Draft Budget Report
2018/19 to 2021/22

Report by Stephen Fitzgerald - Interim Chief Finance Officer

Residents Committee 30 January 2018
Adult’s and Children’s Committee 1 February 2018
Growth Committee 6 February 2018
Treasury Committee 8 February 2018
Budget Council 27 February 2018

THE ROYAL BOROUGH OF KINGSTON UPON THAMES
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Key points

1. This report provides the budget proposals and council tax setting for the 2018/19 financial year. In summary, the Budget consists of the following key elements:
   - A council tax at band D of £1,477.46\(^1\), a zero percent increase in the Council Tax set by Kingston Council.
   - A £14.20 increase for the band D council tax set by Sadiq Khan, Mayor of London, for Greater London Authority services, a 5.1% increase on the previous year.
   - A net revenue budget of £129.7m, a £1.7m decrease in the net budget overall.
   - The identification of £22.2m of revenue savings opportunities consistent with the “No Stone Unturned” Transformation Programme.
   - The provision of £10m to meet spending pressures across the council as a whole.
   - A general reserve of £11.1m for 2018/19, an increase of £3.1m on this year’s figure of £8m to ensure prudent cover for managed risks.
   - A total of £26.1m of reserves, including £15m of earmarked reserves available for specific purposes in 2018/19.
   - A Capital Programme of £76.7m for 2018/19 to provide infrastructure investment in Kingston. The capital programme over four years will be £164.6m.
   - The provision of £20.4m of resource, the full government allocation, for Special Educational Needs Services for Kingston.
   - A Medium Term Financial Plan which is designed to limit future increases in tax, provide targeted growth and set prudent balances for the new Council.

2. This represents a Budget that develops essential services and continues this Council’s record on performance improvement. This has been undertaken at a Council Tax level that avoids additional burdens on the residents of Kingston.

Financial and Policy Context

3. As long as Kingston has existed as a borough, since 1965, it has been reliant on a government grant to fund its services, as is the case in most boroughs. In 2018/19,

\(^1\) This is the average Band D Council Tax taking into account properties within and outside the Wimbledon and Putney Commons Conservators area.
that grant will disappear and Kingston will have to find its funding for essential services elsewhere. This will be difficult, but it’s also an opportunity. We will build on our work over the last 18 months in reshaping the council and its relationship with communities including No Stone Unturned process in exploring new ways, not just of delivering services and reducing costs, but equally developing innovative ways of raising money. In 2018/19, Kingston will be joining the rest of London in a pooling pilot of Business Rates Retention. This means we forego the final year of grant funding in favour of retaining (across the pool) 100% of business rate growth. There is no net loss to Kingston as result of this pooling arrangement.

4. Next year will be the third year of the ‘4 Year Settlement Offer’ which provides some certainty over our resource position. Despite some minor changes the reductions in Government support for spend in Kingston have continued as planned. The flexibility introduced last year to bring forward the “Social Care Precept” continues into next year, and the threshold where a proposed Council Tax increase requires a referendum has increased to 3%.

5. Within the Council, consistent with the national picture, there has continued to be a high level of demand for Adult Social Care. Work to manage this demand has reaped benefits but a relatively small overspend remains, which will be offset by underspends and increased commercial income in other areas. High levels of demand in Children’s Services has also continued to be a significant issue centred on social care, children leaving care, Asylum Seeking children and SEN Transport. However, the most important financial pressure has been the emergence of a structural overspend in the activities covered by the Dedicated Schools Grant. This has focussed on the High Needs Block, and will result in a cumulative overspend on the DSG of £12m at the end of this year; this position is untenable. Whilst this is contained within the ring fenced schools budget, it is essential that Achieving for Children (AfC), who manage these services on behalf of the Council, bring overall spend within the funding that Kingston is allocated by the Government in its new National Funding Formula. AfC and the Council have a plan in place to achieve that subject to securing the Secretary of State’s approval to transfer £4.3m from general school’s resources to meet the cost of support for pupils with special educational needs.

6. Taking all these risks and pressures into account, the Council needs to make savings of approximately £22m next year. This will be challenging, and risks in achieving it will require greater provision to be made for contingencies.

7. All the proposals in the budget result from the work the Strategic Leadership Team and senior managers have been doing over many months as part of the budget setting process. The proposals have been developed in collaboration with Portfolio Holders and reflect their political priorities.

8. The scale of the challenge requires the whole Council to respond positively and constructively. Delivering this plan will require all officers and members to work together and effectively with the communities we support.
9. Our key strategic financial challenges - increasing demand alongside reducing resources - remain the same, and our responses are also consistent. We have reviewed all major areas of spend through our “No Stone Unturned” programme and the long term solutions to our situation are to be found in increasing our revenue base, demand management in all services, increasing customer and client income, increasing commercialism, and prudent investment.

10. Next year we will begin to realise savings through our better use of assets and flexible working arrangements. We will also explore further opportunities for co-location of public services reducing the need for expensive office accommodation.

11. In addition our investment in digital solutions and automation will enable customers to self serve and access services directly online reducing back room processing costs. In turn this will enable us to realign our staffing needs. We intend to do this in a review of all staffing, which will include reducing the numbers of agency workers, minimising impact on front line delivery, and the need across the organisation for compulsory redundancies.

12. A major management restructure has been achieved, which will save £1m in management costs in 2018/19, and will result in a Management Team with 5 Directors (Children’s Services, Adult Social Care, Communities, Growth, and Corporate and Commercial) and the Chief Executive and her Deputy. Assistant Director roles are under recruitment, and will also lead to a reduction in interim managers. Savings equivalent to £1m a year in spend on agency staff has already been achieved during 2017/18. With rigorous controls, this total can be exceeded in the 2018/19 financial year.

13. Our plan is set out under the following headings:
   - People and communities
   - Place, growth and the economy
   - Corporate and Support Services

People and communities

14. Over 70% of our annual budget is deployed to meet the needs of the most vulnerable in our communities. These are often characterised as “high demand” services, which would make the council financially unsustainable if not limited to those most vulnerable. In most cases, there is a tension between increasing pressure to spend on a relatively small number of people with high or complex needs and preventative services which mitigate those pressures, and benefit a much larger group.

15. We have made significant progress in changing the relationship with communities so that the public expects services to promote healthy behaviours, independence and self care which in turn reduces dependency on high cost or institutionalised services.
Adult Social Care

16. In Adult Services, great progress has been made in our partnership with Health, started in the Kingston Coordinated Care Programme. Integrated Community teams are being rolled out, and we are working with colleagues in the NHS to identify patients who are at highest risk of hospital admission, and also to facilitate discharge back home. We have significantly reduced the number of older people who enter residential or nursing care (especially directly from hospital) with an unrelenting commitment to promote and support their independence. Despite the increase in the older population and the pressures on the NHS we are keeping spending within the resources we have available, and achieving better outcomes. Kingston has been rated as one of the best performing Councils in terms of avoiding “Delayed Transfers of Care” attributable to social care.

17. Supporting People with Learning Disabilities has continued to rise, partly because of demographic reasons - more children with complex needs have better life chances. In addition the number of adults with disabilities is rising more quickly than the general population. Our approach is to promote independence, and support people to live lives in the community, with their own support networks, relationships and friends, and with the opportunity to access housing, training and work. These principles will be at the centre of care planning from early stages, rather than creating long term institutional dependency that extends into adult life.

18. Active and Supportive Communities - We have produced a new service model in Adult Social Care. We are offering early advice, information and guidance to people created under "Active & Supportive Communities". Supporting independence, promoting self help and connecting service users into local community networks has led to the need for fewer assessments When to assess for someone’s long term needs - we will do this when they are home, in familiar surroundings, and have had effective help from both the NHS and social care if they have had a hospital admission. We will not do assessments for long term care when a patient is in a bed based facility unless there is no alternative.

19. If people have long term needs we will continue to work to make them as independent as possible and not assume they have a life long need for care. We will expect older people to be able to develop skills needed for independence and to be able to engage (with our help) with new technology. We will support people with learning disabilities to learn new skills and be able to live in less dependent settings over time and we will support them to gain meaningful employment and increase their health outcomes. We will support and enable most people with mental health problems to be able to manage their symptoms and return to active lives and work with partners and stakeholder to increase the focus on prevention. For this reason we expect reviews to reduce the current levels of service for some customers, not simply to maintain or increase them.

20. In 2015 the Government introduced the Social Care Precept as a means of raising, via local council tax payers, some of the resource required to fund ongoing and
growing pressures in Adult Social Care. Kingston was one of the vast majority of Council’s who exercised this power in 2016/17 and continued to do so in 2017/18. The Council has a choice in this budget to levy the remaining Social Care Precept in the coming year or the one after, and needs to balance the need for resources with our fiduciary duty to Council Tax payers.

21. We have explored opportunities to intervene in care markets which we feel are not providing a good deal for residents or us on their behalf. The first steps have been taken towards investing up to £25m in developing new residential provision in Children’s Services and for specialised dementia care for older people. Provision has been made in this budget to resource both of these developments.

22. There has been huge change in the NHS and its partnership with Local Government. The London devolution deal has been agreed which provides an overarching governance for the NHS at London level. The Strategic Transformation Partnership (now called the South West London Health and Care Partnership) has been established at Regional level, and is supported by a series of Local Transformation Plans. Good progress has been made in 4 of the 5 priorities agreed this year - developing multi disciplinary locality teams (MDTs), improving access to Primary Care in care homes, and improving Intermediate Care & ‘crisis response’. Reducing A&E attendances has proved more difficult to achieve. The preoccupation with hospital reconfiguration that characterised STPs when they were established is no longer evident, in part because of pressure from Councils in the Sub Region.

Achieving for Children

23. Two significant developments in this year were the admission of Windsor and Maidenhead into the Achieving for Children (AfC) partnership, and Richmond achieving a “good” judgement from Ofsted under the Single Inspection Framework. AfC was successful in its Partners in Practice bid, which means that it is recognised by Government as a service that can support others because of its excellent services.

24. Overspending in Children’s Services has continued to be a significant problem, centred on social care, children leaving care and Asylum Seeking children (or children whose parents have no recourse to public funds) and SEN Transport.

25. However, the most important financial pressure has been the emergence over a number of years of a structural overspend in the activities covered by the Dedicated Schools Grant. This has focused on the High Needs Block, and will result in a cumulative overspend on the DSG of £12m at the end of 2017/18. It is essential that AfC, who manage this spend on behalf of the Council, bring overall spend within the funding that Kingston is allocated by the Government in its new National Funding Formula.

26. A Recovery Board, chaired by the Council’s Chief Executive, will oversee the steps required to bring spend back into alignment with budgets. While the allocation of additional resources to support Schools Budget activities is an option always
available to the Council, it is neither desirable, nor financially possible for the Council to directly support schools spending through the Council Tax. A request has been made to the Secretary of State for Education to disapply rules around the level of funding that can be moved between the blocks within the schools budget in order to address this issue in the short term and we are awaiting a response.

27. The same factors that support the principles of demand management in Adult Services apply to Children's Services. Supporting independence, reducing reliance on institutional forms of care, using statutory interventions only when necessary and focusing on life outcomes for children rather than simply eliminating risks, for example.

Housing services

28. Kingston, Merton and Sutton councils have teamed up to secure £1 million in government funding to help households avoid crisis and prevent people from becoming homeless. This includes the development of peer support, new ways of working, developing more accessible support in the community, and the development of online tools which will help people identify the support they need. In a separate bid worth a further £400,000, the housing association SPEAR will work with rough sleepers in Kingston, Wandsworth and Richmond to help improve access to accommodation and other services.

29. As part of the Cambridge Road Estate regeneration proposal, the Estate is set to see better quality housing, as well as additional homes as the Council’s bid to see it designated a “housing zone” has been approved. The regeneration is an integral part of the Council’s activity to boost housing supply, stimulate building and produce more low cost homes.

Cultural Services

30. Culture, creativity and innovation are an integral part of the borough’s history and identity and economy. Part of creating sustainable, successful communities is to encourage a diverse cultural offer. We want and need the cultural and creative industries to thrive. They are an important part of the economy and growing faster than any other sector. Kingston is already home to over 6,500 residents who are employed in the creative sectors and through Kingston University and the College hosts world class academic courses that support the creative sector.

31. In exploring new ways to fund and deliver services the council is a key stakeholder in Creative Kingston, a Community Interest Company drawn from cultural stakeholders from across borough. Creative Kingston works to raise the cultural profile of the borough and to draw in external funding to support programming of activities. This year Creative Kingston supported the borough in its application for London Borough of Culture 2020 which, if successful, will draw in over £1 million in external funding and enhance the local economy, placing Kingston firmly on the cultural map.
32. Other significant recent cultural assets and events that attract investment and visitors to Kingston:

- The Rose theatre world class drama and family performances. This year saw award winning actor director John Malkovich make his London debut in UK premiere of Good Canary.

- the International Youth Arts Festival, which involved 108 companies and solo participants from the UK, Europe, Africa, Asia and America in a 10 day event;

- the Ignition dance festival in its fourth year, produced by DanceWest, and involving 960 performers with 80 community groups of diverse dance styles

- Kingston carnival showcasing Kingston's diversity and attracting artists and musicians from across Europe. The carnival continues to grow as the South West family alternative to Notting Hill

33. As part of our digital investment and automation of services Library services benefitted from a £500,000 transformation which has seen the installation of self-service machines across all Kingston libraries. The introduction of self-service machines offers more opportunities to carry out transactions online, reduces staffing costs and also frees up staff to support customers, providing information and assistance. Kingston Libraries work in partnership with Jobcentre Plus providing Skills and Back to Work groups at 2 of the borough's libraries, supported by volunteers. Tudor Drive library has also been extended with the new space having been funded and constructed by Berkeley Homes as part of the development of the nearby Richmond Chase site.

A heritage Lottery bid is being prepared in conjunction with All Saints Church that will bring investment into the borough and secure Kingston’s heritage at the centre of the town.

35. In exploring new ways to fund and run services the council renegotiated its Leisure management contract releasing £2.2 m savings over the lifetime of the contract. At the same time securing investment across all Leisure sites by Places for People. Investment included a health spa at Kingfisher and improvements to the athletics track at Kingsmeadow home to the Weir Archer Academy and paralympic training ground.

Place, growth and the economy

36. To make up the gap left by losing government grant, it is critical that the Council increases the tax base it controls - Council Tax and Business Rates.

37. The pressure on London's housing is well known, and the Mayor has introduced challenging targets for housing growth. Crossrail 2 will stimulate more development should it be delivered as planned. Kingston needs to become more than a successful retail centre attracting high value jobs and businesses. The challenge is
that Kingston is a great place to live, and we have to attract businesses and build new housing in a way that doesn’t negatively impact the residents we already have. We have to grow appropriately while maintaining our unique history and heritage. This is what we mean by achieving “good growth”.

38. Kingston’s population is expected to grow by 18% in the next 20 years\(^2\). This means we need to build more houses. Despite the political and economic turbulence of the past year, growth and making sure that for Kingston and local residents remains an absolute priority. Our population has grown from 164,000 in 2012 to 181,000 in 2018. It is projected to grow further to 202,000 by 2029. The plans for Crossrail 2, which include 10 stations in the borough, will be a major driver for medium and longer term growth in Tolworth and Chessington in particular. The London Plan estimates that the borough will have a need to create 13,640 new homes by 2029. The proposed Kingston Opportunity Area identifies the potential for 5,000 new jobs and 9,000 new homes to be delivered throughout the plan period. Kingston is currently at the forefront of work at a sub-regional (South London) and regional (London) level on devolution and growth.

39. In order to deliver ‘Good Growth’, we need to balance our development requirements, delivering new housing whilst maintaining economic growth, creating new jobs and crucially, improving social and physical infrastructure. The Council’s role is to embrace the opportunities that growth provides, nurture those opportunities and shape them. The Council will encourage business growth by promoting Kingston as an international business destination. This will require the development of the kind of transport, communications connectivity and infrastructure expected of a key business hub.

40. More recent developments include:

**Eden Walk**

41. Planning permission has been granted for the redevelopment of Eden Walk shopping centre to provide 360 new residential accommodation units in addition to high quality retail, office and leisure floorspace creating approximately 600 jobs for local people. The scheme will enhance the town centre offer and help to maintain Kingston’s premier status as a Metropolitan Centre.

**Lidl HQ**

42. The new £70 million 240,000 sq ft Lidl headquarters in Tolworth was approved in December 2016. The new building will see an increase in employees at the headquarters with 300 new roles created of which 5% will be trainee or apprentice roles. As part of negotiations with the council, Lidl has also committed to providing opportunities for local suppliers within its supply chain as they plan to open 250 new stores in the London area.

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\(^2\) Population estimates from GLA Central Trend (2016 Base)
Conquest House
43. In June the Council acquired Kings Place & Conquest House which is a prime landmark office in Kingston Town Centre fronting onto Wood Street and benefiting from an unrivalled location directly opposite the Railway Station whilst also being adjacent to the Bentall centre. King’s Place & Conquest House provides 93,567 sq ft of Grade A office accommodation and 4,642 sq ft of retail accommodation. The purchase of the property not only allows the Council to own a strategically important asset but one from which it derives rental income.

Kingsmill Business Park
44. In October the Council acquired Kingsmill Business Park in Chapel Mill Rd, Kingston. The Business park comprises 20 modern B1 Office Units totalling 40,165 sq ft ideally suited for small medium enterprises. By acquiring the property it allows the Council to merge its freehold interest with the leasehold interest in the Business Park and allow it to marry its interests with other Council owned land adjacent to the site whilst also generating a net revenue income for the Council.

Queenshurst North Kingston
45. This site was a largely derelict tract of land in a prime site near Kingston Station, and an unattractive gateway to the town – until planners made a commitment to turn this around. Berkeley Homes is redeveloping the former Kingston Gas Works site, building 328 high quality residential units, a linear park, improved pedestrian and cycle paths, and a new culinary training restaurant in conjunction with Kingston College.

The Old Post Office development
46. Development of this site secures the future of two Listed Buildings both of which are on Historic England’s Buildings at Risk Register. Their future use will also be of significant benefit to local companies and residents as the Telephone Exchange will house the new business hub to help start up companies and the Old Post Office will house a new community centre for use by local organisations.

Growth Opportunity Area status
47. Kingston is now on a trajectory to deliver on significant growth aspirations. In October 2016 the Council adopted a ‘City in the West’ document for the borough jointly with the GLA. This is the first stage in helping Kingston to be identified as an Opportunity Area in the next London Plan. City in the West sets out the Council’s aspirations to support and deliver growth of homes, jobs and investment and is linked to the anticipated arrival of Crossrail 2, which will provide a significant opportunity for supporting the growing demands of the borough.

£2 million on Parks and Pavements
48. Parks and open spaces across the borough are receiving a £1 million funding boost, following approval at Budget Council last year. Enhancements have started across the fourteen parks and include new play equipment, bins, benches and tree planting. A further £1 million is being spent on ten stretches of pavement across the borough.
These improvements support our aspirations to get residents and visitors to be more active and enjoy leisure for the benefits of health and wellbeing.

Waste / Recycling

49. Kingston reached a record recycling rate of 50.6% in the first quarter of 2017/18. This great success followed changes to Kingston’s household recycling collection service in 2016, further changes to our flats recycling service and targeted engagement with residents to encourage less waste and more recycling. As well as the environmental benefits, the overall reduction in the amount of waste sent to landfill and associated increase in recycling and composting has had significant financial benefit through reduced disposal costs for waste and increased income from the sale of paper, card and cardboard.

50. Further savings of £1 million annually will be achieved from 2019/20 when Kingston enters into joint arrangements with boroughs in the South London Waste Partnership to deliver waste and recycling collection and street cleansing services.

Go Cycle Network Improvements

51. The first scheme of the Go Cycle infrastructure improvement programme between Portsmouth Road and the Queen’s Promenade completed in May 2017. It took 15 months to transform the one mile stretch of road, as part of a £30 million investment by Transport for London and the Mayor of London to improve walking and cycling routes, and revitalise public spaces in the borough. The Portsmouth Road scheme is one of 10 routes that will be improved to help create healthy streets and change the way people in the borough travel. A new Cycle Network plan has been developed that will inform both the next Local Implementation Plan and Local Plan and the Borough Local Plan. It will help prioritise our work as we seek to build on the investment made through Go Cycle to develop a joined up and coherent cycle network.

Corporate & Support Services

52. In order to maximise the level of resource that we can direct towards service delivery, we also need to reduce further and significantly the overall cost of the Council itself. We now have shared service arrangements for ICT, Internal Audit, HR, Legal, Finance, Customer Services and Environmental and some regulatory services. We are further reviewing our corporate services to maximise the savings we can take from them in the medium term, and also develop the commercial opportunities they present.

53. The Council has continued to make provision for increased capital spend to improve outcomes for residents and to generate an additional revenue return which will help keep costs down and services financially sustainable. As described above we will also continue to explore the potential for investments in commercial opportunities that could generate an ongoing revenue return for the Council and benefit development.
and regeneration opportunities. This will be done with due regard to capital risk and taking into account the potential for appreciation of value and of social benefit.

54. The proposal to relocate JobCentre Plus (JCP) to Guildhall 2 is proceeding and as well as giving opportunities for better working will provide a significant income stream for the Council.

Comments of the Interim Chief Finance Officer

55. The Local Government Act (2003) Section 25 requires the Council's Chief Financial Officer (as defined by section 151 of Local Government Act 1972) to report on the “robustness” of the proposed budget, and in particular the financial estimates and the adequacy of reserves.

56. The Chief Finance Officer is required to comment that risk is appropriately managed and there is legitimate expectation that likely eventualities are provided for within the budget - essentially that the financial plan is sound. They are not intended to give a guarantee that the budget is sufficient to cover all possible scenarios nor that expenditure will occur exactly as budgeted.

57. In terms of the adequacy of estimates; the base position, the movements between years, growth and savings are based on the information from the Council’s accounting system and the best estimates of the financial impact proposals contained in this report. In particular, the Council has embarked on a major savings programme known as “No Stone Unturned”. This has identified the greater part of the total of £22.2m of potential savings opportunities in 2018/19 and provided the basis of the savings proposals in this report.

58. So far as reserves are concerned, it is proposed to increase the general reserve by £3.1m. This is funded by a £1.9m reduction in the revenue provision for the repayment of debt and £1.2m of income related to business rates. This brings the level of the general reserve to £11.1m. Additionally, when the reserves earmarked for specific purposes are included total reserves for the Council proposed in 2018/19 is £26.1m. This is not an affluent position as far as the levels of reserves are concerned, but an adequate position considering all the factors. In drawing this conclusion and assessing the level of risk the Chief Financial Officer has taken account of:

- The treatment of inflation and interest.
- The treatment of demand and demographic growth pressures.
- The revenue effects of the capital programme.
- The treatment of income budgets in relation to fees and charges.
- The position on central government funding.
○ The effectiveness of past savings programme and the ability to control the Council budget generally.

59. The removal of Revenue Support Grant in 2018/19 and the proposal that there is no increase for the Kingston element of the council tax means that the 2018/19 budget year will be particularly challenging and the successful delivery of the budget and the medium term financial strategy will be dependent upon:

○ The delivery of the total value of the savings package contained in this report.

○ Where any of the constituent elements of the savings package are not delivered a new saving will need to be identified and inserted in its place.

○ The effective continued management of demands across all council services and particularly in the social care area.

○ The continued robustness of budgetary control and management of pressures in year.

○ The addressing of the overspend in the Special Educational Needs element of the Dedicated Schools Grant.

Medium Term Financial Plan

60. The medium term financial plan sets out projections for costs of service delivery and the resources available to fund those services over the four year period to 2021/22. In the current context of Local Government funding, this analysis reveals a gap in the future between funding available and likely cost. In financial terms, this gap needs to be closed by budget reductions and/or increases in resources through local taxation and this represents the overall financial challenge faced by Kingston.

61. This position is driven by the resources allocated by Government through grants and generated locally through business rates and council tax. The graphs below show how revenue support grant reduced dramatically in recent years and how Kingston received a lower amount per head of population than other London Boroughs.
62. The table below shows the proposed medium term financial plan and the gap still to be closed in future years.
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<th>Medium Term Financial Plan</th>
<th>2018/19 £000s</th>
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<th>2020/21 £000s</th>
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<td><strong>Financing Resources for tax setting purposes</strong></td>
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<td>Business Rates(^3)</td>
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<tr>
<td><strong>Total Resources</strong></td>
<td>-129,720</td>
<td>-123,353</td>
<td>-122,481</td>
<td>-123,418</td>
</tr>
<tr>
<td><strong>Cumulative Budget Gap</strong></td>
<td>0</td>
<td>5,229</td>
<td>10,918</td>
<td>16,871</td>
</tr>
</tbody>
</table>

63. For 2018/19 it is proposed to close the gap through savings delivered from the organisational redesign of the Council and the move towards being an ‘enabling council’ which enables our communities to grow and thrive and an ‘enabled council’ which is collaborative, effective and impactful. The RBK share of the Council Tax is proposed to be frozen for 2018/19 and no further assumptions about increasing this are included in the later years of the plan.

64. A reconciliation showing changes from the 2017/18 budget to the 2018/19 budget is shown in Annex 2.

**Resources**

65. The resources available to fund the delivery of Council services are increasingly locally generated. They are also more volatile. The limited number of grants which are still available come with restrictions or targets for spending on particular activity.

66. The proportion of the Council’s budget funded from Council Tax is much higher than the London average as the grant income the Council receives has generally been much lower and will cease altogether in 2018/19.

67. The table below sets out projected resources available over the medium term, following the provisional settlement announced on 19 December. These resources

\(^3\) The impact of the Business Rates pooling pilot is described in paragraphs 68 to 72.
are described further in the following sections of this report. Any changes arising from the final settlement will be set out in the budget report to Council in February.

<table>
<thead>
<tr>
<th>Resources Analysis</th>
<th>2018/19 £000s</th>
<th>2019/20 £000s</th>
<th>2020/21 £000s</th>
<th>2021/22 £000s</th>
</tr>
</thead>
<tbody>
<tr>
<td>Use of Statutory Parking &amp; Traffic Reserves</td>
<td>6,883</td>
<td>6,783</td>
<td>6,783</td>
<td>6,783</td>
</tr>
<tr>
<td>Specific Grants</td>
<td>6,674</td>
<td>4,076</td>
<td>2,465</td>
<td>2,351</td>
</tr>
<tr>
<td>Business Rates</td>
<td>23,216</td>
<td>21,539</td>
<td>21,433</td>
<td>21,619</td>
</tr>
<tr>
<td>Revenue Support Grant</td>
<td>0</td>
<td>-2,512</td>
<td>-3,069</td>
<td>-3,627</td>
</tr>
<tr>
<td>Council Tax (0% Increase)</td>
<td>92,086</td>
<td>93,467</td>
<td>94,869</td>
<td>96,292</td>
</tr>
<tr>
<td>Collection Fund Surplus (Council Tax)</td>
<td>74</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Collection Fund Surplus (Business Rates)</td>
<td>787</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Total Local Taxation</td>
<td>116,163</td>
<td>112,494</td>
<td>113,233</td>
<td>114,284</td>
</tr>
<tr>
<td>Grand Total</td>
<td>129,720</td>
<td>123,353</td>
<td>122,481</td>
<td>123,418</td>
</tr>
</tbody>
</table>

**Business Rates**

68. Kingston has signed up to be part of the London Business Rates pooling pilot which will become effective on 1 April 2018. This London wide pilot scheme includes all 32 London Boroughs as well as the City of London Corporation and the Greater London Authority (GLA). Through this pilot, London will be able to keep a greater share of the business rates it collects and benefit from 100% of any growth across the capital. This is being facilitated by foregoing Revenue Support Grant and a ‘no detriment guarantee’ ensures that no individual Borough will be worse off than they would have been under the existing system.

69. It is likely that over the medium term the Council will also benefit from a share of the additional growth in business rates generated across London. However, in the short term, the level of this growth is not a certainty and benefits will not be confirmed until after the end of the financial year. No additional resources have been assumed within the MTFP in relation to this, this is consistent with the approach taken by other London Authorities. For Kingston, participating in this pilot means foregoing £1.5 million of Revenue Support Grant (RSG) in 2018/19 in return for an equivalently higher baseline funding level through business rates.

70. In assessing the business rates income available to fund the budget, the Council is required to estimate the total business rates it will collect during the year. This amount is shared between RBK (64%) and the GLA (36%). A system of tariffs and top-ups then applies across Local Government. The Government calculates a baseline funding level for each authority and if it receives more from its retained business rates than this baseline funding level it pays a tariff (which applies to RBK) and if it receives less, it receives a top-up.

71. The benefits of the pooling arrangement arise where growth is greater than the baseline level. Outside of the pilot arrangements, growth would be subject to a levy, but the pooling pilot will enable the pool to keep 100% of the growth. Further information on the operation of the pooling pilot was contained in a report to Treasury
Committee on 30 November. The pooling pilot has been confirmed for just one year for 2018/19 and the settlement has been presented on that basis. Whilst it is likely that it would be extended, this has not currently been assumed within the Medium Term Financial Plan.

72. The local estimate of business rates to be collected in 2018/19 is £86.3m. Estimates of the retained local share is £23.2m. It is possible this could increase once estimates of the benefits of the pooling pilot are known. Work being undertaken by the Council to enhance growth in business rates will potentially increase the council’s income in the longer term. Future years estimates of business rates reflect both the temporary impact on the income base whilst the Eden Walk redevelopment is underway and also the impact of negative Revenue Support Grant (RSG) on business rates income projections under the local government finance system.

Grant Funding

73. Grant funding has reduced significantly, Revenue Support Grant has now ceased in 2018/19. A limited number of specific grants remain, with the largest being New Homes Bonus and Section 31 grants to compensate for loss of Business Rates income relating to Government imposed restrictions. New Homes Bonus funding has fallen due to the reforms announced last year and the allocations for 2019/20 and beyond are indicative, being dependent on any further changes to the new homes bonus scheme and growth achieved locally.

<table>
<thead>
<tr>
<th>Specific Grants</th>
<th>2018/19 £000s</th>
<th>2019/20 £000s</th>
<th>2020/21 £000s</th>
<th>2021/22 £000s</th>
</tr>
</thead>
<tbody>
<tr>
<td>Improved Better Care Fund</td>
<td>1,278</td>
<td>1,213</td>
<td>408</td>
<td>408</td>
</tr>
<tr>
<td>Housing Benefit Admin</td>
<td>370</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Council Tax Benefit Admin</td>
<td>147</td>
<td>133</td>
<td>133</td>
<td>133</td>
</tr>
<tr>
<td>New Homes Bonus(^4)</td>
<td>2,314</td>
<td>1,807</td>
<td>1,246</td>
<td>1,132</td>
</tr>
<tr>
<td>S31 Grant relating to NNDR</td>
<td>3,217</td>
<td>992</td>
<td>747</td>
<td>747</td>
</tr>
<tr>
<td>Less adjustment to tariff for multiplier cap</td>
<td>-652</td>
<td>-69</td>
<td>-69</td>
<td>-69</td>
</tr>
<tr>
<td><strong>Total Specific Grants</strong></td>
<td><strong>6,674</strong></td>
<td><strong>4,076</strong></td>
<td><strong>2,465</strong></td>
<td><strong>2,351</strong></td>
</tr>
</tbody>
</table>

Council Tax

74. The Council Tax which residents in the Borough pay comprises of two elements, one is the tax levied by the Council to fund our services and the other is an amount collected on behalf of the Greater London Authority (GLA) and paid over to them. The final decision on the level of Council Tax levied by Kingston will be taken by Members at the Budget Council meeting on 27 February 2018.

75. The level of income collected through Council Tax is determined by the level of Council Tax charged and the number of properties that Council Tax is chargeable on which is known as the tax base. The tax base is set by the Council’s Section 151

\(^4\) New Homes Bonus reduces in later years as higher allocations in earlier years drop out.
(Chief Finance) Officer under authority delegated by the Council in 2010. It is determined by assessing the number of chargeable dwellings in the Borough and their Council Tax band, allowing for discounts or exemptions and estimating the number of new properties that are likely to be added in the Borough during the year. For 2018/19, the taxbase has been set at 62,327. For 2019/20 onwards, it is estimated that the tax base will increase from this level by 1.5% per year.

Kingston Council Tax and Social Care Precept

76. In the 2018/19 Local Government Settlement, the government has allowed a 2.99% annual general increase to Council Tax in 2018/19 without recourse to a referendum; previously the threshold was 1.99%. In addition to this, the social care precept allows the relevant authorities to levy an additional precept to fund adult social care. This can be up to 3% per year in 2017/18 and 2018/19, subject to a maximum increase of 6% in total over the 3 year period to 2019/20. In 2017/18 the council decided to take up the flexibility to raise an additional 3% precept to be applied to Adult Social Care. Therefore the council has the flexibility to use the social care precept up to 3% in 2018/19 or if this is not used, up to 2% Adult Social Care precept may be levied the following year.

77. The Kingston element of Council Tax proposed as part of this budget remains frozen at 2017/18 levels in order to protect local taxpayers from further increases to their bills under difficult economic conditions and with financial pressures upon many in the community. The financial value of additional income foregone to RBK of each 1% increase in Council Tax is approximately £0.9m.

78. The formal council tax calculation is set out in Annex 3. The table below provides details of the council tax requirement for 2018/19. The proposed average Band D Council tax for RBK for 2018/19 will be £1,477.46. This is the average Band D bill when taking into account those households both inside and outside of the Wimbledon and Putney Common Conservators Levy area.

<table>
<thead>
<tr>
<th>Council Tax Setting Calculations</th>
<th>2018/19 £000s</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Gross Budget Requirement</strong></td>
<td>129,720</td>
</tr>
<tr>
<td><strong>Less:</strong></td>
<td></td>
</tr>
<tr>
<td>Specific Grants</td>
<td>-6,674</td>
</tr>
<tr>
<td>Use of Parking and Traffic Reserves</td>
<td>-6,883</td>
</tr>
<tr>
<td><strong>Net Budget Requirement</strong></td>
<td>116,163</td>
</tr>
<tr>
<td><strong>Less:</strong></td>
<td></td>
</tr>
<tr>
<td>Business Rates</td>
<td>-23,216</td>
</tr>
<tr>
<td>Collection Fund Surplus (Council Tax)</td>
<td>-74</td>
</tr>
<tr>
<td>Collection Fund Surplus (Business Rates)</td>
<td>-787</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>-24,077</td>
</tr>
<tr>
<td><strong>Council Tax Requirement</strong></td>
<td>92,086</td>
</tr>
</tbody>
</table>
Greater London Authority Council Tax

79. The announcement of the Mayor of London’s draft budget proposals was made on 21 December 2017. The consultation budget proposes a Band D Council Tax precept of £294.22 for 2018/19 compared to £280.02 in 2017/18, an increase of 5.1%. The £14.20 increase would by itself increase the overall council tax in Kingston by 0.8%. Confirmation of the GLA’s budget and Council Tax will follow the London Assembly meeting on 22 February 2018 and will be reported to Council on 27 February 2018. The Mayor’s proposed council tax precept includes £218.13 for the Metropolitan Police plus £76.09 for non-police services.

80. Full details of the GLA’s draft budget can be found on their website at https://www.london.gov.uk/sites/default/files/mayors_consultation_budget_2018-_2019.pdf

Total Council Tax

81. The table below shows the total proposed Council Tax, inclusive of the GLA amounts and details amounts for each band. At the time of writing this report, it should be noted that the Wimbledon and Putney Commons Conservators (WPCC) levy has not yet been confirmed, so the amounts listed are estimated and will be updated once this information is available.

<table>
<thead>
<tr>
<th>Council Tax Band</th>
<th>Council Tax RBK</th>
<th>Council tax GLA</th>
<th>Council Tax - most areas of the Borough</th>
<th>WPCC area precept</th>
<th>Council Tax - WPCC area</th>
</tr>
</thead>
<tbody>
<tr>
<td>A</td>
<td>984.49</td>
<td>196.15</td>
<td>1,180.64</td>
<td>19.70</td>
<td>1,200.34</td>
</tr>
<tr>
<td>B</td>
<td>1,148.58</td>
<td>228.84</td>
<td>1,377.42</td>
<td>22.97</td>
<td>1,400.39</td>
</tr>
<tr>
<td>C</td>
<td>1,312.66</td>
<td>261.53</td>
<td>1,574.19</td>
<td>26.26</td>
<td>1,600.45</td>
</tr>
<tr>
<td>D</td>
<td>1,476.74</td>
<td>294.22</td>
<td>1,770.96</td>
<td>29.54</td>
<td>1,800.50</td>
</tr>
<tr>
<td>E</td>
<td>1,804.90</td>
<td>359.60</td>
<td>2,164.50</td>
<td>36.11</td>
<td>2,200.61</td>
</tr>
<tr>
<td>F</td>
<td>2,133.07</td>
<td>424.98</td>
<td>2,558.05</td>
<td>42.67</td>
<td>2,600.72</td>
</tr>
<tr>
<td>G</td>
<td>2,461.23</td>
<td>490.37</td>
<td>2,951.60</td>
<td>49.24</td>
<td>3,000.84</td>
</tr>
<tr>
<td>H</td>
<td>2,953.48</td>
<td>588.44</td>
<td>3,541.92</td>
<td>59.08</td>
<td>3,601.00</td>
</tr>
</tbody>
</table>

Collection Fund

82. The Council maintains a Collection Fund as required in order to account for the difference between the actual amounts of Council Tax and Business Rates collected and the budgeted amounts used in setting the tax for the year.
83. The Council is required to estimate the position relating to Council Tax at the end of the financial year, on the 15 January each year. Any adjustments arising from this are required to be included in the calculation for the following year's Council Tax. Estimates at 15 January 2018 show that there will be a surplus of £0.088m at 31 March 2018. This has to be shared with the GLA in proportion to the respective shares of the 2017/18 Council Tax. The council’s share of the surplus is £0.074m.

84. A similar process is undertaken for Business Rates with estimates made in respect of surpluses or deficits expected to arise at 31 March 2018 and then shared proportionately between RBK (30%); GLA (33%) and Government (37%). Estimates show that there will be a surplus of £2.623m with RBK’s share being £0.787m to be applied in 2018/19.

85. The overall position on the collection fund depends upon a number of variables. For example, on council tax, if the number of properties or the allowance for discounts, exemptions or appeals vary from those used in the council tax base, a surplus or deficit will arise. On business rates, variations can also occur due to assumptions made at a point of time on appeals and fluctuations in business rates income can occur, strongly linked to the performance of the wider economy. Although an overall surplus is projected to arise in 2017/18 and used to support the 2018/19 Budget, a prudent approach has been taken to assume no Collection Fund surpluses or deficits in 2019/20 or beyond but any differences as described above will be applied to future years as appropriate.

Expenditure

86. This section of the report sets out how the resources outlined above are deployed in order to deliver services and how the demands on the available resources change over time.

87. Inflation, growing demand for services and unavoidable increases in cost place additional pressure on the budget over the medium term and this is mitigated to a degree by budget reductions.

Adjustments to base budget

88. Adjustments are made to the current year (2017/18) budget in order to arrive at the base position for 2018/19. These are necessary to remove one off items or where the impact of a decision differs between financial years. The main adjustments are outlined below.
### Adjustments to Base

<table>
<thead>
<tr>
<th></th>
<th>2018/19 £000s</th>
<th>2019/20 £000s</th>
<th>2020/21 £000s</th>
<th>2021/22 £000s</th>
</tr>
</thead>
<tbody>
<tr>
<td>Removal of one off growth</td>
<td>-92</td>
<td>-212</td>
<td>-242</td>
<td>-242</td>
</tr>
<tr>
<td>Amendment to Planned savings</td>
<td>3,349</td>
<td>3,349</td>
<td>3,349</td>
<td>3,349</td>
</tr>
<tr>
<td>Other minor adjustments</td>
<td>12</td>
<td>195</td>
<td>253</td>
<td>306</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>3,269</strong></td>
<td><strong>3,332</strong></td>
<td><strong>3,360</strong></td>
<td><strong>3,413</strong></td>
</tr>
</tbody>
</table>

89. Removal of one off growth - adjustments have been made in the proposed budget to remove growth which was required for a limited period of time to fund particular initiatives and is no longer needed within budgets.

90. Amendment to planned savings - the Council has delivered significant values of budget reductions in recent years with the 2017/18 budget including budget reductions of £13.364m. As work to deliver savings is progressed it has proven necessary to remove or adjust the phasing of some of these savings. This includes £1.994m of the enabling council savings, originally predicated on transforming the Council’s operating model to a networked and agile organisation that is more commercial in its thinking and better able to meet the demands of modern local government. This ambition remains and is being taken forward by the Council’s No Stone Unturned programme. This is reflected in the budget by the removal of the £1.994m enabling council savings and introduction of new savings proposals under the workforce and organisational development strands of the No Stone Unturned programme.

91. As well as some smaller items the total amendment to planned savings also includes the removal of £1.15m saving relating to additional income from the Clinical Commissioning Group (CCG). This was removed as after the budget was agreed additional improved better care fund grant was announced which replaced this saving.

### Inflation

92. A key element in the budget preparation process is building in an appropriate allowance for inflation. In line with previous years, the draft budget presented continues to restrict inflationary increases to cost elements where there is an unavoidable contractual commitment only. Where the Retail Price Index (RPI) is used, the September 2017 indicator (3.9%) has been used.

93. Pay inflation is allowed for in line with the outcome of the Local Government pay award. For 2018/19 this is estimated to be 2%, although the proposed pay award has not yet been confirmed.

94. Business rates budgets have been adjusted to take into account the effects of the 2017 revaluation. A review of utilities budgets concluded that there was sufficient budget available to accommodate inflationary increases for 2018/19. Inflation for gas,
water, electricity and business rates has been applied in line with RPI projections within the MTFP for future years.

<table>
<thead>
<tr>
<th>Inflation</th>
<th>2018/19 £000s</th>
<th>2019/20 £000s</th>
<th>2020/21 £000s</th>
<th>2021/22 £000s</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pay Total</td>
<td>654</td>
<td>1,575</td>
<td>2,513</td>
<td>3,469</td>
</tr>
<tr>
<td>Non-Pay Total</td>
<td>2,693</td>
<td>5,467</td>
<td>8,297</td>
<td>11,246</td>
</tr>
<tr>
<td>Concessionary Fares</td>
<td>-</td>
<td>210</td>
<td>403</td>
<td>608</td>
</tr>
<tr>
<td>Utilities</td>
<td>-</td>
<td>65</td>
<td>124</td>
<td>187</td>
</tr>
<tr>
<td>NNDR (Business Rates)</td>
<td>224</td>
<td>289</td>
<td>345</td>
<td>403</td>
</tr>
<tr>
<td>Fees &amp; Charges Total</td>
<td>- 113</td>
<td>- 248</td>
<td>- 376</td>
<td>- 511</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>3,458</strong></td>
<td><strong>7,358</strong></td>
<td><strong>11,306</strong></td>
<td><strong>15,402</strong></td>
</tr>
</tbody>
</table>

95. The Council is subject to levies from a number of bodies including the Environment Agency, the Lee Valley Regional Park Authority and the London Pension Fund Authority. These levies made on the Council, although outside RBK’s direct control, are required to be taken into account when setting the budget and council tax. The various bodies concerned will fix their levies for 2018/19 by mid-February 2018, after publication of this report. The levies for 2018/19 have been estimated by applying an inflationary increase. These costs are summarised below:

<table>
<thead>
<tr>
<th>Levy</th>
<th>2017/18 £’000</th>
<th>2018/19 £’000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Environment Agency (Thames Region)</td>
<td>140</td>
<td>145</td>
</tr>
<tr>
<td>Lee Valley Regional Park Authority</td>
<td>176</td>
<td>182</td>
</tr>
<tr>
<td>London Pension Fund Authority</td>
<td>225</td>
<td>234</td>
</tr>
<tr>
<td>Wimbledon and Putney Commons Conservators (Special Levy)</td>
<td>44</td>
<td>45</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>585</strong></td>
<td><strong>606</strong></td>
</tr>
</tbody>
</table>

96. Additionally the Council has to meet the cost of its share of the London wide Concessionary Fares scheme, which is administered by London Councils. A review of the budget concluded that there was sufficient budget available to cover the estimated cost of the scheme for 2018/19. Inflation has been applied in line with RPI projections for futures years. This budget is held under Adult Social Care.

Growth

97. Growth is proposed to be added to the existing cost base for a number of broad reasons, namely to fund the increasing demand for some of our services due to changes in demographics and client numbers or for unavoidable pressures where current budgets would be insufficient to maintain existing service levels.
<table>
<thead>
<tr>
<th>Demand Led Growth:</th>
<th>2018/19 £000s</th>
<th>2019/20 £000s</th>
<th>2020/21 £000s</th>
<th>2021/22 £000s</th>
</tr>
</thead>
<tbody>
<tr>
<td>Adult Social Care - Placements/homecare</td>
<td>1,112</td>
<td>1,791</td>
<td>2,073</td>
<td>2,100</td>
</tr>
<tr>
<td>Adult Social Care - Direct Payments</td>
<td>52</td>
<td>517</td>
<td>979</td>
<td>1,436</td>
</tr>
<tr>
<td>Adult Social Care - Learning Disabilities</td>
<td>2,202</td>
<td>3,453</td>
<td>4,705</td>
<td>5,957</td>
</tr>
<tr>
<td>Adult Social Care - Telecare</td>
<td>100</td>
<td>100</td>
<td>100</td>
<td>100</td>
</tr>
<tr>
<td>Adult Social Care - Mental Health Working Age</td>
<td>148</td>
<td>380</td>
<td>667</td>
<td>931</td>
</tr>
<tr>
<td>Waste Disposal cost per tonne increases</td>
<td>55</td>
<td>158</td>
<td>303</td>
<td>454</td>
</tr>
<tr>
<td>Achieving for Children - Looked after children</td>
<td>1,000</td>
<td>1,500</td>
<td>2,000</td>
<td>2,000</td>
</tr>
<tr>
<td>B&amp;B/Nightly Paid Accommodation</td>
<td>250</td>
<td>500</td>
<td>750</td>
<td>750</td>
</tr>
<tr>
<td>Total Demand Led Growth</td>
<td>4,919</td>
<td>8,399</td>
<td>11,577</td>
<td>13,728</td>
</tr>
<tr>
<td>Unavoidable Pressure:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>General Data Protection Regulations Compliance</td>
<td>85</td>
<td>85</td>
<td>85</td>
<td>85</td>
</tr>
<tr>
<td>Cost of Elections</td>
<td>234</td>
<td>50</td>
<td>50</td>
<td>50</td>
</tr>
<tr>
<td>Capital Financing</td>
<td>1,497</td>
<td>1,497</td>
<td>1,497</td>
<td>1,497</td>
</tr>
<tr>
<td>London/National Living Wage - Contracts</td>
<td>40</td>
<td>90</td>
<td>120</td>
<td>120</td>
</tr>
<tr>
<td>South London Waste Partnership Contract Mobilisation</td>
<td>-</td>
<td>100</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Additional Incentives - Private Sector Leases</td>
<td>70</td>
<td>140</td>
<td>210</td>
<td>210</td>
</tr>
<tr>
<td>Total Unavoidable Pressure</td>
<td>1,926</td>
<td>1,962</td>
<td>1,962</td>
<td>1,962</td>
</tr>
<tr>
<td>Investment required for NSU programme:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Strategic Property</td>
<td>294</td>
<td>499</td>
<td>623</td>
<td>623</td>
</tr>
<tr>
<td>Investment Property Conquest House</td>
<td>1,536</td>
<td>1,536</td>
<td>1,536</td>
<td>1,536</td>
</tr>
<tr>
<td>Investment Property Kingsmill</td>
<td>441</td>
<td>441</td>
<td>441</td>
<td>441</td>
</tr>
<tr>
<td>Investment Property Future Investment</td>
<td>1,267</td>
<td>2,393</td>
<td>2,393</td>
<td>2,393</td>
</tr>
<tr>
<td>Fees &amp; charges</td>
<td>12</td>
<td>10</td>
<td>10</td>
<td>10</td>
</tr>
<tr>
<td>Commissioning &amp; Expenditure Review</td>
<td>250</td>
<td>190</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Total Investment required for NSU programme</td>
<td>3,800</td>
<td>5,069</td>
<td>5,003</td>
<td>5,003</td>
</tr>
<tr>
<td>Contribution to General Fund Balance</td>
<td>3,115</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Total Growth</td>
<td>13,760</td>
<td>15,430</td>
<td>18,542</td>
<td>20,693</td>
</tr>
</tbody>
</table>

98. The drivers for each of these growth items are described in the following paragraphs.

99. Adult Social Care - growth to address the budget pressures continuing from 2017/18 as well as assuming further increase in demand and costs for 2018/19 onwards from an ageing population and people living with more acuity and complex needs, children transitioning to adulthood from children's services as well as enabling hospital discharge as required by the Department for Health and Social Care. Adult Social Care are proactively managing the demand for statutory services by minimising or delaying the need for long term care, embedding the Kingston Offer for placements where a cap on a bed fee is used and sourced within 25 miles distance to minimise
the amount of budget growth needed otherwise and maintaining and even improving upon our high Delayed Transfer of Care (DToC) performance.

100. Waste Disposal - growth is required in order to address the combination of an increase in the cost per tonne until RBK joins the South London Waste Partnership (SLWP) waste collection contract and a forecasted annual increase in actual tonnage.

101. Looked after Children - the average cost and need for more expensive placement options for looked after children (e.g. residential and independent foster placements) has been increasing as a proportion of the total number of children looked after or supported by the Council.

102. Bed and Breakfast / Nightly paid accommodation - The budget is expected to come under pressure from a repeat in the increase in the number of people presenting themselves as homeless seen in recent years. These numbers are expected to be even more in 2018/19 with the introduction of the new Homelessness Reduction Act from April 2018, which expands Local Authorities homelessness duties even further. The £250k budget growth in 2018/19 is to enable the Council accommodate an additional 30 homeless households above the 200 budgeted for in 2017/18.

103. The implementation of the General Data Protection Regulations in May 2018 will require additional audit and search capabilities for our emails and information held in Google drive and will therefore require GSuite to be upgraded. Growth of £85k is therefore required to cover this cost.

104. Elections - A one off growth item is required to meet the shortfall in reserves to fund the 2018 local elections. Alongside this an increased annual contribution towards future year's costs is required to meet the cost of future elections.

105. Capital Financing - the growth of £1.497m represents the estimated additional cost of financing the 2017/18 capital programme if capital receipts are not available or used in line with the flexible capital receipts strategy.

106. London / National Living Wage - Contracts - Growth allows the grounds maintenance contractor, Idverde to pay its staff the national Living Wage.


108. Additional Incentives - Private Sector Leases (PSL) - Growth required to increase stock of properties leased from the private sector for use as temporary accommodation. PSL accommodation is less expensive compared to B&B/nightly paid accommodation, however the gap between the Local Housing Allowance Council’s are allowed to pay landlords and market rents continues to widen. The payment of incentives to private landlords to lease their properties to RBK presents opportunities for RBK to house vulnerable persons or families with children in more
suitable temporary accommodation as well as reduce the budget pressure on B&B/nightly paid accommodation.

109. Strategic Property - budget growth has been allowed for to fund the revenue costs of capital associated with the implementation of the strategic property savings.

110. Investment Property - budget growth of £1.977m is included within the proposals to cover the financing costs of the two investment property purchases carried out in 2017/18. A further £1.267m is included for 2018/19, rising to £2.393m in 2019/20 in order to fund the capital financing costs of future property acquisitions. These growth items are more than covered by the additional savings incorporated in relation to these proposals.

111. Fees & Charges - this growth is to fund the ICT investment required to deliver additional income for the Waste Service.

112. Commissioning and Expenditure Review - additional resources required to carry out the NSU project reviewing high volume, low value spend. (expenditure spread across multiple spend categories via a large number of low value transactions.)

113. Contribution to General Fund Balance - a one off contribution to the General Fund Balance of £3.1m is being proposed in order to mitigate against the risks detailed in Annex 1 and ensure that reserves can be maintained at an appropriate level.

Budget Reductions

114. The table below summarises the budget reductions being proposed in this medium term financial plan and more detail is provided in Annex 4. The figures are presented to show the cumulative impact by year as is customary.

<table>
<thead>
<tr>
<th>Service Area</th>
<th>2018/19 £000s</th>
<th>2019/20 £000s</th>
<th>2020/21 £000s</th>
<th>2021/22 £000s</th>
</tr>
</thead>
<tbody>
<tr>
<td>Adults and Public Health</td>
<td>111</td>
<td>111</td>
<td>111</td>
<td>111</td>
</tr>
<tr>
<td>Learning and Children's Services</td>
<td>1,242</td>
<td>2,701</td>
<td>3,201</td>
<td>3,201</td>
</tr>
<tr>
<td>One Council Services</td>
<td>667</td>
<td>668</td>
<td>668</td>
<td>668</td>
</tr>
<tr>
<td>Other Corporate Services</td>
<td>2,096</td>
<td>1,938</td>
<td>1,780</td>
<td>1,614</td>
</tr>
<tr>
<td>Place</td>
<td>771</td>
<td>1,957</td>
<td>2,037</td>
<td>2,077</td>
</tr>
<tr>
<td>South London Waste Partnership</td>
<td>325</td>
<td>325</td>
<td>325</td>
<td>325</td>
</tr>
<tr>
<td><strong>Total Non No Stone Unturned Savings</strong></td>
<td><strong>5,212</strong></td>
<td><strong>7,700</strong></td>
<td><strong>8,122</strong></td>
<td><strong>7,996</strong></td>
</tr>
<tr>
<td>No Stone Unturned:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Income, Commercialisation and Commission</td>
<td>3,316</td>
<td>5,150</td>
<td>6,100</td>
<td>5,500</td>
</tr>
<tr>
<td>Property</td>
<td>6,517</td>
<td>8,911</td>
<td>9,883</td>
<td>10,019</td>
</tr>
<tr>
<td>Demand Management</td>
<td>1,000</td>
<td>1,100</td>
<td>1,100</td>
<td>1,100</td>
</tr>
<tr>
<td>Workforce</td>
<td>6,130</td>
<td>6,085</td>
<td>6,022</td>
<td>6,022</td>
</tr>
<tr>
<td>Better Working - Utilities savings</td>
<td>10</td>
<td>10</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td><strong>Total No Stone Unturned Savings</strong></td>
<td><strong>16,973</strong></td>
<td><strong>21,256</strong></td>
<td><strong>23,105</strong></td>
<td><strong>22,641</strong></td>
</tr>
<tr>
<td>Total Savings Identified</td>
<td><strong>22,185</strong></td>
<td><strong>28,956</strong></td>
<td><strong>31,227</strong></td>
<td><strong>30,637</strong></td>
</tr>
</tbody>
</table>
115. The savings delivered through the No Stone Unturned (NSU) programme contain a mixture of service specific proposals and items that will be corporately delivered. Where it is possible to allocate or apportion these to departments they are shown within the relevant services but where further work is required to determine how the savings will be applied to specific departments, they are shown as being corporately held.

116. The Revenue Budget proposals set out in this report form a set of planned budgetary measures to enable the Council to set a balanced Budget for 2018/19. As such, recommendations to add further growth items, amend or remove proposed budget reductions would require the identification of compensating proposals in the form of equivalent reductions in planned expenditure or additional income.

Summary by Function

117. The result of our analysis of resources, cost pressures and budget reductions leads to a net budget requirement for each service area for 2018/19 as follows.

<table>
<thead>
<tr>
<th>Service Area</th>
<th>Budget 2018/19 £'000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Health and Adults Services</td>
<td>59,660</td>
</tr>
<tr>
<td>Learning and Children's Services</td>
<td>31,314</td>
</tr>
<tr>
<td>One Council Services</td>
<td>883</td>
</tr>
<tr>
<td>Place</td>
<td>37,358</td>
</tr>
<tr>
<td>Neighbourhoods</td>
<td>98</td>
</tr>
<tr>
<td>Other Corporate Services</td>
<td>5,158</td>
</tr>
<tr>
<td>No Stone Unturned - Corporate Items</td>
<td>(4,751)</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>129,720</strong></td>
</tr>
</tbody>
</table>

118. A more detailed analysis is provided in Annex 5. Annex 6 shows the budget summarised by expenditure type. The budgets published in this annex and summarised in the table above show the best estimate available at the time this agenda is published as to how expenditure will be split across service areas. There are a number of proposals included within the budget where work to implement change is ongoing and the commissioning and organisational transformation process will lead to budgets being re-organised within and between service areas during the year. Assumptions have been made on the best information available at the time and where it is not yet possible to allocate proposals to specific areas, these are shown as part of the No Stone Unturned Corporate Items.
Reserves and balances

119. The General Fund balance, the Council’s money put aside for general contingency, was £8.018m at 1 April 2017, representing 6.1% of the Council’s 2017/18 net budget requirement. The month 6 budget monitoring reported to Treasury Committee on 30 November 2017 reported an overspend of £2.5m. This position is reviewed on a monthly basis and the latest information shows that should this overspend materialise, there are a number of mitigating actions that could be taken to offset it. These would involve changes to the approach for financing the revenue cost of capital and the use of the flexible capital receipts strategy included alongside this report (if approved). The General Fund balance is therefore likely to be maintained at the £8m level at the end of the 2017/18 financial year.

120. The Council requires an adequate level of reserves to meet any strategic, operational or financial risks that might be inherent in the 2018/19 budget. Any materialising risk could be managed, in whole or in part, throughout the year but it is also required that the Council considers a report by the S151 Officer (the Council’s statutory Chief Financial Officer) during budget setting on the adequacy of the Council’s reserves to cover these risks. This is set out in the S151 Officer comments earlier in this report.

121. In assessing the level of risk in the 2018/19 budget (see Annex 1) the S151 Officer has scrutinised key areas including the treatment of inflation and interest rates, growth and the delivery of savings as well as the treatment of income budgets in relation to fees and demand. Financial risks inherent in any significant subsidiaries; new partnership arrangements; major outsourcing arrangements of major capital developments have been considered along with the correct reflection of the revenue effects of the capital programme. Consideration is given to the economic climate in which the Council is operating and any uncertainty about government funding due to be received in the year. Assurance has been sought on the effectiveness of the Council’s budgetary framework as well as ensuring that the budget proposals have been subject to rigorous challenge.

122. The assessment of risk provided in Annex 1 indicates the likelihood and impact of the materialisation of that risk. The financial value of that risk gives a worst case scenario should the risk materialise in full. Should all the risks materialise in full the projected General Fund balance at the start of the year will be able to support 62% of that risk. Whilst the likelihood of all the risk materialising in full is low, the level of risk exceeds the General Fund balance and an additional contribution of £3.1m to the balance is proposed as part of this budget in order to help mitigate this risk. A prudent position has also been taken with regard to the benefits to be gained from the implementation of the business rates pooling pilot and it is possible these benefits could also be utilised to mitigate risk.

123. As well as the General Fund Balance, the Council holds earmarked reserves which are also deemed sufficient for the following purposes:
• Insurance Reserve – provides a fund to meet all new insurance claims below the Council’s deductible excess that have been incurred but not reported and a contribution to any future claims paid under the Municipal Mutual Insurance Scheme of Arrangement
• Strategic Reserves – designed to fund major transformational and recommissioning investment.
• Achieving for Children (AfC) Reserve – underwriting the setup cost element of the council’s ownership share of any loss within AfC

124. The dedicated schools grant (DSG or schools budget) reserve has a deficit balance of £6.482m as at 31 March 2017, this overspend will be addressed fundamentally in 2018/19. A disapplication request has been submitted to the Department for Education (DfE), this could potentially transfer £4.3m within the DSG to support the special educational needs budget. A separate report to Adult’s and Children’s Committee and Treasury Committee sets out more details on the schools budget position and the actions being taken to address this position.

Flexible use of Capital Receipts

125. To support local authorities deliver more efficient and sustainable services, a time limited flexibility is currently available to use capital receipts from the disposal of property, plant and equipment assets to fund the revenue cost of service reform. The Council’s proposed strategy in respect of this is set out in Annex 7.

Capital Programme

126. The capital programme sets out the Council’s plans for the acquisition and improvement of assets over the next four years. The General Fund existing programme as at month 8 from 2018/19 onwards consists of £68.486m already approved for ongoing projects as set out in the table below.

<table>
<thead>
<tr>
<th>Existing Capital Programme</th>
<th>2017/18 £000s</th>
<th>2018/19 £000s</th>
<th>2019/20 £000s</th>
<th>2020/21 £000s</th>
<th>Total £000s</th>
</tr>
</thead>
<tbody>
<tr>
<td>Schools Building Programme</td>
<td>8,548</td>
<td>8,112</td>
<td>4,010</td>
<td>4,002</td>
<td>24,672</td>
</tr>
<tr>
<td>General Fund Property Programme</td>
<td>5,766</td>
<td>6,352</td>
<td>840</td>
<td>830</td>
<td>13,788</td>
</tr>
<tr>
<td>Property Acquisition Programme</td>
<td>57,602</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>57,602</td>
</tr>
<tr>
<td>Environment Programme</td>
<td>5,961</td>
<td>1,506</td>
<td>0</td>
<td>0</td>
<td>7,467</td>
</tr>
<tr>
<td>Highways Programme</td>
<td>4,794</td>
<td>2,332</td>
<td>2,332</td>
<td>2,332</td>
<td>11,790</td>
</tr>
<tr>
<td>Housing General Fund Programme</td>
<td>22,304</td>
<td>8,065</td>
<td>1,440</td>
<td>1,440</td>
<td>33,249</td>
</tr>
<tr>
<td>ICT Programme</td>
<td>4,099</td>
<td>2,686</td>
<td>2,765</td>
<td>1,500</td>
<td>11,050</td>
</tr>
<tr>
<td>Regeneration Programme</td>
<td>7,263</td>
<td>7,820</td>
<td>10,122</td>
<td>0</td>
<td>25,205</td>
</tr>
<tr>
<td><strong>Total Current Programme</strong></td>
<td><strong>116,337</strong></td>
<td><strong>36,873</strong></td>
<td><strong>21,509</strong></td>
<td><strong>10,104</strong></td>
<td><strong>184,823</strong></td>
</tr>
</tbody>
</table>
127. It is proposed to add £96.151m over 2018/19 to 2021/22 to the General Fund capital programme for new projects or additions to rolling programmes. This will be supplemented by any slippage approved as part of the closing of the 2017/18 accounts. In addition new projects may be added during the year. The new programme and total combined programme is summarised below with further detail on additions to the programme in Annex 8.

<table>
<thead>
<tr>
<th>Additions to Capital Programme</th>
<th>2018/19 £000s</th>
<th>2019/20 £000s</th>
<th>2020/21 £000s</th>
<th>2021/22 £000s</th>
<th>Total £000s</th>
</tr>
</thead>
<tbody>
<tr>
<td>Schools Building Programme</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>3,439</td>
<td>3,439</td>
</tr>
<tr>
<td>General Fund Property Programme</td>
<td>3,170</td>
<td>9,073</td>
<td>2,740</td>
<td>900</td>
<td>15,883</td>
</tr>
<tr>
<td>Property Acquisition Programme</td>
<td>36,000</td>
<td>32,000</td>
<td>0</td>
<td>0</td>
<td>68,000</td>
</tr>
<tr>
<td>Environment Programme</td>
<td>615</td>
<td>860</td>
<td>180</td>
<td>0</td>
<td>1,655</td>
</tr>
<tr>
<td>Highways Programme</td>
<td>30</td>
<td>1,872</td>
<td>0</td>
<td>2,332</td>
<td>4,234</td>
</tr>
<tr>
<td>Housing General Fund Programme</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>1,440</td>
<td>1,440</td>
</tr>
<tr>
<td>ICT Programme</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>1,500</td>
<td>1,500</td>
</tr>
<tr>
<td>Total Additions</td>
<td>39,815</td>
<td>43,805</td>
<td>2,920</td>
<td>9,611</td>
<td>96,151</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Total Capital Programme</th>
<th>2017/18 £000s</th>
<th>2018/19 £000s</th>
<th>2019/20 £000s</th>
<th>2020/21 £000s</th>
<th>2021/22 £000s</th>
<th>Total £000s</th>
</tr>
</thead>
<tbody>
<tr>
<td>Schools Building Programme</td>
<td>8,548</td>
<td>8,112</td>
<td>4,010</td>
<td>4,002</td>
<td>3,439</td>
<td>28,111</td>
</tr>
<tr>
<td>General Fund Property Programme</td>
<td>5,766</td>
<td>9,522</td>
<td>9,913</td>
<td>3,570</td>
<td>900</td>
<td>29,671</td>
</tr>
<tr>
<td>Property Acquisition Programme</td>
<td>57,602</td>
<td>36,000</td>
<td>32,000</td>
<td>0</td>
<td>0</td>
<td>125,602</td>
</tr>
<tr>
<td>Environment Programme</td>
<td>5,961</td>
<td>2,121</td>
<td>860</td>
<td>180</td>
<td>0</td>
<td>9,122</td>
</tr>
<tr>
<td>Highways Programme</td>
<td>4,794</td>
<td>2,362</td>
<td>4,204</td>
<td>2,332</td>
<td>2,332</td>
<td>16,024</td>
</tr>
<tr>
<td>Housing General Fund Programme</td>
<td>22,304</td>
<td>8,065</td>
<td>1,440</td>
<td>1,440</td>
<td>1,440</td>
<td>34,689</td>
</tr>
<tr>
<td>ICT Programme</td>
<td>4,099</td>
<td>2,686</td>
<td>2,765</td>
<td>1,500</td>
<td>1,500</td>
<td>12,550</td>
</tr>
<tr>
<td>Regeneration Programme</td>
<td>7,263</td>
<td>7,820</td>
<td>10,122</td>
<td>0</td>
<td>0</td>
<td>25,205</td>
</tr>
<tr>
<td>Total Current Programme</td>
<td>116,337</td>
<td>76,688</td>
<td>65,314</td>
<td>13,024</td>
<td>9,611</td>
<td>280,974</td>
</tr>
</tbody>
</table>

128. The capital programme shown above consists of externally funded and internally funded projects. The externally funded expenditure stands at £17.546m in 2018/19, £7m of this relates to the Go Cycle programme; part of the £32m investment in the borough from TfL for this project.
129. The internally funded programme consists of rolling programmes of work and separate stand alone projects delivered in order to repair and improve the Council’s assets. A number of new bids for expenditure have been presented by officers with the relevant professional knowledge for their service area and of the assets required to deliver that service. The inclusion of these bids is affordable within the overall funding available.

130. Every Council is required to prepare a schedule of Prudential Indicators in respect of the capital budget to demonstrate that capital investment is prudent, sustainable and affordable. These are being reported to Treasury Committee on 8 February as part of a separate report on Treasury Management on the agenda and will also be presented to Members for approval as required at the Budget setting meeting of Full Council on 27 February.

Externally Funded Expenditure

131. Basic need grant allocations of £6.5m for 2018/19 and £2.4m for 2019/20 have been confirmed by the Department for Education. A further £2.4m basic need grant is estimated to be available in future years to fund this programme. In addition to this, £1m per year schools maintenance grant is estimated to be available. This is in line with current allocations.

132. A new schools grant allocation has been confirmed by the Department for Education for provisions for pupils with Special Educational Needs and Disabilities (SEND) for £0.563m per year across 2018/19 to 2020/21.

133. Transport for London (TfL) grant funding is only confirmed annually and based on specific projects. Once allocations are announced and the split between capital and revenue projects detailed the corresponding budgets will be added to the capital programme. It is anticipated that in 2018/19 this will total significantly less than awarded in recent years.

134. Further TfL funding for the Go Cycle programme is also included in the capital programme with current projections showing £7.8m 2018/19 and the balance of £10.1m in 2019/20. The timing of this funding between years will be subject to review as projects progress.

135. Disabled Facilities Grants are funded by the Ministry of Housing, Communities & Local Government. The Disabled Facilities Grants programme in prior years had been partially funded by external grant and partially by borrowing. The most recent grant allocation in 2017/18 increased and therefore the figures for future years have been increased in line with the allocation to £0.84m and the need for borrowing removed.

136. There is one new externally funded project to be added to the programme, in the form of the Exchange project funded by New Homes Bonus grant. The table below
shows a summary of the existing externally funded programme for 2018/19 with new elements added for 2021/22.

<table>
<thead>
<tr>
<th>Summary Externally Funded Projects</th>
<th>2017/18 £000s</th>
<th>2018/19 £000s</th>
<th>2019/20 £000s</th>
<th>2020/21 £000s</th>
<th>2021/22 £000s</th>
</tr>
</thead>
<tbody>
<tr>
<td>Schools Building Programme</td>
<td>5,177</td>
<td>6,536</td>
<td>2,408</td>
<td>2,400</td>
<td>2,400</td>
</tr>
<tr>
<td>Schools Maintenance Programme</td>
<td>2,894</td>
<td>1,012</td>
<td>1,039</td>
<td>1,039</td>
<td>1,039</td>
</tr>
<tr>
<td>Schools SEND Programme</td>
<td>0</td>
<td>563</td>
<td>563</td>
<td>563</td>
<td>0</td>
</tr>
<tr>
<td>Devolved Formula Capital</td>
<td>184</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Community Capacity Grant</td>
<td>296</td>
<td>400</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Disabled Facilities Grants</td>
<td>1,137</td>
<td>840</td>
<td>840</td>
<td>840</td>
<td>840</td>
</tr>
<tr>
<td>Go Cycle TfL funding</td>
<td>7,610</td>
<td>7,820</td>
<td>10,122</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>New Home Bonus</td>
<td>0</td>
<td>375</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>17,298</td>
<td>17,546</td>
<td>14,972</td>
<td>4,842</td>
<td>4,279</td>
</tr>
</tbody>
</table>

Internally Funded Expenditure

Rolling Programmes

137. The general fund property programme has a rolling programme of £0.4m per annum to carry out improvements and major repairs across the Council’s property portfolio.

138. The ICT programme has two rolling programmes of expenditure; the technology investment fund at £1.2m per year and the ICT capital maintenance programme at £0.3m per year. These programmes enable the Council to support service transformation and efficiency and replace and upgrade key equipment as required. It is proposed to roll this programme forward one more year, adding £1.5m to the programme in 2021/22.

139. The highways programme has two rolling programmes; street lighting renewal at £0.582m per year and highways maintenance at £1.75m per year.

140. The Housing general fund programme has a rolling programme of £0.6m for discretionary grants per annum.

141. The table below summarises the rolling programmes of work. The figures for the first four years are unchanged from the current programme; all additions are for 2021/22.
Internally Funded Rolling Programme

<table>
<thead>
<tr>
<th></th>
<th>2017/18 £000s</th>
<th>2018/19 £000s</th>
<th>2019/20 £000s</th>
<th>2020/21 £000s</th>
<th>2021/22 £000s</th>
</tr>
</thead>
<tbody>
<tr>
<td>General Fund Property Rolling Programme</td>
<td>400</td>
<td>400</td>
<td>400</td>
<td>400</td>
<td>400</td>
</tr>
<tr>
<td>Technology Investment Fund</td>
<td>1,200</td>
<td>1,200</td>
<td>1,200</td>
<td>1,200</td>
<td>1,200</td>
</tr>
<tr>
<td>ICT Capital Maintenance Programme</td>
<td>300</td>
<td>300</td>
<td>300</td>
<td>300</td>
<td>300</td>
</tr>
<tr>
<td>Highways Capital Maintenance Programme</td>
<td>1,750</td>
<td>1,750</td>
<td>1,750</td>
<td>1,750</td>
<td>1,750</td>
</tr>
<tr>
<td>Street Lighting Renewal</td>
<td>582</td>
<td>582</td>
<td>582</td>
<td>582</td>
<td>582</td>
</tr>
<tr>
<td>Discretionary Grants</td>
<td>600</td>
<td>600</td>
<td>600</td>
<td>600</td>
<td>600</td>
</tr>
<tr>
<td><strong>Total Internally Funded Rolling Programme</strong></td>
<td><strong>4,832</strong></td>
<td><strong>4,832</strong></td>
<td><strong>4,832</strong></td>
<td><strong>4,832</strong></td>
<td><strong>4,832</strong></td>
</tr>
</tbody>
</table>

One-off projects

142. Additions to the programme are included for specific projects where there is an essential need for works, they are on an invest to save basis or where they are sufficiently advanced to be the subject of a separate committee report. Details of the proposed additions to the programme are set out in Annex 8.

143. Projects of a significant value (usually over approximately £500,000) should all be subject to committee approval in their own right prior to implementation and their inclusion in the programme represents in principle approval of the funding only. A number of these additions have reports going to the relevant committee at the same meeting that this budget report is being considered.

Capital Financing

144. A summary of the proposed funding of the additions to the capital programme is shown below.

<table>
<thead>
<tr>
<th>Capital Financing</th>
<th>2018/19 £000s</th>
<th>2019/20 £000s</th>
<th>2020/21 £000s</th>
<th>2021/22 £000s</th>
<th>Total £000s</th>
</tr>
</thead>
<tbody>
<tr>
<td>Borrowing</td>
<td>39,440</td>
<td>43,805</td>
<td>2,920</td>
<td>5,332</td>
<td>91,497</td>
</tr>
<tr>
<td>Government Grants</td>
<td>375</td>
<td>0</td>
<td>0</td>
<td>4,279</td>
<td>4,654</td>
</tr>
<tr>
<td>Capital Receipts</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>39,815</strong></td>
<td><strong>43,805</strong></td>
<td><strong>2,920</strong></td>
<td><strong>9,611</strong></td>
<td><strong>96,151</strong></td>
</tr>
</tbody>
</table>

145. Funding can take place from a number of resources including borrowing, capital receipts, grants, reserves, external contributions and contributions from the revenue budget.
146. When projects are financed by borrowing they impact on the revenue budget through capital financing (interest) costs and money set aside for the repayment of debt. If capital receipts within the Council’s General Fund are realised and applied to the capital programme, the cost to the revenue budget is reduced.

Equalities Impact Assessment

147. An equality impact assessment has been undertaken regarding the budget reductions that will be enacted in the 2018/19 budget to ensure compliance with the public sector equality duty which is designed to eliminate discrimination, advance equality of opportunity and foster good relations within the protected characteristics. Kingston has had to make savings totalling £22.2m in 2018/19 and this budget has been produced against a backdrop of previous financial reductions from government.

148. The budget reduction proposals have been assessed carefully to make sure that any changes will have the least possible impact on residents and service users with a commitment to fairness. Any impact on staff will be managed through the change management process supported by staff from Human Resources.

149. The impact of the budget reduction proposals will be monitored to ensure that any potential negative impact is reduced as far as possible. Each service area will undertake further appropriate impact assessments at the implementation stage if there is a likelihood of a negative impact for service users or staff within the equality protected characteristics.

150. The Council aspires to and is confident that the savings proposed will enable it to discharge more than its statutory obligations and continue to meet the requirements of those most in need of its support and help.

151. Further details of the Equality Impact Assessment can be found in Annex 9.

Statutory Parking and Traffic Accounts

152. Annex 10 provides a summary of forecast income for the On Street Parking, Bus Lane Enforcement and Moving Traffic Contraventions accounts which are ring fenced accounts for the collection of income from these activities and whose income can only be spend on transport related activity.

Budget Timetable

153. Final consideration of the budget and medium term financial plan will be by Full Council at the budget setting meeting on 27 February 2018 following consideration by the Strategic Committees.
<table>
<thead>
<tr>
<th>Date</th>
<th>Event</th>
</tr>
</thead>
<tbody>
<tr>
<td>30 Jan</td>
<td>Residents Committee</td>
</tr>
<tr>
<td>Late Jan</td>
<td>Local Government Final Finance Settlement 2018/19</td>
</tr>
<tr>
<td>1 Feb</td>
<td>Consultation meeting with businesses</td>
</tr>
<tr>
<td>2 Feb</td>
<td>Adults and Children's Committee</td>
</tr>
<tr>
<td>6 Feb</td>
<td>Growth Committee</td>
</tr>
<tr>
<td>8 Feb</td>
<td>Treasury Committee</td>
</tr>
<tr>
<td>22 Feb</td>
<td>Final GLA precept confirmed at London Assembly meeting</td>
</tr>
<tr>
<td>27 Feb</td>
<td>Full Council to set Kingston Budget and Council Tax for 2018/19</td>
</tr>
</tbody>
</table>

**List of Annexes**

Annex 1 - Budget Risk 2018/19

Annex 2 - Reconciliation of 2017/18 Budget to proposed 2018/19 Budget

Annex 3 - Statutory Council Tax Calculation

Annex 4 - Budget Reductions (Savings) 2018/19 to 2021/22

Annex 5 - Summary of budget by Service / Function

Annex 6 - Summary of budget by expenditure type

Annex 7 - Flexible use of capital receipts strategy

Annex 8 - Capital Programme

Annex 9 - Equalities Impact Assessment

Annex 10 - Statutory Parking and Traffic Accounts

**Background Papers:** held by Rachel Howard, Head of RBK Financial Strategy & Reporting

Phone: 020 8547 5709; Email: rachel.howard@kingston.gov.uk
## Risk Analysis

<table>
<thead>
<tr>
<th>Risk Grouping and Reference</th>
<th>Risk</th>
<th>Risk Description</th>
<th>Variation from budget in worst case scenario £000s</th>
<th>Likelihood (1 = low; 5 = high)</th>
<th>Impact (1 = low; 5 = high)</th>
<th>Total Score</th>
<th>RAG Rating</th>
</tr>
</thead>
<tbody>
<tr>
<td>Treatment of inflation and interest rates 1</td>
<td>Non Pay Inflation</td>
<td>Inflation has been provided within the budget for major service contracts, major subscriptions and social care placements. In most cases service contracts apply an inflation index at a specific point in time and so the risk of higher than expected inflation is minimised by this approach. Non-pay budgets not mentioned above have been frozen in cash terms with the expectation that directorates will manage suppliers to keep within budget. The volatility that the economy is currently experiencing places additional risk on those budgets that have not been inflated.</td>
<td>350</td>
<td>3</td>
<td>4</td>
<td>12</td>
<td>A</td>
</tr>
<tr>
<td>Treatment of inflation and interest rates 2</td>
<td>Investment</td>
<td>The investment income forecast is based on short-term interest rates remaining close to current historical low levels. The UK domestic outlook is uncertain, but likely to be weaker in the short/medium term. There is therefore a small possibility of lower rates with a very small chance of negative interest rates. Based on the estimated average investment balance, a 0.25% variation in the assumed rate for investments, would cause a variation of approximately £90K in revenue costs.</td>
<td>90</td>
<td>3</td>
<td>1</td>
<td>3</td>
<td>G</td>
</tr>
<tr>
<td>Treatment of inflation and interest rates 3</td>
<td>Borrowing</td>
<td>With short-term interest rates much lower than long-term rates, it is likely that the Council will maintain an under-borrowed position, in order to minimise borrowing costs and reduce overall treasury risk by reducing the level of its external investment balances. The Council has previously raised most of its long-term borrowing at fixed rates of interest, so exposure is limited to its LOBO (Lender’s Option Borrower’s Option) loans which could be “called”. A LOBO is called when the Lender exercises its right to amend the interest rate on the loan, at which point the Council can accept the revised terms, or reject them and repay the loan. Current interest rates result in very low probability of a LOBO being “called” which would trigger premature repayment. In 2018/19 a 0.5% variation in LOBO loan interest rates would cause a variation of approximately £230K in revenue costs.</td>
<td>230</td>
<td>1</td>
<td>3</td>
<td>3</td>
<td>G</td>
</tr>
</tbody>
</table>
### Risk Grouping and Reference

<table>
<thead>
<tr>
<th>Risk Grouping and Reference</th>
<th>Risk</th>
<th>Risk Description</th>
<th>Variation from budget in worst case scenario £000s</th>
<th>Likelihood (1 = low; 5 = high)</th>
<th>Impact (1 = low; 5 = high)</th>
<th>Total Score</th>
<th>RAG Rating</th>
</tr>
</thead>
<tbody>
<tr>
<td>Treatment of delivery of planned savings 1</td>
<td>Savings</td>
<td>Due to the continuing reduction in resources, significant overall levels of savings (£20.270m) are having to be made in 2018-19. The increasing challenges of achieving ongoing significant budget reductions creates a risk of budget variations. For example a delay of 1 month to planned savings for 2018/19 across the board would create a financial risk of around £1.7m. Within the overall savings to be delivered are £16.973m of No Stone Unturned savings. Close monitoring will be undertaken to ensure the programme is delivered so that the Council’s ambitions are achieved, having due regard to the risks ensuring the Council has an effective and deliverable programme to deliver the required savings.</td>
<td>1,700</td>
<td>3</td>
<td>5</td>
<td>15</td>
<td>R</td>
</tr>
<tr>
<td>Treatment of delivery of planned savings 3</td>
<td>Savings</td>
<td>In addition to its share of the No Stone Unturned savings programme, Public Health faces the need to manage the impact of ongoing reductions in the Public Health grant, the ring-fenced grant local authorities are required to use exclusively for Public Health activity. The Public Health grant was reduced by £270k, or 2.6% for 2018/19, which is in line with the guidance issued by the (then) Department for Communities and Local Government last year for future years reductions.</td>
<td>270</td>
<td>5</td>
<td>2</td>
<td>10</td>
<td>A</td>
</tr>
<tr>
<td>Treatment of delivery of planned savings 4</td>
<td>Assets</td>
<td>Delays in decisions of property acquisitions and disposals places a risk of lost rental income and incurring revenue expenditure on the maintenance and upkeep of properties remaining on the portfolio. These range from £0.5k/month to £3k/month on revenue costs and £0.5k/month to £12.5k/month in rental income.</td>
<td>370</td>
<td>4</td>
<td>3</td>
<td>12</td>
<td>A</td>
</tr>
<tr>
<td>Treatment of delivery of planned savings 5</td>
<td>Property Investment</td>
<td>Delays in agreeing a property investment strategy or the identification of suitable sites for investment would lead to the savings predicated on additional property investment not being delivered. The associated capital financing costs would also be released so the risk equates to the net saving on additional property investment.</td>
<td>893</td>
<td>4</td>
<td>4</td>
<td>16</td>
<td>R</td>
</tr>
<tr>
<td>Risk Grouping and Reference</td>
<td>Risk</td>
<td>Risk Description</td>
<td>Variation from budget in worst case scenario £000s</td>
<td>Likelihood (1 = low; 5 = high)</td>
<td>Impact (1 = low; 5 = high)</td>
<td>Total Score</td>
<td>RAG Rating</td>
</tr>
<tr>
<td>-----------------------------</td>
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<td>-----------------------------------------------</td>
<td>-------------------------------</td>
<td>----------------------------</td>
<td>--------------</td>
<td>------------</td>
</tr>
<tr>
<td>Treatment of demand led and other growth pressures including demographic growth 1</td>
<td>Demographic Growth in the elderly population</td>
<td>Risk that budget growth allocated to placements and community based support is insufficient to meet rising demand and cost pressures from the 65+ age group. People are living longer, and presenting with more acuity and challenging/complex needs, in particular those with advanced dementia or challenging behaviour. The 2018/19 budget is predicated on around 320 placements, 7,700 home care hours a week and 260 clients supported by direct payment. However, there could be budgetary pressures if demand rises significantly beyond these levels as well as supporting swift hospital discharge and maintaining the Council as a high Delayed Transfers of Care (DTOC) performer.</td>
<td>500</td>
<td>3</td>
<td>5</td>
<td>15</td>
<td>R</td>
</tr>
<tr>
<td>Treatment of demand led and other growth pressures including demographic growth 2</td>
<td>Children's Social Care Placements</td>
<td>The risk that if further children in the borough require this service costs will rise if their service provision is unable to be mitigated by the various savings strategies of Achieving for Children (AfC) (foster care provision, etc.) as part of AfC’s plan recovery plan to reduce budget pressure in social care. In 2017/18 there has been a significant change control request in regards of Social Care even though growth was provided. The risks assumes a combination of net increases in numbers and increases in costs (over the allowance for inflation) across the different cohorts (Looked after children, Unaccompanied children and Leaving care).</td>
<td>400</td>
<td>3</td>
<td>4</td>
<td>12</td>
<td>A</td>
</tr>
<tr>
<td>Treatment of demand led and other growth pressures including demographic growth 3</td>
<td>Homelessness - Bed &amp; Breakfast</td>
<td>The number of households in temporary accommodation increased in 2017/18 as in recent years. The 2018/19 budget is set on the basis of 230 clients. Whilst the demand has increased and may continue to increase, the exit solutions remain a challenge (e.g. prevention activities and new supply). There is also the additional new homelessness duties placed on Councils from the new Homelessness Act coming into operation from April 2018. This is expected to add further administrative budgets costs and increase the risk from demand and supply pressures for this budget area. It is difficult to predict the number of clients but if the clients increased by 25 (from 230 to 255) the full year impact could be in the region of £210k.</td>
<td>210</td>
<td>2</td>
<td>3</td>
<td>6</td>
<td>G</td>
</tr>
<tr>
<td>Treatment of demand led and other growth pressures including demographic growth 4</td>
<td>Winter Maintenance &amp; Highway Maintenance</td>
<td>Severe winter weather placing additional spending pressures on winter maintenance, highways maintenance and other budgets across the Council. Weather conditions are impossible to forecast with complete accuracy and there is a risk of increased costs in terms of highway clearance and highway maintenance should extreme weather conditions be experienced in 2018/19</td>
<td>500</td>
<td>3</td>
<td>3</td>
<td>9</td>
<td>A</td>
</tr>
<tr>
<td>Risk Grouping and Reference</td>
<td>Risk</td>
<td>Risk Description</td>
<td>Variation from budget in worst case scenario £000s</td>
<td>Likelihood (1 = low; 5 = high)</td>
<td>Impact (1 = low; 5 = high)</td>
<td>Total Score</td>
<td>RAG Rating</td>
</tr>
<tr>
<td>-----------------------------</td>
<td>-----------------------------</td>
<td>---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------</td>
<td>--------------------------------------------------</td>
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<td>-----------------------------</td>
<td>-------------</td>
<td>------------</td>
</tr>
<tr>
<td>Treatment of demand led and other growth pressures including demographic growth 5</td>
<td>Waste Management</td>
<td>Officers have modelled projected tonnage figures and inflation estimates in arriving at the waste management budget for 2018/19 and beyond. However, tonnage projections remain volatile and the risk here is that tonnage exceeds that which has been projected</td>
<td>200</td>
<td>2</td>
<td>2</td>
<td>4</td>
<td>G</td>
</tr>
<tr>
<td>Treatment of demand led and other growth pressures including demographic growth 6</td>
<td>Housing Benefits</td>
<td>This risk represents the worst case scenario in a reduction in Housing Benefits subsidy recovery for that which is budgeted.</td>
<td>400</td>
<td>2</td>
<td>4</td>
<td>8</td>
<td>A</td>
</tr>
<tr>
<td>Treatment of demand led and other growth pressures including demographic growth 7</td>
<td>Adult Social Care</td>
<td>Risk that budget growth allocated to Learning Disability is insufficient to meet rising demand and cost pressures. Growth includes an estimated costs for those expected to transition from children's services.</td>
<td>200</td>
<td>2</td>
<td>2</td>
<td>4</td>
<td>G</td>
</tr>
<tr>
<td>Treatment of demand led and other growth pressures including demographic growth 8</td>
<td>Adult Social Care</td>
<td>Risk of increasing litigation exposure eg Deprivation of Liberty Safeguards (DoLS) or deprivation of assets situations</td>
<td>300</td>
<td>1</td>
<td>3</td>
<td>3</td>
<td>G</td>
</tr>
<tr>
<td>Treatment of demand led and other growth pressures including demographic growth 9</td>
<td>Private Sector Leasing</td>
<td>Demand for suitable temporary accommodation remains a risk in conjunction with the next stage of welfare reform in Kingston with the rollout of Universal Credit. Additionally the roll out of proposed Pan London procurement payment rates will further add budgetary pressure.</td>
<td>300</td>
<td>3</td>
<td>3</td>
<td>9</td>
<td>A</td>
</tr>
<tr>
<td>Treatment of demand led and other growth pressures including demographic growth 10</td>
<td>Schools budget: DSG Shortfall</td>
<td>A current financial pressure has been the emergence of a structural overspend in the activities covered by the Dedicated Schools Grant. This is predominantly due to spend on support to pupils with High Needs exceeding the government funding allocation in recent years, and will result in a cumulative overspend on the DSG of up to £12m at the end of this year. A recovery plan is being implemented to deal with the structural deficit in-year 2018-19. This includes £4.3m disapplication requests to the DfE which have yet to be determined.</td>
<td>4,300</td>
<td>4</td>
<td>5</td>
<td>20</td>
<td>R</td>
</tr>
<tr>
<td>Risk Grouping and Reference</td>
<td>Risk</td>
<td>Risk Description</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>-----------------------------</td>
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<td>-----------------</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Financial risks inherent in any significant subsidiaries; new partnership arrangements' major outsourcing arrangements or major capital developments</td>
<td>Redundancy Costs</td>
<td>As joint working arrangements progress and outcomes are more clearly defined, there is potential for further redundancies and early retirement costs above those that have been forecast.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Treatment of income budgets in relation to fees and demand 1</td>
<td>Parking Service Income</td>
<td>Income received in the parking service is generated by either demand led services such as off-street car parking or residents permits, or by penalty charge notices issued for traffic contraventions. The latter may reduce over time if compliance regarding bus lanes, moving traffic contraventions or parking requirements increases. A further risk is when a bus lane is out of action due to transport and public realm works. A significant reduction in penalty charge notices would mean income falls below the level assumed in the budget. Similarly, if customer behaviour changes significantly in regards to use of off-street car parking or purchase of permits, this may cause income to fall below the budgeted level.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>General Financial and Economic Climate 1</td>
<td>General Economic conditions</td>
<td>National economic uncertainty, including economic stability including any factors relating to Brexit could impact upon the Government's estimates in the scale and rate over its recovery in the future. If this occurs, the Council will inevitably feel the effect in demand for its discretionary income generating services and also the potential default concerning its statutory charges</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>General Financial and Economic Climate 2</td>
<td>Business Rates</td>
<td>The business rates pooling pilot means that the Council retains 64% of business rates collected (subject to a tariff). Although the budget includes a prudent estimate of business rates income, continued economic uncertainty poses the risk of a downward pressure on resources, including risks concerning business premises closing or being developed and also business rates appeals being higher than anticipated. A 1% reduction in the business rates collected would cause the retained amount to fall by around £0.550m. This would require a reduction in the budget for the following year to make up for any deficit on the collection fund.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
### General Financial and Economic Climate 3

<table>
<thead>
<tr>
<th>Risk Grouping and Reference</th>
<th>Risk</th>
<th>Risk Description</th>
<th>Variation from budget in worst case scenario (£000s)</th>
<th>Likelihood (1 = low; 5 = high)</th>
<th>Impact (1 = low; 5 = high)</th>
<th>Total Score</th>
<th>RAG Rating</th>
</tr>
</thead>
<tbody>
<tr>
<td>Council Tax</td>
<td>3</td>
<td>Council Tax being the main funding source of the net budget exposes the Council to risks such as collection rates and adverse changes in the size of the taxbase. Despite strong collection performance to date, there is a risk of collection of council tax falling due to the difficult financial climate resulting in a deficit on the collection fund which would require reductions in the budget for the following year. A 0.1% reduction in council tax collection equates to £0.1m.</td>
<td>100</td>
<td>2</td>
<td>2</td>
<td>4</td>
<td>G</td>
</tr>
</tbody>
</table>

**Budget 2018-22 Budget Risk Total**: 13,013

**Budget 2017-21 Budget Risk Total**: 8,055
Reconciliation between original budget 2017/18 and proposed budget 2018/19

<table>
<thead>
<tr>
<th></th>
<th>£'000</th>
<th>£'000</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Base Budget 2017/18</strong></td>
<td></td>
<td>131,418</td>
</tr>
<tr>
<td><strong>Adjustments to Base Budget:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Removal of one off growth</td>
<td></td>
<td>-92</td>
</tr>
<tr>
<td>Amendments to planned savings</td>
<td></td>
<td>3,349</td>
</tr>
<tr>
<td>Other minor adjustments</td>
<td></td>
<td>12</td>
</tr>
<tr>
<td><strong>Total Adjustments to Base Budget:</strong></td>
<td></td>
<td>3,269</td>
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<tr>
<td><strong>Inflation:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Pay Total</td>
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<td>654</td>
</tr>
<tr>
<td>Non-Pay Total</td>
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<td>2,693</td>
</tr>
<tr>
<td>NNDR (Business Rates)</td>
<td></td>
<td>224</td>
</tr>
<tr>
<td>Fees &amp; Charges Total</td>
<td></td>
<td>-113</td>
</tr>
<tr>
<td><strong>Total Inflation</strong></td>
<td></td>
<td>3,458</td>
</tr>
<tr>
<td><strong>Growth:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Adult Social Care - Placements/homecare</td>
<td></td>
<td>1,112</td>
</tr>
<tr>
<td>Adult Social Care - Direct Payments</td>
<td></td>
<td>52</td>
</tr>
<tr>
<td>Adult Social Care - Learning Disabilities</td>
<td></td>
<td>2,202</td>
</tr>
<tr>
<td>Adult Social Care - Telecare</td>
<td></td>
<td>100</td>
</tr>
<tr>
<td>Adult Social Care - Mental Health Working Age</td>
<td></td>
<td>148</td>
</tr>
<tr>
<td>Achieving for Children - Looked after children</td>
<td></td>
<td>1,000</td>
</tr>
<tr>
<td>B&amp;B/Nightly Paid Accommodation</td>
<td></td>
<td>250</td>
</tr>
<tr>
<td>Additional Incentives - Private Sector Leases</td>
<td></td>
<td>70</td>
</tr>
<tr>
<td>London/National Living Wage - Contracts</td>
<td></td>
<td>40</td>
</tr>
<tr>
<td>Waste Disposal cost per tonne increases</td>
<td></td>
<td>55</td>
</tr>
<tr>
<td>General Data Protection Regulations Compliance</td>
<td></td>
<td>85</td>
</tr>
<tr>
<td>Cost of Elections</td>
<td></td>
<td>234</td>
</tr>
<tr>
<td>Capital Financing</td>
<td></td>
<td>1,497</td>
</tr>
<tr>
<td>Strategic Property</td>
<td></td>
<td>294</td>
</tr>
<tr>
<td>Investment Property Conquest House</td>
<td></td>
<td>1,536</td>
</tr>
<tr>
<td>Investment Property Kingsmill</td>
<td></td>
<td>441</td>
</tr>
<tr>
<td>Investment Property Future Investment</td>
<td></td>
<td>1,267</td>
</tr>
<tr>
<td>Fees &amp; charges</td>
<td></td>
<td>12</td>
</tr>
<tr>
<td>Commissioning &amp; Expenditure Review</td>
<td></td>
<td>250</td>
</tr>
<tr>
<td>Contribution to General Fund Balance</td>
<td></td>
<td>3,115</td>
</tr>
<tr>
<td><strong>Total Growth</strong></td>
<td></td>
<td>13,760</td>
</tr>
<tr>
<td><strong>Budget Reductions</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Savings identified</td>
<td></td>
<td>-22,185</td>
</tr>
<tr>
<td><strong>Gross Budget requirement 2018/19</strong></td>
<td></td>
<td>129,720</td>
</tr>
<tr>
<td><strong>Resources</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Parking / Bus Lane Enforcement / Moving Traffic Enforcement Accounts</td>
<td></td>
<td>-6,883</td>
</tr>
<tr>
<td>Collection Fund Surplus / Deficit (Council Tax)</td>
<td></td>
<td>-74</td>
</tr>
<tr>
<td>Collection Fund Surplus / Deficit (Business Rates)</td>
<td></td>
<td>-787</td>
</tr>
<tr>
<td>Description</td>
<td>Amount</td>
<td></td>
</tr>
<tr>
<td>------------------------------</td>
<td>----------</td>
<td></td>
</tr>
<tr>
<td>New Homes Bonus</td>
<td>-2,314</td>
<td></td>
</tr>
<tr>
<td>Council Tax</td>
<td>-92,086</td>
<td></td>
</tr>
<tr>
<td>Specific grants</td>
<td>-4,360</td>
<td></td>
</tr>
<tr>
<td>Business Rates</td>
<td>-23,216</td>
<td></td>
</tr>
<tr>
<td><strong>Total Resources 2018/19</strong></td>
<td><strong>-129,720</strong></td>
<td></td>
</tr>
</tbody>
</table>
FORMAL COUNCIL TAX CALCULATION AND RESOLUTION

(For approval at 27 February 2018 Council – subject to confirmation of the GLA precept and the Wimbledon and Putney Commons Conservators levy.)

The Council is recommended to resolve as follows:

1) It be noted that on 15 January 2018, under delegated powers, the Interim S151 officer approved the Council Tax Base for 2018/19 for the whole Council area as 62,327 [Item T in the formula in Section 31B(3) of the Local Government Finance Act 1992, as amended (the “Act”).

2) That the following amounts be calculated for the year 2018/19 in accordance with Sections 31 to 36 of the Act:

   a) The aggregate of the amounts which the Council estimates for the items set out in Section 31A(2) of the Act, taking into account the total of special items included in e) below.

      £ 468,146,422.42

   b) The aggregate of the amounts which the Council estimates for the items set out in Section 31A(3) of the Act.

      £ 376,060,773.00

   c) The amount by which the aggregate at a) above exceeds the aggregate at b) above, calculated by the Council in accordance with Section 31A(4) of the Act as its Council Tax requirement for the year. [Item R in the formula in Section 31A(4) of the Act].

      £ 92,085,649.42

   d) The amount at c) above [Item R], all divided by Item T (1 above), calculated by the Council, in accordance with Section 31B(1) of the Act, as the basic amount of its Council Tax for the year.

      £ 1,477.46

   e) The expenses of meeting the levy issued to it by the Wimbledon and Putney Commons Conservators shall be the aggregate of all special items referred to in Section 34(1) of the Act.

      £ 45,198.40

   f) The amount at d) above less the result given by dividing the amount at e) above by Item T (1 above), calculated by the Council, in accordance with Section 34(2) of the Act, as the basic amount of its Council Tax for the year for dwellings in those parts of its area to which no special items relate.

      £ 1,476.74

   g) The amount given by adding the amount at f) above to the result of the amount at e) above divided by the council tax base for the part of the Council’s area defined by the Wimbledon and Putney Commons Act 1871, calculated by the Council, as the basic council tax for dwellings in those areas to which the special items relate.

      £ 1,506.28
ANNEX 3

h) **Part of the Council’s Area**

<table>
<thead>
<tr>
<th>Valuation Bands</th>
<th>Part of the Council’s Area to which special items as defined in e) above relate</th>
<th>All other parts of the Council’s Area</th>
</tr>
</thead>
<tbody>
<tr>
<td>A</td>
<td>£1,004.19</td>
<td>£984.49</td>
</tr>
<tr>
<td>B</td>
<td>£1,171.55</td>
<td>£1,148.58</td>
</tr>
<tr>
<td>C</td>
<td>£1,338.92</td>
<td>£1,312.66</td>
</tr>
<tr>
<td>D</td>
<td>£1,506.28</td>
<td>£1,476.74</td>
</tr>
<tr>
<td>E</td>
<td>£1,841.01</td>
<td>£1,804.90</td>
</tr>
<tr>
<td>F</td>
<td>£2,175.74</td>
<td>£2,133.07</td>
</tr>
<tr>
<td>G</td>
<td>£2,510.47</td>
<td>£2,461.23</td>
</tr>
<tr>
<td>H</td>
<td>£3,012.56</td>
<td>£2,953.48</td>
</tr>
</tbody>
</table>

being the amounts given by multiplying the amounts at f) and g) above by the number which, in the proportion set out in Section 5(1) of the Act is applicable to dwellings listed in a particular valuation band divided by the number which in that proportion is applicable to dwellings listed in valuation band D, calculated by the Council in accordance with Section 36(1) of the Act as the amounts to be taken into account for the year in respect of categories of dwellings listed in different valuation bands.

i) That it be noted that for the year 2018/19, the Greater London Authority has stated the following amounts in precepts issued to the Council in accordance with Section 40 of the Act for each of the categories of dwellings shown below:

<table>
<thead>
<tr>
<th>Valuation Bands</th>
<th>GLA Precept</th>
</tr>
</thead>
<tbody>
<tr>
<td>A</td>
<td>£196.15</td>
</tr>
<tr>
<td>B</td>
<td>£228.84</td>
</tr>
<tr>
<td>C</td>
<td>£261.53</td>
</tr>
<tr>
<td>D</td>
<td>£294.22</td>
</tr>
<tr>
<td>E</td>
<td>£359.60</td>
</tr>
<tr>
<td>F</td>
<td>£424.98</td>
</tr>
<tr>
<td>G</td>
<td>£490.37</td>
</tr>
<tr>
<td>H</td>
<td>£588.44</td>
</tr>
</tbody>
</table>

j) That having calculated the aggregate in each case of the amounts at (h) and (i) above, the Council in accordance with Section 30(2) of the Act hereby sets the following amounts of Council Tax for the year 2018/19 for each of the categories of dwelling shown below:
### Part of the Council's Area

<table>
<thead>
<tr>
<th>Valuation Bands</th>
<th>Part of the Council's Area to which special items as defined in e) above</th>
<th>All other parts of the Council's Area</th>
</tr>
</thead>
<tbody>
<tr>
<td>A</td>
<td>£1,200.34</td>
<td>£1,180.64</td>
</tr>
<tr>
<td>B</td>
<td>£1,400.39</td>
<td>£1,377.42</td>
</tr>
<tr>
<td>C</td>
<td>£1,600.45</td>
<td>£1,574.19</td>
</tr>
<tr>
<td>D</td>
<td>£1,800.50</td>
<td>£1,770.96</td>
</tr>
<tr>
<td>E</td>
<td>£2,200.61</td>
<td>£2,164.50</td>
</tr>
<tr>
<td>F</td>
<td>£2,600.72</td>
<td>£2,558.05</td>
</tr>
<tr>
<td>G</td>
<td>£3,000.84</td>
<td>£2,951.60</td>
</tr>
<tr>
<td>H</td>
<td>£3,601.00</td>
<td>£3,541.92</td>
</tr>
</tbody>
</table>

k) To note that, in accordance with Section 52ZB of the Local Government Finance Act 1992, the Council's relevant basic amount of Council Tax for 2018/19 is not excessive in accordance with principles approved by the Secretary of State under Section 52ZC.
<table>
<thead>
<tr>
<th>Report Reference</th>
<th>Portfolio Division</th>
<th>NSU Theme</th>
<th>Savings Title</th>
<th>Description of Saving</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Adults</td>
<td>N/A</td>
<td>Supporting People Contract</td>
<td>£000s</td>
</tr>
<tr>
<td>2</td>
<td>Adults</td>
<td>N/A</td>
<td>Better Care Fund</td>
<td>Increase in amount received as part of the Better Care Fund (BCF)</td>
</tr>
<tr>
<td>3</td>
<td>Adults Social Care</td>
<td>N/A</td>
<td>ASC Learning Disabilities</td>
<td>Recommission arrangements for Learning Disability Parliament to be more independent of the Council.</td>
</tr>
<tr>
<td>4</td>
<td>Achieving For Children (AFC)</td>
<td>N/A</td>
<td>AFC - Supported Accommodation Project</td>
<td>Developing multi occupancy accommodation facilities which will be more cost effective than using private accommodation. Review of commissioning arrangements for leaving care and Unaccompanied Asylum Seeking Children (UASC) accommodation.</td>
</tr>
<tr>
<td>5</td>
<td>Achieving For Children (AFC)</td>
<td>N/A</td>
<td>AFC - Organisational Transformation and Accommodation</td>
<td>Redesign of social care teams in to three locality clusters, co-location and redesign of all teams and rationalisation of accommodation in line with revised needs.</td>
</tr>
<tr>
<td>6</td>
<td>Achieving For Children (AFC)</td>
<td>N/A</td>
<td>AFC - Support Service Review</td>
<td>The intention would be to bring in-house or revise a number of support services that are currently provided by the Councils. It may be necessary to procure or provide a lesser service in some areas.</td>
</tr>
<tr>
<td>7</td>
<td>Achieving For Children (AFC)</td>
<td>N/A</td>
<td>AFC - Standards and Improvement</td>
<td>Reduction in management and operational staff through concentration on solely statutory functions. Fewer training opportunities provided to frontline staff and partners with a greater focus on core training only, as well as an increased focus on trading training to other organisations at a profit. Review of the performance information provided with a view to rationalising.</td>
</tr>
<tr>
<td>8</td>
<td>Achieving For Children (AFC)</td>
<td>N/A</td>
<td>AFC - Finance and Resources</td>
<td>Review of staff resources and rationalisation of financial information produced.</td>
</tr>
<tr>
<td>9</td>
<td>Achieving For Children (AFC)</td>
<td>N/A</td>
<td>AFC - Develop in Borough Special Educational Needs (SEN) respite and residential facilities</td>
<td>Development of in-house residential and respite support at an existing AFC site.</td>
</tr>
<tr>
<td>10</td>
<td>Achieving For Children (AFC)</td>
<td>N/A</td>
<td>AFC - SEN Service Review</td>
<td>SEN team to be reviewed post transfers and update of Synergy.</td>
</tr>
<tr>
<td>11</td>
<td>Achieving For Children (AFC)</td>
<td>N/A</td>
<td>AFC - Operational Central Resource reduction</td>
<td>Central resources have been frozen this financial year. This is a permanent reduction in the non salary budgets across services.</td>
</tr>
<tr>
<td>12</td>
<td>Achieving For Children (AFC)</td>
<td>N/A</td>
<td>AFC - Children's Centres - RBK</td>
<td>Reduction in staff and premises costs through change of one children's centre to full day care provision on site and health provision to continue as an outreach from the locality. Closure/Change of use one children's centre from September 2018.</td>
</tr>
<tr>
<td>13</td>
<td>Achieving For Children (AFC)</td>
<td>N/A</td>
<td>AFC - Emotional Health Service in RBK</td>
<td>To remove the emotional health services (tier 2 Children and Adolescent Mental Health Services) service altogether</td>
</tr>
<tr>
<td>14</td>
<td>Achieving For Children (AFC)</td>
<td>N/A</td>
<td>AFC - Placement Sufficiency Programme</td>
<td>Reduction in number and unit cost of placements through better commissioning / procurement / developing inhouse provision / intensive early help to stop children coming into care</td>
</tr>
</tbody>
</table>
### ANNEX 4

#### Savings contained in Draft Medium Term Financial Plan 2018-19 to 2021-22

<table>
<thead>
<tr>
<th>Report Reference</th>
<th>Portfolio Division</th>
<th>Portfolio</th>
<th>NSU Theme</th>
<th>Savings Title</th>
<th>2018/19 £000s</th>
<th>2019/20 £000s</th>
<th>2020/21 £000s</th>
<th>2021/22 £000s</th>
<th>Description of Saving</th>
</tr>
</thead>
<tbody>
<tr>
<td>15</td>
<td>Learning &amp; Children's Services</td>
<td>Achieving For Children (AFC)</td>
<td>N/A</td>
<td>AFC - Youth Centre Commissioning</td>
<td>0</td>
<td>0</td>
<td>250</td>
<td>250</td>
<td>Review of the level of youth centre delivery and commissioning out to a third party provider.</td>
</tr>
<tr>
<td>16</td>
<td>Learning &amp; Children's Services</td>
<td>Achieving For Children (AFC)</td>
<td>N/A</td>
<td>AFC - Merge Early Help and Social Care</td>
<td>0</td>
<td>0</td>
<td>150</td>
<td>150</td>
<td>Merger of the early help and social care teams.</td>
</tr>
<tr>
<td>17</td>
<td>Learning &amp; Children's Services</td>
<td>Achieving For Children (AFC)</td>
<td>N/A</td>
<td>AFC - Savings under development</td>
<td>0</td>
<td>725</td>
<td>825</td>
<td>825</td>
<td>Further savings proposals to be developed by AFC in order to meet target set for 2018-19 to 2020-21</td>
</tr>
<tr>
<td>18</td>
<td>Learning &amp; Children's Services</td>
<td>Achieving For Children (AFC)</td>
<td>N/A</td>
<td>AFC - ESG Budget Reduction</td>
<td>136</td>
<td>136</td>
<td>136</td>
<td>136</td>
<td>Reduce AFC education expenditure by amount commensurate with reduction in Education Support Grant</td>
</tr>
<tr>
<td>19</td>
<td>Place</td>
<td>Culture &amp; Lifelong Learning</td>
<td>N/A</td>
<td>Leisure Contract</td>
<td>123</td>
<td>203</td>
<td>283</td>
<td>323</td>
<td>We have successfully negotiated with our leisure operator Places for People Leisure (PiPL) to extend their current contract by a further five years to 2026. In return, PiPL have agreed to significantly reduce, and then remove the existing management fee we currently pay to them.</td>
</tr>
<tr>
<td>20</td>
<td>Place</td>
<td>Culture &amp; Lifelong Learning</td>
<td>N/A</td>
<td>Modernising library services</td>
<td>10</td>
<td>21</td>
<td>21</td>
<td>21</td>
<td>New self-service technology will modernise libraries, realising staffing efficiency savings while retaining the existing seven libraries.</td>
</tr>
<tr>
<td>21</td>
<td>Place</td>
<td>Culture &amp; Lifelong Learning</td>
<td>N/A</td>
<td>Kingston Adult Education &amp; Libraries Collaboration</td>
<td>20</td>
<td>20</td>
<td>20</td>
<td>20</td>
<td>Collaboration to enable 5 activities that Libraries currently deliver, to be delivered utilising the Skills Funding Agency funds through Kingston Adult Education</td>
</tr>
<tr>
<td>22</td>
<td>Place</td>
<td>Culture &amp; Lifelong Learning</td>
<td>N/A</td>
<td>Kingston Theatre</td>
<td>20</td>
<td>35</td>
<td>35</td>
<td>35</td>
<td>Renegotiation of Rose Theatre Contract</td>
</tr>
<tr>
<td>23</td>
<td>Place</td>
<td>Housing General Fund</td>
<td>N/A</td>
<td>Temporary Accommodation Bad Debts Provision</td>
<td>69</td>
<td>94</td>
<td>94</td>
<td>94</td>
<td>Improved rent collection levels for Bed &amp; Breakfast and Private Leasing Scheme properties reduces cost of Bad Debts Provision</td>
</tr>
<tr>
<td>24</td>
<td>Place</td>
<td>Housing General Fund</td>
<td>N/A</td>
<td>Housing General Fund storage costs</td>
<td>1</td>
<td>2</td>
<td>2</td>
<td>2</td>
<td>Disposal of stored paper files</td>
</tr>
<tr>
<td>25</td>
<td>Place</td>
<td>Planning And Regeneration</td>
<td>N/A</td>
<td>Regulatory Services Charging</td>
<td>27</td>
<td>55</td>
<td>55</td>
<td>55</td>
<td>Review of Charging - target of self sufficiency for Registrars, Bereavement Services and Building Control</td>
</tr>
<tr>
<td>26</td>
<td>Place</td>
<td>Planning And Regeneration</td>
<td>N/A</td>
<td>Business Incubator Hub</td>
<td>50</td>
<td>50</td>
<td>50</td>
<td>50</td>
<td>Profit share from new business hub initiative. Initial estimated savings contribution expected in 2017/18 has slipped by a year into 2018/19 from Outcomes Based Budgeting year 2 review of activity</td>
</tr>
<tr>
<td>27</td>
<td>Place</td>
<td>Planning And Regeneration</td>
<td>N/A</td>
<td>Development Control income</td>
<td>10</td>
<td>30</td>
<td>30</td>
<td>30</td>
<td>Increased income from pre-planning check services</td>
</tr>
<tr>
<td>28</td>
<td>Place</td>
<td>Planning And Regeneration</td>
<td>N/A</td>
<td>Development Control and Business Support internal reorganisation</td>
<td>25</td>
<td>25</td>
<td>25</td>
<td>25</td>
<td>The planned Development Control shared services is unlikely to go ahead in the form proposed during Outcomes Based Budgeting (Year 1). In its place the service will undertake an internal reorganisation that has the potential to deliver savings of £75k in 2017/18, and rising to £100k from 2018/19 from within the service and Business Support.</td>
</tr>
<tr>
<td>29</td>
<td>Place</td>
<td>Environment</td>
<td>N/A</td>
<td>Regulatory Services Shared Service</td>
<td>50</td>
<td>50</td>
<td>50</td>
<td>50</td>
<td>Reduction in management costs in 2016/17 through shared service arrangements with further rationalisation of service in later years.</td>
</tr>
<tr>
<td>Report Reference</td>
<td>Portfolio Division</td>
<td>NSU Theme</td>
<td>Savings Title</td>
<td>2018/19 £000s</td>
<td>2019/20 £000s</td>
<td>2020/21 £000s</td>
<td>2021/22 £000s</td>
<td>Description of Saving</td>
<td></td>
</tr>
<tr>
<td>------------------</td>
<td>-------------------</td>
<td>-----------</td>
<td>---------------</td>
<td>----------------</td>
<td>----------------</td>
<td>----------------</td>
<td>-----------------</td>
<td>----------------------</td>
<td></td>
</tr>
<tr>
<td>30</td>
<td>Place</td>
<td>Environment</td>
<td>N/A</td>
<td>Building Control Shared Service</td>
<td>40</td>
<td>40</td>
<td>40</td>
<td>40</td>
<td>Potential saving achieved via shared Building Control service across neighbouring boroughs.</td>
</tr>
<tr>
<td>31</td>
<td>Place</td>
<td>Environment</td>
<td>N/A</td>
<td>Environment Shared Service with Sutton</td>
<td>110</td>
<td>110</td>
<td>110</td>
<td>110</td>
<td>Savings achieved through shared service arrangements with Sutton (from November 2015)</td>
</tr>
<tr>
<td>32</td>
<td>Place</td>
<td>Environment</td>
<td>N/A</td>
<td>South London Waste Partnership (SWLP) Shared environment contract - Street cleansing and Winter maintenance</td>
<td>35</td>
<td>400</td>
<td>400</td>
<td>400</td>
<td>Savings arising from joining the SLWP shared service for street cleansing and winter maintenance</td>
</tr>
<tr>
<td>33</td>
<td>Place</td>
<td>Environment</td>
<td>N/A</td>
<td>London Permitting Scheme (Highways Enforcement)</td>
<td>60</td>
<td>60</td>
<td>60</td>
<td>60</td>
<td>Implementation of single IT system within shared service to achieve efficiencies</td>
</tr>
<tr>
<td>34</td>
<td>Place</td>
<td>Environment</td>
<td>N/A</td>
<td>Environment Shared Service</td>
<td>60</td>
<td>60</td>
<td>60</td>
<td>60</td>
<td>Create Shared Client Hub</td>
</tr>
<tr>
<td>35</td>
<td>Place</td>
<td>Environment</td>
<td>N/A</td>
<td>Garden waste collection service income</td>
<td>40</td>
<td>40</td>
<td>40</td>
<td>40</td>
<td>Increased customer base for this service, through targeted communications, to improve income from subscriptions. In 2019/20 the income is incorporated into the new net cost of the collection contract (see below).</td>
</tr>
<tr>
<td>37</td>
<td>Place</td>
<td>Environment</td>
<td>N/A</td>
<td>Reduction in household waste</td>
<td>325</td>
<td>325</td>
<td>325</td>
<td>325</td>
<td>Forecasted growth in household waste generation has not been seen in the current financial year, attributable to changes in the recycling services, and has realised an underspend in the current budget allocation.</td>
</tr>
<tr>
<td>38</td>
<td>One Council Services</td>
<td>Assets</td>
<td>N/A</td>
<td>Asset Strategy - Bus shelters / On Street Furniture</td>
<td>7</td>
<td>7</td>
<td>7</td>
<td>7</td>
<td>Income from bus shelters / On Street Furniture (full-year effect)</td>
</tr>
<tr>
<td>39</td>
<td>One Council Services</td>
<td>Assets</td>
<td>N/A</td>
<td>Jobcentre Plus</td>
<td>480</td>
<td>480</td>
<td>480</td>
<td>480</td>
<td>Rental income from co-location of Jobcentre Plus in Guildhall 2</td>
</tr>
<tr>
<td>40</td>
<td>One Council Services</td>
<td>Finance</td>
<td>N/A</td>
<td>Customer Contact Shared Service</td>
<td>80</td>
<td>80</td>
<td>80</td>
<td>80</td>
<td>Savings arising from implementation of shared service between Kingston and Sutton</td>
</tr>
<tr>
<td>41</td>
<td>One Council Services</td>
<td>Finance</td>
<td>N/A</td>
<td>Customer Contact Centre income</td>
<td>0</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>Kingston Interpreting Service income target increased to reflect current trends and impact of small price increase applied from November 2016</td>
</tr>
<tr>
<td>42</td>
<td>One Council Services</td>
<td>Finance</td>
<td>N/A</td>
<td>Finance Shared Service</td>
<td>100</td>
<td>100</td>
<td>100</td>
<td>100</td>
<td>Savings arising from implementation of shared service between Kingston and Sutton</td>
</tr>
<tr>
<td>43</td>
<td>Other Corporate Services</td>
<td>N/A</td>
<td>N/A</td>
<td>Funding of Pension Liability</td>
<td>181</td>
<td>181</td>
<td>181</td>
<td>181</td>
<td>RBK funding of pension liability for contractor Your Healthcare is no longer required.</td>
</tr>
<tr>
<td>44</td>
<td>Other Corporate Services</td>
<td>N/A</td>
<td>N/A</td>
<td>Review of Minimum Revenue Provision</td>
<td>1,915</td>
<td>1,757</td>
<td>1,599</td>
<td>1,433</td>
<td>An external review of the methodology for calculating the minimum revenue provision has suggested savings can be delivered by retrospectively applying an annuity method.</td>
</tr>
<tr>
<td>45</td>
<td>Cross Portfolio</td>
<td>Various</td>
<td>Income, Commercialisation &amp; Commissioning</td>
<td>Fees &amp; Charges</td>
<td>715</td>
<td>595</td>
<td>605</td>
<td>605</td>
<td>Generate income by increasing our discretionary fees and charges in line with benchmarking data and ensuring that all items include full cost recovery including corporate services charges.</td>
</tr>
</tbody>
</table>

**Total Non-NSU Savings:** 5,212 7,700 8,122 7,996
<table>
<thead>
<tr>
<th>Report Reference</th>
<th>Portfolio</th>
<th>Portfolio Division</th>
<th>NSU Theme</th>
<th>Savings Title</th>
<th>2018/19 £000s</th>
<th>2019/20 £000s</th>
<th>2020/21 £000s</th>
<th>2021/22 £000s</th>
<th>Description of Saving</th>
</tr>
</thead>
<tbody>
<tr>
<td>46</td>
<td>Place</td>
<td>Housing General Fund</td>
<td>Income, Commercialisation &amp; Commissioning</td>
<td>Cambridge Road Estate</td>
<td>600</td>
<td>600</td>
<td>600</td>
<td>0</td>
<td>Opportunity to review rents of Cambridge Road Estate HRA properties let as Temporary Accommodation (TA) and lease to charitable Community Benefit Society.</td>
</tr>
<tr>
<td>47</td>
<td>Cross Portfolio</td>
<td>Various</td>
<td>Income, Commercialisation &amp; Commissioning</td>
<td>Low Value High Volume Spend</td>
<td>875</td>
<td>1,960</td>
<td>2,800</td>
<td>2,800</td>
<td>Reduce the amount of tail end spend by consolidating low value high volume contracts. £28m spent a year on transactions under 10k. This projection is based on a spend reduction of 5% increasing to 10% over the course of the MTFP</td>
</tr>
<tr>
<td>48</td>
<td>Cross Portfolio</td>
<td>Various</td>
<td>Income, Commercialisation &amp; Commissioning</td>
<td>Reduced Transactions</td>
<td>0</td>
<td>100</td>
<td>200</td>
<td>200</td>
<td>Reduce the transaction cost (workforce) associated with managing 30k of annual transactions under £10k</td>
</tr>
<tr>
<td>49</td>
<td>Cross Portfolio</td>
<td>Various</td>
<td>Income, Commercialisation &amp; Commissioning</td>
<td>Contract Management</td>
<td>1,126</td>
<td>1,895</td>
<td>1,895</td>
<td>1,895</td>
<td>Reduce the overall contract expenditure across the whole organisation. Overall £198m annual spend on third party payments and suppliers and services. This forecast is based on a 3% reduction rising to 5% over the course of the MTFP</td>
</tr>
<tr>
<td>50</td>
<td>One Council Services</td>
<td>Assets</td>
<td>Property</td>
<td>Operational Property</td>
<td>400</td>
<td>400</td>
<td>400</td>
<td>400</td>
<td>Generate income and reduce operational costs by reducing our corporate property footprint, reducing utility costs, disposing of assets, reviewing rent prices, reviewing the outcome on communities and services of peppercorn rent arrangements and working with other public sector providers to collocate functions at a charge.</td>
</tr>
<tr>
<td>51</td>
<td>One Council Services</td>
<td>Assets</td>
<td>Property</td>
<td>Strategic Property</td>
<td>501</td>
<td>975</td>
<td>1,947</td>
<td>2,083</td>
<td>Generate income and reduce operational costs through specific property market interventions e.g. building housing, developing care homes to reduce the cost of out of borough placements or selling beds to other boroughs</td>
</tr>
<tr>
<td>52</td>
<td>One Council Services</td>
<td>Assets</td>
<td>Property</td>
<td>Investment Property Conquest House</td>
<td>2,690</td>
<td>2,690</td>
<td>2,690</td>
<td>2,690</td>
<td>Reflection of rental income generated from purchase of Conquest House &amp; King's Place</td>
</tr>
<tr>
<td>53</td>
<td>One Council Services</td>
<td>Assets</td>
<td>Property</td>
<td>Investment Property Kingsmill</td>
<td>766</td>
<td>766</td>
<td>766</td>
<td>766</td>
<td>Reflection of rental income generated from purchase of Kingsmill Business Park</td>
</tr>
<tr>
<td>54</td>
<td>One Council Services</td>
<td>Assets</td>
<td>Property</td>
<td>Investment Property Future Investment</td>
<td>2,160</td>
<td>4,080</td>
<td>4,080</td>
<td>4,080</td>
<td>Generate income from borrowing capital and investing it in buying properties that will generate an income from tenants/occupiers. Estimates are currently based on a capital investment of £68m providing a net yield of 2.48%</td>
</tr>
<tr>
<td>55</td>
<td>ASC</td>
<td>Adults</td>
<td>Demand Management</td>
<td>Adults</td>
<td>1,000</td>
<td>1,100</td>
<td>1,100</td>
<td>1,100</td>
<td>Reduce workforce and third party costs through collaborative cross functional initiatives to deliver shared outcomes</td>
</tr>
<tr>
<td>56</td>
<td>All</td>
<td>Various</td>
<td>Workforce</td>
<td>Bottom up workforce review</td>
<td>500</td>
<td>500</td>
<td>500</td>
<td>500</td>
<td>A review of non management roles and structures across the organisation to identify opportunities for reductions in established posts within areas most impacted by the new leadership structure and direction of travel</td>
</tr>
<tr>
<td>57</td>
<td>All</td>
<td>Various</td>
<td>Workforce</td>
<td>Management</td>
<td>1,000</td>
<td>1,000</td>
<td>1,000</td>
<td>1,000</td>
<td>Reducing the workforce spend on management posts in line with the Corporate Direction of Travel</td>
</tr>
<tr>
<td>58</td>
<td>All</td>
<td>Various</td>
<td>Workforce</td>
<td>Agency</td>
<td>1,000</td>
<td>1,000</td>
<td>1,000</td>
<td>1,000</td>
<td>Reducing the overall corporate spend on agency workers by 10%</td>
</tr>
<tr>
<td>Report Reference</td>
<td>Portfolio Division</td>
<td>Portfolio</td>
<td>NSU Theme</td>
<td>Savings Title</td>
<td>2018/19 £000s</td>
<td>2019/20 £000s</td>
<td>2020/21 £000s</td>
<td>2021/22 £000s</td>
<td>Description of Saving</td>
</tr>
<tr>
<td>------------------</td>
<td>--------------------</td>
<td>-----------</td>
<td>-----------</td>
<td>---------------</td>
<td>----------------</td>
<td>----------------</td>
<td>----------------</td>
<td>----------------</td>
<td>----------------------------------</td>
</tr>
<tr>
<td>59</td>
<td>All</td>
<td>Various</td>
<td>Workforce</td>
<td>Transformation Resource Savings</td>
<td>500</td>
<td>500</td>
<td>500</td>
<td>500</td>
<td>Workforce review and prioritization of resources allocated to business improvement, financial and transformation projects.</td>
</tr>
<tr>
<td>60</td>
<td>Cross Portfolio</td>
<td>Various</td>
<td>Workforce</td>
<td>Better Working - Digital Efficiency</td>
<td>2,000</td>
<td>2,000</td>
<td>2,000</td>
<td>2,000</td>
<td>1.5% Digital &amp; Efficiency Saving apportioned to every directorate budget post No Stone Unturned (NSU) savings. Enabled through Digital service redesign, process review, flexible working, robotics, reduction in printing and process automation.</td>
</tr>
<tr>
<td>61</td>
<td>Cross Portfolio</td>
<td>Various</td>
<td>Workforce</td>
<td>Better Working - Printing</td>
<td>130</td>
<td>85</td>
<td>22</td>
<td>22</td>
<td>Efficiency saving on printing costs.</td>
</tr>
<tr>
<td>62</td>
<td>All</td>
<td>Various</td>
<td>Workforce</td>
<td>Ernst Young (EY) demand diagnostic review of Corporate Shared Services</td>
<td>1,000</td>
<td>1,000</td>
<td>1,000</td>
<td>1,000</td>
<td>Corporate Review of demand and the business operating model for Corporate and Shared Services. Aiming to achieve significant efficiency savings through potential improvements to the business model, technology, processes and self service</td>
</tr>
<tr>
<td>63</td>
<td>One Council Services</td>
<td>Assets</td>
<td>Better Working - Utilities Savings</td>
<td>Operational property - reduction in utility costs</td>
<td>10</td>
<td>10</td>
<td>0</td>
<td>0</td>
<td>If the operational property usage reduces from 4 buildings to 2 then there should be a reduction in utility costs.</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Total NSU Savings</td>
<td>16,973</td>
<td>21,256</td>
<td>23,105</td>
<td>22,641</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Total Savings</td>
<td>22,185</td>
<td>28,956</td>
<td>31,227</td>
<td>30,637</td>
<td></td>
</tr>
</tbody>
</table>
### Summary of 2018/19 Budget by Service

#### ANNEX 5

<table>
<thead>
<tr>
<th>TOTAL BY SERVICE 2018/19 (NET EXPENDITURE)</th>
<th>BASE BUDGET 2017/18</th>
<th>ADJUSTMENTS TO BASE BUDGET</th>
<th>BASE BUDGET 2018/19</th>
<th>INFLATION</th>
<th>GROWTH</th>
<th>BUDGET REDUCTIONS</th>
<th>BUDGET 2018/19</th>
</tr>
</thead>
<tbody>
<tr>
<td>(FIGURES MAY NOT ADD DUE TO ROUNDINGS)</td>
<td>£’000</td>
<td>£’000</td>
<td>£’000</td>
<td>£’000</td>
<td>£’000</td>
<td>£’000</td>
<td>£’000</td>
</tr>
<tr>
<td>ADULT SOCIAL CARE</td>
<td>55,846</td>
<td>1,011</td>
<td>56,857</td>
<td>749</td>
<td>3,614</td>
<td>(2,011)</td>
<td>59,208</td>
</tr>
<tr>
<td>PUBLIC HEALTH</td>
<td>762</td>
<td>(186)</td>
<td>576</td>
<td>8</td>
<td>0</td>
<td>(132)</td>
<td>452</td>
</tr>
<tr>
<td><strong>ADULTS</strong></td>
<td><strong>56,607</strong></td>
<td><strong>826</strong></td>
<td><strong>57,433</strong></td>
<td><strong>756</strong></td>
<td><strong>3,614</strong></td>
<td><strong>(2,143)</strong></td>
<td><strong>59,660</strong></td>
</tr>
<tr>
<td>ACHIEVING FOR CHILDREN</td>
<td>33,878</td>
<td>(2,886)</td>
<td>30,991</td>
<td>565</td>
<td>1,000</td>
<td>(1,242)</td>
<td>31,314</td>
</tr>
<tr>
<td>LEARNING &amp; CHILDREN’S SERVICES</td>
<td>33,878</td>
<td>(2,886)</td>
<td>30,991</td>
<td>565</td>
<td>1,000</td>
<td>(1,242)</td>
<td>31,314</td>
</tr>
<tr>
<td>CUSTOMER SERVICE CONTACT CENTRE</td>
<td>(92)</td>
<td>61</td>
<td>(31)</td>
<td>20</td>
<td>0</td>
<td>(180)</td>
<td>(192)</td>
</tr>
<tr>
<td>ICT</td>
<td>(0)</td>
<td>104</td>
<td>104</td>
<td>67</td>
<td>85</td>
<td>(221)</td>
<td>36</td>
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<tr>
<td>ASSETS</td>
<td>(3,498)</td>
<td>576</td>
<td>(2,922)</td>
<td>73</td>
<td>0</td>
<td>(7,383)</td>
<td>(10,232)</td>
</tr>
<tr>
<td>SHARED FINANCE SERVICE &amp; FINANCE CORPORATE COSTS</td>
<td>3,959</td>
<td>807</td>
<td>4,766</td>
<td>125</td>
<td>0</td>
<td>(226)</td>
<td>4,666</td>
</tr>
<tr>
<td>REVENUES, BENEFITS AND PENSIONS</td>
<td>3,206</td>
<td>674</td>
<td>3,880</td>
<td>41</td>
<td>0</td>
<td>(135)</td>
<td>3,786</td>
</tr>
<tr>
<td>ORGANISATIONAL DEVELOPMENT &amp; STRATEGIC BUSINESS</td>
<td>457</td>
<td>2,429</td>
<td>2,886</td>
<td>212</td>
<td>234</td>
<td>(514)</td>
<td>2,818</td>
</tr>
<tr>
<td><strong>ONE COUNCIL SERVICES</strong></td>
<td><strong>4,032</strong></td>
<td><strong>4,651</strong></td>
<td><strong>8,683</strong></td>
<td><strong>538</strong></td>
<td><strong>319</strong></td>
<td>(8,658)</td>
<td><strong>883</strong></td>
</tr>
<tr>
<td>CULTURE &amp; LIFELONG LEARNING</td>
<td>5,872</td>
<td>391</td>
<td>6,263</td>
<td>41</td>
<td>0</td>
<td>(264)</td>
<td>6,040</td>
</tr>
<tr>
<td>ENVIRONMENT</td>
<td>21,456</td>
<td>(1,386)</td>
<td>20,069</td>
<td>852</td>
<td>52</td>
<td>(978)</td>
<td>19,995</td>
</tr>
<tr>
<td>HOUSING GENERAL FUND</td>
<td>4,704</td>
<td>(115)</td>
<td>4,589</td>
<td>24</td>
<td>320</td>
<td>(895)</td>
<td>4,038</td>
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<tr>
<td>PLANNING AND REGENERATION</td>
<td>2,975</td>
<td>69</td>
<td>3,043</td>
<td>66</td>
<td>0</td>
<td>(369)</td>
<td>2,740</td>
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<tr>
<td>SOUTH LONDON WASTE PARTNERSHIP</td>
<td>4,855</td>
<td>(20)</td>
<td>4,835</td>
<td>168</td>
<td>55</td>
<td>(513)</td>
<td>4,545</td>
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<tr>
<td><strong>PLACE</strong></td>
<td><strong>39,860</strong></td>
<td><strong>(1,062)</strong></td>
<td><strong>38,798</strong></td>
<td><strong>1,152</strong></td>
<td><strong>427</strong></td>
<td>(3,019)</td>
<td><strong>37,358</strong></td>
</tr>
<tr>
<td>NEIGHBOURHOODS</td>
<td>92</td>
<td>9</td>
<td>101</td>
<td>0</td>
<td>0</td>
<td>(3)</td>
<td>98</td>
</tr>
<tr>
<td>OTHER CORPORATE SERVICES</td>
<td>(3,052)</td>
<td>1,731</td>
<td>(1,321)</td>
<td>447</td>
<td>8,150</td>
<td>(2,119)</td>
<td>5,158</td>
</tr>
<tr>
<td><strong>NO STONE UNTURNED - CORPORATE ITEMS</strong></td>
<td><strong>8</strong></td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>250</td>
<td>(5,001)</td>
<td>(4,751)</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>131,418</strong></td>
<td><strong>3,269</strong></td>
<td><strong>134,686</strong></td>
<td><strong>3,458</strong></td>
<td><strong>13,760</strong></td>
<td>(22,185)</td>
<td><strong>129,720</strong></td>
</tr>
</tbody>
</table>
### Summary of 2018/19 Budget by Service

#### ANNEX 6

#### SUBJECTIVE ANALYSIS 2018/19 - SUMMARY

<table>
<thead>
<tr>
<th></th>
<th>BASE BUDGET 2017/18</th>
<th>ADJUSTMENTS TO BASE BUDGET</th>
<th>BASE BUDGET 2018/19</th>
<th>INFLATION</th>
<th>GROWTH</th>
<th>REDUCTIONS</th>
<th>BUDGET 2018/19</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>£'000</strong></td>
<td><strong>£'000</strong></td>
<td><strong>£'000</strong></td>
<td><strong>£'000</strong></td>
<td><strong>£'000</strong></td>
<td><strong>£'000</strong></td>
<td><strong>£'000</strong></td>
<td><strong>£'000</strong></td>
</tr>
<tr>
<td>EMPLOYEE COSTS</td>
<td>58,215</td>
<td>(5,183)</td>
<td>53,031</td>
<td>826</td>
<td>0</td>
<td>(6,255)</td>
<td>47,603</td>
</tr>
<tr>
<td>PREMISES - RELATED EXPENDITURE</td>
<td>12,130</td>
<td>665</td>
<td>12,795</td>
<td>306</td>
<td>40</td>
<td>(600)</td>
<td>12,541</td>
</tr>
<tr>
<td>TRANSPORT - RELATED EXPENDITURE</td>
<td>677</td>
<td>(111)</td>
<td>566</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>566</td>
</tr>
<tr>
<td>SUPPLIES AND SERVICES</td>
<td>14,249</td>
<td>1,024</td>
<td>15,272</td>
<td>495</td>
<td>704</td>
<td>(3,432)</td>
<td>13,039</td>
</tr>
<tr>
<td>THIRD PARTY PAYMENTS</td>
<td>125,683</td>
<td>8,167</td>
<td>133,849</td>
<td>2,187</td>
<td>5,728</td>
<td>(1,977)</td>
<td>139,788</td>
</tr>
<tr>
<td>TRANSFER PAYMENTS</td>
<td>92,983</td>
<td>(7,435)</td>
<td>85,548</td>
<td>0</td>
<td>101</td>
<td>0</td>
<td>85,649</td>
</tr>
<tr>
<td>CAPITAL FINANCING</td>
<td>12,713</td>
<td>304</td>
<td>13,017</td>
<td>0</td>
<td>5,035</td>
<td>(1,915)</td>
<td>16,137</td>
</tr>
<tr>
<td><strong>TOTAL EXPENDITURE</strong></td>
<td>316,649</td>
<td>(2,570)</td>
<td>314,079</td>
<td>3,814</td>
<td>11,608</td>
<td>(14,179)</td>
<td>315,322</td>
</tr>
<tr>
<td>GOVERNMENT GRANTS</td>
<td>(94,241)</td>
<td>7,914</td>
<td>(86,327)</td>
<td>(1)</td>
<td>27</td>
<td>0</td>
<td>(86,301)</td>
</tr>
<tr>
<td>NON - GOVT GRANTS, REIMBURSEMENTS AND CONTRIBUTIONS</td>
<td>(21,788)</td>
<td>314</td>
<td>(21,474)</td>
<td>(214)</td>
<td>(445)</td>
<td>(60)</td>
<td>(22,193)</td>
</tr>
<tr>
<td>CUSTOMER AND CLIENT RECEIPTS</td>
<td>(45,828)</td>
<td>(1,222)</td>
<td>(47,050)</td>
<td>(141)</td>
<td>(595)</td>
<td>(7,946)</td>
<td>(55,732)</td>
</tr>
<tr>
<td>INTEREST RECEIVABLE</td>
<td>(294)</td>
<td>0</td>
<td>(294)</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>(294)</td>
</tr>
<tr>
<td>INTERNAL INCOME</td>
<td>(31,583)</td>
<td>(842)</td>
<td>(32,425)</td>
<td>(1)</td>
<td>0</td>
<td>0</td>
<td>(32,426)</td>
</tr>
<tr>
<td><strong>TOTAL INCOME</strong></td>
<td>(193,734)</td>
<td>6,164</td>
<td>(187,570)</td>
<td>(356)</td>
<td>(1,013)</td>
<td>(8,006)</td>
<td>(196,946)</td>
</tr>
<tr>
<td>TRANSFER TO AND FROM RESERVES</td>
<td>8,503</td>
<td>(324)</td>
<td>8,179</td>
<td>0</td>
<td>3,165</td>
<td>0</td>
<td>11,344</td>
</tr>
<tr>
<td><strong>TOTAL TRANSFERS TO / FROM RESERVES</strong></td>
<td>8,503</td>
<td>(324)</td>
<td>8,179</td>
<td>0</td>
<td>3,165</td>
<td>0</td>
<td>11,344</td>
</tr>
<tr>
<td><strong>GRAND TOTAL</strong></td>
<td>131,418</td>
<td>3,270</td>
<td>134,687</td>
<td>3,458</td>
<td>13,760</td>
<td>(22,185)</td>
<td>129,720</td>
</tr>
</tbody>
</table>
Flexible Use of Capital Receipts Strategy

Introduction

To support local authorities deliver more efficient and sustainable services, a time limited flexibility is currently available to use capital receipts from the disposal of property, plant and equipment assets to fund the revenue cost of service reform.

Under normal rules, capital receipts can only be used to fund capital expenditure such as the purchase of capital assets or improvements to existing assets. The current flexibilities enable Councils to use income from the sale of certain assets to fund the short-term revenue costs that support invest-to-save and efficiency projects in order to provide revenue savings in the future.

This Strategy sets out the intended use of this flexibility and applies to the financial year 2017-18 and 2018-19 and for each subsequent financial year to which the flexible use of capital receipts direction applies (currently to 2021/22). The Strategy will be updated as part of the annual budget process in subsequent years.

These new rules fit well with the Council’s Medium Term Financial Strategy and its plan for achieving financial sustainability through transformation projects, including efficiency measures, invest-to-save projects and new income generation plans. Given the level of savings required over the medium-term and the number and scope of projects within the plan, it will be important to provide funding for these projects. The use of capital receipts means that these essential projects can be progressed without putting additional pressure on revenue resources.

Rules of Qualification

Revenue expenditure qualifies to be funded from the capital receipt flexibility if it has been incurred on any project that is designed to generate ongoing revenue savings in the delivery of public services and/or transform service delivery to reduce costs and/or transform service delivery in a way that reduces costs or demand for services in future years for any of the public sector delivery partners.

The capital receipt must be received in the years in which this flexibility is offered. The flexibility was initially available for three years from 2016-17 to 2018-19 but was extended for a further three years in the December 2017 provisional local government finance settlement.

Strategy for Use of Flexibility

Since 2010 the Council has been delivering savings programmes which have allowed it to focus resources on unavoidable cost pressures, including demand led services (such as adult and children's social care), as well as allowing the Council to match the level of spending with the reducing funding coming from central government.
This flexibility aligns with the aims of the Our Kingston and No Stone Unturned programmes and provides an alternative way of funding the one-off transformation costs and up front investment associated with delivery of recurring savings which will accrue to the General Fund in future years.

Capital receipts totalling £9m have been received in 2017/18 and are available to resource transformation costs incurred in the current financial year and future projects that will deliver the required savings in the Medium Term Financial Strategy.

Consideration has therefore been given to reduce the level of risk within the Medium-term Financial Plan by using the flexibility to offset incurred and planned transformation costs currently assumed to be funded from general fund resources. This will help mitigate the inherent risk in the Medium Term Financial Plan arising from three main factors: (i) the general fund revenue budget monitoring projected outturn overspend of £2.5m, (ii) the accumulated deficit that has arisen in providing services for pupils with Special Educational Needs, currently projected to be around £12m at year-end, (iii) the scale of the savings to be delivered over the life of the Medium term Financial Plan, and the extent to which these require transformation of service delivery and management of demand for services.

Impact on Prudential Indicators

The council will have due regard to the requirements to the Prudential Code and the impact on the prudential indicators. Capital receipts from the sale of assets are not built into the Council's current/proposed capital programme and so the utilisation of receipts for capital receipts flexibility will not have a detrimental impact on the Council's prudential indicators, as set out in the Council's Treasury Management Strategy. All schemes which are eventually deemed to qualify under this programme would have the required costs funded through capital receipts rather than revenue funding streams.

Planned Use of the Flexibility

The Guidance confirms that all of the following are qualifying forms of expenditure:

- Sharing back-office and administrative services with one or more other council or public sector bodies;
- Collaboration between local authorities and central government departments to free up land for economic use;
- Funding the cost of service reconfiguration, restructuring or rationalisation (staff or nonstaff), where this leads to ongoing efficiency savings or service transformation;
- Sharing Chief-Executives, management teams or staffing structures;
- Driving a digital approach to the delivery of more efficient public services and how the public interacts with constituent authorities where possible;
● Aggregating procurement on common goods and services where possible, either as part of local arrangements or using Crown Commercial Services or regional procurement hubs or Professional Buying Organisations;

● Improving systems and processes to tackle fraud and corruption in line with the Local Government Fraud and Corruption Strategy – this could include an element of staff training;

● Setting up commercial or alternative delivery models to deliver services more efficiently and bring in revenue (for example, through selling services to others); and

● Integrating public facing services across two or more public sector bodies (for example children’s social care, trading standards) to generate savings or to transform service delivery.

The Council intends to use capital receipts to fund projects associated with delivering the No Stone Unturned programme of savings and service reform. Specific approval of projects and allocation of funds arising from the use of flexible capital receipts will be at the discretion of the Section 151 Officer.

The savings currently planned to be delivered from the No Stone Unturned programme are set out in the table below.

<table>
<thead>
<tr>
<th>Theme</th>
<th>2018/19</th>
<th>2019/20</th>
<th>2020/21</th>
<th>2021/22</th>
</tr>
</thead>
<tbody>
<tr>
<td>Income, Commercialisation and Commissioning</td>
<td>3,316</td>
<td>5,150</td>
<td>6,100</td>
<td>5,500</td>
</tr>
<tr>
<td>Property</td>
<td>6,517</td>
<td>8,911</td>
<td>9,883</td>
<td>10,019</td>
</tr>
<tr>
<td>Demand Management</td>
<td>1,000</td>
<td>1,100</td>
<td>1,100</td>
<td>1,100</td>
</tr>
<tr>
<td>Workforce</td>
<td>6,130</td>
<td>6,085</td>
<td>6,022</td>
<td>6,022</td>
</tr>
<tr>
<td>Better Working - Utilities savings</td>
<td>10</td>
<td>10</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td><strong>Total Cumulative No Stone Unturned Savings</strong></td>
<td><strong>16,973</strong></td>
<td><strong>21,256</strong></td>
<td><strong>23,105</strong></td>
<td><strong>22,641</strong></td>
</tr>
</tbody>
</table>
## Capital Programme 2018-2021-22

### ANNEX 8

**New Projects / Additions to rolling programmes**

<table>
<thead>
<tr>
<th>Capital Programme Area</th>
<th>Project Title</th>
<th>2018/19 £000s</th>
<th>2019/20 £000s</th>
<th>2020/21 £000s</th>
<th>2021/22 £000s</th>
<th>Budget Total £000s</th>
<th>Funding</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Schools Building Programme</strong></td>
<td><strong>School Expansion Projects</strong></td>
<td>In current programme</td>
<td>2,400</td>
<td></td>
<td></td>
<td>2,400</td>
<td>Grant</td>
<td>Addition to existing rolling programme in line with estimated grant funding</td>
</tr>
<tr>
<td><strong>Schools Building Programme</strong></td>
<td><strong>Schools Maintenance</strong></td>
<td>In current programme</td>
<td>1,039</td>
<td></td>
<td></td>
<td>1,039</td>
<td>Grant</td>
<td>Addition to existing rolling programme in line with estimated grant funding</td>
</tr>
<tr>
<td><strong>Total Schools Building Programme</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>3,439</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>General Fund Property Programme</strong></td>
<td><strong>General Fund Property Programme</strong></td>
<td>In current programme</td>
<td>400</td>
<td></td>
<td></td>
<td>400</td>
<td>Borrow</td>
<td></td>
</tr>
<tr>
<td><strong>General Fund Property Programme</strong></td>
<td><strong>Coombe Oak</strong></td>
<td>900</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>900</td>
<td>Borrow/Grant</td>
<td>Care home provision to provide extra accommodation for people in care who are able to live in supported accommodation. The benefits will be a better care environment, enhanced independence, more appropriate care and reduced care costs.</td>
</tr>
<tr>
<td><strong>General Fund Property Programme</strong></td>
<td><strong>Newent</strong></td>
<td>300</td>
<td>8,000</td>
<td>1,990</td>
<td>0</td>
<td>10,290</td>
<td>Borrow</td>
<td>Construction of new care home at the Newent House, due to open in September 2020.</td>
</tr>
<tr>
<td><strong>General Fund Property Programme</strong></td>
<td><strong>Kingston Cemetery Mortuary Chapels</strong></td>
<td>0</td>
<td>750</td>
<td>750</td>
<td>500</td>
<td>2,000</td>
<td>Borrow</td>
<td>To carry out essential works to the chapels situated in Kingston Cemetery.</td>
</tr>
<tr>
<td><strong>General Fund Property Programme</strong></td>
<td><strong>Ride-on mower</strong></td>
<td>0</td>
<td>23</td>
<td>0</td>
<td>0</td>
<td>23</td>
<td>Borrow</td>
<td>To purchase a new ride-on mower to replace the old one to continue meeting the demands of Kingston and Surbiton cemetery's grounds maintenance.</td>
</tr>
<tr>
<td><strong>General Fund Property Programme</strong></td>
<td><strong>Kingston Crematorium</strong></td>
<td>0</td>
<td>250</td>
<td>0</td>
<td>0</td>
<td>250</td>
<td>Borrow</td>
<td>Additional works to existing replacement of Cremators project in capital programme. With the replacement cremator project being rephased and additional requirements since the original bid, this sum is currently an estimation of cost for additional works to the overall area as required by the bereavement services and legislation.</td>
</tr>
<tr>
<td><strong>General Fund Property Programme</strong></td>
<td><strong>Dickerage Recreation Ground - play area</strong></td>
<td>55</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>55</td>
<td>Borrow</td>
<td>Wet pour repairs and tree removal works. New wet pour required to enable the reinstatement of Children's play areas. Wet pour requires edge protection, new surface areas created.</td>
</tr>
<tr>
<td><strong>General Fund Property Programme</strong></td>
<td><strong>Dickerage Recreation Ground - skatepark</strong></td>
<td>55</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>55</td>
<td>Borrow</td>
<td>Complete refurbishment of wooden skate park equipment and surface.</td>
</tr>
<tr>
<td><strong>General Fund Property Programme</strong></td>
<td><strong>Security of open spaces</strong></td>
<td>150</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>150</td>
<td>Borrow</td>
<td>Green spaces/parks security improvements to prevent traveller incursions.</td>
</tr>
<tr>
<td><strong>General Fund Property Programme</strong></td>
<td><strong>Guildhall Sash Windows</strong></td>
<td>100</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>100</td>
<td>Borrow</td>
<td>Sash windows refurbishment to include internal and external redecoration. It has been approximately 10 years since the last minor programme of repair and redecoration. Some windows no longer open/close and some wooden frames and sills are now rotted.</td>
</tr>
<tr>
<td><strong>General Fund Property Programme</strong></td>
<td><strong>Guildhall 2 Water Heaters</strong></td>
<td>58</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>58</td>
<td>Borrow</td>
<td>Replacement of three outdated water storage calorifiers. Would lead to energy savings as there would no longer be a need to store large quantities of hot water.</td>
</tr>
<tr>
<td><strong>General Fund Property Programme</strong></td>
<td><strong>Fire risk assessment</strong></td>
<td>50</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>50</td>
<td>Borrow</td>
<td>To respond on all actions of Fire Risk Assessment compliance requirements.</td>
</tr>
<tr>
<td><strong>General Fund Property Programme</strong></td>
<td><strong>Asbestos removal</strong></td>
<td>50</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>50</td>
<td>Borrow</td>
<td>Removal and replacement of asbestos materials in line with compliance surveys.</td>
</tr>
<tr>
<td><strong>General Fund Property Programme</strong></td>
<td><strong>Surbiton Annexe Hall</strong></td>
<td>48</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>48</td>
<td>Borrow</td>
<td>To install a new heating and cooling system.</td>
</tr>
<tr>
<td><strong>General Fund Property Programme</strong></td>
<td><strong>Moor Lane Centre window replacement</strong></td>
<td>100</td>
<td>50</td>
<td>0</td>
<td>0</td>
<td>150</td>
<td>Borrow</td>
<td>To replace all defective timber windows with new. This will increase security and prevent further water ingress.</td>
</tr>
<tr>
<td>General Fund Property Programme</td>
<td>Venner Youth Centre window replacement</td>
<td>65</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>65 Borrow</td>
<td>Window replacement throughout excluding rear large hall windows. Replace timber frames with suitable UPVC units which will also help with the security of the site and prevent further water ingress. The rear windows and doors to the two rear halls have been previously replaced for the same reasons as outlined above.</td>
<td></td>
</tr>
<tr>
<td>---------------------------------</td>
<td>----------------------------------------</td>
<td>----</td>
<td>---</td>
<td>---</td>
<td>---</td>
<td>----------</td>
<td>-----------------------------------------------</td>
<td></td>
</tr>
<tr>
<td>General Fund Property Programme</td>
<td>Children's Library improvement works</td>
<td>225</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>225 Borrow</td>
<td>Some capital improvement to Kingston Library &amp; Museum to enable the release of Children's library as surplus to requirement. Demolition of children's library and associated internal works to museum and library to integrate displaced users / resources</td>
<td></td>
</tr>
<tr>
<td>General Fund Property Programme</td>
<td>Kingfisher centre improvement works</td>
<td>165</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>165 Borrow</td>
<td>External, internal, electrical and mechanical works identified as requiring attention in Centre's condition survey. The investment would ensure that the facilities were modernised and fit for purpose.</td>
<td></td>
</tr>
<tr>
<td>General Fund Property Programme</td>
<td>Malden Centre Creche improvement works</td>
<td>25</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>25 Borrow</td>
<td>To improve the external play area and replace air handling units with new. The Creche external play area flooring is worn and has subsided causing the fence and gate to be unaligned.</td>
<td></td>
</tr>
<tr>
<td>General Fund Property Programme</td>
<td>Kingsmeadow - Athletic improvements</td>
<td>147</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>147 Borrow</td>
<td>To upgrade current athletics provision outside of the recently refurbished running track (warm up/field events areas) and accessible pathway.</td>
<td></td>
</tr>
<tr>
<td>General Fund Property Programme</td>
<td>Better Working programme</td>
<td>302</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>302 Borrow</td>
<td>Additional works to existing Better Working project in capital programme.</td>
<td></td>
</tr>
<tr>
<td>General Fund Property Programme</td>
<td>The Exchange - Incubator Units</td>
<td>375</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>375 Borrow</td>
<td>The Exchange - Incubator Units</td>
<td></td>
</tr>
<tr>
<td><strong>Total General Fund Property Programme</strong></td>
<td><strong>3,170</strong></td>
<td><strong>9,073</strong></td>
<td><strong>2,740</strong></td>
<td><strong>900</strong></td>
<td><strong>15,883</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Property Investment Programme</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Replace the existing Street lighting lanterns with energy saving LED lanterns to reduce the energy consumption and the related energy costs of the street lighting asset throughout the borough.</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total Property Investment Programme</strong></td>
<td><strong>36,000</strong></td>
<td><strong>32,000</strong></td>
<td><strong>0</strong></td>
<td><strong>0</strong></td>
<td><strong>68,000</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Highways Programme</td>
<td>LED street lighting</td>
<td>0</td>
<td>1,872</td>
<td>0</td>
<td>0</td>
<td>1,872 Borrow</td>
<td>A number of posts of the illuminated sign lights have reached the end of their operational life, the protective plastic covering of the post has perished resulting in severe corrosion of the posts and doors.</td>
<td></td>
</tr>
<tr>
<td>Highways Programme</td>
<td>Replacement of Unsafe Sign Light Posts</td>
<td>30</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>30 Borrow</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Highways Programme</td>
<td>Asset Improvement: Column Replacement</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>582</td>
<td>582 Borrow</td>
<td>Addition to existing rolling programmes of £0.582m per annum to 2021/22.</td>
<td></td>
</tr>
<tr>
<td>Highways Programme</td>
<td>Planned Works - Highway Maintenance</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>1,750</td>
<td>1,750 Borrow</td>
<td>Addition to existing rolling programmes of £1.75m per annum to 2021/22.</td>
<td></td>
</tr>
<tr>
<td><strong>Total Highways Programme</strong></td>
<td><strong>30</strong></td>
<td><strong>1,872</strong></td>
<td><strong>0</strong></td>
<td><strong>2,332</strong></td>
<td><strong>4,234</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Environment Programme</td>
<td>Parks Improvement Programme Phase 2</td>
<td>265</td>
<td>860</td>
<td>180</td>
<td>0</td>
<td>1,305 Borrow/Grant</td>
<td>To continue the investment programme which commenced in 2017/2018. The community engagement work which has been undertaken as part of individual project development for children's play areas, outdoor recreational activities and improvements to parks infrastructure has indicated that there is a great demand and community support for the proposals.</td>
<td></td>
</tr>
<tr>
<td>Environment Programme</td>
<td>Waste Transfer Station Compliance works Phase 2</td>
<td>350</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>350 Borrow</td>
<td>Additional works are required at the Waste Transfer Station to meet permitting, fire prevention and other safety requirements.</td>
<td></td>
</tr>
<tr>
<td><strong>Total Environment Programme</strong></td>
<td><strong>615</strong></td>
<td><strong>860</strong></td>
<td><strong>180</strong></td>
<td><strong>0</strong></td>
<td><strong>1,655</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Housing General Fund Programme</td>
<td>Disabled Facilities Grants</td>
<td>In current programme</td>
<td>840</td>
<td>0</td>
<td>840 Grant</td>
<td>Addition to existing rolling programmes of £0.84m per annum to 2021/22. Budget represents best estimation of grant allocation.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Housing General Fund Programme</td>
<td>Discretionary Grants</td>
<td>In current programme</td>
<td>600</td>
<td>0</td>
<td>600 Borrow</td>
<td>Addition to existing rolling programmes of £0.6m per annum to 2021/22.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Programme</td>
<td>In current programme</td>
<td>Borrow</td>
<td>Amount</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>----------------------------</td>
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<td>--------</td>
<td>--------</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total Housing General Fund Programme</td>
<td></td>
<td></td>
<td>1,440</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>ICT Programme</td>
<td>Technology Investment Fund</td>
<td>1,200</td>
<td>1,200</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>ICT Capital Maintenance</td>
<td>300</td>
<td>300</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total ICT Programme</td>
<td></td>
<td></td>
<td>1,500</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total New Bids</td>
<td>39,815</td>
<td>43,805</td>
<td>2,920</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total Existing Approved Programme</td>
<td></td>
<td>36,873</td>
<td>21,509</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total General Fund Capital Programme</td>
<td></td>
<td>76,688</td>
<td>65,314</td>
<td></td>
<td></td>
<td></td>
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<td></td>
</tr>
</tbody>
</table>

Addition to existing rolling programmes of £1.2m per annum to 2021/22.
Addition to existing rolling programmes of £0.3m per annum to 2021/22.
<table>
<thead>
<tr>
<th>Portfolio</th>
<th>Portfolio Division</th>
<th>NSU Theme</th>
<th>Savings Title</th>
<th>Description of Saving</th>
<th>2018/19 £000s</th>
<th>Protected Characteristics of residents / service users</th>
<th>Reason for Impact</th>
<th>Mitigation of Impact</th>
<th>Staff Implication</th>
</tr>
</thead>
<tbody>
<tr>
<td>ASC</td>
<td>Adults</td>
<td>N/A</td>
<td>Supporting People (contract)</td>
<td>Change in Supporting People Provider (contract) produces saving from July 2017.</td>
<td>36</td>
<td>Neutral</td>
<td>Efficiency savings</td>
<td>N/A</td>
<td>None</td>
</tr>
<tr>
<td>ASC</td>
<td>Adults</td>
<td>N/A</td>
<td>Better Care Fund</td>
<td>Increase in amount received as part of the Better Care Fund (BCF)</td>
<td>60</td>
<td>Age &amp; Disability potentially positive impact</td>
<td>Additional income from central Government</td>
<td>N/A</td>
<td>None</td>
</tr>
<tr>
<td>ASC</td>
<td>Adult Social Care</td>
<td>N/A</td>
<td>ASC Learning Disabilities</td>
<td>Recommission arrangements for Learning Disability Parliament to be more independent of the Council.</td>
<td>15</td>
<td>Potential impact on Disability</td>
<td>Efficiency savings</td>
<td>Equality Impact Assessment is being undertaken</td>
<td>Potential Equality Impact assessment is being undertaken to support the process</td>
</tr>
<tr>
<td>Learning &amp; Children's Services</td>
<td>Achieving for Children (AFC)</td>
<td>N/A</td>
<td>ASC - Supported Accommodation Project</td>
<td>Developing multi occupancy accommodation facilities which will be more cost effective than using private accommodation. Review of commissioning arrangements for learning care and IASC accommodation.</td>
<td>125</td>
<td>Age/ Disability- the programme is focused on providing supported accommodation options for young people who are Looked After by the LA. The accommodation options may not be suitable for all children and young people with a disability or due to their age.</td>
<td>Improve long term outcomes/ provide value for money and efficiency savings</td>
<td>Improved service delivery that is more community based. A comprehensive consultation has been undertaken with service users and the wider community. An equality impact assessment has been undertaken</td>
<td>Unknown staffing implications at this point. An equality impact assessment will be undertaken prior to any staff consultation</td>
</tr>
<tr>
<td>Learning &amp; Children's Services</td>
<td>Achieving for Children (AFC)</td>
<td>N/A</td>
<td>Organisational Transformation and Accommodation</td>
<td>Redesign of social care teams in to three locality clusters, co-location and redesign of all teams and rationalisation of accommodation in line with revised needs.</td>
<td>301</td>
<td>Neutral</td>
<td>Efficiency Savings</td>
<td>No statutory duties will be compromised. The proposal is to relocate services differently in the community. Improved service delivery that is more community based. A comprehensive consultation has been undertaken with staff and an equality impact assessment completed</td>
<td>Potential reduction in staffing. An equality impact assessment has been completed prior to consultation exercises commencing</td>
</tr>
<tr>
<td>Learning &amp; Children's Services</td>
<td>Achieving for Children (AFC)</td>
<td>N/A</td>
<td>Support Service Review</td>
<td>The intention would be to bring in-house or review a number of support services that are currently provided by the Councils. It may be necessary to procure or provide a lesser service in some areas.</td>
<td>150</td>
<td>Neutral</td>
<td>Efficiency Savings</td>
<td>No front line or statutory duties will be compromised. The proposal is for some back office support functions, currently provided by the council to be delivered directly by AfC</td>
<td>Potential reduction in staffing. There will be fewer training opportunities available to all staff and partners. An equality impact assessment will be undertaken prior to any staff consultation.</td>
</tr>
<tr>
<td>Learning &amp; Children's Services</td>
<td>Achieving for Children (AFC)</td>
<td>N/A</td>
<td>Standards and Improvement</td>
<td>Reduction in management and operational staff through concentration on solely statutory functions. Fewer training opportunities provided to frontline staff and partners with a greater focus on core training only, as well as an increased focus on trading training to other organisations at a profit.</td>
<td>125</td>
<td>Neutral</td>
<td>Efficiency Savings</td>
<td>No front line or statutory duties will be compromised. A comprehensive consultation will be undertaken with staff as appropriate and an equality impact assessment completed</td>
<td>Potential reduction in staffing. There will be fewer training opportunities available to all staff and partners. An equality impact assessment will be undertaken prior to any staff consultation.</td>
</tr>
<tr>
<td>Learning &amp; Children's Services</td>
<td>Achieving for Children (AFC)</td>
<td>N/A</td>
<td>Finance and Resources</td>
<td>Review of staff resources. Contract saving through re procurement of companies insurance arrangements.</td>
<td>32</td>
<td>Neutral</td>
<td>Efficiency Savings</td>
<td>No staffing or statutory duties will be compromised.</td>
<td>None</td>
</tr>
<tr>
<td>Learning &amp; Children's Services</td>
<td>Achieving for Children (AFC)</td>
<td>N/A</td>
<td>Develop in Borough Special Educational Needs SEN people and residential facilities</td>
<td>Development of in-house residential and respite support at an existing AFC site.</td>
<td>98</td>
<td>Neutral</td>
<td>Efficiency Savings</td>
<td>Improved service delivery that is more community based reducing the need for out of borough provision. A comprehensive consultation will be undertaken with service users and the wider community. An equality impact assessment will be undertaken and action plan presented to members for a decision</td>
<td>It is not anticipated this will affect the existing AFC workforce detrimentally</td>
</tr>
<tr>
<td>Learning &amp; Children's Services</td>
<td>Achieving for Children (AFC)</td>
<td>N/A</td>
<td>SEN Service Review</td>
<td>SEN team to be reviewed post transfers and update of Synergy</td>
<td>34</td>
<td>Age / Disability - The skill mix and establishment of the SEN team will be reviewed. No statutory duties will be compromised.</td>
<td>Financial efficiencies</td>
<td>Improved efficiency. An equality impact assessment will be undertaken as required prior to any consultations.</td>
<td>Unknown staffing implications at this point. An equality impact assessment will be undertaken prior to any staff consultation</td>
</tr>
<tr>
<td>Learning &amp; Children's Services</td>
<td>Achieving for Children (AFC)</td>
<td>N/A</td>
<td>Operational Central resource Reduction</td>
<td>Central resources have been frozen this financial year. This is a permanent reduction in the non salary budgets across services</td>
<td>70</td>
<td>Neutral</td>
<td>Financial efficiencies</td>
<td>No front line or statutory services will be compromised. Reduction in resource budgets.</td>
<td>None</td>
</tr>
<tr>
<td>Portfolio Division</td>
<td>NSU Theme</td>
<td>SAVINGS TITLE</td>
<td>DESCRIPTION OF SAVING</td>
<td>2018/19 £000s</td>
<td>PROTECTED CHARACTERISTICS OF RESIDENTS / SERVICE USERS</td>
<td>REASON FOR IMPACT</td>
<td>MITIGATION OF IMPACT</td>
<td>STAFF IMPPLICATION</td>
<td></td>
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<tr>
<td>12</td>
<td>Learning &amp; Children’s Services</td>
<td>Achieving for Children (AFC)</td>
<td>APC - Children’s centres - RBK</td>
<td>Reduction in staff and premises costs through - Change of one Children’s Centre to full day care provision on site and health provision to continue as an outreach from the locality. Closures/Change of use of one children’s centre from Sept 18.</td>
<td>50</td>
<td>Age/ Ethnicity potentially negative, Children’s Centres are designed for 0-5 year olds and their families. If some centres are closed this may impact on some children accessing the services. It is known that some centres are used more frequently by particular ethnic groups. Again if the centre’s are closed this may impact on some ethnic groups accessing support.</td>
<td>Increase the reach to families/ modernise the delivery model</td>
<td>A comprehensive consultation will be undertaken with service users and the wider community. An equality impact assessment will be undertaken and action plan presented to members for a decision</td>
<td>Potential for staff to be affected. A greater number of females are employed by the organisation who might be affected by any staffing reductions. An equality impact assessment will be undertaken prior to any staff consultation.</td>
</tr>
<tr>
<td>13</td>
<td>Learning &amp; Children’s Services</td>
<td>Achieving for Children (AFC)</td>
<td>AIC - Emotional Health Service in RBK</td>
<td>To remove the emotional health services (ter 2 CAMHS) service altogether</td>
<td>121</td>
<td>Age/ Gender/ Disability/ Ethnicity- / Looked After Children- potentially negative. The proposal is to cease this support</td>
<td>Financial efficiencies</td>
<td>It is a non statutory service. A comprehensive consultation will be undertaken with service users and the wider community. An equality impact assessment will be undertaken.</td>
<td>Potential for staff to be affected. A greater number of females are employed by the organisation who might be affected by any staffing reductions. An equality impact assessment will be undertaken prior to any staff consultation.</td>
</tr>
<tr>
<td>18</td>
<td>Learning &amp; Children’s Services</td>
<td>Achieving for Children (AFC)</td>
<td>AFC - EISG Budget Reduction</td>
<td>Reduce AFC education expenditure by amount commensurate with reduction in Education Support Grant</td>
<td>136</td>
<td>Age/ Gender/ Disability- potentially negative - the proposal is to reduce the provision that supports children/ young people to access education</td>
<td>Efficiency Savings</td>
<td>Educational attainment is consistently strong. There are fewer children’s young people year on year not meeting the national developmental and attainment targets. An equality impact assessment will be undertaken.</td>
<td>Potential for staff to be affected. A greater number of females are employed by the organisation who might be affected by any staffing reductions. An equality impact assessment will be undertaken prior to any staff consultation.</td>
</tr>
<tr>
<td>19</td>
<td>Place</td>
<td>Culture &amp; Lifelong Learning</td>
<td>Leisure Contract</td>
<td>We have successfully negotiated with our leisure operator Places for People Leisure (PPL) to extend their current contract by a further five years to 2026. In return, PPL have agreed to significantly reduce, and then remove the existing management fee we currently pay to them.</td>
<td>123</td>
<td>Neutral</td>
<td>Efficiency savings</td>
<td>N/A</td>
<td>None</td>
</tr>
<tr>
<td>20</td>
<td>Place</td>
<td>Culture &amp; Lifelong Learning</td>
<td>Modernising library services</td>
<td>New self-service technology will modernise libraries, realising staffing efficiency savings while retaining the existing seven libraries.</td>
<td>10</td>
<td>Neutral</td>
<td>Efficiency savings</td>
<td>Introduction of self service technology</td>
<td>None</td>
</tr>
<tr>
<td>21</td>
<td>Place</td>
<td>Culture &amp; Lifelong Learning</td>
<td>Kingston Adult Education &amp; Libraries Collaboration</td>
<td>Collaboration to enable 5 activities that Libraries currently deliver, to be delivered utilising the Skills Funding Agency funds through Kingston Adult Education</td>
<td>20</td>
<td>Neutral</td>
<td>Internal departmental adjustments</td>
<td>N/A</td>
<td>None</td>
</tr>
<tr>
<td>22</td>
<td>Place</td>
<td>Culture &amp; Lifelong Learning</td>
<td>Kingston Theatre</td>
<td>Renegotiation of Rose Theatre contract</td>
<td>20</td>
<td>Neutral</td>
<td>Efficiency savings</td>
<td>N/A</td>
<td>None</td>
</tr>
<tr>
<td>23</td>
<td>Place</td>
<td>Housing General Fund</td>
<td>Temporary Accommodation Bad Debts Provision</td>
<td>Improved rent collection levels for Bed &amp; Breakfast and Private Leasing Scheme properties reduces cost of Bad Debts Provision</td>
<td>60</td>
<td>Neutral</td>
<td>Efficiency Savings</td>
<td>Impact of welfare reform and Homeless Reduction Act 2017 needs to be monitored</td>
<td>None</td>
</tr>
<tr>
<td>24</td>
<td>Place</td>
<td>Housing General Fund</td>
<td>Housing General Fund storage costs</td>
<td>Disposal of stored paper files</td>
<td>1</td>
<td>Neutral</td>
<td>Efficiency Savings</td>
<td>N/A</td>
<td>None</td>
</tr>
<tr>
<td>25</td>
<td>Place</td>
<td>Planning And Regeneration</td>
<td>Regulatory Services Charging</td>
<td>Review of Charging - target of self sufficiency for Registrars, Bereavement Services and Building control</td>
<td>27</td>
<td>Neutral</td>
<td>Generating Income</td>
<td>Equality Impact Assessment will be undertaken as Necessary</td>
<td>None</td>
</tr>
<tr>
<td>26</td>
<td>Place</td>
<td>Planning And Regeneration</td>
<td>Business Incubator Hub</td>
<td>Profit share from new business hub initiative. Initial estimated savings contribution expected in 2017/18 has slipped by a year into 2018/19 from OBB2 review of activity</td>
<td>50</td>
<td>Neutral</td>
<td>Generating Income</td>
<td>Equality Impact assessment will be undertaken as necessary</td>
<td>None</td>
</tr>
<tr>
<td>27</td>
<td>Place</td>
<td>Planning And Regeneration</td>
<td>Development Control income</td>
<td>Increased income from pre-planning check services</td>
<td>10</td>
<td>Neutral</td>
<td>Generating Income</td>
<td>Equality Impact assessment will be undertaken as necessary</td>
<td>None</td>
</tr>
</tbody>
</table>
## Budget Reduction Proposals 2018-19 - Equalities Impact Assessment

### ANNEX 9

<table>
<thead>
<tr>
<th>Report Reference (note these refer to Annex 4 and are non-sequential when savings are nil in 2018/19)</th>
<th>Portfolio</th>
<th>Portfolio Division</th>
<th>NSU Theme</th>
<th>Savings Title</th>
<th>Description of Saving</th>
<th>2018/19 £000s</th>
<th>Protected Characteristics of residents / service users (The protected characteristics are: Age, Disability, Gender Reassignment, Marriage &amp; Civil Partnership, Pregnancy &amp; Maternity, Race, Religion and Beliefs, Sex, Sexual Orientation)</th>
<th>Reason for Impact</th>
<th>Mitigation of Impact</th>
<th>Staff Implication</th>
</tr>
</thead>
<tbody>
<tr>
<td>28</td>
<td>Place</td>
<td>Planning And Regeneration</td>
<td>N/A</td>
<td>Development Control and Business Support internal reorganisation</td>
<td>The planned Development Control shared services is unlikely to go ahead in the form proposed during OBB (Year 1). In its place the service will undertake an internal reorganisation that has the potential to deliver savings of £75k in 2017/18, and rising to £100k from 2018/19 from within the service and Business Support.</td>
<td>25</td>
<td>Neutral</td>
<td>Efficiency Savings</td>
<td>N/A</td>
<td>Potential: Equality Impact assessment will be undertaken to support the process</td>
</tr>
<tr>
<td>29</td>
<td>Place</td>
<td>Environment</td>
<td>N/A</td>
<td>Regulatory Services Shared Service</td>
<td>Reduction in management costs in 2016/17 through shared service arrangements with further rationalisation of service in later years.</td>
<td>50</td>
<td>Neutral</td>
<td>Efficiency Savings</td>
<td>Equality Impact Assessment will be undertaken as Necessary</td>
<td>Potential: Equality Impact assessment will be undertaken to support the process</td>
</tr>
<tr>
<td>30</td>
<td>Place</td>
<td>Environment</td>
<td>N/A</td>
<td>Building Control Shared Service</td>
<td>Potential saving achieved via shared Building Control service across neighbouring boroughs.</td>
<td>40</td>
<td>Neutral</td>
<td>Efficiency Savings</td>
<td>N/A</td>
<td>Potential to recruit staff</td>
</tr>
<tr>
<td>31</td>
<td>Place</td>
<td>Environment</td>
<td>N/A</td>
<td>Environment Shared Service with Sutton</td>
<td>Savings achieved through shared service arrangements with Sutton (from November 2015)</td>
<td>110</td>
<td>Neutral</td>
<td>Efficiency Savings</td>
<td>Equality Impact assessment will be undertaken as necessary</td>
<td>Potential: Equality Impact assessment will be undertaken to support the process</td>
</tr>
<tr>
<td>32</td>
<td>Place</td>
<td>Environment</td>
<td>N/A</td>
<td>SLWP Shared environment contract - Street cleansing and Winter maintenance</td>
<td>Savings arising from joining the SLWP shared service for street cleansing and winter maintenance</td>
<td>35</td>
<td>Neutral</td>
<td>Efficiency Savings</td>
<td>Contractual changes</td>
<td>None</td>
</tr>
<tr>
<td>33</td>
<td>Place</td>
<td>Environment</td>
<td>N/A</td>
<td>London Permitting Scheme (Highways Enforcement)</td>
<td>Implementation of single IT system within shared service to achieve efficiencies</td>
<td>60</td>
<td>Neutral</td>
<td>Efficiency Savings</td>
<td>Equality Impact assessment will be undertaken as necessary</td>
<td>Potential: Equality Impact assessment will be undertaken to support the process</td>
</tr>
<tr>
<td>34</td>
<td>Place</td>
<td>Environment</td>
<td>N/A</td>
<td>Environment Shared Service</td>
<td>Create Shared Client Hub</td>
<td>60</td>
<td>Neutral</td>
<td>Efficiency Savings</td>
<td>N/A</td>
<td>Potential: Equality Impact assessment will be undertaken to support the process</td>
</tr>
<tr>
<td>35</td>
<td>Place</td>
<td>Environment</td>
<td>N/A</td>
<td>Garden waste collection service income</td>
<td>Increased customer base for this service, through targeted communications, to improve income from subscriptions. In 2019/20 the income is incorporated into the new net cost of the collection contract (see below).</td>
<td>40</td>
<td>Neutral</td>
<td>Generating Income</td>
<td>N/A</td>
<td>None</td>
</tr>
<tr>
<td>36</td>
<td>Place</td>
<td>Environment</td>
<td>N/A</td>
<td>SLWP Shared environment contract - Waste</td>
<td>Income and savings arising from joining the SLWP shared service.</td>
<td>21</td>
<td>Neutral</td>
<td>Efficiency Savings</td>
<td>Contractual changes</td>
<td>None</td>
</tr>
<tr>
<td>37</td>
<td>Place</td>
<td>Environment</td>
<td>N/A</td>
<td>Reduction in household waste</td>
<td>Forecasted growth in household waste generation has not been seen in the current financial year, attributable to changes in the recycling services, and has realised an underspend in the current budget allocation</td>
<td>325</td>
<td>Neutral</td>
<td>Efficiency Savings</td>
<td>Less Household waste produced</td>
<td>None</td>
</tr>
<tr>
<td>38</td>
<td>One Council Services</td>
<td>Assets</td>
<td>N/A</td>
<td>Asset Strategy - Bus shelters / On Street Furniture</td>
<td>Income from bus shelters / On Street Furniture (full-year effect)</td>
<td>7</td>
<td>Neutral</td>
<td>Generating Income</td>
<td>N/A</td>
<td>None</td>
</tr>
<tr>
<td>39</td>
<td>One Council Services</td>
<td>Assets</td>
<td>N/A</td>
<td>Jobcentre Plus</td>
<td>Rental income from co-location of Jobcentre Plus in Guildhall 2</td>
<td>489</td>
<td>Neutral</td>
<td>Generating Income</td>
<td>Joint up service delivery</td>
<td>None</td>
</tr>
<tr>
<td>40</td>
<td>One Council Services</td>
<td>Finance</td>
<td>N/A</td>
<td>Customer Contact Shared Service</td>
<td>Savings arising from implementation of shared service between Kingston and Sutton</td>
<td>80</td>
<td>Neutral</td>
<td>Efficiency Savings</td>
<td>N/A</td>
<td>None</td>
</tr>
<tr>
<td>41</td>
<td>One Council Services</td>
<td>Finance</td>
<td>N/A</td>
<td>Finance Shared Service</td>
<td>Savings arising from implementation of shared service between Kingston and Sutton</td>
<td>100</td>
<td>Neutral</td>
<td>Efficiency Savings</td>
<td>None</td>
<td>Yes Changes have already been implemented</td>
</tr>
<tr>
<td>42</td>
<td>Other Corporate Services</td>
<td>N/A</td>
<td>N/A</td>
<td>Funding of Pension Liability</td>
<td>RBK funding of pension liability for contractor Your Healthcare is no longer required.</td>
<td>181</td>
<td>Neutral</td>
<td>Efficiency Savings</td>
<td>N/A</td>
<td>None</td>
</tr>
<tr>
<td>43</td>
<td>Other Corporate Services</td>
<td>N/A</td>
<td>N/A</td>
<td>Review of Minimum Revenue Provision</td>
<td>An external review of the methodology for calculating the minimum revenue provision has suggested savings can be delivered by retrospectively applying an annuity method.</td>
<td>1,915</td>
<td>Neutral</td>
<td>Efficiency Savings</td>
<td>N/A</td>
<td>None</td>
</tr>
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</tr>
<tr>
<td>45</td>
<td>Cross Portfolio</td>
<td>Various</td>
<td>Income, Commercialisation &amp; Commissioning</td>
<td>Fees &amp; Charges</td>
<td>Generate income by increasing our discretionary fees and charges in line with benchmarking data and ensuring that all items include full cost recovery including corporate services recharges.</td>
<td>715</td>
<td>Neutral</td>
<td>Generating Income</td>
<td>Equality Impact assessment will be undertaken as necessary</td>
<td>None</td>
</tr>
<tr>
<td>46</td>
<td>Place</td>
<td>Housing General Fund</td>
<td>Income, Commercialisation &amp; Commissioning</td>
<td>Cambridge Road Estate</td>
<td>Opportunity to review rents of Cambridge Road Estate HRA properties let as Temporary Accommodation (TA) and lease to charitable Community Benefit Society.</td>
<td>600</td>
<td>Neutral</td>
<td>Generating Income</td>
<td>An Equality Impact assessment will be undertaken on the project</td>
<td>None</td>
</tr>
<tr>
<td>47</td>
<td>Cross Portfolio</td>
<td>Various</td>
<td>Income, Commercialisation &amp; Commissioning</td>
<td>Low Value High Volume Spend</td>
<td>Reduce the amount of tail end spend by consolidating low value high volume contracts. £28m spent a year on transactions under 10k. This projection is based on a spend reduction of 5% increasing to 10% over the course of the MTFP.</td>
<td>875</td>
<td>Neutral</td>
<td>Efficiency savings</td>
<td>N/A</td>
<td>None</td>
</tr>
<tr>
<td>49</td>
<td>Cross Portfolio</td>
<td>Various</td>
<td>Income, Commercialisation &amp; Commissioning</td>
<td>Contract Management</td>
<td>Reduce the overall contract expenditure across the whole organisation. Overall £198m annual spend on third party payments and suppliers and services. This forecast is based on a 3% reduction rising to 5% over the course of the MTFP.</td>
<td>1,126</td>
<td>Neutral</td>
<td>Efficiency savings</td>
<td>N/A</td>
<td>None</td>
</tr>
<tr>
<td>50</td>
<td>One Council Services</td>
<td>Assets</td>
<td>Property</td>
<td>Operational Property</td>
<td>Generate income and reduce operational costs by reducing our corporate property footprint, reducing utility costs, disposing of assets, reviewing rent prices, reviewing the outcome on communities and services of peppercorn rent arrangements and working with other public sector providers to collocate functions at a charge.</td>
<td>400</td>
<td>Neutral</td>
<td>Generating Income</td>
<td>N/A</td>
<td>None</td>
</tr>
<tr>
<td>51</td>
<td>One Council Services</td>
<td>Assets</td>
<td>Property</td>
<td>Strategic Property</td>
<td>Generate income and reduce operational costs through specific property market interventions e.g. building housing, developing care homes to reduce the cost of out of borough placements or selling beds to other boroughs</td>
<td>501</td>
<td>Neutral</td>
<td>Generating Income</td>
<td>N/A</td>
<td>None</td>
</tr>
<tr>
<td>52</td>
<td>One Council Services</td>
<td>Assets</td>
<td>Property</td>
<td>Investment Property Conquest House</td>
<td>Reflection of rental income generated from purchase of Conquest House &amp; King’s Place</td>
<td>2,600</td>
<td>Neutral</td>
<td>Generating Income</td>
<td>N/A</td>
<td>None</td>
</tr>
<tr>
<td>53</td>
<td>One Council Services</td>
<td>Assets</td>
<td>Property</td>
<td>Investment Property Kingsmill</td>
<td>Reflection of rental income generated from purchase of Kingsmill Business Park</td>
<td>766</td>
<td>Neutral</td>
<td>Generating Income</td>
<td>N/A</td>
<td>None</td>
</tr>
<tr>
<td>54</td>
<td>One Council Services</td>
<td>Assets</td>
<td>Property</td>
<td>Investment Property Future Investment</td>
<td>Generate income from borrowing capital and investing it in buying properties that will generate an income from tenants/occupiers. Estimates are currently based on a capital investment of £68m providing a net yield of 2.48%</td>
<td>2,160</td>
<td>Neutral</td>
<td>Generating Income</td>
<td>N/A</td>
<td>None</td>
</tr>
<tr>
<td>55</td>
<td>ASC</td>
<td>Adults</td>
<td>Demand Management</td>
<td>Adults</td>
<td>Reduce workforce and third party costs through collaborative cross functional initiatives to deliver shared outcomes</td>
<td>1,000</td>
<td>Age and Disability</td>
<td>Improved efficiency, Reduction of cost and Better ways of providing services</td>
<td>Review of current residential placements for people with learning disabilities. The outcome so far has been a reduced cost of placements arising from renegotiation with the service provider. Reducing double handed care packages for people with disabilities. This will be achieved through the use of Disabilities Facilities Grant to fund adaptations for a person’s home that enables the same care to be provided by one person. Reducing the number of people who are placed in residential or nursing home. This is achieved through a combination of reablement, discharge to assess and other community support. The result is people remain safely in their own homes for longer with greater independence. Equality impact assessment will be completed for each project as appropriate.</td>
<td>None</td>
</tr>
<tr>
<td>Report Reference</td>
<td>Portfolio</td>
<td>Portfolio Division</td>
<td>NSU Theme</td>
<td>Savings Title</td>
<td>Description of Saving</td>
<td>2018/19 £000s</td>
<td>Protected Characteristics of residents / service users</td>
<td>Reason for Impact</td>
<td>Mitigation of Impact</td>
<td>Staff Implication</td>
</tr>
<tr>
<td>------------------</td>
<td>-----------</td>
<td>-------------------</td>
<td>-----------</td>
<td>---------------</td>
<td>-----------------------</td>
<td>----------------</td>
<td>---------------------------------------------------</td>
<td>------------------</td>
<td>------------------------</td>
<td>------------------</td>
</tr>
<tr>
<td>56</td>
<td>All</td>
<td>Various</td>
<td>Workforce</td>
<td>Bottom up workforce review</td>
<td>A review of non management roles and structures across the organisation to identify opportunities for reductions in established posts within areas most impacted by the new leadership structure and direction of travel</td>
<td>500</td>
<td>Neutral Efficiency Savings</td>
<td>N/A</td>
<td>Yes Equality Impact Assessment will be undertaken to support the process</td>
<td></td>
</tr>
<tr>
<td>57</td>
<td>All</td>
<td>Various</td>
<td>Workforce</td>
<td>Management</td>
<td>Reducing the workforce spend on management posts in line with the Corporate Direction of Travel.</td>
<td>1,000</td>
<td>Neutral Efficiency Savings</td>
<td>N/A</td>
<td>Yes Equality Impact Assessment will be undertaken to support the process</td>
<td></td>
</tr>
<tr>
<td>58</td>
<td>All</td>
<td>Various</td>
<td>Workforce</td>
<td>Agency</td>
<td>Reducing the overall corporate spend on agency workers by 10%</td>
<td>1,000</td>
<td>Neutral Efficiency Savings</td>
<td>N/A</td>
<td>Yes this will affect consultants, interims &amp; agency staff.</td>
<td></td>
</tr>
<tr>
<td>59</td>
<td>All</td>
<td>Various</td>
<td>Workforce</td>
<td>Transformation Resource Savings</td>
<td>Workforce review and prioritization of resources allocated to business improvement, financial and transformation projects.</td>
<td>500</td>
<td>Neutral Efficiency Savings</td>
<td>N/A</td>
<td>Yes Equality Impact Assessment will be undertaken to support the process</td>
<td></td>
</tr>
<tr>
<td>60</td>
<td>Cross Portfolio</td>
<td>Various</td>
<td>Workforce</td>
<td>Better Working - Digital Efficiency</td>
<td>1.5% Digital &amp; Efficiency Saving apportioned to every directorate budget post NSU savings. Enabled through Digital service redesign, process review, flexible working, robotics and process automation.</td>
<td>2,000</td>
<td>Neutral Efficiency Savings</td>
<td>Appropriate equality Impact assessment will be undertaken as necessary on implementation of savings</td>
<td>Potential staffing implication and equality Impact assessment will be undertaken</td>
<td></td>
</tr>
<tr>
<td>61</td>
<td>Cross Portfolio</td>
<td>Various</td>
<td>Workforce</td>
<td>Better Working - Printing</td>
<td>Efficiency saving on printing costs.</td>
<td>130</td>
<td>Neutral Efficiency Savings</td>
<td>Appropriate equality Impact assessment will be undertaken as necessary on implementation of savings</td>
<td>Potential staffing implication and equality Impact assessment will be undertaken</td>
<td></td>
</tr>
<tr>
<td>62</td>
<td>All</td>
<td>Various</td>
<td>Workforce</td>
<td>EY demand diagnostic review of Corporate Shared Service</td>
<td>Corporate Review of demand and the business operating model for Corporate and Shared Services. Aiming to achieve significant efficiency savings through potential improvements to the business model, technology, processes and self service</td>
<td>1,000</td>
<td>Neutral Efficiency Savings</td>
<td>N/A</td>
<td>Yes Equality Impact Assessment will be undertaken to support the process</td>
<td></td>
</tr>
<tr>
<td>63</td>
<td>One Council Services</td>
<td>Assets</td>
<td>Better Working - Utilities Savings</td>
<td>Operational Property - reduction in utility costs</td>
<td>Changing the way we work for reduce paper through the use of Chromebooks leading to Reduced printing costs, MFD contract costs (through reduced devices), post and stationary savings</td>
<td>10</td>
<td>Neutral Efficiency Savings</td>
<td>N/A</td>
<td>None</td>
<td></td>
</tr>
</tbody>
</table>
ON-STREET PARKING ACCOUNT, BUS LANE ENFORCEMENT & MOVING TRAFFIC CONTRAVENTIONS ACCOUNTS

Report by the Interim Chief Finance Officer

Recommendations:

1. to note the four-year forecast on the On Street Parking; Bus Lane Enforcement and Moving Traffic Contraventions accounts and any surpluses/deficits generated by the accounts in 2017/18.

GENERAL

Background

1. This annex forecasts the medium term position of the Council’s statutory On-Street Parking; Bus Lane Enforcement and Moving Traffic Contraventions accounts. Qualifying expenditure that can be offset against the income raised from these accounts is governed by statute. The Council must ensure that this expenditure meets the criteria that is set down.

2. The medium term projections of income and expenditure related to these accounts is summarised below and discussed in detail in narrative pertaining to the individual accounts in this Annex.

<table>
<thead>
<tr>
<th></th>
<th></th>
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<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>£000s</td>
<td>£000s</td>
<td>£000s</td>
<td>£000s</td>
<td>£000s</td>
</tr>
<tr>
<td>On-Street Parking Account</td>
<td>(566)</td>
<td>(417)</td>
<td>(214)</td>
<td>(51)</td>
<td>(138)</td>
</tr>
<tr>
<td>Bus Lane Enforcement Account</td>
<td>(361)</td>
<td>(63)</td>
<td>(62)</td>
<td>(50)</td>
<td>(34)</td>
</tr>
<tr>
<td>Moving Traffic Contravention Enforcement Account</td>
<td>(2,442)</td>
<td>(2,569)</td>
<td>(2,394)</td>
<td>(2,112)</td>
<td>(1,528)</td>
</tr>
<tr>
<td>TOTAL BALANCE</td>
<td>(3,368)</td>
<td>(3,050)</td>
<td>(2,670)</td>
<td>(2,213)</td>
<td>(1,700)</td>
</tr>
</tbody>
</table>

ON-STREET PARKING ACCOUNT

Background

3. The council is required to maintain the on-street parking account under the Traffic Regulation Act 1984 and the Traffic Management Act 2004. All costs and income associated with the provision of on-street parking are charged to the fund. Any deficit on the fund must be made good from the general fund however any surplus may be applied for specified types of revenue expenditure as laid out in the acts. The categories of relevant expenditure include the provision and maintenance of off-street parking accommodation, public passenger transport, highway or road improvement projects, environmental improvement and the implementation of the London Transport Strategy.
Medium Term Financial Forecast

4. The four-year forecast for the on-street parking account is shown in the table below:

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>£000s</td>
<td>£000s</td>
<td>£000s</td>
<td>£000s</td>
<td>£000s</td>
</tr>
<tr>
<td>Surplus as at 1 April b/fwd</td>
<td>(939)</td>
<td>(566)</td>
<td>(417)</td>
<td>(214)</td>
<td>(51)</td>
</tr>
<tr>
<td>Applied:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Concessionary Fares</td>
<td>2,500</td>
<td>2,800</td>
<td>2,800</td>
<td>2,700</td>
<td>2,400</td>
</tr>
<tr>
<td>Car Parks R &amp; M</td>
<td>197</td>
<td>197</td>
<td>197</td>
<td>197</td>
<td>197</td>
</tr>
<tr>
<td>Drawdown to support eligible expenditure</td>
<td>200</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Highway Improvements</td>
<td>36</td>
<td>36</td>
<td>36</td>
<td>36</td>
<td>36</td>
</tr>
<tr>
<td>Total transfer out of fund</td>
<td>2,933</td>
<td>3,033</td>
<td>3,033</td>
<td>2,933</td>
<td>2,633</td>
</tr>
<tr>
<td>Net Budgeted Surplus</td>
<td>(2,785)</td>
<td>(2,885)</td>
<td>(2,885)</td>
<td>(2,885)</td>
<td>(2,885)</td>
</tr>
<tr>
<td>Forecast Outturn Variance (as at M8)</td>
<td>225</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Inflation and minor changes</td>
<td>0</td>
<td>0</td>
<td>55</td>
<td>115</td>
<td>165</td>
</tr>
<tr>
<td>Total transfer into fund</td>
<td>(2,560)</td>
<td>(2,885)</td>
<td>(2,830)</td>
<td>(2,770)</td>
<td>(2,720)</td>
</tr>
<tr>
<td>Balance c/fwd 31 March</td>
<td>(566)</td>
<td>(417)</td>
<td>(214)</td>
<td>(51)</td>
<td>(138)</td>
</tr>
</tbody>
</table>

Transfers Out of the Fund

5. There are a number of drawdowns from the reserve used to contribute towards base budget revenue spend. The contributions towards concessionary fares, car parks repairs & maintenance and highway improvements have been in the base for a number of years and it is not proposed to change these in the current medium term plan. However, contributions have been adjusted from previous estimates in later years to ensure that the account stays in surplus over the life of the medium term.

Transfers into the Fund

6. The income generated by on-street parking exceeds the cost of provision and the resulting surplus is transferred annually into the on-street parking account. The budgeted surplus will reduce each year as inflationary increases are applied to the costs of operating the service and an allowance for this has been included in the forecast. For 2017/18 the budgeted surplus is £2.785m. Current predictions show an underachievement of this target by £0.225m. The budgeted surplus for 2018/19 is £2.885m.

Budget Risks

7. There is one key budget risks to the on-street parking account forecast position;

- An increase in the level of compliance with on-street parking policies would result in reduced numbers of PCNs being issued and a consequential reduction in the level of income received. This would pose a risk to the budgeted surplus being achieved and could reduce the ongoing balance of the fund.
BUS LANE ENFORCEMENT ACCOUNT

Background

8. The council is required to maintain the bus lane enforcement account under the London Local Authorities Act 1996. All costs and income associated with bus lane enforcement are charged to the fund. Any deficit on the fund must be made good from the general fund however any surplus may be applied for specified types of revenue expenditure as laid out in schedule 2 to the Act. The categories of relevant expenditure include meeting the costs of public passenger transport and improvement of highways.

Medium Term Financial Forecast

9. The four-year forecast for the bus lane enforcement account is shown in the table below:

<table>
<thead>
<tr>
<th>Bus Lane Enforcement Account</th>
<th>2017/18 Forecast Outturn</th>
<th>2018/19 Budget</th>
<th>2019/20 Budget</th>
<th>2020/21 Budget</th>
<th>2021/22 Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>£000s</td>
<td>£000s</td>
<td>£000s</td>
<td>£000s</td>
<td>£000s</td>
</tr>
<tr>
<td>Surplus as at 1 April b/fwd</td>
<td>(1,167)</td>
<td>(361)</td>
<td>(63)</td>
<td>(62)</td>
<td>(50)</td>
</tr>
<tr>
<td>Applied:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Concessionary fares</td>
<td>2,100</td>
<td>2,100</td>
<td>1,800</td>
<td>1,800</td>
<td>1,800</td>
</tr>
<tr>
<td>Total transfer out of fund</td>
<td>2,100</td>
<td>2,100</td>
<td>1,800</td>
<td>1,800</td>
<td>1,800</td>
</tr>
<tr>
<td>Net Budgeted Surplus 2017/18</td>
<td>(1,803)</td>
<td>(1,803)</td>
<td>(1,803)</td>
<td>(1,803)</td>
<td>(1,803)</td>
</tr>
<tr>
<td>Forecast Outturn Variance (as at M8)</td>
<td>509</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Inflation and minor changes</td>
<td>0</td>
<td>0</td>
<td>4</td>
<td>14</td>
<td>18</td>
</tr>
<tr>
<td>Total transfer into fund</td>
<td>(1,294)</td>
<td>(1,803)</td>
<td>(1,799)</td>
<td>(1,788)</td>
<td>(1,784)</td>
</tr>
<tr>
<td>Balance c/fwd 31 March</td>
<td>(361)</td>
<td>(63)</td>
<td>(62)</td>
<td>(50)</td>
<td>(34)</td>
</tr>
</tbody>
</table>

Transfers Out of the Fund

10. The contribution towards concessionary fares has been in the base for a number of years. There are no plans to draw down any further from the reserves. However, contributions have been adjusted from previous estimates in later years to ensure that the account stays in surplus over the life of the medium term.

Transfers into the Fund

11. The income generated by bus lane enforcement exceeds the cost of provision and the resulting surplus is transferred annually into the bus lane enforcement account. For 2017/18 the budgeted surplus is £1,803m and the forecast outturn position for income indicates the Council will fall short of this target by £0.509m. Currently, the budgeted surplus for 2018/19 remains at £1.803m, but may need to be revised in light of the final year end position.

Budget Risks

12. There is one key budget risk to the bus lane enforcement account forecast position:
• An increase in the level of compliance with bus lane regulations would result in reduced numbers of PCNs being issued and a consequential reduction in the level of income received. This would pose a risk to the budgeted surplus being achieved and could reduce the ongoing balance of the fund.

MOVING TRAFFIC CONTRAVENTIONS ACCOUNT

Background

13. The Council is required to maintain a separate account for income and expenditure relating to the enforcement of moving traffic contraventions under Part 6 of the Traffic Management Act 2004. All costs and income associated with moving traffic contraventions are charged to the fund. Any deficit on the fund must be made good from the general fund however any surplus may be applied for specified types of revenue expenditure in a similar way to how surpluses generated by on-street parking activities are utilised.

Medium Term Financial Forecast

14. The four-year forecast for the moving traffic contraventions account is shown in the table below:

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Surplus as at 1 April b/fwd</td>
<td>(1,059)</td>
<td>(2,442)</td>
<td>(2,569)</td>
<td>(2,394)</td>
<td>(2,112)</td>
</tr>
<tr>
<td>Applied:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Concessionary fares</td>
<td>1,490</td>
<td>1,750</td>
<td>1,950</td>
<td>2,050</td>
<td>2,350</td>
</tr>
<tr>
<td>2017/18 Adjustment</td>
<td>(40)</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Drawdown to support eligible expenditure</td>
<td>1,019</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Total transfer out of fund</td>
<td>2,469</td>
<td>1,750</td>
<td>1,950</td>
<td>2,050</td>
<td>2,350</td>
</tr>
<tr>
<td>Net Budgeted Surplus 2017/18</td>
<td>(1,842)</td>
<td>(1,877)</td>
<td>(1,777)</td>
<td>(1,777)</td>
<td>(1,777)</td>
</tr>
<tr>
<td>Forecast Outturn Variance (as at M8)</td>
<td>(2,010)</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Inflation and minor changes</td>
<td>0</td>
<td>0</td>
<td>2</td>
<td>9</td>
<td>12</td>
</tr>
<tr>
<td>Total transfer into fund</td>
<td>(3,852)</td>
<td>(1,877)</td>
<td>(1,775)</td>
<td>(1,768)</td>
<td>(1,765)</td>
</tr>
<tr>
<td>Balance c/fwd 31 March</td>
<td>(2,442)</td>
<td>(2,569)</td>
<td>(2,394)</td>
<td>(2,112)</td>
<td>(1,528)</td>
</tr>
</tbody>
</table>

Transfers Out of the Fund

15. There are a number of draw down from the reserve that contribute to eligible General Fund expenditure. The drawdown from this account has been increased to ensure that the other statutory accounts are not over committed. As stated above, a compensating adjustment has been made to the other statutory accounts.

Transfers into the Fund

16. The income generated by moving traffic contraventions exceeds the cost of enforcement and the resulting surplus is transferred annually into the moving traffic
contraventions account. The budgeted surplus will reduce each year if inflationary increases are applied to the costs of operating the service and an allowance for this has been included in the forecast. For 2017/18 the budgeted surplus is £1.842m and the forecast outturn position for income indicates the council will exceed this target by £2.010m. This is predominantly due to the introduction of automated CCTV cameras and the fact that 3 new enforcement sites were introduced, during the mobilisation of the new parking contract, part way into 2017/18. This excess will also be transferred to the fund increasing the available balance for allocation.

17. The budgeted surplus is expected to increase in 2018/19 to £1.877m

Budget Risks

18. There is one key budget risk to the moving traffic contravention account forecast position:
   - An increase in the level of compliance would result in reduced numbers of contraventions and therefore reduced numbers of PCNs being issued. This would reduce income and pose a risk to the budgeted surplus being achieved, which could reduce the ongoing balance of the fund.