

15

16

**BUDGET
PROPOSALS**
2015-16



THE ROYAL BOROUGH OF
KENSINGTON
AND CHELSEA

English

Information from this document can be made available in alternative formats and in different languages. If you require further assistance please use the contact details below.

Arabic

يمكن توفير المعلومات التي وردت في هذا المستند بصيغ بديلة ولغات اخرى. إذا كنت في حاجة إلى مزيد من المساعدة، الرجاء استخدام بيانات الاتصال الواردة أدناه.

Farsi

اطلاعات حاوی در این مدارک به صورتهای دیگر و به زبانهای مختلف در دسترس می باشد. در صورت نیاز به کمک بیشتر لطفا از جزئیات تماس ذکر شده در ذیل استفاده کنید.

French

Les informations présentées dans ce document peuvent vous être fournies dans d'autres formats et d'autres langues. Si vous avez besoin d'une aide complémentaire, veuillez utiliser les coordonnées ci-dessous.

Portuguese

A informação presente neste documento pode ser disponibilizada em formatos alternativos e em línguas diferentes. Se desejar mais assistência, use por favor os contactos fornecidos abaixo.

Somali

Macluumaadka dokumentigan waxaa lagu heli karaa qaabab kale iyo luuqado kala duwan. Haddii aad u baahan tahay caawinaad intaas dhaafsiisan fadlan isticmaal xiriirka faahfaahinta hoose.

Spanish

La información en este documento puede facilitarse en formatos alternativos y en diferentes idiomas. Si necesita más ayuda por favor utilice la siguiente información de contacto.

Consultation and Partnership Team
The Royal Borough of Kensington and Chelsea
The Town Hall, Hornton Street
London W8 7NX

Tel: 020 7361 2654

Email: consult@rbkc.gov.uk

Contents

The Council's mission for the Royal Borough	4
Foreword from the Leader	6
Introduction.....	9
Part I: The Council's general revenue spending	10
Funding from the Government	13
Funding from local sources.....	14
Part II: Setting the 2015-16 budget in context	17
Part III: Meeting the challenge	18
The Council's reserves.....	19
The Council's capital programme.....	21
Spending less	22
Unit costs	23
Services of high quality.....	30
Conclusion	35

Annexes

A) Overview of the services	37
B) Proposals for savings 2015-16	57
C) The Council's key documents	73

The Council's mission for the Royal Borough

We want the Royal Borough to be a place where people of all backgrounds wish to live: an attractive, safe and diverse area in which residents, businesses and visitors have the opportunity to thrive; a place that is smart, creative and prosperous, with resilient and public-spirited residents who respect their neighbours and contribute to their local communities.

The Council is therefore committed to:

- delivering good and affordable public services that are well managed and easy to use
- remaining one of the lowest taxing councils in the country
- listening to our residents, respecting their diverse backgrounds, needs, ambitions and views and championing their interests
- protecting the Royal Borough's character, investing in the public buildings and spaces that make Kensington and Chelsea special and seeking opportunities to improve areas where housing (and other amenities) could benefit from regeneration
- securing and maintaining a first-class educational offer, both through the quality of our schools and a significant capital investment programme

- ensuring that redevelopments such as those at Earl's Court and Warwick Road yield lasting and significant benefits for the borough and its current and future residents
- supporting residents to work with one another to improve the quality of life in their local communities
- encouraging the development of a prosperous and growing local economy that offers local people opportunities to work
- reducing the damage the Council's actions can have on the environment, and encouraging others to do likewise
- working with partners in the public and voluntary sectors to address the social issues that all urban areas confront, such as:
 - the poor health, worklessness and low incomes of some residents
 - parents who face a range of problems that affect their ability to keep their children safe from harm and promote their welfare
 - antisocial behaviour, crime and the fear of crime
 - the challenges and opportunities for elderly residents and those who are most vulnerable
 - intense pressures on all elements of the borough's housing and the difficulties that arise from this, such as overcrowding
- taking actions and decisions that are transparent and well explained.

Foreword from the Leader

On behalf of the Council's Cabinet, I am very pleased to set out our financial proposals for 2015-16.

Although this represents the fifth year in which the Council must manage a decline in its budget, my colleagues and I remain very proud of the high standards of service we set in this borough.

Here are some examples, drawing on my own experience of the Council's work over the past year:

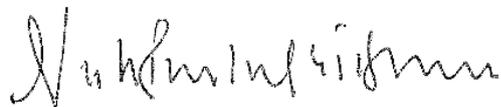
- The new Kensington Aldridge Academy opened to 184 students in September and will, in four years time, serve over 1,000 pupils. The academy specialises in entrepreneurship and the performing arts, and will help hundreds of young people in North Kensington make a success of their lives.
- Olive House, named after the late Cllr Baroness Ritchie, opened in June to give five young people the sort of home setting that we would all wish for our own families. As children 'looked after' by the Council, their placements will have been carefully planned – providing support on a day-to-day basis, promoting their welfare and helping them plan for independent adulthood post 18-years. Olive House also provides four independent bedsits for those leaving care aged 18 who still need some support.
- We learned in July that the Department for Education has awarded the three councils – London Borough of Hammersmith & Fulham (LBHF), Westminster City Council (WCC) and the Royal Borough of Kensington and Chelsea (RBKC) – £4 million from its Innovation Fund to build on the very high quality of work in children's social services and develop even more effective support for families.
- In October, the Department of Health confirmed that the three councils would be able to draw down up to £45 million from the Better Care Fund to help us maintain and improve standards of support for vulnerable, elderly people, avoiding unnecessary, distressing and expensive stays in hospital.

- Seeking to implement more stringent thresholds for basement development in the face of strong opposition by those involved, the borough gave evidence to a Planning Inspector in September and in December, received approval to restrict such developments, for example, to one storey below the ground.
- The Royal Borough is also taking a tougher, better coordinated and more joined-up approach to unauthorised development (as planning, environmental health, highway and parking enforcement teams tackle problem sites together). Enforcement notices in 2014-15 are set to be three times the average for the previous five years. Between January and October 2014, 94 notices were served, compared with an average of 35 for a full year previously.
- We are extracting ever more value from our assets to help reduce pressure on front line budgets. We are on track to double the 2011-12 income (£4.4 million) from General Fund commercial properties by the end of the current financial year. We also have projects in the pipeline that will significantly increase future income.
- Our brand new Kensington Leisure Centre was formally reopened in January 2015, providing yet more new facilities such as a children's splash pool, a fitness suite, an eight-court sports hall and spa facilities.
- An excellent addition to the borough's leisure portfolio, Chelsea Sports Centre and gym extension was completed in July 2014 and membership has increased from 1,400 to over 2,500 since the refurbishment.
- We have worked with the NHS and invested £90,000 to create a new dementia resource centre at Chamberlain House in North Kensington, incorporating day services previously provided at the Miranda Barry Centre.
- In January the Royal Borough received news that its schools had come first in the country for students achieving five GCSE A*-C grades, including English and mathematics.

- And for their outstanding work on school travel, three of our schools – Knightsbridge, Snowflake and St Mary Abbots – received top awards at Transport for London's Schools of Excellence Awards.
- Six new homes were created in otherwise redundant spaces at Greaves Tower and Holmfield House, while at Silchester Garages 14 units have been demolished to make way for 112 new homes (84 for affordable housing and 28 for market sale).
- In March 2014 I attended the opening of an exciting new public space in Norland Road (on the borough boundary near the Westfield shopping centre) where additional trees and quality paving now create a calm and tranquil focal point for the area.
- And in November, the first police officers of the newly formed Kensington and Chelsea Community Policing Team took to their beat. Paid for by an annual £1.4 million investment by the Council, the team will tackle issues of local concern such as antisocial behaviour.

In these and many other ways, Cabinet Members and officers seek to provide the range and quality of services that residents need, want and expect. For the sixth year running, we will do this while freezing council tax, which remains the fifth lowest in England.

I hope you will agree that the Council continues to manage its resources carefully and effectively.



Councillor Nicholas Paget-Brown

Leader of the Royal Borough of Kensington and Chelsea

March 2015

Comments about this document should be made to: Communications Office, The Royal Borough of Kensington and Chelsea, The Town Hall, Hornton Street, London W8 7NX.

Tel: **020 7361 3259** | Email: budgetproposals@rbkc.gov.uk

Introduction

This report – the fifth in an annual series – presents the Cabinet’s budget proposals for 2015-16 and sets out its broad approach to revenue budgeting.

Part I

Provides the context for the two parts that follow by describing the Council’s revenue budget, which funds the large majority of Council services and activities, and its forecast income for 2015-16. Briefer information is provided on the other elements of the Council’s finances, such as housing revenue spending.

Part II

Explains the pressures on the Council’s budget in future years.

Part III

Sets out the Cabinet’s proposals to meet these pressures.

Part I: The Council's general revenue spending

The Council's gross revenue budget peaked in 2010-11. Comparing like with like, the gross budget for 2015-16 of £417 million represents a cash reduction of £69 million over seven years. Allowing for increases in prices, the budget has fallen by 24 per cent in real terms¹.

This expenditure still supports a very wide range of services.

- Some – such as highways, street cleaning, planning, parking services, parks and open spaces, environmental health, refuse collection and disposal and consumer protection – meet the needs of everyday life and make the Royal Borough a pleasant place to live.
- Others provide residents with access to facilities and services such as schools, sports centres, community centres, citizens' advice services, libraries, museums and galleries.
- A third set – for example: social care, social services for adults and children, public health and the payment of benefits to offset housing and council tax costs – is directed at the needs of particular groups of residents.

The services and their budgets for 2015-16 are set out in **table 1**. Information on what each service provides can be found in **annex A**.

¹Two services – Public Health and Council Tax Support – were added in 2013-14. While the total recurrent budget would appear to have increased, for the most part, these increases represent transfers from other parts of the public sector.

Table 1: 2015-16 budgets by service

Service	£ m	%
Adult Social Care	74.6	17.9
Children's Services (including Education)	128.6	30.8
Environment, Leisure and Residents' Services	42.7	10.2
Housing Services	39.6	9.5
Library, Archive and Heritage Services	4.5	1.1
Planning and Borough Development	6.5	1.6
Public Health	21.2	5.1
Transport and Technical Services	30.2	7.2
Corporate Services	60.1	14.4
Adult and Family Learning Services	1.3	0.3
Other, e.g. financing charges	7.7	1.8
Total spending on services	417.0	100.0

Two broad sources of income support general revenue expenditure.

- Funding (directly or indirectly) from the Government: this will contribute about 56 per cent of the Council's budget in 2015-16. It comprises revenue support grant, dedicated schools grant and a variety of other specific and general grants and payments, such as retained business rates.
- Funding from local sources: this will contribute about 44 per cent of the budget. It comprises council tax receipts, a variety of fees and charges, car parking income, rents from property and interest on investments.

Table 2: Funding of the Council's services

Source	£ m	%
Revenue support grant and retained business rates	87.4	21.0
Council tax freeze grant	0.8	0.2
Dedicated schools grant	71.7	17.2
Other grants and contributions	75.5	18.1
Sales, fees and charges	53.8	12.9
Car parking income	44.2	10.6
Council tax	72.6	17.4
Interest	1.5	0.4
Rents	9.5	2.3
Total funding for services	417.0	100.0

Income from council housing is excluded from **table 2** because separate accounting rules apply to it and to the spending associated with council housing. Please see **box 1**.

Funding from the Government

Each authority has an allocation from central government of **revenue support grant** and a value for locally retained **business rates**. Some years ago, the principle behind the distribution of such grants was that local authorities offering the same services at the same levels of quality and efficiency would receive sufficient grant to set their council taxes at the same level for each property band. However, because of the need to cut public spending, this principle has been replaced by an assessment by central government of the maximum speed with which such support can be withdrawn year by year.

The **dedicated schools grant** has undergone several changes in the last seven years: perhaps the most significant is the Government's Pupil Premium, which has added £4.6 million in 2015-16. This is equivalent to seven per cent of the £62 million budget for schools.

The Council receives a variety of **other grants**, some of which are for specific purposes and some of which the Council has freedom to spend according to its own priorities.

Box 1: Housing revenue expenditure

Kensington and Chelsea Tenant Management Organisation (TMO) is responsible for the management of nearly 10,000 properties on behalf of the Council. Most are for rent, but about 25 per cent are now on long leases.

The funding of these properties is required, by law, to be entirely separate from the rest of the Council's finances within what is known as the Housing Revenue Account (HRA). Thus, the council tax payer cannot subsidise those in social housing. Nor can the rents and service charges paid by the tenants be used to fund unrelated council services. Under the Local Government and Housing Act 1989, it is illegal for a council to budget for a deficit on its HRA.

In April 2012, the self-financing regime for council housing finance was introduced. Following the introduction of these reforms, the financial outlook for the HRA has improved, thereby enabling further resources to be set aside for capital spending.

Proposals to raise additional income from rents are currently subject to consultation. For 2015-16, the Council has consulted tenants on an average increase in rents of 4.7 per cent.

Funding from local sources

Council tax provides the Council's largest single source of local income. It is set each year by the Council and paid by each household in the Royal Borough. The amount paid varies according to which of eight property value bands a home falls within (based on open market prices at 1 April 1991), with a 25 per cent discount available for people who live alone.

The eight bands are set in nationally fixed proportions to band D. As there has been no comprehensive revaluation of properties since the council tax was introduced, the link between property value and council tax is somewhat tenuous.

Table 3 shows that rates of council tax in the Royal Borough are significantly below the London and England averages. The six per cent increase in the Royal Borough's council tax since 2005-06 compares very favourably with the average increase across England of 21 per cent.

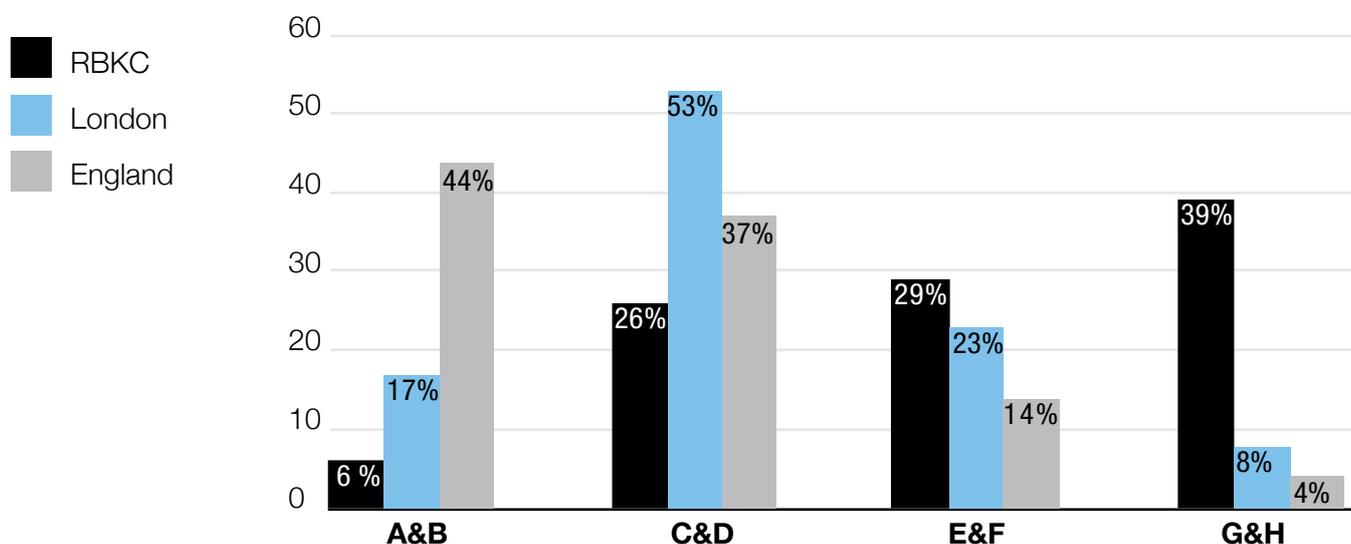
Table 3: Rates of council tax 2014-15

Range of property values by band (based on 1991 property values)								
	A	B	C	D	E	F	G	H
	Up to £40,000	£40,001 to £52,000	£52,001 to £68,000	£68,001 to £88,000	£88,001 to £120,000	£120,001 to £160,000	£160,001 to £320,000	£320,001 and above
Royal Borough	£721	£841	£961	£1,082	£1,322	£1,562	£1,803	£2,163
London average	£864	£1,008	£1,152	£1,296	£1,585	£1,873	£2,161	£2,593
England average	£979	£1,142	£1,305	£1,468	£1,794	£2,120	£2,447	£2,936

There is a disproportionately large number of properties in the Royal Borough that fall into the higher property bands (see **chart 1**), so most households pay the higher rates of council tax. As such, the Council raises more per property than many other local authorities.

However, the Government makes full allowance for the money the Council can raise when it determines the grant the Council receives. The Council's higher potential receipts from council tax are therefore effectively offset by lower government grant.

Chart 1: Proportion of properties in council tax bands



The Council levies a variety of **fees and charges** in order to recover some or all of the costs of providing a wide range of services, for example: play services; children's centres; sports centres; pest control; cemeteries; trade waste; planning applications; and alcohol licences. These will generate income of about £54 million in 2015-16.

These charges provide
£31 million

Car parking income follows the Council's transport policies and is derived from: residents' parking permits (14 per cent); pay and display bay charges (44 per cent); penalty charge notices (27 per cent); and parking bay suspensions (15 per cent). Charges are set with a view to countering traffic congestion and mitigating poor air quality. Allowing for the costs of running the parking service, these charges provide £31 million to spend on certain, permitted council services such as highways maintenance and special needs transport.

From April 2013, councils' finances have also been affected by the growth or decline in the business rates raised in their areas. **Business rates**, charged for most non-domestic properties, are set nationally but collected locally². To provide an incentive to encourage economic growth, the Royal Borough will keep about 17 per cent of any growth in business rates in real terms. But if business rates income was to fall, the Council would at the margin bear the cost of 30 per cent of such reductions.

² Central government will continue to determine the amount that any one business pays in rates. The scale of such payments for any one business depends on a valuation of its property or properties by a government agency and a rate in the pound set by central government.

Historically the business rates base in the borough increase after each full revaluation and then subsequently reduces due to valuation appeals. The Council is forecasting stable income from rates for 2015-16 and beyond, and is currently forecasting that potential losses on appeals and other net negative rate base changes will be met from the provision made each year. There are a substantial number and value of rating appeals outstanding.

Rental income from some of the property the Council owns – including office accommodation, private residential housing, private schools and some local shops – generates just over £9 million in revenue each year, and will grow over time as the Council's operational estate is used more efficiently and space is released for rent.

The Council's approach to investing the reserves it holds is deliberately cautious, and interest rates remain very low. Therefore, **investment income** is expected to provide a modest £1.5 million in 2015-16.

The Council's balance sheet

On 31 March
2014, the
Council had
£1.5
billion
of long-term
assets

On 31 March 2014, the Council had £1.5 billion of long-term assets, mainly property, of which around half is General Fund and half Housing Revenue Account (social housing).

The Council's Pension Fund has nearly £700 million of assets invested to meet the Council's pensions liabilities.

Part II: Setting the 2015-16 budget in context

The economy has returned to growth and is at least three per cent above its previous peak in output. However, the annual public deficit remains unsustainable, in part because tax receipts have not grown as rapidly as forecasters had expected.

Local government accounts for over 20 per cent of total public-sector spending in England. As National Health Service and schools funding are ring fenced and protected from planned reductions, further reductions in the Council's grant from central government are certain for at least three years beyond 2015-16.

The Council remains of the view that the reductions in grant to local authorities represent a permanent loss of income. It will not be recovered thereafter as since:

- tax receipts cannot be sustainably increased as a share of national income;
- pressures elsewhere in public spending, notably health, will also remain intense; and
- any increase in grants will be distributed according to need. Because the borough's population is stable, other areas seeing a growth in numbers will benefit from any increase.

In the 2014 local elections, a pledge was made to freeze council tax until at least 2016

Alongside reduced funding from the Government, the Council also wishes to keep council tax broadly stable: in the 2014 local elections, a pledge was made to freeze council tax until at least 2016. This reflects both the Council's concern not to increase the burden on residents facing increases in prices and the Government's willingness to – partially – compensate councils for forgoing increases in council tax. For 2015-16, the Government will pay the Council the equivalent of an increase in council tax of one per cent (worth £0.8 million).

The Council will earn more from fees and charges, its property holdings and, in due course, from interest on its cash reserves. But even taken together, these sources will not offset the reductions in grant. Therefore the Council must take measures that yield sustainable and long-term reductions in spending, rather than a short-term fix followed by a restoration of previous spending levels.

Part III: Meeting the challenge

Good stewardship

The Council remains well positioned to meet this challenge thanks to its prudent financial management over many years.

The Council increased its spending by just over **ten** per cent

- Over the last decade, the public sector at large expanded by a third in real terms. In contrast, the Council increased its spending by just over ten per cent; this caution in part reflected the Cabinet's view that the previous government's spending levels were unaffordable.
- The Council has never drawn down reserves merely to balance the revenue budget. Reserve use is focused on delivering specific, time-limited, local policy initiatives and improved infrastructure and facilities (see **box 2**).
- The Council has sought savings from nearly all services in each and every year to offset spending pressures and fund high priorities.
- It subjects its accounts and plans to the scrutiny of Standard & Poor's, and will be awarded a 'AAA' rating for the fifteenth year running.

The Council can achieve improvements in service and sometimes cut its recurrent costs by capital investment (described in **box 3**) or other means.

Box 2: The Council's reserves

The Council holds reserves in order to:

- help fund its capital programme

Paying for capital improvements from money it has saved (rather than through borrowing) gives the Council greater flexibility, reduces risk and also marginally reduces costs.

- meet other one-off costs

These may arise as a result of unforeseen risk, or as part of planned spending. For instance, as the Council reduces its recurrent spending it will need to make one-off payments for redundancies, early retirement of staff and to invest in information and communications technology.

- spend to save or spend to earn

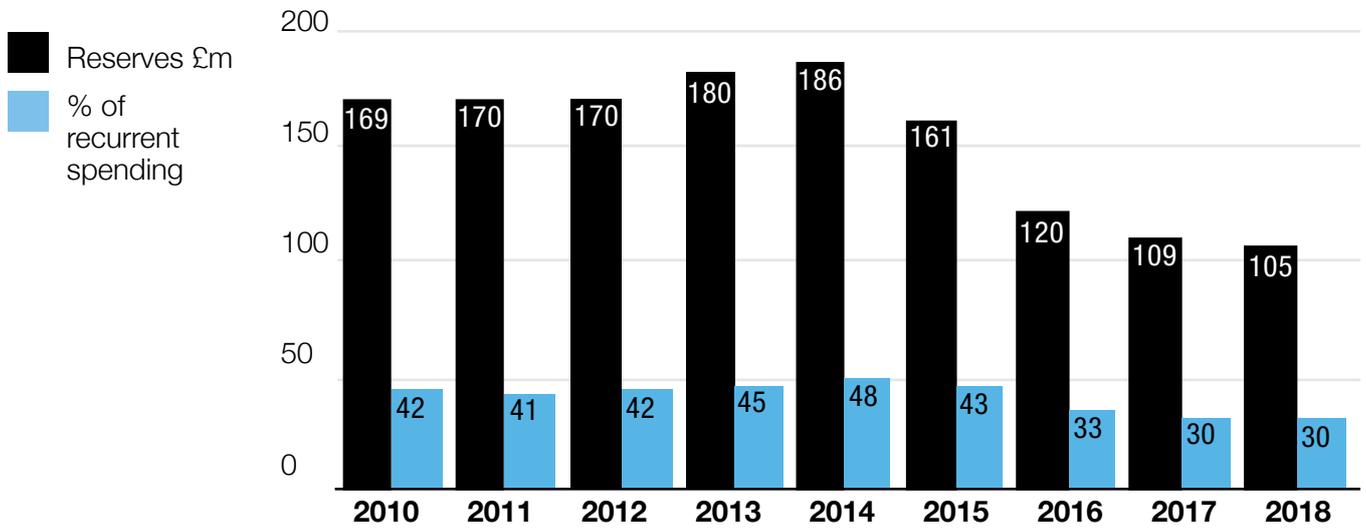
The Council may be able to earn a greater income from its property estate, through investment or the running of a competition for the lease of a surplus property. A further example might be to make a lump sum payment to Opera Holland Park to help it achieve independence, which avoids in perpetuity the Council meeting the company's annual, operating deficit.

- allow for payments that fluctuate between years (for example, the cost of local elections and insurance pay-outs)
- meet any purely temporary shortfalls between income and expenditure (for example, a grant to the Council may be cut faster than it is possible or desirable to reduce the associated expenditure).

Capital reserves are accumulated to be spent on capital projects whereas revenue reserves are part of the permanent resources of the Council and in periods when interest rates deliver real returns, the Council intends only to spend the value of the real return.

Chart 2 shows the recent and projected level of the Council's reserves.

Chart 2: The Royal Borough's reserves as at 31 March each year



Box 3: The Council's capital programme

The Council spends significant sums to improve its buildings, schools, streets and other property. The Council has contributed to the new Chelsea Academy, has rebuilt Holland Park School and has transformed Exhibition Road. It has completed the new Kensington Aldridge Academy and the new Kensington Leisure Centre. It also rebuilt the primary school at Middle Row.

It invested in remodelling Piper House to provide 12 modern and spacious flats to maintain the high level of housing and support for vulnerable young adults with a learning disability and complex needs.

In addition, the Council has invested in new autism resource bases at Barlby Primary School and at Kensington Aldridge Academy to enhance the local offer for children with special educational needs and plans to build its first local special school in North Kensington by 2020.

These and many other investments improve the quality of life in the Royal Borough. In particular, they enable children whose families live in the borough to go to school in the borough. As the Royal Borough's schools achieve very high standards, they also improve the life chances of children from less advantaged backgrounds.

The Council has substantial capital assets such as: land; offices; dwellings; vehicles; roads; bridges; and buildings under construction, which are valued (at current use values) at some £1.5 billion. These need to be properly maintained if they are to serve the Royal Borough well.

Spending on these assets is known as capital spending and is recorded separately from our spending on services. It is funded through a combination of: proceeds from the sale of property, known as capital receipts; government grants and contributions from others; and use of the Council's reserves. The Council has been prudent and has not borrowed any money to pay for capital expenditure.

Spending less

Given the modest contribution that can be made from increasing the Council's income, efforts to balance the budget have to focus mainly on reducing spending. This is feasible, often without damaging the services to residents.

Damage to services has been avoided by the move to bi- and tri-borough working

- Staff numbers have fallen by 20 per cent, or 561 staff in total, between March 2010 and March 2014. Damage to services has been avoided by the move to bi- and tri-borough working, increasing management spans, by learning from neighbouring boroughs and by adaptation.
- Pay has been held down: the Council awarded no pay increase for inflation in 2010, 2011 or 2012. For 2013 and 2014, in line with the Chancellor's expectation for pay awards in the public sector, staff on local terms and conditions received a one per cent nominal pay increase. Those employed on national terms saw a similar award. There remains a performance-related pay scheme. About 500 staff may, on average, receive about a 1.5 per cent increase in pay related to performance.
- Public service pensions have grown in cost and are now much more generous than those available in the private sector. The local government pension scheme was reformed in 2014-15 to: match the pensions earned from that year to average earnings rather than final earnings; and to delay the date at which such pensions are paid through matching the start of payment to the state pension age. Although the rate of accrual will be more generous, the net effect of the changes should be to reduce slightly the Council's pension liability and thus its rate of contribution to the pension fund. The fund is valued by an actuary every three years: its valuation as at 31 March 2013 indicated then that the fund was more or less fully funded. Therefore slightly lower employer's contributions are in prospect – a saving to the local taxpayer.
- Above all, there remains scope for greater efficiency in the Council, notably through bi- and tri-borough working, smarter procurement and better use of assets. To save money and avoid cuts to front line services, we have been consolidating our business in fewer buildings and have other plans to significantly increase income from our commercial properties (which is set to reach £9.5 million in 2015-16).

Proposals for savings in 2015-16 are set out in **annex B**.

Unit costs

In principle, data on the costs of providing an item of service can be very useful. They can:

- show where the borough may be more or less efficient than other councils or private-sector suppliers;
- help to calibrate a difference of quality, which the borough may wish to retain or adjust; and
- sometimes provide a useful indicator of the costs of expansion or reduction of the service at the margin, which can assist the Council to get the most from its overall budget.

In practice, it can often be more complicated, for example: because the unit cost is not independent of the scale of the service, or because there are variations in the way that different suppliers attribute overheads.

The following tables set out some examples of the costs arising from an item of service in the borough. They exclude the costs of central overheads such as the Council's Finance, Human Resources and Information Technology departments.

Table 4: Adult Social Care

Service	Estimated unit cost in 2014-15	Commentary												
A week's care in a residential setting for an older person	£803 (residential care)	The Council looks after 216 older people in care homes run by the independent sector (excluding cases funded by Inner North West London (INWL) NHS).												
	£624 (nursing care) ³	In common with other councils, the Council also seeks to support people who prefer to remain in their own homes for as long as possible – often judged to be better for their health.												
	(Based on 2013-14 actual costs, excluding overheads and health funded costs)	<p>The total gross budget (excluding INWL NHS funding) in 2014-15 is £6.78 million.</p> <p>With the exception of WCC nursing care, the Royal Borough's costs are higher than our tri-borough neighbours.</p> <table border="1"> <thead> <tr> <th>2013-14 unit cost:</th> <th>LBHF</th> <th>WCC</th> <th>RBKC</th> </tr> </thead> <tbody> <tr> <td>Residential care</td> <td>£458</td> <td>£748</td> <td>£803</td> </tr> <tr> <td>Nursing care</td> <td>£566</td> <td>£757</td> <td>£624</td> </tr> </tbody> </table> <p>This may be attributable to the differences in service users' needs and to the Royal Borough's attempts to place more people locally. For example, if placed locally in an independent sector care home, the cost of a week's residential care for an older person with dementia is approximately £764.</p> <p>The nursing care cost represents the average payment made by the Royal Borough to nursing home providers, almost all of which are out of borough. In addition the nursing home provider can claim the Registered Nursing Care Contribution from their local health authority. This amounts to £110 per week which increases the average amount received by the nursing home provider to £734 per week.</p>	2013-14 unit cost:	LBHF	WCC	RBKC	Residential care	£458	£748	£803	Nursing care	£566	£757	£624
2013-14 unit cost:	LBHF	WCC	RBKC											
Residential care	£458	£748	£803											
Nursing care	£566	£757	£624											
An hour's care of an elderly person in his or her own home	£14-£15	A new tri-borough home care service is expected to start in 2015. The aim is to develop a service that is outcomes-focussed, delivers quality and is able to support the out-of-hospital strategies. It is anticipated that this will deliver savings to the whole system by supporting people to stay in the community. It also aims to reduce the cost of long-term care packages by embedding a reablement approach, and more frequent reviews.												
A home meal	About £7	<p>For reasons of commercial confidentiality, we cannot state precise costs. A tri-borough service has now been tendered.</p> <p>The total budget for the borough is £0.4 million, of which 40 per cent is met from contributions.</p>												

³ Excludes the Registered Nursing Care Contribution (£110 per week) which homes can claim from their local health authority.

Table 5: Children's Services

Service	Estimated unit cost in 2014-15	Commentary
The cost per place at the four managed children's centres	£15,250	Children's centres deliver 194 places at an annual cost of £15,250 per place. The average charge to parents is £12,430, with an annual subsidy of £2,820 per place. An exercise is currently under way to test the market for interest from across the private, social enterprise and voluntary sectors in delivering the childcare service.
The funding delegated to a school in the borough for a child at primary school	£5,357	Although this is funded by a specific government grant, the scale of the grant reflects the choice made by the Council in the last decade to fund its schools generously. The average funding per primary school pupil in London is £4,719. The total budget is £34.7 million (excluding academies).
The funding delegated to a school in the borough for a child at secondary school	£6,946	This is also funded by a specific government grant, and the scale of the grant reflects the choice made by the Council in the last decade to fund its schools generously. The average funding per secondary school pupil in London is £6,172. The total budget is £11.9 million (excluding academies).
The average cost per pupil, in fees and transport to and from school, for a child with special educational needs	£27,863	This service is difficult to compare as each child will have specific and different needs. Nevertheless the Council incurs relatively high costs as it sends more of its children outside of the borough than other councils, often to independent schools. The total budget is £13.8 million.
The average cost of a child in care in the borough	£891 per week (under 18)	This budget area comprises four main elements: residential care, fostering, leaving care, and looked after children support services. The unit costs are based on an average number of 234 children in care (104 – under 18; 130 – 18+). £137 per week (care leavers aged 18+) The total budget is £5.8 million.
Youth service spending per young person aged between 13 and 19	£137	This compares to an average in London of £83. It reflects the relatively high priority the borough places on providing activities and guidance for young people. The total gross budget is £4.05 million.

Table 6: Environment, Leisure and Residents' Services

Service	Estimated unit cost in 2014-15	Commentary
Annual maintenance costs for a hectare of park	£33,430	This is higher than in LBHF, reflecting the different maintenance specifications and Member/park user expectations. Higher-quality parks may directly influence local property values. The total budget is £1.6 million.
Annual refuse collection per flat or house	£56	This is quite comparable to costs in LBHF. The total budget is £4.9 million.
Annual street sweeping and cleaning of 100 m of street	£3,436	This is rather more than in LBHF, reflecting a higher specification for street cleaning. The latest Annual Survey of Londoners shows that 80 per cent of our residents are satisfied with street cleaning, compared to a London average of 56 per cent. The total contract budget is £7.1 million.
Average cost of a visit to a sports centre	31p	This is the net cost of all payments to the leisure contractor and income received from visitors. It includes maintenance costs payable by the contractor but not those outside of the contract that are incurred directly by the Council. Nor does it include the capital charge for the use of the land and building. It is also an average of all different kinds of visitors and does not differentiate between the leisure facilities used in each visit. The unit cost is lower than in LBHF reflecting the different contracted prices and levels of usage.

Table 7: Public Health

Service	Estimated unit cost in 2014-15	Commentary
<p>Stop smoking service: the cost of getting someone to quit smoking</p>	<p>£438</p>	<p>The Royal Borough is closest to delivering the 18.5 per cent target, which means that more intensive work is needed to help those who find it harder to quit, such as confirmed smokers of 30 to 40 years. The focus is on harder-to-reach communities and areas of higher deprivation.</p> <p>The total budget is £0.66 million.</p>
<p>Personal health plans: the cost of one-to-one support by a health trainer</p>	<p>£273 (Apr. to Dec. 2014) (includes elements of health checks)</p>	<p>Health trainers provide one-to-one support to help residents develop personal health plans, create goals and work out how to achieve them. In 2014 the service was recommissioned, with the aim of reaching more residents. Through economies of scale this process should reduce the unit cost to £228 by March 2015.</p>
<p>NHS health checks: the cost of a health check in a client's own home</p>	<p>£60-65 (depending on provider, GP or pharmacy)</p>	<p>NHS health checks at home help identify and signpost those at high risk of developing cardiovascular disease to local prevention services.</p> <p>The total budget is £0.5 million.</p>

Table 8: Transport and Technical Services

Service	Estimated unit cost in 2014-15	Commentary
Annual cost of maintaining and lighting a street light	£114	<p>The unit cost is higher in the Royal Borough than in LBHF, where a street lighting term contract was recently awarded.</p> <p>The budget is £1.2 million.</p>
Annual cost of maintaining 1 km of road	£7,324	<p>The unit cost is higher in the Royal Borough than in LBHF because the Royal Borough uses a high-quality (and more expensive) resurfacing method.</p> <p>The budget is £1.4 million.</p>
Annual cost of maintaining 1 km of pavement	£6,168	<p>The unit cost is higher in the Royal Borough than in LBHF because the Royal Borough works and method of working are to a higher specification. For example, all paving stones are hand-pointed, and smaller areas are paved at a time, minimising inconvenience to residents. The method adopted by the Royal Borough provides long-term value for money as it reduces the need for more expensive reactive maintenance at a later date and protects the asset.</p>

Table 9: Corporate Services

Service	Estimated unit cost in 2014-15	Commentary
Internal audit cost per £1 million of Council spending	£896	An estimated figure for 2013-14.
Total cost of ownership of a Council laptop	£330	This figure is now calculated locally using the methodology previously employed by the Society of Information Technology Management benchmarking group.
Staff cost of a transaction in the customer service centre	£3.88	This cost is based across a range of services including residents' parking, council tax, planning, housing and main desk activities. Accommodation and IT support costs are not included.
Staff cost of a transaction with a customer on the telephone	£1.89	This cost is based across a range of services, some of which are purely transactional, such as parking, council tax, planning and registrars. Others are more outcome support-based services, such as adult social care and housing. Staff costs have been apportioned to take account of other channel transactions dealt with in the contact centre, such as emails. Accommodation and IT support costs are not included.
Cost of a transaction with the Council online	£0.15	The cost per transaction is based on the number of unique visitors to the website.

Services of high quality

Although it has reduced its spending, the Council has sought ways to do this, such as through cooperation with neighbouring boroughs, which do not reduce the quality or coverage of its services. This section sets out several examples of how the Council is either maintaining or improving its services, despite the financial challenges.

The borough is spending **£83 million** on its schools and schools services

The borough is spending £83 million on its **schools** and **schools services** in 2015-16, which represents 20 per cent of its total recurrent spending. Our schools go from strength to strength.

- Of the five secondary schools inspected, all are rated as 'good' or 'outstanding' by Ofsted.
- Our schools are rated 'good' in all areas of Inspection of Safeguarding and Looked After Children services.
- Our GCSE pass rate (five or more GCSE grades A* to C, including English and mathematics) is the best in the country, at 74 per cent.

The spending on **adult social care** amounts to £58 million, second only to schools.

- The Council is the only authority in London to continue providing services to residents assessed with 'moderate' levels of need. Two other councils provide services to people with 'higher' levels of 'moderate' need, with the rest to people with 'substantial' needs or above.
- We successfully support a high proportion of people with social care to remain independent in their own homes, achieving very low rates of admission to residential care.
- We successfully promote greater choice and control, with eight out of ten individuals supported at home receiving a personal budget, and 40 per cent taking it in the form of a direct payment.

- The Council has received positive feedback from residents about the high quality and accessibility of the advice and information it provides through the People First website. This is helping more people make their own arrangements for support – a model now being adopted across the tri-borough.
- We achieve high levels of service user satisfaction, with nearly two-thirds of people who receive social care reporting that they are ‘extremely’ or ‘very’ satisfied.
- And we wish to improve residents’ experiences further, by improving access to more integrated services, promoting greater independence and helping to reduce emergency hospital admissions. To help achieve this, the Council is making good progress in developing a closer working relationship with the Clinical Commissioning Group in the NHS.

Funding for the **Supporting People programme** (which provides housing-related support to help vulnerable people live as independently as possible) has fallen over the past ten years. Initially this was due to reduced external grant funding, and more recently to a need to achieve savings. The process of reprocurring services through the West London procurement framework and using floating support services in place of some accommodation-based services is expected to deliver savings without any reduction in service.

About
18,200
households in
the borough
depend on
prompt and
accurate
payment of
their housing
benefit

About 18,200 households in the borough depend on prompt and accurate payment of their **housing benefit**. Between April to October the Council processed new claims within eight days and changes in circumstances within five days. Statistics from the Department for Work and Pensions show an average performance across London of 23 days and 10 days, respectively, in 2013-14.

The demand for accommodation across London is pushing up rental levels and the number of households supported in **temporary accommodation** continues to grow. This is partly due to households who can no longer afford to live in private rented accommodation in the borough and for whom the Council has a duty to find accommodation.

Prior to 2013, most of this cost was being met by central government. But the introduction of the benefits cap and the planned roll-out of the universal credit are likely to result in the Council funding a higher proportion of these costs. The Council has a duty to balance this cost to the taxpayer with finding suitable quality accommodation.

Under its new £1.4 million ‘two for the price of one’ contract with the **Metropolitan Police**, the total cost to the Council of purchasing one Police Constable (PC) is £32,500. This is half the actual cost of a PC – the other half will be paid by the police. Under the contract the Council will purchase one inspector, four sergeants and 36 constables.

There are a range of services that most or all residents use which are covered in the Annual Survey of Londoners (ASL). **Table 10** compares the proportion of residents in the borough who rated services as ‘good’ or ‘excellent’ in 2014 compared with the average across London.

Table 10: Residents’ positive ratings of services

Service:	Parks and open spaces	Street cleaning	Refuse collection	Street lighting
Budget in 2014-15	£1.6 m	£7.1 m	£4.9 m	£2.2 m
Royal Borough’s rating by residents	81%	80%	76%	83%
London residents’ rating	71%	56%	72%	71%
Difference	+10	+24	+4	+13

Source: ASL 2014: percentage of residents rating services as ‘excellent’ or ‘good’.

We believe that these high ratings are well deserved! For example, once again ten of the Royal Borough’s **parks** are flying the prestigious Green Flag, and another successful London in Bloom campaign earned the borough eight Gold awards and three category winners – ‘city’ category, ‘best park’ for Little Wormwood Scrubs and ‘biodiversity’ category.

Thanks to sharing the **libraries** service with Westminster and Hammersmith & Fulham, all six libraries in the Royal Borough remain open and management costs are reduced. Kensington and Chelsea residents now have access to a million books and various specialist services and enjoy the benefits of a fully integrated 'one library card' which can be used in all three boroughs' libraries. The service at Kensington Central Library was significantly enhanced by provision of a much-increased range of high-quality journals and reference yearbooks, giving residents access to the best selection of periodicals in west London.

In the first half of 2014-15 there were 473,893 visits to the Royal Borough's libraries and 309,554 items borrowed. We attracted 5,220 new members and added 17,115 items to our stock. Over 5,660 children from local schools visited the library with their class, and we held 311 Rhyme Time sessions for children under five.

Those living on the lowest incomes in the borough may be under the greatest financial pressure. Government initially passed responsibility to local government for **council tax support** (formerly council tax benefit), with ten per cent less funding. Funding from government continues to fall, but the Council continues to fully fund the local version of this so that the poorest households do not suffer a decline in their income through paying council tax.

Government has also passed responsibility to local government, with funding, for **community care grants** and **crisis loans**. These are offered to families and individuals with no resources at all, to overcome critical episodes in their lives. Using our own government funding and that from our tri-borough partners, we have established what we believe to be a highly efficient and economical service for residents of all three boroughs. Following consultation, the Government announced in December 2014 that the direct grant to finance local welfare schemes will stop from April 2015; instead funding will be provided by a specified amount within the General Grant to Local Authorities.

Table 11: Local support payment transactions 2013-14

Events	Total awarded £	Average award value £
Daily living expenses	19,386	74
Priority debts	1,902	475
Lost money	1,855	69
Essential item needing replacement	76,086	349
Moving home – unsupported	61,540	603
Council-supported move to secure accommodation	221,358	600
Prisoner/planned resettlement – rent	1,072	1,072
Leaving care	2,527	361
Domestic violence	6,535	594
Disaster – flood	1,272	318
Disaster – other	1,661	277
Stolen money	870	73
Prisoner/planned resettlement – living expenses	1,103	138
Emergency fuel assistance	215	31
Reconnection of fuel supply	174	174
Disaster – fire	626	313
Emergency travel costs	0	0
Grand Total	398,182	306.72

Finally, we aim to achieve as high a standard in **collecting council tax** as we do in delivering services. We typically collect a higher proportion of council tax due (about two per cent) than the average for inner London⁴.

⁴ https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/326217/SR_Collection_Rates_13-14_-Table_5.xlsx

Conclusion

To sum up, the Council continues to take a distinctive, medium-term view of its responsibilities.

On the revenue budget, the Council still plans to:

- keep council tax in the bottom quartile for London, minimising any increase over the medium term;
- maintain its cash spending via the voluntary and community sectors; and
- reduce its other spending, with scope for savings provided by tri-borough working, cutting public-sector pay in real terms, and by bearing down on high unit costs.

For the great majority of its services, the Council should therefore be able to maintain and sometimes improve their quality.

Due to the strong control exerted on its revenue spending, the Council can also continue to plan ahead for, and fund, the major capital projects that will make the Royal Borough an even better place to live.

By pooling national and local resources and working together across council borders, the three councils believe they can achieve better outcomes for their residents.

Annex A

Overview of the services

The Council's general revenue budget supports a wide range of services delivered by departments:

- Adult Social Care
- Children's Services
- Environment, Leisure and Residents' Services
- Housing Services
- Library, Archive and Heritage Services
- Planning and Borough Development
- Public Health
- Transport and Technical Services
- Corporate Services.

Presented in the new Council structure under tri- and bi-borough arrangements, annex A provides information on what each department delivers; how 2015-16 budgets are broken down; and describes some of the key services each budget pays for.

Adult Social Care

The Adult Social Care service commissions and provides a range of services to improve the well-being of residents, particularly those in need of support. The service is shared with the LBHF and WCC, since 1 April 2012.

Adult Social Care: assessing social care needs; commissioning and providing services in partnership with other statutory agencies and the voluntary and independent sector – to older people, people with disabilities and those with problems relating to mental health and substance misuse; protecting vulnerable adults; and providing information and professional support.

The service's budget 2015-16

Service area	£'000	%
Management and support services	7,960	14
Older people	21,066	36
Physical disability	3,329	6
Learning disability	9,033	15
Mental health needs	5,748	10
Other adults	62	<1
Public transport	10,034	17
Supporting people	982	2
Service budget 2015-16	58,214	100

Some of the key services the budget pays for:

- 280 older people in residential and nursing homes, and 81 people in supported accommodation
- 817 older people receiving home care
- 486 service users with direct payments for all client groups
- 196 people with learning disabilities, physical disabilities, sensory impairment or mental health needs in residential and supported care
- 29,441 people issued with a Freedom Pass
- 2,162 members of the Taxicard service
- 2,205 people issued with a blue disabled parking badge
- 102 older people receiving day care services.

Children's Services

Children's Services comprises a commissioning function and strategic and support functions.

Tri-borough education commissioning:

Education of children in schools; raising standards and supporting students with special educational needs in over 150 schools across three boroughs; ensuring that standards are consistently high across all phases of education; ensuring that children with special educational needs and disabilities, and those whose circumstances make them vulnerable, receive appropriate support.

Family services:

keeping children safe; supporting children and families who need help; caring for children 'looked after' by the Council; supporting children with disabilities; reducing youth offending; youth services; and children's centres.

Children's services commissioning:

strategic planning, commissioning, procurement and contract management; policy, performance and management information; and public information, complaints and information for parents.

Senior management team; and

finance and resources: strategic and support functions.

The service's budget 2015-16

Service area	£'000	%
Children's commissioning	6,629	16
Tri-borough education service	3,109	8
Finance and resources	1,607	4
Safeguarding and Local Safeguarding Children Board	977	2
Family services	26,496	65
Senior management team	613	1
School funding	1,678	4
Service budget 2015-16	41,109	100

Some of the key services the budget pays for:

- a resident population of 29,720 young people aged 19 and under
- 2,700 three- and four-year-olds attending nursery settings
- circa 7,000 places in primary schools and 4,000 places in secondary schools (including Chelsea Academy)
- educating 386 children with special educational needs resident in the borough, and 74 pupils attending two special schools
- educating 132 pupils attending non-maintained schools (including 25 pupils in the Pupil Referral Unit)
- 95 per cent of schools judged to be good or outstanding by Ofsted
- eight children's centres and support for 75 private, voluntary and community organisations and 50 childminders
- 92 children subject to a child protection plan
- 98 children in care
- support for 131 young people leaving care
- 220 young people supported by the Youth Offending Team
- 6,100 young people attending youth support services
- the improvement of social work services to children as part of the Focus on Practice Innovation Programme which will provide more intensive and skilled help to vulnerable families and children who are at risk of abuse or neglect.

Environment, Leisure and Residents' Services

The diverse work of Environment, Leisure and Residents' Services is linked by a commitment to improve the quality of life in the Royal Borough, whether through enhancing and protecting the physical environment or by helping residents improve their lifestyles.

Cleaner, Greener and Cultural Services

Waste management and enforcement:

refuse collection; recycling; street cleaning; street enforcement; preventing litter; removing highway obstructions and hazards.

Culture: arts; museums; Opera Holland Park; filming; events; and the Notting Hill Carnival.

Climate Change: climate change programme.

Safer

Neighbourhoods

Community Safety: Parks Police and CCTV.

Leisure: parks and open spaces; ecology; leisure centres; and adult sports development.

Customer and Business Development

Business improvement; street markets; and commercial waste.

The service's budget 2015-16

Service area	£'000	%
Cleaner, Greener and Cultural Services; and Customer and Business Development	27,724	84
Safer Neighbourhoods	5,189	16
Corporate and democratic core	51	<1
	32,964	100
Customer and business development	-312	
Service budget 2015-16	32,653	

Some of the key services the budget pays for:

- collecting about 52,000 tonnes of refuse from 87,000 homes – approximately 25 per cent of which is recycled
- regularly cleaning more than 200 km of public highway
- two museums and galleries with over 30,000 visits, including the critically acclaimed A Victorian Obsession exhibition
- two cemeteries – Gunnersbury and Hanwell
- Opera Holland Park, with more than 34,000 tickets sold at 36 performances, including 1,500 free tickets
- managing eight major parks and many smaller open spaces to award-winning standards
- two leisure centres, with over 650,000 visits per annum currently.

Housing Services

Housing Services: assists those who are homeless or need support to manage their tenancy and live independently in the community; helps those who have difficulty finding affordable accommodation; manages the Council's relationship with the TMO; and develops and facilitates projects that provide new accommodation options for residents.

The service's budget 2015-16

Service area	£'000	%
Corporate and democratic core	18	<1
Housing strategy	215	2
Homelessness and housing advice	7,045	51
Registered Social Landlords and housing advances	449	3
Supporting people	5,978	44
Service budget 2015-16	13,705	100

Some of the key services the budget pays for:

- 1,586 households in temporary accommodation
- 2,782 users of 'supporting people' services

Library, Archive and Heritage Services

The **six libraries** in the Royal Borough help residents with their reading, learning and information needs. They provide books, digital resources, study space and IT – all libraries have public computers and Wi-Fi. Residents use our libraries to help learn a new skill, find a job or help their children with reading and homework.

With the help of volunteers, libraries also provide a range of activities and events for different audiences that help bring communities together. For example: reading groups, rhyme times for younger children and their families, health and well-being sessions and social activities for older people. The Local Studies collection in Kensington Central Library is also a unique and popular resource.

The service's budget 2015-16

Service area	£'000	%
Libraries operations; and other operations	4,327	70
Community development	764	13
Reference, information and Local Studies	495	8
Management and support services	478	8
Archives	86	1
Heritage	10	<1
Service budget 2015-16	6,160	100

Some of the key services the budget pays for:

- Kensington Central Library and five branch libraries, with nearly one million visits (939,000) per annum
- 315,558 items in stock to choose from
- nearly 700,000 items issued
- 128 computers available for customers to use free of charge
- 35,500 active members
- a summer reading challenge completed by over 300 children
- home library service delivered to nearly 232 members
- Bookstart packs delivered to over 3,800 children.

Planning and Borough Development

Development management and conservation:

determines planning applications, including consultation with neighbours, and taking cases to committee where required; provides a fee-paying advice service, allowing applicants to be informed before submitting the application; protects trees and the historic environment; promotes good design; and enforces where works are undertaken unlawfully.

Forward planning:

ensures that the policy framework, against which planning applications are determined, is up to date and fit for purpose; works with neighbourhoods, particularly for plan making; provides site-specific planning guidance; supports the vitality of the borough's town centres; and coordinates flood management within the borough.

Building control:

ensures submitted building projects are completed in accordance with the Building Regulations; and provides a 24-hour service to investigate reported dangerous structures.

Administrative and business support:

provides casework support to planning officers throughout case life of an application (registration, consultation, decision and appeal); manages the planning website and maintenance of back-office IT systems; and delivers street naming and numbering and local Land Charges functions.

The service budget 2015-16

Service area	£'000	%
Planning services	3,377	91
Building control	319	9
Service budget 2015-16	3,696	100

Some of the key services the budget pays for:

- over 6,000 planning applications and 3,000 enforcement cases determined annually
- over 1,000 pre-application advice consultations undertaken
- about six major consultations undertaken per year to respond to local issues and keep the policy framework up to date
- providing site-specific guidance so that appropriate development is achieved on the borough's major sites
- 6,000 full searches of the local Land Charges Register and 1,000 personal searches per year
- caring for 7,000 trees on the Royal Borough's streets and handling about 700 listed building applications
- processing 800 building regulation applications each year
- maintaining the planning web pages and making publicly available through the web the Council's archive of historic information.

Public Health

Public Health is concerned with the health of the entire population rather than the health of individuals, and a collective effort is required to tackle the wide range of factors that impact on health. It also recognises that prevention, treatment and care are important to improving health, and services need to be accessible to the whole population. Public health focuses on 'upstream' interventions, targeting the circumstances that lead to behaviour that has an adverse impact on people's health. With this focus on prevention, many of the benefits take a long time to be realised.

The service's budget 2015-16

Service area	£'000	%
Behaviour change	2,327	11
Sexual health	5,079	24
Families and children	3,247	15
Wider and social determinants	76	<1
Substance misuse	6,202	29
Public Health Investment Fund	568	3
Clinical Commissioning Group dietetics	1,190	6
Salaries and overheads	1,607	8
Risk provision and ambition projects	918	4
Service budget 2015-16	21,214	100

Some of the key services the budget pays for:

- 450 people with personal health plans (March to December 2014)
- 3,120 'first bottle' packs distributed to help prevent vitamin D deficiency in pregnant women, breastfeeding mothers and children under five
- 1,514 people supported to quit smoking for four weeks
- 6,850 people reached by diabetes champions
- about 20 contracts delivering healthy lifestyle services to residents
- preventing the spread of sexually transmitted infections, and treating, testing and caring for people with infections
- providing specialist advice on commissioning to the West London Clinical Commissioning Group
- delivering the local authority role in health protection, ensuring that residents are protected from communicable disease and environmental threats
- substance misuse support and treatment for residents of the borough.

Transport and Technical Services

Transportation:

develops local transport policies and programmes.

Highways:

manages and maintains the Royal Borough's streets.

Parking:

looks after on and off-street parking, including enforcement of parking regulation.

Environmental Health Service Group:

comprises mainly statutory regulatory services dealing with a wide range of complex public health and consumer protection issues in: trading standards; noise and nuisance; pest control; health and safety in the workplace; environmental quality; food safety; infectious disease control; private-sector housing; licensing; and public health training.

The service's budget 2015-16

Service area	£'000	%
Environmental Health	5,558	30
Transportation and Highways	13,055	70
	18,613	100
Car parking on street	-31,307	
Service budget 2015-16	-12,694	

Some of the key services the budget pays for:

- monitoring of 1,322 licensed premises including: Licensing Act 2003 (1,031), Gambling Act 2005 (39), special treatment licences (225) and 'assorted others' (27)
- licensing for lotteries (72), scrap metal dealers (seven), personal licences (1,642) and therapist registrations (2,136)
- issuing around 36,000 live residents' parking permits at any one time and 18,500 parking bay suspensions per annum
- administering licences for 81 houses in multiple occupation
- two major bridges – Albert Bridge and Chelsea Bridge
- operating and maintaining 13,500 lighting points, including street lights, illuminated signs and bollards
- maintaining over 200 km of footways
- 1,079 food hygiene and 689 food standards inspections; handling 281 food complaints, 178 enquiries and taking 103 food samples
- 81 accidents investigated by health and safety; handling 114 health and safety complaints and 62 enquiries from residents and members of the public
- 24,807 pest control inspections/visits
- 10,165 service requests to the noise and nuisance service
- 147 environmental health training courses run; 145 training days; 849 candidates trained.

Corporate Services

Corporate Services includes both public-facing services and the Council's administrative and management functions. There are four main areas:

Public services:

community safety; adult and family learning; collecting council tax and business rates; paying housing benefit and council tax benefit; emergency and business continuity planning; governance services (which includes managing local and general elections); registrars; and the Economic Development Team.

Community engagement:

media services, engagement and consultation with residents and businesses, grants to the voluntary sector, civic events and the Mayoralty.

Resource management:

finance, information technology, property management and human resources.

Corporate management:

service improvement, programme management, legal services, corporate property (centralised property services) and the Town Clerk's office.

The service budget 2015-16

Service area	£'000	%
Benefits and local taxation	4,561	23
Strategy and local services	9,498	49
Other services	5,535	28
	19,594	100
Finance, information systems and property	-4,640	
Service budget 2015-16	14,954	

Some of the key services the budget pays for:

- a £1.4 million contract to purchase 41 additional police officers for the Royal Borough, match-funded by the Metropolitan Police
- collecting council tax of £99 million from 87,000 dwellings and £303 million of business rates and business rates supplement
- payment of over £140 million of housing benefit
- managing over 270 properties in the commercial portfolio and 315 leases
- payroll and human resources services for 3,482 employees (headcount), including for schools
- promoting local employment
- support for around 550 Member and senior management level meetings each year
- managing the Council's buildings
- over £3 million of support for a range of voluntary organisations in the Royal Borough
- 6,382 enrolments and 3,921 adult learners.

Annex B

Proposals for savings 2015-16

Due to the nature of the Council's decision-making processes, decisions on some of the savings proposals (such as those subject to consultation) are taken after the budget has been agreed by the Council.

Any change arising from such decisions will be dealt with as a variation to the 2015-16 budget through the Council's usual financial management arrangements.

Please note: percentages shown reflect the proportion of gross savings delivered through each category excluding the growth (G) detailed in the table.

Key	Actual 2011-12 £'000	Actual 2012-13 £'000	Actual 2013-14 £'000	Actual 2014-15 £'000	Proposed 2015-16 £'000	Total £'000	%
MC-R	Management / administration costs reduced						
	-3,928	-1,275	0	-510	-343	-6,056	7
EPB-R	Employee pay and benefits reduction						
	-1,243	0	0	0	0	-1,243	1
EE-I	Improved economy / efficiency						
	-5,754	-8,641	-5,613	-3,221	-4,172	-27,401	32
P-S	Procurement saving						
	-1,215	-2,087	-307	-1,272	-973	-5,854	7
SLC	Service level change						
	-4,304	-828	0	0	-271	-5,403	6
AFR	Anticipated funding reductions						
	-1,487	0	0	0	0	-1,487	2
PCR	Pension contribution reduction						
	-1,389	0	0	0	0	-1,389	2
INC-I	Increased income						
	-6,172	-4,038	-2,561	-3,128	-8,900	-24,799	29
TRI	Bi- and tri-borough savings						
	0	-2,235	-3,004	-3,942	-2,459	-11,639	14
G	Less growth						
	2,614	6,179	1,406	1,113	1,620	12,932	0
Total net savings	-22,877	-12,924	-10,079	-10,960	-15,498	-72,339	100

Adult Social Care

2015-16 final savings proposals		
Adult Social Care budget £58.2 million		£'000
INC-I	Use of Social Care to Benefit Health funding to protect front line services	-1,000
INC-I	Use of Public Health grant to protect front line services (Substance Misuse Service)	-793
TRI	Savings from a review of the Client Affairs Service	-87
EE-I	Review of Residential Services for Older People (additional capacity at lower cost)	-500
EE-I	Supporting People Budget	-75
TRI	Savings arising from shared arrangements	-200
EE-I	Savings arising from greater use of telecare	-113
EE-I	Operational alignment – savings arising from a review of the Operations Division	-500
P-S	Savings arising from a review of current contract arrangements	-640
Total Adult Social Care		-3,908

Adult Social Care savings proposals for 2015-16 can be summarised as: reductions of £1.6 million from tri-borough arrangements; use of Social Care to Benefit Health funding (£1 million) to protect front line services; use of the Public Health grant for substance misuse services (£0.8 million); and savings of £0.5 million anticipated from a reduction in the cost of residential services for older people.

Children's Services

2015-16 final savings proposals		
Children's Services budget £41.1 million		£'000
TRI	Tri-borough savings with Family Services	-275
INC-I	Use of Public Health grant to protect front line services (Best Start in Life, Young People and Early Intervention)	-300
EE-I	More efficient configuration of children's homes (with income generation from spare capacity)	-100
EE-I	More efficient delivery of hospital social work service (funding targeted at residents)	-100
EE-I	Recommissioning of play services	-374
MC-R	Savings from the establishment of an employee-led mutual company to deliver youth services	-135
EE-I	Efficiencies in commissioning and procurement	-131
INC-I	Use of Dedicated Schools grant and Pupil Premium funding to protect front line services (Virtual School)	-60
EE-I	Savings in Special Education Needs service	-50
TRI	Tri-borough savings on Schools Standards service	-120
TRI	Tri-borough finance team savings	-250
EE-I	Third Sector commissioning	-105
INC-I	Educational psychology – High Needs Funding Block	-100
G	Funding for Youth Justice Board remand placements (new burden)	150
Total Children's Services		-1,950

The Council will continue to support families, but reduce the cost by making services more effective and more efficient. At the core are services that encourage families to be less reliant on the help provided by the Council. The Council will remain steadfastly vigilant with regards to our duty to safeguard vulnerable children and young people.

The Council will either discontinue services that do not provide value for money or find more cost-effective means of delivering them. For example, £135,000 will be saved on Youth Services resulting from the creation of the Employee Led Mutual.

The tri-borough proposals will generate savings of over £370,000 in 2015-16.

The current phase of tri-borough work has focused on the development of a tri-borough Children's Services department. In the short term, cost reductions are being delivered through rationalised management, and in the longer term savings will be delivered through aggregated procurement, reduced duplication, harmonised pay and conditions, and optimised working practices. The tri-borough proposals will generate savings of over £370,000 in 2015-16.

Environment, Leisure and Residents' Services

2015-16 final savings proposals		
Environment, Leisure and Residents' Services budget £32.9 million		£'000
INC-I	Increased visitor income for Leighton House Museum	-100
INC-I	Replace part of the Active Participation Arts budget with alternative external funding, or reduce the current level of spend	-20
INC-I	Increased income from the commercial waste service	-486
INC-I	Increased income from the newly rebuilt Kensington Leisure Centre	-124
INC-I	Increased income from Chelsea Leisure Centre following the extension and upgrade of the gym	-111
SLC	Review street cleaning frequencies and implement further contract efficiencies	-135
TRI	Fully implement the bi-borough waste and street enforcement team	-124
TRI	Delivery of efficiencies in the Parks Police management structure	-60
TRI	Review Parks and Ecology staffing structures with no impact on service delivery and standards	-72
EE-I	Review of Culture team staffing with greater emphasis on arts commissioning and efficiencies in supplies and services spend	-84
EE-I	Improved efficiency and budgets aligned to spending for supplies and services across the department	-206
Total Environment, Leisure and Residents' Services		-1,522

For 2015-16 the budget for Environment, Leisure and Residents' Services is reduced by £1.52 million. The department aims to maximise efficiency through generating additional income and commissioning services in a different way before looking to make savings from front line services.

In 2015-16 the department aims to increase its income by £0.84 million from newly refurbished leisure centres, museums and the commercial waste service. Negotiations on third-party contract spend will save £0.14 million, and shared services with the LBHF will take out a further £0.26 million. Improved efficiency in supplies and services spend across the department will save £0.29 million. No adverse impacts on front line services are expected as a result of these net spend reductions.

Housing Services

2015-16 final savings proposals		
Housing Services budget £13.7 million		£'000
P-S	Reduced expenditure on Supporting People through reprocurement of services	-333
MC-R	Deletion of posts within the Housing Service	-208
EE-I	Reduction in Homelessness Prevention budget	-150
Total Housing Services		-691

Housing Services savings proposals for 2015-16 can be summarised as savings of £0.33 million arising from re-procurement of some Supporting People services through use of the West London framework; staffing savings totalling £0.21 million; and a reduction of £0.15 million in the homelessness prevention budget.

Library, Archive and Heritage Services

2015-16 final savings proposals		
Library, Archive and Heritage Services budget £6.2 million		£'000
EE-I	Transport efficiencies	-30
EE-I	Library materials efficiencies	-20
TRI	Stock management efficiencies	-20
EE-I	Supplies and services efficiencies	-16
EE-I	Operational efficiencies within the Libraries Service	-100
Total Library, Archive and Heritage Services		-186

The service's net budget is £5.8 million. The proportion of savings in 2015-16 to the budget is 3.2 per cent. Savings will be delivered through further integration and streamlining of library operations to realise efficiencies – such as streamlining stock management processes as a result of the 'one library' management system. Library materials efficiencies will arise from improved contracts with suppliers and growth in e-books.

Planning and Borough Development

2015-16 final savings proposals		
Planning and Borough Development budget £3.7 million		£'000
EE-I	Reduction in back-office costs	-120
EE-I	Reduction in Building Control service costs (restructuring)	-140
INC-I	Income from pre-application planning advice fees and planning fees	-819
Total Planning and Borough Development		-1,079

The key aims for Planning and Borough Development continue to focus on maintaining front line services, particularly those that go to the heart of the Council's statutory duties and reputation. Therefore 2015-16 savings proposals focus mainly on increasing income and reducing back-office costs.

Pre-application income continues to perform well and, as a result, the service group proposes to increase its budget by a further 94 per cent (£0.67 million) in 2015-16. Income from planning application fees will increase by 13 per cent (£0.15 million). These levels of increases mean that the service group will substantially exceed its savings targets for the year, but may also impact on its ability to meet future years' targets.

Following the reorganisation of Building Control in 2014-15, the service group has reduced costs in the 'non-trading account' section by 26.7 per cent (£0.14 million). This reflects the reducing workloads that have impacted on Building Control in recent years.

Staffing savings of £0.08 million – approximately 1.6 per cent of the total salary budget – have been achieved through further reorganisation of support services and also by reviewing all vacancies with a view to appointing at a lower level, provided it does not impact on the quality of service provision.

A further saving of 8.4 per cent (£0.04 million) of the Legal Services budget has been achieved by reducing reliance on seeking professional guidance.

Transport and Technical Services

2015-16 final savings proposals		
Transport and Technical Services budget £12.7 million		£'000
INC-I	Wi-Fi concession fee – guaranteed payment	-30
INC-I	Wi-Fi concession fee – provisional payment	-6
INC-I	Recognition of existing variance in parking suspensions income	-80
TRI	Bi-borough service reviews	-361
EE-I	Reduction in Environmental Health running costs	-50
INC-I	Recognition of existing income from parking enforcement	-1,138
EE-I	Release of Highways project budget no longer required (projects delivered for lower than planned cost)	-324
INC-I	Income from Kensington Town Hall car park (new leasing arrangement)	-102
EE-I	Release of provision for bad debts no longer required due to improved debt management	-120
INC-I	Increased highways licence fee income	-120
EE-I	Reduction in Highways and Transport running costs	-150
Total Transport and Technical Services		-2,481

For Transport and Technical Services in 2015-16, parking enforcement income (penalty charges) is increased by £1.14 million following targeting of low-compliance areas. This strategy should lead to better traffic flows in certain parts of the borough and increased parking opportunities for residents and visitors.

Bi-borough savings of £0.36 million have arisen from full implementation of a number of initiatives which are part of ongoing service reviews. Savings for 2015-16 include: sharing of management and operational posts across services, implementation of new charging regimes to maximise revenue, and more effective procurement and contract alignment across services.

In addition £0.32 million (set aside for Exhibition Road and the Albert Bridge capital schemes) is no longer required as these projects are completed; licence fee income from amenities on the highways is overachieving and now showing as a permanent adjustment of £0.12 million to the department's income budget; and the lease on the Town Hall car park has transferred to an external management company, resulting in further savings of £0.1 million for the Council.

Improved debt management across the department has also resulted in a recurring saving of £0.12 million by reducing the scale of the revenue budget required for this purpose; and from 2015-16 onwards, savings which are expected to be permanent have arisen from under spends on operational and office expenditure budgets such as IT, equipment, stationery and materials.

Corporate Services

2015-16 final savings proposals		
Corporate Services budget £15.0 million		£'000
EE-I	Reductions in financial services budgets	-71
TRI	Reductions in strategic procurement budgets	-45
EE-I	Reduced costs post service reconfiguration in Audit and Risk Managements	-30
EE-I	Reduction in information systems costs	-141
TRI	Tri-borough management savings in information systems	-195
INC-I	Wi-Fi concession income	-34
TRI	Tri-borough management and support cost net savings (Benefits, Council Tax, Customer Services)	-531
INC-I	Increased income from property lettings	-3,409
G	Increased running costs of the Council's property	545
EE-I	Reduced mayoral costs	-17
EE-I	Reduced back-office costs (Contingency Planning, Town Clerk's Office, Media/Communications, Governance Services)	-109
INC-I	Alternative funding for Economic Development	-18
EE-I	Savings from councillor withdrawal from membership of the Local Government Pension Scheme	-75
EE-I	Reduced back-office costs (Service Improvement Team, Community Engagement and Safety)	-56
SLC	Reduced budget for community engagement projects	-25
EE-I	Reduced costs of Local Healthwatch contract	-10
SLC	Reduced community safety budgets	-111
INC-I	Increased income from Registrar's Services	-50
EE-I	Reduced costs of Occupational Health contract	-30
TRI	Tri-borough Human Resources service savings	-119
EE-I	Reduced corporate subscriptions costs	-75
G	Investment in the development and delivery of tri-borough	300
G	Alignment of the conferences and events budget to match the income achieved	150
G	Local funding for Local Support Payments (emergency and crisis support)	435
G	Increased support for the Council's scrutiny function	40
Total Corporate Services		-3,681

Other savings include procurement – anticipated to deliver **£0.12 million**

Corporate Services savings and growth proposals reflect a long-term trend of real term reductions in net spending. Cost reductions and increased income for 2015-16 represent around six per cent of controllable budgets and are not anticipated to impact significantly on service delivery.

Savings from bi- and tri-borough arrangements continue to make a contribution in 2015-16, including tri-borough management savings in information systems (£0.19 million, 3.5 per cent of the net ISD budget); and shared Human Resources savings (£0.12 million, five per cent of the net HR budget).

These, together with anticipated increased income from property lettings of £3.4 million (an increase of about 61 per cent of the commercial property income budget), make a significant contribution to the proposed reduction in the service's costs.

The adjustment to the Council's budget for community safety activity takes into account a rebasing of the Police Community Support Officer budget and reflects new contractual arrangements with the Metropolitan Police.

Other savings include procurement – anticipated to deliver £0.12 million, particularly in occupational health, Local Healthwatch and IT telecommunications; staffing – with minimal effect on the level of service where possible, including a reduced number of posts due to management reorganisation, technological developments and a review of service delivery; savings from councillor withdrawal from membership of the Local Government Pension Scheme; increased income from Registrar's Services; and reduced corporate subscriptions costs.

Maintenance of funding for voluntary organisations remains a priority and it has once again been possible to hold the grants budget steady in real terms.

Total savings proposals

Total savings proposals 2015-16	£'000
Adult Social Care	-3,908
Children's Services	-1,950
Environment, Leisure and Residents' Services	-1,522
Housing Services	-691
Library, Archive and Heritage Services	-186
Planning and Borough Development	-1,079
Transport and Technical Services	-2,481
Corporate Services	-3,681
Total net savings 2015-16	-15,498

Annex C

The Council's key documents

Governance information

The Council's committee documents

www.rbkc.gov.uk/committees

Forward Plan of Key Decisions

www.rbkc.gov.uk/forwardplan

Scrutiny

www.rbkc.gov.uk/scrutiny

Annual Scrutiny Report

www.rbkc.gov.uk/scrutinyannualreports

Council performance (including the Kensington and Chelsea Performance Report)

www.rbkc.gov.uk/howwepperform

Report to Taxpayers

www.rbkc.gov.uk/reporttotaxpayers

Council finances (including the Statement of Accounts, capital programme and Revenue Budget)

www.rbkc.gov.uk/howwemanagemoney

Whistleblowing (Whistleblowing Policy and Anti-fraud and Corruption Strategy)

www.rbkc.gov.uk/whistleblowing

Consultation (including Vital Messages – the consultation database)

www.rbkc.gov.uk/consultation

Strategies and plans

Community Strategy 2008-18: The Future of Our Community

(including A Picture of Our Community)

www.rbkc.gov.uk/kcppublications

Violence Against Women and Girls Needs Assessment January 2014

www.rbkc.gov.uk/vawg

Joint Strategic Needs Assessment

www.rbkc.gov.uk/JSNA

Tri-borough Public Health Report 2013-14

Visit www.westminster.gov.uk and search for 'One year on'.

A Bright Future for Us All: An Older People's Strategy for Kensington and Chelsea 2007-17

www.rbkc.gov.uk/pdf/jsna_older_people_strategy.pdf

Housing Strategy 2013-17

www.rbkc.gov.uk/housingstrategy

Tenancy Strategy and Tenancy Policy

www.rbkc.gov.uk/socialhousing

Planning policies (including the Core Strategy)

www.rbkc.gov.uk/planningpolicy

Annual Parking and Enforcement Report 2014

www.rbkc.gov.uk/parkingpolicy

Visitor Strategy 2009-20

www.rbkc.gov.uk/visitorpolicy

Arts and Culture Policy 2009-20

www.rbkc.gov.uk/artsandculturepolicy

Climate Change Strategy 2008-15

www.rbkc.gov.uk/climatechangestrategy

Air Quality Action Plan 2009-14

www.rbkc.gov.uk/airqualitypublications

