

APPENDIX 1 – REVENUE BUDGET 2025/26 AND MEDIUM-TERM FINANCIAL POSITION

This Appendix sets out a summary of the Council wide revenue budget for 2025/26 in the table that follows and also the forecast finance position for the following three years.

The Council aligns its financial strategy with its ambitions through a rolling three-year cycle of business planning. The current Medium Term Financial Strategy was published in July 2024 alongside the Council Plan Action Plan.

The MTFS can be found at this link on the Council’s website at [Tri-Borough Executive Decision Report \(moderngov.co.uk\)](https://www.moderngov.co.uk/2024/07/23/tri-borough-executive-decision-report/)

The aim of the financial strategy is to:

- Plan the Council’s finances over the next four years, taking account of both the local and national context;
- Provide the financial framework for the delivery of the Council’s priorities and ensure that these priorities drive the financial strategy – allocating our financial resources whilst also responding to the pandemic both now and over the next few years; and
- Manage and mitigate future budget risks by forward planning and holding reserves as appropriate;

The MTFS is subject to continuous review and refinement in the light of latest information as it emerges. The budget position for the next four years, showing the latest resource projections and estimates of expenditure, is set out in the following table.

The next update to the Medium-Term Financial Strategy will be in summer 2025.

DESCRIPTION	Agreed Budget 2024/25 £'000	Draft Budget 2025/26 £'000	Forecast Budget 2026/27 £'000	Forecast Budget 2027/28 £'000	Forecast Budget 2028/29 £'000
Service Budgets					
Adult Social Care and Public Health	45,231	47,291	51,521	55,277	56,755
Children's Services	49,454	51,569	53,558	55,293	57,047
Environment and Neighbourhoods	18,898	16,990	19,076	20,673	22,302
Housing and Social Investment	20,560	22,246	22,717	23,565	24,682
Chief Executive	12,653	13,047	13,311	13,552	13,798
Resources and Customer Delivery	15,405	16,237	17,233	18,331	19,964
Service Budgets Total	162,201	167,380	177,416	186,691	194,548
Grenfell Recovery	5,747	2,810	0	0	0
Grenfell Support Programme 2024-2028	0	10,500	10,500	10,500	9,886
Support for delivery of Grenfell work	680	1,227	1,227	1,227	1,227
Corporate Contingency	0	6,417	6,417	6,417	6,417
Social Care Contingency	1,805	1,805	1,805	1,805	1,805
Grenfell corporate costs	1,180	1,180	1,180	1,180	1,180
Centrally held budgets	12,050	10,286	7,841	7,161	7,982
Net Cost of Services	183,662	201,605	206,385	214,980	223,045
External Interest	7,232	13,453	14,158	14,778	15,398
Capital Adjustment Account	(2,930)	(2,917)	(1,917)	(1,604)	(1,291)
Interest and Investment Income	(2,713)	(3,090)	(2,816)	(2,816)	(2,816)
Net Operating Expenditure	185,250	209,050	215,810	225,338	234,335
Grenfell Reserve	(5,747)	(2,810)	0	0	0
Other	4,686	1,355	1,355	1,355	1,513
Transfers to (+)/from(-) reserves	(1,061)	(1,455)	1,355	1,355	1,513
TOTAL EXCLUDING LEVIES	184,189	207,595	217,165	226,693	235,848
Levies					
London Boroughs Grants Scheme	110	110	113	115	118
Environment Agency	236	240	245	250	255
London Pensions Fund Authority	1,409	1,438	1,466	1,496	1,526
Garden Squares	2,174	2,298	2,341	2,384	2,430
Taxi cards	244	249	254	259	264
Concessionary fares	7,473	8,219	9,401	9,844	10,306
Total Levies	11,646	12,555	13,820	14,348	14,899
BUDGET REQUIREMENT	195,836	220,150	230,985	241,041	250,747
FUNDING BY					
Revenue Support Grant	(12,709)	(12,963)	(14,413)	(15,892)	(17,401)

DESCRIPTION	Agreed Budget 2024/25 £'000	Draft Budget 2025/26 £'000	Forecast Budget 2026/27 £'000	Forecast Budget 2027/28 £'000	Forecast Budget 2028/29 £'000
New Homes Bonus	(35)	(17)	(17)	(17)	(17)
Adult social care grant	(18,339)	(21,695)	(21,695)	(21,695)	(21,695)
Retained Business Rates	(57,728)	(58,529)	(58,529)	(58,529)	(58,529)
Collection Fund (Surplus)/Deficit	(2,000)	(2,000)	0	0	0
New & additional grants	(368)	(4,943)	(4,943)	(4,943)	(4,943)
Provision for Grenfell Support 2024-2028	0	(3,000)	(3,000)	(3,000)	(3,000)
Other Contributors to Grenfell Support 2024-2028	0	(8,417)	(8,417)	(8,417)	(7,959)
TOTAL EXTERNAL FUNDING	(91,179)	(111,563)	(111,013)	(112,493)	(113,543)
RBKC COUNCIL TAX REQUIREMENT	104,657	108,586	119,971	128,548	137,204
ESTIMATED COUNCIL TAX INCOME	(104,657)	(108,586)	(112,354)	(116,253)	(120,289)
BUDGET (Surplus)/Gap- Cumulative	0	0	7,617	12,295	16,915
BUDGET (Surplus)/Gap- In Year	0	0	7,617	4,678	4,620