's HRA of 4.1%, equivalent to £4m per annum, or £47m over the following 10 years. This compounded the financial strain caused previously when 1% rent reductions were enforced for a period of 4 years. The cumulative impact of this is that our rent roll, the income we generate to pay for essential services and investment, is currently £35m per annum less than it would otherwise have been.
- 2.5. For 2024/25 and 2025/26 the applicable rent increase was set in line with the usual formula which allowed a maximum increase demonstrating this Council's commitment to continued sound financial management, recognising the balance between the need to generate income to invest and maintaining low rents for Council tenants.
- 2.6. In order to continue to ensure the long-term financial viability of the HRA, a rent increase at an average of 4.8%, the maximum permissible under the Rent Standard, is therefore now considered to be necessary. This will mean we can continue to maintain our existing stock, improve and expand a high quality and responsive service for our tenants and support the investment in the delivery of much needed new affordable housing for our borough.
- 2.7. This Council is acutely aware of the ongoing impact the cost of living crisis is having on our tenants and residents and will continue to provide support (financial or otherwise) to those in most financial need where we can. It is worth noting that for those tenants who receive Housing Benefit or Universal Credit (and not subject to the Total Welfare Benefit Cap), these increases should have no direct impact on their household budgets. For those not in receipt of benefit, or subject to the Total Welfare Benefit Cap, a range of support mechanisms are already in place for those who may need it.



- 2.8. The Government continues to consider how to further standardise social rent levels across the country through “rent convergence” and an announcement is due shortly (although not expected to be in time for the Council to consider its position prior to taking the rent decision for 2026/27). Rent convergence would generate some additional resources for the Council and could give extra financial security and allow for longer term financial planning at a time when expanded requirements in regard to building safety, decent homes, and the green agenda are expected at significant cost.
- 2.9. This report sets out the long-term financial strategy to deal with these challenges.

3. **Recommendations**

- 3.1. The Cabinet Member for Housing recommends the Cabinet to recommend to the Council as follows:
- a. that the Housing Revenue Account capital programme additions as set out in Appendix B to the report be approved;
 - b. that the full capital programme over the Housing Revenue Account budget framework period as set out in Appendix C to the report be adopted as the Housing Revenue Account approved capital programme;
 - c. that the existing procurement governance arrangements in relation to the Housing Revenue Account capital programme continue to be followed;
 - d. to approve that rent charges for all existing tenants in Council owned properties be increased by a maximum of 4.8% from the first Monday in April 2026, noting that some tenants may be subject to lower increases, freezes or reductions for reasons outlined in the report;
 - e. to approve that rent charges for all existing tenants in Council owned temporary accommodation hostel stock at Nightingale Square be increased by a maximum of 4.8% from the first Monday in April 2026;
 - f. to approve that for other properties (including those previously sold under Right to Part Buy, Equity Share and Social Homebuy options) dwelling rents be increased by a maximum of 4.8% from the first Monday in April 2026;
 - g. that tenants’ service charges will continue to be set by the Executive Director of Finance on a broad cost recovery basis, albeit with a general individual cap applied of 4.8% except in exceptional cases;
 - h. that the non-residential charges be increased by an average of 3.8% as set out in Appendix D to the report be approved with effect from the first Monday in April 2026;



- i. that a reduction of 20% to the fuel element and an average increase of 9% to the repairs and maintenance element of heating and hot water charges be approved with effect from the first Monday in April 2026;
- j. to approve that the future setting of heating and hot water charges is delegated to the Executive Director of Finance in consultation with the Executive Director of Resident Services;
- k. that the Executive Director of Resident Services be authorised to serve notices upon tenants of Housing Revenue Account dwellings, advising of the charges to be applied from the first Monday in April 2026;
- l. that the estimates shown in Appendix E to the report for the Housing Revenue Account for the financial years 2025/26 through to 2028/29 be adopted as the Housing Revenue Account budget framework; and,
- m. that the Executive Director of Finance be authorised to prepare the statutory Housing Revenue Account statement for 2026/27 showing the estimates made on the basis of the foregoing proposals.

4. **Details**

INTRODUCTION

- 4.1. Through the HRA the council manages c.33,100 properties comprising of c.17,500 tenanted properties and c.15,600 leaseholders.
- 4.2. The HRA is a ringfenced account, meaning it is legally separate from the Council's General Fund and cannot be used to subsidise other services. This ringfenced approach ensures that rent generated from council housing is used exclusively for housing-related expenditure, such as maintenance and improvements, and not for other General Fund services.
- 4.3. This latest annual update reflects the position since the Council last adopted the framework. It incorporates the current and latest future estimates for expenditure, income and reserves.
- 4.4. Under Part VI of the Local Government and Housing Act 1989, each local authority is required to keep a HRA in accordance with proper practices and detailed directions by the Secretary of State. The Act also requires that: -
 - (a) during January or February each year, the Council must formulate proposals for expenditure and income for its housing for the following year, which will ensure, on the best assumptions that can be made at that time, that the HRA for that year does not show a debit balance;



(b) these proposals must be implemented and monitored to ensure that the HRA will not show a debit balance; and,

(c) a statement must be prepared, showing these proposals and the estimated HRA income and expenditure. This statement must be made available for public inspection.

- 4.5. This report has been prepared to enable the Council to meet the statutory requirement outlined in (a) above for 2026/27, but more importantly in the context of the HRA business planning process, that the Council has prepared longer-term plans for the management of its housing stock that are viable and affordable.
- 4.6. The requirement for monitoring, described in (b) above is delegated to the Executive Director of Resident Services.
- 4.7. The requirement to make available the statement referred to in (c) above is met by including the HRA budget framework within the Council's budget publication, which is then made available for reference and inspection.

CURRENT CHALLENGES IN THE SOCIAL HOUSING SECTOR

- 4.8. The general financial outlook for social landlords continues to come under increasing pressure. Most notably from new burdens as a result of fire and building safety regulations including removal and prevention of damp and mould but also from the lasting impact of high inflation levels on day to day revenue repairs in recent years and continued higher interest rates. These are national issues that are putting significant pressure on housing accounts.
- 4.9. Additionally, the Council's response to the C3 grading by Regulator of Social Housing is having a short term financial impact on the level of expenditure on remedial works identified as more properties are inspected as part of the stock condition survey acceleration.
- 4.10. As a very limited level of new burdens grant funding has been made available to the social housing landlords these additional costs are having to be identified from within the HRA's own resources and existing business plan capacity.
- 4.11. This comes after years of national underfunding and underinvestment within the sector largely as a consequence of the principles of self-financing being undermined due to subsequent interference with annual rent decisions since 2012 (four years of 1% rent reductions from 2016 and the below inflation capping of the April 2023 rent increase).
- 4.12. These national policy decisions mean the HRA rent roll is currently £35m per annum lower and the total income to the HRA over that same period is



almost £200m less than it would otherwise have been had the rent increases been continued at inflation plus 1%.

CAPITAL EXPENDITURE

- 4.13. The HRA capital expenditure estimates have been based on the current cash flows for the existing capital programme adjusted for slippage as approved in the HRA Business Plan Update in November 2025 (Paper No. 25-372) and any budget virements and budget variations approved since as summarised in Appendix A to this report. Additions totalling £241.907m are now proposed for approval as set out in detail in Appendix B for consideration.

Repairs & Improvements

- 4.14. The HRA business plan includes funding for assumed levels of capital spend across the housing stock under the Council's management over the next 30 years based on a statistical survey of the stock condition. The previous stock condition survey, which remains the basis of the current estimates within the HRA business plan, identified that on average £25m per annum (at then 2012 prices, equivalent to approximately £37m at current prices) would need to be invested in the stock to maintain Council owned housing stock to the basic decency standard. In recent years a further £3m per annum has been made available for expanded non-decency works such as Environmental & Estate Improvements.
- 4.15. The most recent update of the stock condition survey, undertaken in 2022, indicated based on the sample tested, that decency levels had dropped from the target 100% and that the level of investment in to the existing stock needed to be increased in response. More recently this increased investment need has been further recognised through the C3 rating by the Regulator of Social Housing and the move to carrying out a 100% stock condition survey to verify the current condition of the existing stock. This move to carrying out full condition surveys was originally planned to be carried out over the next five years, but this has recently been accelerated to demonstrate to the Regulator that the Council is swiftly making the improvements necessary to improve its stock. As part of the Housing Improvement and Transformation Plan it has now been agreed with the Regulator that all tenanted surveys will be complete by December 2026 and then move to a rolling programme of 20% every year thereafter.
- 4.16. At present c.20% of the existing stock (c.3,300 properties) has had a full survey carried out and the initial results are still being interpreted. These surveys are identifying a number of previously unreported hazards and issues within the existing stock. To some degree this is driving the current revenue repairs overspend through carrying out immediate remedial works.
- 4.17. As properties have full surveys carried out a better understanding of current condition will be available and this, in turn, will be used as part of the longer



term asset management and investment strategy which will closely match the need for capital investment and the capital works being programmed. Taking a more strategic approach to planned major works will be of benefit to day-to-day repairs revenue costs as planned works can be a more efficient use of resources than reactive repairs.

- 4.18. It is recognised that the original 2012 stock condition survey was produced when the landscape for social housing landlords was very different. Since then responsibilities relating to zero carbon, building safety and the Decent Homes Standard 2 have increased considerably which, in part, is driving the requirement to increase the base level of financial resources available for capital works. This is compounded with the increased focus by the Regulator and the need to bring existing stock back up to the 100% decency target.
- 4.19. Given that a full financial assessment of future spend requirements is not yet available, as an interim measure the HRA business plan reflects an extrapolated spend requirement based on the results available to date and using the wider stock age and profile to determine future annual spend requirements to improve and then maintain decency. This extrapolation is more accurate than the previous methodology used in the longer term financial modelling within the HRA business plan, and work will continue to determine a more precise financial impact using reliable and up to date stock data as and when it becomes available.
- 4.20. In response to the anticipated outcome of this exercise and also to acknowledge the above inflation levels of cost increases seen in the construction sector and across housing repairs in recent years, a further additional amount was added into the HRA business plan as part of the November update with effect from the 2027/28 capital bids round of £5m per annum. This means that the available capital resources within the HRA business plan stand at around £45m per annum which are inflated throughout the life of the plan by an assumed estimate of inflation to maintain resources available in real terms. On average around 20-25% is assumed to be recovered via Leaseholder Service Charges so the net investment in HRA tenanted stock is around £35m per annum or £2k per property per year.
- 4.21. Essentially the amount available for capital investment into existing stock is the element of rental income used to fund the Major Repairs Allowance (MRA – which is equivalent to a revenue charge for depreciation so covered from tenants' rents), the element of capital works recovered via service charges through Leaseholder Major Works reimbursements and any specific grants or other capital funding that might be available.
- 4.22. The falling decency ratings and benchmarking of stock investment levels means that increased investment in the existing stock is now required. It was therefore anticipated that the level of capital bids proposed for this bidding round will be significantly higher than those seen in recent years and again above the level typically assumed in the HRA business plan.



- 4.23. Of the bids submitted, as detailed in Appendix B, £64.514m relate to Repairs & Improvements schemes in Council owned housing stock. For comparison the equivalent level in previous years was £58.924m in January 2025 and £50.628m in January 2024 showing the recent significant uplifts.
- 4.24. In addition, £6.8m of new urgent capital bids were approved in the recent HRA Business Plan update (Paper No. 25-327) and a further £1.7m was included in the December Cleaner Borough Plan report (Paper No. 25-413).
- 4.25. Therefore, the total value of new HRA capital bids submitted during the year is £73.014m, this being well above historic levels assumed in the HRA business plan.
- 4.26. Included in the above capital bids total is all priority works identified by the Executive Director of Resident Services. These include a number of roof renewal and window schemes, a continuation of the kitchens and bathrooms replacement programme (including across the Alton Estate F blocks), specific lift schemes, re-wiring and heating works and continuation of cyclical bids for elements such as adaptations and extensions.
- 4.27. Also included is £4.8m of 'top-up' bids for existing schemes where costs have increased either through changes in original scope or due to inflation levels since the schemes were originally approved where there has been prolonged consultation and delay.
- 4.28. In recognition of the Council's climate change ambitions it is estimated that £29.6m of total new investment is for schemes that will have a positive impact on energy efficiency such as heating and building fabric improvements. All of these bids will deliver improvements and assist in meeting the imperatives set by the Council's carbon reduction targets.

Impact on Leaseholders

- 4.29. From the chargeable bids submitted for approval it is estimated that £16m (c.25%) will be recovered from leaseholders as part of their annual major works service charge bills under the terms of their leases. The exact service charge income levels and timing of the bills will be dependent on total scheme costs, which properties benefit from the works and when schemes are sufficiently progressed/completed to enable billing. If estimates of costs and leaseholder recovery are accurate then the net cost to the HRA is reduced to c.£48m.
- 4.30. For those leaseholders estimated to be billed (3,952 in total), the average major works charge is £4,066 per property for capital bids included in this bidding round.



- 4.31. Where resident leaseholders receive a major works bill over £3,000, then these can now be paid in up to 48 instalments, a policy approved in September 2022. Other schemes are available to assist qualifying resident leaseholders with payment of their bills, such as Major Works Loans which includes both the Deferred Repayment scheme and the Right to a Loan scheme.
- 4.32. Further work is being done to consider if there is any other support the Council could offer to leaseholders with high bills.

Site Developments

- 4.33. The HRA business plan includes provision to fund the Homes for Wandsworth programme in full. Approval at December's Cabinet of the acquisition of units at Battersea Power Station as part of this programme (Paper No. 25-414) "displaced" a number of schemes (c.250 units in total) from the existing Homes for Wandsworth programme as the funding set aside in the HRA business plan for these schemes was diverted in advance of need, thereby enabling contracts to be exchanged on the Battersea Power Station scheme. Schemes whose funding was displaced include 111 consented new homes on the Ashburton Estate, and pipeline sites on Lennox, Fitzhugh and Gideon Road Estates. As reported, this was done to ensure the Council could unequivocally commit to the scheme within the tight timeframes required.
- 4.34. The acquisition of more than 200 new units at Battersea Power Station is now being included as a capital bid for approval to add to the HRA capital programme. Financial provision for this scheme is already allowed for within the HRA business plan, but the expected timing of delivery (by 2028/29) means this scheme now also needs to be added into the approved capital programme.
- 4.35. The updated HRA business plan now allows for these displaced schemes to be added back into the Homes for Wandsworth programme at an additional net cost to the HRA of c: £80m bringing the number of units proposed under the Homes for Wandsworth scheme to c.1,250 units.

Regeneration

- 4.36. A clearer delivery path for both the Winstanley York Road and Alton schemes is now emerging. Revised cost plans have been developed for both schemes and were incorporated into the HRA business plan in November 2025.
- 4.37. Whilst full provision has been made within the HRA business plan the proposed capital bids are limited at this time as masterplans are being updated subject to ongoing consultation and all necessary consents. In total £25.2m is included for the HRA elements of the Roehampton Community Hub as part of the Alton scheme. All other costs in the short term are



expected to be met from existing approvals. Future bids will be brought forward at the appropriate time.

Purchase of Properties

- 4.38. The Council has recently been notified of a provisional allocation of £31.78m to deliver another 93 homes for Temporary Accommodation and 18 for families on the Afghan Resettlement Programme under the Local Authority Housing Fund Round 4. In support of this a further capital addition is included as part of the capital bids.

Capital Expenditure Summary

- 4.39. The resulting capital programme over the HRA budget framework period is shown in summary below with the full detail of all schemes contained in [Appendix C](#). The total planned capital expenditure over the framework budget period 2025/26 – 2028/29 totals £758.227m.

Programme Area	2025/26	2026/27	2027/28	2028/29	Total
	£'000s	£'000s	£'000s	£'000s	£'000s
Repairs & Improvements	36,905	88,823	105,454	59,630	290,812
New Investment	74,431	144,275	130,271	110,191	459,186
Other Capital	3,229	2,618	2,400	-	8,247
TOTAL	114,565	235,716	238,125	169,821	758,227

- 4.40. When considered in conjunction with revised cashflows for existing approved schemes and plans for future development, the capital bids being proposed in this report remain affordable within the HRA business plan. Resources have continued to be identified for new build development and regeneration without impacting on the resources available for repairs and improvements to existing stock which have, as set out above, actually been significantly increased.
- 4.41. With regards to the procurement of works and services in relation to the HRA capital bids and more generally across the HRA capital programme, details of the proposed procurement approach will continue to be considered by the officer-led Procurement Board on a scheme by scheme basis, so no further Committee or Cabinet approvals will be necessary unless the Procurement Board agrees otherwise. Final contract awards will be made under the Council's SO83(a) procedure unless positive budget variations are necessary which will then require Cabinet approval in the normal way if not containable within existing approved resources.

HRA CAPITAL INCOME

- 4.42. The November HRA Business Plan Update identified that £200m of new borrowing for capital repairs and improvements was likely to be needed over the next 10 years based on current estimates. This increases to £212m



based on the proposals included here. Ideally, any borrowing undertaken for the existing stock should be able to be reduced to zero over the asset life. The assumption is therefore that any borrowing for capital maintenance should be limited and that borrowing taken out for this purpose should always be repaid matched to component life.

- 4.43. For New Investment schemes the current assumption is that the net cost of those schemes will be funded by borrowing for which provision has been made within the HRA business plan. As these schemes generate new supply, which in turn generates revenue income, it is reasonable to assume that the balance is funded by additional borrowing with the revenue cost of that new borrowing supported by the additional revenue income. The value of these assets is also reflected in the Council's balance sheet.
- 4.44. On existing policies, the financing of the HRA capital programme comes from several sources as follows: -
- (a) Current government regulations allow any housing capital receipts resulting from land and property sales (other than statutory Right to Buy sales) to be retained by the Council. Current projections are that usable receipts of £1.5m will be generated in 2025/26.

As disposals are assumed to be kept to a minimum in future the HRA business plan generally assumes an ongoing level of capital receipts from the disposal of minor sites of around £1.5m per year which are anticipated to mostly arise from minor disposals of land parcels and lease extensions which are treated as capital income where the value is in excess of £10,000;

- (b) Capital receipts from Right to Buy sales are covered by a voluntary agreement between the Council and the Ministry of Housing, Communities and Local Government (MHCLG) whereby retained receipts from Right to Buy sales over an assumed level must be utilised to fund the replacement and development cost of re-provision of low cost social housing.

Changes to the regulations mean that it is now permissible to cover permitted re-provision costs in full, but the application of such receipt should still demonstrate value of money compared to other grant and capital funding sources.

Due to the recent reduction in the Right to Buy discount levels accelerating the number of applications from tenants trying to benefit from the previous (more generous) rates, Right to Buy sales are expected to continue throughout the remainder of 2025/26, and through to 2026/27 and potentially in to 2027/28 as those applicants look to complete on the acquisition of their home. The carried balance of unapplied retained Right to Buy 1-4-1 receipts stands at £13.119m and it is currently forecast that c.£42m will be retained over this and the next two years.



The HRA business plan assumes £1.626m of capital receipts (known as Right to Buy 1-4-1 replacement receipts) are applied in 2025/26 and £0.546m in 2026/27 to support the delivery of non-grant supported development schemes under the Homes for Wandsworth programme. Additionally Right to Buy 1-4-1 replacement receipts are provisionally committed to the support the viability of the Battersea Power Station scheme.

Right to Buy 1-4-1 replacement receipts will generally continue to support the Homes for Wandsworth development programme, or further expansion of, but can now once again be used to fund direct acquisitions and could be used alongside other external grants given more flexibility on future use;

- (c) As approved in the September 2015 HRA Business Plan update (Paper No. 15-315) the Council has the option of funding the social housing elements of its regeneration schemes and development plans from Section 106 (S106) Affordable Housing commuted sums, grant funding or additional Right to Buy 1-4-1 replacement receipts insofar as they are available. S106 Affordable Housing income can be used alongside external grant funding to reduce future borrowing requirements.

The Council currently holds £29.223m of S106 Affordable Housing income of which £10.631m remains uncommitted with potentially c.£16m more in the pipeline dependant on development triggers being met.

Given some of the geographical restrictions on the use of S106 income the current HRA business plan assumes a significant proportion of these uncommitted receipts will be used to part finance the Battersea Power Station scheme. Application of S106 receipts will be flexibly applied and interchangeable with Right to Buy 1-4-1 replacement receipts where permissible.

A general review of available capital resources is underway where officers will consider the optimum future use of held and forecast resources to maximise affordable housing delivery. This will inform future funding priorities and prioritisation in the HRA capital financing assumptions;

- (d) Available grant funding. The HRA business plan includes significant amounts of future grant from the GLA in support of the various affordable housing delivery programmes and from the MHCLG for the acquisition programme part funded from the Local Authority Housing Fund. The total grant funding becoming available is estimated at £33.320m in 2025/26 and £91.576m in 2026/27.

The Council will continue to seek additional affordable housing grant for those homes being delivered under the Homes for Wandsworth



development programme. Any further grant allocation that reduces the net cost of the Homes for Wandsworth development programme to the HRA will reduce the need for future borrowing.

Additionally £2.309m of specific grant is anticipated in 2025/26. This comes from a variety of schemes including from the Government's Waking Watch Replacement Fund, the Heat Network Efficiency Scheme Fund and the application of NCIL towards playground improvement schemes. Additionally, an allocation of £0.767m has been awarded which is to support Residential Personal Emergency Evacuation Plan and modifications in support of the matching capital bid. Again, opportunities to leverage in external grant funding will be explored where available;

- (e) Where capital expenditure is incurred in relation to properties previously sold on long leases the costs are potentially chargeable to the leaseholder as part of the annual service charge billing process. Given the increase in the level of resources committed to the HRA capital programme in recent years the amount anticipated to be chargeable to leaseholders is also expected to increase.

The estimated level of leaseholder major works contributions is £5.950m in 2025/26 based on the September 2025 billing and £7.381m in 2026/27;

- (f) Internal and External Borrowing. Over the next four years it is assumed that around £429m of new borrowing will be required with this assumed to be long-term debt. Current estimates show that additional borrowing of £44.860m will be required in 2025/26 and a further £108.186m in 2026/27;
- (g) Finally, contributions to or from the Major Repairs Reserve consisting of a revenue charge for depreciation, as defined by accounting regulations, which continues to be put into the HRA's major repairs capital reserve and is used to fund capital works. This charge, which considers actual inflation levels, stock movements and depreciation on non-dwellings such as garages, is estimated to contribute £26.5m in 2025/26 and £27.4m in 2026/27 towards funding future capital works.

As the annual revenue charge is assumed to fund 'future' required investment in the existing stock the balance on the Major Repairs Reserve at the end of each year is considered to be set in line with the contribution made in that year as a minimum. This increases the projected Major Repairs Reserve balance over time.

In recent years the Major Repairs Reserve balance has been utilised to support site development and regeneration schemes however, given the increase in resources applied to standard repairs and improvements the balance of this needs to be addressed which is partially the driver for increased borrowing levels.



- 4.45. In summary, and based on the overall expenditure proposals and profiles, the HRA capital programme will require financing as follows: -

Programme Area	2025/26	2026/27	2027/28	2028/29	Total
	£'000s	£'000s	£'000s	£'000s	£'000s
Total Expenditure	114,565	235,716	238,125	169,821	758,227
Financed By:					
(a) Capital Receipts	1,500	1,500	1,500	1,500	6,000
(b) Right to Buy 1-4-1 Receipts	1,626	546	50	11	2,233
(c) S106 Receipts	-	-	-	-	-
(d) Capital Grant	35,629	91,576	17,736	16,823	161,764
(e) Leaseholder Major Works	5,950	7,381	17,765	21,091	52,187
(f) Borrowing	44,860	108,186	173,651	102,336	429,033
(g) Major Repairs Reserve Use	25,000	26,527	27,423	28,060	107,010
Total Financing	114,565	235,716	238,125	169,821	758,227

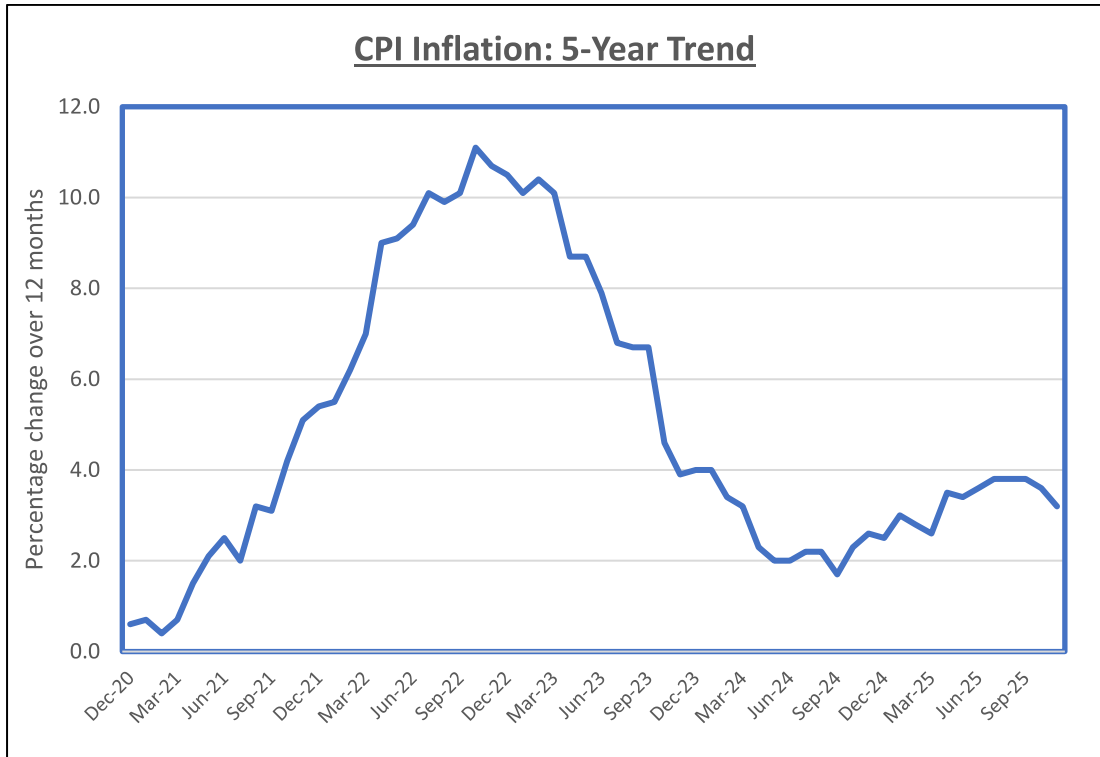
- 4.46. The overall position regarding the actual financing of capital expenditure will continue to be kept under review by the Executive Director of Finance to ensure the most effective and prudent use of available resources which may include maximising the use of internal borrowing where possible and appropriate as an alternative to more expensive external debt finance.

HRA REVENUE EXPENDITURE

Supervision, Management & Maintenance Expenditure

- 4.47. The legacy impact of previously high inflation levels continues to pressure the financial position of the HRA despite the fact that inflation rates reduced from those previous high levels. The September 2025 (Consumer Price Index (CPI) was 3.8% which is key as the September CPI is specifically linked to rent calculations). The annual rate of change over the last 5 years is shown in the chart below: -





- 4.48. There are still specific pressures in construction and building materials that are continuing to have a significant impact on a number of the key contracts used for building repairs and maintenance contracts within the HRA. In some instances (such as across the Area Repairs Contracts), above contractually entitled inflationary increases were previously agreed to ease concerns of contractors being able to provide viable ongoing services and the impact of that is again being recognised in current year forecasts compounded with the fact that overall volumes of repairs also seem to be increasing.
- 4.49. Repairs budgets in the HRA have again been put under increasing pressure during this financial year and a significant overspend is again being forecast predominantly in relation to repairing and refurbishing vacant properties (voids) before they are re-let but also across general repairs, notably within building and fire safety as a consequence of remedial works identified as part of the stock condition survey acceleration.
- 4.50. The most recent forecast is currently predicting an £9m overspend for the year. Whilst this overspend will be met from revenue reserves at year end the HRA business plan currently makes no allowance for cost to continue at this elevated level in perpetuity – to do so would require a reprioritisation of existing commitments.
- 4.51. General Supervision & Management budgets are also showing an overspend of circa £1.7m with the majority of this linked to increases in insurance costs, the settlement of disrepair cases and other legal costs and the costs incurred in relation to the recent Fox House fire.



- 4.52. Additionally, revenue budget growth provision of £1.5m has been built into the base budget and business plan from 2026/27 onwards in line with the proposals to establish a Housing Compliance Team to be made as part of the Housing Improvement and Transformation Plan included in the future Improving Wandsworth's Housing Services report.
- 4.53. For the 2026/27 budget setting exercise inflation assumptions have been built in to the budgets of 3% for salaries and general overriding averages of 2.5% for repairs and running costs respectively where not linked to specific contractual terms.
- 4.54. Looking forward to future years the updated HRA business plan allows for a general assumption for inflation beyond 2026/27 at an average of 2.8% and then reverts to a standard estimate of underlying CPI at 2.5% on all costs from 2027/28 onwards.
- 4.55. Going forward, notwithstanding the proposals for rents contained later in this report, expenditure at these higher inflated levels is causing pressure on the HRA business plan in the longer term. With reserves and future income already committed to support borrowing for development expectations within the financial assumptions are that efficiencies will be delivered to ensure the long-run viability of the HRA business plan.

Capital Financing Costs

- 4.56. Borrowing of £884m is forecast in the HRA to support long-term investment over the next 10 years. This is expected to be needed in tranches matching the balance of capital spend not financed by other financing sources.
- 4.57. The required borrowing can be split into two distinct areas. Firstly, £212m is assumed to be required to fund a boosted level of capital repairs and improvements to the Council's existing housing stock. As identified previously, significant inflationary increases within the sector over the past few years have meant the amounts being invested are now higher than the routine capital financing resources available from the depreciation charge to fund works to the existing stock, hence the current planned use of borrowing.
- 4.58. Secondly, borrowing is required to finance the considerable investment in estate regeneration, delivering new social housing and improving overall supply, for which the business plan currently assumes a total of £672m of new borrowing over the next 10 years. Financing estate regeneration and new housing delivery in this way creates a lifelong asset for the Council, generating rental income to repay initial borrowing, reducing General Fund spending on temporary accommodation and supports sustainable community growth. This kind of investment is of net financial benefit to both the Council and to the wider community.



- 4.59. Due to the strong financial position of the Council and high levels of cash balances available for investment, all borrowing undertaken to support HRA investment in 2024/25 was internally borrowed from the General Fund and this is anticipated to continue for 2025/26. This removes the need to borrow externally from the Public Works Loan Board (PWLB) whilst interest rates are higher than the longer term projections assumed within the business plan. Officers will continue to consider the debt repayment profile of any new and existing debt in order to best meet the ongoing strategic aims of the Council and to ensure the ongoing financial viability of the HRA business plan.
- 4.60. Based on the interest rates borrowed at for self-financing debt, together with the ongoing servicing of the existing debt in the HRA and the financing of new borrowing for other capital schemes where needed, borrowing is estimated to cost the HRA £5.658m in interest and require principal loan repayments totalling £10.502m during 2025/26 and £8.207m in interest and a similar amount for repayments in 2026/27.

Other Expenses

- 4.61. Other expenses include provision for bad debts and other miscellaneous costs incurred in the HRA. The budget for 2025/26 has been set at £6.272m in line with current estimates increasing to £7.170m in 2026/27.
- 4.62. Predominantly this increase is in response to the increasing levels of rent arrears (including heating and hot water and tenants' service charge arrears) within the HRA above that normally arising as a consequence of the collection rate target for which a prudent provision for bad debts will need to be determined at year end.
- 4.63. Arrears arise for a number of reasons (such as changes of financial circumstances both in terms of household income and expenditure levels). The Council's Rent Collection Service seeks to engage with residents and arrange affordable payment agreements. Extended payment periods are based on the affordability of the payment arrangement and individual income and expenditure reviews.

Efficiencies & Savings

- 4.64. To ensure a financially robust HRA business plan the modelling assumes that the current uplift in revenue resource expenditure is temporary and will be reduced back to a 'business as usual' over the medium to longer term.
- 4.65. The corporate Transformation Programme is expected to lead to new ways of working across the Council through innovation, challenge and harnessing digital and technological advancements. This transformation towards a more forward looking, innovative council will unlock new opportunities for growth for Wandsworth, ensure residents who need support get assistance earlier and are able to engage with services quickly and effectively. This will ensure



the Council continues to deliver for residents whilst identifying efficiencies and create additional capacity for further investment in the future. This programme will advance the Council’s vision of becoming a fairer, compassionate, and more sustainable borough.

- 4.66. The Transformation Programme, the creation of the Resident Services Directorate as well as further demand management actions are expected to deliver efficiencies which have been assumed within the business plan and help to deliver an ongoing viable position. A total of £4.5m has been assumed from 2029/30 onwards. If delivered earlier, then this will create an additional financial benefit to the HRA.
- 4.67. These headline pressures and investments demonstrate the importance of maximising income in the short term, so sufficient resources remain available in the longer term to support both maintaining services and current stock plus the borrowing required for the development and regeneration schemes.

HRA REVENUE INCOME

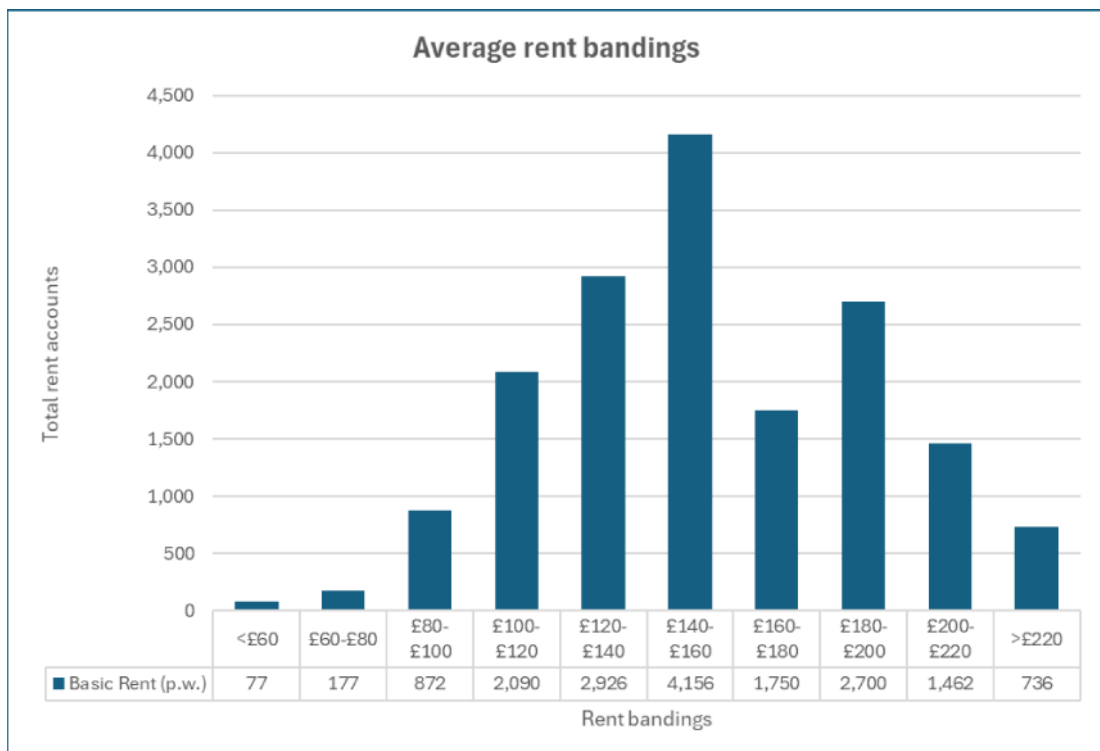
Tenants’ Rents and Service Charges

- 4.68. The Council’s annual review of rent charges is reflected in its current rent policy and governed by the statutory Rent Standard, along with the statutory requirement to ensure that the HRA will not fall into deficit in the forthcoming year, and a need to consider the longer term impact on the viability of the overarching HRA business plan, noting the assumptions made in the most recent update reported to Cabinet in November 2025.
- 4.69. The Council’s owned housing stock is currently classified into two main groups – “Social Rent” properties (the large majority – around 17,000 properties) and “Affordable Rent” properties (c.600 properties), generally acquired or built under relatively recent agreements which allowed for additional flexibility charging higher rents on initial letting.
- 4.70. The Council’s rents are all considered as “Social Rents” which are significantly lower than private sector rents and tenants benefit from guarantees around increases, service levels and security of tenure.
- 4.71. Since 2020 local authorities have been subject to Government policy (known as the Rent Standard) which sets statutory maximum increases on rents for existing tenants. The current Rent Standard was originally set to run from April 2020 to March 2026, but this has now been extended by the 10-year rent settlement from 2026/27 as announced in July 2025.
- 4.72. The Council’s current rent policy is aligned with the Rent Standard and the HRA business plan assumes the maximum increase each year in order to continue to fund essential services whilst keeping track of inflation. Any rent increases below the maximum allowed represent a permanent loss of income



in relation to existing tenancies as there is currently no ability to make up the shortfall with compensating increases in future years.

- 4.73. The current average rent paid by Council tenants is £154.48 per week. In addition, average service charges of £10.81 per week are raised, giving a total average rent payable of £165.29 per week. There are significant variations around this average, ranging at the extremes from £56.79 to £366.51 per week, partially as a consequence of past rent policies. The current distribution of actual tenant rents (excluding service charges) is shown in the chart below: -



- 4.74. Forecast rent income (excluding service charges) for 2025/26 is £137.5m. Of this c.£32m is a direct transfer from the Council’s Housing Benefit system to individual rent accounts, with the balance payable by tenants either with the assistance of Universal Credit or from their own resources.
- 4.75. Dwelling rents currently make up 70% of the HRA’s budgeted revenue income base and with reserves and interest rates expected to fall over coming years this proportion is only set to grow and increase in importance as contribution to maintaining the viability of the business plan and underpinning existing and future plans for investment in Council stock.
- 4.76. The Rent Standard limits increases that can be applied each year to September CPI + 1% (4.8% for 2026/27) – which applies to tenancies in both Social Rent and Affordable Rent properties. It is for councils to decide how much to increase rents by, up to this maximum.



- 4.77. In addition the Rent Standard limits increases for tenancies in Social Rent properties to September CPI (3.8%) where existing rents exceed a nationally defined formula rent level (linked to relative property values, rents and earnings from 1999). It is estimated that this would impact approximately 600 Council tenancies in 2026/27.
- 4.78. Additionally, from 2026/27, the Rent Standard has been tightened to require that no tenant in a Social Rent property can be charged more than the Government's national Formula Rent Cap.
- 4.79. The Formula Rent Cap is linked to the number of assessed bedrooms in a property and the current levels are as follows: -

Bed Size	2025/26 (per week)	2026/27 (per week)
0	£194.06	£204.34
1	£194.06	£204.34
2	£205.46	£216.34
3	£216.87	£228.36
4	£228.27	£240.36
5	£239.69	£252.39
6+	£251.10	£264.40

- 4.80. Formula Rent Caps increase by CPI + 1.5% per annum. The caps make no distinction between flats and houses and only apply to core rent so are before any tenant service charges (if relevant) are added.
- 4.81. This change will affect 64 current tenancies, requiring rent reductions of up to £102 per week (average £29 per week) at a cost to the Council of c.£0.1m in 2026/27. Previously these tenancies would have been subject to a rent freeze, so the long run impact is limited.
- 4.82. There is more flexibility in relation to tenants in Affordable Rent properties, which are properties where total rents charged can be up to 80% of market rents on initial relet and are therefore generally higher, and indeed often in excess of the caps on rents in Social Rent properties, and where the additional limitations referenced in above do not apply. However under the Council's existing rent policy any tenancies currently charged higher than the rent cap level will still receive a freeze in rents.

Rent Convergence

- 4.83. In 2025 the Government consulted on proposals to introduce rent convergence, as a discretionary opportunity for councils to raise additional rental income of potentially up to £2 a week from tenants with low rents compared to the 'target' Formula Rent and invest in existing and new stock. Initial modelling has suggested that this would be worth up to c.£1m to the



HRA in 2026/27 and up to £53m cumulatively by 2035/36. However, whilst the recent Budget reconfirmed the Government's commitment to this policy it is not known when this might be implemented from. A response to the previous consultation and a decision on how to implement Social Rent convergence is set to be announced in January 2026.

- 4.84. It seems unlikely that this would be implemented from April 2026 given that any additional rent increase would need formal approval and would then need to have sufficient time to implement and provide the necessary statutory notices to tenants. However, it is understood that some councils will look to implement if implementation is allowed from April 2026. This would therefore need to be considered once known, although any decisions to implement in any year would be discretionary, and it is not proposed that Wandsworth seek to do this (if allowed) in 2026/27.

Proposals for rents

- 4.85. The recommendations for the April 2026 rent increase, proposed in consultation with the Cabinet Member for Housing, are outlined in the following paragraphs.
- 4.86. In developing the following proposals consideration has been given to the impact of both the continued cost pressures in the HRA and also the impact that the current cost of living crisis is continuing to have on household finances whilst striking an appropriate balance between affordability for tenants and the responsibility and requirement for maintaining existing stock to a decent standard and the Council's ambitious plans to increase the level of stock (through build and purchase) whilst maintaining a financially viable HRA business plan.
- 4.87. As highlighted in the recent HRA Business Plan Update (Paper No. 25-372) and reiterated above both short and longer-term pressures on HRA budgets and revenue reserves continue to be significant, particularly on voids and tenanted repairs. It has therefore been necessary to make additional budgetary provision available to meet these costs both to meet short-term pressures and to meet a clear longer term need to uplift base budgets over and above core inflation.
- 4.88. In addition to the above, the update continued to highlight future uncertainty around costs of building safety and climate change commitments along with a need to maintain base levels of resources to continue to meet the revenue costs underpinning increasing levels of capital expenditure in existing stock including as a result of the in progress full stock condition survey, as well as the Council's programmes of development and regeneration.
- 4.89. In view of this, and to protect the longer term viability of the HRA business plan, it is therefore recommended that the Council adopts the maximum



permitted rent increase for tenants in both Social and Affordable Rent properties of 4.8%.

- 4.90. Current total rental income to the HRA is estimated at £137.5m based on current stock numbers and occupancy rates. Applying a headline rent increase of 4.8% in line with the main recommendation of this report will generate additional income to the HRA of c.£6.2m, overall a net percentage increase of 4.5%.
- 4.91. A further c.£0.16m is projected to be lost from net stock reduction (mainly as a result of an anticipated spike in Right to Buy sales as a result of the changes in the Government's 2024 budget) but this will rapidly reverse in future years as this tapers off, and new stock comes on stream through the Council's new build and acquisition programmes.
- 4.92. Average rents (excluding service charges) would increase to £161.49 per week from £154.48 per week, broken down by size of property as follows: -

Bed Size	Number of tenancies	Average Current Rent (per week)	Average Rent 2026/27 (per week)	Average increase %	Maximum Rent 2026/27 (per week)	Minimum Rent 2026/27 (per week)
0	828	£93.96	£98.43	4.76%	£241.70	£48.96
1	4,460	£123.08	£128.80	4.64%	£248.23	£48.82
2	6,351	£150.69	£157.73	4.67%	£270.35	£70.24
3	4,177	£189.41	£198.00	4.54%	£280.18	£114.37
4	1,014	£211.69	£220.62	4.22%	£282.63	£161.13
5	90	£235.76	£238.74	1.26%	£264.40	£203.39
6	23	£273.96	£259.02	-5.45%	£304.07	£231.39
7	3	£252.68	£260.62	3.14%	£263.15	£256.72
Total	16,946	£154.48	£161.49	4.54%	£304.07	£48.82

- 4.93. The largest percentage rent increases would fall on lower rent, smaller properties due to the way the Rent Standard calculations and Formula Rent Caps work. Higher value properties are in general more likely to be in excess of the national rent cap. The long-term effect of the national rent policy is to compress rents around a narrower range both by restricting increases on higher value properties and resetting the rents on properties on relet to the Formula Rent. In Wandsworth this generally results in smaller properties incurring an increase in rent and larger properties experiencing smaller increases due to the historic local policies and the tables above clearly demonstrate the impact of this.
- 4.94. In line with the proposals for both Social and Affordable Rent properties the 4.8% rent increase would also be applied to the Council's temporary accommodation hostel stock at Nightingale Square from the first Monday in



April 2026. Residents at Nightingale Square are also required to pay for other services they receive.

Other property dwelling rents

- 4.95. In addition to Council tenancies, there is a need to review the rents for a small number of other properties where rent is charged under shared ownership arrangements. These are properties previously sold under the Right to Part Buy, Equity Share and Social Homebuy options. There are no specific rules within the national policy guidance regarding the rents charged in relation to these properties, but usual practice has been for the Council to apply an increase (or decrease) consistent with that adopted for the wider stock subject to limits incorporated within the individual lease agreements. It is therefore recommended that this is repeated in 2026/27 and that rents in these properties are increased by a maximum of 4.8% from the first Monday in April 2026.

Tenants' Service Charges

- 4.96. In addition to the basic rent charge, many tenants (mainly those housed in flats) are charged a tenant service charge for various communal services relating to the blocks or estates on which their property is located. Unlike basic rents, tenants' service charges are not subject to statutory limitation although general guidance is that they should be broadly set on the basis of cost recovery with safeguards to prevent excessive non-inflationary increases to maintain affordability.
- 4.97. The Council's existing policy reflects this with estimates for costs calculated for blocks and estates based on uplifted historic averages and projections for the following year, but with general increases capped overall within an overall 'envelope' in line with the wider rent increase of CPI + 1%. An exception is made for block electricity charges reflecting the wider volatility in these costs which generally align poorly with wider inflation and in cases of other exceptional cost changes (e.g. as a result of changes in contract scope).
- 4.98. As these service charges are calculated based on cost recovery, current Council policy means they will not require annual Committee decisions to set the levels for the forthcoming year. The general principle will be that actual costs from the previous completed financial year (which may include an element of variable repair costs) will be used as the base for calculating next year's charges adjusted for estimated inflation, much in the same way as with leaseholder service charges.
- 4.99. The majority of calculations for tenant service charges for 2026/27 have been calculated subject to final checking and review and a summary breakdown of charges for relevant properties is shown below: -



Tenant Service Charge	No. of Properties Charged	Average Charge (per week)	Highest Charge (per week)
Estate Cleaning	13,528	£2.76	£15.24
Garden Maintenance	14,519	£0.74	£3.86
Block Cleaning	13,075	£4.35	£25.56
Communal Electricity	13,500	£2.11	£18.87
Paladins	12,769	£0.40	£2.06
Aerials	11,875	£0.14	£1.54
Entrycall	12,090	£0.50	£8.34
Total (excluding Wardens)	15,119	£9.67	£40.40
Sheltered Wardens	1,055	£34.71	£34.71
Total	15,119	£12.09	£65.04

- 4.100. All service charges are eligible for Housing Benefit and/or incorporation into Universal Credit calculations and therefore, as with rents, the majority of lower income tenants will be protected against rises.
- 4.101. Where there is a new or extended service being introduced, authorities are expected to consult appropriately with tenants before introducing new or extended services and associated charges. There are currently no proposals to introduce any new service charges for 2026/27.
- 4.102. The estimate for tenants' service charge income falls under the Other Income heading within the HRA framework. The estimated level of income is £9.6m in 2025/26 and £9.7m in 2026/27.

Support to tenants

- 4.103. The proposed increase in rents and tenants' service charges clearly have the potential to place additional cost of living pressures on Council tenants, notwithstanding that overall rents remain significantly below those experienced by tenants in the private sector.
- 4.104. Local Housing Allowance (LHA) rates are nationally set and determine the maximum level of Housing Benefit paid in the private rented sector. In Wandsworth these currently range from £276.16 per week for a one bedroom property to £667.40 per week for 4 bedrooms or more. As demonstrated Council rents remain significantly lower than these current private sector Housing Benefit rates.
- 4.105. The London Mayor also provides a review of market rents in the capital based on a sample of rents advertised over the previous 12 months. The following table provides the most recent summary for the borough of Wandsworth which again demonstrates the low rents paid by the Council's tenants compared to the wider private rental market as shown below: -



Bed Size	Wandsworth Council Tenants		Wandsworth Market Rents		Wandsworth Council average Tenant Rents as a % of Median Market Rents
	Average (inc Service charge)	Highest (inc Service Charge)	Lower	Median	
0	£111	£242	£300	£312	36%
1	£138	£306	£369	£404	34%
2	£161	£295	£460	£519	31%
3	£197	£284	£577	£669	29%
4+	£222	£367	£800	£952	23%

- 4.106. The Council's Social Rents are on average generally less than 36% of median private rents.
- 4.107. Rent increases are taken account of when calculating eligibility for Housing Benefit and Universal Credit. Although the exact numbers of tenants on Universal Credit, and (particularly) the extent to which the amount of benefit they receive fully covers their housing costs (if subject to the overall welfare benefit cap) is not known, it is estimated that at least 70% receive support, which for the vast majority would be expected to be reassessed to partially or fully match the level of the increase as shown below: -

Benefit Status	Tenancies	%	Weekly average paid by tenant (Rent + Service Charge)
Full Housing Benefit	1,590	9%	£0.00
Part Housing Benefit	2,871	17%	£28.86
Universal Credit check completed*	Up to 8,700	51%	£168.56
Total on Benefits	(Up to) 13,161	77%	
No HB/UC	3,785	23%	£161.45
Total	16,946	100%	

**the Council records when the DWP requires a verification of a UC claimant's current housing costs; however this is only indicative as it doesn't account for subsequent changes in tenant circumstances so is strictly a maximum figure. Of the 8,700 checks on the system for current tenants 7,719 occurred in this financial year and are considered relatively up to date (using this would give a total figure of 72% on housing assistance)*

- 4.108. The Council is required to assess affordability when making initial placement or letting decisions, and this is complemented by substantial pro-active work by both the Income Maximisation Team and the Financial Inclusion Team to identify where tenants are struggling and to advise where financial assistance may be available or more generally on managing finances effectively. This assistance is available regardless of whether the tenant is in receipt of



benefits or not. In certain circumstances tenants may also be eligible for temporary support through Discretionary Housing Payments.

- 4.109. The Council's Financial Inclusion Team provides benefits, budgeting and debt advice to Council tenants who are having difficulty paying their rent and other residential charges, noting in particular that heating and hot water charges are not eligible for housing benefit or universal credit. The Council's web pages provide advice and tools for tenants, as well as a contact form and contact number for assistance in checking the tenant is in receipt of all eligible benefits and/or to set up an effective budget to deal with any debts. Where residents get into arrears this will include implementing payment plans. This means that households with unpaid bills or outstanding debts will have the opportunity to work with the Council and construct an affordable repayment plan to clear the arrears that they owe and to avoid the threat of being evicted. Support is also available through dedicated Tenancy Support Officers and through the Cost-of-Living Hub, all of which will be signposted and can be accessed as necessary.

Non-Dwelling Rents

- 4.110. In addition to dwelling rents the HRA also receives income from its commercial portfolio and from charges for estate garages and storerooms which are covered under the non-residential charges proposals later in the report. The income to the HRA is estimated at £5.386m in 2025/26 and £5.367m in 2026/27.

Leaseholder Service Charge Income

- 4.111. As set out within the respective leases, leaseholders are required to contribute their relative share of repairs and maintenance as part of the annual service charge billing process. The estimated level of leaseholder revenue service charge contributions is £20.014m in 2025/26 which is based on the bills raised to date in the year as part of the September billing run and an estimate of those still to be billed, and estimated at £22.765m in 2026/27 in line with current inflation assumptions on recharged costs.

Other Income

- 4.112. Other Income covers a range of other sources to the HRA, including tenants' service charge income (referred to previously), heating and hot water charge income and other miscellaneous income streams. The income to the HRA is estimated at £17.921m in 2025/26 and £16.962m in 2026/27.

Investment Income

- 4.113. The HRA's balances are invested on a pooled arrangement as part of the Council's overall treasury investment strategy to obtain the best possible returns. The current rate of interest is estimated at 4.57% for 2025/26 and



4.07% in 2026/27 and then are expected to reduce in line with Bank of England estimates.

- 4.114. The estimated level of investment income is £8.255m in 2025/26 and £8.403m in 2026/27. This increase reflects the estimate of held balances in relation to Right to Buy 1-4-1 receipts with the interest accruing to the HRA.

HRA NON-RESIDENTIAL & CLUBROOM CHARGES

- 4.115. In addition to residential charges the Council issues charges on estate based property for garages and storsheds, and a smaller number of sites for parking and secure cycle sheds. This is in addition to charges for pre-assignment lease packs, and other ad-hoc charges for key replacements.
- 4.116. Charges for HRA garages and storsheds, and other charges outside of core tenants' rents and service charges, are reviewed on an annual basis with an aim to at least retain their value in real terms and therefore cover any increased costs. The bulk of the income is from garages and storsheds, mostly rented to residents on the estates. Charges are banded to reflect differences in location and size/quality. Demand remains high and it is therefore proposed to implement a full inflationary increase of 3.8% in line with the wider Council approach to charging in 2026/27.
- 4.117. There are mixed arrangements for HRA community clubrooms located on the Council's housing estates with management often having been historically devolved to resident volunteers from the estates themselves. However, as referenced in Paper No. 23-06 (Housing OSC - January 2023), six of these clubrooms are currently managed directly by the Council.
- 4.118. Following consultation on new procedures at the Residents Conference in October 2025 a review of the charges and other rules for hire is being finalised with conclusions and recommendations to be brought forward for approval in the first half of the 2026. The aim of the review will be to ensure greater consistency of approach, including for locally managed clubrooms, whilst maintaining the ability to maximise income in line with the attractiveness of the venue, particularly for commercial hires. Therefore no specific changes to the current charges are proposed at this time.
- 4.119. After accounting for volume changes since the last review, the proposed increases in non-residential charges are estimated to generate an additional £122,000 of income in 2026/27 and a full year. The impact of this has been incorporated within the HRA budget framework presented as part of this report for approval.
- 4.120. The proposed non-residential charges for approval, as set out in [Appendix D](#), are recommended to take effect from the first Monday in April 2026. Current charges for clubrooms are included for information.



COMMUNAL HEATING & HOT WATER CHARGES

- 4.121. The Council operates a number of communal heating systems that serve c.3,440 residents across its housing estates. This covers c.2,560 tenants and c.880 leaseholders. Charges are set to residents linked to the specific costs of individual boiler houses with an overarching aim to recover the Council's costs. Tenants and leaseholders are both required to pay a fuel charge with leaseholders also required to cover the actual cost of repairs and maintenance to the communal systems.
- 4.122. To address the substantial increase in fuel costs experienced in 2023/24, the Council approved an uplift that did not fully pass on the price increases to residents. Instead, charges were strategically set to incorporate a manageable deficit that was to be recovered over several years, and an uplift of 10% was then agreed for 2024/25. To reflect the substantial reduction in prices in 2024/25 it was then agreed to pass on a further reduction of 20% in 2025/26. This year, the wholesale price reductions have continued.
- 4.123. The anticipated change in the cost of repairs and maintenance has been weighted to reflect historical average costs, although the individual figures for boiler houses will vary depending on any known significant works that are due over the next year and where previous years' high costs due to major breakdowns have been recovered and charges now returned to a "beck and call" maintenance and servicing level. Responsive repairs, by their very nature, are difficult to predict and charge increases/decreases for maintenance will therefore vary between sites. Additionally, administration costs include a wide range of expenses, such as salaries, site inspections, safety certification, legal and regulatory compliance. Charges for repairs and maintenance and for administration costs only apply to leaseholders with the tenants' share being met from HRA budgets as it is assumed the existing HRA rent charge includes a contribution to these costs.
- 4.124. As current forecasts and projections show that the previous managed deficit is all but recovered it is now proposed to pass on a further reduction to all residents in the fuel charges for 2026/27 of 20% with effect from the first Monday in April 2026.
- 4.125. Therefore the average charges for fuel costs is being reduced from £17.69 per week to £14.15 per week, representing a 20% reduction, as summarised below: -

Bedsize	No. of Properties Charged	2025/26 Average Fuel Charge (per week)	2026/27 Average Fuel Charge (per week)	% Change
0	290	£12.04	£9.69	-20%
1	1,260	£15.29	£12.31	-19%



2	942	£19.85	£15.91	-20%
3	456	£21.24	£17.00	-20%
4	111	£25.33	£19.51	-23%
5	2	£33.08	£26.46	-20%
6	3	£37.81	£30.25	-20%
Total	3,064	£17.69	£14.15	-20%

- 4.126. The average leaseholder charge for repairs and maintenance (including administrative costs), which continues to be based on full cost recovery, is to be increased from £8.06 per week to £8.82 per week. This represents an average 9% increase based on current charges as summarised below: -

Bedsize	No. of Properties Charged	2025/26 Average Repairs Charge (per week)	2026/27 Average Repairs Charge (per week)	% Change
0	7	£4.13	£3.85	-7%
1	126	£6.07	£6.49	+7%
2	285	£7.97	£8.44	+6%
3	159	£9.31	£10.91	+17%
4	31	£11.47	£12.04	+5%
Total	608	£8.06	£8.82	+9%

- 4.127. The tables above represent average charges across the communal heating and hot water account. Individual charges for residents will vary based on the actual costs for the specific boiler house residents are connected to.
- 4.128. A summary of the current and forecast position on the heating and hot water account incorporating these proposals is shown below: -

	2025/26	2026/27
	£'000s	£'000s
Expenditure		
Gas and other fuel charges	2,052	1,861
Repairs and maintenance	1,336	1,376
Administration	328	333
Income		
Charges relating to fuel and leaseholder repairs	-3,267	-2,467
Contribution from HRA (repairs/admin)	-1,381	-1,385
Provision for backdated charges	846	-
Brought forward surplus(-)/deficit(+)	+72	-13
Carry forward surplus(-)/deficit(+)	-13	-296



- 4.129. In line with the setting of general tenants' service charges it is now proposed that as charges are back to being set on a cost recovery basis that the future setting of heating and hot water charges is delegated to the Executive Director of Finance in consultation with the Executive Director of Resident Services. Similarly to tenants' service charges tables showing the average charges for the following year will continue to be included within this report for information. Residents will continue to only be charged the costs relating to their specific boiler house.

CONSULTATION

- 4.130. Within the tenancy conditions the Council has undertaken to consult before seeking to change rent and other charges. Consultation will be undertaken through the Borough Residents' Forum (BRF) meeting on the 19 January 2026. Any feedback from the BRF will be considered at subsequent meetings during the decision making process.
- 4.131. The Council is required to notify tenants of variations of rent and other charges. The Council will need to serve a notice of variation at least 28 days before any variation takes effect. It is therefore recommended that the Executive Director of Resident Services be authorised to serve notices upon tenants of HRA dwellings, advising that any changes in rents and service charges will be applied from the first Monday in April 2026.

HRA BUDGET FRAMEWORK, CONTROLS & RESERVES

- 4.132. The HRA business plan and budget framework is approved by the Council each year together with a controlling parameter to limit the annual expenditure and the consequential reduction in the forecast capital and revenue reserve levels that the Cabinet can commit to within each framework period. In January 2017 this controlling parameter was set at a level of £40m (Paper No. 17-9).
- 4.133. The HRA business plan reported Cabinet in November 2025 (Paper No. 25-372) has been adjusted to take account of the recommendations in this report, including the additions to the capital programme, the recommendations on rents and service charges, the increase in non-residential charges together with any other concurrent budget variations being recommended for approval this cycle.
- 4.134. Appendix E to this report sets out the HRA budget framework that reflects the proposals in this report covering the period to 31 March 2029, before which time predicted HRA reserves must not be reduced by more than £40m from the presently predicted £197.595m. If at any point within the financial year the level of HRA reserves are predicted to fall below this minimum level the HRA framework would require revision and approval by full Council.



- 4.135. The HRA business plan graph provides an overview of HRA trends for the coming years, and the latest forecast of reserves is shown at [Appendix F](#). The graphical representation considers the latest estimates of revenue spend and capital expenditure in line with the stock condition survey and assumes that all self-financing existing debt is repaid by the end of 2031/32.
- 4.136. The reserve position is shown over both a 10-year and 30-year period. The 30-year graph needs to be treated with an element of caution due to the sensitive nature of the longer term assumptions underpinning the HRA business plan and the external factors that can and do influence the position significantly impacting projected surpluses. The total reserves position projected over a shorter term (over 10 years) should therefore be a more accurate representation, and generally more reliable.
- 4.137. The Council's reputation for constant, sound financial management is reflected in the strong base reserves position. Total reserves start at £153m, initially increase as the remaining self-financing debt is repaid, but then generally reduce as the revenue effect of the new borrowing starts to have an impact to a combined low of approximately £182m by the end of the 10-year period.
- 4.138. The longer 30-year HRA business plan model shows balances reducing to stand at a projected £107m by the end of the term. However this projection needs to be treated with an element of caution due to the sensitive nature of the longer term assumptions underpinning the HRA business plan and the external factors that can and do influence the position significantly impacting projected surpluses.
- 4.139. These graphs and underlying modelling therefore confirm that, based on the recommendations and revised assumptions referred to in this report, the Council's HRA business plan continues to remain viable.
- 4.140. It should however be noted that the HRA business plan has no financial provision for future fire safety measures and carbon reduction initiatives beyond those already approved within existing budgets and expected to be upgraded through cyclical stock condition works and therefore these could emerge to be significant future pressures as would any continuation of repairs spend at current levels.
- 4.141. The future forecast surpluses involve a number of assumptions on future spend and income levels which if varied can have a significant effect on available resources. There is therefore a risk of over-reliance on future projected surpluses which could throw the HRA business plan out of balance and necessitate additional borrowing, higher rents (if permissible) or reduced service provision in future years.
- 4.142. The Executive Director of Finance and the Executive Director of Resident Services consider that this HRA business plan and framework similarly



updated would demonstrate that the Council remains in a strong position to finance future expenditure plans.

5. **Financial Implications**

- 5.1. The financial implications are discussed in the body of the report.

6. **Legal Implications**

- 6.1. There are no specific legal implications arising from this paper, other to note that Council policy and recommendations for increases are controlled and limited by statute, in particular since the introduction of the Rent Standard in 2020, as updated for 2026/27, and that any agreed increases must be notified to the relevant tenant/leaseholder in accordance to statute and contractual conditions.

7. **Equalities Implications**

- 7.1. The Equality Act 2010 requires that the Council when exercising its functions must have "due regard" to the need to eliminate discrimination, to advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it and to foster good relations between persons who share a relevant protected characteristic and persons who do not share it. The measures outlined in this report, including the use of the HRA to expand the Council's social housing stock through the Homes for Wandsworth programme, and to maintain and refurbish its existing housing stock, are expected to have a positive impact on individuals with protected characteristics. The Council has a range of support mechanisms in place to support residents who may be affected by the proposed increase in rents, as outlined with the report.

8. **Supporting the Wandsworth Environment and Sustainability Strategy (WESS)**

- 8.1. Generally, HRA revenue and capital budgets incorporate and take account of the demands of improving the Council's environmental footprint. The report also references the potential future demands in this area, albeit largely unquantified at this stage, and the need to take these into account as part of the longer-term business planning process.
- 8.2. With regards to the communal heating and hot water systems, prior to the introduction of the Council's environmental and energy strategy, the Council's focus was on ensuring that a reliable heating and hot water supply was provided to residents. More recently, the aim to reduce carbon emissions combined with the significant increase in fuel prices has meant that the Council is not only looking at greener sources of energy for new systems but also looking to improve the efficiency of the existing ones. As the gas-fired communal systems approach the end of their life, they are



replaced with renewable, low-carbon systems where feasible, taking into consideration budget availability and site constraints, which includes the possible installation of air-source heat pumps, ground-source heat pumps or hybrid systems. New systems all include individual meters so that residents are only billed for the energy that they consume, as opposed to the pooled charges applied previously. Unfortunately, it is not feasible to retrofit metering and billing technologies to the existing systems because of the prohibitive costs of doing so but once those systems are renewed, they will receive individual bills.

9. Conclusion

- 9.1. The HRA business plan continues to be based on a number of assumptions which if varied can have a significant effect on available resources. However, the latest update confirms that the plan continues to demonstrate strong financial viability of the Council's management of its housing stock alongside the current estate regeneration and housing development plans which will create lifelong assets for the Council and support wider sustainable community growth.
- 9.2. The report proposes £241.907m of new HRA capital bids which, when added to the existing approved programme, creates an overall capital commitment of £758.227m over the framework period, demonstrating the Council's ongoing commitment to maintaining existing stock and continuing to invest in the delivery of new affordable housing through both the estate regeneration schemes and the Homes for Wandsworth development programme.
- 9.3. Recognising the financial position it is recommended that tenants have their rent increased by a maximum of 4.8% with effect from the first Monday in April 2026, equivalent to an average increase of 4.5%. It is also recommended that non-residential charges are increased generally by an average of 3.8%, and that charges for heating and hot water are also revised with effect from the first Monday in April 2026.
- 9.4. Future surpluses are still forecast by the end of the HRA business plan however these need to continue to be viewed with caution as they are in no way guaranteed and there are likely to be additional funding pressures in future years not yet included in the HRA business plan projections.
- 9.5. The graphical representation of balances in [Appendix F](#) shows that whilst the HRA is projected to be in surplus in the short to medium term the position remains relatively finely balanced. As a result, any demand for additional expenditure or reduction in assumed income levels will need to continue to be assessed and possibly mitigated elsewhere within the HRA business plan to maintain and ensure ongoing viability.



Accompanying papers

Appendix A – Existing HRA Capital Programme Summary

Appendix B – HRA Capital Additions

Appendix C – Detailed HRA Capital Programme

Appendix D – HRA Non-Residential Charges

Appendix E – HRA Budget Framework

Appendix F – HRA Business Plan Reserves Graphs



Housing Revenue Account - Existing Approved Capital Programme Summary

	<u>2025/26</u>	<u>2026/27</u>	<u>2027/28</u>	<u>2028/29</u>
	<u>£ '000</u>	<u>£ '000</u>	<u>£ '000</u>	<u>£ '000</u>
MAJOR REFURBISHMENT OF ESTATES	13,802	44,463	54,213	24,769
RE-LIFTING	2,880	7,670	5,249	850
RE-WIRING	3,603	3,444	3,283	4,101
HEATING REPAIRS & IMPROVEMENTS	5,672	11,722	5,892	1,078
SPECIAL REPAIRS	2,870	3,829	600	160
SHELTERED HOUSING	2,114	3,287	2,463	-
ADAPTATIONS FOR DISABLED	1,951	-	-	-
ENTRYCALL & CCTV	590	1,058	637	-
ENVIRONMENTAL & ESTATE IMPROVEMENTS	2,656	4,817	5,620	955
TOTAL EXISTING STOCK REPAIRS & IMPROVEMENTS	<u>36,138</u>	<u>80,290</u>	<u>77,957</u>	<u>31,913</u>
REGENERATION PROJECTS	22,131	45,848	34,743	219
SITE DEVELOPMENTS	29,100	53,261	40,401	12,196
PURCHASE OF PROPERTIES	15,000	28,876	-	-
TOTAL NEW STOCK INVESTMENT	<u>66,231</u>	<u>127,985</u>	<u>75,144</u>	<u>12,415</u>
HOUSE PURCHASE GRANTS	3,229	2,400	2,400	-
VEHICLE FLEET RENEWAL	-	218	-	-
TOTAL OTHER CAPITAL	<u>3,229</u>	<u>2,618</u>	<u>2,400</u>	<u>-</u>
TOTAL HOUSING REVENUE ACCOUNT	<u>105,598</u>	<u>210,893</u>	<u>155,501</u>	<u>44,328</u>

Housing Revenue Account - Proposed Additions to the Capital Programme

	<u>2025/26</u> <u>£ '000</u>	<u>2026/27</u> <u>£ '000</u>	<u>2027/28</u> <u>£ '000</u>	<u>2028/29</u> <u>£ '000</u>
<u>MAJOR REFURBISHMENT OF ESTATES</u>				
Ackroydon East Estate (West Hill)				
Swanton Gardens 1-13, 40-57				
Ashstead Court 1-20 cons				
Roof renewal - Phase 2	-	-	177	414
Ackroydon West Estate (West Hill)				
Banning House 1-13				
Chilworth Court 1-15, 5A				
Duncombe House 1-24 cons				
Oatlands Court 1-32 cons, 2A				
Roof renewal - Phase 2	-	-	299	697
Alfred Butt House (Trinity)*				
Roof & window renewal	-	24	57	-
Alton Estate (Roehampton)				
Binley House, Charcot House, Denmead House, Dunbridge House, Winchfield House				
Kitchen & bathroom renewal	-	-	2,674	6,239
Alton Estate (Roehampton)*				
Binley House, Charcot House, Denmead House, Dunbridge House, Winchfield House				
Window renewal		164	1,478	
Arndale Estate (Wandsworth Town)*				
Eliot & Wentworth Courts				
Cladding replacement	-	225	525	
Ashburton Estate South (West Putney)*				
Tildesley Road 323-387				
Podium deck car park renewal		87	203	
Balham High Road 270 F1-6, F8-12 (Trinity)				
Window renewal	-	-	55	129
Battersea Park Estate (Battersea Park)				
Berry House, Hopkinson House, Rushlake House, Wittering House				
Roofing & installation of roof guard rail/roof hatches - Phase 1	-	-	361	844
Breasley Close Estate (West Putney)				
Breasley Close 1-15o, 2-20e				
Upper Richmond Road 392 Flats 1-10				
Window renewal	-	-	146	341
Burtop Road Estate (Wandsworth common)				
Siward Road, Maskell Road, Garratt Lane				
Window renewal	-	-	881	2,056
Cornwall Court 1- 6 (Tooting Broadway)				
Window renewal	-	-	31	73
Doddington Rollo Estates (Battersea Park)				
Alfreda Court 1-46 cons, Rollo Court 1-49 cons				
Roof & window renewal - Phase 1A	-	-	660	1,541
Garton Place Estate (Fairfield)				
Swanmore Court 1-18, Thorness Court 1-12				
St Anns Hill 77a-f, 2-8e Garton Place				
Roof & window renewal	-	-	121	282
Hazelhurst Estate (Tooting Broadway)				
Colnbrook, Shiplake, Haddenham, Hazelhurst Road				
Roofing - Phase 1	-	-	164	382
Kersfield Road Estate (East Putney)				
Lusher House, Classinghall House				
Roof renewal	-	-	139	324

	<u>2025/26</u> <u>£ '000</u>	<u>2026/27</u> <u>£ '000</u>	<u>2027/28</u> <u>£ '000</u>	<u>2028/29</u> <u>£ '000</u>
Langroyd Road 35-38 (Trinity) Window renewal	-	-	21	49
Longbeach Road 32, 34 & 36 (Lavender) Window renewal	-	-	16	36
Longstaff Estate (East Putney)* Woodhams House 1-30 cons, 6A&B Metal balcony walkway guard rails	-	180	-	-
Marmion House (Balham) Roof renewal	-	-	70	162
Maysoule Road Estate (Falconbrook) Beverley Close 1-18, 20-22 cons Kennett Close 1-6 cons, 17-26 cons 27-34 cons, 7-8 cons, 9-16 cons Maysoule Road 134-140e, 2-28e, 30-96e, 98-132e all flats 70 units Plough Road 78-82e (non residential) / 1 Windrush Close Wynter Street 53-63o Window renewal	-	-	527	1,229
Nightingale Square (Balham) Main Building (103-112) Roof renewal - Phase 2	-	-	35	81
Queenstown Road (Shaftesbury & Queenstown) 73A-B, 75A-B & 77A-B Roof & window renewal	-	-	120	280
St Ann's Crescent 59 fa-fb (Wandsworth Town) Roof & window renewal, brickwork repairs	-	-	18	42
Surrey Lane Estate (Battersea Park) Blomfield Court, Bowstead Court Burnett Court, Wolsey Court Roof renewal - Phase 3	-	-	417	973
Wandsworth Common Northside 39 fa-d, 41 fa-d, 43 fa-d, 45 fa-d (Wandsworth Town) Window renewal & external repairs	-	-	83	195
Winstanley Estate (Falconbrook) Clark Lawrence Court 1-44 cons, Sendall Court 1-44 cons Shaw Court 1-44 cons Roofing - Phase 2	-	-	459	1,071
Kitchens & Bathrooms Individual kitchens & bathrooms	-	-	1,500	1,500
Boroughwide External decorations conversion to window renewal	-	1,000	1,000	-
TOTAL MAJOR REFURBISHMENT OF ESTATES	-	1,680	12,237	18,940

	<u>2025/26</u> <u>£ '000</u>	<u>2026/27</u> <u>£ '000</u>	<u>2027/28</u> <u>£ '000</u>	<u>2028/29</u> <u>£ '000</u>
<u>RELIFTING</u>				
Alton Estate (Roehampton) Finchdean House, Overton House Phase 4	-	-	226	527
Alton Estate Point Blocks (Roehampton) Eashing Point, Hindhead Point Phase 1	-	-	226	527
Portinscale West Estate (East Putney) Askill Drive 3-29o, 39-95o	-	-	174	406
Rollo Estate (Battersea Park) Alfreda Court Phase 4	-	-	113	264
William Willison Estate (West Hill) Stoford Close 1-32, Keevil Drive 2-88 Phase 3	-	-	309	722
TOTAL RELIFTING	-	-	1,048	2,446
<u>REWIRING</u>				
Wimbledon Park Estate (West Hill) Wimbledon Park Court, Briardale, Verebank, Fernwood Full rewire excluding lateral mains - Phase 2	-	-	321	749
Boroughwide Block LED lighting upgrades	-	-	600	-
Communal & laterals	-	-	300	-
Individual rewires	-	2,000	2,000	-
TOTAL REWIRING	-	2,000	3,221	749
<u>HEATING REPAIRS & IMPROVEMENTS</u>				
Arndale Estate (Wandsworth Town) Albon, Edwyn, Knowles Heat interface unit installation - Phase 2	-	-	695	1,622
Fitzhugh Estate (Wandsworth Common)* Replacement of communal heating system	-	-	1,257	-
Boroughwide Cold water booster - Phase 4	-	-	250	584
Water tank renewal - Phase 13	-	-	359	837
Water tank renewal - Phase 14	-	-	208	485
Individual boiler replacement	-	-	2,800	-
TOTAL HEATING REPAIRS & IMPROVEMENTS	-	-	5,569	3,528

	<u>2025/26</u> <u>£ '000</u>	<u>2026/27</u> <u>£ '000</u>	<u>2027/28</u> <u>£ '000</u>	<u>2028/29</u> <u>£ '000</u>
<u>SPECIAL REPAIRS</u>				
Alton Estate (Roehampton)*				
Kimpton House - Door entry installation	-	205	-	-
Boroughwide				
Acquired Properties				
Roofs, decoration, damp proofing	-	-	300	-
Extensions/conversions	-	1,000	1,000	-
Refurbishment of street properties	-	500	500	-
Provision for urgent schemes	-	700	700	-
Residential Personal Emergency Evacuation Plans (Grant Funded)	767	-	-	-
TOTAL SPECIAL REPAIRS	<u>767</u>	<u>2,405</u>	<u>2,500</u>	<u>-</u>
<u>SHELTERED HOUSING</u>				
Ashburton Estate (West Putney)*				
1-18 Boyd Court, 1-16 Cortis Terrace, 135-165 Westleigh Avenue				
Lift installation	-	418	-	-
Totterdown Fields Estate (Tooting Bec)				
Cowick Road 1-39o, 2-88 (Tooting Bec)				
Electrical works/bulkhead external lighting	-	-	46	-
Doris Emerton Court 1-66 (Falconbrook)				
Roof renewal	-	-	229	536
Francis Snary lodge 1-31 cons (East Putney)				
Fire alarm upgrade	-	-	31	73
Glenthorpe 36-71 cons (West Putney)				
Lift installation	-	-	109	256
Haven Lodge 1-24 cons (Falconbrook)				
Fire alarm upgrade	-	-	31	73
Ivor Mayor Lodge 1-22 cons (Northcote)				
Fire alarm upgrade	-	-	35	81
James Searles Close 1-16 cons (Battersea Park)				
Fire alarm upgrade			31	73
Kirton Lodge 1-21 cons (Wandsworth Town)				
Fire alarm upgrade	-	-	31	73
Nursery Close 31-55 (West Putney)				
Fire alarm upgrade	-	-	31	73
Rambler Close 1-32 (Furzedown)				
Fire alarm upgrade	-	-	24	57
St Margarets Court 42-61 cons (West Putney)				
Fire alarm upgrade	-	-	31	73
Washington Court 1-18 cons (Tooting Broadway)				
Fire alarm upgrade	-	-	31	73
TOTAL SHELTERED HOUSING	<u>-</u>	<u>418</u>	<u>660</u>	<u>1,441</u>

	<u>2025/26</u> <u>£ '000</u>	<u>2026/27</u> <u>£ '000</u>	<u>2027/28</u> <u>£ '000</u>	<u>2028/29</u> <u>£ '000</u>
<u>ADAPTATIONS FOR THE DISABLED</u>				
Conversion works	-	1,000	1,000	-
Minor adaptations	-	1,000	1,000	-
TOTAL ADAPTATIONS FOR THE DISABLED	-	2,000	2,000	-
<u>ENTRYCALL & CCTV</u>				
Alton Estate (Roehampton)				
Danebury Avenue 117-211o, 213-243o				
Door entry system	-	-	111	260
Dawes House fa-fm (Falconbrook)				
Door entry system	-	30	-	-
Lowersmead Estate (Trinity)				
Door entry system	-	-	151	353
TOTAL ENTRYCALL & CCTV	-	30	262	613
<u>SITE DEVELOPMENTS</u>				
Battersea Power Station (Battersea Park)				
	5,700	66	27,527	82,776
Other schemes / feasibilities & contingencies	2,500	2,500	-	-
TOTAL SITE DEVELOPMENTS	8,200	2,566	27,527	82,776
<u>REGENERATION PROJECTS</u>				
ROEHAMPTON SCHEME				
Roehampton Community Hub	-	12,600	12,600	-
TOTAL REGENERATION PROJECTS	-	12,600	12,600	-
PURCHASE OF PROPERTIES				
	-	1,124	15,000	15,000
TOTAL ADDITIONS	8,967	24,823	82,624	125,493
Bids with a * indicates a top-up to an existing specific scheme				

Housing Revenue Account - Detailed Capital Programme

	<u>2025/26</u>	<u>2026/27</u>	<u>2027/28</u>	<u>2028/29</u>
	<u>£ '000</u>	<u>£ '000</u>	<u>£ '000</u>	<u>£ '000</u>
MAJOR REFURBISHMENT OF ESTATES	13,802	46,143	66,450	43,709
RE-LIFTING	2,880	7,670	6,297	3,296
RE-WIRING	3,603	5,444	6,504	4,850
HEATING REPAIRS & IMPROVEMENTS	5,672	11,722	11,461	4,606
SPECIAL REPAIRS	3,637	6,234	3,100	160
SHELTERED HOUSING	2,114	3,705	3,123	1,441
ADAPTATIONS FOR DISABLED	1,951	2,000	2,000	-
ENTRYCALL & CCTV	590	1,088	899	613
ENVIRONMENTAL & ESTATE IMPROVEMENTS	2,656	4,817	5,620	955
TOTAL EXISTING STOCK REPAIRS & IMPROVEMENTS	36,905	88,823	105,454	59,630
REGENERATION PROJECTS	22,131	58,448	47,343	219
SITE DEVELOPMENTS	37,300	55,827	67,928	94,972
PURCHASE OF PROPERTIES	15,000	30,000	15,000	15,000
TOTAL NEW STOCK INVESTMENT	74,431	144,275	130,271	110,191
HOUSE PURCHASE GRANTS	3,229	2,400	2,400	-
VEHICLE FLEET RENEWAL	-	218	-	-
TOTAL OTHER CAPITAL	3,229	2,618	2,400	-
TOTAL HOUSING REVENUE ACCOUNT	114,565	235,716	238,125	169,821

	<u>2025/26</u> <u>£ '000</u>	<u>2026/27</u> <u>£ '000</u>	<u>2027/28</u> <u>£ '000</u>	<u>2028/29</u> <u>£ '000</u>
<u>MAJOR REFURBISHMENT OF ESTATES</u>				
Ackroydon East Estate (West Hill)				
Swanton Gardens 14-31, 58-87 Roof renewal - Phase 1	3	67	620	-
Swanton Gardens 1-13, 40-57 Ashstead Court 1-20 cons Roof renewal - Phase 2	-	-	177	414
Ackroydon West Estate (West Hill)				
Caryl House 1-13, Grantley House 1-13 Roof renewal - Phase 1	1	90	210	-
Banning House 1-13 Chilworth Court 1-15, 5A Duncombe House 1-24 cons Oatlands Court 1-32 cons, 2A Roof renewal - Phase 2	-	-	299	697
Alfred Butt House (Trinity)				
Roof renewal	3	89	498	-
Alton Estate (Roehampton)				
Allbrook House 1-45 Roof & window renewal	-	58	1,036	-
Danebury Avenue 117-211o, 213-243o Window renewal	2	243	571	-
Binley House, Charcot House, Denmead House, Dunbridge House, Winchfield House Window renewal	71	3,164	6,959	2,360
Binley House, Charcot House, Denmead House, Dunbridge House, Winchfield House Kitchen & bathroom renewal	-	-	2,674	6,239
Argyle Esher Estate (West Hill)				
Bisley House Roof renewal	-	-	186	21
Arndale Estate (Wandsworth Town)				
Edwyn House, Knowles House Roof renewal	-	130	370	-
Eliot & Wentworth Courts Cladding replacement	297	6,739	12,642	2,800
Ashburton Chartfield Estate (West Putney)				
Westleigh Avenue 34 fa-fh Roof renewal	-	10	106	10
Ashburton South Estate (West Putney)				
Tildesley Road 323-387 Podium deck car park renewal	-	197	409	-
Auckland Estate (Lavender)				
External decorations conversion to window renewal	-	344	827	100
Auckland Road 25 fa-fb (Lavender)				
Roof and window renewal	-	99	-	-
Balham Hill Estate (East & West Balham)				
Roof and window renewal	53	1,500	1,397	-
Balham Park Road 57a-57g, 95 fa-fh (Trinity)				
Roof and window renewal to 95, window renewal only to 57	200	92	-	-

	<u>2025/26</u>	<u>2026/27</u>	<u>2027/28</u>	<u>2028/29</u>
	<u>£ '000</u>	<u>£ '000</u>	<u>£ '000</u>	<u>£ '000</u>
Balham High Road 270 F1-6, F8-12 (Trinity) Window renewal	-	-	55	129
Battersea High Street Estate (St Mary's) Coles Court, Meecham Court, Morgan Court, Pritchard Court Roof renewal	594	290	-	-
Battersea Park Estate (Battersea Park) Berry House, Hopkinson House, Rushlake House, Wittering House Roofing & installation of roof guard rail/roof hatches - Phase 1	-	-	361	844
Breasley Close Estate (West Putney) Breasley Close 1-15o, 2-20e Upper Richmond Road 392 Flats 1-10 Window renewal	-	-	146	341
Burtop Road Estate (Wandsworth common) Siward Road, Maskell Road, Garratt Lane Window Renewal	-	-	881	2,056
Cambalt Road 13-121 (West Putney) Spandrel panel replacement and window renewal	166	1,007	650	-
Carlton Drive 24 F1-F10 and 25 F1-F10 (East Putney) Window renewal	20	320	-	-
Carnie Lodge (Bedford) Window renewal	-	66	154	-
Chatham Road East (Northcote) Chatham Road 121-131, 133 fa-fh Roof renewal	-	49	114	-
Chatham Road West (Northcote) Cobham Close 1, 3-19, Darley Road 1-9, 11-33, Halston Close 1-41 Kingsdown Court 1-17, Northcote Road 160-170, Pembury Court 1-6 Rainham Close 1-9, Staplehurst Court 1-12, Teyham Court 1-11 Roof renewal	-	-	-	880
Colson Way Estate (Furzedown) Fordyce House, Langton House, Percy House, Walmsley House Chambers House, 45 & 47 Aldrington Road 12 & 17 Colson Way, 4 Pringle Gardens Roof renewal, spandrel panel replacement and external decorations	10	1,990	484	-
Cornwall Court 1- 6 (Tooting Broadway) Window renewal	-	-	31	73
Doddington & Rollo Estates (Battersea Park) Bank Court, Connor Court, Park Court, Turpin House, Alfreda Court Newtown Court, Ravenet Court, Rawson Court, Rollo Court Roof renewal - Phase 1	16	560	1,000	625
Alfreda Court 1-46 cons, Rollo Court 1-49 cons Roof & window renewal - Phase 1A	-	-	660	1,541
Arthur Court, Bolton Court, Kennard House, Russell Court, St George House, Voltaire Court Roof renewal - Phase 2	-	-	149	1,080
Battersea Park Road 253-257, 281-285 Cromwell House, Falkener Court, Landseer House Lucas Court, Palmerston House, Youngs Court Roof renewal - Phase 3	-	-	427	1,669
Ethelburga Estate (Battersea Park) Ethelburga Tower Roof renewal - Phase 3	-	282	220	200

	<u>2025/26</u>	<u>2026/27</u>	<u>2027/28</u>	<u>2028/29</u>
	<u>£ '000</u>	<u>£ '000</u>	<u>£ '000</u>	<u>£ '000</u>
Fairfield Court (Wandsworth Town) External decorations conversion to window renewal	45	1,000	355	-
Falcon Road Estate (Falconbrook) Eden House, Ridley House, Temple House Replacement of spandrel panels	-	-	300	-
Faylands/Boothby Adams Estate (Furzedown) Boswell House, Adams House, Boothby House Roof renewal - Phase 2	245	-	-	-
Fitzhugh Estate (Wandsworth Common) All Blocks Roof renewal	25	1,147	115	-
Garton Place Estate (Fairfield) Swanmore Court 1-18, Thorness Court 1-12 St Anns Hill 77 fa-ff, 2-8e Garton Place Roof & window renewal	-	-	121	282
Goulden House (St Mary's) Window renewal & structural works	32	480	1,004	618
Gravenel Gardens (Tooting Broadway) Gravenel Gardens 1-6, 7-12, 13-48, Jordan Lodge 1-6 Roof renewal	-	600	43	-
Hafer Road (Lavender) Lavender Sweep 68-72 Roof renewal	103	-	-	-
Hazelhurst Estate (Tooting Broadway) Colnbrook, Shiplake, Haddenham, Hazelhurst Road Roofing - Phase 1	-	-	164	382
Henry Harrison Court (Wandsworth Town) Window renewal	-	100	67	-
Henry Prince Estate (Wandle) St John's Drive 1a, 9-24, 33-40, 41-56, 64-72, 73-88 Roof renewal - Phase 1	3	-	-	-
St John's Drive 1-8, 25-32, 57-64, 89-96 Roof renewal - Phase 2	20	1,397	530	-
Wandle Way 1-16, 33-48, 57-72, 81-96, 105-120 Roof renewal - Phase 2A	-	10	1,296	1,000
Haldane Place 1-56 Roof renewal - Phase 3	-	-	50	1,247
Herlwyn Gardens 19-22, 17, 23 & 24 (Tooting Bec) Roof renewal	-	-	55	200
Holborn Estate (Tooting) External decorations conversion to window renewal	-	597	80	-
Kersfield Road Estate (East Putney) Lusher House, Classinghall House Roof renewal	-	-	139	324
Lane Court (Northcote) Roof and window renewal	-	100	550	-
Langroyd Road 35-38 (Trinity) Window renewal	-	-	21	49

	<u>2025/26</u>	<u>2026/27</u>	<u>2027/28</u>	<u>2028/29</u>
	<u>£ '000</u>	<u>£ '000</u>	<u>£ '000</u>	<u>£ '000</u>
Lavenham Court 1-6, Pavilion Chambers 1-17 (Lavender)				
Window renewal	-	88	205	-
Longbeach Road 32, 34 & 36 (Lavender)				
Window renewal	-	-	16	36
Longstaff Estate (East Putney)				
Woodhams House				
Replacement of walkway safety guards	270	180	-	-
Louvaine Road 17 (Wandsworth Town)				
Roof and window renewal	-	69	30	-
Lurline Gardens Estate (Battersea Park)				
All Saints Court, Lurline Gardens 2-24, Queenstown Road 363-369				
Roof renewal	55	278	150	-
Manville Road 30-38C (South Balham)				
Window renewal	30	86	-	-
Marmion House (Balham)				
Roof renewal	-	-	70	162
Mayford Close (Nightingale)				
Mayford Close 11-16				
External refurbishment	-	-	74	300
Maysoule Road Estate (Falconbrook)				
Beverley Close 1-18, 20-22 cons				
Kennett Close 1-6 cons, 17-26 cons 27-34 cons, 7-8 cons, 9-16 cons				
Maysoule Road 134-140e, 2-28e, 30-96e, 98-132e all flats 70 units				
Plough Road 78-82e (non residential) / 1 Windrush Close				
Wynter Street 53-63o				
Window renewal	-	-	527	1,229
Morella Road 4 fa-ff (Balham)				
Conversion works	-	110	260	-
Newlands Estate (Tooting Bec)				
Barringer Square 22-164e, 7-109o, Tooting Bec Road 174-212e				
Treherne Court 1-35 cons, 40-55 cons				
Roof renewal	5	-	-	-
Nightingale Square (Balham)				
Roof renewal - Phase 1	62	1,062	132	-
Main Building (103-112)				
Roof renewal - Phase 2	-	-	35	81
Oakhill Road 68-72, 68A-72A, 68B-72B (East Putney)				
Roof renewal	-	21	49	-
Oxford Road 20 fa-fb (Thamesfield)				
Roof and window renewal	-	120	12	-
Putney Hill 39 F1-F20 (East Putney)				
External decorations conversion to window renewal	314	-	-	-
Queenstown Road (Shaftesbury & Queenstown)				
73A-B, 75A-B & 77A-B				
Roof & window renewal	-	-	120	280
Ranelagh Estate (Thamesfield)				
Hewett House, Lancaster House, Pearson House				
Roof renewal	951	-	-	-
Savona Street 10-16 (Shaftesbury & Queenstown)				
External decorations conversion to window renewal	110	8	-	-

	<u>2025/26</u>	<u>2026/27</u>	<u>2027/28</u>	<u>2028/29</u>
	<u>£ '000</u>	<u>£ '000</u>	<u>£ '000</u>	<u>£ '000</u>
Southdean Gardens 11 (West Hill) Roof and window renewal	-	80	6	-
Southlands Estate (St Mary's) Gaitskell Court, McKiernan Court, Winders Rd 51-101o Roof renewal	-	8	720	100
St Ann's Crescent 59 fa-fb (Wandsworth Town) Roof & window renewal, brickwork repairs	-	-	18	42
St John's Avenue 2 (East Putney) Roof renewal	33	72	-	-
Stephen Sanders Court (Northcote) Window renewal	59	470	-	-
Surrey Lane Estate (Battersea Park) Battersea Bridge Road 152-158, 162-168, Hervey Court Jacobson Court, Mansel Court, Sancroft Court, Villiers Court Roof renewal - Phase 1	5	541	1,570	-
Fraser Court, Musgrave Court, Wigram Court, Westbridge House Roof renewal - Phase 2	-	81	2,230	933
Blomfield Court, Bowstead Court Burnett Court, Wolsey Court Roof renewal - Phase 3	-	-	417	973
Thrale Road 87 fa-fb (Furzedown) Window and door renewal. Roof and porch roof overhaul	40	91	-	-
Totteridge House (St Mary's) Window & roof renewal	-	603	1,406	-
Upper Richmond Road 41 F1-F4 (East Putney) Window and roof renewal	56	250	-	-
Upper Richmond Road 125 F1-F43 (East Putney) External decorations conversion to window renewal including flooring	100	377	-	-
Upper Richmond Road 328 F1-F2 (Thamesfield) Roof renewal	-	131	-	-
Vardens Road 23 (Wandsworth Town) Roof and window repairs	5	232	-	-
Wandsworth Common North Side (Wandsworth Town) 30 fa-fc Roof and window renewal	2	195	-	-
Wandsworth Common Northside (Wandsworth Town) 39 fa-d, 41 fa-d,43 fa-d,45 fa-d Window renewal & external repairs	-	-	83	195
Wendelsworth Estate (Wandsworth Town) Bembridge House, Binstead House, Bowyer House, Culver Court Domelton House, Linstone Court, Vectis Court Window renewal	500	1,739	1,104	-
Wilditch Estate (Battersea Park) Culvert Road 50-56e, 58 1-22 cons, 60-66e, 68-78e, 80 F1-11, 82-90e, 92-126e, 92a-92b Sheepcote Lane 54-88e 54a-54b Window renewal	15	900	228	-
Weybridge Point 1-61 cons 1a, 1c Remedial works to cladding panels	106	3,000	3,000	2,780

	<u>2025/26</u> <u>£ '000</u>	<u>2026/27</u> <u>£ '000</u>	<u>2027/28</u> <u>£ '000</u>	<u>2028/29</u> <u>£ '000</u>
William Willison Estate (West Hill)				
Stoford Close 1-76, Beaumont Road 49-111, Southmead Road Window renewal - Phase 1	16	-	-	-
Beaumont Road 177, Castlecombe Drive 1 , 5, 11, 23 & 31, 33-81, 2-234 Littlecote Close 2, 9, 18, 20 & 22 Stourhead Close 6 Window renewal - Phase 2	-	2,419	-	-
Mere Close, Potterne Close Window renewal - Phase 3	-	217	902	-
Keevil Drive 1-63, 65-127, 2-88, 90-112, 114-128 130-144, 146-256 Window renewal - Phase 4	-	2	790	2,000
Winstanley Estate (Falconbrook)				
Fenner Square 1-18, 20-41,19a-b, Holliday Square 1-44, John Parker Square 1-14, 15-36 Thomas Baines Road 1-8, 9-30, 31-56, 57-82, Weekly Square 1-14, 15-28 Roofing - Phase 1	-	353	1,825	-
Clark Lawrence Court 1-44 cons, Sendall Court 1-44 cons Shaw Court 1-44 cons Roofing - Phase 2	-	-	459	1,071
Kitchens and Bathrooms				
Individual kitchens & bathrooms	-	-	1,500	1,500
Phase 11A - Southlands East	5	550	782	-
Phase 13A - Alton E Blocks 17-23 Allenford House, Bramley House, Penwood House, Shalden House Swaythling House, Tatchbury House, Warnford House	1,027	-	-	-
Phase 14 - Doddington East	-	2,846	149	-
Phase 15 - Holborn Estates	708	-	-	-
Phase 15A - Hazelhurst Estate	1,550	-	-	-
Phase 16 - Doddington West	-	-	2,186	1,000
Phase 16A - Doddington West	-	-	-	3,186
Phase 17 - Badric Court	-	558	1,000	100
Phase 18 - Arndale Eliot & Wentworth Court	-	800	1,100	560
Phase 18A - Arndale Sudbury House	-	266	1,792	-
Phase 19 - Boroughwide	2,045	1,000	-	-
Wimbledon Park Estate	30	-	-	-
Boroughwide				
External decorations conversion to window renewal	660	1,000	1,000	-
Fire safety systems to sheltered & short term lets - Phase 4	1,792	139	-	-
Fire safety compartmentation works	500	-	-	-
Retrofit - Void Properties	242	400	300	-
Retrofit - Tenanted Properties	-	984	1,000	1,000
Building Safety Act contingency	600	1,000	-	-
TOTAL MAJOR REFURBISHMENT	13,802	46,143	66,450	43,709

	<u>2025/26</u> £ '000	<u>2026/27</u> £ '000	<u>2027/28</u> £ '000	<u>2028/29</u> £ '000
RE-LIFTING				
Alton Estate (Roehampton)				
Charcot House, Winchfield House	2	600	74	-
Binley House, Denmead House, Dunbridge House Phase 1A	8	542	90	-
Allenford House, Bramley House, Swaythling House Tatchbury House, Warnford House Phase 2	9	700	136	-
Holmsley House, Kimpton House Phase 3	15	96	485	200
Finchdean House, Overton House Phase 4	-	-	226	527
Eashing Point, Hindhead Point Phase 1	-	-	226	527
Community Hall	-	200	35	-
Argyle Esher Estate (West Hill)				
Bisley House	4	221	90	-
Argyle Glen Albyn Estate (West Hill)				
Chobham Gardens 1-36, 37-65, 66-95	135	-	-	-
Arndale Estate (Wandsworth Town)				
Eliot Court & Wentworth Court Phase 3	-	600	58	-
Ashburton South Estate (West Putney)				
Tildesley Road Phase 1	286	46	-	-
Hayward Gardens Phase 2	788	260	-	-
Hayward Gardens Phase 3	-	159	371	-
Badric Court (St Mary's)				
	8	330	200	-
Battersea High Street (St Mary's)				
Lindsay Court Phase 1	1	300	40	-
Meecham Court Phase 2	-	134	238	-
Battersea Park Estate (Battersea Park)				
Atkinson House, Dresden House Phase 1	8	710	240	-
Berry House, Walden House Phase 2	1	183	762	-
MacDonald House Phase 3	-	235	460	-
Copeland House (Tooting Broadway)				
	-	230	10	-
Fitzhugh Estate (Wandsworth Common)				
Gernigan House, Morville House, St Quentin House Skipsea House, Woodhall House	139	-	-	-

	<u>2025/26</u>	<u>2026/27</u>	<u>2027/28</u>	<u>2028/29</u>
	<u>£ '000</u>	<u>£ '000</u>	<u>£ '000</u>	<u>£ '000</u>
Goulden House (St Mary's)	15	-	-	-
Gravenel Gardens 13-48 (Tooting Broadway)	5	97	35	-
Hazelhurst Estate (Tooting Broadway) Hayesend House, Chillingford House	5	705	100	-
Hibbert St (Falconbrook) Sheridan House	115	6	-	-
Kersfield Road Estate (East Putney) Classinghall House, Lusher House	11	-	-	-
Melody Road 128-162 (Wandsworth Town)	150	5	-	-
Newlands Estate (Tooting Bec) Barringer Square 71-109, Treherne Court	31	200	-	-
Portinscale West Estate (East Putney) Askill Drive 3-29o, 39-95o	-	-	174	406
Rollo Estate (Battersea Park) Rawson Court Phase 2	8	200	494	-
Ravenet Court Phase 3	-	126	294	-
Alfreda Court Phase 4	-	-	113	264
St James Grove Estate (Battersea Park) Castlemaine	-	300	370	-
The Platt Estate (Thamesfield) Phelps House	12	-	-	-
Wendelsworth Estate (Wandsworth Town) Bembridge House, Binstead House Phase 2	94	-	-	-
William Willison Estate (West Hill) Keevil Drive Phase 1	1	168	547	-
Keevil Drive 65-127, Stapleford Close 1-34 Phase 2	-	-	120	650
Stoford Close 1-32, Keevil Drive 2-88 Phase 3	-	-	309	722
Winstanley Estate (Falconbrook) Clarke Lawrence Court, Sendall Court, Shaw Court, Sporle Court Phase 2	1,029	317	-	-
TOTAL RE-LIFTING	2,880	7,670	6,297	3,296

	<u>2025/26</u>	<u>2026/27</u>	<u>2027/28</u>	<u>2028/29</u>
	<u>£ '000</u>	<u>£ '000</u>	<u>£ '000</u>	<u>£ '000</u>
RE-WIRING				
Doddington Estate (Battersea Park)				
Park Court Communal rewire and lighting replacement	10	440	-	-
Ethelburga Estate (Battersea Park)				
Laterals and communals - Phase 1	-	80	229	-
Totterdown Fields Estate (Tooting Bec)				
Derinton Road/Blakenham Road Clubroom Fire alarm system upgrades	99	-	-	-
Wimbledon Park Estate (West Hill)				
Allenswood, Ambleside, Lindale Full rewire excluding lateral mains - Phase 1	-	300	598	500
Wimbledon Park Court, Briardale, Verebank, Fernwood Full rewire excluding lateral mains - Phase 2	-	-	321	749
Boroughwide				
Block electrical upgrades - Phase 1	100	1,000	1,401	-
Block electrical upgrades - Phase 2	-	940	1,000	1,000
Block electrical upgrades - Phase 3	-	-	55	1,563
Block electrical upgrades - Phase 4	-	-	-	1,038
Block LED lighting upgrades	98	384	600	-
Communal & laterals	200	300	300	-
Individual rewires	3,096	2,000	2,000	-
TOTAL REWIRING	3,603	5,444	6,504	4,850

	<u>2025/26</u> £ '000	<u>2026/27</u> £ '000	<u>2027/28</u> £ '000	<u>2028/29</u> £ '000
<u>HEATING REPAIRS & IMPROVEMENTS</u>				
Arndale Estate (Wandsworth Town)				
Eliot Court and Wentworth Court Heat interface unit installation	70	1,500	719	-
Albon, Edwyn, Knowles Heat interface unit installation - Phase 2	-	-	695	1,622
Colson Way Estate (Furzedown)				
Replacement of communal extract fans	35	344	-	-
Doddington Estate (Battersea Park)				
Upgrade of heating systems to include prepay meters - Phase 1	11	894	-	-
Upgrade of HIU heating systems to Inc. prepay meters - Phase 2	4	149	344	-
Fitzhugh Estate (Wandsworth Common)				
Replacement of communal heating system	9	2,000	3,572	1,000
George Wyver Close (West Hill)				
Beaumont Road 34-62e, 64-92e Replacement of communal heating system	4	-	700	78
Goulden House 1-269 cons (St Mary's)				
Replacement of communal extract fans	50	600	21	-
Haven Lodge (Falconbrook)				
Replacement of communal heating system	-	190	118	-
Kambala (Falconbrook)				
Edwin Trayfoot Lodge 1-36, 1a COSTA Replacement of communal heating system	9	440	-	-
Lennox Estate (Roehampton)				
Burke Close 1-27 Replacement of communal heating system	340	11	-	-
Nightingale Square (Balham)				
Pipework renewal	68	300	-	-
Rusham Road fa & fc-fj (Balham)				
Replacement of communal heating system	58	100	-	-
Wimbledon Park Estate (West Hill)				
Allenswood, Ambleside, Briardale, Fernwood, Lindale, Vereban Wimbledon Park Court 1-12, 14-19, 20-51 Cold water tank replacement	295	-	-	-
Yew Tree Lodge 1-78 (Furzedown)				
Replacement of communal heating system	783	416	-	-

	<u>2025/26</u>	<u>2026/27</u>	<u>2027/28</u>	<u>2028/29</u>
	<u>£ '000</u>	<u>£ '000</u>	<u>£ '000</u>	<u>£ '000</u>
Boroughwide				
Cold water booster - Phase 2	28	-	-	-
Cold water booster - Phase 3	1	161	377	-
Cold water booster - Phase 4	-	-	250	584
Communal ventilation upgrades	50	2,350	61	-
Heating system upgrades	3,000	200	-	-
Individual boiler replacement	-	-	2,800	-
Water tank renewal - Phase 6	323	25	-	-
Water tank renewal - Phase 7	402	-	-	-
Water tank renewal - Phase 8	22	629	28	-
Water tank renewal - Phase 9	41	395	-	-
Water tank renewal - Phase 10	69	500	-	-
Water tank renewal - Phase 11	-	290	677	-
Water tank renewal - Phase 12	-	228	532	-
Water tank renewal - Phase 13	-	-	359	837
Water tank renewal - Phase 14	-	-	208	485
TOTAL HEATING REPAIRS & IMPROVEMENTS	5,672	11,722	11,461	4,606

	<u>2025/26</u>	<u>2026/27</u>	<u>2027/28</u>	<u>2028/29</u>
	<u>£ '000</u>	<u>£ '000</u>	<u>£ '000</u>	<u>£ '000</u>
<u>SPECIAL REPAIRS</u>				
Alton Estate (Roehampton)				
Kimpton House - Door entry installation	-	262	-	-
Binley House, Charcot House, Denmead House Dunbridge House, Winchfield House Thermal movement surveys	100	-	-	-
Swanwick Close 5 - New roofing system	55	-	-	-
Chelverton Court (Thamesfield)				
Flooring	49	-	-	-
Goulden House (St Mary's)				
Void refurbishment	20	-	-	-
St Margarets Court (West Putney)				
Boiler replacement	38	-	-	-
Sclater Close Estate (West Putney)				
Grosse Way 1-34 sheltered Roof renewal	-	50	100	-
Upper Richmond Road 125 F1-F43 (East Putney)				
Door entry installation	41	-	-	-
Westover Road 54 (Wandle)				
Window renewal and roof repairs	-	60	-	-
Energy Efficiency Works				
Commercial Property - Battersea Park Road 307 - Nursery	52	-	-	-
Commercial Property - Walden House Battersea Fields - RO Office	41	-	-	-
Commercial Property - 76 Falcon Road - Law Centre	39	-	-	-
Green energy works to tenanted houses	69	-	-	-
Social housing decarbonisation	-	340	500	160
Boroughwide				
Acquired Properties Roofs, decoration, damp proofing	300	300	300	-
External cladding assessments	175	-	-	-
Extensions/conversions	1,037	3,902	1,000	-
Minor repairs	224	-	-	-
Refurbishment of street properties	630	500	500	-
Provision for urgent schemes	-	820	700	-
Residential Personal Emergency Evacuation Plans (Grant Funded)	767	-	-	-
TOTAL SPECIAL REPAIRS	<u>3,637</u>	<u>6,234</u>	<u>3,100</u>	<u>160</u>

	<u>2025/26</u>	<u>2026/27</u>	<u>2027/28</u>	<u>2028/29</u>
	<u>£ '000</u>	<u>£ '000</u>	<u>£ '000</u>	<u>£ '000</u>
<u>SHELTERED HOUSING</u>				
Ashburton Estate (West Putney)				
1-18 Boyd Court, 1-16 Cortis Terrace, 135-165 Westleigh Avenue				
Lift installation	-	593	410	-
Auckland Estate (Lavender)				
Abyssinia Close 14 (f1-f26)				
Electrical upgrades	100	188	-	-
Doris Emerton Court 1-66 (Falconbrook)				
Roof renewal	-	-	229	536
Francis Snary lodge 1-31 cons (East Putney)				
Fire alarm upgrade	-	-	31	73
Glenthorpe 36-71 cons (West Putney)				
Lift installation	-	-	109	256
Haven Lodge 1-24 cons (Falconbrook)				
Fire alarm upgrade	-	-	31	73
Hill Lodge 1-34 (Wandsworth Town)				
Electrical upgrades	-	50	378	-
Ivor Mayor Lodge 1-22 cons (Northcote)				
Fire alarm upgrade	-	-	35	81
James Searles Close 1-16 cons (Battersea Park)				
Fire alarm upgrade	-	-	31	73
Kirton Lodge 1-21 cons (Wandsworth Town)				
Fire alarm upgrade	-	-	31	73
Maysoule Road Estate (Falconbrook)				
Holmleigh Court - Heating, window renewal, fire risk assessment works				
Communal decs and flooring	96	962	215	-
Nursery Close 31-55 (West Putney)				
Fire alarm upgrade	-	-	31	73
Rambler Close 1-32 (Furzedown)				
Fire alarm upgrade	-	-	24	57
St Margarets Court 42-61 cons (West Putney)				
Fire alarm upgrade	-	-	31	73

	<u>2025/26</u>	<u>2026/27</u>	<u>2027/28</u>	<u>2028/29</u>
	<u>£ '000</u>	<u>£ '000</u>	<u>£ '000</u>	<u>£ '000</u>
Totterdown Fields Estate (Tooting Bec)				
Cowick Road 1-39o, 2-88e				
Window renewal & external refurbishment	-	197	460	-
Electrical works/bulkhead external lighting	-	-	46	-
Washington Court 1-18 cons (Tooting Broadway)				
Fire alarm upgrade	-	-	31	73
Boroughwide				
Boyd Court, Cortis Road 285-311 and 317-365				
Cortis Terrace 1-16, James Searles Lodge				
Westleigh Avenue 63-125 and 135-165				
Installation of overhead showers - Phase 7	869	225	-	-
Fontley Way, Greatham Walk, Hyacinth Road, Foxcombe Road				
Carey Gardens - all communal sheltered areas, Francis Snary Lodge				
Grosse Way 1-34 and Hepplestone Close 1-14, 20-32				
Rambler Close 1-16, 17-32				
Electrical upgrades	813	-	-	-
Doris Emmerton, Grosse Way				
Fire alarm upgrade & emergency lighting	177	340	-	-
Upgrade of wardens call system	59	1,150	1,000	-
TOTAL SHELTERED HOUSING	<u>2,114</u>	<u>3,705</u>	<u>3,123</u>	<u>1,441</u>

	<u>2025/26</u>	<u>2026/27</u>	<u>2027/28</u>	<u>2028/29</u>
	<u>£ '000</u>	<u>£ '000</u>	<u>£ '000</u>	<u>£ '000</u>
<u>ADAPTATIONS FOR THE DISABLED</u>				
Boroughwide				
Conversion works	1,000	1,000	1,000	-
Minor adaptations	951	1,000	1,000	-
TOTAL ADAPTATIONS FOR THE DISABLED	<u>1,951</u>	<u>2,000</u>	<u>2,000</u>	<u>-</u>

	<u>2025/26</u> £ '000	<u>2026/27</u> £ '000	<u>2027/28</u> £ '000	<u>2028/29</u> £ '000
<u>ENTRYCALL & CCTV</u>				
Aldrington South Estate (Furzedown)				
Grierson House 1-21, 22-55, Shenstone House 1-21, 22-55				
Tyers House 1-6				
Door entry system	83	12	-	-
Alton Estate (Roehampton)				
Binley House, Winchfield House, Charcot House				
Dunbridge House F Blocks				
Door entry system	90	2	-	-
Danebury Avenue 117-211o, 213-243o				
Door entry system	-	-	111	260
Carey Gardens (Shaftesbury & Queenstown)				
Carey Gardens 2-44, 264-296e, 46-66e, 68-86e, 88-120e				
176-226, 228-262, 123-185, 187-255, 59-89				
Condell Road 1-89, 91-121, 123-137				
Door entry system	69	100	-	-
Chatham Road West Estate (Northcote)				
Staplehurst Court, Teyham Court				
Door entry system	-	80	7	-
Colson Way Estate (Furzedown)				
Fordyce House, Langton House, Walmsley House				
Door entry system	-	89	2	-
Dawes House fa-fm (Falconbrook)				
Door entry system	-	30	-	-
Doddington Estate (Battersea Park)				
Connor Court, Turpin House				
Door entry system	58	54	-	-
Goulden House (St Mary's)				
Door entry system	-	200	120	-
Hazelhurst Estate (Tooting Broadway)				
Newbridge Court 1-12, 13-28, 29-36, Pangbourne Court				
Door entry system	46	109	-	-
Lowersmead Estate (Trinity)				
Door entry system	-	-	151	353

	<u>2025/26</u>	<u>2026/27</u>	<u>2027/28</u>	<u>2028/29</u>
	<u>£ '000</u>	<u>£ '000</u>	<u>£ '000</u>	<u>£ '000</u>
Robertson Street Estate (Shaftesbury & Queenstown)				
Scott Court 1-24				
Door entry system	1	-	-	-
Somerset Estate (St Mary's)				
Sparkford House, Selworthy House				
Door entry system	-	75	3	-
Streatham Park Estate (Furzedown)				
Boyce House 1-26, 27-47, Busby House 1-28, 29-49				
Door entry system	50	14	-	-
Winstanley Estate (Falconbrook)				
Weekley Square, Carmichael Close, Fenner Square				
John Parker Square, Thomas Baines Road				
Door entry system	-	170	505	-
Boroughwide				
CCTV upgrades	140	-	-	-
Upgrading of PSN data lines	53	153	-	-
TOTAL ENTRYCALL & CCTV	590	1,088	899	613

	<u>2025/26</u> £ '000	<u>2026/27</u> £ '000	<u>2027/28</u> £ '000	<u>2028/29</u> £ '000
<u>ENVIRONMENTAL & ESTATE IMPROVEMENTS</u>				
Alton Estate (Roehampton)				
Minstead Gardens (Sheltered Accommodation) Environmental improvements	-	-	204	-
Focus Hall Clubroom	194	-	-	-
Estate bin store improvements	175	716	-	-
Bellamy House Estate (Tooting Broadway)				
Environmental improvements	-	71	200	88
Ethelburga Estate (Battersea Park)				
Redesign and renewal of paving and parking areas	-	307	719	-
Henry Prince Estate (Wandle)				
Community Clubroom refurbishment	20	340	100	-
Nightingale Square (Balham)				
Playground refurbishment	275	91	-	-
Ryde Vale Estate (South Balham)				
Renew road surfaces	58	244	-	-
Surrey Lane Estate (Battersea Park)				
Environmental improvements	-	96	924	300
Wimbledon Park Estate (West Hill)				
Environmental improvements	-	550	450	-
Boroughwide				
Estate bin store improvements	284	566	567	567
Estate road resurfacing and paving	250	679	1,300	-
Playground refurbishment	175	-	-	-
Provision for urgent schemes	-	1,000	1,000	-
NCIL Schemes				
Barloch House - Repaint railings, improve play equipment	40	-	-	-
Bolton House - Improve play area incl new surface & equipment, paint railings	25	-	-	-
Bowyer House & Henry Prince - Complete playground refurbishment	120	-	-	-
Copeland House - Complete playground refurbishment incl metal fencing/gates	50	-	-	-
Dunstan Road MUGA - Renewal	150	-	-	-
Eliot & Wentworth - Complete playground refurbishment	30	-	-	-
Holgate/McManus House - Refurbishment & expand grass area	45	-	-	-
Jean House - Playground refurbishment	65	-	-	-
Landseer House - Improve small children play area	28	-	-	-
Lucas & Russell Court - Complete playground refurbishment incl railings/fencing	40	-	-	-
Macdonald House - Complete playground refurbishment incl railings/fencing	40	-	-	-
Maskell Road - Complete playground refurbishment	45	-	-	-
Maskelyne Close - Refurbishment of all equipment, repaint metal fencing/gates	35	-	-	-
Penfold Community Centre - Renovation	156	157	156	-
Robertson House - Playground refurbishment	30	-	-	-
Surrey Lane MUGA - Renewal	100	-	-	-
Tooting Grove Clubroom - Complete refurbishment	101	-	-	-
Venue Clubroom - Garden improvements	40	-	-	-
Watford Close - Refurbishment of all equipment, repaint metal fencing/gates	45	-	-	-
Playgrounds refurbishments across borough NCIL only	40	-	-	-
TOTAL ENVIRONMENTAL & ESTATE IMPROVEMENTS	2,656	4,817	5,620	955

	<u>2025/26</u>	<u>2026/27</u>	<u>2027/28</u>	<u>2028/29</u>
	<u>£ '000</u>	<u>£ '000</u>	<u>£ '000</u>	<u>£ '000</u>
<u>REGENERATION PROJECTS</u>				
Project team costs	2,000	2,150	2,225	-
ROEHAMPTON SCHEME				
Acquisitions	1,500	5,500	5,500	-
Procurement of specialist services	1,000	500	500	-
Downshire Field	2,330	1,547	-	-
Roehampton Community Hub (Block A)	1,174	12,600	12,600	-
WINSTANLEY & YORK ROAD ESTATE SCHEME				
Building & site acquisitions	6,500	21,500	6,500	-
Procurement of specialist services	1,500	1,000	1,000	-
Development costs - Residential	3,325	12,500	18,500	-
Development costs - Infrastructure	2,500	500	-	-
Renewal Plan	302	651	518	219
TOTAL REGENERATION PROJECTS	22,131	58,448	47,343	219

	<u>2025/26</u>	<u>2026/27</u>	<u>2027/28</u>	<u>2028/29</u>
	<u>£ '000</u>	<u>£ '000</u>	<u>£ '000</u>	<u>£ '000</u>
<u>SITE DEVELOPMENTS</u>				
Ackroydon (West Hill)	473	4,864	3,965	257
Atheldene (Wandle)	3,711	10,667	10,667	7,398
Arnal Crescent 37-53 (West Hill)	1,493	129	29	-
Badric Court (St Mary's)	176	-	-	-
Balham East (Balham)	296	1,464	550	34
Balham West (Balham)	217	1,467	554	33
Battersea Power Station (Battersea Park)	5,700	66	27,527	82,776
Beaumont Road/Whitlock Drive (West Hill)	278	-	-	-
Bessborough Road Garages (Roehampton)	920	3,764	549	-
Eastwood North (Roehampton)	362	4,310	2,458	100
Eastwood South (Roehampton)	776	2,698	965	63
Farnborough House Garages (Roehampton)	2,550	6,975	9,197	1,008
Fontley Way (Roehampton)	137	-	-	-
Kersfield Estate (East Putney)	398	138	-	-
Patmore Street (Shaftesbury & Queenstown)	653	244	-	-
Platt Estate (Thamesfield)	3,621	507	186	-
Putney Vale (Roehampton)	3,220	115	-	-
Randall Close (Battersea Park)	1,128	-	600	-
Ramsome's Wharf (Battersea Park)	912	2,209	3,567	2,247
Salter House (Furzedown)	1,183	1,144	97	27
Skeena Hill (West Hill)	168	1,638	788	35
The Alders (Furzedown)	3,801	9,428	4,217	256
Winstanley / York Road - Block 5A (Falconbrook)	1,127	-	-	-
Other schemes / feasibilities & contingencies	4,000	4,000	2,012	738
TOTAL SITE DEVELOPMENTS	37,300	55,827	67,928	94,972

	<u>2025/26</u>	<u>2026/27</u>	<u>2027/28</u>	<u>2028/29</u>
	<u>£ '000</u>	<u>£ '000</u>	<u>£ '000</u>	<u>£ '000</u>
<u>PURCHASE OF PROPERTIES</u>				
Acquisitions	15,000	30,000	15,000	15,000
TOTAL PURCHASE OF PROPERTIES	<u>15,000</u>	<u>30,000</u>	<u>15,000</u>	<u>15,000</u>
<u>HOUSE PURCHASE GRANTS</u>				
House purchase grants	3,229	2,400	2,400	-
TOTAL HOUSE PURCHASE GRANTS	<u>3,229</u>	<u>2,400</u>	<u>2,400</u>	<u>-</u>
<u>VEHICLE FLEET RENEWAL</u>				
Vehicle fleet renewal	-	218	-	-
TOTAL VEHICLE FLEET RENEWAL	<u>-</u>	<u>218</u>	<u>-</u>	<u>-</u>

HOUSING REVENUE ACCOUNT NON-RESIDENTIAL & CLUBROOM CHARGES

Table 1 – Garages (£ per week)

	<u>Current Charge</u> £	<u>Proposed Charge</u> £
Band A+	38.95	40.45
Band A	35.15	36.50
Band B	21.00	21.80
Band C	15.15	15.75
Band D	11.20	11.65

Table 2 – Other Property (£ per week)

	<u>Current Charge</u> £	<u>Proposed Charge</u> £
Store shed - Band A+	5.45	5.65
Store shed - Band A	4.20	4.35
Store shed - Band B	3.30	3.45
Store shed - Band C	2.15	2.25
Motorcycle sheds	8.65	9.00
Parking Lots/Other non-domestic sites	11.45	11.90
Parking lots at Lockyer House	21.00	21.80
Cycle lockers	2.15	2.25

Table 3 – Other Charges

	<u>Current Charge</u> £	<u>Proposed Charge</u> £
Replacement door entry fob	24.20	25.10
Replacement resident's parking permit	25.45	26.40
Replacement or additional sets of keys	Cost plus 25.45	Cost plus 26.40
Pre-assignment enquiries	223.55	232.05

Table 4 – Clubroom Charges

Venue	Capacity (persons)	Deposit (£)	Band A - higher rate (£ per hour)	Band B - middle rate (£ per hour)	Band C - lower rate (£ per hour)
Ethelburga	80	100.00	30.00	25.00	No charge
Focus Hall*	Lower - 120 Upper - 250	No charge	25.00	25.00	No charge
Henry Prince	60	100.00	30.00	25.00	No charge
Kambala	40	100.00	30.00	25.00	No charge
Pearson House	30	100.00	30.00	25.00	No charge
The Penfold Centre	90	100.00	30.00	25.00	No charge

*Focus Hall currently undergoing renovation

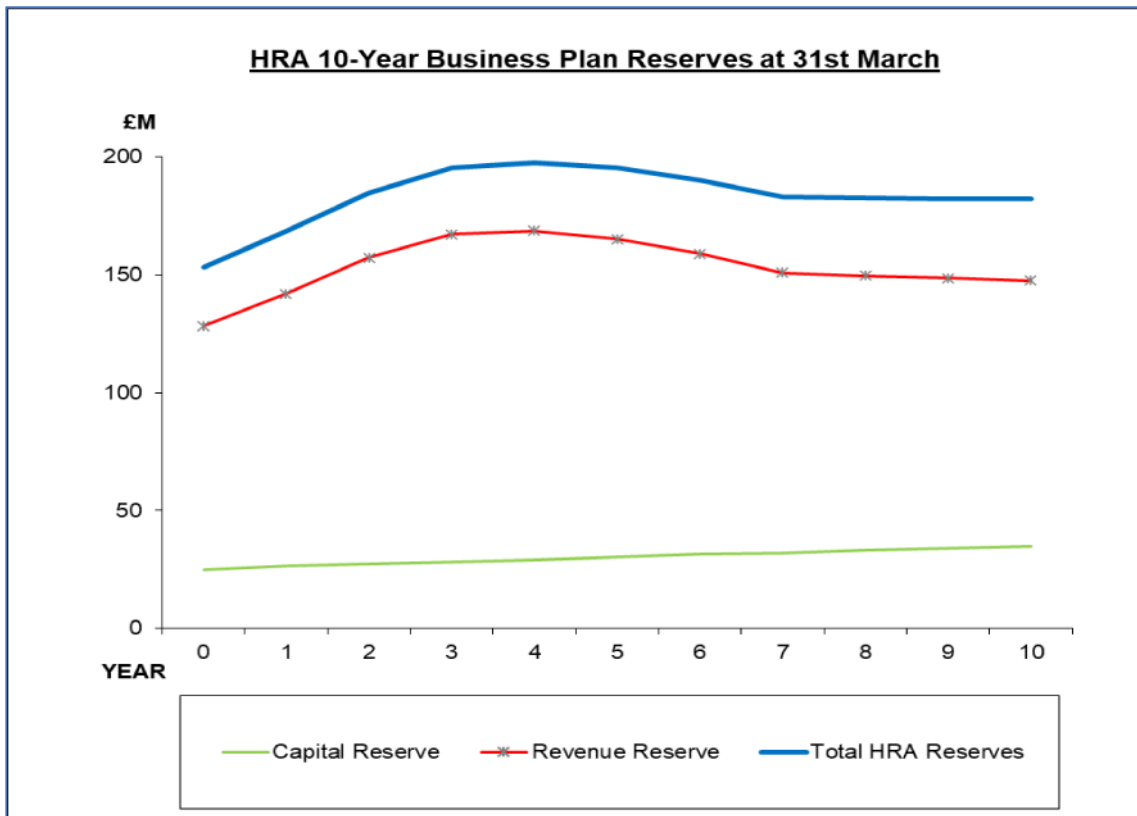
Notes

All charges are exclusive of VAT, which needs to be added where applicable. The revised charges are based on the proposed increase, rounded to the nearest 5 pence or £ where applicable

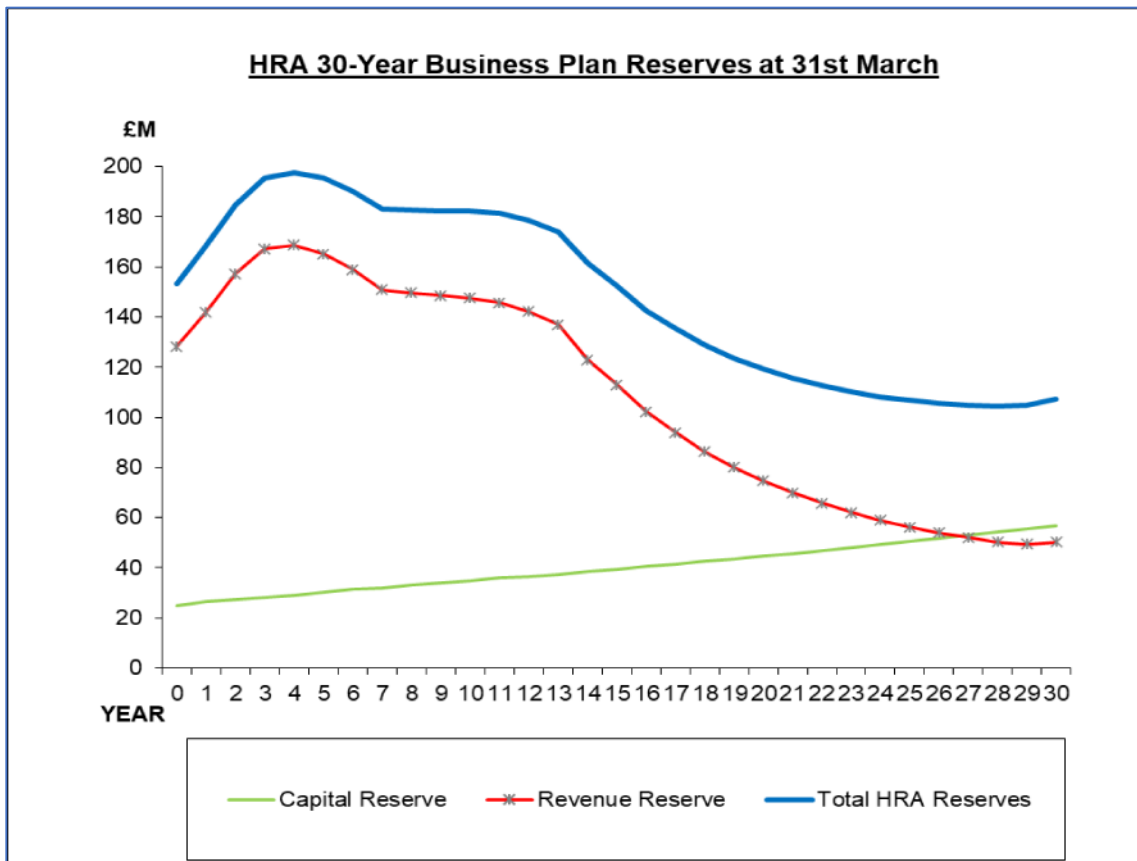
HOUSING REVENUE ACCOUNT - BUDGET FRAMEWORK

	Original Budget 2025/26 £'000	Revised Budget 2025/26 £'000	Budget 2026/27 £'000	Budget 2027/28 £'000	Budget 2028/29 £'000
<u>EXPENDITURE</u>					
REVENUE					
Supervision, Management & Maintenance					
Repairs & Maintenance	44,996	52,388	52,162	53,870	55,805
General Management	49,016	50,710	53,517	54,976	56,775
Special Services	22,448	23,228	22,596	23,210	23,983
Capital Financing Costs	18,354	16,160	18,709	28,011	37,898
Other Expenses	4,242	6,272	7,170	4,838	4,994
Depreciation (Contribution to Capital)	29,200	26,527	27,423	28,060	28,819
TOTAL REVENUE EXPENDITURE	(168,256)	(175,285)	(181,577)	(192,965)	(208,274)
CAPITAL					
Repairs and Improvements	82,372	36,905	88,823	105,454	59,630
Regeneration	31,065	22,131	58,448	47,343	219
Site Developments	55,682	37,300	55,827	67,928	94,972
Purchase of Properties	14,033	15,000	30,000	15,000	15,000
Purchase of Vehicles	0	0	218	0	0
House Purchase Grants	2,400	3,229	2,400	2,400	0
TOTAL CAPITAL EXPENDITURE	(185,552)	(114,565)	(235,716)	(238,125)	(169,821)
	353,808	289,850	417,293	431,090	378,095
<u>INCOME</u>					
REVENUE					
Gross Rents – Dwellings	137,511	137,489	143,400	148,275	154,742
Gross Rents – Non-Dwellings	5,386	5,386	5,367	5,501	5,639
Leaseholder Service Charges	21,285	20,014	22,765	23,451	24,089
Other Income	15,536	17,921	16,962	17,335	17,753
Investment Income	7,872	8,255	8,403	8,327	7,530
TOTAL REVENUE INCOME	(187,590)	(189,065)	(196,897)	(202,889)	(209,753)
CAPITAL					
Contribution from Revenue (Depreciation)	29,200	26,527	27,423	28,060	28,819
Capital Receipts	8,499	3,126	2,046	1,550	1,511
Capital Grants & Reimbursements	44,739	35,629	91,576	17,736	16,823
Leaseholder Major Works Charges	8,768	5,950	7,381	17,765	21,091
Borrowing	94,346	44,860	108,186	173,651	102,336
TOTAL CAPITAL INCOME	(185,552)	(116,092)	(236,612)	(238,762)	(170,580)
	373,142	305,157	433,509	441,651	380,333
Total reserves at beginning of year	177,782	153,273	168,580	184,796	195,357
Surplus / (Deficit) in year	19,334	15,307	16,216	10,561	2,238
Total reserves at end of year	197,116	168,580	184,796	195,357	197,595

HOUSING REVENUE ACCOUNT - 10 Year Business Plan Reserves Position



HOUSING REVENUE ACCOUNT - 30 Year Business Plan Reserves Position



Dedicated Schools Budget

Cabinet

Title: Wandsworth Schools Finance FY 2026/27

Paper No. 26-47

Date: 23rd February 2026

Cabinet Member for: Children's Services

Details of Executive Director: Ana Popovici, Executive Director of Children's Services and Deputy Chief Executive

1. **Executive Summary**

- 1.1. It is nationally recognised that the current financial position of schools in the UK is precarious, with many facing significant challenges. Despite increases to funding allocated to schools, rising education costs and falling pupil numbers have plunged more schools into deficit.
- 1.2. In Wandsworth, we take a collective approach to supporting our school leaders to address these challenges and future proof their schools. Through technological innovation, careful financial planning, which doesn't impact quality of teaching and learning, and early identification and intervention to meet need, we put Wandsworth schools in the best position to support every child to receive the best start in life and thrive.
- 1.3. This approach has helped our schools avoid falling into deficit, with only approx. 4% without an overall surplus, or where deficits do arise, keeps them relatively small (on average £65k). This is against a national position of 14% and £110k respectively and rising to 26% and £250k in Inner London.
- 1.4. In December 2025, the Education and Skills Funding Agency (ESFA) announced the details of the Local Authority Dedicated Schools Grant (DSG) school funding settlement for 2026/27.
- 1.5. Although the National Funding Formula factors have increased by around 1.9% on average, falling pupil numbers mean that the Schools Block element of the Dedicated Schools Grant has only risen by 0.81% (£1.614m), after incorporating additional grants rolled into the 2025/26 allocation. The Schools Block is the funding that has been applied to the "Individual Schools Budget" which is distributed to mainstream schools and academies via the Local Funding Formula (LFF).
- 1.6. As in previous years, the DFE has instructed all councils to move at least 10% closer to the National Funding Formula (NFF) rates in FY 2026/27. This implementation of the NFF will have different impacts on different councils however in Wandsworth it moves funding away from primary schools towards secondary schools. Wandsworth Schools Forum has elected to move 20% closer to the NFF.

1.7. The total DSG allocation of £335.514m for 2026/27 includes estimated funding for the Early Years Block, as actual allocations are yet to be confirmed. Final budgets will be issued to schools by 28 February 2026.

1.8. The High Needs Block is also normally calculated via a National Funding Formula; however, this has been suspended for FY 2026/27 as the DfE reviews the methodology for allocating high needs funding following the wider SEND review which will be set out by the Government in early 2026. For FY 2026/27 the total High Needs Block is the same as in FY 2025/26, after accounting for the additional grants awarded in FY 2025/26.

2. Recommendations:

2.1. Cabinet are recommended to:

- a) set the Dedicated Schools Budget at the level which reflects the Dedicated Schools Grant allocation and the ESFA grant;
- b) set the schools formula funding factors at the rates shown in Appendix 2 and thus the individual schools funding formula allocations will be as shown in Appendix 1. This was voted on and agreed by School Forum on 12th January 2026.

3. Details

3.1. This report outlines the decisions taken by Schools Forum in setting individual school budgets as part of the administration of the DSG Schools Block. In addition, it outlines the DSG allocations for the other three DSG blocks (High Needs, Early Years and Central Schools Services), as well as giving some context to schools funding both nationally and in Wandsworth.

3.2. Strong financial management across Wandsworth schools, supported by council officers, means our schools remain financially robust compared with those nationally.

3.3. -The Council's established FSM auto enrolment process continues to secure additional funding for schools by matching Low Income Family Tracker (LIFT) data with the school census. To date, this has identified 1,135 additional eligible pupils and generated £2m in extra income for schools.

3.4. At the end of the last financial year, 95.6% of Wandsworth schools held an overall surplus, with average reserves of 8.4% of annual income (£224k). Nationally, only 85.5% of schools are in surplus, and this drops to 73.9% among other Inner London boroughs. The average surplus in England is significantly lower at 6.9% (£161k).

3.5. Where schools encounter early signs of financial difficulty, officers from across teams provide coordinated, holistic support. This ensures that educational standards and safeguarding remain strong while helping schools make the strategic decisions needed to restore financial stability.

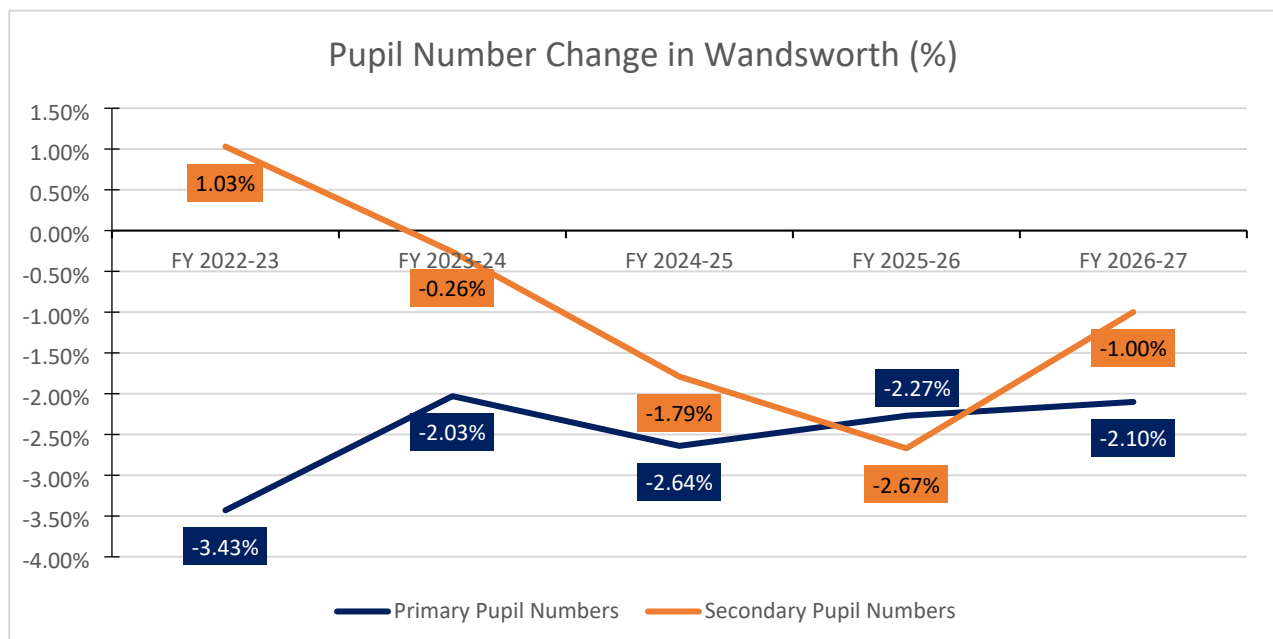
- 3.6. This approach helps schools avoid falling into deficit, or where deficits do arise, keeps them relatively small. Among the 4.4% of Wandsworth schools without an overall surplus, the average deficit was £65k — favourable when compared with the national and Inner London positions.
- 3.7. Nationally, the average deficit among the 14.4% of schools in deficit is £109k, rising to £249k in Inner London — substantially higher than the figure for Wandsworth.
- 3.8. Although Wandsworth schools will continue to face challenges, particularly from falling rolls and the associated funding pressures, they do so from a strong financial starting point and with committed support from council officers.

NATIONAL FUNDING CONTEXT 2026/27

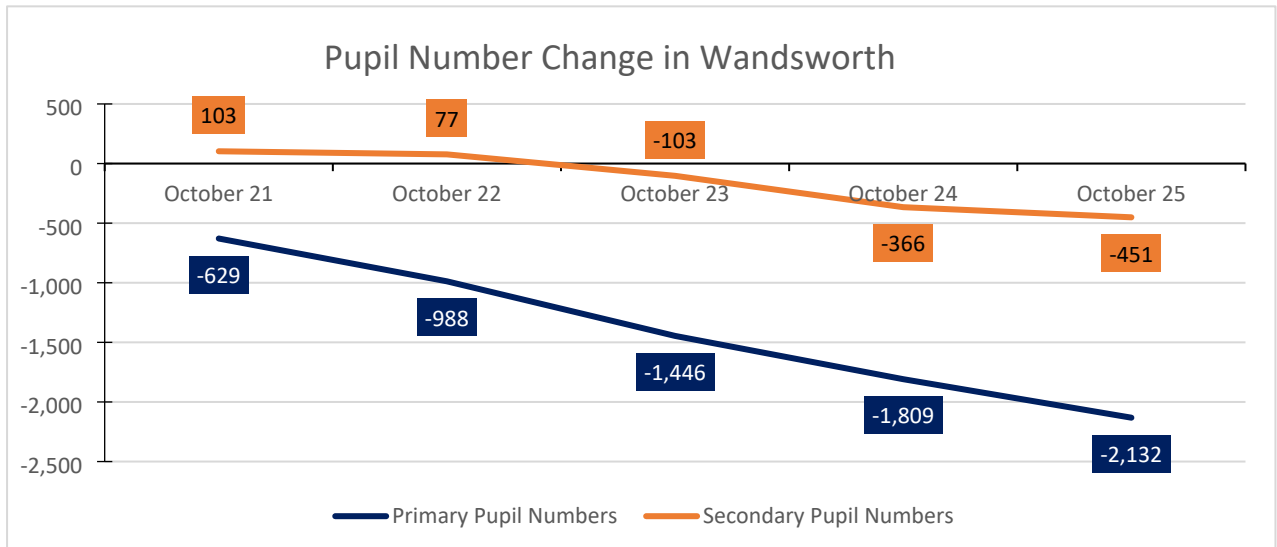
- 3.9. Schools funding continues to be channelled through the Dedicated Schools Grant (DSG), the principal mechanism through which local authorities receive funding for early years, schools, high needs, and central services. On 17 December, the Department for Education (DfE) published local authorities' DSG allocations for 2026/27.
- 3.10. Overall, core schools funding will increase by £1.7 billion compared with 2025/26, bringing total core schools funding to £67 billion in 2026/27. Nationally, mainstream Schools Block funding in the DSG is rising by 2.6% per pupil year on year. Alongside this, pupil premium funding rates for 2026/27 have also been published and are increasing by 2.23%, in line with the GDP deflator, as the Government continues to invest in closing attainment gaps and breaking the link between background and children's progress and outcomes.
- 3.11. At a national level, pupil numbers in mainstream schools continue to decline due to falling birth rates—a trend mirrored locally in Wandsworth. This has implications for school budgets, surplus places, and the sustainability of the school estate.
- 3.12. For the Early Years Block, in line with the national Best Start in Life strategy, the Government has made significant investment in early years education, extending funded entitlements and increasing hourly funding rates to support the expansion of childcare and early education provision.
- 3.13. While the overall DSG settlement reflects increases in core schools and early years funding, significant pressure remains within the High Needs Block (HNB). No additional uplift has been confirmed pending publication of the Government's SEND Reform White Paper. Across the sector, local authorities are awaiting the White Paper for clarity on the future of the block and its funding arrangements.
- 3.14. Separately, the Government has confirmed at least £3 billion of High Needs Provision Capital Allocations (HCPNA) over four years to create tens of thousands of specialist places—both in mainstream units/resourced provision and through the special free school pipeline—within a broader £6.7 billion education capital settlement for 2025–26. Wandsworth's future capital allocations are not yet confirmed; however, given our previous ~£2.5 million HNPCA award and the national scale up, we should plan for a material uplift, subject to DfE notification and deliverability constraints.

WANDSWORTH PUPIL NUMBERS – MAINSTREAM PUPIL NUMBER TRENDS

- 3.15. Pupil numbers remain the most significant factor in determining the size of the Schools Block within the DSG, as well as the ISBs calculated through our Local Funding Formula.
- 3.16. Since 2018, primary school enrolment in Wandsworth has been in steady decline, and this trend has now extended to secondary schools, where numbers have been falling since FY 2023/24.
- 3.17. The rate of decline in primary schools has gradually eased since October 2021. Between October 2024 and October 2025, primary numbers fell by 2.1% (323 pupils), broadly in line with expectations.
- 3.18. Secondary pupil numbers decreased by less than anticipated, with a fall of 1% (85 pupils).
- 3.19. The graph below illustrates these trend



- 3.20. To put these figures into perspective, over the past five years there has been a cumulative reduction of 2,132 pupils in primary schools and 451 pupils in secondary schools. In practical terms, this equates to the loss of approximately 71 primary school forms and 15 secondary school forms. This decline is shown in the graph below.



- 3.21. As far as possible Wandsworth has tried to mitigate the impact of this fall by capping the number of forms of entry in schools to ensure class sizes are efficient.
- 3.22. Although every attempt has been made to avoid school closures, which will come as a last resort, in the interest of Wandsworth children, families and schools, and to ensure a sustainable, high quality education system across the borough, our academy and diocesan partners have found it necessary to close 3 primary schools in recent years due to low pupil numbers. These decisions have been undertaken in a compassionate and planned way, which has seen all impacted children successfully supported into alternative local schools, resulting in a deduction in surplus places, strengthening neighbouring schools and the overall system. We have also successfully retained many of the leaders and school staff from these schools, ensuring children can continue to be supported by high quality educators in Wandsworth.

WANDSWORTH SCHOOLS BLOCK (DSG)

- 3.23. The Schools Block funds maintained and academy mainstream primary and secondary schools.
- 3.24. The Schools Budget Support Grant and the National Insurance Contributions Grant (NIC) which were paid to schools separately as additional grants in FY 2025/26 have been merged with the schools block funding in FY 2026/27.



- 3.25. For Wandsworth, once those grants are accounted for, the formula factor rates under the National Funding Formula will rise by an average of 1.9% in 2026/27. Overall, this results in a 0.8% increase in the Schools Block, even though there are 408 fewer pupils. This amounts to an additional **£1.614m**, bringing the total to **£201.678m**. 99.5% of this fund is distributed to mainstream schools via the Local Funding Formula (LFF), with the remaining 0.5% retained as a growth fund to support expanding schools.
- 3.26. The Council is required to consult the Schools Forum on any changes to the LFF. There are no changes to the structure of the formula, only the individual factor rates have been changes since the FY 2025/25 iteration of the formula.
- 3.27. A paper was presented to the Schools Forum on 12th January 2026 where they agreed the individual factor rates than can be seen in Appendix 2. These rates result in the LFF moving 20% closer to the NFF.
- 3.28. Schools Forum must also agree the Minimum Funding Guarantee rate to be applied to the formula from within a permitted range of -0.5% and 0%. The Schools Forum selected -0.5% meaning per pupil funding cannot fall by more than -0.5% for each school. Individual school funding can still fall where pupil numbers have reduced.
- 3.29. The impact of these decisions is shown in Appendix 1, which sets out the Individual Schools Budget Shares (ISBs). Overall, 45% of primary schools (26) will receive less funding in FY 2026/27 compared with FY 2025/26, while 55% (32) will see an increase. For mainstream secondary schools, 10 out of 11 will receive increased funding in FY 2026/27, with only one school experiencing a reduction.
- 3.30. Besides the ISB, Pupil Premium, self-generated income, and any other grant funding awarded, schools are also able to use any unspent balances from previous years in preparing their budget plans for FY 2026/27. As at the 31st of March 2025, individual school's revenue balances amounted to **£14.550m** in total, an increase of **£1.820m** since 31st March 2024, for schools maintained by Wandsworth (i.e. excluding academies).
- 3.31. These carry forward balances will contain both general school contingencies and amounts that have been earmarked for specific projects. Chairs of Governors along with the schools' governing bodies are required to critically examine and then sign off their school carry forwards annually.



WANDSWORTH HIGH NEEDS BLOCK (DSG)

- 3.32. The High Needs Block funds provision for children and young people with special educational needs and disabilities (SEND), including those in mainstream schools, special schools, and alternative provision. It also supports services such as outreach, specialist teaching, and therapies to ensure these pupils receive appropriate and timely support and resources, in suitable provision which meet their needs locally.
- 3.33. In recent years, along with most LAs, Wandsworth has experienced significant pressures within the High Needs Block as the number of children it requiring support has continued to grow.
- 3.34. The National Funding Formula for High Needs has been temporarily suspended in FY 2026/27 as the Government prepares to release the findings of the wider SEND review. As such, the Wandsworth High Needs Block for FY 2026/27 comprises of last year's total (0% increase), plus the merger of additional grants that were paid separately in FY 2025/26, one of which has been annualised to show an increased total as it applies to 12 months rather than 7. The result of this is a Wandsworth High Needs Block of **£75.668m**.
- 3.35. Wandsworth will look to utilise its share of the increased High Needs Provision Capital Allocation to ensure that children and young people with SEND have their needs met at the right time, in the right provision close to their community, family and friends.

WANDSWORTH EARLY YEARS BLOCK (DSG)

- 3.36. Consistent with its Best Start in Life strategy, the Government has significantly increased investment in the Early Years Block of the DSG. This funding supports the expansion of free childcare entitlements, higher hourly rates for providers, and improved access to early education for children under five. The strategy aims to give every child the best possible foundation by integrating family support services, raising the quality of early years provision, and reducing inequalities from the earliest stages of life.



- 3.37. For Wandsworth, this has resulted in an indicative Early Years Block allocation of **£55.717 million**, representing a **21%** increase. The majority of this uplift is due to the full-year effect of the early years expansion, which enables working parents to access 30 hours of free childcare for children aged between nine months and two years. This entitlement was introduced in September 2025, covering five months of the previous financial year, and will now apply for the full 12 months in FY 2026/27.
- 3.38. The remainder of the increase is due to higher hourly funding rates. Wandsworth is passing on a 6% increase to early years providers for three- and four-year-olds, and a 3% increase for two-year-olds and children aged between nine months and two years. These adjustments are consistent with the rate increases received by the Local Authority.
- 3.39. The Early Years Block will be subject to in-year adjustments based on termly census data ensuring that the final funding will be reflective of the number of children supported by the Block.

WANDSWORTH CENTRAL SCHOOLS SERVICES BLOCK (DSG)

- 3.40. The Central School Services Block (CSSB) funds local authorities for both ongoing responsibilities and historic commitments. Ongoing responsibilities include statutory duties such as school admissions, education welfare services, and servicing Schools Forums. The CSSB is formula-funded, with allocations based on pupil numbers and historic factors.
- 3.41. For 2026/27, the rate for ongoing responsibilities has increased by 12.89%, but with pupil numbers falling by 1.6%, Wandsworth sees an overall increase of around 11%. The historic element of the CSSB, which covers commitments such as prudential borrowing and combined budgets, is expected to remain at the same level as 2025/26. This assumes the Department for Education approves Wandsworth's disapplication request to avoid the mandatory 20% reduction—a request that has been successfully granted in previous years. The total CSSB for Wandsworth in FY 2026/27 is expected to be **£2.924m** an increase of **£0.165m**.

4. Financial Implications

- 4.1. The report deals with the allocation of the DSG for Wandsworth for 2026/27. All allocations are within the full 2026/27 funding for Wandsworth of £335.514m.



- 4.2. The major financial risk for the Council is regarding the demand pressures upon the High Needs Block talked about in section 3.3 of the report. The Council will continue to work to best mitigate these financial pressures within 2026/27 through established actions. The Council will continue monitoring developments at the DfE regarding the future of the High Needs Block and its funding arrangements.

Reference to any accompanying papers:

Appendix 1 – FY 2026-27 School Allocations for Each Model

Appendix 2 – Formula Factor Rates

Background Papers

There are no background papers to this report.



Medium Term Financial Strategy



AS PROVIDED FOR UNDER SECTION 100B(4)(b) OF THE LOCAL GOVERNMENT ACT 1972, THE LEADER IS OF THE OPINION THAT THIS ITEM SHOULD BE CONSIDERED AT THE MEETING AS A MATTER OF URGENCY BY REASON OF SPECIAL CIRCUMSTANCES. THESE CIRCUMSTANCES ARE THAT THE CABINET'S CONSIDERATION OF THE MEDIUM TERM FINANCIAL STRATEGY HAS TO TAKE PLACE BEFORE THE NEXT CABINET MEETING IN NOVEMBER IN ORDER TO ALLOW SUFFICIENT PROGRESS WITH THE TRANSFORMATION PROGRAMME TO INFORM DRAFT BUDGET PROPOSALS

Cabinet

Title: Medium Term Financial Strategy 2025/26

Paper No. 25-326

Date: 22nd September 2025

Cabinet Member for: Finance

Author: Fenella Merry, Executive Director of Finance
Andrew Travers, Chief Executive

1. Executive Summary

- 1.1. The Council has a reputation for constant, sound financial management. The Council's management of its finances, reserves and its commitment to making developers pay has enabled it to set the lowest council tax in the country and deliver excellent services to residents, including investing in libraries, leisure centres, CCTV and roads and pavements. A cornerstone of the Council's approach is the annual MTFS, published in the Autumn each year, and the annual budget setting process which takes place in March. This paper sets out the MTFS for 2025/26.
- 1.2. The context within which the Council delivers services to residents has changed. The impact of COVID and the cost of living crisis has led to more residents needing support and inflation continues to have an impact on the cost of delivering our services. Rapid digital advancements are also changing how residents live, work and access services as well as changing the approaches available to councils to deliver services. Wandsworth residents rightfully expect the Council to respond innovatively and adapt to these changes using all the levers it has available, including deploying its

financial resources to deliver transformation which will help with longer term financial sustainability.

- 1.3. The Council needs to work differently and innovate at scale to continue to make a difference to Wandsworth. To achieve this step change, whilst still maintaining excellent services to residents, time limited additional capacity and external challenge is needed as well as a systematic, modern approach to transformation. The MTFFS relies on investment in a Council wide Transformation Programme which will lead to new ways of working through innovation, challenge and harnessing digital and technological advancements. This transformation towards a more forward looking, innovative Council will unlock new opportunities for growth for Wandsworth, ensure residents who need it get our support earlier and are able to engage with services quickly and effectively. This will ensure the Council continues to deliver for residents whilst identifying efficiencies that support the ongoing financial sustainability of the Council.
- 1.4. This report updates the MTFFS and the Council's four financial frameworks to reflect current estimates of spend and income. It highlights where there are risks and pressures and identifies mitigating actions where appropriate. There are a number of significant changes in the national economic and policy landscape that could affect a range of Council services and best estimates of their impact are included here.

2. Recommendations

- 2.1. To approve the Council's Medium Term Financial Strategy for 2025/26 as set out in [Appendix 1](#) to this report.
- 2.2. To approve the allocation of £1.9m of the existing Financial Resilience Reserve to establish a new 'Transformation Programme Delivery Fund' with delegated authority to the Chief Executive and Deputy Chief Executive, in consultation with the Executive Director of Finance, to draw down on the fund in line with the Council's Financial Regulations.

3. Details

- 3.1. The aim of the Medium Term Financial Strategy (MTFS) is to model income, expenditure and resource requirements and to demonstrate how the Council's financial plans and strategies contribute to the achievement of its corporate objectives. It continues to form part of the Corporate Plan which was agreed in September 2022 with the latest actions and key performance indicators agreed by Cabinet in July 2025 (Paper No. 25-256). Other elements of the Corporate Plan include a six month and annual update on progress and performance. All of the elements are then linked together online to produce a "virtual" Corporate Plan which is available on the Council's website.

MEDIUM TERM FINANCIAL STRATEGY 2025/26

- 3.2. The Council continues to exercise strong financial



management across its services and decision making which puts Wandsworth in a strong position to tackle any financial challenges ahead. Reserve balances are being deployed both to invest in services and to close the budget gap. The focus over the past few years has been on maximising efficiency and delivering savings, including through digital enhancements, in order to protect front line services.

- 3.3. Since budgets were last approved demand pressures have continued, as have the ongoing challenges around the economic climate including inflation. In addition the Government has released a number of consultations and policy statements across a range of Council services which could have an impact on their delivery and funding.
- 3.4. The financial outlook for the **Council's General Fund revenue framework** is a significant change since the last update in February (Paper No. 25-88). The primary driver of this is a series of national funding reforms, the proposals for which have now been released although their impact on individual councils is not fully clear at this stage. The implications of the changes could be significant.
- 3.5. The Council has submitted a detailed response to the Government's funding reform consultation and will continue to lobby for a fair and sustainable settlement as there are some elements of the proposed new formulae that do not fully reflect the cost of either delivering services or living in London. Effective transitional protection should be implemented to better mitigate where there are funding losses.
- 3.6. In addition to the funding reforms, escalating demand and rising costs for statutory services continue to exert pressure on the budget, in particular social care and homelessness. Nationally the funding levels available are insufficient to meet the increasing complexity of need and the financial demands faced by the sector. Locally, this has resulted in a persistent and growing funding gap.
- 3.7. In response, the Council is launching an ambitious Transformation Programme, building on the foundations of the previous Change Programme. This programme will not only support the delivery of a balanced MTFs but also advance the Council's vision of becoming a fairer, compassionate, and more sustainable borough.
- 3.8. The MTFs outlines how this, coupled with council tax income and the planned use of reserves will help bring the Council's General Fund revenue financial position into balance in the period to 2028.
- 3.9. Whilst the Government has confirmed the ability to apply future council tax increases totalling 4.99% each year, no decisions have been made yet. Future decisions will continue to be informed by the Council's overall financial position, including its impact on residents, and will form part of the recommendations in the overall budget report brought to Cabinet in February/March of each year. The Council will require the further use of reserves if plans developed over this period do not close the



existing gap. The strategy also acknowledges that the likelihood of increasing financial pressures continuing beyond 2028/29 will depend largely on how the funding redistribution will be implemented.

- 3.10. The Council's **Housing Revenue Account framework** was last reported in January 2025 within the HRA Budget (Paper No. 25-13). This update sets out the impact of ongoing inflationary pressures and highlights the increasing need to invest in the existing stock to ensure it meets the decent homes and other building/fire regulation standards plus moves towards being "greener" overall.
- 3.11. The latest update of the **General Fund capital framework** is presented elsewhere on this agenda (Paper No. 25-327) and highlights the scale of the current capital programme plus the financing of the programme, in particular the significant use of developer contributions as the Council continues to make developers pay for investment that benefits local communities. All capital receipts received to date have been applied in full and, without additional funding sources being identified, the existing capital programme will require borrowing to partially fund it. The cost of borrowing (both principal and interest) is a revenue cost and any further increase in the programme would therefore put impact on the General Fund revenue framework position highlighted above.
- 3.12. The **Dedicated Schools Budget framework** was presented to June 2025 Children's Overview and Scrutiny Committee (Paper No. 25-223) which reported a deficit position due to overspends relating to Special Education Needs and Disabilities (SEND), with the annual position predicted to increase this deficit further. To mitigate the continued growth in this deficit, schools, the Council, parents and partners are working to ensure the system provides the best possible outcomes for the borough's most vulnerable young people in an effective and financially sustainable way. The Government has announced plans for reform of the SEND system, details of which will be set out in a White Paper in the Autumn, and has recognised that local authorities will need support during the transition. In the meantime, the Dedicated Schools Grant "statutory override" has been extended until March 2028. Any funding deficit in the DSB is a risk to the General Fund revenue framework at the point the override comes to an end. The Council continues to engage with the Government in relation to high needs funding issues.
- 3.13. The Council will continue to plan to protect front line services, with a focus on delivering the Administration's priorities, whilst seeking to manage cost through modernised services and a significant transformation programme. The Council will continue to lobby Government for fair and sustainable funding settlements.

TRANSFORMATION PROGRAMME

- 3.14. The Council is recognised as a "strong performing Inner London borough". Wandsworth is London Borough of Culture for 2025. The Council's Adult Social Services were recently judged as "Good" by the Care



Quality Commission. Through innovative partnerships, such as Apple and Dolly Parton's Imagination Library, the Council has been able to bring additional resources to residents. There has been a continued focus on key services such as 83% of calls answered within seven rings which is an improvement from last year. Adoption of modern approaches to digital and data have led to real benefits for residents including £4.6m of previously unclaimed benefits for residents using the Low Income Family Tracker data tool. Through constant, sound financial management and making sure developers pay, the Council has been able to set the lowest council tax in the country and invest in libraries, leisure centres, CCTV and roads and pavements

- 3.14 However, the context within which the Council delivers services to residents has changed. The impact of COVID, inflation increases since 2020 and the cost of living crisis has led to more residents needing support. Rapid digital advancements are also changing how residents live, work and access services as well as changing the approaches councils can use to deliver services. There is an increasing importance that Wandsworth capitalises on opportunities to deliver inclusive growth for the borough, its residents, partners and businesses.
- 3.15 Wandsworth is evolving and the Council needs to work differently and innovate at scale to continue to make a difference to its residents. To achieve this step change, whilst still maintaining excellent services to residents, time limited additional capacity and external challenge is needed as well as a systematic, modern approach to transformation. The Council is investing in a council wide Transformation Programme which will lead to new ways of working through innovation, challenge and harnessing digital and technological advancements. This transformation will unlock new opportunities for growth for Wandsworth, ensure residents get support earlier and are able to engage with services quickly and effectively. This will ensure the Council continues to deliver for residents and will identify efficiencies that support the ongoing financial sustainability of the Council and help to absorb the impact of any external changes such as the Fair Funding Review.
- 3.16 This will be an ambitious programme with a scale that reflects the need to make significant financial savings alongside leveraging technology to deliver better services. The initial "discovery" phase will scope out the detail of the programme with the expectation of generating revenue savings to help close the ongoing budget gap.

Purpose

- 3.17 Delivery of a balanced MTFs will require focus and grip across the organisation. The aim of the newly proposed Transformation Programme will be to provide the necessary co-ordination alongside consolidated reporting and communications to achieve this. The programme will be structured to join up delivery across eight portfolios described in [Appendix 2](#) which will be further developed over the coming months.

Outputs



- 3.18 Each portfolio will develop a business case with analysis of options and proposed changes. The impact analysis will assess costs, benefits, sustainability, equality, prevention, legal, and procurement. Following scrutiny and approvals, business cases will move into implementation with rigorous monitoring of progress, costs, and benefits. Savings and financial benefits will be reflected in future budgets and MTFS updates.

Capacity

- 3.19 Delivery of the MTFS through the Transformation Programme is a priority and resource will need to be aligned to reflect the importance of this work. Capacity will primarily come from existing staff prioritising transformation however resource analysis has highlighted gaps in skills and capacity which need to be addressed to successfully deliver transformation at this scale. This reflects lessons learned from the Change Programme (which was a series of 35 small, discrete projects in contrast to the more ambitious organisation-wide transformation now being taken forward). Our workforce needs to be equipped with the right finance and digital skills. Specific skills include: business case development, cost-benefit analysis, benefits realisation, organisation design, user experience design, and business analysis. Some gaps warrant recruitment of new staff; others are a temporary, specialist requirement where external support will be more appropriate.

Consultancy

- 3.20 External support is required in the short-term to develop the business cases, underlying analysis, and implementation plans, as skills and capacity at the level required are not available in house. An initial diagnostic phase will take place over four months, with work to commence in the Autumn. This phase will focus on developing business cases and demand modelling (to meet the budget). Following approvals, there will then be a longer “implementation” phase with external support. Alongside specialist skills, this will bring momentum, fresh thinking, and best practice from other organisations, with a requirement to upskill Council staff and deliver social value.

Funding

- 3.21 The ambitious scale of the transformation will require further investment over the next couple of years however an initial budget of £1.9m for transformation has been developed to deliver the initial “discovery” phase based on resource analysis and market testing. This includes external costs for transformation business case development as well as bringing in new skills and implementation support.
- 3.22 It is proposed to allocate £1.9m of the existing Financial Resilience Reserve to fund this programme. The flexible use of capital receipts to fund the transformation will also be considered where available and appropriate.

4. Financial Implications

These are built into this report.

5. Legal Implications

None specific to this report.



6. **Equalities Implications**

- 6.1 A full Equality Impacts Needs Assessment (EINA) will be carried out as appropriate for any new or revised policy or service that results from the work of the Transformation Programme, ensuring that impacts are identified and appropriate mitigations put in place. Each EINA will consider socio-economic impacts as well as the nine protected characteristics set out in the Equality Act 2010. EINAs will be reported to relevant Committees for awareness and discussion of the impact of any proposed changes.

7. **Supporting the Wandsworth Environment and Sustainability Strategy**

- 7.1 Both the revenue and capital budgets of the Council incorporate funding to meet the demands of improving the Council's environmental footprint.

Accompanying papers

Appendix 1 – Medium Term Financial Strategy 2025/26

Appendix 2 – Transformation Programme



MEDIUM TERM FINANCIAL STRATEGY 2025/26

1. The Council's MTFFS is a four-year financial projection which is integrated within the decision making powers of Cabinet. The MTFFS is both driven by and informs decisions on approving improvement plans to deliver the Council's objectives having prudent regard to risk management.
2. The mechanisms by which the management of resources is controlled are detailed in Annex A.

NATIONAL CONTEXT

3. The Council's financial and service planning is shaped by national economic conditions and public expenditure frameworks. The local government sector experienced significant funding reductions during the austerity period of the 2010s. Although there were some funding increases in the early 2020s, Wandsworth's real-terms funding remains approximately 20% lower than pre-austerity levels.
4. Over the past few years an increasing number of councils have indicated they are facing financial difficulties with many cutting back services and using reserves (where available) in order to ensure they can meet their statutory duties. A number of councils, including in London, have received exceptional financial support from the Government in order to avoid issuing section 114 notices. However, as exceptional financial support is effectively a permission to borrow rather than additional funding it does not solve the underlying structural funding pressure. The proposals around fair funding reforms will further exacerbate problems for a number of local authorities.
5. It is also clear that national government intervention is required to fix not just the sector's structural funding deficit but the causes of demand pressures such as the housing crisis and broken care market.
6. Following the very high period of inflation in 2022 and 2023, inflation fell in 2024 but has since increased to 3.8%. The Bank of England expects inflation to fall to 2.7% by September 2026, but this would still be above its target of 2%. In addition, increases in the National Minimum Wage, London Living Wage and employers' national insurance contributions will continue to put above inflation pressure on contractors' costs.
7. On 11 June 2025, the Government published its Spending Review, setting departmental budget limits through to 2028/29. This included a commitment to real-terms growth in local government revenue funding (defined as Core Spending Power) averaging 2.6% annually over the next three years. The CSP projections assume that all councils will increase council tax by the maximum permitted each year of 2.99% for the main element and 2% for the adult social care precept. Council tax increases are expected to



account for 80–90% of the overall CSP growth, with the remainder coming from Government contributions.

8. It is within this national context and the impact it is having on each of the Council's four frameworks that this MTFS is set.

GENERAL FUND REVENUE BUDGET FRAMEWORK

9. The MTFS last approved in December 2024 assumed a mix of council tax increases, efficiency savings and use of reserves to balance the General Fund revenue budget between now and 2028. Since then there have been updates to reflect:
 - budgets approved as part of the council tax setting exercise in February (Paper No. 25-89);
 - the 2024/25 outturn position where the Council's net General Fund expenditure overspent by £1.3m (Paper No. 25-250);
 - all budget variations this year to date which include investment in temporary accommodation, CCTV monitoring and the Winstanley York Rd regeneration;
 - estimates for future service and inflation pressures;
 - latest estimates of future government funding; and
 - a roll forward of estimates into 2028/29 to cover a four year period.
10. The estimates made are subject to a number of assumptions that will continue to be refined but will form the basis of action planning at this early stage in the budget setting process.

Particular risk factors

Loss of Government grant funding

11. Over half of the Council's General Fund revenue expenditure is currently derived from Government funding, making the Council's financial position particularly sensitive to the proposed national funding reforms and resetting of the business rates retention system, both due to be implemented from 2026/27.
12. Several service areas receive substantial targeted central government support which will continue to sit outside the general grant allocations. The Council still spends £190m on General Fund services funded by specific grants or subsidies:
 - a) A significant portion relates to **Housing Benefit** which is subject to change due to the ongoing rollout of Universal Credit. While Universal Credit has been implemented for all new claims, the Department for Work and Pensions began a managed migration in April 2024 to transition remaining working-age



claimants from legacy benefits. The Council is reimbursed by Government for Housing Benefit payments and receives a specific grant for administrative costs. This grant is expected to decline over time, although administrative costs are unlikely to reduce proportionately due to system maintenance and the continued need to administer a council tax support scheme for all residents.

- b) The **Public Health Grant**, introduced in 2013/14, is £33.7m for 2025/26 (up from £31.7m in 2024/25). Wandsworth continues to have a relatively high grant allocation and, although a revised allocation formula was developed in 2015, it has not been implemented and is not expected to be adopted in 2026/27. The grant is deployed in full across Council services each year to support public health outcomes.
 - c) The **Local Authority Better Care Grant** combined the Improved Better Care Fund and Adult Social Care Discharge Fund in 2025/26 to continue to assist with pressures in adult social care. The current year's funding is £20m (no change from 2024/25). There is a requirement to spend this funding on meeting adult social care needs, reducing pressures on the NHS and ensuring the local social care provider market is supported. The Council must pool this funding with the NHS via the South West London Integrated Care System.
13. On 20 June 2025, following an initial consultation in December 2024, the Government launched its Fair Funding Review 2.0 (FFR 2.0). This aims to update the methodology for distributing the Spending Review defined funding pot among local authorities. Although the original Fair Funding Review began in 2016, it was never implemented and so the last significant update to the distribution formula and data was in 2013.
 14. Several changes in local government finance have occurred since 2013, making the impact of FFR 2.0 difficult to predict, and MHCLG has yet to release any modelling at an individual authority level. A Policy Statement is due at the end of October which should provide more detail on how the timing and transition changes are to be implemented, and draft funding allocations will be confirmed in the provisional local government finance settlement in December.
 15. As part of FFR 2.0, the Government proposes to introduce multi-year (likely three year) funding settlements from 2026/27. Whilst each local authority's funding will continue to be determined by an assessment of its "needs" (spend) and "resources" (income) relative to the rest of the country, the distribution formulae and data that feed into it will be amended. In addition, for the first time, the resources element will be based on an assumed (notional), rather than actual, level of council tax. This is proposed to be approximately £2,000 in 2026/27 and will increase each year. If, as in Wandsworth's case, an authority's council tax is below this level (Wandsworth is currently £507.37), then the actual council tax income will be lower than this notional level set.



16. Government grant within CSP for each council will be the difference between its “needs” and “resources”. The Council’s current council tax is well below the assumed average rate, and the changes to the “needs” part of the formulae are also adversely impacting the Council. Wandsworth is still receiving transitional protection for grant losses introduced in 2013/14 which means current grant levels are higher than would otherwise be received. In addition, several grants currently listed separately are proposed to be consolidated into the new funding distribution. These include the Social Care Support Grant and the New Homes Bonus, both of which have historically benefited Wandsworth. While funding for social care will be incorporated into the new “needs” formula, no dedicated funding stream has been proposed to reflect the growth in new housing.
17. Overall these factors taken together suggest a likely significant drop in the Council’s overall future funding. The Government has made it clear that councils should plan to use available reserves and deliver transformation to help mitigate their losses. However at this stage it is not clear how it intends to address below notional council tax i.e. if/how councils will be expected to mitigate grant losses through higher council tax, as no changes have been proposed to the council tax referendum limits.
18. The Government is aware of the scale of the potential financial impact its redistribution will have on some councils and is therefore proposing a phased approach to implementation, only moving to full use of the new formula by 2028/29. It is also proposing to offer further protection by applying “funding floors”, confirmed for at least the first three years (to align with the current Spending Review period). Historically funding protections have been applied over longer periods where necessary.
19. The funding floors proposed range from zero (i.e. cash flat grant) to negative (i.e. cash loss) of 5% or 7% for those authorities expected to be disproportionately affected by the changes (which includes Wandsworth). The consultation also proposes that any protection offered through a funding floor assumes local authorities use their full council tax increase flexibility each year which means that grant funding will reduce over time as CSP replaces grant with council tax increases.
20. There is significant uncertainty around the overall impact of both the funding review and potentially significant impact of the business rates reset which is to be implemented at the same time. Government is currently considering the consultation responses and full impact and timing of its proposals, and may make changes as a result. This makes it difficult at this stage to quantify the overall funding loss to Wandsworth but it could be in the region of £25m to £39m per year by the end of the MTFS period (2028/29). This risk which will need to be kept under constant review as the exact transition and funding floors to be applied plus impact of business rates will all have an impact, hence the wide range.
21. The Fair Funding Review consultation closed on 15th August with the Council submitting a detailed response highlighting the significant impact for Wandsworth. The Council will continue to lobby for a



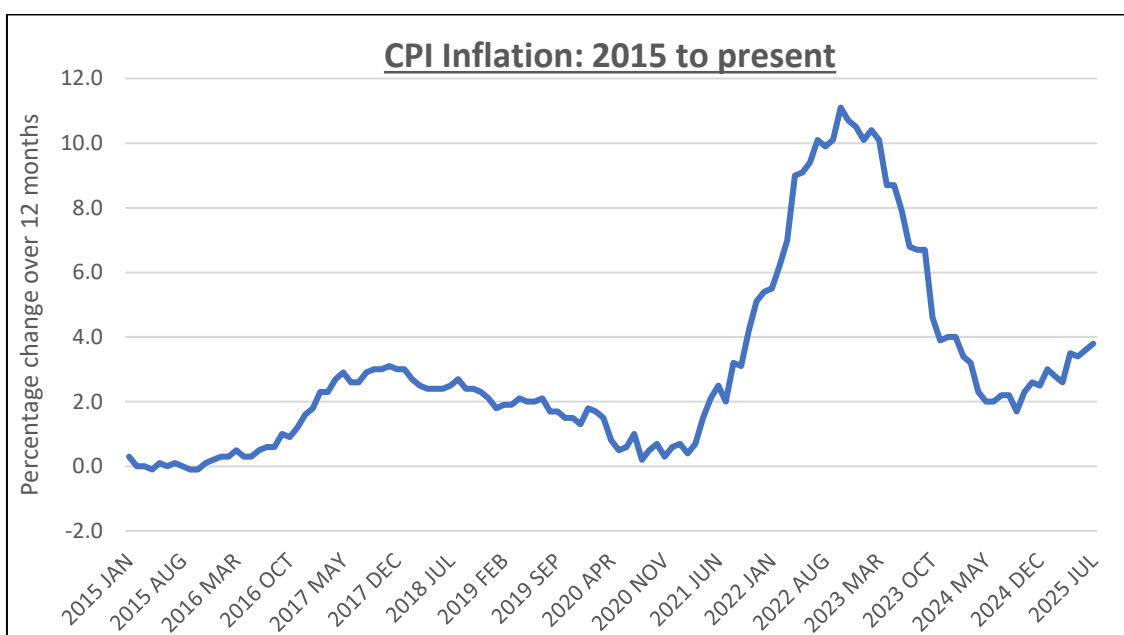
sustainable funding settlement and continue to exercise strong financial management in preparing for any changes.

Business rates retention

22. Business rates are set nationally by Government and the income is used to fund the local government finance settlement. A portion of business rates can be retained by councils to incentivise local growth. Over time, various changes to multipliers and reliefs have been introduced to support businesses. For 2025/26, the small business multiplier remains frozen, and business rate relief for the retail, hospitality and leisure sector continues, albeit at a reduced rate. Councils are compensated for any loss of income resulting from these changes. The Council's 2025/26 budget assumes retained business rates income of £65m.
23. On 8 April 2025, the Government launched a consultation on resetting the business rates baseline, its first since the business rates retention system was introduced in 2013/14. The consultation paper indicates that the reset's impact will be considered as part of transitional support accompanying broader funding reforms. This adds a level of complexity to the modelling, particularly the interplay of business rates with the Fair Funding Review and the GLA's funding (which impacts on how much business rates income London boroughs retain). Consequently, any financial assumptions regarding the reset will continue to be monitored and updated as further information becomes available.

Inflation and interest rates

24. Following the very high period of inflation in 2022 and 2023, annual increases in the Consumer Price Index (CPI) fell in 2024, dropping to a low of 1.7% in September 2024. However, it has since increased and is currently 3.8%:



25. The impact of this inflation remains in our base costs as prices are about 25% higher now than they were in 2020. The revised framework now reflects the Bank of England's latest forecasts of inflation which are anticipated to lower to 2.7% by September 2026, and to reach its target of 2% by June 2027.
26. When the 2025/26 budget was set, the rate of inflation was expected to fall, however we have continued to see high inflation on demand led services (adults, children's and homelessness). The agreed pay award in 2025/26 has increased costs by an average of 3.2%.
27. Overall, current assumptions suggest that the inflation provision for 2025/26 of £19.6m is broadly sufficient. However, rising costs associated with increases in the National Minimum Wage and employers' National Insurance contributions are expected to impact contractors delivering services on behalf of the Council. This may place upward pressure on the cost of contract tenders and extensions.
28. The Bank of England's base interest rate impacts on the Council's returns on its investments and cash balances. This has recently dropped to 4% and is now expected to fall more slowly than previously anticipated. Higher treasury investment income is now being forecast as a result, in the short term in particular, but is still forecast to drop in the medium term as the impact of the reduction from its peak of 5.25% in August 2023 plus lower cash balances feeds through.
29. Crucially, the cost of inflation continues to outstrip income increases, council tax rises are effectively capped and many of the Council's charges are governed by statute. This continues to create a shortfall as many increases in income are not keeping pace with rising costs.

Income

30. Income generated from services currently funds around a quarter of General Fund gross expenditure. The Council's 2025/26 budget includes £139m of income from fees and charges, including statutory charges over which the Council has no control (e.g. some planning fees and social care contributions). Some income streams will always be subject to external economic, social and demographic factors beyond the Council's control and therefore not guaranteed. For instance, £46m of this income relates to parking (both charges and penalties) which is a relatively volatile source of funding.
31. The Access for All policy impacts on income generated as a wide range of concessions are now offered to support low income households to access Council services.
32. The position will continue to be monitored to ensure that income budgets are set at realistic levels, particularly when considering any future charge increases and their reasonableness.

Cost of living crisis



33. The continuing impact of the cost of living crisis puts additional financial pressure on individuals which means they may be less able to pay bills and require further support from the Council (including through accessing statutory services), which in turn could adversely impact the Council's financial position.
34. The impact for residents continues and the Council and its partners will continue to do more to help prevent hardship. The Council has so far committed £15m of its own funding to support a range of initiatives, as well as delivering other initiatives funded by Government grants. Longer term support is being delivered through implementation of the recommendations of the Cost of Living Commission and the Access for All policy which provides equitable access to what living in the borough has to offer.
35. The Council is due to receive £3.6m of Household Support Fund grant from the Government in 2025/26 (£4.3m in 2024/25) which is being used to fund key cost of living initiatives for households in financial crisis. The Government's funding reform proposals include the creation of a new Crisis and Resilience Grant, which would merge the Household Support Fund and Discretionary Housing Payments, to help councils support financial resilience and crisis response. At this stage it is assumed there will be no overall reduction in this funding for 2026/27.

Rising homelessness

36. The Homelessness Reduction Act 2017 came into effect in April 2018 and extended the range of statutory duties to a wider cohort of households. In addition, the ongoing challenge of the national housing crisis is continuing to have a significant impact on the Council's statutory homelessness services.
37. As reflected in regular financial monitoring and housing activity reports (most recently Paper No. 25-257) the past year has seen further growth in the number of residents presenting as homeless and a significant increase in the cost of temporary accommodation. Whilst officers continue to bring forward and implement plans to manage demand and costs, as well as explore new avenues for increasing housing supply, there remains a trend and the ongoing risk of other external factors having an impact and leading to further rising homelessness and increased costs. This position is not unique to Wandsworth, but one that is having an impact nationally, and is particularly acute across London as the combination of the cost of living crisis and supply/demand imbalance in the private rented sector is causing significant concern.
38. In order to mitigate these pressures as much as it can, the Council is taking positive action to boost the local supply of affordable housing, for instance through taking a more robust approach to affordable housing delivery in the application of planning policy and the delivery of 100% social rent homes within its "Homes for Wandsworth" self-build programme, alongside pro-actively leveraging external funding sources (where appropriate) to assist in growing stock through acquisitions targeted specifically at providing alternatives to the most expensive forms of temporary accommodation.



Welfare reform

39. National changes to the welfare benefits regime have been introduced which are having an impact on social housing tenants and private sector tenants. The social sector size criteria, introduced from April 2013, applies a percentage reduction to Housing Benefit for those qualifying tenants who are under occupying social housing. Further, the total welfare benefit cap, applied to all out of work households, was introduced in September 2013 at a rate of £26,000 per annum in London. Reduced in December 2016 to £23,000, it was increased in April 2023 for the first time since its introduction and is currently set at £25,323 in London (a 10.1% increase).
40. Around 60% of households affected by the benefit cap are housed in the private rented sector, with only limited security of tenure, allowing landlords to recover possession within a relatively short timescale if they are minded to do so. In addition, the full impact of other planned welfare reforms (direct payments and Universal Credit) are not yet known, but it is clear that a high rent inner London borough such as Wandsworth will see an above average number of its residents affected. This, exacerbated by the cost of living crisis, could lead to a further increase in homelessness, increased rent arrears and more demand on other Council support services.
41. Following a four year freeze the Local Housing Allowance (LHA) (the maximum level of financial help with rent that private sector tenants can receive) was uplifted by the Government in April 2024 and relinked to the 30th percentile of local rent costs. This increase was welcomed as originally LHA was designed to cover the lowest 30% of market rents but was covering only 3% of properties in London (and even less in Wandsworth), increasing the risk of homelessness. However, it was again frozen from April 2025 and there has been no announcement on the level for 2026/27. Meanwhile private sector rents have continued to increase due to market demand.
42. The Council has received confirmed funding of £0.79m of Discretionary Housing Payment grant in 2025/26, down from a high of £1.31m received in 2020/21. This will be used to help alleviate short term funding issues for residents but there is no indication at this stage that demand will reduce in line with available funding which will put pressure on Council budgets.

Social care – adults

43. Nationally the social care sector continues to face a number of challenges as outlined by a recent report from the Association of Directors of Adult Social Services. In 2024/25, 80% reported overspending on adult social care budgets, totalling £774m nationally, the highest recorded in the past decade.
44. In Wandsworth, the service has recently received the highest rating of “good”, from the Care Quality Commission. Financial pressure on care service budgets continues in relation to increased demand, more complex care needs and increased costs of care services across all client groups. Increased demand together with the cost of living impacting the care provider market as well as those who need and work in care means that this area of



expenditure, one of the largest areas of expenditure in the Council's budget, continues to be a challenge.

45. The drive to provide more care out of hospital settings and financial pressures affecting local NHS services also pose a further risk to adult social care service budgets. Changes to the way services are accessed and preventative services, such as reablement and other intermediate care, seek to proactively mitigate the risk of increased demand, together with partnership working with health services through the Local Authority Better Care Grant and Better Care Fund. However national changes to the operating and funding models of health services pose a risk to local authorities. Proposed changes to funding within the new funding formula may also leave the Council to fund higher care costs in the longer term.
46. In 2025/26, activity levels continue to increase across all areas of care and client groups with a 2.4% yearly increase in people receiving services by March 2025. Activity patterns remain uncertain and along with demographic growth it is difficult to predict demand.
47. To mitigate this, the Council continues to focus on a strength-based approach to keeping residents healthy and independent, helping to prevent, reduce or delay the need for social care. The Transforming Social Care programme is implementing a range of initiatives to help manage future demand for services to improve efficiency, including the use of digital technology, integrated health and care services and a more strategic approach to mental health commissioning.

Social care – children

48. In November 2022 OFSTED found Wandsworth's Children's Services to be "good". This followed a sustained period of significant investment (both financially and in service improvements) and the Council's position is much improved since 2015.
49. A breakeven position is currently being projected in this financial year however there is continued pressure within demand led budgets in key areas that need to be managed to maintain a balanced budget position. The main areas of pressure are not unique to Wandsworth and are predominately linked to rising complexity of need, continued growth in demand for children with special educational needs and disabilities, and a placements market unable to meet need and demand both locally and nationally.
50. There is also a national challenge recruiting social worker positions with permanent workers and local authorities. Whilst the Council uses more expensive agency workers to cover vacant positions to ensure caseloads are managed safely and effectively, it has had huge success in this area with agency and staff turnover figures at the lowest levels in ten years.

Pressure on the Dedicated Schools Budget



51. Schools' expenditure is met from the Dedicated Schools Grant (DSG) however the Council's General Fund holds the funding risk where DSG proves insufficient to meet statutory requirements. The Dedicated Schools Budget (DSB) currently contains a level of central costs from the Council and these costs will be under increasing review with the planned (delayed) implementation of a national funding formula for schools which reduces funding resources to schools in London.
52. Further, there are ongoing pressures on the funding of high needs special education provision within the DSB as the borough sees an increase in children with complex needs. There is a DSG deficit carried forward into 2025/26 of £21.2m and a forecast deficit in-year position of £7.5m for the current year. A clear action plan, owned by the Council and co-produced with partners (including schools and health), aims to recover the deficit.
53. The Government has announced plans for reform of the SEND system, details of which will be set out in a White Paper in the Autumn, and has recognised that local authorities will need support during the transition. In the meantime, Government has announced an extension to the DSG "statutory override", which was due to end in March 2026, until March 2028. On expiry of the override, the Council's General Fund revenue reserve balances would need to be used to cover any accumulated DSB deficit. The cumulative DSG deficit is therefore a future risk.

Pension Fund valuation

54. The latest available valuation of the Pension Fund is as at 31st March 2022 and indicated that overall, the Fund was 116% funded (up from 105% in 2019). This rate is largely driven by Wandsworth's pre-2016 liabilities. By contrast, the Better Service Partnership (post-2016) funding level increased by just 1% to 102% as it is primarily active members who are accruing new liabilities. Consequently, the current contribution rate increased from 18% to 19.1% to apply from 1st April 2023 to 31st March 2026. This is considered a trade off between costs now and the risk of cost increases later. There is currently a planned draw down of £0.85m per annum from the Pensions Resilience Reserve to fund this increase.
55. The latest valuation as at 31st March 2025 is currently being analysed and will apply from 2026/27. Each 1% change in the contribution rate would have a General Fund impact of around £0.7m per year. Any changes from the valuation will be built into the 2026/27 budget and the Pensions Resilience Reserve used where appropriate.

Balancing the budget

56. The Council is committed to making Wandsworth fairer, compassionate and more sustainable. The revised budget framework includes the financial impact of the key priorities within the Corporate Plan 2022-26 (such as the commitment to pay the Living Wage in Council contracts, expansion of food waste collection and the Cleaner Borough Plan, further investment in community safety and the introduction of a private sector



housing licensing scheme) that have already been agreed by the Council. It is important to frame discussions about future priorities in the context of the Council's overall financial position and to take mitigating actions where possible, for instance repurposing service budgets where appropriate to better reflect the Council's priorities and exercising constant sound financial management.

Size of the funding gap

57. Whilst there are efficiency savings in the pipeline that will offset some of the pressures, there continues to be a significant gap between income and expenditure over the MTF5 period resulting largely from service demand pressures in the 2025/26 base budget plus treasury income falling and future years' inflation:

Year	2026/27 £'000	2027/28 £'000	2028/29 £'000
Current Council Tax Requirement 2025/26	74,387	74,387	74,387
Inflation	13,633	27,125	39,375
Service Committee budget changes	2,995	3,785	4,540
Treasury changes including capital investment	3,108	4,227	6,058
Efficiencies	-4,216	-4,050	-4,915
Removal of temporary budgets	-5,123	-5,299	-5,130
Removal of reserve use to balance budget	11,281	11,281	11,281
Total	96,066	111,457	125,597
Budget Gap	21,679	37,070	51,210
Budget Gap as at March 2025	22,209	31,662	39,798

58. In addition national funding reforms will exacerbate this position further, estimated to range between £25m and £39m by 2028/29. Unlike in previous years when the budget gap had been building up significantly over the medium term, current assumptions predict a growing challenge from 2026/27.
59. The Council has a statutory duty to balance the budget year on year and will continue to exercise sound financial management including the efficient use of reserves, raising income and delivering efficiencies in order to do so.

Council tax increases

60. The Localism Act 2011 replaced the capping regime for excessive council tax increases with local referenda, and in June the Government confirmed the council tax referendum threshold for the three year Spending Review period to be 2.99%. In addition, social care authorities have been given the flexibility to increase council tax in respect of the social care precept which will provide funds to protect adult social care spending. The Council applied this flexibility in 2025/26 by applying a social care precept of 2% whilst freezing the main element of the council tax.



61. Council tax increases of 4.99% each year for the next three years are being assumed by the Government in its funding reform proposals. For Wandsworth this is equivalent to additional council tax income of £11.8m a year by 2028/29 (1% council tax generates £0.75m income each year).
62. Decisions on council tax are taken annually in March as part of setting a balanced budget for the coming year and will continue to take all matters into account, including the impact on residents of any increases and other financial support the Council can offer those households in financial need.

Use of reserves

63. The Council maintains a number of reserves and balances aimed at both protecting against financial risks and providing opportunities for targeted investment. The Council has high reserve balances compared to other boroughs. All are earmarked for specific purposes (except the General Fund Reserve which is effectively used as an in-year contingency) and their level and continuing need are subject to annual review. Total reserves available for council tax setting purposes, excluding general contingency, are £194m at the start of 2025/26.
64. There is planned use of these balances in 2025/26 of £28m of which £16m is to deliver specific Council priorities (via use of the Cost of Living Reserve, the Refugee and Homelessness Support Reserve, and Access for All) and £12m is to fund the current budget gap, resulting in projected year end reserve balances of £166m.
65. This balance includes two reserves specifically established to mitigate the impact of spending and these will continue to be used in the first instance to fund a budget shortfall:
 - i) The **Financial Resilience Reserve**: established in 2014/15 to manage the risk of a deficit arising from a shortfall in Government funding in future years. Current balance of £97.1m.
 - ii) The **Service Transformation Reserve**: established in 2010/11 to mitigate the impact of a plan for significant levels of service redesign (in particular to cover redundancy costs). Current balance of £7.2m.
66. There will continue to be the need for the planned use of reserves to balance the budget and the proposed funding reforms could have a material impact on their use in the short term in particular. A full review of all reserve balances and their planned use will therefore be required alongside a fundamental change to the way the Council operates via the Transformation Programme which will tackle the longer term budget gap and mitigate reserve use in the short/medium term where possible.



Conclusion

67. To summarise, service demand pressures are high and show little sign of abating and levels of inflation remain higher than predicted 12 months ago. In addition, the national Fair Funding Review proposals could potentially be significant for Wandsworth.
68. The Council is in a strong financial position to deal with these challenges as significant reserve balances can be deployed to mitigate against the impact of rising costs and/or grant loss. Current reserve levels enable a planned drawdown to deliver a balanced budget and protect services in the short-term. However, it is clear the Council will require significant ongoing reductions in spend levels or increases in income to maintain its financial sustainability by closing an ongoing and increasing funding gap.
69. The Transformation Programme will be used to drive change throughout the organisation. The ambition of the transformation will require some external technical and specialist support which is not currently available in house but will help to deliver a more efficient and effective Council.
70. Overall, the future local government finance position still remains very uncertain and projections are difficult to make. The Fair Funding Review could be significant for Wandsworth and the Council will continue to lobby the Government about its proposals, to include a fair distribution of needs formula and a sustainable approach to transitional support. The outcome will not be confirmed until December. Beyond that, there are still risks relating to service delivery pressures and cost inflation, without compensating increases in income, that signal an ongoing and significant budget gap.

COUNCIL HOUSING BUDGET FRAMEWORK

71. The Housing Revenue Account (HRA) 30-year business plan models the cycle of works necessary to maintain the existing stock to decent homes standard and to fund investment in the delivery of new housing stock. This financial plan, which is updated annually, plots projected available revenue and capital resources.
72. The HRA Budget Framework was last approved in January 2025 (Paper No. 25-13) with the next update of the HRA business plan currently scheduled to be reported to Cabinet in November 2025 which will include revisions to the HRA capital cashflows and likely capital budget variations for approval.
73. The HRA outturn position at the end of 2024/25 showed an actual reserves level, across both revenue and capital, of £153m compared to a budgeted closing balance of £178m. Further detail covering the outturn position can be found in the Housing Committee's outturn 2024/25 report (Paper No. 25-191).



74. Current controls on the approved HRA framework were set on the basis that projected HRA reserves should not be forecast to fall by more than £40m by the end of March 2028 from the previously estimated level of £211m without the approval of full Council. Assessment against this parameter is controlled through forecasting and the budget variations reports presented to Cabinet each cycle. The HRA financial framework controls will be next reviewed and formally updated by full Council following the HRA budget review in February 2026.
75. Whilst total HRA reserve balances of £153m are still significant, the level has reduced since the high in April 2019 of £343m due to the strategic planned investment in both of the regeneration schemes and the significant development schemes through the Homes for Wandsworth programme to deliver 1,000 new council homes for social rent.
76. Furthermore the HRA has significant levels of future surpluses forecast in the short term, but these need to be viewed with caution as they are in no way guaranteed. The current position involves a raft of assumptions on future spend and income levels which if varied can have a significant effect on available resources. It remains important, therefore, that the HRA business plan continues to be based the delivery of appropriate key priorities and remain viable over the short, medium and longer term and isn't stretched through over commitment. Relevant risk factors are set out below.

Inflation

77. Due to recent and continued higher levels of inflation experienced over the last couple of years expenditure budgets are continuing to come under increasing pressure. This has been a key driver behind the cause of the overspend seen in the previous financial years. The business plan currently assumes long run inflation on general running costs of 2.5% and pay of around 2.8%. Additionally, general inflation assumptions on repairs and maintenance expenditure is estimated at 3%. In the short term higher inflation rates than those assumed in the business plan will squeeze available resources more than planned. Although with inflation matched to CPI estimates it is likely that in periods of higher inflation, additional rental income could be expected.

Rent increases

78. The Government's mandated Rent Standard assumes future rent increases for social rent properties of CPI + 1% each year in line with the ten year social rent settlement which was agreed in the 2025 Spending Review to give registered providers more certainty over future income levels. Additionally, the Government is currently consulting on the re-introduction of Rent Convergence that will potentially allow for actual rents to move towards Government defined "formula rents" more quickly after a cap on rent increases was previously imposed during the recent period of very high inflation in 2023/24. The consultation was seeking comments on a range of incremental options that would allow rents to increase by an additional £1 or £2 per week above the current statutory formula. The



consultation closed in August 2025, and the outcome is expected to be announced as part of the Chancellor's Autumn Budget statement.

79. Within the business plan any additional convergence income would be of benefit to the HRA. If forthcoming it is currently anticipated this will be applied to cover the additional financial burdens of new regulations within the social housing sector and go towards ensuring more financial resource is made available for day to day operational management and longer term investment.
80. It is however of significance and should be noted that despite the financial certainty the new statutory ten year rent regime is designed to give, if future rent increases deviate in any way from that assumed in the business plan, available resources would be significantly impacted.

Repairs and vacant properties

81. New regulatory requirements around building and fire safety, and damp and mould (Awaab's Law) are having a considerable impact on the expenditure levels in the HRA. Additionally the recent grading by the Regulator has identified a need to carry out full stock condition surveys across the entire stock which will inevitably drive an increased requirement for remedial repairs. This has begun to be evidenced in the current year's expenditure forecast which at Q1 is showing an estimated overspend across repairs and maintenance spend of £12.4m for 2025/26.
82. The cost of bringing void properties back into use is also one of the biggest pressures to repairs budgets, both across capital and revenue. Additional revenue budget provision was added to the repairs base budget in 2023/24 which then still significantly overspent, and which then continued again into 2024/25. Early indications contained within the forecast stated above show that this is again continuing into 2025/26.
83. The business plan makes assumptions on void levels based on normal tenancy turnover rates and relet times of about 2% of rent roll per annum. Currently void losses are predicted to be significantly above this level with foregone rent of about 3% predicted in the current year due to the number of voids which is above the levels previously considered as business as usual. The HRA business plan assumes expenditure levels on voids reduces in the short term in line with the return to lower turnover levels although it does need to be recognised that these activity targets are on the low side due to the development of new properties and the 'churn' that creates when moving existing tenants to appropriately sized properties and additional financial resource therefore needs to be identified in the next budget update.
84. The business plan makes assumptions that the voids level will begin to return to the base assumption level during the framework period as previous issues have been addressed and are more closely managed but any longer term impact on rental income will have a detrimental impact on the business plan.

Interest rates



85. The HRA had opening balances totalling £153m at the beginning of 2025/26. The interest earned on these balances is reinvested into the HRA to support the long term financial viability of the business plan. Higher interest rates mean that cash balances should be generating more income, but the reduction in reserve levels mean there is less available to invest negating any benefit of higher interest rates. Interest rates are expected to drop over the period of the framework.
86. Given the scale of borrowing required to finance capital expenditure in the HRA the risk around interest rate movement is more closely linked to the cost of future borrowing to support the regeneration schemes and other developments rather than the income generated through investing cash balances. Consequentially, increases in interest rates will have a negative impact on the business plan. All borrowing undertaken to support HRA investment in 2024/25 was internally borrowed from the General Fund and this is anticipated to continue for 2025/26 which mitigates the need to borrow from the Public Works Loans Board whilst rates are higher than allowed for within the business plan.

Maintaining existing stock, carbon reduction and fire safety

87. The business plan currently includes provision within the plan for the annual capital bids for repairs and improvements at approximately £40m per annum. Maintaining the capital programme at investment levels consistent with those assumed in the stock condition survey is critical to keeping the housing stock decent. The business plan assumes a 4% increase for each year of the framework period and 2.5% per annum thereafter.
88. Stock decency has been identified as being below the full decency target and therefore it is anticipated that a higher level of investment will be required in the longer term as the Council is fully committed to maintaining its existing stock to the highest standard. For the first time a full new stock condition survey is underway with 100% of individual tenanted properties to be inspected over a five year period. Whilst the costs of carrying out the surveys are known and budgeted for, the impact on the capital programme is not known. Early financial modelling is underway based on the sample of surveys completed so far (approximately 1,000 properties surveyed to date). The outcome of these surveys will form the basis of more accurate capital investment requirements in the business plan once available.
89. It should be noted that the Government is currently consulting on a revised Decent Homes Standard. Whilst the Council is in broad agreement with the aims it is proposing to move away from decency being based on the age of a property to being based on condition. The Council would always carry out works based on condition, not just age, but this may have an impact on the how capital works are programmed and therefore impact on costs. In response to this consultation the Council has specified the need for new burdens funding to meet any consequential rising cost.
90. The Council has a policy of becoming carbon neutral and net zero by 2030. It has been previously estimated that the cost of significantly



improving the energy efficiency of the housing stock could be in the region of £225m based on a high level statistical assessment. The business plan includes provision already within the plan for the annual capital bids for repairs and improvements (which already consider a scheme's energy efficiency wherever possible) but no additional provision above that level. Given the cost and the scale of the climate change emergency it is hoped that external grant funding will be made available to Councils to assist with meeting the costs of decarbonisation commitments. In addition to this the Council is currently responding to the minimum energy efficiency standard (MEES) Government consultation which is proposing a target of all homes reaching EPC C or equivalent by 2030. Early modelling estimates this could cost approximately £33m.

91. The Council has committed to a programme of building safety works and will be commissioning a series of structural surveys across the high rise portfolio (148 blocks). These will vary in nature from visual surveys to intrusive surveys depending on the construction of blocks. A procurement exercise is underway for visual surveys with a contract estimate of approximately £0.8m. Intrusive surveys are being carried out on large panel system blocks and notice of intentions are being served. It is estimated that this will cost a further £0.8m, though some costs will be recovered through recharges to leaseholders. A programme of annual fire risk assessments is now in place.
92. Retrofitting fire safety measures in the Council's housing stock could come at significant expense. Other than the provision previously made in the capital programme for fire safety works, there is currently no further notable provision in the business plan for any additional remedial works. Any requirements would again therefore need to come forward as part of the annual capital bids programme or seek additional revenue budgets as appropriate.

Regeneration and Council led development

93. Following the exit of the private sector partner from the Winstanley/York Road Joint Venture the position on both of the regeneration schemes continue to be worked on to inform the longer-term financial modelling within the business plan. At this stage, therefore, the business plan continues to assume total investment levels in line with those previously reported within existing commitments, albeit with amendments to scheme timings and cash flows where necessary. Once both schemes are reviewed a clearer understanding of future cash flows will be possible and be built into future iterations of the business plan.
94. Finally, as approved in September 2022 (Paper No. 22-252) the Homes for Wandsworth development programme is now going to deliver 100% social rent properties. The estimated revised net cost of the new approach was £332m which included £85m of agreed/approved Greater London Assembly (GLA) funding. Based on further positive discussions with the GLA, it is hoped that as much as an additional £50m can be secured through a mix of GLA grant, section 106 affordable housing funding and retained receipts from Right to Buy sales to continue to support the delivery of new housing development. The actual amounts available from the GLA will depend on the



developments taken forward for delivery and the negotiated amounts secured under the 2021-26 Affordable Housing Programme.

GENERAL FUND CAPITAL FRAMEWORK

95. Paper No. 25-327 elsewhere on this agenda sets out the latest proposed General Fund capital programme. This proposes a Committed Capital Programme of £261.5m and Development Pool of £162.2m, totalling £423.7m.

General Fund Capital Programme	2025/26	2026/27	2027/28	2028/29	2029/30	Total
	£000	£000	£000	£000	£000	£000
Health	6,132	2,693	1,400	1,249	708	12,182
Environment	14,704	2,288	512	400	0	17,904
Transport	37,841	30,935	18,064	13,336	360	100,536
Children's	41,967	39,720	0	0	0	81,687
Finance	17,511	10,619	6,465	2,904	2,399	39,898
Housing	4,096	2,916	1,830	250	250	9,342
Development Pool	10,694	64,674	45,716	16,736	24,346	162,166
Total Programme	132,945	153,845	73,987	34,875	28,063	423,715
Grants & Contributions	21,565	7,527	6,133	708	708	36,641
S106 & Neighbourhood CIL	33,813	48,649	1,830	250	250	84,792
Strategic CIL	38,390	57,006	39,478	8,840	5,660	149,374
Earmarked Reserves	768	1,247	596	709	0	3,320
Revenue Funding	444	138	541	541	0	1,664
Capital Receipts	6,488	6,990	296	226	0	14,000
Borrowing	31,477	32,288	25,113	23,601	21,445	133,924
Total Financing	132,945	153,845	73,987	34,875	28,063	423,715

96. The balance of usable capital receipts held by the Council have been applied in full to finance 2024/25 capital expenditure. Opportunities to generate additional receipts will continue to be explored, driven by the asset portfolio within the Transformation Programme, with consideration given to applying the flexible use of capital receipts to help fund the transformation. In the absence of any alternative funding sources, borrowing will need to be used to fund the programme. Internal borrowing to date is £10.624m which means borrowing could total £145m over the period although inevitably there will be programme slippage which has not been factored in here. The revenue impact of this has been included in the General Fund revenue framework.



Capital grants and reimbursements

97. Grants and reimbursements expected to support the General Fund programme over the five years are £270.8m. The most significant of these are Section 106 and Community Infrastructure Levy (CIL) contributions from developers totalling £234.2m.

Realisation of investments

98. The Council has had an active policy of rationalising underused assets and has used the proceeds extensively over time to support a significant capital programme despite receiving little in the way of Government supported capital expenditure allocations. The amount of the Council's investments at any time reflects daily variations in routine cash flows as well as capital spending, debt redemption and new capital receipts. As at 31st March 2025 the Council had cash investments of £568m but these relate almost entirely to current liabilities and to General Fund and HRA reserves for contingencies and specific purposes although could be redirected to help fund a capital programme as desired. The only investments available specifically for financing the general capital programme are those arising from capital receipts, which are neither payable to the Government nor used within the HRA, and specific elements within the Renewals Fund Reserve which were previously set aside to finance capital projects.
99. All available capital receipts have been used to fund the capital spend as at the end of 2024/25. Forecast capital receipts include the estimates of sales of General Fund sites totalling £14m up to 2029/30. A limited sum of HRA receipts able to be used freely for General Fund purposes has been included in overall receipt totals. This may increase in later years, particularly for any General Fund regeneration schemes, but these will be added in as appropriate in due course.
100. The Government introduced the Flexible Use of Capital Receipts in 2016 to give local authorities the freedom to use capital receipts to help fund the revenue costs of transformation projects and release savings. The Council has approved a flexible use of capital receipts strategy which may be used to alleviate some of the pressures currently being experienced on revenue resources, however any such use would reduce the availability of resources for capital spending. So far, this flexibility has not been used.

Revenue financing of capital

101. The revenue consequences of the existing capital programme, and of additions to the HRA and General Fund capital programmes in January, are modelled in the 30-year HRA Business Plan and General Fund revenue scenario and budgeted for on the basis of affordability at the time of approval by Cabinet for inclusion within the council tax setting report and MTFs.
102. Whilst investment realisation (which incurs a revenue cost due to loss of investment income) is the preferred form of revenue financing, the



Council will continue to consider borrowing for all investment but particularly when considering “invest to save” schemes where other funding is not available. Borrowing for regeneration and the delivery of increased levels of social housing in the HRA will be required this year. Growth in the capital programme has a direct revenue impact either through reduced cash balances earning less income from investments or directly through the cost of borrowing. Whilst some allowance has been made in future General Fund revenue estimates it is worth noting that there is currently relatively low approved capital spend in the later years of the framework and any decisions regarding further capital expenditure therefore need to be made whilst considering its impact on the General Fund revenue position which has a significant projected funding gap.

Treasury management strategy

103. The Council’s anticipated investment position for the period 2025/26 to 2026/27 takes into account estimates of major cash flow movements. This assumes some external borrowing for HRA regeneration in future years as well as borrowing to fund the General Fund capital programme. The current working assumption is for cash balances to change from an opening balance at the start of the year of £568m to around £500m over the next few years, largely as a result of planned spend in relation to capital investment plus future revenue grant funding levels. Assumptions on other capital schemes within the period that have not yet been approved are not included at this time.

Prudential borrowing /divestment

104. The ‘Prudential Code’ issued by the Chartered Institute of Public Finance and Accountancy sets parameters within which an authority can afford to finance debt. The Council, under its Treasury Management Policy, has determined that divestment of usable capital receipts is generally financially advantageous compared with undertaking additional borrowing. However, as receipts diminish there will be a requirement to undertake borrowing to fund capital investment in the borough. The Council must, under Section 3 of Part 1 of the Local Government Act 2003, set an authorised borrowing limit and operational boundary for the year. This limit refers only to gross borrowing, ignoring investments, and it reflects the maximum amount that the Council has decided it will allow borrowing to rise to within the year. The limit in Wandsworth therefore reflects the existing outstanding debt, including deposit facilities offered to other bodies and external funds. A fresh decision on prudential borrowing limits is made each year. A limit of £210m has been set in March 2025 for 2025/26 reflecting forecasted borrowing and allowing for other possible requirements. When the budget was set, new long-term borrowing of £158m was planned during this financial year – across both HRA and General Fund, with the majority of that investment being to deliver affordable housing within the HRA. As General Fund receipts diminish, there will also be a need to borrow for the General Fund – initially internal borrowing from cash balances and externally in the future.



Particular risk factors

Uncertainty over future capital receipts estimates

105. A prudent approach is adopted to the anticipation of capital receipts, with disposals generally only included after the assets are released from operational use and available for marketing. One of the portfolios within the Transformation Programme will look to ensure assets are used most effectively and could potentially generate future capital receipts to fund the investment needed for the programme under the flexible capital receipts strategy.
106. In the past the Council has pursued the acquisition of capital assets where it could demonstrate clear benefits for an area and where it was financially prudent to do so. If this is to continue, in all cases a full financial appraisal would be undertaken to assess the risks and benefits of an acquisition which includes, in the case of income-producing property, whether it would produce an adequate return reflecting the relative risk of holding property compared with holding money in the bank.

Impact of recession on income streams

107. Funding of the Council's approved capital programme includes the use of a significant amount of section 106 and CIL receipts already received. There is a continued risk in the current economic climate that future receipts will drop and the Government's proposals for reform of the planning system may also have an impact. Future spending plans will need to be kept under constant review.

DEDICATED SCHOOLS BUDGET FRAMEWORK

108. The overall Dedicated Schools Budget is mainly funded by the Dedicated Schools Grant (DSG), which is a ring-fenced specific grant that must be used in support of the Schools Budget as defined by the School and Early Years Finance (England) Regulations 2017. The DSG is made up of four separate funding blocks – schools, early years, high needs, central services.
109. The regulations include the delegation of funding to schools and impose restrictions on central expenditure such as Special Education Needs and pupil admissions unless approved by the Wandsworth Schools' Forum.
110. The funding passed on to schools (which forms part of the Schools Block) is calculated using a Local Funding Formula (LFF). From 2023/24, the Department for Education stipulated that individual local authorities' LFFs should be moved a minimum of 10% closer to the National Funding Formula (NFF) every year. The Wandsworth LFF was adjusted to meet these requirements in 2023/24 and 2024/25.



111. Schools' funding is subject to a per pupil Minimum Funding Guarantee (designed to give protection to schools' funding levels) set at a rate of positive 0.5% per pupil for 2025/26 before any pupil premium or other grants are allocated. This was the maximum amount permissible. The Council's estimated DSG for 2025/26 is £199.501m after academy recoupment and business rates deductions.

112. The Dedicated Schools Budget for 2025/26 is as follows:

	Original Budget 2025/26 £'000
EXPENDITURE	
Early Years Funding	44,203
Early Years Central Retained	1,078
Primary Schools Formula Funding	78,748
Secondary Schools Formula Funding	6,111
Growth Fund	529
Centrally Retained De-Delegated Funds	484
Central Schools Services Funding	2,759
High Needs Funding	65,591
Pupil Premium Funding to Schools	6,329
Other Grant Funding to Schools	14,479
	220,310
INCOME	
Dedicated Schools Grant	199,501
Pupil Premium	6,329
Other Income	14,479
	220,310

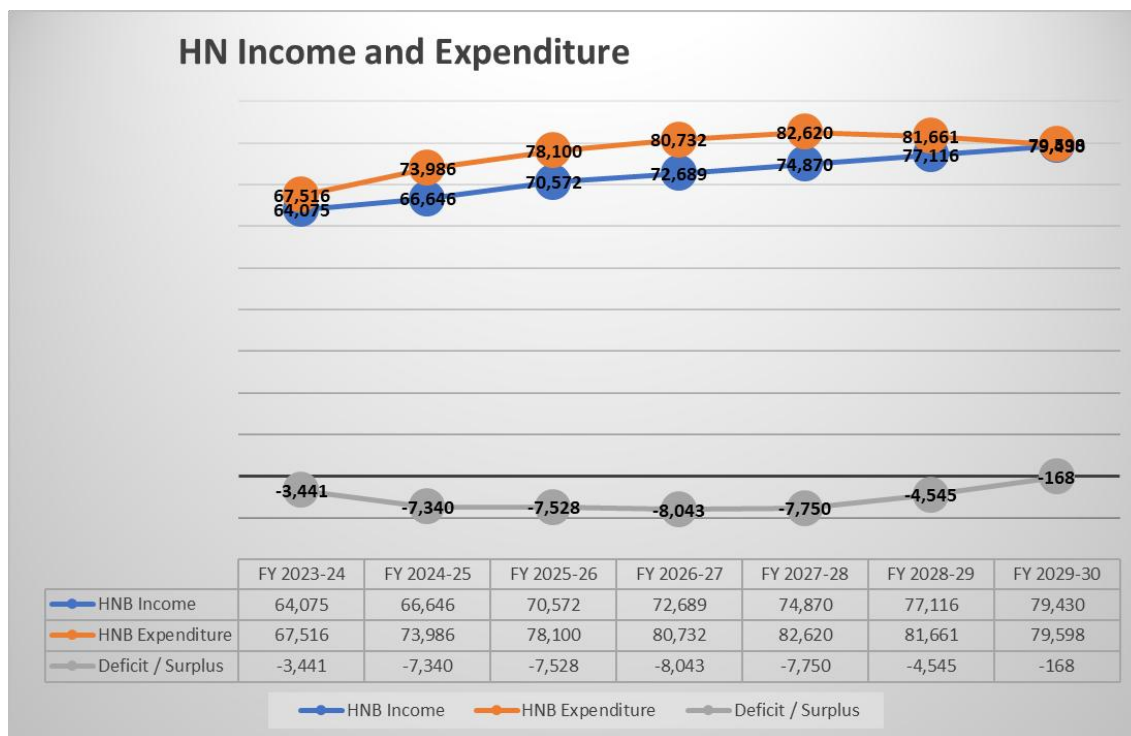
113. There are currently 27 academies in Wandsworth that are funded via recoupment from Wandsworth's DSG and an academy special school, the latest conversion having taken place April 2025. The Council's DSG has been adjusted to reflect this as well as any other schools that convert to academy status during the year.

114. Local authorities across the country have struggled to manage the pressures of growing numbers of Education, Health and Care Plans (EHCPs) and this has been a key pressure for Wandsworth, leading to overspends in the DSG in the past three years.

115. Due to the incredibly sensitive nature and compounding effect of the variables with the SEND / high needs budgets, trying to manage DSG forecasting over five years is extremely challenging. Latest forecasts include assumptions, both on managing demand and growth, and including an average of 3% high needs funding increases for the next three years. The forecast indicates that the in-year deficit is projected to increase over the next two years before beginning to reduce in financial year 2028/29.



116. A suite of management actions have been implemented to try to mitigate this position, focussed on managing demand and controlling price. Central to these strategies has been increasing SEND provision within the borough via the expansion of our special schools and resource bases.
117. A DSG recovery strategy update was presented to the Children’s Committee in June 2025 (Paper No. 25-223). The latest projections are shown below, which are based on successful outcomes for the management actions applied.



118. There is definitely risk that the number of children who require an EHCP continues to grow despite any dampening effect of the strategies. This could lead to a significantly worse position that outlined.

Government funding

119. We are currently awaiting the publication of the Schools White Paper, expected in Autumn 2025, which will outline the Government’s proposed reforms to the SEND system in England. This follows confirmation during the June 2025 Spending Review that SEND reform will be a central focus of the paper. The paper is likely to address the challenges within the SEND system and may propose structural changes aimed at improving outcomes while ensuring financial sustainability for local authorities.
120. Separate from High Needs, future years’ school budgets are expected to increase slightly. The June Spending Review announced that total core school funding is increasing by £4.5bn between 2025 and 2028. The review suggested this would be a real terms increase of 0.9% per pupil annually.

DSG deficit



121. Whilst schools' expenditure is met from the DSG the Council's General Fund holds the funding risk where DSG proves insufficient to meet statutory requirements. There is a DSG deficit carried forward into 2025/26 of £21.2m in addition to the forecast deficit in-year position of £7.5m for the current year. A clear action plan, owned by the Council and co-produced with partners (including schools and health), aims to recover the deficit. A sensitivity analysis shows the impact of only small movements in variables. For instance, a 5% increase in funding rather than the 3% modelled would see an in-year DSG surplus from 2028/29 onwards. Conversely, using forecasts of EHCP growth coming down due to a falling school age population, in-year deficits would begin to reduce in 2028/29.
122. A "statutory override" is in place until March 2028 but once this expires any deficit on the DSG will need to be covered by General Fund revenue reserve balances.

September 2025



ANNEX A TO THE MEDIUM TERM FINANCIAL STRATEGY

The mechanisms by which the management of future resources is controlled

1. The powers of Cabinet to add to existing financial commitments when considering proposals for service improvements foreseen in the Corporate Plan are exercised through the financial frameworks and delegation powers set out in the Council's Constitution and are re-set by the Council each year.
2. The MTFS gives numerical expression to a wide range of contributing policies and processes embedded within corporate decision structures including partnership funding and sustainability issues and integrates with other key strategies including human resources, IT and risk management and the development of the corporate transformation programme. The strategy consolidates the adopted options from sensitivity scenarios and models balances and resource requirements which underlie its financial frameworks, after consideration of the range of different planning assumptions set out in the development budget, Housing Revenue Account review, Dedicated Schools Budget plan, capital programme review and treasury management review, all of which have prudent regard to risk management.
3. The development budget is a four-year forward projection of service revenue budgets based on reported decisions and unavoidable commitments, with the current and next year budgets reconciled to detailed cost-centre level budgets. These budgets are reported in management statements used by service managers for business planning and budgetary control. The development budget is maintained incrementally so that all changes for service developments are explicitly reported. As part of setting the council tax requirement, an assessment is made for the impact of inflation and a report summarises the in-year developments as the basis for approval of the budget requirement, the medium-term outlook, and for consultation with the local business community.
4. The Council has four financial frameworks which are reset each year. These are:
 - **General Fund Revenue** based on the development budget, including levies precepts and partnership funding arrangements;
 - the **Housing Revenue Account (HRA)** based on the 30 year HRA business plan after consultation with the Borough Residents' Forum;
 - the **General Fund (Non-HRA) Capital Programme** based on the approved capital schemes, Treasury Management strategy, Asset Management strategy, capital resources projection, and an annual process for prioritising additions which recognises cost in use and sustainability issues; and
 - the **Dedicated Schools Budget** reflecting the Government's Dedicated Schools Grant.
5. The frameworks not only contain currently approved spending but also set the financial parameters within which Cabinet may add to commitments during the next year in the context of the reserves, Government grant, capital receipts, etc. anticipated in the medium-term outlook.



6. As regards the funding of future service improvements there is an initial presumption that Executive Directors will contain new expenditure within existing budgets. This approach is fundamental to the key corporate objective to keep council tax low. To the extent that this is not immediately possible, there is a well established and forward-looking process of budget reviews initiated by the Leader of the Council to provide scope for implementing new initiatives and to progress the objectives set out in the Corporate Plan.
7. Decisions on whether to confer approved budget status to plans for improvement/investment in the Corporate Plan are taken during the year under the budget variation approval process. Cabinet considers service proposals for budgetary developments in the context of the forward projection of the Council's budget requirement and council tax levels, the present value of reserves, the HRA 30-year business plan and the projected level of uncommitted capital resources. The financial frameworks are monitored monthly and reported quarterly to Cabinet. In addition to supervising the parameters for additional spending available to Cabinet, there are triggers for Member-level reporting of material variances against the approved revenue budget.
8. There is thus a clear decision chain from the corporate objectives and investment priorities in the Corporate Plan, through the approval processes for implementing new developments, into the development budget and onward to the financial information system and operating level management statements. The sensitivity of the strategy to external factors is monitored by the Executive Director of Finance, including prospects for central Government funding and specific grants, inflation, interest rates, tax base and developing risks. The Council has a recognised approach in providing for existing, and predicting future, risks. It has arrangements for rapid and effective intervention should modest unforeseen costs or income shortfalls arise, however further actions will always be required if the costs or shortfalls continue.
9. In order to maintain the real terms value of its income, the Council needs to appropriately charge for services. Where appropriate charges for specific services are set, seeking wherever possible, to recover the cost of the service. This is applied alongside the Council's "Access for All" policy which aims to make key Council services and local activities more affordable for all and ensure that everyone who lives in Wandsworth can access the opportunities which make Wandsworth special.
10. All new or significantly amended services and policies, including significant reductions in grants and budgets, undergo an Equality Impact Needs Assessment. These EINAs are then reported as part of any decisions to Cabinet. As such, individual services conduct an EINA on any reductions contained within the overall Council budget, including considering the impact on different socio-economic groups.
11. The Council is taking advantage of common procurement and joint working in many areas and is monitoring a range of service transaction costs in order to improve efficiency.



Appendix 2 – the Transformation Programme

The eight following portfolios have been identified, and initial objectives and scope have been outlined. This will be refined over the coming weeks with input from our consultancy partner, once appointed.

Portfolio	Sponsor	Description
Adult Social Care and Health	Jeremy DeSouza	Promote independent and healthy lives, and review thresholds, structures and processes, and commissioning strategies. Promote neighbourhood integration with health and seek to optimise outcomes from overall health and social care funding. Use data and AI for targeted commissioning and more efficient processes.
Children’s Services	Ian Dodds	Target early help to enable children, young people and their families to thrive. Use data and AI for targeted commissioning and more efficient processes. Implement the government’s social care reform agenda, reviewing thresholds, structures, processes, and commissioning strategies. Reform SEND provision to remain within DSG funding.
Resident Services	Paul Chadwick	Create focussed, seamless and efficient ‘day-to-day’ services for residents and businesses, across all forms of housing tenure. Review provision and explore opportunities for greater efficiency, income-generation and commercialisation.
Place and Growth	Paul Moore	Deliver a widely-defined growth programme to provide better neighbourhoods, more housing and increased economic opportunity, including higher pay and greater participation in the labour market. Maximise council income through higher council tax and business rate taxbases, and via CIL and section 106 income.
Corporate services (quality and efficiency)	Fenella Merry	Improve the quality and cost-effectiveness of corporate services, supported by enhanced data and artificial intelligence.
Early intervention and prevention of increased service demand	Sam Olsen	Through connection and engagement with residents, deliver a data-driven programme of early intervention focussing on the prevention of increased demand for health and social care, homelessness and children’s social care.
Single resident and business interface	Jon Evans	Implement a single customer interface for all council services based on the most cost-effective contact and fulfilment methodologies, using data and AI.
Assets	Dave Worth	Based on analysis of all assets in council ownership, devise and implement a strategy for ‘utilise, develop, dispose’ to enable rationalised asset use for service delivery, for development, and disposal to generate capital receipts.

Pension Fund

WANDSWORTH BOROUGH COUNCILJOINT PENSIONS COMMITTEE – 10TH MARCH 2026Report by the Director of Finance on Pension Fund Cash Budget 2025-2029SUMMARY

This report summarises Pension Fund income and expenditure in 2025/26 compared to the approved budget, and uses this data, triennial valuation outcomes and latest market information to set a budget for 2026/27.

The report proposes noting the estimated outturn for 2025/26, approving the Fund budget for 2026/27 and noting the projected year budget position for 2027/28 and 2028/29.

GLOSSARY

CPI	Consumer Price Index
AUM	Assets Under Management

RECOMMENDATIONS

1. The Joint Pensions Committee is recommended to:
 - note the estimated outturn on the Pension Fund Revenue Budget for 2025/26;
 - approve the Pension Fund Budget for 2026/27; and
 - note the projected budget for 2027/28 and 2028/29 required for medium term cash flow planning.

INTRODUCTION

2. The Fund is required to set a budget as best practice. The purpose of the budget is to make formal projections of the likely cash flows of the Fund for the next three years. This demonstrates cash flow planning and management within the Fund and is used in the external audit assessment of the Fund being a Going Concern (has the resources and liquidity to meet its financial obligations for the foreseeable

Pension Fund Budget

future). These high level projections are further supported by detailed daily cash flow monitoring to maintain sufficient cash in the Fund's bank and held by the custodian to ensure sufficient liquidity is maintained.

3. The regulations implementing Fit for the Future will move responsibility for managing the Fund's investment cash to London CIV. This cash flow budget and the more detailed daily cash flow projections will therefore be shared with LCIV for this purpose.
4. The budget shown in Appendix A is based on the following information:
 - 2025 valuation employer contribution rates applied to pensionable payroll. These are generally lower than at the 2022 valuation due to the increase in the funding level and discount rate.
 - Assumptions on pay awards (which impact contributions). In lieu of an agreement, an overall average increase of 3.7% is assumed for 2026/27.
 - Consumer Price Index (CPI) inflation was 3.8% at September 2025. This set the increase applied to pension benefits from April 2026.
 - Average of the last 3 years' values for "one off" costs such as transfers into and out of the Fund and strain costs.
 - Returns and growth on pension fund investments being in line with the discount rate of 5.1%. This impacts investment income and manager fees where fees are based on the value of AUM.
 - Non-market changes in AUM, such as draw down on committed investments in private assets, which will impact fees. Some of the earlier investments in private assets are now moving to the repayment stage, so the projections include assumptions on the timing and value of both draw down and repayment.
 - No estimate is made of the cashflows associated with hedging exchange rates for risk management. The hedge generates monthly cash flows, depending on which way rates have moved, and it is not possible to make a meaningful estimate of these movements.
 - The budget does not include estimated draw downs or returned principle from closed private asset funds. As with exchange rate hedging, there is insufficient information to make estimates appropriate for the budget. Rough estimates are used by officers for outline planning, and these show that if the optimistic cash flows are achieved, there may be a reduction in cash balances to fund this, but within the acceptable range.
5. The budget shows that the net cash flow from dealing with members is consistently negative. This means that an element of the Fund's investment return needs to be used to support these payments, as well as the costs of administration, governance and investment management. The cashflow deficit will increase in 2026/27 when the 2025 valuation contribution rates are implemented. As explained in the valuation paper elsewhere on this agenda, contribution rates will decrease from 1 April, reducing the regular income to the Fund.
6. The budget includes estimates of regular payments, or payments with an ongoing trend or pattern. It does not include general estimates of significant one off payments, such as bulk transfers between funds, unless there is some knowledge on the amount and date of the transfer.

(Paper No. 26-94)

7. All investment income is included here, although the Fund has a mix of accumulation and redemption instructions to managers for dealing with returns. The projected returns are therefore reported as either taken as cash (currently distributed) or reinvested (currently accumulation). Most of the accumulation funds could be switched to cash distributions if needed for liquidity. Any unrealised return (change in the value of investments held) is excluded.

PROJECTIONS FOR 2025/26

8. The projections are based on income and expenditure to date, adjusted for any known significant payments or receipts due. The significant projected variances are as follows :
- Employer strain costs are higher than budgeted, with more receipts in the year to date than last year.
 - Transfers in are higher than budgeted, suggesting that the upward trend is not slowing down.
 - Lump sum retirement payments have been higher than budgeted, but similar to last year.
 - Lump sum death benefit payments have been higher than budgeted. There has been an increase in deaths nationally this year, linked to flu cases.
 - Transfers out have been lower than anticipated.
 - Investment income has been lower than anticipated, and investment performance monitoring reports during the year have covered concerns.
 - External professional services are lower than budgeted as the fee adjustments requested by EY were agreed at a lower value by PSAA.
 - Costs of Administration and Investment team support have increased since last year due to the pay award but are lower than budgeted.

RISKS

9. The key risks which may impact cashflow are:
- Exchange rate – investment income from most private asset managers is USD denominated so exchange rate fluctuations will impact the value received by the Fund. The Fund uses hedging to mitigate the risk of capital loss but this does not cover foreign income at the time it is received.
 - Hedging settlement – again driven by exchange rate movements, the month end settlement of the hedging contracts can be either an in or out flow of cash depending on movements since the contract was placed. This cannot be reliably predicted and is therefore excluded from projections. Beneficial movements have contributed to recent high cash balances, but a reversal could lead to unexpected demand for cash.
 - Pooling of investment cash – the Fit for the Future regulations will require London CIV to manage fund investment cash balances. LCIV acknowledge there will be a learning curve involved in taking this role on and are committed to working with officers over the coming months to building their knowledge and understanding of the Fund's cashflows before fully taking this on.

Pension Fund Budget

MEDIUM TERM CASH PROJECTIONS

10. The Pension Fund is continuing to mature with the net cash outflow from dealings with members expected to increase. The impact of inflation and the increased take up of lump sum options in recent years have both negatively impacted this position.
11. The biggest impact on future projections is the 2025 valuation results which have reduced employer contribution rates. This has increased the deficit on dealings with members, and therefore the reliance on regular income from investments to fund benefit payments to pensioners.
12. The Fund's projected income net of fees is sufficient to comfortably cover the deficit on dealings with members and the costs of administering the Fund. Splitting the projected income between income taken as cash and income currently reinvested shows that there is small "safety margin" assuming there are no changes to the split. Officers will continue to monitor this position and may change investments from reinvestment to distribution if needed to support payment commitments. This action would reduce the Fund's capacity for capital growth by reducing the amount of new investment.
13. The rationale for Fund's allocation to alternative asset classes included the generation of regular income streams to support cashflow requirements, which needs to be maintained. The Investment includes a mixture of funds in ramp up and others starting to repay capital. The Fund's investments in private markets are split across 3 asset classes:
 - Infrastructure – the two funds with significant allocations are open ended, with the LCIV Renewable Infrastructure fund around £30m below the investment commitment, but the third is closed and well into the repayment phase. Increased investment via a new fund or increased investment with existing funds is needed to maintain an allocation in line with the target range.
 - Private Debt - all five private debt investments (with 3 managers) are closed funds. All five have reached the end of their ramp up phase with three funds now making regular capital repayment. As investment is currently at the lower end of the permitted range, there is a need for a new private debt investment(s) which will be communicated to LCIV in their new role managing investments.
 - Private Equity – both Sandbrook and Octopus are still in the ramp up phase of investment, which should address the under investment in this class. Likewise, neither are at a stage to make regular revenue payments yet, which will increase future cash flows.
14. While benefit payments and employer contributions are fairly predictable, with the main driver for change being inflationary increases, one off payments of lump sums and transfer values are significantly harder to predict as they depend on the number of members and their accumulated entitlement.
15. Investment income and expenses are also more challenging to project due to their link to market performance. While a long term average market return is the best

(Paper No. 26-94)

available estimate, this does not account for market volatility so variances are more likely in these areas.

The Town Hall
Wandsworth
SW18 2PU

Fenella Merry
Executive Director of Finance

2 March 2026

Background Papers:

No background papers were used in the preparation of this report.

All reports to Overview and Scrutiny Committees, regulatory and other committees, the Executive and the full Council can be viewed on the Council's website (www.wandsworth.gov.uk/moderngov) unless the report was published before May 2001, in which case the Committee Secretary (Daniel Kuszal - 020 8891 7156; email: Daniel.Kuszal@richmondandwandsworth.gov.uk) can supply it if required.

Pension Fund Budget**APPENDIX A****Pension Fund Revenue Budget and Projections 2025/26 to 2027/28**

	Outturn 2024/25 £000	Original Estimate 2025/26 £000	Projected Outturn 2025/26 £000	Projected Variance 2025/26 %	Budget Estimates		
					2026/27 £000	2027/28 £000	2028/29 £000
Regular Monthly Cashflows							
- Contributions From							
Employees	20,942	21,420	21,704	1%	22,510	23,340	24,200
Employers Normal	61,582	62,910	63,061	0%	51,480	53,390	55,360
- Benefits Payable							
Pensions	(85,994)	(87,440)	(88,119)	1%	(91,470)	(93,940)	(96,470)
Subtotal Regular Cash	(3,470)	(3,110)	(3,354)		(17,480)	(17,210)	(16,910)
Irregular Cashflows							
- Contributions From							
Employers Strain costs	1,589	1,220	2,196	80%	1,610	1,670	1,740
Transfer In	9,699	9,610	12,417	29%	9,540	9,890	10,260
- Benefits Payable							
Lump Sum Retirement Benefit	(15,460)	(13,410)	(15,667)	17%	(14,730)	(15,270)	(15,840)
Lump Sum Death Benefit	(1,235)	(1,620)	(2,787)	72%	(2,030)	(2,100)	(2,180)
Transfers Out	(13,861)	(14,530)	(10,092)	-31%	(12,420)	(12,880)	(13,350)
Subtotal Irregular Cash	(19,268)	(18,730)	(13,933)		(18,030)	(18,690)	(19,370)
Net Additions/Withdrawals from Dealing with Members	(22,738)	(21,840)	(17,287)	-21%	(35,510)	(35,900)	(36,280)
Returns on Investments							
Investment Income							
- Taken as cash	46,222	44,100	54,044	23%	51,160	52,550	53,960
- Reinvested (potential cash)	16,214	27,680	10,955	-60%	6,400	6,570	6,750
Investment Management Expenses	(12,301)	(12,960)	(12,360)	-5%	(12,550)	(13,190)	(13,860)
Net Return on Investments	50,135	58,820	52,639	-43%	45,010	45,930	46,850
Other Fees & Charges							
External Professional Services	(530)	(320)	(262)	-18%	(230)	(230)	(320)
Council Support Services	(1,371)	(1,650)	(1,593)	-3%	(1,650)	(1,710)	(1,780)
Other Fees & Charges	(1,901)	(1,970)	(1,855)	-22%	(1,880)	(1,940)	(2,100)
Projected Increase / (Decrease) in Cash	25,496	35,010	33,497	-4%	7,620	8,090	8,470
Excluding reinvested income	(9,282)	(7,330)	22,542		1,220	1,520	1,720