

UNGROUPED MEMBERS' BUDGET PROPOSALS 2025/26

The table below sets out the revenue proposals from moved by Councillor Adam and seconded by Councillor Jedut as well as a comment from the Director of Financial Management.

Although the budget proposals below are balanced this is using the estimated income from introducing a Second Homes premium on council tax. The estimate does not allow for any changes to behaviour if this new policy was brought in which could reduce this figure. It also assumes the government do not adjust the local government funding formula to take the ability for councils to generate this additional income into account. They have not for 2025/26 but may do in future years as part of the funding reforms due to come in from 2026/27.

Table 1 Budget Proposals

Ref. No.	Proposal- Revenue	Revenue Budget Implication £'000	Director of Financial Management Comment
1	Charge 50% Council Tax Premium on Second Homes	(5,500)	It has been estimated this would generate an additional £5.5m of income a year for RBKC if this charge was implemented. However this does not allow for any changes to behaviour if this new policy was brought in which could reduce this figure. It also assumes the government do not adjust the local government funding formula to take this income into account. They have not for 2025/26 but may do in future years as part of the funding reforms due to come in from 2026/27.
2	Freeze main rate of Council Tax	2,000	The existing proposals include a 2% increase in the main rate of council tax. If this was frozen instead this would reduce the Council's council tax income by £2m. This could be funded from the permanent base budget if council tax is charged on second homes. However as detailed on line 1 any change to the funding formula could mean this would need to be re-examined in future years beyond 2025/26.
3	Transfer £3.5m into a reserve to be used to invest in improving the environment in Kensington and Chelsea	3,500	This could be funded from the permanent base budget if council tax is charged on second homes. However as detailed on line 1 any change to the funding formula could mean this would need to be re-examined in future years beyond 2025/26.
TOTAL		0	

