



# **BUDGET BOOK**

**2011-2012**

**Mark Maidment CPFA**

**Director of Finance  
& Corporate Services**



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# **Budget Book 2011/12**

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

Produced by the Accountancy Section

Finance and Corporate Services Directorate

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

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## Section A

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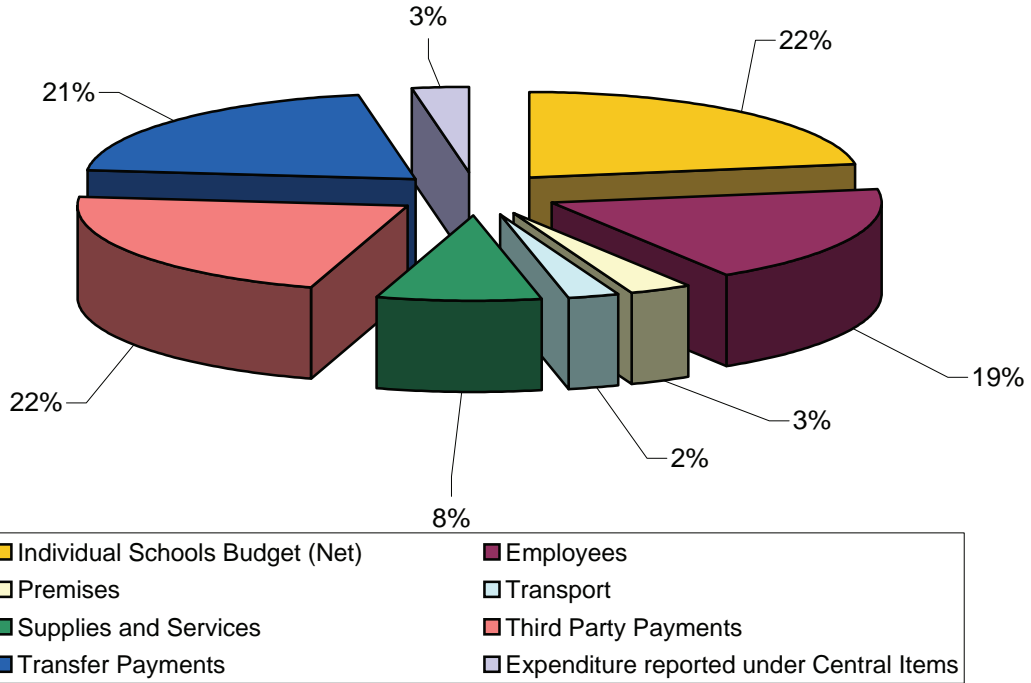
**COUNCIL'S REVENUE BUDGET 2011/12**  
**SUBJECTIVE SUMMARY OF EXPENDITURE AND INCOME**

	<u>2009/10</u> <u>Actual</u> £	<u>2010/11</u> <u>Original</u> £	<u>2011/12</u> <u>Estimate</u> £
Individual Schools and Nursery Budget (Net)	78,838,904	90,474,200	92,304,100
<b><u>Expenditure</u></b>			
Employees	75,619,935	82,077,100	76,716,300
Premises	14,879,649	14,035,800	13,667,000
Transport	11,206,388	9,853,200	9,708,600
Supplies and Services	41,548,302	34,038,600	33,266,000
Third Party Payments	92,047,701	92,370,200	90,405,000
Transfer Payments	86,112,481	75,932,700	84,690,800
<b>TOTAL EXPENDITURE</b>	<b>400,253,359</b>	<b>398,781,800</b>	<b>400,757,800</b>
<b><u>Income</u></b>			
Adjusted Dedicated Schools Grant	(95,057,000)	(100,562,000)	(103,057,800)
Government Grants	(89,662,970)	(77,589,400)	(86,386,200)
Other Grants and Contributions	(21,048,787)	(17,154,200)	(9,140,100)
Customer & Client Receipts	(67,196,998)	(56,147,100)	(56,578,400)
<b>TOTAL INCOME</b>	<b>(272,965,756)</b>	<b>(251,452,700)</b>	<b>(255,162,500)</b>
<b>NET EXPENDITURE (EXCL. CENTRAL ITEMS)</b>	<b>127,287,603</b>	<b>147,329,100</b>	<b>145,595,300</b>
Central Items	(13,642,904)	(32,885,600)	(30,642,400)
<b>NET EXPENDITURE (CONTROLLABLE)</b>	<b>113,644,699</b>	<b>114,443,500</b>	<b>114,952,900</b>
<b><u>Financial Accounting Adjustments</u></b>			
Central Support Charges	22,372,672	24,202,300	24,423,200
Departmental Charges	18,767,615	18,891,000	16,626,900
Capital Charges	0	0	0
Central Support Income	(22,372,672)	(24,202,300)	(24,423,200)
Departmental Charges Income	(18,767,615)	(18,891,000)	(16,626,900)
<b>NET ACCOUNTING ADJUSTMENTS</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>NET EXPENDITURE (ALL BUDGETS)</b>	<b>113,644,700</b>	<b>114,443,500</b>	<b>114,952,900</b>

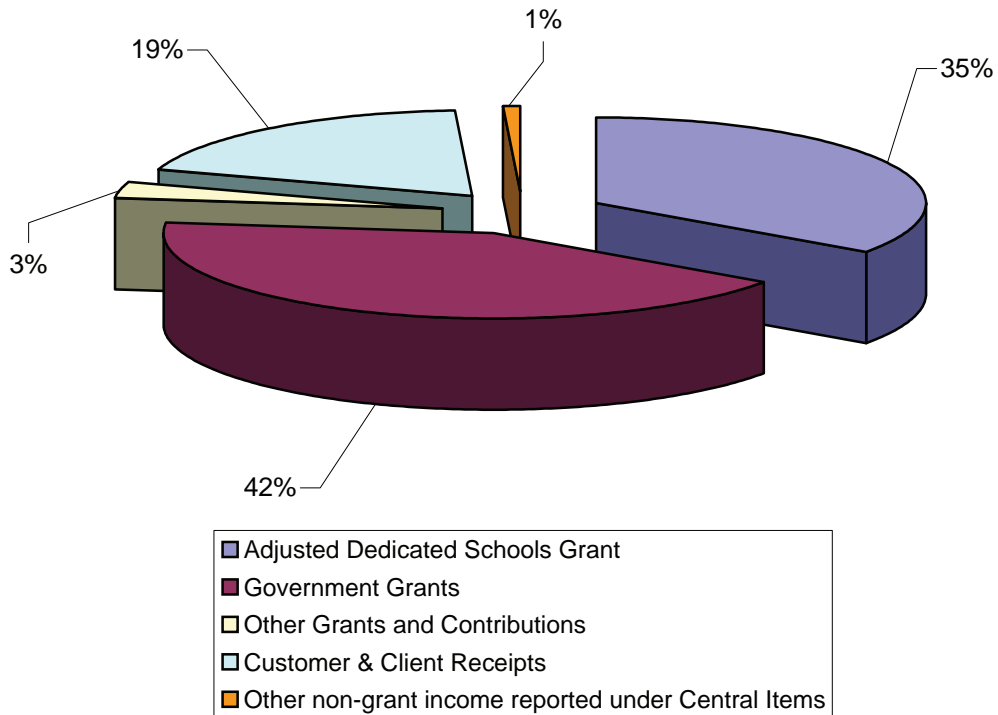
**Variation Analysis (excluding schools)**

Original Budget 2010/11	114,443,500
Inflation	2,236,400
Budget Transfers	0
Changes in Government Grants	2,981,000
Other Government or Outside Body changes	1,168,700
Demand Led Growth	1,000,000
Budget Review Savings	(9,335,200)
Service Reductions & Efficiency Savings	(2,098,500)
Other Growth and Savings	634,000
Investment Priorities	3,923,000
Changes to financial accounting adjustments	0
Original Budget 2011/12	<u>114,952,900</u>
<b><u>Other Information</u></b>	
Employee FTE's (Budgeted)	3,759.8      3,334.3

### Analysis of 2011/12 Expenditure Budget



### Analysis of 2011/12 Income Budgets



**COUNCIL'S REVENUE BUDGET 2011-12**  
**SERVICE REPORTING CODE OF PRACTICE (SeRCOP) FORMAT**  
**(FORMERLY BEST VALUE ACCOUNTING CODE OF PRACTICE FORMAT)**

	<b>Net Expenditure</b>
	<b><u>2011/12</u></b>
Central Services - Local Taxation	2,657,000
Other Central Services to the Public	1,296,000
<b>Central Services - Sub Total</b>	<b><u>3,953,000</u></b>
Education Services	22,416,000
Highways and Transport Services	10,414,000
Social Care	69,628,000
Housing Services	13,004,000
Cultural and Related Services	11,556,000
Environmental and Regulatory Services	15,698,000
Planning and Development Services	6,085,000
Corporate and Democratic Core	3,884,000
Non Distributed Costs	722,000
<b>Net Costs of Services</b>	<b><u>157,360,000</u></b>
<b>Amounts Excluded from Net Cost of Services under SeRCOP</b>	
Precepts and Levies	6,455,000
(Surplus)/Deficit on Trading Accounts	(503,000)
Interest Payable	5,168,000
Interest and Investment Income	(1,370,000)
Minimum Revenue Provision	3,130,000
Reversal of Capital Charges	(22,059,000)
Net Transfer to / (from) Earmarked Reserves	1,156,000
<b>Net Operating Expenditure</b>	<b><u>149,337,000</u></b>
Demand on the Collection Fund and distribution of prior year surplus	(115,203,000)
Formula Grant	(30,753,000)
Contribution to General Reserve	(500,000)
General grant	(2,881,000)
<b>(Surplus) / Deficit for the Year</b>	<b><u><u>0</u></u></b>



# **FINANCE AND CORPORATE SERVICES**

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## FINANCE AND CORPORATE SERVICES

### REVENUE BUDGET - SUMMARY OF EXPENDITURE

<u>PURPOSE</u>	<u>2009/10</u>	<u>2010/11</u>	<u>2011/12</u>
	<u>Actual</u>	<u>Original</u>	<u>Estimate</u>
	<u>£</u>	<u>£</u>	<u>£</u>
Web Team	0	0	0
ICT & E-Services	0	0	0
Human Resources	0	0	0
Corporate Income	0	0	0
Legal Services	0	0	0
Democratic Services	1,108,999	1,179,300	831,700
Financial Services Management	0	0	0
Accountancy	0	0	0
Internal Audit	0	0	0
Chief Executive's Office	301,350	418,200	414,300
Electoral Services	533,609	742,900	568,200
Democratic Representation and Management	1,506,386	1,563,000	1,440,500
Cost of Local Tax Collection	2,617,155	2,721,000	3,236,500
Corporate Management	919,924	1,410,100	1,152,200
Non Distributed Costs	721,649	3,738,000	3,297,700
Precepts and Levies	711,929	991,900	740,800
Customer Services	0	0	0
Land Charges	(258,707)	(29,400)	(53,200)
Efficiency Challenge Programme Team	0	0	0
Home Loans Unit	28,071	100	8,200
<b>Total for Corporate Services</b>	<b>8,190,365</b>	<b>12,735,100</b>	<b>11,636,900</b>
Central Items	(27,410,402)	(48,446,600)	(53,616,500)
<b>Total for Corporate Services and Central Items</b>	<b>(19,220,037)</b>	<b>(35,711,500)</b>	<b>(41,979,600)</b>

<u>Variation Analysis</u>	
<b>Original Budget 2010/11</b>	<b>(35,711,500)</b>
Inflation	341,900
Budget Transfers	181,700
Changes in Government Grants	(2,360,400)
Other Government or Outside Body changes	398,200
Demand Led Growth	0
Budget Review Savings	(1,465,300)
Service Reductions & Efficiency Savings	0
Other Growth and Savings	634,000
Investment Priorities	3,923,000
Changes to financial accounting adjustments	(7,921,200)
<b>Original Budget 2011/12</b>	<b>(41,979,600)</b>

## FINANCE AND CORPORATE SERVICES

### SUBJECTIVE ANALYSIS

	<u>2009/10</u>	<u>2010/11</u>	<u>2011/12</u>
	<u>Actual</u>	<u>Original</u>	<u>Estimate</u>
	<u>£</u>	<u>£</u>	<u>£</u>
<u>Expenditure</u>			
Employees	11,981,369	15,771,200	15,157,300
Premises	27,554	40,900	24,600
Transport	132,631	138,600	38,000
Supplies and Services	8,779,676	9,416,500	9,522,300
Third Party Payments	1,042,609	1,278,200	987,900
Transfer Payments	13,148,839	12,028,900	13,295,900
<b>TOTAL EXPENDITURE</b>	<b>35,112,678</b>	<b>38,674,300</b>	<b>39,026,000</b>
<u>Income</u>			
Government Grants	(12,713,242)	(12,795,700)	(13,940,100)
Other Grants and Contributions	(1,698,697)	(378,400)	(333,800)
Customer & Client Receipts	(2,754,314)	(2,115,100)	(1,957,100)
<b>TOTAL INCOME</b>	<b>(17,166,253)</b>	<b>(15,289,200)</b>	<b>(16,231,000)</b>
<b>NET EXPENDITURE (EXCL. CENTRAL ITEMS)</b>	<b>17,946,425</b>	<b>23,385,100</b>	<b>22,795,000</b>
Central Items (excluding FA Adjustments)	(13,642,904)	(32,885,600)	(30,642,400)
<b>NET EXPENDITURE (CONTROLLABLE)</b>	<b>4,303,521</b>	<b>(9,500,500)</b>	<b>(7,847,400)</b>
<u>Financial Accounting Adjustments</u>			
Central Support Charges	4,785,560	5,761,900	5,743,600
Departmental Charges	0	0	0
Capital Charges	(12,378,354)	(14,556,300)	(21,378,700)
Central Support Income	(15,930,764)	(17,416,600)	(18,497,100)
Departmental Charges Income	0	0	0
<b>NET ACCOUNTING ADJUSTMENTS</b>	<b>(23,523,558)</b>	<b>(26,211,000)</b>	<b>(34,132,200)</b>
<b>NET EXPENDITURE (ALL BUDGETS)</b>	<b>(19,220,037)</b>	<b>(35,711,500)</b>	<b>(41,979,600)</b>

### BUDGETED STAFFING FTE'S

	<b>2010/2011</b>	<b>2011/12</b>
Number of full time equivalent employees	298.1	282.9

## FINANCE AND CORPORATE SERVICES

### WEB TEAM (C01)

This section create and maintain the navigation and content for the Council's public website and intranet, develop a range of databases and web applications using e-forms, integrate web applications using web services and provide technical advice on web technology.

	<u>2009/10</u> <u>Actual</u> <u>£</u>	<u>2010/11</u> <u>Original</u> <u>£</u>	<u>2011/12</u> <u>Estimate</u> <u>£</u>
<u>Expenditure</u>			
Employees	245,973	221,500	226,100
Premises	0	0	0
Transport	55	0	0
Supplies and Services	15,846	19,000	19,000
Third Party Payments	0	0	0
Transfer Payments	0	0	0
<b>TOTAL EXPENDITURE</b>	<b>261,874</b>	<b>240,500</b>	<b>245,100</b>
<u>Income</u>			
Government Grants	0	0	0
Other Grants and Contributions	0	0	0
Customer & Client Receipts	0	0	0
<b>TOTAL INCOME</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>NET EXPENDITURE (CONTROLLABLE)</b>	<b>261,874</b>	<b>240,500</b>	<b>245,100</b>
<u>Financial Accounting Adjustments</u>			
Central Support Charges	47,807	52,000	49,300
Departmental Charges	0	0	0
Capital Charges	0	0	0
Central Support Income	(309,681)	(292,500)	(294,400)
Departmental Charges Income	0	0	0
<b>NET ACCOUNTING ADJUSTMENTS</b>	<b>(261,874)</b>	<b>(240,500)</b>	<b>(245,100)</b>
<b>NET EXPENDITURE (ALL BUDGETS)</b>	<b>0</b>	<b>0</b>	<b>0</b>

### Variation Analysis

Original Budget 2010/11	0
Inflation	4,600
Budget Transfers	0
Changes in Government Grants	0
Other Government or Outside Body changes	0
Demand Led Growth	0
Budget Review Savings	0
Service Reductions & Efficiency Savings	0
Other Growth and Savings	0
Changes to financial accounting adjustments	(4,600)
Original Budget 2011/12	0
<hr/>	
<b>Other Information</b>	
Employee FTE's (Budgeted)	4.0      4.0



## FINANCE AND CORPORATE SERVICES

### ICT & E-SERVICES (C02 & C16)

This budget comprises the strategic IT partnership with Serco and corporate ICT provision. Serco are responsible for providing IT infrastructure, support and desktop support, and management of some core applications.

	<u>2009/10</u> <u>Actual</u> <u>£</u>	<u>2010/11</u> <u>Original</u> <u>£</u>	<u>2011/12</u> <u>Estimate</u> <u>£</u>
<u>Expenditure</u>			
Employees	1,133,063	1,164,000	856,400
Premises	0	0	0
Transport	21,140	21,300	2,300
Supplies and Services	4,967,157	6,022,900	6,534,700
Third Party Payments	0	0	0
Transfer Payments	0	0	60,000
<b>TOTAL EXPENDITURE</b>	<b>6,121,360</b>	<b>7,208,200</b>	<b>7,453,400</b>
<u>Income</u>			
Government Grants	0	0	0
Other Grants and Contributions	0	0	0
Customer & Client Receipts	(132,897)	0	0
<b>TOTAL INCOME</b>	<b>(132,897)</b>	<b>0</b>	<b>0</b>
<b>NET EXPENDITURE (CONTROLLABLE)</b>	<b>5,988,463</b>	<b>7,208,200</b>	<b>7,453,400</b>
<u>Financial Accounting Adjustments</u>			
Central Support Charges	241,855	263,100	291,500
Departmental Charges	0	0	0
Capital Charges	598,127	142,200	716,200
Central Support Income	(6,828,445)	(7,613,500)	(8,461,100)
Departmental Charges Income	0	0	0
<b>NET ACCOUNTING ADJUSTMENTS</b>	<b>(5,988,463)</b>	<b>(7,208,200)</b>	<b>(7,453,400)</b>
<b>NET EXPENDITURE (ALL BUDGETS)</b>	<b>0</b>	<b>0</b>	<b>0</b>

<u>Variation Analysis</u>	
Original Budget 2010/11	0
Inflation	240,000
Budget Transfers	58,200
Changes in Government Grants	0
Other Government or Outside Body changes	0
Demand Led Growth	0
Budget Review Savings	(53,000)
Service Reductions & Efficiency Savings	0
Other Growth and Savings	0
Changes to financial accounting adjustments	(245,200)
Original Budget 2011/12	0
<u>Other Information</u>	
Employee FTE's (Budgeted)	21.3      17.7
<i>Transferred to the Efficiency team</i>	-2.7
<i>Transferred to Adult and Community Services Programme Office</i>	-1.0

## FINANCE AND CORPORATE SERVICES

### HUMAN RESOURCES (C03)

The Human Resources Team supports and enables the Council to recruit, develop, lead and manage its people effectively. From 2011/12 the Council's payroll and pensions team has been integrated into the Human Resources Team.

	<u>2009/10</u> <u>Actual</u> <u>£</u>	<u>2010/11</u> <u>Original</u> <u>£</u>	<u>2011/12</u> <u>Estimate</u> <u>£</u>
<u>Expenditure</u>			
Employees	2,578,403	2,864,200	2,386,100
Premises	4,360	16,300	0
Transport	30,551	35,100	5,300
Supplies and Services	378,824	234,300	165,800
Third Party Payments	9,695	21,000	0
Transfer Payments	1,782	0	0
<b>TOTAL EXPENDITURE</b>	<b>3,003,615</b>	<b>3,170,900</b>	<b>2,557,200</b>
<u>Income</u>			
Government Grants	0	0	0
Other Grants and Contributions	(21,950)	(44,600)	0
Customer & Client Receipts	(1,088,392)	(1,085,400)	(867,800)
<b>TOTAL INCOME</b>	<b>(1,110,342)</b>	<b>(1,130,000)</b>	<b>(867,800)</b>
<b>NET EXPENDITURE (CONTROLLABLE)</b>	<b>1,893,273</b>	<b>2,040,900</b>	<b>1,689,400</b>
<u>Financial Accounting Adjustments</u>			
Central Support Charges	680,744	684,500	550,000
Departmental Charges	0	0	0
Capital Charges	65,924	66,700	75,600
Central Support Income	(2,639,941)	(2,792,100)	(2,315,000)
Departmental Charges Income	0	0	0
<b>NET ACCOUNTING ADJUSTMENTS</b>	<b>(1,893,273)</b>	<b>(2,040,900)</b>	<b>(1,689,400)</b>
<b>NET EXPENDITURE (ALL BUDGETS)</b>	<b>0</b>	<b>0</b>	<b>0</b>

#### **Variation Analysis**

Original Budget 2010/11	0
Inflation	18,700
Budget Transfers	(231,800)
Changes in Government Grants	0
Other Government or Outside Body changes	0
Demand Led Growth	0
Budget Review Savings	(263,400)
Service Reductions & Efficiency Savings	0
Other Growth and Savings	125,000
Changes to financial accounting adjustments	351,500
Original Budget 2011/12	0

#### **Other Information**

Employee FTE's (Budgeted)	65.3	48.0
<i>Transferred to Education Childrens' Services and Culture</i>	-0.5	
<i>Transferred to Adult and Community Services</i>	-6.5	
<i>Budget Review Savings</i>	-10.3	

## FINANCE AND CORPORATE SERVICES

### CORPORATE INCOME (C04)

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

	<u>2009/10</u> <u>Actual</u> <u>£</u>	<u>2010/11</u> <u>Original</u> <u>£</u>	<u>2011/12</u> <u>Estimate</u> <u>£</u>
<u>Expenditure</u>			
Employees	220,348	235,500	229,000
Premises	0	0	0
Transport	11,601	11,700	10,300
Supplies and Services	172,646	48,500	45,500
Third Party Payments	0	0	0
Transfer Payments	0	0	0
<b>TOTAL EXPENDITURE</b>	<b>404,595</b>	<b>295,700</b>	<b>284,800</b>
<u>Income</u>			
Government Grants	0	0	0
Other Grants and Contributions	0	0	0
Customer & Client Receipts	(8,234)	(12,700)	(12,700)
<b>TOTAL INCOME</b>	<b>(8,234)</b>	<b>(12,700)</b>	<b>(12,700)</b>
<b>NET EXPENDITURE (CONTROLLABLE)</b>	<b>396,361</b>	<b>283,000</b>	<b>272,100</b>
<u>Financial Accounting Adjustments</u>			
Central Support Charges	78,134	74,900	115,200
Departmental Charges	0	0	0
Capital Charges	5,215	0	5,200
Central Support Income	(479,710)	(357,900)	(392,500)
Departmental Charges Income	0	0	0
<b>NET ACCOUNTING ADJUSTMENTS</b>	<b>(396,361)</b>	<b>(283,000)</b>	<b>(272,100)</b>
<b>NET EXPENDITURE (ALL BUDGETS)</b>	<b>0</b>	<b>0</b>	<b>0</b>

<u>Variation Analysis</u>		
Original Budget 2010/11		0
Inflation		1,800
Budget Transfers		(1,700)
Changes in Government Grants		0
Other Government or Outside Body changes		0
Demand Led Growth		0
Budget Review Savings		(11,000)
Service Reductions & Efficiency Savings		0
Other Growth and Savings		0
Changes to financial accounting adjustments		10,900
Original Budget 2011/12		0
<u>Other Information</u>		
Employee FTE's (Budgeted)	7.6	6.6
Budget review savings	-1.1	

## FINANCE AND CORPORATE SERVICES

### LEGAL SERVICES (C05)

This service provides in-house legal services across all of the council's functions, to schools and to certain other public bodies, assists in the procurement of other specialist advices and in ensuring legality, probity and sound corporate governance.

	<u>2009/10</u> <u>Actual</u> £	<u>2010/11</u> <u>Original</u> £	<u>2011/12</u> <u>Estimate</u> £
<u>Expenditure</u>			
Employees	1,442,605	1,548,800	1,458,600
Premises	12	0	0
Transport	2,730	2,400	1,400
Supplies and Services	116,613	81,500	81,500
Third Party Payments	0	0	0
Transfer Payments	0	0	0
<b>TOTAL EXPENDITURE</b>	<b>1,561,960</b>	<b>1,632,700</b>	<b>1,541,500</b>
<u>Income</u>			
Government Grants	0	0	0
Other Grants and Contributions	0	0	0
Customer & Client Receipts	(172,535)	(132,000)	(132,000)
<b>TOTAL INCOME</b>	<b>(172,535)</b>	<b>(132,000)</b>	<b>(132,000)</b>
<b>NET EXPENDITURE (CONTROLLABLE)</b>	<b>1,389,425</b>	<b>1,500,700</b>	<b>1,409,500</b>
<u>Financial Accounting Adjustments</u>			
Central Support Charges	257,681	275,800	295,000
Departmental Charges	0	0	0
Capital Charges	0	0	0
Central Support Income	(1,647,106)	(1,776,500)	(1,704,500)
Departmental Charges Income	0	0	0
<b>NET ACCOUNTING ADJUSTMENTS</b>	<b>(1,389,425)</b>	<b>(1,500,700)</b>	<b>(1,409,500)</b>
<b>NET EXPENDITURE (ALL BUDGETS)</b>	<b>0</b>	<b>0</b>	<b>0</b>

<u>Variation Analysis</u>		
Original Budget 2010/11		0
Inflation		10,400
Budget Transfers		(600)
Changes in Government Grants		0
Other Government or Outside Body changes		0
Demand Led Growth		0
Budget Review Savings		(101,000)
Service Reductions & Efficiency Savings		0
Other Growth and Savings		0
Changes to financial accounting adjustments		91,200
Original Budget 2011/12		0
<u>Other Information</u>		
Employee FTE's (Budgeted)	28.4	27.9
Budget Review Savings	-0.5	

## FINANCE AND CORPORATE SERVICES

### DEMOCRATIC SERVICES (C06)

Democratic Services has responsibility for co-ordinating and managing the democratic process by ensuring the efficient and proper conduct of Council decision-making, enabling scrutiny, promoting awareness of meetings and participation by the community.

	<u>2009/10</u> <u>Actual</u> <u>£</u>	<u>2010/11</u> <u>Original</u> <u>£</u>	<u>2011/12</u> <u>Estimate</u> <u>£</u>
<u>Expenditure</u>			
Employees	677,087	718,600	567,100
Premises	0	0	0
Transport	8,367	8,300	900
Supplies and Services	86,667	94,400	94,600
Third Party Payments	0	0	0
Transfer Payments	0	0	0
<b>TOTAL EXPENDITURE</b>	<b>772,121</b>	<b>821,300</b>	<b>662,600</b>
<u>Income</u>			
Government Grants	0	0	0
Other Grants and Contributions	0	0	0
Customer & Client Receipts	(2)	0	0
<b>TOTAL INCOME</b>	<b>(2)</b>	<b>0</b>	<b>0</b>
<b>NET EXPENDITURE (CONTROLLABLE)</b>	<b>772,119</b>	<b>821,300</b>	<b>662,600</b>
<u>Financial Accounting Adjustments</u>			
Central Support Charges	336,880	358,000	169,100
Departmental Charges	0	0	0
Capital Charges	0	0	0
Central Support Income	0	0	0
Departmental Charges Income	0	0	0
<b>NET ACCOUNTING ADJUSTMENTS</b>	<b>336,880</b>	<b>358,000</b>	<b>169,100</b>
<b>NET EXPENDITURE (ALL BUDGETS)</b>	<b>1,108,999</b>	<b>1,179,300</b>	<b>831,700</b>

<u>Variation Analysis</u>		
Original Budget 2010/11		1,179,300
Inflation		600
Budget Transfers		(29,500)
Changes in Government Grants		0
Other Government or Outside Body changes		0
Demand Led Growth		0
Budget Review Savings		(129,800)
Service Reductions & Efficiency Savings		0
Other Growth and Savings		0
Changes to financial accounting adjustments		(188,900)
Original Budget 2011/12		<u>831,700</u>
<u>Other Information</u>		
Employee FTE's (Budgeted)	17.5	14.6
<i>Transfer to Efficiency Team</i>	-1.0	
<i>Budget Review Savings</i>	-2.0	

## FINANCE AND CORPORATE SERVICES

### FINANCIAL SERVICES MANAGEMENT (C07000)

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

	<u>2009/10</u> <u>Actual</u> £	<u>2010/11</u> <u>Original</u> £	<u>2011/12</u> <u>Estimate</u> £
<u>Expenditure</u>			
Employees	433,514	497,800	448,100
Premises	0	0	0
Transport	8,014	4,500	500
Supplies and Services	29,754	13,800	9,700
Third Party Payments	0	0	0
Transfer Payments	0	0	0
<b>TOTAL EXPENDITURE</b>	<b>471,282</b>	<b>516,100</b>	<b>458,300</b>
<u>Income</u>			
Government Grants	(6,208)	0	0
Other Grants and Contributions	0	0	0
Customer & Client Receipts	0	0	0
<b>TOTAL INCOME</b>	<b>(6,208)</b>	<b>0</b>	<b>0</b>
<b>NET EXPENDITURE (CONTROLLABLE)</b>	<b>465,074</b>	<b>516,100</b>	<b>458,300</b>
<u>Financial Accounting Adjustments</u>			
Central Support Charges	59,064	63,800	82,600
Departmental Charges	0	0	0
Capital Charges	0	0	0
Central Support Income	(524,138)	(579,900)	(540,900)
Departmental Charges Income	0	0	0
<b>NET ACCOUNTING ADJUSTMENTS</b>	<b>(465,074)</b>	<b>(516,100)</b>	<b>(458,300)</b>
<b>NET EXPENDITURE (ALL BUDGETS)</b>	<b>0</b>	<b>0</b>	<b>0</b>

<u>Variation Analysis</u>		
Original Budget 2010/11		0
Inflation		14,000
Budget Transfers		(69,700)
Changes in Government Grants		0
Other Government or Outside Body changes		0
Demand Led Growth		0
Budget Review Savings		(2,100)
Service Reductions & Efficiency Savings		0
Other Growth and Savings		0
Changes to financial accounting adjustments		57,800
Original Budget 2011/12		0
<u>Other Information</u>		
Employee FTE's (Budgeted)	4.0	3.5
<i>Transferred to Efficiency Team</i>	-0.5	

## FINANCE AND CORPORATE SERVICES

### ACCOUNTANCY (C07002)

The Accountancy section is responsible for the coordination of all the Council's finance functions. In particular: setting the Council's budget, year end accounts, treasury management, VAT advice, processing of all creditor invoices and financing of the capital programme.

	<u>2009/10</u> <u>Actual</u> <u>£</u>	<u>2010/11</u> <u>Original</u> <u>£</u>	<u>2011/12</u> <u>Estimate</u> <u>£</u>
<u>Expenditure</u>			
Employees	925,333	1,203,700	1,467,100
Premises	0	0	0
Transport	5,422	10,000	4,100
Supplies and Services	131,332	50,600	50,600
Third Party Payments	0	0	0
Transfer Payments	0	0	0
<b>TOTAL EXPENDITURE</b>	<b>1,062,087</b>	<b>1,264,300</b>	<b>1,521,800</b>
<u>Income</u>			
Government Grants	0	0	0
Other Grants and Contributions	0	0	0
Customer & Client Receipts	(98,366)	(65,300)	(85,300)
<b>TOTAL INCOME</b>	<b>(98,366)</b>	<b>(65,300)</b>	<b>(85,300)</b>
<b>NET EXPENDITURE (CONTROLLABLE)</b>	<b>963,721</b>	<b>1,199,000</b>	<b>1,436,500</b>
<u>Financial Accounting Adjustments</u>			
Central Support Charges	302,939	316,600	461,600
Departmental Charges	0	0	0
Capital Charges	0	0	0
Central Support Income	(1,266,660)	(1,515,600)	(1,898,100)
Departmental Charges Income	0	0	0
<b>NET ACCOUNTING ADJUSTMENTS</b>	<b>(963,721)</b>	<b>(1,199,000)</b>	<b>(1,436,500)</b>
<b>NET EXPENDITURE (ALL BUDGETS)</b>	<b>0</b>	<b>0</b>	<b>0</b>

<b><u>Variation Analysis</u></b>	
Original Budget 2010/11	0
Inflation	2,700
Budget Transfers	(6,400)
Changes in Government Grants	0
Other Government or Outside Body changes	0
Demand Led Growth	0
Budget Review Savings	261,200
Service Reductions & Efficiency Savings	0
Other Growth and Savings	(20,000)
Changes to financial accounting adjustments	(237,500)
Original Budget 2011/12	0
<b><u>Other Information</u></b>	
Employee FTE's (Budgeted)	26.0      36.5
<i>Restructure and centralisation of financial processing team</i>	10.5

## FINANCE AND CORPORATE SERVICES

### **INTERNAL AUDIT (C07003)**

Internal Audit is a statutory function. All local authorities must comply with the Accounts and Audit Regulations (amended 2006) and are required to make provision for internal audit in accordance with the CIPFA Code of Practice for Internal Audit in Local Government in the UK.

	<u>2009/10</u> <u>Actual</u> <u>£</u>	<u>2010/11</u> <u>Original</u> <u>£</u>	<u>2011/12</u> <u>Estimate</u> <u>£</u>
<b><u>Expenditure</u></b>			
Employees	287,136	533,700	494,800
Premises	0	0	0
Transport	4,241	4,200	1,200
Supplies and Services	35,711	14,900	14,900
Third Party Payments	161,334	113,900	113,900
Transfer Payments	0	0	0
<b>TOTAL EXPENDITURE</b>	<b>488,422</b>	<b>666,700</b>	<b>624,800</b>
<b><u>Income</u></b>			
Government Grants	0	0	0
Other Grants and Contributions	0	0	0
Customer & Client Receipts	(750)	0	0
<b>TOTAL INCOME</b>	<b>(750)</b>	<b>0</b>	<b>0</b>
<b>NET EXPENDITURE (CONTROLLABLE)</b>	<b>487,672</b>	<b>666,700</b>	<b>624,800</b>
<b><u>Financial Accounting Adjustments</u></b>			
Central Support Charges	124,828	138,200	96,700
Departmental Charges	0	0	0
Capital Charges	0	0	0
Central Support Income	(612,500)	(804,900)	(721,500)
Departmental Charges Income	0	0	0
<b>NET ACCOUNTING ADJUSTMENTS</b>	<b>(487,672)</b>	<b>(666,700)</b>	<b>(624,800)</b>
<b>NET EXPENDITURE (ALL BUDGETS)</b>	<b>0</b>	<b>0</b>	<b>0</b>

<b><u>Variation Analysis</u></b>		
Original Budget 2010/11		0
Inflation		11,100
Budget Transfers		(3,000)
Changes in Government Grants		0
Other Government or Outside Body changes		0
Demand Led Growth		0
Budget Review Savings		(50,000)
Service Reductions & Efficiency Savings		0
Other Growth and Savings		0
Changes to financial accounting adjustments		41,900
Original Budget 2011/12		0
<b><u>Other Information</u></b>		
Employee FTE's (Budgeted)	11.5	10.5
<i>Budget Review Savings</i>	-1.0	



## FINANCE AND CORPORATE SERVICES

### CHIEF EXECUTIVE'S OFFICE (C08)

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

	<u>2009/10</u> <u>Actual</u> £	<u>2010/11</u> <u>Original</u> £	<u>2011/12</u> <u>Estimate</u> £
<u>Expenditure</u>			
Employees	274,168	296,100	297,200
Premises	0	0	0
Transport	6,770	7,200	1,500
Supplies and Services	15,461	87,700	84,700
Third Party Payments	0	0	0
Transfer Payments	0	0	0
<b>TOTAL EXPENDITURE</b>	<b>296,399</b>	<b>391,000</b>	<b>383,400</b>
<u>Income</u>			
Government Grants	0	0	0
Other Grants and Contributions	0	0	0
Customer & Client Receipts	(20,061)	0	0
<b>TOTAL INCOME</b>	<b>(20,061)</b>	<b>0</b>	<b>0</b>
<b>NET EXPENDITURE (CONTROLLABLE)</b>	<b>276,338</b>	<b>391,000</b>	<b>383,400</b>
<u>Financial Accounting Adjustments</u>			
Central Support Charges	25,012	27,200	30,900
Departmental Charges	0	0	0
Capital Charges	0	0	0
Central Support Income	0	0	0
Departmental Charges Income	0	0	0
<b>NET ACCOUNTING ADJUSTMENTS</b>	<b>25,012</b>	<b>27,200</b>	<b>30,900</b>
<b>NET EXPENDITURE (ALL BUDGETS)</b>	<b>301,350</b>	<b>418,200</b>	<b>414,300</b>

#### **Variation Analysis**

Original Budget 2010/11	418,200
Inflation	1,100
Budget Transfers	(4,400)
Changes in Government Grants	0
Other Government or Outside Body changes	0
Demand Led Growth	0
Budget Review Savings	(4,300)
Service Reductions & Efficiency Savings	0
Other Growth and Savings	0
Changes to financial accounting adjustments	3,700
Original Budget 2011/12	<b>414,300</b>

#### **Other Information**

Employee FTE's (Budgeted)	2.0	2.0
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## FINANCE AND CORPORATE SERVICES

### ELECTORAL SERVICES (C10, C12)

The Electoral Services team is responsible for the Electoral Register and administering all elections and referenda within the Borough. They also assist with the review and implementation of local and Parliamentary boundary changes.

	<u>2009/10</u> <u>Actual</u> <u>£</u>	<u>2010/11</u> <u>Original</u> <u>£</u>	<u>2011/12</u> <u>Estimate</u> <u>£</u>
<u>Expenditure</u>			
Employees	223,998	244,900	242,200
Premises	22,600	22,600	22,600
Transport	718	0	0
Supplies and Services	195,764	378,400	173,500
Third Party Payments	0	0	0
Transfer Payments	0	0	0
<b>TOTAL EXPENDITURE</b>	<b>443,080</b>	<b>645,900</b>	<b>438,300</b>
<u>Income</u>			
Government Grants	0	0	0
Other Grants and Contributions	0	0	0
Customer & Client Receipts	(5,229)	(4,500)	(4,500)
<b>TOTAL INCOME</b>	<b>(5,229)</b>	<b>(4,500)</b>	<b>(4,500)</b>
<b>NET EXPENDITURE (CONTROLLABLE)</b>	<b>437,851</b>	<b>641,400</b>	<b>433,800</b>
<u>Financial Accounting Adjustments</u>			
Central Support Charges	95,758	101,500	134,400
Departmental Charges	0	0	0
Capital Charges	0	0	0
Central Support Income	0	0	0
Departmental Charges Income	0	0	0
<b>NET ACCOUNTING ADJUSTMENTS</b>	<b>95,758</b>	<b>101,500</b>	<b>134,400</b>
<b>NET EXPENDITURE (ALL BUDGETS)</b>	<b>533,609</b>	<b>742,900</b>	<b>568,200</b>

<b>Variation Analysis</b>	
Original Budget 2010/11	742,900
Inflation	(2,700)
Budget Transfers	0
Changes in Government Grants	0
Other Government or Outside Body changes	0
Demand Led Growth	0
Budget Review Savings	(4,900)
Service Reductions & Efficiency Savings	0
Other Growth and Savings	(200,000)
Changes to financial accounting adjustments	32,900
Original Budget 2011/12	<u>568,200</u>
<b>Other Information</b>	
Employee FTE's (Budgeted)	6.0      6.0

## FINANCE AND CORPORATE SERVICES

### DEMOCRATIC REPRESENTATION AND MANAGEMENT (C11)

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

	<u>2009/10</u> <u>Actual</u> £	<u>2010/11</u> <u>Original</u> £	<u>2011/12</u> <u>Estimate</u> £
<u>Expenditure</u>			
Mayor's Allowances & Support Services	28,394	29,800	29,800
Members' Allowances	736,276	750,700	686,750
Members' Expenses & Support Services	143,638	201,900	202,100
Committee Meeting Refreshments	12,039	11,600	11,600
Civic Functions and Regalia	12,714	14,800	14,800
Subscriptions to Assoc. of Local Government	288,299	249,000	209,500
Civic Pride Fund	0	0	33,950
<b>TOTAL EXPENDITURE</b>	<b>1,221,360</b>	<b>1,257,800</b>	<b>1,188,500</b>
<u>Income</u>			
Contributions to refreshments	(1,279)	(1,300)	(1,300)
<b>TOTAL INCOME</b>	<b>(1,279)</b>	<b>(1,300)</b>	<b>(1,300)</b>
<b>NET EXPENDITURE (CONTROLLABLE)</b>	<b>1,220,081</b>	<b>1,256,500</b>	<b>1,187,200</b>
<u>Financial Accounting Adjustments</u>			
Central Support Charges	286,305	306,500	253,300
Departmental Charges	0	0	0
Capital Charges	0	0	0
Central Support Income	0	0	0
Departmental Charges Income	0	0	0
<b>NET ACCOUNTING ADJUSTMENTS</b>	<b>286,305</b>	<b>306,500</b>	<b>253,300</b>
<b>NET EXPENDITURE (ALL BUDGETS)</b>	<b>1,506,386</b>	<b>1,563,000</b>	<b>1,440,500</b>

#### **Variation Analysis**

Original Budget 2010/11	1,563,000
Inflation	200
Budget Transfers	36,000
Changes in Government Grants	(2,000)
Other Government or Outside Body changes	(73,500)
Demand Led Growth	0
Budget Review Savings	(30,000)
Service Reductions & Efficiency Savings	0
Other Growth and Savings	0
Changes to financial accounting adjustments	(53,200)
Original Budget 2011/12	<u>1,440,500</u>
<b><u>Other Information</u></b>	
Employee FTE's (Budgeted)	0.0                      0.0

## FINANCE AND CORPORATE SERVICES

### COST OF LOCAL TAX COLLECTION (C14)

This service is responsible for the billing, collection and recovery of the council tax and business rates from every household and business in the borough. It also covers the administration of benefits for approximately 11,000 residents.

	<u>2009/10</u> <u>Actual</u> £	<u>2010/11</u> <u>Original</u> £	<u>2011/12</u> <u>Estimate</u> £
<u>Expenditure</u>			
Employees	2,324,846	2,324,100	2,219,600
Premises	0	0	0
Transport	26,745	29,500	10,400
Supplies and Services	523,683	391,700	386,700
Third Party Payments	15,864	34,100	29,100
Transfer Payments	13,147,817	12,028,900	13,235,900
<b>TOTAL EXPENDITURE</b>	<b>16,038,955</b>	<b>14,808,300</b>	<b>15,881,700</b>
<u>Income</u>			
Government Grants	(12,707,034)	(12,795,700)	(13,940,100)
Other Grants and Contributions	(1,676,747)	(333,800)	(333,800)
Customer & Client Receipts	(468,904)	(367,800)	(367,800)
<b>TOTAL INCOME</b>	<b>(14,852,685)</b>	<b>(13,497,300)</b>	<b>(14,641,700)</b>
<b>NET EXPENDITURE (CONTROLLABLE)</b>	<b>1,186,270</b>	<b>1,311,000</b>	<b>1,240,000</b>
<u>Financial Accounting Adjustments</u>			
Central Support Charges	1,430,885	1,410,000	1,996,500
Departmental Charges	0	0	0
Capital Charges	0	0	0
Central Support Income	0	0	0
Departmental Charges Income	0	0	0
<b>NET ACCOUNTING ADJUSTMENTS</b>	<b>1,430,885</b>	<b>1,410,000</b>	<b>1,996,500</b>
<b>NET EXPENDITURE (ALL BUDGETS)</b>	<b>2,617,155</b>	<b>2,721,000</b>	<b>3,236,500</b>

<b><u>Variation Analysis</u></b>	
Original Budget 2010/11	2,721,000
Inflation	13,600
Budget Transfers	(20,200)
Changes in Government Grants	62,600
Other Government or Outside Body changes	0
Demand Led Growth	0
Budget Review Savings	(127,000)
Service Reductions & Efficiency Savings	0
Other Growth and Savings	0
Changes to financial accounting adjustments	586,500
Original Budget 2011/12	<u>3,236,500</u>
<b><u>Other Information</u></b>	
Employee FTE's (Budgeted)	62.4      58.4
<i>Budget Review Savings</i>	-4.0

## FINANCE AND CORPORATE SERVICES

### CORPORATE MANAGEMENT (C17)

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 and treasury management administration costs.

	<u>2009/10</u> <u>Actual</u> <u>£</u>	<u>2010/11</u> <u>Original</u> <u>£</u>	<u>2011/12</u> <u>Estimate</u> <u>£</u>
<u>Expenditure</u>			
Employees	0	0	0
Premises	0	0	0
Transport	212	0	0
Supplies and Services	558,209	642,700	577,300
Third Party Payments	0	0	0
Transfer Payments	0	0	0
<b>TOTAL EXPENDITURE</b>	<b>558,421</b>	<b>642,700</b>	<b>577,300</b>
<u>Income</u>			
Government Grants	0	0	0
Other Grants and Contributions	0	0	0
Customer & Client Receipts	(23,430)	0	(39,600)
<b>TOTAL INCOME</b>	<b>(23,430)</b>	<b>0</b>	<b>(39,600)</b>
<b>NET EXPENDITURE (CONTROLLABLE)</b>	<b>534,991</b>	<b>642,700</b>	<b>537,700</b>
<u>Financial Accounting Adjustments</u>			
Central Support Charges	384,933	767,400	614,500
Departmental Charges	0	0	0
Capital Charges	0	0	0
Central Support Income	0	0	0
Departmental Charges Income	0	0	0
<b>NET ACCOUNTING ADJUSTMENTS</b>	<b>384,933</b>	<b>767,400</b>	<b>614,500</b>
<b>NET EXPENDITURE (ALL BUDGETS)</b>	<b>919,924</b>	<b>1,410,100</b>	<b>1,152,200</b>

#### Variation Analysis

Original Budget 2010/11	1,410,100
Inflation	0
Budget Transfers	0
Changes in Government Grants	0
Other Government or Outside Body changes	0
Demand Led Growth	0
Budget Review Savings	(105,000)
Service Reductions & Efficiency Savings	0
Other Growth and Savings	0
Changes to financial accounting adjustments	(152,900)
Original Budget 2011/12	<u>1,152,200</u>
<u>Other Information</u>	
Employee FTE's (Budgeted)	0.0      0.0

## FINANCE AND CORPORATE SERVICES

### **NON DISTRIBUTED COSTS (C18)**

The Code of Practise issued by CIPFA carefully defines what should be charged to Non Distributed Costs including certain costs relating to prior period retirement benefits and unused assets (such as costs of empty buildings etc.)

	<u>2009/10</u> <u>Actual</u> £	<u>2010/11</u> <u>Original</u> £	<u>2011/12</u> <u>Estimate</u> £
<b><u>Expenditure</u></b>			
Employees	15,543	2,490,700	2,490,700
Premises	0	0	0
Transport	0	0	0
Supplies and Services	0	0	0
Third Party Payments	17,005	9,100	9,100
Transfer Payments	0	0	0
<b>TOTAL EXPENDITURE</b>	<b>32,548</b>	<b>2,499,800</b>	<b>2,499,800</b>
<b><u>Income</u></b>			
Government Grants	0	0	0
Other Grants and Contributions	0	0	0
Customer & Client Receipts	0	0	0
<b>TOTAL INCOME</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>NET EXPENDITURE (CONTROLLABLE)</b>	<b>32,548</b>	<b>2,499,800</b>	<b>2,499,800</b>
<b><u>Financial Accounting Adjustments</u></b>			
Central Support Charges	5,981	479,200	38,900
Departmental Charges	0	0	0
Capital Charges	683,120	759,000	759,000
Central Support Income	0	0	0
Departmental Charges Income	0	0	0
<b>NET ACCOUNTING ADJUSTMENTS</b>	<b>689,101</b>	<b>1,238,200</b>	<b>797,900</b>
<b>NET EXPENDITURE (ALL BUDGETS)</b>	<b>721,649</b>	<b>3,738,000</b>	<b>3,297,700</b>

<b><u>Variation Analysis</u></b>		
Original Budget 2010/11		3,738,000
Inflation		0
Budget Transfers		0
Changes in Government Grants		0
Other Government or Outside Body changes		0
Demand Led Growth		0
Budget Review Savings		0
Service Reductions & Efficiency Savings		0
Other Growth and Savings		0
Changes to financial accounting adjustments		(440,300)
Original Budget 2011/12		<u>3,297,700</u>
<b><u>Other Information</u></b>		
Employee FTE's (Budgeted)	0.0	0.0

## FINANCE AND CORPORATE SERVICES

### PRECEPTS AND LEVIES (C21)

This cost centre 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 Fund Authority, Coroners Court and the local levy for Flood Defence.

	<u>2009/10</u> <u>Actual</u> <u>£</u>	<u>2010/11</u> <u>Original</u> <u>£</u>	<u>2011/12</u> <u>Estimate</u> <u>£</u>
<b><u>Expenditure</u></b>			
Employees	0	0	0
Premises	0	0	0
Transport	0	0	0
Supplies and Services	0	0	0
Third Party Payments	711,929	991,900	727,600
Transfer Payments	0	0	0
<b>TOTAL EXPENDITURE</b>	<b>711,929</b>	<b>991,900</b>	<b>727,600</b>
<b><u>Income</u></b>			
Government Grants	0	0	0
Other Grants and Contributions	0	0	0
Customer & Client Receipts	0	0	0
<b>TOTAL INCOME</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>NET EXPENDITURE (CONTROLLABLE)</b>	<b>711,929</b>	<b>991,900</b>	<b>727,600</b>
<b><u>Financial Accounting Adjustments</u></b>			
Central Support Charges	0	0	13,200
Departmental Charges	0	0	0
Capital Charges	0	0	0
Central Support Income	0	0	0
Departmental Charges Income	0	0	0
<b>NET ACCOUNTING ADJUSTMENTS</b>	<b>0</b>	<b>0</b>	<b>13,200</b>
<b>NET EXPENDITURE (ALL BUDGETS)</b>	<b>711,929</b>	<b>991,900</b>	<b>740,800</b>

#### **Variation Analysis**

Original Budget 2010/11	991,900
Inflation	0
Budget Transfers	(36,000)
Changes in Government Grants	0
Other Government or Outside Body changes	(28,300)
Demand Led Growth	0
Budget Review Savings	(200,000)
Service Reductions & Efficiency Savings	0
Other Growth and Savings	0
Changes to financial accounting adjustments	13,200
Original Budget 2011/12	<u>740,800</u>

#### **Other Information**

Employee FTE's (Budgeted)	0.00	0.00
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## FINANCE AND CORPORATE SERVICES

### CUSTOMER SERVICES (C23)

Customer Services is responsible for face to face enquiries in the Atrium. It also handles telephone and email enquiries for the majority of the Environment Directorate Services and customers contacting the Council via the main published number.

	<u>2009/10</u> <u>Actual</u> <u>£</u>	<u>2010/11</u> <u>Original</u> <u>£</u>	<u>2011/12</u> <u>Estimate</u> <u>£</u>
<b><u>Expenditure</u></b>			
Employees	998,023	1,228,200	1,299,800
Premises	582	0	0
Transport	4,457	2,900	100
Supplies and Services	140,138	48,600	48,600
Third Party Payments	26,782	26,000	26,000
Transfer Payments	0	0	0
<b>TOTAL EXPENDITURE</b>	<b>1,169,982</b>	<b>1,305,700</b>	<b>1,374,500</b>
<b><u>Income</u></b>			
Government Grants	0	0	0
Other Grants and Contributions	0	0	0
Customer & Client Receipts	(78,312)	(36,900)	(36,900)
<b>TOTAL INCOME</b>	<b>(78,312)</b>	<b>(36,900)</b>	<b>(36,900)</b>
<b>NET EXPENDITURE (CONTROLLABLE)</b>	<b>1,091,670</b>	<b>1,268,800</b>	<b>1,337,600</b>
<b><u>Financial Accounting Adjustments</u></b>			
Central Support Charges	348,733	378,100	405,400
Departmental Charges	0	0	0
Capital Charges	36,758	36,800	39,400
Central Support Income	(1,477,161)	(1,683,700)	(1,782,400)
Departmental Charges Income	0	0	0
<b>NET ACCOUNTING ADJUSTMENTS</b>	<b>(1,091,670)</b>	<b>(1,268,800)</b>	<b>(1,337,600)</b>
<b>NET EXPENDITURE (ALL BUDGETS)</b>	<b>0</b>	<b>0</b>	<b>0</b>

<b><u>Variation Analysis</u></b>		
Original Budget 2010/11		0
Inflation		18,100
Budget Transfers		50,700
Changes in Government Grants		0
Other Government or Outside Body changes		0
Demand Led Growth		0
Budget Review Savings		0
Service Reductions & Efficiency Savings		0
Other Growth and Savings		0
Changes to financial accounting adjustments		(68,800)
Original Budget 2011/12		0
<b><u>Other Information</u></b>		
Employee FTE's (Budgeted)	36.0	38.0
<i>Transferred from Education, Children's and Cultural Services</i>	<i>2.0</i>	



## FINANCE AND CORPORATE SERVICES

### LAND CHARGES (C24)

The Local Land Charges service processes conveyancing searches for land and property within the borough. The section collates information from across departments in order to produce official search reports requested by solicitors, conveyancers and others.

	<u>2009/10</u> <u>Actual</u> <u>£</u>	<u>2010/11</u> <u>Original</u> <u>£</u>	<u>2011/12</u> <u>Estimate</u> <u>£</u>
<u>Expenditure</u>			
Employees	104,679	128,200	103,700
Premises	0	0	0
Transport	1,608	1,500	0
Supplies and Services	59,217	6,700	23,700
Third Party Payments	0	0	0
Transfer Payments	0	0	0
<b>TOTAL EXPENDITURE</b>	<b>165,504</b>	<b>136,400</b>	<b>127,400</b>
<u>Income</u>			
Government Grants	0	0	0
Other Grants and Contributions	0	0	0
Customer & Client Receipts	(488,932)	(217,800)	(217,800)
<b>TOTAL INCOME</b>	<b>(488,932)</b>	<b>(217,800)</b>	<b>(217,800)</b>
<b>NET EXPENDITURE (CONTROLLABLE)</b>	<b>(323,428)</b>	<b>(81,400)</b>	<b>(90,400)</b>
<u>Financial Accounting Adjustments</u>			
Central Support Charges	64,721	52,000	37,200
Departmental Charges	0	0	0
Capital Charges	0	0	0
Central Support Income	0	0	0
Departmental Charges Income	0	0	0
<b>NET ACCOUNTING ADJUSTMENTS</b>	<b>64,721</b>	<b>52,000</b>	<b>37,200</b>
<b>NET EXPENDITURE (ALL BUDGETS)</b>	<b>(258,707)</b>	<b>(29,400)</b>	<b>(53,200)</b>

<b><u>Variation Analysis</u></b>		
Original Budget 2010/11		(29,400)
Inflation		500
Budget Transfers		15,500
Changes in Government Grants		0
Other Government or Outside Body changes		0
Demand Led Growth		0
Budget Review Savings		(25,000)
Service Reductions & Efficiency Savings		0
Other Growth and Savings		0
Changes to financial accounting adjustments		(14,800)
Original Budget 2011/12		<u>(53,200)</u>
<b><u>Other Information</u></b>		
Employee FTE's (Budgeted)	4.0	3.0
<i>Budget Review Savings</i>	-1.0	

## FINANCE AND CORPORATE SERVICES

### EFFICIENCY CHALLENGE PROGRAMME TEAM

This budget meets the salaries and associated costs of staff seconded to the efficiency and Transformation team and the cost of additional consultant support agreed by members.

	<u>2009/10</u> <u>Actual</u> £	<u>2010/11</u> <u>Original</u> £	<u>2011/12</u> <u>Estimate</u> £
<u>Expenditure</u>			
Employees	28,943	0	299,600
Premises	0	0	0
Transport	0	0	0
Supplies and Services	116,479	0	0
Third Party Payments	0	0	0
Transfer Payments	0	0	0
<b>TOTAL EXPENDITURE</b>	<b>145,422</b>	<b>0</b>	<b>299,600</b>
<u>Income</u>			
Government Grants	0	0	0
Other Grants and Contributions	0	0	0
Customer & Client Receipts	0	0	0
<b>TOTAL INCOME</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>NET EXPENDITURE (CONTROLLABLE)</b>	<b>145,422</b>	<b>0</b>	<b>299,600</b>
<u>Financial Accounting Adjustments</u>			
Central Support Charges	0	0	87,100
Departmental Charges	0	0	0
Capital Charges	0	0	0
Central Support Income	(145,422)	0	(386,700)
Departmental Charges Income	0	0	0
<b>NET ACCOUNTING ADJUSTMENTS</b>	<b>(145,422)</b>	<b>0</b>	<b>(299,600)</b>
<b>NET EXPENDITURE (ALL BUDGETS)</b>	<b>0</b>	<b>0</b>	<b>0</b>

<u>Variation Analysis</u>		
Original Budget 2010/11		0
Inflation		7,200
Budget Transfers		292,400
Changes in Government Grants		0
Other Government or Outside Body changes		0
Demand Led Growth		0
Budget Review Savings		0
Service Reductions & Efficiency Savings		0
Other Growth and Savings		0
Changes to financial accounting adjustments		(299,600)
Original Budget 2011/12		0
<u>Other Information</u>		
Employee FTE's (Budgeted)	0.0	5.2
<i>Transferred in from other teams (secondments)</i>	5.2	

## FINANCE AND CORPORATE SERVICES

### HOME LOANS UNIT (M69)

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 and capital surpluses generated by the mortgages are distributed to the boroughs.

	<u>2009/10</u> <u>Actual</u> £	<u>2010/11</u> <u>Original</u> £	<u>2011/12</u> <u>Estimate</u> £
<u>Expenditure</u>			
Employees	67,707	71,200	71,200
Premises	0	2,000	2,000
Transport	0	0	0
Supplies and Services	14,815	23,000	23,000
Third Party Payments	100,000	82,200	82,200
Transfer Payments	(760)	0	0
<b>TOTAL EXPENDITURE</b>	<b>181,762</b>	<b>178,400</b>	<b>178,400</b>
<u>Income</u>			
Government Grants	0	0	0
Other Grants and Contributions	0	0	0
Customer & Client Receipts	(166,991)	(191,400)	(191,400)
<b>TOTAL INCOME</b>	<b>(166,991)</b>	<b>(191,400)</b>	<b>(191,400)</b>
<b>NET EXPENDITURE (CONTROLLABLE)</b>	<b>14,771</b>	<b>(13,000)</b>	<b>(13,000)</b>
<u>Financial Accounting Adjustments</u>			
Central Support Charges	13,300	13,100	21,200
Departmental Charges	0	0	0
Capital Charges	0	0	0
Central Support Income	0	0	0
Departmental Charges Income	0	0	0
<b>NET ACCOUNTING ADJUSTMENTS</b>	<b>13,300</b>	<b>13,100</b>	<b>21,200</b>
<b>NET EXPENDITURE (ALL BUDGETS)</b>	<b>28,071</b>	<b>100</b>	<b>8,200</b>

<b>Variation Analysis</b>		
Original Budget 2010/11		100
Inflation		0
Budget Transfers		0
Changes in Government Grants		0
Other Government or Outside Body changes		0
Demand Led Growth		0
Budget Review Savings		0
Service Reductions & Efficiency Savings		0
Other Growth and Savings		0
Changes to financial accounting adjustments		8,100
Original Budget 2011/12		<u>8,200</u>
<b>Other Information</b>		
Employee FTE's (Budgeted)	1.1	1.1

## FINANCE AND CORPORATE SERVICES

### CENTRAL ITEMS

Central items includes income and 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 and the use of the Councils general and earmarked reserves.

	<u>2009/10</u> <u>Actual</u> <u>£</u>	<u>2010/11</u> <u>Original</u> <u>£</u>	<u>2011/12</u> <u>Estimate</u> <u>£</u>
<b><u>ASSET MANAGEMENT &amp; TREASURY</u></b>			
Interest Payable	7,018,066	2,481,000	3,166,000
Interest Receivable	(3,804,301)	(1,365,000)	(1,217,000)
MRP (Principal Loan Repay)	2,267,437	1,752,000	2,071,000
<b><u>CONTINGENCY AND INVESTMENT ITEMS</u></b>			
West London Waste Authority - Section 52 payments	0	1,674,200	1,128,300
Carbon Reduction Commitment	0	0	250,000
Pavements and potholes	0	0	500,000
Twickenham Riverside and uplift projects	0	0	1,000,000
Education Strategy	0	0	1,750,000
General & Pay Award Contingency	0	1,200,000	580,000
<b><u>NON RINGFENCED GOVERNMENT GRANTS</u></b>			
Revenue Support Grant	(27,615,496)	(28,015,200)	(30,753,100)
Area Based Grant	(6,654,474)	(9,252,100)	0
Early Intervention Grant	0	0	(5,943,000)
Council Tax Freeze Grant	0	0	(2,881,000)
<b><u>OTHER</u></b>			
Capitalisation of Revenue Expenditure	0	(700,000)	(700,000)
Use of Reserves	(750,000)	(750,000)	(500,000)
Revenue Funding of Capital Expenditure	2,800,530	0	0
Transfers to / From Earmarked Reserves	14,637,142	589,500	1,156,400
Corporate Income	(1,541,808)	0	0
Distribution of surplus / deficit on Collection Fund	0	(500,000)	(250,000)
<b>NET EXPENDITURE (CONTROLLABLE)</b>	<b><u>(13,642,904)</u></b>	<b><u>(32,885,600)</u></b>	<b><u>(30,642,400)</u></b>
<b><u>Financial Accounting Adjustments</u></b>			
Reversal of Depreciation	(12,677,457)	(9,819,100)	(11,300,100)
Reversal of Deferred Charges	(7,656,352)	(11,674,000)	(11,674,000)
Reversal of Govt. Grant Deferred	6,566,311	5,932,100	0
<b>NET ACCOUNTING ADJUSTMENTS</b>	<b><u>(13,767,498)</u></b>	<b><u>(15,561,000)</u></b>	<b><u>(22,974,100)</u></b>
<b>NET EXPENDITURE (ALL BUDGETS)</b>	<b><u>(27,410,402)</u></b>	<b><u>(48,446,600)</u></b>	<b><u>(53,616,500)</u></b>

### **Variation Analysis**

Original Budget 2010/11	(48,446,600)
Budget Transfers	132,200
Changes in Government Grants	(2,421,000)
Other Government or Outside Body changes	500,000
Budget Review Savings	(620,000)
Other Growth and Savings	729,000
Investment Priorities	3,923,000
Changes to financial accounting adjustments	(7,413,100)
Original Budget 2011/12	<u>(53,616,500)</u>

# **EDUCATION, CHILDREN'S & CULTURAL SERVICES**

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

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**EDUCATION, CHILDREN'S AND CULTURAL SERVICES**

**REVENUE BUDGET - SUMMARY OF EXPENDITURE**

<b><u>PURPOSE</u></b>	<b><u>2009/10</u> <u>ACTUAL</u></b>	<b><u>2010/11</u> <u>ORIGINAL</u></b>	<b><u>2011/12</u> <u>ESTIMATE</u></b>
	<b>£</b>	<b>£</b>	<b>£</b>
<b>Specialist Services</b>			
Specialist Services Management	0	0	0
Social Work	4,742,777	4,797,100	4,887,600
Looked After Children	4,761,002	5,164,900	5,279,700
Family Support	1,982,228	1,953,000	2,446,300
Other Children & Families	1,742,331	1,782,200	1,744,000
SEN and Recoupment	10,680,030	11,550,700	12,483,100
Unaccompanied Asylum Seekers	607,396	689,900	610,500
<b>Protective and Preventative Services</b>			
Integrated Youth Support	3,450,459	3,502,600	2,768,400
Early Years	4,214,097	896,400	4,606,000
Educational and Family Services	2,571,958	2,823,700	3,220,800
Other Protective & Preventative Services	233,844	243,100	282,800
<b>School Effectiveness</b>	2,297,066	2,225,500	1,701,300
<b>Culture</b>			
Library Services	5,110,624	5,141,800	4,580,000
Arts and Music	144,916	664,700	514,700
Sports	1,732,686	1,875,600	1,873,600
Service Improvement	296,926	350,000	1,439,100
<b>Finance and Resources</b>			
Schools Non Delegated	9,390,889	11,841,300	13,503,300
Individual School & Nursery Budgets	78,838,904	90,474,200	92,304,100
Directorate Administration	(37,181)	(50,000)	0
Schools Commissioning	467,088	537,500	607,700
<b>Strategic Management</b>	0	0	100
Dedicated Schools Grant	(95,057,000)	(100,562,000)	(103,057,800)
<b>Total Education, Children's and Cultural Services</b>	<b>38,171,040</b>	<b>45,902,200</b>	<b>51,795,300</b>

<b><u>Variation Analysis</u></b>	
<b>Original Estimate 2010/11</b>	<b>45,902,200</b>
Inflation	640,100
Budget Transfers	(392,600)
Changes in Government Grants	4,763,200
Other Government or Outside Body changes	0
Demand Led Growth	500,000
Budget Review Savings	(2,418,500)
Service Reductions & Efficiency Savings	(652,000)
Investment Priorities	0
Changes to financial accounting adjustments	3,452,900
<b>Original Budget 2011/12</b>	<b>51,795,300</b>

**EDUCATION, CHILDREN'S AND CULTURAL SERVICES**

**REVENUE BUDGET - SUBJECTIVE SUMMARY OF EXPENDITURE**

	<u>2009/10</u> <u>ACTUAL</u> £	<u>2010/11</u> <u>ORIGINAL</u> £	<u>2011/12</u> <u>ESTIMATE</u> £
<u>Expenditure</u>			
Individual Schools & Nursery Budget (Net)	78,838,904	90,474,200	92,304,100
Employees	22,143,435	22,381,600	21,292,800
Premises	3,259,813	1,707,400	1,741,500
Transport	3,826,396	3,195,400	3,070,300
Supplies and Services	22,529,770	14,516,900	13,566,700
Third Party Payments	14,691,681	15,685,600	14,885,800
Transfer Payments	7,730,943	8,137,100	2,918,200
<b>TOTAL EXPENDITURE</b>	<b>153,020,942</b>	<b>156,098,200</b>	<b>149,779,400</b>
<u>Income</u>			
Dedicated Schools Grant	(95,057,000)	(100,562,000)	(103,057,800)
Government Grants	(13,938,391)	(14,325,900)	(2,034,100)
Other Grants and Contributions	(7,169,647)	(5,193,800)	(6,369,900)
Customer & Client Receipts	(9,726,210)	(3,712,900)	(3,573,800)
<b>TOTAL INCOME</b>	<b>(125,891,248)</b>	<b>(123,794,600)</b>	<b>(115,035,600)</b>
<b>NET EXPENDITURE (CONTROLLABLE)</b>	<b>27,129,694</b>	<b>32,303,600</b>	<b>34,743,800</b>
<u>Financial Accounting Adjustments</u>			
Central Support Charges	5,497,667	5,722,400	6,381,300
Departmental Charges	5,391,870	5,408,300	3,775,600
Capital Charges	5,543,679	7,876,200	10,670,200
Central Support Income	0	0	0
Departmental Charges Income	(5,391,870)	(5,408,300)	(3,775,600)
<b>NET ACCOUNTING ADJUSTMENTS</b>	<b>11,041,346</b>	<b>13,598,600</b>	<b>17,051,500</b>
<b>NET EXPENDITURE (ALL BUDGETS)</b>	<b>38,171,040</b>	<b>45,902,200</b>	<b>51,795,300</b>

**BUDGETED STAFFING FTE'S**

	<b>2010/11</b>	<b>2011/12</b>
Number of full time equivalent employees	2,396.8	2,082.7

**EDUCATION, CHILDREN'S AND CULTURAL SERVICES**

**SPECIALIST SERVICES MANAGEMENT**

This includes the management and business support costs of the Specialist Children's Division.

	<u>2009/10</u>	<u>2010/11</u>	<u>2011/12</u>
	<u>Actual</u>	<u>Original</u>	<u>Estimate</u>
	£	£	£
<b><u>Expenditure</u></b>			
Employees	480,638	461,000	321,000
Premises	0	0	0
Transport	5,715	7,200	1,200
Supplies and Services	166,255	78,800	132,900
Third Party Payments	17	0	0
Transfer Payments	49,000	0	0
<b>NET EXPENDITURE</b>	<b>701,625</b>	<b>547,000</b>	<b>455,100</b>
<b><u>Income</u></b>			
Government Grants	0	0	0
Other Grants and Contributions	(61,271)	0	0
Customer & Client Receipts	839	0	0
<b>TOTAL INCOME</b>	<b>(60,432)</b>	<b>0</b>	<b>0</b>
<b>NET EXPENDITURE (CONTROLLABLE)</b>	<b>641,193</b>	<b>547,000</b>	<b>455,100</b>
<b><u>Financial Accounting Adjustments</u></b>			
Central Support Charges	184,841	191,900	242,600
Departmental Charges	725,535	742,100	375,000
Capital Charges	14,450	(81,100)	0
Central Support Income	0	0	0
Departmental Charges Income	(1,566,019)	(1,399,900)	(1,072,700)
<b>NET ACCOUNTING ADJUSTMENTS</b>	<b>(641,193)</b>	<b>(547,000)</b>	<b>(455,100)</b>
<b>NET EXPENDITURE (ALL BUDGETS)</b>	<b>0</b>	<b>0</b>	<b>0</b>
Funded from DSG			37,600

<b><u>Variation Analysis</u></b>	
Original Estimate 2010/11	0
Inflation	2,500
Budget Transfers	30,300
Changes in Government Grants	0
Other Government or Outside Body changes	0
Demand Led Growth	0
Budget Review Savings	(124,700)
Service Reductions & Efficiency Savings	0
Changes to financial accounting adjustments	91,900
Original Budget 2011/12	0
<b><u>Other Information</u></b>	
Employee FTE's (Budgeted)	10.5      6.5
Budget Review Savings	-2.0
Finance Review	-1.0
Transferred to Customer Services	-1.0



## EDUCATION, CHILDREN'S AND CULTURAL SERVICES

### SOCIAL WORK

Social work is primarily delivered by specialist teams, including the Initial Response Team, the Child Protection Team, the Children Looked After Team, the Leaving Care Team and the Disabled Children's Team.

	<u>2009/10</u> <u>Actual</u> £	<u>2010/11</u> <u>Original</u> £	<u>2011/12</u> <u>Estimate</u> £
<u>Expenditure</u>			
Employees	2,568,007	2,731,300	2,722,600
Premises	16,894	16,800	16,800
Transport	82,325	101,100	54,400
Supplies and Services	525,724	589,200	278,900
Third Party Payments	348,037	307,300	307,300
Transfer Payments	62	0	0
<b>TOTAL EXPENDITURE</b>	<b>3,541,049</b>	<b>3,745,700</b>	<b>3,380,000</b>
<u>Income</u>			
Government Grants	0	0	0
Other Grants and Contributions	(277,070)	(369,200)	(22,100)
Customer & Client Receipts	(15,047)	(30,000)	(30,000)
<b>TOTAL INCOME</b>	<b>(292,118)</b>	<b>(399,200)</b>	<b>(52,100)</b>
<b>NET EXPENDITURE (CONTROLLABLE)</b>	<b>3,248,932</b>	<b>3,346,500</b>	<b>3,327,900</b>
<u>Financial Accounting Adjustments</u>			
Central Support Charges	698,850	743,900	986,200
Departmental Charges	787,658	699,400	566,200
Capital Charges	7,337	7,300	7,300
Central Support Income	0	0	0
Departmental Charges Income	0	0	0
<b>NET ACCOUNTING ADJUSTMENTS</b>	<b>1,493,845</b>	<b>1,450,600</b>	<b>1,559,700</b>
<b>NET EXPENDITURE (ALL BUDGETS)</b>	<b>4,742,777</b>	<b>4,797,100</b>	<b>4,887,600</b>
Funded from DSG			0

<b><u>Variation Analysis</u></b>	
Original Estimate 2010/11	4,797,100
Inflation	13,700
Budget Transfers	(11,100)
Changes in Government Grants	0
Other Government or Outside Body changes	0
Demand Led Growth	0
Budget Review Savings	(21,200)
Service Reductions & Efficiency Savings	0
Changes to financial accounting adjustments	109,100
Original Budget 2011/12	<u>4,887,600</u>
<b><u>Other Information</u></b>	
Employee FTE's (Budgeted)	65.7      65.7

## EDUCATION, CHILDREN'S AND CULTURAL SERVICES

### LOOKED AFTER CHILDREN

This primarily includes the cost of purchasing independent sector residential and foster care placements, as well as the cost of providing and maintaining local authority foster care placements for children and young people who are looked after by the Local Authority.

	<u>2009/10</u> <u>Actual</u> <u>£</u>	<u>2010/11</u> <u>Original</u> <u>£</u>	<u>2011/12</u> <u>Estimate</u> <u>£</u>
<b><u>Expenditure</u></b>			
Employees	677,094	797,000	817,500
Premises	0	500	500
Transport	152,863	103,800	90,200
Supplies and Services	258,561	215,200	135,300
Third Party Payments	3,589,034	3,698,600	3,883,600
Transfer Payments	105,156	42,600	45,000
<b>TOTAL EXPENDITURE</b>	<b>4,782,708</b>	<b>4,857,700</b>	<b>4,972,100</b>
<b><u>Income</u></b>			
Government Grants	0	0	0
Other Grants and Contributions	(118,250)	(46,300)	(57,500)
Customer & Client Receipts	(281,835)	(9,300)	(9,300)
<b>TOTAL INCOME</b>	<b>(400,085)</b>	<b>(55,600)</b>	<b>(66,800)</b>
<b>NET EXPENDITURE (CONTROLLABLE)</b>	<b>4,382,623</b>	<b>4,802,100</b>	<b>4,905,300</b>
<b><u>Financial Accounting Adjustments</u></b>			
Central Support Charges	148,802	158,900	203,600
Departmental Charges	229,577	203,900	170,800
Capital Charges	0	0	0
Central Support Income	0	0	0
Departmental Charges Income	0	0	0
<b>NET ACCOUNTING ADJUSTMENTS</b>	<b>378,379</b>	<b>362,800</b>	<b>374,400</b>
<b>NET EXPENDITURE (ALL BUDGETS)</b>	<b>4,761,002</b>	<b>5,164,900</b>	<b>5,279,700</b>
Funded from DSG			50,000

<b><u>Variation Analysis</u></b>	
Original Estimate 2010/11	5,164,900
Inflation	9,700
Budget Transfers	(86,400)
Changes in Government Grants	0
Other Government or Outside Body changes	0
Demand Led Growth	300,000
Budget Review Savings	(80,100)
Service Reductions & Efficiency Savings	(40,000)
Changes to financial accounting adjustments	11,600
Original Budget 2011/12	<u>5,279,700</u>
<b><u>Other Information</u></b>	
Employee FTE's (Budgeted)	19.0      19.0

## EDUCATION, CHILDREN'S AND CULTURAL SERVICES

### FAMILY SUPPORT

This relates to the Twickenham Contact Centre which provides a wide range of support for families and their children. Also, a variety of short break care provision is available for families of children with disabilities, including care within a family and community support.

	<u>2009/10</u> <u>Actual</u> <u>£</u>	<u>2010/11</u> <u>Original</u> <u>£</u>	<u>2011/12</u> <u>Estimate</u> <u>£</u>
<b><u>Expenditure</u></b>			
Employees	722,191	737,800	524,000
Premises	26,656	47,200	48,100
Transport	129,313	2,300	2,300
Supplies and Services	354,953	698,500	652,100
Third Party Payments	478,436	492,800	492,800
Transfer Payments	557,372	350,800	350,800
<b>TOTAL EXPENDITURE</b>	<b>2,268,921</b>	<b>2,329,400</b>	<b>2,070,100</b>
<b><u>Income</u></b>			
Government Grants	(223,200)	(567,000)	0
Other Grants and Contributions	(212,502)	(96,800)	0
Customer & Client Receipts	(189,814)	0	0
<b>TOTAL INCOME</b>	<b>(625,516)</b>	<b>(663,800)</b>	<b>0</b>
<b>NET EXPENDITURE (CONTROLLABLE)</b>	<b>1,643,405</b>	<b>1,665,600</b>	<b>2,070,100</b>
<b><u>Financial Accounting Adjustments</u></b>			
Central Support Charges	83,348	90,600	106,800
Departmental Charges	149,512	127,000	74,700
Capital Charges	105,963	69,800	194,700
Central Support Income	0	0	0
Departmental Charges Income	0	0	0
<b>NET ACCOUNTING ADJUSTMENTS</b>	<b>338,823</b>	<b>287,400</b>	<b>376,200</b>
<b>NET EXPENDITURE (ALL BUDGETS)</b>	<b>1,982,228</b>	<b>1,953,000</b>	<b>2,446,300</b>
Funded from DSG			0

<b><u>Variation Analysis</u></b>		
Original Estimate 2010/11		1,953,000
Inflation		9,600
Budget Transfers		400
Changes in Government Grants		567,000
Other Government or Outside Body changes		0
Demand Led Growth		0
Budget Review Savings		(172,500)
Service Reductions & Efficiency Savings		0
Changes to financial accounting adjustments		88,800
Original Budget 2011/12		<u>2,446,300</u>
<b><u>Other Information</u></b>		
Employee FTE's (Budgeted)	14.5	9.0
Budget Review Savings	-5.5	

## EDUCATION, CHILDREN'S AND CULTURAL SERVICES

### OTHER CHILDREN AND FAMILIES

This includes support for young people leaving care and preparation for independent living. Also included are the costs of the adoption team of social workers who provide adoption support (pre and post placement), and support to adopted people who are seeking information about their past.

	<u>2009/10</u> <u>Actual</u> <u>£</u>	<u>2010/11</u> <u>Original</u> <u>£</u>	<u>2011/12</u> <u>Estimate</u> <u>£</u>
<u>Expenditure</u>			
Employees	347,025	356,100	360,600
Premises	59,620	39,700	39,700
Transport	25,869	25,200	7,300
Supplies and Services	75,893	82,600	82,500
Third Party Payments	1,315,841	1,257,500	575,700
Transfer Payments	16,781	26,100	707,900
<b>TOTAL EXPENDITURE</b>	<b>1,841,030</b>	<b>1,787,200</b>	<b>1,773,700</b>
<u>Income</u>			
Government Grants	0	0	0
Other Grants and Contributions	(24,799)	(44,200)	(44,200)
Customer & Client Receipts	(215,347)	(123,400)	(123,400)
<b>TOTAL INCOME</b>	<b>(240,145)</b>	<b>(167,600)</b>	<b>(167,600)</b>
<b>NET EXPENDITURE (CONTROLLABLE)</b>	<b>1,600,885</b>	<b>1,619,600</b>	<b>1,606,100</b>
<u>Financial Accounting Adjustments</u>			
Central Support Charges	97,947	104,400	101,000
Departmental Charges	94,541	89,300	68,800
Capital Charges	10,440	10,400	10,400
Central Support Income	0	0	0
Departmental Charges Income	(61,482)	(41,500)	(42,300)
<b>NET ACCOUNTING ADJUSTMENTS</b>	<b>141,446</b>	<b>162,600</b>	<b>137,900</b>
<b>NET EXPENDITURE (ALL BUDGETS)</b>	<b>1,742,331</b>	<b>1,782,200</b>	<b>1,744,000</b>
Funded from DSG			0

#### Variation Analysis

Original Estimate 2010/11	1,782,200
Inflation	4,800
Budget Transfers	(13,300)
Changes in Government Grants	0
Other Government or Outside Body changes	0
Demand Led Growth	0
Budget Review Savings	(5,000)
Service Reductions & Efficiency Savings	0
Changes to financial accounting adjustments	(24,700)
Original Budget 2011/12	<u>1,744,000</u>
<u>Other Information</u>	
Employee FTE's (Budgeted)	8.1                      8.1

## EDUCATION, CHILDREN'S AND CULTURAL SERVICES

### SPECIAL EDUCATIONAL NEEDS AND RECOUPMENT

These centrally retained budgets mainly provide funding for young people with statements of special educational need who are either placed in independent special schools or attend schools in other authorities and their associated transport costs. The costs of the Behavioural, Emotional and Social Difficulties Service and other SEN teams are shown under this heading.

	<u>2009/10</u> <u>Actual</u> <u>£</u>	<u>2010/11</u> <u>Original</u> <u>£</u>	<u>2011/12</u> <u>Estimate</u> <u>£</u>
<b>Expenditure</b>			
Employees	1,286,186	589,000	1,308,700
Premises	48,380	0	105,700
Transport	3,019,799	2,705,100	2,755,300
Supplies and Services	371,064	195,900	373,400
Third Party Payments	7,554,431	8,441,200	8,697,500
Transfer Payments	885,453	1,362,000	838,600
<b>TOTAL EXPENDITURE</b>	<b>13,165,313</b>	<b>13,293,200</b>	<b>14,079,200</b>
<b>Income</b>			
Government Grants	(20,927)	0	0
Other Grants and Contributions	(2,473,112)	(1,969,400)	(2,051,500)
Customer & Client Receipts	(297,209)	(68,400)	(68,400)
<b>TOTAL INCOME</b>	<b>(2,791,248)</b>	<b>(2,037,800)</b>	<b>(2,119,900)</b>
<b>NET EXPENDITURE (CONTROLLABLE)</b>	<b>10,374,065</b>	<b>11,255,400</b>	<b>11,959,300</b>
<b>Financial Accounting Adjustments</b>			
Central Support Charges	136,935	145,900	298,200
Departmental Charges	162,818	143,200	210,500
Capital Charges	6,212	6,200	15,100
Central Support Income	0	0	0
Departmental Charges Income	0	0	0
<b>NET ACCOUNTING ADJUSTMENTS</b>	<b>305,965</b>	<b>295,300</b>	<b>523,800</b>
<b>NET EXPENDITURE (ALL BUDGETS)</b>	<b>10,680,030</b>	<b>11,550,700</b>	<b>12,483,100</b>
Funded from DSG			8,828,500

<b>Variation Analysis</b>		
Original Estimate 2010/11		11,550,700
Inflation		7,700
Budget Transfers		480,200
Changes in Government Grants		0
Other Government or Outside Body changes		0
Demand Led Growth		400,000
Budget Review Savings		(184,000)
Service Reductions & Efficiency Savings		0
Changes to financial accounting adjustments		228,500
Original Budget 2011/12		<b>12,483,100</b>
<b>Other Information</b>		
Employee FTE's (Budgeted)	14.2	31.7
Budget Review Savings	-0.5	
Transferred from schools to Behavioural, Emotional and Social	18	

**EDUCATION, CHILDREN'S AND CULTURAL SERVICES**

**UNACCOMPANIED ASYLUM SEEKERS**

The Unaccompanied Asylum Seeking Children (UASC) Service provides support, including immigration and care arrangements, to lone UASC aged up to 18 years. The Hillingdon judgement also laid a requirement on Councils to provide Leaving Care services for UASC up until the age of 21, and beyond that, for those in continuing education.

	<u>2009/10</u> <u>Actual</u> <u>£</u>	<u>2010/11</u> <u>Original</u> <u>£</u>	<u>2011/12</u> <u>Estimate</u> <u>£</u>
<b><u>Expenditure</u></b>			
Employees	172,977	182,500	122,700
Premises	(30)	600	600
Transport	17,358	2,500	1,900
Supplies and Services	18,128	24,800	24,100
Third Party Payments	743,365	768,900	183,700
Transfer Payments	16	0	585,200
<b>TOTAL EXPENDITURE</b>	<b>951,814</b>	<b>979,300</b>	<b>918,200</b>
<b><u>Income</u></b>			
Government Grants	(397,294)	(361,700)	(361,700)
Other Grants and Contributions	(9,689)	0	0
Customer & Client Receipts	(13,943)	0	0
<b>TOTAL INCOME</b>	<b>(420,926)</b>	<b>(361,700)</b>	<b>(361,700)</b>
<b>NET EXPENDITURE (CONTROLLABLE)</b>	<b>530,888</b>	<b>617,600</b>	<b>556,500</b>
<b><u>Financial Accounting Adjustments</u></b>			
Central Support Charges	35,484	37,100	30,000
Departmental Charges	41,024	35,200	24,000
Capital Charges	0	0	0
Central Support Income	0	0	0
Departmental Charges Income	0	0	0
<b>NET ACCOUNTING ADJUSTMENTS</b>	<b>76,508</b>	<b>72,300</b>	<b>54,000</b>
<b>NET EXPENDITURE (ALL BUDGETS)</b>	<b>607,396</b>	<b>689,900</b>	<b>610,500</b>
Funded from DSG			0

<b><u>Variation Analysis</u></b>	
Original Estimate 2010/11	689,900
Inflation	500
Budget Transfers	(700)
Changes in Government Grants	0
Other Government or Outside Body changes	0
Demand Led Growth	0
Budget Review Savings	(60,900)
Service Reductions & Efficiency Savings	0
Changes to financial accounting adjustments	(18,300)
Original Budget 2011/12	<u>610,500</u>
<b><u>Other Information</u></b>	
Employee FTE's (Budgeted)	4.0      3.0
Budget Review Savings	-1

## EDUCATION, CHILDREN'S AND CULTURAL SERVICES

### INTEGRATED YOUTH SUPPORT

This area includes the Youth Service, Adolescent Response Team, Youth Offending Team, Connexions Service, and Way to Work. Combined, these services provide young people with access to information, positive activities and advice and guidance services.

	<u>2009/10</u> <u>Actual</u> <u>£</u>	<u>2010/11</u> <u>Original</u> <u>£</u>	<u>2011/12</u> <u>Estimate</u> <u>£</u>
<b><u>Expenditure</u></b>			
Employees	1,930,809	1,914,600	1,407,100
Premises	284,346	182,000	212,200
Transport	54,900	28,000	23,600
Supplies and Services	3,022,333	1,859,500	1,351,100
Third Party Payments	169,650	125,300	149,100
Transfer Payments	49,247	100	100
<b>TOTAL EXPENDITURE</b>	<b>5,511,285</b>	<b>4,109,500</b>	<b>3,143,200</b>
<b><u>Income</u></b>			
Government Grants	(375,513)	(276,900)	(39,100)
Other Grants and Contributions	(847,960)	(800,000)	(726,200)
Customer & Client Receipts	(1,525,414)	(195,600)	(167,000)
<b>TOTAL INCOME</b>	<b>(2,748,888)</b>	<b>(1,272,500)</b>	<b>(932,300)</b>
<b>NET EXPENDITURE (CONTROLLABLE)</b>	<b>2,762,397</b>	<b>2,837,000</b>	<b>2,210,900</b>
<b><u>Financial Accounting Adjustments</u></b>			
Central Support Charges	362,327	386,500	330,200
Departmental Charges	243,947	198,300	140,400
Capital Charges	81,788	80,800	86,900
Central Support Income	0	0	0
Departmental Charges Income	0	0	0
<b>NET ACCOUNTING ADJUSTMENTS</b>	<b>688,062</b>	<b>665,600</b>	<b>557,500</b>
<b>NET EXPENDITURE (ALL BUDGETS)</b>	<b>3,450,459</b>	<b>3,502,600</b>	<b>2,768,400</b>
Funded from DSG			0

<b><u>Variation Analysis</u></b>	
Original Estimate 2010/11	3,502,600
Inflation	23,500
Budget Transfers	22,900
Changes in Government Grants	(239,600)
Other Government or Outside Body changes	0
Demand Led Growth	0
Budget Review Savings	(307,900)
Service Reductions & Efficiency Savings	(125,000)
Changes to financial accounting adjustments	(108,100)
Original Budget 2011/12	<u>2,768,400</u>
<b><u>Other Information</u></b>	
Employee FTE's (Budgeted)	41.2      29.3
Budget Review Savings	-11.5
Transferred to Educational and Family Support Services	-0.4



## EDUCATION, CHILDREN'S AND CULTURAL SERVICES

### EARLY YEARS

The Government provides funding through the Early Intervention Grant (EIG) to develop and run Children's Centres, support access, quality and inclusion and to ensure that all children aged 0-8 years have the best possible early years education and care.

	<u>2009/10</u> <u>Actual</u> <u>£</u>	<u>2010/11</u> <u>Original</u> <u>£</u>	<u>2011/12</u> <u>Estimate</u> <u>£</u>
<b>Expenditure</b>			
Employees	1,324,509	1,506,100	1,393,800
Premises	43,598	140,400	107,900
Transport	10,739	7,000	2,000
Supplies and Services	6,511,587	2,615,600	2,546,800
Third Party Payments	120	93,200	43,800
Transfer Payments	0	22,600	22,600
<b>TOTAL EXPENDITURE</b>	<b>7,890,553</b>	<b>4,384,900</b>	<b>4,116,900</b>
<b>Income</b>			
Government Grants	(3,495,958)	(3,942,500)	0
Other Grants and Contributions	(40,939)	0	0
Customer & Client Receipts	(649,812)	(7,800)	(7,800)
<b>TOTAL INCOME</b>	<b>(4,186,709)</b>	<b>(3,950,300)</b>	<b>(7,800)</b>
<b>NET EXPENDITURE (CONTROLLABLE)</b>	<b>3,703,844</b>	<b>434,600</b>	<b>4,109,100</b>
<b>Financial Accounting Adjustments</b>			
Central Support Charges	343,380	347,700	287,900
Departmental Charges	146,502	207,400	162,600
Capital Charges	20,371	(93,300)	46,400
Central Support Income	0	0	0
Departmental Charges Income	0	0	0
<b>NET ACCOUNTING ADJUSTMENTS</b>	<b>510,253</b>	<b>461,800</b>	<b>496,900</b>
<b>NET EXPENDITURE (ALL BUDGETS)</b>	<b>4,214,097</b>	<b>896,400</b>	<b>4,606,000</b>
Funded from DSG			88,800

#### **Variation Analysis**

Original Estimate 2010/11	896,400
Inflation	2,800
Budget Transfers	(29,000)
Changes in Government Grants	3,942,500
Other Government or Outside Body changes	0
Demand Led Growth	0
Budget Review Savings	(62,400)
Service Reductions & Efficiency Savings	(179,400)
Changes to financial accounting adjustments	35,100
Original Budget 2011/12	<u>4,606,000</u>

#### **Other Information**

Employee FTE's (Budgeted)	37.1	33.7
Budget Review Savings	-3.4	



**EDUCATION, CHILDREN'S AND CULTURAL SERVICES**

**EDUCATIONAL AND FAMILY SUPPORT SERVICES**

Funding is provided through the EIG to support children, young people and families who are vulnerable, at risk or who have additional needs. The aim is to identify issues and problems early and offer parenting, family and individual support to prevent truancy, exclusions, crime and anti social behaviour and family breakdown.

	<u>2009/10</u> <u>Actual</u> £	<u>2010/11</u> <u>Original</u> £	<u>2011/12</u> <u>Estimate</u> £
<b><u>Expenditure</u></b>			
Employees	2,516,341	2,252,800	2,550,900
Premises	15,038	4,900	5,100
Transport	110,875	70,700	11,700
Supplies and Services	767,130	304,200	343,300
Third Party Payments	10,692	100,900	172,400
Transfer Payments	15,638	30,900	54,000
<b>TOTAL EXPENDITURE</b>	<b>3,435,714</b>	<b>2,764,400</b>	<b>3,137,400</b>
<b><u>Income</u></b>			
Government Grants	(443,018)	0	0
Other Grants and Contributions	(155,221)	(494,100)	(706,500)
Customer & Client Receipts	(863,774)	(50,100)	(53,400)
<b>TOTAL INCOME</b>	<b>(1,462,014)</b>	<b>(544,200)</b>	<b>(759,900)</b>
<b>NET EXPENDITURE (CONTROLLABLE)</b>	<b>1,973,701</b>	<b>2,220,200</b>	<b>2,377,500</b>
<b><u>Financial Accounting Adjustments</u></b>			
Central Support Charges	376,188	391,500	642,900
Departmental Charges	193,607	183,500	168,400
Capital Charges	28,462	28,500	32,000
Central Support Income	0	0	0
Departmental Charges Income	0	0	0
<b>NET ACCOUNTING ADJUSTMENTS</b>	<b>598,257</b>	<b>603,500</b>	<b>843,300</b>
<b>NET EXPENDITURE (ALL BUDGETS)</b>	<b>2,571,958</b>	<b>2,823,700</b>	<b>3,220,800</b>
Funded from DSG			666,300

<b><u>Variation Analysis</u></b>		
Original Estimate 2010/11		2,823,700
Inflation		54,200
Budget Transfers		(53,900)
Changes in Government Grants		447,600
Other Government or Outside Body changes		0
Demand Led Growth		0
Budget Review Savings		(198,000)
Service Reductions & Efficiency Savings		(92,600)
Changes to financial accounting adjustments		239,800
Original Budget 2011/12		<u>3,220,800</u>
<b><u>Other Information</u></b>		
Employee FTE's (Budgeted)	48.6	56.4
<i>Budget Review Savings</i>	-4.2	
<i>Service Reduction &amp; Efficiency Savings</i>	-0.9	
<i>New posts created in Single Point Contact</i>	4.0	
<i>New posts created in Family Support - EIG grant funded</i>	8.5	
<i>Transferred from YOT</i>	0.4	

**EDUCATION, CHILDREN'S AND CULTURAL SERVICES**

**OTHER PROTECTIVE AND PREVENTATIVE SERVICES**

Government and Council funds are targeted at quality assuring safeguarding and child protection practice and ensuring a high quality reviewing system for Children Looked After. The funds support the Local Safeguarding Children's Board to ensure that safeguarding practice is robust and ensures that statutory timeframes on Children Looked After are met.

	<u>2009/10</u> <u>Actual</u> £	<u>2010/11</u> <u>Original</u> £	<u>2011/12</u> <u>Estimate</u> £
<b><u>Expenditure</u></b>			
Employees	157,606	220,000	225,200
Premises	0	500	500
Transport	6,512	3,100	300
Supplies and Services	41,456	35,000	35,000
Third Party Payments	0	0	0
Transfer Payments	0	0	0
<b>TOTAL EXPENDITURE</b>	<b>205,574</b>	<b>258,600</b>	<b>261,000</b>
<b><u>Income</u></b>			
Government Grants	0	0	0
Other Grants and Contributions	0	(29,500)	(29,500)
Customer & Client Receipts	0	(15,200)	(13,000)
<b>TOTAL INCOME</b>	<b>0</b>	<b>(44,700)</b>	<b>(42,500)</b>
<b>NET EXPENDITURE (CONTROLLABLE)</b>	<b>205,574</b>	<b>213,900</b>	<b>218,500</b>
<b><u>Financial Accounting Adjustments</u></b>			
Central Support Charges	28,270	29,200	36,000
Departmental Charges	0	0	28,300
Capital Charges	0	0	0
Central Support Income	0	0	0
Departmental Charges Income	0	0	0
<b>NET ACCOUNTING ADJUSTMENTS</b>	<b>28,270</b>	<b>29,200</b>	<b>64,300</b>
<b>NET EXPENDITURE (ALL BUDGETS)</b>	<b>233,844</b>	<b>243,100</b>	<b>282,800</b>
Funded from DSG			0

<b><u>Variation Analysis</u></b>	
Original Estimate 2010/11	243,100
Inflation	1,800
Budget Transfers	2,800
Changes in Government Grants	0
Other Government or Outside Body changes	0
Demand Led Growth	0
Budget Review Savings	0
Service Reductions & Efficiency Savings	0
Changes to financial accounting adjustments	35,100
Original Budget 2011/12	<u>282,800</u>
<b><u>Other Information</u></b>	
Employee FTE's (Budgeted)	3.0      3.0

## EDUCATION, CHILDREN'S AND CULTURAL SERVICES

### SCHOOL EFFECTIVENESS

This includes budgets for inspection and advisory services, the Ethnic Minority and Traveller Achievement Service (EMTAS) and LA Initiatives. This division plays a central role in the planning and the management of school improvement initiatives, policy and planning.

	<u>2009/10</u> <u>Actual</u> <u>£</u>	<u>2010/11</u> <u>Original</u> <u>£</u>	<u>2011/12</u> <u>Estimate</u> <u>£</u>
<b><u>Expenditure</u></b>			
Employees	1,772,787	1,816,100	1,464,300
Premises	33,594	0	2,500
Transport	42,703	21,800	10,800
Supplies and Services	1,155,354	690,100	550,500
Third Party Payments	0	0	0
Transfer Payments	432,986	0	0
<b>TOTAL EXPENDITURE</b>	<b>3,437,424</b>	<b>2,528,000</b>	<b>2,028,100</b>
<b><u>Income</u></b>			
Government Grants	(434,044)	0	0
Other Grants and Contributions	(283,560)	(702,600)	(533,700)
Customer & Client Receipts	(994,822)	(212,300)	(357,200)
<b>TOTAL INCOME</b>	<b>(1,712,426)</b>	<b>(914,900)</b>	<b>(890,900)</b>
<b>NET EXPENDITURE (CONTROLLABLE)</b>	<b>1,724,998</b>	<b>1,613,100</b>	<b>1,137,200</b>
<b><u>Financial Accounting Adjustments</u></b>			
Central Support Charges	297,515	323,100	288,100
Departmental Charges	274,553	289,300	276,000
Capital Charges	0	0	0
Central Support Income	0	0	0
Departmental Charges Income	0	0	0
<b>NET ACCOUNTING ADJUSTMENTS</b>	<b>572,068</b>	<b>612,400</b>	<b>564,100</b>
<b>NET EXPENDITURE (ALL BUDGETS)</b>	<b>2,297,066</b>	<b>2,225,500</b>	<b>1,701,300</b>
Funded from DSG			426,000

<b><u>Variation Analysis</u></b>		
Original Estimate 2010/11		2,225,500
Inflation		10,600
Budget Transfers		(144,900)
Changes in Government Grants		79,300
Other Government or Outside Body changes		0
Demand Led Growth		0
Budget Review Savings		(367,200)
Service Reductions & Efficiency Savings		(53,700)
Changes to financial accounting adjustments		(48,300)
Original Budget 2011/12		<u>1,701,300</u>
<b><u>Other Information</u></b>		
Employee FTE's (Budgeted)	35.0	28.0
Budget Review Savings	-8.0	
Transferred from Secondary National Strategy ABG	1	

## EDUCATION, CHILDREN'S AND CULTURAL SERVICES

### LIBRARY SERVICE

The Borough has 12 lending libraries and a central Reference and Information Service at the Old Town Hall, comprising the Reference Library and Local Studies Library. The School's Library and Resource Service based at the Cottage, provides schools in the Borough with advice, practical help, books and other materials.

	<u>2009/10</u> <u>Actual</u> £	<u>2010/11</u> <u>Original</u> £	<u>2011/12</u> <u>Estimate</u> £
<b>Expenditure</b>			
Employees	2,843,490	3,159,600	2,702,300
Premises	490,916	475,000	455,300
Transport	45,681	19,600	48,700
Supplies and Services	966,631	858,600	815,400
Third Party Payments	0	0	0
Transfer Payments	(1,098)	0	0
<b>TOTAL EXPENDITURE</b>	<b>4,345,620</b>	<b>4,512,800</b>	<b>4,021,700</b>
<b>Income</b>			
Government Grants	0	0	0
Other Grants and Contributions	(3,387)	0	0
Customer & Client Receipts	(291,123)	(367,600)	(360,800)
<b>TOTAL INCOME</b>	<b>(294,510)</b>	<b>(367,600)</b>	<b>(360,800)</b>
<b>NET EXPENDITURE (CONTROLLABLE)</b>	<b>4,051,110</b>	<b>4,145,200</b>	<b>3,660,900</b>
<b>Financial Accounting Adjustments</b>			
Central Support Charges	555,510	568,500	548,700
Departmental Charges	205,371	206,800	91,600
Capital Charges	298,633	221,300	278,800
Central Support Income	0	0	0
Departmental Charges Income	0	0	0
<b>NET ACCOUNTING ADJUSTMENTS</b>	<b>1,059,514</b>	<b>996,600</b>	<b>919,100</b>
<b>NET EXPENDITURE (ALL BUDGETS)</b>	<b>5,110,624</b>	<b>5,141,800</b>	<b>4,580,000</b>
Funded from DSG			0

#### **Variation Analysis**

Original Estimate 2010/11	5,141,800
Inflation	32,900
Budget Transfers	(142,000)
Changes in Government Grants	0
Other Government or Outside Body changes	0
Demand Led Growth	0
Budget Review Savings	(355,200)
Service Reductions & Efficiency Savings	(20,000)
Changes to financial accounting adjustments	(77,500)
Original Budget 2011/12	<u>4,580,000</u>

#### **Other Information**

Employee FTE's (Budgeted)	100.3	84.3
Budget Review Savings	-16	

## EDUCATION, CHILDREN'S AND CULTURAL SERVICES

### ARTS AND 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 and organisations, the Arts Service works across the borough, encouraging all forms of creative development, from a range of visual arts to dance, drama, music, film and literature.

The Authority's grant contribution to the Richmond Music Trust is also included in this heading.

	<u>2009/10</u> <u>Actual</u> <u>£</u>	<u>2010/11</u> <u>Original</u> <u>£</u>	<u>2011/12</u> <u>Estimate</u> <u>£</u>
<u>Expenditure</u>			
Employees	335,533	302,300	313,400
Premises	107,928	95,000	47,500
Transport	22,886	500	500
Supplies and Services	515,541	130,800	130,800
Third Party Payments	0	0	0
Transfer Payments	337	0	0
<b>TOTAL EXPENDITURE</b>	<b>982,225</b>	<b>528,600</b>	<b>492,200</b>
<u>Income</u>			
Government Grants	0	0	0
Other Grants and Contributions	(325,035)	(13,500)	(13,500)
Customer & Client Receipts	(201,460)	(73,700)	(73,700)
<b>TOTAL INCOME</b>	<b>(526,495)</b>	<b>(87,200)</b>	<b>(87,200)</b>
<b>NET EXPENDITURE (CONTROLLABLE)</b>	<b>455,730</b>	<b>441,400</b>	<b>405,000</b>
<u>Financial Accounting Adjustments</u>			
Central Support Charges	66,484	63,600	62,900
Departmental Charges	120,412	121,200	46,800
Capital Charges	(497,710)	38,500	0
Central Support Income	0	0	0
Departmental Charges Income	0	0	0
<b>NET ACCOUNTING ADJUSTMENTS</b>	<b>(310,814)</b>	<b>223,300</b>	<b>109,700</b>
<b>NET EXPENDITURE (ALL BUDGETS)</b>	<b>144,916</b>	<b>664,700</b>	<b>514,700</b>
Funded from DSG			0

#### Variation Analysis

Original Estimate 2010/11	664,700
Inflation	10,400
Budget Transfers	5,400
Changes in Government Grants	0
Other Government or Outside Body changes	0
Demand Led Growth	0
Budget Review Savings	(52,200)
Service Reductions & Efficiency Savings	0
Changes to financial accounting adjustments	(113,600)
Original Budget 2011/12	<u>514,700</u>

#### Other Information

Employee FTE's (Budgeted)	7.2	7.2
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## EDUCATION, CHILDREN'S AND CULTURAL SERVICES

### SPORTS

The Sports Team objectives are to develop participation in sport, improve standards of performance and improve facilities in conjunction with a range of partners. The team includes sports development, the four sports & fitness centres and the borough's two pools, one of which is run by Springhealth.

	<u>2009/10</u> <u>Actual</u> £	<u>2010/11</u> <u>Original</u> £	<u>2011/12</u> <u>Estimate</u> £
<u>Expenditure</u>			
Employees	1,467,528	1,597,600	1,608,300
Premises	591,649	564,600	588,600
Transport	13,545	19,900	6,600
Supplies and Services	580,080	498,200	482,600
Third Party Payments	482,010	399,900	379,900
Transfer Payments	(17,070)	0	0
<b>TOTAL EXPENDITURE</b>	<b>3,117,741</b>	<b>3,080,200</b>	<b>3,066,000</b>
<u>Income</u>			
Government Grants	(65,269)	0	0
Other Grants & Contributions	0	(42,600)	(93,500)
Customer & Client Receipts	(2,003,581)	(1,818,900)	(1,768,000)
<b>TOTAL INCOME</b>	<b>(2,068,850)</b>	<b>(1,861,500)</b>	<b>(1,861,500)</b>
<b>NET EXPENDITURE (CONTROLLABLE)</b>	<b>1,048,891</b>	<b>1,218,700</b>	<b>1,204,500</b>
<u>Financial Accounting Adjustments</u>			
Central Support Charges	262,577	258,700	297,100
Departmental Charges	126,710	125,600	76,700
Capital Charges	294,508	272,600	295,300
Central Support Income	0	0	0
Departmental Charges Income	0	0	0
<b>NET ACCOUNTING ADJUSTMENTS</b>	<b>683,795</b>	<b>656,900</b>	<b>669,100</b>
<b>NET EXPENDITURE (ALL BUDGETS)</b>	<b>1,732,686</b>	<b>1,875,600</b>	<b>1,873,600</b>
Funded from DSG			0

#### Variation Analysis

Original Estimate 2010/11	1,875,600
Inflation	39,400
Budget Transfers	(29,200)
Changes in Government Grants	0
Other Government or Outside Body changes	0
Demand Led Growth	0
Budget Review Savings	(24,400)
Service Reductions & Efficiency Savings	0
Changes to financial accounting adjustments	12,200
Original Budget 2011/12	<u>1,873,600</u>

#### Other Information

Employee FTE's (Budgeted)	49.9	49.7
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## EDUCATION, CHILDREN'S AND CULTURAL SERVICES

### SERVICE IMPROVEMENT

Service Improvement provides a range of support services to the Education, Children's and Cultural Services Directorate which ensure effective and efficient services and help deliver value for money. The service includes: policy development, performance management, information systems and governance, marketing and communications and workforce development.

	<u>2009/10</u> <u>Actual</u> £	<u>2010/11</u> <u>Original</u> £	<u>2011/12</u> <u>Estimate</u> £
<b>Expenditure</b>			
Employees	1,142,782	1,366,600	1,160,800
Premises	50,532	46,800	46,800
Transport	3,949	1,700	200
Supplies and Services	1,002,700	295,200	262,600
Third Party Payments	32	0	0
Transfer Payments	4,715	0	0
<b>TOTAL EXPENDITURE</b>	<b>2,204,709</b>	<b>1,710,300</b>	<b>1,470,400</b>
<b>Income</b>			
Government Grants	(256,830)	(145,000)	(52,600)
Other Grants & Contributions	(173,759)	0	(183,000)
Customer & Client Receipts	(700,852)	(372,000)	(190,400)
<b>TOTAL INCOME</b>	<b>(1,131,441)</b>	<b>(517,000)</b>	<b>(426,000)</b>
<b>NET EXPENDITURE (CONTROLLABLE)</b>	<b>1,073,268</b>	<b>1,193,300</b>	<b>1,044,400</b>
<b>Financial Accounting Adjustments</b>			
Central Support Charges	275,578	290,100	266,200
Departmental Charges	0	0	128,500
Capital Charges	0	0	0
Central Support Income	0	0	0
Departmental Charges Income	(1,051,920)	(1,133,400)	0
<b>NET ACCOUNTING ADJUSTMENTS</b>	<b>(776,342)</b>	<b>(843,300)</b>	<b>394,700</b>
<b>NET EXPENDITURE (ALL BUDGETS)</b>	<b>296,926</b>	<b>350,000</b>	<b>1,439,100</b>

Funded from DSG 76,200

<b>Variation Analysis</b>		
Original Estimate 2010/11		350,000
Inflation		5,100
Budget Transfers		(7,000)
Changes in Government Grants		0
Other Government or Outside Body changes		0
Demand Led Growth		0
Budget Review Savings		(137,000)
Service Reductions & Efficiency Savings		(10,000)
Changes to financial accounting adjustments		1,238,000
Original Budget 2011/12		<u>1,439,100</u>
<b>Other Information</b>		
Employee FTE's (Budgeted)	30.9	25.1
Budget Review Savings	-3.9	
Deleted as Contact Point grant ended	-2.5	
Deleted as part of Service Reductions & Efficiency Savings	-0.3	
New caretaker in CTC	0.85	



**EDUCATION, CHILDREN'S AND CULTURAL SERVICES**

**SCHOOLS NON DELEGATED INCLUDING RESIDUAL GRANT**

These centrally managed budgets provide funding for a number of services, including the Primary Private Finance Initiative (PFI) and health and safety. Also included is residual central School Development and LSC transfer grant funding. Delegated funding for Richmond schools is shown under the Individual Schools Budget (ISB) heading.

	<u>2009/10</u> <u>Actual</u> <u>£</u>	<u>2010/11</u> <u>Original</u> <u>£</u>	<u>2011/12</u> <u>Estimate</u> <u>£</u>
<b><u>Expenditure</u></b>			
Employees	211,587	1,200	1,200
Premises	1,490,562	93,400	63,700
Transport	4,229	0	0
Supplies and Services	5,678,498	4,911,500	5,076,300
Transfer Payments	16	0	0
Third Party Payments	5,622,173	6,297,000	314,000
<b>TOTAL EXPENDITURE</b>	<b>13,007,065</b>	<b>11,303,100</b>	<b>5,455,200</b>
<b><u>Income</u></b>			
Government Grants	(8,213,308)	(9,027,000)	(1,579,900)
Other Grants and Contributions	(2,134,474)	(585,600)	(1,908,700)
Customer & Client Receipts	(1,126,064)	(18,100)	(18,100)
<b>TOTAL INCOME</b>	<b>(11,473,846)</b>	<b>(9,630,700)</b>	<b>(3,506,700)</b>
<b>NET EXPENDITURE (CONTROLLABLE)</b>	<b>1,533,219</b>	<b>1,672,400</b>	<b>1,948,500</b>
<b><u>Financial Accounting Adjustments</u></b>			
Central Support Charges	794,342	817,600	727,400
Departmental Charges	1,890,103	2,036,100	1,124,100
Capital Charges	5,173,225	7,315,200	9,703,300
Central Support Income	0	0	0
Departmental Charges Income	0	0	0
<b>NET ACCOUNTING ADJUSTMENTS</b>	<b>7,857,670</b>	<b>10,168,900</b>	<b>11,554,800</b>
<b>NET EXPENDITURE (ALL BUDGETS)</b>	<b>9,390,889</b>	<b>11,841,300</b>	<b>13,503,300</b>
Funded from DSG			174,200

<b><u>Variation Analysis</u></b>		
Original Estimate 2010/11		11,841,300
Inflation		400,600
Budget Transfers		5,900
Changes in Government Grants		48,900
Other Government or Outside Body changes		0
Demand Led Growth		0
Budget Review Savings		(48,000)
Service Reductions & Efficiency Savings		(131,300)
Changes to financial accounting adjustments		1,385,900
Original Budget 2011/12		<u>13,503,300</u>
<b><u>Other Information</u></b>		
Employee FTE's (Budgeted)	2.0	0.0
<i>Budget Review Savings</i>	<i>-1.0</i>	
<i>Transferred to Inspectorate</i>	<i>-1.0</i>	



**EDUCATION, CHILDREN'S AND CULTURAL SERVICES**

**INDIVIDUAL SCHOOLS & NURSERY BUDGETS (NET)**

Local Authorities must distribute amounts from their Individual Schools Budget amongst their maintained schools using a formula which accords with the Financing of Maintained Schools (England) Regulations, and enables the calculation of a budget share for each maintained school.

	<u>2009/10</u>	<u>2010/11</u>	<u>2011/12</u>
	<u>Actual</u>	<u>Original</u>	<u>Estimate</u>
	£	£	£
<b><u>Expenditure</u></b>			
Individual Schools Budget	78,569,952	82,194,000	83,750,100
Individual Nursery Budget	0	5,137,700	6,519,100
ISB in year Allowances	268,952	3,142,500	2,034,900
<b>NET EXPENDITURE (CONTROLLABLE)</b>	<b><u>78,838,904</u></b>	<b><u>90,474,200</u></b>	<b><u>92,304,100</u></b>

Funded from DSG	92,304,100
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<b><u>Variation Analysis</u></b>	
Original Estimate 2010/11	90,474,200
Inflation	0
Budget Transfers	(6,612,600)
Changes in Government Grants	8,442,500
Other Government or Outside Body changes	0
Demand Led Growth	0
Budget Review Savings	0
Service Reductions & Efficiency Savings	0
Changes to financial accounting adjustments	0
Original Budget 2011/12	<u>92,304,100</u>
<b><u>Other Information</u></b>	
Employee FTE's (Budgeted)	1862.0      1583.0

## EDUCATION, CHILDREN'S AND CULTURAL SERVICES

### DIRECTORATE ADMINISTRATION

This includes budgets for the Finance and Resources Team providing a wide range of financial and building support to the Directorate. This also includes the Schools Finance Team who are responsible for the calculation of schools budgets and providing support for schools on all aspects of financial management.

	<u>2009/10</u> <u>Actual</u> £	<u>2010/11</u> <u>Original</u> £	<u>2011/12</u> <u>Estimate</u> £
<b>Expenditure</b>			
Employees	1,087,625	1,157,800	1,017,100
Premises	130	0	0
Transport	21,723	21,300	7,500
Supplies and Services	284,078	261,600	265,000
Transfer Payments	0	0	0
Third Party Payments	0	0	0
<b>TOTAL EXPENDITURE</b>	<b>1,393,556</b>	<b>1,440,700</b>	<b>1,289,600</b>
<b>Income</b>			
Government Grants	0	0	0
Other Grants and Contributions	0	0	0
Customer & Client Receipts	(265,477)	(300,800)	(283,600)
<b>TOTAL INCOME</b>	<b>(265,477)</b>	<b>(300,800)</b>	<b>(283,600)</b>
<b>NET EXPENDITURE (CONTROLLABLE)</b>	<b>1,128,079</b>	<b>1,139,900</b>	<b>1,006,000</b>
<b>Financial Accounting Adjustments</b>			
Central Support Charges	573,297	589,900	668,100
Departmental Charges	0	0	0
Capital Charges	0	0	0
Central Support Income	0	0	0
Departmental Charges Income	(1,738,557)	(1,779,800)	(1,674,100)
<b>NET ACCOUNTING ADJUSTMENTS</b>	<b>(1,165,260)</b>	<b>(1,189,900)</b>	<b>(1,006,000)</b>
<b>NET EXPENDITURE (ALL BUDGETS)</b>	<b>(37,181)</b>	<b>(50,000)</b>	<b>0</b>
Funded from DSG			191,200

#### **Variation Analysis**

Original Estimate 2010/11	(50,000)
Inflation	12,000
Budget Transfers	(67,700)
Changes in Government Grants	0
Other Government or Outside Body changes	0
Demand Led Growth	0
Budget Review Savings	(78,200)
Service Reductions & Efficiency Savings	0
Changes to financial accounting adjustments	183,900
Original Budget 2011/12	0

#### **Other Information**

Employee FTE's (Budgeted)	24.5	20.6
<i>Deleted as part of Finance Review</i>	-2.9	
<i>Transferred to Customer Services</i>	-1	

**EDUCATION, CHILDREN'S AND CULTURAL SERVICES**

**SCHOOL COMMISSIONING**

This includes the budgets for the School Admissions Team, Student Support and Post 16 Commissioning.

	<u>2009/10</u> <u>Actual</u> <u>£</u>	<u>2010/11</u> <u>Original</u> <u>£</u>	<u>2011/12</u> <u>Estimate</u> <u>£</u>
<b><u>Expenditure</u></b>			
Employees	322,603	317,100	392,200
Premises	0	0	0
Transport	46,430	47,200	45,800
Supplies and Services	136,030	151,600	28,100
Transfer Payments	0	0	0
Third Party Payments	10,175	5,000	0
<b>TOTAL EXPENDITURE</b>	<b>515,238</b>	<b>520,900</b>	<b>466,100</b>
<b><u>Income</u></b>			
Government Grants	(13,030)	(5,800)	(800)
Other Grants and Contributions	(28,619)	0	0
Customer & Client Receipts	(76,475)	(49,700)	(49,700)
<b>TOTAL INCOME</b>	<b>(118,124)</b>	<b>(55,500)</b>	<b>(50,500)</b>
<b>NET EXPENDITURE (CONTROLLABLE)</b>	<b>397,114</b>	<b>465,400</b>	<b>415,600</b>
<b><u>Financial Accounting Adjustments</u></b>			
Central Support Charges	69,974	72,100	149,900
Departmental Charges	0	0	42,200
Capital Charges	0	0	0
Central Support Income	0	0	0
Departmental Charges Income	0	0	0
<b>NET ACCOUNTING ADJUSTMENTS</b>	<b>69,974</b>	<b>72,100</b>	<b>192,100</b>
<b>NET EXPENDITURE (ALL BUDGETS)</b>	<b>467,088</b>	<b>537,500</b>	<b>607,700</b>
Funded from DSG			214,900

<b><u>Variation Analysis</u></b>		
Original Estimate 2010/11		537,500
Inflation		8,900
Budget Transfers		(98,500)
Changes in Government Grants		84,000
Other Government or Outside Body changes		0
Demand Led Growth		0
Budget Review Savings		(44,200)
Service Reductions & Efficiency Savings		0
Changes to financial accounting adjustments		120,000
Original Budget 2011/12		<b>607,700</b>
<b><u>Other Information</u></b>		
Employee FTE's (Budgeted)	7.3	8.4
<i>Budget Review Savings</i>	-0.6	
<i>Transferred from former LSC</i>	2	

**EDUCATION, CHILDREN'S AND CULTURAL SERVICES**

**STRATEGIC MANAGEMENT**

This includes costs relating to the strategic management of the Directorate including the Director of Education, Children's and Cultural Services and associated administrative support.

	<u>2009/10</u>	<u>2010/11</u>	<u>2011/12</u>
	<u>Actual</u>	<u>Original</u>	<u>Estimate</u>
	£	£	£
<b><u>Expenditure</u></b>			
Employees	776,117	915,100	879,100
Premises	0	0	0
Transport	8,982	7,400	0
Supplies and Services	97,775	20,000	0
Transfer Payments	0	0	0
Third Party Payments	0	0	0
<b>NET EXPENDITURE</b>	<b>882,874</b>	<b>942,500</b>	<b>879,100</b>
<b><u>Income</u></b>			
Government Grants	0	0	0
Other Grants and Contributions	0	0	0
Customer & Client Receipts	(15,000)	0	0
<b>TOTAL INCOME</b>	<b>(15,000)</b>	<b>0</b>	<b>0</b>
<b>NET EXPENDITURE (CONTROLLABLE)</b>	<b>867,874</b>	<b>942,500</b>	<b>879,100</b>
<b><u>Financial Accounting Adjustments</u></b>			
Central Support Charges	106,018	111,200	107,500
Departmental Charges	0	0	0
Capital Charges	0	0	0
Central Support Income	0	0	0
Departmental Charges Income	(973,892)	(1,053,700)	(986,500)
<b>NET ACCOUNTING ADJUSTMENTS</b>	<b>(867,874)</b>	<b>(942,500)</b>	<b>(879,000)</b>
<b>NET EXPENDITURE (ALL BUDGETS)</b>	<b>0</b>	<b>0</b>	<b>100</b>
Funded from DSG			0

**Variation Analysis**

Original Estimate 2010/11	0
Inflation	15,200
Budget Transfers	16,800
Changes in Government Grants	0
Other Government or Outside Body changes	0
Demand Led Growth	0
Budget Review Savings	(95,400)
Service Reductions & Efficiency Savings	0
Changes to financial accounting adjustments	63,500
Original Budget 2011/12	100

**Other Information**

Employee FTE's (Budgeted)	11.9	11.0
Budget Review Savings	-0.9	

# **ENVIRONMENT SERVICES**

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

**Nick Greenaway**  
Principle Finance Officer

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**REVENUE BUDGET - SUMMARY OF EXPENDITURE**

<u>Service</u>	<u>2009/10</u>	<u>2010/11</u>	<u>2011/12</u>
	<u>Actual</u>	<u>Original</u>	<u>Estimate</u>
	£	£	£
CCTV/Careline	293,272	320,700	345,400
Registrars & Cemeteries	357,647	609,500	335,600
Depots	0	0	0
Borough Contingencies Unit	195,740	202,400	142,200
Facilities Management & Services	0	68,600	15,400
Highways Management	5,775,034	6,152,200	6,324,700
Management Services	0	(57,700)	(138,000)
Parking Services	(5,413,774)	(6,415,400)	(6,188,100)
Cultural & Related Services	3,531,262	3,456,400	3,297,400
Planning & Development Services	3,320,352	3,933,000	3,495,400
Property Services & Building Maintenance	1,473,034	1,080,800	979,900
Regulatory Services	2,113,168	2,316,000	1,810,200
Transport Planning & Safety Education	1,852,559	2,679,800	2,770,800
Transport Services	0	216,400	149,700
Waste Management & Enforcement	16,433,363	16,525,800	16,859,500
<b>Total for Environment</b>	<b>29,931,657</b>	<b>31,088,500</b>	<b>30,200,100</b>

<b>Variation Analysis</b>	
<b>Original Estimate 2010/11</b>	<b>31,088,500</b>
Inflation	454,300
Budget Transfers	285,400
Changes in Government Grants	0
Other Government or Outside Body changes	0
Demand Led Growth	0
Budget Review Savings	(2,469,700)
Service Reductions & Efficiency Savings	(1,254,500)
Investment Priorities	0
Changes to financial accounting adjustments	2,096,100
<b>Original Budget 2011/12</b>	<b>30,200,100</b>

**ENVIRONMENT DIRECTORATE**

**SUBJECTIVE ANALYSIS**

	<u>2009/10</u> <u>Actual</u> <u>£</u>	<u>2010/11</u> <u>Original</u> <u>£</u>	<u>2011/12</u> <u>Estimate</u> <u>£</u>
<b><u>Expenditure</u></b>			
Employees	18,837,977	19,612,700	17,065,200
Premises	9,773,864	10,414,900	9,997,900
Transport	4,902,420	4,624,900	5,071,900
Supplies & Services	4,045,262	3,380,300	3,357,100
Third Party Payments	22,393,288	21,905,100	21,400,400
Transfer Payments	312,558	0	0
<b>TOTAL EXPENDITURE</b>	<b>60,265,369</b>	<b>59,937,900</b>	<b>56,892,500</b>
<b><u>Income</u></b>			
Government Grants	(222,975)	(300)	0
Other Grants and Contributions	(142,698)	(206,100)	(263,100)
Fees & Charges	(34,925,381)	(32,147,100)	(32,029,500)
Rents	0	0	0
<b>TOTAL INCOME</b>	<b>(35,291,054)</b>	<b>(32,353,500)</b>	<b>(32,292,600)</b>
<b>NET EXPENDITURE (CONTROLLABLE)</b>	<b>24,974,315</b>	<b>27,584,400</b>	<b>24,599,900</b>
<b><u>Financial Accounting Adjustments</u></b>			
Central Support Charges	6,289,016	6,669,000	5,998,400
Departmental Charges	6,117,013	6,349,900	5,520,300
Capital Charges	4,326,524	2,814,400	4,121,400
Central Support Income	(5,658,197)	(5,979,300)	(4,519,600)
Departmental Charges Income	(6,117,013)	(6,349,900)	(5,520,300)
<b>NET ACCOUNTING ADJUSTMENTS</b>	<b>4,957,342</b>	<b>3,504,100</b>	<b>5,600,200</b>
<b>NET EXPENDITURE (ALL BUDGETS)</b>	<b>29,931,657</b>	<b>31,088,500</b>	<b>30,200,100</b>

**BUDGETED STAFFING FTE'S**

	<b>2010/11</b>	<b>2011/12</b>
Number of full time equivalent employees	435.4	379.2

**CCTV/CARELINE**

Careline provides monitoring of community alarms & telecare sensors for the elderly and vulnerable also messaging services out of hours for the Council and other partnership agencies. The service also monitors the Council's Closed Circuit Television Cameras across the borough.

	<u>2009/10</u> <u>Actual</u> £	<u>2010/11</u> <u>Original</u> £	<u>2011/12</u> <u>Estimate</u> £
<b><u>Expenditure</u></b>			
Employees	662,738	637,800	702,900
Premises	23,716	28,700	28,700
Transport	15,466	13,300	7,100
Supplies & Services	235,990	274,000	283,500
Third Party Payment	0	0	0
Transfer Payments	1,800	0	0
<b>TOTAL EXPENDITURE</b>	<b>939,710</b>	<b>953,800</b>	<b>1,022,200</b>
<b><u>Income</u></b>			
Fees & Charges	(886,375)	(871,100)	(871,100)
<b>TOTAL INCOME CONTROLLABLE</b>	<b>(886,375)</b>	<b>(871,100)</b>	<b>(871,100)</b>
<b>NET EXPENDITURE (CONTROLLABLE)</b>	<b>53,335</b>	<b>82,700</b>	<b>151,100</b>
<b><u>Financial Accounting Adjustments</u></b>			
Central Support Charges	195,582	189,700	154,900
Departmental Charges	44,355	48,300	39,400
Capital Charges	0	0	0
Central Support Income	0	0	0
Departmental Charges Income	0	0	0
<b>NET ACCOUNTING ADJUSTMENTS</b>	<b>239,937</b>	<b>238,000</b>	<b>194,300</b>
<b>NET EXPENDITURE (ALL BUDGETS)</b>	<b>293,272</b>	<b>320,700</b>	<b>345,400</b>

**Variation Analysis**

Original Estimate 2010/11	320,700
Inflation	6,700
Budget Transfers	67,800
Changes in Government Grants	0
Other Government or Outside Body changes	0
Demand Led Growth	0
Budget Review Savings	(6,100)
Service Reductions & Efficiency Savings	0
Investment Priorities	0
Changes to financial accounting adjustments	(43,700)
Original Budget 2011/12	<u>345,400</u>

**Other Information**

Employee FTE's (Budgeted)	15.0	15.0
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**DEPOTS**

The Council has a Central Depot located at Langhorn Drive. It is used as a base for the Council's operational activities including Highway Maintenance, Winter Maintenance, Street Cleansing, Waste and Recycling activities, a Vehicle Workshop, Transport Services and School Meals catering service.

	<u>2009/10</u> <u>Actual</u> £	<u>2010/11</u> <u>Original</u> £	<u>2011/12</u> <u>Estimate</u> £
<b><u>Expenditure</u></b>			
Employees	68,572	86,900	78,400
Premises	276,848	339,500	378,700
Transport	9,146	17,800	40,800
Supplies & Services	15,425	10,800	17,800
Third Party Payments	70,510	80,100	21,600
Transfer Payments	(5,455)	0	0
<b>TOTAL EXPENDITURE</b>	<b>435046</b>	<b>535,100</b>	<b>537,300</b>
<b><u>Income</u></b>			
Fees & Charges	(193,821)	(192,600)	(192,600)
<b>TOTAL INCOME</b>	<b>(193,821)</b>	<b>(192,600)</b>	<b>(192,600)</b>
<b>NET EXPENDITURE (CONTROLLABLE)</b>	<b>241225</b>	<b>342,500</b>	<b>344,700</b>
<b><u>Financial Accounting Adjustments</u></b>			
Central Support Charges	52,127	59,300	44,200
Departmental Charges	88,100	83,600	85,800
Capital Charges	278,822	263,700	211,200
Central Support Income	0	0	0
Departmental Charges Income	(660,274)	(749,100)	(685,900)
<b>NET ACCOUNTING ADJUSTMENTS</b>	<b>(241,225)</b>	<b>(342,500)</b>	<b>(344,700)</b>
<b>NET EXPENDITURE (ALL BUDGETS)</b>	<b>0</b>	<b>0</b>	<b>0</b>

**Variation Analysis**

Original Estimate 2010/11	0
Inflation	12,500
Budget Transfers	(1,500)
Changes in Government Grants	0
Other Government or Outside Body changes	0
Demand Led Growth	0
Budget Review Savings	(8,800)
Service Reductions & Efficiency Savings	0
Investment Priorities	0
Changes to financial accounting adjustments	(2,200)
Original Budget 2011/12	0
<b><u>Other Information</u></b>	
Employee FTE's (Budgeted)	3.0      3.0

**ENVIRONMENT DIRECTORATE**

**REGISTRARS & CEMETERIES**

There are 6 cemeteries open for burial, which cover 36 hectares. The Registration Service conducts civil ceremonies at the Register Office and other approved premises. The service also registers births and deaths and conducts UK Citizenship Ceremonies.

	<u>2009/10</u> <u>Actual</u> <u>£</u>	<u>2010/11</u> <u>Original</u> <u>£</u>	<u>2011/12</u> <u>Estimate</u> <u>£</u>
<b><u>Expenditure</u></b>			
Employees	731,840	765,800	728,500
Premises	160,432	179,000	180,500
Transport	61,725	63,600	64,400
Supplies & Services	89,526	100,000	108,900
Third Party Payments	0	0	0
Transfer Payments	(5,225)	0	0
<b>TOTAL EXPENDITURE</b>	<b>1,038,298</b>	<b>1,108,400</b>	<b>1,082,300</b>
<b><u>Income</u></b>			
Government Grants	0	0	0
Other Grants and Contributions	(860)	0	0
Fees & Charges	(875,451)	(698,700)	(990,200)
Rents	0	0	0
<b>TOTAL INCOME</b>	<b>(876,311)</b>	<b>(698,700)</b>	<b>(990,200)</b>
<b>NET EXPENDITURE (CONTROLLABLE)</b>	<b>161,987</b>	<b>409,700</b>	<b>92,100</b>
<b><u>Financial Accounting Adjustments</u></b>			
Central Support Charges	114,861	112,100	154,200
Departmental Charges	76,559	83,500	85,100
Capital Charges	4,240	4,200	4,200
Central Support Income	0	0	0
Departmental Charges Income	0	0	0
<b>NET ACCOUNTING ADJUSTMENTS</b>	<b>195,660</b>	<b>199,800</b>	<b>243,500</b>
<b>NET EXPENDITURE (ALL BUDGETS)</b>	<b>357,647</b>	<b>609,500</b>	<b>335,600</b>

**Variation Analysis**

Original Estimate 2010/11	609,500
Inflation	(4,700)
Budget Transfers	0
Changes in Government Grants	0
Other Government or Outside Body changes	0
Demand Led Growth	0
Budget Review Savings	(312,900)
Service Reductions & Efficiency Savings	0
Investment Priorities	0
Changes to financial accounting adjustments	43,700
Original Budget 2011/12	<u>335,600</u>

**Other Information**

Employee FTE's (Budgeted)	19.1	18.1
<i>Deleted</i>	<i>-1.0</i>	

**BOROUGH CONTINGENCIES UNIT**

This section delivers duties under the Civil Contingencies Act 2004 which places seven duties on Local Authorities including holding emergency and business continuity plans, training staff and exercising plans in conjunction with partner agencies. The unit also responds to emergencies and maintains the Council's Emergency Control Centre.

	<u>2009/10</u> <u>Actual</u> £	<u>2010/11</u> <u>Original</u> £	<u>2011/12</u> <u>Estimate</u> £
<b><u>Expenditure</u></b>			
Employees	160,024	116,500	62,900
Premises	23,845	24,300	25,000
Transport	4,627	2,500	1,000
Supplies & Services	24,321	16,800	16,800
Third Party Payments	0	0	0
Transfer Payments	0	0	0
<b>TOTAL EXPENDITURE</b>	<b>212,817</b>	<b>160,100</b>	<b>105,700</b>
<b><u>Income</u></b>			
Fees & Charges	(60,889)	(5,700)	(5,700)
<b>TOTAL INCOME</b>	<b>(60,889)</b>	<b>(5,700)</b>	<b>(5,700)</b>
<b>NET EXPENDITURE (CONTROLLABLE)</b>	<b>151,928</b>	<b>154,400</b>	<b>100,000</b>
<b><u>Financial Accounting Adjustments</u></b>			
Central Support Charges	5,868	6,400	10,700
Departmental Charges	37,944	41,600	31,500
Capital Charges	0	0	0
Central Support Income	0	0	0
Departmental Charges Income	0	0	0
<b>NET ACCOUNTING ADJUSTMENTS</b>	<b>43,812</b>	<b>48,000</b>	<b>42,200</b>
<b>NET EXPENDITURE (ALL BUDGETS)</b>	<b>195,740</b>	<b>202,400</b>	<b>142,200</b>

<b><u>Variation Analysis</u></b>	
Original Estimate 2010/11	202,400
Inflation	3,400
Budget Transfers	4,300
Changes in Government Grants	0
Other Government or Outside Body changes	0
Demand Led Growth	0
Budget Review Savings	(62,100)
Service Reductions & Efficiency Savings	0
Investment Priorities	0
Changes to financial accounting adjustments	(5,800)
Original Budget 2011/12	<u>142,200</u>
<b><u>Other Information</u></b>	
Employee FTE's (Budgeted)	2.0      1.0
Budget Review Savings	-1.0

**FACILITIES MANAGEMENT & SERVICES**

The Facilities Management Group provides support to the Council across a number of areas - Civic Premise Management, Building Maintenance, Building Cleaning and Richmond Works.

	<u>2009/10</u> <u>Actual</u> £	<u>2010/11</u> <u>Original</u> £	<u>2011/12</u> <u>Estimate</u> £
<b><u>Expenditure</u></b>			
Employees	1,176,637	1,071,200	771,800
Premises	3,873,283	3,816,100	3,097,900
Transport	54,376	72,300	37,500
Supplies & Services	459,320	485,600	269,200
Third Party Payments	304,764	267,000	267,000
Transfer Payments	(2,060)	0	0
<b>TOTAL EXPENDITURE</b>	<b>5,866,320</b>	<b>5,712,200</b>	<b>4,443,400</b>
<b><u>Income</u></b>			
Government Grants	0	0	0
Other Grants and Contributions	0	0	0
Sales	0	0	0
Fees & Charges	(2,678,403)	(2,229,700)	(2,002,500)
<b>TOTAL INCOME</b>	<b>(2,678,403)</b>	<b>(2,229,700)</b>	<b>(2,002,500)</b>
<b>NET EXPENDITURE (CONTROLLABLE)</b>	<b>3,187,917</b>	<b>3,482,500</b>	<b>2,440,900</b>
<b><u>Financial Accounting Adjustments</u></b>			
Central Support Charges	327,019	357,900	264,300
Departmental Charges	135,900	94,400	76,200
Capital Charges	602,495	453,900	420,400
Central Support Income	(4,253,331)	(4,320,100)	(3,186,400)
Departmental Charges Income	0	0	0
<b>NET ACCOUNTING ADJUSTMENTS</b>	<b>(3,187,917)</b>	<b>(3,413,900)</b>	<b>(2,425,500)</b>
<b>NET EXPENDITURE (ALL BUDGETS)</b>	<b>0</b>	<b>68,600</b>	<b>15,400</b>

**Variation Analysis**

Original Estimate 2010/11	68,600
Inflation	38,700
Budget Transfers	(332,500)
Changes in Government Grants	0
Other Government or Outside Body changes	0
Demand Led Growth	0
Budget Review Savings	(147,800)
Service Reductions & Efficiency Savings	(600,000)
Investment Priorities	0
Changes to financial accounting adjustments	988,400
Original Budget 2011/12	15,400

**Other Information**

Employee FTE's (Budgeted)	27.6	22.5
Budget Review Savings	-7.1	
Transferred from Management Services	2.0	

**MANAGEMENT SERVICES**

This account incorporates management, finance, postal services, print unit and general administrative support for the Environment Directorate plus staff who are unable to be directly allocated to one specific service. All costs are recharged to services.

	<u>2009/10</u> <u>Actual</u> £	<u>2010/11</u> <u>Original</u> £	<u>2011/12</u> <u>Estimate</u> £
<b><u>Expenditure</u></b>			
Employees	3,385,949	3,717,200	3,005,200
Premises	195	1,000	1,000
Transport	119,587	92,100	38,300
Supplies & Services	426,369	389,200	368,600
Third Party Payments	1,055	0	0
Transfer Payments	0	0	0
<b>TOTAL EXPENDITURE</b>	<b>3,933,155</b>	<b>4,199,500</b>	<b>3,413,100</b>
<b><u>Income</u></b>			
Other Grants and Contributions	0	0	0
Fees & Charges	(784,040)	(745,000)	(745,000)
<b>TOTAL INCOME</b>	<b>(784,040)</b>	<b>(745,000)</b>	<b>(745,000)</b>
<b>NET EXPENDITURE (CONTROLLABLE)</b>	<b>3,149,115</b>	<b>3,454,500</b>	<b>2,668,100</b>
<b><u>Financial Accounting Adjustments</u></b>			
Central Support Charges	1,059,654	1,077,700	1,111,600
Departmental Charges	57,852	58,300	52,400
Capital Charges	0	0	0
Central Support Income	(234,982)	(355,600)	(282,600)
Departmental Charges Income	(4,031,639)	(4,292,600)	(3,687,500)
<b>NET ACCOUNTING ADJUSTMENTS</b>	<b>(3,149,115)</b>	<b>(3,512,200)</b>	<b>(2,806,100)</b>
<b>NET EXPENDITURE (ALL BUDGETS)</b>	<b>0</b>	<b>(57,700)</b>	<b>(138,000)</b>

**Variation Analysis**

Original Estimate 2010/11	(57,700)
Inflation	47,900
Budget Transfers	(297,900)
Changes in Government Grants	0
Other Government or Outside Body changes	0
Demand Led Growth	0
Budget Review Savings	(536,400)
Service Reductions & Efficiency Savings	0
Investment Priorities	0
Changes to financial accounting adjustments	706,100
Original Budget 2011/12	<b>(138,000)</b>

**Other Information**

Employee FTE's (Budgeted)	76.3	57.0
<i>Budget Review Savings</i>	<i>-14.0</i>	
<i>Transferred to Highways Management</i>	<i>-4.0</i>	
<i>Transferred from Transport Planning</i>	<i>1.0</i>	
<i>Transferred from Facilities Management</i>	<i>-2.0</i>	
<i>Transferred to Cultural &amp; Related Services</i>	<i>-0.3</i>	

**HIGHWAYS MANAGEMENT**

The Council is responsible for the maintenance and improvement of 355km of Borough Roads (unclassified) and 'B' Roads and 49km of Principal Roads ('A' Roads). It also retains cleansing responsibilities for the A316 and A205 which are part of the Transport for London Road Network.

	<u>2009/10</u> <u>Actual</u> £	<u>2010/11</u> <u>Original</u> £	<u>2011/12</u> <u>Estimate</u> £
<b><u>Expenditure</u></b>			
Employees	565,632	570,700	800,100
Premises	1,168,117	1,216,500	1,275,500
Transport	305,751	256,900	259,000
Supplies & Services	349,165	239,700	239,700
Third Party Payments	2,859,599	2,958,900	2,966,000
Transfer Payments	168,522	0	0
<b>TOTAL EXPENDITURE</b>	<b>5,416,786</b>	<b>5,242,700</b>	<b>5,540,300</b>
<b><u>Income</u></b>			
Government Grants	(419)	0	0
Fees & Charges	(2,257,998)	(1,880,900)	(2,071,900)
Rents	0	0	0
<b>TOTAL INCOME</b>	<b>(2,258,417)</b>	<b>-1,880,900</b>	<b>-2,071,900</b>
<b>NET EXPENDITURE (CONTROLLABLE)</b>	<b>3,158,368</b>	<b>3,361,800</b>	<b>3,468,400</b>
<b><u>Financial Accounting Adjustments</u></b>			
Central Support Charges	131,382	126,700	180,100
Departmental Charges	2,122,819	2,327,800	1,767,000
Capital Charges	362,465	335,900	909,200
Central Support Income	0	0	0
Departmental Charges Income	0	0	0
<b>NET ACCOUNTING ADJUSTMENTS</b>	<b>2,616,666</b>	<b>2,790,400</b>	<b>2,856,300</b>
<b>NET EXPENDITURE (ALL BUDGETS)</b>	<b>5,775,034</b>	<b>6,152,200</b>	<b>6,324,700</b>

<b><u>Variation Analysis</u></b>		
Original Estimate 2010/11		6,152,200
Inflation		75,700
Budget Transfers		181,400
Changes in Government Grants		0
Other Government or Outside Body changes		0
Demand Led Growth		0
Budget Review Savings		0
Service Reductions & Efficiency Savings		(150,500)
Investment Priorities		0
Changes to financial accounting adjustments		65,900
Original Budget 2011/12		<u>6,324,700</u>
<b><u>Other Information</u></b>		
Employee FTE's (Budgeted)	18.0	23.00
<i>Transferred from Management Services</i>	4.0	
<i>Investment Priorities</i>	1.0	

**CULTURAL & RELATED SERVICES**

This Section is responsible for 146 parks and open spaces covering a total of 517 hectares, (included in this area are 43 equipped children's playgrounds), the management of over 17,000 street trees and the administration of Tree Preservation Orders. There are 24 allotment sites in the Borough divided into 1,886 individual plots. Public Halls, Community Centres, Catering, Tourism and the visitors Centre.

	<u>2009/10</u> <u>Actual</u> £	<u>2010/11</u> <u>Original</u> £	<u>2011/12</u> <u>Estimate</u> £
<b><u>Expenditure</u></b>			
Employees	1,066,932	997,700	751,400
Premises	2,497,858	2,547,700	2,771,300
Transport	31,994	30,800	8,300
Supplies & Services	268,411	241,700	246,700
Third Party Payments	396,050	356,900	386,900
Transfer Payments	147,967	0	0
<b>TOTAL EXPENDITURE</b>	<b>4,409,212</b>	<b>4,174,800</b>	<b>4,164,600</b>
<b><u>Income</u></b>			
Government Grants	(8,537)	0	0
Fees & Charges	(1,320,426)	(1,081,400)	(1,101,400)
<b>TOTAL INCOME</b>	<b>(1,328,963)</b>	<b>(1,081,400)</b>	<b>(1,101,400)</b>
<b>NET EXPENDITURE (CONTROLLABLE)</b>	<b>3,080,248</b>	<b>3,093,400</b>	<b>3,063,200</b>
<b><u>Financial Accounting Adjustments</u></b>			
Central Support Charges	469,105	457,800	271,100
Departmental Charges	180,831	171,800	196,400
Capital Charges	197,878	77,000	111,300
Central Support Income	0	0	0
Departmental Charges Income	(396,800)	(343,600)	(344,600)
<b>NET ACCOUNTING ADJUSTMENTS</b>	<b>451,014</b>	<b>363,000</b>	<b>234,200</b>
<b>NET EXPENDITURE (ALL BUDGETS)</b>	<b>3,531,262</b>	<b>3,456,400</b>	<b>3,297,400</b>

**Variation Analysis**

Original Estimate 2010/11	3,456,400
Inflation	137,400
Budget Transfers	(88,300)
Changes in Government Grants	0
Other Government or Outside Body changes	0
Demand Led Growth	0
Budget Review Savings	(79,300)
Service Reductions & Efficiency Savings	0
Investment Priorities	0
Changes to financial accounting adjustments	(128,800)
Original Budget 2011/12	<u>3,297,400</u>

**Other Information**

Employee FTE's (Budgeted)	22.2	15.80
Budget Review Savings	-5.7	
Transferred to Corporate Services	-1.0	
Transferred from Management Services	0.3	



**PLANNING & DEVELOPMENT SERVICES**

This group encompasses Building Control, Development Control, Land use Policy and Design reviewing planning policies and Economic Development

	<u>2009/10</u> <u>Actual</u> <u>£</u>	<u>2010/11</u> <u>Original</u> <u>£</u>	<u>2011/12</u> <u>Estimate</u> <u>£</u>
<b><u>Expenditure</u></b>			
Employees	3,331,636	3,670,900	3,403,100
Premises	6,047	5,100	5,100
Transport	81,387	81,200	24,100
Supplies & Services	700,361	379,300	391,400
Third Party Payments	119,073	135,000	126,600
Transfer Payments	(1,075)	0	0
<b>TOTAL EXPENDITURE</b>	<b>4,237,429</b>	<b>4,271,500</b>	<b>3,950,300</b>
<b><u>Income</u></b>			
Government Grants	(212,309)	0	0
Other Grants and Contributions	(141,347)	(203,400)	(260,400)
Fees & Charges	(2,050,803)	(1,819,100)	(1,841,300)
Rents	0	0	0
<b>TOTAL INCOME</b>	<b>(2,404,459)</b>	<b>(2,022,500)</b>	<b>(2,101,700)</b>
<b>NET EXPENDITURE (CONTROLLABLE)</b>	<b>1,832,969</b>	<b>2,249,000</b>	<b>1,848,600</b>
<b><u>Financial Accounting Adjustments</u></b>			
Central Support Charges	1,132,734	1,344,700	1,311,200
Departmental Charges	770,034	779,300	688,500
Capital Charges	0	0	0
Central Support Income	0	0	0
Departmental Charges Income	(415,385)	(440,000)	(352,900)
<b>NET ACCOUNTING ADJUSTMENTS</b>	<b>1,487,383</b>	<b>1,684,000</b>	<b>1,646,800</b>
<b>NET EXPENDITURE (ALL BUDGETS)</b>	<b>3,320,352</b>	<b>3,933,000</b>	<b>3,495,400</b>

<b><u>Variation Analysis</u></b>		
Original Estimate 2010/11		3,933,000
Inflation		26,100
Budget Transfers		(49,900)
Changes in Government Grants		0
Other Government or Outside Body changes		0
Demand Led Growth		0
Budget Review Savings		(376,600)
Service Reductions & Efficiency Savings		0
Investment Priorities		0
Changes to financial accounting adjustments		(37,200)
Original Budget 2011/12		<b>3,495,400</b>
<b><u>Other Information</u></b>		
Employee FTE's (Budgeted)	74.6	71.5
<i>Budget Review Savings</i>	-4.1	
<i>Low Carbone Zone Coordinator</i>	1.0	



**PARKING SERVICES**

Parking Services administer 26 car parks containing 2,600 spaces and 37 Controlled Parking Zones. The Parking Enforcement section processes penalty charge notices issued under the Road Traffic Act, administers and issues parking permits and manages the parking enforcement contractor.

	<u>2009/10</u> <u>Actual</u> £	<u>2010/11</u> <u>Original</u> £	<u>2011/12</u> <u>Estimate</u> £
<b><u>Expenditure</u></b>			
Employees	871,598	930,700	1,035,600
Premises	1,123,850	1,125,500	1,124,100
Transport	8,858	7,400	0
Supplies & Services	595,197	169,100	328,300
Third Party Payments	3,045,801	2,742,100	1,794,100
Transfer Payments	(526)	0	0
<b>TOTAL EXPENDITURE</b>	<b>5,644,778</b>	<b>4,974,800</b>	<b>4,282,100</b>
<b><u>Income</u></b>			
Sales	0	0	0
Fees & Charges	(12,270,802)	(12,366,000)	(11,515,900)
Rents	0	0	0
<b>TOTAL INCOME</b>	<b>(12,270,802)</b>	<b>(12,366,000)</b>	<b>(11,515,900)</b>
<b>NET EXPENDITURE (CONTROLLABLE)</b>	<b><u>(6,626,025)</u></b>	<b><u>(7,391,200)</u></b>	<b><u>(7,233,800)</u></b>
<b><u>Financial Accounting Adjustments</u></b>			
Central Support Charges	542,607	491,500	591,800
Departmental Charges	330,220	286,100	123,000
Capital Charges	339,424	198,200	330,900
Central Support Income	0	0	0
Departmental Charges Income	0	0	0
<b>NET ACCOUNTING ADJUSTMENTS</b>	<b>1,212,251</b>	<b>975,800</b>	<b>1,045,700</b>
<b>NET EXPENDITURE (ALL BUDGETS)</b>	<b><u>(5,413,774)</u></b>	<b><u>(6,415,400)</u></b>	<b><u>(6,188,100)</u></b>

<b><u>Variation Analysis</u></b>	
Original Estimate 2010/11	(6,415,400)
Inflation	10,700
Budget Transfers	418,800
Changes in Government Grants	0
Other Government or Outside Body changes	0
Demand Led Growth	0
Budget Review Savings	231,900
Service Reductions & Efficiency Savings	(504,000)
Investment Priorities	0
Changes to financial accounting adjustments	69,900
Original Budget 2011/12	<u>(6,188,100)</u>
<b><u>Other Information</u></b>	
Employee FTE's (Budgeted)	26.0      30.0
TUPED Service Reductions & Efficiency Savings	4.0

**PROPERTY SERVICES**

Property Services covers every aspect of building-related matters, including specialist advice and services on all construction and property matters. The Estates Team provide valuation and estate management services. Development and regeneration progress specific development initiatives and the Sustainability Team promotes the green agenda tackling climate change.

	<u>2009/10</u> <u>Actual</u> £	<u>2010/11</u> <u>Original</u> £	<u>2011/12</u> <u>Estimate</u> £
<b><u>Expenditure</u></b>			
Employees	1,257,762	1,426,800	1,026,700
Premises	461,983	1,050,000	1,054,100
Transport	28,067	31,100	5,800
Supplies & Services	87,705	73,200	61,600
Third Party Payments	79,997	23,500	38,100
Transfer Payments	12,560	0	0
<b>TOTAL EXPENDITURE</b>	<b>1,928,074</b>	<b>2,604,600</b>	<b>2,186,300</b>
<b><u>Income</u></b>			
Government Grants	0	0	0
Other Grants and Contributions	0	0	0
Fees & Charges	(1,229,062)	(1,282,600)	(1,110,100)
Rents	0	0	0
<b>TOTAL INCOME</b>	<b>(1,229,062)</b>	<b>(1,282,600)</b>	<b>(1,110,100)</b>
<b>NET EXPENDITURE (CONTROLLABLE)</b>	<b>699,012</b>	<b>1,322,000</b>	<b>1,076,200</b>
<b><u>Financial Accounting Adjustments</u></b>			
Central Support Charges	560,682	616,000	515,200
Departmental Charges	217,368	212,200	209,000
Capital Charges	951,850	10,800	19,500
Central Support Income	(955,878)	(1,080,200)	(840,000)
Departmental Charges Income	0	0	0
<b>NET ACCOUNTING ADJUSTMENTS</b>	<b>774,022</b>	<b>(241,200)</b>	<b>(96,300)</b>
<b>NET EXPENDITURE (ALL BUDGETS)</b>	<b>1,473,034</b>	<b>1,080,800</b>	<b>979,900</b>

<b><u>Variation Analysis</u></b>		
Original Estimate 2010/11		1,080,800
Inflation		3,300
Budget Transfers		(29,500)
Changes in Government Grants		0
Other Government or Outside Body changes		0
Demand Led Growth		0
Budget Review Savings		(219,600)
Service Reductions & Efficiency Savings		0
Investment Priorities		0
Changes to financial accounting adjustments		144,900
Original Budget 2011/12		<u>979,900</u>
<b><u>Other Information</u></b>		
Employee FTE's (Budgeted)	28.1	22.1
<i>Deleted as part of Budget Review Savings</i>	-6.0	

**REGULATORY SERVICES**

This group encompasses: Special Projects monitoring environmental pollution and Consumer Protection dealing with trading standards, environmental health and licensing processes and Health and Safety.

	<u>2009/10</u> <u>Actual</u> £	<u>2010/11</u> <u>Original</u> £	<u>2011/12</u> <u>Estimate</u> £
<b><u>Expenditure</u></b>			
Employees	1,717,139	1,758,600	1,455,800
Premises	61,923	28,500	0
Transport	59,955	73,200	16,200
Supplies & Services	183,729	288,600	305,600
Third Party Payments	76,529	84,700	107,100
Transfer Payments	(950)	0	0
<b>TOTAL EXPENDITURE</b>	<b>2,098,327</b>	<b>2,233,600</b>	<b>1,884,700</b>
<b><u>Income</u></b>			
Government Grants	0	(300)	0
Other Grants and Contributions	(491)	(2,700)	(2,700)
Sales	0	0	0
Fees & Charges	(444,347)	(347,000)	(380,900)
Rents	0	0	0
<b>TOTAL INCOME</b>	<b>(444,838)</b>	<b>(350,000)</b>	<b>(383,600)</b>
<b>NET EXPENDITURE (CONTROLLABLE)</b>	<b>1,653,489</b>	<b>1,883,600</b>	<b>1,501,100</b>
<b><u>Financial Accounting Adjustments</u></b>			
Central Support Charges	496,697	493,000	396,600
Departmental Charges	163,309	164,200	118,700
Capital Charges	13,680	(7,000)	4,400
Central Support Income	(214,007)	(217,800)	(210,600)
Departmental Charges Income	0	0	0
<b>NET ACCOUNTING ADJUSTMENTS</b>	<b>459,679</b>	<b>432,400</b>	<b>309,100</b>
<b>NET EXPENDITURE (ALL BUDGETS)</b>	<b>2,113,168</b>	<b>2,316,000</b>	<b>1,810,200</b>

<b><u>Variation Analysis</u></b>		
Original Estimate 2010/11		2,316,000
Inflation		4,200
Budget Transfers		(67,400)
Changes in Government Grants		0
Other Government or Outside Body changes		0
Demand Led Growth		0
Budget Review Savings		(319,300)
Service Reductions & Efficiency Savings		0
Investment Priorities		0
Changes to financial accounting adjustments		(123,300)
Original Budget 2011/12		<u>1,810,200</u>
<b><u>Other Information</u></b>		
Employee FTE's (Budgeted)	37.8	31.4
Budget Review Savings	-6.4	

**TRANSPORT PLANNING & SAFETY EDUCATION**

Transport Planning covers Traffic Policy and Programmes, Traffic Management, Projects and Partnership functions. 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 and parking in the borough and design and delivery of the Capital Works Programme.

	<u>2009/10</u> <u>Actual</u> £	<u>2010/11</u> <u>Original</u> £	<u>2011/12</u> <u>Estimate</u> £
<b>Expenditure</b>			
Employees	2,165,658	2,309,700	1,951,800
Premises	398	4,400	0
Transport	13,274	14,100	5,700
Supplies & Services	50,162	39,900	39,900
Third Party Payments	653,952	500,600	505,000
Transfer Payments	0	0	0
<b>TOTAL EXPENDITURE</b>	<b>2,883,444</b>	<b>2,868,700</b>	<b>2,502,400</b>
<b>Income</b>			
Fees & Charges	(2,094,187)	(1,321,400)	(1,338,400)
<b>TOTAL INCOME</b>	<b>(2,094,187)</b>	<b>(1,321,400)</b>	<b>(1,338,400)</b>
<b>NET EXPENDITURE (CONTROLLABLE)</b>	<b>789,257</b>	<b>1,547,300</b>	<b>1,164,000</b>
<b>Financial Accounting Adjustments</b>			
Central Support Charges	439,897	456,500	357,100
Departmental Charges	104,980	107,600	103,600
Capital Charges	625,739	613,400	1,188,000
Central Support Income	0	(5,600)	0
Departmental Charges Income	(107,314)	(39,400)	(41,900)
<b>NET ACCOUNTING ADJUSTMENTS</b>	<b>1,063,302</b>	<b>1,132,500</b>	<b>1,606,800</b>
<b>NET EXPENDITURE (ALL BUDGETS)</b>	<b>1,852,559</b>	<b>2,679,800</b>	<b>2,770,800</b>

<b><u>Variation Analysis</u></b>	
Original Estimate 2010/11	2,679,800
Inflation	32,700
Budget Transfers	(91,300)
Changes in Government Grants	0
Other Government or Outside Body changes	0
Demand Led Growth	0
Budget Review Savings	(324,700)
Service Reductions & Efficiency Savings	0
Investment Priorities	0
Changes to financial accounting adjustments	474,300
Original Budget 2011/12	<b>2,770,800</b>
<b><u>Other Information</u></b>	
Employee FTE's (Budgeted)	45.7      35.8
<i>Budget Review Savings</i>	-8.9
<i>Transferred to Management Services</i>	-1.0

**TRANSPORT SERVICES**

The Transport Services Section provides a complete range of vehicle provision to all departments within the Council. The Transport Workshop carries out maintenance and repairs to the Council's fleet consisting of 196 vehicles and currently provides maintenance and servicing of contractor vehicles.

	<u>2009/10</u> <u>Actual</u> £	<u>2010/11</u> <u>Original</u> £	<u>2011/12</u> <u>Estimate</u> £
<b><u>Expenditure</u></b>			
Employees	453,758	472,000	471,700
Premises	36,522	1,000	1,000
Transport	1,756,703	1,450,000	2,196,500
Supplies & Services	86,983	42,200	42,800
Third Party Payments	517	18,000	16,300
Transfer Payments	0	0	0
<b>TOTAL EXPENDITURE</b>	<b>2,334,482</b>	<b>1,983,200</b>	<b>2,728,300</b>
<b><u>Income</u></b>			
Fees & Charges	(3,602,282)	(2,975,400)	(3,699,500)
<b>TOTAL INCOME</b>	<b>(3,602,282)</b>	<b>(2,975,400)</b>	<b>(3,699,500)</b>
<b>NET EXPENDITURE (CONTROLLABLE)</b>	<b>(1,267,801)</b>	<b>(992,200)</b>	<b>(971,200)</b>
<b><u>Financial Accounting Adjustments</u></b>			
Central Support Charges	54,688	60,700	57,900
Departmental Charges	275,173	295,500	224,300
Capital Charges	937,940	852,400	838,700
Central Support Income	0	0	0
Departmental Charges Income	0	0	0
<b>NET ACCOUNTING ADJUSTMENTS</b>	<b>1,267,801</b>	<b>1,208,600</b>	<b>1,120,900</b>
<b>NET EXPENDITURE (ALL BUDGETS)</b>	<b>0</b>	<b>216,400</b>	<b>149,700</b>

**Variation Analysis**

Original Estimate 2010/11	216,400
Inflation	1,400
Budget Transfers	19,600
Changes in Government Grants	0
Other Government or Outside Body changes	0
Demand Led Growth	0
Budget Review Savings	0
Service Reductions & Efficiency Savings	0
Investment Priorities	0
Changes to financial accounting adjustments	(87,700)
Original Budget 2011/12	<u>149,700</u>

**Other Information**

Employee FTE's (Budgeted)	11.0	11.0
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**WASTE MANAGEMENT & ENFORCEMENT**

The Council is recycling over 43% of the borough's domestic waste and also provides a weekly refuse service to approximately 80,000 properties plus a trade collection service, for which a charge is made. Waste Disposal is managed by the West London Waste Authority. Other services undertaken include street cleansing, graffiti removal and the management of the Community Toilet Scheme.

	<u>2009/10</u> <u>Actual</u> £	<u>2010/11</u> <u>Original</u> £	<u>2011/12</u> <u>Estimate</u> £
<b><u>Expenditure</u></b>			
Employees	1,222,104	1,080,200	819,300
Premises	58,846	47,600	55,000
Transport	2,351,505	2,418,600	2,367,200
Supplies & Services	472,498	630,200	636,300
Third Party Payments	14,785,440	14,738,300	15,171,700
Transfer Payments	(3,000)	0	0
<b>TOTAL EXPENDITURE</b>	<b>18,887,393</b>	<b>18,914,900</b>	<b>19,049,500</b>
<b><u>Income</u></b>			
Government Grants	(1,710)	0	0
Fees & Charges	(4,176,394)	(4,330,500)	(4,163,000)
<b>TOTAL INCOME</b>	<b>(4,178,104)</b>	<b>(4,330,500)</b>	<b>(4,163,000)</b>
<b>NET EXPENDITURE (CONTROLLABLE)</b>	<b>14,709,289</b>	<b>14,584,400</b>	<b>14,886,500</b>
<b><u>Financial Accounting Adjustments</u></b>			
Central Support Charges	706,114	819,000	577,500
Departmental Charges	1,511,568	1,595,700	1,719,400
Capital Charges	11,992	11,900	83,600
Central Support Income	0	0	0
Departmental Charges Income	(505,600)	(485,200)	(407,500)
<b>NET ACCOUNTING ADJUSTMENTS</b>	<b>1,724,074</b>	<b>1,941,400</b>	<b>1,973,000</b>
<b>NET EXPENDITURE (ALL BUDGETS)</b>	<b>16,433,363</b>	<b>16,525,800</b>	<b>16,859,500</b>

<b><u>Variation Analysis</u></b>		
Original Estimate 2010/11		16,525,800
Inflation		58,300
Budget Transfers		551,800
Changes in Government Grants		0
Other Government or Outside Body changes		0
Demand Led Growth		0
Budget Review Savings		(308,000)
Service Reductions & Efficiency Savings		0
Investment Priorities		0
Changes to financial accounting adjustments		31,600
Original Budget 2011/12		<u>16,859,500</u>
<b><u>Other Information</u></b>		
Employee FTE's (Budgeted)	29.0	22.0
Budget Review Savings	-7.0	

# **ADULT & COMMUNITY SERVICES**

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

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## ADULT AND COMMUNITY SERVICES

### SUMMARY BY SERVICE AREA

<u>PURPOSE</u>	<u>2009/10</u> <u>Actual</u> <u>£</u>	<u>2010/11</u> <u>Original</u> <u>£</u>	<u>2011/12</u> <u>Estimate</u> <u>£</u>
CCS Divisional Management	0	0	0
Care Management	9,238,985	9,520,700	10,196,900
Service Development	0	0	0
Care Services - Older People and Physical Disabilities	21,840,954	19,825,900	21,112,400
Care Services - Learning Disabilities	7,817,852	7,670,900	7,438,200
Care Services - Mental Health	3,253,556	3,235,200	3,171,000
Care Services - Drug and Other Alcohol	657,780	696,100	534,200
Supported Housing Services	18,420	2,934,000	2,944,100
CCPS Divisional Management	65,865	52,400	0
Performance and Engagement	846,363	849,800	444,000
Partnerships and Planning	1,722,102	1,790,000	1,607,000
Grants to Voluntary Organisations	2,508,698	2,633,300	2,706,000
Corporate Procurement	6,017	0	14,100
Performance and Quality Assurance	19,013	300	13,000
Corporate Equality and Diversity	121,733	138,600	8,700
Corporate Communications	0	0	4,300
Management and Support Services	(16,683)	159,400	194,800
Housing Advice	1,112,779	1,154,700	1,221,900
Resettlement Service	336,607	361,300	267,500
Temporary Accommodation	1,004,410	4,525,500	4,394,400
Private Sector and Other Housing	1,477,969	1,693,800	2,870,400
Care Provision - Learning Disabilities	5,677,792	5,623,500	5,268,300
Care Provision - Older People and Physical Disabilities	2,464,312	2,493,800	2,308,000
Transport Operations	0	536,000	335,600
Accessible Transport Unit	4,963,652	6,428,700	7,218,400
Direct Management and Finance	358,328	766,800	613,200
Rent Allowances	(734,465)	73,600	50,700
<b>Total Adult &amp; Community Services Directorate</b>	<b>64,762,039</b>	<b>73,164,300</b>	<b>74,937,100</b>

<b><u>Variation Analysis</u></b>	
<b>Original Estimate 2010/11</b>	<b>73,164,300</b>
Inflation	800,100
Budget Transfers	(74,500)
Changes in Government Grants	578,200
Other Government or Outside Body changes	770,500
Demand Led Growth	500,000
Budget Review Savings	(2,981,700)
Other Growth and Savings	(192,000)
Investment Priorities	0
Changes to financial accounting adjustments	2,372,200
<b>Original Budget 2011/12</b>	<b>74,937,100</b>



## ADULT AND COMMUNITY SERVICES

### SUBJECTIVE ANALYSIS

	<u>2009/10</u> <u>Actual</u> <u>£</u>	<u>2010/11</u> <u>Original</u> <u>£</u>	<u>2011/12</u> <u>Estimate</u> <u>£</u>
<u>Expenditure</u>			
Employees	22,657,154	24,311,600	23,201,000
Premises	1,818,418	1,872,600	1,903,000
Transport	2,344,941	1,894,300	1,528,400
Supplies and Services	6,193,594	6,724,900	6,819,900
Third Party Payments	53,920,123	53,501,300	53,130,900
Transfer Payments	64,920,141	55,766,700	68,476,700
<b>TOTAL EXPENDITURE</b>	<b>151,854,370</b>	<b>144,071,400</b>	<b>155,059,900</b>
<u>Income</u>			
Government Grants	(62,788,362.7)	(50,467,500.0)	(70,412,000.0)
Other Grants and Contributions	(12,037,744.7)	(11,375,900.0)	(2,173,300.0)
Customer & Client Receipts	(19,791,093.0)	(18,172,000.0)	(19,018,000.0)
<b>TOTAL INCOME</b>	<b>(94,617,200.4)</b>	<b>(80,015,400)</b>	<b>(91,603,300)</b>
<b>NET EXPENDITURE FOR ACS DIRECTORATE</b>	<b>57,237,170</b>	<b>64,056,000</b>	<b>63,456,600</b>
<u>Financial Accounting Adjustments</u>			
Central Support Charges	5,800,429	6,049,000	6,299,900
Departmental Charges	7,258,731	7,132,800	7,331,000
Capital Charges	2,508,151	3,865,700	6,587,100
Central Support Income	(783,710.9)	(806,400.0)	(1,406,500.0)
Departmental Charges Income	(7,258,730.6)	(7,132,800.0)	(7,331,000.0)
<b>NET ACCOUNTING ADJUSTMENTS</b>	<b>7,524,869</b>	<b>9,108,300</b>	<b>11,480,500</b>
<b>NET EXPENDITURE (ALL BUDGETS)</b>	<b>64,762,039</b>	<b>73,164,300</b>	<b>74,937,100</b>

### BUDGETED STAFFING FTE'S

	<b>2010/11</b>	<b>2011/12</b>
Number of full time equivalent employees	629.5	589.6

## ADULT AND COMMUNITY SERVICES

### COMMISSIONING CARE SERVICES DIVISIONAL MANAGEMENT

This includes the management costs of the Commissioning Care Services Division including senior management and business support.

	<u>2009/10</u> <u>Actual</u> £	<u>2010/11</u> <u>Original</u> £	<u>2011/12</u> <u>Estimate</u> £
<b><u>Expenditure</u></b>			
Employees	540,954	628,200	601,900
Premises	56,772	0	0
Transport	9,205	3,400	500
Supplies and Services	117,547	13,600	34,600
Third Party Payments	252,117	63,600	121,100
Transfer Payments	0	0	0
<b>TOTAL EXPENDITURE</b>	<b>976,595</b>	<b>708,800</b>	<b>758,100</b>
<b><u>Income</u></b>			
Government Grants	0	0	0
Other Grants and Contributions	(2,267)	(22,600)	(22,600)
Customer & Client Receipts	(56,772)	0	0
<b>TOTAL INCOME</b>	<b>(59,039)</b>	<b>(22,600)</b>	<b>(22,600)</b>
<b>NET EXPENDITURE (CONTROLLABLE)</b>	<b>917,556</b>	<b>686,200</b>	<b>735,500</b>
<b>Financial Accounting Adjustments</b>			
Central Support Charges	151,238	177,400	227,700
Departmental Charges	39,372	30,700	57,300
Capital Charges	0	0	0
Central Support Income	0	0	0
Departmental Charges Income	(1,108,166)	(894,300)	(1,020,500)
<b>NET ACCOUNTING ADJUSTMENTS</b>	<b>(917,556)</b>	<b>(686,200)</b>	<b>(735,500)</b>
<b>NET EXPENDITURE (ALL BUDGETS)</b>	<b>0</b>	<b>0</b>	<b>0</b>

<b><u>Variation Analysis</u></b>	
Original Estimate 2010/11	0
Inflation	(7,400)
Budget Transfers	78,500
Changes in Government Grants	0
Other Government or Outside Body changes	0
Demand Led Growth	0
Budget Review Savings	6,500
Other Growth and Savings	(28,300)
Changes to financial accounting adjustments	(49,300)
Original Budget 2011/12	<u>0</u>
<b><u>Other Information</u></b>	
Employee FTE's (Budgeted)	11.0      11.0

## ADULT AND COMMUNITY SERVICES

### CARE MANAGEMENT

This provides statutory assessment, care management, occupational therapy and safeguarding services for adults and older people. This includes the provision of personal budgets to help people to live independently as well as personal care at home, meals on wheels, equipment and adaptations to the home.

	<u>2009/10</u> <u>Actual</u> £	<u>2010/11</u> <u>Original</u> £	<u>2011/12</u> <u>Estimate</u> £
<b>Expenditure</b>			
Employees	6,154,751	6,600,100	6,516,300
Premises	121,245	106,400	106,400
Transport	269,358	148,700	72,800
Supplies and Services	214,808	157,300	148,700
Third Party Payments	321,929	290,100	290,100
Transfer Payments	(91,825)	6,900	30,200
<b>TOTAL EXPENDITURE</b>	<b>6,990,266</b>	<b>7,309,500</b>	<b>7,164,500</b>
<b>Income</b>			
Government Grants	(85,000)	0	0
Other Grants and Contributions	0	(85,000)	0
Customer & Client Receipts	(397,756)	(351,700)	(351,700)
<b>TOTAL INCOME</b>	<b>(482,756)</b>	<b>(436,700)</b>	<b>(351,700)</b>
<b>NET EXPENDITURE (CONTROLLABLE)</b>	<b>6,507,510</b>	<b>6,872,800</b>	<b>6,812,800</b>
<b>Financial Accounting Adjustments</b>			
Central Support Charges	1,326,554	1,435,200	1,672,900
Departmental Charges	1,404,921	1,208,600	1,711,200
Capital Charges	0	4,100	0
Central Support Income	0	0	0
Departmental Charges Income	0	0	0
<b>NET ACCOUNTING ADJUSTMENTS</b>	<b>2,731,475</b>	<b>2,647,900</b>	<b>3,384,100</b>
<b>NET EXPENDITURE (ALL BUDGETS)</b>	<b>9,238,985</b>	<b>9,520,700</b>	<b>10,196,900</b>

<b><u>Variation Analysis</u></b>	
Original Estimate 2010/11	9,520,700
Inflation	50,400
Budget Transfers	(25,600)
Changes in Government Grants	76,400
Other Government or Outside Body changes	0
Demand Led Growth	0
Budget Review Savings	(130,800)
Other Growth and Savings	(30,400)
Changes to financial accounting adjustments	736,200
Original Budget 2011/12	<u>10,196,900</u>
<b><u>Other Information</u></b>	
Employee FTE's (Budgeted)	177.0      160.0
<i>Whole system redesign to further reshape care management to deliver Self Directed Support in Richmond.</i>	-17

## ADULT AND COMMUNITY SERVICES

### SERVICE DEVELOPMENT

Service Development is responsible for implementation of the strategic commissioning objectives for all adult social care services, supporting people and adult learning, through market development, performance management and partnership working. This section also includes the Learning & Development team who provide training to the ACS directorate.

	<u>2009/10</u> <u>Actual</u> £	<u>2010/11</u> <u>Original</u> £	<u>2011/12</u> <u>Estimate</u> £
<b>Expenditure</b>			
Employees	1,063,209	1,047,800	1,037,800
Premises	8,162	0	16,900
Transport	5,647	4,000	300
Supplies and Services	22,897	160,400	221,900
Third Party Payments	31,348	0	21,000
Transfer Payments	0	0	0
<b>TOTAL EXPENDITURE</b>	<b>1,131,263</b>	<b>1,212,200</b>	<b>1,297,900</b>
<b>Income</b>			
Government Grants	0	0	0
Other Grants and Contributions	(18,306)	(153,000)	(44,600)
Customer & Client Receipts	(29,588)	0	(92,600)
<b>TOTAL INCOME</b>	<b>(47,894)</b>	<b>(153,000)</b>	<b>(137,200)</b>
<b>NET EXPENDITURE (CONTROLLABLE)</b>	<b>1,083,369</b>	<b>1,059,200</b>	<b>1,160,700</b>
<b>Financial Accounting Adjustments</b>			
Central Support Charges	179,753	191,800	240,400
Departmental Charges	33,125	29,500	78,100
Capital Charges	0	0	14,200
Central Support Income	0	0	0
Departmental Charges Income	(1,296,247)	(1,280,500)	(1,493,400)
<b>NET ACCOUNTING ADJUSTMENTS</b>	<b>(1,083,369)</b>	<b>(1,059,200)</b>	<b>(1,160,700)</b>
<b>NET EXPENDITURE (ALL BUDGETS)</b>	<b>0</b>	<b>0</b>	<b>0</b>

<b><u>Variation Analysis</u></b>		
Original Estimate 2010/11		0
Inflation		3,500
Budget Transfers		217,200
Changes in Government Grants		153,000
Other Government or Outside Body changes		0
Demand Led Growth		0
Budget Review Savings		(272,200)
Other Growth and Savings		0
Changes to financial accounting adjustments		(101,500)
Original Budget 2011/12		0
<b><u>Other Information</u></b>		
Employee FTE's (Budgeted)	26.5	19.2
<i>Brokerage team disbanded as part of whole system redesign programme.</i>	-8	
<i>Restructure of Learning &amp; Development team as part of transfer from Finance &amp; Corporate Services.</i>	0.7	

## ADULT AND COMMUNITY SERVICES

### CARE SERVICES OLDER PEOPLE AND PHYSICAL DISABILITIES

This budget covers independent sector provision of care services for older people and physical disabilities including Direct Payments and equipment/minor adaptations, meals, domiciliary care and short breaks for carers.

	<u>2009/10</u> <u>Actual</u> £	<u>2010/11</u> <u>Original</u> £	<u>2011/12</u> <u>Estimate</u> £
<b>Expenditure</b>			
Employees	122,645	219,100	219,200
Premises	54,289	11,500	11,600
Transport	79,782	106,400	106,400
Supplies and Services	100,037	995,700	999,600
Third Party Payments	23,584,770	23,320,200	22,654,400
Transfer Payments	4,740,931	4,005,900	5,123,000
<b>TOTAL EXPENDITURE</b>	<b>28,682,454</b>	<b>28,658,800</b>	<b>29,114,200</b>
<b>Income</b>			
Government Grants	(1,336,725)	(1,451,700)	(852,200)
Other Grants and Contributions	(1,451,587)	(1,373,300)	(1,288,700)
Customer & Client Receipts	(6,957,170)	(7,145,700)	(8,051,600)
<b>TOTAL INCOME</b>	<b>(9,745,482)</b>	<b>(9,970,700)</b>	<b>(10,192,500)</b>
<b>NET EXPENDITURE (CONTROLLABLE)</b>	<b>18,936,972</b>	<b>18,688,100</b>	<b>18,921,700</b>
<b>Financial Accounting Adjustments</b>			
Central Support Charges	169,737	181,100	172,500
Departmental Charges	2,407,085	2,225,400	1,689,100
Capital Charges	327,160	(1,268,700)	329,100
Central Support Income	0	0	0
Departmental Charges Income	0	0	0
<b>NET ACCOUNTING ADJUSTMENTS</b>	<b>2,903,982</b>	<b>1,137,800</b>	<b>2,190,700</b>
<b>NET EXPENDITURE (ALL BUDGETS)</b>	<b>21,840,954</b>	<b>19,825,900</b>	<b>21,112,400</b>

#### **Variation Analysis**

Original Estimate 2010/11	19,825,900
Inflation	312,800
Budget Transfers	(565,700)
Changes in Government Grants	514,500
Other Government or Outside Body changes	0
Demand Led Growth	500,000
Budget Review Savings	(528,000)
Other Growth and Savings	0
Changes to financial accounting adjustments	1,052,900
Original Budget 2011/12	<u>21,112,400</u>

#### **Other Information**

Employee FTE's (Budgeted)	1.5	1.5
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## ADULT AND COMMUNITY SERVICES

### CARE SERVICES - ADULTS WITH LEARNING DISABILITIES

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

	<u>2009/10</u> <u>Actual</u> <u>£</u>	<u>2010/11</u> <u>Original</u> <u>£</u>	<u>2011/12</u> <u>Estimate</u> <u>£</u>
<b>Expenditure</b>			
Employees	0	45,000	45,000
Premises	198,270	192,000	192,000
Transport	119,124	0	0
Supplies and Services	42,356	53,100	53,100
Third Party Payments	16,258,809	15,318,100	15,084,000
Transfer Payments	901,484	1,057,400	1,398,000
<b>TOTAL EXPENDITURE</b>	<b>17,520,043</b>	<b>16,665,600</b>	<b>16,772,100</b>
<b>Income</b>			
Government Grants	(93,000)	0	(8,981,000)
Other Grants and Contributions	(8,935,664)	(8,784,700)	0
Customer & Client Receipts	(1,592,601)	(1,381,500)	(1,464,200)
<b>TOTAL INCOME</b>	<b>(10,621,265)</b>	<b>(10,166,200)</b>	<b>(10,445,200)</b>
<b>NET EXPENDITURE (CONTROLLABLE)</b>	<b><u>6,898,778</u></b>	<b><u>6,499,400</u></b>	<b><u>6,326,900</u></b>
<b>Financial Accounting Adjustments</b>			
Central Support Charges	15,294	17,600	69,300
Departmental Charges	903,780	1,153,900	1,042,000
Capital Charges	0	0	0
Central Support Income	0	0	0
Departmental Charges Income	0	0	0
<b>NET ACCOUNTING ADJUSTMENTS</b>	<b>919,074</b>	<b>1,171,500</b>	<b>1,111,300</b>
<b>NET EXPENDITURE (ALL BUDGETS)</b>	<b><u>7,817,852</u></b>	<b><u>7,670,900</u></b>	<b><u>7,438,200</u></b>

#### **Variation Analysis**

Original Estimate 2010/11	7,670,900
Inflation	233,400
Budget Transfers	444,100
Changes in Government Grants	0
Other Government or Outside Body changes	0
Demand Led Growth	0
Budget Review Savings	(850,000)
Other Growth and Savings	0
Changes to financial accounting adjustments	(60,200)
Original Budget 2011/12	<u>7,438,200</u>

#### **Other Information**

Employee FTE's (Budgeted)	0.0	0.0
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## ADULT AND COMMUNITY SERVICES

### CARE SERVICES - PEOPLE WITH MENTAL HEALTH NEEDS

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 and St Georges MH Trust.

	<u>2009/10</u> <u>Actual</u> £	<u>2010/11</u> <u>Original</u> £	<u>2011/12</u> <u>Estimate</u> £
<b>Expenditure</b>			
Employees	600,126	648,400	672,900
Premises	62,539	50,900	53,000
Transport	13,978	16,200	16,200
Supplies and Services	111,951	72,300	72,300
Third Party Payments	2,756,702	2,612,600	2,703,700
Transfer Payments	134,723	120,500	97,200
<b>TOTAL EXPENDITURE</b>	<b>3,680,019</b>	<b>3,520,900</b>	<b>3,615,300</b>
<b>Income</b>			
Government Grants	0	0	0
Other Grants and Contributions	(593,591)	(456,900)	(539,400)
Customer & Client Receipts	(461,425)	(446,400)	(502,800)
<b>TOTAL INCOME</b>	<b>(1,055,016)</b>	<b>(903,300)</b>	<b>(1,042,200)</b>
<b>NET EXPENDITURE (CONTROLLABLE)</b>	<b>2,625,003</b>	<b>2,617,600</b>	<b>2,573,100</b>
<b>Financial Accounting Adjustments</b>			
Central Support Charges	149,968	164,400	113,800
Departmental Charges	416,832	394,600	417,500
Capital Charges	61,753	58,600	66,600
Central Support Income	0	0	0
Departmental Charges Income	0	0	0
<b>NET ACCOUNTING ADJUSTMENTS</b>	<b>628,553</b>	<b>617,600</b>	<b>597,900</b>
<b>NET EXPENDITURE (ALL BUDGETS)</b>	<b>3,253,556</b>	<b>3,235,200</b>	<b>3,171,000</b>

<b><u>Variation Analysis</u></b>		
Original Estimate 2010/11		3,235,200
Inflation		46,900
Budget Transfers		(74,800)
Changes in Government Grants		0
Other Government or Outside Body changes		0
Demand Led Growth		0
Budget Review Savings		0
Other Growth and Savings		(16,600)
Changes to financial accounting adjustments		(19,700)
Original Budget 2011/12		<u>3,171,000</u>
<b><u>Other Information</u></b>		
Employee FTE's (Budgeted)	19.6	20.6
<i>Net increase in FTE as a result of changes to care management in Mental Health, offset by changes in CSS2 - care management.</i>	1.0	

## ADULT AND COMMUNITY SERVICES

### CARE SERVICES - DRUG AND ALCOHOL

This budget relates to the provision of services to people requiring help for drug and alcohol misuse.

	<u>2009/10</u> <u>Actual</u> £	<u>2010/11</u> <u>Original</u> £	<u>2011/12</u> <u>Estimate</u> £
<b>Expenditure</b>			
Employees	237,110	288,400	190,200
Premises	2,761	0	0
Transport	8,317	13,700	800
Supplies and Services	152,250	117,200	91,100
Third Party Payments	157,783	157,900	127,700
Transfer Payments	59,484	81,000	2,300
<b>TOTAL EXPENDITURE</b>	<b>617,705</b>	<b>658,200</b>	<b>412,100</b>
<b>Income</b>			
Government Grants	(75,000)	(75,000)	0
Other Grants and Contributions	(12,740)	(15,300)	(15,300)
Customer & Client Receipts	(48,501)	(45,200)	(33,200)
<b>TOTAL INCOME</b>	<b>(136,241)</b>	<b>(135,500)</b>	<b>(48,500)</b>
<b>NET EXPENDITURE (CONTROLLABLE)</b>	<b>481,464</b>	<b>522,700</b>	<b>363,600</b>
<b>Financial Accounting Adjustments</b>			
Central Support Charges	45,906	49,000	46,600
Departmental Charges	130,410	124,400	124,000
Capital Charges	0	0	0
Central Support Income	0	0	0
Departmental Charges Income	0	0	0
<b>NET ACCOUNTING ADJUSTMENTS</b>	<b>176,316</b>	<b>173,400</b>	<b>170,600</b>
<b>NET EXPENDITURE (ALL BUDGETS)</b>	<b>657,780</b>	<b>696,100</b>	<b>534,200</b>

<b>Variation Analysis</b>		
Original Estimate 2010/11		696,100
Inflation		2,800
Budget Transfers		(67,300)
Changes in Government Grants		8,600
Other Government or Outside Body changes		0
Demand Led Growth		0
Budget Review Savings		(77,600)
Other Growth and Savings		(25,600)
Changes to financial accounting adjustments		(2,800)
Original Budget 2011/12		<u>534,200</u>
<b>Other Information</b>		
Employee FTE's (Budgeted)	7.0	4.5
<i>Disbandment of HIV/AIDS team as part of whole system redesign programme.</i>	-2	
<i>Deletion of Service &amp; Policy Manager in Drugs &amp; Alcohol Team.</i>	-0.5	



## ADULT AND COMMUNITY SERVICES

### SUPPORTED HOUSING SERVICES

The Council is the commissioning body for local supported housing services funded through the Supporting People Programme.

	<u>2009/10</u>	<u>2010/11</u>	<u>2011/12</u>
	<u>Actual</u>	<u>Original</u>	<u>Estimate</u>
	<u>£</u>	<u>£</u>	<u>£</u>
<b><u>Expenditure</u></b>			
Employees	0	0	0
Premises	0	0	0
Transport	0	0	0
Supplies and Services	18,336	18,200	18,200
Third Party Payments	2,893,005	2,847,600	2,847,600
Transfer Payments	0	0	0
<b>TOTAL EXPENDITURE</b>	<b>2,911,341</b>	<b>2,865,800</b>	<b>2,865,800</b>
<b><u>Income</u></b>			
Government Grants	(2,897,584)	0	0
Other Grants and Contributions	0	0	0
Customer & Client Receipts	0	0	0
<b>TOTAL INCOME</b>	<b>(2,897,584)</b>	<b>0</b>	<b>0</b>
<b>NET EXPENDITURE (CONTROLLABLE)</b>	<b>13,757</b>	<b>2,865,800</b>	<b>2,865,800</b>
<b>Financial Accounting Adjustments</b>			
Central Support Charges	4,003	4,300	12,400
Departmental Charges	660	63,900	65,900
Capital Charges	0	0	0
Central Support Income	0	0	0
Departmental Charges Income	0	0	0
<b>NET ACCOUNTING ADJUSTMENTS</b>	<b>4,663</b>	<b>68,200</b>	<b>78,300</b>
<b>NET EXPENDITURE (ALL BUDGETS)</b>	<b>18,420</b>	<b>2,934,000</b>	<b>2,944,100</b>

#### **Variation Analysis**

Original Estimate 2010/11	2,934,000
Inflation	0
Budget Transfers	0
Changes in Government Grants	0
Other Government or Outside Body changes	0
Demand Led Growth	0
Budget Review Savings	0
Other Growth and Savings	0
Changes to financial accounting adjustments	10,100
Original Budget 2011/12	<u>2,944,100</u>

#### **Other Information**

Employee FTE's (Budgeted)	0.0	0.0
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## ADULT AND COMMUNITY SERVICES

### COMMISSIONING CORPORATE POLICY & STRATEGY DIVISIONAL MANAGEMENT

This includes the management and other centrally held costs of the Commissioning, Corporate Policy and Strategy division.

	<u>2009/10</u> <u>Actual</u> £	<u>2010/11</u> <u>Original</u> £	<u>2011/12</u> <u>Estimate</u> £
<b><u>Expenditure</u></b>			
Employees	148,073	159,800	163,400
Premises	0	0	0
Transport	18,321	21,800	100
Supplies and Services	53,069	35,900	5,600
Third Party Payments	0	0	0
Transfer Payments	0	0	0
<b>TOTAL EXPENDITURE</b>	<b>219,463</b>	<b>217,500</b>	<b>169,100</b>
<b><u>Income</u></b>			
Government Grants	0	0	0
Other Grants and Contributions	0	0	0
Customer & Client Receipts	(3,277)	0	0
<b>TOTAL INCOME</b>	<b>(3,277)</b>	<b>0</b>	<b>0</b>
<b>NET EXPENDITURE (CONTROLLABLE)</b>	<b>216,186</b>	<b>217,500</b>	<b>169,100</b>
<b>Financial Accounting Adjustments</b>			
Central Support Charges	18,473	19,400	19,500
Departmental Charges	5,969	5,400	7,600
Capital Charges	0	0	0
Central Support Income	0	0	0
Departmental Charges Income	(174,763)	(189,900)	(196,200)
<b>NET ACCOUNTING ADJUSTMENTS</b>	<b>(150,321)</b>	<b>(165,100)</b>	<b>(169,100)</b>
<b>NET EXPENDITURE (ALL BUDGETS)</b>	<b>65,865</b>	<b>52,400</b>	<b>0</b>

#### **Variation Analysis**

Original Estimate 2010/11	52,400
Inflation	5,300
Budget Transfers	(51,300)
Changes in Government Grants	0
Other Government or Outside Body changes	0
Demand Led Growth	0
Budget Review Savings	(700)
Other Growth and Savings	(1,700)
Changes to financial accounting adjustments	(4,000)
Original Budget 2011/12	<u>0</u>

#### **Other Information**

Employee FTE's (Budgeted)	2.0	2.0
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## ADULT AND COMMUNITY SERVICES

### PERFORMANCE & ENGAGEMENT

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

	<u>2009/10</u> <u>Actual</u> £	<u>2010/11</u> <u>Original</u> £	<u>2011/12</u> <u>Estimate</u> £
<u>Expenditure</u>			
Employees	613,331	635,500	547,700
Premises	1,799	3,100	3,100
Transport	3,527	1,000	1,000
Supplies and Services	47,180	105,800	86,400
Third Party Payments	55,449	0	0
Transfer Payments	2,449	1,800	1,800
<b>TOTAL EXPENDITURE</b>	<b>723,735</b>	<b>747,200</b>	<b>640,000</b>
<u>Income</u>			
Government Grants	0	0	0
Other Grants and Contributions	(39,597)	(75,500)	(63,500)
Customer & Client Receipts	(7,225)	0	0
<b>TOTAL INCOME</b>	<b>(46,822)</b>	<b>(75,500)</b>	<b>(63,500)</b>
<b>NET EXPENDITURE (CONTROLLABLE)</b>	<b>676,913</b>	<b>671,700</b>	<b>576,500</b>
<u>Financial Accounting Adjustments</u>			
Central Support Charges	117,471	123,600	151,500
Departmental Charges	51,979	54,500	69,000
Capital Charges	0	0	0
Central Support Income	0	0	(353,000)
Departmental Charges Income	0	0	0
<b>NET ACCOUNTING ADJUSTMENTS</b>	<b>169,450</b>	<b>178,100</b>	<b>(132,500)</b>
<b>NET EXPENDITURE (ALL BUDGETS)</b>	<b>846,363</b>	<b>849,800</b>	<b>444,000</b>

<u>Variation Analysis</u>	
Original Estimate 2010/11	849,800
Inflation	4,900
Budget Transfers	7,500
Changes in Government Grants	0
Other Government or Outside Body changes	0
Demand Led Growth	0
Budget Review Savings	(105,400)
Other Growth and Savings	(2,200)
Changes to financial accounting adjustments	(310,600)
Original Budget 2011/12	<u>444,000</u>
<u>Other Information</u>	
Employee FTE's (Budgeted)	15.7      14.0
<i>Health Activities Officer deleted as part of budget review</i>	-1
<i>Transferred to Corporate Efficiency Programme Team</i>	-0.7

## ADULT AND COMMUNITY SERVICES

### PARTNERSHIPS & PLANNING

The Partnerships & Planning section provide strategy & policy development in the areas of Housing and Adult Social Care, as well as support to the Local Strategic Partnership and the Community Safety Partnership.

	<u>2009/10</u> <u>Actual</u> £	<u>2010/11</u> <u>Original</u> £	<u>2011/12</u> <u>Estimate</u> £
<b>Expenditure</b>			
Employees	907,320	973,500	899,700
Premises	21,372	21,300	21,300
Transport	5,532	2,400	1,700
Supplies and Services	245,286	191,300	218,600
Third Party Payments	436,890	562,900	306,200
Transfer Payments	0	0	0
<b>TOTAL EXPENDITURE</b>	<b>1,616,400</b>	<b>1,751,400</b>	<b>1,447,500</b>
<b>Income</b>			
Government Grants	(62,971)	(268,900)	(188,800)
Other Grants and Contributions	(15,000)	0	(10,000)
Customer & Client Receipts	(129,647)	(23,900)	(24,100)
<b>TOTAL INCOME</b>	<b>(207,618)</b>	<b>(292,800)</b>	<b>(222,900)</b>
<b>NET EXPENDITURE (CONTROLLABLE)</b>	<b>1,408,782</b>	<b>1,458,600</b>	<b>1,224,600</b>
<b>Financial Accounting Adjustments</b>			
Central Support Charges	216,066	231,600	262,400
Departmental Charges	97,254	99,800	120,000
Capital Charges	0	0	0
Central Support Income	0	0	0
Departmental Charges Income	0	0	0
<b>NET ACCOUNTING ADJUSTMENTS</b>	<b>313,320</b>	<b>331,400</b>	<b>382,400</b>
<b>NET EXPENDITURE (ALL BUDGETS)</b>	<b>1,722,102</b>	<b>1,790,000</b>	<b>1,607,000</b>

<b>Variation Analysis</b>		
Original Estimate 2010/11		1,790,000
Inflation		12,600
Budget Transfers		(88,500)
Changes in Government Grants		(207,000)
Other Government or Outside Body changes		0
Demand Led Growth		0
Budget Review Savings		0
Other Growth and Savings		48,900
Changes to financial accounting adjustments		51,000
Original Budget 2011/12		<u>1,607,000</u>
<b>Other Information</b>		
Employee FTE's (Budgeted)	23.0	20.0
<i>Transferred to CPS4: Grants to Vol. Orgs.</i>	-2	
<i>Transferred to Corporate Efficiency Programme Team.</i>	-1	

## ADULT AND COMMUNITY SERVICES

### GRANTS TO VOLUNTARY ORGANISATIONS

The Council manages a small grants programme, funding small one off projects by local community and voluntary groups. It also manages a larger programme of strategic funding for voluntary organisations and contributes to the London Borough Grant Scheme.

	<u>2009/10</u> <u>Actual</u> £	<u>2010/11</u> <u>Original</u> £	<u>2011/12</u> <u>Estimate</u> £
<b>Expenditure</b>			
Employees	0	0	95,900
Premises	398,571	461,800	461,800
Transport	0	0	100
Supplies and Services	2,846,537	2,448,000	2,376,700
Third Party Payments	0	0	0
Transfer Payments	0	0	0
<b>TOTAL EXPENDITURE</b>	<b>3,245,108</b>	<b>2,909,800</b>	<b>2,934,500</b>
<b>Income</b>			
Government Grants	0	0	0
Other Grants and Contributions	(466,009)	0	0
Customer & Client Receipts	(345,300)	(345,300)	(345,300)
<b>TOTAL INCOME</b>	<b>(811,309)</b>	<b>(345,300)</b>	<b>(345,300)</b>
<b>NET EXPENDITURE (CONTROLLABLE)</b>	<b><u>2,433,799</u></b>	<b><u>2,564,500</u></b>	<b><u>2,589,200</u></b>
<b>Financial Accounting Adjustments</b>			
Central Support Charges	2,807	3,200	39,700
Departmental Charges	60,206	56,900	68,400
Capital Charges	11,886	8,700	8,700
Central Support Income	0	0	0
Departmental Charges Income	0	0	0
<b>NET ACCOUNTING ADJUSTMENTS</b>	<b>74,899</b>	<b>68,800</b>	<b>116,800</b>
<b>NET EXPENDITURE (ALL BUDGETS)</b>	<b><u>2,508,698</u></b>	<b><u>2,633,300</u></b>	<b><u>2,706,000</u></b>

#### **Variation Analysis**

Original Estimate 2010/11	2,633,300
Inflation	2,300
Budget Transfers	22,000
Changes in Government Grants	0
Other Government or Outside Body changes	0
Demand Led Growth	0
Budget Review Savings	0
Other Growth and Savings	400
Changes to financial accounting adjustments	48,000
Original Budget 2011/12	<u>2,706,000</u>

#### **Other Information**

Employee FTE's (Budgeted)	0.0	2.0
<i>Transferred from CPS3 Partnerships &amp; Planning</i>	2.0	

## ADULT AND COMMUNITY SERVICES

### CONTRACTING AND PROCUREMENT

The Contracting and Procurement Team undertake the contracting, tendering and evaluation of adult social care contracts. In addition the Corporate Procurement Team leads on developing the Council's corporate procurement strategy as well as advising on procurement and contract management across the Council.

	<u>2009/10</u> <u>Actual</u> <u>£</u>	<u>2010/11</u> <u>Original</u> <u>£</u>	<u>2011/12</u> <u>Estimate</u> <u>£</u>
<b>Expenditure</b>			
Employees	325,687	345,700	316,900
Premises	0	0	0
Transport	9,216	1,700	700
Supplies and Services	5,923	5,300	6,100
Third Party Payments	39,917	51,300	51,300
Transfer Payments	0	0	0
<b>TOTAL EXPENDITURE</b>	<b>380,743</b>	<b>404,000</b>	<b>375,000</b>
<b>Income</b>			
Government Grants	0	0	0
Other Grants and Contributions	0	0	0
Customer & Client Receipts	(46,569)	(29,100)	(29,100)
<b>TOTAL INCOME</b>	<b>(46,569)</b>	<b>(29,100)</b>	<b>(29,100)</b>
<b>NET EXPENDITURE (CONTROLLABLE)</b>	<b>334,174</b>	<b>374,900</b>	<b>345,900</b>
<b>Financial Accounting Adjustments</b>			
Central Support Charges	86,302	84,100	97,600
Departmental Charges	21,363	21,400	32,600
Capital Charges	0	0	0
Central Support Income	(256,771)	(281,300)	(246,900)
Departmental Charges Income	(179,051)	(199,100)	(215,100)
<b>NET ACCOUNTING ADJUSTMENTS</b>	<b>(328,157)</b>	<b>(374,900)</b>	<b>(331,800)</b>
<b>NET EXPENDITURE (ALL BUDGETS)</b>	<b>6,017</b>	<b>0</b>	<b>14,100</b>

<b><u>Variation Analysis</u></b>	
Original Estimate 2010/11	0
Inflation	1,600
Budget Transfers	800
Changes in Government Grants	0
Other Government or Outside Body changes	0
Demand Led Growth	0
Budget Review Savings	(1,000)
Other Growth and Savings	(30,400)
Changes to financial accounting adjustments	43,100
Original Budget 2011/12	<u>14,100</u>
<b><u>Other Information</u></b>	
Employee FTE's (Budgeted)	7.0      6.5
<i>Contracts Development Manager deleted</i>	-0.5

## ADULT AND COMMUNITY SERVICES

### PERFORMANCE AND QUALITY ASSURANCE

This team supports the IT systems used by the ACS Directorate and manages the collation of performance information for management and statutory purposes across the Directorate. It also undertakes contract monitoring and manages the corporate and Adult and Children's Services complaints handling.

	<u>2009/10</u> <u>Actual</u> £	<u>2010/11</u> <u>Original</u> £	<u>2011/12</u> <u>Estimate</u> £
<b>Expenditure</b>			
Employees	987,195	1,181,600	1,193,100
Premises	0	0	0
Transport	1,284	3,400	1,400
Supplies and Services	155,120	158,400	162,400
Third Party Payments	118,288	115,500	115,500
Transfer Payments	0	0	0
<b>TOTAL EXPENDITURE</b>	<b>1,261,887</b>	<b>1,458,900</b>	<b>1,472,400</b>
<b>Income</b>			
Government Grants	0	(2,300)	0
Other Grants and Contributions	11,804	(22,600)	(24,900)
Customer & Client Receipts	(9,853)	0	0
<b>TOTAL INCOME</b>	<b>1,951</b>	<b>(24,900)</b>	<b>(24,900)</b>
<b>NET EXPENDITURE (CONTROLLABLE)</b>	<b>1,263,838</b>	<b>1,434,000</b>	<b>1,447,500</b>
<b>Financial Accounting Adjustments</b>			
Central Support Charges	258,076	272,400	317,700
Departmental Charges	109,294	112,100	143,400
Capital Charges	147,927	31,400	0
Central Support Income	0	0	(157,400)
Departmental Charges Income	(1,760,122)	(1,849,600)	(1,738,200)
<b>NET ACCOUNTING ADJUSTMENTS</b>	<b>(1,244,825)</b>	<b>(1,433,700)</b>	<b>(1,434,500)</b>
<b>NET EXPENDITURE (ALL BUDGETS)</b>	<b>19,013</b>	<b>300</b>	<b>13,000</b>

#### **Variation Analysis**

Original Estimate 2010/11	300
Inflation	10,300
Budget Transfers	40,200
Changes in Government Grants	0
Other Government or Outside Body changes	0
Demand Led Growth	0
Budget Review Savings	(2,000)
Other Growth and Savings	(35,000)
Changes to financial accounting adjustments	(800)
Original Budget 2011/12	<u>13,000</u>

#### **Other Information**

Employee FTE's (Budgeted)	27.3	27.3
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## ADULT AND COMMUNITY SERVICES

### CORPORATE EQUALITY & DIVERSITY TEAM

The Corporate Equality & Diversity Team oversees the Council's policies and procedures around equality and diversity and organises training and development around these.

	<u>2009/10</u> <u>Actual</u> £	<u>2010/11</u> <u>Original</u> £	<u>2011/12</u> <u>Estimate</u> £
<b><u>Expenditure</u></b>			
Employees	81,392	101,400	101,600
Premises	0	0	0
Transport	103	300	300
Supplies and Services	17,392	9,200	9,200
Third Party Payments	0	0	0
Transfer Payments	0	0	0
<b>TOTAL EXPENDITURE</b>	<b>98,887</b>	<b>110,900</b>	<b>111,100</b>
<b><u>Income</u></b>			
Government Grants	0	0	0
Other Grants and Contributions	0	0	0
Customer & Client Receipts	0	0	0
<b>TOTAL INCOME</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>NET EXPENDITURE (CONTROLLABLE)</b>	<b>98,887</b>	<b>110,900</b>	<b>111,100</b>
<b>Financial Accounting Adjustments</b>			
Central Support Charges	15,055	19,400	17,600
Departmental Charges	7,791	8,300	8,700
Capital Charges	0	0	0
Central Support Income	0	0	(128,700)
Departmental Charges Income	0	0	0
<b>NET ACCOUNTING ADJUSTMENTS</b>	<b>22,846</b>	<b>27,700</b>	<b>(102,400)</b>
<b>NET EXPENDITURE (ALL BUDGETS)</b>	<b>121,733</b>	<b>138,600</b>	<b>8,700</b>

#### **Variation Analysis**

Original Estimate 2010/11	138,600
Inflation	300
Budget Transfers	0
Changes in Government Grants	0
Other Government or Outside Body changes	0
Demand Led Growth	0
Budget Review Savings	0
Other Growth and Savings	(100)
Changes to financial accounting adjustments	(130,100)
Original Budget 2011/12	<u>8,700</u>
<b><u>Other Information</u></b>	
Employee FTE's (Budgeted)	2.0      2.0



## ADULT AND COMMUNITY SERVICES

### CORPORATE COMMUNICATIONS

The Communications team is responsible for handling all the Council's corporate communication with external bodies, particularly media, marketing and advertising. The team also manages all internal communications with council staff. This includes the Corporate Communications contract provided by Westminster City Council.

	<u>2009/10</u>	<u>2010/11</u>	<u>2011/12</u>
	<u>Actual</u>	<u>Original</u>	<u>Estimate</u>
	<u>£</u>	<u>£</u>	<u>£</u>
<b><u>Expenditure</u></b>			
Employees	20,791	37,900	38,000
Premises	0	0	0
Transport	4,554	5,200	800
Supplies and Services	59,669	54,300	54,300
Third Party Payments	482,417	447,700	447,700
Transfer Payments	0	0	0
<b>TOTAL EXPENDITURE</b>	<b>567,431</b>	<b>545,100</b>	<b>540,800</b>
<b><u>Income</u></b>			
Government Grants	0	0	0
Other Grants and Contributions	0	0	0
Customer & Client Receipts	(57,746)	(39,200)	(39,200)
<b>TOTAL INCOME</b>	<b>(57,746)</b>	<b>(39,200)</b>	<b>(39,200)</b>
<b>NET EXPENDITURE (CONTROLLABLE)</b>	<b>509,685</b>	<b>505,900</b>	<b>501,600</b>
<b>Financial Accounting Adjustments</b>			
Central Support Charges	17,256	19,200	18,900
Departmental Charges	0	0	4,300
Capital Charges	0	0	0
Central Support Income	(526,941)	(525,100)	(520,500)
Departmental Charges Income	0	0	0
<b>NET ACCOUNTING ADJUSTMENTS</b>	<b>(509,685)</b>	<b>(505,900)</b>	<b>(497,300)</b>
<b>NET EXPENDITURE (ALL BUDGETS)</b>	<b>0</b>	<b>0</b>	<b>4,300</b>

#### **Variation Analysis**

Original Estimate 2010/11	0
Inflation	100
Budget Transfers	(4,400)
Changes in Government Grants	0
Other Government or Outside Body changes	0
Demand Led Growth	0
Budget Review Savings	0
Other Growth and Savings	0
Changes to financial accounting adjustments	8,600
Original Budget 2011/12	<u>4,300</u>

#### **Other Information**

Employee FTE's (Budgeted)	0.0	1.0
<i>Transferred from Finance &amp; Corp Services</i>	<i>1.0</i>	

## ADULT AND COMMUNITY SERVICES

### DIVISIONAL MANAGEMENT & SUPPORT SERVICES

This includes the management and support costs of the Community Services Operations Division which are recharged across the Community Services Operations Division.

	<u>2009/10</u> <u>Actual</u> £	<u>2010/11</u> <u>Original</u> £	<u>2011/12</u> <u>Estimate</u> £
<b>Expenditure</b>			
Employees	403,384	370,400	300,300
Premises	9,075	5,200	5,200
Transport	16,880	16,900	9,700
Supplies and Services	101,343	128,800	117,600
Third Party Payments	0	0	0
Transfer Payments	0	0	0
<b>TOTAL EXPENDITURE</b>	<b>530,682</b>	<b>521,300</b>	<b>432,800</b>
<b>Income</b>			
Government Grants	0	0	0
Other Grants and Contributions	0	0	0
Customer & Client Receipts	(20,772)	(10,900)	(10,900)
<b>TOTAL INCOME</b>	<b>(20,772)</b>	<b>(10,900)</b>	<b>(10,900)</b>
<b>NET EXPENDITURE (CONTROLLABLE)</b>	<b>509,910</b>	<b>510,400</b>	<b>421,900</b>
<b>Financial Accounting Adjustments</b>			
Central Support Charges	106,416	158,100	217,100
Departmental Charges	18,522	24,500	29,700
Capital Charges	14,133	16,100	18,500
Central Support Income	0	0	0
Departmental Charges Income	(665,664)	(549,700)	(492,400)
<b>NET ACCOUNTING ADJUSTMENTS</b>	<b>(526,593)</b>	<b>(351,000)</b>	<b>(227,100)</b>
<b>NET EXPENDITURE (ALL BUDGETS)</b>	<b>(16,683)</b>	<b>159,400</b>	<b>194,800</b>

#### **Variation Analysis**

Original Estimate 2010/11	159,400
Inflation	3,300
Budget Transfers	(46,500)
Changes in Government Grants	0
Other Government or Outside Body changes	0
Demand Led Growth	0
Budget Review Savings	(45,300)
Other Growth and Savings	0
Changes to financial accounting adjustments	123,900
Original Budget 2011/12	<u>194,800</u>

#### **Other Information**

Employee FTE's (Budgeted)	6.5	4.5
<i>Transfer to DMF re Finance Review</i>	-1	
<i>Budget Review Savings</i>	-1	

## ADULT AND COMMUNITY SERVICES

### HOUSING ADVICE AND ASSESSMENT

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

	<u>2009/10</u>	<u>2010/11</u>	<u>2011/12</u>
	<u>Actual</u>	<u>Original</u>	<u>Estimate</u>
	£	£	£
<u>Expenditure</u>			
Employees	684,608	697,700	741,900
Premises	1,051	8,800	8,800
Transport	28,894	29,100	2,900
Supplies and Services	123,338	134,600	134,600
Third Party Payments	1,657	0	0
Transfer Payments	330	0	0
<b>TOTAL EXPENDITURE</b>	<b>839,878</b>	<b>870,200</b>	<b>888,200</b>
<u>Income</u>			
Government Grants	(55,783)	0	0
Other Grants and Contributions	0	0	0
Customer & Client Receipts	(3,700)	0	0
<b>TOTAL INCOME</b>	<b>(59,483)</b>	<b>0</b>	<b>0</b>
<b>NET EXPENDITURE (CONTROLLABLE)</b>	<b>780,395</b>	<b>870,200</b>	<b>888,200</b>
<u>Financial Accounting Adjustments</u>			
Central Support Charges	260,619	222,200	242,600
Departmental Charges	71,765	62,300	91,100
Capital Charges	0	0	0
Central Support Income	0	0	0
Departmental Charges Income	0	0	0
<b>NET ACCOUNTING ADJUSTMENTS</b>	<b>332,384</b>	<b>284,500</b>	<b>333,700</b>
<b>NET EXPENDITURE (ALL BUDGETS)</b>	<b>1,112,779</b>	<b>1,154,700</b>	<b>1,221,900</b>

#### Variation Analysis

Original Estimate 2010/11	1,154,700
Inflation	7,700
Budget Transfers	16,300
Changes in Government Grants	0
Other Government or Outside Body changes	0
Demand Led Growth	0
Budget Review Savings	(6,000)
Other Growth and Savings	0
Changes to financial accounting adjustments	49,200
Original Budget 2011/12	<u>1,221,900</u>

#### Other Information

Employee FTE's (Budgeted)	18.0	19.0
<i>Transferred from Temporary Accommodation (CS04)</i>	1.0	

## ADULT AND COMMUNITY SERVICES

### RESETTLEMENT SERVICE

The Resettlement Service provides emotional and 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 and supports them when moving into temporary or permanent accommodation.

	<u>2009/10</u> <u>Actual</u> £	<u>2010/11</u> <u>Original</u> £	<u>2011/12</u> <u>Estimate</u> £
<b>Expenditure</b>			
Employees	327,987	344,000	281,200
Premises	312	0	0
Transport	25,311	26,600	7,400
Supplies and Services	79,665	94,200	94,200
Third Party Payments	8,982	9,000	9,000
Transfer Payments	(42,708)	0	0
<b>TOTAL EXPENDITURE</b>	<b>399,549</b>	<b>473,800</b>	<b>391,800</b>
<b>Income</b>			
Government Grants	0	0	0
Other Grants and Contributions	0	0	0
Customer & Client Receipts	(229,556)	(247,600)	(247,600)
<b>TOTAL INCOME</b>	<b>(229,556)</b>	<b>(247,600)</b>	<b>(247,600)</b>
<b>NET EXPENDITURE (CONTROLLABLE)</b>	<b>169,993</b>	<b>226,200</b>	<b>144,200</b>
<b>Financial Accounting Adjustments</b>			
Central Support Charges	137,188	109,700	93,800
Departmental Charges	29,426	25,400	29,500
Capital Charges	0	0	0
Central Support Income	0	0	0
Departmental Charges Income	0	0	0
<b>NET ACCOUNTING ADJUSTMENTS</b>	<b>166,614</b>	<b>135,100</b>	<b>123,300</b>
<b>NET EXPENDITURE (ALL BUDGETS)</b>	<b>336,607</b>	<b>361,300</b>	<b>267,500</b>

#### **Variation Analysis**

Original Estimate 2010/11	361,300
Inflation	2,100
Budget Transfers	(14,700)
Changes in Government Grants	0
Other Government or Outside Body changes	0
Demand Led Growth	0
Budget Review Savings	(69,400)
Other Growth and Savings	0
Changes to financial accounting adjustments	(11,800)
Original Budget 2011/12	<u>267,500</u>

#### **Other Information**

Employee FTE's (Budgeted)	8.5	7.0
Budget Review Savings	-1.5	

## ADULT AND COMMUNITY SERVICES

### TEMPORARY ACCOMMODATION

The Temporary Accommodation Team lease properties from private sector landlords to use as temporary accommodation for clients who approach the Council as homeless. In addition, the team manage three hostels located in the borough.

	<u>2009/10</u> <u>Actual</u> £	<u>2010/11</u> <u>Original</u> £	<u>2011/12</u> <u>Estimate</u> £
<b>Expenditure</b>			
Employees	562,894	557,600	387,500
Premises	359,591	433,000	443,800
Transport	20,467	26,900	7,600
Supplies and Services	521,254	644,800	935,200
Third Party Payments	6,002	15,600	15,600
Transfer Payments	2,130,847	2,455,000	2,326,300
<b>TOTAL EXPENDITURE</b>	<b>3,601,055</b>	<b>4,132,900</b>	<b>4,116,000</b>
<b>Income</b>			
Government Grants	(451,050)	(400,000)	(700,000)
Other Grants and Contributions	0	0	0
Customer & Client Receipts	(3,296,270)	(3,594,400)	(3,302,900)
<b>TOTAL INCOME</b>	<b>(3,747,320)</b>	<b>(3,994,400)</b>	<b>(4,002,900)</b>
<b>NET EXPENDITURE (CONTROLLABLE)</b>	<b>(146,265)</b>	<b>138,500</b>	<b>113,100</b>
<b>Financial Accounting Adjustments</b>			
Central Support Charges	204,247	164,500	149,000
Departmental Charges	95,548	162,900	72,700
Capital Charges	850,880	4,059,600	4,059,600
Central Support Income	0	0	0
Departmental Charges Income	0	0	0
<b>NET ACCOUNTING ADJUSTMENTS</b>	<b>1,150,675</b>	<b>4,387,000</b>	<b>4,281,300</b>
<b>NET EXPENDITURE (ALL BUDGETS)</b>	<b>1,004,410</b>	<b>4,525,500</b>	<b>4,394,400</b>

#### Variation Analysis

Original Estimate 2010/11	4,525,500
Inflation	13,600
Budget Transfers	61,200
Changes in Government Grants	50,000
Other Government or Outside Body changes	0
Demand Led Growth	0
Budget Review Savings	(100,200)
Other Growth and Savings	(50,000)
Changes to financial accounting adjustments	(105,700)
Original Budget 2011/12	<u>4,394,400</u>

#### Other Information

Employee FTE's (Budgeted)	12.8	9.8
<i>Transferred to Housing Advice &amp; Assessment (CSO2)</i>	-1	
<i>Budget Review Savings</i>	-1	
<i>Transferred to Corporate Efficiency Programme Team</i>	-1	

## ADULT AND COMMUNITY SERVICES

### PRIVATE SECTOR AND OTHER HOUSING

The residential team deals with environmental health in private sector housing, including the provision of grants and loans to adapt and improve homes as well as domestic noise and pest control services.

	<u>2009/10</u> <u>Actual</u> £	<u>2010/11</u> <u>Original</u> £	<u>2011/12</u> <u>Estimate</u> £
<b>Expenditure</b>			
Employees	649,518	684,400	690,700
Premises	83,479	54,800	54,800
Transport	34,553	32,700	6,700
Supplies and Services	58,937	107,100	105,000
Third Party Payments	36,655	39,800	39,800
Transfer Payments	0	0	0
<b>TOTAL EXPENDITURE</b>	<b>863,142</b>	<b>918,800</b>	<b>897,000</b>
<b>Income</b>			
Government Grants	0	0	0
Other Grants and Contributions	(19,891)	(30,200)	(30,200)
Customer & Client Receipts	(325,879)	(206,900)	(206,900)
<b>TOTAL INCOME</b>	<b>(345,770)</b>	<b>(237,100)</b>	<b>(237,100)</b>
<b>NET EXPENDITURE (CONTROLLABLE)</b>	<b>517,372</b>	<b>681,700</b>	<b>659,900</b>
<b>Financial Accounting Adjustments</b>			
Central Support Charges	168,517	156,200	191,200
Departmental Charges	76,718	70,200	117,300
Capital Charges	715,362	785,700	1,902,000
Central Support Income	0	0	0
Departmental Charges Income	0	0	0
<b>NET ACCOUNTING ADJUSTMENTS</b>	<b>960,597</b>	<b>1,012,100</b>	<b>2,210,500</b>
<b>NET EXPENDITURE (ALL BUDGETS)</b>	<b>1,477,969</b>	<b>1,693,800</b>	<b>2,870,400</b>

#### **Variation Analysis**

Original Estimate 2010/11	1,693,800
Inflation	6,800
Budget Transfers	(19,900)
Changes in Government Grants	0
Other Government or Outside Body changes	0
Demand Led Growth	0
Budget Review Savings	(8,700)
Other Growth and Savings	0
Changes to financial accounting adjustments	1,198,400
Original Budget 2011/12	<u>2,870,400</u>

#### **Other Information**

Employee FTE's (Budgeted)	15.5	15.5
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## ADULT AND COMMUNITY SERVICES

### CARE PROVISION - LEARNING DISABILITIES

This section manages all of the in house adult learning disability provision, including residential homes, supported living services, respite care, adult placement scheme, community support services and supported employment.

	<u>2009/10</u> <u>Actual</u> £	<u>2010/11</u> <u>Original</u> £	<u>2011/12</u> <u>Estimate</u> £
<b>Expenditure</b>			
Employees	3,889,834	3,948,100	3,835,600
Premises	278,532	340,900	337,900
Transport	342,204	314,500	183,200
Supplies and Services	291,647	284,900	246,000
Third Party Payments	12,400	0	0
Transfer Payments	(927)	0	0
<b>TOTAL EXPENDITURE</b>	<b>4,813,690</b>	<b>4,888,400</b>	<b>4,602,700</b>
<b>Income</b>			
Government Grants	(2,982)	(3,800)	0
Other Grants and Contributions	(287,688)	(182,700)	(118,100)
Customer & Client Receipts	(445,056)	(477,000)	(335,100)
<b>TOTAL INCOME</b>	<b>(735,726)</b>	<b>(663,500)</b>	<b>(453,200)</b>
<b>NET EXPENDITURE (CONTROLLABLE)</b>	<b>4,077,964</b>	<b>4,224,900</b>	<b>4,149,500</b>
<b>Financial Accounting Adjustments</b>			
Central Support Charges	840,699	909,400	547,300
Departmental Charges	759,038	719,600	699,600
Capital Charges	319,963	111,400	129,200
Central Support Income	0	0	0
Departmental Charges Income	(319,872)	(341,800)	(257,300)
<b>NET ACCOUNTING ADJUSTMENTS</b>	<b>1,599,828</b>	<b>1,398,600</b>	<b>1,118,800</b>
<b>NET EXPENDITURE (ALL BUDGETS)</b>	<b>5,677,792</b>	<b>5,623,500</b>	<b>5,268,300</b>

#### **Variation Analysis**

Original Estimate 2010/11	5,623,500
Inflation	18,500
Budget Transfers	156,100
Changes in Government Grants	3,800
Other Government or Outside Body changes	0
Demand Led Growth	0
Budget Review Savings	(250,000)
Other Growth and Savings	(3,800)
Changes to financial accounting adjustments	(279,800)
Original Budget 2011/12	<u>5,268,300</u>

#### **Other Information**

Employee FTE's (Budgeted)	107.2	107.7
<i>Increase due to conversion of Scale 6 post to Sc 1c</i>	<i>0.5</i>	
<i>there is no increase in costs as a result of this.</i>		

## ADULT AND COMMUNITY SERVICES

### CARE PROVISION - COMMUNITY SERVICES

This section manages the four intensive day centres for older people and the Access Project, a day centre for adults with physical disabilities.

	<u>2009/10</u> <u>Actual</u> £	<u>2010/11</u> <u>Original</u> £	<u>2011/12</u> <u>Estimate</u> £
<b>Expenditure</b>			
Employees	1,089,046	1,179,200	1,095,800
Premises	75,953	98,300	101,800
Transport	578,602	544,700	544,700
Supplies and Services	119,893	70,500	70,500
Third Party Payments	161,277	155,700	148,900
Transfer Payments	20	0	0
<b>TOTAL EXPENDITURE</b>	<b>2,024,791</b>	<b>2,048,400</b>	<b>1,961,700</b>
<b>Income</b>			
Government Grants	0	0	0
Other Grants and Contributions	(10,000)	(10,000)	(10,000)
Customer & Client Receipts	(73,160)	(68,800)	(68,800)
<b>TOTAL INCOME</b>	<b>(83,160)</b>	<b>(78,800)</b>	<b>(78,800)</b>
<b>NET EXPENDITURE (CONTROLLABLE)</b>	<b><u>1,941,631</u></b>	<b><u>1,969,600</u></b>	<b><u>1,882,900</u></b>
<b>Financial Accounting Adjustments</b>			
Central Support Charges	301,769	325,700	206,300
Departmental Charges	161,825	139,700	159,600
Capital Charges	59,087	58,800	59,200
Central Support Income	0	0	0
Departmental Charges Income	0	0	0
<b>NET ACCOUNTING ADJUSTMENTS</b>	<b>522,681</b>	<b>524,200</b>	<b>425,100</b>
<b>NET EXPENDITURE (ALL BUDGETS)</b>	<b><u>2,464,312</u></b>	<b><u>2,493,800</u></b>	<b><u>2,308,000</u></b>

<b><u>Variation Analysis</u></b>	
Original Estimate 2010/11	2,493,800
Inflation	20,600
Budget Transfers	(6,800)
Changes in Government Grants	0
Other Government or Outside Body changes	0
Demand Led Growth	0
Budget Review Savings	(100,500)
Other Growth and Savings	0
Changes to financial accounting adjustments	(99,100)
Original Budget 2011/12	<u>2,308,000</u>
<b><u>Other Information</u></b>	
Employee FTE's (Budgeted)	37.1      36.6
<i>Reduction due to conversion of weekend enhancement to lump sum there is no reduction in costs</i>	-0.5



## ADULT AND COMMUNITY SERVICES

### TRANSPORT OPERATIONS

Transport Operations manage and provide passenger transport services for adult social care clients and special educational needs pupils, vulnerable Adult and Community Services users and Specialist Needs Children's Services. It provides accessible transport to all Council Departments.

	<u>2009/10</u> <u>Actual</u> £	<u>2010/11</u> <u>Original</u> £	<u>2011/12</u> <u>Estimate</u> £
<b>Expenditure</b>			
Employees	1,603,357	1,805,100	1,817,800
Premises	68,777	68,100	68,100
Transport	732,031	550,200	541,500
Supplies and Services	53,399	57,000	57,000
Third Party Payments	1,738,292	1,472,000	1,372,000
Transfer Payments	0	0	0
<b>TOTAL EXPENDITURE</b>	<b>4,195,856</b>	<b>3,952,400</b>	<b>3,856,400</b>
<b>Income</b>			
Government Grants	0	0	0
Other Grants and Contributions	0	0	0
Customer & Client Receipts	(4,530,683)	(3,731,200)	(3,884,800)
<b>TOTAL INCOME</b>	<b>(4,530,683)</b>	<b>(3,731,200)</b>	<b>(3,884,800)</b>
<b>NET EXPENDITURE (CONTROLLABLE)</b>	<b>(334,827)</b>	<b>221,200</b>	<b>(28,400)</b>
<b>Financial Accounting Adjustments</b>			
Central Support Charges	160,989	166,300	197,300
Departmental Charges	173,838	148,500	166,700
Capital Charges	0	0	0
Central Support Income	0	0	0
Departmental Charges Income	0	0	0
<b>NET ACCOUNTING ADJUSTMENTS</b>	<b>334,827</b>	<b>314,800</b>	<b>364,000</b>
<b>NET EXPENDITURE (ALL BUDGETS)</b>	<b>0</b>	<b>536,000</b>	<b>335,600</b>

#### **Variation Analysis**

Original Estimate 2010/11	536,000
Inflation	22,700
Budget Transfers	(171,800)
Changes in Government Grants	0
Other Government or Outside Body changes	0
Demand Led Growth	0
Budget Review Savings	(100,500)
Other Growth and Savings	0
Changes to financial accounting adjustments	49,200
Original Budget 2011/12	<u>335,600</u>

#### **Other Information**

Employee FTE's (Budgeted)	65.6	65.6
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## ADULT AND COMMUNITY SERVICES

### ACCESSIBLE TRANSPORT

The Accessible Transport Unit manages the Concessionary Fares, Disabled Person's Blue Badge, Taxi Card and the Super Shopper schemes. It additionally promotes the transport solutions model in partnership with the voluntary sector.

	<u>2009/10</u> <u>Actual</u> <u>£</u>	<u>2010/11</u> <u>Original</u> <u>£</u>	<u>2011/12</u> <u>Estimate</u> <u>£</u>
<b>Expenditure</b>			
Employees	177,712	220,000	221,600
Premises	15,867	16,500	16,500
Transport	11,575	20,800	20,800
Supplies and Services	57,968	49,000	9,500
Third Party Payments	4,463,116	5,869,300	6,639,800
Transfer Payments	0	0	0
<b>TOTAL EXPENDITURE</b>	<b>4,726,238</b>	<b>6,175,600</b>	<b>6,908,200</b>
<b>Income</b>			
Government Grants	0	0	0
Other Grants and Contributions	0	0	0
Customer & Client Receipts	(5,085)	(3,400)	(3,400)
<b>TOTAL INCOME</b>	<b>(5,085)</b>	<b>(3,400)</b>	<b>(3,400)</b>
<b>NET EXPENDITURE (CONTROLLABLE)</b>	<b>4,721,153</b>	<b>6,172,200</b>	<b>6,904,800</b>
<b>Financial Accounting Adjustments</b>			
Central Support Charges	90,911	87,400	132,700
Departmental Charges	151,588	169,100	180,900
Capital Charges	0	0	0
Central Support Income	0	0	0
Departmental Charges Income	0	0	0
<b>NET ACCOUNTING ADJUSTMENTS</b>	<b>242,499</b>	<b>256,500</b>	<b>313,600</b>
<b>NET EXPENDITURE (ALL BUDGETS)</b>	<b>4,963,652</b>	<b>6,428,700</b>	<b>7,218,400</b>

<b><u>Variation Analysis</u></b>		
Original Estimate 2010/11		6,428,700
Inflation		1,600
Budget Transfers		0
Changes in Government Grants		0
Other Government or Outside Body changes		770,500
Demand Led Growth		0
Budget Review Savings		(39,500)
Other Growth and Savings		0
Changes to financial accounting adjustments		57,100
Original Budget 2011/12		<u>7,218,400</u>
<b><u>Other Information</u></b>		
Employee FTE's (Budgeted)	6.3	6.3

## ADULT AND COMMUNITY SERVICES

### DIRECTORATE MANAGEMENT AND FINANCE

This includes the Director of Adults and Community Services and costs relating to the strategic management of the Directorate, including its finance and accountancy support functions, which are recharged across the Directorate.

	<u>2009/10</u> <u>Actual</u> £	<u>2010/11</u> <u>Original</u> £	<u>2011/12</u> <u>Estimate</u> £
<b>Expenditure</b>			
Employees	1,466,232	1,592,700	1,189,000
Premises	0	0	0
Transport	6,478	3,700	800
Supplies and Services	612,849	404,900	338,400
Third Party Payments	102,318	152,400	135,500
Transfer Payments	0	0	0
<b>TOTAL EXPENDITURE</b>	<b>2,187,877</b>	<b>2,153,700</b>	<b>1,663,700</b>
<b>Income</b>			
Government Grants	(30,500)	(35,500)	0
Other Grants and Contributions	(197,209)	(164,100)	(6,000)
Customer & Client Receipts	(550,583)	(23,800)	(23,800)
<b>TOTAL INCOME</b>	<b>(778,292)</b>	<b>(223,400)</b>	<b>(29,800)</b>
<b>NET EXPENDITURE (CONTROLLABLE)</b>	<b>1,409,585</b>	<b>1,930,300</b>	<b>1,633,900</b>
<b>Financial Accounting Adjustments</b>			
Central Support Charges	691,684	644,800	842,100
Departmental Charges	11,905	19,600	55,100
Capital Charges	0	0	0
Central Support Income	0	0	0
Departmental Charges Income	(1,754,846)	(1,827,900)	(1,917,900)
<b>NET ACCOUNTING ADJUSTMENTS</b>	<b>(1,051,257)</b>	<b>(1,163,500)</b>	<b>(1,020,700)</b>
<b>NET EXPENDITURE (ALL BUDGETS)</b>	<b>358,328</b>	<b>766,800</b>	<b>613,200</b>

#### **Variation Analysis**

Original Estimate 2010/11	766,800
Inflation	23,400
Budget Transfers	18,900
Changes in Government Grants	(21,100)
Other Government or Outside Body changes	0
Demand Led Growth	0
Budget Review Savings	(300,400)
Other Growth and Savings	(17,200)
Changes to financial accounting adjustments	142,800
Original Budget 2011/12	<b>613,200</b>

#### **Other Information**

Employee FTE's (Budgeted)	32.5	26.0
<i>Transferred from Div. Man &amp; Supp Serv (CSO1)</i>	1.0	
<i>Finance Review</i>	-7.5	

## ADULT AND COMMUNITY SERVICES

### RENT ALLOWANCES

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

	<u>2009/10</u> <u>Actual</u> £	<u>2010/11</u> <u>Original</u> £	<u>2011/12</u> <u>Estimate</u> £
<u>Expenditure</u>			
Employees	0	0	0
Premises	0	0	0
Transport	0	0	0
Supplies and Services	(37,057)	153,100	153,100
Third Party Payments	0	0	0
Transfer Payments	57,085,335	48,038,200	59,497,900
<b>TOTAL EXPENDITURE</b>	<b>57,048,278</b>	<b>48,191,300</b>	<b>59,651,000</b>
<u>Income</u>			
Government Grants	(57,697,768)	(48,230,300)	(59,690,000)
Other Grants and Contributions	0	0	0
Customer & Client Receipts	(166,920)	0	0
<b>TOTAL INCOME</b>	<b>(57,864,688)</b>	<b>(48,230,300)</b>	<b>(59,690,000)</b>
<b>NET EXPENDITURE (CONTROLLABLE)</b>	<b>(816,410)</b>	<b>(39,000)</b>	<b>(39,000)</b>
<u>Financial Accounting Adjustments</u>			
Central Support Charges	63,430	111,000	0
Departmental Charges	18,515	1,600	89,700
Capital Charges	0	0	0
Central Support Income	0	0	0
Departmental Charges Income	0	0	0
<b>NET ACCOUNTING ADJUSTMENTS</b>	<b>81,945</b>	<b>112,600</b>	<b>89,700</b>
<b>NET EXPENDITURE (ALL BUDGETS)</b>	<b>(734,465)</b>	<b>73,600</b>	<b>50,700</b>

#### Variation Analysis

Original Estimate 2010/11	73,600
Inflation	0
Budget Transfers	0
Changes in Government Grants	0
Other Government or Outside Body changes	0
Demand Led Growth	0
Budget Review Savings	0
Other Growth and Savings	0
Changes to financial accounting adjustments	(22,900)
Original Budget 2011/12	<u>50,700</u>
<u>Other Information</u>	
Employee FTE's (Budgeted)	0.0      0.0

## LONDON BOROUGH OF RICHMOND UPON THAMES

### CABINET

DATE: 24 FEBRUARY 2011

REPORT OF: DEPUTY LEADER AND CABINET MEMBER FOR  
FINANCE AND RESOURCES

LEAD OFFICER: DIRECTOR OF FINANCE AND CORPORATE SERVICES

SUBJECT: REVENUE BUDGET STRATEGY AND COUNCIL TAX  
2011/12

WARDS: ALL

Does this report contain confidential information? NO

Does this report relate to a Key Decision? YES

#### 1. PURPOSE OF THE REPORT

1.1 This report gives details of the budget strategy and recommended level of Council Tax 2011/12.

#### 2. EXECUTIVE SUMMARY

2.1 The report sets out the Council's budget strategy and recommends that the Richmond upon Thames element of the Council Tax remain unchanged at £1,287.39. The report also contains the Director of Finance and Corporate Services' advice that the estimates are robust for the purposes of the required budget/council tax calculations and that the Council's reserves are adequate.

#### 3. RECOMMENDATION

- |     |  |
|-----|--|
| 3.1 | 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 paras. 4.31 to 4.41) |
| 3.2 | That the Council be recommended to agree the Revenue Budget for 2011/12.   |
| 3.3 | That the Council be recommended to agree that the Richmond upon Thames element of the Band D Council Tax be <b>unchanged at £1,287.39</b> ;  |

- |     |   |
|-----|---|
| 3.4 | That the Cabinet note the expected Greater London Authority (GLA) precept of £309.82.   |
| 3.5 | <b>That the Council be RECOMMENDED to agree that the overall Band D level of Council Tax for 2011/12 including the GLA element be set at £1,597.21, <u>the same level as 2010/11</u>. The levels of Council Tax for all property bands are shown at Appendix A; and</b> |
| 3.6 |   |
| 3.7 | That the Cabinet approve the revised Medium Term Financial Strategy including the efficiencies/savings identified. (Appendix C)   |

#### 4. DETAILS

##### Background

- 4.1 The development of the Council's financial strategy over the past year has been against the background of an almost unprecedented deficit in the national public finances and the election of a new national coalition Government which set out very clearly its policy aim to reduce the deficit in the public finances significantly and quickly.
- 4.2 In developing this strategy the Council has already produced a number of reports reviewing the budget, assessing the impact of the local government finance settlement, reviewing reserves and balances and setting out the Administration's key aims and priorities. The information in those reports are not repeated in detail here but the links are listed at the end of this report.

##### The Medium Term Financial Strategy (MTFS)

- 4.3 The MTFS is intended to identify a financially sustainable way of achieving the Council's aims recognising the need to balance service needs with available resources and the impact on Council Tax payers. In particular the strategy aims to deliver the administration's key financial objective of:

- **A freeze in Council Tax for 2011/12 with the aim to freeze it for a further year and have sustainable plans to maintain low increases for the longer term.**

In pursuing this aim, the Council will:

- be open and accountable
- Support the most vulnerable in the community
- Act as trustees for the 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, devolving power where possible, and generally "shrinking the influence of the state" from people's lives.

- 4.4 During 2010/11 the Council is, once again, projecting an underspend in its budget. Although this masks the fact that there are individual overspends in key areas of Children’s and Adults Services, this situation is, to some extent, inevitable in a situation where the Council is reining back expenditure and holding posts vacant in preparation for major changes being made over the coming year and taking action to “stay ahead of the game”. This combined with some front loading of savings does provide an opportunity for one off investments in the Council’s priorities and these are identified in para. 4.20.
- 4.5 The latest update to the MTFS is attached as Appendix C. It identifies that, in broad terms, the Council will continue to target savings/efficiencies over 4 years of up to £35m, although the actual range shown is £28m-£33m. It is ahead of the game for 2011/12 but still has significant savings to achieve in 2012/13, 2013/2014 and 2014/15 and beyond if it is to achieve low Council Tax increases.

In particular the MTFS has now been updated for the impact of the 2 year local government finance settlement that was announced on 13<sup>th</sup> December 2010.

**The 2011/12 and 2012/13 Local Government Finance Settlement (LGFS)**

- 4.6 The LGFS is one of the most complex of recent years. There were numerous changes and announcements including:

- Significant changes to the 90 individual grants received by the Council in 2010/11 as set out below:

<b>Outcome</b>	<b>No of grants</b>
Continued	6
Rolled into Formula Grant	19
Rolled into DSG	10
Rolled into new Early Intervention Grant (EIG)	17
Ended	24
Under review or unknown	14
<b>Total</b>	<b>90</b>

- Floors and ceilings were adjusted with the introduction of a 4 band system. Authorities were placed in one of the 4 bands based on how reliant they were on Government Funding. This was done to provide a small additional level of protection to areas more reliant on government funding.
- Changes were made to the calculations in the formula grant which saw a heavier weighting being placed on the Relative Needs element of the formula and a reduced emphasis being placed in the Central Allocation block. Both these changes worked against the Council. The assumed level of band D Council Tax that the Authority is able to raise has been reduced, this works in the Council’s favour.
- A new concept of “spending power” was introduced which again sought to provide a mechanism to further restrict the impact of funding reductions on areas more reliant on Government Grant (see para. 4.10)
- After being increased by grants transferred in, both Formula Grant and Early intervention grant were cut by -14.3% and -8.4% respectively.
- A grant (equivalent to 2.5% Council Tax yield [£2.9m for Richmond]) was offered to any authority that did not increase its Council Tax in 2011/12.

## Section G

- New funding from the NHS was included in the figures released for the LGFS and described as funding “for social care that would also benefits health”. It subsequently became clear that this funding would be going to the local Primary Care Trust (PCT) and its release would be subject to agreeing a plan with the PCT.
- The Government has announced a New Homes Bonus scheme aimed at incentivising Local Authorities to increase their housing supply. Whitehall will match the additional council tax raised (at a national average level for each band) on new homes for six years. Increases in affordable housing will attract a further £350 per home over the same six-year period. The impact on the Council is still unclear at this time.

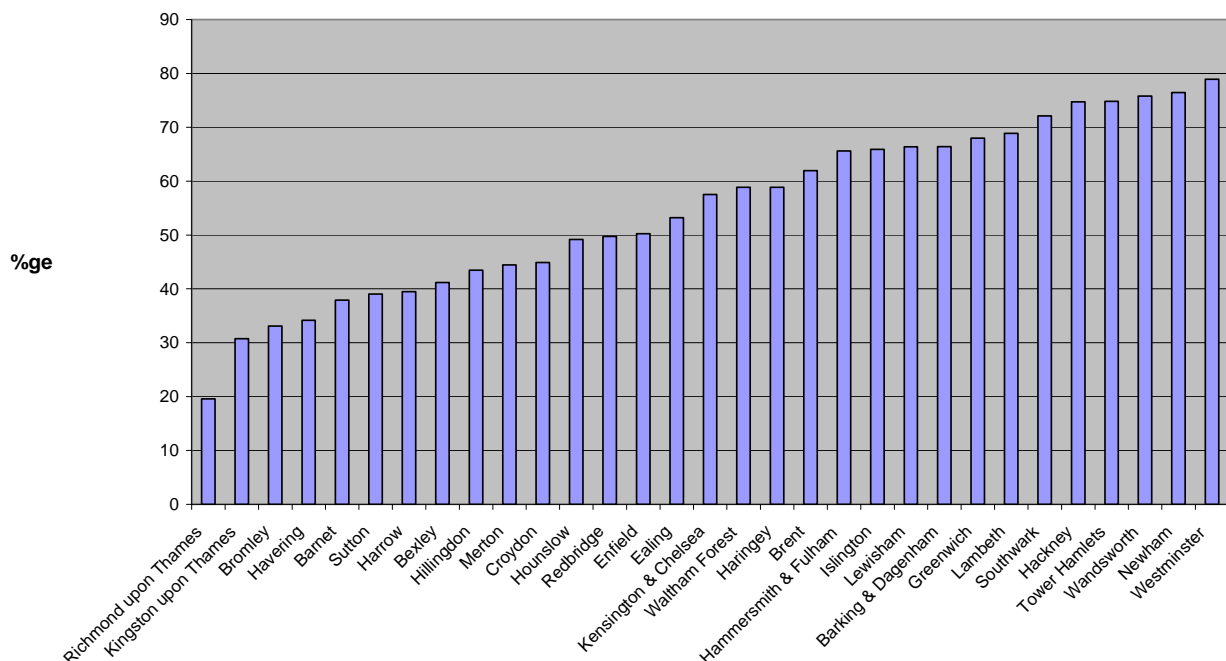
4.7 The impact of these changes, including detailed lists of grant changes, has been covered in a briefing notes to Members, reports and presentations to Overview and Scrutiny Committee and reports to Cabinet (see links at end of report. The main financial impact on the Council can be summarised as:

- A 14.3% loss in 2011/12 Formula Grant equating to a loss of £5.1m. A further 10.4% loss equating to £3.5m in 2012/13.
- Loss of specific grants of £2.7m (including the £906k in-year cut in 2010/11).
- £2.881m additional Council Tax Freeze grant for 2011/12.
- An opportunity to work with the local PCT to access new £1.75m NHS funding which supports social and also benefits health. This funding would drop to £1.69m in 2012/13 and it is unclear if it continues beyond 2012/13.

4.8 The losses in general and specific government grant were at the worst end of our expectations and represent a total loss in government funding of some 12.6 % compared with 2010/11.

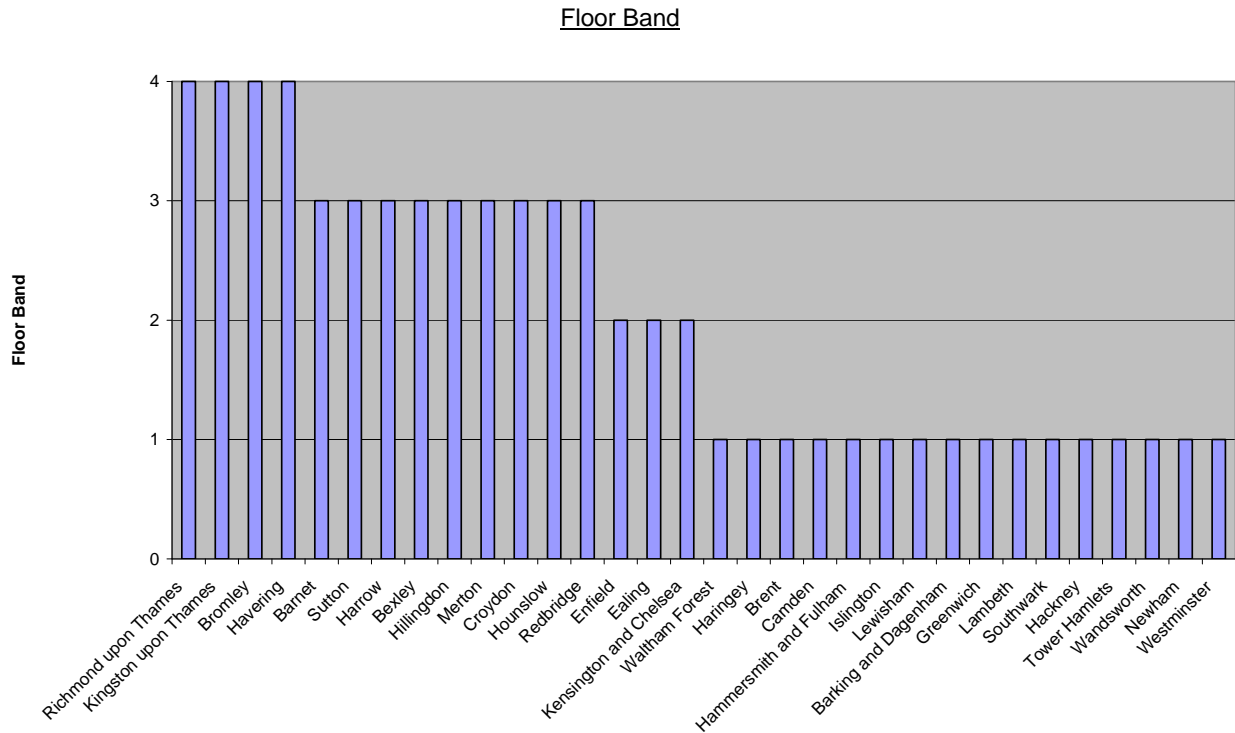
4.9 The charts below illustrate the relative position of Richmond in London in respect of Formula Grant and grant floors.

**Formula Grant as a %ge of Budget Requirement 2010/11**





## Section G



### Spending Power

- 4.10 It is unfortunate that in some reports the Council has been reported as a “winner” from the LGFS because its “spending power” has only decreased by 0.6%. This new measure is defined as:

Council Tax requirement  
*Plus*  
 Formula Grant  
*Plus*  
 Other Grants  
*Equals*  
 Spending Power

The figures for Richmond are set out below:

	2010/11	2011/12	+/-	%
Council Tax Requirement	114.443	114.443	0.000	0.0%
Formula Grant	35.884	30.753	-5.131	-14.3%
Other Grants	17.372	21.484	4.112	23.7%
Spending Power	167.699	166.680	-1.019	0.6%

- 4.11 Clearly this calculation only looks at the impact of changes in grant on spending power (and includes the new health grant in the 2011/12 figures and ignores around £4m of other grants). This ignores what is required to hold Council Tax requirement to a zero increase e.g. dealing with inflation, demographic and demand growth. It is inevitable that

authorities with a higher proportion of their funding raised through Council Tax will register a smaller reduction in their spending power under this measure. The figures for grant loss set out in earlier paragraphs clearly identify that Richmond is not a winner from such measures.

### **Partners and forward planning**

- 4.12 The Council and our local partners have a strong commitment and good track record of working in partnership. This is demonstrated through our joint commissioning work with NHS Richmond, engagement with the voluntary sector, close relationship with the police and others via the Community Safety Partnership and joint action taken to address the impact of the economic recession.
- 4.13 Particularly important in financial terms is the relationship with the local NHS. In common with all other public sector organisations the PCT is facing intense financial pressures. However, the 1% surplus target for 2010/11 is likely to be met. Looking forward, the PCT will still be required to plan for a 1% surplus. The 2011/12 uplift in funding will be 2% (£5.6m) but to meet the 1% surplus target it has to implement a savings plan totalling £10.7m. This has arisen partly because of 'overperformance' (i.e. higher than budgeted activity) of £9.5m in acute services, continuing care and mental health / learning difficulty placements.
- 4.14 Over and above the uplift, the PCT will receive £1.753m (£1.69m in 2012/13) non recurrent funding to support work that is beneficial to both social care and health. Initial guidance focuses on work that supports reablement, quicker discharge from hospital and preventing hospital admissions. An example of this type of joint work is that the Council has recently agreed with the PCT that extra funding that has been released in 2010/11 will go to funding an enhancement of the multi-disciplinary teams dealing with patients at the point of discharge from hospital.
- 4.15 With the major changes underway in the NHS the impact on the borough is uncertain. However, close working relationships are being maintained at a local and regional level.

### **Balances and Reserves**

- 4.16 Appendix B to this report contains a full listing of the revenue balances and reserves held by the Council and gives explicit details on their intended application. The key issues are:
- General Reserve planned to reduce to around £9m by the end of 2012/13.
  - Approximately 15% (£7.9m) of the quoted balances at 1.4.10 are funds that are outside of the Council's direct control e.g. school balances, Collection Fund. In addition to this a further approximately 19% (£9.9m) e.g. PFI Reserve and Insurance Funds, whilst being nominally under Council control, are effectively not available for use.
  - A number of reserves have been collapsed in to the Invest to Save Fund which includes a significant allowance for expected costs of redundancies as well investments to support efficiency projects.
  - The MTFS includes use of £1.5m of the General Reserve between 2010/11 and 2012/13.
  - Balances are only available for use once. Their use to reduce Council Tax in any given year will result in cuts being required in future years.

### Overall Budget Proposals

- 4.17 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 to Overview and Scrutiny Committees.
- 4.18 The Council has attempted to set a budget that achieves a balance between the Council Tax increase not adding a further financial burden on household budgets, maintaining service standards whilst addressing the serious, long term reductions in public finances that are expected.
- 4.19 This means that the budget proposals must also consider the longer term and to this end the Council's savings programme is, to a limited extent, "front loaded" to ensure difficult decisions are taken early in the budgetary cycle and provide for some investment in specific priorities.

4.20 In particular the budget has:

- Built in specific funds for new demands / costs of statutory services:
  - £2m to address the existing overspend in Social Care (offset with new savings plans).
  - A further £0.5m for further growth demands on social care services.
  - £0.5m on Children's services.
  - Just under £0.5m as a result of changed interest rate assumptions for borrowing/investments.
- Included efficiency/cuts/income generation of £11.9m. This includes £8.8m from the ZBB exercise in 2010/11, £1.3m of savings already agreed from earlier years (including Richmond Works) and £0.65m from procurement of parking contracts.
- Included the following specific one off allowances to provide for investment in the Council's priorities:
  - £0.5m expenditure on pot hole repairs addressing problems caused by snow and winter conditions
  - £1m on Twickenham Riverside improvement and 'uplift' schemes for key areas of the borough. (A separate report will be taken to February Cabinet).
  - £1.75m to support the development of the Education Strategy for school places.

These budgets are assumed to be removed from 2012/13 to help meet the expected budget gap in that year.

- Provided continuing support for capital investment, particularly in education.
- Assumed that the impact of inflation will be held at close to zero on salaries and non-contracted services.

4.21 The final service totals are:

	<u>£m</u>
Children's Services & Culture	34.7
Environment	24.6
Adult and Community Services	63.5
Finance & Corporate Services	22.9
Total	<u>145.7</u>

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### 4.22 Central Items and contingency

	<u>£m</u>
Borrowing and Investment	4.0
General Contingency	0.5
Waste Disposal Contingency	1.1
Carbon Reduction Commitment	0.3
Capitalisation of Revenue	-0.7
Use of balances	-0.5
Investment Priorities	3.3
Repairs and Renewal Fund Repayments (plus minor reserve transfers)	1.1
Non Ring Fenced Grants (including EIG)	-8.8
<b>Total</b>	<u><u>0.3</u></u>

### 4.23 Summary of Borough Expenditure

	<u>£m</u>
Service Estimates	145.7
Central Items and Contingency	0.3
<b>Total</b>	<u><u>146.0</u></u>

### **Levies**

- 4.24 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 relevant amounts and services are set out below:

Levy	Directorate	2010/11 £000	2011/12 £000	Variation %
West Waste	Environment	6,847	6,800	0%
Lee Valley Park	Environment	277	271	-2%
Flood Defence	Corporate Services	209	177	-15%
London Pension Fund Authority	Corporate Services	413	322	-22%
Coroner's Service	Corporate Services	134	141	+5%

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

### **Capping**

- 4.25 Under the Local Government Act 1999, the Secretary of State retains reserve capping powers. The stated intention behind these powers is to control excessive tax increases but in practice they are largely based on monitoring year on year budget increases.
- 4.26 The Secretary of State does not normally set capping criteria in advance and announces decisions on capping or other action in April, after budgets have been set and Council Tax bills sent – it is expected that announcements will be earlier this year. The Government

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has provided a Council Tax Freeze Grant this year and the expectation is that most Council's will accept this and thereby average Council Tax increases will be close to zero.

- 4.27 The proposed budget for 2011/12 would give a decrease in the budget requirement and a tax level as set out below:

	2010/11		2011/12	
	Amount	Increase	Amount	Increase
Budget Requirement inc. schools	£250.893m	2.4%	£249.014m	-1.7%
Budget Requirement ex schools	£150.331m	1.2%	£145.956m	-2.9%
Council Tax (LBRuT element only)	£1,287.39	0.0%	£1,287.39	0.0%

The 2010/11 figures have been adjusted to reflect the £7.373m of specific grants that have been rolled into formula grant in 2011/12 to present the figures on a comparable basis.

### The Greater London Authority (GLA) Precept

- 4.28 The Band D Council Tax in respect of the GLA Precept is expected to remain at £309.82.

### 4.29 Summary of requirements and Council Tax

	£m
Total LBRuT Budget Requirement	145.956
School expenditure funded from DSG	103.058
GLA Precept	27.664
	276.678
Less	
Formula Grant	-30.753
DSG	-103.058
Contribution from Collection Fund	-0.250
	142.617
Total Requirement for Council Tax	142.617

At the Cabinet meeting of 24th January 2011, the Council Tax Base for 2011/12 was agreed as 89,291.15 Band D equivalents.

**Based on the above figures, the total tax at Band D including the GLA element is unchanged at £1,597.21.**

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

	2010/11	2011/12	%
	£	£	increase
LBRUT	1,287.39	1,287.39	0.00
GLA	309.82	309.82	0.00
TOTAL	1,597.21	1,597.21	0.00

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

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

- (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.

4.32 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
- Whether budget setting and monitoring processes are robust and effective
- Demand pressures on the budget
- Identifying and achieving cost and income improvements
- Risks to Government funding levels
- Risks to other income streams

4.33 The Council has a good recent track record in financial management that has been recognised through external assessment from the Audit Commission and recognition of delivery of Value For Money (VFM). These judgements 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 energy.

4.34 Local government finance issues have been dominated in recent times by impending cuts in government funding and pressure to keep council tax increases down. The Council's incoming administration recognised this in reviewing the budget soon after taking control of the Council and setting in train a detailed budget review exercise. This resulted in the savings proposals included within this report. Together with the continuing demand risks associated with care needs for both adults and children in addition and the national economic position, this year's budget and MTFs has provided a severe test of the Council's finances. Although the action taken to date has addressed the position in the short term and provided some limited one off investment, the longer term position remains extremely challenging if the Council is to achieve low or zero Council Tax increases.

4.35 With relatively low assumptions of demand growth and high need to achieve savings targets set, the risks inherent in the revenue budget are inevitably increased. The Council has sufficient reserves to deal with such a position in the short term and in the medium term has taken action to increase its savings/efficiency programme significantly. Achievement of this programme will be closely monitored.

4.36 Given the resource constraints and demand pressures faced by the Council it is imperative that the search for increased savings/efficiency remains at the heart of all Council activities. This will contribute towards the achievement of the Council's objectives. The latest version of the MTFs identifies the need for a more substantial programme of savings/efficiencies to be delivered in coming years.

4.37 The major risks around government funding have to some extent been realised for 2011/12 and 2012/13 with the Council being at the worst end of the "floor" calculations.

We do not have details for the years beyond that but cannot ignore the possibility of further reductions. This risk is highlighted by the fact that the “floor” provides the borough with over £14m more than it would receive were the “floor” to be withdrawn. This equates to around 12% on Council Tax and represents, in percentage terms, the largest level of floor protection for any unitary authority in the country.

- 4.38 It is imperative that any business invests in the maintenance of its infrastructure assets if it is to continue to provide high quality services and avoid major one-off crisis expenditure. The Council has made progress in this area and the earmarking of revenue balances and capital resources for the purpose reflect the continuing commitment. These funds are, however, becoming much more limited and infrastructure projects in the future are likely to rely more and more on the Council’s ability to borrow or generate efficiencies to fund such projects.
- 4.39 A full list of the current reserves held by the Council is attached at Appendix B and are reviewed in the attached MTFS.
- 4.40 The financial strategy includes the use of £750k general reserves in 2010/11 and a further £750k in the subsequent 2 years. Thereafter, the use of balances is removed from budget assumptions but this position will be revisited each year. 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. The largest single figure in the reserves list is the Pension Fund surplus/deficit which, in common with many other Pension Funds, is showing a large deficit. The Council has a long term recovery plan for the fund and expects employer funding requirements to be improved by the outcome of the Hutton review. Balancing this, the expected reducing numbers contributing to the fund will increase pressure on employer contribution rates. Officers will be continuing discussions with the fund’s actuary and the Council’s Pension Fund Committee on how best to address this position in the longer term.
- 4.41 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.

## **5. CONSULTATION AND ENGAGEMENT**

- 5.1 The Council has undertaken one specific consultation exercise in relation to the general principles of the budget as it was being developed via a selected representative sample of the public who attended an evening run by the OPM organisation. The outcomes are published on the Council’s website at:  
[http://www.richmond.gov.uk/home/council\\_government\\_and\\_democracy/council/consultation\\_and\\_feedback/council\\_consultations/consultation\\_details.htm?id=C00406](http://www.richmond.gov.uk/home/council_government_and_democracy/council/consultation_and_feedback/council_consultations/consultation_details.htm?id=C00406)
- 5.2 There has also been a large amount of engagement and communication work with the Council’s own staff in view of the high level of change being made across Council services. In addition the Council will be drawing on the outcomes from specific consultations in respect of budget proposals and more general consultations such as the “All in One” survey and the Twickenham Barefoot and Conference exercises.
- 5.3 The Council has participated in a number of business events and conferences addressing the current economic position and action to support local businesses and hopes to present budget proposals at a business breakfast in January/February. It will also

circulate copies of the budget report and MTFS papers to major local businesses and business association for comment.

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

## **6. FINANCIAL IMPLICATIONS**

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

## **7. POLICY IMPLICATIONS/CONSIDERATIONS**

- 7.1 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.

## **8. LEGAL IMPLICATIONS**

- 8.1 There are none arising directly from this report.

## **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 paragraph 4.32 of this report as part of the Director of Finance and Corporate Services' comments on Section 25 (2) of the Local Government Act 2003.

## **10. EQUALITY IMPACT/CONSIDERATIONS**

- 10.1 The current year's budget proposals contain a number of significant service changes which require Equality Impact Needs Assessments. These have been carried out by the relevant services as they have developed the proposals and action taken as appropriate.

## **11. ENVIRONMENTAL STATEMENT**

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



## 12. BACKGROUND PAPERS

- 12.1 [Provisional Corporate Financial Outturn 2009-10 and Review of Balances - Cabinet 7 June 2010](#)  
[Update on Efficiency Challenge Programme - Cabinet 7 June 2010](#)  
[External Review of the Efficiency Programme - Cabinet 6 September 2010](#)  
[Loss of Area Based Grant Funding - Cabinet 6 September 2010](#)  
[Review of Revenue Reserves - Cabinet 6 September 2010](#)  
[Efficiency Challenge Update - 11 October 2010](#)  
[Budget Review - Cabinet 11 October 2010](#)  
[Commissioning Council - Cabinet 8 November 2010](#)  
[Social Enterprise - Cabinet 6 December 2010](#)

In addition a range of individual reports to Overview and Scrutiny Committees have been made in respect of individual business cases and efficiency projects and for each Directorates specific budget proposals

## 13. CONTACTS

- 13.1 Geoffrey Samuel, Deputy Leader and Cabinet Member for Finance and Resources  
Email: [cllr.gsamuel@richmond.gov.uk](mailto:cllr.gsamuel@richmond.gov.uk)

Mark Maidment, Director of Finance and Corporate Services  
Email: [m.maidment@richmond.gov.uk](mailto:m.maidment@richmond.gov.uk)

**Council Tax Bands 2011/12**

<b>Band</b>	<b>Richmond Council Tax Requirement (2011/12) £</b>	<b>Greater London Authority (2011/12) £</b>	<b>Total Council Tax (2011/12) £</b>
A	858.26	206.55	1,064.81
B	1,001.30	240.97	1,242.27
C	1,144.34	275.40	1,419.74
<b>D</b>	<b>1,287.39</b>	<b>309.82</b>	<b>1,597.21</b>
E	1,573.48	378.67	1,952.15
F	1,859.56	447.52	2,307.08
G	2,145.65	516.37	2,662.02
H	2,574.78	619.64	3,194.42

DESCRIPTION	Actual Balance at 1.4.10 £000	Transfers between reserves £000	Estimated Usage 10/11 £000	Estimated Additions 10/11 £000	Estimated Balance at 31.3.11 £000	PURPOSE OF RESERVE
<b>STATUTORY RESERVES OVER WHICH THE COUNCIL HAS LIMITED OR NO CONTROL</b>						
Schools	-7,533	*	*	*	-7,533	Ring fenced to schools
Home Loans Unit	-79	0	20	0	-59	Funds associated with former GLC mortgages (distributed across all London Boroughs)
Thames Landscape Strategy	-328	0	89	0	-239	Ringfenced reserve managed on behalf of London Authorities
Schools' Maternity & Supply Cover Scheme	-471	*	*	*	-471	Internal insurance arrangement for supply and maternity cover in schools
Dedicated Schools Grant Reserve	-824	0	824	-109	-109	Created from underspend of Dedicated Schools Grant in 2009/10. Earmarked for schools expenditure.
Orleans House	-468	0	0	-14	-482	Balance of rent income received on Trust assets managed by the Council. To be used in relation to the Orlean House site.
<b>Sub total</b>	<b>-9,703</b>	<b>0</b>	<b>933</b>	<b>-123</b>	<b>-8,893</b>	
<b>NON STATUTORY BUT ESSENTIAL RESERVES</b>						
General Insurance Reserve	-3,117	*	*	*	-3,117	Revaluation done as part of Insurance tendering process.
Vehicles Insurance Reserve	-214	*	*	*	-214	Internal insurance for Council vehicles
PFI Reserve (Future Liabilities)	-5,932	0	254	-83	-5,761	To allow for future smoothing of annual payments under PFI contracts
Section 117 Reserve	-484	0	0	0	-484	To fund future claimants under Section 117 of the Mental Health Act.
<b>Sub total</b>	<b>-9,747</b>	<b>0</b>	<b>254</b>	<b>-83</b>	<b>-9,576</b>	
<b>DISCRETIONARY RESERVES CURRENTLY EARMARKED</b>						
VAT Reserve	-205	0	0	0	-205	To cover potential tax liabilities.
Infrastructure Reserve	-3,312	0	3,292	0	-20	Major works to improve Council infrastructure/deliver benefits to the community
Project Development Reserve	-885	-680	485	0	-1,080	To fund start up costs and development costs of major projects
Repairs and Renewals Fund	-677	0	164	-1,074	-1,587	Purchase or creation of assets providing benefits of at least 3 years.
Social Services Special Equipment Reserve	-140	0	26	0	-114	To fund purchase of small items of equipment for Social Services establishments
Carry Forwards Reserve	-997	0	997	0	0	Unspent revenue budgets carried forward for specific Cabinet approved projects
Waste & Recycling Reserve	-2,035	0	0	-1,128	-3,163	Used to fund Waste and Recycling Strategy and to meet any future penalties under the Landfill allowance Trading Scheme (LATS)
Youth Development Fund	-846	0	180	0	-666	To fund capital schemes to improve youth facilities
Community Development Fund	-153	0	55	0	-98	To support investment in the 5 areas of relative deprivation as identified in the Community plan

DESCRIPTION		Actual Balance at 1.4.10 £000	Transfers between reserves £000	Estimated Usage 10/11 £000	Estimated Additions 10/11 £000	Estimated Balance at 31.3.11 £000	PURPOSE OF RESERVE
	Youth Centres Reserve	-278	0	20	0	-258	Income generated by youth centres (e.g. lettings) which is earmarked for re-investment within youth services.
	Libraries Trading Account	-252	0	220	0	-32	Earmarked for use in Library services
	Climate Change Reserve	-560	0	155	-70	-475	To support the Council's Sustainability Team in reducing the threat of climate change, cut carbon emissions and promote energy efficiency
	Invest to Save Fund	-6,917	-335	2,803	-2,490	-6,939	Funding for efficiency work across the Council and includes the current projected revenue underspend
	Section 106	-1,108	0	100	0	-1,008	To fund the rise in cost of works between receipt and usage of developer contributions
	PSA Reserve	-812	680	132	0	0	Public Sector Agreement Reward Grant. The balance on this reserve was transferred to the Project Development Fund during the year.
	Recession and Recovery Fund	-465	335	81	0	-49	Used to support initiatives to address the impact of recession on people, businesses and communities in the Borough
	Economic Development Fund	-393	0	73	0	-320	To fund Town Centre Management, environmental and business assessments and DDA advisory services for local employers.
	Salaries Oncost Account	-488	0	50	0	-438	Balance of on-cost charged on employee budgets to fund liability insurance etc.
	Other Reserves	-366	*	*	*	-366	Various small reserves
<b>Sub total</b>		<b>-20,889</b>	<b>0</b>	<b>8,833</b>	<b>-4,762</b>	<b>-16,818</b>	
<b>GENERAL FUND</b>							
	General Reserve (available for any purpose)	-10,705	0	750	0	-9,955	
<b>TOTAL RESERVES</b>		<b>-51,044</b>	<b>0</b>	<b>10,770</b>	<b>-4,968</b>	<b>-45,242</b>	

\* 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**

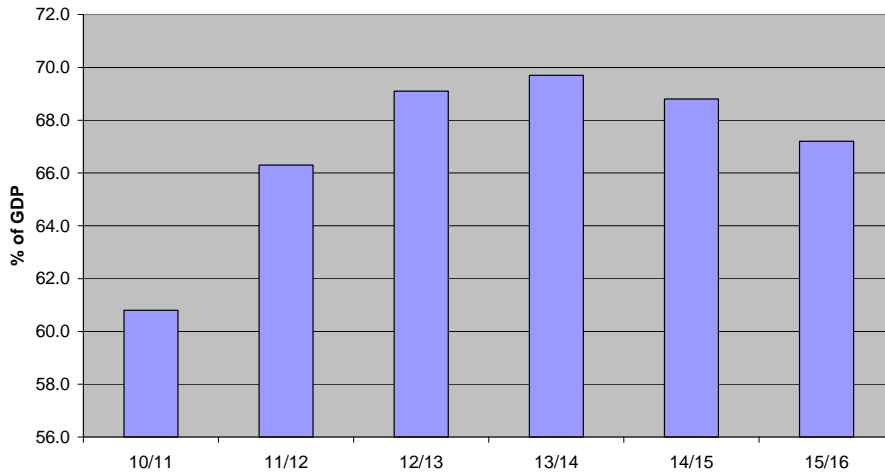
*February 2011 Update*

**1. Executive Summary**

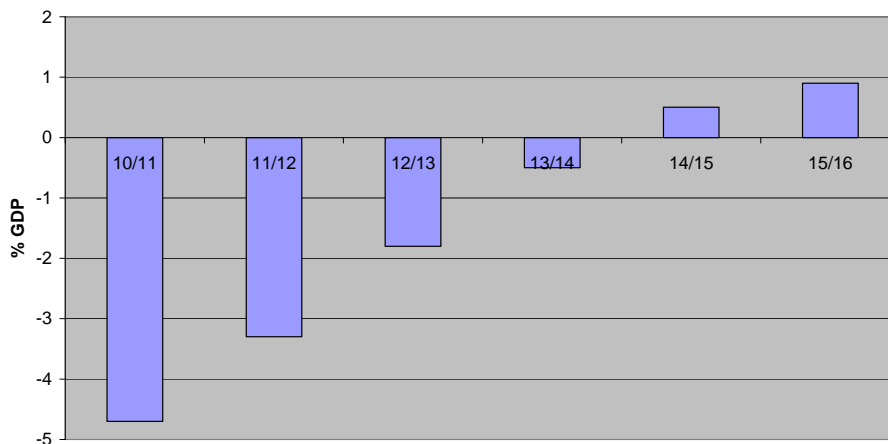
This document provides an update to the Council’s Medium Term Financial Strategy (MTFS) (See Annexe 5 for an explanation of the purpose of the MTFS). The current version was produced in the final year of the previous Administration and had, as its main financial aim, a commitment to keep Council Tax increases below 5%. Since this plan was set, both a new local Administration and a new national coalition government have been elected. Both have set out significantly different plans from their predecessors and this plan reflects changes made in response to those events.

At the national level, the Government has set itself targets of achieving a cyclically-adjusted current budget balance in 2015–16 and of seeing public sector net debt fall between 2014–15 and 2015–16. In order to achieve these targets, the Government announced, in the Comprehensive Spending Review, a package of reductions in public spending totalling £81bn. The forecast for the achievement of these targets is shown in the charts below which are drawn from the Office for Budget Responsibility (OBR) analysis of the Spending Review. The charts show that the recovery is, at best, going to take 4 years so there is little likelihood of the financial position easing during the lifetime of this MTFS. Indeed the third quarter GDP figures which recorded a 0.5% contraction in the economy underline the uncertainty over how the national economic position will develop.

**Forecast Public Sector Net Debt as % of GDP**



**Forecast Cyclically Adjusted Current Budget Balance as % GDP**



The direct impact on Richmond will come mainly through the Local Government Finance Settlement and the consequent reductions in grant funding. The Government has announced a 26% reduction in funding for Local Government over the next 4 years and all of the Council’s plans are set against this

backdrop of reducing resources. Locally, the new administration has set the following key financial objective:

- **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 will:

- 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, devolving power where possible and generally “shrinking the influence of the state” from people’s lives.

To begin the process of achieving its targets, the Council set out on a major budget review aimed at achieving a level of savings it believed necessary if it was to sustain its Council Tax aims with the spectre of a very difficult local government finance settlement looming in the near future.

This review, together with a wider review of the previous efficiency plans and the repositioning of the Council as a “Commissioning Council” (see paragraph 4), has led the Council to a point where this plan demonstrates that it has approved savings/efficiencies that will achieve its Council Tax aims for 2011/12 and go some way towards achieving its aims in 2012/13. Further this plan identifies that the Council has developed a strategy that will achieve savings in future years that go further in achieving its aims across a 4-5 year period. This will involve significant further change in the way the Council runs and procures services and aims to increase savings / efficiencies across this period.

The key financial figures in this report show:

- A council tax rise of 0% in 2011/12, a target of 0% in 2012/13 rising to an underlying increase of between 0-2% in 2013/14 and 2014/15 dependent on the level of savings achieved
- Additional savings/efficiencies/income generation already identified of £13m in the next three years.
- A gap of around £20m still to be identified dependent on Council Tax and Government Grant assumptions.
- Low salary inflation expectations for 2011/12 and 2012/13 but rising in later years.
- Continuing, but relatively low, growth pressures in adults and children’s social care in particular.
- Small further decreases in Government grants after 2012/13.

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Achieving the targets will not be easy, given the pressure on public finances and the scale of change required. The Council will need to ensure that the following targets are achieved:

1	All spending is managed within the overall agreed budget
2	That savings/cuts and efficiencies are actually converted into real financial savings
3	That the headcount of the Council is reduced
4	That the move towards a Commissioning Council yields real savings whilst achieving excellent service standards
5	That the Capital Programme is set at a prudent, affordable level to achieve the Council's priorities

### **2. National funding context and the Local Government Finance Settlement**

- 2.1 The 2010 Spending Review (CSR10) was published in October 2010. In general terms, this identified that in order to bring Government borrowing under control and reduce the structural budget deficit some £81bn of reductions to public expenditure would be required over the next 4 years.
- 2.2 In early December, the Local Government Finance Settlement started to give some details as to the share of the reductions which would fall on Local Government and hence, on Richmond upon Thames.
- 2.3 The settlement for Richmond was at the worst end of expectations with the headlines being summarised as follows:
- Reductions in Formula Grant of 14.3% and 10.4% in 2011/12 and 2012/13 respectively
  - Losses in specific grants totalling £2.7m (including 2010/11 in year reduction of £906k)
  - New Council Tax Freeze Grant of £2.9m
  - Announcement that the Primary Care Trust (PCT) would receive £1.75m to be spent on areas of joint benefits to social care and health

Despite the above facts, the Council has been portrayed as doing relatively well out of the settlement in some parts of the media due to the use of the government's new "spending power" measure. This shows that the Council's spending power is reduced by just 0.6% following these grant changes. The details behind this analysis are covered in the 2012/13 budget report to Cabinet in February. In brief, given that the Council gets relatively little funding from the Government it is inevitable that a reduction in such grants has a relatively lower impact on Richmond than those who receive higher levels of Government funding.

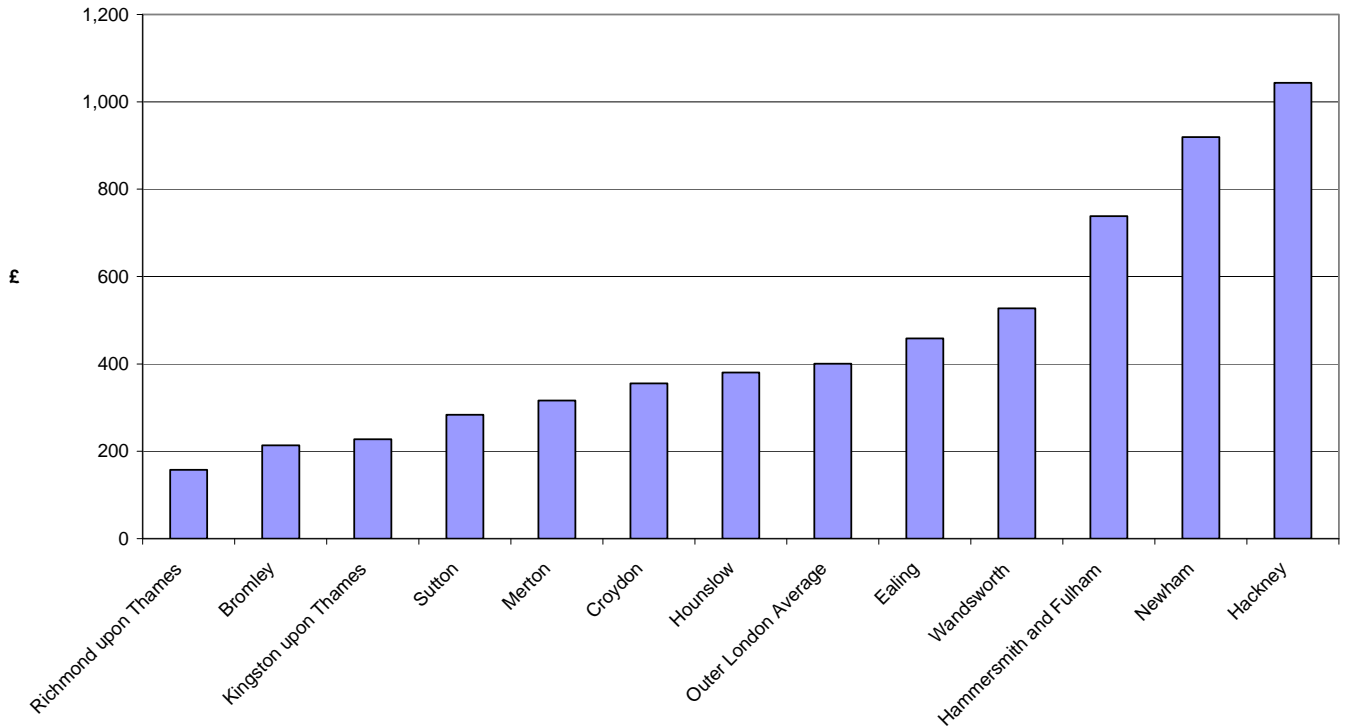
- 2.4 The Amount of Formula Grant to be received by the borough equates to £157.70 per head of population. This is the lowest amount of funding per head in London and 3rd lowest nationally amongst Unitary Authorities. The chart overleaf shows comparisons with a selection of London Boroughs and the outer London borough average. The next lowest funded London Borough, Bromley, receives over £55 per



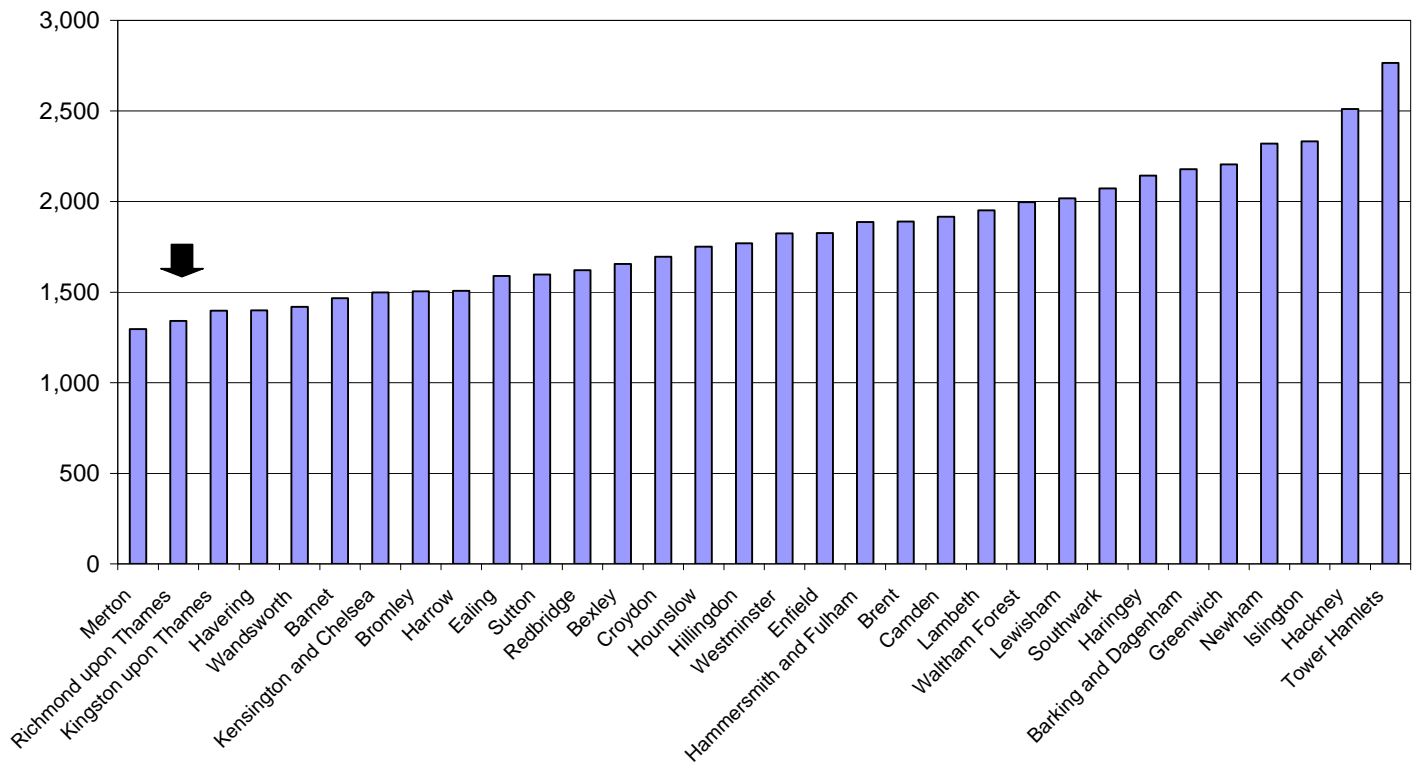
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head more than Richmond. Funding at this level for Richmond would yield an additional £10.9m in grant which would allow a reduction of 9.4% in the Richmond element of the Council Tax. **Funding at the Outer London average level (£400.57 per head) would yield an additional £47.4m in grant, enough to reduce Council Tax by approximately 41%.** The Council supports the Government's stated intention to review the current Local Government Finance System and will work to achieve a system that delivers a more equitable outcome for borough residents.

**Formula Grant / Head 2011/12**



- 2.5 After the direct funding of schools through DSG is allowed for, Richmond's support from Revenue Grant and Business rates makes up around 20% of the remaining budget requirement - compared to a national average of nearer 50% reflecting the twin impact of the low level of grant implied by the Government's formula and the relatively high Council Tax base.
  
- 2.6 Local authorities are currently facing significant and unavoidable spending pressures, which will continue into future years. These include the escalating costs of pensions, waste disposal, social care, any knock on effects of NHS funding issues, increasing energy charges, and potential grant fluctuations as a result of demographic changes.
  
- 2.7 The Council has a long history of being a relatively low spender per head of population. The latest data available from CIPFA (2008/09 actuals) shows Richmond as the second lowest spender per head in London (see chart below).

**Service expenditure per head**

- 2.8 Members' views are informed through a variety of mechanisms including the budget and Community Plan consultations. Reports from the budget consultation process for 2011/12 have been circulated to Cabinet and are available on-line at [www.richmond.gov.uk](http://www.richmond.gov.uk) (under the consultation pages). Other consultations have been carried out on major budget proposals and have been reported to the relevant Overview and Scrutiny Committee.

### 3. Budget reductions

- 3.1 In the Budget Review report to Council on 6<sup>th</sup> July the administration recognised the difficulties faced by the Council in dealing with the expected reductions in public expenditure whilst achieving its aims of zero or low Council Tax increases and meeting the needs of the most vulnerable members of the community. Amongst other actions, it has brought together previously separate strands of work under the umbrella of the Efficiency and Transformation Programme overseen by the Member led Strategy Panel. The Panel is charged with overseeing the achievement of efficiencies and reductions proposals and the Council's move towards becoming a commissioning council.
- 3.2 To date, £13m of firm proposals have been identified through the review of the Council's budget and previous efficiency plans. Further work on procurement and income generation is underway targeting a further £7m.

### 4. Working in Partnership and the move towards a "Commissioning Council"

On 8<sup>th</sup> November 2010, the Council's Cabinet agreed to a change of direction for the Council, a new way of working that will see the Council take on an increased commissioning role, building community capacity and working closely with partners to deliver services that truly meet local needs. The rationale for doing this is driven by the financial context and a local and national commitment to devolution of decision-making to a community level.

Our vision is to be an innovative and high performing Council by working in active partnership with the community, partners and businesses to provide effective and efficient services that the people of the London Borough of Richmond upon Thames need. The Council is committed to being an effective Commissioning Council. Commissioning is the process of assessing the needs of a local population and putting in place services to meet those needs within available resources. We will build community capacity to support the community in delivering priorities locally. The Council will act as enabler working with providers to ensure that the services delivered are value for money.

As a Council we will improve the way we work in collaboration with partners. Moving forward under the new direction, our partnerships will be about collaboration for delivery rather than co-ordination. We will better understand their needs and work with them to support the Council in delivering services. The new Commissioning Council is one that will lead as required and support partner organisations.

The Council's new strategic direction comprises three roles, namely:

- Through its community leadership role, the Council will transform local public services through partnership and collaboration;
- The Council will build community capacity to enable residents and communities to take greater control over their lives and to shape and where appropriate deliver local services;
- The Council will act increasingly act as a strategic commissioning body with a reduced role in service delivery.

The Council's critical financial partner is the PCT. In common with all other public sector organisations the PCT is facing intense financial pressures. However, the 1% surplus target for 2010/11 is likely to be met. Looking forward, the PCT will still be planning for a 1% surplus. The 2011/12 uplift in funding will be 2% (£5.6m) but to meet the 1% surplus target it has to implement a savings plan totalling £10.7m. This has arisen partly because of 'overperformance' (i.e. higher than budgeted activity) of £9.5m in acute services, continuing care and mental health / learning difficulty placements.

Over and above the uplift, the PCT will receive £1.753m (£1.69m in 2012/13) non recurrent funding to support work that is beneficial to both social care and health. Initial guidance focuses on work that supports reablement, quicker discharge from hospital and preventing hospital admissions. An example of this type of joint work is that the Council has recently agreed with the PCT that extra funding that has been released in 2010/11 will go to funding an enhancement of the multi-disciplinary teams dealing with patients at the point of discharge from hospital.

In accordance with the Cabinet's in principle decision taken on 10<sup>th</sup> March 2010, the Grants to Voluntary Organisations budget will be transferred into commissioning budgets. The precise distribution of this money is not yet known and the 2011/12 estimates do not yet reflect the change.

## **5 Capital Programme**

5.1 A review of the capital element of the MTFs and the Capital Programme for 2011/12 to 2015/16 are to be considered by Cabinet in February 2011. This Capital Programme totals over £162m during the 5 year period. Education projects (75% of the total programme over the next 5 years) continue to dominate the programme. This reflects the resources being provided by Central Government for the redevelopment of secondary schools through the Academies programme (£48m) on top of the Council's own investment plans for primary school expansions (£33m). The report to Cabinet on the Education Strategy identifies a need for 360 additional primary school places by 2016/17. This programme currently provides for 270 of those places. The programme now allows for further £1.75m being allocated to the Education Strategy in 2011/12, plus announced grants and assumptions of minimum grant receipts in future years. It is anticipated that this may enable a further 60 primary places.

5.2 The table below shows some of the key capital indicators for forthcoming years. Internal financing through capital receipts or the use of reserves forms a diminishing element of financing over the next three years and as new capital receipts are expected to be very limited during the current economic

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downturn. Capital grants are key to the programme reflecting Central Government investment in Education projects. However, there is still considerable uncertainty over the actual level of grant funding that will be received. The funding gap for the programme is increasingly taken up by borrowing as time goes on. This, and the use of internal resources which are currently invested, will impact on the revenue account through increased debt servicing costs and reduced earnings from interest. 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.

	2011/12 £000s	2012/13 £000s	2013/14 £000s	2014/15 £000	2015/16 £000
Total Capital Expenditure	65,849	46,347	27,422	11,696	11,074
Capital expenditure to be funded from reserves and capital receipts	7,935	2,833	2,433	2,433	2,433
Capital expenditure to be funded from grants and contributions	40,821	29,586	14,336	4,528	3,906
Capital expenditure to be funded from borrowing	17,093	13,928	10,653	4,735	4,735
Estimated Debt Outstanding at 31 <sup>st</sup> March	78,934	87,362	95,515	97,750	102,485

- 5.3 The current level of outstanding borrowing is £46m. If the Council takes the remainder of the estimated borrowing requirement for 2010/11, this figure will rise to £61m by 1<sup>st</sup> April 2011. The MTFs allows for increases of £2.7m in debt servicing costs over the next 4 years. Of this amount, £1.2m relates to the Education Programme with the remaining £1.5m relating to all other aspects of the programme.

## 6. Key Risks/Opportunities

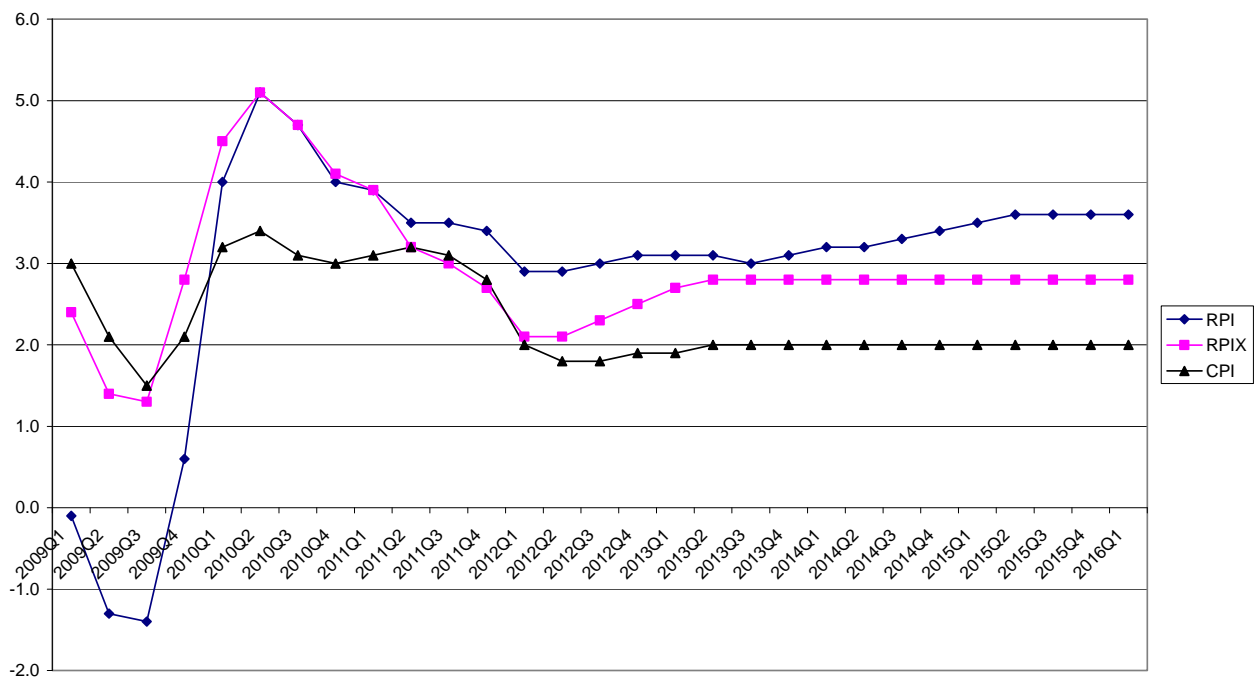
- 5.6.1 Demands on services, changes in grant regimes and legislative changes can all have a significant impact on the Council's budget. The current Government grant proposals reflect a continued tightening of public finances – with 47% of the Council's general grant being reliant on the "floor" regime, any move away from this protection would still leave the Council facing a very serious financial position. The major identified risks are considered in more detail in Annex 3 and some of the key/changing risks and opportunities are drawn out below:

Key Risks	Key Opportunities
<ul style="list-style-type: none"> <li>• Delivery of extensive savings/efficiency programme</li> <li>• Long term economic recession</li> <li>• Long term reduction in Government funding for Council and partners</li> <li>• Increasing numbers/cost of childrens' services</li> <li>• Increasing demand for adult social care</li> <li>• Long term high inflation against reduced funding</li> <li>• Treasury/pension costs</li> <li>• Potential for homelessness costs to increase</li> </ul>	<ul style="list-style-type: none"> <li>• Overall efficiency and transformation strategy</li> <li>• Strengthening procurement function</li> <li>• Savings from shared services partnership working including joint commissioning</li> <li>• Focussing services on those that are most important to the local public</li> <li>• Move towards becoming a Commissioning Council</li> </ul>

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- 5.6.2 Opportunities through changing the way services are provided or increasing income are covered in detailed service plans for each service. The Council is continually seeking to work with its major partners and, where possible, with other authorities to maximise the use of combined resources.
- 5.6.3 The revenue investment priorities and planned efficiencies have been set out in more detail in each of the budget review reports considered by individual Overview and Scrutiny Committees. Allowance has also been made in the current budgeting assumptions for the major capital investment plans. More details on this position have been set out in the revised capital programme.
- 5.6.4 The programme identifies that the Council will rapidly become almost entirely reliant on borrowing and Government grants to support its capital expenditure. The revenue programme reflects the expected loss of investment income/cost of borrowing as this position develops but this will clearly mean that the Council will become more vulnerable to Government restrictions on borrowing / changes in borrowing regulations in the future. In particular, under the current revenue grant regime, it is clear that the Council is receiving no additional government support for new borrowing allocations i.e. the whole cost of any new borrowing will fall on Borough taxpayers. Hence the level of future capital expenditure must be considered uncertain at this time.
- 5.6.5 The Council's inflationary pressures are very uncertain in the medium term. The Retail Prices Index (RPI) and RPIX (excluding mortgage interest) rose sharply during 2009/10 and now stand at 4.8% and 4.7% (Dec 2010) respectively and the Consumer Prices Index (CPI), which the Government uses as its inflationary benchmark, stands at 3.7%.

**Quarterly Inflation Forecasts**



The forecast chart above, taken from Office for Budget Responsibility data, shows that CPI is expected to stabilize at the Government's target rate of 2% but that RPI and RPIX remain higher. This may be important for the Council as pay awards and some contracts tend to be pegged to the RPI and RPIX measures. To give a feel for what effect different elements of expenditure can have on the Council's budget:

- A 1% increase or decrease in the pay award equates to approximately £700k or 0.6% of Council Tax
- Each additional £1m revenue expenditure equates to a rise in Council Tax of approximately 0.9%.

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- To reduce Council tax by 1% requires savings of approximately £1.1 -£1.2m.
- Borrowing of £1m over a 25year period adds approximately £80k per annum to the Council's expenditure.

5.6.6 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.

### 6. Conclusion/Forward financial strategy

6.1 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:

	2011/12 £000	2012/13 £000	2013/14 £000	2014/15 £000
Opening Base Budget (previous year)*	142,958	145,956	147,399	152,992
Inflation and associated increases	2,688	4,178	5,336	5,237
Government/Outside body led growth	6,337	473	551	576
Demand led growth	1,000	1,060	1,060	1,060
Investment priorities	3,923	-2,495	775	516
Efficiency proposals / income generation	-11,884	-1,777	-2,217	0
Other growth and savings	934	4	88	428
LBRUT Budget Requirement	145,956	147,399	152,992	160,809
Formula Grant (assumes nominal £1m loss in last 2 years)	-30,753	-27,238	-26,238	-25,238
Collection Fund	-250	0	0	0
LBRUT CTAX Requirement	114,953	120,161	126,754	135,571
CTAX Base	89,291.15	89,491.15	89,691.15	89,891.15
CTAX Richmond Element	1,287.39	1,342.71	1,413.22	1,508.16
Further savings to achieve Council Tax aims				
- Ctax @ 0%	0	4,951	6,336	8,560
- Ctax @ 2%	-	-	4,026	6,194

\* Opening position adjusted annually to allow for known transfers into/out of revenue grant and Government decisions to transfer specific grants to Formula Grant

After adjusting for the effects of changes to Formula Grant the adjusted Budget Requirement for 2010/11 is £150.3m. Comparing this to the 2011/12 figure shows a reduction of £4.4m (2.9%).

6.2 The figures in the model above have been set at the prudent end of our expectations although not at the worst case scenario. As it stands, the figures imply savings still to be identified of approximately £20m

assuming 0% Council Tax increases. This figure drops to nearer £15m if Council Tax is allowed to increase by 2% in the latter 2 years and therefore, including the £13m identified in 2011/12, brings the range of savings required to £28m - £33m over 4 years. Two key points to note against this are that the model only shows figures for 4 years and the initial projections for 2015/16 show that further savings of a similar order to 2014/15 would be required and it is likely that funding for Council Tax freeze grant would end in this year. Given these circumstances, the uncertainty surrounding a number of assumptions and the Council's continued desire to drive best value from every pound of taxpayers money that it spends, the Council's financial strategy remains broadly on track at this stage.

6.3 The Council has identified its strategic approach to achieving this level of savings and has begun to identify the detailed plans behind this but it is likely to be a number of months before all of the details can be confirmed. These plans include reviews of procurement and income, a review of shared service opportunities and the move to a Commissioning Council.

6.4 By taking early action in relation to efficiencies and budget reviews, the Council has positioned itself 'ahead of the game' in terms of meeting its 4 year targets. This has allowed some leeway for investment in priority areas and the plans allow for up to £0.5m on pothole and pavement repairs, £1m for Twickenham Riverside and 'Uplift' projects and £1.75m in support of the Education Strategy.

### 6.5 Sensitivity analysis of projections

6.6 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.

Description	£000	%
Employee Costs	74,221	32.0
Premises Costs	13,613	5.9
Transport Costs	9,726	4.2
Supplies and Services Costs	22,513	9.7
Third Party Payments*	93,529	40.3
Transfer Payments	9,689	4.2
Treasury	3,912	1.7
Central Items	4,585	2.0
	<u>231,788</u>	<u>100.0</u>
Funded by:		
Income from fees, charges etc.	-63,330	27.4
Government Grant		
Formula Grant	-30,753	13.3
Other Specific Grants	-22,752	9.8
Council Tax	<u>-114,953</u>	<u>49.5</u>
	<u>-231,788</u>	<u>100.0</u>

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

The key 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.

6.7 The budgeted impact of inflation in 2011/12 is considerably lower than in "normal" years. This is primarily due to low expected pay awards and the pressure on suppliers to keep costs low. To put inflation in context, a 1% increase in staff costs equates to £0.7m and a 1% increase in other costs equates to £1.6m. The model assumes that the budgetary effect of general inflation is held at 2.5% over the next 3 – 5 years and that pay awards will be held at levels at or below this level.

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- 6.8 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 elderly and children requiring care. In common with all local authorities, this has put immense pressure on finances and the problem is particularly acute in Richmond as there is often no increase in funding to support the unavoidable increased costs. 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 £50m on the provision of care for all client groups so a 1% increase in costs or client numbers would cost £0.5m. This expenditure is mostly included in the Third Party Costs figure in the table.
- 6.9 Most major service contracts usually have an annual uplift linked to a specific measure of inflation. There is a risk that the use of a particular measure may lead to volatility in costs which is out of step with other areas of Council expenditure. For example, the December 10 figure for RPI is 4.8%, for RPIX is 4.7% and for CPI is 3.7%. In addition, the updates normally relate to a specific month and this can have a significant impact on cost particularly in volatile economic conditions.
- 6.10 The Council generates income from a number of key sources (e.g. planning fees, building control fees, land 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 £63m in fees and charges and Cabinet (January 2010) considered a paper setting out some of the principles the Council would consider in reviewing such charges.
- 6.11 The final variable is the level of Government support for services. This comes to the Council in a variety of ways e.g. Formula Grant, Specific grants and non ring fenced grants and, as discussed earlier, will be under severe pressure for the foreseeable future as the Government takes steps to reduce the record public sector deficit. Government Grants of all sorts currently total £53.5m so each 1% fall costs the Council £0.535m.
- 6.12 To summarise, a 1% change in each of the factors above would lead to a change in costs of around £4.0m which equates £44.79 or 3.5% of the Council Tax. This clearly illustrates the potential impact of the volatile risk factors underlying the budget.
- 6.13 The current strategy is intended to maintain financial stability into the medium term. On current assumptions, as shown above, achieving savings in the range of £28m-£33m should enable the Council to hit its Council Tax expectations for the next 4 years. Each additional 1% reduction in Council Tax requires additional budget reductions of around £1.1m-£1.2m.

## **7. Key Actions in the next 6months**

- 7.1 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)
  - Q1 monitoring report for 2011/12 (July)
  - Implementation of all savings programmes agreed for 2011/12
  - Income generation report/decisions and implementation
  - Implementation of new procurement structures and strategy
  - Update on Commissioning Strategy
  - Performance monitoring reports
  - Reports on various stage 3 initiatives
  - Final outturn report 2010/11 and reserves and balances review

The above will all be monitored via reports Finance and Performance O&S Committee and the Cabinet.



Directorate	Description	2011/12 £000	2012/13 £000	2013/14 £000	2014/15 £000
<b>All</b>	<b>Base Budget</b>	<b>142,958</b>	<b>145,956</b>	<b>147,399</b>	<b>152,992</b>
	<u>Inflation</u>				
All	Employees (Increments etc.)	320	1,042	2,097	2,172
All	Employers Pension Contributions	269	264	272	0
All	Standard Inflation	2,099	2,872	2,967	3,065
		<b>2,688</b>	<b>4,178</b>	<b>5,336</b>	<b>5,237</b>
	<u>Impact of Grant Changes</u>				
All	Grants Transferred to RSG	7,152	0	0	0
All	Grants that have ended/reduced	1,447	107	60	60
All	Increases in Grants	-300	0	0	0
All	Council Tax Freeze Grant	-2,881	0	0	0
		<b>5,418</b>	<b>107</b>	<b>60</b>	<b>60</b>
	<u>Impact of Outside Body Changes</u>				
ACS	Concessionary Fares (11/12 offset in formula grant)	771	326	351	376
FCS	Levies	-102	0	100	100
All	Other (11/12 Carbon Reduction Commitment)	250	40	40	40
		<b>919</b>	<b>366</b>	<b>491</b>	<b>516</b>
	<u>Demand Led Growth</u>				
ACS	Care Services for Older People / LD	500	500	500	500
ECCS	Looked After Children / SEN	500	500	500	500
All	Other	0	60	60	60
		<b>1,000</b>	<b>1,060</b>	<b>1,060</b>	<b>1,060</b>
	<u>Investment Priorities</u>				
CI	Treasury (Changes to the Capital Programme)	673	755	775	516
CI	Pavements/potholes	500	-500	0	0
CI	Twickenham Riverside and uplift projects	1,000	-1,000	0	0
CI	Education Strategy	1,750	-1,750	0	0
		<b>3,923</b>	<b>-2,495</b>	<b>775</b>	<b>516</b>
	<u>Efficiencies / Income Generation</u>				
ACS	Self Directed Support	-500	0	0	0
ECCS	ECCS Staffing Review	-212	0	0	0
ENV	Richmond Works	-600	0	0	0
All	Savings Made re Grant Cuts	-592	-434	0	0
All	Budget review	-8,836	-1,343	-2,217	0
ENV	London permits	-150	0	0	0
ENV	Parking contract changes	-504	0	0	0
All	Reduction in Supplies Budgets	-450	0	0	0
All	Other Efficiencies	-40	0	0	0
		<b>-11,884</b>	<b>-1,777</b>	<b>-2,217</b>	<b>0</b>
	<u>Other Growth and Savings</u>				
FCS	Local Election	-200	0	0	200
CI	Treasury (Effect of Interest Rate Changes)	479	-296	-212	178
All	Growth re additional Grants	300	0	0	0
All	Reduced Use of Balances	250	250	250	0
All	Other	105	50	50	50
		<b>934</b>	<b>4</b>	<b>88</b>	<b>428</b>
	<b>Final LBR Budget Requirement</b>	<b>145,956</b>	<b>147,399</b>	<b>152,992</b>	<b>160,809</b>

Acronyms used

ACS	Adult and Community Services
ENV	Environment
ECS	Education, Children's and Cultural Services
FCS	Finance and Corporate Services
CI	Central Items
ABG	Area Based Grant
DIR	Directorate
HB	Housing Benefit
HR	Human Resources
LD	Learning Difficulties
SEN	Special Educational Needs

## **Significant Known/Committed Cost Pressures**

### **Inflation**

Details of items included in the inflation figure are set out below. In 2011/12, most commentators are predicting inflation to remain above the Bank of England's target rate. However the real impact on Council budgets is expected to be managed by low pay awards and negotiations with contractors/inflation being compensated by savings. Longer term inflation rates remain difficult to predict. The assumptions built in below draw on a number of sources including HM treasury projections.

#### **Inflation – Salaries and General Prices**

This needs to allow for the projected pay award in 2011/12, incremental progression on salaries and general price inflation. The Local Government pay award is not yet known but it is expected to be very low or nil. A number of political statements have been made in relation to public sector pay restraint. The projections in the MTFS allow for a potential 0% increase in salaries in 2011/12. 0% is also allowed in 2011/12 for most other expenditure - although specific work will be carried out in significant areas of the budget where inflation rates may vary significantly from the standard. The cost of increments is calculated on an individual basis. Salaries are assumed to increase by 1% in 2012/13 and then by 2.5% thereafter. Non-staffing costs are assumed to increase by 2.5% from 2012/13.

#### **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. These estimates assume continued increases in prices of an average of 10% per annum.

#### **Inflation - Pensions**

The latest triennial valuation of the Council's fund has just been completed. There remains, however, a degree of uncertainty over what impact the Hutton review on Public Sector pensions may have with major changes such as increased employee contribution rates and moving to career average based benefits being discussed. Officers are continuing to discuss contribution rate options with the actuary but have allowed in this plan for 0.5% increase per annum over the next 3 years.

#### **Inflation – Contracts**

The Council has a significant level of outsourced services run under contract with the private sector. Most of these contracts have either specific inflation indices built into them (often RPIX or industry specific) or require renegotiation on an annual basis such as social care spot purchases. The MTFS figures assume a return to inflation of 2.5%.

Inflation and the economy also impact on the value of capital contracts. As inflation and the economy recovers it is possible that building prices will start to rise again. The Council will continue to manage this within its existing capital programme.

### **Capital Financing Costs / Investment Income**

The Council still has a significant capital programme and, although much is funded through Government Grant, the current plans would still see an increase in borrowing of £41m over the next 5 years. The cost of financing this has risen following the 1% increase in Public Works Loans Board rates announced as part of the Comprehensive Spending Review. 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.

### **Social Services growth and efficiency measures**

The restructure and modernisation of these services has continued to yield both performance and efficiency gains. The continued work on implementing Self Directed Support and the introduction of reablement services are aimed at continuing to make our services more efficient and effective. However, reablement efficiencies

have taken longer to deliver than originally anticipated and the underlying cost and demand pressures remain high. Managing this area of spend is a key risk for the Council and its health partners.

### **Primary School expansion and Secondary School investment**

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 both primary and secondary places.

In the secondary sector the Council now has 3 Academy projects underway. In the primary sector, in recognition of the need to significantly expand the number of places to meet demand in each of the coming years, the Council has continued an expansion programme. Funding from the Government is limited but the Council will also continue to bid for funds where they become available.

### **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.

### **Levies**

The levies in the 2011/12 estimates are based on the latest information from the relevant bodies – with many expected to reduce in 2011/12. A 2.5% increase for future years is included in the inflation figures.

### **Waste Disposal Costs**

The budgets in this area allow for both changes in the WLWA levy and for potential costs associated with Landfill Allowance Trading Scheme (LATS) penalties and or/the cost of developing recycling/alternative disposal methods. Projections have been significantly reduced this year as WLWA have provided much clearer longer term projections and have decided to reduce balances significantly following in-year underspends. A further review of this area will be carried out in the new year

### **Concessionary Fares**

This area has become very complicated with changes to the cost distribution methodology, the Mayor not signing off on a 5 year deal on price increases and changes to funding via the Formula Grant. Although in theory the Council gained from additional grant being put into the formula in respect of Concessionary Fares – this was subsumed in its overall loss of Formula Grant through a reduction in the floor. The plan currently allows for “real” increases of around 5% per annum.

## Risks and Opportunities

### Current economic climate

The current economic climate continues to present one of the most significant challenges to the Council with its impact on government funding, income streams and the local economy. The Council maintains a model that reviews potential changes in funding/costs and this is reported on elsewhere in the main MTFS.

### Government Funding

Government funding has been announced for 2011/12 and 2012/13 so most of the “risk” is now removed for those 2 years (we still await announcement on Capital funding for 2012/13 and a small number of revenue grants). Beyond 2012/13 the MTFS models potential Formula grant losses of £1m p.a. Dependent on the economy, it is also possible that there may become further opportunities to bid for capital funding in later years.

### The Grant “floor”

Although the Council has suffered bigger losses through the reduction in the “floor” in the grant settlement than seemed likely a year ago, the “floor” mechanism still provides almost £14.5m (47%) more grant than the raw formula calculation. The removal/reduction of the floor presents an ongoing risk beyond 2012/13. Clearly across this longer timescale there remains a possibility of a wholesale change in Local Government funding and this now seems to again be under serious discussion. Although a wider review could be beneficial to the Council, this is far from a certain outcome. Recent press coverage identifies how boroughs such as Richmond, who rely less on Government funding, are becoming something of a “target” for those areas more reliant on Government funding support and this likely to continue in any funding review.

### Achievement of Savings Plans

The MTFS is modelled on the basis that the Council will achieve all the savings targets it sets in the timescales agreed. The focus of the plan is across all the next 4 years not just 2011/12. With a much higher 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.

### Move to a “Commissioning Council”/Efficiency and Transformation Agenda

Although achieving savings represents a significant challenge it should also be recognised that examining the way the Council currently procures all of its service, seeking opportunities for joint working and investing in technology to modernise customer contact also presents a very significant opportunity for the Council to improve value for money and deliver customer benefits.

### Waste Disposal

The Council’s trade and domestic refuse is dealt with via a statutory body – West London Waste Authority (WLWA). Although this Council has a good record in terms of recycling, much of the waste generated is currently disposed of to landfill sites. Legislation means that WLWA will face increasing restrictions on the level of waste it is expected to send to landfill sites and rapidly increasing penalties if it fails to achieve these targets. The Waste Authority has agreed proposals for sharing any waste penalties incurred in a way that should see this Borough avoid the cost of penalties for the foreseeable future. The main risks to costs (and to some extent an opportunity for the Council) is in terms of the cost of continuing to expand recycling and the costs of procuring alternatives to landfill for disposal.

### Housing/Homelessness

Following the announcements made in the national budget with respect to the Benefits system, there is great concern that many will not be able to afford to continue to live in their existing accommodation and that this, in turn, could see a rise in homelessness. There is also some concern that pressure on local housing resources could increase as families seek to move out of even more expensive accommodation in central London.

The Government has delayed the implementation of changes for existing benefits claimants until December 2011 but there remains a strong concern that this will only provide a brief delay the overall problems. These changes have also come alongside significant reductions in funding for new social house building. The Council

is developing its housing strategy in response to these challenges but at present no additional costs have been built into the MTFS.

### **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 MTFS includes allowance for our latest estimate of interest rates but particularly on the investment side they are vulnerable to the uncertain economic position.

### **Fees and Charges**

The Council is reviewing all existing fees and charges to ensure that opportunities for new sources of finance are investigated in accordance with the Corporate Fees and Charges Policy. However, it should be noted that there are risks inherent in having large parts of the budget financed by potentially volatile income streams and these are particularly apparent in the current economic climate. A paper outlining the corporate work being undertaken and identifying some of the key principles that will be considered when reviewing fees and charges was presented to Cabinet in January 2011.

### **Pension Fund**

Stock market volatility combined with continuing increases in longevity means there remains a long term risk here. However, the Pension fund is an issue which has to be considered from a very long term perspective and the Council's Pension Committee is charged with taking that longer perspective. Public sector pension schemes are currently being reviewed by the Government and it is expected that this will lead to proposals that reduce employers costs.

### **NHS/PCT funding**

Of all the Council's partners, the NHS/PCT is the one whose funding and funding decisions can have a significant impact on the Council's services. We continue to work closely together to achieve efficiencies which we hope will help contain the significant growth pressures on social care services. The Government has announced additional funding for social care that also benefits health via the NHS and it is hoped that this will particularly help provide preventative services.

### **Dedicated Schools Grant**

Similar to other Government funding streams the level of support to schools in the future is unclear – although the Government continues to refer to this sector as being likely to be protected from the worst impact of cuts in funding. One of the major concerns for the Council's wider budget is that the budget provides sufficient funding for both schools expansion and meeting the full cost of Special Educational Needs placements which have continued to grow in recent years.

### **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.

### **Council Tax Benefit**

The Government have announced that they will be devolving responsibility for Council Tax Benefits to local authorities in 2013/14 together with funding that will be reduced by 10%. The current cost of Council Tax Benefit is over £12m. Little other detail is known at this stage but it is assumed that local authorities will then have discretion over the rules for granting benefit and the level of benefit.

**Review of Revenue Reserves and Balances**

In summary, the Council's reserves position as at 1<sup>st</sup> April 2010 was as follows:

	<u>£m</u>
Statutory reserves over which the Council has limited or no control	9.7
Non statutory but essential reserves	9.7
Discretionary reserves currently earmarked	20.9
General Fund	10.7
<b>Total</b>	<b>51.0</b>

The Council has already carried out a significant review of reserves and balances, removing and clarifying a number and establishing the Invest to Save fund which will meet costs associated with redundancy and provide investment to pump prime longer term savings. The budget report for 2011/12 contains a full list of revenue reserves and balances with an analysis of expected changes in the current year which indicate that there is projected to be an overall reduction of around £5-6m.

It is extremely difficult to predict the future level of all reserves and some, such as insurance and pension reserves, are only calculated at year end and, for school balances in particular, projections provided by schools have proved unreliable in the past. Included within these funds is some £19.4m (as at 1.4.10) which is held on behalf of other parties, for statutory purposes, linked to specific PFI payments or used for internal insurance purposes.

The remainder of the funds are largely held for specific purposes and have specific Cabinet Members responsible for them. In 2009/10 gross expenditure from reserves exceeded £8.6m and for the current year this is expected to be around £11m.

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, investing in youth, 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 now stands at £10.7m which is within the Council's agreed range and the plans continue to assume the use of some £1.5m to support Council Tax levels to 2012/13. Assuming no further contributions, this will reduce the reserve to £9.2m which will be around 5-6% of the net budget (excluding schools). Using the current policy of 5% being the minimum prudent level to hold general reserves, this will only allow very limited flexibility for further use in support of either one off initiatives or helping to manage future Council Tax increases. Such decisions will be taken alongside the detailed budget proposals for the Council each year.

The next largest discretionary fund that the Council has established is now the **Invest to Save Fund** and stands at £6.9m. As well as funds identified for one off investment in pothole/pavement repairs and changes to parking arrangements the remainder is held against the expectation of significant redundancy costs and the need to provide some investment to support savings / efficiency initiatives.

The **Infrastructure Fund** stood at £3.3m at the start of the year but is fully committed and expected to be largely exhausted next year.

## Section H

The **Waste and Recycling Reserve** has been used (along with a significant element of the R&R Fund) to meet the costs associated with changes in waste collection and recycling. This is very much an “invest to save” initiative aimed at avoiding the increasing costs associated with Landfill Tax. Recent changes to levy calculations and assumptions on Landfill Tax penalties mean that further budgeted increases in this reserve need to be reviewed. A full review will be carried out at the start of the next financial year.

The **Repairs and Renewals fund** is currently programmed to begin to be replenished in the current year as repayments exceed expenditure. The non-statutory interest applied to both this fund and the S106 reserves will be reviewed for use to provide feasibility funding for capital projects and non-capitalisable costs associated with property disposals.

The **Project Development Reserve** has also increased with the consolidation of other funds. The majority of this supports the development costs for the initial three academies and provides funding for essential upgrades and investments for IT systems and infrastructure.

### **Overall reserve position**

Overall reserves and balances stood at £51 million at the end of the 2009/10 financial year and we currently project they will reduce to around £45m by the start of 2011/12.



**LONDON BOROUGH OF RICHMOND UPON THAMES**

**CABINET**

**DATE:** 22 FEBRUARY 2011

**REPORT OF:** DEPUTY LEADER AND CABINET  
MEMBER FOR FINANCE &  
RESOURCES

**LEAD OFFICER:** DIRECTOR OF FINANCE AND  
CORPORATE SERVICES

**SUBJECT:** CAPITAL BUDGET 2011/12 TO 2015/16

**WARDS:** ALL

**KEY DECISION?:** YES

**IF YES, IN FORWARD PLAN?:** YES

**For general release**

**1. PURPOSE OF THE REPORT**

- 1.1 This report considers the overall 5 year programme for 2011/12 to 2015/16 and provides specific details of the proposed capital schemes in the 2011/12 element of the programme.
- 1.2 The Medium Term Financial Strategy (MTFS) and Prudential Indicators are part of this process and are also considered here. The process takes account of the ongoing review of the Council's Asset Management Plan and Capital Strategy.

**EXECUTIVE SUMMARY**

This report makes recommendations as to the schemes to be included in the Capital Investment Programme for the financial years 2011/12 to 2015/16 having regard to:

- The likely level of resources available to fund the programme
- The risks associated with running a 5 year rolling programme
- The Prudential Indicators, which determine the affordability of the programme

## **2 RECOMMENDATIONS**

- 2.1 That the schemes identified in Appendix A be approved for inclusion in the capital budget.**
- 2.2 That the Cabinet note the proposals in Appendix A for the financial years 2012/13 to 2015/16.**
- 2.3 That the overall capital budget for 2011/12 be RECOMMENDED to Council in March for approval alongside the revenue budget and Council Tax.**
- 2.4 That the Prudential Indicators in Appendix B be RECOMMENDED to Council in March for approval alongside the revenue budget and Council Tax.**

## **3 BACKGROUND**

- 3.1 The Council updates its capital programme every year in line with the revenue strategy and the impact of the local government finance settlement on the resources available. This is informed by the Asset Management Plan (AMP) which includes five “core principles” including the manner in which we deal with the backlog of repairs to buildings in capital terms and including links to the Accommodation Strategy.
- 3.2 This report recommends the proposed five-year capital programme, with further detail on the main schemes contained in the first year of the programme available in the departmental budget reports. During the year, the capital programme is updated for changes due to new schemes and allocations, such as Transport for London grants, with these updates being approved by Cabinet.
- 3.3 In addition to the capital projects set out in this report, the Council has two Private Finance Initiative (PFI) schemes, which are for Older Peoples Homes and Primary Schools.
- 3.4 The Council also has a partnership with the private sector to invest in the IT infrastructure of the Council. The accounting arrangements for this partnership meant that the payments for asset purchase have not previously been counted as capital expenditure. However, a change in the accounting rules under International Financial Reporting Standards (IFRS) means that they now do. For this reason, the ongoing asset purchase under the IT contract is now shown in the Capital budget, although the funding is still from the existing revenue budget with no overall impact on the Council’s resources.

- 3.5 The Council is continuing to work closely with its external partners (Primary Care Trust, Police etc) to ensure that the best use is made of our assets.

#### 4 FINANCIAL MODEL 2011/12 TO 2015/16

- 4.1 **Appendix A** shows the financial model summarising the capital position up to 2015/16. The model includes budgets for creating three Academies, funded from government grant.
- 4.2 Summary figures for the 2011/12 programme are set out below with detailed scheme listings in **Appendix A**:

Directorate	£m
Education, Children's & Cultural Services	54.683
Adult and Community Services	4.680
Environment	4.352
Corporate Projects/Programmes	2.059
New Bids	0.075
<b>Total</b>	<b>65.849</b>

- 4.3 The main proposed changes to the programme since it was presented in the 2010/11 to 2014/15 programme last year are as follows:
- 4.3.1 Government grants have been amended to take into account the impact of in year cuts and the Local Government Finance Settlement on 13<sup>th</sup> December. These changes include a reduction of £2.1m in Education funding, with future years funding currently under review. Similarly, Housing Improvement Grant is assumed to continue although this is under review.
- Academies funding is agreed under a separate process and Government has been cut from £54m to £48m. The Council has committed to fund any feasibility/development costs up to £1.8m although the aim would be to minimise these as far as possible.
- The programme assumes that in addition to the £5.9m of schools grants announced for 2011/12, the Council will receive at least £3m p.a. thereafter. Although the Council will now plan on this basis, there is clearly a risk this funding will not materialise. Should this be the case, the Council will need to either review the capital programme or identify further resources from reserves or to support borrowing for this amount.
- 4.3.2 An additional £1.75m of resources has been allocated from revenue in 2011/12 to meet the funding gap for the Croft Centre (£1m) and feasibility work around primary and secondary provision (see paragraphs 5.3 and 5.4). These include funding for feasibility work, which may need to be charged to revenue if

the work does not result in a capital scheme, hence the use of revenue funding.

4.3.3 Capital receipts anticipated in the Sales & Reinvestment Programme approved in November are now included in the financing of the programme, but adjusted for prudence to allow for reduced or delayed income due to the economic climate. This has increased anticipated receipts available by almost £15m. These new receipts have been used to reduce the need to borrow to finance the programme.

4.3.4 New bids have been put forward totaling £75k. These are included in the programme for Member approval. All are funded from external resources, either grant or S106 money already received for this purpose.

4.4 To support the programme the Council prioritises the use of external resources, but also relies its own resources and needs to borrow either by taking out a loan from an external body or by using cash balances held by the Council. The Council will finance schemes in this way where they do not attract external funding, or cannot be financed from a revenue contribution.

4.5 Given the uncertainty on some major capital grants and the likelihood of reductions in Government support for public spending in the coming years, none of the funding set out in this report can be absolutely guaranteed. The Capital Programme will, therefore, remain under constant scrutiny to ensure its affordability.

4.6 Funding will need to be reconsidered each year according to various factors including:

- value for money
- service benefits
- external funding attracted
- invest to save opportunities
- overall affordability to the Council

## **5 CAPITAL PROGRAMME STRATEGY**

5.1 The 2011/12 capital investment programme reflects the Council's priorities by:

- Expansion and refurbishment of borough schools as reported to Cabinet in December 2010.
- Addressing the backlog of maintenance identified during the recent Conditions Survey which is required to keep Council premises fit for purpose.

Education, Children's & Cultural Services

- 5.2 The proposed Education Capital Programme was reported to the Education & Children's Services Overview & Scrutiny Committee on 7<sup>th</sup> February. The reported priorities were meeting the forecast demand for primary and secondary school places, providing sixth form provision within the borough's secondary schools and academies, enhancing the freedom of schools through academy status, and establishing community boards to support schools within their local communities.
- 5.3 To do so the following is required:

Primary school places

Officers believe that the expected forecast will be as follows:

<b>Primary</b>	<b>2012/ 2013</b>	<b>2016/ 2017</b>
School places required	300	360
Current capital programme delivers	270	270
Shortfall of places per year group	30	90

The 2011/12 programme shows £5.881m (Basic Need / Capital Maintenance Grant) of which £5.5m is intended for use in providing Primary School Places. The exact phasing of this expenditure is not known at this time and the programme will be updated as details become available.

Sixth forms

The recently established Sixth Forms Forum, consisting of the head teachers and principals of the eight maintained secondary schools and academies and the two colleges, have agreed an action plan to consider the feasibility of creating sixth form provision within the borough. As the target number of places required is dependent on the outcomes of the feasibility study (funded from the £1.75m increase in budget), due to be complete by late summer 2011, it is not possible to indicate the likely capital cost at this point in time. It is, however, assumed that sixth form provision at the existing Academies would be funded by Government grant.

Secondary provision

As part of the feasibility for Post 16, the Council will carry out a study of the demographics to ensure the provision of adequate numbers of secondary places in order to meet likely demand expected after the rise in primary numbers.

- 5.4 The programme for Primary School expansion is fully funded and the Council has £2m in contingency built in. Additionally the Council has identified a further £1.75m funding from revenue in 2011/12 which includes £1m re-instating of the Croft Centre Project, £0.5m for Primary and £0.25m for Secondary feasibility work.

- 5.5 £5.8m of new capital grants were announced in the Settlement for new capital works and capital maintenance. £5.5m will be used for the primary capital programme. This will allow the Council to proceed with two of its school expansion projects, creating an additional 60 places per year group.
- 5.6 From 2012/13 to 2015/16 the Council is budgeting to receive on average at least £3m per year in government funding. This £12m will allow the Council to prioritise their additional priority projects in education, and individual budgets will be reported as costings are finalised.
- 5.7 It is likely that there will be additional Section 106 contributions available, excluding those already financing Phase 1 and Phase 2 of the Primary Expansion Programme, totalling approximately £500,000. There are individual S106 agreements that need to be adhered to, so the use of these will need to meet these conditions.

#### Affordable Housing

- 5.8 The coalition government are making fundamental changes to the way affordable housing is funded and there will be significantly less grant investment from the Homes and Communities Agency (HCA) to develop new homes. The efficient use of the Housing Capital Programme (HCP) will be increasingly important to help secure what national funding is available. National changes to the Housing Benefit system are likely to see a significant increase in homeless applications to the Council; currently there are 230 households in temporary accommodation awaiting re-housing. This is expected to increase.
- 5.9 Locally, the aim is to ensure that the development of affordable homes is in keeping with the character of the area and have the support of the local communities in which they are located. A Borough Investment Plan, which is shortly to be submitted to Cabinet, will identify short, medium and long term investment opportunities in the borough.
- 5.10 From January 2010 to March 2012 the Council will spend £5.1m of HCP funds. In the same period, external funding of more than £16m, has been allocated to support affordable housing development in the borough, some secured as a direct result of HCP investment. Together, these funds will enable the delivery of 266 affordable units in 2011/12.
- 5.11 There is a pipeline of affordable housing that will require grant funding. Under the new funding regime, HCP will be required for these homes to be deliverable and to ensure that they remain affordable to those in the greatest housing need, especially for families. In the absence of national funding there is the option to fund some developments in their entirety including homes developed on Council owned sites. There is also the option to support the development of accommodation for vulnerable client groups including people with learning disabilities. The proposed level of additional funding for 2011/12 at £3m, including £150k to fund sponsored moves initiatives, and £2.5m per annum thereafter will support the delivery of affordable homes. It is possible that some of this funding may be provided from the recently announced

New Homes Bonus Scheme. The new HCA prospectus is due to be issued in January 2011, it is likely that the changes to funding regimes will impact the Council in 2012/13 and at this time the funding levels may need to be reviewed.

## **6 CAPITAL RESOURCES**

- 6.1 In determining the Capital Budget for any given year, the Council must take account of resources available, existing commitments against those resources, likely future resource and expenditure pressures and the prioritisation of new schemes against the likely level of available resources for that particular year.
- 6.2 The types of resources currently available are listed below:
- 6.2.1 Capital Grants and Contributions - These are issued from a number of sources. The majority are issued by the Department for Education to finance work on Education projects. The Council works extensively to ensure that it draws in funding from many sources. Raising funds from external partners and sponsors will continue to be a key theme within the Council's ongoing programme of works.
- 6.2.2 Section 106 receipts – These benefits are received from developers by means of legally binding planning obligation agreements which are intended to enable developments to go ahead which might otherwise have been refused. Planning obligations often provide for local transport and highway improvements, expansion of school places or affordable housing schemes.
- 6.2.3 Repairs and Renewals Fund - This fund was set up as an internal loan mechanism with funds being reimbursed from revenue budgets by the relevant service over a period not exceeding ten years. The balance at the start of 2011/12 is anticipated to be £1.6m.
- 6.2.4 Usable Capital Receipts - When the Council sells a fixed asset, a capital receipt is generated. These receipts can be used to finance capital projects. The rationalisation of Council property and realisation of assets has been a key part of the Council being able to fund its long-term capital programme. However, receipts are a finite resource. In the current economic climate there is also a risk that some of the existing scheduled receipts will continue to be deferred to later years.
- 6.2.5 Borrowing – Since 1st April 2004, the Prudential Borrowing regime has applied. This has relaxed the controls on Council borrowing so that the Council sets its own limits on what it can afford to borrow rather than requiring Government credit approvals. Borrowing will increase revenue costs as loans will attract interest and money must be set aside to ensure the loan can be repaid on maturity.

## **7 PRUDENTIAL BORROWING**

- 7.1 Under the Prudential Borrowing regime, the Council has powers to borrow as it considers appropriate (within the limits indicated by the Prudential Code) to finance schemes that have no other funding available. The cost of such borrowing will be fully met from Council Tax, as it is not subject to any government support. The Council sets its own priorities and evaluates the need to fund the borrowing for capital spend against other calls on the revenue budget and Council Tax. This allows investment to go ahead which might, for example, generate revenue savings to offset the cost, which would not have been previously possible.
- 7.2 The Prudential Code seeks to ensure that all external borrowing is within prudent and sustainable levels, that capital expenditure plans are affordable and that treasury management decisions are taken in accordance with professional good practice. A framework of self-regulation is in place with authorities setting themselves a number of 'prudential indicators' to ensure that these aims are met. The Prudential Indicators are attached in **Appendix B**. Although the form of these indicators is set by the Code, the actual limits are set by each authority based on their local situation. However, the Government does have a reserve power to step in and restrict levels in order to control total public sector debt and the national economy.
- 7.3 In order to minimise the risks associated with the introduction of the Prudential code, the setting of the prudential limits is done in conjunction with the setting of the Medium Term Financial Strategy to ensure that the effect on the revenue budgets is allowed for.
- 7.4 Officers will continually review the alternative methods of financing to ensure that the programme is funded through the most advantageous methods.
- 7.5 The overall impact of this programme is that borrowing is expected to increase from £61.8m at the end of 2010/11 to £102.5m by the end of 2015/16. The new borrowing is split 45% for Education, 33% for Housing with the remaining 22% covering mainly Council infrastructure, such as street lighting, roads, and some parks investment. The revenue costs of financing this increased borrowing will rise to around £2.7m p.a. (dependant on interest rates at the time of borrowing) by the end of the 5 year period of the programme.
- 7.6 Although this represents a very significant investment programme, this is still expected to fall well short of the overall funding requirement to meet the Education Strategy. Further work will therefore continue on identifying additional funds and bidding for Government funding.

## **8 FINANCIAL IMPLICATIONS AND RISK ANALYSIS**

- 8.1 Risks to the capital programme can arise from many areas including:



- The complete or partial loss of (or delay in the receipt of) anticipated capital receipts, particularly given the current economic climate.
- Loss of government grant.
- 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 requires greater use of revenue budget for interest and repayments.

8.2 These risks cannot be completely removed but the following considerations have been made to try and minimise the risks:

- Receipts are included in the programme only when there is a definite disposal timetable for the relevant assets, and the 5-year capital programme assumes that less than 100% of projected disposal receipts will actually be received. The assumed percentage varies depending on when the sale is planned for to allow for future uncertainties.
- The introduction of controls prior to schemes starting now ensure that a budget holder is clearly assigned responsibility for monitoring the budget and also ensure that necessary approvals have been sought and funding has been identified.
- Regular monthly capital expenditure monitoring meetings are held with officers with monitoring responsibilities, to identify any problems at an early stage.
- Staffing levels in construction and property development areas to support capital projects have been reviewed.
- The approval process for new capital schemes considers the revenue implications of increased borrowing required.

## **9 CONCLUSION**

- 9.1 The Capital Budget has been adjusted to include capital grants assumed to be available from the Department for Education. However, these grants currently fall short of the amounts actually needed. There is also uncertainty about future years' grant from DfE.
- 9.2 Several grant allocations, including the new schools grants, are still unknown due to reviews of the allocation criteria. Prudent estimates have been made of the likely allocations to Richmond, although actual allocations could be lower, in which case the programme would need to be reviewed to consider the funding available.

- 9.3 The proposed level of borrowing in the programme shows a large increase in debt financing costs over the 5 years. This needs to be considered in line with the Council's other funding priorities, the level of grant cuts, and the impact on the MTFs of this increase in costs.
- 9.4 Other than borrowing, the Council has the option to reduce cash balances or change the use of capital receipts. Both these options are limited (by the amount of cash held and the number of assets that can be sold) and so would only delay the need to borrow.
- 9.5 Government grant funding currently reduces after 2011/12 with a consequential impact on the capital programme. However, the Council will continue discussions with the Government with the aim of identifying further opportunities to increase allocations in the future. In addition, the Council will continue to consider the availability of revenue funds to boost investment where possible.
- 9.6 It is important that the capital programme should not be seen as fixed. It will develop throughout the course of the coming year(s) and must maintain some flexibility to cope with many different scenarios. The Council has limited resources available and, after past disposals, does not have as substantial asset holdings as many other Councils. In these circumstances, the Council has a duty to the taxpayer to actively manage its assets and take a firm stance on assets that are surplus to requirements.
- 9.7 It remains important that the Council continues its drive to make the best use of its assets and, where they are not required, disposes of them to generate investment in the remaining assets.

## **10 CONSULTATION AND ENGAGEMENT**

- 10.1 Consultation has been undertaken with Service Departments' Capital Budget Managers.

## **11 FINANCIAL AND EFFICIENCY IMPLICATIONS**

- 11.1 These are contained in the body of the report.

## **12 POLICY IMPLICATIONS/CONSIDERATIONS**

- 12.1 The Council's budget is part of the Policy Framework and therefore requires the approval of Council.

## **13 RISK ASSESSMENT**

- 13.1 Risks are assessed in paragraph 8 above.

**14 EQUALITY IMPACT/CONSIDERATIONS**

14.1 No direct equalities impact implications arise from this report.

**15 LEGAL IMPLICATIONS**

15.1 There are no direct legal implications arise from this report. However virtually all projects will require legal input into procurement and contractual documentation.

**16 ENVIRONMENTAL STATEMENT**

16.1 There are no direct environmental impacts arising from the recommendations made in this report.

**17 BACKGROUND DOCUMENTS:**

Various Cabinet reports  
The Local Government Act 2003 (Prudential Borrowing system)  
The Capital Strategy  
The Asset Management Plan

**18 CONTACTS**

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**CAPITAL PROGRAMME FOR 2011/12 to 2015/16**

	<u>Estimate</u>	<u>Estimate</u>	<u>Estimate</u>	<u>Estimate</u>	<u>Estimate</u>	
	<u>11/12</u>	<u>12/13</u>	<u>13/14</u>	<u>14/15</u>	<u>15/16</u>	<u>TOTAL</u>
	<u>£000</u>	<u>£000</u>	<u>£000</u>	<u>£000</u>	<u>£000</u>	<u>£000</u>
<b><u>Education, Children's &amp; Cultural Services</u></b>						
<b>Devolved Formula Capital - paid to schools</b>	306	306	306	306	306	<b>1,530</b>
<b>Teddington School (Building Schools for the Future)</b>	870	0	0	0	0	<b>870</b>
<b>Academies</b>	14,705	22,870	10,430	622	0	<b>48,627</b>
<b><u>Primary Places - Phase 1</u></b>						
- Holy Trinity	350	450	0	0	0	<b>800</b>
- St Mary's and St Peter's	2,595	1,255	0	0	0	<b>3,850</b>
- Orleans Infant	1,000	0	0	0	0	<b>1,000</b>
- Chase Bridge	3,469	2,052	0	0	0	<b>5,521</b>
- Stanleys	4,760	2,919	0	0	0	<b>7,679</b>
- Phase 1 contingency	500	100	0	0	0	<b>600</b>
<b><u>Primary Places - Phase 2</u></b>						
- Heathfield	211	0	0	0	0	<b>211</b>
- St Osmund's SFE	5	0	0	0	0	<b>5</b>
- St Mary Magdalen's SFE	465	0	0	0	0	<b>465</b>
- Buckingham Phase 1	108	0	0	0	0	<b>108</b>
- Sheen Mount SFE	504	75	0	0	0	<b>579</b>
- Lowther Permanent expansion	1,750	1,300	0	0	0	<b>3,050</b>
- St John's Site for St Mary's expansion	5,212	1,250	0	0	0	<b>6,462</b>
- Nelson	200	0	0	0	0	<b>200</b>
- Marshgate SFE	150	0	0	0	0	<b>150</b>
- The Vineyard	140	0	0	0	0	<b>140</b>
- Archdeacon Cambridge	130	0	0	0	0	<b>130</b>
- Buckingham Phase 2	700	1,700	0	0	0	<b>2,400</b>
<b>Primary Strategy</b>	500	0	0	0	0	<b>500</b>
<b>Secondary and 6th Form Expansion</b>	250	0	0	0	0	<b>250</b>
<b>Schools Investment Programme - unallocated</b>	0	0	4,970	0	0	<b>4,970</b>
<b>Basic Need Grant - to be allocated</b>	3,935	3,000	3,000	3,000	3,000	<b>15,935</b>
<b>Capital Maintenance Grant - to be allocated</b>	1,946	0	0	0	0	<b>1,946</b>
<b>General Planned Maintenance</b>	2,533	1,083	1,083	1,083	1,083	<b>6,865</b>
<b>Children's Centres, Extended Schools and other community resources</b>	1,000	0	0	0	0	<b>1,000</b>
<b><u>14-19 diplomas, SEN &amp; Disabilities</u></b>						
- Darell	1,050	0	0	0	0	<b>1,050</b>
- Christ's CE	1,082	0	0	0	0	<b>1,082</b>
- Grey Court	1,030	0	0	0	0	<b>1,030</b>
- Orleans Park	1,046	0	0	0	0	<b>1,046</b>
- Waldegrave	1,080	0	0	0	0	<b>1,080</b>
- 6th Forms	50	0	0	0	0	<b>50</b>
- 14-19 diplomas, SEN & Disabilities adjustment	49	0	0	0	0	<b>49</b>
<b>Youth Facilities (£1m Youth Reserve)</b>	250	0	0	0	0	<b>250</b>
<b>Libraries</b>	640	0	0	0	0	<b>640</b>
<b>Libraries Self Service - RFID</b>	112	0	0	0	0	<b>112</b>
	<b>54,683</b>	<b>38,360</b>	<b>19,789</b>	<b>5,011</b>	<b>4,389</b>	<b>122,232</b>

**CAPITAL PROGRAMME FOR 2011/12 to 2015/16**

	<u>Estimate</u>	<u>Estimate</u>	<u>Estimate</u>	<u>Estimate</u>	<u>Estimate</u>	
	<u>11/12</u>	<u>12/13</u>	<u>13/14</u>	<u>14/15</u>	<u>15/16</u>	<u>TOTAL</u>
	<u>£000</u>	<u>£000</u>	<u>£000</u>	<u>£000</u>	<u>£000</u>	<u>£000</u>
<b><u>Adult and Community Services</u></b>						
Housing Development schemes	2,850	2,350	2,350	2,350	2,350	<b>12,250</b>
Sponsored Moves	150	150	150	150	150	<b>750</b>
Improvement Grants	1,345	1,345	1,345	1,345	1,345	<b>6,725</b>
Adult PSS - New Grant to be allocated	335	0	0	0	0	<b>335</b>
	<b>4,680</b>	<b>3,845</b>	<b>3,845</b>	<b>3,845</b>	<b>3,845</b>	<b>20,060</b>
<b><u>Environment</u></b>						
General Maintenance Programme	2,231	1,350	1,350	1,350	1,350	<b>7,631</b>
Street Lighting - Health & Safety	500	500	500	500	500	<b>2,500</b>
Parks Cyclical Capital Fund	150	150	150	150	150	<b>750</b>
Principal Roads restructure	140	140	140	140	140	<b>700</b>
Uplift Projects (Whitton and Tangle Park)	280	0	0	0	0	<b>280</b>
Palewell Pavilion	413	0	0	0	0	<b>413</b>
Transport for London schemes	0	0	0	0	0	<b>0</b>
Parks Strategy	155	0	0	0	0	<b>155</b>
Barn Elms Feasibility	143	0	0	0	0	<b>143</b>
Works at St Marys (Busen)	250	0	0	0	0	<b>250</b>
DDA compliance	60	0	0	0	0	<b>60</b>
Air Quality Action Plan	30	0	0	0	0	<b>30</b>
	<b>4,352</b>	<b>2,140</b>	<b>2,140</b>	<b>2,140</b>	<b>2,140</b>	<b>12,912</b>
<b><u>Finance and Corporate Services</u></b>						
Capitalisation of revenue	700	700	700	700	700	<b>3,500</b>
Richmond Theatre	859	902	948	0	0	<b>2,709</b>
Improvement & Efficiency (Capital Ambition)	100	0	0	0	0	<b>100</b>
SERCO Contract (financing lease purchase)	400	400	0	0	0	<b>800</b>
	<b>2,059</b>	<b>2,002</b>	<b>1,648</b>	<b>700</b>	<b>700</b>	<b>7,109</b>
<b><u>New Bids (for approval)</u></b>						
Adaptations and Equipment Assessment Centre	8	0	0	0	0	<b>8</b>
Extra Care Housing - Feasibility defined as Capital in Grant Conditions	20	0	0	0	0	<b>20</b>
S106 funded Playground Improvements	37	0	0	0	0	<b>37</b>
Revenues & Benefits Software	10	0	0	0	0	<b>10</b>
	<b>75</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>75</b>
<b>TOTAL</b>	<b>65,849</b>	<b>46,347</b>	<b>27,422</b>	<b>11,696</b>	<b>11,074</b>	<b>162,388</b>

**CAPITAL PROGRAMME FOR 2011/12 to 2015/16**

	<u>Estimate</u>	<u>Estimate</u>	<u>Estimate</u>	<u>Estimate</u>	<u>Estimate</u>	
	<u>11/12</u>	<u>12/13</u>	<u>13/14</u>	<u>14/15</u>	<u>15/16</u>	<u>TOTAL</u>
	<u>£000</u>	<u>£000</u>	<u>£000</u>	<u>£000</u>	<u>£000</u>	<u>£000</u>
<b><u>Financed By..</u></b>						
Grants	40,561	29,572	14,336	4,528	3,906	<b>92,903</b>
Contributions	260	14	0	0	0	<b>274</b>
Use of Section 106 Receipts	747	0	0	0	0	<b>747</b>
Direct Revenue Financing	1,862	0	0	0	0	<b>1,862</b>
Use of Infrastructure Reserve	20	0	0	0	0	<b>20</b>
Youth Development Fund	250	0	0	0	0	<b>250</b>
Application of Capital Receipts	4,656	2,433	2,433	2,433	2,433	<b>14,388</b>
Financing Lease	400	400	0	0	0	<b>800</b>
Borrowing - SCE(R)	782	0	0	0	0	<b>782</b>
Borrowing - unsupported	16,311	13,928	10,653	4,735	4,735	<b>50,362</b>
	<b>65,849</b>	<b>46,347</b>	<b>27,422</b>	<b>11,696</b>	<b>11,074</b>	<b>162,388</b>
<b>Government Grants (872xx)</b>						
Estimated Unused Grant at 1st April	10,046	7,046	4,046	1,046	46	
Estimated New Grant in Year	37,561	26,572	11,336	3,528	3,860	
Estimated Use of Grant in Year	-40,561	-29,572	-14,336	-4,528	-3,906	
<b>Estimated Unused Grant at 31 March</b>	<b>7,046</b>	<b>4,046</b>	<b>1,046</b>	<b>46</b>	<b>0</b>	
<b>S106 &amp; AHF (88101 &amp; 3)</b>						
Estimated Unused S106 at 1st April	3,399	2,652	2,652	2,652	2,652	
Estimated New S106 in Year	0	0	0	0	0	
Estimated Use of S106 in Year	-747	0	0	0	0	
<b>Estimated Unused S106 at 31st March</b>	<b>2,652</b>	<b>2,652</b>	<b>2,652</b>	<b>2,652</b>	<b>2,652</b>	
<b>Infrastructure Fund (97902)</b>						
Balance of Fund at 1st April	20	0	0	0	0	
New Contributions	0	0	0	0	0	
Use during the Year - Capital	-20	0	0	0	0	
Use during the Year - Revenue	0	0	0	0	0	
<b>Balance of Fund at 31st March</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	
<b>Repairs and Renewals Fund (97904)</b>						
Balance of Fund at 1st April	1,626	2,705	3,648	4,533	5,359	
Repayments	1,079	943	885	826	279	
New Contributions	0	0	0	0	0	
Used for Capital Schemes during the Year	0	0	0	0	0	
Used for Revenue Schemes during the Year	0	0	0	0	0	
<b>Balance of Fund at 31st March</b>	<b>2,705</b>	<b>3,648</b>	<b>4,533</b>	<b>5,359</b>	<b>5,638</b>	
<b>Project Development Fund (97903)</b>						
Balance of Fund at 1st April	695	695	695	695	695	
New Contributions	0	0	0	0	0	
Use during the Year - Capital	0	0	0	0	0	
Use during the Year - Revenue	0	0	0	0	0	
<b>Balance of Fund at 31st March</b>	<b>695</b>	<b>695</b>	<b>695</b>	<b>695</b>	<b>695</b>	
<b>General Capital Receipts (94701)</b>						
Estimated Unused Capital Receipts at 1st Apr	3,231	6,849	9,366	6,933	4,500	

**CAPITAL PROGRAMME FOR 2011/12 to 2015/16**

	<u>Estimate</u>	<u>Estimate</u>	<u>Estimate</u>	<u>Estimate</u>	<u>Estimate</u>	<u>TOTAL</u>
	<u>11/12</u>	<u>12/13</u>	<u>13/14</u>	<u>14/15</u>	<u>15/16</u>	
	<u>£000</u>	<u>£000</u>	<u>£000</u>	<u>£000</u>	<u>£000</u>	<u>£000</u>
Estimated New Receipts in Year:						
- @ 100% for receipts earmarked for specific	0	500	0	0	0	
- @ 70/60/50% for other receipts	8,274	4,450	0	0	0	
Estimated Use of Capital Receipts in Year	<b>-4,656</b>	<b>-2,433</b>	<b>-2,433</b>	<b>-2,433</b>	<b>-2,433</b>	
<b>Estimated Unused Capital Receipts at 31st</b>	<b>6,849</b>	<b>9,366</b>	<b>6,933</b>	<b>4,500</b>	<b>2,067</b>	

	<u>Estimate</u>	<u>Estimate</u>	<u>Estimate</u>	<u>Estimate</u>	<u>Estimate</u>
	<u>11/12</u>	<u>12/13</u>	<u>13/14</u>	<u>14/15</u>	<u>15/16</u>
<b>Capital Borrowing</b>					
Estimated Borrowing at 1st April	61,841	78,934	87,362	95,515	97,750
Estimated New Borrowing in Year	17,093	13,928	10,653	4,735	4,735
Estimated Debt Repayment	0	<b>-5,500</b>	<b>-2,500</b>	<b>-2,500</b>	0
<b>Estimated Borrowing at 31st March</b>	<b>78,934</b>	<b>87,362</b>	<b>95,515</b>	<b>97,750</b>	<b>102,485</b>

**Prudential Indicators****A. Actuals and Estimates of Capital Expenditure**

Capital expenditure underpins the whole of the process and forms the basis of determining the need to borrow. The capital expenditure shown in this indicator is in line with the proposed Capital Programme for 2011/12.

	<u>Revised</u> <u>2010/11</u> <u>£000</u>	<u>Estimate</u> <u>2011/12</u> <u>£000</u>	<u>Estimate</u> <u>2012/13</u> <u>£000</u>	<u>Estimate</u> <u>2013/14</u> <u>£000</u>	<u>Estimate</u> <u>2014/15</u> <u>£000</u>	<u>Estimate</u> <u>2015/16</u> <u>£000</u>
Capital Expenditure	53,173	65,849	46,347	27,422	11,696	11,074
<i>Of Which:</i>						
Financed by RuT	28,728	24,628	16,361	13,086	7,168	7,168
Financed from Grants & Contributions	24,015	40,821	29,586	14,336	4,528	3,906

The figures given above are the latest position. The estimate of capital expenditure changes during the course of the year as schemes are added and completion dates change. The budget monitoring reports during 2010/11 have detailed these changes which have generally arisen from Government Grants and slippage to future years.

The proposed Capital Programme shows a significant reduction after 2011/12. This is due to the value of Education grants being unknown at this time, the depletion of the Infrastructure Fund and capital receipts. The proposed Academies at Whitton, HCC and Shene are included with the majority of spend from 2011/12 to 2013/14. The Council has made clear that it expects these schemes to be fully funded by Government Grant.

**B. Actuals and Estimates of ratio of Financing Costs to Net Revenue Stream**

This set of prudential indicators is designed to show whether the general fund can support future capital spend and shows how the cost of borrowing fits with the revenue strategy.

	<u>Revised</u> <u>2010/11</u> <u>£000</u>	<u>Estimate</u> <u>2011/12</u> <u>£000</u>	<u>Estimate</u> <u>2012/13</u> <u>£000</u>	<u>Estimate</u> <u>2013/14</u> <u>£000</u>	<u>Estimate</u> <u>2014/15</u> <u>£000</u>	<u>Estimate</u> <u>2015/16</u> <u>£000</u>
Financing Costs	3,897	5,526	5,686	5,734	6,401	6,730
LBRuT Budget Requirement	142,958	145,956	147,399	152,992	160,809	168,809
As a Ratio	<b>2.73%</b>	<b>3.79%</b>	<b>3.86%</b>	<b>3.75%</b>	<b>3.98%</b>	<b>3.99%</b>

Financing costs represent the net interest costs to the Council (interest payable on debt less interest due on balances) and an assumed provision for debt repayment (the Minimum Revenue Provision).

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.

In effect, this shows how much of the Council's budget is being spent on financing debt. This figure is a latest estimate and will not be final until the Council approve the budget and Council Tax in March.



The financing costs are linked to movements in interest rates. 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 at (currently) lower rates. The current market projections are for bank base rate to increase from the low point of 0.50% in the second half of 2011/12, although the further into the future the projection, the less certain it is.

The increases in costs in future years are due to a projected increase in borrowing to fund the Capital Programme, which leads to increased interest payments. The programme also uses a proportion of balances (Capital Receipts, Infrastructure Fund and others) to fund spending. This reduces the balances we are receiving interest on. These estimates assume the Capital Programme spends to budget, although there has been slippage in prior years which has reduced the need to borrow in each year.

### **C. Estimates of the impact of Capital Investment decisions on the Council Tax**

This indicator is designed to highlight whether the general fund can support future capital spend and illustrates the change in the level of Council Tax 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.

<b><u>Impact of Change in Financing Costs</u></b>	<b><u>Revised</u></b> <b><u>2010/11</u></b> <b><u>£000</u></b>	<b><u>Estimate</u></b> <b><u>2011/12</u></b> <b><u>£000</u></b>	<b><u>Estimate</u></b> <b><u>2012/13</u></b> <b><u>£000</u></b>	<b><u>Estimate</u></b> <b><u>2013/14</u></b> <b><u>£000</u></b>	<b><u>Estimate</u></b> <b><u>2014/15</u></b> <b><u>£000</u></b>	<b><u>Estimate</u></b> <b><u>2015/16</u></b> <b><u>£000</u></b>
Principal Repayments (represented by MRP)	1,526	2,067	2,449	2,741	2,952	3,019
Net Interest Payments	497	1,623	1,438	1,229	1,720	2,017
Financing Costs	2,023	3,690	3,886	3,970	4,672	5,036
Year on Year Increase	n/a	1,666	197	84	702	364
Impact on the Council Tax Requirement	n/a	<b>1.45%</b>	<b>0.16%</b>	<b>0.07%</b>	<b>0.52%</b>	<b>0.26%</b>
Impact on a Band D Property	n/a	<b>£18.66</b>	<b>£2.20</b>	<b>£0.94</b>	<b>£7.83</b>	<b>£4.06</b>

It is important to know the impact of future years programmes so that the financing of this increase can be considered ahead of time 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 only in respect of the schemes which are funded by the Council. This 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. Schemes such as Transport for London which are fully financed by grant have no impact on the Council Tax.

The increase in Principal Repayments is due to the anticipated increased need to borrow which impacts both the interest payments due on higher borrowing and the provision for debt repayment (MRP) increasing. There is also an impact from the use of capital receipts and other reserves to finance the Capital Programme and so reducing the level of investments.

The large increase in Net Interest Payments in 2014/15 is due to some of the current long term investments maturing. It is not currently anticipated that they could be reinvested at similar rates, and it is also assumed that interest rate rises will tail off in this year. The loss of higher income and lack of offsetting growth in income leads to anticipated returns falling in this year. It may be that this is an overly prudent assumption, and figures are revised annually to allow for revisions based on new information.

The large year on year increase in Financing Costs in 2011/12 is due to the financing of the capital programme, particularly the need to borrow to provide school places.

**D. Actuals and Estimates of 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>2010/11</u> <u>£000</u>	<u>Estimate</u> <u>2011/12</u> <u>£000</u>	<u>Estimate</u> <u>2012/13</u> <u>£000</u>	<u>Estimate</u> <u>2013/14</u> <u>£000</u>	<u>Estimate</u> <u>2014/15</u> <u>£000</u>	<u>Estimate</u> <u>2015/16</u> <u>£000</u>
Capital Financing Requirement (CFR)	<b>98,763</b>	<b>113,062</b>	<b>123,770</b>	<b>131,090</b>	<b>132,228</b>	<b>133,299</b>
Year on Year Increase in CFR	+18,862	+14,299	+10,708	+7,320	+1,138	+1,071
<i>Increase represented by:</i>						
Schemes financed by Borrowing	21,423	17,493	14,328	10,653	4,735	4,735
MRP contributions to fund the Requirement	-2,561	-3,194	-3,620	-3,333	-3,597	-3,664
	<u>18,862</u>	<u>14,299</u>	<u>10,708</u>	<u>7,320</u>	<u>1,138</u>	<u>1,071</u>

The CFR increases when there is an increase in spending which is not funded externally or from internal sources such as the Infrastructure Fund or Capital Receipts. The Council would therefore need to borrow either by taking out a loan from an external body or by "borrowing" cash coming in to pay for the scheme.

The balance of Useable Capital Receipts includes the approved 3 year disposal programme from 2010/11. The Infrastructure Fund will also be minimal by the end of 2010/11.

**E. Net Borrowing and the Capital Financing Requirement**

The code states that 'The local authority should ensure that net external borrowing does not, except in the short term, exceed the total of capital financing requirement (CFR) in the preceding year plus the estimates of any additional capital financing requirement for the current and the next two financial years'. This indicator sets a limit on the amount a local authority can borrow.

Net borrowing is defined as the total borrowing of the authority less total investments.

	<u>Revised</u> <u>2010/11</u> <u>£000</u>	<u>Estimate</u> <u>2011/12</u> <u>£000</u>	<u>Estimate</u> <u>2012/13</u> <u>£000</u>	<u>Estimate</u> <u>2013/14</u> <u>£000</u>	<u>Estimate</u> <u>2014/15</u> <u>£000</u>	<u>Estimate</u> <u>2015/16</u> <u>£000</u>
Net External Borrowing Limit Set	123,800	131,100	132,200	133,300	133,300	133,300
Net External Borrowing	-38,330	-16,993	-11,959	-4,596	3,406	10,821
Amount above/(below) limit	-162,130	-148,093	-144,159	-137,896	-129,894	-122,479

Net borrowing is projected to stay well within the limit set.

**F. Authorised Limit for External Debt**

The authorised limit should show the absolute limit of borrowing based upon the authority's plans and include a sufficient headroom for adverse cash movements.

	<u>Revised</u> <u>2010/11</u> <u>£000</u>	<u>Estimate</u> <u>2011/12</u> <u>£000</u>	<u>Estimate</u> <u>2012/13</u> <u>£000</u>	<u>Estimate</u> <u>2013/14</u> <u>£000</u>	<u>Estimate</u> <u>2014/15</u> <u>£000</u>	<u>Estimate</u> <u>2015/16</u> <u>£000</u>
Authorised Limit Set	107,000	124,000	131,000	139,000	141,000	145,000
Projected External Debt	87,411	103,777	111,434	118,995	120,585	124,675
Amount above/(below) limit	-19,589	-20,223	-19,566	-20,005	-20,415	-20,325

The Council is projected to stay well within the Authorised Limit set for 2011/12. 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>2010/11</u> <u>£000</u>	<u>Estimate</u> <u>2011/12</u> <u>£000</u>	<u>Estimate</u> <u>2012/13</u> <u>£000</u>	<u>Estimate</u> <u>2013/14</u> <u>£000</u>	<u>Estimate</u> <u>2014/15</u> <u>£000</u>	<u>Estimate</u> <u>2015/16</u> <u>£000</u>
Operational Boundary Set	102,000	119,000	126,000	134,000	136,000	140,000
Projected External Debt	87,411	103,777	111,434	118,995	120,585	124,675
Amount below Limit	-14,589	-15,223	-14,566	-15,005	-15,415	-15,325

The Council is projected to stay well within the Authorised Limit set for 2011/12.

**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 2009, a revised version of the Code was issued and the Treasury Management Policy will be amended to reflect the new Code when this is reviewed in February. 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.

**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 less investments.

Short term investments which last less than a year are included as variable rate investments. Although the rate is fixed for the duration of the investment, that investment will mature and can be re-invested at a different rate during the year. Investments lasting over a year are included as fixed rate investments.

<b><u>Fixed Rate Exposure</u></b>	<u>Revised</u> <u>2010/11</u> <u>£000</u>	<u>Estimate</u> <u>2011/12</u> <u>£000</u>	<u>Estimate</u> <u>2012/13</u> <u>£000</u>	<u>Estimate</u> <u>2013/14</u> <u>£000</u>	<u>Estimate</u> <u>2014/15</u> <u>£000</u>	<u>Estimate</u> <u>2015/16</u> <u>£000</u>
Upper Limit	64,000	90,000	106,000	119,000	122,000	126,000
Lower Limit	14,000	40,000	56,000	69,000	72,000	76,000
Projected Exposure	39,021	64,514	81,342	94,495	96,730	101,465

The steady increase in the exposure limit reflects the increased projected borrowing in future years, which will be at a fixed rate.

<b><u>Variable Rate Exposure</u></b>	<u>Revised</u> <u>2010/11</u> <u>£000</u>	<u>Estimate</u> <u>2011/12</u> <u>£000</u>	<u>Estimate</u> <u>2012/13</u> <u>£000</u>	<u>Estimate</u> <u>2013/14</u> <u>£000</u>	<u>Estimate</u> <u>2014/15</u> <u>£000</u>	<u>Estimate</u> <u>2015/16</u> <u>£000</u>
Upper Limit	-133,000	-137,000	-149,000	-155,000	-149,000	-147,000
Lower Limit	-58,000	-62,000	-74,000	-80,000	-74,000	-72,000
Projected Exposure	-83,212	-87,368	-99,162	-104,952	-99,185	-96,505

The movements in the exposure limit reflects the projected decline in balances leaving less money available for investment and also the impact of not making further long term investments, so a larger proportion of investment becomes variable rate.

#### **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.

	<u>Lower Limit</u> <u>2011/12</u> <u>%</u>	<u>Upper Limit</u> <u>2011/12</u> <u>%</u>	<u>Estimate</u> <u>2011/12</u> <u>%</u>
Under 1 year	0%	30%	12%
1 to 2 years	0%	40%	0%
2 to 5 years	0%	50%	8%
5 to 10 years	0%	60%	22%
10 to 15 years	}	}	12%
15 to 25 years	} 20%	} 85%	40%
over 25 years	}	}	6%

It can be seen from the above table that the maturity structure has begun to concentrate at the longer end to take advantage of rates 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, with debt authorities 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>2010/11</u>	<u>Estimate</u> <u>2011/12</u>	<u>Estimate</u> <u>2012/13</u>	<u>Estimate</u> <u>2013/14</u>	<u>Estimate</u> <u>2014/15</u>	<u>Estimate</u> <u>2015/16</u>
Limit	40.0%	40.0%	40.0%	40.0%	40.0%	40.0%
Actual / Estimate	21.0%	14.2%	6.5%	2.0%	2.1%	2.2%
Projected Investments at 31st March (£m)	23.3	15.3	7.3	2.3	2.3	2.3

Interest rates are usually higher for longer term investments than short term. However, given the current problems in financial markets, the decision has been taken to limit further long term investments until the market stabilises. Once the Council is satisfied that the risks of long term investments can be controlled, the Council could keep up to 40% of it's 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.

## **Definitions of Budget Headings**

### **SeRCOP (formerly BVACOP)**

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.

## **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**

### **Corporate and Democratic Core**

This comprises corporate management and democratic representation and management costs.