

The Royal Borough of Kensington and Chelsea

# Cabinet Business Plan

## 2004/05 2006/07

FINAL PROPOSALS TO COUNCIL



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## Purpose

The Council is a complex, democratically accountable organisation, which secures and provides a wide variety of public services for and on behalf of the Royal Borough. The Council is led by a group of ten Councillors who form a “Cabinet”.

The purpose of the Cabinet Business Plan is to outline the key imperatives, challenges and opportunities that the Cabinet believes the Council faces between the 2004/05 and 2006/07 financial years, together with the proposed strategic priorities for these three years. The Plan sets the context for the Cabinet’s proposals for the 2004/05 budget and for its plans to deliver and improve services and value for money during the three year period.

## Introduction from the Leader

I am pleased to introduce these proposals from the Council's Cabinet – the ten Councillors who have day-to-day responsibility for running the Council. The proposals describe the Council's ambition to improve the quality of life of residents, and the experience of those who work in or visit the Royal Borough.

Each year the Cabinet needs to decide how best the Council should respond to the changes, challenges and opportunities that the Royal Borough faces, and determine the priorities that should govern the Council's activities over the next three years.

In doing so, the Cabinet seeks to understand what local people think about the Council's services and the level of Council Tax that they pay. Through consultation we know that many local people think that the Council is an efficient organisation that spends its money wisely, and that we should aim to spend at least the same, if not more, on our services. Most residents also support raising extra income by increasing charges for services, and introducing more charges where legally allowed. Understandably, however, opinion is divided on the issue of Council Tax rises.

Changes to the way in which the Government funds local authorities, introduced last year, continue to put the Council at a financial disadvantage. We disagree with the significantly reduced estimate of the Royal Borough's population that the Government now uses to determine the Council's grant entitlement. Our position on the "grant floor" means that the Council will receive only the minimum grant increase each year for the foreseeable future. For next year that means an increase of £5.2 million – the lowest increase, in percentage terms, of any London Borough.

In response to such pressures the Cabinet is proposing reductions of at least £5.6m. But we also have to ask residents to meet a Council Tax rise above the level of inflation. Some residents – especially those on fixed incomes – will face hardship in doing so. To spread the burden more widely the Cabinet is proposing that the Council should take advantage of new freedoms to reduce the level of discount enjoyed by owners and occupiers of second homes. Our consultation suggests that the majority of local residents would be in favour of such a change.

For many years the Council has levied one of the lowest Council Taxes in London. Yet our education and social services are among the best in the country, and the Council remains at the top of the Audit Commission's overall league table of local authorities. Though the views of local residents and service users matter more to us than those of external commentators, it is useful to be able to gauge our performance against the rest, and encouraging to see that our efforts to deliver high quality services while levying a comparatively low Council Tax are meeting with some success. It is the Cabinet's determination to build and improve on this success that underpins its proposals for the next three years.

Council funding will enable a larger number of Police Community Support Officers to patrol the streets and make Kensington and Chelsea a safer and pleasanter place. We expect significant progress on a new multi-purpose centre for older people at Ellesmere on Fulham Road. Local schools will continue to benefit from some of the highest per pupil spending in the country. Our plans for the local street scene will enhance the Royal Borough's reputation as one of the most attractive areas in central London. A new panel of "Resident Reviewers" will help us to keep in touch with what local people think, and to revise and refine our services accordingly. And we look forward to exercising new responsibilities – such as the licensing of pubs and clubs – in ways that benefit local residents.

This full account of our future plans is an attempt to show that the Council remains accountable and I hope you will agree, worthy of your trust.



**Councillor Merrick Cockell**  
*Leader of the Royal Borough of Kensington and Chelsea Council*



Comments about the plan should be sent to:

Christian Wall  
The Royal Borough of Kensington and Chelsea  
The Town Hall, Hornton Street, London, W8 7NX

Email: [christian.wall@rbkc.gov.uk](mailto:christian.wall@rbkc.gov.uk)  
Telephone: 020 7361 2958

# “A Better City Life”

## *Improving the quality of life in Kensington and Chelsea*

The services that the Council provides and the activities it undertakes have a direct and daily impact on people's lives. The Council monitors the air that residents and visitors breathe, the food that they buy and the businesses that supply them with goods and services. Whether through the direct provision of services such as education, social care and leisure, or through its monitoring and enforcement role, such as trading standards, the Council has the potential to deliver improvements that will make the Royal Borough a better place in which to live and work, and to visit.

The desire to deliver such improvements is encapsulated in the ambition of the Council to create “A Better City Life”. This ambition is reflected in the seven long-term “Borough Aims” that the Council works to achieve:

### **1. Community leadership**

To work in partnership with the community, businesses, the independent sector and other public agencies in the provision of services and the vigorous promotion of the interests of local people.

### **2. Quality and value for money**

To demonstrate continuous and measurable improvement in the provision of efficient, cost effective and high-quality services.

### **3. A highly valued environment in which to live and do business**

To protect and enhance the Royal Borough so that it remains an attractive place in which to live and work, and to visit.

### **4. Protecting the public**

To pursue policies that protect the public from crime, disorder and nuisance.

### **5. Improving local skills and education standards**

To promote learning, employability and personal development within the Royal Borough.

### **6. Supporting the most vulnerable people**

To ensure services help those most in need

### **7. Building better communities**

To support sustainable initiatives that enrich life in the Royal Borough, including those of an artistic and cultural nature and which remove barriers preventing residents from participating fully in the life of the community.

The “*National Priorities for Local Government*”, published jointly by the Local Government Association and the Government, cover all the major issues that affect quality of life including health, social care, community safety, the environment and transport. They are broadly in accord with the Council's locally derived Borough Aims.

# Working in Partnership to Enhance Services

*The Council and its partners work closely together to deliver services to the local community*

The Council works with a wide range of partners, across all sectors, to improve and integrate the services provided to the local community.

The Kensington and Chelsea Partnership (KCP) works to bring together and marshal the efforts of local organisations and individuals who are trying to improve the local quality of life. Members of the Partnership include community and voluntary groups, the Learning and Skills Council, the Kensington and Chelsea Chamber of Commerce, the Metropolitan Police Service (MPS) and the Primary Care Trust (PCT). The partnership produces two strategies that identify key issues and co-ordinate the response of partners to address them. They are:

- the **Community Strategy**, titled “*The Future of Our Community*”, which sets out long-term priorities and challenges for the whole of the Borough and a programme of action to address them over a ten to fifteen year period; and
- the **Neighbourhood Renewal Strategy**, which focuses efforts to reduce deprivation in the most disadvantaged neighbourhoods within Kensington and Chelsea.

By working to deliver the vision and commitments set out in these strategies, the Council and its partners are striving to make lasting and significant improvements to quality of life in the Royal Borough.

The Council is intent upon strengthening its joint work with the MPS to make the Royal Borough a safe and pleasant area in which to live and work. The Council is one of the first local authorities in the country to make a direct financial contribution towards the local force of Police Community Support Officers (PCSOs).

The Council is developing close strategic, operational and financial links with the local health trusts to enhance a range of services including mental health, community care, learning disabilities, substance use and services for both children and young people. The Council has an excellent record of providing home care services to help people leave hospital as soon as possible and reduce “delayed transfers of care”, known as “bed blocking”. This allows the NHS trusts to admit other patients who would otherwise have had to wait for treatment.

The strong relationships that the Council has developed with private sector contractors have yielded visible service improvements including clean streets, the refurbished Kensington Leisure Centre and the design of Kensington High Street.



## Delivering the Borough Aims

*The Improvement Action Plan is an ambitious programme of initiatives to help create "A Better City Life"*

The Council has established an Improvement Action Plan (IAP), a programme of 41 initiatives addressing four goals:

- improving performance across the Council;
- driving service improvement;
- delivering against challenging targets; and
- providing foundations for "A Better City Life".

The Cabinet and Management Board will oversee the delivery of initiatives that range from more effective risk management within the Council to the refurbishment of Holland Park School. The Plan includes the Council's key service improvement initiatives, such as major Royal Borough Reviews and the Council's Local Public Service Agreement (LPSA) targets. The IAP is not a static plan. Each year, it will be refreshed with new projects to replace those that have been completed.

The Council's ambitions for improvement extend beyond the initiatives in the IAP. There is room for improvement even in three star services such as education, where for example, the level of truancy and unauthorised absences from school needs to be reduced. Some services, such as the Waste Management Service, have struggled either to make significant improvement in their performance or to meet testing national targets. Others have fallen short of the extremely high standards that the Council expects its services to maintain. Through Royal Borough Reviews and other activities, the Council seeks to identify opportunities to improve its performance and deliver better services across the board.

### *The Council wants to know what residents think*

The Council is committed to consulting and listening to the views of local residents and businesses to inform its decisions. The Council uses various means to do so, including the Residents' Panel, discussion groups, forums, the Council Internet site, surveys and mystery shopping exercises. These activities ensure that people from right across the Royal Borough have the opportunity to give their views.

The Council has also adopted the "Hear by Right" principles that aim to engage children and young people with local authorities and increase participation in local democracy. For example, children and young people who are looked after by the Council are currently being consulted about how best to improve their educational opportunities and are also involved in the recruitment of social workers.

The difficult trade-off that needs to be made each year between the Council Tax and service levels makes it especially important that the Council finds out the views of its residents. These findings are reported later in the document.

### *Matching ambition to resources*

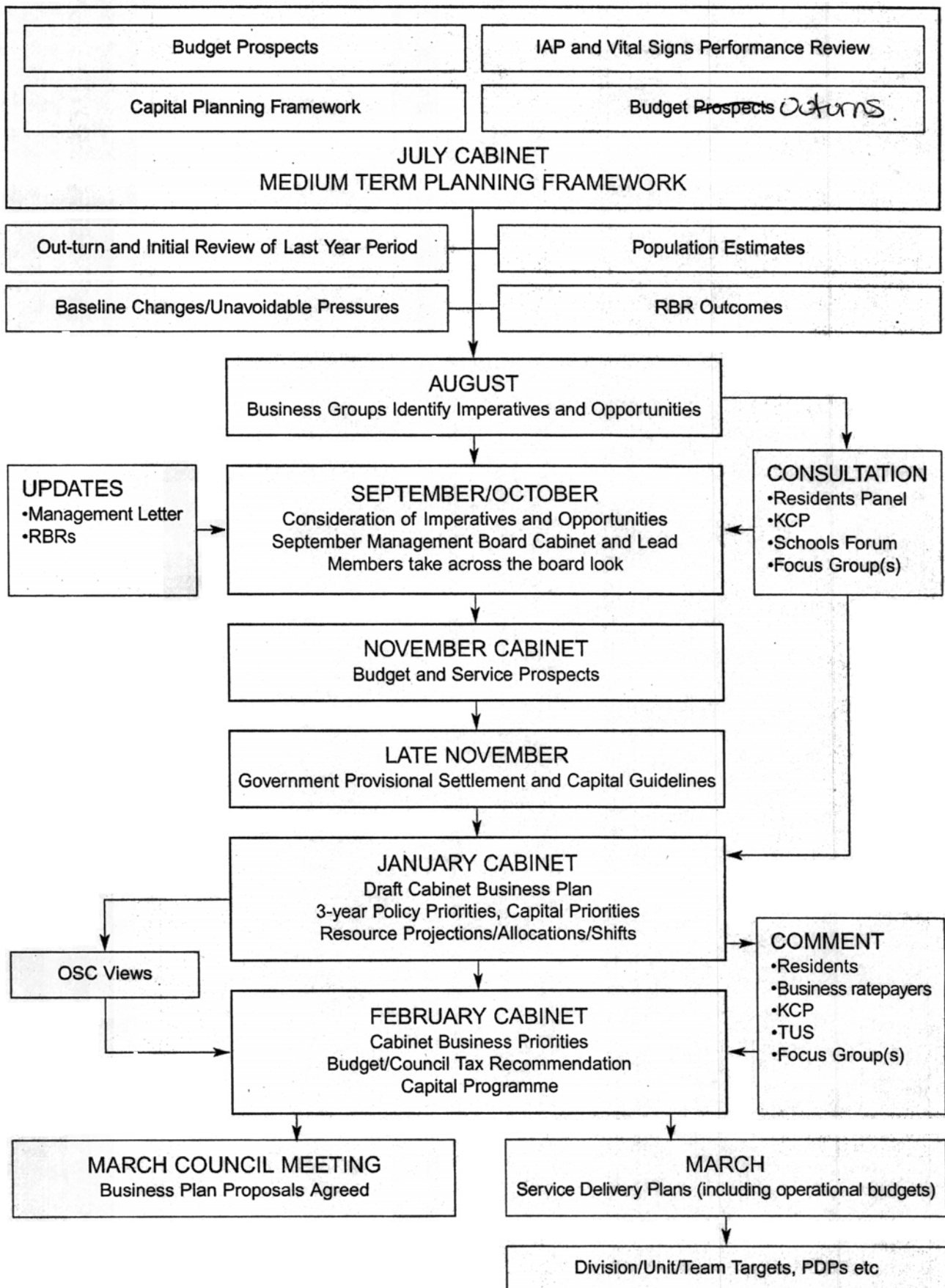
The Council operates in an increasingly complex environment. Over the next three years, the Council anticipates expanding responsibilities and increased demand for services. Each year, it is inevitably the case that the resources available to the Council are insufficient to meet all the demands, responsibilities and service enhancements that residents, businesses, visitors and the Council itself would like to see. The Council has therefore established a robust business planning process, shown overleaf, which is designed to:

- enable the Council to respond to changes in its external environment and to plan for the future;
- create flexibility to deal with future funding uncertainties;
- enable views to be expressed on relative priorities, initially by the Cabinet and eventually by the Council;
- take account of the outcome of service reviews;
- focus on efficiency and budget redirection, in order to expand spending capacity and alleviate pressures on the Council Tax;
- help the Council to be clear about what it is getting for the money it spends; and
- give the Council a clearer picture of medium-term financial and service planning horizons.

The major policy and financial decisions that flow from this process, including the level of the Council Tax, reflect a careful consideration of all the opportunities, imperatives and challenges that must be addressed if the Council is to continue to deliver efficient and effective services to residents, businesses and visitors.



# The Council's Business Planning Process



# Challenging Times

## *The Royal Borough diverse, dynamic and demanding*

The diverse patchwork of neighbourhoods that make up the Royal Borough contrasts greatly in wealth, architecture, ethnicity and character. This presents dynamic and demanding challenges and opportunities that the Council must grasp to deliver “A Better City Life”.

The Royal Borough’s complex population is difficult to count as the Office for National Statistics (ONS) has acknowledged. The most recent ONS estimate of the Royal Borough’s population suggests that it is home to 165,100 residents, up from 138,394 residents in 1991. This is a large rise compared to the average for England and Wales and has led to a significant increase in demand for Council services over the past twelve years. The population is expected to rise further, which will put greater pressure on services and the resources of the Council. The Royal Borough has the highest population density in England and Wales and indeed, is one of the most densely populated areas in Europe. The ethnic and cultural diversity of the Royal Borough is reflected in the census and population data:

- Over 20% of the population describe themselves as belonging to an ethnic minority and over 40% of the population were born outside the United Kingdom.
- 62% of residents state their religion as “Christian”, 15% as “no religion”, 8% as “Muslim” and 2% as “Jewish”.
- An unusually high 49% of residents over 16 are single (have never married) and a further 12% are divorced or separated.
- The annual population turnover is over 20%.

The wealth of the Royal Borough and the education attainment of residents varies significantly:

- The Royal Borough has the highest proportion of graduate-educated adult residents (aged 16-74) in the UK at 52%, but 13% of adult residents have no qualifications.
- The proportion of pupils from disadvantaged backgrounds attending Council-run schools is twice the national average. 38% of primary school pupils and over 28% of secondary school pupils are entitled to free school meals. However, 50% of children living in the Royal Borough receive a private education.
- St Charles and Golborne are among the ten per cent most deprived wards in England.
- Property prices and private sector rents are the highest in the country, but half the permanent lettings by registered social landlords are to homeless households and there are around 1000 families living in temporary accommodation.
- Unemployment in North Kensington is twice the local average and in the St Charles and Golborne wards, it is above the inner London average.

Although primarily residential in character, the Royal Borough has a thriving local economy. 30% of the jobs located within the Royal Borough are linked to the leisure, tourism and luxury goods sectors. These are sensitive to cyclical changes in the wider economy, exposing the Royal Borough to the extremes of economic growth and contraction across the economic cycle. Other economic data reveals that:

- The Royal Borough is home to 12,000 businesses that provide 127,100 jobs.
- More than 63,000 people travel into the area to work each day.
- The Royal Borough is host to over 7 million visitors each year, attracted among other things by three nationally renowned museums, three art galleries and a number of first class retail centres that are popular with visitors and local residents alike.
- Despite covering a relatively small area, Kensington and Chelsea has the second largest number of hotel beds of any London Borough and the second highest quantity of retail floor space (0.7 million square metres) in inner London.

The increase in the population of the Royal Borough over the last ten years and its high population density has created significant development pressure, which shows little sign of abating. Planning applications are at record levels; nearly 3000 applications were received in 2002/03. Although many of the applications were for small-scale changes to property, some were for large-scale redevelopments, including the Lots Road site. Conservation Areas cover 70% of the Royal Borough, which also contains 3,891 listed buildings, many of which are of national or international importance. These enhance the local environment and streetscape, but also impose limits on opportunities for redevelopment.

### *Changes to national Government policy and new legislation have a profound impact on the Council's work*

The Council continues to face a series of new challenges, many of which relate to new responsibilities or methods of working that have resulted from new legislation and Government policy. The Council views many of these challenges as opportunities to improve services and create "A Better City Life". Unfortunately, this positive approach is tempered by the limited funding from Central Government to discharge what are often costly new responsibilities.

Examples of new responsibilities and powers that the Council has welcomed include the power to fund PCSOs and the power to serve Anti-social Behaviour Orders on those who are a persistent nuisance to the community.

Other Government initiatives and policies, such as increased recycling targets and school funding arrangements, place a significant burden upon the Council. Recycling arrangements are difficult to implement in heavily urbanised areas such as the Royal Borough due to the lack of domestic waste storage space. The costs of achieving externally imposed targets are often disproportionate to the benefits delivered. The arrangements for schools funding have become an increasingly contentious issue across the country.

The transfer of some responsibilities from local authorities to new organisations such as the Learning and Skills Council, or to partnerships directed by Government, such as Connexions, means that these organisations influence or even effectively control Council services. This limits the Council's discretion and flexibility to respond to local needs.

## The Financial Context

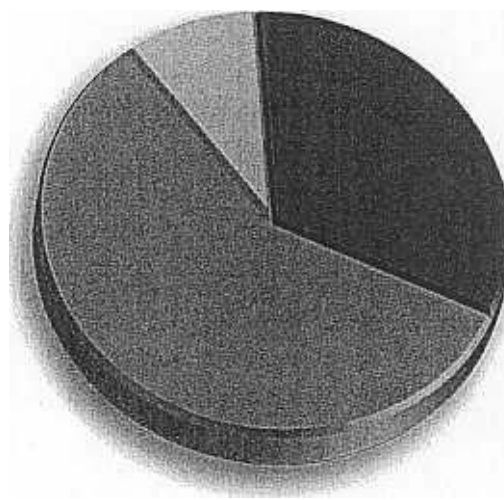
### *The Council's medium term financial position*

The keynote for the Council's medium term finances was struck on 5 December 2002. On that date, the Government announced its plans to change the distribution of the Formula Grant, which provides funds to local authorities to pay for local services, and the effect of the 2001 Census was incorporated into the "grant formula". The grant formula determines the level of the Formula Grant provided to each local authority. The 2001 census resulted in the ONS reducing its population estimate for the Royal Borough by 31,000 or 16% from its 2000 calculation; a reduction that the Council has challenged. Principally as a result of these two factors – the changes to the grant distribution and the Census population "loss" – the Royal Borough's underlying grant allocation fell by £22m or 17%. Since the Formula Grant meets around two thirds of the annual budget requirement, this was a loss of long-term significance.

The immediate effect of such a large loss for local services was softened by a safety net, known as the "grant floor". This redistributes money from councils with the biggest Formula Grant increases to councils with the greatest Formula Grant reductions to cushion the effect for those that are hardest hit. The floor ensures that the Council gets a minimum increase each year to contribute to rising costs, but its grant share will decline over the foreseeable future as the protection unwinds.

### Funding the Budget 2003/04

■ Council Tax	£62m
■ Formula Grant	£129m
■ Grant Floor safety net	£18m



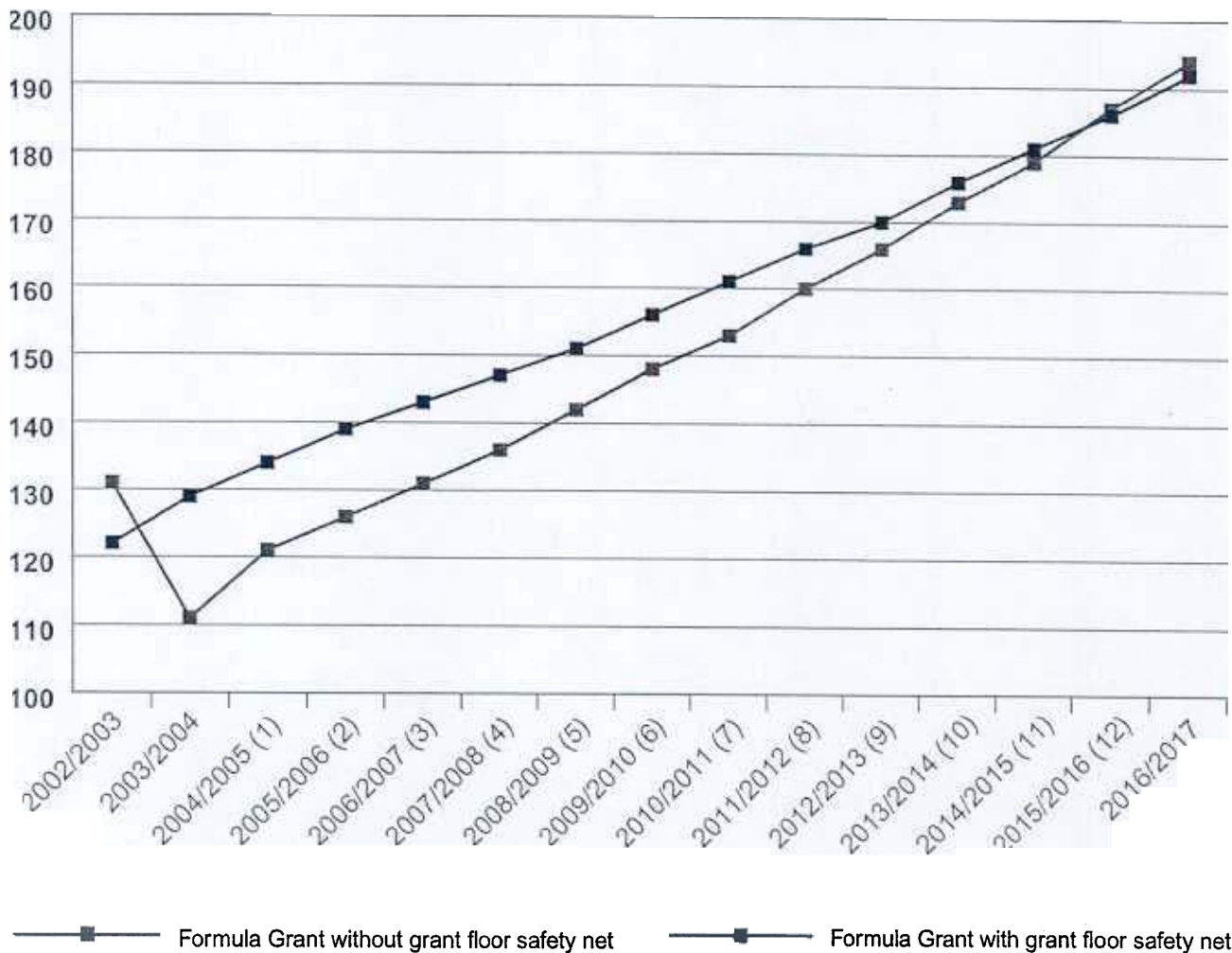
**Note:** Formula Grant includes £18 million of grant floor damping. Without the grant floor, Council Tax would have to be £200 per Band D or 30% higher in 2003/04.

In 2003/04, the minimum Formula Grant increase to be received by any local authority was set at 3.5% compared with a national average of 5.9%. This meant the grant floor protection was worth £18m. In 2004/05, the increase is now 4% and the England average 5.5%. This follows an announcement by the Chancellor of the Exchequer, which increased grant allocations for most councils.

Revisions to the population estimate for the Royal Borough by the ONS have added back 6,000 people to the total – although the Council is still contesting what it believes to be a significant underestimate of its highly mobile resident population. This boost, together with a larger pupil number count, has improved the underlying grant entitlement, but still leaves the Council dependent upon floor protection worth £13m.

The Council expects to receive minimum grant increases for the foreseeable future.

### Royal Borough Future Funding Forecast £m



**Note:** This projection assumes that the grant floor increases by 3.5% in 2005/06 and by 3% thereafter. The national cash increase is estimated at 4% from 2006/07 reflecting a view on tighter public expenditure plans in the future. On this forecast, the Royal Borough could come off the grant floor in 2015.

# The 2004/05 Budget Headlines

## *The grant settlement*

The Council's 4% grant increase in 2004/05 is worth £5.2m. This is the lowest increase, in percentage terms, of any London Borough.

THE GRANT SUM	£M
2003/04 Formula Grant	129.1
Baseline adjustments	-0.3
Adjusted 2003/04	128.8
Add floor (4%)	5.2
2004/05 Provisional Formula Grant	133.9

**Note:** Baseline adjustments reflect switches between national financing mechanisms, rather than actual changes in spending on services. This includes +£4.0m Children's Specific Grant moving into general Formula Grant; -£3.8m Housing and Council Tax Benefit costs to be met from specific grants; -£1.3m Environment Agency levies met direct from Government rather than via the Council and +£0.8m for schools grants now built into mainstream Formula Grant.

## *Continued support for schools*

The grant settlement for the coming year is dominated by the Government's commitment to giving schools spending preferential treatment in budget planning. The Secretary of State for Education and Skills expects all Local Education Authorities (LEAs) to 'passport' to schools a formula increase worth a minimum 5% per pupil – i.e. £3.4m for the Royal Borough. Within this amount, individual schools have been promised a minimum budget increase close to 4%, depending on pupil number changes. There are also restrictions on the amount that the LEA can retain for centrally managed school spending such as special educational needs. The Secretary of State has said that he is ready to back up his expectation by using his statutory powers to reset the education budget of councils which do not comply.

The Council was obliged by law to declare to the DfES at the end of December whether it intended to meet the passporting requirement. With its longstanding commitment to well resourced schools and delivering high educational standards, the Council has signalled its intention to meet the Government's target, which equates to a total 7% increase to school spending. However, the Cabinet believes it is wrong in principle for central Government to constrain local decision making in this way. With some of the best-funded schools in the country and a strong record of performance, there is no doubt that Government pressure on passporting will skew the Council's priorities and put pressure on the Council Tax. Schools costs are only a quarter of the Council's budget, yet the £3.4m passporting target represents two thirds of the £5.2m grant increase.



## Other service needs

Other Council services, such as social care, environmental services and libraries, all face spending pressures. Demand led pressures are being contained in some sectors, such as homelessness. In others, demand continues to rise, for example the number of older people in need of residential care is increasing. The Council's income is also exposed to cyclical economic trends, in areas such as land charges and conference/event lettings. New national initiatives, including new licensing duties, changes in Housing and Council Tax benefit financing, the Adoption and Children Act 2002, schools admissions and landfill tax increases all impose extra costs. Further cost increases are expected during 2004, including those resulting from new legislation covering children's services in response to the Victoria Climbié Inquiry. Some of these costs can be met by the grant increase, but otherwise the gap will need to be met either through savings or by Council Tax payers.

<b>PRESSURES ON THE BUDGET</b>	<b>£M</b>
Pay and prices	8.5
National initiatives	1.6
Demand driven	0.9
Education Passporting above inflation	2.0
Locally funded departmental pressures	0.8
Contributions to reserves: Capital	1.9
Revenue (excluding the Car Parking Reserve)	3.3
Other net commitments and financing items	0.3
<b>Total Increase</b>	<b>19.3</b>
Car Parking Reserve funded	-0.4
Ongoing savings	-5.6
One-off savings	-2.0
Baseline grant adjustment	-0.4
<b>Net Budget Movement</b>	<b>10.9</b>
<hr/>	
<b>2003/04 Budget Requirement</b>	<b>191.1</b>
<b>2004/05 Budget Requirement</b>	<b>10.9</b>
<b>Increase</b>	<b>10.9</b>



# Our Financial Strategy

The residents of the Royal Borough demand Council services of a high standard. The challenge is to deliver this expectation, within affordable limits and in the face of significant financial constraints.

## *An emphasis on sound finances*

The Council has established a framework of medium term financial management principles. In summary, the Council will:

- maintain financial and budgetary resilience by holding not less than £11.4m in working balances;
- retain efficient Council Tax collection systems;
- aim to 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;
- continue to strengthen corporate governance processes, including an effective approach to risk management; and
- strive to maintain our 'AAA' rating from Standard and Poors, an external validation of our financial standing.

The budgetary strategy will focus on:

- Protecting services by centrally funding the costs of inflation.
- Managing and mitigating future budget risks (such as pension costs and demand led expenditure) by forward planning, monitoring, and making adequate contingencies and provisions.
- Controlling income and expenditure, based on an annual review of current spending trends.
- Redirecting resources from low priorities to high priorities, including if necessary, reconfiguring service delivery.
- Supporting new initiatives and priorities by targeted resource allocation.
- Maximising the use of external financing and cost sharing opportunities for key priorities.
- Improving cost effectiveness and efficiency.
- Making best use of expensive office accommodation to reduce costs.
- Planning for the medium term, taking into account the uncertainty of future Government grants.
- Lobbying for the interests of the residents of the Borough on issues of strategic importance for the finances of the Borough, for example the Census.

# Balancing the Books

## *Redirecting and expanding resources*

In order to ease the pressure on the Council Tax, the Cabinet first looks for ways to make savings across the organisation and redirect money to other services. School spending is excluded from this exercise by the Government.

Detailed analysis of the budget and of current spending patterns has identified up to £5.6m of savings possibilities, of which £0.6m would be recycled to meet service pressures. Most of these savings could largely be achieved without disruption to frontline services. Inevitably these will not all be easy and there will be some reduction in organisational capacity. However, such options are part of the difficult task of striking the balance between services and affordability. Savings beyond this would clearly impact on frontline services.

## *New opportunities*

Alongside the constraints on the 2004/05 budget, there are also new flexibilities and opportunities available to the Council, derived principally from the Local Government Act 2003.

A helpful freedom is the new power to spread the Council Tax burden across a wider tax base, by asking owners and occupiers of second homes in the Royal Borough to contribute more. Up until now, second homes have enjoyed a 50% discount on normal Council Tax levels. That discount can now be set at any level between 50% and 10%, which will allow the Council to levy a proportionately lower rate of Council Tax for a given level of expenditure. The Council has given this opportunity a cautious welcome and has long argued that in principle, it should have greater influence over the size of the local tax base. Reducing the discount for second homes supports the Council's desire to see its housing stock well used, in a part of London where the housing stock is under extreme pressure. The views of the Residents' Panel have been sought on second home discounts, with 59% of panel members declaring themselves in favour of reducing the discount. There are also new powers to reduce the discounts for long-term empty homes. This is an issue of housing policy rather than finances, since beyond 2004/05, the extra income will be absorbed under the operation of the grant system.

The Local Government Act 2003 also contains powers to charge for discretionary services on a cost recovery basis and to undertake commercial activities in support of the Council's statutory powers and duties. The potential offered by these new powers will be explored over coming months.

## *Council Tax*

The Royal Borough has one of the lowest local tax rates in London and the fifth lowest rate in the country for 2003/04. The Council's aim is to remain in the bottom quartile of tax rates, subject to the distortions of the grant system. This ambition is likely to be under pressure from the changes to the grant system, continuing cost increases and rising demand for services.

Whilst the Government has recently threatened to use its powers to cap the budgets of councils that set what it considers to be either an excessive Council Tax or an unwarranted Council Tax increase, the Cabinet does not believe that the Council should fall into either category. Nevertheless, it remains the case that the Council's grant level is a major determinant of the Council Tax position. If the Council simply followed the spending levels implied by the Government's formula-based grant system, the Council Tax would rise by 10%.

The Council takes its decision on the level of the Council Tax in March, based on a recommendation made by the Cabinet that aims to strike the balance between the services local people need and use, and the tax level that they are prepared to pay. Based on the proposals contained in this business plan, the recommended Council Tax increase is 4.8%.

### *Listening to local people*

For the second consecutive year, the Council has carried out in-depth consultation with local people on its plans. Members of the 1,800 strong Residents' Panel have been asked to give their views on spending priorities and the balance between local taxes and services. Residents were also invited to convey their views through an Internet survey. This year, in depth views have been sought from a group of young people and deliberative workshops will be held with other local residents. Important stakeholders, such as residents' associations, will also be invited to comment on this draft business plan.

A large, though declining, proportion of the local people who took part in consultation exercises felt that the Council was an efficient organisation that spends its money wisely. Furthermore, most felt that the Council should aim to spend at least the same, if not more, on services. Despite these sentiments, participants were less likely to support a Council Tax rise, even if that meant cuts to local services. However, opinion was clearly divided as nearly as many Residents' Panel members supported a Council Tax rise as opposed it. Consultees were generally in favour of increasing income by reducing the Council Tax discount for second homes, increasing charges for services and introducing charges where legally permitted to do so.

### *Investing for the future*

The Council's capital investment programme plays a vital role in helping to fulfil the Borough Aims and implement the Community Strategy. A proportion of the investment is spent on continuing projects and each year, new projects come on stream. During 2004/05, the Council will spend approximately £52m on capital works, with just under £15m of this total being spent by the Tenants Management Organisation (TMO) following the receipt of Government funding. The Council's strategic approach to capital investment is to:

- Maximise the use of assets in meeting current and future service (and cross-cutting) needs.
- Ensure that existing and new assets deliver services in an efficient, cost effective and sustainable manner.
- Enable residents, especially those with special needs, to live with as much independence as possible.

- Further the residential character of the area through an increase in decent and affordable housing.
- Improve the quality of life by maintaining and enhancing the local environment; enhancing community safety; protecting the heritage of the Royal Borough; promoting sustainable development; and supporting a vibrant local economy.
- Contribute to the development of a transport system for the Royal Borough that is safe, efficient, environmentally acceptable and makes full provision for walking, cycling and use of the river.
- Provide information technology and systems that support the efficient and effective operation of services and widens access to those services.
- Generate the optimal financial return for non-operational properties that have a commercial element, lever value from managing its property assets and plan for the longer-term property needs of the Council.
- Maximise the use of external sources of funding where these further the Council's objectives and where appropriate, act in partnership with other agencies.

These strategic goals are reflected in a three-year programme that sets out firm plans for the year ahead and allows the Council to plan schemes for later years. Major schemes planned to complement our priorities include:

- commissioning a new Ellesmere residential and day care facility for older people;
- establishing a new school in Chelsea, for which £4.25m has been allocated;
- rebuilding Holland Park School;
- refurbishment of Sloane Square and Golborne Road;
- extended use of York Stone in 2004/05 funded from the Car Parking Reserve as a highway improvement;
- working with the TMO to bring housing up to national decency standards; and
- planned refurbishment of the Central Library beginning 2005/06.

The Council also makes annual investments to maintain and enhance its asset base including buildings, equipment, IT infrastructure and highways to support efficient services.

The programme is funded through a mix of internally generated cash, grants from bodies such as Transport for London and borrowing. The Council's contributions to capital reserves continue to be a key resource for sustaining the high level of infrastructure investment. In some cases, capital receipts can be reinvested, for example at Holland Park School, although the Council is generally very reluctant to dispose of freehold interests. From 2004/05 the Council will have new powers under the Local Government Act 2003 to extend borrowing for investment where this is affordable and sustainable. These powers are likely to offer greater opportunities to support self-financing expenditure in the future.

# Aim 1 Community Leadership

## *Leading the community, working with partners*

The Council will continue to support and develop the Kensington and Chelsea Partnership, both financially and through the implementation of the Community Strategy. The Council provided an additional £15,000 in 2003/04 to support the work of the partnership, which will continue to be provided in 2004/05.

The pressure for development in the Royal Borough is growing, often to the detriment of local interests. The Council will use its planning powers to ensure that development supports rather than over rides the interests of residents. The Unitary Development Plan recognises the importance of social and community amenities that are provided by private, public and voluntary organisations to cater for community needs. They are an invaluable and essential component of the residential environment, helping to tackle issues ranging from youth exclusion to community care. Furthermore, the cultural diversity of the Royal Borough increases the need to maintain a broad range of social and community facilities. The Council will continue to use its planning powers to protect existing facilities where an established local need exists, irrespective of land ownership.

There are over 500 voluntary organisations and more than 350 residents and amenity groups within the Royal Borough, many of which will continue to work in partnership with the Council to improve the quality of life. The Council will continue to provide financial support to community centres, advice centres and organisations that support the voluntary sector. This grant support will amount to £2m in 2004/05.

The Notting Hill Carnival is the largest street festival in Europe. The Council will continue to assist and influence the organisation of the Carnival to reduce its environmental impact on residents and improve safety. The Council commits considerable resources to assisting the organisers of the Carnival each year and discharging statutory functions, such as environmental health, to protect residents and visitors. It is hoped that the Carnival organisers will be able to enhance their event management capabilities and gain sponsorship to reduce the commitments that the Council currently makes to the Carnival.

Unemployment is a problem that affects many young people, often because they are unable to find work due to a lack of employment experience. The Council committed an additional sum of £50,000 to the "Administrative Trainee Scheme" in 2003/04 and will maintain this funding to give local young people valuable work experience.

## *Developing the Community Strategy and Local Development Framework*

The Community Strategy will be reviewed during 2004/05 and a new version published in July 2005. This provides an important opportunity to consult residents and work with partners to develop a consensus about the issues that matter most to residents and the framework within which the partners can then work to meet residents' needs and aspirations. The Kensington and Chelsea Partnership will oversee the preparation of the new strategy, and the Council will contribute £47,000 during 2004/05 towards the cost of its doing so. The Council will ensure that its strategies and policies are aligned with the new Community Strategy, subject to legislative and technical constraints.

If the Planning and Compulsory Purchase Bill completes its passage through Parliament in its current form, it will require the Council to replace the Unitary Development Plan with a Local Development Framework (LDF). Such frameworks are intended to be the "spatial expression" of the Community Strategy, and to ensure that the development of the Royal Borough supports the aims of the Community Strategy. The Council remains committed to the existence of a planning framework which ensures that residents are protected against building developments that are poorly designed, inappropriate or not aligned with the interests of the Royal Borough's residents. If preparation of a LDF is necessary, the Council will consult with residents to ascertain their views regarding its content.

## *Working for fairness*

The Council is committed to ensuring that its services are fair, relevant and accessible to the diverse population of the Royal Borough. It is striving to ensure that there is no unlawful discrimination in its service provision and in the workplace. An investment of £10,000 per annum has been made in race equality consultation and the Council is committed to achieving "Level 3" of the Equalities Standard for Local Government by March 2005. Each Business Group has created an Equality Improvement Team to work towards this goal, and a corporate post of "Equalities and Diversity Officer" has been created to support them. The Council will continue to use its influence over its contractors and with partners to ensure that other organisations are committed to delivering services fairly and in ways that recognise the diversity of residents' needs.

The Council will continue to support the work of the Forum of Faiths. Established in 2002, the Forum is open to all faith groups and organisations in the Royal Borough. It brings members together to exchange ideas, discuss issues and identify practical initiatives that promote good relations between different faith traditions. To date, 23 groups, organisations and individuals have participated in Forum meetings.

Action will be taken to increase the quality of participation of young people in decisions that affect their lives. A sum of £70,000 has been allocated from the LPSA pump-priming grant to help the Council achieve a challenging LPSA target in this area.

## *Advancing local interests, influencing local services*

The Council will continue to protect and advance local interests by examining the proposals and actions of other agencies, including new Government policies and legislation. It will provide support where it can, but also criticise where it must.

The work of the Overview and Scrutiny Committees (OSCs) is instrumental in ensuring that the work of the Council and its partners is transparent, well administered and publicly accountable. The OSCs will develop their role and ensure that Council services meet the standards that residents expect. New powers granted to councils to scrutinise the work of the Health Service will help the Council to ensure that local healthcare providers respond to the needs of residents and provide an effective service. The OSCs have the power to “call-in” and scrutinise any decision made by the Cabinet and to examine any issue deemed to be important to the interests of the Council and Royal Borough.

The complexity of the policy and scrutiny work that has been undertaken in relation to the strategies published by the Greater London Authority (GLA) has been an unprecedented challenge for the Council that will continue to draw resources away from other areas of activity. The Council is increasingly finding itself drawn into local and London-wide battles to defend the interests of residents and businesses. The Council will continue to scrutinise and respond to GLA strategies and policies.

The Mayor of London's proposed extension of the “Congestion Charge Zone” to parts of the Royal Borough would:

- divide the Royal Borough, with some residents exempt from the charge and other non-exempt;
- curtail business activity through reduced visitor numbers;
- displace traffic to other parts of the Royal Borough thereby damaging the environment;
- put a tax on local workers who drive to work, making recruitment and retention more difficult for the Council; and
- reduce the parking income that helps fund some essential services

The Council believes that the proposals are premature and run counter to the interests of residents, businesses, visitors and the Council alike. It will continue to make representations regarding the congestion charge scheme and propose viable alternatives to the GLA that do not harm the interests of the Royal Borough.



## Aim 2 Quality and Value for Money

Each year the Cabinet scours the Council's activities searching for opportunities to improve services, reduce costs, increase efficiency, generate additional income and budget more effectively. Budget monitoring during the year helps to identify changes in spending patterns, especially where underspending occurs. This budget data is scrutinised both by Cabinet and the Overview and Scrutiny Committees. A further in-depth review of budgets is conducted over the autumn to identify fresh opportunities to squeeze out savings.

Some savings and service improvements are identified through the Council's programme of Royal Borough Reviews, which compare the Council's unit costs and its processes with other organisations. The stretching targets set by the Council's Local Public Service Agreement also challenge the Council to improve further and faster in some areas. These activities are part of a comprehensive search to deliver a more efficient, effective and economically run Council.

This year, the Cabinet is proposing savings and budget reductions across the Council amounting to £5.6m. This follows a target of £6.9m savings in 2003/04. The sections below illustrate the actions being taken by departments to tighten up budgeting and to be more efficient. The Council is also seeking ways to generate additional income that can be used to support services at less overall cost.

### *Education, Libraries and the Arts*

The Business Group will move to full cost recovery for Training for Skills on all aspects of the service contracted with the Learning and Skills Council, yielding an additional £150,000. The introduction of Government funding for Educational Maintenance Awards in September 2004 will enable a reduction of £90,000 in Council spending. The Partners in Learning Programme will spend over £1m next year, but funding will be focused on the highest priorities and reduced by £147,000 overall.

Using grant income more effectively, product sales, lettings, increased charges and recharges to capital budgets will yield an extra £167,000. Freezing budgets for non-staffing and non-contractual services at current levels and reducing running costs will save £92,000. Reorganisation of Libraries' senior management posts together with rationalisation in the Bibliographical Section and the Development and Technical Services Section will save £80,000 and the amalgamation of the Chelsea and Kensington Local History Collections will save £12,000. Reductions in purchases will save £30,000.

The Business Group will invest £25,000 to improve financial management and set aside a further £50,000 as a contingency to meet unforeseen and unplanned demands.

## *Environmental Services*

The introduction of more efficient public conveniences will reduce maintenance and utility costs by £20,000. Increased income from enforcement, pest control, the Ecology Service, highways inspections, skip licences and waste management will yield £121,000. Income from over-running street works is expected to amount to a further £100,000. Increased Town Hall car park charges will generate £70,000. The costs of supporting the Notting Hill Carnival will be reduced by using permanent Council staff rather than appointing temporary staff and by providing chemical rather than water flush toilets. This will save £25,000.

Efficiency savings in waste management and environmental health supplies and services will save £15,000. Capital expenditure on local road safety has reduced the need for staffed school crossings, and guardrail and bollard maintenance and street name-plate expenditure can be reduced with little noticeable impact. These will reduce costs by £40,000. Special events in Holland Park are expected to raise £10,000. Contracting out some low-risk food safety inspections will save £13,000.

The Car Parking Reserve arises from annual surpluses generated through the provision of on-street parking across the Royal Borough. Due to legislation, the funds in the reserves can only be used for a limited number of purposes relating to off street parking, public passenger transport services, items in support of the Mayor of London's Transport Strategy and highway improvements. It is expected that the Traffic Management Bill currently before Parliament will allow authorities rated good or excellent such as the Council to use income from car parking for general purposes. Last year £60,000 from the Car Parking Reserve was set aside for E-government projects. This was a one off item in 2003/04 and will not be needed in future years. Initiatives to tackle problems in pay and display income, such as additional monitoring staff and effective maintenance expenditure, are expected to increase income to the Car Parking Reserve by some £1,500,000.

The Council's share of mortuary service costs is expected to increase by £20,000.

## *Housing and Social Services*

Spare capacity in the current budget has been identified through underspends in 2003/04, including approximately £1.5m due to increased income recovery from temporary accommodation. In order to achieve this, it will be necessary to invest £122,000 to continue and increase support for temporary accommodation/housing benefit recovery staff. There is also some £594,000 of existing grant income that can be recycled into other services. Last year's decision to reduce funding to community nurseries will reduce costs in 2004/05 by £315,000. The closure of the Alan Lennox Boyd Centre in November 2003 will produce savings of £50,000 in 2004/05.

Changing current Housing Association Leasing Scheme properties into private leasing arrangements will increase housing benefit income and thus reduce net costs by £311,000. Savings from grants to the Mary Smith Court Day Care Centre, Age Concern, and the Blenheim Project will amount to £42,000. In each case it is expected that replacement funding will mean that service reductions are avoided. Staffing and accommodation efficiencies will yield £138,000.

Installing washing machines in home care service users' homes will reduce trips to launderettes by care workers, saving £24,000. Concentrating the use of Piper House (the Learning Disabilities Residential Unit) to cater for individuals with higher needs, will reduce the use of independent sector provision outside the Royal Borough and save £30,000.

Budget provision for additional costs for Forrester Court is no longer needed, releasing £35,000. A £17,000 reduction can also be made to the Substance Misuse budget without a service impact. Using the parenting budget rather than the carers grant to fund disability breaks will save £28,000 without any service impact.

Budget adjustments in personnel salaries and resource management will require spending amounting to £91,000.

### *Planning and Conservation*

Business efficiencies in Planning and Conservation, including staff savings, will reduce costs by £130,000. Reduced numbers of building control applications will lessen the use of consultants, saving a further £20,000.

### *Corporate Services*

Business efficiencies in Corporate Services will lead to savings of £552,000. This includes staff savings amounting to £398,000. Savings resulting from the introduction of new information technology or reductions in information technology costs will amount to a further £115,000.

The Council has a strong track record of collecting Council Tax and rates and continues to seek ways of improving performance. The Council is making it easier to pay the Council Tax through new facilities for Internet and automated telephone payments. Tighter enforcement will make it harder to evade payment of the Council Tax and is expected to yield £85,000.

Income from a new contract to collect parking income for another Council will total £85,000 and the Council's commercial property is expected to yield an extra £91,000. Previously unbudgeted net income from the Information Systems Division and the Law and Administration Department amounts to £63,000. The maintenance reserve will be reduced by £47,000.

Alongside this income generation, the Council has revised downwards its estimated income from Land Charges (by £350,000) and halls lettings (by £75,000).

Naming and citizenship ceremonies are expected to generate £60,000, and increased room booking fees for such events a further £45,000. Tighter application of the criteria for discretionary rate relief is expected to reduce costs by £15,000, and £21,000 grant will be saved following the closure of the Community Language Centre in each of the next three years.

The Council regards effective performance management and reporting as an integral part of its drive for greater effectiveness and efficiency. New posts to improve efficiency and service performance will be established at a cost of £167,000.

## *Priorities for 2004/05*

The Council will continue to seek to exploit new technologies in ways that increase efficiency and effectiveness and improve the quality of services to users. £25,000 will be allocated to support the E-Government manager post and £45,000 to comply with NHS data standards. New software will account for a further £44,000.

During 2003/04 the Council began a major exercise (entitled "*People and Places*") to examine the scope afforded by flexible working arrangements, such as remote and home working, to deliver a more efficient use of office space. This work will continue with a series of pilot projects in 2004/05.

The Council will take advantage of the reduced inspection regime and the "freedoms and flexibilities" granted by its CPA rating to return to its core business of understanding and responding to the needs of local residents. The re-assertion of this focus is encapsulated under the rubric "*Can We Help?*" Work will be undertaken to identify improvements to the Council's call handling and e-mail handling systems. Personal rather than automated contact will be maintained where appropriate. The Council will refresh its approach to customer care and improve the way in which it handles complaints. A panel of "Resident Reviewers" will be established to visit and assess frontline services, providing valuable information to guide service improvement. The annual costs of the Panel of £50,000 will be met from the £300,000 budget ear-marked for customer initiatives.

Effective governance is at the heart of a well-run council. Members' allowances recognise the time, energy and foregone opportunities of councillors who spend a significant proportion of their time on Council business. Although general allowances have not changed, the Cabinet proposes to amend the scheme to include a number of non-councillor appointments, including the Chairs of the Fostering and Adoption Panels and a new Chairman of Licensing to reflect new statutory duties. It is expected that such allowances will cost an extra £90,000 in 2004/05.

The Council will continue to develop new income generation opportunities and seek to maximise revenue from existing sources of income, including the implementation of recommendations arising from the Royal Borough Review of Charging Policy, which is currently underway. However, any extension of the congestion-charging zone into the Royal Borough is likely to reduce Council income significantly, possibly by £5.5m.

The Council will continue initiatives to improve the recruitment and retention of staff, such as more flexible working, supporting key workers through shared affordable housing schemes and appointing specialist recruitment managers to manage recruitment in key areas of the Council. The Housing and Social Service Business Group will invest an additional £200,000 in recruitment and retention initiatives.

A new post will be established at a cost of £45,000 to support the implementation of voice recognition software. This will enable employees with repetitive strain injury to return to work more quickly, improving productivity and lessening the number of working days lost through sick leave.

## Aim 3 – A Highly Valued Environment in Which to Live and do Business

### *Maintaining the urban environment and open spaces*

The high population density coupled with the large number of visitors means that the cleanliness of the street scene and open spaces is under constant pressure. Work to remove and prevent graffiti, litter and fly posting through rigorous enforcement will continue. The graffiti cleaning team has been allocated a permanent budget to ensure that graffiti does not blight neighbourhoods. The gum busting and street washing services will help to ensure that streets are clean at an annual cost of £100,000. The Council has committed an additional £400,000 to improve street cleaning and achieve a tough LPSA target to improve the cleanliness of the streets.

The Council has identified 33 sites within the Royal Borough that could suffer from significant contamination from pollutants and will carry out further investigation of those sites that pose the highest risk. It is possible that a small number of sites could give sufficient cause for concern that the Council will need to allocate funds to conduct in-depth chemical testing, risk analysis and even immediate "clean-up" operations during the course of 2004/05.

### *Achieving tough recycling targets and managing waste collection effectively*

Over the long term, the rise in the population of the Royal Borough has increased the amount of domestic waste collected by the Council and placed upwards pressure on waste management costs. The waste management contract will be renewed during 2005 and it is expected that the costs of the service may increase significantly if the current high standards and number of collections are to be maintained. The Council will examine options for increasing the efficiency of the waste collection service and reconfiguring the service in response to any concerns raised by residents.

The cost of waste disposed in landfill sites will increase in 2004/05 due to an increase in the Landfill Tax by £1 per tonne. The Council expects the tax to cost an additional £55,000 during 2004/05 and an additional £165,000 per annum thereafter, when the tax will rise by £3 per annum to a maximum of £35 per tonne. An increase in recycling participation and the proportion of waste recycled will reduce the impact of the Landfill Tax on the Council.

The Council has set a challenging recycling target to increase the participation rate in kerbside recycling to 55% by March 2006 and the Government has set the Council a very challenging target to increase the proportion of waste recycled by weight to 33% by April 2005.

The Council will provide funding of £40,000 during 2004/05 to continue the green waste trial, which may substantially increase the tonnage of waste recycled. A recycling service tailored to tower blocks will be tested to increase the recycling participation rate.

The Council will continue to fund the Recycling Wardens in 2004/05 at a cost of £400,000 if the current external funding arrangements cease, so that the performance of the Waste Management section will continue to improve.

### *Protecting residents from poor building development*

The Government has introduced a Planning Delivery Grant, which is to be used to appoint two temporary planning enforcement officers at a cost of £40,000 to reduce the increasing number of breaches of planning law that can damage the quality of the built environment. The Council will seek to make a rapid response to emerging resident concerns that relate to planning. Currently, the Council has no powers to either make rapid changes to the Unitary Development Plan or use planning powers to assuage public concern regarding matters such as tables and chairs on the pavement. However, it may be possible to use other legislation, such as highways legislation, to deal effectively with such matters raised by residents, an option the Council will explore during 2004.

### *Improving transport infrastructure and services*

The Council will continue to exert its influence with the Government and Greater London Authority, both directly and through channels such as the Association of London Government, to tackle issues that will deliver lasting transport and environmental improvements for the Royal Borough, including:

- pressing for the construction of two new stations on the West London Line and for the construction of the Chelsea-Hackney line, including stations in south-west Chelsea;
- opposing the construction of the third runway at Heathrow Airport and seeking measures to reduce its environmental impact if built;
- preventing more intensive use of the existing runways at Heathrow Airport;
- making more effective provision of bus and bicycle lanes, while continuing to empower all road users; and
- assessing the potential for reducing traffic congestion by eliminating the "school run" through school bus services and improved school travel planning.

Increased parking income will allow the Council to improve the efficiency of its parking operations by allocating £300,000 to replace the parking enforcement information technology system should it be necessary. A further £60,000 will be spent on a review of Sunday parking controls, which will include a public consultation process. Maintenance of the Kensington Town Hall car park will cost £10,000. Up to £100,000 will be set aside to test new pay and display machines that are more secure than existing machines as and when they become available.

The Council will continue to improve bus journey times and the reliability of bus services within the Royal Borough by reviewing loading restrictions and by deploying parking attendants in places where bus operators report that illegally parked vehicles obstruct buses.

## *Licensing and managing public health risks*

The responsibility for liquor licensing will transfer to local authorities from the Magistrates Courts during 2004. Although the transfer will provide the Council with increased powers to control pubs and clubs in line with the wishes of residents, the licence fees will not cover the costs of the service. It is expected, subject to final guidance, that the net additional cost of the service will be £59,000 in 2004/05 rising to £485,000 in 2005/06 when fee income from licence renewals is reduced.

Local Authorities are likely to be required to issue premises licences to betting shops and casinos from 2005/06 under planned reform of gambling legislation. Licence fee income may not cover the costs of the service.

The environmental health team will focus its attention on those traders and establishments that present the highest risk to public health in order to reduce those risks to acceptable levels. Establishments that present a low level of public health risk will be inspected less frequently.

Through its Waste Management and Pest Control services, the Council will develop a "neighbourhood" approach to pest control that in partnership with businesses and residents will improve the hygiene of neighbourhoods and eradicate pests.



## Aim 4 – Protecting the Public

*The Council will continue work to reduce crime, disorder and public nuisance*

The Council's Community Safety Team works closely with the MPS and other partners through the Crime and Disorder Reduction Partnership (CDRP) to make the Royal Borough a safer place in which to live and work. The Community Safety Strategy will set the strategic framework for the Partnership's work in 2004/05. The Council, acting through the CDRP, will continue to work to achieve the crime and disorder reduction targets set out in the strategy. The Council expects to receive Government grants amounting to some £1.1m in 2004/05 to help it to do so.

The Council is at the forefront of tackling anti-social behaviour and addressing the need, identified very strongly by local residents in Residents' Panel surveys, for a greater uniformed presence on the streets of the Royal Borough. Initially the Council considered employing its own Borough Constabulary to patrol the streets. However, the passing of the Police Reform Act 2002 offered other opportunities and in particular, the introduction of PCSOs. PCSOs are civilian officers, working for the MPS, who patrol the streets to tackle anti-social behaviour and disorder that police officers do not normally have the time to tackle, but nonetheless, damages quality of life. Thirty PCSOs were appointed by the Metropolitan Police Authority (MPA) to work in the Royal Borough. The Council has negotiated with the MPA to purchase another twelve PCSOs to work in the local area. The Council has committed resources totalling £500,000 per annum to fund this initiative and will consult residents at a later date on whether to commit further funds to employ even more PCSOs. The KCP has allocated part of the Neighbourhood Renewal Fund (NRF) to pay for five additional PCSOs for the St Charles Ward.

More generally, the CDRP will continue its efforts to reduce anti-social behaviour using existing powers and those granted by the Anti-Social Behaviour Act 2003. Anti-Social Behaviour Orders (ASBOs) will be used to curb repeated anti-social behaviour by adults. The Youth Offending Team (YOT) will strive to reduce offending by younger people through a wide variety of schemes, ranging from projects to divert young people from crime, to Parenting Orders and Intensive Supervision and Surveillance programmes.

The Council will conduct further joint enforcement operations, such as that undertaken in Earl's Court in July 2003, involving Council enforcement officers, the MPS, Customs and Excise, the Driver and Vehicle Licensing Centre, London Buses and other partners, to bear down on all forms of crime and disorder.

Reducing street crime will remain an important priority and the Council will support the MPS in its efforts to combat such offences. The Council has installed white lighting in Colville, Redcliffe, Holland and Earl's Court to improve illumination, which will reduce street crime and improve the ability of the MPS to solve crimes. In 2004/05, the use of white lighting will be extended to Notting Barns and parts of the Norland, Cremorne and Stanley wards.

Work to reduce domestic violence and provide adequate support to victims of such crime will continue, and the Council will consider the implications of any new legislation for its work in this area. Other crime prevention work will include continued "target hardening" of social housing, particularly dwellings occupied by vulnerable residents, to reduce burglary, which has fallen by 3.5% during 2003. General theft accounts for 26% of all crimes committed in the Royal Borough. The Community Safety Team will encourage cafés, bars, restaurants and other public venues to reduce theft through simple "target hardening" measures, such as providing bag-hooks under tables. Residents, workers and tourists will be encouraged to take simple precautions to reduce the chances of becoming a victim of crime.

The Council will undertake a number of exercises to ensure that its Community Safety Team and CDRP are working effectively. These will include a review of the effectiveness of the CDRP, steps to ensure that the Drugs Action Team (DAT) and CDRP are closely aligned and working together well, and an Equalities Impact Assessment of the Community Safety Team and CDRP. The CDRP, DAT and Youth Offending Team (YOT) business plans will be aligned with the forthcoming Community Strategy. The Council will also implement the recommendations arising from a review of the Council's CCTV system carried out during 2003, to ensure the maximum possible benefit is derived from the system.

The Council has received £500,000 of funding under the Criminal Justice Intervention Programme (CJIP). The CJIP aims to move drug-misusing offenders into treatment programmes to help end their drug addiction. The programme will reduce "acquisitive crimes" such as shoplifting and thefts that many drug offenders routinely commit to fund their drug-misuse, by tackling the root cause of the offences. This will increase quality of life within the Royal Borough. Other efforts to reduce drug crime will include the use of the Crack House Protocol, through which, partners work together to close down crack houses within six weeks.

### *Improving fire safety*

The Council has undertaken work to achieve an LPSA target with the London Fire Brigade to reduce the number of accidental fire deaths and reduce the number of accidental fires in dwellings. The Council will continue its investment of £20,000 on smoke detectors for TMO properties to help reduce accidental fire deaths.

### *Improving road safety*

Road user behaviour in the Royal Borough has not always met the approval of residents in recent years and the Council is working to improve the education of road users as an alternative to engineering solutions, which may prove more effective in improving road safety. This will be achieved by encouraging road users to behave in a responsible manner and to develop an awareness of other modes of travel to reduce the number of accidents.

## Aim 5 – Improving Local Skills and Education Standards

### *Nursery Education*

The Council remains committed to providing a strong foundation for learning through high quality, cost effective nursery education. The funding for nursery places in the private and voluntary sector has been transferred to the Council through the funding formula. The Council has been required to meet an increase in Nursery Education Grant claims even though it has received no additional funding for this purpose. The cost of the claims will be met, which means that more parents who choose nursery education have access to subsidised costs in settings that are covered by the Office for Standards in Education's (Ofsted) quality assurance arrangements. An additional £60,000 will be spent to increase staffing to ensure high standards of administration and that providers are making appropriate use of funding.

In the maintained sector, the Council will take advantage of national requirements in order to improve services and increase efficiency. From April 2004, the Council must change the way it funds nursery schools and delegate budgets and responsibilities to them in the same way that it has to other schools for more than a decade. The Council will use this as an opportunity to address historical, but no longer relevant, variations in funding across the nursery schools and in the levels of service they provide. The funding formula will be based on staffing requirements and other identified needs. The Council will make arrangements to smooth the transition between the current and new funding arrangements with the aim of bringing the per pupil costs of nursery schools to an average of around £6,000 in two years' time. These costs will remain substantially higher than the per pupil cost of nursery education in primary schools which is currently £3,700. Each governing body will have the flexibility to spend its budget in the way that best meets its school's needs.

The Council is also putting nursery schools at the heart of its plans for children's centres. Nursery schools are being encouraged to use their specialist expertise to take the lead in bringing organisations together to provide a more coherent service to parents. This will also enable the removal of wasteful duplication of managerial and administrative capacity.

### *Schools*

The Government continues to amend the responsibilities and duties that the Council is expected to discharge in relation to schools and other educational services. In addition, the Government is considering further reforms to the education system and local schools management in particular, which could substantially alter the role of the Local Education Authority (LEA) and present the Council with a considerable challenge to adapt and continue to improve the education services available to residents of the Royal Borough. The Council will spend £50,000 to ensure that the LEA has sufficient staff to respond to external policy initiatives.

Demand for home to school transport has risen significantly due to an increase in pupils who require independent transport to and from school, particularly those with a Special Educational Need. Furthermore, the cost of providing transport has increased due to the increased scrutiny and licensing of transport providers and in particular, minicabs, that is rightly taking place. The Council will allocate an additional £100,000 to the school transport budget to meet both demand and increased costs.

The Education Act 2002 placed a new statutory duty on LEAs to coordinate secondary school admissions. This requires both additional staff and new IT systems to ensure that the admissions process works effectively and that pupils are placed in schools for the start of term. The Council will spend £60,000 to support this work.

The ever-increasing responsibilities and demands placed by Government on the LEA are stretching the capacity of the department to the limit. Issues that must be addressed include succession planning, effective financial management and the line management of the inspectorate. The Council will recruit additional staff to resolve these issues at a cost of £75,000.

Capital investment plans will make an important contribution to the efforts of the Council to sustain excellence in its education services. There are plans to:

- rebuild Holland Park School, funded by a capital receipt from land disposal on the site;
- advance the proposal to build a new school in Chelsea;
- continue the rolling programme to upgrade school buildings to an approved standard, including energy performance; and
- fund additional places for under fives.

### *Community Education*

The Council will secure and co-ordinate the provision of complementary community-based learning opportunities to meet the needs of children, young people, adults, families and communities. To achieve this within resource constraints, the Council will:

- determine its range of provision according to need, rather than seeking to provide all community education services;
- allocate grant funding to voluntary organisations for fulfilling activities that the Council determines, rather than funding their individual needs; and
- maximise external funding to maintain and develop broad community education provision within the Royal Borough.

## *Libraries and Arts*

The Council will continue to provide a libraries service that places the Council in the top quartile of performers in London. It is developing a strategy to set the direction for the development of the libraries to meet the needs of users. The Council is working to improve the use of its libraries by residents living in the North of the Royal Borough and who are either from an ethnic minority, over 70, unable to leave their home or a reluctant young reader. The Council will spend £120,000 of its LPSA grant to progress this work.

The Council will continue to support the Holland Park Opera and aim to achieve break-even funding of the event. The 2003 season was extremely successful, but break-even was not achieved and the Council will create a contingency of £200,000 in 2004/05 to ensure that any funding shortfall does not impact on Council services. Efforts to secure external sponsors to support the event will continue; the aim of the Council is to be a focus for arts development within the Royal Borough, rather than a major financial supporter of the arts.

## Aim 6 – Supporting the Most Vulnerable People

### *Supported housing for those most in need*

Supporting People is a new funding regime for supported housing which combines a number of funding sources previously held within both central and local government into a single grant payable to local authorities. As a result of a mismatch between the Supporting People grant and the costs incurred by the Council, a shortfall of £1.1m is projected for 2004/05. The Council has developed a strategy that will mitigate £800,000 of the shortfall and will provide an additional £300,000 to plug the remaining gap.

The Council has set aside a budget of £1m under its first Private Sector Housing Renewal Strategy to help vulnerable groups living in private sector accommodation to adapt, repair and improve their homes. A sum of £165,000 has been set aside from the grant to provide extra help to older residents and those with disabilities to remain in their homes and retain their independence.

The links between poor housing and ill health are widely documented, as is the high incidence of deaths due to strokes and winter cold across the UK. Grants of up to £5,000 per dwelling are available to provide warmer homes, which will ease the pressure that poor and cold housing can place on the PCT and the Council's Social Services. Working with the Community Safety Team, the Environmental Health Service will offer grants of up to £2,000 per dwelling to pay for home security measures that help provide safer homes for certain vulnerable residents.

### *Looking after children and families*

The parenting budget has been a major pressure point on Council budgets in recent years due to the volatility in spending. A small change in the number of children looked after by the Council can have a large impact on the budget because a placement for a child with the most complex needs can cost anything up to £200,000 per annum. However, costs are being controlled without reducing the level of care provided to children. The budget will therefore be reduced by £400,000 in 2004/05 and the funds redistributed to other priorities.

The Council will fulfil its obligations under the Adoption and Children Act 2002 to support adoption and independent reviews of looked after children. The number of independent reviews is expected to total 570 per annum. Five new posts will be created to undertake this work at a cost of £110,000 and a further post will be created at a cost of £35,000 to support adoption.

The Council will provide an additional £20,000 to the Punch and Judy Family Centre. This will provide an increased service to families in the Earl's Court area and meet national nursery standards.

## *Caring for adults and providing community care*

Changes in demand for community care services, including residential, nursing, home and day care, has forced the Council to adjust its community care budgets. The following key changes have been made:

- Older People – an increase in purchased home-based care and meeting the costs of existing demand at a cost of £337,000.
- Mental Health – an increase of 29 short-term residential placements and meeting the costs of existing demand results in this budget increasing by £381,000.
- Learning Disabilities – an increase of three residential placements, one day-care place and five home-based care packages. However, existing underspends will allow this budget to be reduced by £188,000.
- Physical Disability – an increase of two residential placements and seven home-based packages. However, existing underspending will allow this budget to be reduced by £61,000.
- Young Onset Dementia – an increase of one day-care place and one home-based care package at a cost of £31,000.
- Aspergers – the Health Service is now funding the majority of cases and this budget will be deleted, saving £172,000.
- Substance Use – an increase of five residential placements for clients with complex needs, partially offset by underspending on the core substance use budget, results in a budget increase of £36,000.
- Other funding and grant changes at a cost of £80,000.

Many care placements are made with voluntary or private providers of community care, who are raising their fees in response to increased national care standards and regulations. The Council will work hard to ensure that fee increases are maintained at a reasonable level, but will raise the community care fee budget by £172,000.

The Council is concerned about the provision of residential and day care services within the Royal Borough following the closure of the Vicarage Gate Nursing Home. Older people in particular, benefit from being able to remain in their local area, even if they have lost their independence. Therefore the Council will remain alert to any threat that may reduce the number of places currently available to those in need and will actively use its planning powers, where possible, to safeguard existing amenities and encourage the development of new nursing and care homes within the Royal Borough.



The Council provides a range of services to adults in need of support or assistance, ranging from occupational therapy to home care services. However, there is a group of residents who do not meet the eligibility for specialist services, particularly those aged under 65 with only moderate needs, who have been at risk of slipping "through the net". The Council will create two posts and a budget for home care services to help such people at a cost of £123,000 during 2004/05.

The Government has introduced the National Framework for Older People, which has set targets relating to the provision of occupational therapy in partnership with the Health Service. The Council will establish a new equipment store in Acton at a financial cost of £109,000 and provide additional staff at a cost of £163,000.

The White Paper "*Valuing People*" sets out new expectations for services provided to adults with learning disabilities and includes an expectation that such services will no longer be solely building-based. Day care services will be modernised to place more emphasis on users' needs. There will be an ongoing development cost of £60,000 and further one-off capital costs of £160,000 to adapt part of the SCOPE day centre to form a basis for an integrated Learning Disabilities Service.

Learning disabilities staff training and development will be enhanced with the provision of £40,000 funds to facilitate the recruitment of an in-house trainer and provision of courses. The aim is to train 50% of frontline staff to NVQ Level 2 standard by 2005.

The Substance Use Team will be required to comply with new models of care under the National Service Framework from 2004. This will reduce treatment thresholds and have a significant effect on care management services.

The Council will spend £30,000 to ensure that targets relating to waiting times for treatment are met. Adhering to the targets will secure future funding from the Department of Health.

The Council provides a dual diagnosis service to people who suffer from both mental health and substance use problems. These people are high risk and require fast and effective treatment. The Council will spend £30,000 to reduce current waiting lists for such treatment.

A part time post will be created to work with the probation hostel and two direct access hostels in conjunction with the Joint Homelessness Team, Dual Diagnosis Team and Substance Use Team at a cost of £20,000. This will ensure that the Council helps those people in need, who may also struggle to establish themselves within the community.

## *Protecting those from abroad in genuine need of help*

Government policy has reduced the entitlement to mainstream welfare benefits and permanent housing that people arriving from abroad used to receive. However, the Council must:

- house and financially support asylum seekers in certain circumstances (although further changes in this area are expected);
- support care leavers who are not entitled to state benefits or student support due to their immigration status;
- tackle barriers to social inclusion, such as language difficulties, homelessness and in some cases, trauma caused by war or persecution; and
- accommodate asylum seeking children who have no-one taking parental responsibility for them

The Council discharges these responsibilities without reducing the level of support and services offered to other residents, the homeless and those arriving from abroad who are entitled to welfare benefits and permanent housing.

The Department of Health has issued guidance relating to the accommodation of unaccompanied asylum seeking children under section 20 of the Children Act 1989. This places additional obligations on the Council, including the provision of support to such children once they have left the Council's care. The Council will spend £20,000 to recruit a part-time project worker to improve the range of semi-independent accommodation for those leaving care.

## Aim 7 – Building Better Communities

### *Investing in the Royal Borough's social housing*

The successful inspection of the Council's Tenant Management Organisation (now established as an "Arms Length Management Organisation") has ensured access to capital funding for housing stock improvements amounting to some £19 million. Investment over the next two years has already been planned, with future decisions to be taken on the basis of a stock condition survey that will be carried out next year. The Council will support, subject to appropriate conditions being met, a proposal by Catalyst Housing to make substantial physical improvements to Wornington Green. In doing so, the Council will be looking to secure significant improvements in community safety and the environment of the local area.

The high property prices, high private sector rents and the high population density combine to place inordinate pressure on all housing sectors, which makes it extremely difficult to provide affordable housing to the homeless, those in need and key workers. There is consistently high demand for housing and therefore record numbers of people have been placed in temporary accommodation.

Despite these pressures, during 2003/04 the Council succeeded in reducing to zero the number of homeless families placed in bed and breakfast accommodation. To build on this success, the Council will invest an additional £125,000 in incentive payments to registered social landlords to secure properties for temporary accommodation under the Housing Association Lettings Scheme. The Council will also help to reduce the use of interim temporary accommodation by continuing support for a mental health assessment nurse at a cost of £36,000 to assess clients' need and eligibility for temporary accommodation. This will ensure that those who are most in need receive temporary accommodation as soon as possible.

Enabling social housing tenants to relocate outside the Royal Borough when they wish to do so helps to free up accommodation for priority nominations from the Common Housing Register. Bed and Breakfast Unit grant currently funds two posts and a relocation expenses budget to assist such moves. Grant funding will end in 2004/05 and the Council will invest £112,000 to maintain this support.

The Council will also spend £107,000 on a more efficient system of central allocations and nominations. This will provide better monitoring and improved links with regional partners with whom the Council works.

## *Regenerating the poorest neighbourhoods*

The Council will continue to work in partnership with the Government and other agencies to promote regeneration in the areas of the Royal Borough most affected by deprivation. The Council is pleased that the Government has recognised the continuing needs of these areas by granting a further two years of Neighbourhood Renewal Funding. The £2m has enabled a range of projects to be supported in 2004/05 and 2005/06. The allocation of funding has been overseen by the Kensington and Chelsea Partnership and in addition to the 5 PCSOs for St Charles Ward mentioned earlier, the range of initiatives supported includes the North Kensington Opportunities Centre and the recruitment of an "Environmental Co-ordinator" to progress the "Cleaner Greener" initiative and work with other organisations in North Kensington to improve the environment.

## *Leisure*

The Council is exploring options to improve the provision of leisure facilities in the south of the Royal Borough and in particular, Chelsea. The Council is also spending £137,000 to increase the use of its sports facilities by older people, lone parents and those with cardiovascular problems. In preparation for letting the next leisure services contract, the Council is consulting users and non-users about new services that could be offered in the future.