

WANDSWORTH BOROUGH COUNCIL

Consultation with the Local Business Community

Report by the Executive Director of Finance
on the Council's Budget Plans for 2026/27 and future years

SUMMARY

The Council wishes to continue its regular consultation with the local business community about its budget plans for future years. This report provides an overview of these plans and invites views to be taken into account when decisions are made on the council tax for 2026/27 and budgets for future years. Comments on the Council's budget plans can be received up until 22nd February 2026.

RECOMMENDATION

1. Local businesses are invited to make comments on the Council's budget plans, for consideration by the Cabinet on 23rd February 2026 before deciding upon recommendations to the full Council for setting the council tax for 2026/27 on 4th March 2026 and budget frameworks for future years.

BACKGROUND MATERIAL

2. Statutory guidelines determine much of the content of the papers that are available for consultation. Wandsworth Business Partnership members may wish to refer to the following background material:

- [Statement of Accounts 2024-25](#)
- [Proposed Additions to General Fund Capital Programme](#)
- [HRA Business Plan Update 2025 - Cabinet](#)
- [Appendix A - HRA Capital Programme](#)
- [Budget and Council Tax 2026-27](#)
- [Medium Term Financial Strategy 2025-26](#)
- [HRA Rent Setting Report](#)
- [Appendix A](#)
- [Appendix B](#)
- [Appendix C](#)
- [Appendix D](#)

MAIN FEATURES OF BUDGET PLANS FOR 2026/27 AND FUTURE YEARS

Capital and Major Works Programmes

3. For council housing, the existing stock repairs and improvements works continue with a programme of £253.9m over the three year period from 2026/27 to 2028/29. In addition, a further £389.8m is being invested into regeneration projects, site developments and other capital schemes over the same period making a combined Housing Revenue Account capital programme totalling £643.7m. This is to be financed by borrowing (£384.2m), capital grants and reimbursements (£172.4m), capital receipts (£5.1m) and through applying reserves (£82m).
4. Capital expenditure for other services is financed by grants and by realising the invested proceeds of the sale of council assets and where necessary borrowing. Total expenditure in the current year is £120.4 million, the programme for 2026/27 is £161.6 million, and for 2027/28 £106.9 million. This 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. These figures include new schemes for 2026/27 and future years.

Revenue Budget and Council Tax

5. The Mayor of London (Mr Sadiq Khan) has issued his draft budget for 2026/27. This shows the total GLA precept increasing by £20.13 (4.1%) from £490.38 to £510.51 which is the maximum limit the government has set for the GLA increase. Of this sum £15 is to fund police and the remainder for non-police services. The GLA will confirm its final budget after consideration at its meeting on 25th February.
6. 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.
7. The Secretary of State has set a limit on Council Tax increases above which level proposed increases will be subject to a local referendum, and this limit has been set at 2.99% for 2026/27. 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%. Council Tax in 2026/27 could therefore increase by a maximum of 4.99% (the same as 2025/26).

8. The Council's budget and Council Tax 2026/27 report includes net service expenditure proposals for 2026/27 totalling £319.9 million. 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.
9. The draft revenue budget framework. The power of the Council to significantly vary its expenditure upwards is limited in each of its financial frameworks due to factors such as the provision for local referenda introduced within the Government's Localism Act, the need to legally balance the Housing Revenue Account and the level of capital receipts available. Therefore, any decision to reorder spending priorities is in reality based on the competing needs of services for current budgeted expenditure.

Council housing rents

10. Average social rents for the Council's housing stock are currently £154.48 per week. Rents were considered at Cabinet on 26th January 2026 where it was recommended to Council that Council rents would be increased by a maximum of 4.8% from April 2026 in line with Council policy and national policy which established a maximum rent increase through the Rent Standard, making an estimated average weekly rent of £161.49 per week in 2026/27. This increase was formally approved by Council on 4th February 2026.
11. In addition to rent, some tenants are charged for service charges in relation to their properties which are itemised separately. Where tenants benefit from these services, the individual charges for the following year are calculated by block and estate and linked to property size, using an estimate of based on prior actual costs uplifted by inflation, with overall increases from year to year capped where applicable to maintain general affordability. The updated average charge for services for those who pay is estimated to be around £12.09 per week in 2026/27.
12. Average Council rents remain significantly lower than equivalent private sector rental levels and the Council continues to maintain a financially viable Housing Revenue Account business plan based upon current assumptions.

TIMETABLE

13. Written comments, received by 22nd February 2026, will be considered by the Cabinet on 23rd February 2026.

Responses can be emailed to financeconsultation@wandsworth.gov.uk. The Cabinet will then present recommendations to the full Council (at a meeting on 4th March) for setting the Council's council tax for 2026/27 and revenue budget framework for future years.

FENELLA MERRY
Executive Director of Finance

The Town Hall,
Wandsworth,
SW18 2PU.
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