Implications of the Fairer Funding Review

Consultation Report

October 2026

Consultation and Participation Team
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THE ROYAL BOROUGH OF KENSINGTON AND CHELSEA

Introduction

Future Funding Arrangements - Sustainable Communities Act

Kensington and Chelsea is facing an unprecedented funding gap as a result of the Government's Fairer Funding Review. Over the four year funding period, the Government will remove more than £100 million from our budgets, equivalent to over 40 per cent of our controllable budget. The impact will fall on our residents; creating a gap so huge that we will be forced into cuts and tax rises, almost entirely as a result of decisions taken in Whitehall, not in this Town Hall.

I will not accept this outcome without exhausting every avenue available to us. That is why, alongside Westminster and Wandsworth, I am proposing that this Council submit a proposal under the Sustainable Communities Act, calling on the Government to ensure that future funding arrangements better reflect the needs of Kensington and Chelsea and its residents.

The Sustainable Communities Act gives local authorities the power to ask central government to remove laws, policies or other barriers that prevent them from improving the economic, social and environmental wellbeing of their communities.

Cllr Elizabeth Campbell, Leader of the Council

Consultation methodology and reporting

Methodology

An online survey, open to all stakeholders, was available on the Council's Consultation and Engagement Hub between 2 September and 4 October 2026. It was promoted via a wide range of avenues including: social media, e-newsletters, posters, leaflets and direct to organisations.

The survey was also available in paper format or in alternative formats on request (e.g. large print or in other languages).

A total of 1,499 people responded to the survey.

Analysis approach

The survey results in this report show overall percentages for each survey question.

A form of AI called large language models (LLMs) was used to assist with theming comments made in the survey. All comments received have been read by a Council officer who also reviewed and amended themes where needed, no data is shared with external entities and no data is used for future training of large language models (LLMs).

Appendix

An appendix document is also available on request, containing data tables and all comments made by respondents to the survey.

Acknowledgements

The Council would like to thank all residents and stakeholders who took the time to provide feedback.

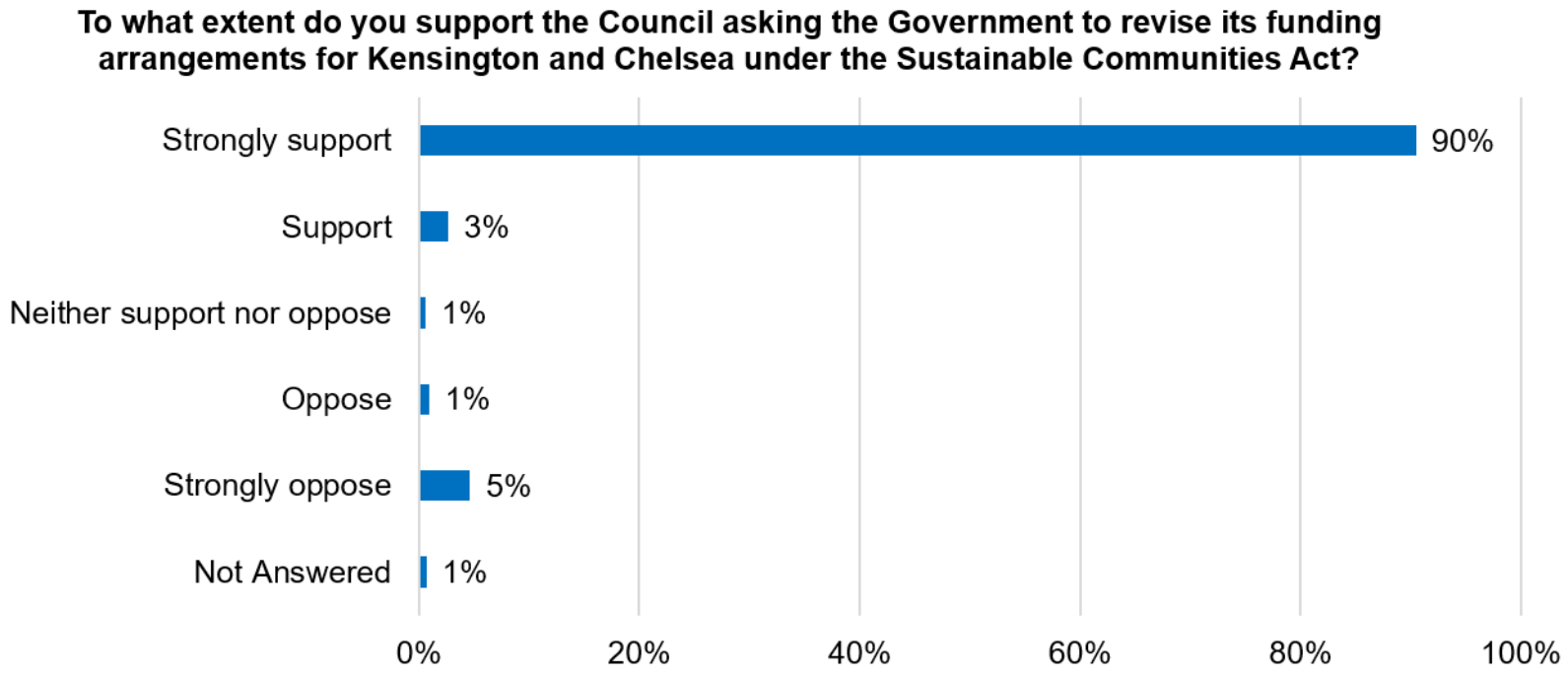
Analysis of survey responses

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Support for revision to funding arrangements

Respondents were asked to indicate if they supported the Council asking the Government to review its funding arrangements for Kensington and Chelsea under the Sustainable Communities Act.

- The majority of respondents (93 per cent) ***'strongly support'*** or ***'support'*** the Council asking the Government to revise its funding arrangements. This includes 90 per cent who ***'strongly support'*** this approach.
- A total of six per cent ***'strongly oppose'*** or ***'oppose'*** this approach. However, from the comments made, it is clear that some respondents have misunderstood the question and are opposing the Government's Fairer Funding arrangements, rather than opposing the Council asking the Government to revise these arrangements.



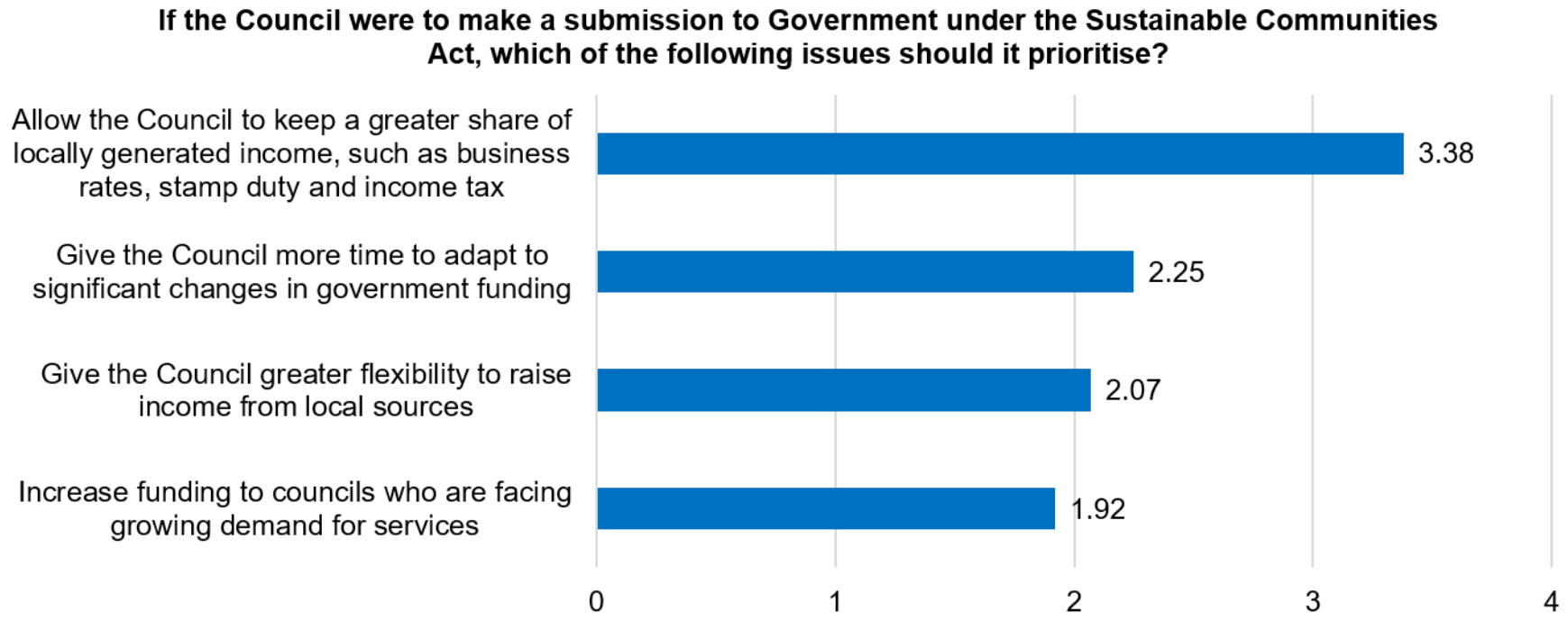
Base: All respondents (1,499)

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Priorities in any submission to Government

If the Council were to make a submission to Government under the Sustainable Communities Act, respondents were asked to rank in priority order a list of four issues. The figures in the graph below are calculated by multiplying respondents' top priority by four, second priority by three, third priority by two and lowest priority by one. These figures are totalled and divided by the number of respondents, giving an average (mean) figure, the larger the number the bigger the priority for respondents.

- The top priority for respondents was ***'allow the Council to keep a greater share of locally generated income, such as business rates, stamp duty and income tax'***, with a mean score of 3.38.
- The second highest priority was ***'give the Council more time to adapt to significant changes in government funding'***, with a mean score of 2.25.



Base: All respondents (1,499)

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Suggestions of actions that the Government could take

Respondents were asked for suggestions for actions that the Council could request the Government takes.

Comments made have been themed and are summarised in the table below. The most common themes were: ***'fairness, scale of cuts and rewarding efficient councils'*** (331 comments) and ***'efficiency, accountability and public sector spending reform'*** (314 comments).

A more detailed summary of comments made relating to the most mentioned themes, alongside examples of comments made, can be seen on the following pages, with the full list of themes and comments found in the appendices.

Theme	Count
Fairness, scale of cuts and rewarding efficient councils	331
Efficiency, accountability and public-sector spending reform	314
Local need, deprivation and protection of vulnerable residents	201
Specific services and exceptional cost pressures	164
Legal, political and collective challenge to Government	139
Local economic autonomy, alternative revenues and economic growth	114
Council Tax, property taxation and household affordability	106
London and Kensington and Chelsea specific costs, density, visitors and national role	75
Opposition to the Council's approach and criticism of Council performance	64
Transitional protection, phasing and funding certainty	38
Survey technical issues and no further substantive comment	29

Suggestions of actions that the Government could take

Fairness, scale of cuts and rewarding efficient councils

Respondents opposed the scale or principle of the proposed funding reduction, often describing it as unfair, excessive or disproportionate. Many argued that councils which have managed their finances efficiently, maintained services and kept local taxation comparatively low should be recognised and rewarded rather than losing resources. Comments also expressed concern that transferring funding away from well-managed authorities could weaken incentives for prudent financial management, reduce valued local services and require residents to pay more while receiving less.Examples of comments include:



"Can the government explain why efficient councils are being penalised."

Efficiency, accountability and public-sector spending reform

This theme brought together proposals for the Council, other councils and central government to improve efficiency, reduce waste and prioritise core services. Respondents called for closer scrutiny of spending, stronger performance management and greater transparency over how public funds are used. Suggestions included audits of underperforming authorities, sharing good practice from more efficient councils, reducing administrative or back-office costs, reviewing non-essential projects and making greater use of technology, joint working and modernised processes. Examples of comments include:



"Ask central government to cut the waste in Whitehall, rather than make local councils scapegoats for poor and ineffective policy making."

Local need, deprivation and protection of vulnerable residents

Respondents stressed that the borough's overall reputation for wealth can conceal significant deprivation, inequality and financial vulnerability within particular communities and households. Comments highlighted the potential effect of funding reductions on older people, disabled residents, children and young people, low-income families, people experiencing homelessness and those requiring social care or other essential services. Many argued that preventative and community-based provision should be protected because reducing early support could worsen hardship and lead to greater demand for housing, health, policing and statutory care services later.. Examples of comments include:



"Given that RBKC spends almost 75% of its budget on Children's Services, Adult Social Care and Housing/Social Investment it doesn't take a genius to see where the brunt of these budget cuts will fall and that the most vulnerable people in the borough will be those hardest hit."

Specific services and exceptional cost pressures

Comments focused on particular services or unusually high local pressures. Respondents referred to housing and homelessness, temporary accommodation, adult and children's social care, community safety, street cleansing, waste collection, highways and bridges, libraries, parks, youth and community provision. Some also highlighted exceptional responsibilities and costs connected with Grenfell and the Notting Hill Carnival. Across these comments, respondents were concerned that a substantial funding reduction would affect visible frontline services, preventative support and infrastructure that residents, businesses and visitors rely on, while limiting the Council's ability to respond to local or unforeseen pressures. Examples of comments include:



"I am in temporary accommodation. Which I am grateful for but too much money is eaten up by my situation and others in the same position. Surely affordable housing is the way."

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Suggestions of actions that the Government could take

Legal, political and collective challenge to Government

Respondents supported a range of actions to challenge or influence the Government, including legal action, lobbying and direct representations to ministers and MPs. Many suggested working collectively with other affected councils or other partners to strengthen the case and demonstrate that the issue extends beyond a single borough. Comments also referred to seeking greater public and media attention. The overall emphasis was on pursuing coordinated, evidence-based and, where appropriate, legal or political routes to secure reconsideration of the settlement.. Examples of comments include:



"Seek a Judicial Review and/ or any other legal remedy to stop this unwarranted raid by central government."

Local economic autonomy, alternative revenues and economic growth

Respondents called for greater local control over taxation, spending and the income generated within the borough, including retention of a larger share of business rates. Suggested additional income sources included visitor or tourism levies, commercial activity, fees, fines and charges, better use of council assets and contributions linked to major events. Some respondents also advocated longer-term economic growth through business support and more flexible local decision-making. The common view was that stronger local fiscal autonomy could reduce dependence on national funding formulas and protect services without relying primarily on Council Tax increases.Examples of comments include:



"Keep 100% of business rates and allow council to set business rates."

Council Tax, property taxation and household affordability

Respondents discussed Council Tax levels and bands, proposed property or mansion-style surcharges, the relationship between property values and ability to pay, and the cumulative effect of national and local taxation. Many stressed that a high-value home does not necessarily indicate a high income, particularly for pensioners, long-standing residents, leaseholders and households facing large mortgages, rents or service charges. Others proposed reforming or extending Council Tax bands so that higher-value properties contribute more. Across different viewpoints, comments emphasised affordability, fairness and the need to protect households from sudden or excessive additional costs.Examples of comments include:



"I think you need to raise the council tax to a more realistic level as Wandsworth are doing and perhaps levy a much higher charge on homes in the multimillion pound bracket whose owners can easily afford to pay more."

London and Kensington and Chelsea specific costs, density, visitors and national role

Respondents argued that the funding formula should better reflect the higher costs and distinctive pressures associated with an inner-London borough, including housing and staffing costs, population density, homelessness and temporary accommodation. Comments also highlighted the large daytime population created by workers, tourists and visitors, and the demands this places on cleansing, waste collection, highways, public safety and the public realm. Respondents referred to the borough's museums, cultural institutions, shopping areas and nationally significant locations, arguing that maintaining local services supports London's wider economy, tourism offer and international reputation as well as local residents.. Examples of comments include:



"Tell the government that as the capital and receiving millions of visitors every year to our museums and royal palaces K&C should be treated as a special case due to extra costs dealing with all these visitors."

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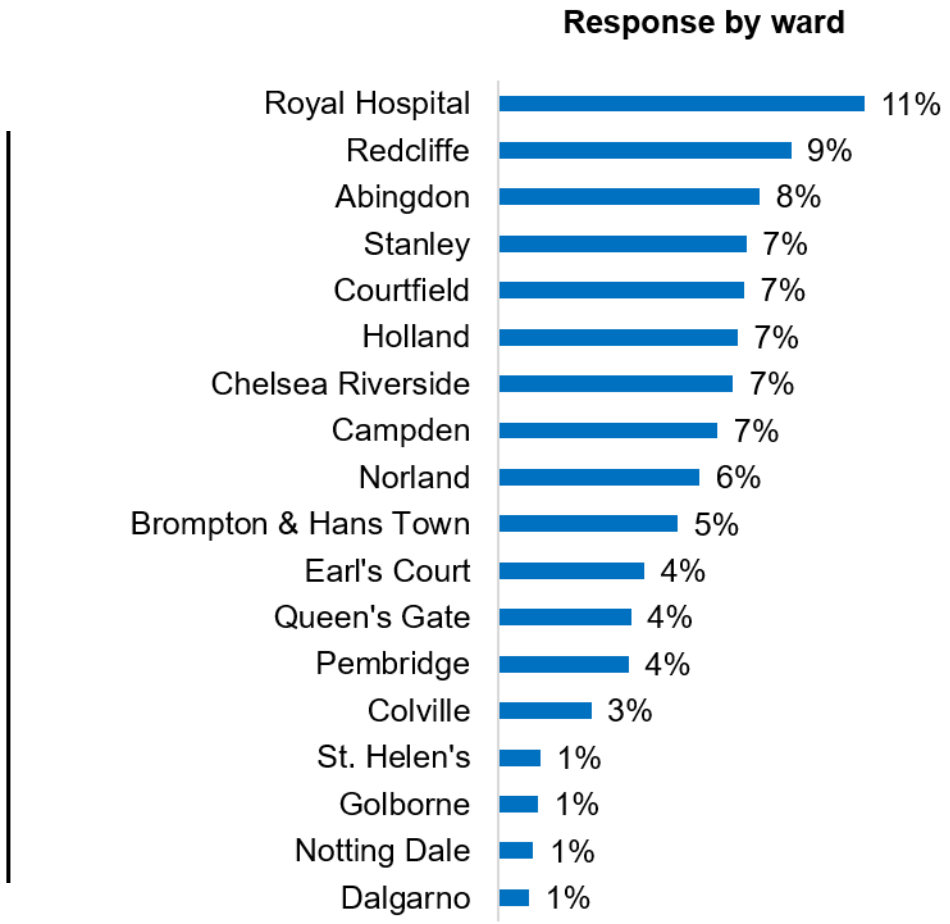
Profile of survey respondents

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Profile of respondents

The following pages detail the profile of the respondents to the survey.

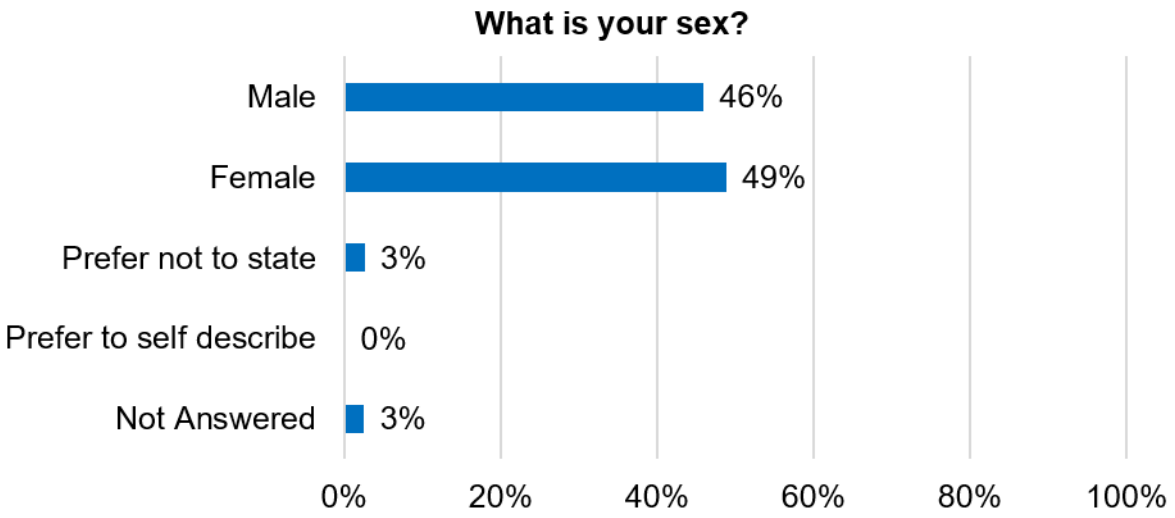
- A total of 1,428 respondents supplied a full and accurate postcode.
- The vast majority (1,417) live in Kensington and Chelsea; 11 supplied a postcode from a neighbouring London borough.
- A total of 11 per cent of responses came from Royal Hospital ward, with nine per cent from Redcliffe and eight per cent from Abingdon.

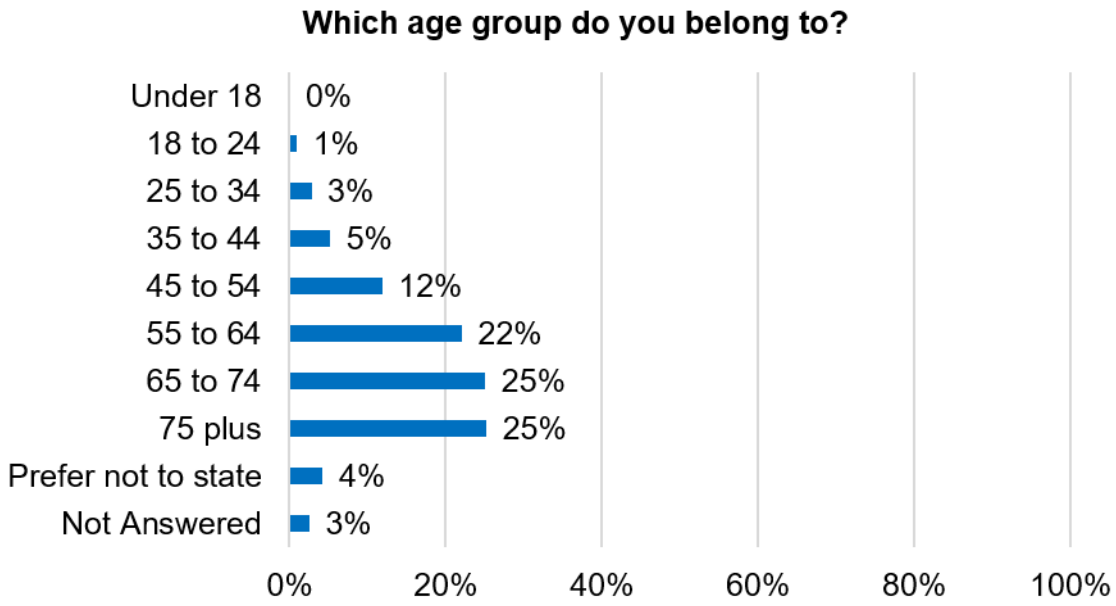


Base: All respondents with Kensington and Chelsea postcode (1,417)

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Profile of respondents





- There was a fairly even split of female respondents (49 per cent) and male respondents (46 per cent).

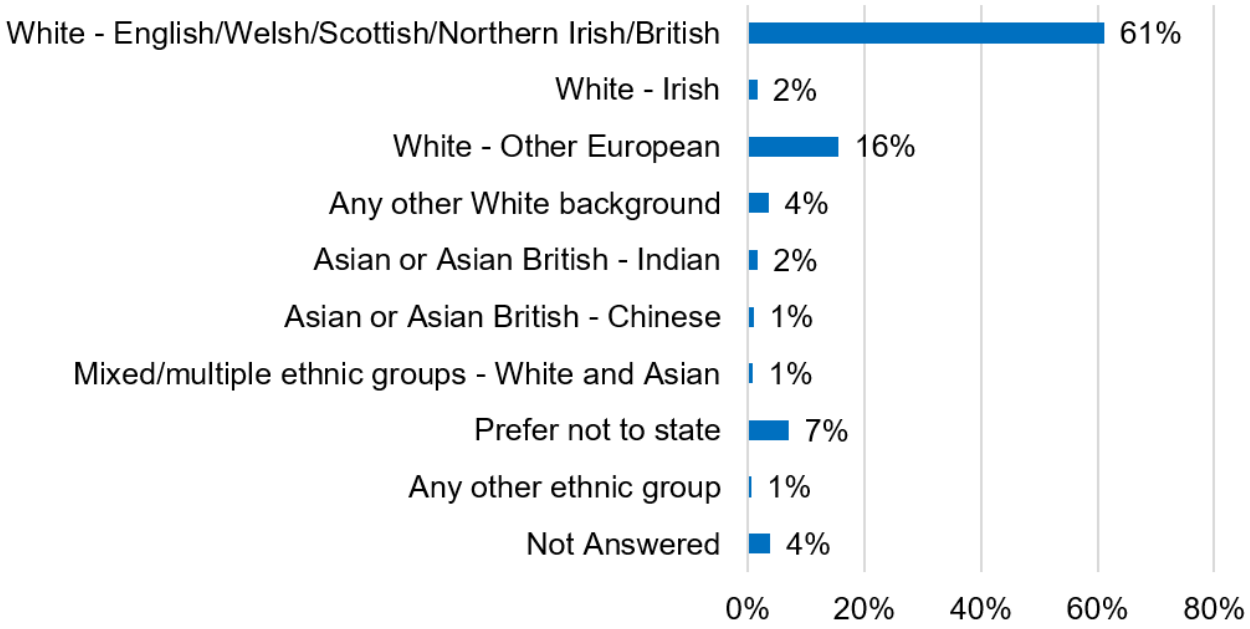
- Half of the respondents were aged 65 or older (25 per cent 65 to 74 and 25 per cent 75 plus).
- Just over a third (34 per cent) were aged between 45 and 64 (12 per cent 45 to 54 and 22 per cent 55 to 64).
- Just under one in ten (nine per cent) were 44 or younger (one per cent 18 to 24, three per cent 25 to 34 and five per cent 35 to 44).

Base: All respondents (1,499)

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Profile of respondents

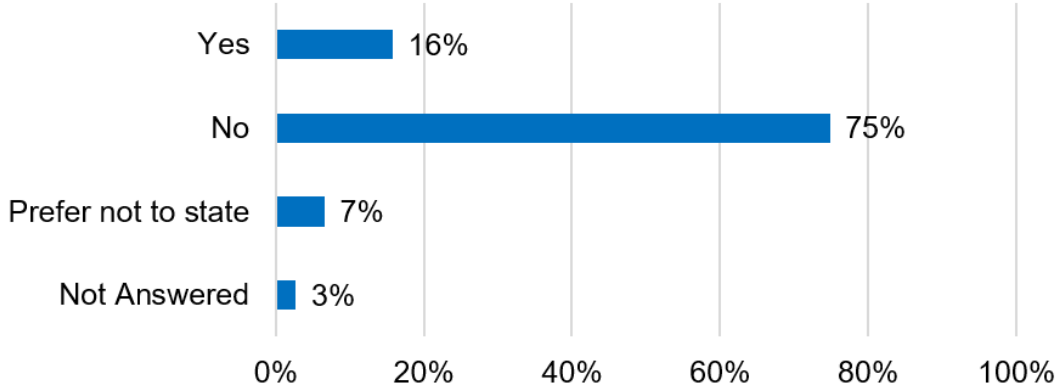
How do you describe your ethnic origin?



- The majority of respondents came from a White background (a total of 83 per cent).
- Five per cent came from an ethnically diverse background.

Please note the graph only shows ethnicities that, when rounded, equal one per cent or more.

Do you have any physical or mental health conditions or illnesses lasting or expected to last 12 months or more?



- A total of 16 per cent of respondents indicated that they have a physical or mental health condition or illness.

Base: All respondents (1,499)

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