


Executive Decision Report

<p>Decision maker(s) at each authority and date of Cabinet meeting, Cabinet Member meeting or (in the case of individual Cabinet Member decisions) the earliest date the decision will be taken</p>	<p>Leadership Team: 10 February 2021 Council: 3 March 2021 Date of decision (i.e. not before): 3 March 2021 Forward Plan reference: KD05827/21/K/A</p>	 <p>THE ROYAL BOROUGH OF KENSINGTON AND CHELSEA</p>
<p>Report title (decision subject)</p>	<p>REVENUE BUDGET, CAPITAL PROGRAMME AND COUNCIL TAX 2021/22</p>	
<p>Reporting officer</p>	<p>Executive Director of Resources</p>	
<p>Key decision</p>	<p>YES</p>	
<p>Access information classification to</p>	<p>Public</p>	

1 SUMMARY

- 1.1 This report is a key part of the strategic financial planning process for the Council. It builds on the reports considered by Leadership Team on 11 November 2020, 9 December 2020 and 13 January 2021. It sets out the latest position on the revenue budget proposals for 2021/22 before Full Council set the Council Tax and Budget for 2021/22 at the meeting on 3 March 2021.
- 1.2 This report concerns the General Fund budget and Capital Programme. The Housing Revenue Account (HRA) is “ring-fenced” from the general fund. The proposed budget for the HRA is therefore considered by a separate report.
- 1.3 In November 2020, the Council published its Medium Term Financial Strategy which set out the financial position for the next three years. At that time, it was identified that based on current assumptions, expected spending plans over the next three years exceeded income levels by around £46m. All Local Authorities have a statutory requirement to set a balanced budget and since this date, work has been underway to close the £18m budget gap for 2021/22. This report is for Leadership Team to make recommendations to Council on 3 March 2021.
- 1.4 The balanced budget position for 2021/22 is based upon:
- Providing for growth and investment of £6m in key services and the implementation of budget savings of £10.6m across directorates.
 - Spending plans of £630m on the day to day running of services for the 160,000 people who live in the borough, 15,000 businesses and daytime population of around 250,000.
 - A capital programme for 2020/21 and the following three years of £731m which includes new investment of £23m, in line with the priorities set out in the capital strategy.
 - A Council Tax increase of 1.99 per cent for 2021/22 plus an additional 3.00 per cent increase in respect of the adult social care precept – a total increase in Council Tax of 4.92% including Garden Squares and 4.99% excluding Garden Squares, reflecting the referendum thresholds outlined by the Government at the time of the Spending Review and in the provisional settlement.
 - An increase in the council tax requirement of £3.9m.
 - Maintaining a general fund working balance of £10m, in line with the Council’s agreed policy and maintaining a prudent but appropriate level of earmarked reserves.
 - Maintaining a central contingency budget of £5.2m to provide a resource to deal with in-year budget risks and unforeseen pressures.
- 1.5 In 2021/22, the Council will spend £630m on the day to day running of core services, which includes £118m on Housing Benefit which the Council administers on behalf of Government. Full details of these spending plans is set out from Section 5 onwards.
- 1.6 From 2020/21 and over the following three years, the Council will also invest £731m in the borough’s roads, infrastructure, the environment and buildings. This includes

£269m for the Housing Revenue Account to invest in the Council's existing housing stock. Full details of the Capital Programme are set out in Section 26.

2 RECOMMENDATIONS

2.1 The Leadership team is recommended to:

- (1) Approve the revenue budget estimates for submission to Council as summarised in **Appendix 1** of this report;
- (2) Note the findings of the budget consultation with residents, local businesses and Overview and Scrutiny Committee as set out in **Appendix 6 and Appendix 7**;
- (3) Note the risks and uncertainties relating to the 2021/22 budget as set out in **Section 27**;
- (4) Approve the increase in fees and charges as set out in **Section 20**, with the full schedule available on the website;
- (5) Approve the revised Capital Programme for the period 2020/21 to 2023/24. Full details are set out in **Appendix 12 and Appendix 13**;
- (6) Delegate the decision for the funding of the Capital Programme to the Section 151 Officer so to fund the programme in the most cost-effective way for 2021/22 and all future years. The current assumed funding is set out in **Table 9**.
- (7) Note the allocation of the Dedicated Schools Grant to the schools, High Needs and Early Years Budget as set out in the Financial Plans report to Leadership Team on 13 December 2020 and the update in **Section 31**;
- (8) Agree the planned use of reserves as set out in **Section 28**.
- (9) Note the advice of the Executive Director of Resources (Section 151 Officer) on the level of reserves and robustness of estimates in setting the budget as required by Section 25 of the Local Government Act 2003 (**Section 36 of the report**).
- (10) Agree that the Executive Director of Resources be given delegated authority, in consultation with the Lead Member for Finance, to make transfers to and from earmarked reserves up to £250,000 in each instance.
- (11) Retain the current discount for second homes (zero) and a 300% council tax premium for properties empty for ten years or longer from 1 April 2021.
- (12) Agree the **Council Tax resolution** as set out in **Appendix 8**.
- (13) Agree that delegated authority be given to the Executive Director of Resources to make any necessary amendments to the budget, in consultation with the Leader and the Lead Member for Finance, to take account of final levies and precepts including Garden Square special expenses, and to make any necessary amendments to the statutory determinations and council tax bands to take account of those changes and for these amendments to be submitted and therefore recommended to Council at its meeting on 3 March 2021.

2.2 The Leadership team is asked to recommend to Council:

- (1) A Council Tax requirement for 2021/22 of **£93.831 million** including Garden Squares special expenses.

- (2) A basic amount of Council Tax for 2021/22 at Band D of **£949.94** excluding Garden Square special expenses as set out in **Appendix 10**. The headline figure including Garden Square special expenses is **£967.32**.
- (3) Garden Square special expenses of **£1.795m** as set out in **Appendix 9**.
- (4) Council Taxes for all Bands in all areas for 2021/22 as set out in **Table 4** and **Appendix 10**.
- (5) Total Council Tax including the Greater London Authority precept for all Bands in all areas for 2021/22 as set out in **Appendix 11**.
- (6) The Council's medium term financial position for the next three years as set out in **Appendix 1**.
- (7) The Capital Programme as set out in **Appendix 12** and **Appendix 13**.
- (8) The continuation of the use of flexible capital receipts strategy detailed in paragraphs **26.10 - 26.12**.

3 REASONS FOR DECISION

- 3.1 The Council is legally required to set a balanced budget and a Council Tax for each financial year.

4 BACKGROUND

- 4.1 The budget proposals in this report have been developed within the framework of the financial strategy agreed by Council in November 2020, the aims and ambitions of the Council Plan published in March 2019, the financial implications of COVID-19 and the recovery framework and the Council's desire to minimise the call on the Council Tax payer by maintaining the position of a council tax within the lowest quartile.
- 4.2 The Council, like all other local authorities, continues to operate within a wider financial climate of risks and uncertainty. Despite the recognition of additional funding in the Government's 2021/22 settlement to help councils tackle some of the immediate ongoing pressures from COVID-19 and social care, the current financial climate for local government continues to present significant risks. The draft Budget presented in this report has therefore been prepared against a background of uncertainty with regard to the Government's spending plans from April 2022. The aim is to ensure a sustainable medium-term budget position.
- 4.3 The recommendations made in this paper:
 - Are in line with the Council's approach to setting the budget for 2021/22 as set out in the Medium Term Financial Strategy published in November 2020.
 - Formalise and confirm the proposals set out in the Council's budget proposals for 2021/22 (first reported to Leadership Team on 11 November 2020);
 - Are consistent with the Council's policy on reserves (**Appendix 2**);
 - Takes into account consultation with residents, local businesses and Overview and Scrutiny Committee on the proposed 2021/22 Council and service budgets (set out in **Appendices 6 and 7**);

- Takes into account the budget for next year's spending and income pressures that have been estimated as part of the budget process; and,
- Takes into account final figures on the Council Tax base, the Collection Fund and London Wide levies from outside bodies.

4.4 The final Local Government Finance Settlement 2021/22 has not yet been published and therefore this draft budget is based on the draft settlement published on 17 December 2020. Any changes required following publication of the final settlement will be built into the final budget presented to Council on 3 March 2021.

5 DRAFT REVENUE BUDGET 2021/22 – EXPENDITURE

5.1 Kensington and Chelsea is a unique central London borough, home to places of great cultural importance, diverse communities and attractive streets and squares.

5.2 Over half of residents were born outside of the UK. The borough also has the smallest population of any London Borough at 156,000 but population density is the fourth highest in London and this brings its own challenges.

5.3 Although population numbers may be smaller than other London Boroughs, the daytime population in 2019 was 250,000 reflecting the high numbers of visitors each day for employment and tourism purposes.

5.4 Despite being an area of extreme wealth, there are also areas of significant deprivation. In accordance with the latest index of multiple deprivation, the borough is ranked 16th in London. The average house price is £2.1m but over a third of people living in the borough are in social housing. Life expectancy is high but there are variations across the borough.

5.5 COVID-19 is having an impact on everyone, the borough's residents, communities, public institutions, businesses, and voluntary and community organisations. This is a conjoined public health and economic crisis and the Council is committed to working with its communities to better understand the impact, address the challenges and plan longer-term recovery.

5.6 COVID-19 has exposed and amplified existing inequalities and health inequalities. This makes the Council Plan's core theme of narrowing the gap even more important. It will be crucial that the Council's approach to recovery from the pandemic continues to be focussed on tackling inequalities and ensuring that any interventions made have the maximum possible impact.

5.7 In Kensington and Chelsea, the challenges being faced in the response to and recovery from COVID-19 are in addition to the lasting consequences of the Grenfell tragedy. Since the summer of 2017, the lessons learnt from the tragedy of Grenfell are central to the changes that have been made and are continuing to be made in the way we engage, take decisions and deliver services. The Council is currently working with residents to shape the next phase of the Grenfell Recovery programme and will ensure that the additional impact and challenges of COVID-19 is taken into account. Following a pause as a result of COVID-19, Phase 2 of the Public Inquiry is expected to recommence on 8 February 2021. The Council is committed to be open and transparent and fully co-operative with the Inquiry into the Grenfell Tower Fire and the

police investigation and is committed to the Hillsborough report's Charter for Families Bereaved through public Tragedy.

- 5.8 The Council has adopted an approach to COVID-19 recovery that recognises it will be gradual and based on evidence and the aspirations of our communities. The five priority areas and cross-cutting themes in the Council Plan published in Spring 2019 continue to provide a good framework and Grenfell recovery remains the Council's number one priority on delivering the commitments set out in the Grenfell Recovery Strategy. However, the work over the next few months and the response to COVID-19 recovery will see the Council bringing together actions and ensuring these are reflected in an updated Council Plan due to be published later this year. Full details of the Council's approach are published in the report to Leadership Team in December titled 'COVID-19 Recovery' (KD05770/20/K/A).
- 5.9 The events since March 2020 have meant that the Council has had to choose a path forward in the context of chronic uncertainty. Looking into 2021/22, the roll out of the vaccinations bring some hope of a return to normal but similar to other local authorities, the Council has no clear view of how the global health pandemic, or the faltering recovery of the economy will recover and when in London.
- 5.10 At the time of writing this budget report, the country is still facing strict national restrictions and with an expectation these will continue at least into the Spring as the Council continues to direct essential expenditure to support the borough's residents and specifically to aid vulnerable people living at risk.
- 5.11 As well as spending pressures, the Council is still suffering substantial losses in the levels of income usually collected, through business rates, council tax and various income collected through the usually vibrant business and visitor economy.
- 5.12 The Council's strong financial position means that reserves will still be at a prudent level. However, the stark reality is that for at least the next six months, we will all be operating in a restricted environment recovery which is likely to take several years and will continue to impact on the Council's financial position.
- 5.13 In amongst all of this change, the Council is still required to set a balanced budget and over the last few months officers have been building on the financial position reported in the Medium Term Financial Strategy published in November 2020 to develop a budget for 2021/22 that recognises the local context and the local challenges of Kensington and Chelsea while minimising the impact on front line services.
- 5.14 In November 2020, a budget gap of £18m was reported for 2021/22. Closing the budget gap means reductions, either by reducing costs, changing the way we deliver services or increasing income. A long term approach to financial planning is always preferred but long term planning in the context of the current uncertainty and the focus of the Council on responding to the pandemic is particularly challenging. Therefore, for 2021/22 an efficiency and good housekeeping approach has been taken to identify relatively small scale savings across all services that do not impact on front line services or make short term savings that have detrimental impacts in the future.
- 5.15 Longer term planning is still important if the Council is going to become financially sustainable. Following the publication of the updated Council Plan later this year, the Council will publish the updated Medium Term Financial Strategy and which will set out plans to work towards re-designing services to improve outcomes whilst reducing

spend and prioritise spend in accordance with the priorities in the Council Plan. The aim is to move towards a multi-year balanced budget from 2022.

- 5.16 Prioritising resources so they align to the Council's priorities will require a different approach to developing budgets and monitoring spend. This report sets out the budget by service but following publication of the refreshed Council Plan in the Spring, the budget and spending will be presented by both Council Plan priority and also service.
- 5.17 In November 2020, Leadership Team agreed a series of savings proposals to be launched for consultation. The feedback has been considered in preparing the draft budget for next year and is summarised in Appendix 6. Budget reductions of £12.3m have been included in the draft budget for 2021/22, of which £10.6m impact on services.
- 5.18 Setting a reliable and robust budget means estimating spending pressures and budgeting for them accordingly. In 2021/22, these pressures amount to £6m as set out in Appendix 4.
- 5.19 In 2021/22, the Council will spend £630m on the day to day running of local services, which includes £118m on Housing Benefit which the Council administers on behalf of Government.

Table 1 2021/22 Gross Expenditure Budgets (by Directorate)

Expenditure Source	Gross Expenditure	%
	£'000	
Adult Social Care	69,212	11%
Public Health	20,117	3%
Education and Children's Services	69,368	11%
Schools - Dedicated Schools Grant	78,074	12%
Environment and Communities	99,400	16%
Grenfell Corporate Costs	4,000	1%
Housing and Social Investment	61,695	10%
Finance and Customer Delivery	80,105	13%
Housing Benefit	117,664	19%
Grenfell Recovery	10,500	2%
COVID-19 Recovery Framework	8,000	1%
Contingency	5,249	1%
Other Corporate Budgets	(4,365)	-1%
London wide Levies	11,238	2%
	630,257	100%

- 5.20 It is inevitable that there will be some ongoing cost pressures from COVID-19 during the first part of 2021/22. In line with the draft Local Government Finance Settlement, the Council has received general funding of £5.6m and an additional £1.8m to support increased numbers expected for Council Tax support. The income compensation scheme for non-commercial fees and charges has been extended until the end of June 2021. The draft budget assumes that any ongoing pressures in 2021/22 can be

contained within this Government support but any over and above will need to be funded from in-year savings or use of Council reserves.

- 5.21 Spending next year also includes £277m of capital investment as part of a three-year capital programme that will invest over £731m (including HRA) in total in the borough's roads, infrastructure, homes and buildings. Further details on capital investment is set out in Section 26 and further information on capital investment in homes is set out in the Housing Revenue Account Business Plan.
- 5.22 The remainder of this section focuses on the detailed budget for 2021/22 and the Council's spending plans across services. A more detailed breakdown is set out in Appendix 3.

6 ADULT SOCIAL CARE

- 6.1 Adult Social Care has statutory duties under the Care Act 2014 and provides a number of discretionary services which overall are delivering good outcomes, are high performance and low cost compared to neighbouring authorities. The pandemic in 2020 has seen a change to the way in which the services operate and an impact on demand for services and Adult Social Care has played an important role in protecting Care Homes and providing PPE and support for providers.
- 6.2 In 2021/22, the Council will spend just over £69m on providing services to approximately 2,300 people in Kensington and Chelsea. Income is received in the form of Government grants, funding from health and some collection of fees and charges. This together means that net spend in 2021/22 is planned as £39.6m. A full breakdown is set out in Appendix 3.
- 6.3 It will support just over 800 people receiving short-term preventative support and 1,500 long term clients. This includes support to approximately 300 people in nursing and residential care for those with high dependency, 100 in supported living for those who, with some support, can live independently and 630 to live at home and receive home care.
- 6.4 Prior to the pandemic almost 100 people were accessing day care provision. The pandemic changed the way this support is provided with people being supported on-line and through other means and the Council will now review the offer to ensure there is choice over day opportunities, expanding community-based activities, maximising the utilisation of existing community assets and reducing the reliance on traditional day centres.
- 6.5 Giving people control over their care is a requirement of the Care Act. Currently over 300 people are receiving a direct payment or have direct control over arranging their own care. These numbers are still low and part of the vision for Adult Social Care will be to manage the community care market and expand the offer to encourage increased take up of direct budgets whilst continuing to support the arrangement of care for those who need it.

- 6.6 Over the last few years, the number of people supported by Adult Social Care has remained fairly static but the complexity of need of people supported is increasing significantly. The numbers may change going forward. By 2035 there is expected to be a 55% increase in the number of people aged over 65 living in Kensington and Chelsea, which is the fourth highest percentage increase in London. The borough also has one of the highest level of elderly people living alone – approximately 45% of those aged over 75 in 2020.
- 6.7 It is not yet clear how the impact of the pandemic will affect future demand. COVID-19 has resulted in a reduction in the demand for services but the care market remains fragile. It is anticipated that demand levels will return to or even exceed previous levels once the pandemic is over. An additional £500,000 has been built into next year's budget for increased numbers and increased complexity of care of which £270,000 is for the numbers and complexity of care of children transitioning through the adults increasing.
- 6.8 Prior to the pandemic, plans were being developed for a three to five-year programme across the whole service which will review the client pathway from 'front door' to long term support and develop a long-term sustainable service that is focussed around choice and control for individuals, a focus on strength-based support, developing strong and reliant communities and flexible accommodation options. This work was paused in 2020/21 where focus turned to response to the pandemic but during 2021/22 these plans will be re-visited. Further details will be included in the Medium Term Financial Strategy published later in the year.
- 6.9 Over 1,000 of the borough's residents are registered with a diagnosis of dementia and a key priority for the service is the delivery of its Dementia Plan produced in partnership with over 170 residents. It will be updated in light of the pandemic and its particular challenges for people living with dementia. The plan is a practical guide for residents but also commits the Council to delivering against four priorities: Raising awareness of dementia and how to prevent it, providing personalised, timely and high-quality services, creating a community that is dementia-friendly and giving unpaid carers good support.
- 6.10 Budget reductions across the service are planned in 2021/22. A 3% reduction in staffing costs through implementation of the Decision Making Accountability (DMA) recommendations and reducing agency spend; almost £400,000 through more efficient use of placements in block contracts and £220,000 by ensuring people are accessing their maximum benefit entitlement. It is planned to deliver additional savings through a commissioning review and savings on staffing across the Directorate.
- 6.11 Over the next three years, £9m of capital investment is planned for adult social care services, which includes £8.2m in 2021/22. This is mainly focussed around the development of new community day care opportunities but also includes investment into digital technology to support care provision and manage the market. The longer-term strategy for the service may require some investment in developing long-term flexible accommodation options and this will be considered alongside the Council's Housing Strategy and may include investment into a range of options from supported living provisions through to general needs housing to ensure that the Council expand and offer choice of provision within the borough.

- 6.12 In terms of income to the service, this takes three main forms – fees and charges, Government funding and health funding. Fees and charges are collected from those who can afford their own care and is expected to generate £5.5m of income and government grants will be £7.9m.
- 6.13 In terms of funding, the current Better Care Fund (BCF), including Winter Pressures funding is £8.1m. There is expected to be an increase in line with the NHS Long Term Plan settlement, however, the increase for individual CCG's has not yet been announced. The Improved Better Care Fund (iBCF) will be £7.4m in 2021/22 – the same level as 2020/21. Long term funding beyond 2021/22 for Adult Social Care remains uncertain.
- 6.14 Funding from health for integrated services and integrated budgets forms a significant proportion (22%) of the total spend on social care and integrated services. The North West London Collaboration of CCG's (NWLCCG) will finalise its integration of 8 CCG's into 1 new commissioning organisation for health for the north-west area from 1 April 2021. The Council maintains a strong commitment to health and social care integration, particularly where this has a direct, evidence-based and positive impact on outcomes for the borough's residents to address inequalities. However, the financial and operational impact on local services is presently unknown and the local authority will continue to ensure that any risks are mitigated by understanding the impact on inequalities.

7. PUBLIC HEALTH

- 7.1 Currently Public Health services are funded through a separate ring-fenced grant. Although the grant allocations have not yet been announced, we are expecting it to be £21.1m, which is the same level as 2020/21. At this stage, the grant is expected to continue in future years but may be subject to review as part of Government plans for long term Local Government funding.
- 7.2 This grant is used to fund a range of statutory services, such as NHS Health Checks, sexual health services and health visitors but also a range of non-statutory services, such as substance misuse, behaviour change and childhood obesity, all are aimed at reducing the health inequalities gap in the Borough.
- 7.3 Throughout 2020/21, the Public Health team has led the response to COVID-19. This includes monitoring epidemiology, supporting all settings to prevent and control outbreaks, setting up and directing testing, engaging with the community and disseminating latest guidance and supporting COVID-19 vaccination setup.
- 7.4 The focus going into 2021/22 is likely to remain on the response to COVID-19 and supporting the vaccination roll out but also to develop a public health service that considers the short term and long term impacts of COVID-19 on residents and disproportionate impacts on particular groups. These considerations will shape the Recovery Framework which was agreed by Leadership Team in December 2020 and achieve long term sustainable public health outcomes for all.

7.5 The Council has a dedicated Public Health reserve. The balance as at 31 March 2021 is estimated to be £4.3m. In addition to funding initiatives that support the long-term public health offer for the borough, part of the reserve will also contribute towards the £8 million investment that has been identified to support COVID-19 Recovery as referred to in the budget proposals for 2021/22.

8. CHILDREN AND FAMILY SERVICES

8.1 The 2021/22 gross budget for Children and Family Services is £147.4m. The net budget, once adjusted for income, equates to £30.909m for Children's Services and £10.630m for Education Services. The gross position includes £78.074m of ringfenced Dedicated Schools Grant. Full details of the proposed budget are set out in Appendix 3.

8.2 The vision of Children and Family Services is to deliver outstanding services that enable all children and young people to reach their full potential, including those who are most vulnerable. This is underpinned by the Children Act 2004, which sets out local authorities' responsibilities for ensuring and overseeing the effective delivery of services for children.

8.3 In September 2019, services for children who need help and protection, children in care and care leavers was rated as 'Outstanding' overall. The inspection was positive about the workforce and well-regarded centre for systemic practice and noted that excellent services and high-quality social work practice had been very well sustained. The Children's Social Care Innovation Programme Report published in September 2020 also highlighted the excellent work Bi-Borough Children's Services has achieved in our commitment to Systemic Practice and sustainable improvement of outcomes for children and young people.

8.4 The Bi-Borough Children and Young People's Plan 2019 to 2022 sets out seven priorities for delivering better outcomes for children and young people, with success measured annually. Recent achievements include:

- A larger reduction in the rate of child protection plans (18.5 fewer per 10,000 children) compared to similar local authorities;
- A reduction in the rate of child in need plans (of 75.8 fewer per 10,000 children). In similar local authorities the numbers are increasing;
- For every £1 spent, approximately £1.89 was saved due to the embedding of systemic practice, and evidence of transfer of learning from discussions in supervision to conversations with families; and,
- In the past year, the response to Serious Youth Violence has been strengthened and local delivery of targeted services for vulnerable adolescents has also been enhanced. A recent inspection by HM Inspectorate of Probation recognised services as being bespoke, flexible, and individual packages created for children and young people at risk of serious youth violence which is leading to outstanding outcomes for children and the community.

- 8.5 The total Children in Need (CIN) number – which includes Looked After Children, Care Leavers and those with a Child Protection Plan has fallen by 10% when compared to the 2019/20 outturn as at December 2020.
- 8.6 At this date, the council was supporting 103 Looked After Children and 169 Care Leavers. The statutory expansion of support to the age of 25 means ongoing support for longer and an additional £225,000 has been built into the budget next year.
- 8.7 Looked After Children numbers include 40 unaccompanied asylum-seeking children (UASC), whose care is funded by the Home Office Grant for UASC. Grant funding is received at the higher rate of £143 per person per night for each eligible young person. Thirty one young people with no recourse to public funds (NRPF) are also being supported at a cost to the Council.
- 8.8 513 children and families are being supported through Early Help multi-agency services. These services aim to help manage emerging difficult circumstances before they develop into more serious issues.
- 8.9 Children’s centres are a one-stop shop for families with young children who live in the borough and through the pandemic they have developed innovative ways of reaching out through the use of technology and continuing to provide much-needed support. In 2021/22, there is planned capital investment of £6.4m to improve facilities.
- 8.10 The borough’s schools are high performing with 100% rated as good or outstanding. Educational achievement is high and amongst the highest in London.
- 8.11 Currently the schools are supporting over 13,000 children to be educated across the 33 primary and secondary schools. Raising standards, supporting students with special educational needs and disabilities, providing children with complex needs a local service that meets their needs and supports family resilience and outcomes are all a priority. In 2021/22, there is proposed capital investment of £17m into the borough’s schools, including the new school for those with Special Educational needs.
- 8.12 The number of children with increased complexity of care needs continues to increase and this has brought additional pressures. Currently 605 children are supported with Education, Health and Care Plans. The cost of children’s passenger transport, which supports 177 children as at December 2020 is also increasing.
- 8.13 Costs for demand-led services across children’s social care continue to increase at a rate disparate to the numbers of children and young people accessing services and this represents an ongoing challenge. The 2021/22 budget includes £1.1m to mitigate the impact of increasing demand for statutory services such as transport and the number and cost of placements for Looked After Children who have greater complexities of need.

- 8.14 The financial challenges are coupled with the need to achieve savings and £2.2m of budget reductions are planned within Children and Family Services. Part of these are the impact of savings approved as part of the 2020/21 budget and new savings are focussed around two main areas. An average of 3% reduction in staff costs through the implementation of the DMA process across services and a reduction in spend on agency staff is expected to reduce costs by £925,000. A review of jointly funded placements is expected to reduce the Council's contribution by £250,000 and a £260,000 budget within youth services that is no longer required will be removed.
- 8.15 Additional Government funding is being made available into 2021/22. In the recent Spending Review, an additional £98m was announced to deliver support to victims of domestic abuse and their children in safe accommodation. Allocations for Kensington and Chelsea are not known yet but it is hoped this will enable further investment for organisations providing domestic abuse support in the borough. The Council will continue to receive funding for the Troubled Families Programme enabling the continuation of much needed services for children and their families.
- 8.16 COVID-19 continues to disrupt services and the shape of service delivery for Children's Services has adapted. Home visits continue to vulnerable children and their families and the service offer has been adapted with virtual communication now used regularly to maintain contact and provide support.
- 8.17 Services such as child protection conferences and Looked After Children reviews are operating using a blended model of delivery and utilising new technologies to assist this important area of service delivery. External funding has been secured to help evaluate this work which will help to strengthen the approach locally as well as help to influence wider sector lead improvement. Safe spaces have been created in children's centres and online therapeutic interventions have been developed.
- 8.18 The pandemic is likely to have a continued impact in 2021/22 and there is evidence that it disproportionately impacts disadvantaged children and young people. The full impact of the hardship and long-term social and economic impact for children and young people is not yet known but there will be additional costs over the next few years in addressing the impacts arising from the disruption to education, safeguarding and emotional wellbeing of children, young people and their families.

9. ENVIRONMENT AND COMMUNITIES

- 9.1 Services within the Environment and Communities portfolio cover a range of statutory and discretionary services for all 160,000 residents who live in the borough, daytime population of around 250,000, much depleted in 2020 due to the global pandemic, the 1 million who come to the carnival each year and the 15,000 businesses in the borough.

- 9.2 Resident satisfaction is high across a number of environmental services, including the borough's parks and open spaces. Pre-COVID-19, the borough's six libraries had in excess of 800,000 visitors each year and three of the fifteen museums in the borough are among the most visited in the country. The borough has two leisure centres offering high quality leisure and physical activity services, usually to over 750,000 visitors each year but due to the COVID-19 lockdown, have had to close for a number of months. Our cultural institutions have also had to close for some of the time and our Culture Plan has been focused on offering online activity and discussions with creative partners, working towards safe re-opening later in 2021. The borough's twenty-six parks are well regarded by people who live and visit the borough and have provided a well-used, valued and essential facility for residents during the pandemic.
- 9.3 In 2021/22, the Council proposes to spend £99m on services. Income is an important part of the budget and in 2021/22, it is expected that £74m will contribute towards the cost of providing services in the Directorate. Full details of the proposed budget is set out in Appendix 3.
- 9.4 Of this income, £50.6m is expected from fees and charges, fines and penalty charge notices related to parking services. Parking income is subject to restrictions and in line with legislation, income must be used for eligible expenditure and includes the costs of providing the parking service, maintaining the 188km of roads and highways and the 376km of footways across the borough.
- 9.5 Chelsea Old Town Hall is the home of the borough's Registrars' service who each year register on average up to 7,000 births, 1,500 deaths, 2,000 marriages and naturalise up to 2,000 British citizens, amongst other key civil registration services. Whilst the venue is still one of the most desirable in London, the number of weddings taking place has been affected due to the ongoing pandemic.
- 9.6 The Council's regulatory services are carrying out over 1,500 inspections of food premises each year and processing over 1,900 licensing applications. An additional £290,000 will be built into next year's budget for meeting the new regulatory regime for Building Control.
- 9.7 Before the pandemic, the planning service was processing around 5,700 planning and listed building applications, 1,400 enforcement cases and investigating over 50 alleged dangerous structures each year. These services do generate an income to cover some costs but over the last few years, the number of applications has steadily fallen resulting in a shortfall against the income budget. Next year's budget will include £600,000 to address this shortfall but application numbers have continued to fall drastically since the pandemic started with a resultant direct impact on income and market confidence.
- 9.8 In April 2021, the Council's new waste contract will be in place which has resulted in savings of £1.6m. However, there are pressures within the service and recycling and disposal costs are increasing. An additional £490,000 is being built into next year's budget. In 2021/22, proposed spend is £15m on collecting household waste twice weekly from over 97,000 households and keeping the streets and highways clean.

- 9.9 The Council declared a Climate Emergency in 2019 and set ambitious targets to be carbon neutral by 2030 and carbon reduction plans are being developed to achieve this. The Capital Programme pipeline includes £1m per year to help the Council reach this goal.
- 9.10 The Council Plan includes a series of pledges that led to the formation of the Communities Department in 2020/21. The budget for 2021/22 will include funding of £390,000 for the department to deliver these pledges, which include:
- Supporting a wider community driven recovery from the Grenfell tragedy;
 - Adopting the Charter for Families Bereaved through Public Tragedy – which commits Kensington and Chelsea to having robust emergency plans in place;
 - Improving how communities are involved in decision making and co-designing of the services that matter to them;
 - Addressing residents’ concerns about crime and anti-social behaviour; and,
 - Working in true partnership with our voluntary and community sector (VCS) to realise our joint ambitions.
- 9.11 Accordingly, the Communities Department have an ambitious work programme driving through cross Council changes, including:
- The wider Grenfell Community – including the Curve Community Centre, the Communities Leadership Programme and Grenfell Projects Fund;
 - Delivery of the Charter for Public Participation - developing the best approaches for involving community members in decision-making and co-design – including developing the Citizens Assembly and improving youth participation;
 - Emergency planning and resilience – including coordination of the Borough Resilience Partnership;
 - Community safety – including the work of Community Wardens, Parks Police and services that tackle violence against young people, women and girls; and tackling extremism, burglary and anti-social behaviour; and,
 - Supporting the 200 plus VCS and faith groups in the vital work they undertake and developing a joint approach to achieving the greatest social value with our VCS partners and faith communities.
- 9.12 Crime has reduced under COVID-19 by a third overall. However, there have been increases in domestic abuse as the pressures of lockdown impacts. The Council has worked with providers of specialist domestic abuse services to ensure their resilience in the face of increased demand and undertaken targeted communications activities to ensure residents know where to access help. Reports of anti- social behaviour COVID-19 breaches have increased over the year and the newly established Community Wardens service and the Parks Police have been central to the Street Ambassador programme to ensure social distancing and COVID-19 compliance in public spaces.

- 9.13 In terms of capital investment for the Directorate, £17m is planned for 2021/22 and is focussed around improving the borough's transport infrastructure and street scene but also £2m into Leighton House and £600,000 investment into libraries for them to become a focal point of the local community and offer a range of different services.

10. HOUSING AND SOCIAL INVESTMENT

- 10.1 The Housing and Social Investment Directorate covers both general fund housing and property and social investment.

Housing

- 10.2 General fund housing covers a multitude of areas from housing advice and support, access to emergency and temporary accommodation (TA) and work to support households in finding permanent homes through the housing allocations service and the range of different schemes that are available. This excludes services in relation to the Council's social housing stock which is managed and funded separately through the Housing Revenue Account. A separate budget report is elsewhere on the agenda.
- 10.3 In 2021/22, the proposed gross spend on Housing Services (excluding the HRA) is £58.7m. After grant and other income, net spend is planned at £21.05m. Of this, £10.5m will support households in temporary accommodation and £4.7m will fund Supporting People Services. Full details of the proposed budget is set out in Appendix 3.
- 10.4 As the level of expenditure on temporary accommodation continued to rise, a project was established in 2020 to look at ways of reducing expenditure. Through a combination of preventing homelessness, greater use of private sector rented housing as an alternative to TA, improving processes and negotiating with landlords, the Council are now seeing a reduction in the number of households in TA and also in the net costs of supporting households. In 2021/22, these initiatives are expected to deliver net budget reductions of £490,000. Discussions also continue with Registered Providers which is anticipated will result in more nominations and reduce temporary accommodation costs by £250,000.
- 10.5 Despite a reduction of 70 households over the last 12 months, there are still 2,170 households in temporary accommodation. Continuing to find ways of controlling expenditure – while also achieving better outcomes for these families – remains a key priority for Housing Needs.
- 10.6 The longer term impact of COVID-19 and the economic impact on the number of people requiring support is still unknown but there are expectations that as some of the Government support to people, such as that through the furlough scheme comes to an end during 2021, there may be more people requiring supporting with housing and other basic needs. As the Government's ban on evictions ends, there is likely to be an increase in homelessness presentations. However, the timing and impact of these is as yet unclear but is likely to impact on the 2021/22 budgetary position.

- 10.7 The supply of temporary accommodation is a key part of supporting the potential short term rise numbers while controlling costs. There are a number of different options, including the purchase of homes and which reduces dependency on expensive rented accommodation. The capital pipeline includes up to £40m over the next two years to increase supply but this will not be considered formally until options are further developed.
- 10.8 The Council has been very successful in supporting rough sleepers during the COVID-19 pandemic, the key form of support being the provision of self-contained accommodation. Additional costs arising have been partly funded through specific funding provided by Central Government but also through Council funds. The level of support in 2021/22 will depend upon the situation regarding the pandemic and if additional costs are not met from further Government funding then cost pressures should be anticipated.
- 10.9 In September 2020, the Council adopted its new Homelessness and Rough Sleeping Reduction Strategy, which places a particular emphasis on preventing homelessness.
- 10.10 A review of the staffing structure within the Housing Department has recently been undertaken with the aim being to ensure that going forward the right structure is in place to deliver that new strategy and to meet statutory duties in an efficient and cost effective way. Following a consultation process it is envisaged that the new structure will be rolled out in early 2021/22.

Social Investment and Property

- 10.11 The management and operation of the Council's assets is overseen by the Social Investment and Property Team and going forward there will be an increased focus on how these assets are utilised to achieve the greatest possible benefit for local people through the emerging Social Investment strategy.
- 10.12 In 2021/22, the budget assumes a net surplus of £12.6m arising from the management of the Council's corporate estate which includes around 170 properties in the commercial portfolio.
- 10.13 This level of surplus assumes £14m will be generated in rental income from the portfolio. An additional £1m has been built into the budget for historic shortfalls in income. However, across the Council, rents from the commercial portfolio have been impacted by COVID-19. Whilst the full implications are not yet known, shortfalls in rental income during at least the first half of 2021/22 are anticipated. Any shortfall will need to be funded from Government grant funding in 2021/22 or from corporate contingencies. This remains a key risk for the 2021/22 budget.
- 10.14 A review of the staffing structure within Social Investment and Property has been undertaken. The new structure is planned to be implemented in early 2021/22 and will help the Department to deliver on the Council's Social Investment agenda.

10.15 The largest proportion of the Capital Programme relates to Housing and Social Investment with £147m planned in 2021/22. Of this, £115m is related to the New Homes Programme which is progressing well and development of phase 1 schemes starting in the new year.

11 GRENFELL RECOVERY

11.1 In January 2019, the Leadership Team committed £50m of revenue funding to support the delivery of the Grenfell Recovery Strategy. The £50m agreed for recovery services covers the five-year period from 2019/20 to 2023/24. An indicative profile for this funding was agreed as part of the original plans.

11.2 In December 2020, the Leadership Team agreed a Grenfell Recovery Resourcing Framework which set out the broad plans for the next phase of the programme, including the allocation of the remaining funding across the different areas.

11.3 The Resourcing Framework included a revised indicative profile for the remaining three years of the programme, taking into account some additional funding and some areas of underspend in 2020/21. The revised profile is as follows:

2021/22	2022/23	2023/24
£10.5m	£9.1m	£8.4m

11.4 The proposed budget for 2021/22 assumes expenditure at £10.5m. The Resourcing Framework sets out the expenditure plans in more detail [Click Here](#) and also our commitment to work with the bereaved, survivors and residents to shape the next phase of the programme in partnership with them.

11.5 The proposed budget for services for bereaved and survivors includes funding for:

- The Dedicated Service, which provides wraparound, personalised support for bereaved and survivors;
- Housing management services for survivors in their new homes;
- Accommodation costs for survivors who remain in temporary accommodation; and,
- Support for delivering this activity, including complaints and monitoring.

11.6 There is also Dedicated Service funding which is being set aside to provide longer-term support for bereaved and survivors beyond the end of the recovery programme in March 2024 and the Council will be working closely with bereaved and survivors to shape plans in this area.

11.7 The proposed budget for services for the wider community includes funding for:

- Ongoing targeted support in schools and community-based settings for children and young people;
- Ongoing targeted support for adults in community-based settings, including commissioned services and peer support;

- Targeted support for children and families, including a pilot project tackling school exclusions in North Kensington;
- A Grenfell Community Programme, including the Community Leadership Programme, Grenfell Projects Fund and other community-led initiatives;
- Two new Housing Legacy projects, which aim to contribute to the establishment of a long-term sustainable legacy from the tragedy for the wider community; and,
- Support for delivering this activity, including complaints and monitoring.

11.8 As set out in the Resourcing Framework, the exact shape of the services above will depend on extensive consultation and engagement with the bereaved, survivors and the local community and plans will continue to be adapted accordingly.

12 RESOURCES AND CUSTOMER DELIVERY

12.1 In 2021/22, the Council will spend £29m on providing support services that are critical to the delivery of effective front line services. Full details of the proposed budget is set out in Appendix 3.

12.2 Not all of the services are 'back office' functions. The Customer Delivery Department provides the main 'front door' with the local community. They deal with over 109,000 face to face visits and 500,000 telephone calls through the contact centre each year, collect Council Tax from almost 90,000 households and Business Rates from over 9,100 properties. Internally, the department are providing facilities management services to over 100 operational properties.

12.3 During 2020/21 there has been a huge increase in volumes for contact across most areas and the customer facing service has been expanded to incorporate a dedicated COVID-19 Hub to support the most vulnerable residents. Through the year the Hub has dealt with around 15,000 calls and made around 60,000 outbound calls to proactively ensure residents are supported through the pandemic. The Business Rates team have spent the year administering several government grant schemes to businesses affected by COVID-19 and seen increases of up to 300% in contact with local businesses.

12.4 Customer Delivery also includes Conference and Events, responsible for maximising income through our events facilities including Chelsea Old Town Hall and Kensington Town Hall. This service has seen a huge impact through social restrictions as a result of the pandemic but the Council has taken the opportunity to make essential repairs to functions and improve facilities to fully exploit the 'new normal' when it arrives.

12.5 The Workplace and Facilities and Corporate Health and Safety functions have worked through the pandemic to ensure buildings are COVID-19 safe and all necessary arrangements are in place to keep staff safe and services delivered effectively.

12.6 COVID-19 will inevitably continue to have an impact on these services into 2021/22, with the need to continue to be sensitive about recovery and enforcement for monies owed to the council, social restrictions and the economic effects on residents of the pandemic.

- 12.7 The Council's new Customer Access Strategy will be a key driver for work during 2021/22. A programme is now being implemented to drive its delivery and facilitate improved online, face to face and telephone contact for residents.
- 12.8 Money and staff are two of the Councils key resources for delivering services. The HR Department are supporting the entire workforce. Key priorities going into 2021/22 will continue to be COVID-19, health and wellbeing of staff, redeploying staff to maintain front line services and testing and vaccinations centres. The DMA work and the review of the Pay and Grading structure and Equalities and Diversity matters have and will continue to be the focus.
- 12.9 The Financial Management Department deliver on the Council's statutory financial requirements and embed a culture of good financial management across the organisation. During the last year it has played a key role in the response to COVID-19 and facilitated grants to the 15,000 businesses in the borough and maintained a close review of financial pressures created from COVID-19. Going forward, it will be responsible for navigating the organisation through the tough financial challenges ahead.
- 12.10 Overall, the budget for support services has increased slightly since last year and there are changes within. Structural deficits in IT (£300,000) and HR and Elections (£140,000) have been addressed. IT security is critical and an additional £148,000 has been included in the budget for Cyber Security.
- 12.11 The Procurement function is being developed and over 2021/22 will implement the recently agreed Commissioning and Procurement Strategy. Developing the centralised function means that Adult Social Care and Children's Services procurement support has been centralised and resulting in transfer of £191,000 of budgets into the Directorate.
- 12.12 The Insurance service continue to provide a full claims handling service and have been supporting the organisation in ensuring appropriate coverage and risk mitigations are in place for a range of new activities which have been put in place as part of the COVID-19 response. Internal Audit, Fraud and Risk Management functions have been supporting the emergency response, the emergency command structures and the distribution of business grants as well as providing assurance, investigations and advice.
- 12.13 The Governance Service provides support for around 300 Council, Leadership Team, Committee and Scrutiny meetings and Member Briefings each year. All these have been held remotely since April 2020 and under the latest restrictions, this is likely to continue into 2021.
- 12.14 The £3m legal budget for 2021/22 is broadly in line with that for 2020/21. During the year the team will support the Public Inquiry as well as providing legal support across the organisation.

- 12.15 The focus of the Communications Team in the 2021 financial year will be support to the Public Inquiry, leaving the European Union, local elections alongside the COVID-19 vaccine and testing rollout. Work has also started on the development of a two year communications plan that will also be driven by the Council Plan which is due to be refreshed in the coming months.
- 12.16 Following feedback from the government’s Grenfell Taskforce and an LGA corporate peer challenge, it was agreed that the council needed to build capacity and capability in its corporate function. This requirement has become more acute as the council continues to respond to COVID-19 and lead recovery. As a result, the Council’s Corporate Strategy Team was established in 2020 with three main aims - strengthen performance management and programme delivery across the Council; establish effective corporate management arrangements and co-ordinate delivery of the Council Plan and build capacity and capability in the Council’s corporate function. This team is now in place with a priority of the next year of leading key initiatives including the COVID-19 Recovery Framework.
- 12.17 In terms of capital investment, almost £7m is planned for 2021/22 and is focussed in two main areas that will support the organisation – IT and digital solutions and repairs and maintenance of the operational estate.

13 DRAFT REVENUE BUDGET 2021/22 – FUNDING

- 13.1 The £630m of spending in 2021/22 will be funded through a number of different sources – Government grants, Council Tax, Business Rates, Fees, Charges and rental income.

Table 2 – 2021/22 Gross Income Budget

Income Source	Gross Income	%
	£'000	
Government Grants (Services)	(161,504)	26%
Other Grants (Services)	(14,126)	2%
Dedicated Schools Grant	(78,074)	12%
Parking Income	(50,625)	8%
Other Income (services)	(77,010)	12%
Other customer receipts	(70,275)	11%
Transfers from Reserves	(921)	0%
Transfers from Reserves- Grenfell	(8,500)	1%
Business Rates	(53,726)	9%
Revenue Support Grant	(10,164)	2%
Council Tax	(93,831)	15%
Collection Fund Deficit	2,739	0%

Income Source	Gross Income	%
	£'000	
Adult Social Care Grant and New Homes Bonus	(6,876)	1%
Additional COVID-19 Funding	(7,364)	1%
	(630,257)	100%

14 COUNCIL TAX 2021/22

- 14.1 The draft budget is based upon an increase of 4.99% on the Band D council tax. This maximum increase is necessary for 2021/22 given the uncertainty from COVID-19 into next year and ongoing additional pressures. However, the Council has an aspiration to return to a lower level of increase in future years.
- 14.2 This Council tax rise consists of two separate elements, the first is a Council Tax increase of 1.99%. As a result, Council Taxpayers will not be faced with an increase disproportionate to that faced by residents elsewhere and not dissimilar to that faced by most residents in other London Boroughs.
- 14.3 The second element is a 3% increase, often referred to as the Adult Social Care precept and the additional income raised will contribute towards meeting the demands for adult social care services.
- 14.4 The overall impact of the two elements is that the increase in the Council's element of Council tax will be 4.99% (excluding garden squares). The average Band D (excluding Garden Squares) will increase from £904.76 to £949.34, an increase of £45.18. Full details are set out in Appendix 10 and sets out the increase for each band.
- 14.5 Garden Square levies are treated as special expenses and as such are viewed by the Government as part of the Council Tax for referendum purposes. The 2021/22 Garden Square levies total is £1.795 million compared to £1.775 million for 2020/21.
- 14.6 The Council will continue to fully fund the local Council Tax reduction (local Council Tax benefit) scheme in 2021/22 and so will fully protect vulnerable residents on low incomes who might otherwise pay more. The new scheme was approved by Leadership Team on 8 October and will help low income households to avoid Council Tax debt and will increase work incentives alongside Universal Credit. Currently 13,720 households receive a Council Tax reduction, and although the Council receives some grant towards the administration costs, the total spend on the scheme is around £13.5m.

Voluntary Contribution Scheme

- 14.7 Following a consultation process in October 2019, Leadership Team took the decision to introduce a Voluntary Contribution Scheme which would enable those living in properties which are in Band H to make additional Council Tax contributions to fund additional services and support for developing skills and access to employment for young people in the borough.

14.8 However, after the decision, some voluntary organisations raised concerns that the setting up of the new charity to oversee the scheme would damage the philanthropic nature of the borough that voluntary sector organisations need to thrive. The Council listened to this feedback and the plans to establish the new charity and the Voluntary Contribution Scheme are now not being progressed. Instead, the focus will be on working together with the voluntary sector to provide the vital support to the local community.

15 COUNCIL TAX BASE

15.1 The Council Tax base is the number of properties in Bands A to H in the Borough expressed as an equivalent number of Band D units. The Executive Director Resources has calculated under delegated authority the Council Tax Base of 97,001 for the year 2021/22, as reported to Leadership Team on 13 January 2021. This is based on a collection rate of 97.75%.

16 GREATER LONDON AUTHORITY PRECEPT 2021/22

16.1 The Greater London Authority Band D Council Tax figure for 2021/22 is expected to be £363.66, a 9.5% increase. The final 2021/22 precept will be issued after the London Assembly meets on 21 February 2021. Any change will be reported to Council on 3 March 2021.

Table 3 – GLA Precept

Council Tax Band	Greater London Authority £
A	242.44
B	282.85
C	323.25
D	363.66
E	444.47
F	525.29
G	606.10
H	727.32

The Council's total Council Tax rates for each Band are shown in Table 4, which also shows the percentage of dwellings falling under each band. The spread of dwellings across the bands is different to the London average and although the council tax level is expressed as a Band D equivalent, for Kensington and Chelsea, Band G has the highest percentage and Band G and Band H together account for almost 40% of dwellings. Full details of Council Tax due, including the Garden Square levies, are set out in Appendices 8, 9, 10 and 11.

16.2 The council tax figures in Table 4 has been calculated including a provisional figure of £1.795m for the total garden squares precept and which will be used until confirmation is received in early February from all forty-six garden squares.

Table 4 - Total Council Tax 2021/22 **including** Garden squares

Band	Kensington and Chelsea	Greater London Authority	Total	% of Dwellings in Band
A	£644.88	£242.44	£887.32	2%
B	£752.36	£282.85	£1,035.21	4%
C	£859.84	£323.25	£1,183.09	11%
D	£967.32	£363.66	£1,330.98	16%
E	£1,182.28	£444.47	£1,626.75	15%
F	£1,397.25	£525.29	£1,922.54	14%
G	£1,612.21	£606.10	£2,218.31	22%
H	£1,934.65	£727.32	£2,661.97	17%

16.3 Leadership Team is asked to approve and recommend to Council, subject to receipt of final precepts and levies including Garden Squares special expenses that the final budget figures and the council tax resolution be provided to Council on 3 March 2021 by the Executive Director of Resources and to take account of any changes arising from these.

17 BUSINESS RATES

17.1 Business Rates are set nationally. The value of business premises is determined by the Valuation Office and the Government set the multiplier which specifies the pence per pound paid in tax. In 2021/22, the budget assumes we will collect £350m in business rates and retain £52.7m. This assumes at this stage that collection of business rates will return to pre-COVID-19 levels. However, in the same way we are expecting some ongoing impact on collection of rates as the economy recovers, there still may be some residual impact on business rates collection resulting in a deficit.

17.2 In addition, there is some indication that the valuation of some premises may change as a result of the pandemic, such as offices and this may result in an increase in appeals and a need to increase our provision. This will be monitored closely in the year and funding options considered and reported as part of the Quarterly Monitoring Reports if a deficit is forecast.

18 COLLECTION FUND

18.1 The Collection fund is a separate account which receives income from Council Tax and Business Rates payers and then makes payments to the Council, GLA and Government. The Local Authorities (Funds) (England) Regulations 1992 (as amended) require an annual projection of the balance as at 31 March each year. This is because precepting authorities share surpluses / deficits and need to take account of these when setting the budget.

18.2 The projected deficit (Council share) on the collection fund at 31 March 2021 is estimated to be £9.787m and was calculated and determined under delegated authority. This takes account of both business rates collection and council tax collection in 2020/21. The business rates proportion of this deficit is £3.682m. The Council Tax element of the estimated deficit is £6.105m. The Council has taken advantage of the Government's guidance and is spreading this element of the deficit over a three year period.

19 GOVERNMENT FUNDING

19.1 Over recent years there have been changes to Local Government Funding. The Council's Core Spending Power was published as part of the draft Local Government Finance Settlement in December 2020. At the time of publication of this report the final settlement had not been published but is expected imminently. If there are any changes, an update will be provided at the Leadership Team meeting on 10 February 2021 and the report will be updated for Council on 3 March 2021.

19.2 It is important to note that there are a number of assumptions made by Government in this measure but which remain subject to local decision making, such as Council Tax levels.

19.3 The core spending power figures are set out as below.

Table 5 – Core Spending Power 2021/22

	2020/21	2021/22
	£'m	£'m
Settlement Funding Assessment (Business Rates and Revenue Support Grant)	62.8	62.9
Compensation for under-indexing the business rates multiplier	2.1	2.7
Council Tax of which;	91.0	95.0
• <i>Council Tax Requirement excluding parish precepts (including base and levels growth)</i>	85.1	86.4
• <i>additional revenue from referendum principle for social care</i>	5.9	8.6
Improved Better Care Fund	7.4	7.4
New Homes Bonus	0.8	0.7
Social Care Grant	5.1	6.2
Lower Tier Services Grant	0.0	1.0
Core Spending Power	169.3	176.0

20 FEES AND CHARGES

20.1 A key source of local income is through the Council's fees and charges.

20.2 The full set of proposed fees and charges for 2021/22 were presented to Leadership Team on 9 December 2020 and published for consultation. Overall, the average increase is 2%. There was no feedback received as part of the consultation and therefore the 2021/22 charges are as published back in December 2020 and the update in the January report and are available in full on the website as part of this agenda.

<https://www.rbkc.gov.uk/committees/Meetings/tabid/73/ctl/ViewMeetingPublic/mid/669/Meeting/8366/Committee/1593/Default.aspx>

<https://www.rbkc.gov.uk/committees/Meetings/tabid/73/ctl/ViewMeetingPublic/mid/669/Meeting/8367/Committee/1593/Default.aspx>

20.3 In March 2020, the Council agreed the first Charging Strategy which ensures consistency in deciding which services to charge for, the level of charge and to ensure charges are transparent and easy to understand. During 2021/22, all of the Council's discretionary fees and charges will be reviewed in light of the principles of the strategy and guidance for setting the charge. An officer toolkit has been prepared to support this process. Any changes to charges will be put forward for consultation as part of the 2022/23 budget process.

21 2021/22 BUDGET REDUCTIONS

21.1 All details of proposed savings and increased income opportunities that have supported the balanced budget for 2021/22 have been previously reported to the Leadership team on 11 November 2020 and again on 13 January 2021. These budget reductions total £12.3m and includes some that were agreed as part of the 2020/21 budget setting process and of which £10.6m impact on services. The feedback received has been considered by Lead Members and is set out in Appendix 6 and 7. As a result of this feedback, there are no planned changes to the budget reductions and these are now reflected within service and corporate budgets.

22 BUDGET CHANGES

22.1 The 2021/22 budget and Council Tax changes are summarised in Table 6 and set out in full in Appendix 1.

Table 6 – 2021/22 Budget Changes)

Budget Change	£'000
Increase in provision for Inflation and London Living Wage	1,735
Increase in External Funding	(222)
Service Pressures	5,769
Service Savings	(11,162)
Corporate Budget Reductions	(992)
Reduction in Collection Fund surplus	8,892
Other	(84)
Total Change funded by increase in Council tax income	3,936

23 LOOKING FORWARD 2021 ONWARDS

- 23.1 The full Medium Term Financial Strategy was published in November 2020. The aim of the strategy is to:
- Plan the Council's finances over the next three years, taking account of both the local and national context;
 - Provide the financial framework for the Council's priorities and ensure that these priorities drive the financial strategy and the allocation of financial resources; and,
 - Manage and mitigate future budget risks by forward planning and holding reserves as appropriate.
- 23.2 The Council's medium term financial position is by necessity fluid and responds to reflect the changing circumstances faced by the Council, updated priorities and ambitions, the latest budget position and a range of external factors such as economic conditions and Government legislation.
- 23.3 Although a balanced budget is proposed for next year subject to finalising figures over the next four weeks and local decisions on Council Tax, the financial position beyond 2021/22 is challenging. At present, the Council's overall budget planning position indicates a forecast budget gap for the period 2022/23 of £22m and a further £8m for 2023/24.
- 23.4 Part of addressing the longer term financial position will be through the Transitions Programme which has emerged following the COVID-19 pandemic. Its focus is on doing things differently and improving outcomes for residents, businesses and staff by learning from the pandemic but at the same time reducing costs. In addition, a more outcomes based approach will be taken across all services to ensure outcomes are being met and spending plans are in line with the priorities in the Council Plan and aligned with the Recovery Framework which was agreed by Leadership Team in December 2020.
- 23.5 A full update of the Council's Medium Term Financial Strategy will be published in July 2021 and will be developed in line with the newly published Council Plan which is expected in the Spring.
- 23.6 The forecast for future years (2022 onwards) makes the following key assumptions:
- Pay and price inflation of 2% for staff costs and the Council's major contracts per annum in future years;
 - Ongoing reductions on Government funding;
 - From 2022, an increase in business rates (NNDR) income each financial year (to keep the Council above the Government's funding distribution system threshold and also cover the annual increase in the cost of the tariff);
 - A modest increase in the Council Tax base each year after 2021/22 (on average a 0.5% increase in properties per annum);
 - It is assumed that any reductions in service specific grants can and will be contained within service budgets;
 - Spending pressures are recognised and risks have been highlighted in Section 27;

- All savings are achieved to plan; and,
- No planned use of the general fund working balance.

23.7 The impact of all of the above changes show that the Council will need to identify budget reductions of at least £30m in order to balance the budget in 2022/23 and 2023/24. Further details are set out in Appendix 1. However, in a period of uncertainty, this position may change. Over the next few months, officers will be carrying out sensitivity analysis to understand the possible financial impact if any of the risks set out in Section 27 materialise.

24 OPTIONS AND ANALYSIS

24.1 This report represents the outcome of the budget review process for 2021/22 for recommendation to Full Council on 3 March 2021. However, at this point it remains the case that until Full Council sets the budget in March, the 2021/22 Budget has not been agreed, meaning that a range of alternative options remain open to Members, either on capital or revenue.

24.2 The Leadership Team can amend the proposed revenue budget and Council Tax as set out in this report. However, any amendments to the budget must ensure that it continues to meet the Council's statutory requirement for a balanced budget.

24.3 There are a number of areas where Leadership Team could choose to consider different scenarios for the budget and recommendations to Full Council, such as:

- Varying the level of council tax and/or Adult Social Care precept for 2021/22, within the constraints of the referendum limits for the year. This would have implications on the level of savings needed to be found and the overall budget position;
- Deleting or reducing budget savings proposals, subject to considering the impact on the overall budget and the need for compensating offsetting proposals to deliver a balanced budget;
- Considering and substituting alternative budget savings proposals, whilst taking into account the time constraints required to develop these, undertake public consultation (where necessary), and meet statutory deadlines for the setting of council tax; and,
- Changing other assumptions within financial plans (including assumptions about budget pressures, the use of reserves or the level of the centrally held contingency) therefore impacting the level of savings required in future years.

25 TREASURY MANAGEMENT STRATEGY

- 25.1 The areas of Treasury Management and Prudential Borrowing are integral to consideration of the Council's Budget and also need to be considered so that Members can assess that capital investment plans are prudent, affordable and sustainable. Members attention is drawn therefore to the Treasury Management Strategy for 2021/22 and details for Prudential Borrowing including the Prudential Indicators which are also set out in a separate report which is part of this 'Budget Pack'.

26 CAPITAL PROGRAMME

- 26.1 The Capital Strategy which was refreshed and approved by Council in December 2020 provides a framework for the allocation of resources to fund capital projects. The Council's ability to prudentially borrow to fund future capital schemes is limited by the budgetary pressures which the Council continues to face. Information regarding the revenue implications of prudential borrowing is provided in the Treasury report. The cost of delivering the Capital Programme in 2021/22 is expected to be £4.5m and has been reflected within next year's budget. The Council will only invest as long as its capital spending plans are affordable, prudent and sustainable.
- 26.2 During 2020/21, the measures put in place to address the COVID-19 pandemic has impacted on the delivery of schemes in the capital programme. In March 2020, at the start of lockdown, the decision was taken that any construction/on-site based work should be paused unless considered essential from a health and safety/fire safety perspective. Subsequently these measures have been eased and whilst this has allowed for the return of contractors to site, works have not progressed at the rate that would have been expected prior to the pandemic and as such there will likely be continuing delays on delivery and the potential for additional costs. The Capital Programme included in this report reflects the position at the end of September 2020 but impact continues and the latest position is included in the Q3 Monitoring Position which is set out as a separate report on the agenda and is likely to change again before the end of the year.
- 26.3 New capital investment is typically focused around investment into the borough's roads and transport infrastructure, buildings and assets. This includes for health and safety requirements, rolling maintenance programmes and support to develop the Council's digital infrastructure and investment that generates revenue cost reductions or increased income.
- 26.4 New General Fund capital investment proposals totalling £22.574m are proposed, of which £13.369m falls in 2021/22.
- 26.5 The proposed budget for the HRA and the 30 year Business Plan is considered by a separate report on the agenda.
- 26.6 Capital investment is reflected in the service sections of this report (See Section 6 onwards) but is summarised in Table 7 by Council Plan priority and in Table 8 by service and in full in Appendix 12.

Table 7 – Capital Expenditure Programme (including new investment) 2020/21 to 2023/24

Council Plan Priority	2020/21 Budget £'000	2021/22 Budget £'000	2022/23 Budget £'000	2023/24 Budget £'000	Total Capital Programme £'000
A Great Place to Live, Work and Learn	112,242	224,027	216,185	97,054	649,508
A Place of culture to visit and explore	6,840	2,590	50	0	9,480
Grenfell Recovery	6,752	15,877	0	0	22,629
Healthy, clean and safe	9,155	13,262	0	0	22,417
Supporting and safeguarding vulnerable residents	3,079	15,985	1,696	846	21,606
Capital Contingency	145	5,000	0	0	5,145
Total Capital Expenditure Budget	138,213	276,741	217,931	97,900	730,785

Table 8 - Capital Expenditure Programme (including new investment 2020/21 to 2023/24

Service	2020/21 Budget £'000	2021/22 Budget £'000	2022/23 Budget £'000	2023/24 Budget £'000	Total Capital Programme £'000
Adult Social Care and Public Health	410	8,249	500	-	9,159
Children's Services and Education	37,054	26,958	1,528	-	65,540
Environment and Communities	24,083	16,745	4,916	-	45,744
Housing and Social Investment	36,705	147,163	125,322	1,076	310,266
Resources and Customer Delivery	12,837	6,955	4,699	1,708	26,199
Housing Revenue Account	26,979	65,671	80,966	95,116	268,732
Capital Contingency	145	5,000	-	-	5,145
Total Capital Expenditure Budget	138,213	276,741	217,931	97,900	730,785

26.7 The funding of the Capital Programme is delegated to the Executive Director of Resources as Section 151 Officer and Table 9 summarises the proposed funding sources of the programme.

Table 9 – Capital Programme Funding 2020/21 to 2023/24

Source (could we separate GF and HRA)	2020/21 Budget £'000	2021/22 Budget £'000	2022/23 Budget £'000	2023/24 Budget £'000	Total Capital Programme £'000
External Funding:					
Capital Grants Reserve	(12,405)	(9,060)	(8,979)	(11,776)	(42,220)
Capital Grants & Contributions	(16,031)	(38,479)	(19,218)	0	(73,727)
S106/CIL Contributions	(3,840)	(8,633)	(19,000)	0	(31,473)
Internal Funding:					
Capital Receipt Reserve	(54,503)	(63,359)	(3,178)	(2,000)	(123,040)
Car Parking Account	(9,905)	-	-	-	(9,905)
Major Repairs Reserve	(3,448)	(3,448)	(3,448)	(3,448)	(13,792)
Special Projects Reserve (RCCO)	(1,676)	(250)	(50)	0	(1,976)
Revenue Contribution to Capital Outlay	0	(3,123)	(14,537)	(3,463)	(21,123)
Borrowing Requirement	(36,406)	(150,390)	(149,521)	(77,213)	(413,529)
Total Funding Sources	(138,213)	(276,741)	(217,931)	(97,900)	(730,785)

26.8 The borrowing is regulated by the 'Prudential Borrowing Code'. The basic principle is that capital expenditure plans must be affordable, prudent and sustainable and that prudential indicators are used to support decision making. Further details are set out in the Treasury Management Strategy, including the Council's Minimum Revenue Policy for 2021/22. The Minimum Revenue Provision is a charge that Councils are required to make in their accounts for the repayment of debt.

26.9 The November Medium Term Strategy Report outlined details of the Capital Programme pipeline. The role of the pipeline is to support longer term investment planning where schemes aren't yet in a ready state for formal inclusion in the programme but are likely to be required over the period of the three-year capital programme. The current draft Capital Pipeline is summarised in table 10 below and detailed at Appendix 13.

Table 10 – Capital Pipeline 2020/21 to 2025/26

Capital Pipeline	2020/21 Budget £'000	2021/22 Budget £'000	2022/23 Budget £'000	2023/24 Budget £'000	2024/25 Budget £'000	2025/26 Budget £'000	Total Capital Pipeline £'000
Capital Pipeline	-	24,700	21,100	1,050	1,165	5,681	53,696

- 26.10 The 2015 Spending Review announced the flexibility for local authorities to use capital receipts from the sale of non-housing assets to fund revenue set up costs of service reform and transformation projects. Eligible projects are those which are designed to generate ongoing revenue savings in the delivery of public services or transform service delivery to reduce costs or demand for services in future years. This was to apply to expenditure up to and including 2021/22.
- 26.11 In February 2021 the Government announced this existing flexibility would be extended for a further 3 years up until 2025/26 with further details to be set out in due course.
- 26.12 So far the Council has not made use of this flexibility, but potentially may do in future as it could help alleviate some of the pressure on the revenue budget. Any use would however reduce the availability of resources to fund the capital programme.

27 RISK MANAGEMENT

- 27.1 Although the overall position for 2021/22 is showing a balanced budget, there are a number of inherent risks for subsequent years.

COVID-19 Pandemic

- 27.2 The pandemic has brought increased spending pressures, as well as significant loss of income with Council Tax and Business Rates collection and fees and charges income down significantly compared to previous years. The Council has received some funding from the government to help with these challenges although some call on reserves to fund these pressures cannot be ruled out depending on the financial implications of the latest restrictions. There is however an ongoing risk of pressures in future years and longer term.
- 27.3 The economic impact of the pandemic is likely to extend far beyond 2020/21, including having an impact on the Council's many income sources. It is expected that in most cases, income streams will recover through the year as the tourist and business economy recovers but some implications may be longer term, such as commercial income or in extreme cases may not recover at all. One off funding of £7.4m has been received but it remains unclear if this will be sufficient. Any longer term impact will need to be considered as part of 2022/23 budget setting.

Local authority funding for future years

- 27.4 Over the last three years, the Government have been consulting on changes to the method which determines Local Authority funding (Fair Funding Review) and a new formula was planned for introduction from 1 April 2020. This has however been delayed again until at least 2022 and quite possibly longer. Although officers are looking at different scenarios in terms of impact on funding for Kensington and Chelsea, it is difficult to say with any certainty. Therefore, financial plans do not include any impact at this stage but indications are that Government funding for Kensington and Chelsea will reduce.

- 27.5 Social Care Funding commitments are one-year grant allocations and the Government's long-term plans for funding and the Green Paper for adult social care remains unknown which adds to uncertainty and risk faced by the council.

Delivery of savings

- 27.6 The statutory requirement to set a balanced budget remains. The Council is in the position to set a balanced budget for 2021/22 in part as a result of £12.3m of budget reductions. The Council is confident these can be achieved but will continually monitor the delivery of these through the year to ensure that any emerging risks and mitigating actions can be identified early.
- 27.7 The identification and delivery of savings beyond 2021/22 remains challenging. There is currently a budget gap of £30m over the next two years and although work has started, budget reductions of this magnitude require a fundamental change in the way services are delivered if they are to be sustainable and minimise the impact on priority service delivery and outcomes. There may therefore be risks associated with capacity to deliver these savings to planned timescales.

Brexit

- 27.8 Although a trade deal between the UK and EU was agreed in December 2020 the potential impact of new UK-EU trading arrangements cannot be forecast with great certainty at this stage and these terms may have a potential impact on local and wider economy and Local Government – including the ability to generate revenue, the supply and cost of staff, higher prices, local property values, changes to legislation and many more. The impact will remain under close monitoring during 2021/22.

The Economy and other external cost pressures

- 27.9 The state of the economy can affect Local Authorities in a number of ways. The report to Leadership Team on 11 November 2020 included the latest estimates for interest rates and inflation but these remain volatile and will remain under review. Reduced inflation should prevent contract prices increasing too quickly and although lower interest rates reduce the cost of borrowing for funding the Council's Capital Programme, they also reduce investment income on the Council's balances. There are also indirect implications from changes in the economy. Income from fees and charges and rental of commercial property are a key income source and fluctuations can mean income shortfalls against the budget. At the same time, there could be increased demand for hardship support services, such as Council Tax and rent support. The pandemic has had an enormous impact on all of these areas during 2020/21 and although the government has reimbursed a proportion of this lost income the scheme has not covered losses of commercial rent or reduced investment income.
- 27.10 The impact of economic conditions, including, increases in inflation and rising interest rates can be a cost driver. In 2021/22, every 1% increase in inflation, could mean an increase of around £2.3m in running costs which would add to the budget pressure. The 2021/22 budget includes £3.1m for 2021 contract uplifts. In terms of staffing costs, the 2021/22 budget does not include any provision for pay awards given the announcement of a public sector pay freeze by Government in 2020. Increasing interest rates make investment more attractive but the need to borrow for capital investment potentially increases costs.
- 27.11 The Council faces direct pressures on both spending and income budgets. Demographic and demand led pressures, particularly in housing and homelessness

and supporting children and adults with high complex needs. As part of financial planning processes, these demands are continually reviewed and forecasted over the medium term for inclusion in financial plans and mitigating actions identified. Where these pressures can be quantified and there is some certainty on them materialising, these are built into budgets. These estimates take account of (although not exclusive) historical trends, current data and intelligence, future forecasts and external advice where relevant. However, there is a risk that assumptions change and cost implications exceeds expectations resulting in a budget shortfall.

Partnership Working

- 27.12 The delivery of public services can often be dependent on a number of other organisations and other partners who are also subject to funding pressures. The Council needs to remain aware of these wider pressures and the requirement to foster close working relationships with these partners to co-design and deliver services, and to mitigate the impact of resource constraints on service delivery and outcomes for residents in line with Council priorities.

Grenfell

- 27.13 Although the budget includes £26m over the next three years to deliver the Grenfell Recovery Strategy, this is a key priority for the Council and high risk and therefore it is inevitable that some uncertainty still remains. Phase 2 of the Public Inquiry was suspended following the pandemic and has only recently re-commenced.
- 27.14 As discussed, the above risks and uncertainties make medium to long term planning very difficult. It is therefore important that the Council takes a prudent approach to assumptions in financial plans and in holding sufficient levels of contingency funding within the budget for dealing with unforeseen circumstances in the short term. Levels of reserves provide a safety net in the event of more significant negative impacts on Council Funding in the medium term.

28 RESERVES

- 28.1 Section 25 of the Local Government Act 2003 requires Chief Financial Officers to report to their authorities about the robustness of estimates and the adequacy of reserves when determining their budget and level of Council Tax. The report therefore includes the advice of the Executive Director of Resources as Section 151 Officer as set out in “Financial and Resource Implications” section.
- 28.2 Under the 2003 Act above, the Section 151 Officer has to be satisfied that the level of the General Fund working balance is adequate. It is proposed that the General Fund balance be maintained at its target level of £10 million for 2021/22, the same level as for 2020/21.
- 28.3 The Executive Director of Resources has also reviewed all earmarked reserves (monies set aside for a specific purpose). Details of the latest estimated position and the forecast for the next three years is set out in Appendix 2.
- 28.4 Some use of reserves has already been agreed in year through the Quarterly Monitoring Reports. Leadership Team are asked to agree further funding of £26.5m for 2021/22 and is assumed within the budget or will be drawn down in year as required.

- £8.5m use of the Grenfell Reserve to fund the delivery the Grenfell Recovery Strategy during 2021/22;
- £1.3m use of the Special Projects Reserve. This includes:
 - £200,000 to fund specialist technical work in order to gather evidence and then implement the Council's Local Plan
 - £127,000 to enable a more preventative early intervention approach within the Short Breaks team
 - £132,000 to implement the Council's Customer Access Strategy
 - £250,000 to help fund the Council's capital programme
 - £100,000 to support the Council's Culture Strategy
 - £305,000 to combat tenancy fraud
- £9.9m use of the Car Parking Reserve to fund eligible schemes in the Capital Programme for 2020/21;
- £1.2m transfer into the Public Health Reserve based on the expected level of grant and anticipated spend;
- £4m use of Public Health Reserve and £4m use of Budget Stabilisation Reserve to fund the COVID-19 Recovery Framework during 2021/22. £2m of the Public Health contribution will be made during 2020/21 and will be therefore transferred to the Budget Stabilisation Reserve ahead of the recovery plan being implemented during 2021/22; and,
- £159,000 use of the Budget Carry Forward reserve to fund eligible projects within Environment and Communities.
- A net reduction of £1.2m on the balance of the Collection Fund Reserve. This reserve was created to smooth out the in-year surpluses and deficits on the collection fund and will have a net impact of zero over the period 2019/20 - 2023/24,

28.5 Similar to previous years, Leadership Team are asked to agree that the Executive Director of Resources be authorised, in consultation with the Lead Member for Finance to agree the transfer to and from reserves up to the value of £250,000 in year. Any use under the delegations will be included in Quarterly Monitoring Reports to Leadership Team for noting.

29 CONTINGENCY

29.1 In 2020/21, the Council will use its full contingency provision to part fund the £5.2m of spending pressures from COVID-19. However, this full use is unusual and in normal circumstances there is often a significant underspend against this provision. The financial impact of COVID-19 is expected to recover at some point in 2021/22 and the Council has received additional Government funding. However, with so much uncertainty still remaining, the level of contingency for 2021/22 will be retained at £5.2m.

29.2 Possible use of the £5.2m could be COVID-19 but also will be used to manage other risks should they materialise, such as slippage in delivery of savings, higher inflationary pressures than expected, unexpected events or additional revenue costs of capital schemes and new burdens. In addition, during 2021/22, it will be used for the ongoing support of the Grenfell Education Fund.

29.3 The contingency provision will also protect the Council's General Fund balance, for which the plan is to maintain the latter at £10m, in line with Council's policy. Any contingency provision that is not needed will be added to one of the Council's reserves to deal with any future fluctuations.

30 LONDON WIDE PAYMENTS

- 30.1 The Council contributes to a number of London wide services and most of these contributions for 2021/22 have now been confirmed. Although the budgets for others will be amended before final approval at Council on 3 March 2021, the changes are expected to be minimal.
- 30.2 The total budget for London Wide Levies is £11.4m. The most significant levy is for concessionary fares and is £7.5m for 2021/22

Levy	2021/22 £'000
Concessionary Fares	7,465
Taxi Cards	230
London Boroughs Grants Scheme	119
Environment Agency	228
London Pensions Fund Authority	1,401
Garden Squares	1,795
Total	11,238

31 SCHOOLS BUDGET

- 31.1 The total budget delegated to schools in 2021/22 budgets is showing an average 2.3% per pupil increase. Every school has an increase of at least 0.9% per pupil compared to 2020/21 funding. Six primary schools have a reduction in pupil numbers of more than 5% and they are eligible to apply for additional falling rolls funding with the Schools' Forum agreement.
- 31.2 The Dedicated Schools Grant (DSG) is forecast to have a cumulative overspend of £6.8m mainly due to growth in numbers and placements costs resulting in overspends on expenditure related to pupils with Special Educational Needs and Disabilities (SEND). A high needs review group has reviewed all related expenditure and an in-year overspend of £2.6m is forecast in 2020/21. Under additional requirements introduced by the Department for Education (DfE) the Council has to submit a detailed deficit recovery plan. The main focus of the DfE is on Kensington and Chelsea balancing within year although that is not yet possible due to the further growth in numbers.

32 CONSULTATION

- 32.1 A consultation was carried out on the draft savings proposals and new capital investment. Information was included on the Council's website and was communicated broadly through various channels to the general public, the voluntary sector, businesses and key partners, inviting them to contribute.

32.2 The draft budget proposals were also presented to the Overview and Scrutiny Committee meeting on 12 November and the working group that was established as part of last year's budget process reconvened. A final report on their feedback was presented at the meeting on 26 January 2021. All responses have been considered by the Lead Members in putting together the draft budget for 2021/22. A summary of the feedback received and the Council's responses is set out in Appendix 6 and Appendix 7. No changes to the draft budget has been made as a result of the feedback.

33 EQUALITY IMPLICATIONS

33.1 Under the Equality Act 2010 the Council has a duty to pay "due regard" to the need to eliminate discrimination and advance equality of opportunity with regard to the protected characteristics of age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, sexual orientation, religion or belief and sex and to foster good relations between those who share a protected characteristic and those who do not. The duty to pay due regard does not impose a duty on the Council to carry out a formal equalities impact assessment in all cases when carrying out their functions but, where a significant part of the lives of any protected group would be directly affected by a decision, a formal equalities impact assessment is likely to be required to demonstrate that the Council has complied with its duty.

33.2 Officers have considered whether the recommended increase in Council Tax could have a particular adverse impact on people who share a protected characteristic. They take the view that there is no differential impact on any protected group arising from the Council Tax increase. Separately, and in any event, the Council Tax reduction scheme protects vulnerable residents on low incomes.

33.3 The equalities impacts of specific budget proposals were reported to the Leadership Team in November 2020 and have been considered in January/February 2021 alongside the detailed service budget reports considered by the Overview and Scrutiny Committee.

33.4 Where specific budget savings have yet to be decided in detail the equalities impact will be considered and assessed by the relevant service as part of the final decision-making and implementation process.

34 INFORMATION, COMMUNICATIONS AND TECHNOLOGY (ICT) IMPLICATIONS

34.1 These are addressed through the report.

35 LEGAL IMPLICATIONS

35.1 The Executive Director of Resources, who is the Council's Chief Financial Officer, is required, under the section 25 of the Local Government Act 2003 to report on the robustness of the estimates made for the purpose of calculating the Council Tax and the adequacy of reserves. This is included throughout the report and in particular at paragraphs 28 and 36.

- 35.2 The Council is required to set a balanced budget. To achieve this, the Council is required by the Local Government Finance Act 1992 to make estimates of gross Revenue expenditure and anticipated income, leading to a calculation of a budget requirement and the setting of an overall budget and Council Tax. The amount of the budget requirement must be sufficient to meet the Council's legal and financial obligations, ensure the proper discharge of its statutory duties, and lead to a balanced budget. The budget as proposed is balanced.
- 35.3 The Council should be satisfied that the proposals put forward are a reasonably prudent use of resources in both the short and long term, and that the interests of both Council Taxpayers and ratepayers on the one hand and the users of Council services on the other are both taken into account.
- 35.4 Under powers contained in the Localism Act 2011, the government can require compulsory referenda on Council Tax increases above limits it sets. For 2021/22, the provisional limit is 2%. The proposal is within the threshold, so, if it is approved, the Council will not be required to hold a referendum. The government has also provisionally announced an additional threshold of 3% for authorities with adult social care responsibilities. The Borough needs to raise Council Tax on this account for 2021/22 and is therefore proposing to implement the precept.
- 35.5 Section 106, Local Government Finance Act 1992, applies to Members where:
- they are present at a meeting of the Council, the Cabinet (Leadership Team) or a Committee and at the time of the meeting an amount of Council Tax is payable by them and has remained unpaid for at least two months; and,
 - any budget or Council Tax calculation, or recommendation or decision which might affect the making of any such calculation, is the subject of consideration at the meeting.

In these circumstances, any such Members shall at the meeting and as soon as practicable after its commencement disclose the fact that Section 106 applies to them and shall not vote on any question concerning the matter. Such Members are not debarred from speaking. Failure to comply with these requirements constitutes a criminal offence, unless any such members can prove they did not know that Section 106 applied to them at the time of the meeting or that the matter in question was the subject of consideration at the meeting.

- 35.6 In considering whether to approve the draft budget, members are required to comply with the public sector equality duty contained in the Equality Act 2010, as set out in paragraph 33 above. The equality impacts of specific budget proposals were assessed and reported to Leadership Team on 11 November and are also being considered alongside the detailed service budgets by Overview and Scrutiny Committee in January 2021. The impact of the proposed increase in Council Tax is described in paragraph 33 of this report. Members should take these implications into account in making their decision.

36 FINANCIAL AND RESOURCES IMPLICATIONS

- 36.1 These are addressed throughout the report. In addition, in setting the annual budget, Section 25 of the Local Government Finance Act 2003 requires the Executive Director of Resources (Section 151 Officer) to report to Members on the robustness of budget estimates and the adequacy of proposed financial reserves. The Executive Director of Resources comments that:
- 36.2 I am satisfied that the budget calculations are robust and that the budget takes account of liabilities and financial risks, but in particular it assumes that the Council will not rely on withdrawals from reserves to meet recurrent revenue commitments.
- 36.3 For 2021/22 no specific provision has been allocated in the budget for ongoing costs relating to the pandemic. There is however an ongoing risk of pressures in at least the first half of next year and potentially longer term. One off Government funding of £5.6m is expected and an additional £1.8m for increases in Council Tax support for 2021/22. Once these funds are received, these will be transferred into the Council's reserves and will be available for use during 2021/22 as required. In addition, the reimbursement of fees and charges scheme has been extended until the end of June 2021 which will limit the Council's non-commercial income losses to just under 30%. If this Government support is not sufficient, in year savings will be considered or use of Council reserves. Any longer term financial impacts beyond 2021/22 will be considered as part of the 2022/23 medium term financial planning process.
- 36.4 I consider that current levels of unallocated reserves remain adequate. In setting the level of general reserves and balances, account has been taken of the key financial assumptions underpinning the budget, the level of earmarked reserves and provisions, and the risks facing the Council over the medium-term. Financial Plans assume that over the planning period the Council is forecast to maintain a target of general balances of £10m. Maintaining general balances at this level is considered a minimum position.

MIKE CURTIS EXECUTIVE DIRECTOR OF RESOURCES

Local Government Act 1972 (as amended) – Background papers used in the preparation of this report.

2021/22 budget files and the local government finance settlement 2021/22
Council Tax Base 2021/22 – approved under delegated authority.

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Mandatory clearance requirements for all Key and Executive Decision reports

Cleared by Finance (officer's initials)

TE

Cleared by Corporate Finance (officer's initials)
Cleared by Director of Law (officer's initials)
Cleared by Communications (officer's initials)

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APPENDIX 1 – REVENUE BUDGET 2021/22 AND MEDIUM TERM FINANCIAL POSITION

This Appendix sets out a summary of the Council wide revenue budget for 2021/22 in the table that follows and also the forecast finance position for the two years that follow.

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 refreshed in November 2020 but was done so at a time when the ongoing impact of the pandemic and national restrictions were unknown. Although the strategy included the financial outlook over the next three years, it very much focussed more on the position for 2021/22.

The MTFS can be found at this link on the Council's website at <https://www.rbkc.gov.uk/committees/Meetings/tabid/73/ctl/ViewMeetingPublic/mid/669/Meeting/8365/Committee/1593/Default.aspx>

The aim of the financial strategy is to:

- Plan the Council's finances over the next three years, taking account of both the local and national context;
- Provide the financial framework for the Council's priorities and ensure that these priorities drive the financial strategy and the allocation of financial resources; 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 three 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 July 2021 and will aligned to the refreshed Council Plan to be published shortly and the COVID-19 Recovery Framework that was published in December 2020.

APPENDIX 1 - REVENUE BUDGET 2021/22 AND THREE YEAR MEDIUM TERM FINANCIAL POSITION

DESCRIPTION	Budget 2020-21	Budget 2021-22	Budget 2022-23	Budget 2023-24
	£'000	£'000	£'000	£'000
Service Budgets				
Adult Social Care and Public Health	39,454	39,558	41,372	43,656
Children's Services	41,467	41,539	42,512	43,981
Environment and Communities	26,323	25,102	25,691	26,451
Housing and Social Investment	7,465	8,486	9,086	10,452
Resources and Customer Delivery	29,039	29,338	29,371	30,732
Service Budgets Total	143,748	144,023	148,033	155,272
Grenfell Recovery	12,000	10,500	9,100	8,400
Contingency	5,211	5,249	5,240	5,240
Grenfell corporate costs	4,500	4,000	3,500	3,500
COVID-19 Recovery Framework	0	8,000	0	0
Centrally held budgets	5,070	2,264	5,174	7,800
Net Cost of Services	170,529	174,036	171,046	180,212
External Interest	5,443	4,153	5,555	6,505
Capital Adjustment Account	(8,525)	(9,754)	(8,179)	(6,936)
Interest and Investment Income	(2,821)	(1,029)	(915)	(1,362)
Net Operating Expenditure	164,626	167,406	167,507	178,419
Transfers to (+)/from(-) reserves	(10,500)	(9,421)	(6,890)	(6,196)
TOTAL EXCLUDING LEVIES	154,126	157,985	160,617	172,223
Levies				
London Boroughs Grants Scheme	117	119	122	124
Environment Agency	230	228	232	237
London Pensions Fund Authority	1,463	1,401	1,431	1,461
Garden Squares	1,775	1,795	1,831	1,867
Taxi cards	230	230	230	235
Concessionary fares	8,652	7,465	8,652	8,652
Total Levies	12,467	11,238	12,498	12,576
BUDGET REQUIREMENT	166,593	169,223	173,116	184,799
FUNDING BY				
Revenue Support Grant	(10,108)	(10,164)	(10,164)	(10,164)
New Homes Bonus	(783)	(651)	(649)	0
Social Care Grant	(5,093)	(6,225)	0	0
MHCLG BR Levy surplus	(199)	0	0	0
Additional COVID-19 Funding	0	(7,364)	0	0
Retained Business Rates	(54,560)	(53,726)	(53,726)	(53,726)
Collection Fund (Surplus)/Deficit	(5,955)	2,739	7,940	4,260
TOTAL EXTERNAL FUNDING	(76,698)	(75,391)	(56,599)	(59,630)
RBKC COUNCIL TAX REQUIREMENT	89,895	93,831	116,516	125,169

DESCRIPTION	Budget 2020-21	Budget 2021-22	Budget 2022-23	Budget 2023-24
	£'000	£'000	£'000	£'000
ESTIMATED COUNCIL TAX INCOME	(89,895)	(93,831)	(94,291)	(94,750)
BUDGET Gap - Cumulative	-	-	22,226	30,419
BUDGET Gap- In Year	-	-	22,226	8,193
PRECEPTS				
Greater London Authority	32,379	35,275		
LOCAL TAX REQUIREMENT	122,274	129,107		
TAX BASE - BAND D EQUIVALENTS	97,506	97,001	97,476	97,951
COUNCIL TAX - BAND D	£	£		
Royal Borough (excluding Garden Square special expenses)	904.76	949.94		
Greater London Authority	332.07	363.66		
TOTAL BASIC COUNCIL TAX - BAND D	1,236.83	1,313.60		
Royal Borough (including Garden Square special expenses)	921.94	967.32		
Greater London Authority	332.07	363.66		
TOTAL BASIC COUNCIL TAX - BAND D	1,254.01	1,330.98		

APPENDIX 2 - RESERVES POLICY 2021/22

Reserves are an important part of the Council's financial strategy and are held to create long-term budgetary stability. They enable the Council to manage change without undue impact on the Council Tax and are a key element of its strong financial standing and resilience. The Council's key sources of funding face an uncertain future and the Council therefore holds a limited number of earmarked reserves and a working balance in order to mitigate future financial risks.

Earmarked reserves are reviewed annually as part of the budget process, to determine whether the original purpose for the creation of the reserve still exists and whether or not the reserves should be released in full or in part. The table below shows the current position and approved use for 2020/21 and then the three-year forecast for consideration.

Reserve Classification	31/03/2020	31/03/2021	31/03/2022	31/03/2023	31/03/2024
	£'000	£'000	£'000	£'000	£'000
Grenfell	(30,110)	(22,965)	(12,871)	(6,271)	(371)
Car Parking	(23,521)	(13,584)	(13,584)	(13,584)	(13,584)
Budget Stabilisation	(21,198)	(20,998)	(14,998)	(14,998)	(14,998)
Collection Fund	0	(9,223)	(8,046)	(4,172)	(298)
Special Projects	(16,055)	(8,164)	(6,853)	(5,679)	(5,679)
Capital Expenditure	(9,900)	0	0	0	0
Reorganisation	(8,674)	(7,672)	(7,672)	(7,672)	(7,331)
Schools Reserves	(5,070)	(5,070)	(5,070)	(5,070)	(5,070)
Public Health	(4,466)	(4,340)	(3,493)	(4,493)	(5,493)
London Residuary Body	(4,039)	(4,039)	(4,039)	(4,039)	(4,039)
Insurance	(3,779)	(3,779)	(3,779)	(3,779)	(3,779)
Budget Carry Forward	(3,005)	(1,341)	(1,145)	(1,052)	(1,022)
Troubled Families	(539)	(539)	(539)	(539)	(539)
Local Projects	(175)	(350)	(525)	(700)	(875)
Notting Hill Carnival	(375)	(375)	(188)	(188)	(188)
Street Trading	(272)	(78)	(78)	(78)	(78)
Proceeds of Crime	(110)	(60)	(60)	(60)	(60)
Dedicated Schools Grant	4,901	6,843	7,684	7,684	7,684
Total GF Earmarked Reserves	(126,387)	(95,734)	(75,256)	(64,690)	(56,061)
GF Working Balance	(10,000)	(10,000)	(10,000)	(10,000)	(10,000)
Total GF Reserves	(136,387)	(105,734)	(85,256)	(74,690)	(66,061)

Grenfell

The Grenfell Reserve will be used to fund the five-year Recovery Strategy that was agreed in January 2019. The Council's commitment is to fund £50m expenditure over a five-year period. By 2023/24, there will be a residual balance on the Grenfell reserve which will enable continuation of dedicated support beyond the initial 5-year period

Special Projects

Following the fire at Grenfell Tower in June 2017, a review of the Council's reserves was undertaken. In most cases, funding was used to contribute towards the acquisition of new homes. At the same time, it was recognised that a need for some reserves remained. The Special Projects Reserve was established with a focus on being available for one off funding requirements. Recently, this reserve has been used to implement service re-design, transformation, pump priming for invest to save and revenue costs for delivering capital schemes, such as feasibility studies. In terms of invest to save, the Council is introducing a process to monitor against savings achieved on investment and this will be reported as part of the quarterly finance update to Leadership Team. With significant budget reductions still to be identified, officers are working on the assumption that some use will be required, either to support the delivery of savings or for one off costs.

Re-Organisation Reserve

This reserve was established for 2019/20. Delivery of budget reductions of £10.6m in 2021/22 across services and in excess of £30m over the next two years will result in some staffing and Organisational Development implications. This may include skills and development but may also include some staff reductions and possible redundancy costs. This reserve has been established to fund some of these one-off costs. Further use is inevitable over the next three years.

Car Parking

The planned use of Car Parking Reserve is mainly focussed on funding expenditure in the Capital Programme over the next three years. The reserve may also be used for funding one off projects where spending meets the criteria.

Public Health

This reserve holds unspent Public Health grant income from previous years and where contact efficiencies have been found as part of re-procurement processes. The funds in the reserve will be used to support the Council's COVID-19 recovery over the next three years.

Insurance

The Insurance Fund is held to cover future self-insurance liabilities, especially in the event of unexpected increase in claim numbers or costs that need to be funded due to the first layer of self-insured retention of risk - £250,000 each claim. Whilst there is no planned use of the reserve over the next three years, the Council may have possible future liabilities linked to Grenfell that may require use of the insurance or other reserves.

Budget Stabilisation

The Budget Stabilisation Reserve was another reserve established following the review of reserves in 2017 but is different to the Special Projects Reserve. The end of year underspends over the previous two years have been transferred to this budget stabilisation reserve. There are plans to use £4m of this reserve to part fund the £8m COVID-19 Recovery Framework in 2021/22. There is no other planned use of the reserve from 2021 onwards but use of this reserve in managing any further short term COVID-19 pressures into 2021/22 or managing fluctuations and uncertainty in Government funding cannot be ruled out.

London Residuary Body (LRB)

The LRB reserve contains the balance of funding transferred to the Borough to fund residual liabilities relating to the former LRB. This reserve holds a fixed annual contribution that provides for variable annual maintenance costs.

Budget Carry Forward

The budget carry forward reserve includes balances that have been put aside from previous years but for which there is planned use over the next two years.

DSG

This reserve is ring-fenced for the Dedicated Schools Grant (DSG) which supports provision for the Council's maintained schools

Troubled Families Reserve

This reserve has been created to manage balances of Troubled Families Grant Funding between Years.

Affordable Housing Reserve

This reserve has been established for funds received to support the delivery of Affordable Housing in the borough. In 2019/20, this included the Capital Receipt from the Wornington Road site following the sale to DfE.

Local Projects

The Council Tax from those who are bereaved and survivors of the Grenfell Tower fire tragedy will be paid into the fund each year. The money will be ringfenced and focussed on supporting opportunities for disadvantaged young people or those who need help with employment and skills; mainly, but not exclusively, for those who live in social housing in the borough. The decisions on the how the funds are spent across projects will be in line with the Council's decision-making process – subject to Leadership Team approval.

In line with the recommendation, the Section 151 Officer, in consultation with the Lead Member for Finance will have delegated responsibility to agree transfers to and from reserves up to the value of £250,000. Any transfer in excess of £250,000 will be subject to Leadership Team approval.

APPENDIX 3 - SERVICE AREA AND SUBJECTIVE AND BUDGET SUMMARIES

Council Wide

Service area	Budget 2020/21	Inflation	Savings	Growth	Other	Budget 2021/22
	£000	£000	£000	£000	£000	£000
Adult Social Care	39,454	776	(995)	500	(177)	39,558
Public Health	-					-
Children's Services	41,467	400	(2,242)	1,081	833	41,539
Environment and Communities	26,323	241	(3,851)	1,980	408	25,102
Housing and Social Investment	7,465	1,056	(837)	1,220	(418)	8,486
Resources and Customer Delivery	29,039	774	(2,660)	1,273	912	29,338
Services Budgets Total	143,748	3,247	(10,585)	6,054	1,558	144,023
Grenfell Recovery	12,000				(1,500)	10,500
Grenfell Corporate Costs	4,500				(500)	4,000
Net Cost of Services	160,248	3,247	(10,585)	6,054	(442)	158,523

Subjective Analysis	Budget 2020/21	Inflation	Savings	Growth	Other	Budget 2021/22
	£000	£000	£000	£000	£000	£000
Employees	112,128	827	(5,180)	1,857	3,947	113,579
Premises	22,417	707	0	0	(3,596)	19,528
Transport	628	0	(0)	0	(4)	624
Supplies & Services	72,857	(148)	(757)	716	(27)	72,641
Third Party Payments	220,584	3,862	(3,897)	1,881	4,326	226,756
Transfer Payments	123,740	132	0	0	285	124,157
Internal Trading charges	283	0	0	0	0	283
Support Service Recharge	28,187	1	0	0	(1,949)	26,239
Depreciation	10,227	0	0	0	1,603	11,830
Total Expenditure	591,050	5,381	(9,833)	4,454	4,585	595,636
Government Grants	(159,497)	0	(6)	0	(2,001)	(161,504)
Dedicated Schools Grant	(75,889)	0	0	0	(2,185)	(78,074)
Other Grants	(12,950)	(1,176)			0	(14,126)
Other Income	(88,008)	(820)	(547)	1,000	3,895	(84,480)
Client Receipts	(70,215)	(135)	(206)	600	(319)	(70,275)
Income from Internal Trading charges	(4,134)	0	0	0	72	(4,062)
Recharge Income	(36,608)	(3)	8	0	(2,490)	(39,093)
Total Income	(447,302)	(2,134)	(751)	1,600	(3,026)	(451,613)
Net Expenditure	143,748	3,247	(10,585)	6,054	1,558	144,023

Adult Social Care

Service area	Budget 2020/21	Inflation	Savings	Growth	Other	Budget 2021-22
	£000	£000	£000	£000	£000	£000
Assistive Equipment and Technology	225	-	-	-	-	225
Commissioning and Service Delivery	5,942	114	(132)	-	(139)	5,785
Learning Disability Support	8,120	122	(334)	263	(5)	8,166
Mental Health Support	3,810	260	(64)	237	(1)	4,242
Physical Support	12,867	226	(230)	-	(31)	12,832
Sensory Support	149	2	(2)	-	-	149
Social Care Activities	7,029	21	(204)	-	-	6,846
Substance Misuse Support ¹	0	-	-	-	-	-
Support for Carer ²	0	-	-	-	-	-
Support with Memory and Cognition	1,186	31	(29)	-	(1)	1,187
Supporting People	126	-	-	-	-	126
	39,454	776	(995)	500	(177)	39,558

Subjective Analysis	Budget 2020/21	Inflation	Savings	Growth	Other	Budget 2021-22
	£000	£000	£000	£000	£000	£000
Employees	12,866	120	(452)	-	(170)	12,364
Premises	274	-	-	-	-	274
Transport	118	-	-	-	-	118
Supplies & Services	1,837	(157)	-	-	(8)	1,672
Third Party Payments	43,177	1,890	(666)	500	(51)	44,850
Transfer Payments	6,373	132	-	-	(12)	6,493
Support Service	3,267	-	-	-	-	3,267
Recharge						
Depreciation	168	-	-	-	6	174
Total Expenditure	68,080	1,985	(1,118)	500	(235)	69,212
Government Grants	(7,907)	-	-	-	12	(7,895)
Other Grants	(12,950)	(1,176)	-	-	-	(14,126)
Client Receipts	(5,578)	(30)	115	-	46	(5,447)
Internal Depart Recharge	(2,191)	(3)	8	-	-	(2,186)
Total Income	(28,626)	(1,209)	123	0	58	(29,654)
Net Expenditure	39,454	776	(995)	500	(177)	39,558

¹ Spend on substance misuse is £292,000. This is funded through PH grant and therefore net spend is shown as zero.

² Spend on carers is £557,000. This is funded through PG grant and BCF and therefore net spend is shown as zero

Children's Services

Service area	Budget 2020/21	Inflation	Savings	Growth	Other	Budget 2021/22
	£000	£000	£000	£000	£000	£000
Education	7,997	283	(492)	660		8,448
Family Services	25,312	96	(915)	421	(114)	24,800
Operations and Programmes	6,983	21	(835)		(60)	6,109
School Funding	1,175				1,007	2,182
	41,467	400	(2,242)	1,081	833	41,539

Subjective Analysis	Budget 2020/21	Inflation	Savings	Growth	Other	Budget 2021-22
	£000	£000	£000	£000	£000	£000
Employees	31,607	159	(1,289)	127	-	30,604
Premises	592	-	-	-	(174)	418
Transport	191	-	-	-	-	191
Supplies & Services	21,554	-	(260)	-	-	21,294
Third Party Payments	89,596	241	(388)	954	2,352	92,755
Depreciation	1,173	-	-	-	1,007	2,180
Total Expenditure	144,713	400	(1,937)	1,081	3,185	147,442³
Government Grants	(11,098)	-	-	-	-	(11,098)
Dedicated Schools Grant	(75,889)	-	-	-	(2,185)	(78,074)
Other Income	(10,910)	-	(250)	-	(167)	(11,327)
Client Receipts	(5,349)	-	(55)	-	-	(5,404)
Total Income	(103,246)		(305)		(2,352)	(105,903)
Net Expenditure	41,467	400	(2,242)	1,081	833	41,539

³ Includes £78.074m of spend on schools that is fully funded from the Dedicated Schools Grant

Environment and Communities

Service area	Budget 2020/21	Inflation	Savings	Growth	Other	Budget 2021-22
	£000	£000	£000	£000	£000	£000
Cleaner, Greener & Cultural Services	29,059	840	(1,897)	490	(223)	28,269
Communities	8,385	28	(237)	530	49	8,754
Executive, Finance and Contingency	1,010	6	(6)	(40)	-	970
Libraries & Registrars	3,758	27	(353)		(2)	3,429
Planning and Place	3,943	41	(197)	990	(684)	4,093
Streets & Regulatory Services	17,183	78	(446)	10	1,207	18,032
Parking	(37,014)	(779)	(714)	-	61	(38,446)
	26,323	241	(3,851)	1,980	408	25,102

Subjective Analysis	Budget 2020/21	Inflation	Savings	Growth	Other	Budget 2021-22
	£000	£000	£000	£000	£000	£000
Employees	27,781	240	(1,128)	780	621	28,295
Premises	3,743	91	-	-	50	3,884
Transport	234	-	(0)	-	(4)	230
Supplies & Services	19,529	-	(196)	458	(2,602)	17,189
Third Party Payments	32,768	710	(2,008)	142	1,936	33,548
Support Service Recharge	13,521	-	-	-	(2,740)	10,781
Depreciation	5,196	-	-	-	279	5,475
Total Expenditure	102,771	1,041	(3,331)	1,380	(2,460)	99,400
Government Grants	(10)	-	(6)	-	10	(6)
Other Income	(55,228)	(800)	(297)	-	3,243	(53,082)
Client Receipts	(21,209)	-	(216)	600	(386)	(21,211)
Total Income	(76,448)	(800)	(519)	600	2,868	(74,299)
Net Expenditure	26,323	241	(3,851)	1,980	408	25,102

Housing and Social Investment

Service area	Budget 2020/21	Inflation	Savings	Growth	Other	Budget 2021-22
	£000	£000	£000	£000	£000	£000
Housing Needs Management	1,191	5	-	220	372	1,788
Homelessness & Housing Options	4,597	21	-	-	(573)	4,045
Housing Solutions & Accommodation	8,824	1,013	(787)	-	(58)	8,992
Housing Support Services	1,227	7	(40)	-	299	1,493
Supporting People	4,832	-	-	-	(101)	4,731
	20,671	1,046	(827)	220	(61)	21,050
Social Investment & Property	(13,206)	10	(10)	1,000	(358)	(12,564)
	7,465	1,056	(837)	1,220	(419)	8,486

Subjective Analysis	Budget 2020/21	Inflation	Savings	Growth	Other	Budget 2021-22
	£000	£000	£000	£000	£000	£000
Employees	6,891	55	(50)	200	(379)	6,718
Premises	621	-	-	-	(30)	591
Transport	10	-	-	-	0	10
Supplies & Services	1,131	-	-	20	23	1,174
Third Party Payments	48,891	1,000	(787)	-	(249)	48,855
Support Service Recharge	3,414	1	-	-	746	4,161
Depreciation	605	-	-	-	(418)	187
Total Expenditure	61,563	1,056	(837)	220	(307)	61,695
Government Grants	(3,943)	-	-	-	(300)	(4,243)
Other Income	(15,769)	-	-	1,000	2,688	(12,081)
Client Receipts	(32,594)	-	-	-	(10)	(32,604)
Recharge Income	(1,792)	-	-	-	(2,490)	(4,282)
Total Income	(54,098)	-	-	1,000	(111)	(53,209)
Net Expenditure	7,465	1,056	(837)	1,220	(418)	8,486

Resources and Customer Delivery

Service area	Budget 2020/21	Inflation	Savings	Growth	Other	Budget 2021-22
	£000	£000	£000	£000	£000	£000
Chief Executive	2,583	8	(30)	-	138	2,699
Communications	19	4	(2)	-	-	21
Audit, Risk, Fraud and Insurance	611	11	(77)	-	191	736
Information and Communication Technology	1,215	38	(120)	348	1,168	2,649
Corporate Strategy	824	5	(56)	410	229	1,412
Customer Delivery	12,961	613	(1,189)	-	(396)	11,989
Financial Management	6,302	35	(1,016)	375	(420)	5,276
Human Resources and Elections Service	1,482	26	(115)	140	(7)	1,526
Legal and Governance Services	3,042	34	(55)	-	9	3,030
	29,039	774	(2,660)	1,273	912	29,338

Subjective Analysis	Budget 2020/21	Inflation	Savings	Growth	Other	Budget 2021-22
	£000	£000	£000	£000	£000	£000
Employees	32,357	253	(2,261)	750	3,874	34,973
Premises	17,187	616	-	-	(3,442)	14,361
Transport	75	-	-	-	-	75
Supplies & Services	9,556	9	(301)	238	2,319	11,821
Third Party Payments	6,152	21	(48)	285	338	6,748
Transfer Payments	117,367	-	-	-	297	117,664
Internal Trading charges	283	-	-	-	-	283
Support Service	7,985	-	-	-	-	7,985
Recharge	-	-	-	-	-	-
Recharge from another Department	-	-	-	-	45	45
Depreciation	3,085	-	-	-	729	3,814
Total Expenditure	194,047	899	(2,610)	1,273	4,160	197,769
Government Grants	(115,683)	-	-	-	(1,309)	(116,992)
Other Income	(7,081)	(20)	-	-	(2,042)	(9,143)
Client Receipts	(5,485)	(105)	(50)	-	31	(5,609)
Income from Internal Trading charges	(4,134)	-	-	-	72	(4,062)
Recharge Income	(32,625)	-	-	-	-	(32,625)
Total Income	(165,008)	(125)	(50)	-	(3,248)	(168,431)
Net Expenditure	29,039	774	(2,660)	1,273	912	29,338

Grenfell Recovery Programme

Service area	Budget 2021-22 £'000
Bereaved and Survivors	
Dedicated Service	3,800
Dedicated Service c/f to Support Future Services	700
Housing	
• Support	350
• Accommodation	150
Support Costs	250
	5,250
Wider Community	
Targeted Support	
• Schools based provision	500
• Community based provision for children and young people	500
• Provision for adults	500
• For children and families	250
Community Programme	
• The Curve	1,300
• Community Engagement	1,200
Housing Legacy Projects	500
Support Costs	500
	5,250
Grenfell Recovery	10,500

APPENDIX 4 - SPENDING AND INCOME PRESSURES

Additional Budget Provision Required	2021/22 £'000	2022/23 £'000	2023/24 £'000	Total £'000
A GREAT PLACE TO LIVE, WORK AND LEARN				
Communities				
Strengthen the Communities Team in order to improve community engagement and ensure community investment is in line with residents' priorities. (Reference GPLa)	391	0	0	391
Environment				
On-going maintenance and development costs of new street works register (Reference GPLb)	8	0	0	8
Housing and Social Investment				
In the aftermath of the Grenfell tragedy the Council created a Community Development Team which undertakes non-housing management related engagement, partnership and communication work with residents on Lancaster West Estate and the wider neighbourhood.	285	5	6	296
Additional budget required to fund long-term shortfall on commercial properties (Reference GPLe)	1,000	0	0	1,000
Additional staffing costs following the creation of new Housing and Social Investment Directorate (Reference GPLd).	220	0	0	220
A GREAT PLACE TO LIVE, WORK AND LEARN TOTAL	1,094	5	6	1,915
FINANCE AND CUSTOMER DELIVERY				
Following the centralisation of the Adult Social Care and Children's Services IT teams this will fund the historic budget shortfall (Reference CCa)	200	0	0	200
Funding for long term budget shortfall for trade union duties (Reference CCb)	67	0	0	67
Funding for long term shortfall for canvassers within the Election Service (Reference CCc)	70	0	0	70
Funding for the creation of the new Corporate Strategy Team which will coordinate plans, actions and delivery across the Council. (Reference CCd)	410	0	0	410
Additional budget required for the valuation of the Council's fixed assets in order to comply with statutory financial reporting requirements (Reference CCd)	90	0	0	90

Additional Budget Provision Required	2021/22 £'000	2022/23 £'000	2023/24 £'000	Total £'000
Security Enhancements for Bi-Borough Information Security (Reference CCe)	148	0	0	148
FINANCE AND CUSTOMER DELIVERY TOTAL	985	-	-	985
HEALTHY, CLEAN & SAFE				
Environment				
Increased costs as a result of an increase in recycling and waste disposal costs (Reference HCSd)	489	404	0	893
Additional Payments for Emergency Duties (Reference HCSf)	100	0	0	100
Longer term spending pressures are difficult to estimate but based on previous years, financial plans assume budget pressures of £500,000 in 2023/24 for the Environment and Community services (Reference HCSe)	0	0	500	500
Planning and Transport				
Additional resources required to ensure Building Control meets new requirements following new regulatory regime (Reference HCSb)	288	0	0	288
Budget provision for the Planning and Growth team to commission external and specialist advice to support growth opportunities (Reference HCSg)	100	0	0	100
Funding for the long term shortfall of the planning income budget due to economic conditions and fewer applications (Reference HCSc)	600	0	0	600
HEALTHY, CLEAN & SAFE TOTAL	1,577	404	500	2,481
SUPPORTING AND SAFEGUARDING VULNERABLE RESIDENTS				
Adult Social Care and Public Health				
Additional funding to address the increasing complexity of need of vulnerable adults and people living longer (Reference SSVe)	500	500	500	1,500
Family and Children's Services				
Additional costs for an increased number of jointly funded social care placements (Reference SSVh)	78	86	0	164
Additional costs for the Looked After Children budget to address greater complexity of care (Reference SSVi)	144	150	0	294
Increased costs from an increase in care leaver numbers. This is due to the age profile of current looked after children and the statutory extension of support provision to 25. (Reference SSVj)	225	250	0	475

Additional Budget Provision Required	2021/22 £'000	2022/23 £'000	2023/24 £'000	Total £'000
Additional costs for children's passenger transport service because of increasing numbers and more children with greater complexity of care needing transport to school (Reference SSVg)	216	238	0	454
Additional demand and cost of short break packages. (Reference SSVb)	162	78	0	240
Additional staffing costs for the increasing number of referrals and greater complexity of need for respite care and short breaks for families with children with disabilities. (Reference SSVa)	127	214	-	341
Growth to support continuation of Troubled Families service in event of grant funding being discontinued (Reference SSVc)	0	429	0	429
Growth to support increasing referral numbers and children with greater complexity of care needs (Reference SSVk)	129	0	0	129
Longer term spending pressures are difficult to estimate but based on previous years, financial plans assume budget pressures of £500,000 in 2023/24 for Children and Family services (Reference SSVd)	0	0	500	500
Housing and Social Investment				
Additional costs of supporting the increasing numbers of people in temporary accommodation (Reference SSVf)	909	800	1,000	2,709
SUPPORTING AND SAFEGUARDING VULNERABLE RESIDENTS TOTAL	2,490	2,745	2,000	7,235
GRAND TOTAL	6,956	3,154	2,506	12,616

APPENDIX 5 - 2021/22 SERVICE BUDGET REDUCTIONS

Savings Items	2020/21 £'000	2021/22 £'000	2022/23 £'000	2023/24 £'000	Total £'000
STAFFING – COUNCIL WIDE					
Savings following a review of the Council's staffing model and pay and grading structure to improve the efficiency of decision making, reduce unnecessary duplication, and reduced use of agency staff.	212	4,756	-	-	4,968
A GREAT PLACE TO LIVE, WORK AND LEARN					
Family and Children's Services					
Additional income from traded services with schools (Reference GPL1)	-	55	-	-	55
Planning and Transport					
Efficiency savings following review of the planning legal budget (Reference GPL3)	-	50	-	-	50
A GREAT PLACE TO LIVE, WORK AND LEARN TOTAL	-	105	-	-	105
A PLACE OF CULTURE TO VISIT AND EXPLORE					
Culture, Leisure and Community Safety					
One off external funding towards staff costs at Leighton House Museum.	-	19	(19)	-	-
Economy, Employment and Innovation					
Additional income from opportunities for partnership working and income generation in Libraries (Reference PoC2)	-	200	-	-	200
A PLACE OF CULTURE TO VISIT AND EXPLORE TOTAL	-	219	(19)	-	200
FINANCE AND CUSTOMER DELIVERY					
Reviewing contracts within Customer Services for potential efficiencies. (Reference CC4)	-	100	-	-	100
Savings through the review of the Council's spend on subscriptions (Reference CC9)	-	100	-	-	100
Savings through reducing the Council's external legal spend and instead growing expertise in-house. (Reference CC10)	-	37	-	-	37
Savings on stationery and printing costs within Financial Management (Reference CC6)	26	-	-	-	26
Efficiency savings from implementation of single IT Service Desk Model and the cloud migration (Reference CC7)	-	120	39	-	159

Savings Items	2020/21 £'000	2021/22 £'000	2022/23 £'000	2023/24 £'000	Total £'000
Financial Systems - efficiency savings on contracts. (Reference CC10)	-	36	-	-	36
Efficiencies in the Governance and Mayoralty Service (Reference CC14)	-	28	-	-	28
FINANCE AND CUSTOMER DELIVERY TOTAL	26	421	39	-	486
HEALTHY, CLEAN & SAFE					
Community Safety, Culture and Leisure					
Additional income from filming and events in parks and leisure centres (Reference HCS17)	-	10	-	-	10
Environment					
New waste and Street Cleansing contract procured at lower cost following re-tendering exercise whilst still retaining quality. (Reference HCS14)	-	1,605	-	-	1,605
Additional income from changes in the structure for charging for Highways Licenses (Reference HCS4)	-	48	-	-	48
Additional income from changes in the structure for charging for residents permits. (Reference HCS2)	-	278	-	-	278
Additional income from Garden Waste Service (Reference HCS9)	-	10	-	-	10
New Recycling Bag contract procured at lower cost following re-tendering exercise. (Reference HCS13)	-	60	-	-	60
The Department for Transport have recently extended lane rental powers to highway authorities following trials held with Transport for London and Kent County Council. This scheme will involve work promoters having to pay a daily charge for every day they are on site carrying our street works. Income planned from 2023/24 (Reference HCS5)	-	-	-	45	45
The introduction of cashless parking will bring lower maintenance costs relating to the pay-and-display machines due to reduced need for cash handling. (Reference HCS3)	-	320	-	-	320
Savings following a review of corporate grants with a focus on clearer co-ordination with the voluntary and community sector (Reference HCS15)	-	100	120	-	220

Savings Items	2020/21 £'000	2021/22 £'000	2022/23 £'000	2023/24 £'000	Total £'000
Other value for money and efficiency savings	-	23	-	-	23
HEALTHY, CLEAN & SAFE TOTAL	-	2,454	120	45	2,619
SUPPORTING AND SAFEGUARDING VULNERABLE RESIDENTS					
Adult Social Care and Public Health					
The Council has block contracts for care placements. These reductions are from a more efficient use of voids within these contracts to enable allocation of spot placements and avoid additional expenditure on external provision. (Reference SSV2)	-	390	-	-	390
This is a continuation of work that has already commenced in Mental Health facilities and some Learning Difficulty facilities in the borough. The savings are to be realised by working with existing residents to ensure they access and utilise Housing Benefit they are entitled to which will reduce the need for council expenditure. (Reference SSV3)	-	217	-	-	200
Family and Children's Services					
Increased income for Joint Funding for Social Care Placements (Reference SSV11)	-	250	-	-	250
Contingency previously built into Youth Services budget not required (Reference SSV5)	-	260	-	-	260
Review of Tri-Borough Placement Service Cost-Sharing Arrangements (Reference SSV6)	-	89	-	-	89
Housing and Social Investment					
Savings on temporary accommodation costs with a focus on prevention and early intervention and supporting households moving out of temporary accommodation (Reference SSV9)	-	706	294	-	1,000
SUPPORTING AND SAFEGUARDING VULNERABLE RESIDENTS TOTAL	-	1,912	294	-	2,206
TOTAL OF NEW SAVINGS	238	9,867	434	45	10,584
PREVIOUSLY APPROVED SAVINGS		2,443			2,443
GRAND TOTAL	238	12,310	434	45	13,027

APPENDIX 6 - FEEDBACK FROM BUDGET CONSULTATION

1. Consultation with the wider community

A consultation was carried out on the draft savings proposals and new capital investment. Information was included on the Council's website and was communicated broadly through various channels to the general public, businesses and key partners, inviting them to contribute. The consultation ran from 15 November 2020 to 21 January 2021. Over this period, five responses were received. Of the response, two were in support of the proposals, two opposed and one chose 'neither support nor oppose'.

The main issues raised are summarised below:

- The Council should consider the scope for increasing income by raising residents' parking charges and graduating them upwards by level of polluting emissions;

Response: The parking charges introduced from 2021 reflect the Council's moves from a resident parking permit structure with seven price bands to one which is more directly related to the CO2 emissions of the vehicle. This type of pricing for residents' parking permits would be a first for the UK and provides a greater incentive for residents to choose cleaner vehicles, particularly electric vehicles, which will support the Council's efforts in tackling air pollution and climate change. Parking charges will continue to subject to annual review.

- Investigate scope for using concealed speed cameras and 'noise cameras' to fine irresponsible road users and raise income'.

Response: The police are responsible for the installation and management of speed cameras rather than this being a Council responsibility. However, in 2019, Leadership Team agreed the enforcement of traffic and parking contraventions moving traffic contraventions in response residents' concerns. A copy of the report is available on the Council's website.

<https://www.rbkc.gov.uk/howwegovern/keydecisions/decision.aspx?DecisionID=5455>

More recently, there is a pilot in parts of the borough of acoustic cameras to monitor noise levels. The Council will consider the feedback from this pilot before making a decision for a wider roll out across the borough.

- Need for investment in safe cycling and walking infrastructure in order to improve transport resilience and keep the economy moving under COVID-19 restrictions;

Response: Although the draft capital programme for 2020/21 to 2023/24 does not include specific schemes for safe cycling and walking, the programme does include £3m for street scene improvements and £387,000 of cycleways, which will include an element on ensuring the borough provides for safe cycling and walking. In addition, the Council is investing £10m over the next 10 years to address Climate Change and developing a Green Plan. Cycling and Walking will be a key element of the plan.

- Investment into High Street Kensington to support the local economy;

Response: Supporting local high street is important, particularly in recovering from COVID-19 and supporting the local economy. Officers are currently considering options and it is likely that further investment will be required during 2021/22 in addition to the £206,000 that is already in the Capital Programme.

- Support and additional investment for leisure facilities;

Response: The borough's leisure facilities have been severely impacted by COVID-19 both in terms of lockdowns and also reduced footfall. The Council's own two leisure centres which are managed by GLL have received Council support over the last 12 months and further support cannot be ruled out for the remainder of the year to ensure recovery from the pandemic.

- Support for the digitally excluded - Increased investment in broadband across the borough, particularly for visitors areas and to school children needing financial support and those required to isolate;

Response: The Council is not directly responsible for IT infrastructure across the borough but fibre broadband is being laid by a private provider.

The Council recognises the increasing move to online and the digital age. However, this is not always an option – whether it be because of access to IT, use of IT or wider access to broadband. Digital Inclusion is a workstream within the Council's Transitions Programme which will aim to address the inequality in the long term. However, more immediate support is required and the Council is looking at what can be provided now – an example being the use of Section 106 money the Council is supporting schools to provide access to laptops for vulnerable families.

- Income maximisation and increasing interest earned to support the funding of services;

Response: The Council is required to set a balanced budget each year so looking at opportunities for income generation to support service deliver is important. Alongside this report is the Council's 2021/22 Treasury Management Strategy which sets out our prudent approach to investment of income over the next year.

- Investment into Council homes and affordable housing;

Response: The Council's New Homes Programme will see the development of at least 600 new homes across the borough, of which at least 300 will be for social rent. The remaining 300 will be a combination of intermediate and market rent. In addition, the Council continue to look for opportunities to offer further homes, including investment into its existing housing stock. Full details are set out in the Housing Revenue Account Business Plan which is elsewhere on the agenda.

- Investigate library use with a view of whether it is cost efficient;

Response: Libraries are key focal point of the local community. Additional capital investment of £600,000 is proposed for Central Library to improve the entrance and space within the library and allow it to offer a range of different services for residents,

visitors and businesses. However, it is also critical that these services are cost efficient and the Council will continue to review its libraries service to reduce costs where possible but also generating income through offering a range of services. The 2021/22 budget includes additional income of £200,000 from opportunities for partnership working and income generation in libraries.

- Consider a move out of the Town Hall.

Response: The Council is undertaking a review of its operational buildings to reduce operational costs but within the context of ensuring they support service delivery supports the Council's priority of social investment and they support the Council's new ways of working.

Lead Members welcome this feedback and have considered the responses. No changes are proposed to the draft 2021/22 revenue budget or Capital Programme 2020/21 to 2023/24 as a result but the feedback will be considered as part of shaping spending plans going forward.

APPENDIX 7 - OSC BUDGET WORKING GROUP RESPONSE TO FINAL REPORT RECOMMENDATIONS

The report of the Overview and Scrutiny Committee (OSC) is attached and following the budget consultation process, four recommendations have been put forward.

Lead Members have considered these recommendation and responses are summarised as follows. The recommendations have not resulted in any changes to the 2021/22 revenue budget and capital programme presented in this report.

Recommendation One – to continue to scrutinise the 3 major savings proposals relating to the Transitions Programme, the Waste and Street Cleansing Contract and Temporary Accommodation.

Transitions Programme

The Lead Member for Finance welcomes this recommendation. The Overview and Scrutiny Working Group received a summary of the programme at their meeting on 26 January 2021. The programme consists of nine individual workstreams and with the exception of Decision Making Accountability and reducing spend on agency staff, there are currently no savings included in the 2021/22 budget from the programme.

The Transitions Programme will be driven forward in 2021/22 with a focus on improving services whilst at the same time delivering cost reductions. Any potential savings will be put forward as part of the 2022/23 budget process. The Lead Member welcomes the ongoing input from the Overview and Scrutiny Committee in the programme over the next 12 months.

Waste and Street Cleaning Contract

The new waste and street cleaning contract will commence from 1 April 2021. The Lead Member for Environment and Transport welcomes the recommendation from the Overview and Scrutiny Committee to scrutinise the new contract and this could be managed through reporting on progress through the Environment Select Committee.

Temporary Accommodation

There are currently 2,170 households in temporary accommodation. Addressing homelessness and the number of new households presenting as homeless continues to be high. There also remains a risk over the short and medium term that these numbers may increase further as some of the Government support, such as through the Furlough Scheme, come to an end in 2021. Addressing this is a key priority for the Council.

Through a combination of preventing homelessness, greater use of private sector rented housing as an alternative to TA, improving processes and negotiating with landlords, the Council are aiming to reduce the number of households in TA and also in the net costs of supporting households.

Aligned with this is the proposal to set aside up to £40m over the two years from 2021/22 for capital investment to increase the supply of temporary accommodation for which options are being developed and will be presented to Leadership Team during 2021/22. The Deputy Lead Member for Grenfell, Housing and Social Investment welcomes this recommendation and for the Overview and Scrutiny Committee (or through the relevant Select Committee) to closely monitor both households presenting as homelessness, households in temporary accommodation and proposals to address these pressures.

Recommendation Two – the Lead Member conducts an evaluation of consultation with residents on the budget proposals and brings a report to the Overview and Scrutiny Committee with options for the 2021/22 budget proposals.

A consultation was carried out on the draft savings proposals and new capital investment. Information was included on the Council's website and was communicated broadly through various channels to the general public, the voluntary sector, businesses and key partners, inviting them to contribute.

Only five responses were received which is low but in line with previous years. Lead Members recognise there is always room for improvement and will work with Overview and Scrutiny Committee and ward members to ensure that the consultation is cross borough and all relevant stakeholders are engaged for future consultations.

Going forward, the Council is keen that the budget consultation process is expanded – starting with engagement early in the financial year on the financial position and the medium term financial position, to engage residents business and other key stakeholders in shaping the spending plans for the year ahead and then specific consultation on budget proposals in the autumn but which are aligned to the Council Plan and priorities that have been shaped by residents.

The Lead Member welcome the support of Overview and Scrutiny Committee in both shaping consultation and engagement going forward but also in shaping their own engagement in the process.

Recommendation Three - To continue with the Budget Working Group to enable effective scrutiny of the Council's budget throughout the year and to commence the process much earlier in the new financial year.

The Lead Member supports this recommendation. The Overview and Scrutiny Working Group has been an important part of the budget consultation process. Their process and feedback has been welcomed. Going forward, the Council is keen that the budget consultation process is expanded – starting with engagement early in the financial year on the financial position and the medium term financial position, to engage residents business and other key stakeholders in shaping the spending plans for the year ahead and then specific consultation on budget proposals in the autumn but which are aligned to the Council Plan and priorities that have been shaped by residents.

The Lead Member would welcome the opportunity to engage early in the new year with the Overview and Scrutiny Committee to develop a plan for its engagement into shaping spending plans and the budget for 2022/23 and over the medium term. The Lead Member commits to bringing an options paper to Overview and Scrutiny Committee to its first meeting in the new financial year.

Recommendation Four – Quarterly finance and performance reports are included in the agendas of the Overview and Scrutiny Committee to further enhance budget scrutiny

The Lead Member for Finance supports this recommendation and over the next 12 months, embedding a performance management culture through the organisation – from the Corporate Plan to business planning. From quarter 1, the financial position, forecast and current finance issues will be reported to Overview and Scrutiny Committee on a quarterly basis and in advance of Leadership Team to ensure Lead Members account for the feedback

from Overview and Scrutiny Committee. As performance information is collected and reported more widely across services, this will be reported alongside finance information to Overview and Scrutiny Committee but further work is required in this area and updates on progress will be reported to Overview and Scrutiny Committee.

APPENDIX 8 - COUNCIL TAX RESOLUTION

Statutory Determination of Council Tax 2021/22

by the Royal Borough of Kensington and Chelsea

The Council is recommended, in accordance with the *Local Government Finance Act 1992*, to:

- 1) Note that the Executive Director of Resources, acting under delegated authority, has calculated its Council Tax Base for the year 2021/22:
 - i) for the whole Council area as **97,001** in accordance with the relevant regulations; and
 - ii) as set out in column 3 of **Appendix 9** (Garden Square Levies) for those parts of its area to which one or more special items relate, as calculated under the relevant regulations.
- 2) Notes the Collection Fund deficit (Council's share) of **£9.787m at 31 March 2021**.
- 3) Note the statements in section 36 of the report regarding the robustness of budget estimates and adequacy of reserves relating to the 2021/22 budget,
- 4) Agree the following amounts be calculated for the year 2021/22 in accordance with Sections 31A, 31B and 34 to 36 of the Act:
 - i) **£630.257 million** as the aggregate of the amounts that the Council estimates for the items set out in Section 31A(2)(a) to (f) of the Act, taking into account the special items issued to the Council;
 - ii) **£536.426 million** as the aggregate of the amounts that the Council estimates for the items set out in Section 31A(3)(a) to (d) of the Act;
 - iii) **£93.831 million** as the Council Tax Requirement in accordance with Section 31A (4) of the Act, being the amount by which the aggregate at 4i) above exceeds the aggregate at 4ii) above;
 - iv) **£967.32** as the basic amount of Council Tax for the year, being the Council Tax Requirement at 4iii) above, divided by the Council Tax Base set out at 1i) above, in accordance with Section 31B (1) of the Act;
 - v) **£1,686,253** being the aggregate amount of the special items under Section 35 of the Act for the purposes of Section 34 of the Act;
 - vi) **£949.94** as the basic amount of Council Tax for dwellings in the parts of its area to which no special items apply, being the Council Tax Requirement at 4iv) above less the result of dividing the aggregate of the special items at 4v) above by the Council Tax Base set out in 1i) above, in accordance with Section 34(2) of the Act; and
 - vii) the amounts set out in column 6 of **Appendix 9** (Garden Square special expenses) for each garden square, being the basic amount of Council Tax for a dwelling in each area to which one or more special item applies, calculated by adding to the amount

set out in 4vi) above, the result of dividing the special items for each area, set out in column 4, by the Council Tax Base for each area, set out in column 3, in accordance with Section 34(3) of the Act.

- 5) Note that **Appendix 10** (Royal Borough of Kensington and Chelsea Council Tax) sets out the amounts of Council Tax for 2021/22 for each part of its area and for each of the categories of dwellings excluding precepts payable to other authorities.
- 6) Note that for the year 2021/22, the Greater London Authority has issued precepts to the Council in respect of the functional bodies under its control, in accordance with Section 40 of the Local Government Finance Act 1992, for each of the categories of dwellings as shown below:

Band	2021/22
Band A	£242.44
Band B	£282.85
Band C	£323.25
Band D	£363.66
Band E	£444.47
Band F	£525.29
Band G	£606.10
Band H	£727.32

- 7) Agree that the Council, in accordance with Sections 30 and 36 of the Act, hereby sets the aggregate amounts of Council Tax for 2020/21 for each part of its area and for each of the categories of dwellings as shown in **Appendix 11** (Total Council Tax).

APPENDIX 9 - GARDEN SQUARE LEVIES

ROYAL BOROUGH COUNCIL TAX - GARDEN SQUARES							
KENSINGTON IMPROVEMENT ACT 1851							
(1)	(2)	(3)			(4)	(5)	(6)
CODE	GARDEN SQUARE	BAND D EQUIVALEN TS (dwellings)	GARDEN LEVY	LESS FORECAST COUNCIL TAX SUPPORT	GARDEN SPECIAL EXPENSES	GARDEN TAX BAND D	BAND D TAX INCL GARDEN
			£	£	£	£	£
900	Addison Gardens	126	39,690	- 2,309	37,381	296.68	1,246.62
901	Arundel Gardens/Ladbroke Gardens	248	85,000	- 7,983	77,017	310.55	1,260.49
902	Avondale Park Gardens	32	1,800	- 260	1,540	48.12	998.06
904	Barkston Gardens	255	50,000	- 1,051	48,949	191.96	1,141.90
906	Bina Gardens (West)	187	27,500	- 2,162	25,338	135.50	1,085.44
907	Bolton Gardens	112	44,500	- 554	43,946	392.38	1,342.32
908	Bramham Gardens	396	41,000	- 6,143	34,857	88.02	1,037.96
909	Brompton Square	163	29,000	- 164	28,836	176.91	1,126.85
912	Campden Hill Square	84	35,000	- 1,295	33,705	401.25	1,351.19
913	Campden House Court	220	30,100	-	30,100	136.82	1,086.76
914	Clarendon Road/Lansdowne Road	38	27,500	- 229	27,271	717.66	1,667.60
915	Collingham Gardens	183	34,000	- 146	33,854	184.99	1,134.93
916	Cornwall Gardens	644	80,000	- 1,649	78,351	121.66	1,071.60
917	Courtfield Gardens (East)	212	21,000	- 365	20,635	97.34	1,047.28
918	Courtfield Gardens (West)	430	70,000	- 2,562	67,438	156.83	1,106.77
921	Earls Court Square	291	12,500	- 811	11,689	40.17	990.11
922	Edwardes Square	246	73,723	- 223	73,501	298.78	1,248.72
925	Gledhow Gardens	248	65,000	- 2,757	62,243	250.98	1,200.92
928	Hereford Square	74	25,725	-	25,725	347.64	1,297.58
929	Holland Road/Russell Road	183	28,863	- 4,051	24,811	135.58	1,085.52
930	Hornton Street/Holland Street	118	22,000	- 437	21,563	182.74	1,132.68
933	Iverna Court	206	12,000	-	12,000	58.25	1,008.19
936	Kensington Square	127	30,000	- 3,477	26,523	208.85	1,158.79
939	Lexham Gardens	294	52,000	- 808	51,192	174.12	1,124.06
942	Moreton and Cresswell Gardens	103	28,550	-	28,550	277.18	1,227.12
944	Nevern Square	319	40,700	- 2,447	38,253	119.92	1,069.86
945	Norland Square	173	26,400	- 1,021	25,379	146.70	1,096.64
948	Ovington Square	171	30,000	- 422	29,578	172.97	1,122.91
951	Pembridge Square	199	36,000	- 6,310	29,690	149.20	1,099.14
952	Philbeach Gardens	339	74,000	- 9,267	64,733	190.95	1,140.89
955	Royal Crescent	187	55,600	- 1,746	53,854	287.99	1,237.93
958	St James's Gardens	153	27,591	- 5,383	22,208	145.15	1,095.09
959	Stanley Crescent	187	42,000	- 4,350	37,650	201.34	1,151.28
960	Stanley Gardens (North)	117	45,000	- 1,020	43,980	375.89	1,325.83
961	Stanley Gardens (South)	160	50,000	- 8,649	41,351	258.44	1,208.38
962	Sunningdale Gardens	32	4,000	- 278	3,722	116.32	1,066.26
965	Wetherby Gardens	332	77,000	- 1,859	75,141	226.33	1,176.27

ROYAL BOROUGH COUNCIL TAX - GARDEN SQUARES TOWN GARDENS PROTECTION ACT 1863							
CODE	GARDEN SQUARE	BAND D EQUIVALEN TS	GARDEN LEVY	LESS FORECAST COUNCIL TAX SUPPORT	GARDEN SPECIAL EXPENSES	GARDEN TAX BAND D	BAND D TAX INCL GARDEN
			£	£	£	£	£
975	Arundel Gardens/Elgin Crescent	274	50,000	- 4,681	45,319	165.40	1,115.34
977	Blenheim Crescent/Elgin Crescent	263	70,000	- 5,402	64,598	245.62	1,195.56
978	Emperor's Gate	236	9,750	- 267	9,483	40.18	990.12
979	Ladbroke Grove	55	6,000	- 261	5,739	104.34	1,054.28
980	Rosmead Gardens	134	57,650	- 6,478	51,172	381.88	1,331.82
981	Lansdowne Gardens	154	37,500	- 1,880	35,620	231.30	1,181.24
982	Hanover Gardens	146	32,275	- 1,177	31,098	213.00	1,162.94
984	Montpelier Gardens	114	45,000	- 6,063	38,937	341.56	1,291.50
986	Notting Hill	38	12,000	- 267	11,733	308.75	1,258.69
			1,794,917	- 108,664	1,686,253		

APPENDIX 10 - ROYAL BOROUGH OF KENSINGTON AND CHELSEA COUNCIL TAX

	2021-22							
	ROYAL BOROUGH COUNCIL TAX - BY BAND							
	A	B	C	D	E	F	G	H
PROPERTIES NOT IN GARDEN SQUARES	£ 633.29	£ 738.84	£ 844.39	£ 949.94	£ 1161.04	£ 1372.14	£ 1583.23	£ 1,899.88

KENSINGTON IMPROVEMENT ACT 1851		ROYAL BOROUGH COUNCIL TAX - GARDEN SQUARES BY BAND							
CODE	GARDEN SQUARE	A	B	C	D	E	F	G	H
		£	£	£	£	£	£	£	£
900	Addison Gardens	831.08	969.59	1,108.11	1,246.62	1,523.65	1,800.67	2,077.70	2,493.24
901	Arundel Gardens/Ladbroke Gardens	840.33	980.38	1,120.44	1,260.49	1,540.60	1,820.71	2,100.82	2,520.98
902	Avondale Park Gardens	665.37	776.27	887.16	998.06	1,219.85	1,441.64	1,663.43	1,996.12
904	Barkston Gardens	761.27	888.14	1,015.02	1,141.90	1,395.66	1,649.41	1,903.17	2,283.80
906	Bina Gardens (West)	723.63	844.23	964.84	1,085.44	1,326.65	1,567.86	1,809.07	2,170.88
907	Bolton Gardens	894.88	1,044.03	1,193.17	1,342.32	1,640.61	1,938.91	2,237.20	2,684.64
908	Bramham Gardens	691.97	807.30	922.63	1,037.96	1,268.62	1,499.28	1,729.93	2,075.92
909	Brompton Square	751.23	876.44	1,001.64	1,126.85	1,377.26	1,627.67	1,878.08	2,253.70
912	Campden Hill Square	900.79	1,050.93	1,201.06	1,351.19	1,651.45	1,951.72	2,251.98	2,702.38
913	Campden House Court	724.51	845.26	966.01	1,086.76	1,328.26	1,569.76	1,811.27	2,173.52
914	Clarendon Road/Lansdowne Road	1,111.73	1,297.02	1,482.31	1,667.60	2,038.18	2,408.76	2,779.33	3,335.20
915	Collingham Gardens	756.62	882.72	1,008.83	1,134.93	1,387.14	1,639.34	1,891.55	2,269.86
916	Cornwall Gardens	714.40	833.47	952.53	1,071.60	1,309.73	1,547.87	1,786.00	2,143.20
917	Courtfield Gardens (East)	698.19	814.55	930.92	1,047.28	1,280.01	1,512.74	1,745.47	2,094.56
918	Courtfield Gardens (West)	737.85	860.82	983.80	1,106.77	1,352.72	1,598.67	1,844.62	2,213.54
921	Earls Court Square	660.07	770.09	880.10	990.11	1,210.13	1,430.16	1,650.18	1,980.22
922	Edwardes Square	832.48	971.23	1,109.97	1,248.72	1,526.21	1,803.71	2,081.20	2,497.44
925	Gledhow Gardens	800.61	934.05	1,067.48	1,200.92	1,467.79	1,734.66	2,001.53	2,401.84
928	Hereford Square	865.05	1,009.23	1,153.40	1,297.58	1,585.93	1,874.28	2,162.63	2,595.16
929	Holland Road/Russell Road	723.68	844.29	964.91	1,085.52	1,326.75	1,567.97	1,809.20	2,171.04
930	Hornton Street/Holland Street	755.12	880.97	1,006.83	1,132.68	1,384.39	1,636.09	1,887.80	2,265.36
933	Iverna Court	672.13	784.15	896.17	1,008.19	1,232.23	1,456.27	1,680.32	2,016.38
936	Kensington Square	772.53	901.28	1,030.04	1,158.79	1,416.30	1,673.81	1,931.32	2,317.58
939	Lexham Gardens	749.37	874.27	999.16	1,124.06	1,373.85	1,623.64	1,873.43	2,248.12
942	Moreton and Cresswell Gardens	818.08	954.43	1,090.77	1,227.12	1,499.81	1,772.51	2,045.20	2,454.24
944	Nevern Square	713.24	832.11	950.99	1,069.86	1,307.61	1,545.35	1,783.10	2,139.72
945	Norland Square	731.09	852.94	974.79	1,096.64	1,340.34	1,584.04	1,827.73	2,193.28
948	Ovington Square	748.61	873.37	998.14	1,122.91	1,372.45	1,621.98	1,871.52	2,245.82
951	Pembridge Square	732.76	854.89	977.01	1,099.14	1,343.39	1,587.65	1,831.90	2,198.28
952	Philbeach Gardens	760.59	887.36	1,014.12	1,140.89	1,394.42	1,647.95	1,901.48	2,281.78
955	Royal Crescent	825.29	962.83	1,100.38	1,237.93	1,513.03	1,788.12	2,063.22	2,475.86
958	St James's Gardens	730.06	851.74	973.41	1,095.09	1,338.44	1,581.80	1,825.15	2,190.18
959	Stanley Crescent	767.52	895.44	1,023.36	1,151.28	1,407.12	1,662.96	1,918.80	2,302.56
960	Stanley Gardens (North)	883.89	1,031.20	1,178.52	1,325.83	1,620.46	1,915.09	2,209.72	2,651.66
961	Stanley Gardens (South)	805.59	939.85	1,074.12	1,208.38	1,476.91	1,745.44	2,013.97	2,416.76
962	Sunningdale Gardens	710.84	829.31	947.79	1,066.26	1,303.21	1,540.15	1,777.10	2,132.52
965	Wetherby Gardens	784.18	914.88	1,045.57	1,176.27	1,437.66	1,699.06	1,960.45	2,352.54

TOWN GARDENS PROTECTION ACT 1863		ROYAL BOROUGH COUNCIL TAX - GARDEN SQUARES BY BAND							
CODE	GARDEN SQUARE	A	B	C	D	E	F	G	H
		£	£	£	£	£	£	£	£
975	Arundel Gardens/Elgin Crescent	743.56	867.49	991.41	1,115.34	1,363.19	1,611.05	1,858.90	2,230.68
977	Blenheim Crescent/Elgin Crescent	797.04	929.88	1,062.72	1,195.56	1,461.24	1,726.92	1,992.60	2,391.12
978	Emperor's Gate	660.08	770.09	880.11	990.12	1,210.15	1,430.17	1,650.20	1,980.24
979	Ladbroke Grove	702.85	820.00	937.14	1,054.28	1,288.56	1,522.85	1,757.13	2,108.56
980	Rosmead Gardens	887.88	1,035.86	1,183.84	1,331.82	1,627.78	1,923.74	2,219.70	2,663.64
981	Lansdowne Gardens	787.49	918.74	1,049.99	1,181.24	1,443.74	1,706.24	1,968.73	2,362.48
982	Hanover Gardens	775.29	904.51	1,033.72	1,162.94	1,421.37	1,679.80	1,938.23	2,325.88
984	Montpelier Gardens	861.00	1,004.50	1,148.00	1,291.50	1,578.50	1,865.50	2,152.50	2,583.00
986	Notting Hill	839.13	978.98	1,118.84	1,258.69	1,538.40	1,818.11	2,097.82	2,517.38

APPENDIX 11 - TOTAL COUNCIL TAX INCLUDING GREATER LONDON AUTHORITY PRECEPT

	TOTAL COUNCIL TAX - BY BAND							
	A	B	C	D	E	F	G	H
PROPERTIES NOT IN GARDEN SQUARES	£ 875.73	£ 1021.69	£ 1167.64	£ 1313.60	£ 1605.51	£ 1897.43	£ 2189.33	£ 2627.20

KENSINGTON IMPROVEMENT ACT 1851		TOTAL COUNCIL TAX - GARDEN SQUARES BY BAND							
CODE	GARDEN SQUARE	A	B	C	D	E	F	G	H
		£	£	£	£	£	£	£	£
900	Addison Gardens	1073.52	1252.44	1431.36	1610.28	1968.12	2325.96	2683.80	3220.56
901	Arundel Gardens/Ladbroke Gardens	1082.77	1263.23	1443.69	1624.15	1985.07	2346.00	2706.92	3248.30
902	Avondale Park Gardens	907.81	1059.12	1210.41	1361.72	1664.32	1966.93	2269.53	2723.44
904	Barkston Gardens	1003.71	1170.99	1338.27	1505.56	1840.13	2174.70	2509.27	3011.12
906	Bina Gardens (West)	966.07	1127.08	1288.09	1449.10	1771.12	2093.15	2415.17	2898.20
907	Bolton Gardens	1137.32	1326.88	1516.42	1705.98	2085.08	2464.20	2843.30	3411.96
908	Bramham Gardens	934.41	1090.15	1245.88	1401.62	1713.09	2024.57	2336.03	2803.24
909	Brompton Square	993.67	1159.29	1324.89	1490.51	1821.73	2152.96	2484.18	2981.02
912	Campden Hill Square	1143.23	1333.78	1524.31	1714.85	2095.92	2477.01	2858.08	3429.70
913	Campden House Court	966.95	1128.11	1289.26	1450.42	1772.73	2095.05	2417.37	2900.84
914	Clarendon Road/Lansdowne Road	1354.17	1579.87	1805.56	2031.26	2482.65	2934.05	3385.43	4062.52
915	Collingham Gardens	999.06	1165.57	1332.08	1498.59	1831.61	2164.63	2497.65	2997.18
916	Cornwall Gardens	956.84	1116.32	1275.78	1435.26	1754.20	2073.16	2392.10	2870.52
917	Courtfield Gardens (East)	940.63	1097.40	1254.17	1410.94	1724.48	2038.03	2351.57	2821.88
918	Courtfield Gardens (West)	980.29	1143.67	1307.05	1470.43	1797.19	2123.96	2450.72	2940.86
921	Earls Court Square	902.51	1052.94	1203.35	1353.77	1654.60	1955.45	2256.28	2707.54
922	Edwardes Square	1074.92	1254.08	1433.22	1612.38	1970.68	2329.00	2687.30	3224.76
925	Gledhow Gardens	1043.05	1216.90	1390.73	1564.58	1912.26	2259.95	2607.63	3129.16
928	Hereford Square	1107.49	1292.08	1476.65	1661.24	2030.40	2399.57	2768.73	3322.48
929	Holland Road/Russell Road	966.12	1127.14	1288.16	1449.18	1771.22	2093.26	2415.30	2898.36
930	Hornton Street/Holland Street	997.56	1163.82	1330.08	1496.34	1828.86	2161.38	2493.90	2992.68
933	Iverna Court	914.57	1067.00	1219.42	1371.85	1676.70	1981.56	2286.42	2743.70
936	Kensington Square	1014.97	1184.13	1353.29	1522.45	1860.77	2199.10	2537.42	3044.90
939	Lexham Gardens	991.81	1157.12	1322.41	1487.72	1818.32	2148.93	2479.53	2975.44
942	Moreton and Cresswell Gardens	1060.52	1237.28	1414.02	1590.78	1944.28	2297.80	2651.30	3181.56
944	Nevern Square	955.68	1114.96	1274.24	1433.52	1752.08	2070.64	2389.20	2867.04
945	Norland Square	973.53	1135.79	1298.04	1460.30	1784.81	2109.33	2433.83	2920.60
948	Ovington Square	991.05	1156.22	1321.39	1486.57	1816.92	2147.27	2477.62	2973.14
951	Pembridge Square	975.20	1137.74	1300.26	1462.80	1787.86	2112.94	2438.00	2925.60
952	Philbeach Gardens	1003.03	1170.21	1337.37	1504.55	1838.89	2173.24	2507.58	3009.10
955	Royal Crescent	1067.73	1245.68	1423.63	1601.59	1957.50	2313.41	2669.32	3203.18
958	St James's Gardens	972.50	1134.59	1296.66	1458.75	1782.91	2107.09	2431.25	2917.50
959	Stanley Crescent	1009.96	1178.29	1346.61	1514.94	1851.59	2188.25	2524.90	3029.88
960	Stanley Gardens (North)	1126.33	1314.05	1501.77	1689.49	2064.93	2440.38	2815.82	3378.98
961	Stanley Gardens (South)	1048.03	1222.70	1397.37	1572.04	1921.38	2270.73	2620.07	3144.08
962	Sunningdale Gardens	953.28	1112.16	1271.04	1429.92	1747.68	2065.44	2383.20	2859.84
965	Wetherby Gardens	1026.62	1197.73	1368.82	1539.93	1882.13	2224.35	2566.55	3079.86

TOWN GARDENS PROTECTION ACT 1863		TOTAL COUNCIL TAX - GARDEN SQUARES BY BAND							
CODE	GARDEN SQUARE	A	B	C	D	E	F	G	H
		£	£	£	£	£	£	£	£
975	Arundel Gardens/Elgin Crescent	986.00	1150.34	1314.66	1479.00	1807.66	2136.34	2465.00	2958.00
977	Blenheim Crescent/Elgin Crescent	1039.48	1212.73	1385.97	1559.22	1905.71	2252.21	2598.70	3118.44
978	Emperor's Gate	902.52	1052.94	1203.36	1353.78	1654.62	1955.46	2256.30	2707.56
979	Ladbroke Grove	945.29	1102.85	1260.39	1417.94	1733.03	2048.14	2363.23	2835.88
980	Rosmead Gardens	1130.32	1318.71	1507.09	1695.48	2072.25	2449.03	2825.80	3390.96
981	Lansdowne Gardens	1029.93	1201.59	1373.24	1544.90	1888.21	2231.53	2574.83	3089.80
982	Hanover Gardens	1017.73	1187.36	1356.97	1526.60	1865.84	2205.09	2544.33	3053.20
984	Montpelier Gardens	1103.44	1287.35	1471.25	1655.16	2022.97	2390.79	2758.60	3310.32
986	Notting Hill	1081.57	1261.83	1442.09	1622.35	1982.87	2343.40	2703.92	3244.70

APPENDIX 12 - 2020/21 TO 2023/24 COMPLETE CAPITAL PROGRAMME - BY DIRECTORATE

Project Description	2020/21 Forecast Budget £	2021/22 Forecast Budget £	2022/23 Forecast Budget £	2023/24 Forecast Budget £
Adult Social Care				
Adult Social Care Day Centre Re-provision	137,000	5,684,000	-	-
A Place to Live :Shared Ownership Scheme	-	300,000	-	-
ASC Mosaic Case Management System	100,000	625,000	-	-
Customer Self Service	100,000	50,000	-	-
Digital transformation Adult Social Care	-	1,520,000	500,000	-
1-9 St Marks Road - Health & Safety Works	43,000	-	-	-
<u>New Bids:</u>				
Care Information Exchange Expansion	30,000	70,000	-	-
Total Adult Social Care	410,000	8,249,000	500,000	0
Children and Family Services				
EYCF (Early Years Capital Fund)	47,000	-	-	-
Children's and Early Years Provision	-	6,390,000	-	-
New Emergency Duty Social Work Referral System	-	100,000	-	-
New Marlborough Primary School Commercial & Retail	160,000	251,000	-	-
Holland Park School Redevelopment	826,000	-	-	-
Fox Primary School Expansion	25,000	-	-	-
Avondale Primary School	161,000	-	-	-
Children's Services Case Recording System	62,000	-	-	-
Colville Primary School Expansion	1,835,000	310,000	-	-
Ashburnham Primary School	108,000	-	-	-
Park Walk	137,000	-	-	-
Oxford Gardens	114,000	-	-	-
Barlby and Special Education Needs Schools	19,670,000	8,630,000	1,178,000	-
Latimer Centre	1,450,000	150,000	-	-

Project Description	2020/21 Forecast Budget £	2021/22 Forecast Budget £	2022/23 Forecast Budget £	2023/24 Forecast Budget £
Schools Cap Maintenance & Energy Reduction	276,000	-	-	-
Thomas Jones Primary School	57,000	-	-	-
Kensington Academy Costs	400,000	-	-	-
Grenfell Nursery – Early Years Provision	360,000	2,963,000	-	-
Schools SEN	129,000	-	-	-
Chelsea Academy Acoustic Improvement	222,000	-	-	-
Chelsea Academy Sixth Form Extension	397,000	-	-	-
Christ Church Primary - Schools SEN	35,000	-	-	-
Schools Summer Program	905,000	-	-	-
Additional Secondary School Places	4,500,000	3,614,000	-	-
Condition Issues: Bousfield	500,000	-	-	-
Accessibility: Chelsea Open Air Nursery	250,000	-	-	-
Refurbishment of Latimer AP Academy	1,000,000	-	-	-
Remodelling and refurbishment of Oxford Gardens and Park Walk Primary Schools	2,028,000	450,000	-	-
From Capital Pipeline (Nov MTFS Report):				
Children's Social Care Case Management Replacement	150,000	500,000	350,000	-
Enhancing Housing Options and Support for UASC	1,250,000	-	-	-
New Bids:				
Schools - Strategic Planned and Reactive Maintenance	-	3,600,000	-	-
Total Children's Services and Education	37,054,000	26,958,000	1,528,000	-
Environment and Community Services				
Central Library Condition Work	63,000	-	-	-
Public Art	52,000	-	-	-

Project Description	2020/21 Forecast Budget £	2021/22 Forecast Budget £	2022/23 Forecast Budget £	2023/24 Forecast Budget £
Environmental Health Services on the Web	40,000	-	-	-
Street Scene Improvements	180,000	471,000	600,000	-
Street Scene Improvements - Healthy Streets - St Helen's Gardens	40,000	700,000	-	-
Street Scene Improvements - Chelsea Green	50,000	475,000	-	-
Street Scene Improvements - Gloucester Road improvements	20,000	100,000	-	-
Street Scene Improvements - Brompton & Hans Town / Queens Gate area review	375,000	400,000	-	-
Kensington Leisure Centre - New Building	670,000	15,000	-	-
WMCL Asset Management Plan	621,000	300,000	300,000	-
Parks Strategy and Development Plan	107,000	-	-	-
RBEP - Environmental Schemes	-	1,000	-	-
Athlone Gardens / Wornington Garden	27,000	-	-	-
Highways Improvement: Charles House S106	1,000	-	-	-
Parks Strategy/KMP:HP Replacement Signs	50,000	-	-	-
Parks Strategy/KMP-HP Footpaths and Drainage (SUDS)	34,000	-	-	-
Parks Strategy - Safety surfacing (play and gym)	13,000	-	-	-
Highways Improvement Schemes: Local Safety	155,000	25,000	-	-
Street Scene Improvements - Street Scene Improvements - Sloane Street	3,000	-	-	-
Golborne Road Improvements	50,000	839,000	-	-
Stanley Bridge	100,000	350,000	330,000	-
Chelsea Bridge	230,000	500,000	1,774,000	-
Gunnersbury Cemetery Improvement Scheme	590,000	-	-	-
Paths and Fencing improvements	130,000	-	-	-

Project Description	2020/21 Forecast Budget £	2021/22 Forecast Budget £	2022/23 Forecast Budget £	2023/24 Forecast Budget £
Sports Pitch Improvements	20,000	-	-	-
Little Wormwood Scrubs Wall	24,000	-	-	-
Holland House Terrace	76,000	-	-	-
Holland Park Public Toilets	400,000	-	-	-
Street Scene Improvements - Walmer Rd Footway Widening – Ken Leisure	7,000	-	-	-
South Kensington Station Flower Kiosk	99,000	-	-	-
Street Scene Improvements - Unallocated Streetscape	260,000	-	-	-
Parks Strategy - General	482,000	675,000	675,000	-
Parks Strategy - Powis Square	68,000	200,000	-	-
Parks Strategy - HP Irrigation / ring main improvements	24,000	-	-	-
Parks Strategy - Holland Park sun trap entrance and handrails	60,000	-	-	-
Parks Strategy Park - Footpaths and surfacing	154,000	-	-	-
Parks Strategy - Woodland enclosure fencing	20,000	-	-	-
Parks Strategy - Holland Park Adventure Playground	239,000	-	-	-
Parks Strategy - Playground surfacing	100,000	-	-	-
Parks Strategy - Emslie Hornimans Pleasance Pergola	30,000	-	-	-
Parks Strategy - New Bins and Benches	20,000	-	-	-
Parks Strategy - Biodiversity action plan improvements	48,000	-	-	-
Parks Strategy - Holland Park tennis courts floodlighting	95,000	-	-	-
Parks Strategy - Horticultural Improvements	50,000	-	-	-

Project Description	2020/21 Forecast Budget £	2021/22 Forecast Budget £	2022/23 Forecast Budget £	2023/24 Forecast Budget £
Parks Strategy - Little Wormwood Scrubs Lighting	15,000	-	-	-
Parks Strategy - Public toilets refurbishment	69,000	-	-	-
Parks Strategy - Redcliffe Square Play Area and Landscaping	100,000	-	-	-
Duke's Lodge	230,000	-	-	-
Street Lighting Column Replacement	285,000	450,000	-	-
Leighton House - Phase 3 Heritage Lottery Fund	3,745,000	2,043,000	-	-
Street Scene Improvements - Traffic signal modernisation	2,000	-	-	-
NEW Highways IT system (Confirm)	114,000	-	-	-
Street Scene Improvements - South Chelsea Area Review	16,000	-	-	-
New Kensington Memorial Park sports pavilion / toilets and café buildings	212,000	40,000	-	-
Implementation of Cashless Parking	313,000	-	-	-
Hostile Vehicle Mitigation	1,258,000	-	-	-
Kensington Memorial Park water play replacement	40,000	400,000	-	-
Leisure Services Re-tender - capital investment	200,000	558,000	-	-
Footbridge to link North Kensington (Freston Road/ Bard Road) with White City (50%)	-	4,500,000	-	-
Cultural Placemaking Kensington High Street	19,000	24,000	-	-
Replacement CCTV Cameras	31,000	-	-	-
Expansion of the Council's fixed CCTV network	290,000	100,000	-	-
E&C Business Hub	150,000	127,000	-	-
Expanding Kensal's Creative Economy	913,000	1,000,000	-	-
Albert Bridge-replacement of timber fenders	100,000	-	-	-
Holland Park - footpath	492,000	-	-	-
Holland Park - Former Ireton Lodge- Creation of new events space.	22,000	-	-	-

Project Description	2020/21 Forecast Budget £	2021/22 Forecast Budget £	2022/23 Forecast Budget £	2023/24 Forecast Budget £
Holland Park café	-	120,000	-	-
Royal Avenue - Railings Replacement	35,000	-	-	-
Commercial Activity Libraries	210,000	-	-	-
Customer self-service and library open access solutions	205,000	134,000	-	-
Basing Street	2,000	-	-	-
Wornington Green Estate Phase 1	8,000	-	-	-
Gunnersbury Cemetery—creation of additional burial space	70,000	-	-	-
S278 Highways and Transportation Schemes	99,000	-	-	-
GULC Electric Vehicle Charging Points	396,000	-	-	-
Cycleways Route 2	387,000	-	-	-
Ladbroke Grove Corridor study and Improvements	660,000	-	-	-
Air Quality Monitoring Stations - Replacement and Refurbishment of Equipment	100,000	-	-	-
Embankment River Wall Repairs	40,000	160,000	-	-
Maintenance of Historic Built Features	50,000	-	-	-
Parking CCTV enforcement (box junctions)	177,000	-	-	-
Replacement of non ULEZ compliant waste vehicles	2,870,000	-	-	-
Procurement of vehicles for the Waste and Cleansing Services Contract	3,168,000	318,000	1,187,000	-
Improvement to Commercial Spaces	500,000	-	-	-
Avondale Park play area, lighting and building improvements	-	450,000	-	-
Revitalising Kensington High Street	163,000	-	-	-
Staff space update	-	250,000	-	-
Loanable Library tablet solution	25,000	-	-	-
Smart Open Technology	-	140,000	-	-
St. Luke's footpath resurfacing	100,000	-	-	-

Project Description	2020/21 Forecast Budget £	2021/22 Forecast Budget £	2022/23 Forecast Budget £	2023/24 Forecast Budget £
Maintenance of Historic Built Features	-	100,000	50,000	-
20 MPH Speed Limit	320,000	-	-	-
<u>New Bids:</u>				
Lexham Walk Highway Retaining Wall	5,000	30,000	-	-
Commercial Spaces Project: Central Library	-	600,000	-	-
Vision Carbon Zero/Green Fund	-	150,000	-	-
Total Environment and Communities	24,083,000	16,745,000	4,916,000	-
Housing and Social Investment				
Disabled Facilities Grant	746,000	846,000	846,000	846,000
Renovation Grant (HRG)	100,000	-	-	-
Leasehold Compensation Scheme	1,785,000	-	-	-
Acquisition of Street Properties - Dwellings	4,601,000	15,726,000	-	-
Acquisition of Grainger Properties	366,000	151,000	-	-
New Homes Delivery Programme	10,261,000	115,269,000	122,596,000	-
Purchase programme of new accommodation	6,000,000	3,000,000	-	-
Housing Management System	125,000	-	-	-
Asbestos Removal Works	1,173,000	-	-	-
Belvedere Restaurant Structural Repairs	85,000	-	-	-
Chelsea Old Town Hall Partial Refurbishment Works	80,000	10,000	-	-
St Mary Abbots Church Boundary Wall Repairs	500,000	149,000	-	-
Barlby Treverton and Primary School redevelopment site	250,000	1,304,000	-	-
Silchester Estate Buy backs	400,000	-	-	-
Holland Park House Structural Works	1,308,000	-	-	-
Fire Compartmentation Works	1,481,000	500,000	-	-
Holland Park Ave 25 : Affordable B1Units	50,000	108,000	-	-
37 Pembroke Road Office Refurbishment	6,100,000	3,568,000	-	-

Project Description	2020/21 Forecast Budget £	2021/22 Forecast Budget £	2022/23 Forecast Budget £	2023/24 Forecast Budget £
Extension and alts to Coroners Court	-	495,000	-	-
Corporate Property Digitisation	74,000	-	-	-
Lift Compliance Works	40,000	-	-	-
Dalgarno Community Centre – HSE	250,000	242,000	-	-
Earls Court Youth Centre - HSE	20,000	-	-	-
Holland Park Offices & Stable Block - HSE	73,000	-	-	-
Pembroke Road Car Park - Concrete Spalling	246,000	700,000	-	-
Piper House - HSE	200,000	-	-	-
Tabernacle Community Centre - HSE	250,000	-	-	-
Pop Up Units and Landscape Improvements at Thorpe Close	141,000	-	-	-
Canalside House - Required Health and Safety Works	-	500,000	-	-
<u>New Bids:</u>				
Holland House Repair and External Refurbishment	-	1,700,000	-	-
Additional pitches and improvements on Stable Way	-	200,000	-	-
Redevelopment of Cheyne Nursery for a new children’s service centre	-	2,450,000	1,650,000	-
Housing Digital Transformation Programme	-	245,000	230,000	230,000
Total Housing and Social Investment	36,705,000	147,163,000	125,322,000	1,076,000
Housing Revenue Account				
Housing Revenue Account Capital Programme	20,150,000	35,357,000	48,844,000	76,447,000
Lancaster West Main Refurbishment	4,500,000	15,000,000	17,762,000	8,881,000
Lancaster West - Other Initiatives	246,000	15,024,000	13,955,000	9,383,000
ICT	583,000	290,000	405,000	405,000
Purchase of Properties on Lancaster West Estate.	1,500,000	-	-	-0
Total Housing Revenue Account	26,979,000	65,671,000	80,966,000	95,116,000
Resources				
Networks & Telephony Transformation	444,000	75,000	-	-

Project Description	2020/21 Forecast Budget £	2021/22 Forecast Budget £	2022/23 Forecast Budget £	2023/24 Forecast Budget £
End User Computing Refresh (non-W10)	160,000	190,000	2,180,000	-
Networks Transformation	500,000	150,000	75,000	-
Cloud Move	500,000	250,000	100,000	-
Website Re-Platform	227,000	100,000	-	-
IT Information Security Management	250,000	-	-	-
Office365 Tenancy Separation	250,000	100,000	-	-
BI / GIS Project	126,000	24,000	-	-
End User Computing (EUC) Upgrade Project	274,000	-	-	-
Residents Parking Online	317,000	-	-	-
205 Holland Park Avenue	-	842,000	-	-
Kensington Town Hall Cyclical Works Phs2	4,593,000	-	-	-
Implementation of WorkWell Initiative at Kensington Town Hall	472,000	-	-	-
Reception and Front of House Services	52,000	-	-	-
Corporate Property Estate Life Cycle Budget	1,341,000	1,400,000	1,261,000	-
Holland Park Nursery Refurbishment	202,000	-	-	-
Property Management Software Package	110,000	-	-	-
From Capital Pipeline (Nov MTFS Report):				
Kensington Town Hall Conference and Events facilities	1,764,000	-	-	-
<u>New Bids:</u>				
IT Information Security Management	250,000	100,000	-	-
North Kensington Library Lift Replacement	-	250,000	-	-
Asbestos Removals in Cat 1 and 2 sites	-	350,000	-	-
KTH Carpark Concrete Spalling Repairs	-	250,000	-	-
Pembroke Road North Side Garages backup generator	100,000	-	-	-

Project Description	2020/21 Forecast Budget £	2021/22 Forecast Budget £	2022/23 Forecast Budget £	2023/24 Forecast Budget £
Kensington Central Library Heating Solution	-	850,000	-	-
Kensington Central Library replacement ceiling and wiring	-	195,000	-	-
KTH Security and CCTV upgrade	-	220,000	-	-
Asbestos Removal Programme	595,000	-	-	-
Corporate Booking Engine	-	150,000	-	-
Business Intelligence & Data Analytics	150,000	150,000	-	-
Mosaic Hosting Environment Migration	-	50,000	-	-
Customer Access Strategy IT Components, Dynamics Development & APIs	-	925,000	-	-
End User Computing Refresh	160,000	334,000	1,083,000	1,708,000
Total Resources and Customer Delivery	12,837,000	6,955,000	4,699,000	1,708,000
Total Expenditure	138,068,000	271,741,000	217,931,000	97,900,000
Capital Programme Contingency	145,000	5,000,000	0	0
Total Capital Expenditure	138,213,000	276,741,000	217,931,000	97,900,000

APPENDIX 13 – CAPITAL PIPELINE

CAPITAL PIPELINE 1									
Service	Scheme Title	Forecast Value £'000	Forecast Profile						
			2020/21 £'000	2021/22 £'000	2022/23 £'000	2023/24 £'000	2024/25 £'000	2025/26 £'000	
2019/20 Budget Setting									
ECS	Procurement of vehicles for the Waste and Cleansing Services Contract	4,846	-	-	-	-	165	4,681	
2020/21 Budget Monitoring									
ECS	Athlone Gardens / Wornington Garden	2,000	-	2,000	-	-	-	-	
HSI	Relocation of Shared Services Car Pound	1,000	-	1,000	-	-	-	-	
2020/21 Budget Setting									
R&A	Borer replacement - non KTH sites	350	-	350	-	-	-	-	
ECS	Maintenance of Unowned Historic Assets	200	-	50	100	50	-	-	
ECS	Vision Carbon Zero/Green Fund	4,850	-	850	1,000	1,000	1,000	1,000	
R&A	Project Management Tool Upgrades and Developments	100	-	100	-	-	-	-	
R&A	Technology Updates	150	-	150	-	-	-	-	
R&A	RBKC Website Development & Forms Functionality	200	-	200	-	-	-	-	
ASC	Piper House	Further work will be undertaken in early 2021/22 to look at options for the re-provision of services and the investment required							
HSI	Increasing Supply of Temporary Accommodation	40,000	-	20,000	20,000	-	-	-	
Total Capital Pipeline 1		53,696	-	24,700	21,100	1,050	1,165	5,681	