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**BUDGET  
PROPOSALS**  
2016-17

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THE ROYAL BOROUGH OF  
KENSINGTON  
AND CHELSEA



# Budget Proposals 2016-17



## English

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## 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 لطفاً از جزئیات تماس ذکر شده در ذیل استفاده کنید.

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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

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# 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 2016-17.**

Between 2010-11 and 2016-17, the Council's recurrent spending will have fallen by 20 per cent – allowing both for inflation and new responsibilities we have gained over that period.

We are told by residents that in many respects, the Council is continuing to deliver services of as high quality now as we have ever done.

That is very reassuring; and we believe we can continue to maintain good services, and sometimes improve them, in 2016-17. But we also expect to have to make some difficult choices between 2016-17 and 2019-20, as grant will continue to fall.

**Here are some of the developments in the Council's work over the past year:**

- Responding to growing numbers of pupils needing places in primary schools, the Council is building: a new two form entry Marlborough Primary School (having created a magnificent interim school for the school to occupy during construction), a new school building at Fox Primary School and expanding Colville Primary School.
- The borough's primary schools delivered the best results in England in 2015: 90 per cent of children achieved the expected Level 4+ in Key Stage 2 reading, writing and mathematics. This is ten percentage points above the national average and eight points above the average for London schools.
- In October, having recruited a group of distinguished and talented trustees for Opera Holland Park, the Council gave it a financial dowry and its independence. From now on, the Council will no longer provide an annual operating subsidy and the Opera will instead be free to raise funds on its own account.

- In the 2015 London in Bloom Awards, five borough parks were awarded gold status and three received silver gilt awards. The gold winners comprised: Holland Park, Kensington Memorial Park, Little Wormwood Scrubs, Westfield Park and Emslie Horniman Pleasance. The silver winners were: Cremorne Gardens, St Luke's Park and Avondale Park.
- Due to changes to the regulatory framework applying to the care of vulnerable adults, the Council has consulted residents on its intention to continue to offer support for those deemed to be in 'moderate' need. This Council has always offered services to people who would benefit from some help, even though they can manage to do most daily living tasks for themselves; this means that people can remain independent at home for longer. It is one of very few councils that address a wider range of needs in this way.
- The Council has provided £10 million of funding to enable the tenant management organisation, in partnership with Rydon, to refurbish Grenfell Tower. The works have included new central heating, cladding to the exterior of the building, redecorated lobbies, a new boxing club and nursery facility. The work to the tower will complement the new Kensington Aldridge Academy and Kensington Leisure Centre, which are adjacent.
- The Council is working to expand the numbers of homes in the borough through redeveloping social housing where it is affordable and where the public realm can also be improved.
- On the other hand, it does not wish to see business space converted into homes: however profitable for the owner of the property, it would reduce employment in the borough and make it a less creative place. So the Council was pleased the Government affirmed that a general permission to convert business space to residential does not apply here.

Despite reductions in grant and other financial pressures, the Council will not increase council tax in 2016, therefore maintaining the tax at a level first set in 2009. It remains the fifth lowest in England.

I hope you will agree that the Council continues to do a good job. To see how my Cabinet colleagues and I are progressing with a number of aspirations for this Council term, please see **Table 1** overleaf.



**Councillor Nicholas Paget-Brown**

Leader of the Royal Borough of Kensington and Chelsea

**March 2016**

# Progress on Council commitments

**Table 1: Particular commitments in Kensington and Chelsea**

Commitment	Progress to date
Freeze council tax until at least 2016.	Achieved.
Invest £1.4 million a year to purchase an additional 41 police officers, who will be dedicated to tackling local issues on the streets of Kensington and Chelsea.	Achieved: the team is fully operational. For example, between April and September 2015, the team received 72 requests for joint tasks from Council departments and partnership agencies to support enforcement and crime prevention. This work has focused on antisocial behaviour and disorder of most concern to residents, including youth- and drug-related disorder, begging, night-time economy issues, environmental antisocial behaviour, supercars and sex-worker carding. Over these six months, the work of the team has resulted in 308 arrests, 184 criminal behaviour warnings, 89 cannabis warnings, 59 court summons and 38 alcohol warnings or confiscations, among other activities.
Bring big basement developments under firmer control to protect the interests and amenity of neighbours.	In the last two years, significant progress has been made both to restrict the scale of such developments, and thus the number and inconvenience caused; and to enforce the standards applied to carrying them out. In the six months to December 2015, the Council issued 34 basement-related enforcement notices, compared with 37 in the same period of 2014 and 3 in 2013.
Keep the twice-weekly bin and recycling collection and excellent street cleaning for the whole borough.	Achieved. Twice-weekly kerbside bin collections are still in place and there are no plans to change this. Waste collections have been enhanced with the surface collections ('skims') that have been introduced after Bank Holidays in certain streets that are hotspots for rubbish dumping. We are investigating the introduction of extra surface waste collections in some streets, although a cost-neutral solution will depend on finding compensatory savings through the 'Smart Sweeping' system.

**Table 1: Particular commitments in Kensington and Chelsea (continued)**

Commitment	Progress to date
Build more homes that are affordable to middle-income households; and invest in existing Council estates to ensure there are better homes for local people.	Plans are in hand in respect of Edenham Way, Broadwood Terrace and Chesterton Square and for part of the Barlby/Treverton Estate, alongside the redevelopment of Barlby Primary School and the addition of a special school. A feasibility study for adding more homes to the current Silchester Estate is about to report. In addition, we have added 16 homes at Grenfell Tower and at World's End Estate.
Reduce the number of young people not in employment, education, or training (NEET) by 50 per cent by 2016.	The benchmark year for this target is 2012-13, when seven per cent of 16- to 19-year-olds in the borough were 'NEET'. At year-end 2014-15, this had fallen to 4.8 per cent and we hope to meet the target of 3.5 per cent by the end of 2016.
Open a state-of-the-art public leisure centre in Kensington.	Achieved. The leisure centre was officially opened by HRH The Duchess of Cambridge on 19 January 2015. Over 3,500 members signed up in the first nine months of operation, which is 1,000 more than we ever achieved at the old centre.
Support older residents wanting to live independently in their own homes for longer.	Adult Social Care continues to focus on supporting people to live at home, and has an integrated Community Independence Service with health partners to support people coming out of hospital to regain their independence. There are still low numbers of older people entering residential and nursing care, demonstrating our success in supporting people to remain in their own home.
Provide better opportunities for children with special educational needs (SEN).	Ongoing: the local offer for zero to 25-year-olds with SEN has been expanded to include two new bases for children with autism (Barlby Primary School and Kensington Aldridge Academy), along with a new base, opened in September 2015, for children with speech and language difficulties at Ark Brunel Primary Academy. A further autism base will open at Marlborough Primary School in 2017 and the borough's first local special school will open in 2020.
Maintain the single parking zone for residents across the borough.	Achieved.

# Introduction

This report – the sixth in an annual series – presents the Cabinet’s budget proposals for 2016-17 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 2016-17. 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 2016-17 of £408 million represents a cash reduction of £57 million since 2010-11. Allowing for increases in prices, the budget has fallen by 20 per cent in real terms.<sup>1</sup>

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 2016-17 are set out in **Table 2**.

Information on what each service provides can be found in **Annex A**.

<sup>1</sup>Two 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 2: 2016-17 budgets by service**

Service	£ m	%
Adult Social Care	75.1	18.4
Children's Services (including education)	122.7	30.1
Environment, Leisure and Residents' Services	39.3	9.6
Housing Services	41.6	10.2
Library, Archive and Heritage Services	4.6	1.1
Planning and Borough Development	6.6	1.6
Public Health	21.6	5.3
Transport and Technical Services	30.4	7.4
Corporate Services	62.2	15.2
Adult and Family Learning Services	1.3	0.3
Other, e.g. financing charges	2.6	0.6
<b>Total spending on services</b>	<b>408.2</b>	<b>100.0</b>

Two broad sources of income support general revenue expenditure:

- Funding from the Government: this will contribute about 55 per cent of the Council's budget in 2016-17. 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 45 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 3: Funding of the Council's services**

Source	£ m	%
Revenue support grant and retained business rates	77.7	19.0
Dedicated schools grant	67.4	16.5
Other grants and contributions	77.0	18.9
Sales, fees and charges	52.6	12.9
Car parking income	44.8	11.0
Council tax	74.3	18.2
Interest	2.0	0.5
Rents	12.4	3.0
<b>Total funding for services</b>	<b>408.2</b>	<b>100.0</b>

Income from council housing is excluded from **Table 3** 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 at 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 £1.3 million in 2016-17. This is equivalent to one per cent of the £54 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 (KCTMO) 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.

The budget of the KCTMO for 2016-17 amounts to some £48 million: this includes maintenance spending at nearly £13 million and capital charges of over £10 million. The KCTMO's rental income from dwellings provides three-quarters of its income, with the remainder drawn from commercial rents and service charges. A typical weekly rent for a two-bedroom flat would be £129; that of a three-bedroom flat would be £143.

Self Financing, the new regime for funding social housing within the HRA, was introduced in April 2012. This both improved the financial outlook for HRAs and provided more certainty regarding future sources of income.

As a result, recent budgets have been prepared within a more optimistic regime. However, following the recent change in government, a number of policy changes have been announced which will have significant financial implications for the HRA.

The changes have reduced future levels of income, introduced greater uncertainty regarding the financial outlook for the HRA and removed our abilities to make some local decisions.

The key changes which will have financial implications for the HRA are:

- a) reductions in social rents;
- b) the extension of the Right to Buy Regime and Sale of High Value Voids;
- c) the introduction of Pay to Stay; and
- d) changes to Benefits and Tax Credits. The policy announcement on social rents, if taken in isolation, would result in a reduction in the HRA working balance of around £22 million over the four-year period (comparing the position to that published in January 2015 and assuming similar expenditure assumptions – in practice, the working balance would have been lower as the Consumer Price Index is lower than assumed in our original model).

At this stage, further details are required before the implications of the other policy changes can be ascertained.

## 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 very tenuous.

**Table 4** 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 22 per cent; and since the Council last raised council tax (in 2009) the real cost of the tax has fallen by nearly 14 per cent, compared to the general increase in prices of goods and services since then.

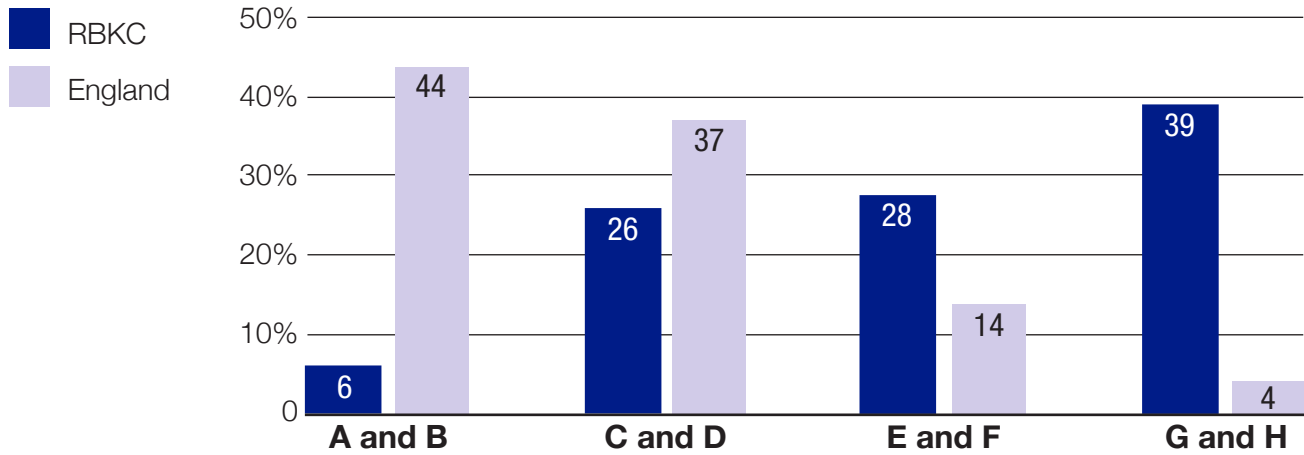
**Table 4: Rates of council tax 2015-16**

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	£1,062	£1,322	£1,562	£1,803	£2,163
London	£866	£1,010	£1,154	£1,298	£1,587	£1,875	£2,164	£2,597
England	£989	£1,154	£1,319	£1,484	£1,813	£2,143	£2,473	£2,967

Over two-thirds of properties in the Royal Borough fall into the higher property bands (see **Chart 1** overleaf), 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 £53 million in 2016-17 (see **Table 3**).

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 £32 million to spend on certain permitted council services such as highways maintenance and special needs transport.

Since April 2013, councils' finances are 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 locally.<sup>2</sup> 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.

<sup>2</sup> 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 increases after each full revaluation and then subsequently falls due to valuation appeals. The Council is forecasting stable income from rates, assuming that potential losses on appeals and other net negative rate base changes will be met from the provision made each year.

The Chancellor has announced that perhaps from 2020, Councils will be able to keep the full benefit of growth in their business rates base. Both because there is little room for development in the borough, and because any such growth will be shared with the Greater London Authority, this is unlikely to provide a significant source of income and will have to be seen in the context of a substantial reduction in grant income over the three years following 2016-17.

Through active and adroit management of the Council's operational estate, the Council's commercial income has more than doubled over the past five years to over £12 million. Through the Council's redeployment of officers to fewer sites, space has been released for letting to commercial tenants. The Council believes that further reorganisation over coming years can yield additional sums, which will pay for services to residents.

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 £2 million in 2016-17.

## The Council's balance sheet

On 31 March 2015, the Council had £1.6 billion of long-term assets, mainly property, of which around half is General Fund and half Housing Revenue Account (social housing).

Assets on the Council's balance sheet are valued as required under the relevant accounting requirements, which includes fair value based on existing use (e.g. operational property), market value (e.g. investment property) and depreciated historic cost (e.g. infrastructure assets, community assets). The value bears little or no relationship to the realisable value (the sale value which could be achieved if the asset could be sold unencumbered).

The Council's pension fund has £700 million of assets invested to meet the Council's pension liabilities.

## Part II: Setting the 2016-17 budget in context

The economy continues to grow but there remains an unsustainable deficit in the public finances.

Local government accounts for over 20 per cent of total public-sector spending in England. Further reductions in the Council's grant from central government are necessary, not only to reduce the deficit but also because:

- spending on the National Health Service and some other functions, such as defence and overseas aid, is protected;
- economic growth is unlikely to accelerate; and
- there are limits either to the Government's willingness or its capacity, or both, to increase taxation.

Following the Government's Spending Review, published on 25 November 2015, and the provisional local government finance settlement announcements on 17 December 2015, it is likely that the Council's funding will be cut by nearly £40 million between 2016-17 and 2019-20.

The Council remains of the view that these reductions represent a permanent loss of income. It will not be recovered thereafter as:

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

Despite this, the Council remains very reluctant to increase council tax. Councillors are conscious of the burden of council tax on residents.

The Government has introduced a new power from 2016 for councils to raise council tax by up to two per cent to pay for additional costs arising from adult social care. However, the borough can balance its budget for 2016-17 without using this facility, in part because its budget for adult social care is rising by only £400,000, which can be met from savings across the Council.

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 in the false hope that there would be a restoration of previous spending levels.

## Part III: Meeting the challenge

### Good stewardship

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

- In the ten years to 2010, public spending nationally 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. Instead it ensures that recurrent spending is limited to its recurrent income. 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. Through increasing efficiency and sharing services with other boroughs, it has reduced staff numbers by 20 per cent.
- It subjects its accounts and plans to the scrutiny of Standard & Poor's, and was awarded a 'AAA' rating in 2015.

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

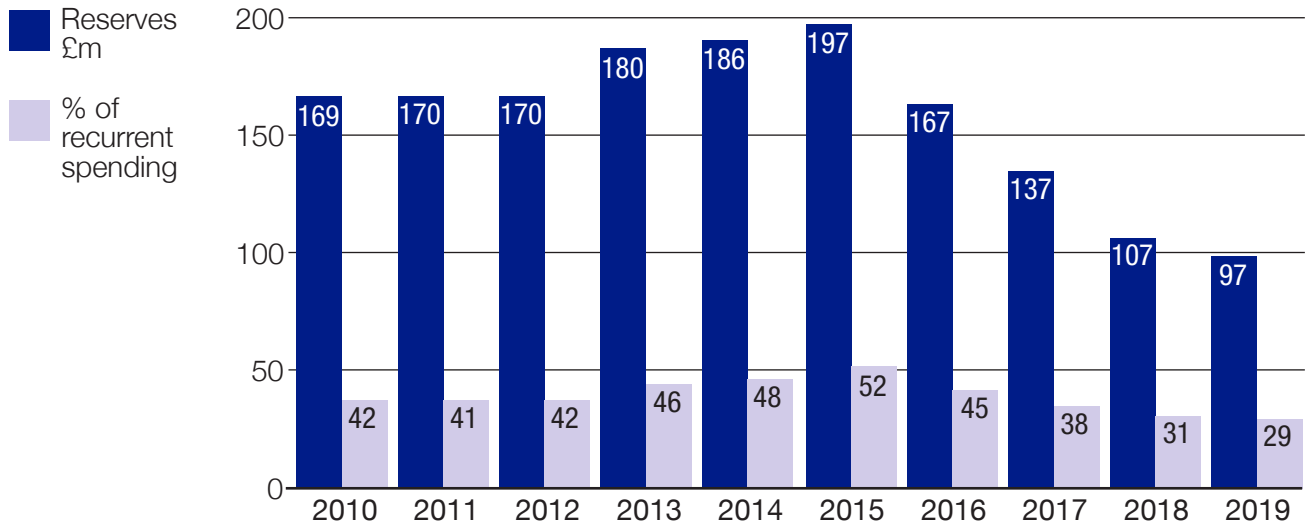
The Council may be able to earn a greater income from its property estate, through investment or the running of a competition for the lease of a surplus property. A further example in 2015 was making a lump sum payment to Opera Holland Park to help it achieve independence, which avoids in perpetuity 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** (overleaf) 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 contributed to the new Chelsea Academy, rebuilt Holland Park School and completed the new Kensington Aldridge Academy in 2014. It opened the new Kensington Leisure Centre in 2015.

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 £1.6 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, in recent years, borrowed any money to pay for capital expenditure, although it will be prepared to borrow if the rate of return on projects funded from borrowing amply justifies the costs in interest payments.

## 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.

- Staff numbers have fallen by over 20 per cent, between March 2010 and March 2015. 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, 2014 and 2015, 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 pension 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 remain in prospect – a saving to the local taxpayer.
- Above all – even though we are delivering nearly the same for 80 per cent of the cash budget – there probably remains scope for greater efficiency in the Council, notably through bi- and tri-borough working, better procurement and 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 significantly to increase income from our commercial properties.

Proposals for savings in 2016-17 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 5: Unit costs in Adult Social Care**

Service	Estimated unit cost in 2015-16	Commentary
<b>A week's care in a residential setting</b> for an older person	£720 (residential care)	The Council looks after 262 older people in care homes run by the independent sector (excluding cases funded by Inner North West London (INWL) NHS).
	£620 (nursing care) <sup>3</sup>	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 2014-15 actual costs, excluding overheads and health funded costs)	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 £730 per week.
<b>An hour's care of an elderly person in his or her own home</b>	£15-£16	A new tri-borough home care service started in 2015. The aim is to develop a service that is outcomes-focused, 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.
<b>A home meal</b>	About £7	For reasons of commercial confidentiality, we cannot state precise costs. A tri-borough service has now been tendered. The total budget for the borough is £0.4 million, of which 40 per cent is met from contributions.

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

**Table 6: Unit costs in Children's Services**

Service	Estimated unit cost in 2015-16	Commentary
The <b>cost per place</b> at the four managed <b>children's centres</b>	£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 <b>a child at primary school</b>	£5,356	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 £4,756. The total budget is £35.3 million (excluding academies).
The funding delegated to a school in the borough for <b>a child at secondary school</b>	£7,040	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 £6,206. The total budget is £7.6 million (excluding academies).
The average cost per pupil, in fees and transport to and from school, for <b>a child with special educational needs</b>	£21,760	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 average cost of <b>a child in care</b> in the borough	£1,041 (per week) £456.76 (per week) £142.73 (per week)	This budget area comprises four main elements: residential care, fostering, leaving care, and looked after children support services. The total budget is £5.8 million. The unit costs are:  Residential care placements, based on an average of 27 places. Foster care placements, based on an average of 76 places. Average number of children in care is 103. Leaving care placements, based on an average of 130 care leavers.  This compares with 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.
<b>Youth service</b> spending <b>per young person</b> aged between 13 and 19	£137	

**Table 7: Unit costs in Environment, Leisure and Residents' Services**

Service	Estimated unit cost in 2015-16	Commentary
Annual maintenance costs <b>for a hectare of park</b>	£33,699	This is higher than some other boroughs, reflecting the different maintenance specifications and councillor/park-user expectations. Higher-quality parks may directly influence local property values. The budget savings proposed for 2016-17 will reduce unit costs.  The total budget for 2015-16 was £1.6m.
Annual refuse collection <b>per flat or house</b>	£56	This is quite comparable to other boroughs. This service budget has been protected for 2016-17, enabling existing waste collection arrangements to be maintained (including twice-weekly collections).  The total budget for 2015-16 was £4.9m.
Annual street sweeping and <b>cleaning of 100m of street</b>	£3,423	This is more than some other boroughs, reflecting a higher footfall and specification for street cleaning in the Royal Borough. The latest Annual Survey of Londoners shows that 81 per cent of our residents are satisfied with street cleaning, compared with a London average of 55 per cent. This service budget has been largely protected for 2016-17, enabling much of the existing street cleansing arrangements to be maintained (including the daily cleansing of some roads). Opportunities for trialling other operational methods to enable smaller-scale efficiencies in the longer term are being explored.  The total budget for 2015-16 was £7.1m.
Average <b>cost to the Council of a visit to a sports centre</b>	£0	Following the refurbishment and upgrade of the leisure facilities at Chelsea Gym and Kensington Leisure Centre, these facilities now generate a net surplus for the Royal Borough, rather than a net cost. This has been factored into the savings plans for 2016-17.

**Table 8: Unit costs in Public Health**

Service	Estimated unit cost in 2015-16	Commentary
Stop smoking service: <b>the cost of getting someone to quit smoking</b>	£423	<p>The Royal Borough has a smoking prevalence of 17.8 per cent, which is ahead of the national target. Smoking prevalence varies across each ward. The focus of the stop smoking service is on harder-to-reach communities and areas of higher deprivation, where the smoking prevalence is highest.</p> <p>The total budget for 16-17 is £0.6 million.</p>
Personal health plans: <b>the cost of one-to-one support by a health trainer</b>	£403	<p>Health trainers provide one-to-one support to help residents develop personal health plans, create goals and work out how to achieve them.</p> <p>The total budget for personal health plans is £0.42 million.</p>
NHS health checks: <b>the cost of a health check</b>	£60	<p>NHS health checks help identify and signpost to local prevention services, those at high risk of developing cardiovascular disease.</p> <p>The total budget is £0.36 million.</p>

**Table 9: Unit costs in Transport and Technical Services**

Service	Estimated unit cost in 2015-16	Commentary
Annual cost of <b>maintaining and lighting a street light</b>	£114	<p>The unit cost is comparable with other benchmarked boroughs, but our assets are maintained to a high standard, including a high proportion of ornate historic lamp columns. We are on track to reduce our energy costs by 25 per cent through energy-efficient lamps, including LED and natural white light units.</p> <p>The Annual Survey of Londoners consistently shows that residents are satisfied with street lighting in the borough. The budget is £1.2 million.</p>
Annual cost of <b>maintaining one km of road</b>	£6,662	<p>Our highways are maintained to a high standard while the unit cost is still comparable with other benchmarked boroughs. We achieve this through an annual programme of planned maintenance. This approach is both cost-effective and less disruptive than doing reactive repairs on the highway.</p> <p>The budget is £1.4 million.</p>
Annual cost of <b>maintaining one km of pavement</b>	£6,330	<p>The unit cost is now comparable with other benchmarked boroughs following the discontinuation of natural stone paving as the default material in our pavements, introduced a few years ago.</p> <p>The budget is £2.6 million.</p>

**Table 10: Unit costs in Corporate Services**

Service	Estimated unit cost in 2015-16	Commentary
Internal audit cost per £1 million of Council spending	£753	
Total cost of ownership of a Council laptop	£261	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	£1.73	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 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.
- All of our primary and secondary schools are rated ‘good’ or ‘outstanding’ by Ofsted for Behaviour and Safety.
- Our GCSE pass rate (five or more GCSE grades A\* to C, including English and mathematics) is amongst the best in the country, at 67 per cent.

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

- The Care Act changed the eligibility for social care in 2015. However, the Council wishes to continue to support people with moderate needs and so is undertaking a three-month consultation to adopt a ‘local offer’ for eligibility for services so that it can continue to offer services to this group.
- 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 36 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.
- 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 and decommissioning floating support services which were not used efficiently have delivered savings without any reduction in service. Needs assessments regarding service requirements are currently being undertaken and may result in future savings.

About 18,200 households in the borough depend on prompt and accurate payment of their housing benefit and council tax reduction. Between April to October the Council processed new claims within eleven days and changes in circumstances within six 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. The costs of placing households in temporary accommodation continue to grow, due to the buoyancy of the rental market. Landlords continue to request increases in rental payments or for properties to be returned, as higher rents can be commanded within the private rental sector.

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.

Temporary accommodation costs now pose both a significant risk and challenge to the Council. We have seen the number of households in temporary accommodation peak in recent years and are now projecting a budget overspend of £700,000 for this current financial year, reflecting the continued cost pressures (i.e. rent increases). This budget overspend has arisen despite increasing the overall budget by £1 million in 2015-16. A further budget increase of £2 million has been included in the 2016-17 budget.

Under its new £1.4 million ‘two for the price of one’ contract with the Mayor’s Office for Policing and Crime, 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 11** compares the proportion of residents in the borough who rated services as ‘good’ or ‘excellent’ in 2015 compared with the average across London.

**Table 11: Residents’ positive ratings of services**

Service	Parks and open spaces	Street lighting	Street lighting	Refuse collection
Budget in 2016-17	£3.167m	£1.964m	£7.191m	£4.94m
Royal Borough’s rating by residents (%)	78	82	81	78
London residents’ rating (%)	68	71	55	69
Difference (%)	+11	+10	+25	+10

Source: ASL 2015: percentage of residents rating services as ‘excellent’ or ‘good’.

We believe that these high ratings reflect effort, efficiency, investment and planning. 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 six Gold awards, four Silver Gilt and first place in the London in Bloom Biodiversity Award.

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 2014-15 there were 964,000 visits to the Royal Borough's libraries and 627,000 books and other items borrowed. 5,220 people joined the library as members and the service purchased 44,000 new books and other items. There were over 9,000 visits by children from local schools, and we held over 600 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.

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 1.34 per cent higher) than the average for inner London.

## 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 corporate cash spending via the voluntary and community sectors; and
- reduce its other spending, with scope for savings provided by tri-borough working and a relentless search for savings.

For the great majority of its services, the Council has so far been able to maintain and sometimes improve their quality.

# 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 (including Adult and Family Learning)

**Annex A** provides information on what each department delivers; how 2016-17 budgets are broken down; and describes some of the key services each budget pays for.

# Adult Social Care

## Priorities

To support the increasing number of people using our services and the higher levels of support they need to:

- work with the care market across inner London, which is particularly fragile. Issues include demographic changes, increasing complexity and workforce pressures arising from London Living Wage, National Living Wage, housing costs and the retention and quality of staff;
- work with health to fundamentally transform the quality and experience of care across health and social care over the next five years;
- ensure the new requirements arising from the implementation of the Care Act are fully bedded in;
- review the end-to-end journey of the customer experience and to remove inefficiencies arising; and
- apply technology so that we have really good advice online, staff can work remotely, more transactions can be performed online and more processes are streamlined.

Some of these priorities will add pressure to our unit costs, whereas we hope other initiatives will lead to some reductions.

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 has been shared with the London Borough of Hammersmith & Fulham and Westminster City Council 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 2016-17

Service area	£ million	%
Physical support	16.63	29
Sensory support	0.05	0
Support with memory and cognition	0.97	2
Learning disability support	9.99	17
Mental health support	6.22	11
Supporting people	0.26	0
Public transport	10.03	17
Commissioning and service delivery	5.65	10
Social support: support to carers	0.54	1
Assistive equipment and technology	0.57	1
Social care activities (Social Work Service)	6.58	11
<b>Service budget 2016-17</b>	<b>57.50</b>	<b>100</b>

### 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

## Priorities

The service's priorities are to:

- optimise the universal offer to give children the best start in life. Working alongside universal services to manage demand through early identification of need and brokering local support. Transforming the child's zero to five pathway in order to give all children the right level of support from conception through to school entry;
- provide integrated family support and early help. Providing support to help families thrive and prevent the need for social care interventions;
- deliver a child protection service focused on systemic practice. Investing in social care practice and organisation to work with families through a systemic approach to prevent repeat referrals and crisis interventions and optimise outcomes and efficiency;
- deliver educational excellence and traded services. Enhance educational support, expand trading with schools and ensure inclusive provision. Enhance the service offer for children with complex needs. Provide children with complex needs a local service that meets their needs and supports family resilience and outcomes; and
- optimise value for money through expert commissioning and improved operational efficiency.



The Children's Services department consists of four main services areas:

**Education Service:**

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, finance and resources:**

strategic and support functions.

## The service's budget 2016-17

Service area	£ million	%
Children's commissioning	7.23	18
Tri-borough education service	3.11	8
Finance and resources	2.23	5
Safeguarding and Local Safeguarding Children Board	1.15	3
Family services	25.85	63
Senior management team	0.29	1
School funding	1.23	3
<b>Service budget 2016-17</b>	<b>41.09</b>	<b>100</b>

Some of  
the key  
services  
the budget  
pays for:

- a resident population of 30,381 young people aged 19 years and under
- 2,700 three- and four-year-olds attending nursery settings
- circa 7,300 places in primary schools and 4,200 places in secondary schools
- educating 495 children with special educational needs resident in the borough
- educating 130 pupils in special education or alternative provision
- two children's centre hubs and support for 75 private, voluntary and community organisations and 50 childminders
- 65 children subject to a child protection plan
- 103 children in care, of whom 28 are children who are unaccompanied and seeking asylum in the UK
- support for 130 young people leaving care
- 220 young people supported by the Youth Offending Team
- 6,100 young people attending youth support services

# Environment, Leisure and Residents' Services (ELRS)

## Priorities

The work of ELRS is diverse but is linked by a commitment to improve the quality of life in the Royal Borough through enhancing and protecting the physical environment, promoting our cultural heritage and by helping residents to improve their lifestyles.

When setting the budget for 2016-17, the department's key priorities have been to:

- maintain the twice-weekly bin and recycling collections;
- maintain excellent street cleaning for the whole borough;
- maintain attractive parks and open spaces, protect biodiversity and support the ecology centre;
- maintain the Royal Borough's commitment to sport and healthy living; and
- support a creative borough with a rich cultural offer.

### **Cleaner, Greener and Cultural Services:**

Waste management and enforcement: waste collections, recycling, street cleaning, street enforcement, removing highway obstructions and hazards.

Culture: arts, museums, filming, events and facilitating the Notting Hill Carnival.

Greener Living: climate change programme, kitchen gardens, environmental initiatives and recycling initiatives.

### **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 2016-17

Service area	£ million	%
Cleaner, Greener and Cultural Services	26.64	85
Safer neighbourhoods	5.47	17
Customer and business development	-0.64	-2
Executive director and resources	0.04	0
<b>Service budget 2016-17</b>	<b>31.51</b>	<b>100</b>

### Some of the key services the budget pays for:

- collecting about 53,000 tonnes of refuse from 87,500 homes – about 25 per cent of which is recycled
- regularly cleansing more than 200 kilometres of public highway to keep our streets clean and clear of litter
- two museums with over 30,000 visits annually
- 70 kitchen gardens across the borough
- a vibrant arts participation programme
- managing ten major parks, an ecology centre, two cemeteries and many smaller open spaces to award-winning standards
- two leisure centres, with around 650,000 visits per annum
- supporting the Active for Life programme, targeting those residents with low physical activity – with over 6,500 visits to sessions last year

# Housing Services

## Priorities

The Housing Department continues to face a challenging environment with pressures placed upon the service due to the increased cost of private rented accommodation and further reductions in welfare spending, thus reducing the availability of lower-cost private homes for the placement of families into temporary accommodation. We are ambitious to develop new housing of all tenure types, particularly for those who are both excluded from ownership and social housing, therefore focusing on the intermediate offer.

This year we shall therefore be focusing on:

- preventing homelessness, improving the use of technology to provide a housing offer to people approaching us for advice and assistance;
- purchasing temporary accommodation with the £10 million fund agreed by Cabinet;
- working with our colleagues in west London to look at opportunities to procure accommodation out of London that is of a lower cost and therefore more affordable for people on low incomes outside London;
- implementing policy changes as a result of Royal Assent being granted for the 2016 Housing Bill;
- looking at options for development of new homes and estate regeneration;
- reviewing the supported housing offer available to residents, both in terms of value for money and how relevant those services are for current and future users, and working with providers on remodelling services where necessary; and
- continuing to work with housing associations and key employment and training agencies in the borough to provide tailored support to enable as many tenants as possible into work.

The housing department:

- assists those who have a significant housing need 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 Kensington and Chelsea Tenant Management Organisation (KCTMO) and housing associations; and
- develops and enables projects that provide new accommodation and regeneration of our estates.

This year we have:

- completed the review of external contracts with Staying First and brought the Disabled Adaptation service back in-house to achieve a cost saving but no service reduction;
- successfully completed a review of the Homelessness Service and implemented new ways of working to increase offers to customers to prevent homelessness;
- successfully bid for £200,000 for homeless prevention grant from the Department for Communities and Local Government;
- secured £10 million of funding to purchase temporary accommodation;
- worked successfully with our housing association partners and the KCTMO to get 182 people into employment or training; and
- minimised the use of B&B accommodation for families and sustained our offer for people who approach us making a homeless application and requiring temporary accommodation.

## The service's budget 2016-17

Service area	£ million	%
Housing strategy	0.19	1
Homelessness and housing advice	9.27	61
Registered social landlords and housing advances	0.08	1
Housing management and support	0.02	0
Supporting people	5.40	36
Private sector housing renewals	0.10	1
Other Council property	0.09	1
<b>Service budget 2016-17</b>	<b>15.15</b>	<b>100</b>

The budget for 2016-17 includes an increase of £2 million in the Temporary Accommodation budget. This reflects the continued cost pressures arising on this service.

### Some of the key services the budget pays for:

- 1,612 households in temporary accommodation
- 2,893 users of 'Supporting People' services<sup>4</sup>

<sup>4</sup> Supporting People commissions supported housing providers to deliver housing services to residents of the borough with a history of mental health, homelessness, rough sleeping or drug and alcohol problems.



# Library, Archive and Heritage Services

In 2015-16, the service implemented the outcomes of a service review, including improving attendance and promotion of events and activities in libraries.

An email newsletter was introduced which has grown from an initial 600 subscribers to over 1,000.

Working with the Royal Borough's customer service centre at Kensington Town Hall, library membership is being promoted. In the first two months 130 new library members were recruited in this way.

Staffing costs have been reduced in the library service by £100,000 a year with no reduction to the public service.

Thanks to a partnership with the local Clinical Commissioning Group, English language lessons aimed at improving understanding of health information are being delivered at North Kensington and Brompton libraries.

The Armed Forces Community Covenant funded *Kensington and Chelsea's Great War*, a commemorative project engaging schools and older residents. A website was developed and an exhibition will be touring venues in the borough until 2018.

## Priorities

The service's priorities are to:

- improve access to new technologies in libraries including 3D printing and increased use of tablets;
- increase online access to our local history collections;
- improve value for money in procurement of books and other items, resulting in a saving of £100,000; and
- pilot shared workspaces that support entrepreneurs and business startups.

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 library is also a popular resource.

Projects with partners are important too, for example: with History Today and Waterstones bookshops for the prestigious London History Festival, and with the London Mathematical Society for its centenary.

## The service's budget 2016-17

Service area	£ million	%
Tri-borough libraries and archives	0.50	8
Tri-borough operations	4.55	72
Reference, information and archives	0.63	10
Community development	0.60	10
<b>Service budget 2016-17</b>	<b>6.28</b>	<b>100</b>

### 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
- a summer reading challenge with over 300 children completing it
- a home library service delivered to nearly 232 members
- Bookstart packs delivered to over 3,800 children
- a first-class collection of international periodicals and magazines

# Planning and Borough Development

Last year's budget was increased to provide additional spending on planning enforcement. This team has established a robust reputation when breaches occur and has also undertaken considerable work to prevent breaches of planning control, as well as improving the appearance of untidy sites. More than 100 enforcement notices were served last year. The advice service for potential applicants continues to be very popular and a significant source of income. The Council's new basement policy is now implemented and beginning to have an effect by reducing the scale of basements and the associated disruption. The speed of deciding planning applications remains amongst the best in London.

## Priorities

The service's priorities are to:

- partially review the Local Plan so the Council's policies for deciding planning applications remain up to date and we can plan positively for where and what development takes place;
- continue to focus on planning enforcement;
- implement the basement article 4 Direction, which means all basements will need planning permission;
- work with Environmental Health colleagues to ensure the effective implementation of the Council's Code of Construction Practice;
- continue to work with interested parties to secure a Crossrail station for Kensal, to maximise nearby development potential and improve public transport accessibility for residents and businesses;
- continue to work with landowners and developers to progress major developments bringing investment, homes, public realm improvements and cultural and employment opportunities to the borough;
- develop services for potential applicants to provide increased choice for them and income opportunities to fund services;
- provide advice to assist the Council's plans for estate regeneration;
- improve transparency by routinely publishing our pre-application advice once the related planning application has been submitted;
- prepare for the nationalisation of parts of the Local Land Charges service; and
- implement further functionality on the planning web pages to enable them to stay at the forefront of customer expectations.

**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 the Council's objectives to be advanced and 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: Administrative and business support:**

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

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's budget 2016-17

Service area	£ million	%
Planning services	3.32	91
Building control	0.33	9
<b>Service budget 2016-17</b>	<b>3.65</b>	<b>100</b>

### 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 archive of historical information

# Public Health

## Priorities

Dr Mike Robinson was appointed the Tri-borough Director of Public Health in November 2015. The Public Health Strategy, which sets out our population level challenges and priorities, will be taken forward during 2016-17.

A key challenge is the response to the Autumn Statement, which included two items on public health spending in local government:

- the ring-fenced grant will remain in place for 2016-17 and 2017-18, after which its future is less clear; and
- the public health grant will be reduced each year: we are modelling 3.9 per cent per annum for our forecasting purposes.

A key element of our approach will be reshaping both how the team is structured and how the budget is used in order to achieve the Public Health outcomes for our residents.

Since the transition of Public Health functions from Primary Care Trusts in 2013, a number of reprocurement processes have been completed, resulting in significant contract savings. This includes the reprocurement and redesign of core drug and alcohol provision, and the termination of community sexual health contracts that were not effective in meeting local needs. Further reprocurements are under way.

Dr Robinson is leading work to consider how the Public Health Team and budget may be reshaped to better deliver public health outcomes within local government.

The scope of this work includes consideration of which outcomes we should focus on (referring to our local Public Health Strategy and the national Public Health Outcomes Framework). It also considers the way that the Public Health grant may be used differently, and to best effect, to leverage activity in other service areas and with wider stakeholders that improve health and well-being and help reduce health inequalities. This work links with and supports the aims of the Outcomes Transformation Programme.

**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 2016-17

Service area	£ million	%
Behaviour change	1.93	9
Sexual health	4.76	22
Families and children	4.16	19
Wider and social determinants	0.08	0
Substance misuse	5.50	25
CCG dietetics	1.19	6
Salaries and overheads	1.61	7
Risk provision and ambition projects	1.06	5
Zero to five services transferred	1.34	6
Public Health grant	-21.62	
<b>Service budget 2016-17</b>	<b>0.00</b>	<b>100</b>



Some of  
the key  
services  
the budget  
pays for:

- 840 people with personal health plans
- distribution of 'first bottle' packs to help prevent vitamin D deficiency in pregnant women, breastfeeding mothers and children under five
- 1,754 people supported to quit smoking for four weeks
- 3,000 people reached by diabetes champions
- the Healthy Child Programme (0 to 19-years-old)
- community-based pilot to tackle childhood obesity in Golborne
- delivering community- and hospital-based sexual and reproductive health services, including preventing the transmission of sexually transmitted infection and supporting those affected by poor sexual and reproductive health
- 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
- delivering comprehensive support and treatment for residents affected by the impact of drug and alcohol misuse, and reducing reoffending linked to substance misuse

# Transport and Technical Services

## Transport and Highways

### Priorities

The service's priorities are to:

- roll out the provision for cashless parking across the Royal Borough following the successful trials of pay by phone parking in 2015;
- continue to engage with Transport for London on its proposal for a Crossrail 2 station in the Royal Borough;
- implement a highway scheme in Golborne Road to improve road drainage and provide a better pedestrian environment in this thriving market street;
- implement a new bi-borough parking IT system, bringing significant savings in the parking service;
- award a new parking enforcement contract that includes the provision to relocate vehicles parked in suspended bays where possible;
- review contracts for highway works, to yield savings through joint procurement with other boroughs;
- roll out new LED street lights in residential roads around Holland Park, following successful trials of the adapted Chelsea Coronet lamps in 2015;
- introduce 12 new charging points for electric vehicles as part of the first tranche in partnership with Source London;
- support the Mayor of London's Central London Cycling Grid including Quietway routes in the borough; and
- the continuation of single-zone residents' parking permits. This has the added benefit of making the borough a stronger community, with a more thriving local economy, and a clearer sense of itself.

The **Transport and Highways Service Group** deals with all aspects of maintaining and improving the public highways affecting every resident, local business and visitor.

There are four services within the group; Parking Services, Highway Maintenance and Projects, Transportation Policy and Network Management.

The group as a whole is responsible for ensuring that the local road network operates efficiently by maintaining the public highway, making efficient use of kerbside parking space (through enforcement and by maintaining the right balance between residents' and visitor parking), coordinating all highway work in the borough, ensuring that traffic signal timings are optimised and monitoring road accidents.

The Royal Borough has a reputation for high-quality public realm, reflected in our major schemes such as Exhibition Road as well as our smaller-scale projects such as Norland Road. Transport and Highways is responsible for delivering these iconic projects.

Last year we piloted 'pay by phone' facilities in a few areas in the borough, which proved to be very popular, so we will now roll this out across the borough over the coming year.

We have reduced our highway maintenance budgets by 20 per cent over the past five years without affecting the high standard of our roads and pavements. This has been made possible through efficiency savings and joint procurement with the London borough of Hammersmith & Fulham and Westminster City Council.

We believe that the savings programme put forward for 2016-17 will not interfere with the delivery of these objectives.

## Environmental Health Service Group

### Priorities

The top deliverables or projects planned for the next year are to:

- continue to work in a coordinated way across the Council to tackle disturbance from construction sites and implement our newly adopted Code of Construction Practice to control noise arising from development;
- implement the actions in our updated Air Quality Action Plan to help deliver improvements to the borough's air quality, which is an increasing source of resident concern;
- focus our efforts on the private housing rented sector to deal with a relatively few unscrupulous landlords, protect vulnerable tenants and bring properties in disrepair back into fit standard; and
- use our regulatory powers in a way that is fair to our businesses but ensures the safety of our residents and visitors, with particular emphasis on protecting the young and the vulnerable.

The **Environmental Health Service Group** covers a wide range of regulatory activities and aims to protect and improve the quality of life, health and well-being of residents and visitors to our boroughs through straightforward, integrated information and advice, backed by efficient regulatory services that make a real difference. The department protects the public's safety through balanced and risk-based enforcement, training, advice and consultation.

The commercial teams ensure that individuals and businesses meet their legal obligations with particular regard to food hygiene/safety and health and safety. The residential group safeguards residents and the wider public from environmental harm, unsafe private housing and noise nuisance, whilst the licensing and trading standards group covers a wide range of regulatory activities, related to public health, from alcohol and entertainment licensing to under-age sales and rogue traders.

We believe that the savings for Environmental Health put forward for 2016-17 will not interfere with the delivery of these objectives. Indeed, the 2016-17 budget includes additional funding to enable the control of noise and nuisance arising from basement developments.

## The Transport and Technical Service's budget 2016-17

Service area	£ million	%
Environmental Health	5.72	31
Transportation and Highways	12.70	69
	<b>18.42</b>	<b>100</b>
Car parking on street	-32.35	
<b>Service budget 2016-17</b>	<b>-13.93</b>	

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 (7); 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 200km of footways
- 1,079 food hygiene inspections; 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

## Priorities

The coming year will be the first full year in which the borough's 41 additional police officers will be present.

Likely priorities include:

- tackling noisy vehicles;
- reducing sex-worker cards in phone boxes;
- preventing pickpocketing;
- tackling antisocial behaviour associated with youth disorder;
- street drinking and begging; and
- supporting the Council and social housing providers to respond to crime and antisocial behaviour issues across the borough.

The new arrangements for electoral registration will be bedded in. A poll of Royal Borough electors on UK membership of the European Union (as part of the national referendum) is taking place on 23 June, in addition to the elections for the Greater London Assembly and the Mayor of London, which will take place on 5 May.

The Property department expects to identify a developer for the site of the former Thamesbrook nursing home. It will be replaced by flats for sale for older people, with provision built in for care and support services. Services that deliver consistently high performance include the Council's prompt payment of Housing Benefit and Council Tax Support, and its disbursement of emergency payments to those in acute need.

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

<b>Public services:</b>	<b>Community engagement:</b>	<b>Resource management:</b>	<b>Corporate management:</b>
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 economic development.	media services, engagement and consultation with residents and businesses, grants to the voluntary sector, civic events and the Mayoralty.	finance, information technology, property management and human resources.	service improvement, programme management, legal services, corporate property (centralised property services) and the Town Clerk's office.



## Corporate Service's budget 2016-17

Service area	£ million	%
Benefits and local taxation	4.60	24
Strategy and local services	9.19	47
Other services	5.61	29
	<b>19.40</b>	<b>100</b>
Finance, information systems and property	-5.10	
<b>Service budget 2016-17</b>	<b>14.30</b>	

## Adult and Family Learning Service's budget 2016-17

Service area	£ million	%
Community learning	0.10	83
Adult skills	0.02	17
<b>Service budget 2016-17</b>	<b>0.12</b>	<b>100</b>

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 £100 million from over 87,000 dwellings and £286 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, including for schools
- promoting local employment
- support for around 550 Member and senior management 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 2016-17

Due to the nature of the Council's decision-making processes, decisions on some of the savings proposals (such as those subject to consultation) will only be 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 2016-17 budget through the Council's usual financial management arrangements.

## Proposals for savings 2016-17

**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	Actual 2015-16 £'000	Proposed 2016-17 £'000	Total £'000	%
<b>MC-R</b>	<b>Management/administration costs reduced</b>							
	-3,928	-1,275	0	-510	-343	-194	-6,250	<b>6</b>
<b>EPB-R</b>	<b>Employee pay and benefits reduction</b>							
	-1,243	0	0	0	0	0	-1,243	<b>1</b>
<b>EE-I</b>	<b>Improved economy/efficiency</b>							
	-5,754	-8,641	-5,613	-3,221	-3,846	-5,935	-33,010	<b>33</b>
<b>P-S</b>	<b>Procurement saving</b>							
	-1,215	-2,087	-307	-1,272	-973	-1,878	-7,732	<b>8</b>
<b>SLC</b>	<b>Service level change</b>							
	-4,304	-828	0	0	-296	-451	-5,879	<b>6</b>
<b>AFR</b>	<b>Anticipated funding reductions</b>							
	-1,487	0	0	0	0	0	-1,487	<b>1</b>
<b>PCR</b>	<b>Pension contribution reduction</b>							
	-1,389	0	0	0	0	0	-1,389	<b>1</b>
<b>INC-I</b>	<b>Increased income</b>							
	-6,172	-4,038	-2,561	-3,128	-8,880	-3,833	-28,612	<b>29</b>
<b>TRI</b>	<b>Bi- and tri-borough savings</b>							
	0	-2,235	-3,004	-3,942	-2,824	-1,770	-13,774	<b>14</b>
<b>G</b>	<b>Less growth</b>							
	2,614	6,179	1,406	1,113	1,663	1,049	14,024	<b>0</b>
<b>Total net savings</b>	<b>-22,877</b>	<b>-12,924</b>	<b>-10,079</b>	<b>-10,960</b>	<b>-15,498</b>	<b>-13,012</b>	<b>-85,350</b>	<b>100</b>

# Adult Social Care

2016-17 savings proposals		
Adult Social Care budget: £57.5 million		£'000
<b>INC-I</b>	A redirection of social care to benefit health funding	-848
<b>P-S</b>	Savings arising from the review of the Financial Assessments and Income Collection Team	-30
<b>EE-I</b>	Review of residential services for older people	-650
<b>P-S</b>	Supporting People contracting efficiencies	-300
<b>TRI</b>	Savings arising from a review of the customer journey	-1,300
<b>Total Adult Social Care</b>		<b>-3,128</b>

Adult Social Care (ASC) proposals for 2016-17 can be summarised as reductions of £1.3 million arising from a review of the customer journey across the tri-borough, use of social care to benefit health funding (£0.8 million) within the Better Care Fund to protect front-line services, savings of £650,000 following a review of residential services for older people and efficiency savings (£300,000) arising from the re-procurement of Supporting People services.

ASC aims to contain, or even reduce, unit costs through effective procurement and negotiation. However, unit costs will depend upon the complexity of cases supported, and if we are able to support more customers at home then only the most complex cases will be supported in residential and nursing placements, thereby increasing the unit costs for these services. The care market is currently extremely fragile (see priorities above) and some pressure on unit costs should therefore be anticipated.

# Children's Services

2016-17 final savings proposals		
Children's Services budget: £41.1 million		£'000
<b>TRI</b>	Efficiencies delivered by focus on practice	-450
<b>INC-I</b>	Increased funding for Troubled Families service	-120
<b>EE-I</b>	Review of configuration of children's homes	-350
<b>EE-I</b>	Deliver internal efficiencies on internal and external training	-20
<b>EE-I</b>	Efficiencies from review and reconfiguration of Early Years Service	-300
<b>P-S</b>	Efficiencies from review and recommission of children's centres	-175
<b>EE-I</b>	Efficiencies from targeting play services	-61
<b>P-S</b>	Savings from employee-led mutual company delivering youth services	-315
<b>EE-I</b>	Efficiencies from third sector commissioning	-137
<b>EE-I</b>	Savings from rationalisation of Special Education Needs service	-50
<b>EE-I</b>	Savings from reconfiguration of schools-based professional training	-50
<b>INC-I</b>	Use of Dedicated Schools Grant to support Special Education Needs assessments	-100
<b>INC-I</b>	Use of Dedicated Schools Grant to support schools intervention funding	-25
<b>TRI</b>	Efficiencies from rationalisation of schools standards delivery	-20
<b>INC-I</b>	Increase charges for Education Data Team	-20
<b>EE-I</b>	More efficient delivery of hospital social work (funding targeted at residents)	-100
<b>G</b>	Funding to support work to prevent child sexual exploitation	50
<b>G</b>	Additional local funding to support work to support asylum-seeking children	150
<b>G</b>	Funding for court system directed parenting assessments (new burden)	200
<b>G</b>	Additional funding for Special Education Needs transport (demand-led pressures)	100
<b>Total Children's Services</b>		<b>-1,793</b>

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, £315,000 will be saved on Youth Services resulting from the creation of an employee-led mutual.

The Focus on Practice transformation programme aims to fundamentally change the way social workers and other Family Services practitioners engage with vulnerable families. The aim is that we will work with fewer families at any one time, reduce the likelihood of escalation through the system and reduce the number of children and young people in care.

# Environment, Leisure and Residents' Services

2016-17 savings proposals		
Environment, Leisure and Residents' Services budget: £31.5 million		£'000
P-S	Savings from externalisation of Opera Holland Park (creation of a charitable trust)	-385
P-S	Offer new food waste collection service to businesses	-188
SLC	Contractor to directly provide garden waste service at additional cost for users	-129
SLC	Review public conveniences with a focus on increased income	-75
EE-I	Ongoing efficiencies in the costs of waste disposal	-62
EE-I	One-off efficiencies in the costs of waste disposal	-417
SLC	Rationalisation of waste and street enforcement supplies and services budgets	-19
INC-I	Introduce licensing for advertising boards	-10
EE-I	Rationalise back-office staffing and alignment of existing budgets	-50
INC-I	Increased income from commercial waste service, predominantly from increased enforcement	-318
EE-I	Efficiencies from review of Parks Police service	-32
SLC	Reduce staffing in the grounds maintenance contract. Six static sites will be merged into three mobile teams	-65
SLC	Increased use of shrub planting	-30
SLC	Remove hanging baskets and planters, or secure new external funding source	-23
INC-I	Maximise new and existing revenue streams from upgraded sports facilities	-87
G	Increase in waste collection costs	60
G	Creation of a permanent Culture Service development officer	44
<b>Total Environment, Leisure and Residents' Services</b>		<b>-1,786</b>



The more significant budget savings are explained below:

- Opera Holland Park transferred out of the Council in October 2015 and has been established as an independent Trust. This has enabled the Council to save £385,000 per annum.
- A new food waste collection for commercial waste is being explored that is expected to reduce waste disposal costs by £188,000 per annum in the longer term. This saving is subject to a trial, to test the practicality of the scheme.
- Alternative provision of the garden waste service is expected to save £129,000 per annum, subject to waste disposal charges and participation levels.
- A review of public conveniences across the borough is expected to deliver annual savings of £75,000. The proposals include closure of the Kensington Town Hall facility (located below the central library building) and the introduction of a 30p charge in the other public conveniences across the borough (some of which already charge 20p). Potential introduction of a community toilet scheme will also be reviewed in order to assess viability.
- Waste disposal costs are expected to reduce by £479,000 in 2016-17. Of this, £62,000 will be ongoing, as a result of reduced rates per tonne of waste due to the new sale of fly ash. The latest predicted waste disposal cost for 2016-17 is £417,000 less than the current budget, which is offered as a one-off saving. This is a one-off saving only as the latest predicted waste disposal cost for 2017-18 is more than the current budget.
- Consultation is under way regarding the introduction of a £60 charge for a one-year Advertising Board licence, which is expected to generate £10,000 income per annum. This would also assist with robust management of the street scene, as anyone who does not wish to be assessed for a licence will be instructed to remove the A-board or face enforcement action if they do not comply.

- Additional commercial waste income is targeted from increased enforcement of non-paid-for waste left on the highway. It is expected that, net of additional enforcement costs, the net budget can reduce by £318,000 through increased income from new customer contracts and reduced waste disposal costs.
- The cost of the grounds maintenance contract is expected to reduce by £118,000 in 2016-17. This represents a five per cent saving on the annual contract, to be delivered by increasing external funding if possible. Some static teams may be merged into mobile teams, and in Holland Park an increased use of lower-maintenance shrub planting compared with flowers will be introduced. New external funding will be sought for hanging baskets and planters. If this cannot be secured, hanging baskets and planters will be removed, which may impact on visual perception.

## Growth

A new growth item of £60,000 is included for a potential change in waste collection arrangements. A further £44,000 is included to establish an ongoing budget to build fundraising capacity in the Culture service, in order to increase income.

# Housing Services

<b>2016-17 savings proposals</b>		
<b>Housing Services budget: £15.15 million</b>		<b>£'000</b>
<b>P-S</b>	Reduced expenditure on Supporting People through reprocurement of services	-485
<b>EE-I</b>	Reconfiguration of services provided by the Home Improvement Agency	-100
<b>MC-R</b>	Deletion of posts within the Housing Service	-194
<b>EE-I</b>	Other efficiencies within housing budgets (e.g. IT)	-60
<b>Total Housing Services</b>		<b>-839</b>

Housing Services savings proposals for 2016-17 can be summarised as savings from the reprocurement of some Supporting People services (£0.5 million), savings from the reconfiguration of services previously provided by the Home Improvement Agency (£0.1m) and staffing savings (£0.2m).

The unit costs of temporary accommodation have continued to increase, reflecting the cost pressures within the market. Officers continue to negotiate rates with landlords, however, given the current market, the costs of renting properties for households in temporary accommodation are expected to increase over the medium term.

# Library, Archive and Heritage Services

2016-17 savings proposals	
Library, Archive and Heritage Services budget: £6.3 million	
	£'000
EE-I	Transport efficiencies
	-110
<b>Total Library, Archive and Heritage Services</b>	
	<b>-110</b>

The service's stock budget for 2016-17 will be reduced by £100,000 facilitated by improved supplier discount; a shift to e-books and increased marketing of this facility; value-for-money evaluation of niche areas of spend (e.g. reference books, DVDs and sound recordings); and caps on the cost of individual books in response to user requests.

The service is also seeking to increase income from room bookings by £10,000, by better utilisation of space and ensuring hire charges are comparable across libraries.

# Planning and Borough Development

<b>2016-17 final savings proposals</b>		
<b>Planning and Borough Development budget: £3.7 million</b>		<b>£'000</b>
<b>EE-I</b>	Reduction in back-office costs	-160
<b>INC-I</b>	Income from pre-application planning advice fees and planning fees	-138
<b>INC-I</b>	Increased income from administration of Community Infrastructure Levy (CIL)	-25
<b>EE-I</b>	Reductions in tree maintenance and contractor costs	-10
<b>EE-I</b>	Reduction in land charges staffing costs (restructuring)	-31
<b>Total Planning and Borough Development</b>		<b>-364</b>

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 2016-17 savings proposals focus mainly on increasing income and reducing back-office costs.

The service proposes a further increase in income budgets, which it anticipates can be met from a combination of pre-application advice fees, planning application fees, and administration of the Community Infrastructure Levy. It is also anticipated that a small saving can be made in contracted services.

# Transport and Technical Services

<b>2016-17 savings proposals</b>		
<b>Transport and Technical Services budget: £13.9 million</b>		<b>£'000</b>
<b>EE-I</b>	Efficiencies from alignment of highways maintenance budgets with actual spend	-344
<b>EE-I</b>	Efficiencies from alignment of parking budgets with actual spend	-724
<b>INC-I</b>	Income from temporary structure licences	-73
<b>EE-I</b>	Efficiencies from alignment of environmental health budgets with actual spend	-100
<b>EE-I</b>	Efficiencies in the parking street compliance contract	-224
<b>SLC</b>	Savings on management costs	-30
<b>SLC</b>	Savings due to use of standard lighting columns on major roads	-50
<b>SLC</b>	Saving due to street lighting cleaning frequency	-30
<b>EE-I</b>	Saving on transport policy costs	-40
<b>G</b>	Implementation of additional control of noise and vibrations in basement developments	60
<b>Total Transport and Technical Services</b>		<b>-1,555</b>

A review of the 2014-15 outturn position for Transport and Technical Services has resulted in a number of budgets being aligned with the expected spend and income. A total saving of £1.168 million has been identified from reduced expenditure budgets and increased income budgets.

Adoption of 'smart' parking enforcement strategies is expected to result in cost reductions in the on-street compliance contract. A budget reduction of £224,000 is proposed.

Additional income of £73,000 from temporary structure fees is budgeted, from retaining deposits that are unclaimed for over six months.

Changes to the service level in Transport and Highways, in areas such as streetscape policy, transport policy and street lighting, is expected to result in a saving of £120,000.

The removal of the executive director post, previously shared with the London Borough of Hammersmith & Fulham, will result in a saving of £30,000.

# Corporate Services

<b>2016-17 savings proposals</b>		
<b>Corporate Services budget: £14.3 million</b>		<b>£'000</b>
<b>EE-I</b>	Reductions in financial services budgets	-127
<b>EE-I</b>	Reductions in fraud, audit and risk management budgets	-30
<b>EE-I</b>	Reductions in information systems costs	-80
<b>INC-I</b>	Increases in information systems income	-30
<b>EE-I</b>	Reductions in Customer Access costs (mainly staffing)	-636
<b>INC-I</b>	Increased income from property lettings	-1,887
<b>EE-I</b>	Reduced running costs of the Council's property	-497
<b>EE-I</b>	Reduced back-office costs and budgets (e.g. staffing and supplies)	-383
<b>INC-I</b>	Increase income or funding for services (e.g. Registrars, Community Safety, Economic Development)	-152
<b>G</b>	Increased staffing costs following restructuring of Corporate Property	165
<b>G</b>	Additional cost of reproviding Disclosure and Disbarring Service	120
<b>G</b>	Increasing cost of insurance premium tax	100
<b>Total Corporate Services</b>		<b>-3,437</b>

Corporate Services savings and growth proposals reflect a long-term trend of real-term reductions in net spending. Cost reductions and increased income for 2016-17 represent around seven per cent of controllable budgets and are not anticipated to impact significantly on service delivery.

An anticipated increase in income from property lettings of £1.9 million (an increase of about 20 per cent of the commercial property income budget) makes a significant contribution to the proposed reduction in the service's costs.

Other savings include staffing and back-office costs – 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; and property running costs from rationalisation of the Council's estate.

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.

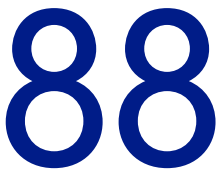
# Total savings proposals

<b>Total savings proposals 2016-17</b>	<b>£'000</b>
Adult Social Care	-3,128
Children's Services	-1,793
Environment, Leisure and Residents' Services	-1,786
Housing Services	-839
Library, Archive and Heritage Services	-110
Planning and Borough Development	-364
Transport and Technical Services	-1,555
Corporate Services	-3,437
<b>Total net savings 2016-17</b>	<b>-13,012</b>



# Annex C

The Council's key  
documents and  
governance  
information



# Key documents and governance information

**The Council's committee documents**  
[www.rbkc.gov.uk/committees](http://www.rbkc.gov.uk/committees)

**Forward Plan of Key Decisions**  
[www.rbkc.gov.uk/council/how-council-works/making-decisions/key-decisions](http://www.rbkc.gov.uk/council/how-council-works/making-decisions/key-decisions)

**Scrutiny**  
[www.rbkc.gov.uk/council/what-scrutiny](http://www.rbkc.gov.uk/council/what-scrutiny)

**Council performance** (including the Kensington and Chelsea Performance Report)  
[www.rbkc.gov.uk/council/how-council-works/our-performance](http://www.rbkc.gov.uk/council/how-council-works/our-performance)

**Report to Taxpayers**  
[www.rbkc.gov.uk/reporttotaxpayers](http://www.rbkc.gov.uk/reporttotaxpayers)

**Council finances** (including the Statement of Accounts, capital programme and Revenue Budget)  
[www.rbkc.gov.uk/council/how-council-manages-money/how-council-manages-money](http://www.rbkc.gov.uk/council/how-council-manages-money/how-council-manages-money)

**Consultation** (including Vital Messages – the consultation database)  
[www.rbkc.gov.uk/council/how-council-works/consultation](http://www.rbkc.gov.uk/council/how-council-works/consultation)



