



BUDGET BOOK

2016-2017

Mark Maidment CPFA

**Director of Finance
& Corporate Services**

Budget Book 2016/17

Each year the Council sets detailed revenue & capital budgets. The revenue budgets relate to the income & expenditure incurred on the day to day running of the Council. The capital budgets include income & expenditure that will yield benefit to the Council over a period of more than a year (e.g. roads, buildings).

Produced by Accountancy

Finance & Corporate Services Directorate

We are continuously trying to improve the content & presentation of all our financial publications & would welcome any suggestions from readers.

Please contact:

Angeline deJong
Financial Accountant
The Civic Centre, 44 York Street, Twickenham TW1 3BZ
Tel: 020 8891 7204
Email: a.dejong@richmond.gov.uk

www.richmond.gov.uk

TABLE OF CONTENTS

	Section
1. Detailed Estimates Index	A
2. Budget Pages	
• Summary	B
• Finance & Corporate Services	C
• Education & Children’s Services	D
• Environment Directorate	E
• Adult & Community Services	F
3. Revenue Budget Strategy & Council Tax 2016/17	
• Revenue Budget Strategy & Council Tax Report	G
• Council Tax Bands 2016/17	
• Statutory Reserves	
• Medium & Long Term Financial Strategy	
• Equalities Implications	
• Budget Policies	
4. Capital Programme 2015/16 to 2020/21	H
5. Definitions	I

SECTION A
Index to Detailed Estimates

	Page
Section A Index to Detailed Estimates	A1
Section B London Borough of Richmond upon Thames	
Subjective Summary & Analysis	B1
Analysis of 2016/17 Expenditure & Income	B2
Section C Finance & Corporate Services	C1
Objective Summary	C2
Subjective Summary	C3
IT (Including Serco contract)	C4
Human Resources	C5
Corporate Income	C6
Legal Services	C7
Financial Services Management	C8
Pension Administration	C9
Accountancy	C10
Internal Audit	C11
Chief Executive's Office	C12
Electoral Services	C13
Cost of Local Tax Collection	C14
Corporate Management	C15
Precepts & Levies	C16
Carbon Reduction Commitment	C17
Efficiency & Transformation Team	C18
Home Loans Unit	C19
Central Items	C20
Section D Education & Children's Services	D1
Objective Summary	D2
Education & Children's Services	D3
Section E Environment Services	E1
Objective Summary	E2
Subjective Summary	E3
Property Services	E4
Sports, Parks & Open Spaces (Including Cemeteries)	E5
Planning & Development Services	E6
Regulatory Services	E7
Waste Services	E8
Highways Management	E9
Transport Planning & Safety Education	E10
Parking Services	E11
Transport Fleet Management & Maintenance	E12
Arts	E13
Libraries	E14
Directorate Management & Support	E15

SECTION A

Section F Adult & Community Services	F1
Objective Summary	F2
Subjective Summary	F3
Commissioning Care Services Management	F4
Community Teams	F5
Care Services - Older People & Physical Disabilities	F6
Care Services - Learning Disabilities	F7
Care Services - Mental Health	F8
Care Services - Support with Memory & Cognition	F9
Care services - Sensory Support	F10
Careline	F11
Other Commissioned Services - Adult Social Care	F12
Performance & Quality Assurance	F13
Community Services Operations Management	F14
Housing Advice & Assessment	F15
Resettlement Service	F16
Temporary Accommodation	F17
Private Sector & Other Housing	F18
Care Provision - Learning Disabilities	F19
Care Provision - Older People & Physical Disabilities	F20
Transport Operations	F21
Accessible Transport Unit	F22
Commissioning Corporate Policy & Strategy Management	F23
Accountability & Engagement	F24
Partnerships & Planning	F25
Voluntary Organisations - Corporate Grants Programme	F26
Corporate Procurement	F27
Corporate Equality & Diversity	F28
Corporate Communications	F29
Democratic Services & Representation	F30
Rent Allowances	F31
Supported Housing Services	F32
Direct Management, Finance & Resources	F33
Joint Commissioning Collaborative Team	F34
Customer Services	F35
Public Health Services	F36
Section G Revenue Budget Strategy & Council Tax 2016/17	G1
Council Tax Bands 2016/17	G14
Statutory Reserves	G15
Medium & Long Term Financial Strategy	G18
Equalities Implications	G36
Budget Policies	G39
Section H Capital Programme 2015/16 to 2020/21	H1
Section I Definitions	I1

SECTION B

COUNCIL'S REVENUE BUDGET 2016/17
SUBJECTIVE SUMMARY OF EXPENDITURE AND INCOME

	<u>2014/15</u> <u>Actual</u> £	<u>2015/16</u> <u>Estimate</u> £	<u>2016/17</u> <u>Estimate</u> £
<u>Expenditure</u>			
Employees	55,041,349	50,488,300	47,158,500
Premises	14,915,852	13,675,100	14,573,300
Transport	3,541,452	3,998,200	3,819,200
Supplies & Services	24,792,964	22,495,900	23,001,800
Third Party Payments	139,129,221	143,570,000	138,942,000
Transfer Payments	161,278,456	161,422,700	163,867,400
Support Services	2,350,381	1,799,800	2,405,000
TOTAL EXPENDITURE	401,049,675	397,450,000	393,767,200
<u>Income</u>			
Adjusted Dedicated Schools Grant	(92,250,100)	(91,828,100)	(95,527,800)
Government Grants	(94,126,106)	(93,395,300)	(96,988,000)
Other Grants & Contributions	(7,795,103)	(15,046,300)	(4,044,100)
Customer & Client Receipts	(62,780,520)	(53,637,600)	(51,720,700)
TOTAL INCOME	(256,951,829)	(253,907,300)	(248,280,600)
NET EXPENDITURE (EXCL. CENTRAL ITEMS)	144,097,846	143,542,700	145,486,600
Central Items	(34,912,046)	(33,216,600)	(32,153,600)
NET EXPENDITURE (CONTROLLABLE)	109,185,800	110,326,100	113,333,000
<u>Financial Accounting Adjustments</u>			
Central Support Charges	25,207,605	23,242,800	21,211,100
Departmental Support Charges	16,888,770	14,431,000	13,611,200
Capital Charges	0	0	0
Central Support Income	(25,207,605)	(23,242,800)	(21,211,100)
Departmental Support Income	(16,888,770)	(14,431,000)	(13,611,200)
NET ACCOUNTING ADJUSTMENTS	0	0	0
NET EXPENDITURE (ALL BUDGETS)	109,185,800	110,326,100	113,333,000

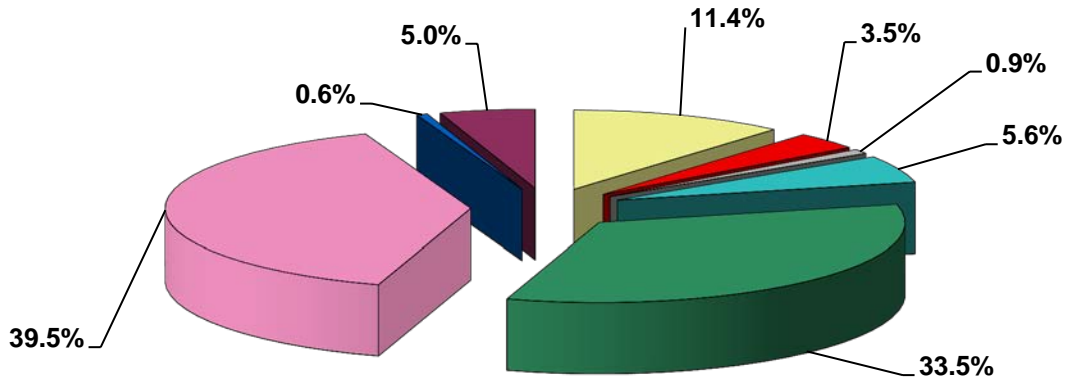
Variation Analysis (Excluding Schools)

Original Budget 2015/16	110,326,100
Inflation	1,466,000
Changes in Government Grants	3,789,100
Other Government or Outside Body Changes	(2,876,600)
Demand Led Growth	2,760,000
Budget Review Savings	(4,428,400)
Investment Priorities	1,017,000
Other Growth & Savings	1,279,800
Budget Transfers	0
Original Budget 2016/17	113,333,000
<u>Other Information</u>	
Employee FTE's (Budgeted)	2273.1* 2,058.5

*Includes schools which has been restated to reflect the exact fte figure, as at 1/04/15

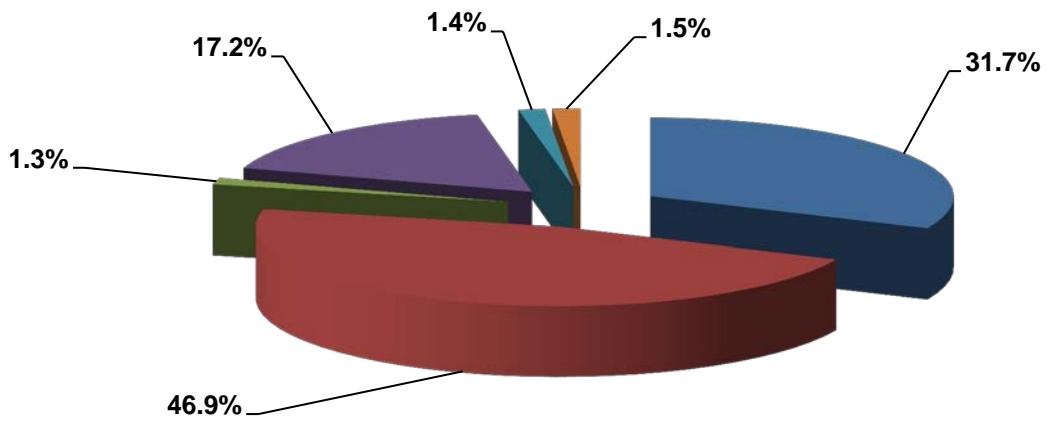
SECTION B

Analysis of 2016/17 Expenditure Budget



- Employees
- Transport
- Third Party Payments
- Support Services
- Premises
- Supplies and Services
- Transfer Payments
- Other expenditure reported under Central Items

Analysis of 2016/17 Income Budgets



- Adjusted Dedicated Schools Grant
- Other Grants and Contributions
- Income Receivable/Collection Fund Surplus
- Government Grants
- Customer & Client Receipts
- Contributions from Earmarked Reserves

FINANCE & CORPORATE SERVICES

Should you have any queries concerning the Finance & Corporate Services pages please contact:

Coral Baxter
Head of Capital Finance

Tel: 020 8891 7247

Email: c.baxter@richmond.gov.uk

REVENUE BUDGET - SUMMARY OF EXPENDITURE

PURPOSE	<u>2014/15</u>	<u>2015/16</u>	<u>2016/17</u>
	<u>Actual</u>	<u>Estimate</u>	<u>Estimate</u>
	<u>£</u>	<u>£</u>	<u>£</u>
IT (including Serco contract)	0	0	0
Human Resources	0	0	0
Corporate Income	0	0	0
Legal Services	0	0	0
Financial Services Management	0	0	0
Pension Administration	0	0	0
Accountancy	0	0	0
Internal Audit	0	0	0
Chief Executive's Office	329,987	358,700	302,300
Electoral Services	1,017,506	662,800	666,600
Cost of Local Tax Collection	2,115,363	2,902,000	2,408,400
Corporate Management	611,280	755,800	757,700
Precepts & Levies	651,096	718,000	748,600
Carbon Reduction Commitment	(12,122)	0	0
Efficiency & Transformation Team	0	0	0
Home Loans Unit	(20,493)	17,400	(20,800)
Total for Corporate Services	4,692,617	5,414,700	4,862,800
Central Items	(63,728,106)	(57,688,500)	(50,937,100)
Total for Corporate Services & Central Items	(59,035,489)	(52,273,800)	(46,074,300)

Variation Analysis	
Original Budget 2015/16	(52,273,800)
Inflation	408,400
Changes in Government Grants	2,797,600
Other Government or Outside Body Changes	(3,677,900)
Demand Led Growth	0
Budget Review Savings	(569,600)
Investment Priorities	982,000
Other Growth & Savings	164,800
Budget Transfers	6,094,200
Original Budget 2016/17	(46,074,300)

SECTION C

FINANCE & CORPORATE SERVICES

SUBJECTIVE ANALYSIS

	<u>2014/15</u>	<u>2015/16</u>	<u>2016/17</u>
	<u>Actual</u>	<u>Estimate</u>	<u>Estimate</u>
	<u>£</u>	<u>£</u>	<u>£</u>
<u>Expenditure</u>			
Employees	7,377,978	6,785,200	6,762,700
Premises	14,508	1,800	2,300
Transport	28,358	31,700	31,700
Supplies & Services	7,050,473	6,968,500	6,355,800
Third Party Payments	804,653	1,105,100	998,400
Transfer Payments	184,653	228,800	228,800
Support Services	1,278,788	1,198,500	1,678,000
TOTAL EXPENDITURE	16,739,411	16,319,600	16,057,700
<u>Income</u>			
Government Grants	(1,743,985)	(850,800)	(667,200)
Other Grants & Contributions	(313,465)	(333,800)	(333,800)
Customer & Client Receipts	(4,207,014)	(1,576,000)	(2,190,200)
TOTAL INCOME	(6,264,464)	(2,760,600)	(3,191,200)
NET EXPENDITURE (EXCL. CENTRAL ITEMS)	<u>10,474,947</u>	<u>13,559,000</u>	<u>12,866,500</u>
Central Items (Excl FA Adjustments)	(34,912,046)	(33,216,600)	(32,153,600)
NET EXPENDITURE (CONTROLLABLE)	<u>(24,437,099)</u>	<u>(19,657,600)</u>	<u>(19,287,100)</u>
<u>Financial Accounting Adjustments</u>			
Central Support Charges	4,781,640	4,357,300	3,820,700
Departmental Support Charges	0	0	0
Capital Charges	(28,282,984)	(23,994,600)	(18,308,600)
Central Support Income	(11,097,046)	(12,978,900)	(12,299,300)
Departmental Support Income	0	0	0
NET ACCOUNTING ADJUSTMENTS	(34,598,390)	(32,616,200)	(26,787,200)
NET EXPENDITURE (ALL BUDGETS)	<u>(59,035,489)</u>	<u>(52,273,800)</u>	<u>(46,074,300)</u>

BUDGETED STAFFING FTE'S

	2015/16	2016/17
Employee FTE's (Budgeted)	148.3	148.3

SECTION C

FINANCE & CORPORATE SERVICES

IT (Including Serco Contract)

This budget comprises the strategic IT partnership with Serco & corporate ICT provision. Serco are responsible for providing IT infrastructure, support & desktop support & management of some core applications. This section creates & maintains the navigation & content for the Council's public website & intranet, develops a range of databases & web applications using e-forms, integrates web applications using web services & provides technical advice on web technology. It provides a document management service to the Council & maintains the Council's information security standards.

	<u>2014/15</u> <u>Actual</u> £	<u>2015/16</u> <u>Estimate</u> £	<u>2016/17</u> <u>Estimate</u> £
<u>Expenditure</u>			
Employees	1,701,240	1,376,500	1,424,600
Premises	22,834	0	0
Transport	1,523	900	900
Supplies & Services	5,767,186	5,819,400	5,326,400
Third Party Payments	0	0	0
Transfer Payments	0	0	0
Support Services	2,338	1,200	1,700
TOTAL EXPENDITURE	7,495,121	7,198,000	6,753,600
<u>Income</u>			
Government Grants	0	0	0
Other Grants & Contributions	0	0	0
Customer & Client Receipts	(2,262,899)	(10,000)	(60,500)
TOTAL INCOME	(2,262,899)	(10,000)	(60,500)
NET EXPENDITURE (CONTROLLABLE)	5,232,222	7,188,000	6,693,100
<u>Financial Accounting Adjustments</u>			
Central Support Charges	657,369	304,900	456,800
Departmental Support Charges	0	0	0
Capital Charges	547,726	427,700	421,400
Central Support Income	(6,437,317)	(7,920,600)	(7,571,300)
Departmental Support Income	0	0	0
NET ACCOUNTING ADJUSTMENTS	(5,232,222)	(7,188,000)	(6,693,100)
NET EXPENDITURE (ALL BUDGETS)	0	0	0

Variation Analysis**Original Budget 2015/16**

Inflation	80,200
Changes in Government Grants	0
Other Government or Outside Body Changes	0
Demand Led Growth	0
Budget Review Savings	(558,700)
Investment Priorities	0
Other Growth & Savings	0
Budget Transfers	478,500
Original Budget 2016/17	0

Other Information

Employee FTE's (Budgeted)	28.7	29.7
---------------------------	------	------

SECTION C

FINANCE & CORPORATE SERVICES

HUMAN RESOURCES

The Human Resources Team supports & enables the Council to recruit, develop, lead & manage its people effectively. The HR Service is delivered to the Council by a shared service agreement hosted by the Royal Borough of Kingston upon Thames, with the payroll service outsourced to a payroll agency bureau. The Council's HR and payroll will transfer to LB Wandsworth during 2016/17 as part of the Shared Staffing Arrangement.

	<u>2014/15</u> <u>Actual</u> £	<u>2015/16</u> <u>Estimate</u> £	<u>2016/17</u> <u>Estimate</u> £
<u>Expenditure</u>			
Employees	141,835	241,900	241,900
Premises	1,484	0	0
Transport	218	0	0
Supplies & Services	6,385	13,200	13,200
Third Party Payments	0	0	0
Transfer Payments	0	0	0
Support Services	1,172,215	887,000	887,700
TOTAL EXPENDITURE	1,322,137	1,142,100	1,142,800
<u>Income</u>			
Government Grants	0	0	0
Other Grants & Contributions	0	0	0
Customer & Client Receipts	(110,865)	(91,800)	(91,800)
TOTAL INCOME	(110,865)	(91,800)	(91,800)
NET EXPENDITURE (CONTROLLABLE)	1,211,272	1,050,300	1,051,000
<u>Financial Accounting Adjustments</u>			
Central Support Charges	92,100	60,700	144,200
Departmental Support Charges	0	0	0
Capital Charges	49,878	49,900	49,900
Central Support Income	(1,353,250)	(1,160,900)	(1,245,100)
Departmental Support Income	0	0	0
NET ACCOUNTING ADJUSTMENTS	(1,211,272)	(1,050,300)	(1,051,000)
NET EXPENDITURE (ALL BUDGETS)	0	0	0

Variation Analysis**Original Budget 2015/16**

Inflation	100
Changes in Government Grants	0
Other Government or Outside Body Changes	0
Demand Led Growth	0
Budget Review Savings	(100)
Investment Priorities	0
Other Growth & Savings	0
Budget Transfers	0
Original Budget 2016/17	0

Other Information

Employee FTE's (Budgeted)	0.0	0.0
---------------------------	-----	-----

SECTION C

FINANCE & CORPORATE SERVICES

CORPORATE INCOME

The Corporate Income Team operates a banking & allocation service to all service areas within the Council. The team is also responsible for cash collection from parking meters, libraries, leisure centres & all other Council establishments.

	<u>2014/15</u> <u>Actual</u> £	<u>2015/16</u> <u>Estimate</u> £	<u>2016/17</u> <u>Estimate</u> £
<u>Expenditure</u>			
Employees	206,927	235,100	236,700
Premises	0	0	0
Transport	937	1,600	1,600
Supplies & Services	45,477	30,700	30,500
Third Party Payments	0	0	0
Transfer Payments	0	0	0
Support Services	0	100	100
TOTAL EXPENDITURE	253,341	267,500	268,900
<u>Income</u>			
Government Grants	0	0	0
Other Grants & Contributions	0	0	0
Customer & Client Receipts	(1,868)	(7,000)	(7,000)
TOTAL INCOME	(1,868)	(7,000)	(7,000)
NET EXPENDITURE (CONTROLLABLE)	251,473	260,500	261,900
<u>Financial Accounting Adjustments</u>			
Central Support Charges	94,500	105,600	74,300
Departmental Support Charges	0	0	0
Capital Charges	1,677	1,700	1,700
Central Support Income	(347,650)	(367,800)	(337,900)
Departmental Support Income	0	0	0
NET ACCOUNTING ADJUSTMENTS	(251,473)	(260,500)	(261,900)
NET EXPENDITURE (ALL BUDGETS)	0	0	0

Variation Analysis

Original Budget 2015/16	0
Inflation	1,800
Changes in Government Grants	0
Other Government or Outside Body Changes	0
Demand Led Growth	0
Budget Review Savings	(200)
Investment Priorities	0
Other Growth & Savings	0
Budget Transfers	(1,600)
Original Budget 2016/17	0
<u>Other Information</u>	
Employee FTE's (Budgeted)	6.6

SECTION C

FINANCE & CORPORATE SERVICES

LEGAL SERVICES

Legal services are provided to the Council by a shared service arrangement hosted by the London Borough of Merton. The shared service is overseen by a Board comprising the Directors of Finance & Corporate Services from each borough. The shared service provides legal services to all Directorates & across all of the Council's functions, to schools & to certain other public bodies. It also procures specialist advice & advocacy where necessary, ensures legality & probity & sound corporate governance. No direct cost budgets are recorded here as legal services, the Council now operates a direct charging mechanism to charge each service.

	<u>2014/15</u> <u>Actual</u> <u>£</u>	<u>2015/16</u> <u>Estimate</u> <u>£</u>	<u>2016/17</u> <u>Estimate</u> <u>£</u>
<u>Expenditure</u>			
Employees	0	0	0
Premises	0	0	0
Transport	696	700	700
Supplies & Services	1,902	0	0
Third Party Payments	(107,393)	0	0
Transfer Payments	0	0	0
Support Services	44,843	138,600	47,600
TOTAL EXPENDITURE	(59,952)	139,300	48,300
<u>Income</u>			
Government Grants	0	0	0
Other Grants & Contributions	0	0	0
Customer & Client Receipts	1,489	0	0
TOTAL INCOME	1,489	0	0
NET EXPENDITURE (CONTROLLABLE)	(58,463)	139,300	48,300
<u>Financial Accounting Adjustments</u>			
Central Support Charges	20,100	21,600	35,900
Departmental Support Charges	0	0	0
Capital Charges	0	0	0
Central Support Income	38,363	(160,900)	(84,200)
Departmental Support Income	0	0	0
NET ACCOUNTING ADJUSTMENTS	58,463	(139,300)	(48,300)
NET EXPENDITURE (ALL BUDGETS)	0	0	0

Variation Analysis

Original Budget 2015/16	0
Inflation	0
Changes in Government Grants	0
Other Government or Outside Body Changes	0
Demand Led Growth	0
Budget Review Savings	0
Investment Priorities	0
Other Growth & Savings	0
Budget Transfers	0
Original Budget 2016/17	0
<u>Other Information</u>	
Employee FTE's (Budgeted)	0.0 0.0

SECTION C

FINANCE & CORPORATE SERVICES

FINANCIAL SERVICES MANAGEMENT

This budget covers the costs of the Director of Finance & Corporate Services along with the Assistant Directors of Finance & their shared Personal Assistant.

	<u>2014/15</u> <u>Actual</u> <u>£</u>	<u>2015/16</u> <u>Estimate</u> <u>£</u>	<u>2016/17</u> <u>Estimate</u> <u>£</u>
<u>Expenditure</u>			
Employees	464,306	442,400	454,200
Premises	148	0	0
Transport	9,302	9,600	9,600
Supplies & Services	5,852	7,400	51,000
Third Party Payments	0	0	0
Transfer Payments	0	0	0
Support Services	6,996	27,300	11,900
TOTAL EXPENDITURE	486,604	486,700	526,700
<u>Income</u>			
Government Grants	(42,500)	0	0
Other Grants & Contributions	0	0	0
Customer & Client Receipts	0	0	0
TOTAL INCOME	(42,500)	0	0
NET EXPENDITURE (CONTROLLABLE)	444,104	486,700	526,700
<u>Financial Accounting Adjustments</u>			
Central Support Charges	36,800	91,100	100,600
Departmental Support Charges	0	0	0
Capital Charges	0	0	0
Central Support Income	(480,904)	(577,800)	(627,300)
Departmental Support Income	0	0	0
NET ACCOUNTING ADJUSTMENTS	(444,104)	(486,700)	(526,700)
NET EXPENDITURE (ALL BUDGETS)	0	0	0

Variation Analysis**Original Budget 2015/16**

Inflation	0
Changes in Government Grants	0
Other Government or Outside Body Changes	0
Demand Led Growth	0
Budget Review Savings	0
Investment Priorities	0
Other Growth & Savings	0
Budget Transfers	0
Original Budget 2016/17	0
<u>Other Information</u>	
Employee FTE's (Budgeted)	4.0
	4.0

SECTION C

FINANCE & CORPORATE SERVICES

PENSIONS ADMINISTRATION

The Pensions Administration Team is responsible for the payroll processing & administration of the Council's Pension Fund. This function has been provided by a shared service hosted by London Borough of Wandsworth since March 2015.

	<u>2014/15</u> <u>Actual</u> £	<u>2015/16</u> <u>Estimate</u> £	<u>2016/17</u> <u>Estimate</u> £
<u>Expenditure</u>			
Employees	113,406	0	0
Premises	0	0	0
Transport	102	0	0
Supplies & Services	114,785	24,200	24,200
Third Party Payments	15,747	178,800	0
Transfer Payments	0	0	0
Support Services	3,300	0	183,600
TOTAL EXPENDITURE	247,340	203,000	207,800
<u>Income</u>			
Government Grants	0	0	0
Other Grants & Contributions	0	0	0
Customer & Client Receipts	(156,513)	(156,900)	(156,900)
TOTAL INCOME	(156,513)	(156,900)	(156,900)
NET EXPENDITURE (CONTROLLABLE)	90,827	46,100	50,900
<u>Financial Accounting Adjustments</u>			
Central Support Charges	58,800	16,900	0
Departmental Support Charges	0	0	0
Capital Charges	0	0	0
Central Support Income	(149,627)	(63,000)	(50,900)
Departmental Support Income	0	0	0
NET ACCOUNTING ADJUSTMENTS	(90,827)	(46,100)	(50,900)
NET EXPENDITURE (ALL BUDGETS)	0	0	0

Variation Analysis

Original Budget 2015/16	0
Inflation	2,800
Changes in Government Grants	0
Other Government or Outside Body Changes	0
Demand Led Growth	0
Budget Review Savings	(200)
Investment Priorities	0
Other Growth & Savings	0
Budget Transfers	(2,600)
Original Budget 2016/17	0
<u>Other Information</u>	
Employee FTE's (Budgeted)	0.0 0.0

SECTION C

FINANCE & CORPORATE SERVICES

ACCOUNTANCY

The Accountancy Team is responsible for the co-ordination of all the Council's finance functions. In particular: setting the Council's budget, corporate budget monitoring, year end accounts, treasury management, financing of the capital programme & the processing of all creditor invoices.

	<u>2014/15</u> <u>Actual</u> £	<u>2015/16</u> <u>Estimate</u> £	<u>2016/17</u> <u>Estimate</u> £
<u>Expenditure</u>			
Employees	1,450,904	1,482,100	1,434,700
Premises	0	0	0
Transport	459	2,100	2,100
Supplies & Services	97,976	52,400	59,500
Third Party Payments	0	0	0
Transfer Payments	0	0	0
Support Services	1,640	800	800
TOTAL EXPENDITURE	1,550,979	1,537,400	1,497,100
<u>Income</u>			
Government Grants	0	0	0
Other Grants & Contributions	0	0	0
Customer & Client Receipts	(316,733)	(285,300)	(297,600)
TOTAL INCOME	(316,733)	(285,300)	(297,600)
NET EXPENDITURE (CONTROLLABLE)	1,234,246	1,252,100	1,199,500
<u>Financial Accounting Adjustments</u>			
Central Support Charges	549,900	704,600	545,100
Departmental Support Charges	0	0	0
Capital Charges	0	0	0
Central Support Income	(1,784,146)	(1,956,700)	(1,744,600)
Departmental Support Income	0	0	0
NET ACCOUNTING ADJUSTMENTS	(1,234,246)	(1,252,100)	(1,199,500)
NET EXPENDITURE (ALL BUDGETS)	0	0	0

Variation Analysis**Original Budget 2015/16**

Inflation	(46,700)
Changes in Government Grants	0
Other Government or Outside Body Changes	0
Demand Led Growth	0
Budget Review Savings	(700)
Investment Priorities	0
Other Growth & Savings	0
Budget Transfers	47,400
Original Budget 2016/17	0

Other Information

Employee FTE's (Budgeted)	36.8	36.8
---------------------------	------	------

SECTION C

FINANCE & CORPORATE SERVICES

INTERNAL AUDIT

Internal Audit is a statutory function. All Local Authorities must comply with the Accounts & Audit Regulations (amended 2011) & are required to make provision for internal audit in accordance with the Public Sector Internal Audit Standards 2013. This is a Shared Internal Audit & Investigations Service between Richmond, Kingston and Merton Councils, with Richmond as lead authority. The shared service is monitored by a Shared Service Board & reports individually to each authorities' Audit Committee. Costs are shared on the basis of the agreed Annual Audit Plans. Merton joined the Shared Service during 2015/16 and Sutton will be joining during 2016/17.

	<u>2014/15</u> <u>Actual</u> £	<u>2015/16</u> <u>Estimate</u> £	<u>2016/17</u> <u>Estimate</u> £
<u>Expenditure</u>			
Employees	776,650	790,900	822,300
Premises	0	0	0
Transport	6,760	5,900	5,900
Supplies & Services	62,960	66,000	44,900
Third Party Payments	186,517	127,000	172,400
Transfer Payments	0	0	0
Support Services	31,582	34,000	471,500
TOTAL EXPENDITURE	1,064,469	1,023,800	1,517,000
<u>Income</u>			
Government Grants	(100,000)	0	0
Other Grants & Contributions	0	0	0
Customer & Client Receipts	(595,637)	(450,900)	(999,600)
TOTAL INCOME	(695,637)	(450,900)	(999,600)
NET EXPENDITURE (CONTROLLABLE)	368,832	572,900	517,400
<u>Financial Accounting Adjustments</u>			
Central Support Charges	207,500	195,200	120,600
Departmental Support Charges	0	0	0
Capital Charges	0	0	0
Central Support Income	(576,332)	(768,100)	(638,000)
Departmental Support Income	0	0	0
NET ACCOUNTING ADJUSTMENTS	(368,832)	(572,900)	(517,400)
NET EXPENDITURE (ALL BUDGETS)	0	0	0

<u>Variation Analysis</u>		
Original Budget 2015/16		0
Inflation		(5,900)
Changes in Government Grants		0
Other Government or Outside Body Changes		0
Demand Led Growth		0
Budget Review Savings		(400)
Investment Priorities		0
Other Growth & Savings		0
Budget Transfers		6,300
Original Budget 2016/17		0
<u>Other Information</u>		
Employee FTE's (Budgeted)	16.0	15.0

SECTION C

FINANCE & CORPORATE SERVICES

CHIEF EXECUTIVE'S OFFICE

This section covers the cost of the Chief Executive & supporting staff.

	<u>2014/15</u> <u>Actual</u> <u>£</u>	<u>2015/16</u> <u>Estimate</u> <u>£</u>	<u>2016/17</u> <u>Estimate</u> <u>£</u>
<u>Expenditure</u>			
Employees	281,631	273,900	270,000
Premises	0	0	0
Transport	2,232	3,200	3,200
Supplies & Services	17,235	51,400	4,300
Third Party Payments	0	0	0
Transfer Payments	0	0	0
Support Services	0	0	0
TOTAL EXPENDITURE	301,098	328,500	277,500
<u>Income</u>			
Government Grants	0	0	0
Other Grants & Contributions	0	0	0
Customer & Client Receipts	0	0	0
TOTAL INCOME	0	0	0
NET EXPENDITURE (CONTROLLABLE)	301,098	328,500	277,500
<u>Financial Accounting Adjustments</u>			
Central Support Charges	28,889	30,200	24,800
Departmental Support Charges	0	0	0
Capital Charges	0	0	0
Central Support Income	0	0	0
Departmental Support Income	0	0	0
NET ACCOUNTING ADJUSTMENTS	28,889	30,200	24,800
NET EXPENDITURE (ALL BUDGETS)	329,987	358,700	302,300

<u>Variation Analysis</u>		
Original Budget 2015/16		358,700
Inflation		400
Changes in Government Grants		0
Other Government or Outside Body Changes		0
Demand Led Growth		0
Budget Review Savings		(400)
Investment Priorities		0
Other Growth & Savings		0
Budget Transfers		(56,400)
Original Budget 2016/17		302,300
<u>Other Information</u>		
Employee FTE's (Budgeted)	2.0	2.0

SECTION C

FINANCE & CORPORATE SERVICES

ELECTORAL SERVICES

The Electoral Services Team is responsible for the Electoral Register & administering all elections & referenda within the borough. They also assist with the review & implementation of local & parliamentary boundary changes.

	<u>2014/15</u> <u>Actual</u> £	<u>2015/16</u> <u>Estimate</u> £	<u>2016/17</u> <u>Estimate</u> £
<u>Expenditure</u>			
Employees	499,763	242,300	250,700
Premises	2,164	1,800	2,300
Transport	387	500	500
Supplies & Services	219,883	181,600	174,500
Third Party Payments	1,693	0	0
Transfer Payments	0	0	0
Support Services	231	700	400
TOTAL EXPENDITURE	724,121	426,900	428,400
<u>Income</u>			
Government Grants	(102,007)	0	0
Other Grants & Contributions	0	0	0
Customer & Client Receipts	(5,146)	(3,100)	(3,300)
TOTAL INCOME	(107,153)	(3,100)	(3,300)
NET EXPENDITURE (CONTROLLABLE)	616,968	423,800	425,100
<u>Financial Accounting Adjustments</u>			
Central Support Charges	386,896	239,000	241,500
Departmental Support Charges	0	0	0
Capital Charges	13,642	0	0
Central Support Income	0	0	0
Departmental Support Income	0	0	0
NET ACCOUNTING ADJUSTMENTS	400,538	239,000	241,500
NET EXPENDITURE (ALL BUDGETS)	1,017,506	662,800	666,600

Variation Analysis

Original Budget 2015/16	662,800
Inflation	2,900
Changes in Government Grants	0
Other Government or Outside Body Changes	0
Demand Led Growth	0
Budget Review Savings	(1,800)
Investment Priorities	0
Other Growth & Savings	0
Budget Transfers	2,700
Original Budget 2016/17	666,600
<u>Other Information</u>	
Employee FTE's (Budgeted)	6.0 6.0

SECTION C

FINANCE & CORPORATE SERVICES

COST OF LOCAL TAX COLLECTION

This service is responsible for the billing, collection & recovery of the Council Tax & Business Rates from every household & business in the borough. It also covers the administration of benefits for approximately 11,000 residents, & the Community Care Grants & Crisis Loans which are the Council's responsibility from 1st April 2013.

	<u>2014/15</u> <u>Actual</u> £	<u>2015/16</u> <u>Estimate</u> £	<u>2016/17</u> <u>Estimate</u> £
<u>Expenditure</u>			
Employees	1,712,770	1,670,100	1,597,300
Premises	0	0	0
Transport	5,742	7,200	7,200
Supplies & Services	362,877	415,700	324,000
Third Party Payments	0	20,500	20,500
Transfer Payments	184,653	228,800	228,800
Support Services	6,844	25,500	9,200
TOTAL EXPENDITURE	2,272,886	2,367,800	2,187,000
<u>Income</u>			
Government Grants	(1,499,478)	(850,800)	(667,200)
Other Grants & Contributions	(313,465)	(333,800)	(333,800)
Customer & Client Receipts	(470,499)	(400,400)	(400,400)
TOTAL INCOME	(2,283,442)	(1,585,000)	(1,401,400)
NET EXPENDITURE (CONTROLLABLE)	(10,556)	782,800	785,600
<u>Financial Accounting Adjustments</u>			
Central Support Charges	2,124,016	2,117,300	1,620,900
Departmental Support Charges	0	0	0
Capital Charges	1,903	1,900	1,900
Central Support Income	0	0	0
Departmental Support Income	0	0	0
NET ACCOUNTING ADJUSTMENTS	2,125,919	2,119,200	1,622,800
NET EXPENDITURE (ALL BUDGETS)	2,115,363	2,902,000	2,408,400

<u>Variation Analysis</u>	
Original Budget 2015/16	2,902,000
Inflation	(68,800)
Changes in Government Grants	125,000
Other Government or Outside Body Changes	0
Demand Led Growth	0
Budget Review Savings	(4,000)
Investment Priorities	0
Other Growth & Savings	0
Budget Transfers	(545,800)
Original Budget 2016/17	2,408,400
<u>Other Information</u>	
Employee FTE's (Budgeted)	48.2 48.2

SECTION C

FINANCE & CORPORATE SERVICES

CORPORATE MANAGEMENT

The Code of Practise issued by CIPFA carefully defines what should be charged to Corporate Management. Costs include: external audit fees; corporate legal fees, bank charges & treasury management administration costs.

	<u>2014/15</u> <u>Actual</u> £	<u>2015/16</u> <u>Estimate</u> £	<u>2016/17</u> <u>Estimate</u> £
<u>Expenditure</u>			
Employees	0	0	0
Premises	0	0	0
Transport	0	0	0
Supplies & Services	329,308	292,700	292,700
Third Party Payments	0	0	0
Transfer Payments	0	0	0
Support Services	6,815	81,500	61,700
TOTAL EXPENDITURE	336,123	374,200	354,400
<u>Income</u>			
Government Grants	0	0	0
Other Grants & Contributions	0	0	0
Customer & Client Receipts	(169,468)	(39,600)	(49,600)
TOTAL INCOME	(169,468)	(39,600)	(49,600)
NET EXPENDITURE (CONTROLLABLE)	166,655	334,600	304,800
<u>Financial Accounting Adjustments</u>			
Central Support Charges	444,625	421,200	452,900
Departmental Support Charges	0	0	0
Capital Charges	0	0	0
Central Support Income	0	0	0
Departmental Support Income	0	0	0
NET ACCOUNTING ADJUSTMENTS	444,625	421,200	452,900
NET EXPENDITURE (ALL BUDGETS)	611,280	755,800	757,700

<u>Variation Analysis</u>		
Original Budget 2015/16		755,800
Inflation		3,000
Changes in Government Grants		0
Other Government or Outside Body Changes		0
Demand Led Growth		0
Budget Review Savings		(3,000)
Investment Priorities		0
Other Growth & Savings		0
Budget Transfers		1,900
Original Budget 2016/17		757,700
<u>Other Information</u>		
Employee FTE's (Budgeted)	0.0	0.0

SECTION C

FINANCE & CORPORATE SERVICES

PRECEPTS AND LEVIES

This area includes the cost of levies that the Council has to pay each year that are not shown within the departmental budgets, e.g. London Pensions Authority Levy, Coroner's Service Levy and Environment Agency Flood Defence Levy.

	<u>2014/15</u> <u>Actual</u> £	<u>2015/16</u> <u>Estimate</u> £	<u>2016/17</u> <u>Estimate</u> £
<u>Expenditure</u>			
Employees	0	0	0
Premises	0	0	0
Transport	0	0	0
Supplies & Services	0	0	0
Third Party Payments	648,089	714,500	745,500
Transfer Payments	0	0	0
Support Services	0	0	0
TOTAL EXPENDITURE	648,089	714,500	745,500
<u>Income</u>			
Government Grants	0	0	0
Other Grants & Contributions	0	0	0
Customer & Client Receipts	0	0	0
TOTAL INCOME	0	0	0
NET EXPENDITURE (CONTROLLABLE)	648,089	714,500	745,500
<u>Financial Accounting Adjustments</u>			
Central Support Charges	3,007	3,500	3,100
Departmental Support Charges	0	0	0
Capital Charges	0	0	0
Central Support Income	0	0	0
Departmental Support Income	0	0	0
NET ACCOUNTING ADJUSTMENTS	3,007	3,500	3,100
NET EXPENDITURE (ALL BUDGETS)	651,096	718,000	748,600

<u>Variation Analysis</u>		
Original Budget 2015/16		718,000
Inflation		0
Changes in Government Grants		0
Other Government or Outside Body Changes		100,000
Demand Led Growth		0
Budget Review Savings		0
Investment Priorities		0
Other Growth & Savings		0
Budget Transfers		(69,400)
Original Budget 2016/17		748,600
<u>Other Information</u>		
Employee FTE's (Budgeted)	0.0	0.0

CARBON REDUCTION COMMITMENT

Under the Government's Carbon Reduction Commitment Scheme the Council was required to buy carbon credits to cover its carbon usage each year. This budget, for the purchase of those credits, is no longer required as the scheme ended in 2014/15.

	<u>2014/15</u> <u>Actual</u> £	<u>2015/16</u> <u>Estimate</u> £	<u>2016/17</u> <u>Estimate</u> £
<u>Expenditure</u>			
Employees	0	0	0
Premises	(12,122)	0	0
Transport	0	0	0
Supplies & Services	0	0	0
Third Party Payments	0	0	0
Transfer Payments	0	0	0
Support Services	0	0	0
TOTAL EXPENDITURE	(12,122)	0	0
<u>Income</u>			
Government Grants	0	0	0
Other Grants & Contributions	0	0	0
Customer & Client Receipts	0	0	0
TOTAL INCOME	0	0	0
NET EXPENDITURE (CONTROLLABLE)	(12,122)	0	0
<u>Financial Accounting Adjustments</u>			
Central Support Charges	0	0	0
Departmental Support Charges	0	0	0
Capital Charges	0	0	0
Central Support Income	0	0	0
Departmental Support Income	0	0	0
NET ACCOUNTING ADJUSTMENTS	0	0	0
NET EXPENDITURE (ALL BUDGETS)	(12,122)	0	0

Variation Analysis

Original Budget 2015/16	0
Inflation	0
Changes in Government Grants	0
Other Government or Outside Body Changes	0
Demand Led Growth	0
Budget Review Savings	0
Investment Priorities	0
Other Growth & Savings	0
Budget Transfers	0
Original Budget 2016/17	0
<u>Other Information</u>	
Employee FTE's (Budgeted)	0.0 0.0

EFFICIENCY & TRANSFORMATION TEAM

This budget has been used to meet the salaries & associated costs of staff seconded to the Efficiency & Transformation Team. From 2014/15 these activities are more focussed on specific programmes & activities which have their own funding, meaning the team budget is no longer needed.

	<u>2014/15</u> <u>Actual</u> £	<u>2015/16</u> <u>Estimate</u> £	<u>2016/17</u> <u>Estimate</u> £
<u>Expenditure</u>			
Employees	(1,291)	0	0
Premises	0	0	0
Transport	0	0	0
Supplies & Services	7,734	0	0
Third Party Payments	0	0	0
Transfer Payments	0	0	0
Support Services	0	0	0
TOTAL EXPENDITURE	6,443	0	0
<u>Income</u>			
Government Grants	0	0	0
Other Grants & Contributions	0	0	0
Customer & Client Receipts	0	0	0
TOTAL INCOME	0	0	0
NET EXPENDITURE (CONTROLLABLE)	6,443	0	0
<u>Financial Accounting Adjustments</u>			
Central Support Charges	(260)	3,100	0
Departmental Support Charges	0	0	0
Capital Charges	0	0	0
Central Support Income	(6,183)	(3,100)	0
Departmental Support Income	0	0	0
NET ACCOUNTING ADJUSTMENTS	(6,443)	0	0
NET EXPENDITURE (ALL BUDGETS)	0	0	0

Variation Analysis

Original Budget 2015/16	0
Inflation	0
Changes in Government Grants	0
Other Government or Outside Body Changes	0
Demand Led Growth	0
Budget Review Savings	0
Investment Priorities	0
Other Growth & Savings	0
Budget Transfers	0
Original Budget 2016/17	0
<u>Other Information</u>	
Employee FTE's (Budgeted)	0.0 0.0

SECTION C

FINANCE & CORPORATE SERVICES

HOME LOANS UNIT

The Home Loans Unit administers the ex-GLC residential mortgage portfolio on behalf of the 33 London Boroughs, under the terms of SI 1988 No 1747. Revenue & capital surpluses generated by the mortgages are distributed to the boroughs.

	<u>2014/15</u> <u>Actual</u> £	<u>2015/16</u> <u>Estimate</u> £	<u>2016/17</u> <u>Estimate</u> £
<u>Expenditure</u>			
Employees	29,837	30,000	30,300
Premises	0	0	0
Transport	0	0	0
Supplies & Services	10,913	13,800	10,600
Third Party Payments	60,000	64,300	60,000
Transfer Payments	0	0	0
Support Services	1,984	1,800	1,800
TOTAL EXPENDITURE	102,734	109,900	102,700
<u>Income</u>			
Government Grants	0	0	0
Other Grants & Contributions	0	0	0
Customer & Client Receipts	(118,875)	(131,000)	(123,500)
TOTAL INCOME	(118,875)	(131,000)	(123,500)
NET EXPENDITURE (CONTROLLABLE)	(16,141)	(21,100)	(20,800)
<u>Financial Accounting Adjustments</u>			
Central Support Charges	(4,352)	38,500	0
Departmental Support Charges	0	0	0
Capital Charges	0	0	0
Central Support Income	0	0	0
Departmental Support Income	0	0	0
NET ACCOUNTING ADJUSTMENTS	(4,352)	38,500	0
NET EXPENDITURE (ALL BUDGETS)	(20,493)	17,400	(20,800)

<u>Variation Analysis</u>	
Original Budget 2015/16	17,400
Inflation	400
Changes in Government Grants	0
Other Government or Outside Body Changes	0
Demand Led Growth	0
Budget Review Savings	(100)
Investment Priorities	0
Other Growth & Savings	0
Budget Transfers	(38,500)
Original Budget 2016/17	(20,800)
<u>Other Information</u>	
Employee FTE's (Budgeted)	0.0
	0.0

SECTION C

FINANCE & CORPORATE SERVICES

CENTRAL ITEMS

Central items includes income & expenditure that relates to the Council's treasury (or cash) management function as well as items that are budgeted for centrally that relate to all Directorates. This includes amounts set aside for items of expenditure that are not foreseen at the time budgets are set (contingency), amounts set aside for investment in specific areas during the year, non-ringfenced Government Grants & the use of the Council's general & earmarked reserves.

	<u>2014/15</u> <u>Actual</u> <u>£</u>	<u>2015/16</u> <u>Estimate</u> <u>£</u>	<u>2016/17</u> <u>Estimate</u> <u>£</u>
<u>ASSET MANAGEMENT & TREASURY</u>			
Interest Payable	4,422,824	4,091,000	4,389,000
Interest Receivable	(1,769,648)	(837,000)	(1,533,000)
MRP (Principal Loan Repay)	2,765,745	3,317,000	3,804,000
Revenue Funding of Capital Expenditure		0	0
- Use of Revenue Reserves	1,934,044	516,000	879,900
- Use of Revenue Grants & Contributions	864,661	1,014,800	1,014,800
- General DRF	5,308,648		
<u>CONTINGENCY & INVESTMENT ITEMS</u>			
General & Pay Award Contingency	0	500,000	500,000
Pay Award/NI Contingency	0	29,200	1,239,900
Pavements & Highways	0	500,000	500,000
Procurement Contract Savings	(246,275)	(200,000)	(200,000)
Rugby World Cup	0	195,000	0
Village Plans	0	337,900	0
<u>NON-RINGFENCED GOVERNMENT GRANTS</u>			
New Homes Bonus Grant	(2,508,545)	(2,081,000)	(3,878,900)
Council Tax Freeze Grant	(1,189,345)	(1,200,000)	0
Section 31 Grants	(1,180,663)	(1,005,300)	(741,000)
Transition Grant	0	0	(2,910,000)
Revenue Support Grant/Retained Business Rates	(50,790,284)	(45,021,500)	(36,731,000)
<u>OTHER</u>			
Central Redundancies	0	0	0
Bad Debt provision	389	0	0
Centrally Funded Pensions	3,267,346	4,989,400	4,885,000
Distribution of surplus/deficit on Collection Fund	(750,000)	(750,000)	(2,750,000)
NNDR Levy & Tariff	3,713,018	3,900,900	3,847,000
Contributions to Earmarked Reserves	2,730,780	187,000	(1,476,100)
Transfers to/from Earmarked Reserves to reduce Council Tax	(1,484,741)	(1,700,000)	(2,993,200)
NET EXPENDITURE	<u>(34,912,046)</u>	<u>(33,216,600)</u>	<u>(32,153,600)</u>
<u>Financial Accounting Adjustments</u>			
Central Support Charges	81,750	3,900	0
Departmental Support Charges	0	0	0
Capital Charges	0	0	0
Reversal of Depreciation	(14,449,023)	(12,429,800)	(14,754,500)
Reversal of Deferred Charges	(14,448,787)	(12,046,000)	(4,029,000)
NET ACCOUNTING ADJUSTMENTS	<u>(28,816,060)</u>	<u>(24,471,900)</u>	<u>(18,783,500)</u>
NET EXPENDITURE (ALL BUDGETS)	<u>(63,728,106)</u>	<u>(57,688,500)</u>	<u>(50,937,100)</u>

Variation Analysis

Original Budget 2015/16	(57,688,500)
Inflation	438,200
Changes in Government Grants	2,672,600
Other Government or Outside Body Changes	(3,777,900)
Demand Led Growth	0
Budget Review Savings	0
Investment Priorities	982,000
Other Growth & Savings	164,800
Budget Transfers	6,271,700
Original Budget 2016/17	<u>(50,937,100)</u>

EDUCATION & CHILDREN'S SERVICES

Should you have any queries concerning the Education & Children's Services pages please contact:

Brian Blenman
Principal Finance Manager

Tel: 020 8891 7205

b.blenman@richmond.gov.uk

SECTION D

EDUCATION & CHILDREN'S SERVICES

REVENUE BUDGET - SUMMARY OF EXPENDITURE

	<u>2014/15</u> <u>Actual</u> £	<u>2015/16</u> <u>Estimate</u> £	<u>2016/17</u> <u>Estimate</u> £
Total Education & Children's Services	<u>44,911,625</u>	<u>42,741,200</u>	<u>41,668,400</u>

<u>Variation Analysis</u>	
Original Estimate 2015/16	42,741,200
Inflation	278,600
Changes in Government Grants	444,000
Other Government or Outside Body Changes	366,000
Demand Led Growth	2,000,000
Budget Review Savings	(1,164,000)
Investment Priorities	0
Other Growth & Savings	0
Budget Transfers	(2,997,400)
Original Budget 2016/17	<u>41,668,400</u>

SECTION D

EDUCATION & CHILDREN'S SERVICES

EDUCATION & CHILDREN'S SERVICES

These budgets relate to children's social care & education services, commissioned from Achieving for Children (AfC), a Community Interest Company. This company is jointly owned by the Richmond and Kingston Councils. The commissioned services comprise; Social Care (inc. social work, looked after children & leaving care), Protection & Early Help Services (inc. youth support, Special Educational Needs (SEN), SEN Transport, early years & family support) & Education Services (inc. school place commissioning, school improvement). The Council retains budgets for most Government grants, payment of fixed education grants to schools & nurseries, and employment of AfC's Chief Executive and Directors with statutory responsibilities.

	<u>2014/15</u>	<u>2015/16</u>	<u>2016/17</u>
	<u>Actual</u>	<u>Estimate</u>	<u>Estimate</u>
	£	£	£
Expenditure			
Employees	1,852,579	180,200	541,200
Premises	19,550	0	0
Transport	26,162	0	0
Supplies & Services	3,989,673	4,062,600	4,186,900
AFC Contract	48,624,812	47,701,600	49,270,600
Individual Schools Budgets (ISB)	83,821,149	80,195,400	84,249,700
Support Services	11,209	2,900	4,000
NET EXPENDITURE	138,345,134	132,142,700	138,252,400
Income			
Central Education Services Grant	(2,238,118)	(2,229,800)	(1,795,000)
Dedicated Schools Grant	(92,250,100)	(91,828,100)	(95,527,800)
Government Grants	(8,304,947)	(7,437,100)	(7,984,300)
Other Grants & Contributions	(1,721,052)	(1,784,900)	(1,746,400)
Customer & Client Receipts	(1,481,863)	(90,100)	(270,600)
TOTAL INCOME	(105,996,080)	(103,370,000)	(107,324,100)
NET EXPENDITURE (CONTROLLABLE)	32,349,054	28,772,700	30,928,300
Financial Accounting Adjustments			
Central Support Charges	2,782,616	1,494,600	2,810,700
Departmental Support Charges	0	0	26,000
Capital Charges	9,779,955	12,473,900	7,903,400
Central Support Income	0	0	0
Departmental Support Income	0	0	0
NET ACCOUNTING ADJUSTMENTS	12,562,571	13,968,500	10,740,100
NET EXPENDITURE (ALL BUDGETS)	44,911,625	42,741,200	41,668,400

Variation Analysis		
Original Estimate 2015/16		42,741,200
Inflation		278,600
Changes in Government Grants		444,000
Other Government or Outside Body Changes		366,000
Demand Led Growth		2,000,000
Efficiency Savings		(1,164,000)
Investment Priorities		0
Other Growth & Savings		0
Budget Transfers		(2,997,400)
Original Budget 2016/17		41,668,400
Other Information		
Employee FTE's (Budgeted) non schools	1.0	4.0
Employee FTE's (Budgeted) schools	1047.8*	959.6
Employee FTE's (Budgeted) total	1,048.8	963.6

* Includes schools which has been restated to reflect the exact fte figure, as at 1/4/15.

ENVIRONMENT DIRECTORATE

Should you have any queries concerning the Environment Directorate pages please contact:

Nick Greenaway
Principle Finance Manager

Tel: 020 8891 7375

Email: n.greenaway@richmond.gov.uk

REVENUE BUDGET - SUMMARY OF EXPENDITURE

<u>PURPOSE</u>	<u>2014/15</u>	<u>2015/16</u>	<u>2016/17</u>
	<u>Actual</u>	<u>Estimate</u>	<u>Estimate</u>
	<u>£</u>	<u>£</u>	<u>£</u>
Property Services	(3,850,371)	1,024,900	2,466,900
Sports, Parks & Open Spaces (Inc Cemeteries)	7,389,634	6,254,300	6,527,300
Planning & Development Services	3,948,090	3,295,400	2,989,200
Regulatory Services	1,487,513	1,272,600	1,015,200
Waste Services	21,002,842	15,913,900	16,345,800
Highways Management	6,914,514	6,009,400	6,208,400
Transport Planning & Safety Education	4,272,361	2,675,400	2,613,600
Parking Services	(6,114,818)	(6,653,000)	(6,975,600)
Transport Fleet Management & Maintenance	(10,040)	0	0
Arts & Music	1,273,460	884,200	919,100
Library Service	5,024,146	4,574,000	4,915,700
Directorate Management & Support	0	0	0
Total for Environment	<u>41,337,331</u>	<u>35,251,100</u>	<u>37,025,600</u>

Variation Analysis

Original Estimate 2015/16	35,251,100
Inflation	121,700
Changes in Government Grants	47,000
Other Government or Outside Body Changes	309,100
Demand Led Growth	260,000
Budget Review Savings	(1,073,800)
Investment Priorities	35,000
Other Growth & Savings	0
Budget Transfers	2,075,500
Original Budget 2016/17	<u>37,025,600</u>

SUBJECTIVE ANALYSIS

	<u>2014/15</u> <u>Actual</u> £	<u>2015/16</u> <u>Estimate</u> £	<u>2016/17</u> <u>Estimate</u> £
<u>Expenditure</u>			
Employees	18,963,509	17,464,000	16,442,700
Premises	12,863,245	11,736,400	13,015,100
Transport	1,883,995	2,286,900	2,303,400
Supplies & Services	6,872,218	4,247,800	4,014,700
Third Party Payments	23,350,992	23,442,900	21,940,400
Transfer Payments	10,172	28,500	28,500
Support Services	659,834	359,700	434,700
TOTAL EXPENDITURE	64,603,965	59,566,200	58,179,500
<u>Income</u>			
Government Grants	(269,786)	(96,500)	(44,500)
Other Grants & Contributions	(1,239,250)	(213,900)	(197,700)
Customer & Client Receipts	(35,796,371)	(32,606,700)	(31,889,400)
TOTAL INCOME	(37,305,407)	(32,917,100)	(32,131,600)
NET EXPENDITURE (CONTROLLABLE)	27,298,558	26,649,100	26,047,900
<u>Financial Accounting Adjustments</u>			
Central Support Charges	9,246,643	8,676,000	8,491,000
Departmental Support Charges	7,741,859	6,335,700	5,811,400
Capital Charges	14,449,088	5,605,900	7,573,500
Central Support Income	(9,656,958)	(5,679,900)	(5,086,800)
Departmental Support Income	(7,741,859)	(6,335,700)	(5,811,400)
NET ACCOUNTING ADJUSTMENTS	14,038,773	8,602,000	10,977,700
NET EXPENDITURE (ALL BUDGETS)	41,337,331	35,251,100	37,025,600

BUDGETED STAFFING FTE'S

	2015/16	2016/17
Number of full time equivalent employees	433.6	399.6

SECTION E

ENVIRONMENT DIRECTORATE

PROPERTY SERVICES

Property Services budgets cover all aspects of building & facilities services including the provision for & the management of the council's new Total Facilities Management Contract (TFM) as well as construction project management implemented by the Directorate's Project Management Office. Budgets also include all utilities & service budgets for the Civic Campus, other offices, operational buildings & the council's sundry properties portfolio.

	<u>2014/15</u> <u>Actual</u> £	<u>2015/16</u> <u>Estimate</u> £	<u>2016/17</u> <u>Estimate</u> £
<u>Expenditure</u>			
Employees	2,493,812	2,090,400	1,070,300
Premises	5,603,456	5,073,700	6,602,900
Transport	140,732	119,300	86,900
Supplies & Services	1,255,525	770,400	279,900
Third Party Payments	189,135	68,000	36,400
Transfer Payments	10,172	0	0
Support Services	354,940	141,700	163,000
TOTAL EXPENDITURE	10,047,772	8,263,500	8,239,400
<u>Income</u>			
Government Grants	(9,355)	(7,800)	(7,800)
Other Grants & Contributions	(93,363)	0	0
Customer & Client Receipts	(7,911,225)	(6,107,300)	(5,391,400)
TOTAL INCOME	(8,013,943)	(6,115,100)	(5,399,200)
NET EXPENDITURE (CONTROLLABLE)	2,033,829	2,148,400	2,840,200
<u>Financial Accounting Adjustments</u>			
Central Support Charges	2,033,539	1,269,900	1,406,900
Departmental Support Charges	535,367	565,700	530,900
Capital Charges	1,305,643	1,169,400	1,270,800
Central Support Income	(7,929,030)	(3,498,200)	(3,165,000)
Departmental Support Income	(1,829,719)	(630,300)	(416,900)
NET ACCOUNTING ADJUSTMENTS	(5,884,200)	(1,123,500)	(373,300)
NET EXPENDITURE (ALL BUDGETS)	(3,850,371)	1,024,900	2,466,900

<u>Variation Analysis</u>		
Original Estimate 2015/16		1,024,900
Inflation		32,500
Changes in Government Grants		0
Other Government or Outside Body Changes		5,100
Demand Led Growth		0
Budget Review Savings		(156,500)
Investment Priorities		0
Other Growth & Savings		0
Budget Transfers		1,560,900
Original Budget 2016/17		2,466,900
<u>Other Information</u>		
Employee FTE's (Budgeted)	49.9	17.0

SPORTS, PARKS & OPEN SPACES (INC CEMETERIES)

These services are responsible for 163 parks & open spaces covering a total of 517 hectares. Included in this area are 60 equipped children's playgrounds, the management & planting of trees within streets, parks, open spaces & woodlands, administering of tree preservation orders & tree related planning applications. There are 24 allotment sites in the borough divided into 2,000 individual plots. There are 6 cemeteries open for burial (which cover 9.25 hectares) & over 350 funeral services carried out in a year. The Sports Team's objectives are to develop participation in sport, improve standards of performance & improve facilities in conjunction with a range of partners. The team includes sports development, the 4 sports & fitness centres & the borough's 2 pools, one of which is run by Springhealth.

	<u>2014/15</u> <u>Actual</u> £	<u>2015/16</u> <u>Estimate</u> £	<u>2016/17</u> <u>Estimate</u> £
<u>Expenditure</u>			
Employees	2,724,265	2,654,300	2,614,700
Premises	4,641,713	4,071,200	3,780,400
Transport	38,602	41,700	41,700
Supplies & Services	1,008,849	722,300	856,000
Third Party Payments	765,583	762,400	767,700
Transfer Payments	0	0	0
Support Services	7,970	15,500	15,000
TOTAL EXPENDITURE	9,186,982	8,267,400	8,075,500
<u>Income</u>			
Government Grants	(65,548)	(41,700)	(36,700)
Other Grants & Contributions	(390,073)	(93,600)	(93,600)
Customer & Client Receipts	(3,598,907)	(3,459,700)	(3,540,900)
TOTAL INCOME	(4,054,528)	(3,595,000)	(3,671,200)
NET EXPENDITURE (CONTROLLABLE)	5,132,454	4,672,400	4,404,300
<u>Financial Accounting Adjustments</u>			
Central Support Charges	964,612	805,600	920,600
Departmental Support Charges	500,391	506,900	445,500
Capital Charges	1,069,147	520,700	1,007,900
Central Support Income	0	0	0
Departmental Support Income	(276,970)	(251,300)	(251,000)
NET ACCOUNTING ADJUSTMENTS	2,257,180	1,581,900	2,123,000
NET EXPENDITURE (ALL BUDGETS)	7,389,634	6,254,300	6,527,300

<u>Variation Analysis</u>	
Original Estimate 2015/16	6,254,300
Inflation	(25,600)
Changes in Government Grants	0
Other Government or Outside Body Changes	182,700
Demand Led Growth	0
Budget Review Savings	(36,000)
Investment Priorities	0
Other Growth & Savings	0
Budget Transfers	151,900
Original Budget 2016/17	6,527,300
<u>Other Information</u>	
Employee FTE's (Budgeted)	74.0 72.6

PLANNING & DEVELOPMENT SERVICES

This group encompasses Building Control (including Land Charges & Land Contamination), Development Control, Land Use Policy & Design, reviewing of planning & conservation policies, initiatives & economic development.

	<u>2014/15</u> <u>Actual</u> <u>£</u>	<u>2015/16</u> <u>Estimate</u> <u>£</u>	<u>2016/17</u> <u>Estimate</u> <u>£</u>
<u>Expenditure</u>			
Employees	3,208,808	3,209,800	3,160,800
Premises	9,309	5,100	5,100
Transport	49,165	48,500	48,500
Supplies & Services	911,734	354,400	369,000
Third Party Payments	968,382	265,900	295,900
Transfer Payments	0	0	0
Support Services	204,037	157,400	160,700
TOTAL EXPENDITURE	5,351,435	4,041,100	4,040,000
<u>Income</u>			
Government Grants	(26,928)	(47,000)	0
Other Grants & Contributions	(214,448)	(104,100)	(104,100)
Customer & Client Receipts	(2,927,860)	(2,346,200)	(2,370,600)
TOTAL INCOME	(3,169,236)	(2,497,300)	(2,474,700)
NET EXPENDITURE (CONTROLLABLE)	2,182,199	1,543,800	1,565,300
<u>Financial Accounting Adjustments</u>			
Central Support Charges	1,123,035	1,138,200	848,300
Departmental Support Charges	987,279	958,500	1,031,100
Capital Charges	1,066	400	1,100
Central Support Income	0	0	0
Departmental Support Income	(345,489)	(345,500)	(456,600)
NET ACCOUNTING ADJUSTMENTS	1,765,891	1,751,600	1,423,900
NET EXPENDITURE (ALL BUDGETS)	3,948,090	3,295,400	2,989,200

<u>Variation Analysis</u>		
Original Estimate 2015/16		3,295,400
Inflation		(89,000)
Changes in Government Grants		47,000
Other Government or Outside Body Changes		0
Demand Led Growth		0
Budget Review Savings		(3,100)
Investment Priorities		35,000
Other Growth & Savings		0
Budget Transfers		(296,100)
Original Budget 2016/17		2,989,200
<u>Other Information</u>		
Employee FTE's (Budgeted)	67.0	67.0

REGULATORY SERVICES

Regulatory Services includes Commercial Environmental Health (including Food Safety, Workplace Health & Safety, Commercial Noise & Pollution Control), Trading Standards & Licensing & Air Quality; all of which are now part of the new Joint Regulatory Services Partnership with the London Borough of Merton. Special Projects deals mainly with Heathrow related matters. The Registration Service conducts over 1,100 civil ceremonies at the registry office & other approved premises within the borough, in addition to registering life events & citizenship services, including the Nationality Checking Service.

	<u>2014/15</u>	<u>2015/16</u>	<u>2016/17</u>
	<u>Actual</u>	<u>Estimate</u>	<u>Estimate</u>
	<u>£</u>	<u>£</u>	<u>£</u>
<u>Expenditure</u>			
Employees	732,835	351,300	352,400
Premises	97,599	0	0
Transport	20,374	16,500	16,500
Supplies & Services	188,595	68,600	45,000
Third Party Payments	753,814	1,232,100	651,100
Transfer Payments	0	0	0
Support Services	16,542	100	36,000
TOTAL EXPENDITURE	1,809,759	1,668,600	1,101,000
<u>Income</u>			
Government Grants	(862)	0	0
Other Grants & Contributions	0	(2,700)	0
Customer & Client Receipts	(988,613)	(1,035,600)	(602,100)
TOTAL INCOME	(989,475)	(1,038,300)	(602,100)
NET EXPENDITURE (CONTROLLABLE)	820,284	630,300	498,900
<u>Financial Accounting Adjustments</u>			
Central Support Charges	423,507	398,700	296,000
Departmental Support Charges	239,708	239,600	216,300
Capital Charges	4,014	4,000	4,000
Central Support Income	0	0	0
Departmental Support Income	0	0	0
NET ACCOUNTING ADJUSTMENTS	667,229	642,300	516,300
NET EXPENDITURE (ALL BUDGETS)	1,487,513	1,272,600	1,015,200

<u>Variation Analysis</u>		
Original Estimate 2015/16		1,272,600
Inflation		(23,800)
Changes in Government Grants		0
Other Government or Outside Body Changes		0
Demand Led Growth		0
Budget Review Savings		(150,200)
Investment Priorities		0
Other Growth & Savings		0
Budget Transfers		(83,400)
Original Budget 2016/17		1,015,200
<u>Other Information</u>		
Employee FTE's (Budgeted)	7.5	7.5

WASTE SERVICES

In 2014/15 the Council recycled over 41% of the borough's domestic waste. It provides a weekly refuse service to approximately 82,000 properties plus a trade collection service, for which a charge is made. Waste disposal is managed by the West London Waste Authority via a long term contract. Other services undertaken include street cleansing, graffiti removal & the management of the Community Toilet Scheme. It also retains cleansing responsibilities for the A316 & A205 which are part of the Transport for London road network.

	<u>2014/15</u> <u>Actual</u> £	<u>2015/16</u> <u>Estimate</u> £	<u>2016/17</u> <u>Estimate</u> £
<u>Expenditure</u>			
Employees	828,447	759,000	823,800
Premises	129,800	69,700	61,400
Transport	428,193	484,400	674,800
Supplies & Services	470,907	252,500	260,200
Third Party Payments	14,535,813	15,718,200	14,830,700
Transfer Payments	0	0	0
Support Services	3,437	3,800	3,700
TOTAL EXPENDITURE	16,396,597	17,287,600	16,654,600
<u>Income</u>			
Government Grants	0	0	0
Other Grants & Contributions	0	0	0
Customer & Client Receipts	(4,228,656)	(4,042,600)	(4,004,900)
TOTAL INCOME	(4,228,656)	(4,042,600)	(4,004,900)
NET EXPENDITURE (CONTROLLABLE)	12,167,941	13,245,000	12,649,700
<u>Financial Accounting Adjustments</u>			
Central Support Charges	1,239,514	1,589,500	1,627,600
Departmental Support Charges	1,821,743	924,700	689,700
Capital Charges	5,773,644	154,700	1,378,800
Central Support Income	0	0	0
Departmental Support Income	0	0	0
NET ACCOUNTING ADJUSTMENTS	8,834,901	2,668,900	3,696,100
NET EXPENDITURE (ALL BUDGETS)	21,002,842	15,913,900	16,345,800

<u>Variation Analysis</u>	
Original Estimate 2015/16	15,913,900
Inflation	240,300
Changes in Government Grants	0
Other Government or Outside Body Changes	1,900
Demand Led Growth	0
Budget Review Savings	(252,300)
Investment Priorities	0
Other Growth & Savings	0
Budget Transfers	442,000
Original Budget 2016/17	16,345,800
<u>Other Information</u>	
Employee FTE's (Budgeted)	22.0 22.0

HIGHWAYS MANAGEMENT

Highways Management is responsible for the reactive & planned maintenance of 49km of principal roads and 352.5km of other roads, including street lighting and highways structures.

	<u>2014/15</u> <u>Actual</u> <u>£</u>	<u>2015/16</u> <u>Estimate</u> <u>£</u>	<u>2016/17</u> <u>Estimate</u> <u>£</u>
<u>Expenditure</u>			
Employees	915,379	829,600	826,000
Premises	735,783	808,500	761,300
Transport	48,683	32,100	36,100
Supplies & Services	686,360	315,800	595,800
Third Party Payments	3,637,140	2,780,900	2,797,900
Transfer Payments	0	0	0
Support Services	10,554	11,100	10,500
TOTAL EXPENDITURE	6,033,899	4,778,000	5,027,600
<u>Income</u>			
Government Grants	0	0	0
Other Grants & Contributions	0	0	0
Customer & Client Receipts	(3,026,094)	(2,212,600)	(2,254,800)
TOTAL INCOME	(3,026,094)	(2,212,600)	(2,254,800)
NET EXPENDITURE (CONTROLLABLE)	3,007,805	2,565,400	2,772,800
<u>Financial Accounting Adjustments</u>			
Central Support Charges	316,252	414,900	364,400
Departmental Support Charges	1,965,757	1,608,000	1,424,300
Capital Charges	1,624,700	1,421,100	1,646,900
Central Support Income	0	0	0
Departmental Support Income	0	0	0
NET ACCOUNTING ADJUSTMENTS	3,906,709	3,444,000	3,435,600
NET EXPENDITURE (ALL BUDGETS)	6,914,514	6,009,400	6,208,400

<u>Variation Analysis</u>	
Original Estimate 2015/16	6,009,400
Inflation	2,800
Changes in Government Grants	0
Other Government or Outside Body Changes	120,000
Demand Led Growth	0
Budget Review Savings	(80,400)
Investment Priorities	0
Other Growth & Savings	0
Budget Transfers	156,600
Original Budget 2016/17	6,208,400
<u>Other Information</u>	
Employee FTE's (Budgeted)	22.0 22.0

TRANSPORT PLANNING & SAFETY EDUCATION

Transport Planning covers Transport Policy & Programmes, Projects & Partnership functions & Traffic Management. Its key roles are delivering on the borough's transport strategy, securing funding from external sources (mainly Transport for London), road safety education, day to day management of traffic, parking in the borough & design & delivery of the Capital Works Programme.

	<u>2014/15</u> <u>Actual</u> <u>£</u>	<u>2015/16</u> <u>Estimate</u> <u>£</u>	<u>2016/17</u> <u>Estimate</u> <u>£</u>
<u>Expenditure</u>			
Employees	1,051,894	928,800	908,300
Premises	1,406	0	0
Transport	8,522	4,300	4,300
Supplies & Services	33,630	39,000	24,900
Third Party Payments	643,661	509,500	509,500
Transfer Payments	0	0	0
Support Services	29,942	6,200	9,000
TOTAL EXPENDITURE	1,769,055.00	1,487,800	1,456,000
<u>Income</u>			
Government Grants	0	0	0
Other Grants & Contributions	(458,606)	0	0
Customer & Client Receipts	(838,245)	(500,300)	(503,100)
TOTAL INCOME	(1,296,851)	(500,300)	(503,100)
NET EXPENDITURE (CONTROLLABLE)	472,204.00	987,500	952,900
<u>Financial Accounting Adjustments</u>			
Central Support Charges	246,496	239,300	203,300
Departmental Support Charges	204,773	215,000	198,000
Capital Charges	3,531,997	1,414,700	1,432,100
Central Support Income	0	0	0
Departmental Support Income	(183,109)	(181,100)	(172,700)
NET ACCOUNTING ADJUSTMENTS	3,800,157	1,687,900	1,660,700
NET EXPENDITURE (ALL BUDGETS)	4,272,361	2,675,400	2,613,600

<u>Variation Analysis</u>		
Original Estimate 2015/16		2,675,400
Inflation		(20,900)
Changes in Government Grants		0
Other Government or Outside Body Changes		0
Demand Led Growth		0
Budget Review Savings		(200)
Investment Priorities		0
Other Growth & Savings		0
Budget Transfers		(40,700)
Original Budget 2016/17		2,613,600
<u>Other Information</u>		
Employee FTE's (Budgeted)	19.8	19.8

PARKING SERVICES

Parking Services administer 26 car parks containing 2,645 spaces & 38 controlled parking zones. The Parking Enforcement Team processes penalty charge notices issued under prevailing legislation, administers & issues parking permits, & manages the parking enforcement contractor.

	<u>2014/15</u> <u>Actual</u> <u>£</u>	<u>2015/16</u> <u>Estimate</u> <u>£</u>	<u>2016/17</u> <u>Estimate</u> <u>£</u>
<u>Expenditure</u>			
Employees	2,678	0	0
Premises	1,049,224	1,330,100	1,548,500
Transport	1,934	0	0
Supplies & Services	435,077	333,900	330,600
Third Party Payments	1,831,862	2,105,200	2,050,500
Transfer Payments	0	0	0
Support Services	3,246	2,600	4,100
TOTAL EXPENDITURE	3,324,021	3,771,800	3,933,700
<u>Income</u>			
Government Grants	0	0	0
Other Grants & Contributions	(20,000)	0	0
Customer & Client Receipts	(11,426,520)	(12,297,400)	(12,631,800)
TOTAL INCOME	(11,446,520)	(12,297,400)	(12,631,800)
NET EXPENDITURE (CONTROLLABLE)	<u>(8,122,499)</u>	<u>(8,525,600)</u>	<u>(8,698,100)</u>
<u>Financial Accounting Adjustments</u>			
Central Support Charges	508,864	499,100	419,000
Departmental Support Charges	1,153,366	1,032,100	956,800
Capital Charges	345,451	341,400	346,700
Central Support Income	0	0	0
Departmental Support Income	0	0	0
NET ACCOUNTING ADJUSTMENTS	2,007,681	1,872,600	1,722,500
NET EXPENDITURE (ALL BUDGETS)	<u>(6,114,818)</u>	<u>(6,653,000)</u>	<u>(6,975,600)</u>

<u>Variation Analysis</u>		
Original Estimate 2015/16		(6,653,000)
Inflation		(12,700)
Changes in Government Grants		0
Other Government or Outside Body Changes		0
Demand Led Growth		260,000
Budget Review Savings		(383,200)
Investment Priorities		0
Other Growth & Savings		0
Budget Transfers		(186,700)
Original Budget 2016/17		<u>(6,975,600)</u>
<u>Other Information</u>		
Employee FTE's (Budgeted)	0.0	0.0

TRANSPORT FLEET MANAGEMENT & MAINTENANCE

The Transport Services Team provides a complete range of vehicle provision to all services within the Council. The Transport Workshop carries out maintenance & repairs to the Council's fleet consisting of 65 council owned vehicles.

	<u>2014/15</u> <u>Actual</u> £	<u>2015/16</u> <u>Estimate</u> £	<u>2016/17</u> <u>Estimate</u> £
<u>Expenditure</u>			
Employees	304,277	335,100	338,600
Premises	42,882	0	0
Transport	1,064,316	1,457,900	1,337,200
Supplies & Services	43,857	52,800	(78,600)
Third Party Payments	0	700	700
Transfer Payments	0	0	0
Support Services	440	0	100
TOTAL EXPENDITURE	1,455,772	1,846,500	1,598,000
<u>Income</u>			
Government Grants	0	0	0
Other Grants & Contributions	0	0	0
Customer & Client Receipts	(202,048)	(114,700)	(32,200)
TOTAL INCOME	(202,048)	(114,700)	(32,200)
NET EXPENDITURE (CONTROLLABLE)	1,253,724	1,731,800	1,565,800
<u>Financial Accounting Adjustments</u>			
Central Support Charges	29,700	32,700	20,700
Departmental Support Charges	298,342	251,000	258,800
Capital Charges	136,122	166,200	76,500
Central Support Income	(1,727,928)	(2,181,700)	(1,921,800)
Departmental Support Income	0	0	0
NET ACCOUNTING ADJUSTMENTS	(1,263,764)	(1,731,800)	(1,565,800)
NET EXPENDITURE (ALL BUDGETS)	(10,040)	0	0

<u>Variation Analysis</u>		
Original Estimate 2015/16		0
Inflation		3,000
Changes in Government Grants		0
Other Government or Outside Body Changes		0
Demand Led Growth		0
Budget Review Savings		(500)
Investment Priorities		0
Other Growth & Savings		0
Budget Transfers		(2,500)
Original Budget 2016/17		0
<u>Other Information</u>		
Employee FTE's (Budgeted)	8.0	8.0

ARTS & MUSIC

The Arts Service at the historic site of Orleans House Gallery delivers an innovative, integrated & accessible arts provision. Working in partnership with a range of providers & organisations the service works across the borough encouraging all forms of creative development; covering visual arts, dance, drama, music, film & literature.

	<u>2014/15</u> <u>Actual</u> £	<u>2015/16</u> <u>Original</u> £	<u>2016/17</u> <u>Estimate</u> £
<u>Expenditure</u>			
Employees	463,498	360,500	365,800
Premises	77,889	35,600	10,700
Transport	13,614	700	700
Supplies & Services	1,041,054	358,300	375,400
Third Party Payments	11,984	0	0
Transfer Payments	0	28,500	28,500
Support Services	81	200	300
TOTAL EXPENDITURE	1,608,120	783,800	781,400
<u>Income</u>			
Government Grants	(166,079)	0	0
Other Grants & Contributions	(59,210)	(13,500)	0
Customer & Client Receipts	(426,158)	(54,500)	(86,200)
TOTAL INCOME	(651,447)	(68,000)	(86,200)
NET EXPENDITURE (CONTROLLABLE)	956,673	715,800	695,200
<u>Financial Accounting Adjustments</u>			
Central Support Charges	121,311	164,200	189,700
Departmental Support Charges	0	0	30,000
Capital Charges	195,476	4,200	4,200
Central Support Income	0	0	0
Departmental Support Income	0	0	0
NET ACCOUNTING ADJUSTMENTS	316,787	168,400	223,900
NET EXPENDITURE (ALL BUDGETS)	1,273,460	884,200	919,100

Variation Analysis

Original Estimate 2015/16	884,200
Inflation	9,000
Changes in Government Grants	0
Other Government or Outside Body Changes	0
Demand Led Growth	0
Budget Review Savings	(3,700)
Investment Priorities	0
Other Growth & Savings	0
Budget Transfers	29,600
Original Budget 2016/17	919,100
<u>Other Information</u>	
Employee FTE's (Budgeted)	7.5 7.9

LIBRARY SERVICE

The borough has 11 lending libraries & a central reference library & information service at the Old Town Hall. The central reference library comprises the reference library & local studies library.

	<u>2014/15</u> <u>Actual</u> £	<u>2015/16</u> <u>Original</u> £	<u>2016/17</u> <u>Estimate</u> £
<u>Expenditure</u>			
Employees	2,668,171	2,563,000	2,587,700
Premises	474,116	342,500	244,800
Transport	11,231	44,400	15,200
Supplies & Services	660,534	861,800	852,500
Third Party Payments	0	0	0
Transfer Payments	0	0	0
Support Services	99	4,000	4,000
TOTAL EXPENDITURE	3,814,151	3,815,700	3,704,200
<u>Income</u>			
Government Grants	0	0	0
Other Grants & Contributions	(3,550)	0	0
Customer & Client Receipts	82,411	(190,900)	(216,500)
TOTAL INCOME	78,861	(190,900)	(216,500)
NET EXPENDITURE	3,893,012	3,624,800	3,487,700
<u>Financial Accounting Adjustments</u>			
Central Support Charges	669,306	540,100	993,500
Departmental Support Charges	0	0	30,000
Capital Charges	461,828	409,100	404,500
Central Support Income	0	0	0
Departmental Support Income	0	0	0
NET ACCOUNTING ADJUSTMENTS	1,131,134	949,200	1,428,000
NET EXPENDITURE (ALL BUDGETS)	5,024,146	4,574,000	4,915,700

<u>Variation Analysis</u>	
Original Estimate 2015/16	4,574,000
Inflation	2,100
Changes in Government Grants	0
Other Government or Outside Body Changes	(600)
Demand Led Growth	0
Budget Review Savings	(7,300)
Investment Priorities	0
Other Growth & Savings	0
Budget Transfers	347,500
Original Budget 2016/17	4,915,700
<u>Other Information</u>	
Employee FTE's (Budgeted)	80.7 80.7

DIRECTORATE MANAGEMENT & SUPPORT

These budgets incorporate management, finance & general administrative support for the Environment Directorate via admin hubs & technical staff whose duties cover more than one service.

	<u>2014/15</u> <u>Actual</u> <u>£</u>	<u>2015/16</u> <u>Estimate</u> <u>£</u>	<u>2016/17</u> <u>Estimate</u> <u>£</u>
<u>Expenditure</u>			
Employees	3,569,445	3,382,200	3,394,300
Premises	68	0	0
Transport	58,629	37,100	41,500
Supplies & Services	136,096	118,000	104,000
Third Party Payments	13,618	0	0
Transfer Payments	0	0	0
Support Services	28,546	17,100	28,300
TOTAL EXPENDITURE	3,806,402	3,554,400	3,568,100
<u>Income</u>			
Government Grants	(1,014)	0	0
Other Grants & Contributions	0	0	0
Customer & Client Receipts	(304,456)	(244,900)	(254,900)
TOTAL INCOME	(305,470)	(244,900)	(254,900)
NET EXPENDITURE (CONTROLLABLE)	3,500,932	3,309,500	3,313,200
<u>Financial Accounting Adjustments</u>			
Central Support Charges	1,570,507	1,583,800	1,201,000
Departmental Support Charges	35,133	34,200	0
Capital Charges	0	0	0
Central Support Income	0	0	0
Departmental Support Income	(5,106,572)	(4,927,500)	(4,514,200)
NET ACCOUNTING ADJUSTMENTS	(3,500,932)	(3,309,500)	(3,313,200)
NET EXPENDITURE (ALL BUDGETS)	0	0	0

<u>Variation Analysis</u>		
Original Estimate 2015/16		0
Inflation		4,000
Changes in Government Grants		0
Other Government or Outside Body Changes		0
Demand Led Growth		0
Budget Review Savings		(400)
Investment Priorities		0
Other Growth & Savings		0
Budget Transfers		(3,600)
Original Budget 2016/17		0
<u>Other Information</u>		
Employee FTE's (Budgeted)	75.2	75.2

ADULT & COMMUNITY SERVICES

Should you have any queries concerning the Adult & Community Services pages please contact:

Brian Blenman
Principal Finance Manager

Tel: 020 8891 7205

b.blenman@richmond.gov.uk

SECTION F

ADULT & COMMUNITY SERVICES

SUMMARY BY SERVICE AREA

<u>PURPOSE</u>	<u>2014/15</u>	<u>2015/16</u>	<u>2016/17</u>
	<u>Actual</u>	<u>Estimate</u>	<u>Estimate</u>
	<u>£</u>	<u>£</u>	<u>£</u>
Commissioning Care Services Management	0	0	0
Community Teams	6,900,646	6,332,900	6,426,300
Care Services - Older People & Physical Disabilities	12,880,625	14,170,700	15,596,500
Care Services - Learning Disabilities	18,607,808	18,977,700	20,953,800
Care Services - Mental Health	4,707,776	4,830,900	4,845,200
Care Services - Support with Memory and Cognition	4,361,920	4,409,200	4,236,300
Care services - Sensory Support	312,833	470,300	439,600
Careline	779,341	845,000	792,800
Other Commissioned Services - Adult Social Care	2,063,049	1,426,100	130,600
Performance & Quality Assurance	0	0	0
Community Services Operations Management	700	0	0
Housing Advice & Assessment	1,357,005	1,254,300	1,173,500
Resettlement Service	186,686	165,800	337,000
Temporary Accommodation	4,144,961	5,377,300	2,024,600
Private Sector Housing Team	2,353,663	2,951,000	3,023,100
Care Provision - Learning Disabilities	3,545,180	3,349,800	701,900
Care Provision - Older People & Physical Disabilities	2,767,390	2,582,100	2,586,700
Transport Operations	0	(12,800)	(229,900)
Accessible Transport Unit	8,112,075	8,600,000	8,859,700
Commissioning Corp. Policy & Strategy Management	0	0	0
Accountability & Engagement	1,288,727	1,087,800	1,282,400
Partnerships & Planning	1,206,055	1,433,200	1,441,700
Voluntary Organisations - Corporate Grants Programme	1,156,623	949,300	1,091,600
Corporate Procurement	0	0	0
Corporate Equality & Diversity	0	0	0
Corporate Communications	0	0	0
Democratic Services & Representation	2,531,255	2,323,100	2,149,100
Rent Allowances	(663,075)	38,600	109,500
Supported Housing Services	2,683,670	2,528,800	2,057,100
Direct Management, Finance & Resources	385,645	516,500	684,200
Joint Commissioning Collaborative Team	(29,824)	0	0
Customer Services	0	0	0
Public Health Services	331,599	0	0
Total Adult & Community Services Directorate	81,972,333	84,607,600	80,713,300

Variation Analysis

Original Estimate 2015/16	84,607,600
Inflation	657,300
Changes in Government Grants	500,500
Other Government or Outside Body Changes	126,200
Demand Led Growth	500,000
Budget Review Savings	(1,621,000)
Investment Priorities	0
Other Growth & Savings	1,115,000
Budget Transfers	(5,172,300)
Original Budget 2016/17	80,713,300

SECTION F

ADULT & COMMUNITY SERVICES

SUBJECTIVE ANALYSIS

	<u>2014/15</u> <u>Actual</u> £	<u>2015/16</u> <u>Estimate</u> £	<u>2016/17</u> <u>Estimate</u> £
<u>Expenditure</u>			
Employees	26,847,283	26,058,900	23,411,900
Premises	2,018,549	1,936,900	1,555,900
Transport	1,602,937	1,679,600	1,484,100
Supplies & Services	6,880,600	7,217,000	8,444,400
Third Party Payments	66,348,764	71,320,400	66,732,600
Transfer Payments	77,262,482	80,970,000	79,360,400
Support Services	400,550	238,700	288,300
TOTAL EXPENDITURE	181,361,165	189,421,500	181,277,600
<u>Income</u>			
Government Grants	(81,569,270)	(82,781,100)	(86,497,000)
Other Grants & Contributions	(4,521,336)	(12,713,700)	(1,766,200)
Customer & Client Receipts	(21,295,272)	(19,364,800)	(17,370,500)
TOTAL INCOME	(107,385,878)	(114,859,600)	(105,633,700)
NET EXPENDITURE (CONTROLLABLE)	73,975,287	74,561,900	75,643,900
<u>Financial Accounting Adjustments</u>			
Central Support Charges	8,396,706	8,714,900	6,088,700
Departmental Support Charges	9,146,911	8,095,300	7,773,800
Capital Charges	4,053,941	5,914,800	2,831,700
Central Support Income	(4,453,601)	(4,584,000)	(3,825,000)
Departmental Support Income	(9,146,911)	(8,095,300)	(7,799,800)
NET ACCOUNTING ADJUSTMENTS	7,997,046	10,045,700	5,069,400
NET EXPENDITURE (ALL BUDGETS)	81,972,333	84,607,600	80,713,300

BUDGETED STAFFING FTE'S

	2015/16	2016/17
Number of full time equivalent employees	642.4	547.0

SECTION F

ADULT & COMMUNITY SERVICES

COMMISSIONING CARE SERVICES MANAGEMENT

This includes the management costs of Commissioning Care Services Division, recharged to services within the division.

	<u>2014/15</u> <u>Actual</u> <u>£</u>	<u>2015/16</u> <u>Estimate</u> <u>£</u>	<u>2016/17</u> <u>Estimate</u> <u>£</u>
<u>Expenditure</u>			
Employees	663,279	785,800	732,700
Premises	18,161	0	0
Transport	837	800	800
Supplies & Services	23,387	33,300	33,300
Third Party Payments	0	0	0
Transfer Payments	0	0	0
Support Services	11,213	1,900	4,600
TOTAL EXPENDITURE	716,877	821,800	771,400
<u>Income</u>			
Government Grants	0	0	0
Other Grants & Contributions	0	(23,200)	(23,200)
Customer & Client Receipts	2,765	0	0
TOTAL INCOME	2,765	(23,200)	(23,200)
NET EXPENDITURE (CONTROLLABLE)	719,642	798,600	748,200
<u>Financial Accounting Adjustments</u>			
Central Support Charges	103,938	126,600	60,400
Departmental Support Charges	205,831	232,500	213,600
Capital Charges	0	0	0
Central Support Income	0	0	0
Departmental Support Income	(1,029,411)	(1,157,700)	(1,022,200)
NET ACCOUNTING ADJUSTMENTS	(719,642)	(798,600)	(748,200)
NET EXPENDITURE (ALL BUDGETS)	0	0	0

<u>Variation Analysis</u>		
Original Estimate 2015/16		0
Inflation		(1,000)
Changes in Government Grants		0
Other Government or Outside Body Changes		0
Demand Led Growth		0
Budget Review Savings		(300)
Investment Priorities		0
Other Growth & Savings		0
Budget Transfers		1,300
Original Budget 2016/17		0
<u>Other Information</u>		
Employee FTE's (Budgeted)	7.0	6.0

SECTION F

ADULT & COMMUNITY SERVICES

COMMUNITY TEAMS

This provides statutory assessment, care management, occupational therapy & safeguarding services for adults & older people; including the community Mental Health Teams, managed by South West London & St. George's Mental Health Trust.

	<u>2014/15</u> <u>Actual</u> £	<u>2015/16</u> <u>Estimate</u> £	<u>2016/17</u> <u>Estimate</u> £
<u>Expenditure</u>			
Employees	4,230,174	3,889,700	4,279,100
Premises	178,959	126,700	176,700
Transport	56,514	53,800	53,800
Supplies & Services	512,739	1,083,900	1,127,500
Third Party Payments	8,607	50,000	0
Transfer Payments	1,080	6,900	6,900
Support Services	21,719	13,000	20,300
TOTAL EXPENDITURE	5,009,792	5,224,000	5,664,300
<u>Income</u>			
Government Grants	(125,000)	(975,500)	(557,000)
Other Grants & Contributions	(1,171)	0	0
Customer & Client Receipts	(462,863)	(311,600)	(311,600)
TOTAL INCOME	(589,034)	(1,287,100)	(868,600)
NET EXPENDITURE (CONTROLLABLE)	4,420,758	3,936,900	4,795,700
<u>Financial Accounting Adjustments</u>			
Central Support Charges	1,339,480	1,154,900	777,000
Departmental Support Charges	1,256,482	1,249,500	1,295,600
Capital Charges	336	300	300
Central Support Income	0	0	0
Departmental Support Income	(116,410)	(8,700)	(442,300)
NET ACCOUNTING ADJUSTMENTS	2,479,888	2,396,000	1,630,600
NET EXPENDITURE (ALL BUDGETS)	6,900,646	6,332,900	6,426,300

<u>Variation Analysis</u>	
Original Estimate 2015/16	6,332,900
Inflation	22,500
Changes in Government Grants	500,500
Other Government or Outside Body Changes	0
Demand Led Growth	0
Budget Review Savings	(9,500)
Investment Priorities	0
Other Growth & Savings	500,000
Budget Transfers	(920,100)
Original Budget 2016/17	6,426,300
<u>Other Information</u>	
Employee FTE's (Budgeted)	99.1 102.6

SECTION F

ADULT & COMMUNITY SERVICES

CARE SERVICES - OLDER PEOPLE & PHYSICAL DISABILITIES

This budget covers independent sector provision of care services for older people & physical disabilities including residential & nursing care, direct payments & equipment/minor adaptations, meals, domiciliary care & short breaks for carers.

	<u>2014/15</u> <u>Actual</u> £	<u>2015/16</u> <u>Estimate</u> £	<u>2016/17</u> <u>Estimate</u> £
<u>Expenditure</u>			
Employees	1,315,127	1,344,000	1,340,600
Premises	51,701	3,000	100
Transport	132,508	130,600	130,600
Supplies & Services	522,865	247,900	229,500
Third Party Payments	16,716,792	22,443,600	19,213,800
Transfer Payments	3,062,877	3,559,600	3,465,200
Support Services	171	0	100
TOTAL EXPENDITURE	21,802,041	27,728,700	24,379,900
<u>Income</u>			
Government Grants	(2,945,037)	(855,500)	(4,891,100)
Other Grants & Contributions	(2,777,499)	(9,810,400)	(551,100)
Customer & Client Receipts	(5,450,672)	(5,002,900)	(5,347,100)
TOTAL INCOME	(11,173,208)	(15,668,800)	(10,789,300)
NET EXPENDITURE (CONTROLLABLE)	10,628,833	12,059,900	13,590,600
<u>Financial Accounting Adjustments</u>			
Central Support Charges	330,671	529,500	207,400
Departmental Support Charges	1,596,433	1,258,100	1,473,700
Capital Charges	324,688	323,200	324,800
Central Support Income	0	0	0
Departmental Support Income	0	0	0
NET ACCOUNTING ADJUSTMENTS	2,251,792	2,110,800	2,005,900
NET EXPENDITURE (ALL BUDGETS)	12,880,625	14,170,700	15,596,500

<u>Variation Analysis</u>	
Original Estimate 2015/16	14,170,700
Inflation	73,800
Changes in Government Grants	0
Other Government or Outside Body Changes	0
Demand Led Growth	500,000
Budget Review Savings	(179,300)
Investment Priorities	0
Other Growth & Savings	500,000
Budget Transfers	531,300
Original Budget 2016/17	15,596,500
<u>Other Information</u>	
Employee FTE's (Budgeted)	34.1 40.6

SECTION F

ADULT & COMMUNITY SERVICES

CARE SERVICES - LEARNING DISABILITIES

This budget covers independent sector provision of care services for adults with learning disabilities, including residential & nursing care, direct payments, day support services, supported accommodation & short breaks for carers.

	<u>2014/15</u> <u>Actual</u> <u>£</u>	<u>2015/16</u> <u>Estimate</u> <u>£</u>	<u>2016/17</u> <u>Estimate</u> <u>£</u>
<u>Expenditure</u>			
Employees	166,846	144,800	0
Premises	200,029	196,800	424,200
Transport	115,753	175,000	175,000
Supplies & Services	66,656	0	0
Third Party Payments	15,698,297	15,836,300	17,812,400
Transfer Payments	1,912,446	2,006,400	2,545,300
Support Services	33	0	0
TOTAL EXPENDITURE	18,160,060	18,359,300	20,956,900
<u>Income</u>			
Government Grants	(23,700)	0	(22,000)
Other Grants & Contributions	(233,170)	(53,000)	(86,000)
Customer & Client Receipts	(1,047,886)	(927,700)	(1,541,000)
TOTAL INCOME	(1,304,756)	(980,700)	(1,649,000)
NET EXPENDITURE (CONTROLLABLE)	16,855,304	17,378,600	19,307,900
<u>Financial Accounting Adjustments</u>			
Central Support Charges	43,981	282,000	236,200
Departmental Support Charges	1,684,287	1,317,100	1,364,700
Capital Charges	24,236	0	45,000
Central Support Income	0	0	0
Departmental Support Income	0	0	0
NET ACCOUNTING ADJUSTMENTS	1,752,504	1,599,100	1,645,900
NET EXPENDITURE (ALL BUDGETS)	18,607,808	18,977,700	20,953,800

<u>Variation Analysis</u>	
Original Estimate 2015/16	18,977,700
Inflation	90,700
Changes in Government Grants	0
Other Government or Outside Body Changes	0
Demand Led Growth	0
Budget Review Savings	(248,600)
Investment Priorities	0
Other Growth & Savings	0
Budget Transfers	2,134,000
Original Budget 2016/17	20,953,800
<u>Other Information</u>	
Employee FTE's (Budgeted)	5.2 0.0

SECTION F

ADULT & COMMUNITY SERVICES

CARE SERVICES - MENTAL HEALTH

This budget covers independent sector provision of care services for adults under 65 with mental health needs, as well as in house services managed by South West London & St. Georges Mental Health Trust.

	<u>2014/15</u> <u>Actual</u> £	<u>2015/16</u> <u>Estimate</u> £	<u>2016/17</u> <u>Estimate</u> £
<u>Expenditure</u>			
Employees	1,559,072	1,504,100	1,515,100
Premises	142,155	129,400	129,400
Transport	14,138	22,300	22,300
Supplies & Services	119,399	248,900	248,900
Third Party Payments	3,240,308	3,391,200	3,331,800
Transfer Payments	126,858	107,100	219,200
Support Services	6,184	3,500	2,900
TOTAL EXPENDITURE	5,208,114	5,406,500	5,469,600
<u>Income</u>			
Government Grants	(28,600)	(28,600)	(181,500)
Other Grants & Contributions	(924,318)	(936,400)	(876,400)
Customer & Client Receipts	(446,123)	(534,900)	(338,800)
TOTAL INCOME	(1,399,041)	(1,499,900)	(1,396,700)
NET EXPENDITURE (CONTROLLABLE)	3,809,073	3,906,600	4,072,900
<u>Financial Accounting Adjustments</u>			
Central Support Charges	231,156	323,400	173,700
Departmental Support Charges	652,589	582,800	583,200
Capital Charges	14,958	18,100	15,400
Central Support Income	0	0	0
Departmental Support Income	0	0	0
NET ACCOUNTING ADJUSTMENTS	898,703	924,300	772,300
NET EXPENDITURE (ALL BUDGETS)	4,707,776	4,830,900	4,845,200

<u>Variation Analysis</u>	
Original Estimate 2015/16	4,830,900
Inflation	21,100
Changes in Government Grants	0
Other Government or Outside Body Changes	0
Demand Led Growth	0
Budget Review Savings	(53,700)
Investment Priorities	0
Other Growth & Savings	0
Budget Transfers	46,900
Original Budget 2016/17	4,845,200
<u>Other Information</u>	
Employee FTE's (Budgeted)	44.9 39.8

SECTION F

ADULT & COMMUNITY SERVICES

CARE SERVICES - SUPPORT WITH MEMORY & COGNITION

Support with memory & cognition includes services for clients with conditions affecting their thinking, knowing, awareness & remembering processes. Service areas include residential & nursing care, supported accommodation, direct payments, home care & supported living.

	<u>2014/15</u> <u>Actual</u> £	<u>2015/16</u> <u>Estimate</u> £	<u>2016/17</u> <u>Estimate</u> £
<u>Expenditure</u>			
Employees	0	0	0
Premises	0	0	0
Transport	0	0	0
Supplies & Services	56,980	0	0
Third Party Payments	5,939,330	6,309,000	6,207,500
Transfer Payments	346,773	356,000	413,200
Support Services	0	0	0
TOTAL EXPENDITURE	6,343,083	6,665,000	6,620,700
<u>Income</u>			
Government Grants	0	0	0
Other Grants & Contributions	(54,126)	0	(154,900)
Customer & Client Receipts	(2,243,189)	(2,503,500)	(2,482,300)
TOTAL INCOME	(2,297,315)	(2,503,500)	(2,637,200)
NET EXPENDITURE (CONTROLLABLE)	<u>4,045,768</u>	<u>4,161,500</u>	<u>3,983,500</u>
<u>Financial Accounting Adjustments</u>			
Central Support Charges	0	0	0
Departmental Support Charges	316,152	247,700	252,800
Capital Charges	0	0	0
Central Support Income	0	0	0
Departmental Support Income	0	0	0
NET ACCOUNTING ADJUSTMENTS	316,152	247,700	252,800
NET EXPENDITURE (ALL BUDGETS)	<u>4,361,920</u>	<u>4,409,200</u>	<u>4,236,300</u>

<u>Variation Analysis</u>		
Original Estimate 2015/16		4,409,200
Inflation		33,000
Changes in Government Grants		0
Other Government or Outside Body Changes		0
Demand Led Growth		0
Budget Review Savings		(126,800)
Investment Priorities		0
Other Growth & Savings		0
Budget Transfers		(79,100)
Original Budget 2016/17		<u>4,236,300</u>
<u>Other Information</u>		
Employee FTE's (Budgeted)	0.0	0.0

SECTION F

ADULT & COMMUNITY SERVICES

CARE SERVICES - SENSORY SUPPORT

Sensory support includes visual impairment, hearing impairment or dual impairment. Service areas include residential and nursing care, supported accommodation, direct payments, home care & supported living.

	<u>2014/15</u> <u>Actual</u> <u>£</u>	<u>2015/16</u> <u>Estimate</u> <u>£</u>	<u>2016/17</u> <u>Estimate</u> <u>£</u>
<u>Expenditure</u>			
Employees	0	0	0
Premises	0	0	0
Transport	0	0	0
Supplies & Services	5,675	0	0
Third Party Payments	219,457	243,800	239,600
Transfer Payments	235,392	251,600	245,900
Support Services	0	0	0
TOTAL EXPENDITURE	460,524	495,400	485,500
<u>Income</u>			
Government Grants	0	0	0
Other Grants & Contributions	0	0	0
Customer & Client Receipts	(176,969)	(47,600)	(71,900)
TOTAL INCOME	(176,969)	(47,600)	(71,900)
NET EXPENDITURE (CONTROLLABLE)	283,555	447,800	413,600
<u>Financial Accounting Adjustments</u>			
Central Support Charges	0	0	0
Departmental Support Charges	29,278	22,500	26,000
Capital Charges	0	0	0
Central Support Income	0	0	0
Departmental Support Income	0	0	0
NET ACCOUNTING ADJUSTMENTS	29,278	22,500	26,000
NET EXPENDITURE (ALL BUDGETS)	312,833	470,300	439,600

<u>Variation Analysis</u>	
Original Estimate 2015/16	470,300
Inflation	1,200
Changes in Government Grants	0
Other Government or Outside Body Changes	0
Demand Led Growth	0
Budget Review Savings	0
Investment Priorities	0
Other Growth & Savings	0
Budget Transfers	(31,900)
Original Budget 2016/17	439,600
<u>Other Information</u>	
Employee FTE's (Budgeted)	0.0
	0.0

SECTION F

ADULT & COMMUNITY SERVICES

CARELINE

Careline provides monitoring of community alarms & telecare sensors for the elderly & vulnerable. It also provides messaging services out of hours for the Council & other partnership agencies. The service also monitors the Council's closed circuit television cameras (CCTV) across the Borough.

	<u>2014/15</u> <u>Actual</u> <u>£</u>	<u>2015/16</u> <u>Estimate</u> <u>£</u>	<u>2016/17</u> <u>Estimate</u> <u>£</u>
<u>Expenditure</u>			
Employees	671,713	702,900	664,800
Premises	37,735	28,700	28,700
Transport	22,462	17,200	17,200
Supplies & Services	247,434	283,500	280,200
Third Party Payments	0	0	0
Transfer Payments	250	0	0
Support Services	0	0	0
TOTAL EXPENDITURE	979,594	1,032,300	990,900
<u>Income</u>			
Government Grants	0	0	0
Other Grants & Contributions	0	0	0
Customer & Client Receipts	(523,981)	(516,900)	(558,800)
TOTAL INCOME	(523,981)	(516,900)	(558,800)
NET EXPENDITURE (CONTROLLABLE)	455,613	515,400	432,100
<u>Financial Accounting Adjustments</u>			
Central Support Charges	174,716	180,500	205,300
Departmental Support Charges	132,655	138,700	124,100
Capital Charges	16,357	10,400	31,300
Central Support Income	0	0	0
Departmental Support Income	0	0	0
NET ACCOUNTING ADJUSTMENTS	323,728	329,600	360,700
NET EXPENDITURE (ALL BUDGETS)	779,341	845,000	792,800

Variation Analysis

Original Estimate 2015/16	845,000
Inflation	(17,800)
Changes in Government Grants	0
Other Government or Outside Body Changes	0
Demand Led Growth	0
Budget Review Savings	(62,200)
Investment Priorities	0
Other Growth & Savings	0
Budget Transfers	27,800
Original Budget 2016/17	792,800
<u>Other Information</u>	
Employee FTE's (Budgeted)	15.0 15.0

SECTION F

ADULT & COMMUNITY SERVICES

OTHER COMMISSIONED SERVICES - ADULT SOCIAL CARE

A range of universal & preventative adult services commissioned in partnership with health partners. Services include community independent living, the carers hub, advocacy, home maintenance, information & advice, community capacity, community support & outreach services.

	<u>2014/15</u> <u>Actual</u> <u>£</u>	<u>2015/16</u> <u>Estimate</u> <u>£</u>	<u>2016/17</u> <u>Estimate</u> <u>£</u>
<u>Expenditure</u>			
Employees	0	0	0
Premises	0	0	0
Transport	0	0	0
Supplies & Services	389,346	166,900	117,800
Third Party Payments	2,814,568	2,933,800	2,098,700
Transfer Payments	0	0	0
Support Services	0	0	0
TOTAL EXPENDITURE	3,203,914	3,100,700	2,216,500
<u>Income</u>			
Government Grants	(1,265,000)	(200,000)	(1,858,100)
Other Grants & Contributions	48,509	(1,542,100)	0
Customer & Client Receipts	(195,483)	(183,800)	(334,500)
TOTAL INCOME	(1,411,974)	(1,925,900)	(2,192,600)
NET EXPENDITURE (CONTROLLABLE)	1,791,940	1,174,800	23,900
<u>Financial Accounting Adjustments</u>			
Central Support Charges	67,961	166,400	80,900
Departmental Support Charges	203,148	84,900	13,200
Capital Charges	0	0	12,600
Central Support Income	0	0	0
Departmental Support Income	0	0	0
NET ACCOUNTING ADJUSTMENTS	271,109	251,300	106,700
NET EXPENDITURE (ALL BUDGETS)	2,063,049	1,426,100	130,600

Variation Analysis

Original Estimate 2015/16	1,426,100
Inflation	4,200
Changes in Government Grants	0
Other Government or Outside Body Changes	0
Demand Led Growth	0
Budget Review Savings	(98,600)
Investment Priorities	0
Other Growth & Savings	0
Budget Transfers	(1,201,100)
Original Budget 2016/17	130,600
<u>Other Information</u>	
Employee FTE's (Budgeted)	0.0 0.0

SECTION F

ADULT & COMMUNITY SERVICES

PERFORMANCE & QUALITY ASSURANCE

This team supports the IT systems used by the ACS Directorate & manages the collation of performance information for management & statutory purposes across it. It also undertakes contract monitoring quality assurance for Commissioned Adult Social Care Services.

	<u>2014/15</u> <u>Actual</u> £	<u>2015/16</u> <u>Estimate</u> £	<u>2016/17</u> <u>Estimate</u> £
<u>Expenditure</u>			
Employees	993,973	892,200	988,800
Premises	11,165	4,300	0
Transport	716	1,300	1,300
Supplies & Services	213,532	190,300	145,800
Third Party Payments	155,000	110,900	156,500
Transfer Payments	0	0	0
Support Services	0	200	200
TOTAL EXPENDITURE	1,374,386	1,199,200	1,292,600
<u>Income</u>			
Government Grants	(75,700)	(46,000)	(148,000)
Other Grants & Contributions	0	(16,500)	(16,500)
Customer & Client Receipts	(63,632)	(27,500)	(27,500)
TOTAL INCOME	(139,332)	(90,000)	(192,000)
NET EXPENDITURE (CONTROLLABLE)	1,235,054	1,109,200	1,100,600
<u>Financial Accounting Adjustments</u>			
Central Support Charges	251,044	252,600	156,000
Departmental Support Charges	137,642	145,800	138,600
Capital Charges	0	0	0
Central Support Income	0	0	0
Departmental Support Income	(1,623,740)	(1,507,600)	(1,395,200)
NET ACCOUNTING ADJUSTMENTS	(1,235,054)	(1,109,200)	(1,100,600)
NET EXPENDITURE (ALL BUDGETS)	0	0	0

Variation Analysis

Original Estimate 2015/16	0
Inflation	3,900
Changes in Government Grants	0
Other Government or Outside Body Changes	0
Demand Led Growth	0
Budget Review Savings	(500)
Investment Priorities	0
Other Growth & Savings	0
Budget Transfers	(3,400)
Original Budget 2016/17	0
<u>Other Information</u>	
Employee FTE's (Budgeted)	18.2 20.2

SECTION F

ADULT & COMMUNITY SERVICES

COMMUNITY SERVICES OPERATIONS MANAGEMENT

This includes the management costs of the Community Services Operations Division, recharged to services within the division.

	<u>2014/15</u> <u>Actual</u> £	<u>2015/16</u> <u>Estimate</u> £	<u>2016/17</u> <u>Estimate</u> £
<u>Expenditure</u>			
Employees	270,129	231,800	229,200
Premises	0	0	0
Transport	693	500	500
Supplies & Services	4,179	1,000	1,000
Third Party Payments	0	0	0
Transfer Payments	0	0	0
Support Services	2,393	700	1,900
TOTAL EXPENDITURE	277,394	234,000	232,600
<u>Income</u>			
Government Grants	0	0	0
Other Grants & Contributions	0	0	0
Customer & Client Receipts	0	0	0
TOTAL INCOME	0	0	0
NET EXPENDITURE (CONTROLLABLE)	277,394	234,000	232,600
<u>Financial Accounting Adjustments</u>			
Central Support Charges	35,932	34,700	37,700
Departmental Support Charges	63,129	66,600	64,600
Capital Charges	0	0	0
Central Support Income	0	0	0
Departmental Support Income	(375,755)	(335,300)	(334,900)
NET ACCOUNTING ADJUSTMENTS	(276,694)	(234,000)	(232,600)
NET EXPENDITURE (ALL BUDGETS)	700	0	0

<u>Variation Analysis</u>		
Original Estimate 2015/16		0
Inflation		(5,000)
Changes in Government Grants		0
Other Government or Outside Body Changes		0
Demand Led Growth		0
Budget Review Savings		0
Investment Priorities		0
Other Growth & Savings		0
Budget Transfers		5,000
Original Budget 2016/17		0
<u>Other Information</u>		
Employee FTE's (Budgeted)	3.0	3.0

SECTION F

ADULT & COMMUNITY SERVICES

HOUSING ADVICE & ASSESSMENT

This team provides advice to tenants, landlords, those who are threatened with eviction or unable to pay their rent/mortgage, those who have problems with a member of their household & to those fleeing domestic violence or suffering other problems.

	<u>2014/15</u> <u>Actual</u> £	<u>2015/16</u> <u>Estimate</u> £	<u>2016/17</u> <u>Estimate</u> £
<u>Expenditure</u>			
Employees	705,777	695,600	693,500
Premises	48,952	8,800	8,800
Transport	13,026	14,500	14,500
Supplies & Services	71,068	130,000	107,000
Third Party Payments	0	0	0
Transfer Payments	205,384	141,200	141,200
Support Services	101,102	68,500	83,800
TOTAL EXPENDITURE	1,145,309	1,058,600	1,048,800
<u>Income</u>			
Government Grants	0	0	0
Other Grants & Contributions	0	0	0
Customer & Client Receipts	(69,971)	(130,600)	(130,600)
TOTAL INCOME	(69,971)	(130,600)	(130,600)
NET EXPENDITURE (CONTROLLABLE)	1,075,338	928,000	918,200
<u>Financial Accounting Adjustments</u>			
Central Support Charges	206,279	247,500	165,800
Departmental Support Charges	75,388	78,800	89,500
Capital Charges	0	0	0
Central Support Income	0	0	0
Departmental Support Income	0	0	0
NET ACCOUNTING ADJUSTMENTS	281,667	326,300	255,300
NET EXPENDITURE (ALL BUDGETS)	1,357,005	1,254,300	1,173,500

<u>Variation Analysis</u>	
Original Estimate 2015/16	1,254,300
Inflation	(1,300)
Changes in Government Grants	0
Other Government or Outside Body Changes	0
Demand Led Growth	0
Budget Review Savings	(800)
Investment Priorities	0
Other Growth & Savings	0
Budget Transfers	(78,700)
Original Budget 2016/17	1,173,500
<u>Other Information</u>	
Employee FTE's (Budgeted)	17.8

SECTION F

ADULT & COMMUNITY SERVICES

RESETTLEMENT SERVICE

The Resettlement Service provides emotional & practical support to clients of all ages who are vulnerable as a result of mental health, learning or physical disabilities. The team works with them & supports them when moving into temporary or permanent accommodation.

	<u>2014/15</u> <u>Actual</u> <u>£</u>	<u>2015/16</u> <u>Estimate</u> <u>£</u>	<u>2016/17</u> <u>Estimate</u> <u>£</u>
<u>Expenditure</u>			
Employees	221,188	214,100	214,300
Premises	0	0	0
Transport	12,161	13,400	13,400
Supplies & Services	53,607	80,300	78,300
Third Party Payments	0	0	0
Transfer Payments	133	0	0
Support Services	94	2,000	2,000
TOTAL EXPENDITURE	287,183	309,800	308,000
<u>Income</u>			
Government Grants	0	0	0
Other Grants & Contributions	0	0	0
Customer & Client Receipts	(187,220)	(228,200)	(42,600)
TOTAL INCOME	(187,220)	(228,200)	(42,600)
NET EXPENDITURE (CONTROLLABLE)	99,963	81,600	265,400
<u>Financial Accounting Adjustments</u>			
Central Support Charges	71,692	68,800	44,900
Departmental Support Charges	15,031	15,400	26,700
Capital Charges	0	0	0
Central Support Income	0	0	0
Departmental Support Income	0	0	0
NET ACCOUNTING ADJUSTMENTS	86,723	84,200	71,600
NET EXPENDITURE (ALL BUDGETS)	186,686	165,800	337,000

<u>Variation Analysis</u>		
Original Estimate 2015/16		165,800
Inflation		700
Changes in Government Grants		0
Other Government or Outside Body Changes		0
Demand Led Growth		0
Budget Review Savings		(700)
Investment Priorities		0
Other Growth & Savings		0
Budget Transfers		171,200
Original Budget 2016/17		337,000
<u>Other Information</u>		
Employee FTE's (Budgeted)	5.5	5.5

SECTION F

ADULT & COMMUNITY SERVICES

TEMPORARY ACCOMMODATION

The Temporary Accommodation Service lease properties from private sector landlords & procure bed & breakfast accommodation for use as temporary accommodation for people who approach the Council as homeless. In addition, the team manage three hostels located in the borough.

	<u>2014/15</u> <u>Actual</u> £	<u>2015/16</u> <u>Estimate</u> £	<u>2016/17</u> <u>Estimate</u> £
<u>Expenditure</u>			
Employees	542,363	569,400	569,500
Premises	347,939	212,500	73,500
Transport	6,844	11,800	11,800
Supplies & Services	486,755	496,800	492,400
Third Party Payments	0	0	0
Transfer Payments	2,997,875	3,193,400	3,314,600
Support Services	7,985	9,100	8,400
TOTAL EXPENDITURE	4,389,761	4,493,000	4,470,200
<u>Income</u>			
Government Grants	(93,543)	0	0
Other Grants & Contributions	(53,162)	0	0
Customer & Client Receipts	(2,661,184)	(2,827,300)	(2,827,300)
TOTAL INCOME	(2,807,889)	(2,827,300)	(2,827,300)
NET EXPENDITURE (CONTROLLABLE)	1,581,872	1,665,700	1,642,900
<u>Financial Accounting Adjustments</u>			
Central Support Charges	198,203	227,100	185,600
Departmental Support Charges	159,891	113,000	112,600
Capital Charges	2,204,995	3,371,500	83,500
Central Support Income	0	0	0
Departmental Support Income	0	0	0
NET ACCOUNTING ADJUSTMENTS	2,563,089	3,711,600	381,700
NET EXPENDITURE (ALL BUDGETS)	4,144,961	5,377,300	2,024,600

Variation Analysis

Original Estimate 2015/16	5,377,300
Inflation	126,200
Changes in Government Grants	0
Other Government or Outside Body Changes	0
Demand Led Growth	0
Budget Review Savings	(4,600)
Investment Priorities	0
Other Growth & Savings	0
Budget Transfers	(3,474,300)
Original Budget 2016/17	2,024,600
<u>Other Information</u>	
Employee FTE's (Budgeted)	12.8

PRIVATE SECTOR & OTHER HOUSING

The Private Sector Housing Service deals with environmental health, including the provision of grants & loans to adapt & improve homes, as well as domestic noise & pest control.

	<u>2014/15</u> <u>Actual</u> <u>£</u>	<u>2015/16</u> <u>Estimate</u> <u>£</u>	<u>2016/17</u> <u>Estimate</u> <u>£</u>
<u>Expenditure</u>			
Employees	689,352	636,300	634,200
Premises	81,541	23,600	31,300
Transport	18,700	18,200	18,200
Supplies & Services	141,605	82,600	76,800
Third Party Payments	8,359	40,200	31,600
Transfer Payments	0	0	0
Support Services	1,331	1,900	2,000
TOTAL EXPENDITURE	940,888	802,800	794,100
<u>Income</u>			
Government Grants	0	0	0
Other Grants & Contributions	(7,994)	(31,000)	(31,000)
Customer & Client Receipts	(260,099)	(192,600)	(178,700)
TOTAL INCOME	(268,093)	(223,600)	(209,700)
NET EXPENDITURE (CONTROLLABLE)	672,795	579,200	584,400
<u>Financial Accounting Adjustments</u>			
Central Support Charges	198,554	193,100	146,200
Departmental Support Charges	185,232	158,700	229,500
Capital Charges	1,297,082	2,020,000	2,063,000
Central Support Income	0	0	0
Departmental Support Income	0	0	0
NET ACCOUNTING ADJUSTMENTS	1,680,868	2,371,800	2,438,700
NET EXPENDITURE (ALL BUDGETS)	2,353,663	2,951,000	3,023,100

Variation Analysis

Original Estimate 2015/16	2,951,000
Inflation	(1,800)
Changes in Government Grants	0
Other Government or Outside Body Changes	0
Demand Led Growth	0
Budget Review Savings	(500)
Investment Priorities	0
Other Growth & Savings	0
Budget Transfers	74,400
Original Budget 2016/17	3,023,100
<u>Other Information</u>	
Employee FTE's (Budgeted)	14.5

SECTION F

ADULT & COMMUNITY SERVICES

CARE PROVISION - LEARNING DISABILITIES

This section manages the in-house learning disability care provision, including residential homes, supported living services, respite care & the Shared Lives scheme.

	<u>2014/15</u> <u>Actual</u> £	<u>2015/16</u> <u>Estimate</u> £	<u>2016/17</u> <u>Estimate</u> £
<u>Expenditure</u>			
Employees	3,114,474	2,648,000	480,000
Premises	250,517	249,600	125,100
Transport	45,979	38,000	1,600
Supplies & Services	178,007	188,800	27,700
Third Party Payments	24,773	9,400	0
Transfer Payments	0	0	0
Support Services	2,475	5,200	2,900
TOTAL EXPENDITURE	3,616,225	3,139,000	637,300
<u>Income</u>			
Government Grants	0	0	0
Other Grants & Contributions	(113,194)	(125,000)	0
Customer & Client Receipts	(476,537)	(276,700)	(30,800)
TOTAL INCOME	(589,731)	(401,700)	(30,800)
NET EXPENDITURE (CONTROLLABLE)	3,026,494	2,737,300	606,500
<u>Financial Accounting Adjustments</u>			
Central Support Charges	182,461	257,500	69,900
Departmental Support Charges	589,616	630,900	172,200
Capital Charges	22,470	22,500	0
Central Support Income	0	0	0
Departmental Support Income	(275,861)	(298,400)	(146,700)
NET ACCOUNTING ADJUSTMENTS	518,686	612,500	95,400
NET EXPENDITURE (ALL BUDGETS)	3,545,180	3,349,800	701,900

<u>Variation Analysis</u>		
Original Estimate 2015/16		3,349,800
Inflation		4,700
Changes in Government Grants		0
Other Government or Outside Body Changes		0
Demand Led Growth		0
Budget Review Savings		(201,300)
Investment Priorities		0
Other Growth & Savings		0
Budget Transfers		(2,451,300)
Original Budget 2016/17		701,900
<u>Other Information</u>		
Employee FTE's (Budgeted)	67.4	9.8

SECTION F

ADULT & COMMUNITY SERVICES

CARE PROVISION - OLDER PEOPLE & PHYSICAL DISABILITIES

This section manages the two intensive day care centres for older people & the Access Project; a day centre for adults with physical disabilities.

	<u>2014/15</u> <u>Actual</u> £	<u>2015/16</u> <u>Estimate</u> £	<u>2016/17</u> <u>Estimate</u> £
<u>Expenditure</u>			
Employees	924,185	921,400	961,800
Premises	60,831	43,700	11,300
Transport	1,033,108	914,400	903,000
Supplies & Services	84,082	46,000	45,100
Third Party Payments	138,916	149,600	86,200
Transfer Payments	0	0	0
Support Services	0	0	0
TOTAL EXPENDITURE	2,241,122	2,075,100	2,007,400
<u>Income</u>			
Government Grants	0	0	0
Other Grants & Contributions	(47,643)	0	0
Customer & Client Receipts	(74,210)	(90,800)	(74,300)
TOTAL INCOME	(121,853)	(90,800)	(74,300)
NET EXPENDITURE (CONTROLLABLE)	2,119,269	1,984,300	1,933,100
<u>Financial Accounting Adjustments</u>			
Central Support Charges	205,815	169,900	118,300
Departmental Support Charges	320,753	306,400	413,800
Capital Charges	121,553	121,500	121,500
Central Support Income	0	0	0
Departmental Support Income	0	0	0
NET ACCOUNTING ADJUSTMENTS	648,121	597,800	653,600
NET EXPENDITURE (ALL BUDGETS)	2,767,390	2,582,100	2,586,700

<u>Variation Analysis</u>	
Original Estimate 2015/16	2,582,100
Inflation	(500)
Changes in Government Grants	0
Other Government or Outside Body Changes	0
Demand Led Growth	0
Budget Review Savings	(200)
Investment Priorities	0
Other Growth & Savings	0
Budget Transfers	5,300
Original Budget 2016/17	2,586,700
<u>Other Information</u>	
Employee FTE's (Budgeted)	24.4 26.6

TRANSPORT OPERATIONS

Transport Operations manage & co-ordinate passenger transport services for children with special educational needs & adult social care; including day centre transport.

	<u>2014/15</u> <u>Actual</u> £	<u>2015/16</u> <u>Estimate</u> £	<u>2016/17</u> <u>Estimate</u> £
<u>Expenditure</u>			
Employees	1,522,119	1,789,900	683,100
Premises	60,466	73,500	45,400
Transport	71,304	188,400	64,700
Supplies & Services	25,339	57,000	24,700
Third Party Payments	2,765,110	1,513,300	100,000
Transfer Payments	0	0	0
Support Services	0	0	0
TOTAL EXPENDITURE	4,444,338	3,622,100	917,900
<u>Income</u>			
Government Grants	0	0	0
Other Grants & Contributions	0	0	0
Customer & Client Receipts	(5,245,638)	(4,389,300)	(1,547,900)
TOTAL INCOME	(5,245,638)	(4,389,300)	(1,547,900)
NET EXPENDITURE (CONTROLLABLE)	(801,300)	(767,200)	(630,000)
<u>Financial Accounting Adjustments</u>			
Central Support Charges	711,600	625,500	322,000
Departmental Support Charges	89,700	128,900	78,100
Capital Charges	0	0	0
Central Support Income	0	0	0
Departmental Support Income	0	0	0
NET ACCOUNTING ADJUSTMENTS	801,300	754,400	400,100
NET EXPENDITURE (ALL BUDGETS)	0	(12,800)	(229,900)

<u>Variation Analysis</u>		
Original Estimate 2015/16		(12,800)
Inflation		2,700
Changes in Government Grants		0
Other Government or Outside Body Changes		0
Demand Led Growth		0
Budget Review Savings		(500)
Investment Priorities		0
Other Growth & Savings		0
Budget Transfers		(219,300)
Original Budget 2016/17		(229,900)
<u>Other Information</u>		
Employee FTE's (Budgeted)	65.6	23.1

SECTION F

ADULT & COMMUNITY SERVICES

ACCESSIBLE TRANSPORT

The Accessible Transport Unit manages concessionary fares, disabled person's Blue Badge, Taxicard & the Super Shopper schemes.

	<u>2014/15</u> <u>Actual</u> <u>£</u>	<u>2015/16</u> <u>Estimate</u> <u>£</u>	<u>2016/17</u> <u>Estimate</u> <u>£</u>
<u>Expenditure</u>			
Employees	221,704	215,500	217,100
Premises	21,512	16,800	16,800
Transport	6,660	14,600	14,600
Supplies & Services	10,961	15,600	11,700
Third Party Payments	7,797,703	8,228,100	8,522,000
Transfer Payments	0	0	0
Support Services	2,568	100	1,900
TOTAL EXPENDITURE	8,061,108	8,490,700	8,784,100
<u>Income</u>			
Government Grants	0	0	0
Other Grants & Contributions	0	0	0
Customer & Client Receipts	(27,332)	(3,500)	(3,500)
TOTAL INCOME	(27,332)	(3,500)	(3,500)
NET EXPENDITURE (CONTROLLABLE)	8,033,776	8,487,200	8,780,600
<u>Financial Accounting Adjustments</u>			
Central Support Charges	59,616	93,000	52,300
Departmental Support Charges	18,683	19,800	26,800
Capital Charges	0	0	0
Central Support Income	0	0	0
Departmental Support Income	0	0	0
NET ACCOUNTING ADJUSTMENTS	78,299	112,800	79,100
NET EXPENDITURE (ALL BUDGETS)	8,112,075	8,600,000	8,859,700

<u>Variation Analysis</u>		
Original Estimate 2015/16		8,600,000
Inflation		204,400
Changes in Government Grants		0
Other Government or Outside Body Changes		126,200
Demand Led Growth		0
Budget Review Savings		(100)
Investment Priorities		0
Other Growth & Savings		0
Budget Transfers		(70,800)
Original Budget 2016/17		8,859,700
<u>Other Information</u>		
Employee FTE's (Budgeted)	6.2	6.2

SECTION F

ADULT & COMMUNITY SERVICES

COMMISSIONING, CORPORATE POLICY & STRATEGY DIVISIONAL MANAGEMENT

This includes the management & other centrally held costs of the Directorate.

	<u>2014/15</u> <u>Actual</u> <u>£</u>	<u>2015/16</u> <u>Estimate</u> <u>£</u>	<u>2016/17</u> <u>Estimate</u> <u>£</u>
<u>Expenditure</u>			
Employees	199,738	166,600	427,000
Premises	0	0	1,500
Transport	748	400	1,400
Supplies & Services	1,322	2,200	41,700
Third Party Payments	0	0	0
Transfer Payments	0	0	0
Support Services	0	0	0
TOTAL EXPENDITURE	201,808	169,200	471,600
<u>Income</u>			
Government Grants	0	0	0
Other Grants & Contributions	0	0	0
Customer & Client Receipts	0	(51,200)	(300,000)
TOTAL INCOME	0	(51,200)	(300,000)
NET EXPENDITURE (CONTROLLABLE)	201,808	118,000	171,600
<u>Financial Accounting Adjustments</u>			
Central Support Charges	39,387	128,800	39,800
Departmental Support Charges	42,960	52,400	43,600
Capital Charges	0	0	0
Central Support Income	0	0	0
Departmental Support Income	(284,155)	(299,200)	(255,000)
NET ACCOUNTING ADJUSTMENTS	(201,808)	(118,000)	(171,600)
NET EXPENDITURE (ALL BUDGETS)	0	0	0

<u>Variation Analysis</u>	
Original Estimate 2015/16	0
Inflation	0
Changes in Government Grants	0
Other Government or Outside Body Changes	0
Demand Led Growth	0
Budget Review Savings	0
Investment Priorities	0
Other Growth & Savings	0
Budget Transfers	0
Original Budget 2016/17	0
<u>Other Information</u>	
Employee FTE's (Budgeted)	2.0 2.0

ACCOUNTABILITY & ENGAGEMENT

The Accountability & Engagement Service provides support for the corporate consultation & engagement functions & the corporate performance monitoring. It also includes the Corporate Programme Office which assists with the management of significant projects.

	<u>2014/15</u> <u>Actual</u> <u>£</u>	<u>2015/16</u> <u>Estimate</u> <u>£</u>	<u>2016/17</u> <u>Estimate</u> <u>£</u>
<u>Expenditure</u>			
Employees	1,374,745	1,069,700	1,237,100
Premises	3,153	0	0
Transport	1,787	1,100	1,100
Supplies & Services	188,534	135,200	264,000
Third Party Payments	0	48,100	48,100
Transfer Payments	0	0	0
Support Services	10,747	9,000	8,900
TOTAL EXPENDITURE	1,578,966	1,263,100	1,559,200
<u>Income</u>			
Government Grants	(16,646)	(7,000)	(7,000)
Other Grants & Contributions	0	0	0
Customer & Client Receipts	(6,935)	(52,700)	(106,500)
TOTAL INCOME	(23,581)	(59,700)	(113,500)
NET EXPENDITURE (CONTROLLABLE)	1,555,385	1,203,400	1,445,700
<u>Financial Accounting Adjustments</u>			
Central Support Charges	378,693	481,300	316,800
Departmental Support Charges	112,095	135,000	135,500
Capital Charges	0	0	0
Central Support Income	(757,446)	(731,900)	(615,600)
Departmental Support Income	0	0	0
NET ACCOUNTING ADJUSTMENTS	(266,658)	(115,600)	(163,300)
NET EXPENDITURE (ALL BUDGETS)	1,288,727	1,087,800	1,282,400

<u>Variation Analysis</u>		
Original Estimate 2015/16		1,087,800
Inflation		(5,200)
Changes in Government Grants		0
Other Government or Outside Body Changes		0
Demand Led Growth		0
Budget Review Savings		(1,100)
Investment Priorities		0
Other Growth & Savings		115,000
Budget Transfers		85,900
Original Budget 2016/17		1,282,400
<u>Other Information</u>		
Employee FTE's (Budgeted)	25.6	27.6

SECTION F

ADULT & COMMUNITY SERVICES

PARTNERSHIPS & PLANNING

This includes the Partnership & Planning Service which provides strategy & policy support for housing & adult social care. It also includes the Council's Community Safety budgets.

	<u>2014/15</u> <u>Actual</u> £	<u>2015/16</u> <u>Estimate</u> £	<u>2016/17</u> <u>Estimate</u> £
<u>Expenditure</u>			
Employees	714,304	726,900	729,500
Premises	931	400	400
Transport	915	3,100	3,100
Supplies & Services	53,009	75,300	61,500
Third Party Payments	260,295	311,400	311,400
Transfer Payments	0	0	0
Support Services	110	0	900
TOTAL EXPENDITURE	1,029,564	1,117,100	1,106,800
<u>Income</u>			
Government Grants	(228,901)	(132,000)	(132,000)
Other Grants & Contributions	0	(10,300)	(10,300)
Customer & Client Receipts	(21,105)	(25,200)	(25,200)
TOTAL INCOME	(250,006)	(167,500)	(167,500)
NET EXPENDITURE (CONTROLLABLE)	779,558	949,600	939,300
<u>Financial Accounting Adjustments</u>			
Central Support Charges	189,217	211,600	180,500
Departmental Support Charges	237,280	272,000	214,900
Capital Charges	0	0	107,000
Central Support Income	0	0	0
Departmental Support Income	0	0	0
NET ACCOUNTING ADJUSTMENTS	426,497	483,600	502,400
NET EXPENDITURE (ALL BUDGETS)	1,206,055	1,433,200	1,441,700

<u>Variation Analysis</u>		
Original Estimate 2015/16		1,433,200
Inflation		500
Changes in Government Grants		0
Other Government or Outside Body Changes		0
Demand Led Growth		0
Budget Review Savings		(300)
Investment Priorities		0
Other Growth & Savings		0
Budget Transfers		8,300
Original Budget 2016/17		1,441,700
<u>Other Information</u>		
Employee FTE's (Budgeted)	15.5	15.5

SECTION F

ADULT & COMMUNITY SERVICES

VOLUNTARY ORGANISATIONS - CORPORATE GRANTS PROGRAMME

The Council manages a small grants programme which funds small one off projects by local community and voluntary groups. It also contributes to the London Borough Grant Scheme.

	<u>2014/15</u> <u>Actual</u> <u>£</u>	<u>2015/16</u> <u>Estimate</u> <u>£</u>	<u>2016/17</u> <u>Estimate</u> <u>£</u>
<u>Expenditure</u>			
Employees	98,123	90,100	88,100
Premises	486,194	816,500	480,100
Transport	60	100	100
Supplies & Services	503,841	299,400	524,900
Third Party Payments	620,397	500,600	567,900
Transfer Payments	0	0	0
Support Services	0	0	0
TOTAL EXPENDITURE	1,708,615	1,706,700	1,661,100
<u>Income</u>			
Government Grants	0	0	(149,000)
Other Grants & Contributions	(149,000)	(159,600)	(10,600)
Customer & Client Receipts	(488,583)	(700,000)	(480,100)
TOTAL INCOME	(637,583)	(859,600)	(639,700)
NET EXPENDITURE (CONTROLLABLE)	1,071,032	847,100	1,021,400
<u>Financial Accounting Adjustments</u>			
Central Support Charges	29,770	29,100	20,000
Departmental Support Charges	43,617	60,900	38,000
Capital Charges	12,204	12,200	12,200
Central Support Income	0	0	0
Departmental Support Income	0	0	0
NET ACCOUNTING ADJUSTMENTS	85,591	102,200	70,200
NET EXPENDITURE (ALL BUDGETS)	1,156,623	949,300	1,091,600

<u>Variation Analysis</u>	
Original Estimate 2015/16	949,300
Inflation	1,700
Changes in Government Grants	0
Other Government or Outside Body Changes	0
Demand Led Growth	0
Budget Review Savings	(3,700)
Investment Priorities	0
Other Growth & Savings	0
Budget Transfers	144,300
Original Budget 2016/17	1,091,600
<u>Other Information</u>	
Employee FTE's (Budgeted)	2.0 2.0

SECTION F

ADULT & COMMUNITY SERVICES

CORPORATE PROCUREMENT

Corporate Procurement undertake the contracting, tendering & evaluation of all Council contracts. In addition Corporate Procurement lead on developing the Council's procurement strategy as well as advising on procurement & contract management across the Council.

	<u>2014/15</u> <u>Actual</u> £	<u>2015/16</u> <u>Estimate</u> £	<u>2016/17</u> <u>Estimate</u> £
<u>Expenditure</u>			
Employees	998,411	1,067,300	1,061,400
Premises	153	0	0
Transport	905	900	900
Supplies & Services	21,829	15,500	15,500
Third Party Payments	50,000	33,400	33,400
Transfer Payments	0	0	0
Support Services	174,448	90,800	106,800
TOTAL EXPENDITURE	1,245,746	1,207,900	1,218,000
<u>Income</u>			
Government Grants	0	0	0
Other Grants & Contributions	0	0	0
Customer & Client Receipts	(154,634)	(56,000)	(201,000)
TOTAL INCOME	(154,634)	(56,000)	(201,000)
NET EXPENDITURE (CONTROLLABLE)	1,091,112	1,151,900	1,017,000
<u>Financial Accounting Adjustments</u>			
Central Support Charges	244,300	281,600	148,200
Departmental Support Charges	0	0	0
Capital Charges	0	0	0
Central Support Income	(1,335,412)	(1,433,500)	(1,165,200)
Departmental Support Income	0	0	0
NET ACCOUNTING ADJUSTMENTS	(1,091,112)	(1,151,900)	(1,017,000)
NET EXPENDITURE (ALL BUDGETS)	0	0	0

Variation Analysis

Original Estimate 2015/16	0
Inflation	(5,800)
Changes in Government Grants	0
Other Government or Outside Body Changes	0
Demand Led Growth	0
Budget Review Savings	(100)
Investment Priorities	0
Other Growth & Savings	0
Budget Transfers	5,900
Original Budget 2016/17	0
<u>Other Information</u>	
Employee FTE's (Budgeted)	20.6

CORPORATE EQUALITY & DIVERSITY TEAM

The Corporate Equality & Diversity Service oversee the Council's policies & procedures around equality & diversity & organises training & development around these areas.

	<u>2014/15</u> <u>Actual</u> £	<u>2015/16</u> <u>Estimate</u> £	<u>2016/17</u> <u>Estimate</u> £
<u>Expenditure</u>			
Employees	58,168	56,800	56,800
Premises	0	0	0
Transport	153	300	300
Supplies & Services	8,039	7,200	7,200
Third Party Payments	17,501	19,100	19,100
Transfer Payments	0	0	0
Support Services	0	0	0
TOTAL EXPENDITURE	83,861	83,400	83,400
<u>Income</u>			
Government Grants	0	0	0
Other Grants & Contributions	0	0	0
Customer & Client Receipts	0	0	0
TOTAL INCOME	0	0	0
NET EXPENDITURE (CONTROLLABLE)	83,861	83,400	83,400
<u>Financial Accounting Adjustments</u>			
Central Support Charges	7,500	10,200	51,200
Departmental Support Charges	0	0	0
Capital Charges	0	0	0
Central Support Income	(91,361)	(93,600)	(134,600)
Departmental Support Income	0	0	0
NET ACCOUNTING ADJUSTMENTS	(83,861)	(83,400)	(83,400)
NET EXPENDITURE (ALL BUDGETS)	0	0	0

<u>Variation Analysis</u>	
Original Estimate 2015/16	0
Inflation	0
Changes in Government Grants	0
Other Government or Outside Body Changes	0
Demand Led Growth	0
Budget Review Savings	0
Investment Priorities	0
Other Growth & Savings	0
Budget Transfers	0
Original Budget 2016/17	0
<u>Other Information</u>	
Employee FTE's (Budgeted)	1.0 1.0

CORPORATE COMMUNICATIONS

The Communications Team is responsible for handling all of the Council's corporate communication with external bodies, particularly media, marketing & advertising. The team also manages all internal communications with Council staff.

	<u>2014/15</u> <u>Actual</u> <u>£</u>	<u>2015/16</u> <u>Estimate</u> <u>£</u>	<u>2016/17</u> <u>Estimate</u> <u>£</u>
<u>Expenditure</u>			
Employees	0	0	0
Premises	2,326	0	0
Transport	0	800	800
Supplies & Services	84,254	54,100	50,600
Third Party Payments	406,722	458,200	423,300
Transfer Payments	0	0	0
Support Services	1,832	100	600
TOTAL EXPENDITURE	495,134	513,200	475,300
<u>Income</u>			
Government Grants	0	0	0
Other Grants & Contributions	0	0	0
Customer & Client Receipts	(78,804)	0	(85,300)
TOTAL INCOME	(78,804)	0	(85,300)
NET EXPENDITURE (CONTROLLABLE)	416,330	513,200	390,000
<u>Financial Accounting Adjustments</u>			
Central Support Charges	5,800	13,000	7,700
Departmental Support Charges	0	0	0
Capital Charges	0	0	0
Central Support Income	(422,130)	(526,200)	(397,700)
Departmental Support Income	0	0	0
NET ACCOUNTING ADJUSTMENTS	(416,330)	(513,200)	(390,000)
NET EXPENDITURE (ALL BUDGETS)	0	0	0

<u>Variation Analysis</u>		
Original Estimate 2015/16		0
Inflation		1,500
Changes in Government Grants		0
Other Government or Outside Body Changes		0
Demand Led Growth		0
Budget Review Savings		(500)
Investment Priorities		0
Other Growth & Savings		0
Budget Transfers		(1,000)
Original Budget 2016/17		0
<u>Other Information</u>		
Employee FTE's (Budgeted)	0.0	0.0

SECTION F

ADULT & COMMUNITY SERVICES

DEMOCRATIC SERVICES & REPRESENTATION

This area represents costs incurred as a direct result of providing support, effectiveness & improving the capacity of Members in the conduct of their various roles; also by supporting the Mayor, & the civic & ceremonial functions of the Council.

	<u>2014/15</u> <u>Actual</u> £	<u>2015/16</u> <u>Estimate</u> £	<u>2016/17</u> <u>Estimate</u> £
<u>Expenditure</u>			
Democratice Services Team			
Employees	574,732	614,200	594,700
Premises	0	0	0
Transport	5,327	900	900
Supplies & Services	105,776	97,500	53,000
Third Party Payments	99	0	0
Transfer Payments	0	0	0
Support Services	2,294	2,600	2,200
Members' Allowances	711,174	725,800	725,800
Members' Expenses & Support Services	180,899	169,700	164,300
Committee Meeting Refreshments	7,939	6,900	6,900
Subscriptions	201,847	185,700	185,700
TOTAL EXPENDITURE	1,790,087	1,803,300	1,733,500
<u>Income</u>			
Government Grants	0	0	0
Other Grants & Contributions	0	0	0
Customer & Client Receipts	(14,235)	(1,300)	(1,300)
TOTAL INCOME	(14,235)	(1,300)	(1,300)
NET EXPENDITURE (CONTROLLABLE)	1,775,852	1,802,000	1,732,200
<u>Financial Accounting Adjustments</u>			
Central Support Charges	590,079	331,900	284,000
Departmental Support Charges	165,324	189,200	132,900
Capital Charges	0	0	0
Central Support Income	0	0	0
Departmental Support Income	0	0	0
NET ACCOUNTING ADJUSTMENTS	755,403	521,100	416,900
NET EXPENDITURE (ALL BUDGETS)	2,531,255	2,323,100	2,149,100

<u>Variation Analysis</u>		
Original Estimate 2015/16		2,323,100
Inflation		(16,500)
Changes in Government Grants		0
Other Government or Outside Body Changes		0
Demand Led Growth		0
Budget Review Savings		(3,000)
Investment Priorities		0
Other Growth & Savings		0
Budget Transfers		(154,500)
Original Budget 2016/17		2,149,100
<u>Other Information</u>		
Employee FTE's (Budgeted)	15.0	15.0

SECTION F

ADULT & COMMUNITY SERVICES

RENT ALLOWANCES

This is the net cost to the Council of Housing Benefit payments. The cost of administering these payments is shown in Corporate Services.

	<u>2014/15</u> <u>Actual</u> £	<u>2015/16</u> <u>Estimate</u> £	<u>2016/17</u> <u>Estimate</u> £
<u>Expenditure</u>			
Employees	0	0	0
Premises	0	0	0
Transport	0	0	0
Supplies & Services	267,122	153,100	267,100
Third Party Payments	0	0	0
Transfer Payments	68,373,414	71,347,800	69,008,900
Support Services	0	0	0
TOTAL EXPENDITURE	68,640,536	71,500,900	69,276,000
<u>Income</u>			
Government Grants	(68,828,041)	(71,463,300)	(69,169,200)
Other Grants & Contributions	0	0	0
Customer & Client Receipts	(508,801)	0	0
TOTAL INCOME	(69,336,842)	(71,463,300)	(69,169,200)
NET EXPENDITURE (CONTROLLABLE)	<u>(696,306)</u>	<u>37,600</u>	<u>106,800</u>
<u>Financial Accounting Adjustments</u>			
Central Support Charges	0	0	0
Departmental Support Charges	33,231	1,000	2,700
Capital Charges	0	0	0
Central Support Income	0	0	0
Departmental Support Income	0	0	0
NET ACCOUNTING ADJUSTMENTS	33,231	1,000	2,700
NET EXPENDITURE (ALL BUDGETS)	<u>(663,075)</u>	<u>38,600</u>	<u>109,500</u>

<u>Variation Analysis</u>		
Original Estimate 2015/16		38,600
Inflation		71,900
Changes in Government Grants		0
Other Government or Outside Body Changes		0
Demand Led Growth		0
Budget Review Savings		(2,700)
Investment Priorities		0
Other Growth & Savings		0
Budget Transfers		1,700
Original Budget 2016/17		109,500
<u>Other Information</u>		
Employee FTE's (Budgeted)	0.0	0.0

SUPPORTED HOUSING SERVICES

This includes the Commissioned Supported Housing Service, funded through the Supporting People Programme.

	<u>2014/15</u> <u>Actual</u> £	<u>2015/16</u> <u>Estimate</u> £	<u>2016/17</u> <u>Estimate</u> £
<u>Expenditure</u>			
Employees	0	0	0
Premises	0	0	0
Transport	0	0	0
Supplies & Services	0	0	0
Third Party Payments	2,294,458	2,358,800	1,801,300
Transfer Payments	0	0	0
Support Services	0	0	0
TOTAL EXPENDITURE	2,294,458	2,358,800	1,801,300
<u>Income</u>			
Government Grants	0	0	0
Other Grants & Contributions	0	0	0
Customer & Client Receipts	0	0	0
TOTAL INCOME	0	0	0
NET EXPENDITURE (CONTROLLABLE)	<u>2,294,458</u>	<u>2,358,800</u>	<u>1,801,300</u>
<u>Financial Accounting Adjustments</u>			
Central Support Charges	173,685	38,700	108,800
Departmental Support Charges	215,527	131,300	147,000
Capital Charges	0	0	0
Central Support Income	0	0	0
Departmental Support Income	0	0	0
NET ACCOUNTING ADJUSTMENTS	389,212	170,000	255,800
NET EXPENDITURE (ALL BUDGETS)	<u>2,683,670</u>	<u>2,528,800</u>	<u>2,057,100</u>

<u>Variation Analysis</u>		
Original Estimate 2015/16		2,528,800
Inflation		12,500
Changes in Government Grants		0
Other Government or Outside Body Changes		0
Demand Led Growth		0
Budget Review Savings		(40,000)
Investment Priorities		0
Other Growth & Savings		0
Budget Transfers		(444,200)
Original Budget 2016/17		<u>2,057,100</u>
<u>Other Information</u>		
Employee FTE's (Budgeted)	0.0	0.0

SECTION F

ADULT & COMMUNITY SERVICES

DIRECTORATE MANAGEMENT, FINANCE AND RESOURCES

This includes the Director of Adults & Community Services & costs relating to the strategic management of the directorate. This includes its finance & accountancy support functions & the directorate's business support function, which is recharged to services within the division.

	<u>2014/15</u> <u>Actual</u> <u>£</u>	<u>2015/16</u> <u>Estimate</u> <u>£</u>	<u>2016/17</u> <u>Estimate</u> <u>£</u>
<u>Expenditure</u>			
Employees	2,226,437	2,134,000	2,155,700
Premises	10,029	2,600	2,600
Transport	36,273	32,100	32,100
Supplies & Services	586,728	472,100	613,000
Third Party Payments	202,055	115,800	115,800
Transfer Payments	0	0	0
Support Services	40,641	27,100	32,300
TOTAL EXPENDITURE	3,102,163	2,783,700	2,951,500
<u>Income</u>			
Government Grants	(11,100)	(11,100)	(11,100)
Other Grants & Contributions	(208,568)	(6,200)	(6,200)
Customer & Client Receipts	(52,559)	(56,500)	(57,100)
TOTAL INCOME	(272,227)	(73,800)	(74,400)
NET EXPENDITURE (CONTROLLABLE)	2,829,936	2,709,900	2,877,100
<u>Financial Accounting Adjustments</u>			
Central Support Charges	1,252,977	1,324,600	1,109,300
Departmental Support Charges	139,635	148,900	151,400
Capital Charges	12,562	12,600	12,600
Central Support Income	0	0	0
Departmental Support Income	(3,849,465)	(3,679,500)	(3,466,200)
NET ACCOUNTING ADJUSTMENTS	(2,444,291)	(2,193,400)	(2,192,900)
NET EXPENDITURE (ALL BUDGETS)	385,645	516,500	684,200

<u>Variation Analysis</u>	
Original Estimate 2015/16	516,500
Inflation	36,600
Changes in Government Grants	0
Other Government or Outside Body Changes	0
Demand Led Growth	0
Budget Review Savings	(317,700)
Investment Priorities	0
Other Growth & Savings	0
Budget Transfers	448,800
Original Budget 2016/17	684,200
<u>Other Information</u>	
Employee FTE's (Budgeted)	55.6
	55.6

JOINT COMMISSIONING COLLABORATIVE TEAM

The Council has set up a joint commissioning team with Richmond Clinical Commissioning Group (Richmond CCG). This is responsible for the implementation of the strategic commissioning objectives for health and social care services through market development, performance management & partnership working. This section also includes the learning & development team which is responsible for developing the workforce within the local care sector.

	<u>2014/15</u> <u>Actual</u> £	<u>2015/16</u> <u>Estimate</u> £	<u>2016/17</u> <u>Estimate</u> £
<u>Expenditure</u>			
Employees	431,051	498,500	502,400
Premises	1,988	0	0
Transport	2,288	0	0
Supplies & Services	(13,491)	19,500	6,400
Third Party Payments	869,887	60,800	52,800
Transfer Payments	0	0	0
Support Services	3,294	1,700	1,800
TOTAL EXPENDITURE	1,295,017	580,500	563,400
<u>Income</u>			
Government Grants	0	0	0
Other Grants & Contributions	0	0	0
Customer & Client Receipts	(3,876)	0	0
TOTAL INCOME	(3,876)	0	0
NET EXPENDITURE (CONTROLLABLE)	1,291,141	580,500	563,400
<u>Financial Accounting Adjustments</u>			
Central Support Charges	179,827	150,700	100,400
Departmental Support Charges	91,322	77,700	73,500
Capital Charges	0	0	0
Central Support Income	0	0	0
Departmental Support Income	(1,592,114)	(808,900)	(737,300)
NET ACCOUNTING ADJUSTMENTS	(1,320,965)	(580,500)	(563,400)
NET EXPENDITURE (ALL BUDGETS)	(29,824)	0	0

<u>Variation Analysis</u>		
Original Estimate 2015/16		0
Inflation		(3,900)
Changes in Government Grants		0
Other Government or Outside Body Changes		0
Demand Led Growth		0
Budget Review Savings		(200)
Investment Priorities		0
Other Growth & Savings		0
Budget Transfers		4,100
Original Budget 2016/17		0
<u>Other Information</u>		
Employee FTE's (Budgeted)	10.5	10.5

SECTION F

ADULT & COMMUNITY SERVICES

CUSTOMER SERVICES

The Customer Service Team is responsible for handling & resolving (wherever possible) telephone & email enquiries for customers contacting the Council & visitors to the Civic Centre & 42 York Street. In addition they are responsible for key administration duties including skips licensing, garden waste annual charge collection & Richmond Card. The management of the Customer Service Team was transferred to Adult Community Services in 2015-16.

	<u>2014/15</u> <u>Actual</u> £	<u>2015/16</u> <u>Estimate</u> £	<u>2016/17</u> <u>Estimate</u> £
<u>Expenditure</u>			
Employees	1,255,802	1,294,200	1,266,700
Premises	388	0	0
Transport	20	100	100
Supplies & Services	205,647	14,400	11,700
Third Party Payments	0	0	0
Transfer Payments	0	0	0
Support Services	0	0	0
TOTAL EXPENDITURE	1,461,857	1,308,700	1,278,500
<u>Income</u>			
Government Grants	0	0	0
Other Grants & Contributions	0	0	0
Customer & Client Receipts	(189,605)	(5,300)	(70,200)
TOTAL INCOME	(189,605)	(5,300)	(70,200)
NET EXPENDITURE (CONTROLLABLE)	1,272,252	1,303,400	1,208,300
<u>Financial Accounting Adjustments</u>			
Central Support Charges	572,500	492,900	301,100
Departmental Support Charges	0	0	0
Capital Charges	2,500	2,500	2,500
Central Support Income	(1,847,252)	(1,798,800)	(1,511,900)
Departmental Support Income	0	0	0
NET ACCOUNTING ADJUSTMENTS	(1,272,252)	(1,303,400)	(1,208,300)
NET EXPENDITURE (ALL BUDGETS)	0	0	0

Variation Analysis**Original Budget 2014/15**

Inflation	(13,000)
Changes in Government Grants	0
Other Government or Outside Body Changes	0
Demand Led Growth	0
Budget Review Savings	0
Investment Priorities	0
Other Growth & Savings	0
Budget Transfers	13,000
Original Budget 2015/16	0

Other Information

Employee FTE's (Budgeted)	37.9	37.6
---------------------------	------	------

SECTION F

ADULT & COMMUNITY SERVICES

PUBLIC HEALTH SERVICES

The Council is responsible for Public Health Services under the Health & Social Care Act 2012. The Public Health Service is responsible for commissioning services to improve health in the borough, co-ordinating local efforts to protect the public's health & wellbeing & ensuring health services effectively promote the population's health.

	<u>2014/15</u> <u>Actual</u> £	<u>2015/16</u> <u>Estimate</u> £	<u>2016/17</u> <u>Estimate</u> £
<u>Expenditure</u>			
Employees	1,104,297	1,155,100	1,088,700
Premises	1,724	0	0
Transport	3,058	25,000	0
Supplies & Services	552,515	1,430,600	2,397,400
Third Party Payments	6,100,130	6,155,000	5,559,400
Transfer Payments	0	0	0
Support Services	9,916	1,300	3,800
TOTAL EXPENDITURE	7,771,640	8,767,000	9,049,300
<u>Income</u>			
Government Grants	(7,928,002)	(9,062,100)	(9,371,000)
Other Grants & Contributions	0	0	0
Customer & Client Receipts	(165,911)	(221,200)	(194,600)
TOTAL INCOME	(8,093,913)	(9,283,300)	(9,565,600)
NET EXPENDITURE (CONTROLLABLE)	(322,273)	(516,300)	(516,300)
<u>Financial Accounting Adjustments</u>			
Central Support Charges	319,872	287,500	381,300
Departmental Support Charges	334,000	228,800	135,000
Capital Charges	0	0	0
Central Support Income	0	0	0
Departmental Support Income	0	0	0
NET ACCOUNTING ADJUSTMENTS	653,872	516,300	516,300
NET EXPENDITURE (ALL BUDGETS)	331,599	0	0

Variation Analysis

Original Estimate 2015/16	0
Inflation	15,300
Changes in Government Grants	0
Other Government or Outside Body Changes	0
Demand Led Growth	0
Budget Review Savings	(263,500)
Investment Priorities	0
Other Growth & Savings	0
Budget Transfers	248,200
Original Budget 2016/17	0
<u>Other Information</u>	
Employee FTE's (Budgeted)	16.0
	16.0

NB This report has been amended to take into account the changes made by Full Council on 1 March 2016.

LONDON BOROUGH OF RICHMOND UPON THAMES

CABINET

DATE: 25TH FEBRUARY 2016

REPORT OF: DEPUTY LEADER AND CABINET MEMBER FOR FINANCE

TITLE OF DECISION: REVENUE BUDGET STRATEGY AND COUNCIL TAX 2016/17

WARDS: ALL

KEY DECISION?: YES

IF YES, IN FORWARD PLAN?: YES

For general release

1. MATTER FOR CONSIDERATION

1.1 This report gives details of the budget strategy and recommends to Council that the overall Band D level of Council Tax, including the GLA element, be set at £1,582.39 (the same level as 2015/16). The report notes the late change in relation to the Local Government Finance Settlement and that the figures in the report are provisional whilst leading Members consider the detailed implications of this change.

2. RECOMMENDATIONS

- | | |
|-----|--|
| 2.1 | That Members consider the advice of the Director of Finance and Corporate Services in respect of Section 25 of the Local Government Act 2003 in setting the budget (see paragraphs 3.38 to 3.49) |
| 2.2 | That the Council be recommended to agree the Revenue Budget for 2016/17 |
| 2.3 | That the Cabinet notes the intention to increase the Council Tax by 2% in relation Adult Social Care precept (see paragraph 3.33) |
| 2.4 | That the Council be RECOMMENDED to <i>provisionally</i> agree that the overall Band D level of Council Tax for 2016/17 including the GLA element be set at <u>£1,582.39, the same level as 2015/16</u>. The levels of Council Tax for all property bands are shown at Appendix A; and |
| 2.5 | That the Cabinet approve the revised Medium Term Financial Strategy (Appendix C) including the efficiencies/savings identified and the capital programme. |

3. DETAILS

Background

3.1 The development of the Council's financial strategy continues to be set against a background of austerity measures designed to reduce the UK budget deficit and public borrowing alongside continuing increases in demand for public services.

3.2 In developing its strategy the Council has already produced a number of reports and briefing notes reviewing the national budget, assessing the impact of the local government finance settlement, reviewing reserves and balances and setting out the Administration's key aims and priorities for capital investment.

3.3 The Cabinet should note that the implications of the recent Local Government Finance Settlement for the level of Government support to be provided to the Borough have led to a fundamental change in the Council's Medium Term Financial Strategy (MTFS).

The Local Government Finance Settlement (LGFS)

3.4 In December 2015 the Government announced the provisional LGFS for 2016/17. In announcing the provisional settlement, the Secretary of State set out a number of aims for the settlement including:

- Help with Adult Social Care; and
- The right for Councils to spend locally what they raise locally

3.5 The key headlines for the Borough arising from the settlement were:

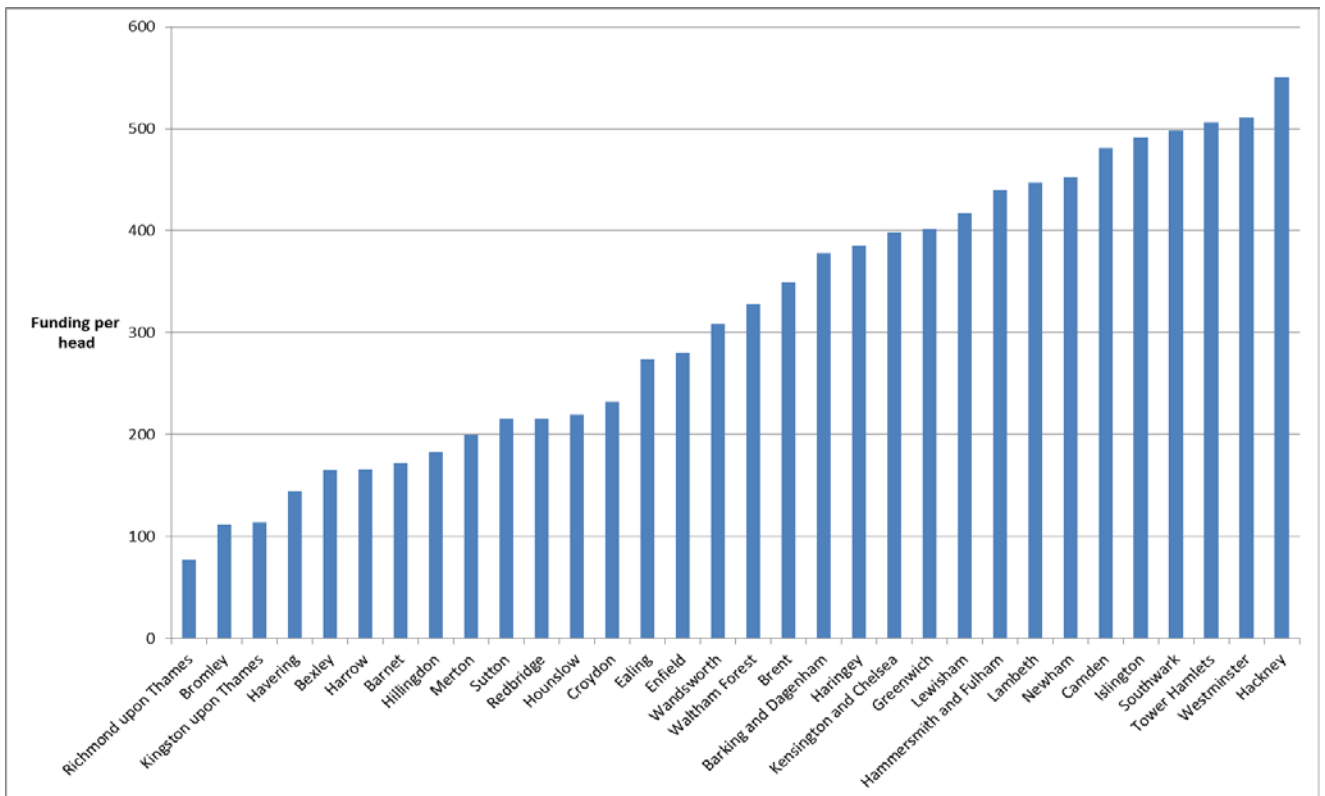
- A 66% reduction in Government support to the Borough by 2019/20. (The national average reduction was 33.4% and the London average was 32.2%)
- An assumed increase in revenue from Council Tax over the same period of 22% (including a 2% p.a. increase in support of social care)
- No additional funding to be available to the Borough from the "Improved Better Care Fund"
- An additional tariff on locally raised Business Rates of £7.5m by 2019/20.

3.6 The provisional settlement was much worse than anticipated. This has arisen from a number of changes to the methodology used by the Government to distribute resources which result in major funding reductions to those authorities which are deemed to be most capable of raising resources locally.

3.7 Those authorities, of which Richmond is one, are characterised by historic low levels of Government funding which has led to a higher than average Council Tax, with Council Tax funding a high proportion of local services. The settlement leaves Richmond, by some distance, as the lowest funded authority in London as shown in the Chart 1 below.

SECTION G

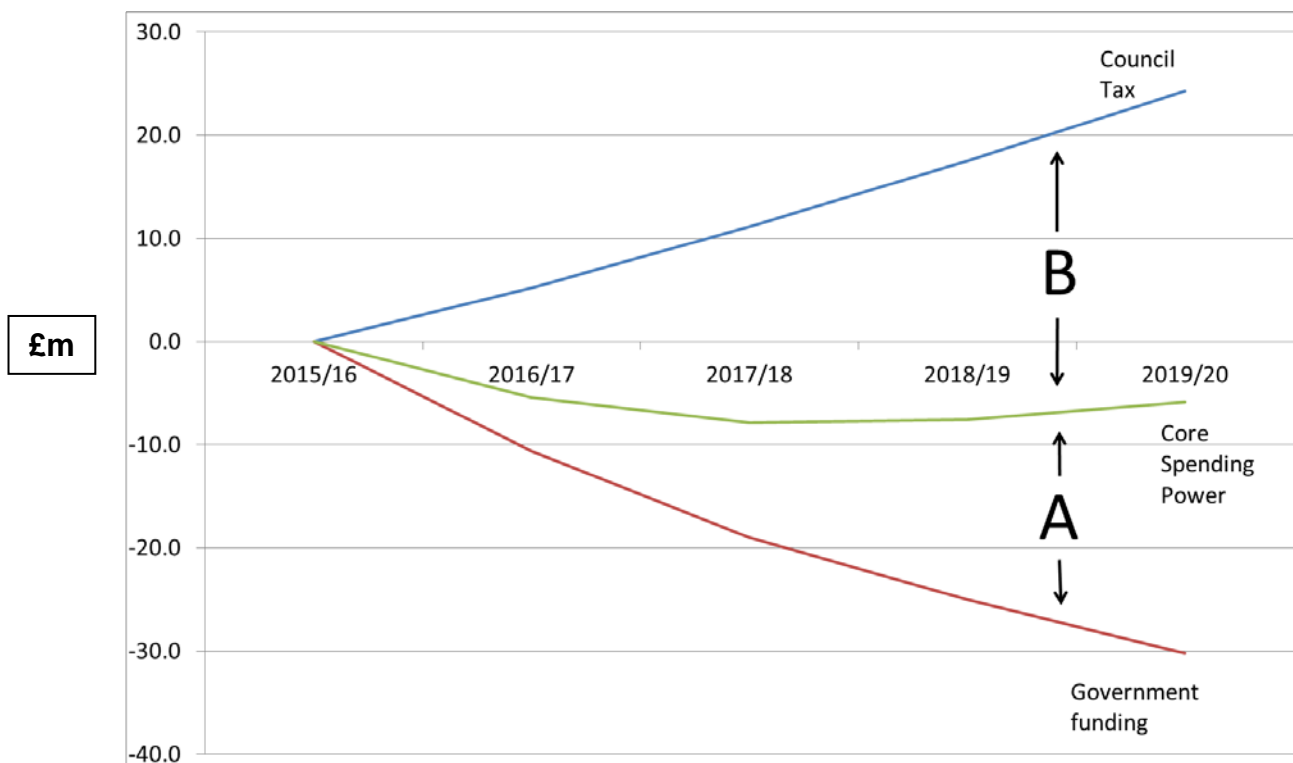
Chart 1: Funding per head in London



- 3.8 The settlement was reported by Government in terms of a 3.7% reduction in Richmond's Core Spending Power by 2019/20. Core Spending Power is made up of Government funding for the Council plus locally raised Business Rates.
- 3.9 The chart (chart 2) below illustrates how a 66% reduction in funding from Government translates to a 3.7% reduction in Core Spending Power. The loss in Government funding (area A on the chart), is compensated for the Government's assumption of increased Council Tax from Richmond residents (area B on the chart).

SECTION G

Chart 2: Spending Power, Government Funding and Council Tax



- 3.10 The Council has, since the introduction of Spending Power as a measure of the impact of the LGFS, argued that it dilutes the true effect of reductions in central Government funding by using locally raised Council Tax to offset the reductions.
- 3.11 There was no forewarning of the proposed methodology changes and some of the data published on the day of the settlement proved to be incorrect leaving the Council very little time to analyse the settlement and respond to the Government's consultation. Nevertheless a response was issued calling for changes to the methodology to protect those Councils which suffer the worst losses and to point out that, for Richmond, an authority which spends over 50% of its budget on the Adult Social Care Directorate (around 40% on adult social care) and funds over 70% of its services with locally raised money, the settlement failed to meet the aims set out for it by the Secretary of State.
- 3.12 The Final Settlement was announced on 9th February. There were 278 responses to the Government's consultation on the provisional settlement and the Government acknowledged that a number of the issues raised were reasonable and should be accommodated. Two of these have a direct impact on the borough, namely the introduction a transitional grant for 2 years to those authorities which suffered the sharpest losses in 2016/17 and 2017/18 and the decision not to require those authorities whose Revenue Support Grant was calculated to be a negative figure to subsidise other boroughs through an additional Business Rate tariff payment in 2018/19.
- 3.13 Richmond will therefore receive Transitional Grant of £2.9m in both 2016/17 and 2017/18 and will not be required to pay £1.7m in additional Business Rate tariff in 2018/19.
- 3.14 The Government has also confirmed that there will be a full review of the needs assessment formula, through which Richmond has suffered so badly for many years, prior to the introduction of full Business Rates Retention.

SECTION G

The Medium Term Financial Strategy (MTFS)

- 3.15 The MTFS is intended to identify a financially sustainable way of achieving the Council's aims, recognising the need to balance service demands with available resources and the impact on Council Tax payers. The wider aims behind the strategy are set out in the attached MTFS (Appendix C) and Cabinet should note, in particular, the change in overall strategy brought about by the LGFS, which recognises the fact that Council Tax levels are likely to increase and the Council's savings targets will be increased.
- 3.16 In drawing together its budget proposals the Council is recommended to agree a set of core budget policies which build upon those previously agreed by Cabinet. These are set out in Appendix E to this report and cover the following areas:
- Fees and Charges
 - Minimum Reserves and use of reserves
 - Capital Receipts
 - Use of in-year revenue efficiencies
 - Limits on external loans and interest payments
- 3.17 These policies are consistent with the approach taken by the Administration since 2010 - the changes this year reflecting the Government's decision to allow capital receipts to be used to support the revenue impact of efficiency programmes which deliver permanent reductions in the Council's budget. The Council's efficiency programme is set out in the attached MTFS. Members will receive further reports as detailed proposals are developed.
- 3.18 The latest budget monitoring data shows that the Council may have a small overspend in its revenue budget in 2015/16. This is made up of a number of over and underspends across the wide range of services provided by the Council but of particular note is the significant overspend on Childrens Social Care. It is likely that this budget pressure will continue (despite some offsetting savings being agreed) at least into 2016/17 and this has been built into the base budget. Individual monitoring reports have been agreed by Cabinet Members and made available for Scrutiny.

Partners and forward planning

- 3.19 The Council and its local partners have a strong commitment and good track record of working in partnership. The Council, CCG and wider GP membership continue to work in partnership on joint commissioning across a number of services, including importantly the re-commissioning of community health services. Additionally there is good engagement with the voluntary sector, a close relationship with the police and others via the Community Safety Partnership and joint action being taken to address the impact of the current economic situation. The Health and Wellbeing Board provides local accountability for the improved health and wellbeing of Richmond residents and has as its main objective the Council and CCG's joint work on the integration of health and social care for adults and children.
- 3.20 The Council places a strong priority on the provision of education in the Borough and, as well as the continuing funding of expansion of primary places, it is working with the secondary sector and the Government on new school provision.
- 3.21 The Council also continues to expand its work with neighbouring local authorities. The most significant new development is the Shared Staffing Arrangement with Wandsworth; due to become fully operational later this year. This element of partnership working also forms an important strand in our efficiency and savings plans.

SECTION G

- 3.22 Particularly important in financial terms is the relationship with the local NHS. Richmond Clinical Commissioning Group (CCG) has historically had a favourable financial position and track record of planned surpluses, in line with NHS England targets. Due to pressures in local acute hospital services, notably at Kingston Hospital, the CCG is forecasting a budget over spend of £6m and overall reduction in planned year end surplus of £3m. Looking ahead, the CCG will have efficiency savings targets in order to meet continuing growth pressures and target reductions in CCG running costs. The CCG will face ongoing financial risks in managing the planned shift in activity from hospital to community services with an associated risk to Council budgets from increased demand in adult social care services. These risks will be mitigated by work on Outcome Based Commissioning for Physical and Mental Health Services and the Council/CCG's joint Better Care Fund Plan.

Balances and Reserves

- 3.23 Appendix B to this report contains a full listing of the revenue balances and reserves held by the Council and gives details on their intended application. The key issues are:

- The General Reserve currently shows as remaining at £9.96m. This is within the range (5-10%) agreed by the Council and there is no use planned in 2016/17. Should the Council overspend its budget in 2015/16 there may be a small reduction in the general reserve, however, it would still remain within the agreed range.
- Approximately 24% (£11.6m) of the quoted balances at 1.4.15 are funds that are outside of the Council's direct control e.g. school balances. In addition to this a further approximately 18% (£8.6m) e.g. PFI Reserve and Insurance Funds, whilst being under Council control, are essentially not available for use for other purposes.
- Once any schools become academies, reserves associated with these schools will be transferred out of Council funds.
- The Council agreed to place the "one off" freeze grants from central government into reserve and then use from 2014/15 to hold down any future Council Tax increases. The total use of freeze grants to support the Council Tax in 2016/17 is proposed to remain at £1.8m. This means that this reserve will reduce from 2016/17 and be exhausted over 5 years.
- The Invest to Save Reserve is anticipated to reduce marginally in 2015/16 but may be reduced further if, as currently anticipated, reserves are used to hold down Council Tax increases in 2016/17 (this reserve being the logical source of funding given the Government's new position on allowing flexibility in the use of capital receipts to fund costs associated with projects designed to deliver long term savings).
- It is anticipated that, overall, reserves will fall by around £2.6m to £45.6m (£34.7m excluding schools) by the end of 2015/16. Excluding schools, this would be the lowest level since 2003.
- Balances are available for use only once. Their use to reduce Council Tax allows the Council to smooth the impact of underlying funding and service changes but must be carefully considered as part of longer term planning.

Overall Budget Proposals

- 3.24 In line with the Constitution and in accordance with proposals agreed by Leading Members, individual service budgets have been agreed by the relevant Cabinet Member and reports have been submitted for Scrutiny.

SECTION G

- 3.25 The Council has had to revise its plans on Council Tax in the light of the serious, long term reductions in Local Government Funding. It has attempted to do this in a way that strives to maintain service standards whilst addressing the need for significant budget reductions.
- 3.26 To this end the Council's savings programme will need to be increased from that in previous plans. Despite this, the Council always aims to provide for limited investment in specific priorities.
- 3.27 In particular the 2016/17 budget has:
- Built in specific funds for new demands / costs of statutory services:
 - £2.0m of growth to address the significant underlying demand led budget pressures within the AfC contract relating to children's social care (£1.5m) and Special Educational Needs (SEN) Transport (£0.5m).
 - £1.2m for additional employers National Insurance contribution following the Government's decision to abolish the lower rate for staff in the LG Pension scheme.
 - £0.5m to reflect increased demand for care services for adults with learning disabilities.
 - £0.5m additional costs relating to the social care provider market and the changes as a result of increases in the National Living Wage.
 - £0.5m to meet the cost of Deprivation of Liberty requirements in Social Care.
 - Included efficiency/savings/income generation of £4.5m as follows:
 - Savings from reorganisations and shared services etc. - £0.3m
 - Reductions generated from procurement and contracts savings - £2.3m
 - Reductions from Achieving for Children - £1.2m
 - Income generation and holding down inflation on supplies budgets - £0.7m
 - Included funding of £0.5m of investment in pavements and highways. This reflects the priority given to this area in the All-in-One consultation and recent residents survey and the demand shown for the community pavement and highways scheme.
 - Provided continuing support for capital investment, particularly in education.
 - Provided for a 1.0% LG pay award effective from 1 April 2016 and zero on non-contracted services.

3.28 The final service totals are:

	<u>£m</u>
Education and Children's Services*	30.9
Environment	26.0
Adult and Community Services	75.6
Finance & Corporate Services	<u>12.9</u>
Total	<u>145.4</u>

* includes £49.3m Achieving for Children Contract

SECTION G

3.29 Central Items and contingency

	<u>£m</u>
Capital Funding and Investment	8.6
Business Rates Tariff / Levy*	3.8
Pensions deficit funding	4.9
General Contingency	0.5
Pay Award / NI Contingency / Other	1.0
Investment Priorities	0.5
Transfers to/from Reserves	-4.4
Transition Grant	-2.9
Non Ring Fenced Grants	-4.6
Total	<u><u>7.4</u></u>

* When the Government implemented partial retention of Business Rates in 2013/14 it included a "tariff" mechanism by which those authorities which raised more in business rates than they needed, according to the Government's formula, paid a tariff to subsidise the authorities who were unable to raise sufficient funds through their local business rates.

3.30 Summary of Borough Expenditure

	<u>£m</u>
Service Estimates	145.4
Central Items and Contingency	7.4
Total	<u><u>152.8</u></u>

Levies

3.31 There are a number of levies and other charges, which the Council has to pay each year. These levies count as part of the borough's expenditure and they are, therefore, included in the relevant service budgets. The amounts and services are set out below:

Levy	2015/16	2016/17	Variation
	£000	£000	%
West Waste	7,678	7,196	-6.3%
Lee Valley Park	257	248	-3.5%
Flood Defence	196	195	-0.5%
London Pension Fund Authority	325	318	-2.2%
Coroner's Service	124	124	0.0%

All figures are based on the latest information at the time of writing the report and are subject to change once final levies have been agreed.

There are no levies this year from the Mortlake or South West Middlesex Crematorium Boards.

Capping/Council Tax Referendums and the Social Care "Precept"

3.32 The Localism Act abolished direct capping by the Government and replaced it with the ability of the Secretary of State to set a maximum level of council tax increase. Any Council wishing to set a higher level of increase will be required to hold a local referendum. The Secretary of State has announced the level that will trigger a referendum will be 2% (or more) for 2016/17.

3.33 The Spending Review also announced that for the rest of the current Parliament, local authorities responsible for adult social care "will be given an additional 2% flexibility on

SECTION G

their current council tax referendum threshold to be used entirely for adult social care". This flexibility is being offered in recognition of demographic changes which are leading to growing demand for adult social care, and increased pressure on council budgets.

- 3.34 Taken together this would raise the maximum Council Tax increase before a referendum is required to 3.99%.

The Greater London Authority (GLA) Precept

- 3.35 The Band D Council Tax in respect of the GLA Precept is expected to reduce by £19 to £276.00.

3.36 **Summary of requirements and Council Tax**

	£m
Total LBRuT Budget Requirement	152.814
School expenditure funded from DSG *	95.528
GLA Precept	23.944
	272.286
Less	
Revenue Support Grant / NNDR retention	-36.731
DSG *	-95.528
Contribution from Collection Fund	-2.750
	137.277

*Final figures, including all academy adjustments, are still awaited.

At the Cabinet meeting of 13th January 2016, the Council Tax Base for 2016/17 was agreed as 86,753.10 Band D equivalents.

Based on the above figures, the total tax at Band D including the GLA element would be increased to £1,582.39, an increase of 0.00%. However, it should be noted that these figures have been subject to late change due to the changes in the final Local Government Finance settlement which was not available until the evening of 9th February. Hence Cabinet is asked to note that these remain provisional as detailed discussions continue with Members on the final level of budget and Council Tax.

- 3.37 The table below shows the impact of the increases in Council Tax provisionally proposed by the Council and the GLA:

	2015/16	2016/17	%
	£	£	change
LBRUT	1,287.39	1,306.39	+1.48
GLA	295.00	276.00	-6.44
TOTAL	1,582.39	1,582.39	+0.00

3.38 **Section 25(2) of the Local Government Act 2003**

Section 25(2) of the Local Government Act 2003 requires the Chief Financial Officer of an authority to report on:

SECTION G

- (a) the robustness of the estimates made for the purposes of the calculations, and
- (b) the adequacy of the proposed financial reserves.

In doing so, the Director of Finance and Corporate Services has had particular regard to the guidance offered by the Chartered Institute of Public Finance and Accountancy and the views of the Council's external auditor.

- 3.39 The Council's stated aim is to achieve long term stability in its finances whilst restricting Council Tax increases. To achieve this, the Council must have regard to the major risks to its financial position and in particular:
- The current economic position and future outlook
 - Whether budget setting and monitoring processes are robust and effective
 - Demand pressures on the budget
 - Identifying and achieving cost and income improvements
 - Changes to the system of funding for Local Government
 - Risks to Government funding levels
 - Risks to other income streams
- 3.40 The Council has a good track record in financial management and in the delivery of Value For Money (VFM). The judgements by external inspectorates take into account both the service performance of the Council and the way we prepare and monitor our budgets as well as the wider use of resources including staffing and physical resources.
- 3.41 Local government finance issues have been dominated in recent times by cuts in government funding and pressure to keep council tax increases down set against growing demand for services. Alongside this the longer term position has also been made more uncertain by the changes in the way Government Funding is calculated. The Council now has provisional funding figures to 2019/20 which project very significant reductions in Government support. Although the MTFS (attached as Appendix C) shows that the action taken to date has been successful in maintaining a strong financial position, and providing some limited one off investment, the longer term position remains extremely challenging and uncertain in the light of business rate retention changes outlined below.
- 3.42 In considering their longer term plans Members should also note that the Government has stated that it will begin consultation on a further change to the local government finance system to enable the 100% retention of business rates within local government. Before this consultation is concluded the government has also committed to reviewing the underlying needs assessment which determines government resource distribution – something this Council has long argued for. This change will be carried out in a “fiscally neutral” way, meaning local government will receive new responsibilities at least matching any additional funds it retains. This will inevitably impact on the balance of risk whereby the Council takes on the full “upside” and “downside” associated with local businesses to fund uncorrelated changes in service demand.
- 3.43 With a relatively low allowance for demand growth, uncertainty over the outcome of business rate consultations and the need to achieve challenging savings targets, the risks inherent in the revenue budget remain significant. The Council has sufficient reserves to deal with such a position in the short term and continually reviews its savings and efficiency programme as part of medium and longer term planning. Whilst savings and efficiencies have been agreed for 2016/17 and significant progress made on the strategy to manage future years' reductions, including a major initiative to share staffing and

SECTION G

management with the London Borough of Wandsworth, there remains a need to firm up details behind these proposals over the course of the next year.

- 3.44 Given the resource constraints and uncertainty over demand pressures faced by the Council it is imperative that efficiency remains at the heart of all Council activities. This will contribute towards the achievement of the Council's objectives.
- 3.45 Despite the constrained funding position, the Council remains committed to investing in the essential infrastructure, particularly in relation to school places, that underpins high quality services. Hence the significant capital programme. The affordability of this programme has been helped by the identification of one-off capital and revenue resources but the programme still relies heavily on the Council being prepared to increase its borrowing in future years. The Council also believes that, faced with the level of growth projected, it is essential that the Government steps up its contribution to this essential infrastructure and will be making its case robustly to Government. The impact of this demand is built into the Medium Term Financial Strategy and will be kept under regular review with the aim of reducing the borrowing need if possible.
- 3.46 The Council's reserves and their usage are linked to both the capital and revenue budget. A full list of the current reserves held by the Council is attached at Appendix B and is reviewed in the attached MTFs. The overall level has reduced over recent years but remains adequate for the purposes identified.
- 3.47 The financial strategy does not rely on use of the General Fund Reserve at this stage but does assume that one off monies received from the Government for freezing Council Tax, potentially together with earmarked reserves freed up by the Government's new flexibility policy on the use of capital receipts, will be utilised to hold down increases in coming years. With levels of reserves standing below the London average, reserves will continue to be monitored and reviewed regularly. Both the current and projected levels of General Reserve are expected to remain within the Council's agreed range of 5-10% of the Budget Requirement.
- 3.48 It should be noted that the Pension Fund Reserve is, in common with many other Pension Funds, showing a large deficit. The Council has a long term recovery plan for the fund but this faces continual challenges from reducing numbers contributing to the fund, increasing longevity of members and volatile investment returns. The latest triennial fund valuation was completed 2 years ago and officers agreed a stabilised position with the actuary so that the rate of contributions by the Council will be unchanged. The next triennial review is due in 2016. The Council's Pension Fund Committee will continue to monitor the Fund's performance on a regular basis.
- 3.49 In summary, the Chief Financial Officer (being the Director of Finance and Corporate Services) confirms that he is content that the estimates are robust for the purposes of the required budget/council tax calculations and that the Council's reserves are adequate.

4. FINANCIAL AND EFFICIENCY IMPLICATIONS

- 4.1 These are set out in the body of the report.

5. PROCUREMENT IMPLICATIONS

- 5.1 Improvements in procurement processes and outcomes forms a key part of the Council's efficiency programme. Included in the budget proposals are a number of new

SECTION G

procurements which are anticipated to contribute to the overall savings targets for the Council.

6. LEGAL IMPLICATIONS

6.1 There are none arising directly from this report.

7. CONSULTATION AND ENGAGEMENT

7.1 The Council undertook a Residents' Survey during 2013, 2014 and 2015 which included key questions on their priorities for spending and opinion of the Council's approach to financial management. The results have been used in formulating the budget strategy.

7.2 The Council maintains contact with the local business community via the Chamber of Commerce. Officers attend a business breakfast meeting at which they provide an update on the Council's financial position and its future plans as well as keeping businesses informed about changes to the business rating system.

7.3 Scrutiny have also considered relevant detailed service budget reports and have the opportunity to comment before Cabinet recommends final decisions to Council.

8. POLICY IMPLICATIONS/CONSIDERATIONS

8.1 There are none arising directly from the report although the level of budget resources available is a major influence on the delivery of Council policy in all areas. The Council's budget is part of the Policy Framework and, therefore, requires the approval of Council.

9. RISK ASSESSMENT

9.1 The risks faced by the Council in relation to financial planning and budget setting are set out in the MTFs (Appendix C) and in paragraphs 3.38-3.49 of this report as part of the Director of Finance and Corporate Services' comments on Section 25 (2) of the Local Government Act 2003.

9.2 Many of the risks are similar to previous years but it is particularly worth noting the risks in relation to Government Funding, Treasury Management (investment and borrowing) and the potential for increasing inflationary and demand pressures.

10. EQUALITY IMPACT/CONSIDERATIONS

10.1 Appendix D considers the equality impact of major changes to the 2016/17 budget.

11. ENVIRONMENTAL CONSIDERATIONS

11.1 The level of budget available for different services has a direct impact on service delivery. The Council has made available both one off and ongoing funds in areas such as

SECTION G

sustainable building, green business advice, waste and recycling which are aimed at improving the environmental impact of the Council and its partners

12. APPENDICES

Appendix A – Council Tax Bands 2016/17
Appendix B – Revenue Reserves
Appendix C – Medium Term Financial Strategy (February 2016 Update)
Appendix D – Equality Impact Assessment
Appendix E – Budget Policies

13. BACKGROUND PAPERS

None

14. CONTACTS

Geoffrey Samuel, Deputy Leader and Cabinet Member for Finance
Email: cllr.gsamuel@richmond.gov.uk

Mark Maidment, Director of Finance and Corporate Services
Email: m.maidment@richmond.gov.uk

Amended for Changes made at Full Council on 1 March 2016**Council Tax Bands 2016/17**

Band	Richmond Council Tax (2016/17) £	Greater London Authority (2016/17) £	Total Council Tax (2016/17) £
A	870.93	184.00	1,054.93
B	1,016.08	214.67	1,230.75
C	1,161.24	245.33	1,406.57
D	1,306.39	276.00	1,582.39
E	1,596.70	337.33	1,934.03
F	1,887.00	398.67	2,285.67
G	2,177.32	460.00	2,637.32
H	2,612.78	552.00	3,164.78

SECTION G

APPENDIX B

DESCRIPTION	Actual Balance at 1.4.15 £000	Estimated Revenue Usage 15/16 £000	Estimated Capital Usage 15/16 £000	Estimated Additions 15/16 £000	Estimated Balance at 31.3.16 £000	PURPOSE OF RESERVE
STATUTORY RESERVES OVER WHICH THE COUNCIL HAS LIMITED OR NO CONTROL						
Schools	-10,658	*	*	*	-10,658	Ring fenced to schools
Schools' Maternity & Supply Cover Scheme	-369	*	*	*	-369	Internal insurance arrangement for supply and maternity cover in schools
Dedicated Schools Grant Reserve	104	*	*	*	104	Created from underspend of Dedicated Schools Grant. Earmarked for schools expenditure.
Orleans House	-479	20	44	0	-415	Balance of rent income received on trust assets managed by the Council. To be used in relation to the Orleans House site.
Home Loans Unit	-137	0	0	0	-137	Funds associated with former GLC mortgages (distributed across all London boroughs)
Thames Landscape Strategy	-42	40	0	0	-2	Ringfenced reserve managed on behalf of London boroughs
Sub total	-11,581	60	44	0	-11,477	
NON STATUTORY BUT ESSENTIAL RESERVES						
PFI Reserve (Future Liabilities)	-6,494	0	0	-348	-6,842	To allow for future smoothing of annual payments under PFI contracts
General Insurance Reserve	-1,948	243	0	0	-1,705	Internal insurance fund (non vehicle). Revaluation is completed as part of the insurance tendering process.
Vehicles Insurance Reserve	-136	30	0	-20	-126	Internal insurance for Council vehicles

SECTION G

APPENDIX B

Sub total	-8,578	273	0	-368	-8,673	
DISCRETIONARY RESERVES CURRENTLY EARMARKED						
Council Tax Freeze Grant	-4,628	0	0	-1,658	-6,286	To be used to contribute to minimising Council Tax in future years
Repairs and Renewals Fund	-2,787	858	461	-414	-1,882	Purchase or creation of assets providing benefits of at least 3 years
Waste & Recycling Reserve	-2,506	691	0	-280	-2,095	Used to fund Waste and Recycling Strategy
Invest to Save Fund	-2,654	1,105	0	-1,000	-2,549	Funding for efficiency work across the Council, including an allowance for redundancy costs
All in One Uplift Projects	-1,258	0	522	0	-736	To support the development of Uplift projects and also projects resulting from the All in One Consultation/Twickenham Riverside
Youth Development Fund	-249	0	104	0	-145	To fund capital schemes to improve youth facilities
Project Development Reserve	-94	94	0	0	0	To fund start up costs and development costs of major projects (largely IT related)
Commitments Reserve	-300	300	0	0	0	Unspent revenue budgets carried forward for specific Cabinet approved projects (voluntary sector funding)
Climate Change Reserve	-478	20	0	-40	-498	To support the Council's Sustainability Team in reducing the threat of climate change, to cut carbon emissions and promote energy efficiency
Youth Centres Reserve	-246	0	0	0	-246	Income generated by youth centres (e.g. lettings) which is earmarked for re-investment within youth services
Lincoln Fields	-222	0	0	-60	-282	Net income for Lincoln Field site to be put towards pitch re-surface as per Football Foundation agreement

SECTION G

APPENDIX B

Economic Support Fund	-369	117	0	0	-252	Support for economic development initiatives
VAT Reserve	-105	0	0	0	-105	To cover potential tax liabilities
Underspend to reduce Council Tax Reserve	-1,700	1,700	0	0	0	
Other Reserves	-536	105	0	-25	-456	Various small reserves (under £100k)
Sub total	-18,132	4,990	1,087	-3,477	-15,532	
GENERAL FUND						
General Reserve (available for any purpose)	-9,956	0	0	0	-9,956	To be used to contribute to minimising Council Tax in future years
TOTAL RESERVES	-48,247	5,323	1,131	-3,845	-45,638	

* Decisions on these reserves are normally taken as part of the final accounts process and so no changes are shown at this time



Medium Term Financial
Strategy

February 2016 Update

**Amended to take into account the changes made
by Full Council on 1 March 2016**

SECTION G

1. EXECUTIVE SUMMARY

The 2016 Local Government Finance Settlement (LGFS) has required a fundamental review of the Council's financial strategy.

The worse than expected loss in Government support means that additional savings, over and above those identified in the 2015 MTFS update are required alongside increases in Council Tax income which the Government has assumed will be implemented by Councils.

This brings to an end the six year period during which the Council Tax has remained unchanged.

2. Background

This document provides an update to the Council's Medium Term Financial Strategy (MTFS) in the context of the ongoing funding reductions which are being imposed by central Government as part of the deficit reduction policy. The key change for this year's update is the outcome of the latest Local Government Finance Settlement (LGFS), which was significantly worse than expected. This in turn has had major implications for the Council's aspiration to deliver zero or near zero % increases in Council Tax.

3. Key Objective of the MTFS

The key objective of the MTFS, for the last 5 years has been:

- **To deliver a zero % Council Tax increase in the next year and work towards zero or sustainable low increases in the years beyond.**

In pursuing this aim, the Council undertook:

- be open and accountable.
- support the most vulnerable in the community.
- act as trustees for the natural and built environment of the Borough.
- focus expenditure on services of direct benefit to local residents.
- give local people a more direct say in Council services.

Whilst the Council would wish to continue to operate in accordance the principles set out above, the 2016 Local Government Finance Settlement has made a zero or near zero increase in Council Tax impossible to achieve without unacceptably damaging cuts to services (see Section 4 for more detail). The Council will continue to set the lowest possible Council Tax consistent with caring for the most vulnerable in our community.

4. Review of the MTFS

There are four key factors driving the review of the MTFS:

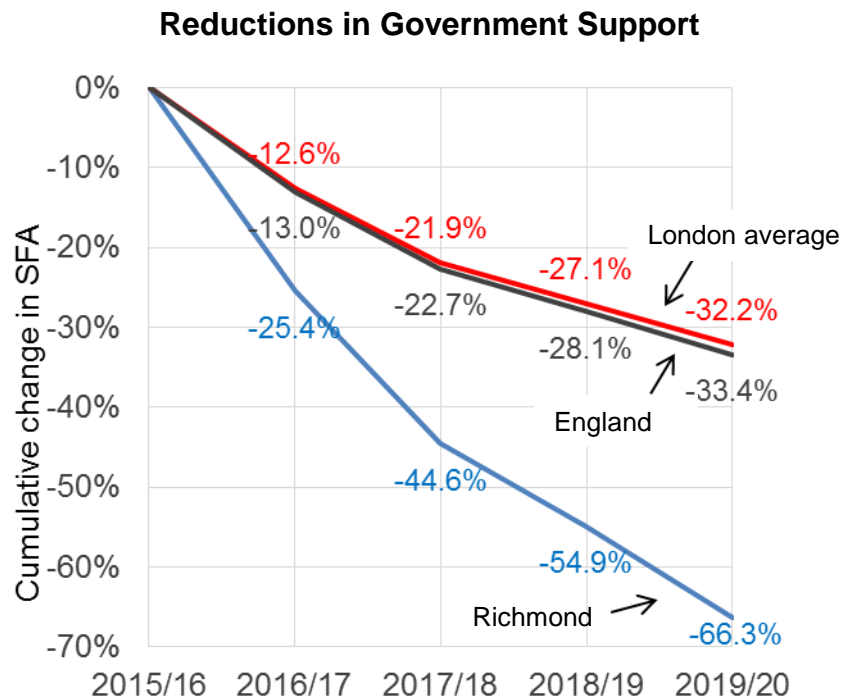
- Central Government policy in relation to deficit reduction as reflected in the LGFS
- The requirement for the Council to achieve further expenditure reductions whilst maintaining the quality of services together with ensuring existing plans are fully implemented.
- The continuing need for capital investment

SECTION G

- The desire to restrict increases in Council tax where possible

4.1 Local Government Finance Settlement

- 4.1.1 The Provisional 2016/17 LGFS was significantly worse than anticipated for the Borough. In 2015/16, the Borough received £44.3m in Revenue Support Grant and retained Business Rates. By 2019/20, that amount will have reduced to £14.9m, a 66% reduction (as shown in the chart below). This level of reduction is twice the London and all England average and leaves Richmond as the worst funded London borough. By 2019/20 Richmond is projected to receive £77 per head of population, £35 less per head than the next lowest, Bromley, and £239 lower than the London average.



- 4.1.2 Following consultation responses and lobbying from Richmond and many other councils, the Government accepted that there were a number of reasonable points made which they should address.
- 4.1.3 Two of these have a direct impact on the borough, namely the introduction of a transitional grant for 2 years to those authorities which suffered the sharpest losses in 2016/17 and 2017/18 and the decision not to require those authorities whose Revenue Support Grant was calculated to be a negative figure in 2018/19 to subsidise other boroughs through an additional Business Rate tariff payment.
- 4.1.4 Richmond will therefore receive Transitional Grant of £2.9m in both 2016/17 and 2017/18 and will not be required to pay £1.7m in additional Business Rate tariff in 2018/19. This will assist with the short term management of reductions in funding.
- 4.1.5 The Government has also confirmed that there will be a full review of the needs assessment formula, which Richmond believes has been unfair for many years, prior to the introduction of full Business Rates Retention.
- 4.1.6 Although the four year position, a loss a £30m in funding, remains unchanged, the Council recognises that much now rests on the Government's review of the distribution formula prior to the implementation of 100% retention of Business rates by 2020. Following the adjustments to this year's settlement and the statement made by the Secretary of State, the Council will be seeking early engagement with Government to ensure that its views are heard and understood as part of future changes to the local government finance system.

SECTION G

4.2 Progress to date on actions taken by the Council

Between 2011/12 and 2015/16, the Council has achieved efficiencies of £39.7m. These savings can broadly be categorised as £19.0m from internal restructuring and the sharing of services with other organisations, £10.8m from procurement and contract savings and £9.9m from income generation, inflation restrictions and other savings.

The funding issues raised elsewhere in this report will require additional savings to be identified and implemented in order to achieve the lowest possible Council Tax increases in future years. The figures in this report identify £4.4m of savings for 2016/17 and further targeted savings of £17.7m over the following three years (including £10.0m anticipated from the shared service arrangement with Wandsworth). Further savings will be required between 2017/18 and 2019/20. The exact level savings will depend on the Council Tax levels agreed and the outcome of the local government finance system review proposed by the Government.

4.3 Capital Programme

A review of the capital element of the MTFS and the Capital Programme for 2015/16 to 2020/21 is set out in a report to Cabinet on 25 February 2016. The Capital Programme totals around £190m over the 6 year period. Education projects (52% of the total programme over the next 5 years) continue to dominate the programme. This reflects the Council's investment plans for primary, secondary and special school places. It is expected that this programme will now bring the number of extra primary school places since 2010 up to 3,989 (29.4% increase) by 2019 and provide a minimum of 1,650 (17.1% increase) secondary school places by 2017. The programme includes new schemes totalling just over £31m. The largest element of this is an additional £14.5m added to the existing affordable housing budget of £5.4m. There are known development opportunities within the five year period from 2015-2021 which will require contributions from the Housing Capital Programme to support affordable homes. This expenditure will not increase the underlying need to borrow because it is anticipated to be financed through expected S106 Affordable Housing receipts, potentially totalling over £20m following negotiations with developers on private housing sites. There are also new programmes for parks, highways and street lighting.

The table below shows some of the key capital financing expectations for forthcoming years. Importantly external debt is likely to rise unless new sources of alternative funding can be identified. The potential increase in borrowing costs will be spread over a number of years as the Council will run down its internal cash holdings in the short term (see commentary in capital programme reports) which will help to limit its impact on Council Tax. In the long term the potential increase in borrowing nevertheless remains significant. Given the overall revenue projections it is clear that the Council will need to review its commitments for the future carefully to ensure they are affordable.

	2016/17 £000s	2017/18 £000s	2018/19 £000s	2019/20 £000s	2020/21 £000s
Total Capital Expenditure	82,673	22,974	11,824	16,785	11,225
Capital expenditure to be funded from revenue budgets, reserves and capital receipts	5,557	14,229	5,010	500	500
Capital expenditure to be funded from grants and contributions	25,452	7,179	2,283	9,244	5,684
Capital expenditure to be funded from borrowing (internal / external)	51,664	1,566	4,531	7,041	5,041
Implied Underlying need to borrow at 31st March	198,433	194,059	192,499	193,058	191,425

The underlying need to borrow at 31 March 2016 is estimated to be £151.4m. The current actual level of outstanding external borrowing is £90.0m. The MTFS allows for £22.8m in loan interest costs over the

SECTION G

next 5 years. Of this amount, £11.9m relates to the Education Programme with the remaining £10.9m relating to all other aspects of the programme. The Council believes that it is essential that this impact is limited by Central Government providing more direct capital funding for schools and has included this in its case to Government.

5.0 **The outlook for Council Tax**

- 5.1 This strategy models the position if the Council increases its Council Tax by the maximum permissible of 3.99%. It has always been the Council's aim to minimise the increase in Council Tax (which the majority of householders must pay) but to also balance this with the need to provide a the level of universal services that residents expect, particularly focussing on the services to the most vulnerable residents.
- 5.2 The final decision on Council Tax each year will be dependent on a variety of factors including final Government funding decisions, achievement of savings and efficiencies, income from fees and charges, and inflationary pressures. Whilst this strategy provides a framework, it will therefore be kept regularly under review.

6. **Key Risks/Opportunities**

- 6.1 The Council faces a range of risks which can potentially have a serious impact on its financial position. Set against these are a number of opportunities which may benefit the Council. The major identified risks and opportunities are considered in more detail in Annex 3.
- 6.2 In overall terms, the Council's plans for efficiency, longer term commissioning programmes e.g. developing integrated care, Achieving for Children, cost control and governance frameworks, seek to ensure that the risks are mitigated and opportunities exploited where possible.

To give a feel for what effect changes to different elements of expenditure can have on the Council's budget:

- A 1% increase or decrease in the pay award equates to approximately £0.5m or 0.5% of Council Tax
 - Each additional £1m of revenue expenditure equates to a rise in Council Tax of approximately 0.9%.
 - To reduce Council tax by 1% requires savings of approximately £1.1m.
 - Borrowing of £1m over a 25 year period adds approximately £70k per annum to the Council's expenditure.
- 6.3 The Council maintains a number of reserves and balances aimed at both protecting against financial risks and providing opportunities for targeted investment. The overall position is reviewed in Annex 4 of this document.

SECTION G

7. Conclusion/Forward financial strategy

7.1 The table below sets out our current estimates of expenditure (see detailed lists in Annex 1 and underlying assumptions in Annex 2), at this stage, for the next four years:

	2016/17	2017/18	2018/19	2019/20
	£000	£000	£000	£000
Base Budget	156,098	152,814	150,799	155,426
Inflation	1,461	3,091	4,036	4,322
Government Led	-2,502	1	4,607	324
Increases resulting from outside bodies	-2,377	584	1,482	1,292
Demand led growth	2,760	540	540	1,040
Investment priorities	1,017	1,669	179	423
Efficiency proposals / income generation	-4,423	-9,088	-6,224	-2,426
Other growth and savings	780	1,188	7	-533
LBRUT Service Expenditure	152,814	150,799	155,426	159,868
Formula Grant	-12,334	-3,453	0	0
Tariff Adjustment	0	0	0	7,470
NNDR Retention	-25,347	-25,464	-26,092	-26,805
Collection Fund	-1,800	-750	-750	-750
LBRUT Council Tax Requirement	113,333	121,132	128,584	139,783
CTAX Base	86,753.10	87,353.10	87,953.10	88,553.10
CTAX Richmond Element	1,306.39	1,386.69	1,461.96	1,578.52
%age Increase	1.48%	6.15%	5.43%	7.97%
 Council Tax at 3.99% = Funding Gap of:		2,461	1,870	5,360

7.2 The figures in the model imply savings still to be identified of up to £9.7m (net of £10m assumed to be achieved as part of Wandsworth shared proposals) in the medium term assuming Council Tax rises of 3.99%.

7.3 By continuing to take early action in relation to efficiencies and budget reviews, the Council has thus far positioned itself to achieve its savings targets and allow some leeway to both deal with unexpected demands and provide investment in priority areas.

SECTION G

8. Sensitivity analysis of projections

8.1 In any assessment of the future position of the Council, it is important to understand the main financial drivers which influence overall expenditure and the risks associated with them. The table below shows a high level breakdown of Council expenditure and income (excluding DSG and schools related expenditure):

<u>Description</u>	<u>16/17</u> <u>£000</u>	<u>16/17</u> <u>%</u>
Employee Costs	47,246	11.5%
Premises Costs	15,123	3.7%
Transport Costs	3,837	1.0%
Supplies and Services Costs	14,457	3.5%
Third Party Payments	138,614	33.9%
DSG Expenditure	95,528	23.3%
Transfer Payments	79,618	19.5%
Treasury	8,554	2.1%
Central Items	6,270	1.5%
	409,247	100.0%
Funded by:		
Income from Fees & Charges etc.	-56,653	13.8%
Housing Benefit Subsidy	-68,928	16.8%
Government Grants:		
Revenue Support Grants / NNDR	-36,731	9.0%
Specific Government Grants	-35,324	8.6%
Dedicated Schools Grant (DSG)	-95,528	23.3%
Collection Fund Surplus	-2,750	0.7%
Council Tax	-113,333	27.8%
	-409,247	100.0%

* Third Party Payments are mainly contract based expenditure and includes care budgets, waste collection and disposal, ICT expenditure.

The largest variable elements of the budget are staffing costs, third party payments and the income, predominantly from fees and charges for services. Relatively small changes in these have a significant impact on the overall financial position.

8.2 The budgeted impact of inflation is similar to previous years' projections (See Annex 2). To put inflation in context, a 1% increase in staff costs equates to £0.5m and a 1% increase in other costs equates to £1.9m (excluding housing benefit payments and DSG). The model assumes that the budgetary effect of general inflation is restricted wherever possible and held low over the next 4 years.

8.3 There has been consistent pressure on "demand led" budgets over the years reflecting the impact of demographic changes including a growing population, increasing numbers of school children, increasing numbers of older people, adults with learning disabilities and children requiring care. The MTFS assumes that these pressures will continue into the future although they will be ameliorated to some extent by efficiency measures being undertaken. Although the exact impact of this cannot be known, there is a significant underlying risk related to the level of care that may be required as well as numbers of clients. The Council currently spends approximately £70m on the provision of care for all client groups so a 1% increase in costs or client numbers would cost £0.7m. This expenditure is mostly included in the Third Party Costs figure in the table.

SECTION G

- 8.4 The Council generates income from a number of key sources (e.g. planning fees, building control fees, parking charges) which are subject to fluctuation in difficult economic times. These and other income streams support large expenditure budgets which do not reduce in the same way as the income budgets thus putting pressure on the overall budget. Although income might be expected to stabilize in the future, there will remain the underlying risk of shortfalls. The Council currently budgets to collect around £57m in fees, charges and non-government grants or contributions. If the Council underachieved these budgets by 1%, it would lose £0.6m in income.
- 8.5 A further key variable is the level of Government support for services. This comes to the Council in a variety of ways e.g. Settlement Funding Assessment (Revenue Support Grant (RSG) and retained Business Rates), specific grants and non-ring fenced grants. As discussed earlier, these will be under severe pressure for the foreseeable future as the Government takes steps to reduce the public sector deficit. The total funding received from Government (including retained business rates) is currently £69m (excluding the Better Care Fund) so each 1% reduction costs the Council £0.7m.
- 8.6 The overall impact of a 1% adverse change in these factors would be a cost to the Council of approximately £4.3m equivalent to around £49 on a Band D Council Tax. This clearly illustrates the potential impact of the volatile risk factors underlying the budget.

9. Key actions and reports in the next 6 months

- 9.1 The following summarises the key actions and reports that will impact on the Council's budgetary position in the next 6 months:
- Revenue and Capital outturn reports (May/June)
 - Q1 monitoring report for 2016/17 (July)
 - Implementation of all savings programmes agreed for 2016/17
 - Progress on the establishment of the Shared Staffing Arrangement with Wandsworth
 - Continued implementation of updated procurement processes and strategy
 - Performance monitoring reports
 - Final Accounts 2015/16 and reserves and balances review
 - DCLG consultation on the future of Local Government Finance and 100% retention of business rates.

The above will all be monitored via reports to the Cabinet and where appropriate/requested with Scrutiny.

SECTION G

ANNEX 1

Description	2016/17 £000	2017/18 £000	2018/19 £000	2019/20 £000
Council Tax Requirement	110,326	113,333	121,132	128,584
<u>Inflation</u>				
Employees (Pay Award, Increments)	240	635	1,099	1,133
Contract Inflation	1,021	1,792	2,191	2,325
Prices General	539	883	934	1,057
Fees & Charges	-339	-219	-188	-193
	1,461	3,091	4,036	4,322
<u>Government Grant Changes</u>				
Loss of Revenue Support Grant	11,460	8,881	3,453	7,470
Retained NNDR & S31 Grants	-1,057	-617	-528	-613
Transition Grant	-2,910	-10	2,920	0
Changes in Specific & Other Grants	-537	0	-8	0
Matched by Changes in Expenditure Budgets	537	0	8	0
Care Act Grant Expenditure Removed	-475	-500	0	0
Reduction in Education Services Grant	444	0	0	0
New Homes Bonus Grant	-1,798	-64	1,462	99
Housing Benefit Admin Grant	125	125	125	125
	5,789	7,815	7,432	7,081
<u>Impact of Outside Body / Grant Changes</u>				
Concessionary Fares	126	211	222	233
WLWA Loan Interest	-1,083	-267	20	19
Employers National Insurance Changes	1,183	0	0	0
Freeze Grant - Cessation of Transfer to Reserves	-3,458	0	0	0
Change in Use of Freeze Grant Reserve	0	0	600	400
National Living Wage	500	500	500	500
Other	355	140	140	140
	-2,377	584	1,482	1,292
<u>Demand Led Growth</u>				
Care Services for Older People / LD	500	500	500	500
Looked After Children / SEN	2,000	0	0	500
Rents	260	40	40	40
	2,760	540	540	1,040
<u>Investment Priorities</u>				
Treasury (Changes to the Capital Programme)	1,514	1,669	179	423
Village Plans	-337	0	0	0
Rugby World Cup	-195	0	0	0
Other	35	0	0	0
	1,017	1,669	179	423
<u>Efficiencies / Income Generation</u>				
Restructures / Shared Services	-320	-100	-100	0
Contracts / Procurement	-2,261	-2,156	-302	-82
AFC Contract Efficiencies	-1,164	-2,030	-1,486	0
Income Generation / Inflation Reductions	-678	-802	-336	-344
Wandsworth Proposals	0	-4,000	-4,000	-2,000
	-4,423	-9,088	-6,224	-2,426
<u>Other Growth and Savings</u>				
Local Election	0	0	300	-300

SECTION G

Treasury (Effect of Interest Rate Changes)	-342	-150	-124	-233
Community Links Scheme	120	0	0	0
Deprivation of Liberty Safeguards	500	-100	-100	0
Other	-5	245	-69	0
Council Tax Collection Fund Surplus	-2,000	2,000	0	0
14/15 underspend used to reduce 15/16 Council Tax	1,700	0	0	0
Use of Reserves	-1,193	1,193	0	0
	-1,220	3,188	7	-533

Final Council Tax Requirement

113,333	121,132	128,584	139,783
----------------	----------------	----------------	----------------

Acronyms used

WLWA West London Waste Authority
 NNDR National Non Domestic Rates
 HB Housing Benefit
 LD Learning Difficulties
 SEN Special Educational Needs
 BID Business Improvement District
 AFC Achieving for Children
 S31 Specific NNDR Grants

Significant Known/Committed Cost Pressures**Inflation**

Details of items included in the inflation figure are set out below.

Inflation – Salaries and General Prices

This needs to allow for the projected pay award for 2016/17 along with incremental progression on salaries and general price inflation. Salaries were increased by 1.0% with effect from 1/4/2016 reflecting an award for the 2016/17 financial year. The MTFs then assumes 1% increase for 2017/18, a 2% increase for 2018/19 and a 2% increase for 2019/20, which is in line with OBR projections for inflation and Government statements on public sector pay restraints. No allowance has been made for inflation on other items except where stated below.

Inflation – Energy

Energy costs continue to be very difficult to predict with events overseas and currency values having an impact as well as changes in demand. For 2016/17 there has been no inflationary increase as there is sufficient budget available to cover any inflationary pressures. For 17/18 and 18/19 an increase of 5.0% per annum has been included.

Inflation - Pensions

The triennial valuation of the Council's pension fund is due in 2016/17. This will set out proposals to be implemented from 2017/18 onwards. No change has been allowed in the forward plans at this stage.

Inflation – Contracts

The Council has a significant level of outsourced services run under contract with the private and voluntary sectors. Most of these contracts have either specific inflation indices built into them (often RPI linked or industry specific) or require renegotiation on an annual basis such as social care spot purchases. For 2016/17, an inflation allowance has been included on a contract by contract basis. Beyond 2016/17, an allowance of between 1.7% and 2.3% has been included. The Council will, however, continue to seek to negotiate lower increases where possible.

Inflation and the economy also impact on the value of capital contracts. We are already seeing significant price increases for building works in London – driven largely by a rapidly recovering private sector building market.

Capital Financing Costs / Investment Income

The Council still has a significant capital programme and, although some is funded through Government Grant, the current plans would still see a potential increase in the underlying need to borrow (either internal and external) of £70m over the next five years. This, combined with continuing low rates of interest from a declining level of investments, is built into the forward strategy but is subject to review for affordability on an annual basis.

Adult Social Services growth and efficiency measures

The restructure and modernisation of these services has continued to yield both performance and efficiency gains. Nationally, the Government has recognised that rising demand on social care and health budgets represent one of the greatest pressures on public finances. This has led to a greater drive for integrating care and the partial introduction of the Care Act, the Better Care Fund and the ability to raise a higher level of Council Tax to help support Adult Social Care. Councils remain concerned that insufficient funding has been allowed Social Care, with a higher expectation that funding will be forthcoming from Council tax.

Primary School expansion and Secondary School / Sixth Form investment

SECTION G

The Council has for some time identified a need to both improve its secondary/special school estate and meet the continuing growth in demand for places. The current administration also has a key priority to support the development of sixth forms in all secondary schools.

The Council's capital programme allows for significant expansion in spend to support these investments and the revenue impact of this is allowed for in the MTFS.

Special Educational Needs / Social Care for Children

Continues to be an area where costs are increasing and where individual placements can have a significant impact on budgets (although much of the SEN costs are borne by the Schools budget). This will be kept under close review throughout the year.

Waste Disposal Costs

This has proved to be a volatile area of expenditure for the Council in the recent past. Changes in the administration of West London Waste Authority, together with the Authority's procurement of new waste disposal options, along with continuing efforts to minimise residual waste, have stabilised budget expectations. These issues have been the subject of separate reports to Members.

National Living Wage

The Government has announced the introduction of a National Living Wage rising to £7.20 in 2016/17 and then to £9 per hour by 2020. The exact annual increase and the impact this will have on contract costs is difficult to predict with accuracy. An allowance has been made in the MTFS but this will be reviewed and adjusted in the light of experience.

Risks and Opportunities

The identification and Achievement of Savings Plans

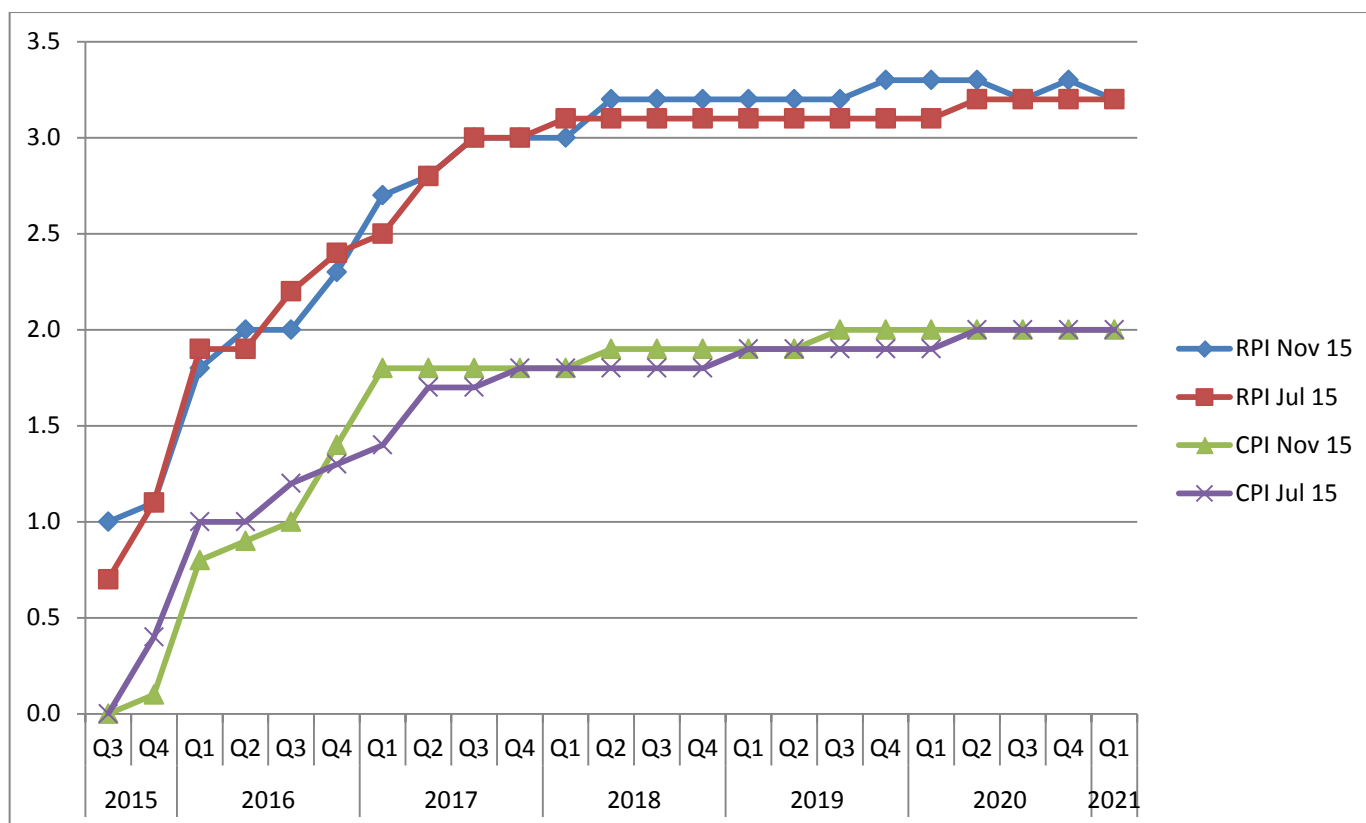
The MTFS is modelled on the basis that the Council will achieve all the savings targets it sets within the agreed timescales. The focus of the plan is across all the next 4 years not just 2016/17. With a continuing savings programme and reducing staff numbers, the capacity to deliver such change represents a substantial challenge. This has been recognised in the risk work the Council has done and processes have been set up to ensure all the plans are closely monitored, that pump priming funding is available and that opportunities to work better/differently are fully explored.

Current economic climate

The current economic climate, although generally improving, has not changed the expected reductions in Government funding. If sustained, however, it may have a beneficial impact on income streams, the local economy and consequently demand for Council Services.

Inflation

OBR Inflation Forecasts



The expected impact of changes in inflation is set out in Annex 2.

Government Funding

The Government has set out provisional figures for the 4 years to 2019/20 which show significant reductions in local government funding. The Government is also proposing to consult on transferring further responsibilities to

SECTION G

local government alongside the “localisation” of 100% of business rate income. This will include a review of the underlying needs formula which may present an opportunity to address the historic underfunding of the Council.

Business Rate collection

The new system of local government finance passes a significant financial risk to local authorities in that the failure to collect the target level of Business Rates will result in direct financial loss. The system also retains nationally set elements for reliefs and discounts over which Councils have no control. Whilst Richmond has a good record of collection, economic pressures on businesses could put this at risk. Conversely, a proportion of any additional income generated by the Council can be retained in future years.

School Funding

The latest estimated of Dedicated School Grant indicates insufficient funding to meet all the Government requirements for school funding plus the additional costs of high needs pupils. The Council has approached the Government on this issue and has identified the need for additional funding to be set aside within the DSG with the local Schools Forum, however, there remains a risk that the Council may ultimately have to meet a portion of these costs.

Looked after Children Budgets

The numbers and costs of Looked After Children have continued to grow over the last few years. Although some allowance for this has been made in the MTFs, the risk remains that further resources will be required.

Adult Social Care

A combination of demand pressure, reducing local government funding and squeezed local health sector funding means that adult social care is likely to continue to provide one of the key pressures on the Council's budget in future years. The new “precept” (additional flexibility to increase Council Tax) will also increase market expectations in this area.

Investment Income/Capital Investment

The Council has a significant investment portfolio and a growing demand for borrowing. Therefore the revenue budget is more vulnerable to interest rate movements. The Council has taken an explicit decision to reduce the level of its investments as part of managing this risk in the short to medium term. Current projections are for interest rates to remain low for some time, however, this is ultimately influenced by both national and international issues.

Pension Fund

The Council has agreed an approach to delivering a higher degree of stability to future Pension Fund Contributions. However, contributions remain under constant pressure from increasing longevity of fund members. The approach will be reviewed following the expected merger with the London Borough of Wandsworth Pension Fund and the next triennial valuation taking place during 2016.

Savings from shared services partnership working including joint commissioning

The Council has a number of projects in this area including Achieving for Children, Legal Services, shared audit services and various integrated care services. The Council's strategy continues to focus on a wider sharing of management and infrastructure which offers significant opportunities to generate efficiencies and their successful implementation is key to the Council's budget strategy.

Review of Revenue Reserves and Balances

In summary, the Council's reserves position (excluding unspent specific grants and contributions) as at 1st April 2015 was as follows:

	<u>£m</u>
Statutory reserves over which the Council has limited or no control	11.6
Non statutory but essential reserves	8.6
Discretionary reserves currently earmarked	13.5
General Fund	10.0
Council Tax Freeze	4.6
Total	48.3

Excluding schools, reserves stood at £37.3m at 1/4/15 and are expected to reduce by around £2.6m by the end of the year. The minimum reserves policy was reviewed by Cabinet in July 2014. Cabinet agreed the addition of a minimum "trigger point" of £25m (excluding schools) below which any further drawing from reserve would require explicit individual agreement by full Cabinet. Cabinet considered the existing reserves to be adequate for the purposes which they have been set.

The budget report for 2016/17 contains a full list of revenue reserves and balances with an analysis of expected changes in the current year. This will be subject to further review alongside the final outturn figures.

To put the above into context it is worth noting that comparing LBRuT with other London Boroughs (2014/15 figures) shows that the Council had below average levels of general fund reserves even when weighted for size of population. The Audit Commission report "Striking a balance", although now a few years old, gave some national context whilst accepting that there is "no set formula" for determining appropriate levels of reserves. The report suggested 11 questions Members should consider when reviewing reserves; these are set out in a table at the end of this Annex, together with responses from the Director of Finance and Corporate Services. The remainder of this Annex focuses on the detail of the Council's reserves and their expected movement.

It is extremely difficult to predict the future level of all reserves and some, such as insurance and pension reserves, involve year end calculations. For school balances in particular, projections provided by schools have proved unreliable in the past. Overall schools balances rose by 148% or almost £9m over the 4 years up to 2012/13, but have since shown a small reduction.

With the exception of the General Fund Reserve, the remainder of the funds are held for specific purposes and have specific Cabinet Members responsible for them. Over the previous 2 years gross expenditure from reserves has totalled around £6m-£7m and is expected to be in this range again in 2015/16.

From a strategic viewpoint, the Administration has focussed the reserves on targeted investment in key Council priorities. In particular this investment has gone into improving schools, repairing pavements and highways, investing in community and efficiency / savings programmes. The planned and potential use of the following reserves is particularly important in formulating current budget proposals:

The **General Fund Reserve** – by its nature, not earmarked for any specific purpose – is identified to protect the Council against unexpected fluctuations in its financial position/budget and to provide short term Council Tax protection against the impact of major changes in funding (Government Grant/Policy Changes). It remains at £9.96m. At just over 6% of the net budget (excluding schools), this is within the Council's agreed range. Using the current policy of maintaining general reserves at 5%-10% of net budget, this will only allow very limited use for longer term investment but provides sufficient resilience in order to meet shorter term issues such as the small overall overspend projected in 2015/16. Such

SECTION G

decisions will be taken alongside the detailed budget proposals and/or closing the accounts for the Council each year.

The next largest discretionary fund that the Council has established is the **Council Tax Freeze Reserve** which is being accumulated from previous years freeze grant allocations and the MTFS assumes this is used over the years 2014/15 – 2020/21 to hold down any potential Council Tax increases. Likewise **The Invest to Save Fund** is also targeted at a similar objective in that, as well as providing investment to pump prime efficiency initiatives, it will also provide funding against the expectation of significant redundancy costs as the Council continues to reduce its staffing and restructure its services. With the Government's recent decision to allow flexibility in the use of capital receipts to support invest to save projects which yield ongoing reductions in revenue budgets, it is likely that part of this fund can be redirected to help offset short term Council Tax pressures if required.

The **Repairs and Renewals fund** stands at just over £2.7m. This reserve will particularly be required for continued investment in ICT initiatives following the end of the Serco ICT contract. The overall level of this fund will be kept under review alongside the changing nature of the Council's service provision.

The **Waste and Recycling Reserve** was set up as an "invest to save" initiative aimed at avoiding the increasing costs associated with Landfill Tax. Following the changes in the administration of West London Waste Authority, together with the Authority's procurement of new waste disposal options and continuing efforts to minimise residual waste, this reserve will be gradually run down to smooth the impact on the Council of expected remaining increases in the waste disposal levy.

Only one other reserve exceeds £1m; the **Uplift Reserve**, which is scheduled for use to support the major uplift programmes already agreed by Members and expected to be fully exhausted by the end of 2016/17.

Overall reserve position

Overall reserves and balances (excluding schools) are expected to be slightly reduced at the end of 2015/16. This will provide adequate cover for 2016/17 but will come under further pressure during 2016/17 and later years as reserves are used for their intended purposes and from the need for the Council to manage the impact of very significant funding reductions from Government. In the medium term it is therefore likely that the Council will need to continue to achieve in-year efficiencies (underspends) in order to maintain the adequacy of reserves.

SECTION G

Table: Suggested Questions from Audit Commission report “Striking a balance”

How much is held in reserves	
1 How much does the council have in its reserves – in cash terms and relative to spending? How do total reserves compare with those held by councils facing similar circumstances?	The Council holds £37m in revenue reserves at the start of 2015/16 (excluding unspent grants and schools) which represents approximately £192 per head of population and 12% of gross expenditure. The equivalent average for London Boroughs is almost £400 per head.(we do not have gross expenditure comparisons)
2 How have reserves changed in recent years – in cash terms and as a percentage of spending? How do changes compare with those made by councils facing similar circumstances?	Reserves have reduced steadily over recent years and are expected to continue to slowly reduce. Generally Council reserves have strengthened in recent years but this is expected to change following the recent local government finance settlement
What reserves are held for	
3 What are the risks or future spending plans for which the council is holding reserves?	See detailed reserves analysis attached to the budget report. Each reserve has a specified purpose and an allocated Cabinet Member.
4 What proportion of reserves is: > held to cover short-term financial risk? > held for medium- and long-term risks or spending plans? > ring-fenced income that can only be used for specific purposes	The Council does not analyse against these suggested headings but broadly the general reserve of just under £10m and the insurance reserves of just under £2m cover general risks and all other reserves are held to support spending plans. A full analysis is included in the Budget report.
5 Are the levels of the council’s different reserves appropriate to the risks it faces and the scale of its future spending plans?	For Member judgement - The Director of Finance and Corporate Services’ views are included in the budget report.
6 How is the need for reserves determined? At what point(s) in the financial year is the need for reserves assessed? When was the need for reserves last reassessed?	Reserves are reviewed at least twice per year – during budget and medium term financial plan revision and after closing of accounts.
Contingency funds	
7 Apart from reserves, what, if any, funds does the council hold, corporately or within service budgets, to provide protection against unplanned costs?	The Council holds a general contingency of £500k in its revenue budget.
The relationship between reserves and council tax	
8 Is the interaction between spending, income, movements on reserves and council tax clear to elected members and the public?	For Member judgement - This is explained in the Budget report and the MTFs. Other documents are produced during the year but public and member understanding is not explicitly “tested”.

SECTION G

Unplanned movements on reserves	
<p>9 In each of the last three years, what difference has there been between the movements on reserves the council expected when setting its budget and the movements that occurred when closing the accounts (as a percentage of spending)?</p> <p>> How much of the variation was the result of factors within the council's control?</p> <p>> What can the council learn to improve the accuracy of future budget projections and financial management?</p> <p>> Are any adjustments needed to correct unplanned movements on reserves?</p>	<p>2011/12 planned £4.0m decrease, actual £1.9m decrease – number of changes including higher S106 balance</p> <p>2012/13 planned £4.5m decrease, actual £2.9m decrease – the main change being the addition of £1.1m of carry forward commitments agreed.</p> <p>2013/14 planned decrease of £1.9m, actual decrease £1.4m – the main change being a lower drawing on the PFI reserve than anticipated</p> <p>2014/15 planned to be stable, actual increase of £0.4m – the main change being linked to the final level of underspend for the year.</p>
Information for decision making	
<p>10 Does advice from the chief finance officer on the adequacy of reserves make clear what reserves are needed and why?</p>	<p>For Member judgement - See comments in MTFS and Budget report.</p>
<p>11 Do elected members need any additional support to make informed decisions on the level of reserves?</p>	<p>For Member judgement/consideration.</p>

Introduction

The Council is obliged to set a balanced budget and commensurate Council Tax level in accordance with the Local Government Finance Act 1992.

The Council must also, in the exercise of its functions, comply with the requirements of the Equality Act 2010 and in particular section 149 (the Public Sector Equality Duty). The purpose of this assessment is to look at possible equalities implications of the overall budget and significant specific proposals included within it.

For 2016/17, the key features of the proposed budget are:

- A 1.48% increase in the Richmond element of the Council Tax which will be used to ...
- Support the provision of Adult Social Care services and ...
- Efficiencies required to offset reductions in Government Support

Methodology

The analysis is split into 2 parts:

- The impact of increasing the Council Tax
- The impact of significant specific proposals which are included in the overall budget

Increasing the Council Tax

In terms of Council Tax liability, residents fall into one of the following 4 categories:

1. Those liable to pay full Council Tax
2. Those eligible for some form of discount or exemption (other than Council Tax Support)
3. Those eligible for Council Tax Support
4. Those with no Council Tax liability

A 1.48% increase in the Richmond element of the Band D Council Tax would result in a cash increase of £19.00 per year for those required to pay the full charge. This increase would be mitigated by the proposed £19.00 reduction in the Greater London Authority precept. The increase in the Richmond element of the Council Tax stems from the Government's offer to allow Councils to increase Council Tax provided that the additional amount is used in support of Adult Social Care i.e. some of its most vulnerable residents.

SECTION G

Group 1 - Those liable to pay full Council Tax

For the majority of Richmond residents, the Council believes that the proposed increase will not have a significant impact. Richmond is known as an affluent borough with high levels of employment. There will be an impact for those Council Tax Payers whose income is just above the threshold for Council Tax Reduction who will suffer the full increase. The Council has no specific equalities monitoring data on this group of residents.

Group 2 - Those eligible for some form of discount or exemption (other than Council Tax Support)

As per Group 1 but for those in receipt of a discount or exemption the effect of the increase would be proportionately less. For example, a Band D taxpayer who is eligible for Single Person Discount would be subject to an increase of £5.06 rather than £6.75.

Group 3 – Those eligible for Council Tax Support

A separate consultation process including an EINA was undertaken on the proposal to ask all working age, non-vulnerable (as defined by the Council Tax Reduction Scheme) residents to pay 5% of their Council Tax. This is available at: <https://cabnet.richmond.gov.uk/documents/s59865/3%20APP%20B%20CTR%20EINA%20v3.pdf>

Group 4 – Those with no Council Tax liability

The effect on this group is neutral.

Specific Service Budget Proposals

The table below sets out the key service related proposals which are included in the proposed budget, together with comments and references where EINAs have already been undertaken.

Service	£000	Comment
Adult and Community Services		
Learning Disability Commissioning Programme	500	Learning Disability - Commissioning and Procurement Phase 1
Public Health – review approach to universal and targeted prevention	150	Lifestyle Service Adult Substance Misuse Treatment Services
Public Health London Sexual Health Transformation	100	Sexual Health Commissioning Strategy
Review of Adult Social Care Contributions Policy	50	ACS Fees and Charges

SECTION G

Education, Childrens' and Cultural Services		
Better by Design	137	Equality Assessment is in progress and will be published at the end of 2015-16.
Supported Accommodation Project and Leaving Care Accommodation	75	Equality Assessment is in draft and will be finalised as the two projects progress.
Early Help Cluster Modelling	55	Equality Assessment is in draft and will be published once the new model is finalised.
Special Educational Need Transport	82	Equality Assessment has been completed by Achieving for Children on behalf of Richmond Council.
Accommodation-Company	125	Equality Assessment is in draft and will be progressed further as the project progresses.
Environment		
Total Facilities Management Contract	-76	EINA published in July 2015
On & off street parking	-250	EINA will commence once detailed proposals have been outlined. EINA will look at the impact of identified efficiencies on the delivery of the service.
Parking / enforcement	-130	EINA will commence once detailed proposals have been outlined. EINA will look at the service focus on critical traffic movement and any resulting equality impact of service delivery.
Street cleansing contract	-250	EINA will commence once detailed proposals have been outlined. EINA will assess any impact on identified operational efficiencies and better use of targeted street cleansing.
Regulatory Services	-150	As the lead authority for the Regulatory Services Partnership, Merton Council has full responsibility to complete EINA's, such as for staffing reviews.

Conclusion

The increase in Council Tax will not have a significant impact on the majority of Council Tax payers in the Borough. A detailed review of the impact of changes to the Council Tax Reduction Scheme was undertaken and presented to Council.

For the individual service proposals, they are in, general, re-provision of existing services where different delivery models have been introduced as part of the Council's drive to maintain service quality whilst reducing costs.

Each EINA includes key findings and action points in relation to each service to ensure that any identified issues are monitored and managed.

Budget Policies

Fees and Charges

Council policy requires an annual review of discretionary charges. The key principle is that the Council will seek to minimise the main compulsory charge, i.e. the Council Tax, but increase revenue from discretionary charges for individual services on the basis that service users have a choice about whether to use these and incur the charge. It is proposed that this continues to be the key principle.

In proposing these charges the policy further requires that officers and Members must consider:

- whether there are any statutory or legal requirements that may affect the setting of fees;
- any service/community plan objectives directly related to the fees;
- current market conditions i.e. competitor and/or comparator prices;
- impact of changes on the user group.

Charges should be set to maximise income to the Council within this framework and to seek to recover the full cost of the service, apart from any area where there is a policy to provide subsidised services or there is specific Central Government guidance.

In maximising income, general guidance for discretionary fees will be provided to set a minimum level of increase to be applied unless the Cabinet Member identifies reasons and supports an exemption to this. For 2016/17 this general level of increase has been set at 5%.

There will be no increase in any charges during 2016/17 relating to the following specific services:

- domestic recycling,
- youth sports,
- all non-care related charges to the over 75s [subject to manageable administration systems being developed].

General exemptions to this policy include care related charges which will be reviewed in more depth as we develop proposals to meet the requirements of the Care Act.

Minimum Reserves

A full review of reserves is carried out in the MTFs and they are currently considered to be adequate. The Council has agreed that:

- The minimum level of the General Reserve shall be 5%-10% of net revenue budget.
- That should overall reserves (excluding schools and freeze grant) fall to, or be projected to fall to, below £25m then this will act as a trigger point at which any further withdrawal from reserves will require explicit, individual approval by Cabinet.
- The Cabinet may propose plans to “borrow” from existing reserves for invest to save purposes, provided this is accompanied by a plan to “repay” the original reserve within 3 years.

Reserves will continue to be reviewed at least annually (and usually 2 or 3 times every year).

SECTION G

Capital Receipts Flexibility

The Government has announced a new flexibility in the use of capital receipts from the sale of property, plant and equipment received between 1st April 2016 and 31st March 2019. This flexibility allows the Council to apply the receipts for revenue purposes in particular circumstances.

The Government's guidance states that the key criteria to use when deciding whether expenditure can be funded by the capital receipts flexibility is that it is forecast to generate ongoing savings to an authority's, or several authorities', and/or to another public sector body's net service expenditure.

The Council will use this flexibility to help meet costs associated with the implementation of the efficiency programme set out within the MTFs as agreed by Council in March 2016.

Use of in-year revenue efficiencies (underspends)

The Council has a very clear policy of controlling its expenditure within the budget set. Combined with the fact that it has been working hard to implement a significant savings programme, this has meant that there have been regular overall underspends against budget. The reasons behind these are reviewed each year and where appropriate adjustments are made to budgets in future years.

This policy means that a *minimum* of the equivalent of the first £1m of any in-year efficiency generated, plus 25% of anything above this level, not allocated for specific purposes in-year will be allocated from reserves and applied to directly reduce any increase in Council Tax in subsequent years.

Limits on external loans and interest payments

The Council is committed to continuing to improve those areas which residents have identified as a high priority. The Administration also recognises that the current programme has included significant growth in the potential need to borrow and whilst, through various actions including the use of internal funds to spread the need to borrow, the Council has managed to reduce the potential full impact of this programme, it must ensure that new commitments are affordable for future generations.

To this end it will both rigorously seek out Government support, seek to extract the best possible value from its existing assets, seek to ensure developers contribute appropriately to the additional strain on local infrastructure from new developments and consider all of this alongside a review of the demands and how much can reasonably be met by future local taxpayers.

Following the setting of initial external interest limits last year the Council has reviewed how these can be made more understandable and comparable with the central government approach to borrowing. Using central government projections produced by the Office for Budget Responsibility (OBR) the following limits would apply (with indicative levels for the subsequent years):

	<u>2016/17</u>	<u>2017/18</u>	<u>2018/19</u>	<u>2019/20</u>
Government Gross debt interest	£ 51.0bn	£ 54.2bn	£ 55.7bn	£ 57.3bn
Total Managed Expenditure	£773.3bn	£787.5bn	£801.2bn	£821.0bn
%age	6.6%	6.9%	7.0%	7.0%

SECTION G

It is proposed that the Council's limit is set at no more than 2% of gross budget i.e. well below the Government's target. Currently this equates to a limit of around £8m of debt interest.

The Council also set a local indicator for the amount of long term assets funded by external borrowing. Following review of how movements in fixed assets and capital programme impacts on this indicator it has been amended to use actual projections rather than a notional limit as the main indicator. The current projection is that just over 14% of long term assets will be funded by external debt in 2016/17 and 2017/18.

LONDON BOROUGH OF RICHMOND UPON THAMES

CABINET

DATE: 25th FEBRUARY 2016

REPORT OF: DEPUTY LEADER AND CABINET MEMBER FOR FINANCE

TITLE OF DECISION CAPITAL PROGRAMME 2015/16 - 2020/21

WARDS: (All Wards);

KEY DECISION?: YES

IF YES, IN FORWARD PLAN?: YES

For general release

1. MATTER FOR CONSIDERATION

- 1.1 The report reviews the current 6 year capital programme, details new schemes, and looks at how the capital programme is funded.

2. RECOMMENDATIONS

- That Cabinet approve the overall Capital Budget for 2016/17 in Appendix A be RECOMMENDED to Council for approval in March.
- That Cabinet note the proposals in Appendix A for financial year 2017/18 to 2020/21.
- That Cabinet approve the Prudential Indicators in Appendix B be RECOMMENDED to Council for approval in March.

3. BACKGROUND

- 3.1 Since 2010 the Council has spent £294m on the Capital Programme. The key achievements in this time include:
- The creation of 3,477 primary school places, with the current programme funding a further 512 new places.
 - The creation of 900 secondary school places, with the current programme funding a further 750 new places.
 - The creation of 1480 6th form places in the Borough's secondary schools.
 - The completion of phase one of the Uplift Programme in Hampton North, Ham, Whitton, Barnes and Mortlake and the purchase of King Street/Water Lane site.
 - In the last year 40,000 sq metres of roads have been resurfaced.

SECTION H

- 3.2 The current 6 year Capital Programme was approved by Cabinet in February 2015. That programme included a potential need to borrow a further £129.3m, which brought the Council's total underlying need for borrowing by the end of the programme to around £192.7m.

4 OUTTURN 2014/15

- 4.1 Final outturn for 2014/15 was £72.8m, of this £39.9m was funded from increased underlying need to borrow. This £72.8m is net of £6.5m slippage.
- 4.2 Since the February 2015 report, the following new schemes totalling £2.2m and funded from specific resources were added to the programme:

Scheme	£000
Schools Devolved Formula Capital Top Up	774
Schools Schemes	158
Hampton Academy	700
ICT	586
TOTAL	2,218

- 4.3 The programme was refinanced to reduce borrowing by £6.4m at outturn, primarily through the use of £7.5m additional Basic Needs Grant, announced by the EFA in February 2015.

5 THE CURRENT PROGRAMME

- 5.1 The overall 6 year capital budget as reported in February 2015 was £198.2m. The main schemes in the 6 year Capital Programme relate to schools expansion projects, uplift schemes, the provision of affordable housing, infrastructure projects, highways and pavements works and restoration works at Orleans House Gallery.

- 5.2 During the course of the year various new schemes have been added to the programme which has been approved by Cabinet. A breakdown of these new schemes is given in paragraph 5.8 below.

5.3 Schools Expansion

The current Capital Programme commits a further £98.2m towards schools expansion. The Council expects to receive £17.9m in grant funding from the Department for Education for the development of a new site including facilities for the College, a new built-for purpose home for Clarendon School and a new secondary free school to open in 2017. The Council is in continuing discussions to identify further funding for this site.

5.4 Uplift Schemes/ Twickenham Improvements

The Council committed £10m to area uplift schemes during the last administration and is committed to continuing these schemes. In addition £4.1m of Council funded expenditure was approved over the life of the phase 1 programme and included the purchase of King Street/Water Lane site. In March 2015 a further budget of £2m per annum was approved from 2015/16 for the next 5 years. Proposals will cover parks, highways, and general uplift schemes focusing on Hampton Hill (High Street) in the first

SECTION H

instance. No allowance has been made yet for the new Town Square in Twickenham. The programme will be updated to reflect this scheme when final costs are known.

5.5 Affordable Housing

Funding for 84 new affordable housing units has currently been agreed. At present there is planning permission for 78 affordable rented homes. It is anticipated that 48 units will be complete by March 2016 and a further 30 homes will be completed by March 2017. The remaining 6 homes are awaiting planning permission. A programme to extend social homes to address overcrowding has also been agreed, this funding will provide 18 extended homes by March 2016. In addition to the units funded by the Council, it should also be noted that Housing Associations will provide further units of affordable housing without Council funding.

5.6 TfL and Highways & Pavements

These works are related to improvements to the Borough's roads and pavements and in line with the Council's priorities. Additionally £500k has been included in the programme for the Community Pavement Repair Fund scheme.

5.7 Orleans House Gallery

The project at Orleans House Gallery will create a new heritage hub and restore the Octagon Room. The funding for the OHG project includes £1.8m match funding from the Heritage Lottery Fund, as well as anticipated use of £1.3m of earmarked capital and revenue reserves and anticipated donations which are currently expected to be achieved by the end of the project.

5.8 The tables below summarises the revised programme and funding after allowing for the changes since the programme was first agreed in February 2015.

	£m	£m
Budget as per February 2014 Report		198.2
New Schemes (para 4.2)		2.2
Less Actual Spend 2014/15 (para 4.1)		-72.8
Remaining Approved Budget		127.6
<u>New Schemes added in 2015/16:</u>		
Schools Expansion Projects (Grant Funded)	17.9	
Orleans House Gallery	3.6	
TfL Schemes (Grant Funded)	3.5	
United Reform Church (Library Extension)	2.4	
S106 Schemes	1.1	
St Mary's (Busen)	1.1	
Highways Maintenance Vehicles Purchase	0.5	
Community Pavement Repair Fund	0.5	
Other Minor New Schemes	1.0	
Total New Schemes		31.6
Current Capital Budget 2015/16 – 2019/20 (before additional new schemes proposed in this report)		159.2

SECTION H

- 5.9 The consequent funding changes for this revised programme (2015/16 – 2019/20) are outlined below:

	£m	£m
Funding Requirement as per Feb 15 Report		129.3
Reduced Borrowing from Refinancing – Outturn 2014/15		-6.4
New Schemes (para 4.2) - Hampton Academy		0.7
Less 2014/15 Borrowing (para 4.1)		-39.9
Remaining Funding Requirement		83.7
<u>New Schemes added in 2015/16 (requiring funding):</u>		
United Reform Church (Library Extension)	2.4	
St Mary's (Busen)	0.3	
Other Schemes	0.1	
Total New Schemes		2.8
<u>Refinancing:</u>		
Future Capital Receipts	-2.4	
Other Refinancing	-1.0	
Total Refinancing		-3.4
Current Funding Requirement 2015/16 – 2019/20 (before additional new schemes proposed in this report)		83.1

- 5.10 Further details about the Council's funding sources are given in paragraph 7.

6 NEW SCHEMES/ ADDITIONAL CAPITAL BUDGETS

- 6.1 The following schemes are proposed to be added to the programme.

6.2 Affordable Housing

There are known development opportunities within the five year period from 2015-2021 which will require contributions from the Housing Capital Programme to support rented affordable homes. The new programme adds £14.5m to the existing budget of £5.4m, this expenditure will not increase the underlying need to borrow. It is anticipated to be financed through expected S106 Affordable Housing receipts, potentially totalling over £20m following negotiations with developers on private housing sites. It is expected that 330 additional new homes for affordable rent could be supported in this period. Provision has also been made to support site acquisition for affordable housing and the need to increase the provision of a new supply of temporary accommodation for homeless households where the Council has statutory duties to meet.

6.3 Highways and Pavements

The original Capital Programme included £1m per year from 2012/13 to 2016/17. The new programme now adds £1.2m per year for a further 5 years, to continue to address maintenance issues along with the priorities identified in pavement and highways planning processes. A further £500k per year for 5 years has been added to fund the Community Pavement Repair Fund scheme.

SECTION H

6.4 Street Lighting

The original Capital Programme included a budget of £500k a year ending in 2016/17. Members are asked to extend this budget for a further 5 years to meet the continued need for concrete column replacement and to make a start on replacing the life expired mild steel street lighting columns.

6.5 The Avenue Centre

£1.9m is required to fund the building of a replacement for the Elizabeth Fitzroy Home currently at the Silver Birches site at The Avenue Centre. The budget will enable the reprovision of a 10 bed home plus 6 independent living units. This spend will allow the Council to achieve a significant capital receipt by facilitating the sale of the Silver Birches site.

6.6 Parks Strategy

In January 2012 £3m was added to the Capital Programme, £600k per annum from 2012/13 to 2016/17 to improve facilities such as play and accessibility. It was also used to develop new facilities, such as pavilions and enhancing horticultural aspects of parks. The last year of this funding is 2016/17 and £300k per year has been added to continue this work for a further 5 years.

In addition to the above an additional year (2020/21) of “regular” programmes (planned maintenance, improvement grants etc) has been added to maintain a 6 year cycle.

6.7 Below is a breakdown of the changes to the Council’s Capital Programme as a result of the new schemes noted above:

	£m	£m
Current Capital Budget 2015/16 – 2019/20 (paragraph 5.8)		159.2
Affordable Housing	14.5	
Highways and Pavements	5.0	
Community Pavement Repair Fund	2.5	
Street Lighting	2.0	
The Avenue Centre	1.9	
Parks Strategy	1.2	
2020/21 Indicative Figures	3.9	
Total New Schemes Proposed in this report		31.0
Proposed Capital Programme Budget 2015/16 to 2020/21 - as per Appendix A		190.2

6.8 In overall terms this means the Council is proposing to add £31m, in addition to the £31.6m (noted in paragraph 5.8). Therefore £62.6m (of which £14.4m requires additional funding to be identified) has been added to the Capital Programme since the February 2015 report. The cumulative effect of these changes is a proposed Capital Programme (2015/16 to 2020/21) of £190.2m.

Cabinet should also note that we will be seeking to rigorously pursue all funding avenues, the Council has taken a prudent approach as part of its financing assumptions and will refine these as funding decisions are made.

7 FINANCING

- 7.1 The projected outstanding funding requirement in the programme is £94.5m. This means that 50% of the current 6 year programme could need to be funded by borrowing if other sources of funding cannot be identified. The Council's potential underlying need to borrow therefore reduces to £191m (although the aim is to reduce this through additional Government funding, in year efficiencies, additional Community Infrastructure Levy/S106 etc). Below is a reconciliation of the changes to the Councils funding requirement.

	£m
Current Funding Requirement 2015/16 – 2019/20 (paragraph 5.9)	83.1
New Schemes Identified in this report:	
Highways and Pavements	5.0
Street Lighting	2.0
Parks Strategy	1.2
Various other	0.2
Add – 2020/21 Indicative Figures	
General Planned Maintenance	1.0
Schools	0.9
Housing grants	0.9
Other	0.2
Funding Gap (shown as underlying need to borrow) as per Appendix A	94.5

7.2 Grants & Contributions

The Council is forecasting to fund £49m of the programme via grants and contributions. This is approximately one quarter of total funding and the majority of grants are used to fund Education schemes. The largest capital grants received by the Council are Basic Needs, School Condition Allocation, and TfL grant funding for infrastructure works. In addition the Council expects to receive a one off grant of £17.9m for the construction of Richmond upon Thames Secondary School on the Egerton road site.

7.3 Capital Receipts

Financing of the Capital Programme in prior years has reduced the opening level of receipts held to under £1m. This has assisted in keeping the borrowing requirement to a minimum. The last programme originally assumed £6m funding from capital receipts in 2015/16 and a total of £20.8m across the 6 year programme. Overall, capital receipts have increased by £1.1m as a new disposals programme is being agreed, and are now forecast to fund £21.9m of the programme – 12% of the current programme. The assumed available capital receipts has been reduced to allow the Council to make use of the proposed ability to fund any one off project generating ongoing savings or improvements from capital receipts in line with the “Draft Guidance on the Flexible Use of Capital Receipts” published by the DCLG in December.

7.4 Section 106 Receipts

The use of Section 106 receipts is agreed with the developer as part of the planning process and are used to finance the programme where schemes meet the agreed criteria for use. The Capital Programme will be financed by £16.2m in anticipated Section 106 receipts; the majority are expected Section

SECTION H

106 Affordable Housing receipts which will fund the £14.5m budget added to the programme for affordable housing.

7.5 Revenue Resource

The 2015/16 Capital Programme will be financed by £8.6m of revenue funding, including funding from earmarked reserves. This is a decrease of £0.3m from the previous programme. It has been agreed by Members that any under spend on treasury budgets will be used to fund the Capital Programme.

7.6 Officers will continue to look at all potential funding sources and will try and reduce the Council's borrowing requirement whenever possible.

8 FINANCE AND EFFICIENCY IMPLICATIONS

8.1 The timing and funding of capital expenditure has a direct impact on the level of Council cash balances and the level of borrowing. Therefore, any changes to the Programme will have an impact on the Treasury Management position.

8.2 The Council prudently plans on the basis that it may need to meet the funding gap in the programme through borrowing over a number of years (internal borrowing is assumed to be used to smooth the impact of any actual external borrowing). This means that the significant potential impact of the increased programme is built into our budget assumptions for the future. This is separately identified in the Medium Term Financial Strategy, spread over a number of years and minimised through the use of internal borrowing, direct revenue financing and rigorous pursuit of additional government funding.

8.3 The Council is required by statute to set its own limits on the affordability, sustainability and prudence of its capital plans in the form of Prudential Indicators. These proposed indicators are attached with commentary at Appendix B. They are based on the proposed Capital Programme and the budgetary provision for the debt and investment costs of the Council as reported in the MTFs and Treasury Management budgets.

8.4 As well as the indicators and limits required by statute, there are 2 Local Indicators proposed to help Members assess the impact of capital decisions on the Council's finances. These indicators are the ratio of external loans to fixed assets (set at a 15% trigger for review of the planned spend) and the ratio of gross loan interest to gross budget (set at 2% trigger for review).

9. PROCUREMENT IMPLICATIONS

9.1 None specifically in relation to this report.

10. LEGAL IMPLICATIONS

10.1 None specifically in relation to this report.

11. CONSULTATION AND ENGAGEMENT

11.1 Consultation and engagement will be carried on individual schemes within the Capital Programme.

12. WIDER CORPORATE IMPLICATIONS (INCLUDE / DELETE AS APPROPRIATE)

12.1 POLICY IMPLICATIONS / CONSIDERATIONS
The new demands identified in this report are all driven from the Council's key priorities and feedback received as part of consultation exercises.
12.2 RISK CONSIDERTATIONS
Please refer to Appendix C.
12.3 EQUALITY IMPACT CONSIDERATIONS
None specifically identified for this report.
12.4 ENVIRONMENTAL CONSIDERATIONS
None specifically identified for this report.

13. BACKGROUND INFORMATION:

Previous Capital Programme Report(s).

14. BACKGROUND PAPERS

NONE

15. APPENDICES

Appendix A – Capital Programme Report 2015/16-2020/21

Appendix B – Prudential Indicators

Appendix C - Risks

16. CONTACTS

Mark Maidment, Director of Finance and Corporate Services.

M.Maidment@richmond.gov.uk

Councillor Geoffrey Samuel, Deputy Leader and Cabinet Member for Finance.

Cllr.Samuel@richmond.gov.uk

SECTION H

6 Year Capital Programme 2015/16 to 2020/21

	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	Total
ECS							
Devolved Formula Capital	258	258	258	258	258	258	1,548
Academies							
Hampton	963	349					1,312
Twickenham	344	200					544
Primary Places Phase 1&2							
St Mary's & St Peter's	235	176					411
Chase Bridge	77	0					77
Stanleys	328	0					328
St Mary's Magdalen's Single Form Entry	9	8					17
Buckingham Phase 2	55	0					55
Sheen Mount Single Form Entry	0	40					40
St John's Site for St Mary's Expansion	10	673					683
Hampton Wick	0	5					5
The Vineyard Permanent Expansion	245	136					381
Primary Places Phase 3							
Orleans Infant	54	10					64
Hampton Wick Infant	103	34					137
St John the Baptist Junior	19	0					19
Heathfield Infant and Junior	156	27					183
Amyand House	0	5					5
Clifden Primary Expansion	0	24					24
Nelson Construction	204	120					324
Schools General Planned Maintenance	956	1,613	866	866	866	866	6,033
SEN 14-19							
Darell	16	0					16
Orleans Park Phase 1	14	0					14
Christ's CE	23	0					23
Orleans Park	4	0					4
Waldegrave	7	0					7
Children's Centres	277	352					629
Youth Facilities	6	200					206

SECTION H

6 Year Capital Programme 2015/16 to 2020/21

	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	Total
<u>Sixth Forms</u>							
Christ's	169	7					176
Grey Court	528	0					528
Orleans Park	333	0					333
Teddington	116	0					116
Waldegrave	162	0					162
Contingency	116	0					116
Twickenham Academy	204	0					204
Richmond Park Academy	0	300					300
Contingency	2	850					852
Universal Infant Free School Meals (UIFSM)	33						33
<u>Additional School Places</u>							
Clarendon at Buckingham	765	36					801
Clarendon at The Gateway	456	21					477
Clarendon at Newhouse	0	500					500
Darell	384	366					750
Strathmore at Grey Court SEN	3,477	184					3,661
Strathmore at the Russell	1,394	5,203					6,597
Strathmore at St Richard Reynolds	20	4,080					4,100
Bulge/New Growth	0	30					30
Barnes Junior Bulge	10	165					175
Barnes Additional Class	8	7					15
Hampton Junior Bulge	7	0					7
Hampton Federation	0	350					350
Bulge East Sheen	7	18					25
Sheen Mount Expansion to 3 Form Entry	3,074	133					3,207
Schools Expansion Projects	0	3,292	6,000	2,000			11,292
Hampton Infant 3 Form Entry	58	970					1,028
Hampton Junior 3 Form Entry	123	2,132					2,255
East Sheen 3 Form Entry	249	3,499					3,748

SECTION H

6 Year Capital Programme 2015/16 to 2020/21

	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	Total
Basic Needs - Additional Grant					2,500		2,500
Croft Centre	25	0					25
Additional places	3	477					480
Richmond upon Thames School	3,062	27,835	3,954				34,851
Clarendon Secondary	0	6,500					6,500
TOTAL ECS	19,148	61,185	11,078	3,124	3,624	1,124	99,283
ACS							
<u>Affordable Housing Schemes</u>							
Sponsored Moves	150	387	200	200	200	200	1,337
Affordable Housing	2,907	1,318	3,960	1,060	5,886	4,826	19,957
<u>Improvement Grants</u>							
Disabled Facilities Grant (Except RHP)	1,034	636	705	705	705	705	4,490
Disabled Facilities Grant (RHP)	99	300	300	300	300	300	1,599
Disabled Facilities Grant (Children's)	100	385	100	100	100	100	885
Empty Property Grant	25	107	12	12	12	12	180
Houses in Multiple Occupation	80	9	9	9	9	9	125
Renovation Grants - Landlords	72	30	30	30	30	30	222
Home Repair Assistance Grant	10	275	41	41	41	41	449
Coldbusters Home Repair Assistance Grant	225	142	142	142	142	142	935
Houseproud	12	6	6	6	6	6	42
Please Grant	12	0			0	0	12
SW London - Empty Property Grants	0	242	0	0	0	0	242
<u>Other ACS Schemes</u>							
Dean Road DoH Extra Care Housing Fund	32	0					32
Extra Care Housing - Feasibility defined as Capital in Grant Conditions	20	315					335
Adaptations and Equipment Assessment Centre	0	5					5
Kingston Lane Adaptations	30	134					164
Langdon Park	0	12					12
Autism Grant	19	0					19
Queens Road Hostel	30	4					34
The Avenue Centre	0	1,900					1,900
TOTAL ACS	4,857	6,207	5,505	2,605	7,431	6,371	32,976

SECTION H

6 Year Capital Programme 2015/16 to 2020/21

	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	Total
ENVIRONMENT							
Area Uplift	743	4,400	2,000	2,000	2,000	0	11,143
CCTV Parking Cameras	98						98
Christs Cricket Facilities	122						122
Community Pavement Repair Fund	521	500	500	500	500	500	3,021
DDA Compliance	0	4					4
Dukes River Project	240						240
General Planned Maintenance	1,013	1,548	1,080	1,080	1,080	1,080	6,881
Heatham House Gym	321						321
Highways and Pavements	980	1,200	1,200	1,200	1,200	1,200	6,980
Library Toilets	62	58					120
Orleans House Gallery - Design phase	44						44
Orleans House Gallery - Delivery phase	242	2,623	334	365			3,564
Parks Cyclical Maintenance	269	150	150	150	150	150	1,019
Parks S106	50	116					166
Parks Strategy	835	640	300	300	300	300	2,675
Principal Road Restructure	167	140					307
Richmond Station Kiosk	13						13
S106 Schemes	458	427	327				1,212
Shene Fitness Centre	200						200
Street Lighting	552	500	500	500	500	500	3,052
Transport for London funded road schemes	3,488						3,488
United Reform Church	2,473						2,473
Uplift Schemes/Twickenham Area Action Plan	494	864					1,358
Vehicles (Highways, Waste and Recycling)	463						463
Waste Facilities Improvements (Townmead Depot)	8						8
Whitton Station Upgrade	900						900
Works at St Mary's (Busen)	196	900					1,096
TOTAL ENV	14,952	14,070	6,391	6,095	5,730	3,730	50,968
FCS							
WLWA	5,806	1,211					7,017
TOTAL FCS	5,806	1,211	0	0	0	0	7,017
Total Capital Programme	44,763	82,673	22,974	11,824	16,785	11,225	190,244

SECTION H

6 Year Capital Programme 2015/16 to 2020/21

	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	Total
Grants	12,926	24,218	4,949	1,038	3,358	858	47,347
S106	1,835	541	2,061	1,060	5,886	4,826	16,209
Contributions	650	693	169	185	0	0	1,697
Revenue Grants Used as Direct Revenue Funding	917	917	917	0	0	0	2,751
Direct Revenue Funding (DRF)	1,535	992	500	500	500	500	4,527
Earmarked Reserves	1,021	273	0	0	0	0	1,294
Application of Capital Receipts	1,269	3,375	12,812	4,510	0	0	21,966
Unfinanced Potential Borrowing Requirement	24,610	51,664	1,566	4,531	7,041	5,041	94,453
	44,763	82,673	22,974	11,824	16,785	11,225	190,244

SECTION H

Prudential Indicators

The Prudential Indicators (PIs) required by statutory guidance are classified as controls on the affordability, sustainability and prudence of the planned borrowing.

The Prudential Borrowing regime, where councils set their own limit on borrowing using Prudential Indicators as controls, is based on the rule that councils are only authorised to borrow long term to fund capital projects, although they can borrow short term for cash flow purposes.

However, government guidance on Treasury Management requires councils to treat liquidity almost as highly as security when investing surplus cash, and on this basis it should be unusual for a Council to have the need to borrow short term on a regular basis.

The key information in setting PI is therefore the amount of capital expenditure financed by borrowing and the existing need to borrow.

It should be noted that the calculation of PI is set by regulations, which defines Borrowing as being formal loans and Debt as being Borrowing plus leases and other similar debt instruments.

These prescribed definitions do not match those used by the Council for its own internal budget monitoring and therefore totals are split where possible to assist users in matching PI figures to those used in budget setting and monitoring throughout the year.

It is also necessary to mention that the Council has started to take new loans on an annuity basis (as with a mortgage, payments are split between interest and principal repayment). This means that the element of principal repayment is being taken as making prudent provision for repayment, and included in MRP. This is described fully in the Treasury Strategy and Policy report elsewhere on this agenda.

A. Capital Expenditure

Councils are only authorised to borrow long term to fund capital spend (although they can borrow very short term to cover cash flow). The financing of the Capital Programme is therefore key to determining future borrowing need.

Capital expenditure forms the basis of determining the need to borrow. The capital expenditure shown in this indicator reflects the proposed Capital Programme for 2015/16 to 2020/21.

	<u>Revised</u> <u>2015/16</u> <u>£000</u>	<u>Estimate</u> <u>2016/17</u> <u>£000</u>	<u>Estimate</u> <u>2017/18</u> <u>£000</u>	<u>Estimate</u> <u>2018/19</u> <u>£000</u>	<u>Estimate</u> <u>2019/20</u> <u>£000</u>	<u>Estimate</u> <u>2020/21</u> <u>£000</u>
Capital Expenditure	44,763	82,673	22,974	11,824	16,785	11,225
<i>Of Which:</i>						
Financed from Grants & Contributions	15,411	25,452	7,179	2,283	9,244	5,684
Financed by RuT	4,742	5,557	14,229	5,010	500	500
New Borrowing Required by Programme	24,610	51,664	1,566	4,531	7,041	5,041

The estimate of capital expenditure changes during the course of the year as schemes are added and completion dates change.

The Programme is focused around schools works up to 2017/18, by which time the currently known projects should be complete. The remaining Programme then includes significant spend on Affordable Housing and Highways.

The proposed Capital Programme shows a significant reduction after 2016/17. This is due to the currently planned schools expansion programme ending, and value of government grants being lower than in previous years along with the reduction in the level of reserves available to fund new schemes. The new Programme includes £31m of new schemes approved in this report. £20m will be fully funded, with the remaining £11m increasing the Council's need to borrow.

SECTION H

The amount financed by RuT now includes the use of capital receipts anticipated in the proposed disposal programme, running from 2016/17 to 2018/19.

B. The Capital Financing Requirement

The Capital Financing Requirement (CFR) determines the authority's underlying need to borrow for capital purposes. Schemes that have no specific funding source increase the authority's underlying need to borrow hence the CFR increases. The level of provision required to repay debt (MRP) also increases, which will decrease the CFR. The overall change is a net increase in CFR.

	<u>Revised</u> <u>2015/16</u> <u>£000</u>	<u>Estimate</u> <u>2016/17</u> <u>£000</u>	<u>Estimate</u> <u>2017/18</u> <u>£000</u>	<u>Estimate</u> <u>2018/19</u> <u>£000</u>	<u>Estimate</u> <u>2019/20</u> <u>£000</u>	<u>Estimate</u> <u>2020/21</u> <u>£000</u>
Capital Financing Requirement (CFR)	151,389	198,433	194,059	192,499	193,058	191,425
Year on Year Increase in CFR	+20,885	+47,044	-4,374	-1,560	+559	-1,633
<i>Change represented by:</i>						
Schemes financed by Borrowing (incl. leases)	24,610	51,664	1,566	4,531	7,041	5,041
MRP contributions to fund the Requirement						
- represented by MRP	-2,910	-3,740	-4,993	-5,067	-5,376	-5,479
- Financing Leases and Similar (incl. PFI)	-815	-880	-947	-1,024	-1,106	-1,195
	20,885	47,044	-4,374	-1,560	559	-1,633

The CFR increases when there is an increase in spending which is not funded from existing resources. The Council would therefore need to borrow to fund this scheme. The CFR does not distinguish between real borrowing (either by taking out a loan or financing lease from an external body) and "internal borrowing" from cash coming in, or reserves.

The CFR decreases where there is either no new debt taken or contributions to repay debt are higher than the new debt. The reduction in 17/18 and 18/19 is due to the use of the new anticipated receipts (from disposals and S106 planning obligations) to reduce the need to borrow in year. Repayments then rise above new borrowing (with the exception of 2019/20) as there is minimal new borrowing and high value of debt outstanding requiring contributions to be made.

Indicators of Affordability

Affordability indicators are designed to ensure authorities have considered the costs of borrowing in a number of ways before they approve the capital spend that requires them to borrow. To do this, they consider :

The interest and principal repayment costs as a percentage of the Council's revenue budget.
The impact of the change in financing costs on Council Tax.

C. Ratio of Financing Costs to Net Revenue Stream

This indicator compares the net financing costs budget (interest due, interest receivable, set aside and actual repayment of principal) to the Council's Budget Requirement (before Formula Grant, GLA Precept and Collection Fund surplus).

	<u>Revised</u> <u>2015/16</u> <u>£000</u>	<u>Estimate</u> <u>2016/17</u> <u>£000</u>	<u>Estimate</u> <u>2017/18</u> <u>£000</u>	<u>Estimate</u> <u>2018/19</u> <u>£000</u>	<u>Estimate</u> <u>2019/20</u> <u>£000</u>	<u>Estimate</u> <u>2020/21</u> <u>£000</u>
Net Financing Costs	8,155	8,527	10,002	9,898	9,963	9,872
Net Revenue Stream	156,098	155,623	153,719	157,050	166,696	175,802
As a Ratio	5.22%	5.48%	6.51%	6.30%	5.98%	5.62%

SECTION H

Financing costs represent the net interest costs to the Council (interest payable on debt less interest due on balances) and a prudent provision for debt repayment (the Minimum Revenue Provision). These costs include those paid as part of a lease arrangement, such as in PFI contracts.

These costs are taken as a percentage of the Council's Net Revenue Stream, which is the amount the Council has budgeted to spend for the year net of specific grants but excluding Council Tax and Formula Grant income.

This figure is a latest estimate and will not be final until the Council approve the budget and Council Tax in March. Future year figures are estimates per the Medium Term Financial Strategy.

The financing costs are linked to movements in interest rates, as well as principal borrowed. Most borrowing is at a fixed rate, meaning interest payments will not vary, whereas most investments are for under a year meaning there are often amounts maturing which can be reinvested during the year. The current market projections are for bank base rate to start to increase slowly from the current low point of 0.50% from June 2016, although the further into the future the projection, the less certain it is.

The interest payable costs are budgeted to increase every year as new borrowing is taken to fund the Capital Programme. Interest rates on borrowing are projected to increase slowly going forward. These costs are offset in later years by increases in interest receivable due to projected increases in these interest rates.

Repayments of the loan to West London Waste Authority will begin in 2016/17 (assuming the scheme completes on time) with annual interest received of over £1m. This does not fully offset the increased interest payments required to finance the £32m increase in the Programme.

D. The impact of Capital Investment decisions on the Council Tax

This indicator shows the change in the level of Council Tax each year that will result from the authority's total capital plans. This can be viewed in 2 ways, both by the impact of the full effect of changes in financing costs as a percentage of Council Tax, or as the increase in a Band D Council Tax.

<u>Impact of Change in Financing Costs</u>	<u>Revised</u> <u>2015/16</u> <u>£000</u>	<u>Estimate</u> <u>2016/17</u> <u>£000</u>	<u>Estimate</u> <u>2017/18</u> <u>£000</u>	<u>Estimate</u> <u>2018/19</u> <u>£000</u>	<u>Estimate</u> <u>2019/20</u> <u>£000</u>	<u>Estimate</u> <u>2020/21</u> <u>£000</u>
Interest Payable						
- Direct borrowing	4,091	4,314	4,918	4,859	4,774	4,700
- Leases and PFI	1,927	1,864	1,794	1,719	1,637	1,547
Interest Receivable	-1,588	-2,270	-2,650	-2,771	-2,929	-3,049
Principal Repayment						
- Represented by MRP	2,910	3,740	4,993	5,067	5,376	5,479
- Financing Leases and Similar (incl. PFI)	815	879	947	1,024	1,106	1,195
Financing Costs	8,155	8,527	10,002	9,898	9,963	9,872
Year on Year Change	+2,736	+372	+1,475	-104	+65	-91
Impact on the Council Tax Requirement (RuT element)	2.48%	0.32%	1.19%	-0.08%	0.05%	-0.06%
Impact on a Band D Property	£31.93	£4.29	£16.89	-£1.19	£0.73	-£1.02

This indicator is designed to allow Members to make informed decisions on project approval based on affordability to the Council and priority against other cost pressures.

The cost to the Council Tax Payer is either a cost of borrowing to finance the scheme or an opportunity cost of lost income where balances (such as S106, Infrastructure Fund, Capital Receipts) are spent instead of being held as investments.

SECTION H

To comply with IFRS these include leased assets which are or will be at the end of the lease owned by the Council, such as the PFI Schools and Care Homes. The costs of financing these assets via the lease are also now shown in the principal repayment (the lease includes elements of loan charges and can also include service charges not included here, as with the PFI arrangements). PFI principal costs are fixed over the long life of the lease.

The increase in Principal Repayments on Debt is due to the anticipated increased need to borrow which increases the provision for debt repayment (MRP). This consists of actual repayments for new annuity loans and set aside for repayment on maturity for historic debt.

Interest payable would be expected to increase over time as the anticipated level of debt increases. However, the move to the use of annuity repayment loans (similar to a mortgage) for new borrowing means that interest payments could reduce. This is because the total cash payment is the same every year, but in early years it is predominantly interest with low principal value, with the balance switching over the term of the loan as principal repayment leads to interest being charged on a lower balance.

Interest Receivable increases over time. This is due to forecast increased return on investments due to anticipated bank rate increases. The repayment of the loan to WLWA (and associated interest) starts in 2016/17 at around £1m per year which also impact interest receivable.

The year on year increase in Financing Costs up to 2017/18 is due to the financing of the capital programme, particularly the need to borrow to provide school places where several schemes have significant costs in this year. This will change if further resources are identified to reduce the borrowing requirement. The reduction in the size of the Programme from 17/18 means that principal repayments will remain higher than new borrowing, leading to a small reduction in net financing costs.

Indicators of Prudence

Prudence indicators are designed to ensure authorities consider the impact of their spending decisions on borrowing. To do this, they compare Gross Borrowing (being loan debt and other financing lease arrangements) to the Capital Financing Requirement.

E. Gross External Borrowing and the Capital Financing Requirement

The Prudential Code states that ‘In order to ensure that over the medium term borrowing will only be for a capital purpose, the local authority should ensure that borrowing does not, except in the short term, exceed the total of capital financing requirement in the preceding year plus the estimates of any additional capital financing requirement for the current and next two financial years.’

Gross Borrowing is defined as all external borrowing in the form of loans as well as financing leases. The limit for debt is based on the current CFR plus the increase in the CFR over the next 3 years (the amount of the capital programme which is financed from borrowing in these years) to comply with the Code.

This limit allows authorities to borrow to meet their current need and to borrow in advance of need where this is prudent. For example, if an authority has £50m borrowing planned for capital spend over the next 3 years and interest rates are anticipated to rise next year, it could be prudent to borrow some of that £50m now.

	<u>Revised</u> <u>2015/16</u> <u>£000</u>	<u>Estimate</u> <u>2016/17</u> <u>£000</u>	<u>Estimate</u> <u>2017/18</u> <u>£000</u>	<u>Estimate</u> <u>2018/19</u> <u>£000</u>	<u>Estimate</u> <u>2019/20</u> <u>£000</u>	<u>Estimate</u> <u>2020/21</u> <u>£000</u>
Gross External Debt Limit Set	194,100	192,500	193,100	193,100	n/a	n/a
Projected Gross External Debt	118,789	152,697	149,703	146,571	n/a	n/a
Amount above/(below) limit	-75,311	-39,803	-43,397	-46,529	n/a	n/a

Debt is projected to stay within the limit set in the medium term.

SECTION H

This indicator cannot be set for 2019/20 and 20/21 as this would require an additional 2 years to be added to the Capital Programme (2021/22 and 2022/23) to allow for the potential to borrow up to 2 years in advance of need to be calculated for inclusion in the 2020/21 limit.

Indicators for Treasury Management

Treasury Management indicators use debt, being formal loan arrangements only, as opposed to the accounting definition of borrowing used for indicator E above, which includes finance leases.

F. Authorised Limit for External Debt

The authorised limit is the absolute limit of borrowing based upon the authority's plans and includes sufficient headroom for unpredictable cash movements. External Debt includes both direct borrowing and indirect borrowing implied in a financing lease or PFI arrangement. It excludes internal borrowing.

	<u>Revised</u> <u>2015/16</u> <u>£000</u>	<u>Estimate</u> <u>2016/17</u> <u>£000</u>	<u>Estimate</u> <u>2017/18</u> <u>£000</u>	<u>Estimate</u> <u>2018/19</u> <u>£000</u>	<u>Estimate</u> <u>2019/20</u> <u>£000</u>	<u>Estimate</u> <u>2020/21</u> <u>£000</u>
Authorised Limit Set	139,000	173,000	173,000	170,000	167,000	163,000
Projected Gross External Debt	118,789	152,697	149,703	146,571	143,294	139,862
Amount above/(below) limit	-20,211	-20,303	-23,297	-23,429	-23,706	-23,138

The above indicator shows the maximum level of external borrowing including use of financing leases, and net of scheduled repayments on annuity loans. An in principle decision has been made to borrow internally, accepting the associated risk of adverse interest rate movements. This figure therefore excludes any unfunded capital expenditure which the Council anticipates funding short term by running down balances.

The Council is projected to stay well within the Authorised Limit set. This limit is at the Council's discretion and any change in the projected external debt should be reflected in this limit.

G. Operational Boundary

The operational boundary should be based upon the authority's plans and should show the maximum level of external debt. It is not significant if the operational boundary is breached on occasion although sustained or regular trend above the boundary should warrant further investigation.

	<u>Revised</u> <u>2015/16</u> <u>£000</u>	<u>Estimate</u> <u>2016/17</u> <u>£000</u>	<u>Estimate</u> <u>2017/18</u> <u>£000</u>	<u>Estimate</u> <u>2018/19</u> <u>£000</u>	<u>Estimate</u> <u>2019/20</u> <u>£000</u>	<u>Estimate</u> <u>2020/21</u> <u>£000</u>
Operational Boundary Set	134,000	168,000	168,000	165,000	162,000	158,000
Projected External Debt	118,789	152,697	149,703	146,571	143,294	139,862
Amount below Limit	-15,211	-15,303	-18,297	-18,429	-18,706	-18,138

The Council is projected to stay well within this limit.

H. Adoption of the CIPFA Code of Practice for Treasury Management

The CIPFA Code of Practice sets out best practice in treasury management and the Code has always been followed in Richmond. In 2011, a revised version of the Code was issued and the Treasury Management Policy was amended to reflect the new Code. The Policy is reviewed annually in February which allows changes to be included if necessary. The Prudential Indicator states that Authorities should adhere to the Code of Practice. All Treasury activities currently adhere to the Code of Practice and regular reviews ensure that this continues.

SECTION H

I. Limits on Fixed and Variable Interest Exposure

This indicator is designed to show that the authority can manage fluctuations in interest rates and that both the borrowing and investment portfolios are balanced between fixed and variable rates.

The limits are set on net exposure, which is borrowing (loans and leases/PFIs) less investments.

Short term investments or debt which last less than a year are included as variable rate investments.

Although the rate is fixed for the duration, the money may be re-invested or re-borrowed at a different rate when it matures during the year. Investments and debt lasting over a year are included as fixed rate exposure.

<u>Fixed Rate Exposure</u>	<u>Revised</u> <u>2015/16</u> <u>£000</u>	<u>Estimate</u> <u>2016/17</u> <u>£000</u>	<u>Estimate</u> <u>2017/18</u> <u>£000</u>	<u>Estimate</u> <u>2018/19</u> <u>£000</u>	<u>Estimate</u> <u>2019/20</u> <u>£000</u>	<u>Estimate</u> <u>2020/21</u> <u>£000</u>
Upper Limit	134,000	168,000	168,000	165,000	162,000	158,000
Lower Limit	88,000	124,000	121,000	118,000	114,000	111,000
Projected Exposure	113,337	148,745	145,751	142,619	139,342	135,910

Changes in the exposure limit are linked to the timing of projected borrowing in future years (which will be at a fixed rate) and repayment of existing loans.

<u>Variable Rate Exposure</u>	<u>Revised</u> <u>2015/16</u> <u>£000</u>	<u>Estimate</u> <u>2016/17</u> <u>£000</u>	<u>Estimate</u> <u>2017/18</u> <u>£000</u>	<u>Estimate</u> <u>2018/19</u> <u>£000</u>	<u>Estimate</u> <u>2019/20</u> <u>£000</u>	<u>Estimate</u> <u>2020/21</u> <u>£000</u>
Upper Limit	-53,000	-42,000	-46,000	-47,000	-46,000	-47,000
Lower Limit	-3,000	8,000	4,000	3,000	4,000	3,000
Projected Exposure	-27,848	-16,948	-20,648	-21,748	-20,748	-21,848

The movements in the exposure limit reflects the projected change balances. Borrowing is mainly taken at fixed rates for certainty, and the variable rate exposure is therefore closely linked to short term investment levels.

J. Maturity Structure of Borrowing

This indicator sets limits for the amount of fixed rate borrowing that will mature within certain time bands in the future. This is designed to ensure that authorities spread the maturity dates of their loans to avoid the risks associated with having to repay or re-borrow large amounts within a short period.

The Council has decided to take all new borrowing on an annuity basis, making annual repayments of principal. This indicator is therefore less relevant for Richmond going forward as the risk of large values becoming due in any one year is mitigated by the regular repayments. Loans which have annual repayments are therefore excluded from this PI on this basis.

	<u>Upper Limit</u> <u>2016/17</u> <u>%</u>	<u>Estimate</u> <u>2016/17</u> <u>%</u>
Under 1 year	30%	6%
1 to 2 years	40%	3%
2 to 5 years	50%	19%
5 to 10 years	60%	11%
10 to 15 years	}	13%
15 to 25 years	} 85%	39%
over 25 years	}	9%

SECTION H

It can be seen from the above table that the Council anticipates more longer term borrowing to take advantage of the lower annual costs for this duration.

Decisions on the duration of new borrowing will take into account both interest rates at the time and the benefits of a mixed maturity structure.

K. Total Principal Sum Invested Beyond the Period End.

Previously, authorities with debt could not invest for greater than 364 days. Under the prudential controls this restriction is lifted (i.e. Authorities can invest for more than one year).

This limit is to ensure that authorities do not invest too much of their portfolio beyond one year (which could lead to losses in interest during times of volatile interest rate fluctuations)

	<u>Revised</u> <u>2015/16</u>	<u>Estimate</u> <u>2016/17</u>	<u>Estimate</u> <u>2017/18</u>	<u>Estimate</u> <u>2018/19</u>	<u>Estimate</u> <u>2019/20</u>	<u>Estimate</u> <u>2020/21</u>
Limit	40.0%	40.0%	40.0%	40.0%	40.0%	40.0%
Actual / Estimate	6.9%	3.7%	3.1%	3.0%	3.1%	3.0%
Projected Investments at 31st March (£m)	2.3	0.8	0.8	0.8	0.8	0.8

Interest rates are usually higher for longer term investments than short term. However, given the current levels of internal borrowing and relatively low cash balances, it is unlikely that there will be significant long term investments in the near future.

Once the Council is satisfied that the risks of long term investments can be controlled, the Council could keep up to 40% of its investments at fixed rates to benefit from the higher rates and certainty of income. Each investment would be considered individually with respect to the need for security and liquidity and any benefit from interest rates for different durations. The decision to invest long term will therefore take into account cash flow projections both in terms of the calculated cash limit as a percentage of the anticipated balance, and to ensure the Council's liquidity is adequate.

Local Indicators

The Council has opted to set some local indicators to give further information and controls.

L1. Ratio of External Loans to Fixed Assets

The Council has opted to set a further, local indicator to review the value of its external loans. This looks at the ratio of anticipated external loans to anticipated value of fixed assets (land & buildings, furniture, equipment, long licences etc.).

	<u>Revised</u> <u>2015/16</u> <u>£000</u>	<u>Estimate</u> <u>2016/17</u> <u>£000</u>	<u>Estimate</u> <u>2017/18</u> <u>£000</u>
Value of Loans at 31st March	98,113	132,900	130,854
Estimated value of Fixed Assets at 31st March	864,274	927,437	924,155
Loans as % of Assets	11.4%	14.3%	14.2%
Current Limit	15.0%	15.0%	15.0%

The estimated value of assets includes allowance for depreciation and revaluation changes as well as sale of assets per the approved disposal programme.

With both the increase in the capital programme and changes in asset values, due in particular to academy schools moving off of our balance sheet, this discretionary limit requires a more fundamental review for the longer term.

SECTION H

L2. Ratio of Gross Loan Interest to RuT Gross Budget

The Council has opted to set a further, local indicator to review the affordability of its external loans. This looks at the ratio of interest payable on anticipated external borrowing in the form of loans.

	<u>Revised</u> <u>2015/16</u> <u>£000</u>	<u>Estimate</u> <u>2016/17</u> <u>£000</u>	<u>Estimate</u> <u>2017/18</u> <u>£000</u>
Budgeted Loan Interest	4,091	4,314	4,918
RuT Gross Budget	415,037	409,146	409,146
Interest as % of Revenue	1.0%	1.1%	1.2%
Current Limit	2.0%	2.0%	2.0%

NB 2017/18 assumes no material change in gross budget.

APPENDIX C

RISK ASSESSMENT

Risks to the Capital Programme can arise from the following:

- The complete or partial loss (or delay in the receipt of) anticipated capital receipts, particularly given the current economic climate.
- Overspending against the agreed budgets.
- Insufficient internal staffing capacity to support projects.
- Unexpected calls on the Council's capital resources from unforeseen events.
- Interest rate movements making borrowing more costly than anticipated.
- Increased level of borrowing requiring greater use of revenue budgets for interest and repayments.

These risks cannot be completely removed but the following actions have been taken to try and minimise the risks.

- Receipts are only included in the programme when there is a definite disposal timetable for the relevant assets. The 6 year capital programme assumes a prudent level of disposals will actually be received.
- A budget manager is clearly assigned responsibility for monitoring the budget and to ensure that the necessary approvals have been sought and funding identified.
- Regular capital expenditure monitoring meetings are held with budget managers to identify any problems at an early stage.
- Staffing levels in construction and property development areas to support capital projects are kept under regular review.
- The approval process for new capital schemes considers the revenue implications of increased borrowing requirements.
- Officers receive regular advice from the Council's Treasury Advisors in respect of the timing in external and internal borrowing.

Definitions of Budget Headings

SeRCOP

The Service Reporting Code of Practice (SeRCOP) provides guidance on financial reporting to stakeholders to ensure that it meets the needs of modern local government; particularly the duty to secure and demonstrate best value in the provision of services to the community. The code of practice provides a standard subjective analysis to be used by Council's to ensure consistency in Local Government reporting.

EXPENDITURE

Employees

This includes the cost of employee expenses, both direct and indirect, to the authority. Direct employee expenses include salaries, employer's national insurance contribution, employer's retirement benefit cost, agency staff and employee expenses. Indirect employee expenses include relocation, interview, training, advertising, severance payments and employee-related schemes.

Premises

This includes expenses directly related to the running of premises and land and covers repairs, alterations and maintenance of buildings, energy costs, rents, rates, water services, fixtures and fittings, apportionment of expenses of operational buildings, cleaning and domestic supplies, grounds maintenance costs and premises insurance.

Transport

This includes all costs associated with the provision, hire or use of transport, including traveling allowances and home to school transport. It covers direct transport costs such as repairs & maintenance and running costs as well as recharges for vehicles hired from a central pool, hire and operating leases, staff traveling expenses, transport insurance and car allowances.

Supplies and Services

This includes all direct supplies and service expenses to the authority. It covers equipment, furniture and materials, catering, clothes, printing, stationery and general office expenses, communications and computing, members' allowances, expenses including subsistence and conferences, grants and subscriptions, Private Finance Initiative, and miscellaneous expenses.

Third Party Payments

A third party payment is a payment to an external provider or an internal service delivery unit defined as a trading operation (e.g. payment to a building firm would be shown under Premises costs).

Transfer Payments

This includes the cost of payments to individuals for which no goods or services are received in return by the local authority. This covers mandatory and discretionary awards to students, payments to Social Services clients, and Housing Benefit payments.

SECTION I

Support Services

Charges for Legal and HR shared services that are hosted by other Local authorities and support the provision of services to the public. These are apportioned or allocated to the service divisions that they support using an agreed method.

INCOME

Government Grants

This covers all specific and special government grants.

Other Grants & Contributions

This includes income received to finance a function/project which is undertaken with other bodies and other contributions from other local authorities.

Customer & Client Receipts

This includes sales of products or materials, fees and charges for services, use of facilities, admissions and lettings.

FINANCIAL ACCOUNTING ADJUSTMENTS

Central Support Charges

This covers charges for services that support the provision of services to the public. These costs are apportioned or allocated to the services they support and include the costs of finance, IT, human resources, property management, office accommodation, legal services, procurement services, corporate services and transport functions.

Central Support Income

This covers income for the services that support the provision of services to the public.

Capital Charges

The costs associated with the revenue impact of capital items in the service revenue accounts are reported here, these items have a net effect of nil on Council Tax. The charges record the affect of depreciation, revaluation losses, loss of impairment of assets, amortization of intangible fixed assets and movement in fair value of investment property.

OTHER DEFINITIONS

Business Rates Levy / Tariff

As part of the new business rates retention scheme, a tariff and levy approach has been implemented to enable a one-off distribution of resources at the outset of the scheme. This is calculated for each individual authority, by comparing the business rates baseline against its baseline funding level. An authority with a higher individual authority business rates baseline than its baseline funding level pays a tariff, and the opposite applies for a levy payment.

Collection Fund

Local authorities who are required by law to collect Council Tax and Business Rates must establish a 'Collection Fund' that records the amounts collected from Council Tax and

SECTION I

Business Rates separately from the Council's own accounts. The Collection Fund also shows payments made to the government and precepting authorities, and transfers to the Council's General Fund.

Corporate and Democratic Core

This comprises corporate management and democratic representation and management costs.

Depreciation

The writing down of the value of a fixed asset in the balance sheet in line with its expected useful life.

Earmarked Reserves

Amounts set aside for specific purposes falling outside the definition of provisions.

FTE

FTE is an abbreviation for the term Full Time Equivalents. FTE is commonly used to measure the number of staff employed within a service or other operational group. It enables amount of part-time and other flexible working arrangements (e.g. 2 days per week or term-time only) to be consistently measured.