
REVENUE BUDGET 2016-17

**Presented to the Council
2nd March 2016**

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Leader of the Council

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THE ROYAL BOROUGH OF KENSINGTON AND CHELSEA

Meeting of the Council – 2 March 2016

Item 6 – Submissions from the Cabinet

The following budget, plans and strategies were considered by the Cabinet at its meeting on 11 February 2016 and are now submitted to full Council for approval and adoption.

1. BUDGET PROPOSALS 2016-17

- 1.1 The attached report presents the Cabinet’s budget proposals for 2016-17 and sets out its broad approach to revenue budgeting, Council Tax and the capital programme to 2018-19.
- 1.2 Residents, businesses, key partners and Scrutiny Committees were invited to comment on an earlier draft.
- 1.3 The plan will be published by the end of March, subject to any minor drafting or formatting changes.
- 1.4 RECOMMENDATION

The Council is recommended to adopt the Council’s budget proposals for 2016-17 and approve its publication.

FOR DECISION

2. REVENUE BUDGET AND COUNCIL TAX 2016-17

2.1 SUMMARY

- 2.1.1 This paper sets out the following recommendations to Council on 2 March 2016:
 - A Council Tax freeze for the Royal Borough for 2016-17 at the rate first set in 2009-10.

- Net budget reductions totalling £13 million meeting funding reductions of £9.5 million (net cost pressures and additional income of £3.5 million).

2.2 RECOMMENDATIONS

- (a) The Council is recommended:
- (i) to approve the estimates as summarised in the **Revenue Budget Book 2016-17 (pages 13 -60)**
 - (ii) to approve the Medium Term Financial Strategy as set out in the **Revenue Budget Book 2016-17 (page 1)**;
 - (iii) to approve the Reserves Policy as set out in the **Revenue Budget Book 2016-17 (page 2)** including holding a minimum £10 million in working balances and a minimum total reserve balance of not substantially below £100 million in earmarked reserves or around 30 per cent of gross spending at the end of 2018-19;
- (b) The Council is recommended, in accordance with the Local Government Finance Act 1992, to:
- 1) Note that on 27 January 2016 the Council calculated its Council Tax Base for the year 2016-17:
 - (i) for the whole Council area as **94,903** in accordance with the relevant regulations; and
 - (ii) as set out in column 3 of page 10 of the **Revenue Budget Book (Garden Square Levies)** for those parts of its area to which one or more special items relate, as calculated under the relevant regulations¹.
 - 2) Agree the following amounts be calculated for the year 2016-17 in accordance with Sections 31A, 31B and 34 to 36 of the Act:
 - (i) **£639.156 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;

¹Please note a post 27 January 2016 Council amendment to the tax base for Courtfield Gardens West from 434 to 441 Band D equivalents.

- (ii) **£564.887 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) **£74.269 million** as the Council Tax Requirement in accordance with Section 31A(4) of the Act, being the amount by which the aggregate at 2i) above exceeds the aggregate at 2ii) above;
 - (iv) **£782.58** as the basic amount of Council Tax for the year, being the Council Tax Requirement at 2iii) above, divided by the Council Tax Base set out at 1i) above, in accordance with Section 31B(1) of the Act;
 - (v) **£1,497,283** being the aggregate amount of the special items under Section 35 of the Act for the purposes of Section 34 of the Act;
 - (vi) **£766.80** 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 2iv) above less the result of dividing the aggregate of the special items at 2v) above by the Council Tax Base set out in 1i) above, in accordance with Section 34(2) of the Act; and
 - (vi) the amounts set out in column 6 of **page 10 of the Revenue Budget Book 2016-17 (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 2vi) 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.
- 3) Note that **page 11 of the Revenue Budget Book 2016-17 (Royal Borough of Kensington and Chelsea Council Tax)** sets out the amounts of Council Tax for 2016-17 for each part of its area and for each of the categories of dwellings excluding precepts payable to other authorities.
- 4) Note that for the year 2016-17, 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 overleaf:

	Greater London Authority
Band	£
A	184.00
B	214.67
C	245.33
D	276.00
E	337.33
F	398.67
G	460.00
H	552.00

- 5) Agree that the Council, in accordance with Sections 30 and 36 of the Act, hereby sets the aggregate amounts of Council Tax for 2016-17 for each part of its area and for each of the categories of dwellings as shown on page 12 of the **Revenue Budget Book 2016-17 (Total Council Tax)**.

2.3 REASONS FOR DECISION

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

2.4 BACKGROUND

- 2.4.1 The recommendations made in this paper:

- formalise and confirm the proposals set out in the Council's Budget Proposals 2016-17²;
- are consistent with the Council's medium term financial strategy (**Revenue Budget Book, page 1**) and its policy on reserves (**Revenue Budget Book, page 2**);
- follow consultation with the Scrutiny Committees and others on the proposed 2016-17 Council and service budgets (set out in the **Revenue Budget Book**); and
- takes into account Council's agreement to the Council Tax base on 27 January 2016.

² [Budget Proposals 2016-17](#) can be found on the Council's website and on this Cabinet agenda.

- 2.4.2 These proposals were developed in the light of the Government's latest proposals for public spending and funding as set out most recently in the 2015 Autumn Statement.
- 2.4.3 The Council's provisional funding allocations were announced on 17 December 2015 and were finalised unchanged on 9 February 2016.
- 2.4.4 The coming year is the fourth year of the Business Rates Retention scheme under which local authorities share the potential risks and rewards of changes to the business rates yield. The Council is forecasting minimal change to the business rates yield retained locally compared to 2015-16 as reported to and approved by Cabinet on 13 January 2016.

2.5 PROPOSAL AND ISSUES

Council Tax and Budget 2016-17

- 2.5.1 The Council is proposing a Council Tax of £782.58 for 2016-17 (or £766.80 without Garden Square special expenses). If the proposal is accepted, the Council Tax will have been at the same level for seven years or frozen for six years.
- 2.5.2 The net service spending budget is £156 million. The Council Tax requirement is £74 million. Please see **Table 1** overleaf:

Table 1 Budget and Council Tax

	2015-16	2016-17
	£m	£m
Adult Social Care	58.213	57.496
Children's Services	41.109	41.088
Environment, Leisure and Residents' Services	32.653	31.509
Housing Services	13.705	15.152
Library, Archive and Heritage Services	6.160	6.276
Planning and Borough Development	3.697	3.648
Public Health	0.000	0.000
Transport and Technical Services	-12.694	-13.928
Corporate Services	14.954	14.298
Adult and Family Learning Services	0.110	0.124
Total Service Costs	157.907	155.664
Charges for Capital Assets and Financing	-8.755	-9.602
Pension Fund Liabilities	-0.768	-5.060
Contingency	3.599	3.582
Interest	-1.500	-2.000
Levies	3.306	3.368
Capital Reserves	5.500	5.500
Revenue Reserves	4.832	4.832
Council Tax Freeze Grant	-0.800	0.000
New Homes Bonus Grant	-1.800	-3.000
Education Services Grant	-1.000	-0.800
Revenue Support Grant	-41.263	-31.548
Retained Business Rates (local forecast)	-81.887	-82.200
Business Rates Tariff (set by government)	35.735	36.033
Collection Fund Balance	-0.500	-0.500
Council Tax Requirement	72.606	74.269
Council Tax Base	92,778	94,903
Council Tax Per Band D with Garden Square levies	£782.58	£782.58
Change per cent	0%	0%
Council Tax Per Band D without Garden Square Levies	£767.33	£766.80
Change per cent	0%	0%

Please note that the final levies figures and contingency budget show a minor change from that reported to 11 February 2016 Cabinet.

- 2.5.3 The budget proposals produce a Royal Borough Council Tax freeze for 2016-17 with a Band D figure for the Council's element of the tax of £782.58 including the Garden Square levies – a Council Tax freeze year-on-year as defined by government. The Council does not require a referendum as there is no increase in the Council Tax for 2016-17. The Council is not opting to raise Council Tax by 2 per cent for Adult Social Care for 2016-17 – under the new powers announced by government - as it does not need to.
- 2.5.4 Garden Square special expenses collected as part of the Council Tax are also counted as part of the Council's Council Tax by the Government. The 2016-17 Garden Square levies total is £1.497 million compared to £1.415 million for 2015-16.

Budget Changes

- 2.5.5 The 2016-17 budget and Council Tax changes are summarised in **Table 2** below.

	£m
Pay and price inflation	2.7
External cost pressures	3.2
Funding reductions	9.5
Savings	-13.0
Increase in the tax base	-1.7
Financing and Other	-0.8
Change Total	0.0

2016-17 Savings and Service Budgets

- 2.5.6 Full details of 2016-17 service savings are set out in the Budget Proposals 2016-17 elsewhere on the Cabinet agenda. These are substantially as reported to Cabinet on 19 November 2015.
- 2.5.7 Detailed service budgets for operating expenditure are set out in the service estimates reports submitted to the Council as part of the Revenue Budget Book.

Council Tax and Precept 2016-17

- 2.5.8 The Greater London Authority Band D Council Tax figure for 2016-17 is **£276.00**, a 6.4 per cent reduction.
- 2.5.9 The Council's total Council Tax rates for each Band are shown in **Table 3** below which also shows the percentage of dwellings falling under each band. Band G is the most numerous.

Table 3 Total Council Tax

	Royal Borough	Greater London Authority	Total	% of Dwellings in Band
Band	£	£	£	%
A	511.20	184.00	695.20	2%
B	596.40	214.67	811.07	4%
C	681.60	245.33	926.93	11%
D	766.80	276.00	1,042.80	16%
E	937.20	337.33	1,274.53	15%
F	1,107.60	398.67	1,506.27	13%
G	1,278.00	460.00	1,738.00	22%
H	1,533.60	552.00	2,085.60	17%

2.5.10 Full details of Council Tax due, including the Garden Square levies, are set out in **Revenue Budget Book (pages 10 - 12)**.

Local Budget Planning Context

2.5.11 The Council planned for a minimum of £13.5 million of net savings with £1 million of additional property income for 2016-17 in order to deliver a Council Tax freeze³. This budget proposes net service savings of £13 million.

2.5.12 The savings delivered and planned since 2010-11 total £85 million with only a small proportion – 6 per cent - involving reductions in services. Details of these can be found in the Budget Proposals 2016-17 report elsewhere on the Cabinet agenda.

2.5.13 The Council continues to deliver Tri- and Bi- borough savings from collaborative working with the London Borough of Hammersmith & Fulham and the City of Westminster. These should amount to just under £14 million by the end of 2016-17.

2.5.14 A full list of external funding included in the 2016-17 budget is set out in **Revenue Budget Book, page 8**.

2.5.15 The Government has reduced the total resources available to local government since 2010-11: this will continue. The latest forecasts assume that there will be further funding reductions for local government in future years in line with the four year local government settlement released by Government on 9 February 2016.

The Council's Policies

2.5.16 The core financial policies are the Council's Medium Term Financial Strategy and the Reserves Policy detailed in the **Revenue Budget Book**. These remain substantially unchanged from 2015-16.

2.5.17 The proposed budget will continue to maintain the Council Tax rate in the bottom quartile for London and will retain a minimum of £10 million in the working balance.

2.5.18 It is the Council's proposed policy to ensure that total reserves do not fall significantly below £100 million or around 30 per cent of gross revenue budget by the end of 2018-19⁴. The bulk of reserve releases are for capital investment. The latest forecast for the Council's

³ As set out in paragraph 5.2 of the 19 November 2015 Cabinet report [Medium Term Planning Budget and Service Prospects](#).

⁴ This is confirmed within the Capital Programme 2016-17 Capital Programme Funding elsewhere on the Cabinet agenda.

spending plans maintains reserves at or around 30 per cent. There is no unsustainable use of reserves to meet recurring spending.

- 2.5.19 As part of this year's financial forecasting, reserves held have been reviewed and their purpose reconfirmed or revised. The forecast for reserve balances for the next three years is set out at the **Revenue Budget Book, page 9**.
- 2.5.20 Cabinet confirmed that the minimum level of working balance should be £10 million. Full Council approval is required to reduce the working balance below that level.
- 2.5.21 The Council holds a central contingency budget for in-year budget risks. The contingency available for release is over £3 million. The Council continues to make an annual contribution of £5.5 million from revenue funding for capital investment.

2.6 OPTIONS AND ANALYSIS

- 2.6.1 The Cabinet may amend the proposed revenue budget and Council Tax as set out in paragraph. The revenue budget and Council Tax are set in the context of a three year financial forecast and future budget and funding risks.

Three Year Financial Forecast

- 2.6.2 The medium term forecast or financial plan looks ahead for three years and, given continuing uncertainties over public sector funding, is speculative. As expected the 2016-17 financial year is the sixth year of local government funding cuts and the largest single year funding cut to date. Prior years have delivered more savings than required to balance the budget on the assumption that this would happen. As planned the Council aims to release these savings and ongoing reserve contributions to meet the funding reduction in both 2016-17 and future years.
- 2.6.3 A three year forecast is set out in **Table 4** overleaf and based on the following:
- A review of significant external influences and changes likely to have an impact.
 - A projection of the Council's spending and resources.
 - Set within the framework of medium term financial planning principles (as set out in the **Revenue Budget Book, page 1**).

Table 4

Three Year Budget Forecast

	Change £m	Change £m	Change £m
	2017-18	2018-19	2019-20
Council Tax Requirement	74.3	74.6	75.0
Inflation	1.9	2.0	2.0
External Cost Pressures	1.0	0.5	0.5
Contingency	0.0	0.0	0.0
Pension Fund Liabilities	-0.7	0.0	0.0
Financing Costs	0.0	0.0	0.0
Interest Received	-0.5	-0.3	-0.1
Movement on Reserves	-4.4	-1.1	-1.2
Government Funding	9.9	7.1	7.5
Specific Grants	0.6	0.6	0.6
Collection Fund Balance	0.5	0.0	0.0
Additional Property Income	0.0	-0.5	-1.0
Forecast Savings Required	-8.0	-8.0	-8.0
Council Tax Requirement	74.640	75.013	75.389
Council Tax Base	95,378	95,854	96,334
Council Tax Per Band D	£782.58	£782.58	£782.58
Change in Council Tax £	£0	£0	£0
Change in Council Tax %	0.0%	0.0%	0.0%

2.6.4 The forecast makes the following key assumptions:

- Revenue budget net underspends of at least £3 million over the next three years to bridge the budget gap.
- Pay and price inflation of +1 per cent for pay and prices per annum for future years.
- Limited (low value) unavoidable cost pressures for future years.
- Revenue Support Grant funding reductions as set out in the 2016-17 local government finance settlement (2017-18 – 2019-20).
- A modest increase in the Council Tax base each year (+0.5 per cent per annum).
- It is assumed that any reductions in the remaining ring-fenced, specific grants can and will be contained within service budgets.

Budget and Funding Risks

2.6.5 Other issues for 2017-18 and beyond include:

- **Local authority funding for future years:** this is clearly a key risk.

Local government has substantial funding reductions year-on-year going forward. The Council has already factored into the provisional

government funding for future years and the local estimate of net income from NNDR. The maximum additional NNDR funding loss before the funding system safety net operates is currently £1.6 million.

The cost of funding transfers of functions from central to local government:

- ***Exit costs to deliver service reductions:*** there will be unavoidable costs associated with budget reductions and Tri- and Bi-borough restructuring and the stabilisation of the Managed Services programme. The Council has reserves that it can release for such one-off spending. Although the Council is planning to release reserves to the limit set in order to fund capital investment over the next three years, the working assumption is that these will be partly replenished, for example by increased revenue income from remunerative capital investment in property.
- ***External cost pressures:*** these include the increasing annual costs of the Freedom Pass and future increases in the Western Riverside Waste Authority levy and increasing spending pressures generated by the Council's temporary accommodation obligations (shortage of residential housing supply).
- ***Practical operating opportunities and risks:*** the Council assumes it will continue to earn more rent – revenue income – from its property portfolio in the coming years.
- ***Changes to the Local Government Pension Scheme:*** Auto-enrolment into the Local Government Pension Scheme has been a requirement from May 2013 but the Council is permitted to and is choosing to defer this until 2017. Deferring full implementation does not mitigate all costs.
- ***Council Tax Support:*** government funding for Council Tax Benefit (now Local Council Tax Support) transferred to local government mainstream funding in 2013-14 but with an estimated 10 per cent reduction. In 2013-14 the total cost of the scheme (Localised Council Tax Support) was over £13 million. The Council has chosen to fully fund the local scheme. This cost is forecast to be around £11.5 million in 2016-17 – a reduction over time.

2.7 CONSULTATION

- 2.7.1 There was consultation with residents with respect to the revenue budget and Council Tax for 2016-17 on the Council's website. This is the seventh year of Council Tax levels being frozen and, so far, of the £85 million of savings delivered by Council since 2010-11 less than £6 million or 6 per cent has had an impact on service levels locally⁵.
- 2.7.2 The Council takes part in the Annual Survey of Londoners which shows the Council consistently receiving higher than the London average feedback for local services⁶.

2.8 EQUALITY IMPLICATIONS

- 2.8.1 The equalities impact of specific budget proposals have been considered in January 2016 alongside the detailed service budget reports considered by the Scrutiny Committees.
- 2.8.2 Where specific budget savings have yet to be decided in detail the equalities impact is considered and assessed by the relevant service as part of the final decision-making and implementation process.

2.9 INFORMATION, COMMUNICATIONS AND TECHNOLOGY (ICT) IMPLICATIONS

- 2.9.1 There are no information, communication and technology (ICT) implications arising from this report.

2.10 LEGAL AND FINANCIAL IMPLICATIONS

- 2.10.1 The Council is required to set a balanced budget. The budget as proposed is balanced.
- 2.10.2 The Town Clerk is required, under the section 25 of part 2 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.

⁵Please see full details in Annex B of the Budget Proposals 2016-17 elsewhere on this Cabinet agenda.

⁶ Please see more details in Appendix 2 of the Medium-Term Planning – Budget and Service Prospects report to 19 November 2015 Cabinet.

- 2.10.3 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.
- 2.10.4 I consider that current levels of unallocated reserves remain strong and contribute to the Council's sound financial position, reflected in Standard & Poor's AAA credit rating for the Council. For a full picture of forecast reserves levels, this report needs to be read alongside the Capital Programme report elsewhere on this agenda and the **Revenue Budget Book, page 9**.
- 2.10.5 Under powers contained in the Localism Act 2011, the Government can require compulsory referenda on Council Tax increases above limits it sets. For 2016-17, the referendum threshold is 2 per cent. The proposal is well within the threshold change: the Council will not be required to hold a referendum.
- 2.10.6 In addition to the referendum threshold, the government has also announced a threshold of an additional +2 per cent for authorities with adult social care responsibilities ("*...an additional 2% flexibility on their current council tax referendum threshold to be used entirely for adult social care*"). The borough does not need to raise Council Tax on this account for 2016-17.
- 2.10.7 The Council Tax Freeze Grant, the Government's financial incentive for local authorities to freeze their Council Tax, has now ended, so is no longer a factor in setting Council Tax.

2.11 FINANCIAL AND RESOURCES IMPLICATIONS

- 2.11.1 These are addressed throughout the report.

NICHOLAS HOLGATE
TOWN CLERK

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

2016-17 budget files and the local government finance settlement (grant notification for 2016-17).
Council Tax Base 2016-17 – approved by Council 27 January 2016.

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REVENUE BUDGET 2016-17

THE COUNCIL'S MEDIUM TERM FINANCIAL STRATEGY

The Council aligns its financial strategy with its ambitions through a rolling three-year cycle of business planning. The proposed Medium Term Financial Strategy is consistent with previous years.

An emphasis on sound finances

The Council's budgetary strategy focuses on:

- maintaining Council Tax in the bottom quartile for London;
- improving cost effectiveness, efficiency and income generation through reviews, particularly change programmes, and notably bearing down on the high costs of provision through the public sector;
- managing and mitigating future budget risks by forward planning;
- monitoring income and expenditure and making adequate contingencies and provisions;
- redirecting resources from lower priorities to higher priorities;
- protecting services by funding the costs of inflation;
- using external financing and cost sharing opportunities where possible;
- procuring goods and services in ways that achieve good value;
- planning for the medium term, taking into account the projection of future Government grants over the long term; and
- speaking out for the interests of the residents of the Royal Borough on issues of strategic importance for the finances of the Council.

The Council has also established a framework of medium term financial management principles, aimed at maintaining its strong financial base. In summary, the Council will:

- maintain strong corporate governance, including an effective approach to risk management;
- retain efficient Council Tax collection systems;
- combat fraud and employ well trained anti-fraud staff;
- conduct close monitoring of the budgetary position throughout the year, supported by the overview and scrutiny process;
- maintain financial and budgetary resilience by holding:
 - not less than £10 million in working balances;
 - earmarked reserves to mitigate future liabilities and risks to funding sources that could affect the revenue budget and destabilise service provision broadly equivalent to 30 per cent of recurrent spending; and
 - reserves to meet the costs of the capital investment programme over the next three years; and
- maintain the Council's Standard and Poor's credit rating, an external validation of the Council's financial standing, at a rate no lower than the sovereign rating for the United Kingdom.

RESERVES POLICY

Background and context

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 earmarked reserves and a working balance in order to mitigate future financial risks.

As set out in the report, 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. Particular attention is paid in the annual review to those reserves whose balances have not moved over a three year period.

Other than the Car Parking Reserve, no reserves are being used to support recurring expenditure. In principle, only the income derived from the investment of reserve funds should be available to support recurring spending.

- Capital Expenditure Reserve – projections of the use and balances on this reserve are contained in the Capital Programme 2016-17 report to Cabinet on the 11 February 2016.
- Car Parking Reserve – projections of the use and balances on this reserve are contained in the Capital Programme 2016-17 report to Cabinet on the 11 February 2016. Originally the reserve could only be used to fund spending on statutorily defined purposes directly related to transport. The Traffic Management Act 2004 extended the powers to include highways maintenance and environmental improvements. The planned drawdown and maximum eligible expenditure for funding in 2016-17 is shown in the table overleaf.

Service or Purpose	2016-17 Budget £'000
Revenue	
Schools and Youth (permits, Special Needs Transport, transport)	1,317
Social services (concessionary fares, Taxicard, welfare transport)	10,758
Street trees	398
Transport and Highways	9,484
Parks and open spaces	3,176
Street cleaning	8,108
Total Revenue	33,241
Less contribution from Car Parking Reserve*	-32,352
Balance met from Council Tax budget	889
Capital	
Eligible schemes	2,720
Less contribution from Car Parking Reserve	-2,720
Balance met from Council Tax budget	0

* Budgeted 2016-17 Car Parking Reserve surplus.

Strategic context

1. The Council is facing a significant withdrawal of grant funding and the transfer of funding risk from Government with demand for at least some services forecast to grow. The Council has to annually review its priorities in response to these issues.
2. Reserves play an important part in the Council's medium term 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.
3. The Council holds reserves in order to mitigate future risks, such as increased demand and costs; to help absorb the costs of future liabilities; and to enable the Council to resource policy developments and initiatives without a disruptive impact on Council Tax.
4. Capital reserves play a crucial role in funding the Council's capital investment programme. The Capital Expenditure Reserve is used to create capacity to meet future capital investment.
5. The Council relies on interest earned through holding reserves to support its general spending plans.
6. Reserves are one-off money. The Council aims to avoid using reserves to meet ongoing financial commitments other than as part of a sustainable budget plan. The Council has to balance the opportunity cost of holding reserves in terms of Council Tax against the importance of interest earning and long term future planning.

Purposes

7. Reserves are therefore held for the following purposes, some of which may overlap:
 - o Providing a working balance i.e. Housing Revenue Account and General Fund.
 - o Smoothing the impact of uneven expenditure profiles between years e.g. local elections, structural building maintenance and carrying forward expenditure between years.
 - o Holding funds for future spending plans e.g. Capital Expenditure reserve, and for the renewal of operational assets e.g. repairs and renewal, and Information Technology renewal. Meeting future costs and liabilities so as to cushion the effect on services e.g. the Supporting People Reserve (funding the ongoing reduction in grant for supported housing); the Insurance Reserve for self-funded liabilities arising from insurance claims.
 - o To provide resilience against future risks e.g. the Specific Grant Loss and the Demand Growth reserves and provide the capacity to manage risk.
 - o To create policy capacity in a context of forecast declining future external resources e.g. Better City Life.
8. All earmarked reserves are held for a specific purpose. This, together with a summary on the movement on each reserve, is published annually, to accompany the annual Statement of Accounts. A proposal to vary the use of a reserve is subject to normal virement limits.
9. The use of some reserves is limited by regulation e.g. the Collection Fund balance must be set against Council Tax levels, reserves established through the Housing Revenue Account can only be applied within that account and the Car Parking reserve can only be used to fund specific spending. Schools reserves are also ring-fenced for their use, although there are certain regulatory exceptions.

Management

10. The Town Clerk reports annually on the adequacy of the reserves, as part of the Council Tax setting and budget report.
11. The approval of the Cabinet Member for Finance and Strategy is required for the release of reserves (unless already agreed by Council or Cabinet) under the Council's constitution¹.
12. The following matters apply to individual reserves:

¹ Part Four D Financial Procedure Rules, paragraphs 2.20 – 2.21.
[Royal Borough of Kensington and Chelsea Constitution](#)

- The General Fund working balance will not fall below £10 million, within the Council's budgetary framework i.e. without the approval of Council. The minimum value is at least 10 per cent of Council Tax requirement².
- The Capital Expenditure Reserve is applied to meet future investment plans and is available either to fund investment directly or to support other financing costs. The reserve can also be used for preliminary costs of capital schemes e.g. feasibility.
- The Car Parking Reserve will be applied to purposes for which there are specific statutory powers. This is broadly defined as transport and environmental improvements (the latter as defined in the Traffic Management Act 2004).
- The revenue and capital expenditure plans in the budget for 2016-17 to 2020-21 ensure that the three year forecast of total reserves do not fall significantly below £100 million or 30 per cent of gross spending (after potential forecast income from remunerative capital investment schemes).

² The current working balance of £10 million is 14 per cent of the 2016-17 Council Tax requirement of £74 million.

REVENUE BUDGET SUMMARY

DESCRIPTION	Budget 2015-16	Forecast Outturn 2015-16	Budget 2016-17	% Change
Service Budgets	£'000	£'000	£'000	
Adult Social Care	58,213	54,934	57,496	
Children's Services	41,109	42,482	41,088	
Environment, Leisure and Residents' Services	32,663	31,156	31,509	
Housing Services	13,705	13,793	15,152	
Library, Archive and Heritage Services	6,160	6,160	6,276	
Planning and Borough Development	3,697	3,345	3,648	
Public Health	(0)	0	0	
Transport and Technical Services	(12,450)	(13,443)	(13,928)	
Corporate Services	14,954	14,607	14,298	
Adult and Family Learning Services	110	110	124	
Service Budgets Total	158,161	153,144	155,664	-1.6%
Contingency and central budgets	3,599	599	3,582	
Net Cost of Services	161,760	153,743	159,246	
External Interest	56	56	56	
Pension Fund Liabilities	(768)	(768)	(5,060)	
Interest and Investment Income	(1,500)	(1,800)	(2,000)	
Net Operating Expenditure	159,548	151,231	152,242	-4.6%
Transfers to (+)/from(-) reserves				
Capital Adjustment Account	(8,811)	(8,811)	(9,658)	
Transfer to Capital Reserves	5,500	5,500	5,500	
Transfer to/from Revenue Reserves	4,578	12,895	4,832	
TOTAL EXCLUDING LEVIES	160,815	160,815	152,916	-4.9%
Levies				
London Boroughs Grants Scheme	166	166	165	-1.1%
Environment Agency	212	212	216	1.6%
London Pensions Fund Authority	1,513	1,513	1,491	-1.5%
Garden Squares	1,415	1,415	1,497	5.8%
Total Levies	3,306	3,306	3,368	1.9%
TOTAL ROYAL BOROUGH EXPENDITURE	164,121	164,121	156,284	-4.8%
Council Tax Freeze Grant	(800)	(800)	0	
New Homes Bonus Grant	(1,800)	(1,800)	(3,000)	
Education Services Grant	(1,000)	(1,000)	(800)	
Business Rates Tariff (set by government)	35,735	35,735	36,033	
BUDGET REQUIREMENT	196,256	196,256	188,517	-3.9%
EXTERNAL FINANCE				
Revenue Support Grant	(41,263)	(41,263)	(31,548)	
Retained Business Rates (local forecast)	(81,887)	(81,887)	(82,200)	
Collection Fund Surplus(-) / Deficit (+)	(500)	(500)	(500)	
Total External Finance / Collection Fund	(123,650)	(123,650)	(114,248)	-7.6%
RBKC COUNCIL TAX REQUIREMENT	72,606	72,606	74,269	2.3%
PRECEPTS				
Greater London Authority	27,370	27,370	26,193	-4.3%
LOCAL TAX REQUIREMENT	99,976	99,976	100,462	0.5%
TAX BASE - BAND D EQUIVALENTS	92,778	92,778	94,903	2.3%
COUNCIL TAX - BAND D	£	£	£	
Royal Borough (excluding Garden Square special expenses)	767.33	767.33	766.80	-0.1%
Greater London Authority	295.00	295.00	276.00	-6.4%
TOTAL BASIC COUNCIL TAX - BAND D	1,062.33	1,062.33	1,042.80	-1.8%
Royal Borough (including Garden Square special expenses)	782.58	782.58	782.58	0.0%
Greater London Authority	295.00	295.00	276.00	-6.4%
TOTAL BASIC COUNCIL TAX - BAND D	1,077.58	1,077.58	1,058.58	-1.8%

SERVICE SUBJECTIVE AND SERVICE BUDGET SUMMARY

SUBJECTIVE ANALYSIS	2014-15 Actual £'000	2015-16 Budget £'000	2016-17 Budget £'000
EXPENDITURE			
Employees	110,152	99,384	104,932
Premises-related expenditure	18,831	20,529	19,893
Transport-related expenditure	694	523	574
Supplies and services	35,532	42,351	29,454
Third party payments	182,413	175,782	187,800
Transfer payments	159,964	145,367	140,350
Schools delegated budgets	79,420	61,997	54,174
Depreciation (and impairment losses)	9,290	9,062	10,557
TOTAL SPENDING	596,296	554,996	547,735
LESS INCOME			
Government Grants	186,033	173,787	167,344
Dedicated Schools Grant	73,905	71,710	67,335
Other grants, reimbursements and contributions	70,027	57,354	63,587
Customer and client receipts	104,122	94,236	93,802
Interest	2	3	3
TOTAL INCOME	434,089	397,090	392,071
NET SPENDING	162,207	157,906	155,664

WHOLE AUTHORITY

SERVICE SUMMARY	2014-15 Actual			2015-16 Budget			2016-17 Budget		
	Gross Spending £'000	Income £'000	Net £'000	Gross Spending £'000	Income £'000	Net £'000	Gross Spending £'000	Income £'000	Net £'000
Adult Social Care	79,795	23,306	56,489	78,836	20,623	58,213	79,242	21,746	57,496
Childrens' Services	158,913	116,087	42,826	137,886	96,777	41,109	132,272	91,184	41,088
Environment, Leisure and Resident Services	46,019	13,469	32,550	46,820	14,167	32,653	43,325	11,816	31,509
Housing Services	40,843	27,056	13,787	41,172	27,467	13,705	43,134	27,982	15,152
Libraries, Archive and Heritage Services	6,675	708	5,967	6,853	693	6,160	6,967	691	6,276
Planning and Borough Development	9,210	5,868	3,342	8,392	4,696	3,696	8,507	4,859	3,648
Public Health	22,324	21,214	1,110	22,556	22,556	0	21,622	21,622	0
Transport and Technical Services	36,931	52,532	-15,601	37,429	50,123	-12,694	35,559	49,487	-13,928
Corporate Services	248,983	227,330	21,653	229,651	214,697	14,954	231,082	216,783	14,299
Adults and Family Learning	1,352	1,268	84	1,347	1,237	110	1,413	1,289	124
Total Service Group Expenditure	651,045	488,838	162,207	610,942	453,037	157,906	603,123	447,459	155,664

EXTERNAL FUNDING

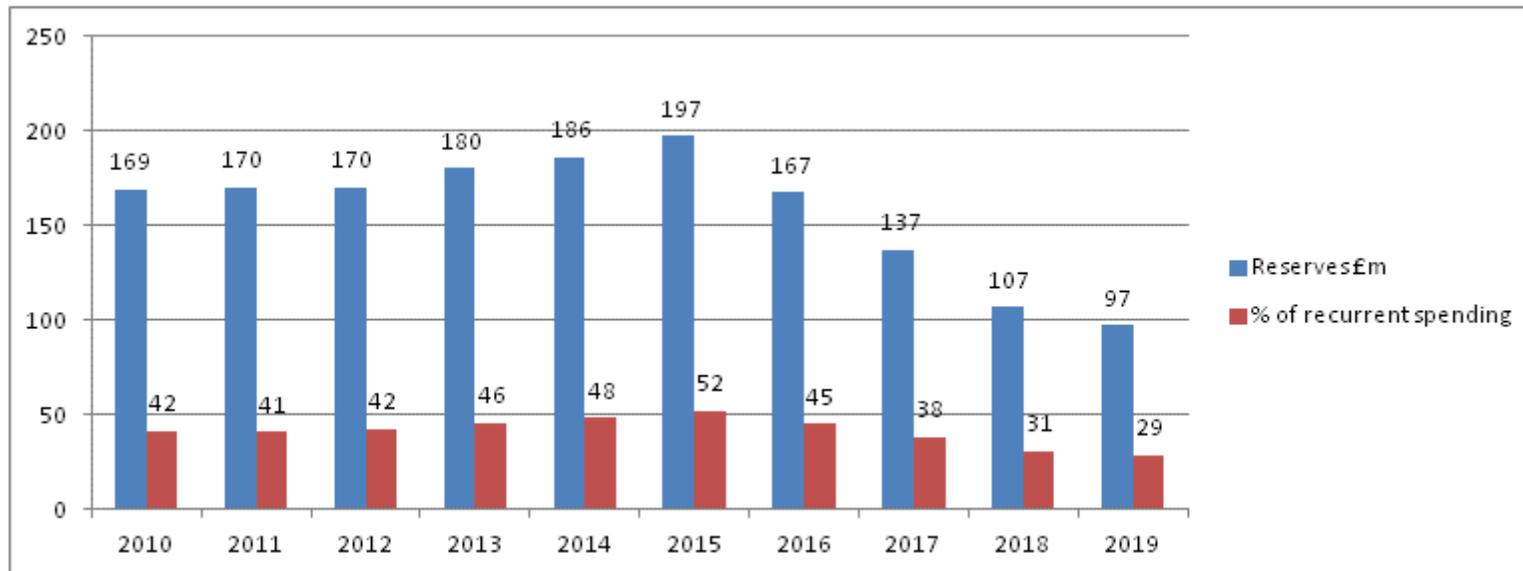
	2015-16	2016-17
	£'000	£'000
Housing Benefit	138,129	137,503
Dedicated Schools Grant	71,710	67,336
Public Health Grant	21,214	21,622
Education Funding Agency	2,075	-
Housing Benefits Administration	1,185	1,096
Pupil Premium	4,592	1,332
Skills Funding Agency	1,237	1,289
Other Grants (less than £1 million)	4,052	2,616
Temporary Accommodation (government and client)	26,069	26,512
Health Funding	14,406	16,408
Tri and bi borough contributions	13,543	16,614
Other grants, reimbursements and contributions	2,654	5,837
External Funding held in service budgets	300,866	298,165
Revenue Support Grant	41,263	31,548
Retained Business Rates	46,152	46,167
Council Tax Freeze Grant	800	0
New Homes Bonus Grant	1,800	3,000
Education Services Grant	1,000	800
External Funding held outside service budgets	91,015	81,515
Total External Funding	391,881	379,680

RESERVES AND BALANCES FORECAST

This shows a snapshot of the actual and forecast reserve balances.

All reserve releases are for one-off non-recurrent spending with the bulk for capital investment.

It must be stressed that this is a forecast and as such is speculative and subject to change.



GARDEN SQUARE LEVIES

ROYAL BOROUGH COUNCIL TAX - GARDEN SQUARES KENSINGTON IMPROVEMENT ACT 1851							
(1)	(2)	(3)			(4)	(5)	(6)
CODE	GARDEN SQUARE	BAND D EQUIVALENTS	GARDEN LEVY	LESS FORECAST COUNCIL TAX SUPPORT	GARDEN SPECIAL EXPENSES	GARDEN TAX BAND D	BAND D TAX INCL GARDEN
			£	£	£	£	£
900	Addison Gardens	125	37,800	2,407	35,393	283.14	1,049.94
901	Arundel Gardens/Ladbroke Gardens	248	63,000	5,496	57,504	231.87	998.67
902	Avondale Park Gardens	28	1,800	255	1,545	55.18	821.98
904	Barkston Gardens	256	42,000	937	41,063	160.40	927.20
906	Bina Gardens (West)	184	24,500	622	23,878	129.77	896.57
907	Bolton Gardens	119	42,600	566	42,034	353.22	1,120.02
908	Bramham Gardens	383	38,000	5,095	32,905	85.91	852.71
909	Brompton Square	163	23,000	-	23,000	141.10	907.90
912	Campten Hill Square	85	24,000	1,309	22,691	266.95	1,033.75
913	Campten House Court	221	35,000	173	34,827	157.59	924.39
914	Clarendon Road/Lansdowne Road	44	15,500	-	15,500	352.27	1,119.07
915	Collingham Gardens	188	32,000	504	31,496	167.53	934.33
916	Cornwall Gardens	643	65,000	1,458	63,542	98.82	865.62
917	Courtfield Gardens (East)	217	20,000	438	19,562	90.15	856.95
918	Courtfield Gardens (West)	441	65,000	2,431	62,569	141.88	908.68
921	Earls Court Square	289	25,000	650	24,350	84.25	851.05
922	Edwardes Square	238	60,000	427	59,573	250.31	1,017.11
925	Glethow Gardens	259	55,000	3,401	51,599	199.22	966.02
928	Hereford Square	68	21,000	-	21,000	308.82	1,075.62
929	Holland Road/Russell Road	183	27,200	2,985	24,215	132.32	899.12
930	Hornton Street/Holland Street	116	16,000	209	15,791	136.13	902.93
933	Iverna Court	215	12,000	-	12,000	55.81	822.61
936	Kensington Square	122	15,000	2,247	12,753	104.53	871.33
939	Lexham Gardens	294	36,000	181	35,819	121.83	888.63
942	Moreton and Cresswell Gardens	101	21,450	-	21,450	212.38	979.18
944	Nevern Square	291	37,000	4,162	32,838	112.85	879.65
945	Norland Square	183	24,000	510	23,490	128.36	895.16
948	Ovington Square	164	22,000	99	21,901	133.54	900.34
951	Pembridge Square	203	36,000	5,626	30,374	149.62	916.42
952	Philbeach Gardens	312	55,440	7,900	47,540	152.37	919.17
955	Royal Crescent	180	46,000	1,692	44,308	246.15	1,012.95
958	St James's Gardens	150	25,673	4,662	21,010	140.07	906.87
959	Stanley Crescent	189	42,000	3,888	38,112	201.65	968.45
960	Stanley Gardens (North)	118	33,000	1,499	31,501	266.96	1,033.76
961	Stanley Gardens (South)	162	49,000	8,101	40,899	252.46	1,019.26
962	Sunningdale Gardens	28	3,500	397	3,103	110.82	877.62
965	Wetherby Gardens	319	75,850	1,559	74,291	232.89	999.69
ROYAL BOROUGH COUNCIL TAX - GARDEN SQUARES TOWN GARDENS PROTECTION ACT 1863							
CODE	GARDEN SQUARE	BAND D EQUIVALENTS	GARDEN LEVY	LESS FORECAST COUNCIL TAX SUPPORT	GARDEN SPECIAL EXPENSES	GARDEN TAX BAND D	BAND D TAX INCL GARDEN
			£	£	£	£	£
975	Arundel Gardens/Elgin Crescent	275	80,000	2,513	77,487	281.77	1,048.57
977	Blenheim Crescent/Elgin Crescent	267	65,000	4,948	60,052	233.67	1,000.47
978	Emperor's Gate	238	9,750	183	9,567	40.20	807.00
979	Ladbroke Grove	52	6,000	40	5,960	114.62	881.42
980	Rosmead Gardens	135	55,000	7,494	47,506	351.89	1,118.69
981	Lansdowne Gardens	160	31,500	1,539	29,961	187.26	954.06
982	Hanover Gardens	145	30,010	1,643	28,367	195.63	962.43
984	Montpelier Gardens	113	41,000	4,633	36,367	321.83	1,088.63
986	Notting Hill	37	7,000	408	6,592	178.16	944.96
			1,592,573	- 95,290	1,497,283		

ROYAL BOROUGH OF KENSINGTON AND CHELSEA COUNCIL TAX

		ROYAL BOROUGH COUNCIL TAX - BY BAND							
		A	B	C	D	E	F	G	H
PROPERTIES NOT IN GARDEN SQUARES		£ 511.20	£ 596.40	£ 681.60	£ 766.80	£ 937.20	£ 1107.60	£ 1278.00	£ 1533.60

		ROYAL BOROUGH COUNCIL TAX - GARDEN SQUARES BY BAND							
		A	B	C	D	E	F	G	H
KENSINGTON IMPROVEMENT ACT 1851									
CODE	GARDEN SQUARE	A	B	C	D	E	F	G	H
		£	£	£	£	£	£	£	£
900	Addison Gardens	699.96	816.62	933.28	1,049.94	1,283.26	1,516.58	1,749.90	2,099.88
901	Arundel Gardens/Ladbroke Gardens	665.78	776.74	887.71	998.67	1,220.60	1,442.52	1,664.45	1,997.34
902	Avondale Park Gardens	547.99	639.32	730.65	821.98	1,004.64	1,187.30	1,369.97	1,643.96
904	Barkston Gardens	618.13	721.16	824.18	927.20	1,133.24	1,339.29	1,545.33	1,854.40
906	Bina Gardens (West)	597.71	697.33	796.95	896.57	1,095.81	1,295.05	1,494.28	1,793.14
907	Bolton Gardens	746.68	871.13	995.57	1,120.02	1,368.91	1,617.81	1,866.70	2,240.04
908	Bramham Gardens	568.47	663.22	757.96	852.71	1,042.20	1,231.69	1,421.18	1,705.42
909	Brompton Square	605.27	706.14	807.02	907.90	1,109.66	1,311.41	1,513.17	1,815.80
912	Campden Hill Square	689.17	804.03	918.89	1,033.75	1,263.47	1,493.19	1,722.92	2,067.50
913	Campden House Court	616.26	718.97	821.68	924.39	1,129.81	1,335.23	1,540.65	1,848.78
914	Clarendon Road/Lansdowne Road	746.05	870.39	994.73	1,119.07	1,367.75	1,616.43	1,865.12	2,238.14
915	Collingham Gardens	622.89	726.70	830.52	934.33	1,141.96	1,349.59	1,557.22	1,868.66
916	Cornwall Gardens	577.08	673.26	769.44	865.62	1,057.98	1,250.34	1,442.70	1,731.24
917	Courtfield Gardens (East)	571.30	666.52	761.73	856.95	1,047.38	1,237.82	1,428.25	1,713.90
918	Courtfield Gardens (West)	605.79	706.75	807.72	908.68	1,110.61	1,312.54	1,514.47	1,817.36
921	Earls Court Square	567.37	661.93	756.49	851.05	1,040.17	1,229.29	1,418.42	1,702.10
922	Edwardes Square	678.07	791.09	904.10	1,017.11	1,243.13	1,469.16	1,695.18	2,034.22
925	Gledhow Gardens	644.01	751.35	858.68	966.02	1,180.69	1,395.36	1,610.03	1,932.04
928	Hereford Square	717.08	836.59	956.11	1,075.62	1,314.65	1,553.67	1,792.70	2,151.24
929	Holland Road/Russell Road	599.41	699.32	799.22	899.12	1,098.92	1,298.73	1,498.53	1,798.24
930	Hornton Street/Holland Street	601.95	702.28	802.60	902.93	1,103.58	1,304.23	1,504.88	1,805.86
933	Iverna Court	548.41	639.81	731.21	822.61	1,005.41	1,188.21	1,371.02	1,645.22
936	Kensington Square	580.89	677.70	774.52	871.33	1,064.96	1,258.59	1,452.22	1,742.66
939	Lexham Gardens	592.42	691.16	789.89	888.63	1,086.10	1,283.58	1,481.05	1,777.26
942	Moreton and Cresswell Gardens	652.79	761.58	870.38	979.18	1,196.78	1,414.37	1,631.97	1,958.36
944	Nevern Square	586.43	684.17	781.91	879.65	1,075.13	1,270.61	1,466.08	1,759.30
945	Norland Square	596.77	696.24	795.70	895.16	1,094.08	1,293.01	1,491.93	1,790.32
948	Ovington Square	600.23	700.26	800.30	900.34	1,100.42	1,300.49	1,500.57	1,800.68
951	Pembroke Square	610.95	712.77	814.60	916.42	1,120.07	1,323.72	1,527.37	1,832.84
952	Philbeach Gardens	612.78	714.91	817.04	919.17	1,123.43	1,327.69	1,531.95	1,838.34
955	Royal Crescent	675.30	787.85	900.40	1,012.95	1,238.05	1,463.15	1,688.25	2,025.90
958	St James's Gardens	604.58	705.34	806.11	906.87	1,108.40	1,309.92	1,511.45	1,813.74
959	Stanley Crescent	645.63	753.24	860.84	968.45	1,183.66	1,398.87	1,614.08	1,936.90
960	Stanley Gardens (North)	689.17	804.04	918.90	1,033.76	1,263.48	1,493.21	1,722.93	2,067.52
961	Stanley Gardens (South)	679.51	792.76	906.01	1,019.26	1,245.76	1,472.26	1,698.77	2,038.52
962	Sunningdale Gardens	585.08	682.59	780.11	877.62	1,072.65	1,267.67	1,462.70	1,755.24
965	Wetherby Gardens	666.46	777.54	888.61	999.69	1,221.84	1,444.00	1,666.15	1,999.38

		ROYAL BOROUGH COUNCIL TAX - GARDEN SQUARES BY BAND							
		A	B	C	D	E	F	G	H
TOWN GARDENS PROTECTION ACT 1863									
CODE	GARDEN SQUARE	A	B	C	D	E	F	G	H
		£	£	£	£	£	£	£	£
975	Arundel Gardens/Elgin Crescent	699.05	815.55	932.06	1,048.57	1,281.59	1,514.60	1,747.62	2,097.14
977	Blenheim Crescent/Elgin Crescent	666.98	778.14	889.31	1,000.47	1,222.80	1,445.12	1,667.45	2,000.94
978	Emperor's Gate	538.00	627.67	717.33	807.00	986.33	1,165.67	1,345.00	1,614.00
979	Ladbroke Grove	587.61	685.55	783.48	881.42	1,077.29	1,273.16	1,469.03	1,762.84
980	Rosmead Gardens	745.79	870.09	994.39	1,118.69	1,367.29	1,615.89	1,864.48	2,237.38
981	Lansdowne Gardens	636.04	742.05	848.05	954.06	1,166.07	1,378.09	1,590.10	1,908.12
982	Hanover Gardens	641.62	748.56	855.49	962.43	1,176.30	1,390.18	1,604.05	1,924.86
984	Montpellier Gardens	725.75	846.71	967.67	1,088.63	1,330.55	1,572.47	1,814.38	2,177.26
986	Notting Hill	629.97	734.97	839.96	944.96	1,154.95	1,364.94	1,574.93	1,889.92

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	£ 695.20	£ 811.07	£ 926.93	£ 1042.80	£ 1274.53	£ 1506.27	£ 1738.00	£ 2085.60

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	883.96	1031.29	1178.61	1325.94	1620.59	1915.25	2209.90	2651.88
901	Arundel Gardens/Ladbroke Gardens	849.78	991.41	1133.04	1274.67	1557.93	1841.19	2124.45	2549.34
902	Avondale Park Gardens	731.99	853.99	975.98	1097.98	1341.97	1585.97	1829.97	2195.96
904	Barkston Gardens	802.13	935.83	1069.51	1203.20	1470.57	1737.96	2005.33	2406.40
906	Bina Gardens (West)	781.71	912.00	1042.28	1172.57	1433.14	1693.72	1954.28	2345.14
907	Bolton Gardens	930.68	1085.80	1240.90	1396.02	1706.24	2016.48	2326.70	2792.04
908	Bramham Gardens	752.47	877.89	1003.29	1128.71	1379.53	1630.36	1881.18	2257.42
909	Brompton Square	789.27	920.81	1052.35	1183.90	1446.99	1710.08	1973.17	2367.80
912	Campden Hill Square	873.17	1018.70	1164.22	1309.75	1600.80	1891.86	2182.92	2619.50
913	Campden House Court	800.26	933.64	1067.01	1200.39	1467.14	1733.90	2000.65	2400.78
914	Clarendon Road/Lansdowne Road	930.05	1085.06	1240.06	1395.07	1705.08	2015.10	2325.12	2790.14
915	Collingham Gardens	806.89	941.37	1075.85	1210.33	1479.29	1748.26	2017.22	2420.66
916	Cornwall Gardens	761.08	887.93	1014.77	1141.62	1395.31	1649.01	1902.70	2283.24
917	Courtfield Gardens (East)	755.30	881.19	1007.06	1132.95	1384.71	1636.49	1888.25	2265.90
918	Courtfield Gardens (West)	789.79	921.42	1053.05	1184.68	1447.94	1711.21	1974.47	2369.36
921	Earls Court Square	751.37	876.60	1001.82	1127.05	1377.50	1627.96	1878.42	2254.10
922	Edwardes Square	862.07	1005.76	1149.43	1293.11	1580.46	1867.83	2155.18	2586.22
925	Gledhow Gardens	828.01	966.02	1104.01	1242.02	1518.02	1794.03	2070.03	2484.04
928	Hereford Square	901.08	1051.26	1201.44	1351.62	1651.98	1952.34	2252.70	2703.24
929	Holland Road/Russell Road	783.41	913.99	1044.55	1175.12	1436.25	1697.40	1958.53	2350.24
930	Hornton Street/Holland Street	785.95	916.95	1047.93	1178.93	1440.91	1702.90	1964.88	2357.86
933	Ivema Court	732.41	854.48	976.54	1098.61	1342.74	1586.88	1831.02	2197.22
936	Kensington Square	764.89	892.37	1019.85	1147.33	1402.29	1657.26	1912.22	2294.66
939	Lexham Gardens	776.42	905.83	1035.22	1164.63	1423.43	1682.25	1941.05	2329.26
942	Morston and Cresswell Gardens	836.79	976.25	1115.71	1255.18	1534.11	1813.04	2091.97	2510.36
944	Nevern Square	770.43	898.84	1027.24	1155.65	1412.46	1669.28	1926.08	2311.30
945	Norland Square	780.77	910.91	1041.03	1171.16	1431.41	1691.68	1951.93	2342.32
948	Ovington Square	784.23	914.93	1045.63	1176.34	1437.75	1699.16	1960.57	2352.68
951	Pembroke Square	794.95	927.44	1059.93	1192.42	1457.40	1722.39	1987.37	2384.84
952	Philbeach Gardens	796.78	929.58	1062.37	1195.17	1460.76	1726.36	1991.95	2390.34
955	Royal Crescent	859.30	1002.52	1145.73	1288.95	1575.38	1861.82	2148.25	2577.90
958	St James's Gardens	788.58	920.01	1051.44	1182.87	1445.73	1708.59	1971.45	2365.74
959	Stanley Crescent	829.63	967.91	1106.17	1244.45	1520.99	1797.54	2074.08	2488.90
960	Stanley Gardens (North)	873.17	1018.71	1164.23	1309.76	1600.81	1891.88	2182.93	2619.52
961	Stanley Gardens (South)	863.51	1007.43	1151.34	1295.26	1583.09	1870.93	2158.77	2590.52
962	Sunningdale Gardens	769.08	897.26	1025.44	1153.62	1409.98	1666.34	1922.70	2307.24
965	Wetherby Gardens	850.46	992.21	1133.94	1275.69	1559.17	1842.67	2126.15	2551.38

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	883.05	1030.22	1177.39	1324.57	1618.92	1913.27	2207.62	2649.14
977	Blenheim Crescent/Elgin Crescent	850.98	992.81	1134.64	1276.47	1560.13	1843.79	2127.45	2552.94
978	Emperor's Gate	722.00	842.34	962.66	1083.00	1323.66	1564.34	1805.00	2166.00
979	Ladbroke Grove	771.61	900.22	1028.81	1157.42	1414.62	1671.83	1929.03	2314.84
980	Rosmead Gardens	929.79	1084.76	1239.72	1394.69	1704.62	2014.56	2324.48	2789.38
981	Lansdowne Gardens	820.04	956.72	1093.38	1230.06	1503.40	1776.76	2050.10	2460.12
982	Hanover Gardens	825.62	963.23	1100.82	1238.43	1513.63	1788.85	2064.05	2476.86
984	Montpellier Gardens	909.75	1061.38	1213.00	1364.63	1667.88	1971.14	2274.38	2729.26
986	Notting Hill	813.97	949.64	1085.29	1220.96	1492.28	1763.61	2034.93	2441.92

***ADULT SOCIAL CARE
REVENUE BUDGET 2016-2017***

ADULT SOCIAL CARE

Summary of Changes

	£'000
ORIGINAL BUDGET 2015-16	58,213
Price Variations - Pay Award	123
Price Variations - Oncosts	123
Price Variations - Service	331
INFLATION	577
A redirection of social care to befit health funding	- 848
Savings arising from the review of the Financial Assessments and Income Collection Team	- 30
Supporting People contracting efficiencies	- 300
Review of Residential Services for Older People	- 650
Savings arising from a review of the Customer Journey	- 1,300
SAVINGS	- 3,128
GROWTH	-
Transfers of other budgets/recharges between Services	170
Depreciation	- 55
Fall out of specific grant relating to the Care Act, funding now included in Revenue Support Grant	728
Increase in spending reflecting the new burden arising from the transfer of responsibility for cases previously supported by the Independent Living Fund	500
Change in current service pension liability cost (IAS19)	491
OTHER	1,834
FORECAST BUDGET 2016-17	57,496

ADULT SOCIAL CARE

Subjective Summary

Subjective Grouping	Notes	2014-15 <i>Actual</i> £'000	2015-16 <i>Budget</i> £'000	2016-17 <i>Budget</i> £'000
Employees		16,281	13,463	11,691
Premises-related expenditure		384	137	137
Transport-related expenditure		79	25	24
Supplies and services		1,323	1,181	1,010
Third party payments		53,056	55,026	56,645
Transfer Payments		4,175	4,327	5,174
Support services		4,006	4,197	4,135
Depreciation (and impairment losses)		491	480	426
SPENDING		79,795	78,836	79,242
Government Grants		450	728	0
Other grants, reimbursements and contributions		17,207	14,517	17,661
Customer and client receipts		4,303	4,523	3,930
Recharges		1,346	855	155
INCOME		23,306	20,623	21,746
NET SPENDING		56,489	58,213	57,496

ADULT SOCIAL CARE

Service Summary

Service	2014-15 Actual			2015-16 Budget			2016-17 Budget		
	Spend £'000	Income £'000	Net £'000	Spend £'000	Income £'000	Net £'000	Spend £'000	Income £'000	Net £'000
Physical Support	21,967	5,361	16,606	19,378	4,047	15,331	20,724	4,094	16,630
Sensory Support	146	32	114	165	31	134	57	6	51
Support with Memory and Cognition	2,628	762	1,866	3,937	881	3,056	1,314	343	971
Learning Disability Support	14,750	5,701	9,049	15,438	5,890	9,548	17,794	7,799	9,995
Mental Health Support	7,112	2,248	4,864	7,131	1,950	5,181	8,452	2,233	6,219
Supporting People	677	0	677	982	0	982	257	0	257
Public Transport	9,529	16	9,513	10,034	0	10,034	10,034	0	10,034
Total	56,809	14,120	42,689	57,065	12,799	44,266	58,632	14,475	44,157
Commissioning & Service Delivery	12,422	7,253	5,169	11,527	5,526	6,001	11,556	5,908	5,648
Social Support: Support to Carers	797	278	519	809	355	454	969	427	542
Assistive Equipment & Technology	437	0	437	453	0	453	566	0	566
Social Support Substance Use	654	654	0	702	702	0	0	0	0
Social Care Activities (Social Work service)	8,676	1,001	7,675	8,280	1,241	7,039	7,519	936	6,583
Total	22,986	9,186	13,800	21,771	7,824	13,947	20,610	7,271	13,339
			-			-			-
TOTAL ADULT SOCIAL CARE	79,795	23,306	56,489	78,836	20,623	58,213	79,242	21,746	57,496

CHILDREN'S SERVICES
REVENUE BUDGET 2016-2017

CHILDREN'S SERVICES

Summary of Changes

	£'000
ORIGINAL BUDGET 2015-16	41,109
Price Variations - Service	493
Price Variations - Central Support Services	-
INFLATION	493
Efficiencies delivered by focus on practice	- 450
Increased funding for Troubled Families service	- 120
Review of configuration of Children's Homes	- 350
Deliver internal efficiencies on internal and external training	- 20
Efficiencies from review and reconfiguration of early year's service	- 300
Efficiencies from review and recommissioning of Children's Centres	- 175
Efficiencies from targeting play services	- 61
Savings from employee-led mutual company delivering youth services	- 315
Efficiencies from third sector commissioning	- 137
Savings from rationalisation of Special Education Needs service	- 50
Savings from reconfiguration of schools based professional training	- 50
Use of Dedicated Schools Grant to support Special Educational Needs assessments	- 100
Use of Dedicated Schools Grant to support Schools intervention funding	- 25
Efficiencies from rationalisation of schools standards delivery	- 20
Increase charges for education data team	- 20
More efficient delivery of hospital social work (funding targeted at residents)	- 100
SAVINGS	- 2,293
Funding to support work to prevent child sexual exploitation	50
Additional local funding to support work to support asylum seeking children	150
Funding for court system directed parenting assessments	200
Additional funding for Special Educational Needs Transport (demand led pressures)	100
GROWTH	500
Central support charges change	-
Transfers of budget internally	-
Depreciation change	59
Change in current service pension liability cost (IAS19)	1,220
Change in property managed costs	-
OTHER	1,279
FORECAST BUDGET 2016-17	41,088

CHILDREN'S SERVICES

Subjective Summary

Subjective Grouping	Notes	2014-15 <i>Actual</i> £'000	2015-16 Budget £'000	2016-17 Budget £'000
Employees		31,780	26,757	31,465
Premises-related expenditure		1,265	348	583
Transport-related expenditure		290	240	315
Supplies and services		7,668	20,386	9,798
Third party payments		28,748	18,475	24,800
Transfer Payments		5	86	178
Schools Delegated Budgets		79,420	61,997	54,174
Support services		9,465	9,318	9,586
Depreciation (and impairment losses)		272	279	1,373
SPENDING		158,913	137,886	132,272
Government Grants		12,338	9,621	5,504
Dedicated Schools Grant		73,905	71,710	67,335
Other grants, reimbursements and contributions		14,759	7,784	10,445
Customer and client receipts		12,183	5,094	5,332
Inter Business Group Chrgs		-	-	-
Recharges		2,902	2,568	2,568
INCOME		116,087	96,777	91,184
NET SPENDING		42,826	41,109	41,088

CHILDREN'S SERVICES

Service Summary

Service	2014-15 Actual			2015-16 Budget			2016-17 Budget		
	Spend £'000	Income £'000	Net £'000	Spend £'000	Income £'000	Net £'000	Spend £'000	Income £'000	Net £'000
Children's Commissioning									
Director of Children's Commissioning							50	81	- 31
Commissioning and Business Development							2,746	2,710	35
Service Development							1,703	773	930
Early Intervention							13,460	8,518	4,942
Children's Joint Commissioning							310	27	283
Specialist Intervention							1,663	589	1,073
Children's Commissioning Total	13,190	5,910	7,280	10,785	4,156	6,629	19,932	12,699	7,233
Tri Borough Education Service									
Asset Strategy							707	563	145
School Standards							2,545	1,815	730
Director of Schools Commissioning and Education							214	96	119
Special Educational Needs and Vulnerable Children							16,275	14,162	2,113
Tri-Borough Education Service Total	15,546	12,109	3,437	20,819	17,710	3,109	19,742	16,636	3,106
Finance & Resources									
Children's Finance							2,450	1,907	543
CHS Finance Coordination Team							836	95	741
Finance and Resources							321	84	237
Info and Comm Tech (ICT)							1,003	378	624
Resources							328	240	88
Finance & Resources Total	8,982	6,897	2,085	2,067	460	1,607	4,938	2,705	2,232
Safeguarding and LSCB									
Safeguarding, Review and Quality Assurance							1,464	316	1,148
Safeguarding & LSCB Total	1,043	120	923	1,088	111	977	1,464	316	1,148

CHILDREN'S SERVICES

Service Summary

Service	2014-15 Actual			2015-16 Budget			2016-17 Budget		
	Spend £'000	Income £'000	Net £'000	Spend £'000	Income £'000	Net £'000	Spend £'000	Income £'000	Net £'000
Family Services									
Children with Disabilities							3,735	172	3,563
Clinical Practice							941	607	334
Early Help and Social Work							9,380	3,597	5,783
Family and Care Resources							3,722	721	3,001
Director of Family Services - RBKC							297	126	171
Looked After Children and Leaving Care							2,855	697	2,158
Social Work for Families							8,324	782	7,542
Assessment and MASH							300	220	80
Youth Offending Service							1,418	796	622
Clinical Practice							176	162	14
Fostering and Adoption							4,833	2,255	2,578
Family Services Total	37,300	9,496	27,804	37,591	11,095	26,496	35,981	10,135	25,846
Senior Management Team	649	3	645	1,055	442	613	434	141	293
School Funding	79,346	78,694	652	61,946	60,268	1,678	47,246	46,017	1,229
Total	156,056	113,230	42,826	135,351	94,242	41,109	129,737	88,650	41,088
Adjustment for Internal Recharges	2,857	2,857	-	2,535	2,535	-	2,535	2,535	-
TOTAL CHILDREN'S SERVICES	158,913	116,087	42,826	137,886	96,777	41,109	132,272	91,185	41,088

***ENVIRONMENT, LEISURE AND
RESIDENTS' SERVICES***

REVENUE BUDGET 2016-2017

ENVIRONMENT, LEISURE AND RESIDENTS' SERVICES

Summary of Changes

	£'000
ORIGINAL BUDGET 2015-16	32,653
INFLATION	266
Savings from externalisation Opera Holland Park (creation of a charitable trust)	- 385
Offer new food waste collection service to businesses	- 188
Contractor to directly provide garden waste service at additional cost for users	- 129
Review public conveniences with a focus on increase income	- 75
Ongoing efficiencies in the costs of waste disposal	- 62
One-off efficiencies in the costs of waste disposal	- 417
Rationalisation of waste and street enforcement supplies and services budgets	- 19
Introduce licensing for advertising boards	- 10
Rationalise back office staffing and alignment of existing budgets	- 50
Increased income from commercial waste service predominantly from increased enforcement	- 318
Efficiencies from review of Parks Police service	- 32
Reduce staffing in the grounds maintenance contract from 12 to 6. Six static sites will be merged into three mobile teams removing permanent park keepers in the affected parks	- 40
Reduce gardening staff from 11 to 9 in Holland Park, including the increased use of shrub planting	- 30
Reduce grounds maintenance staffing costs by closing plant nursery	- 25
Remove hanging baskets and planters or secure new external funding source	- 23
Maximise new and existing revenue streams from upgraded sports facilities	- 87
SAVINGS	1,890
Increase in waste collection costs	60
Creation of a permanent Culture Service development officer	44
LOCAL GROWTH	104
National Non-Domestic Rates	-
CORPORATE GROWTH	-
Central support charges change	- 100
Transfers of budget internally	- 34
Depreciation change	311
Change in current service pension liability cost (IAS19)	199
OTHER	376
FORECAST BUDGET 2016-17	31,509

ENVIRONMENT, LEISURE AND RESIDENTS' SERVICES

Subjective Summary

Subjective Grouping	Notes	2014-15 Actual £'000	2015-16 Budget £'000	2016-17 Budget £'000
Employees	1	5,850	5,947	5,861
Premises-related expenditure	2	3,773	2,733	2,595
Transport-related expenditure	3	113	114	93
Supplies and services	4	5,153	4,848	2,254
Third party payments	5	27,259	28,342	27,475
Support services	6	3,138	4,110	4,010
Depreciation (and impairment losses)	7	733	726	1,037
SPENDING		46,019	46,820	43,325
Other grants, reimbursements and contributions	8	1,978	2,647	1,483
Customer and client receipts	9	10,679	10,762	9,541
Interest		1	1	1
Recharges		811	757	791
INCOME		13,469	14,167	11,816
NET SPENDING		32,550	32,653	31,509

Notes

The main changes between the 2015-16 and 2016-17 budgets are set out in the following notes.

- 1 Budget efficiencies -£57,000 (Parks Police & Business Improvement); Change in current service pension liability cost (IAS19) +£199,000; Salary and National Insurance inflation +£108,000; Opera Holland Park budget removal -£361,000; Additional enforcement for commercial waste +£80,000; Additional Culture Service post +£44,000; Shared staff budget adjustments, with corresponding third party payments and income budgets for transfers between LBHF - £161,000; Other budget realignments +£62,000.
- 2 Grounds maintenance contract inflation +£22,000; Grounds maintenance contract efficiencies - £118,000; Opera Holland Park budget removal -£28,000; Other budget realignments -£14,000.
- 3 Opera Holland Park budget removal -£18,000; Other budget realignments -£3,000.
- 4 Opera Holland Park budget removal -£2,541,000; Budget efficiencies -£15,000 (Environment and Climate Change); Other budget realignments -£39,000.
- 5 Contracts inflation +£136,000; Budget efficiencies -£880,000 (Waste Disposal, Garden Waste, Public Conveniences and Other Parks); Growth on Waste Contract +£60,000; Opera Holland Park budget removal -£15,000; Shared staff budget adjustments -£175,000; Other budget realignments +£7,000.
- 6 The reduction of £100,000 relates to the removal of the recharges to Opera Holland Park.
- 7 The increase relates to the new Kensington Leisure Centre +£417,000; Opera Holland Park - £83,000; Other asset changes -£23,000.
- 8 Budget efficiencies from upgraded sports facilities +£87,000; Opera Holland Park budget removal -£916,000; Shared staff budget adjustments -£335,000.
- 9 Income growth to deliver budget efficiencies in commercial waste +£398,000 and other areas +£30,000; Opera Holland Park budget removal -£1,651,000.

ENVIRONMENT, LEISURE AND RESIDENTS' SERVICES

Service Summary

Service	2014-15 Actual			2015-16 Budget			2016-17 Budget		
	Spend £'000	Income £'000	Net £'000	Spend £'000	Income £'000	Net £'000	Spend £'000	Income £'000	Net £'000
Corporate and Democratic Core	83	-	83	51	-	51	39	-	39
Cleaner, Greener and Cultural Services									
Waste and Street Enforcement									
Waste Contract and Enforcement	13,386	153	13,233	13,277	163	13,114	13,459	183	13,276
Waste Disposal	11,126	-	11,126	9,260	-	9,260	8,677	-	8,677
Waste Policy and Development	2,386	64	2,321	2,372	111	2,261	2,229	87	2,142
Environmental Initiatives	127	21	106	117	-	117	176	66	110
Climate Change	284	5	279	277	-	277	308	16	292
Culture									
Arts Development and Support	1,491	458	1,032	578	50	578	601	10	591
Opera Holland Park	3,053	2,291	762	3,391	2,527	864	-	-	-
Museums	1,165	260	905	994	393	601	1,070	393	677
Carnival, Filming and Events	1,071	286	785	1,098	396	702	1,203	331	872
Total Cleaner, Greener and Cultural Services	34,088	3,539	30,549	31,364	3,640	27,774	27,724	1,085	26,639
Safer Neighbourhoods									
Leisure and Parks									
Sports Centres	461	127	335	956	388	568	1,482	475	1,007
Parks and Open Spaces	3,574	261	3,313	3,582	263	3,319	3,431	264	3,167
Cemeteries	803	935	132	831	1,042	212	827	1,042	215
Community Safety									
CCTV	345	29	315	306	56	250	298	48	251
Parks Police	1,189	309	880	1,353	525	827	1,085	261	824
Emergency Services									
Mortuary and Coroners Service	436	-	436	436	-	436	436	-	436
Total Safer Neighbourhoods	6,808	1,661	5,147	7,463	2,274	5,189	7,560	2,090	5,470

ENVIRONMENT, LEISURE AND RESIDENTS' SERVICES

Service Summary

Service	2014-15 Actual			2015-16 Budget			2016-17 Budget		
	Spend £'000	Income £'000	Net £'000	Spend £'000	Income £'000	Net £'000	Spend £'000	Income £'000	Net £'000
Customer and Business Development									
Business Support									
Commercial Waste	2,822	6,075	- 3,254	5,666	6,013	- 346	5,747	6,421	- 674
Traders Stores and Market Development	215	191	24	246	211	35	254	219	35
Markets and Street Trading	816	814	2	814	814	-	811	811	-
Total Customer and Business Development	3,852	7,081	- 3,229	6,727	7,038	- 312	6,812	7,451	- 638
Adjustment for Recharged Services Income	1,188	1,188	-	1,216	1,216	-	1,191	1,191	-
TOTAL	46,020	13,469	32,550	46,820	14,167	32,653	43,326	11,817	31,509
FULLY RECHARGED SERVICES									
Executive, Finance and Business Improvement	1,091	312	779	1,041	358	683	1,020	302	718
Directors and Heads of Service	1,662	129	1,533	1,580	133	1,447	1,538	137	1,401
Contracts and Enforcement	2,063	747	1,316	1,945	724	1,221	2,231	753	1,478
TOTAL FULLY RECHARGED SERVICES	4,816	1,188	3,628	4,566	1,216	3,350	4,788	1,191	3,597

Note - there are some rounding differences due to rounding to the nearest thousand.

HOUSING SERVICES
REVENUE BUDGET 2016-2017

HOUSING SERVICES

Summary of Changes

	£'000
ORIGINAL BUDGET 2015-16	13,705
Price Variations	51
INFLATION	51
Reduced expenditure on Supporting People through reprocurement of services	- 485
Reconfiguration of services provided by the Home Improvement Agency	- 100
Deletion of posts within the Housing Service (see breakdown below)	- 194
Other efficiencies within housing budgets (e.g.IT)	- 60
SAVINGS	- 839
Increase in Temporary Accommodation	2,000
GROWTH	2,000
Increase to Employee On cost rate	51
Transfers of budget between Business Groups/HRA	- 56
Change in current service pension liability cost (IAS19)	240
OTHER	235
FORECAST BUDGET 2016-17	15,152

HOUSING SERVICES

Subjective Summary

Subjective Grouping	Notes	2014-15 Actual	2015-16 Budget	2016-17 Budget
		£'000	£'000	£'000
Employees		5,767	5,497	6,043
Premises-related expenditure		53	55	72
Transport-related expenditure		8	6	6
Supplies and services		948	345	734
Third party payments		32,387	33,728	34,737
Support Services		1,666	1,526	1,527
Recharges from Other Business Groups		13	14	14
Depreciation (and impairment losses)		1	1	1
SPENDING		40,843	41,172	43,134
INCOME				
Government Grants				
Other grants, reimbursements and contributions		26,212	26,439	26,921
Customer and client receipts		131	129	29
Interest		1	2	2
Recharges		712	897	1,030
INCOME		27,056	27,467	27,982
NET SPENDING		13,787	13,705	15,152

HOUSING SERVICES

Service Summary

Service	2014-15 Actual			2015-16 Budget			2016-17 Budget		
	Spend £'000	Income £'000	Net £'000	Spend £'000	Income £'000	Net £'000	Spend £'000	Income £'000	Net £'000
Corporate and Democratic Core	17	-	17	18	-	18	24	-	24
Housing Strategy	195	-	195	215	-	215	191	-	191
Homelessness and Housing Advice	33,408	26,570	6,838	34,042	26,654	7,388	36,341	27,073	9,268
RSL's and Housing Advances	653	2	651	86	5	81	86	5	81
Supporting People	6,244	158	6,086	6,101	189	5,912	5,591	189	5,402
Other Council Property	-	-	-	221	130	91	219	130	89
Private Sector Housing Renewals	-	-	-	-	-	-	97	-	97
Housing Management & Support	1,395	1,395	-	1,481	1,481	-	1,518	1,518	-
Total	41,912	28,125	13,787	42,164	28,459	13,705	44,067	28,915	15,152
Adjustment for Internal Recharges	- 1,069	- 1,069	-	- 991	- 991	-	- 933	- 933	-
TOTAL HOUSING SERVICES	40,843	27,056	13,787	41,173	27,468	13,705	43,134	27,982	15,152

HOUSING REVENUE ACCOUNT

HOUSING REVENUE ACCOUNT			
Cabinet Member for Housing, Property and Regeneration	<i>Actual</i>	Budget	Budget
	<i>2014-2015</i>	2015-2016	2016-2017
	<i>£'000</i>	£'000	£'000
EXPENDITURE			
Salaries	0	0	0
Premises Related Expenditure	20,460	20,774	21,992
Transport Related Expenditure	0	0	0
Supplies & Services	1,192	1,873	1,381
Agency & Contracted Services	11,051	10,679	10,838
Housing Benefit & Other Transfer Payments	0	0	0
Total Direct Expenditure	32,703	33,326	34,141
Central Support Services Recharges	346	318	318
Departmental Support Services Recharge	597	789	871
Contribution to Working Balance	2,557	0	0
Capital Financing Costs	21,328	32,172	28,468
Contingency	0	0	0
TOTAL EXPENDITURE	57,531	66,605	63,798
INCOME			
Government Grants	0	0	0
Other Grants & Contributions	306	205	205
Drawdown from Working Balance	0	7,272	3,360
Fees, Charges & Other Client Income	14,932	15,143	16,935
Rent – Dwellings	42,210	43,936	43,248
Interest	83	49	
TOTAL INCOME	57,531	66,605	63,798
NET EXPENDITURE (FULLY RECHARGED)	0	0	0
DESCRIPTION OF SERVICE			
<p>The Housing Revenue Account (HRA) contains all the income and expenditure on goods and services relating to the provision, management and maintenance of the Council's properties and tenancies. By law, the HRA must be balanced with no contributions to or from the General Fund. Since April 1996 responsibility for management and maintenance has been delegated to the RBKC Tenant Management Organisation, and it is now responsible for most budgets. The Council retains responsibility for a limited range of budget headings which are inappropriate for delegation.</p>			
MAJOR VARIATIONS			
<p>The Management Fee for 2016-17 has been set at £10.8 million. An overall inflationary provision of 1% has been allowed for 2016-17. This provision will be used to fund pay awards and other inflationary increases on non-pay budgets e.g. utilities.</p> <p>The cost of capital debt charges has decreased by £591,000 which is due to a decrease in the projected interest rate used to calculate the debt charges.</p> <p>The 2016-17 budget includes a further contribution towards the HRA Capital Programme with an overall revenue contribution of £18.221 million assumed in the 2016-17 budget. This is a higher contribution than in recent years.</p>			

***LIBRARY ARCHIVE AND HERITAGE
SERVICES***

REVENUE BUDGET 2016-2017

LIBRARY, ARCHIVE AND HERITAGE SERVICES

Summary of Changes

	£'000
ORIGINAL BUDGET 2015-16	6,160
Price Variations - National Insurance	24
Price Variations - Other	29
INFLATION	53
Improved Economy/efficiency	- 100
Increased income	- 10
SAVINGS	- 110
GROWTH	-
Central support charges change	-
Transfers of budget internally	-
Depreciation change	68
Change in current service pension liability cost (IAS19)	105
OTHER	173
FORECAST BUDGET 2016-17	6,276

LIBRARY, ARCHIVE AND HERITAGE SERVICES

Subjective Summary

Subjective Grouping	Notes	2014-15 <i>Actual</i> £'000	2015-16 <i>Budget</i> £'000	2016-17 <i>Budget</i> £'000
Employees		2,498	2,522	2,738
Premises-related expenditure	1	877	8	8
Transport-related expenditure		6	7	8
Supplies and services	2	687	714	630
Third party payments	2	660	548	557
Support Services	1	1,259	2,371	2,343
Depreciation (and impairment losses)		688	683	683
SPENDING		6,675	6,853	6,967
Other grants, reimbursements and contributions		520	487	487
Customer and client receipts		188	206	204
Recharges		0	0	0
INCOME		708	693	691
NET SPENDING		5,967	6,160	6,276

Notes

- 1 From 2015-16 the majority of the management of premises related expenditure has been transferred to Corporate Services and now returns in additional charges in the Support Services recharge line.
- 2 From 2015-16 some costs have been reclassified out of third party payments to supplies and services.

LIBRARY, ARCHIVE AND HERITAGE SERVICES

Service Summary

Service	2014- 15 Actual			2015- 16 Budget			2016- 17 Budget		
	Spend £'000	Income £'000	Net £'000	Spend £'000	Income £'000	Net £'000	Spend £'000	Income £'000	Net £'000
Libraries, Archive and Heritage Services									
Tri-borough Libraries and Archives	711	194	517	696	218	478	715	218	497
Tri-borough Operations	4,243	198	4,045	4,533	206	4,327	4,757	204	4,553
Reference, Info and Archives	844	239	605	825	234	591	860	234	626
Community Development	877	77	800	799	35	764	635	34	601
TOTAL LIBRARIES, ARCHIVE AND HERITAGE SERVICES	6,675	708	5,967	6,853	693	6,160	6,967	691	6,276

***PLANNING AND BOROUGH
DEVELOPMENT***

REVENUE BUDGET 2016-2017

PLANNING AND BOROUGH DEVELOPMENT

Summary of Changes

	£'000
ORIGINAL BUDGET 2015-16	3,696
Price Variations - Service	90
INFLATION	90
Reduction in back office costs	- 191
Reduction in Tree Maintenance and Contractor costs	- 10
Income from various fees and charges	- 163
SAVINGS	- 364
GROWTH	-
Capital Charges budget change	- 18
Change in current service pension liability cost (IAS19)	244
OTHER	226
FORECAST BUDGET 2016-17	3,648

PLANNING AND BOROUGH DEVELOPMENT

Subjective Summary

Subjective Grouping	Notes	2014-15 Actual £'000	2015-16 Budget £'000	2016-17 Budget £'000
Employees	1	5,528	5,176	5,354
Premises-related expenditure		0	0	0
Transport-related expenditure		12	13	13
Supplies and services		730	433	434
Third party payments	2	1,004	851	805
Support services		1,881	1,863	1,863
Depreciation (and impairment losses)		55	56	38
SPENDING		9,210	8,392	8,507
Government Grants		83	0	0
Other grants, reimbursements and contributions	3	95	70	95
Customer and Client Receipts	4	5,690	4,626	4,764
INCOME		5,868	4,696	4,859
NET SPENDING		3,342	3,696	3,648

Notes

- 1 Inflation has added £89,000 to Employee costs. Savings in Support Services have reduced by £155,000. IAS19 Pension related costs have increased by £244,000 (this is a non-controllable cost).
- 2 Savings have been made in the Legal Services SLA budgets of £36,000 and a reduction in the Tree Maintenance budget of £10,000.
- 3 An allowance has been made for the Community Infrastructure Levy (CIL) administration income.
- 4 There have been further increases in Fees and charges budgets to reflect higher usage

PLANNING AND BOROUGH DEVELOPMENT

Service Summary

Service	2014-15 Actual			2015-16 Budget			2016-17 Budget		
	Spend £'000	Income £'000	Net £'000	Spend £'000	Income £'000	Net £'000	Spend £'000	Income £'000	Net £'000
Corporate and Democratic Core	266	-	266	276	-	276	276	-	276
Planning Services									
Development Management	4,377	3,280	1,097	3,988	2,937	1,051	4,047	3,056	991
Land Charges	613	1,530	- 917	409	1,199	- 790	382	1,199	- 817
Policy	962	487	475	839	78	761	849	103	746
Neighbourhood Planning	544	80	464	498	9	489	505	9	496
Specialist Services	1,737	23	1,714	1,600	8	1,592	1,613	8	1,605
Total Planning Services	8,233	5,400	2,833	7,334	4,231	3,103	7,396	4,375	3,021
Total Building Control	859	616	243	980	663	317	1,014	663	351
Adjustment for Internal Recharges	- 148	- 148	-	- 198	- 198	-	- 179	- 179	-
TOTAL PLANNING AND BOROUGH DEVELOPMENT	9,210	5,868	3,342	8,392	4,696	3,696	8,507	4,859	3,648

***PUBLIC HEALTH
REVENUE BUDGET 2016-2017***

PUBLIC HEALTH
Summary of Changes

	£'000
ORIGINAL BUDGET 2015-16	-
INFLATION	-
Behaviour Change	- 398
Sexual Health	- 324
Families and Children	- 587
Substance Misuse	- 700
Public Health Investment Fund	- 268
SAVINGS	- 2,277
GROWTH	-
0-5 Services Full Year Grant Allocation	- 1,342
Increased 0-5 Full Year responsibility transferred to Council	1,342
Reduction in Public Health Grant	2,277
OTHER	2,277
FORECAST BUDGET 2016-17	-

PUBLIC HEALTH

Subjective Summary

Subjective Grouping	Notes	<i>2014-15 Actual</i>	<i>2015-16 Budget</i>	<i>2016-17 Budget</i>
		<i>£'000</i>	<i>£'000</i>	<i>£'000</i>
EXPENDITURE				
Employees		1,228	1,607	1,607
Third party payments		15,127	18,435	17,769
Transfer payments		775	268	-
Supplies and services		5,194	2,246	2,246
Other Departments				
Central Departments				
SPENDING		22,324	22,556	21,622
Government Grants		21,214	22556	21,622
Other grants, reimbursements and contributions				
INCOME		21,214	22,556	21,622
NET SPENDING		1,110	0	-

PUBLIC HEALTH

Service Summary

Service	2014-15 Actual			2015-16 Budget			2016-17 Budget		
	Spend £'000	Income £'000	Net £'000	Spend £'000	Income £'000	Net £'000	Spend £'000	Income £'000	Net £'000
Behaviour Change	1,319	-	1,319	2,327		2,327	1,929		1,929
Sexual Health	4,752	-	4,752	5,080		5,080	4,756		4,756
Families & Children	2,904	-	2,904	4,751		4,751	4,164		4,164
Wider and Social Determinants	-	2	-	76		76	76		76
Substance Misuse	6,155	-	6,155	6,202		6,202	5,502		5,502
Public Health Investment Fund	775	-	775	268		268	-		-
CCG Dietetics	1,190	-	1,190	1,190		1,190	1,190		1,190
Salaries & Overheads	1,228	-	1,228	1,607		1,607	1,607		1,607
0-5 Services Transferred	-	-	-	-		-	1,342	1,342	-
Risk Provision & Ambition Projects	4,004	-	4,004	1,056		1,056	1,056		1,056
Public Health Grant	-	21,214	-	-	22,556	-	-	20,280	-
TOTAL PUBLIC HEALTH	22,324	21,214	1,110	22,556	22,556	-	21,622	21,622	-

TRANSPORT AND TECHNICAL SERVICES
REVENUE BUDGET 2016-2017

TRANSPORT AND TECHNICAL SERVICES

Summary of Changes

	£'000
ORIGINAL BUDGET 2015-16	- 12,694
Price variations - service	349
INFLATION	349
Efficiencies from alignment of highways maintenance budgets with actual spend	- 344
Efficiencies from alignment of parking budgets with actual spend	- 724
Income from temporary structure licences	- 73
Efficiencies from alignment of environmental health budgets with actual spend	- 100
Efficiencies in the parking street compliance contract (adoption of "smart" enforcement strategies)	- 224
Savings on management costs	- 30
Savings due to use of standard lighting columns on major roads	- 50
Savings due to street lighting cleaning frequency	- 30
Savings on transport policy costs	- 40
SAVINGS	- 1,615
Employer's National Insurance Contribution	65
Implementation of additional control of noise and vibrations in basement developments	60
GROWTH	125
Central support charges change	-
Town Hall Car Park transferred to corporate property	- 522
Increase in enforcement recharge from ELRS	35
Depreciation change	13
Change in current service pension liability cost (IAS19)	382
OTHER	- 93
FORECAST BUDGET 2016-17	- 13,928

TRANSPORT AND TECHNICAL SERVICES

Subjective Summary

Subjective Grouping	Notes	2014-15 Actual £'000	2015-16 Budget £'000	2016-17 Budget £'000
Employees	1	9,102	9,101	9,450
Premises-related expenditure	2	1,186	1,067	848
Transport-related expenditure	3	52	37	35
Supplies and services	4	2,578	1,783	2,057
Third party payments	5	13,797	14,714	14,054
Support services	6	6,114	6,430	5,173
Depreciation (and impairment losses)	7	4,102	4,297	3,942
SPENDING		36,931	37,429	35,559
Government Grants		0	0	0
Other grants, reimbursements and contributions	8	2,535	455	757
Customer and Client Receipts	9	49,997	49,668	48,730
Interest				
Recharges				
TOTAL INCOME		52,532	50,123	49,487
NET SPENDING		-15,601	-12,694	-13,928

Notes

- 1 Employee costs inflated by 1%
NI Employer Contribution Growth
Savings proposals
Staffing budgets have been adjusted to reflect cost sharing arrangements - recharges in are shown under Third Party Payments and recharges out are under Other grants, reimbursements and contributions
Funding from Earls Court project for environmental health officers (contra in Income)
Pension cost adjustment (IAS19)
- 2 Budgets moved to corporate property for management of the Town Hall Car Park
- 3 Savings proposals
- 4 Savings proposals
Budget for consultants moved from Third Party Payments to Supplies and Services
Budgets moved to corporate property for management of the Town Hall Car Park
Inflation
- 5 Inflation
Growth
Savings proposals
Budget for consultants moved from Third Party Payments to Supplies and Services
Budgets moved to corporate property for management of the Town Hall Car Park
Staffing budgets have been adjusted to reflect cost sharing arrangements - recharges in are shown under Third Party Payments and recharges out are under Other grants, reimbursements and contributions
Environmental Health Training Contractors budget reduced (contra in income)
- 6 Budgets moved to corporate property for management of the Town Hall Car Park
Departmental overhead movements
- 7 Depreciation adjustment
Budgets moved to corporate property for management of the Town Hall Car Park
- 8 Staffing budgets have been adjusted to reflect cost sharing arrangements - recharges in are shown under Third Party Payments and recharges out are under Other grants, reimbursements and contributions
- 9 Budgets moved to corporate property for management of the Town Hall Car Park
Savings proposals
Funding from Earls Court project for environmental health officers (contra in Employee costs)
Environmental Health Training Contractors budget reduced (contra in Third Party Payments)

TRANSPORT AND TECHNICAL SERVICES

Service Summary

Service	2014-15 Actual			2015-16 Budget			2016-17 Budget		
	Spend £'000	Income £'000	Net £'000	Spend £'000	Income £'000	Net £'000	Spend £'000	Income £'000	Net £'000
Environmental Health									
Corporate Safety and Residential Operations	3,728	781	2,946	2,994	291	2,703	3,566	713	2,853
Environmental Health Commercial	2,619	502	2,117	2,553	433	2,120	2,609	418	2,191
Licensing and Trading Standards	2,960	2,407	553	2,629	1,895	735	2,526	1,845	679
Total Environmental Health	9,306	3,690	5,616	8,175	2,618	5,558	8,701	2,976	5,723
Transportation and Highways									
Highways Maintenance and Projects	10,575	3,174	7,401	14,259	1,401	12,857	13,713	1,448	12,265
Transport and Highways Administration	908	627	281	698	790	91	624	791	167
Transport Policy and Network Management	5,374	1,470	3,904	1,732	1,586	146	2,208	1,604	603
Parking Off Street	605	825	- 220	-	-	-	-	-	-
Total Transportation and Highways	17,462	6,096	11,365	16,689	3,776	12,912	16,544	3,843	12,701
Car Parking On Street	12,489	45,071	- 32,582	14,741	45,905	- 31,164	12,477	44,829	- 32,352
Adjustment for Recharged Services Income	-	-	-	-	-	-	-	-	-
TOTAL TRANSPORT AND TECHNICAL SERVICES	39,257	54,858	- 15,601	39,605	52,299	- 12,694	37,723	51,648	- 13,928

CORPORATE SERVICES
REVENUE BUDGET 2016-2017

CORPORATE SERVICES

Summary of Changes

	£'000
ORIGINAL BUDGET 2015-16	14,954
INFLATION	733
Reductions in financial services budgets	- 127
Reductions in fraud, audit and risk management budgets	- 30
Reductions in information systems costs	- 80
Increases in information systems income	- 30
Reductions in Customer Access costs (mainly staffing)	- 636
Increased income from property lettings	- 1,887
Reduced running costs of the Council's property	- 497
Reduced backoffice costs and budgets (e.g. staffing and supplies)	- 383
Increased income or funding for services (e.g. Registrars, Community Safety, Economic Development)	- 152
SAVINGS	- 3,822
Increased staffing costs following restructuring of Corporate Property	165
Additional cost of reproviding Disclosure and Disbarring Service	120
Housing Benefit Administration Subsidy Grant reduction	89
Increased cost of insurance premium tax	100
GROWTH	474
#Transfers of budget between business groups	367
Transfers of budget internally	
Technical Accounting Adjustments:	99
#Depreciation change	146
#Change in current service pension liability cost (IAS19)	1,348
OTHER	1,960
FORECAST BUDGET 2016-17	14,299

CORPORATE SERVICES

Subjective Summary

Subjective Grouping	Notes	2014-15 Actual £'000	2015-16 Budget £'000	2016-17 Budget £'000
EXPENDITURE				
Employees		32,312	29,366	30,695
Premises-related expenditure	1	11,377	16,250	15,702
Transport-related expenditure		136	82	81
Supplies and services		11,353	10,400	10,218
Third party payments		10,258	5,418	5,383
Transfer payments	2	155,724	141,176	140,540
Support Services		24,834	24,388	25,378
Depreciation (and impairment losses)		2,989	2,571	3,085
SPENDING		248,983	229,651	231,082
Government Grants	2	150,686	139,645	138,929
Other grants, reimbursements and contributions		6,715	4,955	5,738
Customer and Client Receipts		20,951	19,228	21,272
Recharges		48,978	50,869	50,844
INCOME		227,330	214,697	216,783
NET SPENDING		21,653	14,954	14,299

Notes

- 1 The increase in premises related expenditure budgets in 2015-16 is due to :£3.7m transfer of premises budgets previously held in other service areas (i.e. outside of Corporate Services); £0.8m transfer of premises contingency and security budgets from 'Supplies and Services' subjective grouping; £0.5m growth in new property running costs (e.g. Malton Road Hub); £0.4m inflation.
- 2 Mainly transfer payments and subsidy relating to Housing Benefit. Also includes £7.3m Council Tax dividend payment within 2014-15 'Transfer Payment' heading.

CORPORATE SERVICES

Service Summary

Service	2014-15 Actual			2015-16 Budget			2016-17 Budget		
	Spend £'000	Income £'000	Net £'000	Spend £'000	Income £'000	Net £'000	Spend £'000	Income £'000	Net £'000
Leader of the Council									
Media and Communications	960	254	706	948	180	768	958	180	778
Civic Ceremonial	587	-	587	609	-	609	626	-	626
Tri-Borough (delivering the programme of changes)	2,705	256	2,449	2,291	199	2,092	2,200	199	2,001
Total Leader of the Council	4,252	510	3,742	3,848	379	3,469	3,784	379	3,405
Deputy Leader and Cabinet Member for Housing, Property and Regeneration									
Property Services (excluding Commercial Lettings)	24,809	3,181	21,628	28,713	2,596	26,117	28,500	2,596	25,904
Commercial Property Lettings	6,386	10,022	3,636	3,637	9,326	5,689	6,217	12,351	6,134
Economic Regeneration	8,012	676	7,336	786	346	440	784	433	351
Total Deputy Leader and Cabinet Member for Housing, Property and Regeneration	39,207	13,879	25,328	33,136	12,268	20,868	35,501	15,380	20,121
Cabinet Member for Finance and Strategy									
Financial Services, Audit and Risk Management	7,174	1,070	6,104	6,409	845	5,564	6,664	1,264	5,400
Housing Benefits	154,035	151,394	2,641	145,940	142,503	3,437	145,273	141,788	3,485
Local Taxation Administration	3,897	1,868	2,029	3,360	1,985	1,375	3,340	1,972	1,368
Total Cabinet Member for Finance and Strategy	165,106	154,332	10,774	155,709	145,333	10,376	155,277	145,024	10,253
Cabinet Member for Community Safety, Information Systems and Corporate Services									
Community Safety	2,707	483	2,224	2,715	20	2,695	2,794	53	2,741
Customer Services	5,067	62	5,005	4,997	43	4,954	4,952	43	4,909
Governance	1,277	5	1,272	1,342	-	1,342	1,262	-	1,262
Human Resources	5,048	997	4,051	3,644	69	3,575	3,956	382	3,574
Information Systems	8,209	444	7,765	7,878	539	7,339	8,134	569	7,565
Legal Services	4,287	4,277	10	3,725	3,703	22	2,698	2,595	103
Services to the Public - Registrars and Electoral Services	2,721	1,480	1,241	2,462	962	1,500	2,538	1,002	1,536
Total Cabinet Member for Community Safety, IT and Corporate Services	29,316	7,748	21,568	26,763	5,336	21,427	26,334	4,644	21,690

CORPORATE SERVICES

Service Summary

Service	2014-15 Actual			2015-16 Budget			2016-17 Budget		
	Spend £'000	Income £'000	Net £'000	Spend £'000	Income £'000	Net £'000	Spend £'000	Income £'000	Net £'000
Cabinet Member for Voluntary Organisations and Resident Engagement									
Community Engagement, Service Improvement, Public Consultation	1,893	82	1,811	1,492	-	1,492	1,438	-	1,438
Voluntary Sector Support	3,279	96	3,183	2,678	-	2,678	2,726	-	2,726
Total Cabinet Member for Voluntary Organisations and Resident Engagement	5,172	178	4,994	4,170	-	4,170	4,164	-	4,164
Corporate and Democratic Core	4,198	54	4,144	5,103	140	4,963	5,100	140	4,960
Non Distributed Costs	816	1,651	- 835	922	372	550	922	372	550
TOTAL CORPORATE SERVICES (before Recharges)	248,067	178,352	69,715	229,651	163,828	65,823	231,082	165,939	65,143
Support Service Recharges	-	48,062	- 48,062	-	50,869	- 50,869	-	50,844	- 50,844
Departmental Recharges	916	916	-	-	-	-	-	-	-
TOTAL CORPORATE SERVICES	248,983	227,330	21,653	229,651	214,697	14,954	231,082	216,783	14,299

***ADULT AND FAMILY LEARNING
REVENUE BUDGET 2016-2017***

ADULT AND FAMILY LEARNING

Summary of Changes

	£'000
ORIGINAL BUDGET 2015-16	110
INFLATION	1
Change in current service pension liability cost (IAS19)	13
FORECAST BUDGET 2016-17	124

ADULT AND FAMILY LEARNING

Subjective Summary

Subjective Grouping	Notes	2014-15 Actual	2015-16 Budget	2016-17 Budget
		£'000	£'000	£'000
EXPENDITURE				
Employees	1	298	283	302
Transport-related expenditure		1	1	1
Supplies and services		57	158	150
Third party payments		932	837	892
Support Services		64	68	68
SPENDING		1,352	1,347	1,413
Government Grants	2	1,262	1,237	1,289
Other grants, reimbursements and contributions		6	0	0
INCOME		1,268	1,237	1,289
NET SPENDING		84	110	124

Notes

- 1 The 2016-17 budget increase includes the additional costs of IAS19.
- 2 Reflects the increase in Adult Skills funding in the Academic year 15-16.

ADULT AND FAMILY LEARNING

Service Summary

Service	2014-15 Actual			2015-16 Budget			2016-17 Budget		
	Spend £'000	Income £'000	Net £'000	Spend £'000	Income £'000	Net £'000	Spend £'000	Income £'000	Net £'000
Community Learning	1,158	1,086	72	1,148	1,054	94	1,156	1,054	102
Adult Skills	194	182	12	199	183	16	257	235	22
TOTAL ADULTS AND FAMILY LEARNING	1,352	1,268	84	1,347	1,237	110	1,413	1,289	124