
REVENUE BUDGET 2014-15

**Presented to the Council
5th March 2014**

COUNCILLOR NICHOLAS PAGET-BROWN
Leader of the Council

NICHOLAS HOLGATE
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Director of Finance

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REVENUE BUDGET 2014-15

THE ROYAL BOROUGH OF KENSINGTON AND CHELSEA
Meeting of the Council – 5 March 2014
Item 6 – Submissions from the Cabinet

The following budget, plans and strategies were considered by the Cabinet at its meeting on 24 February 2014 and are now submitted to full Council for approval and adoption.

1. BUDGET PROPOSALS 2014-15

- 1.1 The attached report presents the Cabinet’s budget proposals for 2014-15 and sets out its broad approach to revenue budgeting, Council Tax and the capital programme to 2016-17.
- 1.2 Residents, businesses, key partners and Scrutiny Committees were invited to comment on an earlier draft.
- 1.3 The plan will be published by the end of March, subject to any minor drafting or formatting changes.

1.4 RECOMMENDATION

The Council is recommended to adopt the Council’s budget proposals for 2014-15 and approve its publication.

FOR DECISION

2. REVENUE BUDGET AND COUNCIL TAX 2014-15

2.1 SUMMARY

- 2.1.1 This paper sets out the following recommendations to Council on 5 March 2014:
 - A Council Tax freeze for the Royal Borough for 2014-15 at the rate first set in 2009-10.

- Net budget savings totalling £11 million meeting net funding reductions of over £8 million, inflation and cost pressures of £3 million. A pension fund contribution reduction of £2 million delivers a contribution to future savings targets.
- For 2014-15 only a dividend payment of £100 per eligible household paying Council Tax. At an estimated cost of £7.5 million, this dividend is funded from the surplus generated by the Council exceeding its savings targets in 2013-14.

2.2 RECOMMENDATIONS

- (a) The Council is recommended:
- (i) to approve the estimates as summarised in the **Revenue Budget Book 2014-15 (pages 15-62)**
 - (ii) to approve the Medium Term Financial Strategy as set out in the **Revenue Budget Book 2014-15 (page 1)**;
 - (iii) to approve the Reserves Policy as set out in the **Revenue Budget Book 2014-15 (pages 2-5)** including holding a minimum £10 million in working balances and a minimum total reserve balance of not substantially below £100 million in ear-marked reserves or 30 per cent of gross spending at the end of 2016-17;
 - (iv) a £100 efficiency dividend for all households paying Council Tax who are eligible. Details are set out in the **Revenue Budget Book 2014-15 (page 13)**
- (b) The Council is recommended, in accordance with the Local Government Finance Act 1992, to:
- 1) Note that on 22 January 2014 the Council calculated its Council Tax Base for the year 2014-15:
 - i) for the whole Council area as **91,622** in accordance with the relevant regulations; and
 - ii) as set out in column 3 of page 10 of the **Revenue Budget Book (Garden Square Levies)** for those parts of its area to which one or more special items relate, as calculated under the relevant regulations.

- 2) Agree the following amounts be calculated for the year 2014-15 in accordance with Sections 31A, 31B and 34 to 36 of the Act:
- i) **£615.930 million** as the aggregate of the amounts that the Council estimates for the items set out in Section 31A(2)(a) to (f) of the Act, taking into account the special items issued to the Council;
 - ii) **£544.228 million** as the aggregate of the amounts that the Council estimates for the items set out in Section 31A(3)(a) to (d) of the Act;
 - iii) **£71.702 million** as the Council Tax Requirement in accordance with Section 31(4) of the Act, being the amount by which the aggregate at 2i) above exceeds the aggregate at 2ii) above;
 - iv) **£782.58** as the basic amount of Council Tax for the year, being the Council Tax Requirement at 2iii) above, divided by the Council Tax Base set out at 1i) above, in accordance with Section 31B(1) of the Act;
 - v) **£1,355,328** being the aggregate amount of the special items under Section 35 of the Act for the purposes of Section 34 of the Act;
 - vi) **£767.79** as the basic amount of Council Tax for dwellings in the parts of its area to which no special items apply, being the Council Tax Requirement at 2iv) above less the result of dividing the aggregate of the special items at 2v) above by the Council Tax Base set out in 1i) above, in accordance with Section 34(2) of the Act; and
 - vii) the amounts set out in column 6 of **page 10 of the Revenue Budget Book 2014-15 (Garden Square special expenses)** for each garden square, being the basic amount of Council Tax for a dwelling in each area to which one or more special item applies, calculated by adding to the amount set out in 2vi) above, the result of dividing the special items for each area, set out in column 4, by the Council Tax Base for each area, set out in column 3, in accordance with Section 34(3) of the Act.
- 3) Note that **page 11 of the Revenue Budget Book 2014-15 (Royal Borough of Kensington and Chelsea Council Tax)** sets out the amounts of Council Tax for 2014-15 for each part of

its area and for each of the categories of dwellings excluding precepts payable to other authorities.

- 4) Note that for the year 2014-15, the Greater London Authority has issued precepts to the Council in respect of the functional bodies under its control, in accordance with Section 40 of the Local Government Finance Act 1992, for each of the categories of dwellings as shown below:

Valuation Band	Greater London Authority
Band	£
A	199.33
B	232.56
C	265.78
D	299.00
E	365.44
F	431.89
G	498.33
H	598.00

- 5) Agree that the Council, in accordance with Sections 30 and 36 of the Act, hereby sets the aggregate amounts of Council Tax for 2014-15 for each part of its area and for each of the categories of dwellings as shown on page 12 of the **Revenue Budget Book 2014-15 (Total Council Tax)**.

2.3 REASONS FOR DECISION

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

2.4 BACKGROUND

- 2.4.1 The recommendations made in this paper:

- formalise and confirm the proposals set out in the Council's Budget Proposals 2014-15¹;

¹ [Budget Proposals 2014-15](#) can be found on the Council's external website at with the latest update elsewhere on this agenda.

- are consistent with the Council's medium term financial strategy (**Revenue Budget Book, page 1**) and its policy on reserves (**Revenue Budget Book, pages 2-5**);
- follow consultation with the Scrutiny Committees and others on the proposed 2014-15 Council and service budgets (set out in the **Revenue Budget Book**); and
- take into account Council's agreement to the Council Tax base on 22 January 2014.

2.4.2 These proposals were developed in the light of the Government's Spending Review 2013 as updated by the Chancellor's 2013 Autumn Statement.

2.4.3 The Council's allocation from the local government finance settlement for 2014-15, announced on 18 December 2013, is a cash reduction in Revenue Support Grant of £13 million². This is 3 per cent of the gross revenue budget of £427 million for 2014-15.

2.4.4 The coming year is the second year of the Business Rates Retention scheme under which local authorities share the potential risks and rewards of changes to the business rates yield. The Council is forecasting an increase compared to 2013-14 of £2 million, approved by Council on 22 January 2014³.

2.5 PROPOSAL AND ISSUES

Council Tax and Budget 2014-15

2.5.1 The Council is proposing a Council Tax of £782.58 for 2014-15 (or £767.79 without Garden Square special expenses). If the proposal is accepted, the Council Tax will have been at the same level for six years (or frozen for five years).

2.5.2 The net service spending budget is £177 million which includes the proposed Council Tax Dividend of £7.5 million or £100 per Council Tax paying household. The Council Tax requirement is £71.7 million. Please see **Table 1** overleaf:

²The total funding change is a reduction of £8.4 million. This is a reduction in Revenue Support Grant of £13 million offset by new specific grant allocations of £1.3 million, a forecast increase in NNDR yield of £2 million, a tax base yield increase of £0.6 million and other financing and funding net increases of £0.6 million. The reduction in government grant is £11.6 million (Revenue Support Grant reduction less new specific grant allocations).

³Please see [National Non-Domestic Rates \(NNDR\) Forecast 2014-15 22 January 2014 Council](#)

Table 1 Budget and Council Tax

	2013-14	2014-15
	£m	£m
Adult Social Care	62.574	60.954
Children's Services	45.078	42.453
Environment, Leisure and Residents' Services	36.309	33.455
Housing Services	13.793	13.400
Library, Archive and Heritage Services	6.145	5.804
Planning and Borough Development	4.751	4.807
Public Health	1.182	1.200
Transport and Technical Services	-10.073	-11.327
Corporate Services	18.537	25.922
Adult and Family Learning Services	0.149	0.081
Total Service Costs	178.445	176.749
Charges for Capital Assets and Financing	-11.530	-8.538
Pension Fund Liabilities	3.306	0.274
Contingencies and Provisions	4.266	3.167
Interest	-1.000	-1.300
Levies	3.208	3.276
Capital Reserves	5.500	5.500
Revenue Reserves	4.287	-1.369
Council Tax Freeze Grant	-0.780	-0.800
New Homes Bonus Grant	-1.095	-1.095
Education Services Grant	0.000	-1.314
Revenue Support Grant	-69.240	-56.297
Retained Business Rates (local forecast)	-78.547	-81.217
Business Rates Tariff (set by government)	34.395	35.065
Collection Fund Balance	-0.133	-0.400
Council Tax Requirement	71.083	71.702
Council Tax Base	90,831	91,622
Council Tax Per Band D with Garden Square levies	£782.58	£782.58
Change per cent	0%	0%
Council Tax Per Band D without Garden Square Levies	£768.65	£767.79
Change per cent	0%	0%

2.5.3 The budget proposals produce a Royal Borough Council Tax freeze for 2014-15 with a Band D figure for the Council's element of the tax of £782.58 including the Garden Square levies – a Council Tax freeze year-on-year as defined by government.

2.5.4 Garden Square special expenses collected as part of the Council Tax are also counted as part of the Council's Council Tax by the Government. The 2014-15 Garden Square levies total is £1.355 million compared to £1.265 million for 2013-14.

Budget Changes

2.5.5 The 2014-15 budget and Council Tax changes are summarised in **Table 2** overleaf.

Table 2 Budget and Council Tax Change

	£m
Pay and price inflation	2.6
External cost pressures	0.2
Savings	-11.0
External Funding Change	11.6
Forecast local increase in business rates yield	-2.0
Pension Fund contribution reduction	-2.0
Transfer to reserves	1.8
Financing and Other	-1.2
Change Total	0.0

Council Tax Dividend

- 2.5.6 For 2014-15 only a dividend payment of £100 is proposed per eligible household paying Council Tax. At an estimated cost of £7.5 million, this dividend is funded from the surplus generated by the Council exceeding its savings target for 2013-14. The dividend will be paid to all those who pay or part pay their Council Tax. Please see the **Revenue Budget Book, page 13** for details.

Pension Fund Contribution Reduction

- 2.5.7 The Pension Fund actuaries completed the three year revaluation of the fund and, based on the assets and liabilities at 31 March 2013 have recommended an employer's contribution rate of 17.8 per cent of salaries, reduced from 21.5 per cent. This is the outcome of the Council's additional contributions of £9 million in 2012-13 and £6 million in 2013-14 from previous year's underspends and the valuation at 95 per cent for the level of funding. The 2014-15 budget reduction from reduced contributions is forecast at £2 million – a reduction from £16 million to £14 million per annum.

- 2.5.8 Full details of the triennial valuation were reported to the Investment Committee on 13 February 2014.

2014-15 Savings and Service Budgets

- 2.5.9 Full details of 2014-15 service savings are set out in the [Budget Proposals 2014-15](#) report elsewhere on the agenda. These are as reported to Cabinet on 21 November 2013.
- 2.5.10 Detailed service budgets for operating expenditure are set out in the service estimates reports submitted to the Council as part of the Revenue Budget Book. This is summarised in **Table 1** on page 6. The **Revenue Budget Book** provides more detail.

Council Tax and Precept 2014-15

- 2.5.11 The Greater London Authority Band D Council Tax figure for 2014-15 is £299.00, a one per cent reduction on the level for 2013-14.
- 2.5.12 The Council's total Council Tax rates for each Band are shown in **Table 3** below, which also shows the percentage of dwellings falling under each band. Band G is the most numerous.

Table 3 Total Council Tax

	Royal Borough	Greater London Authority		% of Dwellings in Band
Band	£	£	£	%
A	511.86	199.33	711.19	2%
B	597.17	232.56	829.73	4%
C	682.48	265.78	948.26	11%
D	767.79	299.00	1,066.79	16%
E	938.41	365.44	1,303.85	15%
F	1,109.03	431.89	1,540.92	14%
G	1,279.65	498.33	1,777.98	22%
H	1,535.58	598.00	2,133.58	17%

- 2.5.13 Full details of Council Tax due, including the Garden Square levies, are set out in the **Revenue Budget Book, (pages 10, 11 and 12)**.

Local Budget Planning Context

- 2.5.14 The Council planned for a minimum of £10 million of net savings for 2014-15, consistent with a Council Tax freeze for 2014-15⁴. This budget proposes net savings of roughly £11 million.
- 2.5.15 The savings delivered and planned since 2010-11 total £57 million with only a small proportion – less than 10 per cent - involving reductions in services. Details of these can be found in the [Budget Proposals 2014-15](#) report elsewhere on the agenda.
- 2.5.16 The Council is planning to deliver Tri- and Bi- borough savings from collaborative working with the London Borough of Hammersmith & Fulham and the City of Westminster of £4 million in 2014-15 as part of the total forecast recurrent annual savings of £13 million by the end of 2015-16.

⁴ As set out in paragraph 5.2 of the 21 November 2013 Cabinet report [Medium Term Planning Budget and Service Prospects](#).

- 2.5.17 As reported to November Cabinet, the Government has offered another allocation of Council Tax Freeze Grant to authorities who freeze their 2014-15 Council Tax. The Council should be eligible for this grant. A full list of external funding included in the 2014-15 budget is set out in the **Revenue Budget Book, page 8**).
- 2.5.18 The Government has reduced the total resources available to local government since 2011-12 and this will continue. The latest forecasts assume that there will be further funding reductions for local government in future years.

The Council's Policies

- 2.5.19 The core financial policies are the Council's Medium Term Financial Strategy and the Reserves Policy detailed in the **Revenue Budget Book**. These remain substantially unchanged from 2013-14, except that the Council is now setting a minimum level for all ear-marked reserves for the end of the three year planning period.
- 2.5.20 The proposed budget will continue to maintain the Council Tax rate in the bottom quartile for London and will retain a minimum of £10 million in the working balance.
- 2.5.21 It is the Council's proposed policy to ensure that total reserves do not fall significantly below £100 million or 30 per cent of gross revenue budget by the end of 2016-17⁵. The bulk of reserve releases are for capital investment. The latest forecast for the Council's spending plans deliver this. There is no unsustainable use of reserves to meet recurring spending.
- 2.5.22 As part of this year's financial forecasting, reserves held have been reviewed and their purpose reconfirmed or revised. The forecast for reserve balances for the next three years is set out at the **Revenue Budget Book, page 9**
- 2.5.23 Cabinet confirmed that the minimum level of working balance should be £10 million. Full Council approval is required to reduce the working balance below that level.
- 2.5.24 The Council holds a central contingency budget for in-year budget risks. The contingency available for release is £3 million. The Council continues to make an annual contribution of £5.5 million for capital investment.

⁵ This is confirmed within the Capital Programme 2014-15 to 2016-17 Appendix 4 'Capital Programme Funding' elsewhere on the Cabinet agenda.

2.6 OPTIONS AND ANALYSIS

2.6.1 The Cabinet may amend the proposed revenue budget and Council Tax as set out in paragraph 2.5. The revenue budget and Council Tax are set in the context of a three year financial forecast and future budget and funding risks.

Three Year Financial Forecast

2.6.2 The medium term forecast or financial plan looks ahead for three years and, given continuing uncertainties over public sector funding, is speculative. As expected the 2015-16 financial year is the fifth year of local government funding cuts and the largest single year funding cut to date. Prior years have delivered higher level of savings than required to balance the budget on the assumption that this would happen. As planned the Council aims to release these savings and ongoing reserve contributions to meet the funding reduction in 2015-16.

2.6.3 The three year forecast is set out in **Table 4** overleaf and based on the following:

- A review of significant external influences and changes likely to have an impact.
- A projection of the Council's spending and resources.
- Set within the framework of medium term financial planning principles (as set out in the **Revenue Budget Book, page 1**).

Table 4

Three Year Budget Forecast

	Change £m	Change £m	Change £m
	2015-16	2016-17	2017-18
Council Tax Requirement	71.7	71.7	71.7
Inflation	2.4	5.1	5.2
External Cost Pressures	1.0	1.0	1.0
Contingency	0.0	0.0	0.0
Pension Fund Liabilities	-1.0	0.0	-0.7
Financing Costs	-0.3	0.0	0.0
Interest Received	-0.7	-0.1	1.2
Movement on Reserves	-5.6	0.0	0.0
Government Funding	17.0	4.7	4.3
Specific Grants	0.1	0.1	0.8
Additional Property Income	-1.0	-0.5	-0.5
Collection Fund Balance	-0.4	0.8	0.0
Forecast Savings Required	-12	-11	-11
Council Tax Requirement	71.7	71.7	71.7
Council Tax Base	91,622	91,622	91,622
Council Tax Per Band D	£782.58	£782.58	£782.58
Change in Council Tax £	£0	£0	£0
Change in Council Tax %	0.0%	0.0%	0.0%

2.6.4 The forecast has the following assumptions:

- Increased pay and price inflation (an average of +1 per cent for 2015-16 and +2 per cent for 2016-17 and 2017-18).
- Limited unavoidable cost pressures which including forecast increases in the cost of the Freedom Pass and waste disposal (a total of £1 million per annum).
- Previous year savings and ongoing contributions to reserves contribute £5.6 million towards meeting the 2015-16 funding reduction.
- Revenue Support Grant funding losses of 30 per cent for 2015-16 (as provisionally confirmed in the 2014-15 local government finance settlement) and 10 per cent for 2016-17 and 2017-18.
- National Non-Domestic Rates (NNDR) remains stable in cash terms, but the Council's tariff contribution increases by 2 per cent a year (at a cost of roughly £0.5 million).
- It is assumed that the New Homes Bonus ends between 2016-17 and 2017-18.
- Any additional fall out of the remaining ring-fenced, specific grants will be contained within the service budgets.

Budget and Funding Risks

2.6.5 Other issues for 2014-15 and beyond include:

- **Local authority funding for future years:** this is clearly a key risk. The provisional figures for the 2015-16 financial year issued by Government show a Revenue Support Grant loss of nearly 30 per cent or £16 million. The Council is highly exposed to the funding losses from the government's commitment in the December 2013 Autumn Statement to clearing the backlog of National Non-Domestic Rates (NNDR) appeals by July 2015. This may result, if the overall outcome is more negative than forecast, in the Council moving to the funding system safety net. The Council has provided for £18 million loss of NNDR income due to appeals for the whole NNDR base in the 2014-15 forecast approved by 22 January 2014 Council. The maximum funding loss is currently £2.7 million.
- **Funding of transfers of functions from central to local government:** to date no additional financial burden has fallen on the Council following the transfer of responsibility for Public Health on 1 April 2013. There are no other major transfers in the pipeline.
- **Exit costs to deliver service reductions:** there will be unavoidable costs associated with budget reductions and Tri- and Bi-borough restructuring. The Council has reserves that it can release for such one-off spending.
- **External cost pressures:** these include the increasing costs of the Freedom Pass and any future potential increase in the Western Riverside Waste Authority levy.
- **Practical operating opportunities and risks:** the Council will earn more rent – revenue income – from its property portfolio in coming years. The cap on total benefits will potentially place further pressure on the budget for temporary accommodation. This is not included in the forecast and there are earmarked reserves available to phase in the impact.
- **Changes to the Local Government Pension Scheme:** the latest valuation has reduced the Council's contribution to its pension scheme as detailed in paragraphs 2.5.7 to 2.5.8. Auto-enrolment into the Local Government Pension Scheme is a requirement for the Council from May 2013 but the Council is permitted to and is choosing to defer this until 2017. Deferring full implementation does not mitigate all costs.

- **Council Tax Support:** government funding for Council Tax Benefit (now Council Tax Support) transferred to local government mainstream funding in 2013-14 but with an estimated 10 per cent reduction. For 2013-14 the Council's share of the cost of the scheme (Localised Council Tax Support) was an estimated £9.6 million funded by £8.6 million of transferred funding. This cost is forecast to reduce for 2014-15 to around £9 million.

2.7 CONSULTATION

- 2.7.1 The Council has again consulted residents via the annual Residents' Panel Council Tax survey and the summary results were reported to Cabinet on 21 November 2013⁶.
- 2.7.2 There was a relatively low response rate compared to past year surveys (298 replies in 2013, 250 replies in 2012, 367 in 2011, 468 in 2010, 647 in 2009, 489 in 2008 and 462 in 2007).

2.8 EQUALITY IMPLICATIONS

- 2.8.1 The equalities impact of specific budget proposals have been considered in January 2014 alongside the detailed service budget reports considered by the Scrutiny Committees.
- 2.8.2 Where specific budget savings have yet to be decided in detail the equalities impact is considered and assessed by the relevant service as part of the final decision-making and implementation process.
- 2.8.3 Because the funds required for the dividend are not currently committed to any other use there will be no diminution in existing Council services as a result of this proposal. There are therefore no equalities implications arising from it. Further details are in the **Revenue Budget Book, page 13.**

2.9 LEGAL IMPLICATIONS

- 2.9.1 The Council is required to set a balanced budget. The budget as proposed is balanced.
- 2.9.2 The Town Clerk and Executive Director of Finance is required, under the section 25 of part 2 of the Local Government Act 2003 to report on

⁶ As set out in Appendix 1 of the 21 November 2013 Cabinet report [Medium Term Planning Budget and Service Prospects](#).

the robustness of the estimates made for the purpose of calculating the Council Tax and the adequacy of reserves.

- 2.9.3 I am satisfied that the budget calculations are robust and that the budget takes account of liabilities and financial risks, but in particular it assumes that the Council will not rely on withdrawals from reserves to meet recurrent revenue commitments.
- 2.9.4 I consider that current levels of unallocated reserves remain strong and contribute to the Council's sound financial position, reflected in Standard & Poor's AAA credit rating for the Council. For a full picture of forecast reserves levels, this report needs to be read alongside the Capital Programme report elsewhere on this agenda and the **Revenue Budget Book, page 9**
- 2.9.5 The Council Tax freeze should ensure an allocation of the Government's Council Tax Freeze grant which has been taken into account in setting the Council Tax for 2014-15. This is subject to final confirmation by the Government.
- 2.9.6 Following changes introduced by the Localism Act 2011, the Government has the power to require compulsory referenda on Council Tax increases above limits it sets. For 2014-15, the referendum threshold is 2 per cent. The proposal should be within the threshold change and the Council will not be required to hold a referendum.
- 2.9.7 The Council is able to make the proposed one-off payment (the £100 efficiency dividend) by virtue of the general power of competence under section 1 of the Localism Act 2011.

2.10 FINANCIAL AND RESOURCES IMPLICATIONS

- 2.10.1 These are addressed throughout the report.

NICHOLAS HOLGATE
TOWN CLERK AND EXECUTIVE DIRECTOR OF FINANCE

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

2014-15 budget files

Local Government Finance Settlement (grant notification for 2014-15). Details can be found at:

<https://www.gov.uk/government/collections/final-local-government-finance-settlement-england-2014-to-2015#final-settlement-2014-to-2015-and-illustrative-settlement-2015-to-2016>

Council Tax Consultation 2014-15 – please see Appendix 1 of Medium Term budget and Service Prospects report to Cabinet 21 November 2013.

Council Tax Base 2014-15 – approved by Council 22 January 2014.

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THE COUNCIL'S MEDIUM TERM FINANCIAL STRATEGY

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

An emphasis on sound finances

The Council's budgetary strategy focuses on:

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

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

- maintain strong corporate governance, including an effective approach to risk management;
- retain efficient Council Tax collection systems;
- combat fraud and employ well trained anti-fraud staff;
- conduct close monitoring of the budgetary position throughout the year, supported by the overview and scrutiny process;
- maintain financial and budgetary resilience by holding:
 - not less than £10 million in working balances;
 - earmarked reserves to mitigate future liabilities and risks to funding sources that could affect the revenue budget and destabilise service provision broadly equivalent to 30 per cent of recurrent spending; and
 - reserves to meet the costs of the capital investment programme over the next three years; and

maintain the Council's Standard and Poor's credit rating, an external validation of the Council's financial standing, at a rate no lower than the sovereign rating for the United Kingdom.

RESERVES POLICY

Background and context

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

As set out in the report, earmarked reserves are reviewed annually as part of the budget process, to determine whether the original purpose for the creation of the reserve still exists and whether or not the reserves should be released in full or in part. Particular attention is paid in the annual review to those reserves whose balances have not moved over a three year period.

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

- **Capital Expenditure Reserve** – projections of the use and balances on this reserve are contained in the Capital Programme 2014-15 to 2016-17 report to Cabinet on the 24 February 2014.
- **Car Parking Reserve** – projections of the use and balances on this reserve are contained in the Capital Programme 2014-15 to 2016-17 report to Cabinet on the 24 February 2014. Originally the reserve could only be used to fund spending on statutorily defined purposes directly related to transport. The Traffic Management Act 2004 extended the powers to include highways maintenance and environmental improvements. The planned drawdown and maximum eligible expenditure for funding in 2014-15 is shown in the table overleaf.

Service or Purpose	2014-15 Budget £'000
Revenue	
Schools and Youth (permits, Special Needs Transport, transport)	1,719
Social services (concessionary fares, Taxicard, welfare transport)	10,774
Street trees	365
Transport and Highways	10,041
Parks and open spaces	3,404
Street cleaning	8,064
Total Revenue	34,367
Less contribution from Car Parking Reserve	-26,000
Balance met from Council Tax budget	8,367
Capital	
Eligible schemes	2,432
Less contribution from Car Parking Reserve	-2,432
Balance met from Council Tax budget	0

Strategic context

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

Purposes

7. Reserves are therefore held for the following purposes, some of which may overlap:
 - Providing a working balance i.e. Housing Revenue Account and General Fund.
 - Smoothing the impact of uneven expenditure profiles between years e.g. local elections, structural building maintenance and carrying forward expenditure between years.
 - Holding funds for future spending plans e.g. Capital Expenditure reserve, and for the renewal of operational assets e.g. repairs and renewal, and Information Technology renewal. Meeting future costs and liabilities so as to cushion the effect on services e.g. the Supporting People Reserve (funding the ongoing reduction in grant for supported housing); the Insurance Reserve for self-funded liabilities arising from insurance claims.

- To provide resilience against future risks e.g. the Specific Grant Loss and the Demand Growth reserves and provide the capacity to manage risk.
 - To create policy capacity in a context of forecast declining future external resources e.g. Better City Life.
8. All earmarked reserves are held for a specific purpose. This, together with a summary on the movement on each reserve, is published annually, to accompany the annual Statement of Accounts. A proposal to vary the use of a reserve is subject to normal virement limits.
9. The use of some reserves is limited by regulation e.g. the Collection Fund balance must be set against Council Tax levels, reserves established through the Housing Revenue Account can only be applied within that account and the Car Parking reserve can only be used to fund specific spending. Schools reserves are also ring-fenced for their use, although there are certain regulatory exceptions.

Management

10. The Town Clerk and Executive Director of Finance reports annually on the adequacy of the reserves, as part of the Council Tax setting and budget report.
11. The approval of the Cabinet Member for Finance and Strategy is required for the release of reserves (unless already agreed by Council or Cabinet) under the Council's constitution¹.
12. The following matters apply to individual reserves:
- The General Fund working balance will not fall below £10 million, within the Council's budgetary framework i.e. without the approval of Council. The minimum value is at least 10 per cent of Council Tax requirement².
 - The Capital Expenditure Reserve is applied to meet future investment plans and is available either to fund investment directly or to support other financing costs. The reserve can also be used for preliminary costs of capital schemes e.g. feasibility.
 - The Car Parking Reserve will be applied to purposes for which there are specific statutory powers. This is broadly defined as transport and environmental improvements (the latter as defined in the Traffic Management Act 2004).

¹ Part Four D Financial Procedure Rules, paragraphs 2.20 – 2.21.

[Royal Borough of Kensington and Chelsea Constitution](#)

² The current working balance of £10 million is 14 per cent of the 2014-15 Council Tax Requirement of £71.7 million.

- The revenue and capital expenditure plans in the budget for 2014-15 to 2016-17 ensure that the three year forecast of total reserves do not fall significantly below £100 million or 30 per cent of gross spending (after potential forecast income from remunerative capital investment schemes).

REVENUE BUDGET SUMMARY

DESCRIPTION	Budget 2013-14	Forecast Outturn 2013-14	Budget 2014-15	% Change
Service Budgets	£'000	£'000	£'000	
Adult Social Care	62,574	59,389	60,954	
Children's Services	45,078	45,787	42,453	
Environment, Leisure and Residents' Services	36,309	34,216	33,455	
Housing Services	13,793	13,085	13,400	
Library, Archive and Heritage Services	6,145	6,110	5,804	
Planning and Borough Development	4,751	3,195	4,807	
Public Health	1,181	1,181	1,200	
Transport and Technical Services	(10,073)	(15,267)	(11,327)	
Corporate Services	18,537	18,713	25,922	
Adult and Family Learning Services	149	149	81	
Service Budgets Total	178,445	166,558	176,749	-1.0%
Contingency and central budgets	4,266	3,198	3,167	
Net Cost of Services	182,711	169,756	179,916	
External Interest	56	56	56	
Pension Fund Liabilities	3,306	3,305	274	
Interest and Investment Income	(1,000)	(1,000)	(1,300)	
Net Operating Expenditure	185,073	172,117	178,946	-3.3%
Transfers to (+)/from(-) reserves				
Capital Adjustment Account	(11,586)	(11,721)	(8,594)	
Transfer to Capital Reserves	5,500	5,500	5,500	
Transfer to Revenue Reserves	4,287	17,368	(1,369)	
TOTAL EXCLUDING LEVIES	183,274	183,264	174,483	-4.8%
Levies				
London Boroughs Grants Scheme	174	174	169	-2.7%
Environment Agency	213	213	211	-1.0%
London Pensions Fund Authority	1,556	1,566	1,541	-1.0%
Garden Square special expenses	1,265	1,265	1,355	7.1%
Total Levies	3,208	3,218	3,276	2.1%
TOTAL ROYAL BOROUGH EXPENDITURE	186,483	186,482	177,759	-4.7%
Council Tax Freeze Grant	(780)	(780)	(800)	
New Homes Bonus Grant	(1,095)	(1,095)	(1,095)	
Education Services Grant	0	0	(1,314)	
Business Rates Tariff (set by government)	34,395	34,395	35,065	
BUDGET REQUIREMENT	219,002	219,002	209,615	-4.3%
EXTERNAL FINANCE				
Revenue Support Grant	(69,240)	(69,240)	(56,297)	
Retained Business Rates (local forecast)	(78,547)	(78,547)	(81,217)	
Collection Fund Surplus(-) / Deficit (+)	(133)	(133)	(400)	
Total External Finance / Collection Fund	(147,920)	(147,920)	(137,913)	-6.8%
RBKC COUNCIL TAX REQUIREMENT	71,083	71,083	71,702	0.9%
PRECEPTS				
Greater London Authority	27,522	27,522	27,395	-0.5%
LOCAL TAX REQUIREMENT	98,605	98,605	99,097	0.5%
TAX BASE - BAND D EQUIVALENTS	90,831	90,831	91,622	0.9%
COUNCIL TAX - BAND D	£	£	£	
Royal Borough (excluding Garden Square special expenses)	768.65	768.65	767.79	-0.1%
Greater London Authority	303.00	303.00	299.00	-1.3%
TOTAL BASIC COUNCIL TAX - BAND D	1,071.65	1,071.65	1,066.79	-0.5%
Royal Borough (including Garden Square special expenses)	782.58	782.58	782.58	0.0%
Greater London Authority	303.00	303.00	299.00	-1.3%
TOTAL BASIC COUNCIL TAX - BAND D	1,085.58	1,085.58	1,081.58	-0.4%

The 2014-15 Corporate Services budget includes the £7.5 million for the £100 efficiency dividend.

SERVICE SUBJECTIVE AND SERVICE BUDGET SUMMARY

WHOLE AUTHORITY

SUBJECTIVE ANALYSIS	2012-13 Actual £'000	2013-14 Budget £'000	2014-15 Budget £'000
EXPENDITURE			
Employees	101,825	101,463	98,144
Premises-related expenditure	16,870	17,280	18,812
Transport-related expenditure	961	788	678
Supplies and services	27,984	49,960	59,471
Third party payments	156,002	158,392	166,673
Transfer payments	156,130	171,096	152,552
Schools delegated budgets	87,034	78,300	72,027
Depreciation (and impairment losses)	10,604	10,459	8,830
TOTAL SPENDING	557,410	587,738	577,187
LESS INCOME			
Government Grants	184,995	200,974	180,163
Dedicated Schools Grant	79,326	80,032	84,309
Other grants, reimbursements and contributions	49,277	38,816	46,140
Customer and client receipts	97,362	89,457	89,811
Interest	18	14	14
TOTAL INCOME	410,978	409,293	400,437
NET SPENDING	146,432	178,445	176,750

SERVICE SUMMARY	2012-13 Actual			2013-14 Budget			2014-15 Budget		
	Gross Spending £'000	Income £'000	Net £'000	Gross Spending £'000	Income £'000	Net £'000	Gross Spending £'000	Income £'000	Net £'000
Adult Social Care	76,600	23,742	52,858	79,591	17,017	62,574	79,756	18,802	60,954
Childrens' Services	158,918	121,242	37,676	148,340	103,262	45,078	139,872	97,419	42,453
Environment, Leisure and Resident Services	46,041	11,632	34,409	48,298	11,989	36,309	45,528	12,071	33,457
Housing Services	32,675	22,618	10,057	33,603	19,810	13,793	40,047	26,647	13,400
Libraries, Archive and Heritage Services	6,399	775	5,624	6,875	730	6,145	6,542	738	5,804
Planning and Borough Development	8,701	4,810	3,891	8,471	3,720	4,751	8,727	3,920	4,807
Public Health	0	0	0	21,892	20,710	1,182	22,414	21,214	1,200
Transport and Technical Services	36,412	49,604	-13,192	37,515	47,588	-10,073	37,943	49,271	-11,328
Corporate Services	246,682	231,687	14,995	256,559	238,022	18,537	243,737	217,815	25,922
Adults and Family Learning	1,521	1,407	114	1,427	1,278	149	1,349	1,268	81
Total Service Group Expenditure	613,949	467,517	146,432	642,571	464,126	178,445	625,915	449,165	176,750

The gross budget between years varies due to a range of factors including movements in transfer payments (mainly housing and Council Tax benefit) and grant funding held in the services (e.g. public health grant).

EXTERNAL FUNDING

	2013-14	2014-15
	£'000	£'000
Housing Benefit	169,482	149,061
Dedicated Schools Grant	80,032	84,309
Public Health Grant	20,710	21,214
Education Funding Agency	4,309	3,377
Housing Benefits Administration	1,693	1,693
Pupil Premium	1,414	1,414
Skills Funding Agency	1,278	1,268
Other Grants (less than £1 million)	2,090	2,137
Temporary Accommodation (government and client)	18,675	25,447
Health Funding	11,271	12,897
Tri and bi borough contributions	1,716	4,967
Other grants, reimbursements and contributions*	7,154	2,829
External Funding held in service budgets	319,824	310,612
Revenue Support Grant	69,241	56,283
Retained Business Rates	44,152	46,151
Council Tax Freeze Grant	711	800
New Homes Bonus Grant	1,095	1,095
Education Services Grant	0	1,314
External Funding held outside service budgets	115,199	105,644
Total External Funding	435,023	416,256

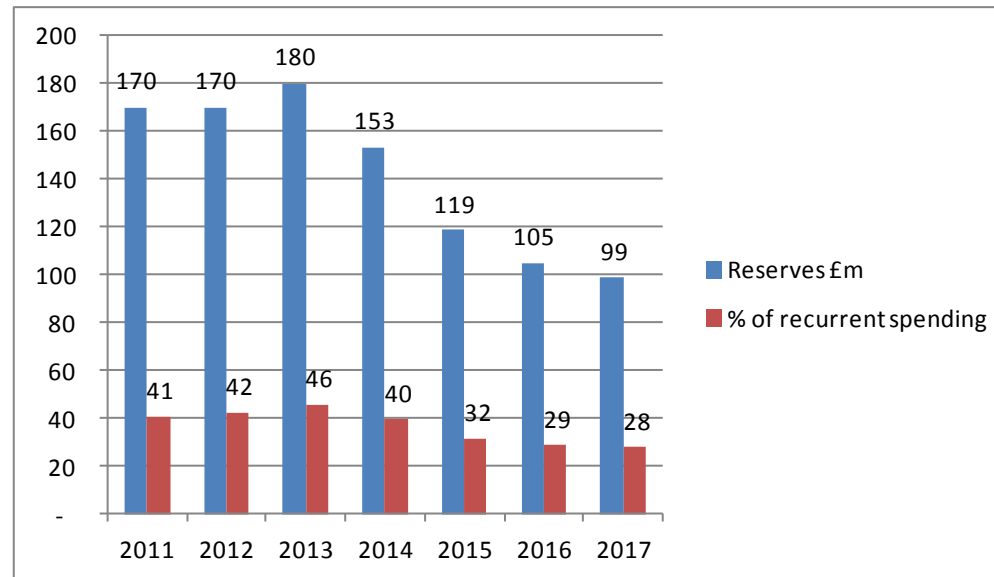
*The reduction is mainly due to Local Education Authority recoupment ending in 2013-14.

RESERVES AND BALANCES FORECAST

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

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

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



GARDEN SQUARE LEVIES

ROYAL BOROUGH COUNCIL TAX - GARDEN SQUARES KENSINGTON IMPROVEMENT ACT 1851							
(1)	(2)	(3)			(4)	(5)	(6)
CODE	GARDEN SQUARE	BAND D EQUIVALENTS	GARDEN LEVY	LESS FORECAST COUNCIL TAX SUPPORT	GARDEN SPECIAL EXPENSES	GARDEN TAX BAND D	BAND D TAX INCL GARDEN
			£	£	£	£	£
900	Addison Gardens	126	37,800	-	1,978	35,822	1,052.09
901	Arundel Gardens/Ladbroke Gardens	254	48,500	-	3,512	44,988	944.91
902	Avondale Park Gardens	28	1,600	-	233	1,367	816.61
904	Barkston Gardens	250	35,490	-	752	34,738	906.74
906	Bina Gardens (West)	182	24,500	-	632	23,868	898.93
907	Bolton Gardens	114	40,000	-	597	39,403	1,113.43
908	Bramham Gardens	378	36,000	-	5,059	30,941	849.64
909	Brompton Square	172	20,000	-	-	20,000	884.07
912	Campden Hill Square	84	28,000	-	980	27,020	1,089.46
913	Campden House Court	210	26,600	-	-	26,600	894.46
914	Clarendon Road/Lansdowne Road	45	15,500	-	-	15,500	1,112.23
915	Collingham Gardens	186	30,000	-	296	29,704	927.49
916	Cornwall Gardens	625	45,000	-	1,065	43,935	838.09
917	Courtfield Gardens (East)	216	20,000	-	394	19,606	858.56
918	Courtfield Gardens (West)	417	60,000	-	2,325	57,675	906.10
921	Earls Court Square	285	25,000	-	1,018	23,982	851.94
922	Edwardes Square	243	58,000	-	885	57,115	1,002.83
925	Gledhow Gardens	251	50,000	-	3,211	46,789	954.20
928	Hereford Square	79	18,500	-	-	18,500	1,001.97
929	Holland Road/Russell Road	195	22,800	-	3,301	19,499	867.78
930	Hornton Street/Holland Street	111	12,000	-	234	11,766	873.79
933	Iverna Court	206	12,000	-	1	11,999	826.04
936	Kensington Square	117	15,000	-	2,165	12,835	877.49
939	Lexham Gardens	297	35,000	-	790	34,210	882.97
942	Moreton and Cresswell Gardens	98	18,480	-	-	18,480	956.36
944	NeVERN Square	288	34,000	-	4,339	29,661	870.78
945	Norland Square	174	24,000	-	586	23,414	902.35
948	Ovington Square	164	25,000	-	163	24,837	919.23
951	Pembridge Square	190	39,000	-	5,950	33,050	941.74
952	Philbeach Gardens	307	55,440	-	7,561	47,879	923.75
955	Royal Crescent	180	42,550	-	1,498	41,052	995.86
958	St James's Gardens	150	24,450	-	3,256	21,194	909.08
959	Stanley Crescent	187	42,000	-	3,670	38,330	972.76
960	Stanley Gardens (North)	118	33,000	-	1,178	31,822	1,037.47
961	Stanley Gardens (South)	161	45,000	-	6,922	38,078	1,004.30
962	Sunningdale Gardens	27	3,500	-	271	3,229	887.39
965	Wetherby Gardens	337	75,850	-	1,147	74,703	989.46

ROYAL BOROUGH COUNCIL TAX - GARDEN SQUARES TOWN GARDENS PROTECTION ACT 1863							
CODE	GARDEN SQUARE	BAND D EQUIVALENTS	GARDEN LEVY	LESS FORECAST COUNCIL TAX SUPPORT	GARDEN SPECIAL EXPENSES	GARDEN TAX BAND D	BAND D TAX INCL GARDEN
			£	£	£	£	£
975	Arundel Gardens/Elgin Crescent	274	32,500	-	1,848	30,652	879.66
977	Blenheim Crescent/Elgin Crescent	254	60,000	-	4,984	55,016	984.39
978	Emperor's Gate	226	9,750	-	291	9,460	809.65
979	Ladbroke Grove	52	4,500	-	-	4,500	854.33
980	Rosmead Gardens	134	55,000	-	3,462	51,538	1,152.40
981	Lansdowne Gardens	167	28,000	-	1,421	26,579	926.95
982	Hanover Gardens	142	26,475	-	1,394	25,081	944.42
984	Montpelier Gardens	112	37,000	-	4,646	32,354	1,056.66
986	Notting Hill	37	7,000	-	444	6,556	944.98
			1,439,785	-	84,457	1,355,328	

ROYAL BOROUGH OF KENSINGTON AND CHELSEA COUNCIL TAX

	ROYAL BOROUGH COUNCIL TAX - BY BAND							
	A	B	C	D	E	F	G	H
PROPERTIES NOT IN GARDEN SQUARES	£ 511.86	£ 597.17	£ 682.48	£ 767.79	£ 938.41	£ 1109.03	£ 1279.65	£ 1535.58

KENSINGTON IMPROVEMENT ACT 1851		ROYAL BOROUGH COUNCIL TAX - GARDEN SQUARES BY BAND							
CODE	GARDEN SQUARE	A	B	C	D	E	F	G	H
		£	£	£	£	£	£	£	£
900	Addison Gardens	701.39	818.29	935.19	1,052.09	1,285.89	1,519.69	1,753.48	2,104.18
901	Arundel Gardens/Ladbroke Gardens	629.94	734.93	839.92	944.91	1,154.89	1,364.87	1,574.85	1,889.82
902	Avondale Park Gardens	544.41	635.14	725.88	816.61	998.08	1,179.55	1,361.02	1,633.22
904	Barkston Gardens	604.49	705.24	805.99	906.74	1,108.24	1,309.74	1,511.23	1,813.48
906	Bina Gardens (West)	599.29	699.17	799.05	898.93	1,098.69	1,298.45	1,498.22	1,797.86
907	Bolton Gardens	742.29	866.00	989.72	1,113.43	1,360.86	1,608.29	1,855.72	2,226.86
908	Bramham Gardens	566.43	660.83	755.24	849.64	1,038.45	1,227.26	1,416.07	1,699.28
909	Brompton Square	589.38	687.61	785.84	884.07	1,080.53	1,276.99	1,473.45	1,768.14
912	Campden Hill Square	726.31	847.36	968.41	1,089.46	1,331.56	1,573.66	1,815.77	2,178.92
913	Campden House Court	596.31	695.69	795.08	894.46	1,093.23	1,292.00	1,490.77	1,788.92
914	Clarendon Road/Lansdowne Road	741.49	865.07	988.65	1,112.23	1,359.39	1,606.55	1,853.72	2,224.46
915	Collingham Gardens	618.33	721.38	824.44	927.49	1,133.60	1,339.71	1,545.82	1,854.98
916	Cornwall Gardens	558.73	651.85	744.97	838.09	1,024.33	1,210.57	1,396.82	1,676.18
917	Courtfield Gardens (East)	572.37	667.77	763.16	858.56	1,049.35	1,240.14	1,430.93	1,717.12
918	Courtfield Gardens (West)	604.07	704.74	805.42	906.10	1,107.46	1,308.81	1,510.17	1,812.20
921	Earls Court Square	567.96	662.62	757.28	851.94	1,041.26	1,230.58	1,419.90	1,703.88
922	Edwardes Square	668.55	779.98	891.40	1,002.83	1,225.68	1,448.53	1,671.38	2,005.66
925	Gledhow Gardens	636.13	742.16	848.18	954.20	1,166.24	1,378.29	1,590.33	1,908.40
928	Hereford Square	667.98	779.31	890.64	1,001.97	1,224.63	1,447.29	1,669.95	2,003.94
929	Holland Road/Russell Road	578.52	674.94	771.36	867.78	1,060.62	1,253.46	1,446.30	1,735.56
930	Hornon Street/Holland Street	582.53	679.61	776.70	873.79	1,067.97	1,262.14	1,456.32	1,747.58
933	Iverna Court	550.69	642.48	734.26	826.04	1,009.60	1,193.17	1,376.73	1,652.08
936	Kensington Square	584.99	682.49	779.99	877.49	1,072.49	1,267.49	1,462.48	1,754.98
939	Lexham Gardens	588.65	686.75	784.86	882.97	1,079.19	1,275.40	1,471.62	1,765.94
942	Moreton and Cresswell Gardens	637.57	743.84	850.10	956.36	1,168.88	1,381.41	1,593.93	1,912.72
944	Nevern Square	580.52	677.27	774.03	870.78	1,064.29	1,257.79	1,451.30	1,741.56
945	Norland Square	601.57	701.83	802.09	902.35	1,102.87	1,303.39	1,503.92	1,804.70
948	Ovington Square	612.82	714.96	817.09	919.23	1,123.50	1,327.78	1,532.05	1,838.46
951	Pembridge Square	627.83	732.46	837.10	941.74	1,151.02	1,360.29	1,569.57	1,883.48
952	Philbeach Gardens	615.83	718.47	821.11	923.75	1,129.03	1,334.31	1,539.58	1,847.50
955	Royal Crescent	663.91	774.56	885.21	995.86	1,217.16	1,438.46	1,659.77	1,991.72
958	St James's Gardens	606.05	707.06	808.07	909.08	1,111.10	1,313.12	1,515.13	1,818.16
959	Stanley Crescent	648.51	756.59	864.68	972.76	1,188.93	1,405.10	1,621.27	1,945.52
960	Stanley Gardens (North)	691.65	806.92	922.20	1,037.47	1,268.02	1,498.57	1,729.12	2,074.94
961	Stanley Gardens (South)	669.53	781.12	892.71	1,004.30	1,227.48	1,450.66	1,673.83	2,008.60
962	Sunningdale Gardens	591.59	690.19	788.79	887.39	1,084.59	1,281.79	1,478.98	1,774.78
965	Wetherby Gardens	659.64	769.58	879.52	989.46	1,209.34	1,429.22	1,649.10	1,978.92

TOWN GARDENS PROTECTION ACT 1863		ROYAL BOROUGH COUNCIL TAX - GARDEN SQUARES BY BAND							
CODE	GARDEN SQUARE	A	B	C	D	E	F	G	H
		£	£	£	£	£	£	£	£
975	Arundel Gardens/Elgin Crescent	586.44	684.18	781.92	879.66	1,075.14	1,270.62	1,466.10	1,759.32
977	Blenheim Crescent/Elgin Crescent	656.26	765.64	875.01	984.39	1,203.14	1,421.90	1,640.65	1,968.78
978	Emperor's Gate	539.77	629.73	719.69	809.65	989.57	1,169.49	1,349.42	1,619.30
979	Ladbroke Grove	569.55	664.48	759.40	854.33	1,044.18	1,234.03	1,423.88	1,708.66
980	Rosmead Gardens	768.27	896.31	1,024.36	1,152.40	1,408.49	1,664.58	1,920.67	2,304.80
981	Lansdowne Gardens	617.97	720.96	823.96	926.95	1,132.94	1,338.93	1,544.92	1,853.90
982	Hanover Gardens	629.61	734.55	839.48	944.42	1,154.29	1,364.16	1,574.03	1,888.84
984	Montpelier Gardens	704.44	821.85	939.25	1,056.66	1,291.47	1,526.29	1,761.10	2,113.32
986	Notting Hill	629.99	734.98	839.98	944.98	1,154.98	1,364.97	1,574.97	1,889.96

TOTAL COUNCIL TAX

INCLUDING GREATER LONDON AUTHORITY PRECEPT

	TOTAL COUNCIL TAX - BY BAND							
	A	B	C	D	E	F	G	H
PROPERTIES NOT IN GARDEN SQUARES	£ 711.19	£ 829.73	£ 948.26	£ 1066.79	£ 1303.85	£ 1540.92	£ 1777.98	£ 2133.58

KENSINGTON IMPROVEMENT ACT 1851		TOTAL COUNCIL TAX - GARDEN SQUARES BY BAND							
CODE	GARDEN SQUARE	A	B	C	D	E	F	G	H
		£	£	£	£	£	£	£	£
900	Addison Gardens	900.72	1050.85	1200.97	1351.09	1651.33	1951.58	2251.81	2702.18
901	Arundel Gardens/Ladbroke Gardens	829.27	967.49	1105.70	1243.91	1520.33	1796.76	2073.18	2487.82
902	Avondale Park Gardens	743.74	867.70	991.66	1115.61	1363.52	1611.44	1859.35	2231.22
904	Barkston Gardens	803.82	937.80	1071.77	1205.74	1473.68	1741.63	2009.56	2411.48
906	Bina Gardens (West)	798.62	931.73	1064.83	1197.93	1464.13	1730.34	1996.55	2395.86
907	Bolton Gardens	941.62	1098.56	1255.50	1412.43	1726.30	2040.18	2354.05	2824.86
908	Bramham Gardens	765.76	893.39	1021.02	1148.64	1403.89	1659.15	1914.40	2297.28
909	Brompton Square	788.71	920.17	1051.62	1183.07	1445.97	1708.88	1971.78	2366.14
912	Campden Hill Square	925.64	1079.92	1234.19	1388.46	1697.00	2005.55	2314.10	2776.92
913	Campden House Court	795.64	928.25	1060.86	1193.46	1458.67	1723.89	1989.10	2386.92
914	Clarendon Road/Lansdowne Road	940.82	1097.63	1254.43	1411.23	1724.83	2038.44	2352.05	2822.46
915	Collingham Gardens	817.66	953.94	1090.22	1226.49	1499.04	1771.60	2044.15	2452.98
916	Cornwall Gardens	758.06	884.41	1010.75	1137.09	1389.77	1642.46	1895.15	2274.18
917	Courtfield Gardens (East)	771.70	900.33	1028.94	1157.56	1414.79	1672.03	1929.26	2315.12
918	Courtfield Gardens (West)	803.40	937.30	1071.20	1205.10	1472.90	1740.70	2008.50	2410.20
921	Earls Court Square	767.29	895.18	1023.06	1150.94	1406.70	1662.47	1918.23	2301.88
922	Edwardes Square	867.88	1012.54	1157.18	1301.83	1591.12	1880.42	2169.71	2603.66
925	Gledhow Gardens	835.46	974.72	1113.96	1253.20	1531.68	1810.18	2088.66	2506.40
928	Hereford Square	867.31	1011.87	1156.42	1300.97	1590.07	1879.18	2168.28	2601.94
929	Holland Road/Russell Road	777.85	907.50	1037.14	1166.78	1426.06	1685.35	1944.63	2333.56
930	Horton Street/Holland Street	781.86	912.17	1042.48	1172.79	1433.41	1694.03	1954.65	2345.58
933	Iverna Court	750.02	875.04	1000.04	1125.04	1375.04	1625.06	1875.06	2250.08
936	Kensington Square	784.32	915.05	1045.77	1176.49	1437.93	1699.38	1960.81	2352.98
939	Lexham Gardens	787.98	919.31	1050.64	1181.97	1444.63	1707.29	1969.95	2363.94
942	Moreton and Cresswell Gardens	836.90	976.40	1115.88	1255.36	1534.32	1813.30	2092.26	2510.72
944	Nevern Square	779.85	909.83	1039.81	1169.78	1429.73	1689.68	1949.63	2339.56
945	Norland Square	800.90	934.39	1067.87	1201.35	1468.31	1735.28	2002.25	2402.70
948	Ovington Square	812.15	947.52	1082.87	1218.23	1488.94	1759.67	2030.38	2436.46
951	Pembridge Square	827.16	965.02	1102.88	1240.74	1516.46	1792.18	2067.90	2481.48
952	Philbeach Gardens	815.16	951.03	1086.89	1222.75	1494.47	1766.20	2037.91	2445.50
955	Royal Crescent	863.24	1007.12	1150.99	1294.86	1582.60	1870.35	2158.10	2589.72
958	St James's Gardens	805.38	939.62	1073.85	1208.08	1476.54	1745.01	2013.46	2416.16
959	Stanley Crescent	847.84	989.15	1130.46	1271.76	1554.37	1836.99	2119.60	2543.52
960	Stanley Gardens (North)	890.98	1039.48	1187.98	1336.47	1633.46	1930.46	2227.45	2672.94
961	Stanley Gardens (South)	868.86	1013.68	1158.49	1303.30	1592.92	1882.55	2172.16	2606.60
962	Sunningdale Gardens	790.92	922.75	1054.57	1186.39	1450.03	1713.68	1977.31	2372.78
965	Wetherby Gardens	858.97	1002.14	1145.30	1288.46	1574.78	1861.11	2147.43	2576.92

TOWN GARDENS PROTECTION ACT 1863		TOTAL COUNCIL TAX - GARDEN SQUARES BY BAND							
CODE	GARDEN SQUARE	A	B	C	D	E	F	G	H
		£	£	£	£	£	£	£	£
975	Arundel Gardens/Elgin Crescent	785.77	916.74	1047.70	1178.66	1440.58	1702.51	1964.43	2357.32
977	Blenheim Crescent/Elgin Crescent	855.59	998.20	1140.79	1283.39	1568.58	1853.79	2138.98	2566.78
978	Emperor's Gate	739.10	862.29	985.47	1108.65	1355.01	1601.38	1847.75	2217.30
979	Ladbroke Grove	768.88	897.04	1025.18	1153.33	1409.62	1665.92	1922.21	2306.66
980	Rosmead Gardens	967.60	1128.87	1290.14	1451.40	1773.93	2096.47	2419.00	2902.80
981	Lansdowne Gardens	817.30	953.52	1089.74	1225.95	1498.38	1770.82	2043.25	2451.90
982	Hanover Gardens	828.94	967.11	1105.26	1243.42	1519.73	1796.05	2072.36	2486.84
984	Montpelier Gardens	903.77	1054.41	1205.03	1355.66	1656.91	1958.18	2259.43	2711.32
986	Notting Hill	829.32	967.54	1105.76	1243.98	1520.42	1796.86	2073.30	2487.96

THE £100 EFFICIENCY DIVIDEND

Since 2010 the Royal Borough has committed to a programme of savings, responding to reductions in grant from central Government entailed by the need to reduce the deficit in the public finances. Reductions in cost have exceeded the targets for savings targets for 2013-14, thereby producing a surplus. The Council has decided to return some of this money to Council Tax payers in the form of a one-off £100 efficiency dividend.

Scope for action

The general power of competence under Section 1 of the Localism Act 2011 provides the Council with the power to pay the dividend as proposed.

The rationale is to pay the dividend to those residents that pay Council Tax rather than all residents. Because Council Tax Benefit has now become a Localised Council Tax Support (LCTS) scheme paid by the Council itself, on this occasion, unlike the £50 dividend paid in 2009, the proposal would be for those in receipt of partial LCTS to receive the dividend only to the value of the share of Council Tax they pay themselves up to the maximum dividend the Council decides to pay.

On that basis the dividend will only be paid to those who pay their own Council Tax. It would not be paid to those in receipt of a full exemption e.g. students and on account of other exempt properties such as those occupied by diplomats.

Eligibility criteria for the £100 efficiency dividend payment are set out below.

Eligibility Criteria

1. The £100 payment will be made to residents of the Royal Borough who, on or before 1 April 2014, are known by the Council to be liable for Council Tax on 1 April 2014.
2. The payment will not be made where the Council Tax liabilities are in respect of:
 - student halls of residence and other properties occupied entirely by students;
 - 100% reduction under the Local Council Tax Support Scheme
 - Other exempt properties
3. The payment will be credited to the resident's Council Tax account, reducing the April 2014 instalment by £100.
4. Where there are arrears of Council Tax for 2013-14 or previous years, the £100 will be applied to those arrears.
5. Where a resident is due to pay less than £100 council tax for the year 2014-15, the payment will be of the amount due

6. Initially the payments will be made at the time the 2014-15 Council Tax bills are prepared, in the week commencing 10 March 2014. Residents who meet the condition defined in paragraph 1 but who first become liable after the bills are prepared or whose liability is made known to the Council after that date will have their Council Tax accounts credited by £100 later, probably at the end of April.

Equalities Impact

Whereas the £50 dividend in 2009 was intended to ameliorate (in part) the effect of the recession on households within the borough, the 2014 scheme has a simpler purpose and rationale, namely to return to Council Taxpayers a proportion of the revenue collected from them; or (in relation to new Council taxpayers) to reduce the amount they pay to the Council in 2014-15.

The scheme has been designed specifically to have this effect and to treat all resident Council taxpayers fairly (irrespective of any protected characteristics). Taxpayers in arrears will have these reduced by up to £100. Those due to pay less than £100 to the Council will receive an amount equivalent to the amount due.

Residents who do not pay Council tax will not receive a dividend. While it is technically possible to operate a graduated scheme based on Council tax band, this would make the scheme significantly more difficult to implement and introduce a disproportionate element of complexity to an otherwise easily understood scheme.

ADULT SOCIAL CARE
REVENUE BUDGET 2014-2015

ADULT SOCIAL CARE

Summary of Changes

	£'000
ORIGINAL BUDGET 2013-14	62,574
Price Variations - Service	317
Price Variations - Central Support Services	0
INFLATION	317
Managing demand for and price of residential and nursing placements through Tri-borough arrangements	-471
Reduced cost of the Taxicard scheme due to additional funding provided by Transport for London	-200
Management savings arising from Tri-borough arrangements	-300
Reduced cost of training due to Tri-borough efficiencies	-57
Use of Social Care to Benefit Health funding to protect front-line services	-750
Alignment of Learning Disability budgets through removing historic underspends	-350
Savings arising from a Tri-borough procurement exercise for passenger transport services	-200
A reduction in the budget for day opportunities by realigning the budget to the cost of the service	-100
SAVINGS	-2,428
Increased employee costs due to the Single Status Agreement	140
Concessionary Fares - increase reflects current level of usage	198
GROWTH	338
Central support charges	172
Transfer of other budgets/recharges between Services	-214
Depreciation	136
Change in current service pension liability cost (IAS19)	116
Other small variances	-57
OTHER	153
FORECAST BUDGET 2014-15	60,954

ADULT SOCIAL CARE

Subjective Summary

Subjective Grouping	Notes	<i>2012-13 Actual</i> £'000	<i>2013-14 Budget</i> £'000	<i>2014-15 Budget</i> £'000
Employees		15,672	15,406	16,965
Premises-related expenditure		512	621	621
Transport-related expenditure		83	26	26
Supplies and services		1,081	1,215	1,159
Third party payments		54,386	58,366	56,686
Support services		4,574	3,665	3,871
Depreciation (and impairment losses)		292	292	428
SPENDING		76,600	79,591	79,756
Government Grants		3,750	0	0
Other grants, reimbursements and contributions		15,350	12,142	14,373
Customer and client receipts		4,487	4,720	4,274
Recharges		155	155	155
INCOME		23,742	17,017	18,802
NET SPENDING		52,858	62,574	60,954

ADULT SOCIAL CARE

Service Summary

Service	2012-13 Actual			2013-14 Budget			2014-15 Budget		
	Spend £'000	Income £'000	Net £'000	Spend £'000	Income £'000	Net £'000	Spend £'000	Income £'000	Net £'000
Adult Social Care Management & Support Services	6,246	1,601	4,645	6,304	1,084	5,220	6,238	1,180	5,058
	6,246	1,601	4,645	6,304	1,084	5,220	6,238	1,180	5,058
Services for Older People									
Assessment and Care Management	4,901	332	4,569	5,179	336	4,843	5,685	311	5,374
Nursing	2,650	862	1,788	2,968	880	2,088	2,567	657	1,910
Residential	11,287	2,848	8,439	10,100	2,105	7,995	10,594	2,141	8,453
Supported Accommodation	1,423	114	1,309	1,570	103	1,467	1,565	103	1,462
Home Care	4,766	2,199	2,567	5,077	2,318	2,759	5,470	2,441	3,029
Direct Payments	904	53	851	983	76	907	983	76	907
Day Care	2,355	126	2,229	2,451	136	2,315	2,201	136	2,065
Equipment and Adaptations	150	0	150	271	0	271	271	0	271
Meals	337	169	168	390	185	205	390	150	240
Other Services	1,893	3,416	-1,523	4,294	3,297	997	3,939	3,836	103
	30,666	10,119	20,547	33,283	9,436	23,847	33,665	9,851	23,814
Services for People with a Physical Disability or Sensory Impairment									
Assessment and Care Management	1,116	51	1,065	983	32	951	1,032	46	986
Residential	656	78	578	750	68	682	659	56	603
Supported Accommodation	3	0	3	76	0	76	38	0	38
Home Care	916	34	882	799	63	736	678	0	678
Direct Payments	1,138	74	1,064	1,368	60	1,308	1,368	60	1,308
Day Care	159	0	159	191	0	191	195	0	195
Equipment and Adaptations	65	0	65	133	0	133	132	0	132
Other Services	172	0	172	198	0	198	183	0	183
	4,225	237	3,988	4,498	223	4,275	4,285	162	4,123
Services for People with Learning Disabilities									
Assessment and Care Management	592	95	497	520	0	520	558	0	558
Residential	6,135	4,321	1,814	6,127	1,738	4,389	6,296	2,540	3,756
Supported Accommodation	2,539	1,246	1,293	2,158	835	1,323	3,001	1,401	1,600
Home Care	266	396	-130	610	189	421	300	129	171
Direct Payments	1,687	438	1,249	1,285	167	1,118	1,457	339	1,118
Day Care	1,947	469	1,478	2,257	364	1,893	2,011	302	1,709
Other Services	1,723	1,497	226	2,892	1,262	1,630	1,842	581	1,261
	14,889	8,462	6,427	15,849	4,555	11,294	15,465	5,292	10,173

ADULT SOCIAL CARE

Service Summary

Service	2012-13 Actual			2013-14 Budget			2014-15 Budget		
	Spend £'000	Income £'000	Net £'000	Spend £'000	Income £'000	Net £'000	Spend £'000	Income £'000	Net £'000
Services for Adults with Mental Health Needs									
Assessment and Care Management	2,048	296	1,752	2,197	334	1,863	1,922	94	1,828
Residential	914	202	712	1,365	274	1,091	1,094	195	899
Supported Accommodation	2,157	1,104	1,053	1,705	637	1,068	1,951	883	1,068
Home Care	287	0	287	159	0	159	159	0	159
Direct Payments	64	0	64	72	0	72	72	0	72
Day Care	1,965	164	1,801	2,098	159	1,939	2,025	159	1,866
Other Services	332	205	127	387	232	155	370	204	166
	7,767	1,971	5,796	7,983	1,636	6,347	7,593	1,535	6,058
Services for Other Adults									
Substance Misuse	1,989	1,236	753	0	0	0	698	698	0
HIV/AIDS	210	88	122	322	83	239	328	83	245
	2,199	1,324	875	322	83	239	1,026	781	245
Public Transport									
Concessionary Fares	8,848	0	8,848	9,494	0	9,494	9,732	0	9,732
Taxicard	552	29	523	733	0	733	537	0	537
	9,400	29	9,371	10,227	0	10,227	10,269	0	10,269
Supporting People									
Supporting People	1,209	0	1,209	1,125	0	1,125	1,214	0	1,214
	1,209	0	1,209	1,125	0	1,125	1,214	0	1,214
TOTAL ADULT SOCIAL CARE	76,601	23,743	52,858	79,591	17,017	62,574	79,755	18,801	60,954

CHILDREN'S SERVICES
REVENUE BUDGET 2014-2015

CHILDREN'S SERVICES

Summary of Changes

	£'000
ORIGINAL BUDGET 2013 -14	45,078
Price Variations - Service	432
Price Variations - Central Support Services	0
INFLATION	432
Review of Children with Disabilities Service	-120
Review of Looked After Children Service	-206
Review of Education Services	-55
Placement support services	-205
Children's Centre Strategy Review	-500
Youth Service Mutual	-155
Passenger Transport	-447
Procurement savings	-74
SAVINGS	-1,762
Financial support for children leaving care	100
Social Care enhancements pilot	90
Children and families project	30
GROWTH	220
Central support charges change	-344
Transfers of budget internally	25
Depreciation change	-1509
Change in current service pension liability cost (IAS19)	409
Change in property managed costs	-96
OTHER	-1,515
FORECAST BUDGET 2014-15	42,453

CHILDREN'S SERVICES

Subjective Summary

Subjective Grouping	Notes	2012-13 Actual £'000	2013-14 Budget £'000	2014-15 Budget £'000
Employees		28,530	24,715	22,073
Premises-related expenditure		1,778	1,284	1,175
Transport-related expenditure		491	341	248
Supplies and services		6,642	10,371	18,939
Third party payments		23,570	22,183	17,612
Transfer Payments		16	86	86
Schools Delegated Budgets		87,034	78,300	72,027
Support services		10,529	10,727	7,432
Depreciation (and impairment losses)		328	333	280
SPENDING		158,918	148,340	139,872
Government Grants		16,178	7,101	5,737
Dedicated Schools Grant		79,326	80,032	84,309
Other grants, reimbursements and contributions		9,461	6,105	816
Customer and client receipts		12,223	5,157	4,904
Inter Business Group Chrgs		0	0	0
Recharges		4,054	4,867	1,653
INCOME		121,242	103,262	97,419
NET SPENDING		37,676	45,078	42,453

CHILDREN'S SERVICES

Service Summary

Service	2012-13 Actual			2013-14 Budget			2014-15 Budget		
	Spend £'000	Income £'000	Net £'000	Spend £'000	Income £'000	Net £'000	Spend £'000	Income £'000	Net £'000
Children's Commissioning									
Business Analysis	129	0	129	136	0	136	140	0	140
Business Development	152	110	42	244	269	-25	174	0	174
Business Support	91	0	91	105	41	64	90	0	90
Commissioning - Children & Early Years	76	112	-36	1,411	52	1,359	584	0	584
Commissioning - Social Care	968	0	968	126	0	126	568	0	568
Commissioning - Young People	1,351	69	1,282	1,266	0	1,266	4,555	0	4,555
Commissioning management	159	8	151	-163	0	-163	71	0	71
Complaints	83	12	71	109	3	106	106	0	106
Health	111	40	71	33	0	33	86	0	86
Non-educational school contracts	2,657	2,779	-122	2,713	2,685	28	2,628	2,604	24
Policy (non data)	269	59	210	315	477	-162	217	0	217
Workforce Development	332	101	231	262	0	262	379	23	356
Children's Commissioning Total	6,378	3,290	3,088	6,557	3,526	3,031	9,598	2,627	6,971
Tri Borough Education Service									
Admissions	290	299	-9	409	404	5	441	475	-34
Alternative Provision	2,184	2,258	-74	2,749	2,617	132	1,923	1,761	162
Continuing Professional Development	386	240	146	236	140	96	216	76	140
Education Data Team	131	0	131	156	0	156	135	0	135
Education Psychology	542	468	74	624	0	624	589	12	577
Education Welfare - Statutory	475	5	470	559	-116	675	316	1	315
Governors support	121	143	-22	137	145	-8	145	138	7
Music	141	116	25	190	167	23	106	56	50
School Standards	2,171	923	1,248	3,847	2,923	924	1,472	988	484
SEN Support Services & Outreach	245	245	0	194	194	0	270	270	0
SEN Transport	2,063	52	2,011	1,790	0	1,790	1,349	0	1,349
Special Educational Needs	7,860	7,186	674	7,776	7,284	492	11,565	11,127	438
Virtual School Team	444	213	231	543	301	242	556	287	269
Social Enterprise	0	0	0	8	0	8	0	0	0
No longer in use	2	0	2	0	-64	64	0	0	0
Schools Leadership Team	256	56	200	0	0	0	111	0	111
Tri-Borough Education Service Total	17,311	12,204	5,107	19,218	13,995	5,223	19,194	15,191	4,003
Finance & Resources									
Executive Support Team	172	172	0	180	197	-17	227	148	79
Finance Team	663	663	0	574	645	-71	682	526	156
Info & Comm Tech (ICT)	550	550	0	655	530	125	577	439	138
Overheads	833	498	335	761	429	332	534	327	207
Tri Borough Cost Holding	3,475	3,454	21	43	0	43	0	0	0
Portfolio Team	21	0	21	0	0	0	44	0	44
Finance & Resources Total	5,714	5,337	377	2,213	1,801	412	2,064	1,440	624

CHILDREN'S SERVICES

Service Summary

Service	2012-13 Actual			2013-14 Budget			2014-15 Budget		
	Spend £'000	Income £'000	Net £'000	Spend £'000	Income £'000	Net £'000	Spend £'000	Income £'000	Net £'000
Safeguarding and LSCB									
LSCB	48	0	48	39	0	39	51	0	51
Safeguarding	910	156	754	958	218	740	878	15	863
Safeguarding & LSCB Total	958	156	802	997	218	779	929	15	914
Family Services									
Children with Disabilities	3,470	922	2,548	3,482	116	3,366	3,206	116	3,090
Early Help Services	1,193	975	218	1,454	605	849	1,725	0	1,725
Early Years - Curriculum Support (FS)	8,415	6,450	1,965	8,733	3,788	4,945	9,283	5,576	3,707
Early Years Outreach	0	0	0	1	0	-1	0	0	0
Extended Services	1,431	256	1,175	1,398	255	1,143	1,271	263	1,008
Family Services Management & Support Services	935	962	-27	1,015	1,149	-134	1,017	16	1,001
Fostering & Adoption	1,834	506	1,328	1,738	349	1,389	1,996	428	1,568
High needs service	1,897	583	1,314	1,596	36	1,560	1,654	30	1,624
LAC & Leaving Care Services	8,183	343	7,840	8,585	297	8,288	7,917	262	7,655
Promoting / Section 17 services	303	1	302	338	0	338	399	0	399
Social Work Teams	5,853	563	5,290	6,250	557	5,693	5,809	446	5,363
Youth Offending Service	1,152	566	586	1,130	506	624	1,102	469	633
Youth Service Management & Support Services	497	497	0	688	729	-41	0	0	0
Youth Support & Development Service	5,608	2,650	2,958	5,041	485	4,556	0	0	0
Family Services Total	40,771	15,274	25,497	41,447	8,872	32,575	35,379	7,606	27,773
Senior Management Team	753	719	34	578	302	276	682	217	465
School Funding	87,034	84,265	2,769	77,332	74,547	2,785	72,027	70,325	1,702
Total	158,919	121,245	37,674	148,342	103,261	45,081	139,873	97,421	42,452
Adjustment for Internal Recharges	-4,055	-4,054	-1	-4,867	-4,867	0	-1,653	-1,653	0
TOTAL CHILDREN'S SERVICES	154,864	117,191	37,673	143,475	98,394	45,081	138,220	95,768	42,452

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

REVENUE BUDGET 2014-2015

ENVIRONMENT, LEISURE AND RESIDENTS' SERVICES

Summary of Changes

	£'000
ORIGINAL BUDGET 2013-14	36,309
Price Variations - expenditure	464
Price Variations - income	-40
INFLATION	424
Reduced cost of street cleansing due to successful negotiations with the contractor to drive efficiencies without affecting quality of service	-10
Alignment of waste and street cleansing contract budget to match current expenditure	-205
More efficient street cleansing operations including rationalisation of dayworks and a review of routes and frequencies, with no impact on service quality	-70
Revised arrangements for the garden waste service to ensure full cost recovery	-50
Reduce Street Enforcement supplies and services budgets in line with current expenditure	-25
Align Recycling supplies and services budgets to match current expenditure	-12
Remove management expenditure budgets	-17
Increased efficiency in Environmental Strategy and Climate Change budgets	-15
Review of Grounds Maintenance contract to align working practices and contract end dates with LB Hammersmith & Fulham	-100
Increased income from Chelsea Leisure Centre following the extension of the gym	-111
Reduced cost of the leisure centre management contract due to improved performance of new facilities (Kensington Academy and Leisure Centre)	-90
Improved efficiency in Leisure services supplies and services spend with no impact on service quality	-60
Alignment of Cemeteries supplies and services budgets to match current expenditure	-31
Improved efficiency in Parks Maintenance supplies and services budgets	-43
Alignment of Ecology Centre budgets to match current expenditure	-10
Savings from a Bi-borough CCTV service	-58
Reduce the Coroner and Mortuary budgets in line with current expenditure	-50
Increased income from the Commercial Waste service	-150
Alignment of Commercial Waste supplies and services budgets to match current expenditure	-35
Reduced management and administration costs within the Business Improvement Team	-90
Improved efficiency in market development budgets with no impact on service delivery	-5
Reduced administration costs relating to the Notting Hill Carnival	-8
Improved efficiency in Arts Team supplies & services budgets	-33
Increased income from the museums service	-26
Reduced expenditure for Opera Holland Park	-27
SAVINGS	-1,331
Increased Waste Disposal Costs	0
LOCAL GROWTH	0
NNDR (Corporate)	0
CORPORATE GROWTH	0
Central support charges change	-522
Transfers of budget internally	280
Depreciation change	-1,750
Change in current service pension liability cost (IAS19)	45
OTHER	-1,947
FORECAST BUDGET 2014-15	33,455

ENVIRONMENT, LEISURE AND RESIDENTS' SERVICES

Subjective Summary

Subjective Grouping	Notes	2012-13 Actual £'000	2013-14 Budget £'000	2014-15 Budget £'000
Employees		5,324	5,639	5,582
Premises-related expenditure		3,633	3,764	3,598
Transport-related expenditure		124	125	125
Supplies and services		3,816	3,985	3,763
Third party payments		27,091	28,477	28,423
Support services		3,193	3,612	3,091
Depreciation (and impairment losses)		2,860	2,696	946
SPENDING		46,041	48,298	45,528
Other grants, reimbursements and contributions		718	695	660
Customer and client receipts		10,276	10,656	10,730
Interest		1	1	1
Recharges		637	637	680
INCOME		11,632	11,989	12,071
NET SPENDING		34,409	36,309	33,457

Notes

The main changes between the 2013-14 and 2014-15 budgets are set out in the following notes.

- 1 Budget efficiencies -£152,000 (mainly Parks Maintenance); Realignment of Museums budgets -£67,000; Contract inflation +£53,000.
- 2 Budget efficiencies -£161,000 (across a number of services); Opera Holland Park reduction in production costs -£104,000; Various budget realignments +£42,000.
- 3 Buildings and Property Services recharges -£206,000; Customer Services recharge -£178,000; Charges from Housing -£115,000; Various other recharge adjustments -£23,000.
- 4 Sports Centres -£1,959,000 (the 2013-14 estimate included writing down the book value of Kensington Leisure Centre); Denyer Street depot +£202,000 (writing down value due to planned demolition); Other small changes +£7,000.

ENVIRONMENT, LEISURE AND RESIDENTS' SERVICES

Service Summary

Service	2012-13 Actual			2013-14 Budget			2014-15 Budget		
	Spend £'000	Income £'000	Net £'000	Spend £'000	Income £'000	Net £'000	Spend £'000	Income £'000	Net £'000
Corporate and Democratic Core	78	0	78	78	0	78	87	0	87
Cleaner, Greener and Cultural Services									
Waste and Street Enforcement									
Operations - Cleansing	13,174	156	13,018	13,387	159	13,228	13,449	164	13,285
Waste Disposal	10,458	0	10,458	11,832	0	11,832	11,853	-	11,853
Recycling	2,195	16	2,179	2,312	16	2,296	2,495	66	2,429
Environmental Strategy	201	15	186	278	14	264	349	-	349
Culture									
Arts Development and Support	935	28	907	731		731	633	0	633
Holland Park Theatre	3,260	2,265	995	3,454	2,666	788	3,335	2,528	807
Museums and Galleries	1,126	412	714	1,110	377	733	1,174	403	771
Carnival, Filming and Events	1,138	269	869	1,042	298	744	989	301	688
Total Cleaner, Greener and Cultural Services	32,487	3,161	29,326	34,146	3,530	30,616	34,277	3,462	30,815
Safer Neighbourhoods									
Leisure and Parks									
Sports Centres	2,832	88	2,744	3,150	10	3,140	462	10	452
Parks and Open Spaces	3,638	194	3,444	3,825	176	3,649	3,699	182	3,517
Cemeteries	792	1,006	-214	814	1,002	-188	724	1,042	-318
Community Safety									
CCTV	421	0	421	421	0	421	274	0	274
Parks Police	803	94	709	764	80	684	865	6	859
Emergency Services									
Coroners and Mortuary Services	425	0	425	487	0	487	435	0	435
Total Safer Neighbourhoods	8,911	1,382	7,529	9,461	1,268	8,193	6,459	1,240	5,219
Customer and Business Development									
Business Support									
Commercial Waste and Revenue Services	2,580	5,134	-2,554	2,676	5,267	-2,591	2,714	5,418	-2,704
Traders Stores and Market Development	215	212	3	231	217	14	238	199	39
Regulation of Street Trading	837	808	29	820	820	0	822	822	0
Total Customer and Business Development	3,632	6,154	-2,522	3,727	6,304	-2,577	3,774	6,439	-2,665
Adjustment for Recharged Services Income	934	934	0	887	887	0	929	929	0
TOTAL	46,042	11,631	34,411	48,299	11,989	36,310	45,526	12,070	33,456
FULLY RECHARGED SERVICES									
Executive, Finance and Business Improvement	1,113	103	1,010	1,091	77	1,014	757	35	722
Directors and Heads of Service	2,520	162	2,358	2,539	151	2,388	1,625	147	1,478
Contracts and Enforcement	1,923	669	1,254	1,922	659	1,263	2,192	746	1,446
TOTAL FULLY RECHARGED SERVICES	5,556	934	4,622	5,552	887	4,665	4,574	928	3,646

HOUSING SERVICES
REVENUE BUDGET 2014-2015

HOUSING SERVICES

Summary of Changes

	£'000
ORIGINAL BUDGET 2013-14	13,794
Price Variations	65
INFLATION	65
Deletion of procurement post in Housing Services	-35
Deletion of management and administration posts within Housing Needs Service	-131
Reduced expenditure on Supporting People through reprocurement of services	-300
Reduction in Housing Initiatives budget	-35
Reduction in Homelessness Prevention budget	-94
SAVINGS	-595
GROWTH	0
Central support charges change	59
Transfer of budget internally	28
Change in current service pension liability cost (IAS19)	49
OTHER	136
FORECAST BUDGET 2014-15	13,400

HOUSING SERVICES

Subjective Summary

Subjective Grouping	Notes	2012-13 Actual £'000	2013-14 Budget £'000	2014-15 Budget £'000
Employees		4,769	4,961	5,494
Premises-related expenditure		41	60	55
Transport-related expenditure		8	7	6
Supplies and services		827	515	515
Third party payments		25,580	26,608	32,432
Support Services		1,449	1,451	1,544
Depreciation (and impairment losses)		1	1	1
SPENDING		32,675	33,603	40,047
INCOME				
Government Grants		2,300	0	0
Other grants, reimbursements and contributions		19,264	18,759	25,771
Customer and client receipts:		347	362	129
Interest		12	13	13
Recharges to Housing Revenue Account		695	676	734
INCOME		22,618	19,810	26,647
NET SPENDING		10,057	13,793	13,400

HOUSING SERVICES

Service Summary

Service	2012-13 Actual			2013-14 Budget			2014-15 Budget		
	Spend £'000	Income £'000	Net £'000	Spend £'000	Income £'000	Net £'000	Spend £'000	Income £'000	Net £'000
Corporate and Democratic Core	20	0	20	22	0	22	20	0	20
Housing Strategy	271	0	271	250	0	250	247	0	247
Homelessness & Housing Advice	24,289	21,880	2,409	25,210	19,077	6,133	32,320	26,113	6,207
RSL's and Housing Advances	618	21	597	698	16	682	600	16	584
Supporting People	6,988	228	6,760	6,979	273	6,706	6,531	189	6,342
Housing Management and Support	1,443	1,443	0	1,670	1,670	0	1,429	1,429	-
Total	33,629	23,572	10,057	34,829	21,036	13,793	41,147	27,747	13,400
Adjustment for Internal Recharges	(954)	(954)	0	(1,222)	(1,222)	0	(1,100)	(1,100)	0
TOTAL HOUSING SERVICES	32,675	22,618	10,057	33,607	19,814	13,793	40,047	26,647	13,400

HOUSING REVENUE ACCOUNT

HOUSING REVENUE ACCOUNT			
BUSINESS UNITS N1000 to N6000, H0100, H0200, H0300, H0400			
Cabinet Member for Housing and Property	<i>Actual</i>	Budget	Budget
	2012-2013	2013-2014	2014-2015
	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>
EXPENDITURE			
Salaries			
Premises Related Expenditure			
Transport Related Expenditure			
Supplies & Services			
Agency & Contracted Services			
Housing Benefit & Other Transfer Payments			
Total Direct Expenditure			
Central Support Services Recharges			
Departmental Support Services Recharge			
Contribution to Working Balance			
Capital Financing Costs			
Contingency			
TOTAL EXPENDITURE			
INCOME			
Government Grants			
Other Grants & Contributions			
Contribution from Working Balance			
Fees, Charges & Other Client Income			
Rent – Dwellings			
Interest			
TOTAL INCOME			
NET EXPENDITURE (FULLY RECHARGED)	<i>0</i>	<i>0</i>	<i>0</i>
DESCRIPTION OF SERVICE			
<p>The Housing Revenue Account (HRA) contains all the income and expenditure on goods and services relating to the provision, management and maintenance of the Council's properties and tenancies. By law, the HRA must be balanced with no contributions to or from the General Fund. Since April 1996 responsibility for management and maintenance has been delegated to the RBKC Tenant Management Organisation, and it is now responsible for most budgets. The Council retains responsibility for a limited range of budget headings which are inappropriate for delegation. For 2014-15 rents have been set in line with the government's rent restructuring formula.</p>			
MAJOR VARIATIONS			

***LIBRARY ARCHIVE AND HERITAGE
SERVICES***

REVENUE BUDGET 2014-2015

LIBRARY, ARCHIVE AND HERITAGE SERVICES

Summary of Changes

	£'000
ORIGINAL BUDGET 2013-14	6,145
INFLATION	49
Supplies and services efficiencies	-47
Income opportunities and efficiencies	-40
ICT maintenance savings	-24
Tri-borough savngs	-45
SAVINGS	-156
Central support charges change	-303
Releases from Contingency	25
Transfers of budget internally	22
Depreciation change	13
Change in current service pension liability cost (IAS19)	9
OTHER	-234
FORECAST BUDGET 2014-15	5,804

LIBRARY, ARCHIVE AND HERITAGE SERVICES

Subjective Summary

Subjective Grouping	Notes	<i>2012-13 Actual</i> £'000	<i>2013-14 Budget</i> £'000	<i>2014-15 Budget</i> £'000
Employees		2,423	2,813	2,656
Premises-related expenditure		729	870	852
Transport-related expenditure		6	8	8
Supplies and services		623	693	702
Third party payments		610	486	609
Support Services		1,470	1,467	1,164
Depreciation (and impairment losses)		538	538	551
SPENDING		6,399	6,875	6,542
Other grants, reimbursements and contributions		479	511	532
Customer and client receipts		274	197	206
Recharges		22	22	0
INCOME		775	730	738
NET SPENDING		5,624	6,145	5,804

LIBRARY, ARCHIVE AND HERITAGE SERVICES

Service Summary

Service	2012-13 Actual			2013-14 Budget			2014-15 Budget		
	Spend £'000	Income £'000	Net £'000	Spend £'000	Income £'000	Net £'000	Spend £'000	Income £'000	Net £'000
Libraries, Archive and Heritage Services									
Management	809	59	750	687	169	518	690	223	467
Reference, Information and Local Studies Services	0	0	0	0	0	0	570	192	378
Operations - Libraries	3,944	502	3,442	4,400	351	4,049	3,937	188	3,749
Operations - Other	994	180	814	1,111	210	901	242	17	225
Community Development	573	34	539	589	0	589	1,011	118	893
Archives	69	0	69	78	0	78	82	0	82
Heritage	10	0	10	10	0	10	10	0	10
TOTAL LIBRARIES, ARCHIVE AND HERITAGE SERVICES	6,399	775	5,624	6,875	730	6,145	6,542	738	5,804

***PLANNING AND BOROUGH
DEVELOPMENT***

REVENUE BUDGET 2014-2015

PLANNING AND BOROUGH DEVELOPMENT

Summary of Changes

	£'000
ORIGINAL BUDGET 2013-14	4,751
Price Variations - Service	63
Price Variations - Central Support Services	0
INFLATION	63
Reduction in Lergal Services SLA Budget	-40
Reuction in Support staff costs	-54
Increase in Pre-application income	-310
Increase in Land Charges income	-20
SAVINGS	-424
Bi-Borough ACV Post	15
Conservation Area Appraisals work	100
Work on Enterprise	115
Enforcement work	80
GROWTH	310
Central support charges change	45
Transfers of budget internally	-6
Depreciation change	0
Change in current service pension liability cost (IAS19)	68
OTHER	107
FORECAST BUDGET 2014-15	4,807

PLANNING AND BOROUGH DEVELOPMENT

Subjective Summary

Subjective Grouping	Notes	2012-13 Actual £'000	2013-14 Budget £'000	2014-15 Budget £'000
Employees		5,319	5,175	5,236
Premises-related expenditure		0	0	0
Transport-related expenditure		19	22	14
Supplies and services		300	261	393
Third party payments		1,238	1,216	1,241
Support services		1,769	1,741	1,787
Depreciation (and impairment losses)		56	56	56
SPENDING		8,701	8,471	8,727
Government Grants		217	20	20
Other grants, reimbursements and contributions		93	50	50
Customer & Client Receipts		4,500	3,650	3,850
INCOME		4,810	3,720	3,920
NET SPENDING		3,891	4,751	4,807

Notes

- 1 Employee costs have increased with additional resources for the Conservation Area Appraisals work and posts in Development Management. This has been partially offset by a saving in support services and a reduction in Building Control staffing.
- 2 Budget has been transferred from employees costs to office related costs in Building Control (other).
- 3 Consultancy costs have been increased to help with the commercial enterprise work. These costs are partially offset by reductions in legal services budgets and the transfer of the Graffiti removal budget to ELRS.
- 4 Central Support costs have increased due to some changes in the methods of allocating costs.
- 5 Pre-application fees and Planning performance agreement budgets have been increased to reflect higher usage. A reduction in Building Control fees reflects the continuing decline in this area.

PLANNING AND BOROUGH DEVELOPMENT

Service Summary

Service	2012-13 Actual			2013-14 Budget			2014-15 Budget		
	Spend £'000	Income £'000	Net £'000	Spend £'000	Income £'000	Net £'000	Spend £'000	Income £'000	Net £'000
Corporate and Democratic Core	269	0	269	256	0	256	244	0	244
Planning Services									
Development Management	4,083	2,539	1,544	4,130	1,616	2,514	4,334	2,083	2,251
Land Charges	411	1,441	(1,030)	382	1,179	(797)	376	1,199	(823)
Policy	694	323	371	612	80	532	601	80	521
Neighbourhood Planning	410	26	384	397	9	388	450	9	441
Specialist Services	1,469	9	1,460	1,358	8	1,350	1,680	7	1,673
Total Planning Services	7,067	4,338	2,729	6,879	2,892	3,987	7,441	3,378	4,063
Total Building Control	1,548	655	893	1,516	1,008	508	1,206	706	500
Adjustment for Internal Recharges	(183)	(183)	0	(180)	(180)	0	(164)	(164)	0
TOTAL PLANNING AND BOROUGH DEVELOPMENT	8,701	4,810	3,891	8,471	3,720	4,751	8,727	3,920	4,807

***PUBLIC HEALTH
REVENUE BUDGET 2014-2015***

PUBLIC HEALTH
Summary of Changes

	£'000
ORIGINAL BUDGET 2013-14	1,182
Price Variations - Service	
Price Variations - Central Support Services	
INFLATION	0
SAVINGS	0
GROWTH	0
OTHER	17
FORECAST BUDGET 2014-15	1,199

PUBLIC HEALTH

Subjective Summary

Subjective Grouping	Notes	<i>2012-13 Actual £'000</i>	<i>2013-14 Budget £'000</i>	<i>2014-15 Budget £'000</i>
EXPENDITURE				
Employees		0	1,156	1,347
Premises-related expenditure		0	218	303
Supplies and services		0	20,089	20,711
Third party payments		0	0	
Other Departments		0	429	52
Central Departments		0	0	
SPENDING		0	21,892	22,413
Government Grants		0	20710	21,214
Other grants, reimbursements and contributions		0	0	0
INCOME		0	20,710	21,214
NET SPENDING		0	1,182	1,199

PUBLIC HEALTH

Service Summary

Service	2012-13 Actual			2013-14 Budget			2014-15 Budget		
	Spend £'000	Income £'000	Net £'000	Spend £'000	Income £'000	Net £'000	Spend £'000	Income £'000	Net £'000
Public Health	0	0	0	21,892	20,710	1,182	22,413	21,214	1,199
TOTAL PUBLIC HEALTH	<i>n/a</i>	<i>n/a</i>	<i>n/a</i>	21,892	20,710	1,182	22,413	21,214	1,199

TRANSPORT AND TECHNICAL SERVICES

REVENUE BUDGET 2014-2015

TRANSPORT AND TECHNICAL SERVICES

Summary of Changes

	£'000
ORIGINAL BUDGET 2013-14	-10,073
Price variations - service	435
Price variations - central support services	-229
INFLATION	206
Parking Suspension Fees from Utilities	-50
Wi-Fi Concession Fee - Guaranteed Payment	-30
Wi-Fi Concession Fee - Provisional Payment	-27
National increase in licence fees	-30
Bi-Borough Service Review - Joint management structure and Executive Support	-103
Bi-Borough Service Review - Finance	-55
Bi-Borough Service Review - Highways and Projects	-163
Bi-Borough Service Review - Transport and Network Management	-348
Bi-Borough Service Review - Parking	-443
Bi-Borough Service Review - Environmental Health Management Office	-13
Bi-Borough Service Review - Environmental Health Commercial	-74
Bi-Borough Service Review - Environmental Health Residential	-80
Bi-Borough Service Review - Licensing and Trading Standards	-36
Pay and Display, Suspensions and Town Hall Car Park Charges (full year effect of April 2013 increase)	-800
Bi-borough retendering of the Pay and Display machine maintenance contract	-61
SAVINGS	-2,313
LOCAL GROWTH	0
Central support charges change	582
Transfers of budget internally	52
Depreciation change	134
Change in current service pension liability cost (IAS19)	85
OTHER	853
FORECAST BUDGET 2014-15	-11,327

TRANSPORT AND TECHNICAL SERVICES

Subjective Summary

Subjective Grouping	Notes	2012-13 Actual £'000	2013-14 Budget £'000	2014-15 Budget £'000
Employees		8,696	9,685	9,000
Premises-related expenditure		1,326	1,508	1,623
Transport-related expenditure		135	160	161
Supplies and services		2,396	1,879	2,161
Third party payments		14,223	14,976	14,961
Support services		5,512	5,183	5,779
Depreciation (and impairment losses)		4,124	4,124	4,258
SPENDING		36,412	37,515	37,943
Government Grants		58	0	0
Other grants, reimbursements and contributions		1,727	360	741
Customer & Client Receipts		47,814	47,228	48,296
Interest		5	0	0
Recharges		0	0	234
TOTAL INCOME		49,604	47,588	49,271
NET SPENDING		-13,192	-10,073	-11,328

Notes

The main changes between the 2013-14 and 2014-15 budgets are set out in the following notes.

- 1 Service Reviews have reduced the employees budget by £1.089 million. A transfer from the central contingency for the 2013-14 pay award has increased the budget by £93,400. Inflation for the 2014-15 pay award has added £100,000 to the budget. The transfer of Corporate Health and Safety from Corporate Services has added £191,140 to the budget.
- 2 The budget has increased by £197,420 for the recharges from customer services and by £405,610 for the recharges from ISD.
- 3 The budget has been increased by £191,260 to reflect the level of bi-borough contributions from the London Borough of Hammersmith and Fulham. Service Reviews have added £190,000 to the budget for Transport for London contributions.
- 4 Increased income from the full year effect of parking increases in 2013 and from suspensions have added £850,000 income to the budget. Inflation has added £229,170 to the budget.
- 5 The Corporate Health and Safety team was transferred from Corporate Services and is recharged across the Council.

TRANSPORT AND TECHNICAL SERVICES

Service Summary

Service	2012-13 Actual			2013-14 Budget			2014-15 Budget		
	Spend	Income	Net	Spend	Income	Net	Spend	Income	Net
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Corporate and Democratic Core	145	0	145	152	0	152	129	0	129
Environmental Health									
Food Safety and Public Health Training	1,072	158	914	1,159	146	1,013	1,308	150	1,158
Trading Standards	263	3	260	359	1	358	442	46	396
Environmental Quality	649	72	577	518	0	518	506	0	506
Health and Safety	500	20	480	623	0	623	580	0	580
Pest Control	538	328	210	638	277	361	673	285	388
Noise and Nuisance	1,044	8	1,036	1,100	5	1,095	1,314	5	1,309
Corporate Health and Safety	0	0	0	0	0	0	234	234	0
Housing Private Sector	1,009	273	736	1,104	41	1,063	1,006	42	964
Licensing	839	775	64	991	596	395	1,078	749	329
Total Environmental Health	5,914	1,637	4,277	6,492	1,066	5,426	7,141	1,511	5,630
Transportation and Highways									
Highway Maintenance	7,588	1,162	6,426	8,118	1,158	6,960	8,303	1,260	7,043
Public Lighting	2,422	103	2,319	2,423	146	2,277	2,497	200	2,297
Rechargeable and Other Street Works	725	962	-237	759	878	-119	843	914	-71
Projects - Traffic Section	3,661	204	3,457	3,783	102	3,681	3,701	174	3,527
Transportation and Road Safety	1,631	925	706	882	117	765	839	259	580
Car Parking Off-Street	1,199	1,883	-684	1,347	1,838	-491	1,345	1,843	-498
Car Parking On-Street	13,047	42,647	-29,600	13,526	42,252	-28,726	13,129	43,092	-29,963
Total Transportation and Highways	30,273	47,886	-17,613	30,838	46,491	-15,653	30,657	47,742	-17,085
Adjustment for Recharged Services Income	80	80	0	32	32	0	17	17	0
TOTAL TRANSPORT AND TECHNICAL SERVICES	36,412	49,603	-13,191	37,514	47,589	-10,075	37,944	49,270	-11,326
FULLY RECHARGED SERVICES									
Environmental Health Management and Support Services	1,241	1,241	0	1,411	1,411	0	1,401	1,401	0
Transportation and Highways Administration	1,088	1,088	0	1,081	1,081	0	787	787	0
Total Fully Recharged	2,329	2,329	0	2,492	2,492	0	2,188	2,188	0

CORPORATE SERVICES
REVENUE BUDGET 2014-2015

CORPORATE SERVICES

Summary of Changes

	£'000
ORIGINAL BUDGET 2012-13	18,537
INFLATION	1,323
Savings from outsourcing financial transaction processing under Managed Services within Financial Services	-85
Bi-borough management savings in Fraud, Insurance, Audit and Risk Management	-70
Reduced number of posts in ISD due to management reorganisation, technological developments and a review of service delivery	-148
Tri-borough savings in ISD	-37
Savings from the devolution of some responsibilities for maintaining the corporate Intranet to services	-60
Wi-Fi concession income	-59
Reduced overtime in the Revenues and Benefits team	-30
Reduced costs of managing accounts receivable	-30
Savings from process automation in the cashiers service	-70
Reduced costs of Council Tax collection	-23
Bi-borough savings within the Council Tax team	-35
Bi-borough savings from the amalgamation of management posts in the Council Tax team	-84
Bi-borough income in relation to National Non-Domestic Rates (NNDR)	-9
Reduced cost of the Benefits service due to procurement savings	-40
Cost Change arising from outsourcing financial transaction processing under Managed Services within Revenues and Benefits	72
Income from the conversion of the Westway Information Centre to retail use	-125
Income from letting surplus space at the Central Library	-100
Income from letting surplus space at Kensington Town Hall	-250
Increased income from the letting of Cremorne Wharf	-50
Savings from the outsourcing of facilities management via the Tri-borough Total Facilities Management contract	-700
Reduced cost of running the Isaac Newton Professional Development Centre	-70
Reduced cost of running the Westway Information Centre	-113
Reduced cost of Customer Services	-30
Realignment of Community Safety budgets to match actual expenditure	-206
Reduced cost of Members' expenses following reduction in the number of Councillors	-42
Savings within the Policy and Partnerships Unit	-212
Reduced cost of programme management	-15
Savings from outsourcing Human Resources transaction processing under Managed Services	-312
Savings from bringing the Occupational Health Service back in-house	-50
Savings within the Media and Communications Team	-26
Maintaining vacant Finance Director post	-55
SAVINGS	-3,064

CORPORATE SERVICES

Summary of Changes continued

	£'000
Increased running costs of the Council's commercial property portfolio	100
Running Costs for New Operational Property: Malton Road Hub	200
Running Costs of Intelligent Client Function for Managed Services	100
Alignment of Conference and Events budget to match income achieved	100
GROWTH	500
Transfers of budget between business groups	482
2013-14 Pay Award	291
Local Healthwatch Grant	44
Reserve funding adjustment	6
Technical Accountin Adjustments	
Central support charges offset against other service groups	201
Central support charges betwenn HRA and General Fund	57
Depreciation change	-192
Change in current service pension liability cost (IAS19)	237
The £100 efficiency dividend	7,500
OTHER	8,626
FORECAST BUDGET 2014-15	25,922

CORPORATE SERVICES

Subjective Summary

Subjective Grouping	Notes	2012-13 Actual £'000	2013-14 Budget £'000	2014-15 Budget £'000
EXPENDITURE				
Employees		31,152	31,892	29,774
Premises-related expenditure		8,911	8,995	10,635
Transport-related expenditure		97	101	91
Supplies and services		12,292	10,916	11,131
Third party payments		8,869	5,561	14,306
Transfer payments		156,668	171,407	152,876
Support Services		26,250	25,244	22,590
Depreciation (and impairment losses)		2,443	2,443	2,334
SPENDING		246,682	256,559	243,737
Government Grants		161,115	171,865	151,924
Other grants, reimbursements and contributions		2,155	194	3,197
Customer & Client Receipts		17,441	17,487	17,422
Recharges to other Business Groups		50,976	48,476	45,272
INCOME		231,687	238,022	217,815
NET SPENDING		14,995	18,537	25,922

Notes

1 Mainly transfer payments and subsidy relating to Housing Benefit.

CORPORATE SERVICES

Service Summary

Service	2012-13 Actual			2013-14 Budget			2014-15 Budget		
	Spend £'000	Income £'000	Net £'000	Spend £'000	Income £'000	Net £'000	Spend £'000	Income £'000	Net £'000
Leader of the Council									
Media and Communications	893	138	755	897	136	761	917	180	737
Civic Ceremonial	644	0	644	649	0	649	721	0	721
Tri-Borough (delivering the programme of changes)	3,108	845	2,263	77	0	77	1,801	199	1,602
2012 Olympics	1,769	546	1,223	0	0	0	-	0	0
Total Leader of the Council	6,414	1,529	4,885	1,623	136	1,487	3,439	379	3,060
Deputy Leader and Cabinet Member for Housing, Property and Regeneration									
Property Services (excluding Commercial Lettings)	25,055	1,660	23,395	24,546	2,418	22,128	23,959	2,746	21,213
Commercial Property Lettings	2,062	5,470	-3,408	1,291	4,940	-3,649	2,495	5,547	-3,052
Economic Regeneration	814	516	298	761	346	415	8,250	346	7,904
Total Deputy Leader and Cabinet Member for Housing, Property and Regeneration	27,931	7,646	20,285	26,598	7,704	18,894	34,704	8,639	26,065
Cabinet Member for Finance and Strategy									
Financial Services, Audit and Risk Management	7,967	905	7,062	8,361	804	7,557	6,871	1,157	5,714
Housing and Council Tax Benefits	163,111	160,494	2,617	176,152	173,323	2,829	158,144	155,258	2,886
Local Taxation Administration	3,541	1,753	1,788	3,668	1,570	2,098	3,630	1,752	1,878
Total Cabinet Member for Finance and Strategy	174,619	163,152	11,467	188,181	175,697	12,484	168,645	158,167	10,478
Cabinet Member for Community Safety, Information Systems and Corporate Services									
Community Safety	2,331	419	1,912	2,900	170	2,730	2,683	20	2,663
Customer Services	3,982	19	3,963	4,340	57	4,283	4,208	18	4,190
Governance	1,449	36	1,413	1,478	0	1,478	1,430	0	1,430
Human Resources	4,929	649	4,280	5,058	636	4,422	3,864	313	3,551
Information Systems	7,914	486	7,428	8,113	451	7,662	7,798	505	7,293
Legal Services	3,944	3,367	577	3,135	3,238	-103	3,427	3,471	-44
Services to the Public - Registrars and Electoral Services	2,210	1,175	1,035	2,022	864	1,158	2,105	881	1,224
Total Cabinet Member for Community Safety, IT and Corporate Services	26,759	6,151	20,608	27,046	5,416	21,630	25,515	5,208	20,307

CORPORATE SERVICES

Service Summary

Service	2012-13 Actual			2013-14 Budget			2014-15 Budget		
	Spend £'000	Income £'000	Net £'000	Spend £'000	Income £'000	Net £'000	Spend £'000	Income £'000	Net £'000
Cabinet Member for Voluntary Organisations and Resident Engagement									
Community Engagement, Service Improvement, Public Consultation	2342	17	2,325	2018	1	2,017	1987	0	1,987
Voluntary Sector Support	2581	15	2,566	2601	0	2,601	2641	0	2,641
Total Cabinet Member for Voluntary Organisations and Resident Engagement	4,923	32	4,891	4,619	1	4,618	4,628	0	4,628
Cabinet Member for Environment, Environmental Health and Leisure									
SPACE Programme	574	0	574	455	0	455	185	0	185
Total Cabinet Member for Environment, Environmental Health and Leisure	574	0	574	455	0	455	185	0	185
Corporate and Democratic Core	4,260	149	4,111	5,276	44	5,232	5,380	140	5,240
Non Distributed Costs	1,202	2,080	-878	2,761	567	2,194	1,240	372	868
TOTAL CORPORATE SERVICES (before Recharges)	246,682	180,739	65,943	256,559	189,565	66,994	243,736	172,905	70,831
Support Service Recharges	0	50,232	-50,232	0	48,457	-48,457	0	44,909	-44,909
Departmental Recharges	0	716	-716	0	0	0	0	0	0
TOTAL CORPORATE SERVICES	246,682	231,687	14,995	256,559	238,022	18,537	243,736	217,814	25,922

***ADULT AND FAMILY LEARNING
REVENUE BUDGET 2014-2015***

ADULT AND FAMILY LEARNING

Summary of Changes

	£'000
ORIGINAL BUDGET 2012-13	149
INFLATION	0
Central support charges change	-71
Change in current service pension liability cost (IAS19)	3
OTHER	-68
FORECAST BUDGET 2014-15	81

ADULT AND FAMILY LEARNING

Subjective Summary

Subjective Grouping	Notes	2012-13 <i>Actual</i> £'000	2013-14 <i>Budget</i> £'000	2014-15 <i>Budget</i> £'000
EXPENDITURE				
Employees		302	256	280
Transport-related expenditure		1	0	1
Supplies and services		106	152	157
Third party payments		989	887	850
Support Services		123	132	61
SPENDING		1,521	1,427	1,349
Government Grants		1,377	1,278	1,268
Other grants, reimbursements and contributions		30	0	0
INCOME		1,407	1,278	1,268
NET SPENDING		114	149	81

Notes

The 2012-13 actuals includes the residual spending on the Awards and Employment Project Services that are no longer carried out by the Council.

ADULT AND FAMILY LEARNING

Service Summary

Service	2012-13 Actual			2013-14 Budget			2014-15 Budget		
	Spend	Income	Net	Spend	Income	Net	Spend	Income	Net
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Community Learning	1,163	1,089	74	1,159	1,054	105	1,119	1,054	65
Adult Skills	235	224	11	247	224	23	230	214	16
European Projects	93	32	61	21	-	21			-
Awards Service*	7	0	7	-	-	-			-
Employment Projects Team*	23	62	(39)	-	-	-			-
TOTAL ADULTS AND FAMILY LEARNING	1,521	1,407	114	1,427	1,278	149	1,349	1,268	81

* Residual cost of service no longer provided by Council.