

WANDSWORTH BOROUGH COUNCIL

Consultation with the Local Business Community

Report by the Executive Director of Finance
on the Council's Budget Plans for 2025/26 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 2025/26 and budgets for future years. Comments on the Council's budget plans can be received up until 21st February 2025.

RECOMMENDATION

1. Local businesses are invited to make comments on the Council's budget plans, for consideration by the Finance Overview and Scrutiny Committee on 25th February 2025 and the Executive on 3rd March 2025 before deciding upon recommendations to the full Council for setting the council tax for 2025/26 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 2023-24](#)
 - [General Fund Capital Programme 2024 to 2028](#)
 - [HRA Business Plan Update 2024/25](#)
 - [HRA Business Plan Update 2024/25 \(appendix A\)](#)
 - [HRA Business Plan Update 2024/25 \(appendix B\)](#)
 - [Council General Revenue Budget 2024-2028](#)
 - [Council's Medium Term Financial Strategy](#)
 - [Housing and Regeneration on the Housing Revenue Account Budget \(including Rents for Council Dwellings\)](#)
 - [Appendix A - C](#)
 - [Appendix D – F](#)
 - [Appendix G - H](#)

MAIN FEATURES OF BUDGET PLANS FOR 2022/23 AND FUTURE YEARS

Capital and Major Works Programmes

3. For council housing, the repairs and improvements works continue with a programme of £74.9 million in 2025/26 and £59.7 million in 2026/27. In addition, another £92 million is being invested into new build, regeneration projects and environmental improvements in 2025/26 and £90.2 million in 2026/27 all of which contribute to the combined Housing Revenue Account capital programme totalling £184.7 million in 2025/26 and £153.5 million in 2026/27. This is to be financed by capital receipts, borrowing, capital reimbursements including service charges and grants which include the utilisation of the retained Right to Buy receipts, grant where available and the application of Section 106 receipts held for affordable housing or capital reserves built up over previous years.
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 £128.5 million; this includes £51.7 million of spending on schools and other children's facilities. The programme for 2025/26 is £104.1 million, which includes a further £36.2 million spending on schools and other children's facilities and for 2026/27 £75.6 million which includes £16.5 million on schools and other children's facilities. These figures include new schemes for 2025/26 and future years.

Revenue Budget and Council Tax

5. The Mayor of London (Mr Sadiq Khan) has issued his draft budget for 2025/26. This shows the total GLA precept increasing by £18.98 (4%) from £471.40 to £490.38 which is the maximum limit the government has set for the GLA increase. Of this sum £14 is to fund police and the remainder (a 2.99% increase) for non-police services. There is no additional £20 for transport as has been the case for the last three years. The GLA will confirm its final budget after consideration at its meeting on 25th February.
6. The provisional Local Government Finance Settlement for 2025/26 was published on 18th December. The announcement followed the details provided at Autumn Statement 2024 and the Policy Statement on 28th November 2024. Once again this was a single year settlement, however it also set out a consultation on the objectives and principles for local authority funding reform which includes a commitment to multi-year funding settlements in the future. It is not possible as yet to understand the potential impact for Wandsworth – the Government's next Spending Review, which will set out its longer term public sector funding plans, is due in the summer 2025. There is also a commitment to the implementation of a reset of the distribution of funding across the country.
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 2025/26. However, in addition, as last year, local authorities responsible for adult social care will be given additional Council

Tax flexibility on top of this general threshold, on the understanding that this additional revenue will be used for adult social care services. The Council introduced an adult social care precept in 2016/17 and has applied an increase to it each year since. The Government is allowing an increase of 2% in 2025/26. Council Tax in 2025/26 could therefore increase by a maximum of 4.99% (the same as 2024/25)

8. The Council's General Revenue budget 2024-2028 report includes net service expenditure proposals for 2025/26 totalling £283.8 million. It highlights that, in order to set a council tax level for 2025/26 which does not breach the 2.99% referendum level, consideration will need to be given to known additional spending pressures and a review of earmarked reserves, in combination with the possibility of generating savings proposals.
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 £149.70 per week. Rents were considered at the Housing Committee on 22nd January 2025 where it was agreed that Council rents would be increased by a maximum of 2.7% from April 2025 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 £153.70 per week in 2025/26. 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 £11.70 per week in 2025/26. Average Council rents remain 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

11. Written comments, received by 21st February 2025, will be considered by the Finance Overview and Scrutiny Committee on 25th February 2025 and the Executive on 3rd March 2025.

Responses can be emailed to financeconsultation@wandsworth.gov.uk. The Executive will then present recommendations to the full Council (at a meeting on 5th March) for setting the Council's council tax for 2025/26 and revenue budget framework for future years.

The Town Hall,
Wandsworth,
SW18 2PU.
28th January 2025

FENELLA MERRY
Executive Director of
Finance