

2017 2018

Budget Proposals



THE ROYAL BOROUGH OF
KENSINGTON
AND CHELSEA

2017 2018

Budget Proposals

2017 2018

Budget Proposals

English

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

Arabic

يمكن توفير المعلومات التي وردت في هذا المستند بصيغ بديلة ولغات أخرى. 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.

French

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

Portuguese

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

Somali

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

Spanish

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

Comments about this document should be made to:

Communications Office
The Royal Borough of Kensington and Chelsea
Town Hall
Hornton Street
London
W8 7NX

Email: budgetproposals@rbkc.gov.uk

Contents

Introduction – Making ends meet	6
1. The Council's mission for the Royal Borough	7
2. Cabinet commitments for 2014–18	8 – 9
3. The Council's revenue budget for 2017–18	10 – 12
4. Departments' activities and plans	13 – 36
5. Funding of the 2017–18 revenue budget	37 – 39

Annex A

Budget reductions since 2011–12	40
---------------------------------	----

Introduction – Making ends meet

The Royal Borough of Kensington and Chelsea – the smallest of the 32 London boroughs – spends over £400 million on many excellent services for its residents, while setting the fifth lowest council tax in England.

This document sets out what the Council plans to do in 2017 – 18, drawing on its performance in 2016 – 17, to assure residents of what they should expect.

The Council's mission for the Royal Borough (page 7) summarises a range of aims and challenges across the Council's responsibilities. The Council's Cabinet has focussed on ten commitments for the four years from 2014 to 2018: performance against these ten is set out on pages 8 and 9.

A summary of the revenue budget for 2017 – 18 introduces summaries for each department within the Council of:

- its main objectives or performance standards
- its scale of activity and main responsibilities
- 'unit costs' of its services that show how money is spent and what is achieved; and
- any significant improvements or reductions in service planned for 2017 – 18, compared with previous years.

A final section (pages 37 to 39) shows how this spending is funded; and offers further information on the Council's financial management.

1. 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 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.

2. Cabinet commitments for 2014 – 18

Commitment	Progress to date
Freeze council tax until at least 2016.	Achieved: as discussed on page 38, the Council proposes to increase council tax in 2017 by 1.9 per cent. This raises £1.5 million.
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 Community Police Team has been running since November 2014. Between March and September 2016, it made over 412 arrests across the borough. Offences included burglary, handling stolen goods, fraud, drug possession and possession with intent to supply, breach of curfew, being drunk and disorderly, assault, begging and posting sex worker cards.
Bring big basement developments under firmer control to protect the interests and amenity of neighbours.	Achieved: basement permissions have fallen from a peak of 295 in 2014 to 158 in 2016, their lowest level since 2011. There have been no new applications or permissions for basements greater than one storey in 2016. In 2016, 34 planning enforcement notices were served on basement developments. A Code of Construction Practice was adopted in April 2016 covering all construction and providing detailed guidance on mitigating construction impacts. The Code reduces the permitted hours for noisy work during the week and does not allow noisy work on Saturdays.
Keep the twice-weekly bin and recycling collection and excellent street cleaning for the whole borough.	Achieved: existing arrangements have been maintained, including twice-weekly kerbside bin collections and cleansing targeted according to current need.
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.	Ongoing: our estates will see £43 million investment over 2017-20. A development partner is being sought for Edenham Way to enable the construction of a mix of social, intermediate rent and private sale homes. Two further estate regeneration projects will be examined.

<p>Reduce the number of young people not in employment, education, or training (NEET) by 50 per cent by 2016.</p>	<p>Not yet achieved: in May 2016 there were 56 NEET (three per cent of those aged between 16 and 18) compared with 92 in May 2014 – a 39 per cent reduction. We estimate NEET may fall further by the end of 2016.</p>
<p>Open a state-of-the-art public leisure centre in Kensington.</p>	<p>Achieved: the leisure centre was officially opened by HRH The Duchess of Cambridge on 19 January 2015. There were over 3,800 members (as at October 2016), which is 1,500 more than ever achieved at the old centre.</p>
<p>Support older residents wanting to live independently in their own homes for longer.</p>	<p>Adult Social Care continues to focus on supporting people to live at home. We have established 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.</p> <p>Extending choice and control to more customers through Direct Payments is a key ambition for the coming year.</p>
<p>Provide better opportunities for children with special educational needs (SEN).</p>	<p>Ongoing: local provision for those aged up to 25 has been expanded to include two new bases for children with autism at Barlby Primary School and Kensington Aldridge Academy and one 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 Council's first local special school will open in 2020.</p>
<p>Maintain the single parking zone for residents across the borough.</p>	<p>Achieved.</p>

3. The Council's revenue budget for 2017 – 18

Table 1: 2017 – 18 budgets by service

Service	£ millions	%
Adult Social Care	75.3	18.4
Children's Services (including education)	125.2	30.6
Environment, Leisure and Residents' Services	39.9	9.8
Housing Services	46.1	11.3
Library, Archive and Heritage Services	3.6	0.9
Planning and Borough Development	6.4	1.6
Public Health	21.5	5.2
Transport and Technical Services	30.3	7.4
Corporate Services	59.0	14.4
Adult and Family Learning Services	1.4	0.4
Other e.g. financing changes	0.3	0.1
Total spending on services	409.0	100.0

Table 1 above sets out the Council's budget for 'revenue' (i.e. current) spending in 2017 – 18. Allowing for changes in responsibility over the period since 2010 – 11, and for inflation, it will have fallen by 22 per cent in real terms (£91 million) since 2010 – 11.

Please note the service budgets in Table 1 differ from those shown elsewhere in the document as they are gross of income; and exclude internal support service recharges (which would be double counted if not excluded) and housing benefit payments (which are not regarded as part of the Council's gross spend as these monies are paid over to claimants).

This has been the largest and most sustained reduction in the Council's spending since the borough was formed in 1965.

In the round, the Council estimates that only about five per cent of reductions in spending have represented losses of service. Instead, savings have been achieved through:

- sharing the management of services with Westminster City Council and the London Borough of Hammersmith & Fulham
- reprocurring some services from the private sector and achieving reductions in price, in part through operating at a greater scale
- greater productivity, sometimes assisted by better information and communications technology. Staff numbers now stand at 1,980, a fall of about 20 per cent since 2010 – 11
- cost control, including increases in salary scales that do not match consumer price inflation over the period
- improved stewardship of the Council's estate.

Further details of the reductions achieved since 2011–12 are tabulated in Annex A.

The Council has also increased its own income, notably from property but also from developing services such as pre-application planning advice: income from this source rose from £240,000 in 2011 – 12 to around £1.3 million a year since 2013 – 14.

Service quality

There are a range of objective, or independently assessed, standards that can be applied to the Council's services: these can challenge or corroborate the view that, in very large part, the quality of services has been maintained and sometimes improved.

Some examples of recent reassurance include:

- HM Inspectorate of Probation commented on the tri-borough Youth Offending Service (YOS) in January 2016:

'We found that the YOS was performing very well. Staff were enthusiastic, committed and their knowledge of cases was impressive. The quality of work was good enough across all areas of practice in the vast majority of cases. Engagement with children and young people was excellent. There were no areas of significant weakness although some improvements could be made to reviews and some aspects of planning and management oversight.'

- In March 2016, the Office for Standards in Education (Ofsted) rated children's social services in Kensington and Chelsea as 'outstanding'. In the most complimentary report issued so far to a local authority under this model of inspection, Ofsted said:

'Services for children and young people in the Royal Borough of Kensington and Chelsea (RBKC) are outstanding because they are resourced, planned and delivered very well by an exceptional workforce, ably supported by the talented senior leadership team and strong governance structure.'

'RBKC uses its well-developed Focus on Practice model of social work, which places a high value on relationship building between children and their social workers, to deliver services that are consistently excellent. Exemplary application of this highly innovative model is also supported by social workers' very low caseloads, social workers remaining with children throughout their journey across all stages of social care intervention, clinicians embedded within social work teams, and the clear and charismatic leadership of RBKC's Director of Family Services and its talented senior management team.'

- In May 2016, Chelsea Sports Centre achieved an award of ‘excellent’ from Quest Plus, the UK’s leading scheme for assessing quality in sports and leisure
- In July, ten prestigious Green Flags were awarded once again to the Royal Borough’s parks and cemeteries, with Gunnersbury Cemetery winning gold for Large Cemetery of the Year. Another successful London in Bloom campaign earned the Council six Gold awards and four Silver Gilt awards in September, including a Silver Gilt award in the City Category
- Also in September, the Council’s auditors, KPMG, concluded that the ‘the Authority has made proper arrangements to ensure it took properly informed decisions and deployed resources to achieve planned and sustainable outcomes for taxpayers and local people.’

Over the course of 2016, awards were also won from sector wide or London-based bodies by the Council’s noise and nuisance team (for being the first Council to ban noisy work on Saturday mornings), officers encouraging residents to travel by bicycle and on foot, the team administering land charges, the tri-borough

insurance team and Leighton House museum. The bi-borough parking team were runners up in the Parking Team of the Year category awarded by the British Parking Association.

We were also the first Council to agree a joint Air Quality and Climate Change Strategy and introduce new legislation to tackle nuisance supercars, achieving three prosecutions last year.

Finally, each year the Council pays for an independent polling organisation to ask about 1,000 residents for their views. Normally, their answers can be compared with an average across London and responses from previous years. Changes in the organisations carrying out the work in 2016 mean that such comparisons for 2016 should be made with greater caution. However, the absolute scores provide some encouragement. For example:

- 85 per cent of borough’s residents were satisfied with the way the Council was running things, compared with an average of 70 per cent across London
- scores for some widely-used services are tabulated below:

Table 2: Residents’ opinion of widely-used Council services	Percentage rating the service as excellent, very good or good		
	London 2015 – 16	Royal Borough 2016	Up on Royal Borough 2015?
Refuse collection	78	89	up
Street lighting	79	88	up
Street cleaning	61	88	up
Parks and open spaces	75	86	up
Repair of roads and pavements	52	77	up
Collection of council tax	83	78	down
Libraries	76	77	up
Leisure and sports facilities	65	77	up

4. Departments' activities and plans

Adult Social Care

The functions of the department are to:

- assess the social care needs of customers
- commission and provide services, in partnership with other statutory agencies and the voluntary and independent sector, for older people, people with disabilities and those with problems relating to mental health and substance misuse
- protect vulnerable adults
- provide information and professional support.

The service has been shared with the London Borough of Hammersmith & Fulham and Westminster City Council since 1 April 2012.

Activities

Some of the key services the budget pays for:

- employment of 198 staff (full-time equivalents)
- 438 placements in residential and nursing homes
- 114 placements in supported accommodation
- 769 people receiving home care
- 111 people receiving day care
- 576 service users with direct payments
- 26,679 people issued with a Freedom Pass
- 1,976 members of the Taxicard service
- 2,453 people issued with a blue disabled parking badge.

Budget 2017 – 18

The gross budget for Adult Social Care in 2017 – 18 is partly offset by income, giving a net budget of £55.8 million.

The following table provides a breakdown of the net budget:

	£ million
Physical support	16.0
Support with memory and cognition	0.5
Learning disability support	10.0
Mental health support	6.2
Supporting people	0.3
Public transport	10.3
Commissioning and service delivery	4.7
Support to carers	0.5
Assistive equipment and technology	0.6
Social care activities	6.7
Total Net Budget	55.8

Unit costs

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

All councils providing adult social care services are required to complete an annual financial return which includes some unit costs data. Using this source, the following table sets out the 2015 – 16 unit cost for some key activities and makes comparisons across the tri-borough service.

These unit costs are the actual amounts paid for services and exclude any allocation of Council overheads. All placements funded by Health are excluded.

The unit costs of individual residential and nursing placements will depend upon the individual care needs of customers and the location of the home.

The higher home care unit cost in the borough reflects the implementation of the new contracts during 2015 – 16.

Building on our achievements in 2015 – 16 to develop with health partners a new Community Independence Service (CIS) to support people to regain their independence and for a more joined-up approach to hospital discharge, we are continuing to focus on prevention, personalised services, integration, and access to local services.

Our priorities for 2017 – 18 are to:

- support the increasing number of people using our services and the higher levels of support they need
- 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
- to work with Health to transform the quality and experience of care across health and social care over the next five years, taking forward the opportunities the Sustainable Transformation Programme presents to work even closer with our NHS partners to improve health and care together
- 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
- continue to offer support to those deemed to be in 'moderate' need who can manage most daily living tasks themselves but benefit from some help to support them to live at home for longer
- invest in new developments in the community such as extra care housing and day care that can help people continue to live in their own home, engage in their community and not need to move into a care home.

Authority	Residential placement for people requiring physical support (over 65's)	Nursing placement (over 65's)	Home care
Hammersmith & Fulham	£704 per week	£737 per week	£13.61
Kensington and Chelsea	£797 per week	£731 per week	£15.47
Westminster	£881 per week	£903 per week	£13.68

Children's Services

The department seeks to:

- give children the best start in life. Working alongside universal services, it manages demand through early identification of need and brokering local support so that all those aged up to five get the right level of support from conception through to school entry
- provide integrated family support and early help to assist families helping them to thrive and prevent the need for social care interventions
- provide child protection focused on systemic practice, investing in social care practice and organisation to work with families through a systemic approach, prevent repeat referrals, reduce children entering care and crisis interventions and optimise outcomes and efficiency
- develop a Centre for Social Work as part of its work on sector improvement as Partners in Practice. The centre will deliver courses and development opportunities for local authorities, as well as a Practice Leader Development Programme, aimed at individual aspiring practice leaders
- deliver educational excellence and traded services, enhancing educational support, expanding trading with schools and ensuring inclusive provision
- provide children with complex needs an enhanced local service that meets their needs and supports family resilience and outcomes
- optimise value for money through expert commissioning and improved operational efficiency.

The department comprises the:

- **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' and those identified as care leavers (up until 25 years of age); supporting children with disabilities; youth services; children's centres and reducing youth offending
- **Children's Services Commissioning:** strategic planning, commissioning, procurement and contract management; policy, performance and management information; and public information, complaints and information for parents
- **Senior management team; and finance and resources:** strategic and support functions.

The department works for:

- a resident population of 30,381 children and young people aged up to 19
- 2,570 three-and four-year-olds attending nursery settings
- about 7,300 places in primary schools and 4,200 places in secondary schools
- 495 children with special educational needs resident in the borough
- 130 pupils in special education or alternative provision
- 38 schools in the borough, 95 per cent of which are judged to be 'good' or 'outstanding' by Ofsted
- two children's centre hubs and 75 private, voluntary and community organisations and 50 childminders
- 66 children subject to a child protection plan
- 105 children in care
- 134 young people leaving care
- 61 young people supported by the Youth Offending Team
- 6,100 young people attending youth support services.

The service's budget for 2017 – 18

Service Area	£ million	%
Children's commissioning	7.3	18
Tri-borough education service	7.1	17
Finance and resources	2.6	6
Safeguarding and Local Safeguarding Children Board	1.1	3
Family services	21.0	51
Senior management team	0.1	1
School funding	1.6	4
Service budget 2017 – 18	40.9	100

Its unit costs are set out in the table below.

Service	Estimated unit cost in 2016 – 17	Commentary
The funding delegated per pupil.	£6,099	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 £5,437 and nationally £4,700. The proposed introduction of the National Funding Formula is likely to result in a reduction in funding for schools. The total Dedicated Schools Grant is £90.51 million.

The average cost per pupil, in fees and transport to and from school, for a child with special educational needs	£27,863	This service is difficult to compare as each child will have specific and different needs. Nevertheless, the Council incurs relatively high costs as it sends more of its children outside of the borough compared with other local authorities, often to independent schools. The total budget is £13.8 million.
The average cost of a child in care in the borough	£891 per week (under 18) £137 per week – care leavers aged over 18	This is based on an average number of 105 children in care. 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.
Youth service spending per young person aged between 13 and 19	£105	This compares with an average in London of £65. It reflects the relatively high priority the Council places on providing activities and guidance for young people. The total gross budget is £3.3 million.

Key priorities

In Family Services, these are to:

- improve our understanding of the needs of vulnerable families and provide more sophisticated interventions by employing systemic models of practice, which are effective in creating change within working families where risk of harm is present
- work to provide more consistent relationships with families and to build on family strengths, resources and develop coping mechanisms
- as part of the 'Focus on Practice' programme, increase the skill of front-line practitioners and their immediate managers, in part due to training and in part due to ready access to clinical practitioners within the service
- maintain the core offer and support to families who have a disabled child and enable more children to remain at home in the care of their families
- develop a Centre for Social Work as part of its work on sector improvement as Partners in Practice.

In education, these are to:

- maintain and increase the percentage of good/outstanding schools in the borough through appropriately targeted local authority interventions, and establishing effective improvement partnerships between schools
- improve the local offer for children with special educational needs (SEN), in particular ensuring there is a continuum of 'good' or 'outstanding' local special school education for children with SEN 0-19 and an offer of education for those who are eligible post-19
- improve the completion of Education, Health and Care Plans in a timely way with an increase in the number completed within 20 weeks and parent/carer satisfaction with the experience of EHC Needs Assessment
- manage SEN statements and Learning Difficulty Assessment (LDA) transfers so that the local authority meets the statutory deadline for Children & Families Act implementation such that all have been completed by April 2018

- develop ‘buy back’ of additional school improvement services to support schools and increased support for school leadership and teacher recruitment and retention.

In strategic commissioning, these are to:

- continue a partnership programme between Children and Family Services and Public Health to develop a shared approach and collaborative commissioning strategy across a range of services for those children and young people between the ages of 0 – 19
- develop a joint commissioning strategy to support children with complex needs, and enhance the Council’s local support offer for children with either special educational needs or disabilities
- consider the needs of children and young people supported by Family Services, and specifically consider the commissioning requirements for social care placements and accommodation for young people. This will ensure an appropriate sufficiency of high quality placements remain available and consistent with the Royal Borough’s outstanding family services arrangements, and that the most effective contractual arrangements are in place to secure the best value for the Council.

Environment, Leisure and Residents' Services (ELRS)

The work of ELRS is diverse, but linked by our aspiration to improve the quality of life in the Royal Borough. ELRS is committed to the Council's mission of providing an attractive, safe, creative and prosperous borough in the following ways:

- maintaining excellent levels of street cleansing and twice-weekly bin and recycling collections for the whole of the borough
- maintaining the attractive parks and open spaces that make Kensington and Chelsea special
- implementing the Council's Air Quality and Climate Change Action Plan to reduce the Council's impact on the environment, and encouraging our contractors to do likewise
- working with partners to improve public health through sport, healthy living and a rich cultural offer
- maintaining a uniformed Parks Police presence in our parks to tackle crime, fear of crime and antisocial behaviour
- listening to residents – acting on feedback from public consultations, using complaints to drive up standards, and working closely with Friends groups
- being innovative – striving to put new ideas into practice in a way that makes a permanent difference to the quality and cost of our services.

The department's main responsibilities are:

Cleaner, Greener and Cultural Services

- **Waste Management and Street Enforcement:** waste collections, recycling, street cleaning, environmental crime and other 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 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 main activities of the department are:

- collecting about 53,000 tonnes of refuse from 88,500 homes – approximately 26 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, two cemeteries and many smaller open spaces to award-winning standards
- two leisure centres, with around 800,000 visits per annum.

The service's net budget for 2017 – 18

Service area	£ million	%
Cleaner, Greener and Cultural Services	26.359	89
Safer Neighbourhoods	4.360	15
Customer and Business Development	-1.043	-4
Executive Director and Resources	0.032	<1
Service budget 2017 – 18	29.708	100

The key unit costs for the department, which show how money is spent and what is achieved, are set out below:

Service	Estimated unit cost in 2016 – 17	Commentary
Annual maintenance costs for a hectare of park	£31,689	<p>This is likely to be higher than some boroughs, reflecting the high standards demanded by the Council and park users. This directly supports the Council’s mission to provide an attractive borough for all. The latest Annual Survey of Londoners shows that 86 per cent of our residents are satisfied with our parks and open spaces, compared with a London average of 75 per cent.</p> <p>The total budget for 2016 – 17 was £1.5 million.</p>
Annual refuse collection per flat or house	£55.41	<p>This is likely to be higher than some boroughs, reflecting the increased frequency of collections in Kensington and Chelsea. This service budget has been protected for 2017 – 18, enabling existing waste collection arrangements to be maintained (including twice-weekly waste collections). The latest Annual Survey of Londoners shows that 89 per cent of our residents are satisfied with our refuse collection, compared with a London average of 78 per cent.</p> <p>The total budget for 2016 – 17 was £4.9 million.</p>
Annual street sweeping and cleaning of 100 m of street	£3,474	<p>This is likely to be higher than some boroughs, reflecting a higher footfall and specification for street cleaning in Kensington and Chelsea. The latest Annual Survey of Londoners shows that 88 per cent of our residents are satisfied with our standards, compared with a London average of 61 per cent.</p> <p>This service budget has also been protected for 2017 – 18, enabling 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.</p> <p>The total budget for 2016 – 17 was £7.2 million.</p>

Average cost of a visit to a sports centre	£0	Following the refurbishment and upgrade of the leisure facilities at Chelsea Sports Centre and Kensington Leisure Centre, these facilities generate a net income for the Royal Borough rather than a net cost. The latest Annual Survey of Londoners shows that 77 per cent of our residents are satisfied with our leisure and sports facilities, compared with a London average of 65 per cent. Visitor numbers are expected to exceed 800,000 in 2016 – 17, a 35 per cent increase compared with those generated by previous facilities. Plans to enhance the Council's leisure facilities further are included in the capital budget plans for 2017 – 18.
---	----	---

Priorities for 2017 – 18

These are to:

- commence delivery of our Parks Strategy (2016 – 2025), balancing leisure, biodiversity and quiet spaces and harnessing external resource wherever we can
- review our approach to Notting Hill Carnival, supporting the police and event organisers in ensuring crowd safety for this popular cultural event
- agree a new sports strategy with our community leisure stakeholders that encourages activities for all, providing inspiration and advice to help you 'get going'
- maintain our high standards of street cleanliness
- continue to deliver our twice-weekly kerbside waste collections
- increase our recycling rate and reduce our carbon emissions
- take a more commercial approach to commissioning and begin to plan future service provision of leisure, parks, waste and street enforcement
- seek further income and fundraising opportunities to deliver our cultural programme including the phase three build for our much treasured Leighton House Museum, a new Film Location Library, and further outside support for our popular arts festivals; InTransit and Nour
- maximise our use of digital technology to help our customers and traders access our services as quickly and cheaply as possible.

Housing

The Housing Department's objectives are to:

- regenerate, renew and develop new affordable housing where opportunities arise
- provide a service that enables people to make informed decisions about their housing options
- support people who are vulnerable with appropriate accommodation and advice services
- enable people in social housing to access employment and training opportunities
- manage, maintain and improve the Council's housing portfolio.

Functions or services are set out in three categories: Housing General Fund, Housing Revenue Account (HRA) and Housing Regeneration.

Housing General Fund

Activities

Some of the key activities funded are:

- 1,252 statutory housing applications assessments in 2015 – 16
- 1,687 households in supported in temporary accommodation
- 3,222 users of supporting people services.

Budget 2017-18

The gross budget for the Housing General Fund in 2017 – 18 is £48.26 million; it is offset by income of £31.37 million giving a net budget of £16.89 million.

Net budget breakdown:

	£ million
Homelessness (excluding Temporary Accommodation) placements	7.1
Temporary Accommodation	3.6
Supporting People	5.5
Other	0.7
Total Net Budget	16.9

The net budget for temporary accommodation (TA) is £3.6 million. This comprises gross expenditure of £33.4 million, partly offset by income of £29.8 million.

The Government's Welfare Reform Programme has had a significant impact on the TA budget. Resulting in an increase in the number of households placed, higher costs arising from a buoyant rental market (costs have increased by six per cent over the last year) and from the introduction of a benefit cap.

So far, the department has purchased 21 properties on the open market for the provision of temporary accommodation. Given the continuing pressures on the temporary accommodation budget and the positive feedback from families placed in these properties, a further £10 million has been allocated to this project.

Unit costs

Key unit costs are:

Service	Unit Costs 2016 – 17	Commentary
Temporary Accommodation rents	£346 per week	This is the average weekly rent paid to landlords in November 2016 providing rented accommodation (excluding bed and breakfast). This includes all such accommodation regardless of location
Supporting People – Single Homeless	Ranges from £90 to £239 per week	Unit costs depend upon size of unit and complexity of support provided
Supporting People – Homeless Families	£214 per week	
Supporting People – Young People	Ranges from £122 to £310 per week	Unit costs depend upon size of unit and complexity of support provided
Supporting People – Refuge	£160 per week	

Supporting People services are commissioned through use of a procurement framework which was introduced in 2012. This framework has led to considerable savings being achieved. The actual savings will depend upon the individual contract awarded. Over the last five years the budget for Supporting People has been reduced by £1.8 million; this has been achieved through the reconfiguration and retendering of services through use of this framework.

Priorities for 2017 – 18

Our priorities for 2017 – 18 are to:

- understand and implement the changes resulting from the Homeless Reduction Bill
- attempt to keep rental levels for temporary accommodation to a minimum, whilst ensuring appropriate quality standards are met

- continue the programme of purchasing properties for temporary accommodation
- manage the impact of further changes as a result of welfare reform
- model the financial impact of changes to the funding regimes for temporary accommodation and for supported accommodation.

The department has responded positively to funding reductions and the impact of welfare reform in recent years and is confident of continuing to manage the financial priorities in 2017 – 18.

Housing Revenue Account (HRA)

There are 6,928 tenanted properties and 2,548 leasehold properties on our estates. Expenditure on managing and maintaining these properties must be charged to the Housing Revenue Account. Costs relating to leasehold properties are recovered through charges to leaseholders.

These functions are undertaken by the Kensington and Chelsea Tenant Management Organisation Limited (KCTMO), under the Modular Management Agreement.

The gross budget for the HRA in 2017 – 18 is £47.1 million with income budgets totalling £58.2 million, giving a net budget surplus of £11.1 million.

The following table provides further details.

Expenditure	£ million
TMO management fee	10.8
Maintenance	12.7
Electricity, heating, and hot water	2.8
Contract cleaning	3.0
Capital charges	9.2
Depreciation – dwellings and non-dwellings	3.1
Insurance costs	1.1
Recharges from Corporate Services and Housing Services	1.3
Other	3.2
Total Expenditure	47.2

Income	£ million
Rental income	42.8
Commercial properties rental income	4.0
Garages rental income	0.9
Tenants service charges	4.8
Leaseholder service charges	3.1
Heating and hot water charges	1.6
Insurance charges – leaseholders	0.8
Other	0.3
Total Income	58.3
Net Income	11.1

This surplus is added to the Working Balance. In 2017 – 18, it is planned to transfer £15 million from the Working Balance to the Major Repairs Reserve as a contribution towards the Capital Programme.

Over the next three years, the HRA Capital Programme will be £43.2 million, of this almost £40 million is for a rolling programme of capital repairs and improvements, which is managed by the TMO.

Our priorities for 2017 – 18 are to:

- maintain properties in accordance with the priorities set out in the HRA business plan
- model the financial implications of any changes to key drivers within the business plan e.g. the national policy on high value voids
- deliver effective asset management and medium to long-term business planning.

Housing regeneration

The Council is embarking on a programme of estate regeneration that seeks to increase the quality and quantity of affordable housing in the borough. The programme has the following overarching objectives to:

- build better quality homes for the Council's current and future tenants
- increase the number of homes, contributing to the Council's and London's housing targets
- deliver additional affordable homes to meet the housing needs of residents on a range of incomes
- deliver buildings that better integrate into the local environment, enriching the local architecture and creating buildings that households are proud to live in
- replace properties with a negative or marginal Net Present Value and replace these with units that contribute positively to the Housing Revenue Account's financial strength.

With these objectives in mind, and subject to a rigorous examination of a wide range of alternatives and their viability, the Cabinet will consider how to proceed on:

- **Treverton Estate** – sits alongside the redevelopment and expansion of Barlby Primary School and the development of a brand new special school. The Council is investigating the options for improving and increasing the number of homes as part of a comprehensive masterplan for both the school and housing sites
- **Silchester Estate** – a full options appraisal has been commissioned to assess the potential for not only reprovinding existing homes but developing new private and affordable housing. There will be a report to Cabinet in September 2017 on whether to proceed with a redevelopment of the estate
- **Edenham Way** – a development partner is being sought for the Edenham Way site. The development will comprise 50 per cent affordable housing and 50 per cent for market sale, start on site is scheduled for late 2018 with new homes available by 2021.
- **Pembroke Road Estate** – in addition to the reprovinding of 116 existing homes, up to 250 additional new homes could be provided, doubling the affordable housing on the site. A full redevelopment would also provide the opportunity to deliver a new, fit-for-purpose depot, improve the existing nursery provision and add new retail and office space for the area

Libraries

Libraries provide a wide range of services: people who live, work or study in the Royal Borough can read, learn and connect with one another.

There are six public libraries ranging from Kensington Central Library which has more than 200,000 books as well as computers, business information, 80 study spaces and the Royal Borough's local studies and archives, to Notting Hill Gate Library which is in the ground floor of a converted Victorian house.

The service is tri-borough, where one management team also oversees libraries in Hammersmith & Fulham and Westminster. As a result, users can borrow from a stock of more than 1,000,000 books and media items from the three boroughs using one library membership. An online 24/7 library offers an extensive range of digital materials – downloadable audiobooks, e-magazines, e-books and information materials – absolutely free from any device or computer. Wi-Fi and computer access are available free at all of our libraries.

Alongside books and digital resources, libraries offer meeting space, community events, classes, IT help, under-fives activities, a business information point and a unique fashion resource collection at Chelsea Library. More recently, the Library Service has started working with a community business to provide co-working spaces for entrepreneurs, business start-ups and flexible workers: this is already open at Brompton Library and is soon to follow at Chelsea and Notting Hill Gate. Our volunteers – over 80 of them – add value by bringing their knowledge and enthusiasm to work alongside library staff.

The Council is committed to keeping all six of its libraries open, and for the same long opening times they currently offer, ensuring that everyone is able to make the most of them.

Visitor numbers for 2015 – 16 were 858,605; and the number of loans was 626,686; the 2017 – 18 budget for the service is £3.6 million, set out below:

Spend type	2017 – 18 Budget £ '000
Employees	2,415
Stock	455
IT costs	129
Support services	655
Other	629
Spending	4,283
Income	696
Net Spending	3,587

The Library Service is responsible for delivering the Council's duties under the Public Libraries Act 1964, which requires it to provide a 'comprehensive and efficient' service. In 2014 – 15, the Council's spending on libraries for each resident was £33 and, although this will be reduced through cost reductions and efficiencies in 2017 – 18, it will still be one of the highest in London and the country as a whole. At the opposite end of the spectrum, Croydon spends just £4 per resident per year on its library service. Service quality and efficiency are monitored through key performance indicators and surveys of users and non-users; and the service will be reviewing its use of these methods in 2017 to ensure they are robust and reliable.

In 2017 – 18, the service will be reducing its expenditure by £196,000 (with a further reduction of £60,000 in 2018 – 19) through cost reductions and efficiency savings. Seven posts, out of 52 will be deleted. The Council is committed to no closures or cuts to library opening hours: the savings will be achieved by merging currently separate reference and lending teams to cut duplication and overlap, and improving the deployment and training of staff. It is not expected that there will be a noticeable impact on service delivery.

At the same time, the roll out of co-working spaces under the Workary brand, and greater commercial use of the Central Library, will generate increased income making the service more sustainable and resilient to future pressures. Work will also be done to increase footfall, lowering the overall cost per visit and improving the service's value for money.

Work will go on to develop plans and, subject to planning permission, start building a new library for North Kensington, expected to open in 2019, replacing the current, outmoded and expensive premises. This will be bigger, better and more sustainable in the long term, with an accreditation rating of excellent for Building Research Establishment Environmental Assessment Method (BREEAM), a strong civic design and better facilities for users of all ages. It will be co-located with an improved youth centre. Commercial use both of the existing building and space in the new one will defray the costs of Council services.

Planning and Borough Development

The department's main objectives include:

- maintaining an up-to-date and fit-for-purpose policy framework to plan for the Royal Borough's future and against which planning applications are judged, including protecting its heritage and character, seeking opportunities to attract investment to support a prosperous local economy, securing regeneration and additional housing of all tenures and improving the quality of life in Kensington and Chelsea through high quality, accessible, well-functioning places
- providing site-specific advice on potential developments through briefs and in response to enquiries, including ensuring that major redevelopments yield lasting and significant benefits for the borough and its future and current residents. This includes associated infrastructure improvements and collecting the Community Infrastructure Levy
- considering and deciding about 6,500 planning applications a year, implementing the policies in the Local Plan for the benefit of the borough's residents, businesses and visitors and making all the information available to the community in a transparent way
- leading our efforts to secure major transport infrastructure improvements for the borough from both Crossrail and Crossrail 2
- taking action against unauthorised developments, ensuring our planning policies are not undermined by them
- ensuring building projects comply with the Building Regulations, including requirements relating to safety, fire safety and energy efficiency
- coordinating flood and water management
- providing local land charges and street naming and numbering services.

The following indicates the department's scale and range of activities:

- there are about 6,500 planning and listed building applications and 1,200 enforcement cases annually
- over 1,000 pre-application advice consultations are provided annually
- about six major consultations are undertaken annually to respond to local issues and keep the policy framework up-to-date
- 6,000 full searches of the local land charges register and 1,000 personal searches take place each year
- there is care for 14,000 trees in the borough's streets, parks and cemeteries
- last year we collected £8 million from those building new homes to fund improvements to local infrastructure like schools, parks, libraries and transport
- there are 800 applications a year under Building Regulations
- we investigate over 50 alleged dangerous structures a year and take steps to protect the community where necessary.

The table below provides details of the department's spending for 2017 – 18.

£ '000	Gross revenue budget	Income	Net revenue budget
Planning Services	7,340	4,448	2,892
Building Control	1,010	665	345
Corporate and Democratic Core	322	-	322
Recharge Adjustment	-184	-184	
Total PBD	8,488	4,929	3,559

Improvements planned for 2017 – 18 include:

- submitting our Local Plan Partial Review to the Secretary of State for Communities and Local Government for independent examination and subsequent adoption
- working with landowners and interested parties to make progress on the development of the Kensal Canalside Opportunity Area, which includes securing a Crossrail station
- launching new application packages for applicants to provide increased choice for them as the department prepares for competition from other providers of advice
- continued exploration of the potential for a shared building control service with the London Borough of Camden and Westminster City Council
- completing a three-year programme reviewing Conservation Area Appraisals (which assist in the protection of the character of those areas)
- providing new online interactive map-based information for customers
- providing further search functionality for planning application information
- reviewing the Architects' Appraisal Panel, considering its past and future performance, governance and membership
- preparing a local enforcement plan identifying our priorities and future areas for action
- agreeing how the Council will make decisions on spending the Community Infrastructure Levy (CIL), including how the community will be involved in spending Neighbourhood CIL.

Public Health

In 2012, as part of the health and social care reforms, the Government returned responsibility for improving Public Health to local government. Local councils are well placed to lead on public health due to their:

- population focus and understanding of the importance of the environment within which people live, work and play
- ability to shape services and innovate to meet needs locally
- ability to influence wider social determinants of health (the conditions in which people are born, grow, live, work and age including the health system)
- ability to tackle health inequalities.

The public health function in the borough is a shared service with Westminster and Hammersmith & Fulham.

Overall, residents in Kensington and Chelsea have a higher than average life expectancy. However, there are some areas, predominantly in the north of the borough, where health outcomes are much poorer and where residents may need more support. Forty-seven per cent of the households in the borough are single person households. This is the highest in the country and almost half of older people live alone. This carries a significant risk of social isolation and poorer mental well-being, and means that older people may need more support to remain independent in their homes.

The vision for public health in the Royal Borough is to:

- work across the Council, the local NHS and with others through the Joint Health and Wellbeing Strategy
- improve and protect the health and well-being of our residents and to reduce health inequalities, so that every resident is as healthy as they can be.

To achieve our vision, we will:

- provide public health services to the highest possible standards; designing them to have maximum impact, to be cost effective and delivering them effectively
- provide joined up health and care services that support communities to make the right choices to stay healthy and independent
- promote the importance of the wider determinants of health and well-being through work and positive relationships with friends and family
- focus on radically upgrading prevention and early intervention through encouraging immunisations, and working with partners in housing, employment and education.

Our practical priorities will be to:

- reduce childhood obesity
- improve mental well-being in all age groups
- reduce smoking rates
- encourage more people to be physically active
- improve sexual health
- reduce substance misuse.

Budget 2017 – 18

The total planned expenditure for 2017 – 18 is £21 million. There is also an unallocated amount of £0.5 million. The table below shows the total level of spending, disaggregated by purpose. The largest share of the Public Health Grant is spent on Family and Children's Services (which includes Clinical Commissioning Group (CCG) Dietetics and 0 to five services) contracts, followed by sexual health services and substance misuse.

For 2017 – 18 the public health ring-fence remains in place, with any underspends in the year being carried forward, or any overspends matched with a draw-down from prior years' underspends.

The grant includes about £1.2 million of dietetics treatment funding which is not the responsibility of the Council and will be returned to the NHS. This amount has been reduced to reflect the reduced level of grant funding received.

Service/Contract Summary	£ '000
Income/ Funding	
Public Health Grant income	(21,451)
Total Income	(21,451)
Contract Expenditure	
Substance misuse	5,270
Sexual health	4,476
Behaviour change	1,911
Families and Children's Services – 2013 transfer	2,572
Families and Children's Services – 2015 transfer	2,430
Intelligence and social determinants	73
Total Contract Expenditure	16,733

Overheads and Other Expenditure	
Salaries and overheads	1,513
PHIF projects – approved	274
Transformation funding	1,290
Dietetics Funding Return	1,159
Unallocated budget	482
Total Overheads and Other Expenditure	4,718
Total Expenditure	21,451

Plans for 2017 – 18:

The Public Health Team is in the process of developing and testing a prioritisation framework tool. This will enable:

- a comparison of services (including existing and proposed services) across a range of dimensions
- identification of gaps in service provision for prioritised outcomes
- prioritising collaborative programmes of work across Council departments (e.g. obesity prevention, healthy homes).

Provided that testing of the tool is successful, it will be used to inform 2018 – 19 resource planning.

Transport and Technical Services

Transport and Highways

The Transport and Highways Department deals with all aspects of maintaining and improving public highways.

It comprises: Parking Services, Highway Maintenance and Projects, Transport 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 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 and Golborne Roads. Transport and Highways is responsible for delivering these projects.

Last year we rolled out 'pay-by-phone' facilities across the borough, delivered several new 'Quietway' cycling routes, and introduced a number of traffic schemes to improve conditions for pedestrians and cyclists, including two new zebra crossings.

Some key unit costs are set out below.

Service	Estimated unit cost in 2016 – 17	Estimated unit cost in 2015 – 16	Commentary
Annual cost of maintaining and lighting a street light	£108	£114	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.
Annual cost of maintaining one km of road	£6,268	£6,662	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.
Annual cost of maintaining one km of pavement	£5,956	£6,330	The budget is £1.3 million for road maintenance and £2.5 million for pavement maintenance

The reduction in unit costs from 2015 – 16 to 2016 – 17 is the result of the removal of underspending budgets. This has not changed the quantity or quality of maintenance.

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 2017 – 18 will not interfere with the delivery of these objectives.

The service's priorities are to:

- continue to engage with Transport for London on its proposal for a Crossrail 2 station in the Royal Borough
- review contracts for highway works, to yield savings through joint procurement with other boroughs
- trial new forms of electric vehicle charging using lamp columns, and seek to expand our network of on-street charging facilities
- explore options to improve conditions for pedestrians and cyclists in Notting Hill Gate
- identify and consult on potential new Quietway routes
- continue to offer single-zone residents' parking permits. This has the added benefit of making the borough a stronger community, with a more thriving local economy.

Environmental Health

Environmental Health 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 the borough 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 2017 – 18 will not interfere with the delivery of these objectives. Indeed, the

2017 – 18 budget includes additional funding to enable the regulation of private housing rental.

The top projects planned for the next year are to:

- continue to work in a coordinated way across the Council to tackle noise and dust from construction sites and implement our newly adopted Code of Construction Practice to control pollution arising from development
- implement the actions in our updated Air Quality and Climate Change Action Plan to help deliver improvements to the borough's harmful air quality, which is an increasing source of resident concern
- focus our efforts on the private housing rented sector to deal with unscrupulous landlords, protect vulnerable tenants and make properties in disrepair safe
- 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 Transport and Technical Service's budget 2017 – 18

Service area	£ million	%
Environmental Health	5.7	32
Transportation and Highways	12.1	68
Total	18.0	100
Car parking on street	-32.8	
Service budget 2017 – 18	-15.0	

Corporate Services

Local Services

The Community Safety Team and the Partnership Board that it supports are giving priority to efforts to tackle violence against women and girls, hate crime, antisocial behaviour, burglary reduction and serious youth violence. These offences are all of significant concern to residents and can cause serious harm or distress to victims. Progress in some areas is encouraging: burglary has fallen; and services to deal with violence against women and girls are proving effective. This is offset, however, by difficulties elsewhere. A rise in serious youth violence during the course of 2016 – 17 has led the Council and the police to focus even greater attention on this area.

The Council provides £1.4 million a year to co-fund (with the Metropolitan Police) the 41 additional officers who comprise the local Community Police Team (CPT). The team has been busy: between March and September 2016 the team made over 400 arrests for a variety of offences. It also issued 92 criminal behaviour warnings, 232 cannabis warnings, 85 court summons and 39 fixed penalty notices. It has been deployed to tackle issues such as noise nuisance from supercars and to undertake activities ahead of Notting Hill Carnival that reduce the likelihood of public disorder and violent offences over the Carnival weekend.

Prevent is the Government's Home Office funded strategy to stop people becoming terrorists or supporting terrorism, in all its forms. Prevent works with individuals and communities by using voluntary early intervention to encourage them to challenge extremist and terrorist ideology and behaviour. In the same way that support is provided to people at risk of involvement with drugs, gangs or other forms of harm, individuals vulnerable to being groomed into radicalisation can also be helped.

At the heart of Prevent is a commitment to offer safeguarding support to individuals vulnerable to radicalisation. During the current financial year 108 individuals and institutions have been referred to the Council's Prevent team (which is shared with the London Borough of Hammersmith & Fulham) and nearly 80 of these have received some form of safeguarding support. The team also works with whole families to address stereotypes and prejudices, provide parents with e-safety support and strengthen family relationships.

In schools, over 1,800 school staff have received training to help them to understand and recognise signs of vulnerability that can lead to radicalisation and over 700 pupils have taken part in workshops and assemblies that help them to challenge extremist narratives. In total, 84 parents have signed onto the six community delivered parenting courses running during this financial year, and the team has undertaken 75 visits to community and faith groups, regularly engaging with 29 faith organisations including seven mosques.

The Corporate Services budget includes funding for the Electoral Services Team which this year ran the local polls for the Greater London Authority elections and the European referendum. The Council's Registrar's Office registers around 6,000 births and 1,200 deaths each year as well as carrying out 1,600 marriage and civil partnership ceremonies. Chelsea Old Town Hall is an iconic venue for weddings and its popularity helps the Registrar's Service to return a net surplus on its budget each year.

The Council channels some £1 million from the Skills Funding Agency to local colleges and voluntary organisations to deliver accessible, high quality courses in various subjects that enable adult learners to improve their well-being, widen their horizons and achieve their learning ambitions. Some 3,500 learners benefit each year and courses are delivered at over 50

community venues across the borough, enabling residents to access learning opportunities locally.

The Council has a long track record of supporting, funding and working with local voluntary sector organisations. Next year through the Corporate Grants scheme, the Council will allocate over £2.3 million to support advice agencies and community centres throughout Kensington and Chelsea. The scheme will also fund organisations such as the Social Council and the Volunteer Centre, which support local organisations and help them to be well-run and have easy access to volunteers.

Despite severe pressures on the Council's budget, the grants fund has been protected in cash terms for several years, and next year's grants have been increased by two per cent to recognise the inflationary pressures that grant recipients may face. In addition, the Council will continue to provide some local voluntary organisations with support to meet their accommodation costs (which can be very high in the Royal Borough) and to provide rate relief to smaller organisations which might otherwise struggle to pay their rates bills.

Customer Access

The Customer Access Department comprises all the Council's corporate customer service functions and its revenues and benefits services.

Customer Services include the Council's Contact Centre, which answers nearly 500,000 customer enquiries a year and the Customer Service Centre where residents can obtain services in person. The Service Centre handles 200,000 customer enquiries every year.

Both services are high performing and provide good and affordable services to local residents. The Contact Centre answered 90.2 per cent of calls, of which, 93 per cent of callers rated the service they received as good. The Service Centre dealt with 91 per cent of their customers within 20 minutes with 80 per cent of these customers rating the service they received as good.

The Contact Centre's transaction costs have fallen in comparison with previous years and stand at £1.73 per call while the Service Centre transaction costs have remained stable at £3.88 per transaction.

Work is currently underway to reduce these costs by exploiting new technologies and offering improved self-service. This will include new payment machines and assisted support in the Service Centre. However, this does not mean there will be a drop in service provision: staff will still be on hand to help people if needed.

The Council's Revenues and Benefits services are also high performing. Council tax enjoys a collection rate of 96.66 per cent and for Business Rates the collection rate is 99.1 per cent.

Housing Benefit performance is the best in London: new claims are processed within ten days and changes in circumstances within five days. This is in comparison with London averages of 22 and 11 days respectively. This means that residents are supported more quickly and more efficiently in a time of need.

New technology is also helping to make life easier for council taxpayers who can now register for services and manage their account online without having to speak to an advisor. This means services are more accessible, allowing residents to transact when, where and on a device of their own choosing.

The service's budget 2017 – 18

Service area	£ '000	%
Strategy and Local Services	10.807	74
Customer Access	4.708	32
Corporate Property (1)	-3.852	-26
Other Services	2.923	20
Service budget 2017-18	14.586	100

(1) Net budget for Corporate Property is a negative figure as this also includes General Fund Commercial Property income of £13.8 million.

5. Funding of the 2017 – 18 revenue budget

Table 3 below shows the sources of funds that finance the Council's revenue budget for 2017 – 18.

Table 3: Funding of the Council's services

Source	£ '000	%
Revenue Support Grant and Retained Business Rates	67.9	16.6
Dedicated Schools Grant	65.5	16.0
Other grants and contributions	84.8	20.7
Sales, fees and charges	54.0	13.2
Car Parking Income	45.2	11.1
Council tax	76.4	18.7
Interest	1.3	0.3
Rents	13.8	3.4
Total funding for services	409.0	100

A guiding principle of local government finance in the years before 2010 was that councils offering the same range of services at similar levels of quality and efficiency should receive funding from central Government so that they would all be able to set their council tax at the same rate. Therefore differences in the money raised through council tax, and differing spending needs, would be balanced out by central Government grant; and actual differences in rates of council tax between councils would reflect different choices about services and operational efficiency.

Even before 2010, this principle was not rigorously adhered to: there was ample room for dispute over the costs of services; lags in the collection of data that would adjust the Government's estimates of local need and local resource; and transitional arrangements that ensured that sudden actual or perceived changes in circumstances did not lead to sudden shifts in funding.

In the aftermath of the financial crash and recession between 2008 and 2010, the Coalition Government and its successor have applied two different approaches. They have cut grant most where grants were highest as part of the strategy to reduce the Government's borrowing; and they have sought to provide incentives for councils to be responsive to the needs of business, through permitting councils to retain a share of growth in business rates income due to increases in space occupied by businesses.

The upshot for the Council has been large reductions in grant over several years from 2010 – 11; and then smaller reductions from 2017 – 18 onwards. The incentive to accommodate business growth has had little visible impact on the Royal Borough's budget because there are relatively few sites in the borough that can bear significant growth; and the growth achieved has been largely offset by losses of rates income as a result of businesses successfully appealing against the rateable values set by the Government's Valuation Office Agency.

For 2017 – 18, reductions in grant have required departments to find up to £8 million in savings. As large parts of the revenue budget, notably Dedicated Schools Grant, cannot be cut back, the proportionate reduction in the revenue budget that can be controlled is of the order of four per cent – well above any figure that could be achieved through productivity growth alone across so varied a group of services that have yielded up savings every year since 2010 – 11. So, in order to protect the quality of the Council's services, the Council's Cabinet has recommended an increase in council tax of 1.9 per cent – the first increase since 2009.

The Cabinet does not choose to do this lightly: both during and after the recession, Councillors have been aware that households' budgets may be tight in many cases. But Councillors draw some comfort from the fact that:

- council tax has fallen 14 per cent in real terms between 2009 and 2016; and
- it remains the fifth lowest in England. Allowing for the precept for the Greater London Authority, the council tax for a Band G property – the most numerous in the borough – will be £1,770 in 2017 – 18. In terms of the council tax levied by London boroughs: at Band G in 2016 – 17, it was 20 per cent lower than the next lowest borough, a difference of £256.

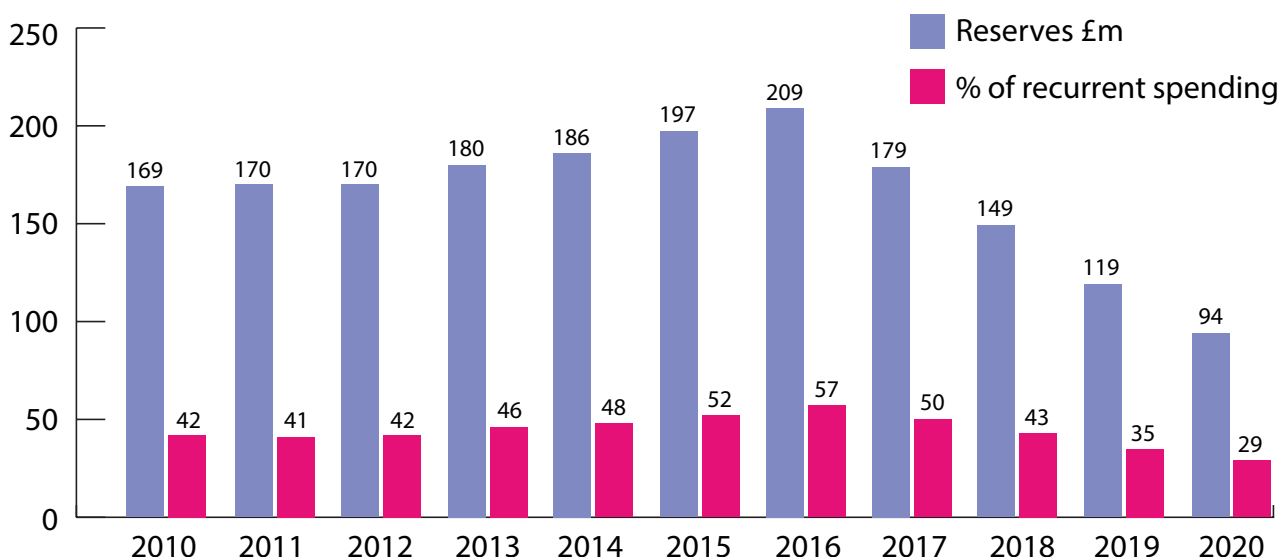
The other significant growth in income for 2017 – 18 will arise from the Council's estate. For example, the Council has recently acquired land at Lots Road for development that will produce income for 2017 – 18; there will be new income via developments of private rented housing at Hortensia Road, Young Street, Munro Mews and Middle Row. Further income will be derived from letting space previously occupied by the Council, notably the Westway Information Centre.

The Council's financial management

The revenue budget is perhaps of most immediate concern to residents as this determines the scale and scope of services for which some are in very acute need, such as home care or the protection of children; or which all depend on for the normal conduct of life in a crowded city, such as waste collection and street cleaning.

Nevertheless, the Council meets various other obligations which are important in their own right and where neglect or error might in due course imperil services to residents. For example:

- its capital programme over four years amounts to £397 million of investment in new buildings, notably primary schools and acquisitions. An increasing share of this programme involves seeking a financial yield on investments that will contribute to the funding of the Council's services. (As at 31 March 2016, the Council's net assets stood at £1,509 million)
- the main source of funds for the Council's capital investment is its reserves. The chart below shows how these are planned to fall over the next few years. The Council does not intend to use its reserves to fund recurrent spending, as this would simply postpone the time when spending would have to be reduced. It does, even so, plan to keep the equivalent of 30 per cent of its revenue spending in the form of reserves so that it can withstand temporary financial challenges
- the Council's General Fund carries no debt and there is no current intention to borrow.

Chart 1: Reserves as at 31 March each year

- The reserves are lent only to the most secure borrowers such as the Government's own Debt Management Office: the Council is very deliberately risk averse.
- In contrast, the Council seeks to be more risk neutral in its strategy for its pension fund: it has obligations to meet pension commitments to over 11,600 present or past members of staff and if its investment strategy were to fail to yield adequate returns, the Council would be obliged to seek the funds from council taxpayers. The fund has been valued as at 31 March 2016 and is estimated to be fully funded – one of very few local authority pension funds to be in so fortunate a position.

As a further assurance to residents that the Council is being properly managed, it submits its financial statements and other material to Standard & Poor's. They have given the Council a credit rating of AA: the Council's rating is limited by that which S&P give the UK Government, as the Council depends on the Government for 53 per cent of its funding.

Annex A

Budget reductions since 2011 – 12

Description	Actual 2011-12 £'000	Actual 2012-13 £'000	Actual 2013-14 £'000	Actual 2014-15 £'000	Actual 2015-16 £'000	Actual 2016-17 £'000
Management/administration costs reduced	-3,928	-1,275	0	-510	-343	-194
Employee pay and benefits reduction	-1,243	0	0	0	0	0
Improved economy and efficiency	-5,754	-8,641	-5,613	-3,221	-3,846	-5,935
Procurement savings	-1,215	-2,087	-307	-1,272	-973	-1,878
Service level change	-4,304	-828	0	0	-296	-451
Anticipated funding reductions	-1,487	0	0	0	0	0
Pension contribution reduction	-1,389	0	0	0	0	0
Increased income	-6,172	-4,038	-2,561	-3,128	-8,880	-3,833
Bi and Tri-borough savings	0	-2,235	-3,004	-3,942	-2,824	-1,770
Growth	2,614	6,179	1,406	1,113	1,663	1,049
Total Net Savings	-22,877	-12,924	-10,079	-10,960	-15,498	-13,012

Description	Proposed 2017-18 £'000	Total Savings £'000	%
Management/administration costs reduced	-200	-6,450	6
Employee pay and benefits reduction	0	-1,243	1
Improved economy and efficiency	-3,069	-36,078	33
Procurement savings	-330	-8,062	7
Service level change	0	-5,879	5
Anticipated funding reductions	272	-1,215	1
Pension contribution reduction	0	-1,389	1
Increased income	-5,561	-34,172	31
Bi and Tri-borough savings	-695	-14,469	13
Growth	3,956	17,980	0
Total Net Savings	-5,626	-90,976	100%

