



BUDGET BOOK

2008-2009

Mark Maidment CPFA

**Director of Finance
& Corporate Services**

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Section A

Budget Book 2008/09

Produced by the Accountancy Section
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We are continuously trying to improve the content
and presentation of all our financial publications and
would welcome any suggestions that could help us in
this endeavour.

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Nese keni veshtersi per te kuptuar kete botim, ju lutemi ejani ne recepcionin ne adresen e shenuar me poshte ku ne mund te organizojme perkthime nepermjet telefonit.

إذا كانت لديك صعوبة في فهم هذا المنشور، فنرجو زيارة الإستقبال في العنوان المعطى أدناه حيث بإمكاننا أن نرتب لخدمة ترجمة شفوية هاتفية.

এই প্রকাশনার অর্থ বুঝতে পারায় যদি আপনার কোন সমস্যা হয়, নিচে দেওয়া ঠিকানায় রিসেপশন-এ চলে আসুন যেখানে আমরা আপনাকে টেলিফোনে দোভাষীর সেবা প্রদানের ব্যবস্থা করতে পারবো।

اگر در فهمیدن این نشریه مشکل دارید، لطفاً به میز پذیرش در آدرس قید شده در زیر رجوع فرمایید تا سرویس ترجمه تلفنی برایتان فراهم آورده شود.

જો તમને આ પુસ્તિકાની વિગતો સમજવામાં મુશ્કેલી પડતી હોય તો, કૃપયા નીચે જણાવેલ સ્થળના રિસેપ્શન પર આવો, જ્યાં અમે ટેલિફોન પર ગુજરાતીમાં ઇન્ટરપ્રિટીંગ સેવાની ગોઠવણ કરી આપીશું.

ਜੇਕਰ ਤੁਹਾਨੂੰ ਇਸ ਪਰਚੇ ਨੂੰ ਸਮਝਣ ਵਿਚ ਮੁਸ਼ਕਲ ਪੇਸ਼ ਆਉਂਦੀ ਹੈ ਤਾਂ ਹੇਠਾਂ ਦਿੱਤੇ ਗਏ ਪਤੇ ਉੱਪਰ ਰਿਸੈਪਸ਼ਨ 'ਤੇ ਆਓ ਜਿੱਥੇ ਅਸੀਂ ਟੈਲੀਫੋਨ ਤੇ ਗੱਲਬਾਤ ਕਰਨ ਲਈ ਇੰਟਰਪ੍ਰਿਟਰ ਦਾ ਪ੍ਰਬੰਧ ਕਰ ਸਕਦੇ ਹਾਂ।

اگر آپ کو اس اشاعت کو سمجھنے میں کوئی مشکل ہے تو، براہ کرم نیچے دیئے ہوئے ایڈریس کے استقبال پر جا کر ملیئے، جہاں ہم آپ کیلئے ٹیلیفون انٹرپرائیٹنگ سروس (ٹیلیفون پر ترجمانی کی سروس) کا انتظام کر سکتے ہیں۔

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1. Introduction to the Budget Book

The Council's total budget is comprised of revenue and capital elements.

Revenue budgets include all income and expenditure, which is incurred in the day-to-day running of the Council. Detailed revenue budgets at a departmental level are included in Sections B to F of this book.

Capital budgets include income and expenditure relating to long-term assets (e.g. schools, roads, parks). For further details of the 5-year capital budget please see the report that was approved by Cabinet on 14th January 2008 in section I.

Detailed budget reports for individual services can be found on the Council's website:

http://www.richmond.gov.uk/home/council_government_and_democracy/democratic_processes_and_events/calendar_of_meetings.htm

The Overview and Scrutiny Committees met on the following dates to agree the individual service budgets:

Adult Social Care and Housing – 28th January 2008
Education and Children's Services – 17th January 2008
Environment and Sustainability - 23rd January 2008
Finance and Strategy – 19th February 2008

The Full Council approved the Council Tax on March 4th 2008. The cabinet report giving the detail behind the council tax decision is included in Section G.

2. Financial Background and Budget Strategy

The Community Plan, The Corporate Plan and the Medium and Long Term Financial Strategy provide the policy framework within which the Council sets its budget and detailed financial plans for each year.

The Community Plan sets out the long term vision for the borough and the Corporate Plan translates this into the short, medium and long term targets that will help to achieve those priorities. The Community Plan covering the Council's priorities for 2007-2017 can be found on the website at the following address:

http://www.richmond.gov.uk/home/council_government_and_democracy/council/partnerships/community_plan_2007_to_2017.htm

The Community Plan sets out seven priority themes for the Council over the next ten years:

1. Tackling disadvantage and inequalities
2. Being the greenest borough in London
3. Being the safest London Borough for all our communities
4. Growing up in Richmond upon Thames
5. Creating a healthy and caring Richmond upon Thames
6. Creating a vibrant and prosperous Richmond upon Thames
7. Improving access and participation

Residents have been able to express their views in a variety of consultation exercises over recent years. The Council has also had feedback from reviews and inspections of its services. The Local Strategic Partnership will continue to develop its longer-term strategies, and to seek the views of partners, residents, businesses and stakeholders as to the best ways of achieving the Council's priorities.

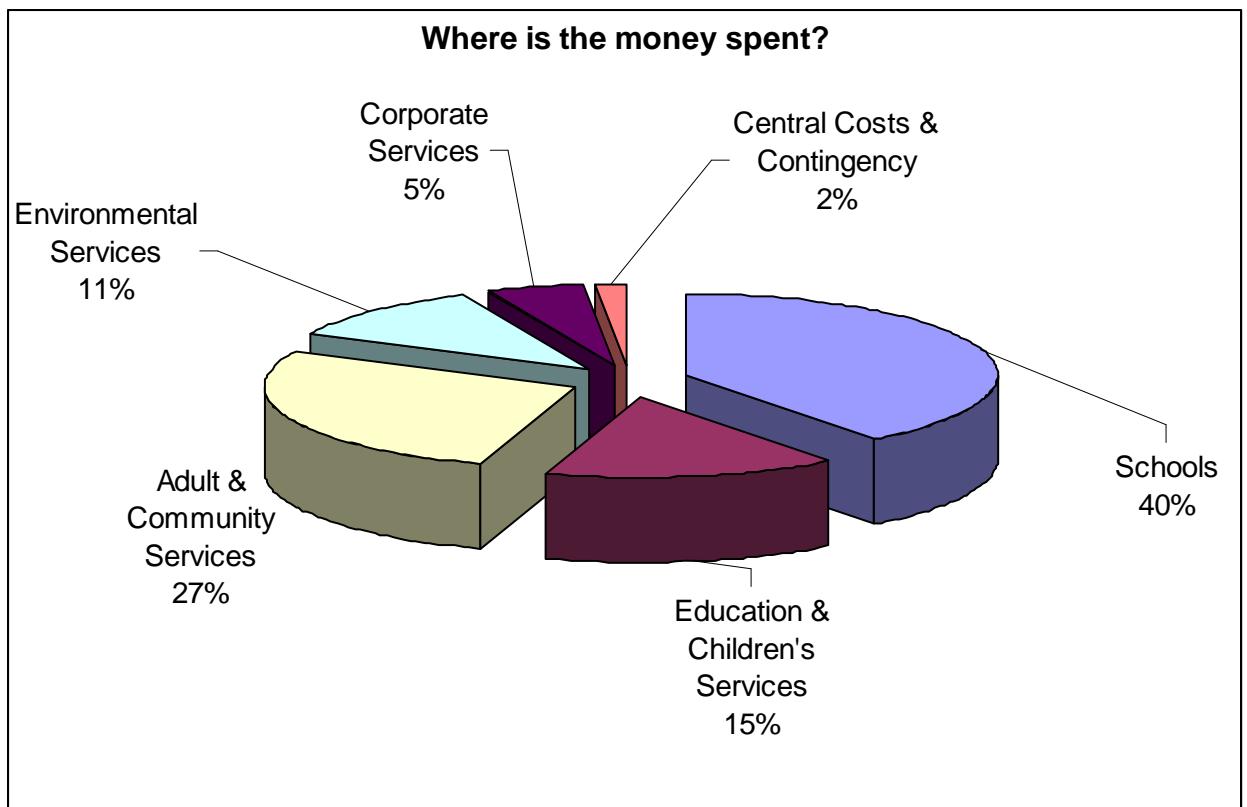
The Council's role is as an enabler, acting as a leader in a Local Strategic Partnership committed to providing the quality services that the local community needs in the most efficient way possible. Our progress will be reported in the Best Value Performance Plan and in our Annual Reports.

The Medium and Long Term Financial Strategy is attached for information in Section H.

3. The Budget Requirement

The Budget Requirement is the amount of budget the Council needs to provide its services to residents.

The chart below shows the percentage of budgeted spend by service for 2008/09 (excluding notional capital charges):

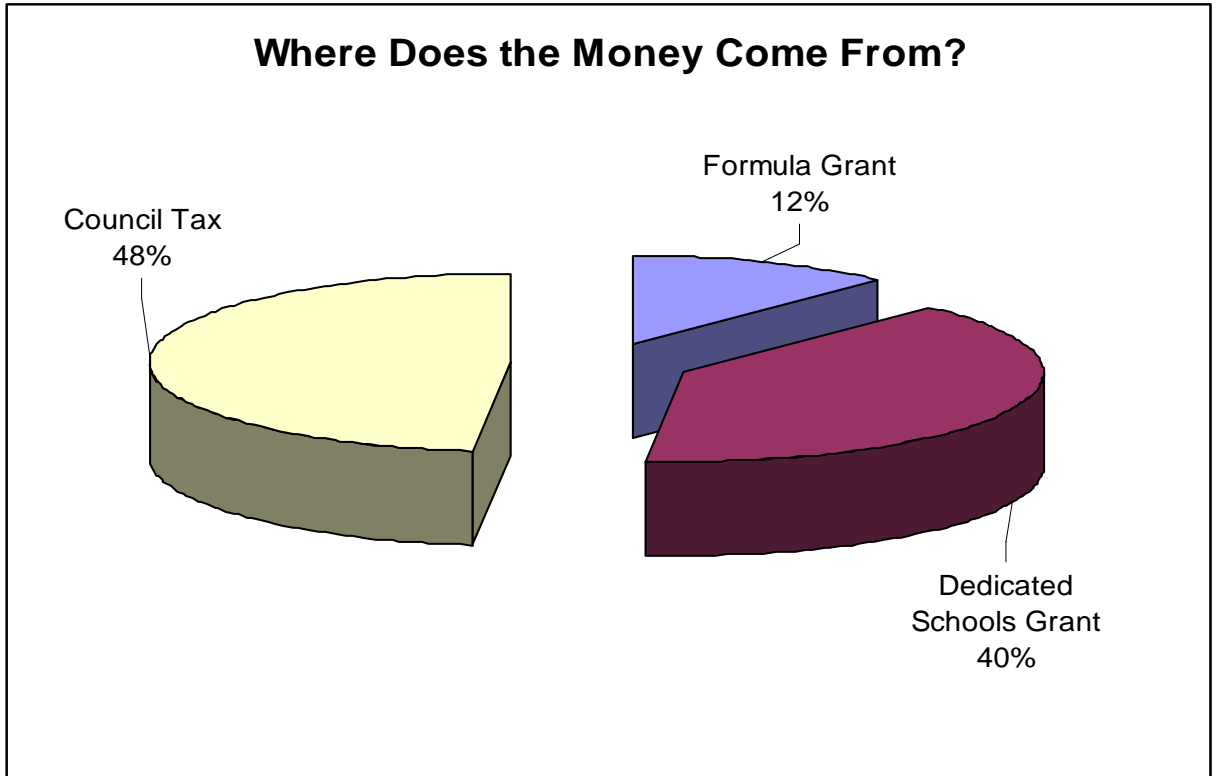


Budgeted Expenditure And Funding 2008/09

	Gross Expenditure	Income	Net Expenditure	Net Expenditure per Resident
	£000's	£000's	£000's	£'s
Schools	89,967	0	89,967	489.01
Education and Children's Services	66,845	-26,666	40,179	218.39
Adult and Community Services	159,004	-86,402	72,602	394.63
Environmental Services	65,961	-43,831	22,130	120.29
Corporate Services	37,421	-33,964	3,457	18.79
Corporate Democratic Core	4,495	-1	4,494	24.43
Non-Distributed Costs	3,302	0	3,302	17.95
Total Expenditure on services	426,995	-190,864	236,131	1,283.49
Area Based Grant			-6,167	-33.52
Treasury / Capital Charges			-11,198	-60.87
Capitalisation			-200	-1.09
Contribution to/from Reserves			-178	-0.97
Contingencies			2,068	11.24
Total Expenditure on LBRuT services			220,456	1,198.28
Add Levies:				
Lee Valley Regional Park			270	1.47
Environment Agency Flood Defence			178	0.97
London Pensions Fund Authority			255	1.39
Coroners' Service			131	0.71
West London Waste			5,538	30.10
London Borough of Richmond upon Thames Budget Requirement (Including Schools Expenditure)			226,828	1,232.92
Greater London Authority Precept			27,288	148.33
Less:				
Formula Grant			27,178	147.72
DSG			89,967	489.01
Surplus on Collection Fund			1,000	5.44
Richmond upon Thames Council Tax Requirement			135,971	739.08
Tax Base (equivalent Band D Properties)			88,078	
Band 'D' Council Tax			1,543.76	

4. Where is the money coming from in 2008/ 2009

Details of the background to setting this year's Council Tax can be found in the Revenue Budget Strategy and Council Tax 2008/09 report contained in Section G. The following chart shows the main sources of funding available to the council to support its budget requirement.



4.1 Council Tax Calculation

The Council Tax is calculated, initially for a Band D property. Tax levels for properties in other bands are calculated by applying specific proportions to the Band D tax. This year the overall Council Tax band D amount has increased by 3.57%.

The Council Tax bands for 2008/2009 are as follows:

2008/09	Richmond	Greater	Total
	Council Tax	London	Council
Band	Requirement	Authority	Tax
	£'s	£'s	£'s
A	822.62	206.55	1,029.17
B	959.73	240.97	1,200.70
C	1,096.83	275.40	1,372.23
D	1,233.94	309.82	1,543.76
E	1,508.15	378.67	1,886.82
F	1,782.36	447.52	2,229.88
G	2,056.56	516.37	2,572.93
H	2,467.88	619.64	3,087.52

4.2 Formula Grant

The government allocates funding to Local Authorities based on perceived need using a formula calculation as part of the Local Government Finance Settlement. This funding includes the distribution of the National Non Domestic Rates Pool.

In 2008/09 Richmond will receive £27.178 million in formula grant compared to the adjusted 2007/08 settlement of £26.645 million. Richmond has received the minimum 2% floor increase. This means that in 2008/09 Richmond will receive the lowest level of funding per person in London at £147.73. Excluding Schools funding the council receives only 20% of its funding from formula grant, compared to the London average of 43%.

From 2008/09 £2.5 million worth of grants previously provided via the specific grant mechanism will change to be provided through the general formula grant.

Central Government sets the level of Non-Domestic Business rates. For 2008-09 the charge is 46.2p in the pound or 45.8p in the pound for small businesses. The Council collects Business Rates on behalf of Central Government. In turn the Government returns a proportion of the national total to all local authorities. In 2008-09, the Council estimates that it will collect £71.915 million on behalf of Central Government. It will receive £23.857 million of National Non-Domestic Rates (NNDR) from the national pool.

4.3 Dedicated Schools Grant

The Council receives a specific grant called the Dedicated Schools Grant. This is a ring-fenced grant and has to be spent on schools and specific pupil related services. The

grant now makes up 40% of the Council's external funding. Funding is allocated by The Department for Education and Skills based on pupil numbers with a guaranteed increase in funding per pupil per year. In 2008/09 Richmond is expected to receive £89.967 million in Dedicated Schools Grant compared to £85.895 million in 2007/08, an increase of 4.7%.

4.4 Area Based Grant

The government has introduced a new type of grant from 2008/09. Area Based Grant is a general non-ring fenced grant and will replace several grants previously received through the specific grant mechanism. Richmond will receive £6.1 million through Area Based Grant in 2008/09.

5. Best Value Code of Practice

The Council's estimates must comply with the requirements of the Best Value Accounting Code of Practice (BVACOP). The BVACOP has been established to modernise the system of Local Authority accounting and reporting, and to ensure that it meets the changing needs of modern Local Government. The primary objective of the code is to ensure the overall consistency of data and comparability in all external financial reporting statements for Local Government.

The BVACOP defines total cost for external reporting purposes to include all the costs (direct and indirect), which relate to the provision of that service or activity. This includes an appropriate share of central and departmental support costs, as well as the revenue impact of any deferred charges. To comply with BVACOP the costs of past pension contributions are treated as a corporate cost and are not charged to front line services.

The Chartered Institute of Public Finance and Accountancy (CIPFA) has also undertaken a review of the subjective analysis used for local authority expenditure and income. This has led to a recommended standard subjective analysis list. The budget book pages, as reported to Committee, are produced in line with this recommended analysis.

6. Performance

A new form of Corporate Performance Assessment (CPA) was introduced in 2005, termed the 'Harder Test'. The Audit Commission now scores Local Authorities across two spectrums. Firstly on an authority's ability to improve and secondly on its current performance. The new regime looks to assess more closely, the authority's management of resources and value for money. In addition it looks at factors such as an Authority's position with regards to the promotion of partnerships and community focus. This emphasis on partnerships will be intensified when the new Comprehensive Area Assessment (CAA) is introduced in 2009. Under the new CAA all public bodies in the area (council, health, police etc.) will be assessed on the overall performance within the area and how they have contributed towards it.

London Borough of Richmond's latest CPA score gives Richmond a direction of travel of 'Improving Well' and an overall '3 star rating' (out of 4 stars) in relation to how well the Council manages its finances and provides value for money. The 3 star rating is defined as 'a service that consistently delivers above minimum requirements for users'. The Use of Resources score is made up of the following more detailed judgements:

Auditor's Judgement	2007
Financial Reporting	3
Financial Management	3
Financial Standing	3
Internal Control	3
Value for Money	4

The Audit Commission commented that:

- Performance in priority areas shows general improvement.
- Nearly three quarters of performance indicators have improved in 2006/07, with a third demonstrating performance among the best nationally.
- Services for children and young people are excellent, with improving educational attainment.
- Housing and cultural services have also improved and are excellent.
- Housing benefit service improvements have been sustained.
- Adult social care has delivered improved outcomes.
- Richmond champions alternatives to the car and the use of public transport has increased.
- Recycling rates have improved, although the levels of litter and visible graffiti, while improving, remain comparatively high.
- Richmond works well with its partners and makes good contributions to wider community benefits.
- The borough remains a safe place to live and work in, with reduced domestic burglaries and robberies.
- Resident satisfaction remains among the best in London.
- Richmond continues to provide good value for money and has a track record of delivering required change.
- Further enhancements, for example in developing joint approaches to service provision, can help to sustain improvement in priority areas.

7. The Efficiency Agenda

The history of poor grant settlements, coupled with increasing demands and expectations of the public, has meant that Richmond has had to focus on achieving efficiency and value for money in providing its services. In recent years, this has resulted in good external assessment of services and, as part of the CPA, a good assessment of the Council's approach on achieving value for money.

On the 19th June 2007 the Finance and Strategy Overview and Scrutiny Committee considered a report that outlined the progress and forward planning for London Borough of Richmond in relation to achievement of efficiency objectives.

The most visible element of efficiency work has been in relation to the Gershon Review, which set the borough a target of £2.9m efficiency savings per annum for the 3 years 2005/06 to 2007/08, totalling £8.7million over the three years. Out of this total savings target, 5% or £4.35m was required to be cashable. Cashable savings are defined as "where there is a direct financial saving or benefit, with money released that can be spent elsewhere or recycled within a service to deliver better results". The total forecast efficiency gains as at the end of 2007/08 is now £10.2m. We are thus expecting to exceed the target set.

The efficiency agenda links closely with the “Use of Resources” element of the CPA. A robust response to the efficiency agenda is seen as strong evidence to support work being done on the “use of resources” category. The successful achievement of the Gershon targets, and the strategic approach adopted, has contributed to the Council scoring well over the past few assessments.

From 2008/09 a new regime will be introduced that will be more challenging. The key change is that all savings that are used to achieve targets must be cashable. Clear decisions over how the savings will be used will have to be made during the budget setting process.

For further information on Richmond’s Efficiency Agenda please see the reports reviewed by the Finance & Strategy Overview and Scrutiny Committee at the following web address:

http://www.richmond.gov.uk/home/council_government_and_democracy/democratic_processes_and_events/council_committees_list.htm?mgl=ieListDocuments.asp&CId=406&MId=1786&Ver=4&q=1

8. Further Information

If you would like further information on the services of the Finance Department or to find further financial information, please visit our section of the council website at:

<http://www.richmond.gov.uk/depts/finance>

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Section B

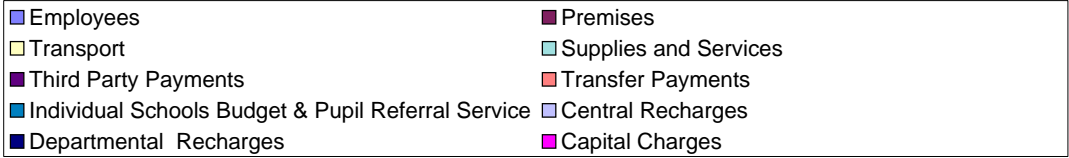
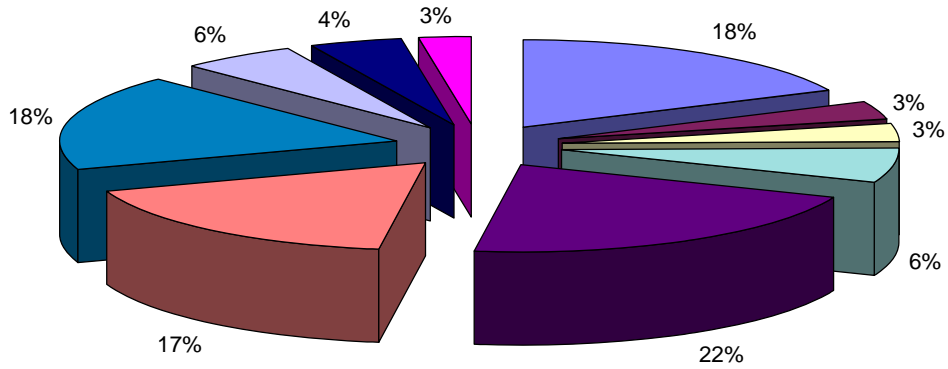
COUNCIL'S REVENUE BUDGET 2008/09 SUBJECTIVE ANALYSIS OF EXPENDITURE AND INCOME

	<u>2006/07</u> <u>Actual</u> £	<u>2007/08</u> <u>Original</u> £	<u>2007/08</u> <u>Revised</u> £	<u>2008/09</u> <u>Estimate</u> £
<u>Expenditure</u>				
Employees	70,455,864	75,856,900	75,910,500	78,953,600
Premises	13,088,043	13,354,200	13,404,600	13,245,000
Transport	13,443,263	13,265,700	13,043,600	13,071,400
Supplies and Services	25,311,409	26,888,900	28,259,400	30,741,600
Third Party Payments	82,943,135	84,782,300	86,157,100	88,120,900
Transfer Payments	68,363,787	71,207,100	74,034,500	72,507,100
Individual Schools Budget & Pupil Referral Servic	70,518,895	75,753,600	75,796,400	79,210,900
Central Recharges	21,889,857	24,854,500	26,596,500	26,005,600
Departmental Recharges	17,117,213	18,432,000	17,058,300	18,543,700
Capital Charges	9,977,946	10,826,000	12,177,800	12,967,300
TOTAL EXPENDITURE	393,109,411	415,221,200	422,438,700	433,367,100
<u>Income</u>				
Government Grants	-159,937,170	-165,373,000	-168,945,600	-166,685,800
Other Grants and Contributions	-17,576,356	-17,746,600	-16,715,800	-17,178,600
Customer & Client Receipts	-54,228,029	-50,548,200	-51,080,800	-51,996,300
Central Recharges	-22,211,563	-24,854,500	-26,596,500	-26,005,600
Departmental Recharges	-17,117,212	-18,432,000	-17,058,300	-18,543,700
Recharges to Non General Fund Accounts	-411,500	-418,700	-418,700	-420,300
TOTAL INCOME	-271,481,830	-277,373,000	-280,815,700	-280,830,300
SERVICES' NET EXPENDITURE	121,627,581	137,848,200	141,623,000	152,536,800
Central Items	-9,690,464	-7,898,000	-9,625,200	-10,080,500
Total for Services and Central Items	111,937,116	129,950,200	131,997,800	142,456,300
Movement (to)/from Reserves	5,639,529	-1,520,200	-3,567,800	571,500
Net Expenditure (including reserves)	117,576,646	128,430,000	128,430,000	143,027,800

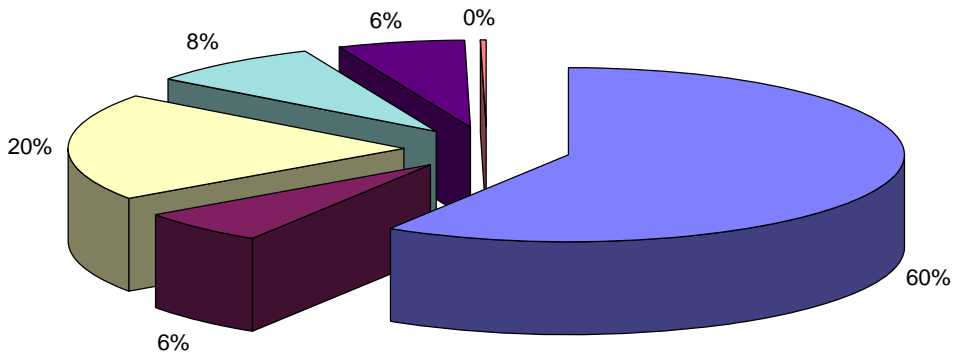
BUDGETED STAFFING FTE's

	2007-08	2008-09
Number of Employees	3,577	3,649

Analysis of 2008/09 Expenditure Budget by Subjective



Analysis of 2008/09 Income Budget by Subjective



COUNCIL'S REVENUE BUDGET 2008/09
BEST VALUE ACCOUNTING CODE OF PRACTICE FORMAT

	Net Expenditure 2008/09
Central Services - Local Taxation	2,350,700
Other Central Services to the Public	475,700
	2,826,400
Cultural, Environmental and Planning Services	35,762,000
Education Services	31,920,400
Highways, Roads and Transport Services	8,508,900
Housing Services (General Fund)	5,680,600
Social Services	55,271,600
Corporate and Democratic Core	4,493,800
Non Distributed Costs	3,301,900
Net Costs of Services	147,765,600
Amounts Excluded from Net Cost of Services under BVACOP	
Precepts and Levies	5,824,100
(Surplus)/Deficit on Trading Accounts	814,900
Interest Payable	5,868,000
Interest and Investment Income	(5,284,000)
Minimum Revenue Provision	1,185,000
Other Corporate Income	0
Pensions Interest Costs and expected return on pension assets	0
Reversal of Capital Charges	(12,967,300)
Net Transfer to / (from) Earmarked Reserves	571,500
Net Operating Expenditure	143,777,800
Demand on the Collection Fund	(109,682,700)
Formula Grant	(27,178,115)
Area Based Grant	(6,166,985)
Contribution to General Reserve	(750,000)
(Surplus)/Deficit for the Year	0

Section C

Finance & Corporate Services

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

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REVENUE BUDGET - SUMMARY OF EXPENDITURE

PURPOSE	<u>2006/07</u>	<u>2007/08</u>	<u>2007/08</u>	<u>2008/09</u>
	<u>Actual</u>	<u>Original</u>	<u>Revised</u>	<u>Estimate</u>
	£	£	£	£
Web Team	0	0	0	0
ICT & E-Services	0	0	0	0
Human Resources	0	0	0	0
Revenue Services	0	0	0	0
Legal Services	0	0	0	0
Democratic Services	0	0	0	0
Financial Services	0	0	0	0
Chief Executive's Office	0	0	0	0
Corporate Policy Team	0	0	0	0
Performance & Business Improvement I	0	0	0	0
Communications	0	0	0	0
Customer Services and Contact Centre	0	0	0	0
Electoral Services	584,586	524,600	626,500	529,800
Democratic Representation & Managem	2,556,388	2,893,900	2,902,900	2,782,700
Grants to Voluntary Organisations	2,272,982	2,458,600	2,549,700	0
Cost of Local Tax Collection	2,741,403	3,015,500	3,281,400	3,291,400
Community Safety	147,748	468,100	703,100	0
Corporate Management	1,791,679	1,967,400	2,401,900	1,711,100
Non Distributed Costs**	2,241,681	2,979,200	3,182,700	3,301,900
Economic Development	95,207	63,600	55,400	56,200
Precepts and Levies	463,296	564,300	543,800	564,800
Land Charges	0	0	(608,400)	(432,700)
Home Loans	70,044	31,700	14,800	12,500
Total for Corporate Services	12,965,014	14,966,900	15,653,800	11,817,700
Central Items	(6,326,083)	(7,898,000)	(9,625,200)	(10,080,500)
Total Corporate Services & Central It	6,638,931	7,068,900	6,028,600	1,737,200
Movement (to)/from Reserves	5,639,529	(1,520,200)	(3,567,800)	571,500
Net Expenditure (including reserves)	12,278,461	5,548,700	2,460,800	2,308,700

** This includes past service pension costs.

Variation Analysis

Original Estimate 2007/08	5,548,700	5,548,700
Inflation	0	745,200
Service Plan	0	1,161,600
Budget Transfer	(1,720,400)	(2,975,200)
Capital Charges	(1,234,200)	(2,054,700)
Other Variations	(133,300)	(116,900)
Revised Budget 2007/08	<u>2,460,800</u>	
Original Budget 2008/09		<u>2,308,700</u>

SUBJECTIVE ANALYSIS

	<u>2006/07</u> <u>Actual</u> £	<u>2007/08</u> <u>Original</u> £	<u>2007/08</u> <u>Revised</u> £	<u>2008/09</u> <u>Estimate</u> £
<u>Expenditure</u>				
Employees	12,925,471	14,555,200	16,509,200	15,578,400
Premises	437,009	477,800	477,800	4,300
Transport	37,069	43,700	49,100	49,200
Supplies and Services	8,568,868	8,450,700	9,369,400	8,694,900
Third Party Payments	2,078,587	2,422,700	2,387,000	1,653,600
Transfer Payments	13,006,907	13,495,100	13,502,600	11,499,200
Central Recharges	6,287,428	7,058,700	8,408,200	7,642,300
Capital Charges	664,560	573,600	702,000	660,700
TOTAL EXPENDITURE	44,005,899	47,077,500	51,405,300	45,782,600
<u>Income</u>				
Government Grants	(12,786,553)	(12,806,000)	(12,762,600)	(12,430,700)
Other Grants & Contributions	(307,607)	(317,800)	(317,800)	(325,700)
Fees & Charges	(1,654,974)	(1,303,600)	(2,259,000)	(2,276,800)
Rents	(320,700)	(328,700)	(328,700)	0
Central Recharges	(15,559,551)	(16,935,800)	(19,664,700)	(18,511,400)
Recharges to Non General Fund Accounts	(411,500)	(418,700)	(418,700)	(420,300)
TOTAL INCOME	(31,040,885)	(32,110,600)	(35,751,500)	(33,964,900)
NET EXPENDITURE	12,965,014	14,966,900	15,653,800	11,817,700
Central Items	(6,326,083)	(7,898,000)	(9,625,200)	(10,080,500)
Total for Corporate Services & Central Items	6,638,931	7,068,900	6,028,600	1,737,200
Movement (to)/from Reserves	5,639,529	(1,520,200)	(3,567,800)	571,500
Net Expenditure (including reserves)	12,278,460	5,548,700	2,460,800	2,308,700

BUDGETED STAFFING FTE'S

	2007-08	2008-09
Number of Employees	271	303

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>2006/07</u> <u>Actual</u> £	<u>2007/08</u> <u>Original</u> £	<u>2007/08</u> <u>Revised</u> £	<u>2008/09</u> <u>Estimate</u> £
<u>Expenditure</u>				
Employees	230,715	203,500	203,500	214,400
Supplies and Services	19,824	10,400	24,500	21,200
Central Recharges	21,990	26,400	59,800	61,700
TOTAL EXPENDITURE	272,529	240,300	287,800	297,300
<u>Income</u>				
Central Recharges	(272,529)	(240,300)	(287,800)	(297,300)
TOTAL INCOME	(272,529)	(240,300)	(287,800)	(297,300)
NET EXPENDITURE	0	0	0	0

Variation Analysis

Original Estimate 2007/08	0	0
Inflation	0	11,400
Service Plan	0	(500)
Budget Transfer	11,500	8,200
Capital Charges	0	0
Other Variations	(11,500)	(19,100)
Revised Budget 2007/08	<u>0</u>	
Original Budget 2008/09		<u>0</u>

WEB TEAM C01

KEY ACTIVITY DATA

Monthly average number of visits to the Council's website (April - August 2007).	225,843		
Monthly average number of individuals accessing the - Council's website (April - August 2007).	110,767		
	Actual	Forecast	
	<i>2006/07</i>	<i>2007/08</i>	<i>2008/09</i>
	<u>£000</u>	<u>£000</u>	<u>£000</u>
Number of individual web pages viewed (annual)	35,056	36,000	37,000
Separate individuals visiting the website (annual)	2,376	2,700	2,800

BEST VALUE PERFORMANCE DATA

BV CODE INDICATOR	<u>2006/07 Actuals</u>		<u>Targets</u>	
	<u>Richmond</u>	<u>Top 25% London</u>	<u>2007/08</u>	<u>2008/09</u>

None applicable

Local Performance Indicators

Average Monthly position	69	N/A	<100	<100
Number of sites in survey	462	N/A	N/A	N/A

	2007/08	2008/09
Number of Full Time Equivalent Employees	4.0	5.0

ICT & E-SERVICES C02

This budget comprises the strategic IT partnership with Serco and IT Client side. Serco are responsible for providing IT infrastructure, support and development of new E-Government systems and the new financial system. Examples of such developments are the contact centre, data image processing, on-line payment and enquiries systems.

IT Client side section is responsible for ensuring services delivered by Serco are according to the specifications in the contract.

	<u>2006/07</u> <u>Actual</u> £	<u>2007/08</u> <u>Original</u> £	<u>2007/08</u> <u>Revised</u> £	<u>2008/09</u> <u>Estimate</u> £
<u>Expenditure</u>				
Employees	470,288	578,300	999,300	998,700
Transport	702	2,100	3,600	3,600
Supplies and Services	4,929,295	5,083,300	5,132,200	5,233,600
Central Recharges	382,909	428,600	230,700	241,500
Capital Charges	38,991	(91,400)	(87,800)	(87,800)
TOTAL EXPENDITURE	5,822,185	6,000,900	6,278,000	6,389,600
<u>Income</u>				
Central Recharges	(5,822,185)	(6,000,900)	(6,278,000)	(6,389,600)
TOTAL INCOME	(5,822,185)	(6,000,900)	(6,278,000)	(6,389,600)
NET EXPENDITURE	0	0	0	0

Variation Analysis

Original Estimate 2007/08	0	0
Inflation	0	168,300
Service Plan	0	(1,400)
Budget Transfer	46,800	(19,300)
Capital Charges	3,600	3,600
Other Variations	(50,400)	(151,200)
Revised Budget 2007/08	0	
Original Budget 2008/09		0

ICT & E-SERVICES C02

KEY ACTIVITY DATA

	Actual	Forecast
	2006/07	2007/08
Number of PCs/ users supported	2,122	2,140
Number of helpdesk calls handled	12,272	12,500
Number of IT service requests carried out	5,198	5,500
Number of PC replacements carried out	420	380
Email system availability	99.9%	99.9%
Other critical systems availability	99.7%	99.5%
PC failiures fixed within 8 hours	99.2%	99.5%
Telecommunication failiures fixed within 8 hours	99.6%	99.5%
Number of staff equipped for home/remote working	20	250

BEST VALUE PERFORMANCE DATA

BV CODE INDICATOR	<u>2006/07 Actuals</u>		<u>Targets</u>	
	<u>Richmond</u>	<u>Top 25% London</u>	<u>2007/08</u>	<u>2008/09</u>

	2007/08	2008/09
Number of Full Time Equivalent Employees	6.5	20.8

HUMAN RESOURCES C03

Human Resources are responsible for managing, developing and reviewing the employment arrangements operated by the Council to enable it to meet its objectives effectively and to comply with Employment Legislation and National and Local Conditions of Service.

	<u>2006/07</u> <u>Actual</u> £	<u>2007/08</u> <u>Original</u> £	<u>2007/08</u> <u>Revised</u> £	<u>2008/09</u> <u>Estimate</u> £
<u>Expenditure</u>				
Employees	1,345,066	1,477,300	1,945,600	2,243,400
Premises	0	0	10,100	10,300
Transport	2,126	5,800	9,600	10,100
Supplies and Services	87,127	62,300	92,300	98,400
Third Party Payments	42,927	55,100	67,500	55,100
Capital Charges	0	0	10,800	65,500
Central Recharges	334,927	389,300	656,500	624,700
TOTAL EXPENDITURE	1,812,173	1,989,800	2,792,400	3,107,500
<u>Income</u>				
Fees and Charges	(506,654)	(435,600)	(525,100)	(538,200)
Central Recharges	(1,305,519)	(1,554,200)	(2,267,300)	(2,569,300)
TOTAL INCOME	(1,812,173)	(1,989,800)	(2,792,400)	(3,107,500)
NET EXPENDITURE	0	0	0	0

Variation Analysis

Original Estimate 2007/08	0	0
Inflation	0	108,500
Service Plan	0	(82,800)
Budget Transfer	422,800	730,900
Capital Charges	0	0
Other Variations	(422,800)	(756,600)
Revised Budget 2007/08	0	
Original Budget 2008/09		0

HUMAN RESOURCES C03**KEY ACTIVITY DATA**

This service provides a Human Resource function, including co-ordination of organisation and learning development, for approximately 4,700 current employees.

BEST VALUE PERFORMANCE DATA

BV CODE INDICATOR	<u>2006/07 Actuals</u>		<u>Targets</u>	
	<u>Richmond</u>	<u>Top 25% London</u>	<u>2007/08</u>	<u>2008/09</u>
BV 11a Percentage of top paid 5% of Local Authority staff who are women	43.9%	48.4%	45%	45%
BV 11b Percentage of top paid 5% of Local Authority staff who are from an ethnic minority	2.6%	18.1%	4.0%	5.0%
BV 12 Number of working days/shifts lost to the Local Authority due to sickness absence	8.2 days	7.6 days	8 days	7.8 days
BV 14 Early retirements (excluding ill health) as a percentage of the total workforce	0.33%	0.30%	0.30%	0.30%
BV 15 Ill health retirements as a percentage of the total workforce	0.15%	0.13%	0.2%	0.2%
BV 16a The percentage of Local Authority employees with a disability	2.71%	4.33%	2.8%	4.0%
BV 17a Percentage of Local Authority employees from ethnic minority communities	9.6%	38%	9.9%	9.9%

	2007/08	2008/09
Number of Full Time Equivalent Employees	36.2	48.6

REVENUE SERVICES C04

This service is responsible for the Cash Office which administers and collects payments for all Council Departments. In 2008/09 budgets for senior management for the Revenues and Benefits services have been moved to Financial Services.

	<u>2006/07</u> <u>Actual</u> £	<u>2007/08</u> <u>Original</u> £	<u>2007/08</u> <u>Revised</u> £	<u>2008/09</u> <u>Estimate</u> £
<u>Expenditure</u>				
Employees	498,233	513,400	520,400	292,800
Transport	11,602	11,300	11,300	11,200
Supplies and Services	141,086	159,700	186,700	181,600
Central Recharges	99,113	114,300	146,100	143,200
TOTAL EXPENDITURE	750,034	798,700	864,500	628,800
<u>Income</u>				
Fees and Charges	(3,000)	(12,100)	(12,100)	(12,400)
Central Recharges	(747,034)	(786,600)	(852,400)	(616,400)
TOTAL INCOME	(750,034)	(798,700)	(864,500)	(628,800)
NET EXPENDITURE	0	0	0	0

Variation Analysis

Original Estimate 2007/08	0	0
Inflation	0	10,000
Service Plan	0	(2,800)
Budget Transfer	25,400	(214,900)
Capital Charges	0	0
Other Variations	(25,400)	207,700
Revised Budget 2007/08	0	
Original Budget 2008/09		0

REVENUE SERVICES C04**KEY ACTIVITY DATA**

The Cash Office processes about 400,000 transactions per year for all Council services via different payment methods including cash, cheques, credit/debit cards, bank payments, internet payments, and via the automated telephone payment system.

Banking on behalf of other sections and establishments is also carried out.

Cheques and vouchers are cashed for vulnerable customers. It also provides facilities to staff to process Petty Cash vouchers.

Cash collections are also undertaken from on-street parking meters and from Council establishments e.g. sports centres, libraries, depots etc.

BEST VALUE PERFORMANCE DATA

BV CODE INDICATOR	<u>2006/07 Actuals</u>		<u>Targets</u>	
	<u>Richmond</u>	<u>Top 25% London</u>	<u>2007/08</u>	<u>2008/09</u>
None applicable				

	2007/08	2008/09
Number of Full Time Equivalent Employees	13.4	9.4

LEGAL SERVICES C05

This service provides in-house legal services across the council's functions, to schools and to certain other public bodies, assists in the procurement of other specialist advice and services and helps ensure the legality and probity of the authority's actions.

	<u>2006/07</u> <u>Actual</u> £	<u>2007/08</u> <u>Original</u> £	<u>2007/08</u> <u>Revised</u> £	<u>2008/09</u> <u>Estimate</u> £
<u>Expenditure</u>				
Employees	1,357,872	1,460,100	1,460,100	1,515,900
Transport	2,504	2,400	2,400	2,400
Supplies and Services	134,362	69,400	99,400	69,600
Central Recharges	284,204	318,700	298,000	302,500
TOTAL EXPENDITURE	1,778,942	1,850,600	1,859,900	1,890,400
<u>Income</u>				
Fees and Charges	(195,859)	(108,500)	(108,500)	(111,200)
Central Recharges	(1,583,083)	(1,742,100)	(1,751,400)	(1,779,200)
TOTAL INCOME	(1,778,942)	(1,850,600)	(1,859,900)	(1,890,400)
NET EXPENDITURE	0	0	0	0

Variation Analysis

Original Estimate 2007/08	0	0
Inflation	0	54,800
Service Plan	0	(1,500)
Budget Transfer	11,300	(18,700)
Capital Charges	0	0
Other Variations	(11,300)	(34,600)
Revised Budget 2007/08	0	
Original Budget 2008/09		0

LEGAL SERVICES C05

KEY ACTIVITY DATA

The provision of Legal Services varies according to demand from other services and relates to a wide range of work areas.

During the first half of the year from 1 April to 30 September 2007 in addition to other legal work, Legal Services:

- dealt with 8 licensing hearings (which considered 20 applications), 186 Education Admission Appeals, 81 prosecutions, 3 SEN Tribunal cases (including one appeal to the High Court), 152 freedom of information requests, 46 routine contracts, 33 non-routine contracts and 11 planning enforcement matters;
- received 3 new Employment Tribunal claims and have 30 ongoing E.T. matters;
- received 2 new planning appeals and instructions in 26 new section 106 planning agreements and in addition have 41 enforcement and 93 section 106 agreement matters on-going;
- received instructions in the following property matters - 7 freehold disposals, 1 freehold acquisition, 5 grant of leases, 3 new leases and 5 licences. Also, property matters in progress include 37 freehold sales, 4 freehold purchases, 31 grant of leases and 35 licences;
- Provide training for 69 on the new Members' Code and Members' Protocol.

BEST VALUE PERFORMANCE DATA

BV CODE INDICATOR	<u>2006/07 Actuals</u>		<u>Targets</u>	
	<u>Richmond</u>	<u>Top 25% London</u>	<u>2007/08</u>	<u>2008/09</u>

None applicable

	2007/08	2008/09
Number of Full Time Equivalent Employees	28.9	27.9

DEMOCRATIC SERVICES C06

Democratic Services provides the administration and support for meetings (including Council, Cabinet, Overview & Scrutiny Committees and other Committees), for the Scrutiny function generally and for elected Members in their various roles.

	<u>2006/07</u> <u>Actual</u> £	<u>2007/08</u> <u>Original</u> £	<u>2007/08</u> <u>Revised</u> £	<u>2008/09</u> <u>Estimate</u> £
<u>Expenditure</u>				
Employees	519,765	639,500	639,500	670,000
Transport	206	900	900	900
Supplies and Services	69,894	101,900	101,900	103,000
Central Recharges	242,624	263,600	368,500	371,400
TOTAL EXPENDITURE	832,489	1,005,900	1,110,800	1,145,300
<u>Income</u>				
Fees and Charges	(4,679)	(3,900)	(3,900)	(4,000)
Central Recharges	(827,810)	(1,002,000)	(1,106,900)	(1,141,300)
TOTAL INCOME	(832,489)	(1,005,900)	(1,110,800)	(1,145,300)
NET EXPENDITURE	0	0	0	0

Variation Analysis

Original Estimate 2007/08	0	0
Inflation	0	32,900
Service Plan	0	(1,400)
Budget Transfer	(9,000)	(9,000)
Capital Charges	0	0
Other Variations	9,000	(22,500)
Revised Budget 2007/08	0	
Original Budget 2008/09		0

DEMOCRATIC SERVICES C06

KEY ACTIVITY DATA

Approximately 100 Council/Cabinet/Committee/Sub-Committee meetings serviced per annum, plus Scrutiny Task Groups, Area Consultation Meetings (20 per annum) and Joint Commissioning Boards.

Dedicated support to the Leader of the Council, 7 Cabinet Members, Mayor and Deputy Mayor.

BEST VALUE PERFORMANCE DATA

BV CODE INDICATOR	<u>2006/07 Actuals</u>		<u>Targets</u>	
	<u>Richmond</u>	<u>Top 25% London</u>	<u>2007/08</u>	<u>2008/09</u>

None applicable

	2007/08	2008/09
Number of Full Time Equivalent Employees	14.0	17.0

FINANCIAL SERVICES C07

Finance manages and guides the Strategic Resource Allocation process through strategic financial management. It also provides accountancy, payroll, payments, banking and other financial services, and promotes and develops control and risk management practices.

	<u>2006/07</u> <u>Actual</u> £	<u>2007/08</u> <u>Original</u> £	<u>2007/08</u> <u>Revised</u> £	<u>2008/09</u> <u>Estimate</u> £
<u>Expenditure</u>				
Employees	2,459,923	2,931,400	2,931,400	2,793,200
Transport	5,386	6,500	6,500	6,700
Supplies and Services	326,753	198,900	363,900	197,600
Third Party Payments	788	3,000	3,000	3,000
Central Recharges	514,800	609,700	714,600	718,200
TOTAL EXPENDITURE	3,307,650	3,749,500	4,019,400	3,718,700
<u>Income</u>				
Fees and Charges	(139,028)	(136,600)	(136,600)	(140,000)
Central Recharges	(2,757,122)	(3,194,200)	(3,464,100)	(3,158,400)
Recharges to Non General Fund Accounts	(411,500)	(418,700)	(418,700)	(420,300)
TOTAL INCOME	(3,307,650)	(3,749,500)	(4,019,400)	(3,718,700)
NET EXPENDITURE	0	0	0	0

Variation Analysis

Original Estimate 2007/08	0	0
Inflation	0	85,700
Service Plan	0	(53,200)
Budget Transfer	122,000	(219,800)
Capital Charges	0	0
Other Variations	(122,000)	187,300
Revised Budget 2007/08	0	
Original Budget 2008/09		0

FINANCIAL SERVICES C07

KEY ACTIVITY DATA

Development of the Authority's longer term financial strategy and leadership and support in the development of risk management register.

Production of budgets to agreed timetable.

Closure of accounts in accordance with legislative timetable.

The Director of Finance and Corporate Services is the Section 151 Officer for the Council.

Payroll and Pensions section processed 87,543 payslips last year.

Creditors Control section processed 62,500 invoices last year.

Payroll and Pensions section administers 2,970 pensioners with a total membership of 8,405.

The Internal Audit section delivers approximately 1350 audit days per year and examines procedures and systems in all departments, to ensure the control environment is operating effectively. The planned audit days cover the delivery of approximately 100 reports/ assignments, and also includes the promoting and monitoring of the Council's risk management and assurance framework processes. The section also carries out a programme of pro-active fraud checks and special investigations as required; it also deals with the National Fraud Initiative (Audit Commission) data matching exercises.

Accountancy section supports a gross revenue budget of £423m (including expenditure budgets within Central Items) for 2007/08 and a capital programme of £37m, and issues monitoring reports to 100 budget holders. The section prepares and coordinates grant claims to the value of £118m per year, excluding Dedicated School Grant, and is responsible for 123,000 BACS & CHAPS payments annually. The Section also issues 42,000 invoices per year to customers, with supporting credit notes, reminders, copy invoices and court letters.

BEST VALUE PERFORMANCE DATA

BV CODE INDICATOR	<u>2006/07 Actuals</u>		<u>Targets</u>	
	<u>Richmond</u>	<u>Top 25% London</u>	<u>2007/08</u>	<u>2008/09</u>
BV 8 Percentage of invoices paid within 30 days or within the agreed payment terms	88%	93%	90%	93%

	<u>2007/08</u>	<u>2008/09</u>
Number of Full Time Equivalent Employees	66.7	61.0

CHIEF EXECUTIVE'S OFFICE C08

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

	<u>2006/07</u> <u>Actual</u> £	<u>2007/08</u> <u>Original</u> £	<u>2007/08</u> <u>Revised</u> £	<u>2008/09</u> <u>Estimate</u> £
<u>Expenditure</u>				
Employees	251,685	270,100	270,100	277,400
Transport	1,232	1,200	1,200	1,200
Supplies and Services	21,181	70,000	66,900	89,900
Central Recharges	41,403	44,700	39,600	38,900
TOTAL EXPENDITURE	315,501	386,000	377,800	407,400
<u>Income</u>				
Fees and Charges	(161)	0	0	0
Central Recharges	(315,340)	(386,000)	(377,800)	(407,400)
TOTAL INCOME	(315,501)	(386,000)	(377,800)	(407,400)
NET EXPENDITURE	0	0	0	0

Variation Analysis

Original Estimate 2007/08	0	0
Inflation	0	9,400
Service Plan	0	(400)
Budget Transfer	(4,400)	16,900
Capital Charges	0	0
Other Variations	4,400	(25,900)
Revised Budget 2007/08	<u>0</u>	
Original Budget 2008/09		<u>0</u>

CHIEF EXECUTIVE'S OFFICE C08

KEY ACTIVITY DATA

The Chief Executive is the head of the Council's paid service.

The Chief Executive's Office is responsible for all aspects of the Council's functions, in particular:

- providing strategic advice to the Council
- the development and implementation of policies
- improving performance management

BEST VALUE PERFORMANCE DATA

BV CODE INDICATOR	<u>2006/07 Actuals</u>		<u>Targets</u>	
	<u>Richmond</u>	<u>Top 25% London</u>	<u>2007/08</u>	<u>2008/09</u>

None applicable

	2007/08	2008/09
Number of Full Time Equivalent Employees	2.0	2.0

CORPORATE POLICY TEAM C09

This section is responsible for providing strategic and corporate management support to the Chief Executive, Directors and Councillors. This includes policy development and partnership working. The team also leads on organisational development. For 2008/09 Organisation Development has merged with Human Resources, and Policy Unit has been transferred to Adult and Community Services.

	<u>2006/07</u> <u>Actual</u> £	<u>2007/08</u> <u>Original</u> £	<u>2007/08</u> <u>Revised</u> £	<u>2008/09</u> <u>Estimate</u> £
<u>Expenditure</u>				
Employees	815,741	839,400	926,100	0
Transport	1,586	900	900	0
Supplies and Services	103,063	88,400	82,900	0
Third Party Payments	44,354	16,500	23,300	0
Central Recharges	144,175	162,500	116,000	0
Capital Charges	54,727	54,700	54,700	0
TOTAL EXPENDITURE	1,163,646	1,162,400	1,203,900	0
<u>Income</u>				
Government Grants	(31,361)	0	0	0
Fees and Charges	(44,776)	(23,300)	(23,300)	0
Central Recharges	(1,087,509)	(1,139,100)	(1,180,600)	0
TOTAL INCOME	(1,163,646)	(1,162,400)	(1,203,900)	0
NET EXPENDITURE	0	0	0	0

Variation Analysis

Original Estimate 2007/08	0	0
Inflation	0	0
Service Plan	0	0
Budget Transfer	78,000	(986,600)
Capital Charges	0	0
Other Variations	(78,000)	986,600
Revised Budget 2007/08	0	
Original Budget 2008/09		0

CORPORATE POLICY TEAM C09

KEY ACTIVITY DATA

Co-ordination of Community Plan and facilitation of Local Strategic Partnership.

Client function for Grants Direct and communications contract.

Lead on Equalities and Diversity including Race Equality Scheme.

Support Health Scrutiny and health inequalities.

BEST VALUE PERFORMANCE DATA

BV CODE INDICATOR	<u>2006/07 Actuals</u>		<u>Targets</u>	
	<u>Richmond</u>	<u>Top 25% London</u>	<u>2007/08</u>	<u>2008/09</u>
BV 2a The level of the Equality Standard for local government to which the Authority confirms in respect of gender, race and disability	Level 2	N/A	Level 3	Level 4
BV 2b The duty to promote race equality	74%	89%	79%	84%

	<u>2007/08</u>	<u>2008/09</u>
Number of Full Time Equivalent Employees	15.5	0.0

PERFORMANCE AND BUSINESS IMPROVEMENT UNIT C16

This service is responsible for the Corporate Management of Performance including publication of the Corporate Plan and monitoring arrangements; ensuring that there is a framework and guidance for performance management; guidance on service planning; corporate management of data quality. The service is responsible for efficiency including service reviews, manages the Council's project management system and is responsible for ensuring that the government's performance management framework is implemented including the transition from Comprehensive Performance Assessment to Comprehensive Area Assessment is implemented and for managing any inspection arrangements.

	<u>2006/07</u> <u>Actual</u> £	<u>2007/08</u> <u>Original</u> £	<u>2007/08</u> <u>Revised</u> £	<u>2008/09</u> <u>Estimate</u> £
<u>Expenditure</u>				
Employees	267,778	258,800	219,800	213,300
Transport	1,096	2,000	2,000	2,000
Supplies and Services	60,701	61,600	61,600	61,700
Central Recharges	49,118	55,300	66,900	68,000
TOTAL EXPENDITURE	378,693	377,700	350,300	345,000
<u>Income</u>				
Fees and Charges	(4,687)	0	0	0
Central Recharges	(374,006)	(377,700)	(350,300)	(345,000)
TOTAL INCOME	(378,693)	(377,700)	(350,300)	(345,000)
NET EXPENDITURE	0	0	0	0

Variation Analysis

Original Estimate 2007/08	0	0
Inflation	0	9,300
Service Plan	0	(900)
Budget Transfer	(42,600)	(57,400)
Capital Charges	0	0
Other Variations	42,600	49,000
Revised Budget 2007/08	0	
Original Budget 2008/09		0

PERFORMANCE AND BUSINESS IMPROVEMENT UNIT C16

KEY ACTIVITY DATA

The Business Consultancy Unit is responsible for managing efficiency reviews, performance management including service planning, Best Value and the Comprehensive Performance Assessment (CPA). It also provides guidance on project management and manages specific projects such as the implementation of the Customer Contact Centre, Records Management and business process re-engineering. The Unit is responsible for management of corporate consultation with residents and the development of the Council's consultation policies and strategy including the management of corporate projects such as the annual budget consultation with residents and the management of the Council's Citizen's Panel.

As a statutory requirement a summary of the Council's performance is distributed with the Council Tax demands to all households in the Borough.

The department produces a statutory Performance Plan by 30th June each year.

The department has overall responsibility for the corporate performance management framework.

BEST VALUE PERFORMANCE DATA

BV CODE INDICATOR	<u>2006/07 Actuals</u>		<u>Targets</u>	
	<u>Richmond</u>	<u>Top 25% London</u>	<u>2007/08</u>	<u>2008/09</u>

None applicable

	2007/08	2008/09
Number of Full Time Equivalent Employees	5.5	4.5

COMMUNICATIONS C19

This section is responsible for internal and external communications including media relations, corporate branding, producing the Council's magazine and other publications, and co-ordinating filming in the borough.

	<u>2006/07</u> <u>Actual</u> £	<u>2007/08</u> <u>Original</u> £	<u>2007/08</u> <u>Revised</u> £	<u>2008/09</u> <u>Estimate</u> £
<u>Expenditure</u>				
Employees	20,084	35,100	35,100	37,200
Premises	330	300	300	300
Transport	91	800	800	800
Supplies and Services	83,553	141,500	141,500	143,700
Third Party Payments	381,043	337,900	337,900	346,300
Central Recharges	31,963	34,400	43,900	43,200
TOTAL EXPENDITURE	517,064	550,000	559,500	571,500
<u>Income</u>				
Fees and Charges	(49,650)	(37,300)	(37,300)	(38,200)
Central Recharges	(467,414)	(512,700)	(522,200)	(533,300)
TOTAL INCOME	(517,064)	(550,000)	(559,500)	(571,500)
NET EXPENDITURE	0	0	0	0

Variation Analysis

Original Estimate 2007/08	0	0
Inflation	0	13,100
Service Plan	0	(1,300)
Budget Transfer	(600)	(600)
Capital Charges	0	0
Other Variations	600	(11,200)
Revised Budget 2007/08	0	
Original Budget 2008/09		0

COMMUNICATIONS C19

KEY ACTIVITY DATA

Annual budgeted filming income	36,400
Communications Unit responsibilities include: Media relations - newspapers, journals, radio & TV	
Publications, internal communications	
Production of the Council Magazine, Arcadia	

BEST VALUE PERFORMANCE DATA

BV CODE INDICATOR	<u>2006/07 Actuals</u>		<u>Targets</u>	
	<u>Richmond</u>	<u>Top 25% London</u>	<u>2007/08</u>	<u>2008/09</u>

None applicable

	2007/08	2008/09
Number of Full Time Equivalent Employees	1.0	1.0

In a partnership with Westminster City Council, there is one Richmond member of staff and the others are Westminster staff.

ELECTORAL SERVICES C10

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>2006/07</u> <u>Actual</u> £	<u>2007/08</u> <u>Original</u> £	<u>2007/08</u> <u>Revised</u> £	<u>2008/09</u> <u>Estimate</u> £
<u>Expenditure</u>				
Employees	213,272	222,000	222,300	228,300
Supplies and Services	282,480	189,300	296,000	192,600
Central Recharges	106,668	117,600	112,500	113,300
TOTAL EXPENDITURE	602,420	528,900	630,800	534,200
<u>Income</u>				
Fees and Charges	(17,834)	(4,300)	(4,300)	(4,400)
TOTAL INCOME	(17,834)	(4,300)	(4,300)	(4,400)
NET EXPENDITURE	584,586	524,600	626,500	529,800

Variation Analysis

Original Estimate 2007/08	524,600	524,600
Inflation	0	10,500
Service Plan	0	(1,000)
Budget Transfer	103,100	(3,900)
Capital Charges	0	0
Other Variations	(1,200)	(400)
Revised Budget 2007/08	<u>626,500</u>	
Original Budget 2008/09		<u>529,800</u>

ELECTORAL SERVICES C10

KEY ACTIVITY DATA

Total electorate as at 1st September 2007	127,061
<p>The Electoral Services processes over 116,000 Voter Registration forms during the annual canvass and an average 923 Alteration forms per month. The latter include deletion from and changes to the Electoral Register during the rolling registration period.</p> <p>During an election the team is responsible for over 54 polling stations, all election staff employed by the Council, some 20,000 postal votes and the Count.</p>	

BEST VALUE PERFORMANCE DATA

BV CODE INDICATOR	<u>2006/07 Actuals</u>		<u>Targets</u>	
	<u>Richmond</u>	<u>Top 25% London</u>	<u>2007/08</u>	<u>2008/09</u>
None applicable				

	2007/08	2008/09
Number of Full Time Equivalent Employees	6.0	6.0

DEMOCRATIC REPRESENTATION AND MANAGEMENT C11

This represents costs incurred as a direct result of being a multi-purpose democratic organisation.

	<u>2006/07</u> <u>Actual</u> £	<u>2007/08</u> <u>Original</u> £	<u>2007/08</u> <u>Revised</u> £	<u>2008/09</u> <u>Estimate</u> £
<u>Expenditure</u>				
Mayor's Allowances & Support Services	13,741	29,000	29,000	29,700
Members' Allowances	676,921	695,000	699,000	712,400
Members' Expenses & Support Services	175,826	173,700	173,700	177,400
Supplies and Services	0	0	0	0
Committee Meeting Refreshments	9,041	12,900	12,900	12,900
Civic Functions and Regalia	10,168	15,600	15,600	15,600
Subscriptions to Assoc. of Local Government	232,937	235,100	235,100	241,000
Central Recharges	1,438,484	1,733,900	1,738,900	1,595,000
TOTAL EXPENDITURE	2,557,118	2,895,200	2,904,200	2,784,000
<u>Income</u>				
Sales	(730)	(1,300)	(1,300)	(1,300)
TOTAL INCOME	(730)	(1,300)	(1,300)	(1,300)
NET EXPENDITURE	2,556,388	2,893,900	2,902,900	2,782,700

Variation Analysis

Original Estimate 2007/08	2,893,900	2,893,900
Inflation	0	29,200
Service Plan	0	(1,500)
Budget Transfer	4,000	0
Capital Charges	0	0
Other Variations	5,000	(138,900)
Revised Budget 2007/08	<u>2,902,900</u>	
Original Budget 2008/09		<u>2,782,700</u>

DEMOCRATIC REPRESENTATION AND MANAGEMENT C11

KEY ACTIVITY DATA

This service provides support for 54 Councillors, including a comprehensive Training and Development Programme.

Funding the organisation of 500-550 Mayoral events per annum.

BEST VALUE PERFORMANCE DATA

BV CODE INDICATOR	<u>2006/07 Actuals</u>		<u>Targets</u>	
	<u>Richmond</u>	<u>Top 25% London</u>	<u>2007/08</u>	<u>2008/09</u>

None applicable

	2007/08	2008/09
None		

GRANTS TO VOLUNTARY ORGANISATIONS C13

This cost code includes the Council's contribution to London Borough Grants and also the in-house grants to the voluntary organisations programme. For 2008/09 this function has been transferred to Adult and Community Services. Local Performance Service Agreement (LPSA) budgets are shown under this service.

	<u>2006/07</u> <u>Actual</u> £	<u>2007/08</u> <u>Original</u> £	<u>2007/08</u> <u>Revised</u> £	<u>2008/09</u> <u>Estimate</u> £
<u>Expenditure</u>				
Employees	18,350	41,400	46,600	0
Premises	415,325	455,600	455,600	0
Supplies and Services	240	600	600	0
Grants to Voluntary Organisations	1,554,340	1,586,400	1,593,900	0
London Borough Grants Unit	652,192	689,800	689,800	0
Central Recharges	2,846	3,200	1,600	0
Capital Charges	15,389	10,300	90,300	0
TOTAL EXPENDITURE	2,658,682	2,787,300	2,878,400	0
<u>Income</u>				
Government Grants	(65,000)	0	0	0
Rents	(320,700)	(328,700)	(328,700)	0
TOTAL INCOME	(385,700)	(328,700)	(328,700)	0
NET EXPENDITURE	2,272,982	2,458,600	2,549,700	0

Variation Analysis

Original Estimate 2007/08	2,458,600	2,458,600
Inflation	0	0
Service Plan	0	0
Budget Transfer	12,700	(2,455,400)
Capital Charges	80,000	0
Other Variations	(1,600)	(3,200)
Revised Budget 2007/08	<u>2,549,700</u>	
Original Budget 2008/09		<u>0</u>

GRANTS TO VOLUNTARY ORGANISATIONS C13

KEY ACTIVITY DATA

The Council's grants programme supports approximately 60 organisations offering a wide range of services.

The Council also contributes to the London Boroughs grants programme which funds pan-London voluntary sector activity and is managed by London Councils.

BEST VALUE PERFORMANCE DATA

BV CODE INDICATOR	<u>2006/07 Actuals</u>		<u>Targets</u>	
	<u>Richmond</u>	<u>Top 25% London</u>	<u>2007/08</u>	<u>2008/09</u>
226a Amount spent on advice and guidance	528,000	N/A	528,000	528,000
226b Percentage of monies spend on advice and	1	N/A	N/A	N/A
226c Amount spent on advice and guidance	197,730	N/A	190,000	190,000

	2007/08	2008/09
None		

COST OF LOCAL TAX COLLECTION C14, C15

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 10,000 residents.

	<u>2006/07</u> <u>Actual</u> £	<u>2007/08</u> <u>Original</u> £	<u>2007/08</u> <u>Revised</u> £	<u>2008/09</u> <u>Estimate</u> £
<u>Expenditure</u>				
Employees	2,411,728	2,333,300	2,333,300	2,512,500
Transport	10,538	9,800	9,800	10,200
Supplies and Services	418,746	498,100	450,000	456,900
Third Party Payments	227,509	230,700	230,700	236,500
Transfer Payments (Council Tax Benefits)	10,800,375	11,218,900	11,218,900	11,499,200
Central Recharges	1,392,388	1,587,100	1,901,100	1,691,300
TOTAL EXPENDITURE	15,261,284	15,877,900	16,143,800	16,406,600
<u>Income</u>				
Government Grants	(11,792,228)	(12,194,600)	(12,194,600)	(12,430,700)
Other Grants and Contributions	(307,607)	(317,800)	(317,800)	(325,700)
Fees and Charges	(420,046)	(350,000)	(350,000)	(358,800)
TOTAL INCOME	(12,519,881)	(12,862,400)	(12,862,400)	(13,115,200)
NET EXPENDITURE	2,741,403	3,015,500	3,281,400	3,291,400

Variation Analysis

Original Estimate 2007/08	3,015,500	3,015,500
Inflation	0	77,600
Service Plan	0	53,500
Budget Transfer	(90,000)	(10,000)
Capital Charges	0	0
Other Variations	355,900	154,800
Revised Budget 2007/08	<u>3,281,400</u>	
Original Budget 2008/09		<u>3,291,400</u>

COST OF LOCAL TAX COLLECTION C14, 15**KEY ACTIVITY DATA**

On average 85,600 Council Tax & NNDR Bills are sent out each year, of total value in excess of £190 million.

Housing and Council Tax benefits amount to nearly £53.4 million.

BEST VALUE PERFORMANCE DATA

BV CODE INDICATOR	<u>2006/07 Actuals</u>		<u>Targets</u>	
	<u>Richmond</u>	<u>Top 25% London</u>	<u>2007/08</u>	<u>2008/09</u>
BV 9 Percentage of Council Tax collected	98.5%	96%	98.6%	98.6%
BV 10 Percentage of non-domestic rates collected	98.2%	99%	98.6%	98.8%
BV 76 <u>Housing Benefit Security</u>				
a) Number of claimants visited, per 1000 caseload	193	N/A	152	152
b) Number of investigators employed, per 1000 caseload	0.35	N/A	0.35	0.35
c) Number of fraud investigations, per 1000 caseload	36	N/A	20	25
d) Number of prosecutions and sanctions, per 1000 caseload	7.4	N/A	6	8
BV 78 <u>Speed of processing:</u>				
a) Average processing time taken for housing and council tax benefit claims	27.4 days	27.5 days	28 days	26 days
b) Average processing time to taken for changes to claimant's circumstance	8.6 days	12 days	8 days	7.5 days
BV 79 <u>Accuracy of processing:</u>				
a) Percentage of case for which the calculation of the amount of benefit due was correct	99.8%	99.3%	99%	99%
b)i Percentage of recoverable overpayments recovered	75.3%	70.37%	75%	78%
b)ii Percentage of all overpayments deemed recoverable, non-recoverable and written off that were recovered	28.6%	28.35%	50%	55%

	<u>2007/08</u>	<u>2008/09</u>
Number of Full Time Equivalent Employees	65.0	67.0

CORPORATE MANAGEMENT C17

The Best Value Accounting Code of Practice requires that activities and costs that provide (a) the infrastructure that allows services to be provided and (b) information that is needed for public accountability, should be budgeted for and reported separately from other costs under the heading Corporate Management.

	<u>2006/07</u> <u>Actual</u> £	<u>2007/08</u> <u>Original</u> £	<u>2007/08</u> <u>Revised</u> £	<u>2008/09</u> <u>Estimate</u> £
<u>Expenditure</u>				
Supplies and Services	424,546	363,200	717,200	371,800
Third Party Payments	306,026	563,200	563,200	405,800
Central Recharges	1,090,753	1,041,000	1,121,500	933,500
TOTAL EXPENDITURE	1,821,325	1,967,400	2,401,900	1,711,100
<u>Income</u>				
Fees and Charges	(29,646)	0	0	0
TOTAL INCOME	(29,646)	0	0	0
NET EXPENDITURE	1,791,679	1,967,400	2,401,900	1,711,100

Variation Analysis

Original Estimate 2007/08	1,967,400	1,967,400
Inflation	0	21,000
Service Plan	0	(171,200)
Budget Transfer	354,000	(84,600)
Capital Charges	0	0
Other Variations	80,500	(21,500)
Revised Budget 2007/08	<u>2,401,900</u>	
Original Budget 2008/09		<u>1,711,100</u>

CORPORATE MANAGEMENT C17

KEY ACTIVITY DATA

None applicable.

BEST VALUE PERFORMANCE DATA

BV CODE INDICATOR	<u>2006/07 Actuals</u>		<u>Targets</u>	
	<u>Richmond</u>	<u>Top 25% London</u>	<u>2007/08</u>	<u>2008/09</u>

None applicable

	2007/08	2008/09
None		

NON DISTRIBUTED COSTS C18

The Best Value Accounting Code of Practice specifically excludes certain costs and overheads from being charged, allocated or apportioned to front line services. The two main areas that this covers are certain costs relating to prior period retirement benefits and unused shares of certain assets such as IT facilities.

	<u>2006/07</u> <u>Actual</u> <u>£</u>	<u>2007/08</u> <u>Original</u> <u>£</u>	<u>2007/08</u> <u>Revised</u> <u>£</u>	<u>2008/09</u> <u>Estimate</u> <u>£</u>
<u>Expenditure</u>				
Employees	1,669,560	2,370,500	2,370,500	2,429,900
Third Party Payments	16,668	8,700	8,700	8,900
Central Recharges	0	0	203,500	214,100
Capital Charges	555,453	600,000	600,000	649,000
TOTAL EXPENDITURE	2,241,681	2,979,200	3,182,700	3,301,900

Variation Analysis

Original Estimate 2007/08	2,979,200	2,979,200
Inflation	0	59,600
Service Plan	0	0
Budget Transfer	0	0
Capital Charges	0	49,000
Other Variations	203,500	214,100
Revised Budget 2007/08	<u>3,182,700</u>	
Original Budget 2008/09		<u>3,301,900</u>

NON DISTRIBUTED COSTS C18

KEY ACTIVITY DATA

None applicable.

BEST VALUE PERFORMANCE DATA

BV CODE INDICATOR	<u>2006/07 Actuals</u>		<u>Targets</u>	
	<u>Richmond</u>	<u>Top 25% London</u>	<u>2007/08</u>	<u>2008/09</u>

None applicable

	2007/08	2008/09
None*		

*Employee costs under this cost centre represent past service pension costs.

ECONOMIC DEVELOPMENT C20

This cost centre provides funding for the external management of Richmond, Twickenham and Whitton town centres.

	<u>2006/07</u> <u>Actual</u> £	<u>2007/08</u> <u>Original</u> £	<u>2007/08</u> <u>Revised</u> £	<u>2008/09</u> <u>Estimate</u> £
<u>Expenditure</u>				
Supplies and Services	48,186	23,000	23,000	23,000
Third Party Payments	60,663	32,400	32,400	33,200
Central Recharges	7,187	8,200	0	0
TOTAL EXPENDITURE	116,036	63,600	55,400	56,200
<u>Income</u>				
Fees and Charges	(20,829)	0	0	0
TOTAL INCOME	(20,829)	0	0	0
NET EXPENDITURE	95,207	63,600	55,400	56,200

Variation Analysis

Original Estimate 2007/08	63,600	63,600
Inflation	0	1,400
Service Plan	0	(600)
Budget Transfer	0	0
Capital Charges	0	0
Other Variations	(8,200)	(8,200)
Revised Budget 2007/08	<u>55,400</u>	
Original Budget 2008/09		<u>56,200</u>

ECONOMIC DEVELOPMENT C20

KEY ACTIVITY DATA

Implementation of Visitor Strategy, including liaison with attractions & accommodation providers.

Liaison with business support organisations.

BEST VALUE PERFORMANCE DATA

BV CODE INDICATOR	<u>2006/07 Actuals</u>		<u>Targets</u>	
	<u>Richmond</u>	<u>Top 25% London</u>	<u>2007/08</u>	<u>2008/09</u>
None applicable				

None	2007/08	2008/09

PRECEPTS AND LEVIES C21

This cost centre includes the cost of levies that the Council has to pay each year that are not part of its own services under BVACOP and the service expenditure analysis. Principal levies charged here relate to the London Pensions Fund Authority, Coroners Court and the Local Levy for Flood Defence.

	<u>2006/07</u> <u>Actual</u> £	<u>2007/08</u> <u>Original</u> £	<u>2007/08</u> <u>Revised</u> £	<u>2008/09</u> <u>Estimate</u> £
<u>Expenditure</u>				
Third Party Payments	463,296	564,300	543,800	564,800
TOTAL EXPENDITURE	463,296	564,300	543,800	564,800

Variation Analysis

Original Estimate 2007/08	564,300	564,300
Inflation	0	13,800
Service Plan	0	0
Budget Transfer	(20,500)	(13,300)
Capital Charges	0	0
Other Variations	0	0
Revised Budget 2007/08	<u>543,800</u>	
Original Budget 2008/09		<u>564,800</u>

PRECEPTS AND LEVIES C21

KEY ACTIVITY DATA

None applicable.

BEST VALUE PERFORMANCE DATA

BV CODE INDICATOR	<u>2006/07 Actuals</u>		<u>Targets</u>	
	<u>Richmond</u>	<u>Top 25% London</u>	<u>2007/08</u>	<u>2008/09</u>

None applicable

	2007/08	2008/09
None		

COMMUNITY SAFETY C22

This section implements the Community Safety Strategy produced with organisations which are members of the Community Safety Partnership. For 2008/ 09 this service has been transferred to Adult and Community Services.

	<u>2006/07</u> <u>Actual</u> £	<u>2007/08</u> <u>Original</u> £	<u>2007/08</u> <u>Revised</u> £	<u>2008/09</u> <u>Estimate</u> £
<u>Expenditure</u>				
Employees	271,798	276,100	356,100	0
Premises	19,439	19,900	19,900	0
Supplies and Services	144,708	84,100	228,100	0
Third Party Payments	535,313	610,900	576,500	0
Central Recharges	74,454	88,500	90,500	0
TOTAL EXPENDITURE	1,045,712	1,079,500	1,271,100	0
<u>Income</u>				
Government Grants	(897,964)	(611,400)	(568,000)	0
TOTAL INCOME	(897,964)	(611,400)	(568,000)	0
NET EXPENDITURE	147,748	468,100	703,100	0

Variation Analysis

Original Estimate 2007/08	468,100	468,100
Inflation	0	0
Service Plan	0	0
Budget Transfer	228,800	(383,800)
Capital Charges	0	0
Other Variations	6,200	(84,300)
Revised Budget 2007/08	<u>703,100</u>	
Original Budget 2008/09		<u>0</u>

COMMUNITY SAFETY C22

KEY ACTIVITY DATA

The Community Safety Partnership Team supports, co-ordinates and monitors the work of the Community Safety Partnership, a statutory partnership whose aim is to reduce crime and disorder and to tackle substance misuse. The team also engages with communities to build capacity around tackling crime and substance misuse issues.

The team includes staff providing services around domestic violence, anti-social behaviour, improved hate crime reporting (in line with the recommendations of the Macpherson report into the death of Stephen Lawrence) and crime prevention.

The new Community Safety Strategy 2008-2011 will work to deliver a number of the new National Indicators.

The local authority has budgeted for funding a number of PCSOs to be employed in priority wards to augment the SNT roll out.

The authority also funds CCTV - both fixed schemes and Rapid Deployment Cameras.

BEST VALUE PERFORMANCE DATA

BV CODE INDICATOR	<u>2006/07 Actuals</u>		<u>Targets</u>	
	<u>Richmond</u>	<u>Top 25% London</u>	<u>2007/08</u>	<u>2008/09</u>
BV126 Domestic burglaries per 1,000 households	13.2	14.1	13	13
BV127a Violent crimes per 1,000 population	14.4	22.0	16.1	16.1
BV127b Robberies per 1,000 population	2.2	3.7	1.3	1.3
BV128 Vehicle crimes per 1,000 population	11.0	14.0	21.9	21.9
BV174 The number of racial incidents recorded per 100,000 population	106	N/A	105	104
BV175 The percentage of racial incidents that resulted in further action	100%	100%	100%	100%
BV225 Actions against domestic violence	100%	N/A	100%	100%

	2007/08	2008/09
Number of Full Time Equivalent Employees	6.5	0.0

CUSTOMER SERVICES & CONTACT CENTRE C23

Customer Services handles face to face enquiries at two reception desks, these are located in the Atrium and Planning Reception. Customer Services also handles telephone and email enquiries for the majority of the Environment Directorate services, and customers contacting the Council via the main published number. This operation is located in the Corporate Contact Centre. In addition, a telephone and email frontline service is provided for customers contacting the Council about Adult Social Care services.

	<u>2006/07</u> <u>Actual</u> £	<u>2007/08</u> <u>Original</u> £	<u>2007/08</u> <u>Revised</u> £	<u>2008/09</u> <u>Estimate</u> £
<u>Expenditure</u>				
Employees	0	0	790,400	841,900
Transport	0	0	100	100
Supplies and Services	0	0	43,400	44,200
Central Recharges	0	0	393,100	390,000
Central Recharges	0	0	34,000	34,000
TOTAL EXPENDITURE	0	0	1,261,000	1,310,200
<u>Income</u>				
Fees and Charges	0	0	(35,100)	(36,000)
Central Recharges	0	0	(1,225,900)	(1,274,200)
TOTAL INCOME	0	0	(1,261,000)	(1,310,200)
NET EXPENDITURE	0	0	0	0

Variation Analysis

Original Estimate 2007/08	0	0
Inflation	0	42,200
Service Plan	0	(20,300)
Budget Transfer	(39,400)	(9,900)
Capital Charges	34,000	34,000
Other Variations	5,400	(46,000)
Revised Budget 2007/08	<u>0</u>	
Original Budget 2008/09		<u>0</u>

CUSTOMER SERVICES & CONTACT CENTRE C23

KEY ACTIVITY DATA

<p>Customer Services handles face to face enquiries at two reception desks, the Atrium and Planning Reception. Customer Services also handles telephone and email enquiries for the majority of the Environment Directorate services and customers contacting the Council via the main switchboard number. The telephone service is located in the Corporate Contact Centre. In addition, a telephone and email frontline service is provided for customers contacting the Council about Adult Social Care.</p>			
	2006/07 Actual	2007/08 Projection	2008/09 Estimate
Visitors helped by customer service desks			
Civic Centre	292,800	292,800	292,800
Sheen Lane Centre	4,800	0	0
Total	297,600	292,800	292,800
Telephone enquiries			
Switchboard	268,900	181,500	0
Contact Centre	142,631	210,000	210,000
Total	411,531	391,500	210,000

BEST VALUE PERFORMANCE DATA

BV CODE INDICATOR	<u>2006/07 Actuals</u>		<u>Targets</u>	
	<u>Richmond</u>	<u>Top 25% London</u>	<u>2007/08</u>	<u>2008/09</u>

Local Performance Indicators

80% of telephone calls answered within 20 seconds

	2007/08	2008/09
Number of Full Time Equivalent Employees		28.7

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 those involved in producing Home Information Packs (HIPS). The section is responsible for maintenance of and access to the Local Land Charges Register and the Register of Common Land and Village Greens. A service is also provided to Personal Search Agents. The service is moving towards full electronic service delivery through the National Land Information Service (NLIS) and processing searches under the new Home Information Pack regulation.

	<u>2006/07</u> <u>Actual</u> £	<u>2007/08</u> <u>Original</u> £	<u>2007/08</u> <u>Revised</u> £	<u>2008/09</u> <u>Estimate</u> £
<u>Expenditure</u>				
Employees	0	0	124,000	131,200
Supplies and Services	0	0	8,300	8,300
Central Recharges	0	0	90,100	79,300
TOTAL EXPENDITURE	0	0	222,400	218,800
<u>Income</u>				
Fees and Charges	0	0	(830,800)	(651,500)
TOTAL INCOME	0	0	(830,800)	(651,500)
NET EXPENDITURE	0	0	(608,400)	(432,700)

Variation Analysis

Original Estimate 2007/08	0	0
Inflation	0	(13,500)
Service Plan	0	200,000
Budget Transfer	(510,000)	(510,000)
Capital Charges	0	0
Other Variations	(98,400)	(109,200)
Revised Budget 2007/08	<u>(608,400)</u>	
Original Budget 2008/09		<u>(432,700)</u>

LAND CHARGES C24

KEY ACTIVITY DATA

Official Searches processed by Land Charges Department (April - December 2007)	3,170		
Income received for local land charges service (April - December 2007)	£ 715,251		
	<u>Actual</u>	<u>Forecast</u>	
	<i>2006/07</i>	<i>2007/08</i>	<i>2008/09</i>
Official searches processed	5,083	4,000	3,000
Income Received	1,116,375	900,000	650,000

BEST VALUE PERFORMANCE DATA

BV CODE INDICATOR	<u>2006/07 Actuals</u>		<u>Targets</u>	
	<u>Richmond</u>	<u>Top 25% London</u>	<u>2007/08</u>	<u>2008/09</u>

Local Performance Indicators

Standard Searches processed in 10 working days	100%	100%
Standard Searches processed in 5 working days	80%	80%

	2007/08	2008/09
Number of Full Time Equivalent Employees		4.0

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 the mortgages are distributed to the boroughs twice annually using criteria set out in the statutory instrument. The budget includes the HLU's revenue income streams and operating expenses. The level of mortgage repayments currently received is now substantially lower than in the period immediately after the transfer from GLC, with the portfolio now valued at less than £0.5m compared to £100m on transfer.

	<u>2006/07</u> <u>Actual</u> £	<u>2007/08</u> <u>Original</u> £	<u>2007/08</u> <u>Revised</u> £	<u>2008/09</u> <u>Estimate</u> £
<u>Expenditure</u>				
Employees	103,613	105,000	105,000	168,000
Premises	1,915	2,000	2,000	4,000
Supplies and Services	154,489	83,700	83,700	208,800
Central Recharges	27,422	31,700	14,800	12,500
TOTAL EXPENDITURE	287,439	222,400	205,500	393,300
<u>Income</u>				
Fees and Charges	(217,395)	(190,700)	(190,700)	(380,800)
TOTAL INCOME	(217,395)	(190,700)	(190,700)	(380,800)
NET EXPENDITURE	70,044	31,700	14,800	12,500

Variation Analysis

Original Estimate 2007/08	31,700	31,700
Inflation	0	0
Service Plan	0	0
Budget Transfer	(1,300)	(1,300)
Capital Charges	0	0
Other Variations	(15,600)	(17,900)
Revised Budget 2007/08	<u>14,800</u>	
Original Budget 2008/09		<u>12,500</u>

Section D

Education & Children's Services

Should you have any queries concerning the Education and Children's Services Budget Pages please contact:

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REVENUE BUDGET - SUMMARY OF EXPENDITURE

<u>PURPOSE</u>	<u>2006/07 ACTUAL</u>	<u>2007/08 ORIGINAL</u>	<u>2007/08 REVISED</u>	<u>2008/09 ESTIMATE</u>
	£	£	£	£
Library Services	4,951,547	5,502,900	6,085,100	5,784,500
Orleans House Gallery and Arts Service	450,791	418,400	430,500	441,600
Sports	1,511,777	1,742,200	1,939,900	1,875,200
Early Years	3,690,335	3,983,200	4,089,500	4,183,600
Integrated Youth Support	2,375,620	2,574,000	2,494,000	4,089,400
Individual School Budgets	70,058,471	75,226,000	75,255,000	78,651,500
Primary Non Delegated	3,300,157	3,699,900	4,163,600	3,992,100
Secondary Non Delegated	3,320,474	3,445,600	3,769,800	3,526,900
Special Non Delegated	6,894,159	7,385,600	7,399,900	8,142,000
Specialist Support	2,102,733	2,371,600	2,343,600	2,415,600
School Improvement	1,450,353	1,583,900	1,506,300	1,562,300
Strategic Management	0	0	0	0
Standards Fund and Other Grants	397,284	805,800	881,400	2,210,000
Specialist Children's Management	0	0	0	0
Social Work	4,354,305	4,424,200	4,430,000	4,588,900
Looked After Children	3,860,676	4,388,900	4,358,900	5,022,400
Family Support	1,592,110	1,685,500	1,702,400	1,922,700
Youth Justice	302,669	307,700	281,000	320,600
Other Children & Families	1,509,795	1,139,200	1,149,300	1,417,500
	112,123,256	120,684,600	122,280,200	130,146,800
Adjusted Dedicated Schools Grant	(80,464,000)	(85,895,000)	(85,924,000)	(89,967,000)
	(80,464,000)	(85,895,000)	(85,924,000)	(89,967,000)
Total Education and Children's Services	31,659,256	34,789,600	36,356,200	40,179,800

Variation Analysis

Original Estimate 2007/08	34,789,600	34,789,600
Inflation	0	3,772,600
Service Plan	0	1,677,100
Budget Transfer	481,000	(193,500)
Capital Financing	900,600	402,600
Other Variations	185,000	(268,600)
Revised Budget 2007/08	36,356,200	
Original Budget 2008/09		40,179,800

REVENUE BUDGET - SUBJECTIVE SUMMARY OF EXPENDITURE

	<u>2006/07</u> <u>ACTUAL</u> £	<u>2007/08</u> <u>ORIGINAL</u> £	<u>2007/08</u> <u>REVISED</u> £	<u>2008/09</u> <u>ESTIMATE</u> £
<u>Expenditure</u>				
Individual Schools Budget (Net)	70,058,471	75,226,000	75,255,000	78,651,500
Pupil Referral Service (Net)	460,424	527,600	541,400	559,400
Employees	18,375,204	19,074,300	19,448,500	20,748,900
Premises	1,509,297	1,455,200	1,486,200	1,387,500
Transport	2,303,092	2,426,300	2,429,300	2,694,200
Supplies and Services	11,505,693	10,790,500	10,938,900	11,694,400
Third Party Payments	14,619,271	15,560,400	15,742,300	16,884,100
Transfer Payments	6,976,349	9,021,900	8,992,700	9,423,100
Central Recharges	5,360,334	6,061,300	6,055,900	5,849,500
Departmental Recharges	5,100,054	5,312,400	5,247,700	5,480,500
Capital Charges	3,722,091	3,036,600	3,937,200	3,439,200
TOTAL EXPENDITURE	139,990,279	148,492,500	150,075,100	156,812,300
<u>Income</u>				
Adjusted Dedicated Schools Grant	(80,464,000)	(85,895,000)	(85,924,000)	(89,967,000)
Government Grants	(12,649,928)	(14,426,300)	(15,142,000)	(13,382,500)
Other Grants and Contributions	(4,576,693)	(5,030,500)	(4,407,500)	(4,650,300)
Fees & Charges	(5,540,348)	(3,038,700)	(2,997,700)	(3,152,200)
Departmental Recharges	(5,100,054)	(5,312,400)	(5,247,700)	(5,480,500)
TOTAL INCOME	(108,331,023)	(113,702,900)	(113,718,900)	(116,632,500)
NET EXPENDITURE	31,659,256	34,789,600	36,356,200	40,179,800

BUDGETED STAFFING FTE'S

	2007/08	2008/09
Number of Employees	2,212.50	2,291.50

LIBRARY SERVICE E02

The Borough has 12 lending libraries and a central Reference and Information Service at the Old Town Hall, comprising the Reference Library, Local Studies Library and Richmond Information Centre, an accredited tourist centre. Four lending libraries: Richmond, Twickenham, Teddington and East Sheen are district libraries offering a larger book stock and a wider range of facilities. Through the People's Network, access to the Internet and other electronic resources are available at every library. All libraries display Cabinet papers and local planning applications. Extensive use is made of reference and information services which provide access to Council, community and tourist information, meeting the requirements of residents, visitors, local businesses, students and researchers. The Schools' Library and Resource Service based at the Cottage, provides schools in the Borough with advice, practical help, books and other materials.

	<u>2006/07</u> <u>Actual</u> £	<u>2007/08</u> <u>Original</u> £	<u>2007/08</u> <u>Revised</u> £	<u>2008/09</u> <u>Estimate</u> £
<u>Expenditure</u>				
Employees	2,877,446	3,351,100	3,555,100	3,456,800
Premises	486,770	434,500	489,500	447,700
Transport	16,918	17,800	17,800	17,600
Supplies and Services	1,172,309	1,156,300	1,336,300	1,156,000
Central Recharges	528,205	569,800	736,800	734,600
Departmental Recharges	111,395	116,500	125,900	135,100
Capital Charges	208,837	243,200	210,000	210,000
TOTAL EXPENDITURE	5,401,880	5,889,200	6,471,400	6,157,800
<u>Income</u>				
Fees & Charges	(450,333)	(386,300)	(386,300)	(373,300)
TOTAL INCOME	(450,333)	(386,300)	(386,300)	(373,300)
NET EXPENDITURE	4,951,547	5,502,900	6,085,100	5,784,500

Variation Analysis

Original Estimate 2007/08	5,502,900	5,502,900
Inflation	0	152,900
Service Plan	0	(7,800)
Budget Transfer	439,000	(16,100)
Capital Financing	(33,200)	(33,200)
Other Variations	176,400	185,800
Revised Budget 2007/08	<u>6,085,100</u>	
Original Budget 2008/09		<u>5,784,500</u>

LIBRARY SERVICES E02

KEY ACTIVITY DATA

12 lending libraries and a separate reference and information facility.
 Annual visits: 1,526,797
 Total stock: 336,233
 Annual number of items issued: 1,354,227
 People's network bookings: 240,852
 PC's available for public use: 150

BEST VALUE PERFORMANCE DATA

BV CODE INDICATOR	<u>2006/07 Actuals</u>		<u>Targets</u>	
	<u>Richmond</u>	<u>Top 25% London</u>	<u>2007/08</u>	<u>2008/09</u>
Collected every 3 years				
BV118a Library users - found a book to borrow	87%	n/a	n/a	n/a
BV118b Library users - found the information they were looking for	79%	n/a	n/a	n/a
BV118c Library users - satisfied with the library service overall	94%	n/a	n/a	n/a
BV119b % residents by targeted groups satisfied with the local authority's libraries	69%	n/a	n/a	n/a
BV220 Compliance against the Public Library Service Standards	3	n/a	4	4

	2007/08	2008/09
Number of full time equivalent employees	112.5	110.0

ORLEANS HOUSE GALLERY AND ARTS SERVICE E03

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 exhibitions programme includes Orleans House Gallery and the Stables Gallery in Twickenham and the Riverside Gallery in Richmond.

The arts events programme includes the borough arts festivals; Leap into Dance, Arts House Open Studios, Carnival, Larks in the Parks, On the Edge music event and the Book Now literature festival.

The education programme includes a wide range of services to schools and other audiences through ongoing programmes, workshops, special projects, GCSE programmes, work experience opportunities, programmes for childrens and families and adult learning.

	<u>2006/07</u> <u>Actual</u> £	<u>2007/08</u> <u>Original</u> £	<u>2007/08</u> <u>Revised</u> £	<u>2008/09</u> <u>Estimate</u> £
<u>Expenditure</u>				
Employees	341,013	290,400	290,400	301,600
Premises	63,233	58,600	58,600	59,700
Transport	4,335	500	500	500
Supplies and Services	151,007	41,200	41,200	41,200
Central Recharges	57,041	60,300	60,100	57,800
Departmental Recharges	64,946	66,500	75,800	80,000
Capital Charges	21,434	22,900	25,900	25,900
TOTAL EXPENDITURE	703,009	540,400	552,500	566,700
<u>Income</u>				
Other Grants and Contributions	(66,999)	(12,900)	(12,900)	(13,200)
Fees & Charges	(185,219)	(109,100)	(109,100)	(111,900)
TOTAL INCOME	(252,218)	(122,000)	(122,000)	(125,100)
NET EXPENDITURE	450,791	418,400	430,500	441,600

Variation Analysis

Original Estimate 2007/08	418,400	418,400
Inflation	0	10,100
Service Plan	0	(900)
Capital Financing	3,000	3,000
Other Variations	9,100	11,000
Revised Budget 2007/08	<u>430,500</u>	
Original Budget 2008/09		<u>441,600</u>

ORLEANS HOUSE GALLERY AND ARTS SERVICE E03

KEY ACTIVITY DATA

<p><u>Gallery Visits by visitors and school pupils</u> 37,233 visits in person per annum 8,792 queries per annum 3,862 visits by school children to Orleans House Gallery</p> <p>4,502 other education visits including 635 visits to the targeted family learning programme (incl. 32 traveller visits and 74 young parent visits), 2,107 for family events, 452 for ticketed holiday activities, 328 for adult programmes (incl. Inset visits and PGCE student visits), 300 for Star Club, 515 volunteer visits, 30 for targeted young people projects, 99 visits by children after and friends/peers for Culture 4 Keeps, 36 visits by looked after young people for the streets art project and 100% pass rate with 10 young people achieving GCSE Art & Design.</p> <p><u>Other site visits</u> 47 weddings and functions in the Octagon Room 30 meetings and functions in the Coach House</p> <p><u>Riverside Gallery</u> 20,281 visits per annum</p> <p><u>Museum of Richmond</u> 9,494 visits per annum 2,175 visits by school children 3,098 queries per annum</p> <p><u>Arts Development</u> 1,720 visitors to Leap into Dance (2007), 4,816 visitors to Leap into Dance Festival (2006) 384 participants (mostly under 16) performing in Richdance 7,708 visitors to Arthouse 2,050 visitors to Book Now festival 1,400 people attended Carnival in June 2006 1,100 visitors to Larks in the Parks festival 25 participants in Larkin About Youth Drama Project & 200 attending the performance in Ham 3,000 visits to On the Edge 1 day event 87 young people participating in Youth Book Now project in Castlenau 500 Public Arts queries</p>

BEST VALUE PERFORMANCE DATA

BV CODE INDICATOR	<u>2006/07 Actuals</u>		<u>Targets</u>	
	<u>Richmond</u>	<u>Top 25% London</u>	<u>2007/08</u>	<u>2008/09</u>
BV170a Total visits to museums and galleries per 1,000 population	690	1,067	352	700
BV170b Total visits in person to museums and galleries per 1,000 population	320	620	320	340
BV170c Pupils visiting museums and galleries in organised school groups	6,037	8,866	6,335	6,652

	<u>2007/08</u>	<u>2008/09</u>
Number of full time equivalent employees	7.0	7.0

SPORTS E09, E14, E17, E19, E22

The Sports & Fitness Team objectives are to develop participation in sport, improve standards of performance and improve facilities in conjunction with a range of partners.

The Sports Development Team works in partnership with a range of organisations or supports partners to deliver sporting opportunities for the community. They provide a range of courses throughout the year, including the holidays in tennis, golf, netball, football, rugby, softball and swimming. They also run a number of Primary School Tournaments in tag rugby, basketball, football, tennis, indoor athletics and netball.

Four sport & fitness centres are based at Shene, Teddington and Whitton Schools and Hampton Community College. They are dual use provision centres serving the needs of both the schools and the Community.

This heading also includes the budgets for Teddington Pools & Fitness Centre, which comprises two swimming pools, a fitness suite and studio and hydrotherapy pool. Also included is the client pool function for Pools on the Park which is managed by Springhealth Leisure.

	<u>2006/07</u> <u>Actual</u> £	<u>2007/08</u> <u>Original</u> £	<u>2007/08</u> <u>Revised</u> £	<u>2008/09</u> <u>Estimate</u> £
<u>Expenditure</u>				
Employees	1,396,921	1,546,800	1,564,800	1,575,200
Premises	446,921	508,100	508,100	485,600
Transport	5,595	10,600	10,600	10,800
Supplies and Services	450,052	388,600	453,900	457,500
Third Party Payments	407,552	411,700	411,700	422,000
Central Recharges	315,819	341,300	397,700	370,400
Departmental Recharges	65,800	67,400	75,900	80,000
Capital Charges	262,772	259,900	268,400	268,400
TOTAL EXPENDITURE	3,351,432	3,534,400	3,691,100	3,669,900
<u>Income</u>				
Other Grants & Contributions	(59,634)	(35,900)	(35,900)	(36,800)
Fees & Charges	(1,780,021)	(1,756,300)	(1,715,300)	(1,757,900)
TOTAL INCOME	(1,839,655)	(1,792,200)	(1,751,200)	(1,794,700)
NET EXPENDITURE	1,511,777	1,742,200	1,939,900	1,875,200

Variation Analysis

Original Estimate 2007/08	1,742,200	1,742,200
Inflation	0	45,900
Service Plan	0	(6,600)
Budget Transfer	118,100	69,800
Capital Financing	8,500	8,500
Other Variations	71,100	15,400
Revised Budget 2007/08	<u>1,939,900</u>	
Original Budget 2008/09		<u>1,875,200</u>

SPORTS E09, E14, E17, E19, E22

KEY ACTIVITY DATA

Sports Development Team run coaching programmes in a variety of sporting, including: - Borough Championship events, training and trials; School tournaments; programmes to develop links between School and Sports Clubs; London Youth Games teams.

Total attendances on all Sports Development programmes for 2006/07 were 34,401.

Dual-use Sports Centres operate at Shene, Teddington and Whitton Secondary Schools and at Hampton Community College.

Annual visits in 2006/07 were:

Shene Sport & Fitness Centre	60,464
Teddington Sports Centre	76,018
Whitton Sport & Fitness Centre	46,585
Hampton Sport & Fitness Centre	43,294

Teddington Pool & Fitness Centre comprises a swimming pool, learner pool, hydrotherapy pool and fitness suite and studio.

Annual visits in 2006/07 were: 242,482

Pools on the Park is managed by Springhealth Leisure under a management agreement.

Annual visits in 2006/07 were: 519,660

BEST VALUE PERFORMANCE DATA

BV CODE INDICATOR	<u>2006/07 Actuals</u>		<u>Targets</u>	
	<u>Richmond</u>	<u>Top 25% London</u>	<u>2007/08</u>	<u>2008/09</u>
Percentage of adults participating in at least 30 minutes of moderate intensity sport & active recreation on 3 or more days per week	29.8%	n/a	30.8%	31.8%
Percentage of population volunteering in sport & active recreation for at least one hour per week	3.6%	n/a	3.7%	3.8%
Percentage of population within 20 minutes walking distance of 3 different sports facility types, one of which has achieved a quality standard	53.4%	n/a	53.9%	54.4%
Percentage of 5 - 16 year olds engaged in 2 hours a week minimum of high quality PE & school sport within and beyond the curriculum	95.0%	n/a	100.0%	100.0%

	2007/08	2008/09
Number of full time equivalent employees	47.0	50.0

EARLY YEARS E26, E28, E76

The Government allocates funding to the Local Authority through the Dedicated Schools Grant (DSG) for universal free core nursery education entitlement for three and four year olds. The core entitlement is provided by a mix of private, voluntary, independent and maintained schools. There is one stand-alone nursery school, Windham Nursery, 35 nursery units attached to primary schools and 103 providers in the Partnership Provider Scheme.

The Government additionally provides funding through the Sure Start, Early Years and Children's Centres Grant

- to fund the completion of the setting up of Children's Centres, then to run the centres
- to support outcomes, quality and inclusion - to ensure that all children aged 0-8 years have the best possible early years education and care in whatever settings
- to support childcare sufficiency and access

	<u>2006/07</u> <u>Actual</u> £	<u>2007/08</u> <u>Original</u> £	<u>2007/08</u> <u>Revised</u> £	<u>2008/09</u> <u>Estimate</u> £
<u>Expenditure</u>				
Employees	882,094	775,800	797,800	1,044,400
Premises	3,071	0	0	0
Transport	176	0	500	500
Supplies and Services	2,199,156	2,513,700	2,227,100	2,208,500
Third Party Payments	2,917,209	3,089,700	3,252,200	3,413,400
Transfer Payments	10,314	21,500	21,500	22,000
Central Recharges	182,015	203,600	216,400	220,400
Departmental Recharges	158,913	164,400	171,200	182,400
Capital Charges	14,053	16,500	103,200	18,200
TOTAL EXPENDITURE	6,367,001	6,785,200	6,789,900	7,109,800
<u>Income</u>				
Government Grants	(1,892,958)	(1,791,900)	(2,481,300)	(2,707,100)
Other Grants and Contributions	(687,246)	(1,010,100)	(219,100)	(219,100)
Fees & Charges	(96,462)	0	0	0
TOTAL INCOME	(2,676,666)	(2,802,000)	(2,700,400)	(2,926,200)
NET EXPENDITURE	3,690,335	3,983,200	4,089,500	4,183,600

Variation Analysis

Original Estimate 2007/08	3,983,200	3,983,200
Inflation	0	105,100
Service Plan	0	83,200
Budget Transfer	(12,900)	(12,900)
Capital Financing	86,700	1,700
Other Variations	32,500	23,300
Revised Budget 2007/08	<u>4,089,500</u>	
Original Budget 2008/09		<u>4,183,600</u>

EARLY YEARS E26, E28, E76

KEY ACTIVITY DATA

Funded Nursery Education Places were taken up by 93% of the 3 year olds population

There was a net loss of 97 places in the year March 2006 to March 2007

Total number of childcare places at 31 March 2007 was 6,888

The General Sure Start Grant together with funding from local charity was used to support 31 children into out of school settings, 12 children into out of school schemes where families are in temporary hardship and 14 children, with complex needs, to access pre school.

BEST VALUE PERFORMANCE DATA

BV CODE INDICATOR	<u>2006/07 Actuals</u>		<u>Targets</u>	
	<u>Richmond</u>	<u>Top 25% London</u>	<u>2007/08</u>	<u>2008/09</u>
BV222a Percentage of leaders of integrated early education and childrens settings, funded or part funded by the local authority with a qualification of level 4 or above	46.0%	42.0%	49.0%	45.0%
BV222b Percentage of intergrated early education and childcare settings funded or part funded by the local authority which have input from staff with graduate or post graduate training in teaching or child development	100.0%	100.0%	100.0%	100.0%
<u>Local Area Agreement</u>				
Enjoy & Achieve Support early years development through the Extended Bookstart and family learning programmes	73%	n/a	76%	79%

	<u>2007/08</u>	<u>2008/09</u>
Number of full time equivalent employees	20.0	23.0

INTEGRATED YOUTH SUPPORT E64, E65, E67, E91

This area contains budgetary information for the Adolescent Resource Team, Connexions and Youth Service. Combined, these services provide young people with access to positive activities and information, advice and guidance services.

The Connexions Service offers information, advice, guidance and support to all 13 to 19 year olds (and young people with disabilities up to age 25). The service is provided through a combination of of contracted advice and guidance services, directly employed Personal Advisers.

The Youth Service supports the personal and social development of young people and helps them to make a positive contribution to their community. The service operates clubs and projects throughout the borough working in schools, community settings and its four youth centres.

The Adolescent Resource Team is part of the targeted youth support and works with young people aged 10 to 17 within their families and the community.

	<u>2006/07</u> <u>Actual</u> £	<u>2007/08</u> <u>Original</u> £	<u>2007/08</u> <u>Revised</u> £	<u>2008/09</u> <u>Estimate</u> £
<u>Expenditure</u>				
Employees	1,398,210	1,326,100	1,326,100	1,551,100
Premises	208,219	227,000	227,000	195,700
Transport	21,148	17,800	17,800	18,200
Supplies and Services	406,644	356,500	356,500	1,378,300
Third Party Payments	175,009	233,900	233,900	233,200
Transfer Payments	5,482	7,400	7,400	7,500
Central Recharges	173,627	203,300	306,700	312,400
Departmental Recharges	763,135	739,700	557,800	568,400
Capital Charges	85,165	86,800	85,300	85,300
TOTAL EXPENDITURE	3,236,639	3,198,500	3,118,500	4,350,100
<u>Income</u>				
Government Grants	(435,060)	(346,700)	(346,700)	(63,200)
Other Grants and Contributions	(89,481)	(182,700)	(182,700)	(187,200)
Fees & Charges	(336,478)	(95,100)	(95,100)	(10,300)
TOTAL INCOME	(861,019)	(624,500)	(624,500)	(260,700)
NET EXPENDITURE	2,375,620	2,574,000	2,494,000	4,089,400

Variation Analysis

Original Estimate 2007/08	2,574,000	2,574,000
Inflation	0	56,400
Service Plan	0	(2,400)
Budget Transfer	(12,000)	(33,600)
Capital Financing	(1,500)	(1,500)
Other Variations	(66,500)	1,496,500
Revised Budget 2007/08	<u>2,494,000</u>	
Original Budget 2008/09		<u>4,089,400</u>

INTEGRATED YOUTH SUPPORT E64, E65, E67, E91

KEY ACTIVITY DATA

The Connexions Service supports all young people within the target age range working in schools, colleges and community settings. It contributes to the achievement of key indicators across each of the five every child matters outcomes but most notable is reducing the percentage of young people not in education, employment or training at age 16+. The service contributes significantly in this respect to the Make a Positive Contribution and Achieve Economic Wellbeing outcomes.

Connexions contracts universal advice and guidance services through a regional consortium, providing services and information as well as access to a team of 14 Personal Advisers working in schools, colleges and youth centres.

In addition a team of 6.5 full time equivalent specialist Personal Advisers are directly employed as part of the targeted service. A further 2.6 Personal Advisers are employed to support children looked after and children with disabilities and learning difficulties.

Positive Activities are commissioned in school holidays from a budget pooled with resources from other agencies and Community Safety. In 2007/08 over 6,000 attendances were recorded.

The Youth Service has two full time equivalent youth officers leading a team of 7 professional youth workers and 63 part time youth support workers. The youth service works closely with the Richmond Youth Partnership, providing support, advice and training to over 90 voluntary groups and organisations throughout the borough.

The Adolescent Resource Team operates from the Strathmore site working closely with the Youth Offending Team and Pupil Referral Service. They provide individual mentoring support and a range of positive activities and reparation programmes for the highest at risk young people in the borough.

The service is part of the targeted youth support service and has 16 full time equivalent staff.

90 young people are supported each year through the Youth Inclusion and Support Panel and 50 young people are provided with a mentor.

The service aims to contact all referrals within 24 hours and complete initial assessment within 7 working days.

BEST VALUE PERFORMANCE DATA

BV CODE INDICATOR	<u>2006/07 Actuals</u>		<u>Targets</u>	
	<u>Richmond</u>	<u>Top 25% London</u>	<u>2007/08</u>	<u>2008/09</u>
BV221a Recorded outcomes from Youth Work - NEW	39%	63%	45%	50%
BV221b Accredited outcomes from Youth Work - NEW	28%	30%	30%	35%

A new performance measure is proposed from April 2008, to measure young people's participation, 13 to 19 year olds, in structured positive activities.

13 to 19 year olds participating in youth work	11.3%	n/a	15.0%	20.0%
16 to 18 year olds not known to Connexions	5.3%	n/a	3.0%	2.8%
16 to 18 year olds not in employment, education or training	3.5%	n/a	3.5%	3.5%

	2007/08	2008/09
Number of full time equivalent employees	33.5	34.5

INDIVIDUAL SCHOOLS BUDGETS (NET) E33

Local Authorities (LAs) must distribute amounts from their Individual Schools Budget (ISB) 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.

The majority of funding is allocated based on pupil numbers with other factors such as Social Deprivation Special Educational Needs, Free School Meal entitlement and the area of the schools taken into account. Full details are set out in the Authority's Section 52 Budget Statement, which is published in April each year.

This budget share is then delegated to the governing body of the school concerned. The relevant financial controls within which delegation works are set out in the LAs Scheme for the Financing of Schools approved by the Secretary of State in accordance with Section 48 of the School Standards and Framework Act 1998.

The ISB funds one nursery school at the Windham Early Excellence Centre, 15 nursery units attached to primary schools, forty one primary schools of which seven are junior, seven are infant and twenty seven are combined infant and junior, eight secondary schools, two special schools and eleven special units.

	<u>2006/07</u> <u>Actual</u> £	<u>2007/08</u> <u>Original</u> £	<u>2007/08</u> <u>Revised</u> £	<u>2008/09</u> <u>Estimate</u> £
<u>Expenditure</u>				
Employees	60,066,448	65,259,800	65,288,800	68,344,100
Premises	4,444,443	4,580,500	4,580,500	4,787,100
Transport	337,737	147,500	147,500	151,100
Supplies and Services	2,944,837	2,432,000	2,432,000	2,492,800
Third Party Payments	2,265,006	2,806,200	2,806,200	2,876,400
NET EXPENDITURE	70,058,471	75,226,000	75,255,000	78,651,500

Variation Analysis

Original Estimate 2007/08	75,226,000	75,226,000
Inflation	0	2,558,500
Service Plan	0	766,700
Budget Transfer	29,000	29,000
Other Variations	0	71,300
Revised Budget 2007/08	<u>75,255,000</u>	
Original Budget 2008/09		<u>78,651,500</u>

INDIVIDUAL SCHOOLS BUDGETS E33

KEY ACTIVITY DATA

Data taken from January 2008 Draft School Census
There is 1 nursery school and 15 nursery units attached to primary schools. 18 full time pupils 45 part time pupils
There are 41 primary schools: 7 junior, 7 infant, 27 combined junior and infant. 12,248 full time pupils 997 part time pupils
There are 8 comprehensive schools including 1 single sex girls and 1 voluntary aided mixed 6,935 pupils
There are 2 special schools 144 pupils

BEST VALUE PERFORMANCE DATA

BV CODE INDICATOR	<u>2006/07 Actuals</u>		<u>Targets</u>	
	<u>Richmond</u>	<u>Top 25% London</u>	<u>2007/08</u>	<u>2008/09</u>
None applicable				
<u>Local Area Agreement</u>				
Be Healthy				
% of schools achieving Healthy Schools status under the new standards	50%	n/a	75%	85%
Enjoy & Achieve	2005/06			
% pupils attaining level 5 or above at KS3 in English	80%	n/a	84%	85%
Improvement in standards of literacy at key stage 2	Level 4 Level 5	88% 41%	n/a n/a	90% 46%

	2007/08	2008/09
Number of full time equivalent employees ⁽¹⁾	1,708.0	1,770.0
<small>(1) FTE numbers come from draft School Census data that is compiled from a return the schools compile in January each year</small>		

PRIMARY NON DELEGATED E30, E31, E89

These centrally managed budgets provide funding for a range of services including Private Finance Initiative (PFI), transport and health & safety. Delegated funding for Richmond primary schools is shown under the Individual Schools Budget (ISB) heading. School milk is also included here.

The PFI contract provides additional reception class and primary school places. Features of the contract include: sixty places at Marshgate Primary School, thirty places at Kew Riverside Primary School, thirty additional places at St Mary's CE Primary School, thirty additional places at St James's RC Primary School and ten additional places at Trafalgar Infants and Junior Schools. Other features of the project include facilities management, and privately operated nurseries and day care facilities at Trafalgar Infant School, St Mary's, Marshgate and Kew Riverside Primary School. Also, Special Educational Needs Units as follows: Communication & Interaction at St Mary's, Autistic Spectrum Disorders at St James's Emotional and Behavioural Difficulties at Marshgate.

	<u>2006/07</u> <u>Actual</u> £	<u>2007/08</u> <u>Original</u> £	<u>2007/08</u> <u>Revised</u> £	<u>2008/09</u> <u>Estimate</u> £
<u>Expenditure</u>				
Employees	566	0	0	11,500
Premises	37,602	11,200	11,200	11,400
Transport	162,014	212,700	212,700	218,100
Supplies and Services	3,229,666	3,438,500	3,493,400	3,580,500
Transfer Payments	151,291	62,000	48,200	49,400
Central Recharges	425,733	468,200	433,300	404,700
Departmental Recharges	1,091,046	1,262,100	1,318,600	1,399,100
Capital Charges	1,510,956	1,264,000	1,719,900	1,482,900
TOTAL EXPENDITURE	6,608,874	6,718,700	7,237,300	7,157,600
<u>Income</u>				
Government Grants	(2,240,359)	(2,216,000)	(2,241,200)	(2,263,700)
Other Grants and Contributions	(1,068,358)	(802,800)	(832,500)	(853,300)
Fees & Charges	0	0	0	(48,500)
TOTAL INCOME	(3,308,717)	(3,018,800)	(3,073,700)	(3,165,500)
NET EXPENDITURE	3,300,157	3,699,900	4,163,600	3,992,100

Variation Analysis

Original Estimate 2007/08	3,699,900	3,699,900
Inflation	0	49,700
Service Plan	0	(100)
Budget Transfer	(18,600)	(53,200)
Capital Financing	455,900	218,900
Other Variations	26,400	76,900
Revised Budget 2007/08	<u>4,163,600</u>	
Original Budget 2008/09		<u>3,992,100</u>

PRIMARY NON DELEGATED E30, E31, E89

KEY ACTIVITY DATA

The PFI Contract has provided 160 additional permanent reception class places and 1,120 additional primary school places throughout the borough, including completely new primary schools at Kew Riverside and Marshgate and 2 school expansions.
 Three existing buildings have been refurbished. There is Special Educational Needs provision on 3 of the sites and privately operated nurseries, day care and wrap around care on 4 of the sites.

The PFI Contract is for 30 years until March 2032

BEST VALUE PERFORMANCE DATA

BV CODE INDICATOR	<u>2006/07 Actuals</u>		<u>Targets</u>	
	<u>Richmond</u>	<u>Top 25% London</u>	<u>2007/08</u>	<u>2008/09</u>
BV40 % pupils in LEA schools achieving level 4 or above in Key Stage 2 Mathematics	84.6%	78.0%	90.0%	90.0%
BV41 % pupils in LEA schools achieving level 4 or above in Key Stage 2 English	88.5%	81.3%	90.0%	90.0%
BV46 % total half days missed in primary schools	5.1%	5.3%	4.0%	4.0%
BV194a % of pupils in schools maintained by the LEA achieving level 5 or above in Key stage 2 in English	49.0%	35.0%	46.0%	46.0%
BV194b % of pupils in schools maintained by the LEA achieving level 5 or above in Key stage 2 in Maths	48.0%	35.0%	46.0%	46.0%

	<u>2007/08</u>	<u>2008/09</u>
Number of full time equivalent employees	0.0	0.0

SECONDARY NON DELEGATED E35, E36, E37, E39

These centrally managed budgets provide funding for a range of services including the Pupil Referral Service (PRS), transport and health & safety. Delegated funding for Richmond's secondary schools is shown under the Individual Schools Budget (ISB) heading.

	<u>2006/07</u> <u>Actual</u> £	<u>2007/08</u> <u>Original</u> £	<u>2007/08</u> <u>Revised</u> £	<u>2008/09</u> <u>Estimate</u> £
<u>Expenditure</u>				
Pupil Referral Service (Net)	460,424	527,600	541,400	559,400
Employees	91,512	47,300	27,300	4,100
Premises	22,240	18,400	18,400	18,900
Transport	84,067	71,200	71,200	73,000
Supplies and Services	261,115	223,700	312,700	182,000
Transfer Payments	52,252	28,500	28,500	29,200
Central Recharges	495,500	553,000	469,000	435,500
Departmental Recharges	828,501	952,300	988,000	1,053,500
Capital Charges	1,459,991	1,023,600	1,313,300	1,171,300
TOTAL EXPENDITURE	3,755,602	3,445,600	3,769,800	3,526,900
<u>Income</u>				
Government Grants	(24,721)	0	0	0
Other Grants and Contributions	(410,407)	0	0	0
TOTAL INCOME	(435,128)	0	0	0
NET EXPENDITURE	3,320,474	3,445,600	3,769,800	3,526,900

Variation Analysis

Original Estimate 2007/08	3,445,600	3,445,600
Inflation	0	25,500
Service Plan	0	(2,500)
Budget Transfer	76,400	(79,500)
Capital Financing	289,700	147,700
Other Variations	(41,900)	(9,900)
Revised Budget 2007/08	<u>3,769,800</u>	
Original Budget 2008/09		<u>3,526,900</u>

SECONDARY NON DELEGATED E35, E36, E37, E39

KEY ACTIVITY DATA

PRS Data taken from January 2008 Draft School Census

1 Pupil Referral Service
28 Pupils

BEST VALUE PERFORMANCE DATA

BV CODE INDICATOR	<u>2006/07 Actuals</u>		<u>Targets</u>	
	<u>Richmond</u>	<u>Top 25% London</u>	<u>2007/08</u>	<u>2008/09</u>
BV38 % 15 year olds achieving 5 or more GCSE grade A*-C or equivalent	56.10%	61.90%	64.00%	66.00%
BV39 % 15 year olds achieving 5 or more GCSE grade A*-G or equivalent	86.70%	91.50%	90.00%	91.00%
BV45 % half days missed due to absence in LEA secondary schools	8.45%	7.40%	7.00%	7.00%
BV181a % of 14 year old pupils in LEA Schools achieving Level 5 or above in key stage 3 test in English	80.40%	76.55%	83.00%	85.00%
BV181b % of 14 year old pupils in LEA Schools achieving Level 5 or above in key stage 3 test in Maths	78.94%	80.00%	83.00%	84.00%
BV181c % of 14 year old pupils in LEA Schools achieving Level 5 or above in key stage 3 test in Science	74.57%	76.95%	80.00%	81.00%
BV181d % of 14 year old pupils in LEA Schools achieving Level 5 or above in key stage 3 test in ICT assessments	74.00%	75.00%	80.00%	81.00%

	<u>2007/08</u>	<u>2008/09</u>
Number of full time equivalent employees ⁽¹⁾	11.0	14.0
⁽¹⁾ FTE numbers come from draft School Census data that is compiled from a return the schools compile in January each year		

SPECIAL NON DELEGATED INCLUDING RECOUPMENT E41, E45, E51-E54

These centrally retained budgets mainly provide funding for independent special school placements and special educational needs transport.

Mandatory recoupment applies to all pupils with a statement of special educational needs and pupils attending special schools.

The Authority in whose area a particular pupil lives remains responsible for making and maintaining the pupil's statement, regardless of where the pupil is educated.

	<u>2006/07</u> <u>Actual</u> £	<u>2007/08</u> <u>Original</u> £	<u>2007/08</u> <u>Revised</u> £	<u>2008/09</u> <u>Estimate</u> £
<u>Expenditure</u>				
Premises	28,391	4,500	4,500	4,600
Transport	1,829,350	1,922,300	1,922,300	2,170,400
Supplies and Services	188,296	101,300	101,300	98,900
Third Party Payments	6,151,013	6,759,800	6,759,800	7,278,800
Transfer Payments	45,329	5,200	5,200	5,300
Central Recharges	138,159	156,100	143,000	144,300
Departmental Recharges	287,483	304,800	300,300	325,000
Capital Charges	96,194	82,700	114,600	114,600
TOTAL EXPENDITURE	8,764,216	9,336,700	9,351,000	10,141,900
<u>Income</u>				
Government Grants	(42,854)	0	0	0
Other Grants and Contributions	(1,785,335)	(1,933,800)	(1,933,800)	(1,982,200)
Fees & Charges	(41,868)	(17,300)	(17,300)	(17,700)
TOTAL INCOME	(1,870,057)	(1,951,100)	(1,951,100)	(1,999,900)
NET EXPENDITURE	6,894,159	7,385,600	7,399,900	8,142,000

Variation Analysis

Original Estimate 2007/08	7,385,600	7,385,600
Inflation	0	170,900
Service Plan	0	549,000
Budget Transfer	(7,100)	(10,900)
Capital Financing	31,900	31,900
Other Variations	(10,500)	15,500
Revised Budget 2007/08	<u>7,399,900</u>	
Original Budget 2008/09		<u>8,142,000</u>

SPECIAL NON DELEGATED INCLUDING RECOUPMENT E41, E45, E51-E54

KEY ACTIVITY DATA

We recoup income for out-borough pupils in Richmond schools, from 4 London Boroughs & 2 County Council

We pay statemented support to 8 London Boroughs & 2 County Councils

We pay London Boroughs for Richmond pupils attending Out - London Specialist schools

152 children were placed in independent special schools in 2007-08

273 children were provided with transport to special needs placements in 2007-08

There were 737 statemented children in 2007-08

BEST VALUE PERFORMANCE DATA

BV CODE INDICATOR	<u>2006/07 Actuals</u>		<u>Targets</u>	
	<u>Richmond</u>	<u>Top 25% London</u>	<u>2007/08</u>	<u>2008/09</u>
BV43a % statements of Special Education Needs prepared within 18 weeks excluding exceptions under SEN Code of Practice	100%	100%	100%	100%
BV43b % statements of Special Education Needs prepared within 18 weeks including exceptions under SEN Code of Practice	80.8%	98.5%	93%	94%

	<u>2007/08</u>	<u>2008/09</u>
Number of full time equivalent employees	0.0	0.0

SPECIALIST SUPPORT E46-E50, E84, E86, E87

This heading contains budgets for specialist educational teams, including the Education Welfare Service (EWS) and the Psychological Service. The EWS discharges the statutory function of the LA in relation to school attendance, child employment and children in entertainment.

The Education Psychology Service provides a range of services to children and parents, schools, pre-school settings and the LA. These include providing a consultation service to schools, advice on a range of special educational needs, comprehensive individual assessments (including statutory assessments), specialist training for staff and working with teachers and others to run group achievement programmes dealing with such issues as anger management.

	<u>2006/07</u> <u>Actual</u> £	<u>2007/08</u> <u>Original</u> £	<u>2007/08</u> <u>Revised</u> £	<u>2008/09</u> <u>Estimate</u> £
<u>Expenditure</u>				
Employees	2,083,376	1,816,100	1,816,100	1,885,000
Premises	77,362	83,300	59,300	52,000
Transport	58,066	45,400	45,400	46,400
Supplies and Services	238,850	190,200	186,800	188,500
Third Party Payments	0	104,300	104,300	106,900
Central Recharges	203,843	237,000	236,400	244,200
TOTAL EXPENDITURE	2,661,497	2,476,300	2,448,300	2,523,000
<u>Income</u>				
Government Grants	(51,573)	0	0	0
Other Grants and Contributions	(10,100)	0	0	0
Fees & Charges	(497,091)	(104,700)	(104,700)	(107,400)
TOTAL INCOME	(558,764)	(104,700)	(104,700)	(107,400)
NET EXPENDITURE	2,102,733	2,371,600	2,343,600	2,415,600

Variation Analysis

Original Estimate 2007/08	2,371,600	2,371,600
Inflation	0	75,700
Service Plan	0	(3,000)
Budget Transfer	(42,800)	(51,300)
Other Variations	14,800	22,600
Revised Budget 2007/08	<u>2,343,600</u>	
Original Budget 2008/09		<u>2,415,600</u>

SPECIALIST SUPPORT E46-E50, E84, E86, E87

KEY ACTIVITY DATA

The following information is recorded by the Education Welfare Service, the current figures are recorded as at November 2007:

- 138 Referrals
- 5 Truancy Patrols
- 16 successful prosecutions
- 56 Child Employment Permits issued
- 245 Children in Entertainment Licenses issued
- 10 Chaperone Licenses issued

The Curriculum and Teachers Centre is based at Clifden Road and has dual purpose use as a base for 30 education specialists and as a room letting facility. There are 5 rooms available for hire from 8am to 9pm to cater for two to ninety delegates with light refreshment facilities. There is also a reprographics service that can be purchased.

The average daily number of attendees at the centre is around 160.

221 psychological assessments and formal consultations were carried out from April 2007 to December 2007.

BEST VALUE PERFORMANCE DATA

BV CODE INDICATOR	<u>2006/07 Actuals</u>		<u>Targets</u>	
	<u>Richmond</u>	<u>Top 25% London</u>	<u>2007/08</u>	<u>2008/09</u>

None applicable

	<u>2007/08</u>	<u>2008/09</u>
Number of full time equivalent employees	40.0	40.0

SCHOOL IMPROVEMENT E75, E79, E83

The budgets for the School Standard's Division (SSD) and Ethnic Minority and Travellers Achievement Service (EMTAS) are included under this heading. The SSD plays a key role in the LA's strategy for raising standards of achievement and school improvement through target setting and, where necessary, intervention and management of the school improvement programmes. The SSD also provides advice on professional matters relating to curriculum development and the statutory requirements of Education Acts. The SSD also has a central role in the planning and management of development initiatives and contributes to overall policy and planning. Statutory targets for schools and also support for challenging for school improvement is managed by the School Improvement Partners (SIPs)

	<u>2006/07</u> <u>Actual</u> £	<u>2007/08</u> <u>Original</u> £	<u>2007/08</u> <u>Revised</u> £	<u>2008/09</u> <u>Estimate</u> £
<u>Expenditure</u>				
Employees	1,157,780	1,436,300	1,456,300	1,511,000
Premises	2,955	0	0	0
Transport	9,033	15,000	15,000	15,300
Supplies and Services	1,341,035	984,700	948,700	952,000
Central Recharges	206,969	239,700	185,100	191,100
Departmental Recharges	247,113	257,400	250,400	275,700
TOTAL EXPENDITURE	2,964,885	2,933,100	2,855,500	2,945,100
<u>Income</u>				
Government Grants	(652,079)	(769,200)	(769,200)	(788,400)
Other Grants and Contributions	(253,007)	(478,200)	(478,200)	(490,100)
Fees & Charges	(609,446)	(101,800)	(101,800)	(104,300)
TOTAL INCOME	(1,514,532)	(1,349,200)	(1,349,200)	(1,382,800)
NET EXPENDITURE	1,450,353	1,583,900	1,506,300	1,562,300

Variation Analysis

Original Estimate 2007/08	1,583,900	1,583,900
Inflation	0	45,100
Service Plan	0	(20,400)
Budget Transfer	(32,800)	(32,800)
Other Variations	(44,800)	(13,500)
Revised Budget 2007/08	<u>1,506,300</u>	
Original Budget 2008/09		<u>1,562,300</u>

SCHOOL IMPROVEMENT E75, E79, E83

KEY ACTIVITY DATA

The school Standards Division and the Ethnic Minority and Travellers Achievement Team play a key role in the LA's strategy for raising standards of achievement and improving Schools through target setting and where necessary intervention and management of school improvement strategies. Activities to improve teacher recruitment and retention and support for governors are also included under this service.

All schools have an assigned School Improvement Partner. There are 6 full-time and 2 part-time inspectors. The service also uses external consultants for targeted work within schools. In addition the service provides professional advice on matters related to curriculum development and statutory requirements of Education Acts. The division also has a central role in planning and management of development initiatives and contributes to overall policy and planning

In addition a number of grant funded education specialists are based at the Curriculum and Teachers Centre and the Plato Centre at Waldegrave School.

BEST VALUE PERFORMANCE DATA

BV CODE INDICATOR	<u>2006/07 Actuals</u>		<u>Targets</u>	
	<u>Richmond</u>	<u>Top 25% London</u>	<u>2007/08</u>	<u>2008/09</u>

None applicable

	2007/08	2008/09
Number of full time equivalent employees	30.0	28.0

STRATEGIC MANAGEMENT E80

The central administration exercises general control over the Education and Children's Service and its development within the statutory requirements of the Education and Children's Acts and the policies of the Council. It is responsible, working through the School Standard Division, for monitoring and maintaining the standard of education provided in the Borough and plays a central role in the areas of policy and planning.

The services covered by this budget include various public service functions such as Pupil and Student Support, Pupil Admissions and Special Educational Needs.

	<u>2006/07</u> <u>Actual</u> £	<u>2007/08</u> <u>Original</u> £	<u>2007/08</u> <u>Revised</u> £	<u>2008/09</u> <u>Estimate</u> £
<u>Expenditure</u>				
Employees	2,434,090	2,675,900	2,675,900	3,211,100
Transport	14,986	12,000	12,000	12,200
Supplies and Services	630,171	370,500	368,500	371,800
Central Recharges	1,188,510	1,338,300	1,461,700	1,347,100
TOTAL EXPENDITURE	4,267,757	4,396,700	4,518,100	4,942,200
<u>Income</u>				
Fees & Charges	(456,029)	(226,200)	(226,200)	(372,900)
Departmental Recharges	(3,811,728)	(4,170,500)	(4,291,900)	(4,569,300)
TOTAL INCOME	(4,267,757)	(4,396,700)	(4,518,100)	(4,942,200)
NET EXPENDITURE	0	0	0	0

Variation Analysis

Original Estimate 2007/08	0	0
Inflation	0	127,200
Service Plan	0	(9,100)
Budget Transfer	(36,900)	237,000
Other Variations	36,900	(355,100)
Revised Budget 2007/08	<u>0</u>	
Original Budget 2008/09		<u>0</u>

STRATEGIC MANAGEMENT E80

KEY ACTIVITY DATA

This area covers the main strategic management and administrative functions of the LA:

Admissions, Buildings & Development, Finance & Resources, Governor Support, Information Services, Policy, Performance and Systems, Strategic Management, Social Inclusion, Special Educational Needs, Marketing & Publications & Forward Planning, Pupil & Student Support, School Support

BEST VALUE PERFORMANCE DATA

BV CODE INDICATOR	<u>2006/07 Actuals</u>		<u>Targets</u>	
	<u>Richmond</u>	<u>Top 25% London</u>	<u>2007/08</u>	<u>2008/09</u>

None applicable

	<u>2007/08</u>	<u>2008/09</u>
Number of full time equivalent employees	60.0	73.0

SPECIALIST CHILDREN'S SERVICES – DIVISIONAL MANAGEMENT E90

This includes the management and business support costs of the Specialist Children's Division which are recharged to services.

	<u>2006/07</u> <u>Actual</u> £	<u>2007/08</u> <u>Original</u> £	<u>2007/08</u> <u>Revised</u> £	<u>2008/09</u> <u>Estimate</u> £
<u>Expenditure</u>				
Employees	695,090	476,500	476,500	486,400
Premises	5,655	0	0	0
Transport	6,317	10,000	10,000	10,300
Supplies and Services	104,618	108,700	108,700	108,700
Central Recharges	453,510	519,300	299,400	275,800
Departmental Recharges	23,136	27,400	27,200	30,000
Capital Charges	0	0	34,000	0
TOTAL EXPENDITURE	1,288,326	1,141,900	955,800	911,200
<u>Income</u>				
Departmental Recharges	(1,288,326)	(1,141,900)	(955,800)	(911,200)
TOTAL INCOME	(1,288,326)	(1,141,900)	(955,800)	(911,200)
NET EXPENDITURE	0	0	0	0

Variation Analysis

Original Estimate 2007/08	0	0
Inflation	0	18,900
Service Plan	0	(2,600)
Budget Transfer	(11,000)	(17,100)
Capital Financing	34,000	0
Other Variations	(23,000)	800
Revised Budget 2007/08	<u>0</u>	
Original Budget 2008/09		<u>0</u>

SPECIALIST CHILDREN'S SERVICES – DIVISIONAL MANAGEMENT E90

KEY ACTIVITY DATA

Management of Specialist Children's Division Workforce	151.0 FTE
Management of Specialist Children's Budget	£12m gross

BEST VALUE PERFORMANCE DATA

BV CODE INDICATOR	<u>2006/07 Actuals</u>		<u>Targets</u>	
	<u>Richmond</u>	<u>Top 25% London</u>	<u>2007/08</u>	<u>2008/09</u>

None applicable

	<u>2007/08</u>	<u>2008/09</u>
Number of full time equivalent employees	9.5	9.5

STANDARDS FUND AND OTHER GRANTS E72 , E73, E77

The Standards Fund programme remains a key part of the Government's education strategy, with the Department for Children, Schools and Families (DCSF) stating that schools should see the Standards Fund as making a contribution to the development and improvement agenda, including personalised learning.

	<u>2006/07</u> <u>Actual</u> £	<u>2007/08</u> <u>Original</u> £	<u>2007/08</u> <u>Revised</u> £	<u>2008/09</u> <u>Estimate</u> £
<u>Expenditure</u>				
Employees	637,054	695,100	748,200	776,500
Supplies and Services	572,875	365,900	432,100	391,700
Transfer Payments	6,307,904	5,905,900	5,890,500	6,102,700
TOTAL EXPENDITURE	7,517,833	6,966,900	7,070,800	7,270,900
<u>Income</u>				
Government Grants	(6,832,237)	(6,059,900)	(6,061,000)	(4,791,100)
Other Grants and Contributions	(288,312)	(101,200)	(128,400)	(269,800)
TOTAL INCOME	(7,120,549)	(6,161,100)	(6,189,400)	(5,060,900)
NET EXPENDITURE	397,284	805,800	881,400	2,210,000

Variation Analysis

Original Estimate 2007/08	805,800	805,800
Inflation	0	28,200
Service Plan	0	(50,000)
Budget Transfer	75,600	(172,000)
Other Variations	0	1,598,000
Revised Budget 2007/08	<u>881,400</u>	
Original Budget 2008/09		<u>2,210,000</u>

STANDARDS FUND AND OTHER GRANTS E72, E73, E77

KEY ACTIVITY DATA

Standards Fund focuses on key strategies for reform and improving standards through school school leadership, diversity of delivery, remodelling of the workforce, improving pupil attendance & behaviour and developing community links.

The number of Standards Fund grants have been significantly reduced as several of them have been transferred into the New Area Base Grant

BEST VALUE PERFORMANCE DATA

BV CODE INDICATOR	<u>2006/07 Actuals</u>		<u>Targets</u>	
	<u>Richmond</u>	<u>Top 25% London</u>	<u>2007/08</u>	<u>2008/09</u>
None applicable				

	2007/08	2008/09
Number of full time equivalent employees	11.5	14.0

SOCIAL WORK – SPECIALIST CHILDREN'S SERVICES E91

This covers the cost of social workers who provide assessment, care management, advice and aftercare for children and families, including child protection and Children and Adolescent Mental Health Services (CAMHS) and the Child & Family Consultation Centre.

	<u>2006/07</u> <u>Actual</u> £	<u>2007/08</u> <u>Original</u> £	<u>2007/08</u> <u>Revised</u> £	<u>2008/09</u> <u>Estimate</u> £
<u>Expenditure</u>				
Employees	2,484,255	2,522,500	2,594,100	2,711,000
Premises	71,349	55,000	55,000	14,700
Transport	57,722	60,400	62,900	69,500
Supplies and Services	174,858	193,500	214,500	207,300
Third Party Payments	83,008	91,600	96,500	98,800
Transfer Payments	1,705	0	0	65,900
Central Recharges	614,029	741,600	722,900	726,100
Departmental Recharges	907,213	847,500	863,100	863,300
Capital Charges	7,242	7,200	7,200	7,200
TOTAL EXPENDITURE	4,401,381	4,519,300	4,616,200	4,763,800
<u>Income</u>				
Government Grants	(27,600)	(15,600)	(15,600)	0
Other Grants and Contributions	(7,911)	(79,500)	(170,600)	(174,900)
Fees & Charges	(11,565)	0	0	0
Rents	4,361,548	0	0	0
TOTAL INCOME	(47,076)	(95,100)	(186,200)	(174,900)
NET EXPENDITURE	4,354,305	4,424,200	4,430,000	4,588,900

Variation Analysis

Original Estimate 2007/08	4,424,200	4,424,200
Inflation	0	105,900
Service Plan	0	(3,800)
Budget Transfer	(42,400)	(88,000)
Other Variations	48,200	150,600
Revised Budget 2007/08	<u>4,430,000</u>	
Original Budget 2008/09		<u>4,588,900</u>

SOCIAL WORK – SPECIALIST CHILDREN'S SERVICES E91

KEY ACTIVITY DATA

At 31 March 2007	
Social Workers	48.32 FTE
Children Receiving Social Work Support	499
Looked After Children	84
Care Leavers	70
Children on Child Protection Register	49

BEST VALUE PERFORMANCE DATA

BV CODE INDICATOR	<u>2006/07 Actuals</u>		<u>Targets</u>	
	<u>Richmond</u>	<u>Top 25% London</u>	<u>2007/08</u>	<u>2008/09</u>
	BV 162 Reviews of child protection cases	100%	n/a	100%

	2007/08	2008/09
Number of full time equivalent employees	68.0	66.0

LOOKED AFTER CHILDREN E92

This budget includes the cost of purchasing independent sector residential care placements. It also covers the cost of local authority and independent sector foster care placements for children and young people who cannot be with their own families.

	<u>2006/07</u> <u>Actual</u> £	<u>2007/08</u> <u>Original</u> £	<u>2007/08</u> <u>Revised</u> £	<u>2008/09</u> <u>Estimate</u> £
<u>Expenditure</u>				
Employees	508,245	653,900	653,900	689,700
Transport	11,354	8,500	8,500	8,700
Supplies and Services	98,140	73,100	73,100	143,100
Third Party Payments	3,467,161	3,617,500	3,617,500	3,942,900
Transfer Payments	69,085	29,100	29,100	29,800
Central Recharges	154,826	178,100	143,800	142,900
Departmental Recharges	194,371	177,400	181,700	178,300
TOTAL EXPENDITURE	4,503,182	4,737,600	4,707,600	5,135,400
<u>Income</u>				
Government Grants	(274,386)	(238,400)	(238,400)	0
Other Grants and Contributions	(132,470)	(110,300)	(110,300)	(113,000)
Fees & Charges	(235,650)	0	0	0
TOTAL INCOME	(642,506)	(348,700)	(348,700)	(113,000)
NET EXPENDITURE	3,860,676	4,388,900	4,358,900	5,022,400

Variation Analysis

Original Estimate 2007/08	4,388,900	4,388,900
Inflation	0	112,000
Service Plan	0	282,700
Budget Transfer	(6,800)	21,900
Other Variations	(23,200)	216,900
Revised Budget 2007/08	<u>4,358,900</u>	
Original Budget 2008/09		<u>5,022,400</u>

LOOKED AFTER CHILDREN E92

KEY ACTIVITY DATA

	Children Numbers LAC @ 31 March 2007	Placement weeks for placement types for whole year
Residential Care - Independent	10	653
Residential Care - Disabled Children	7	383
Foster Care - Local Authority	33	2,386
Foster Care - Independent	16	699

BEST VALUE PERFORMANCE DATA

BV CODE INDICATOR	<u>2006/07 Actuals</u>		<u>Targets</u>	
	<u>Richmond</u>	<u>Top 25% London</u>	<u>2007/08</u>	<u>2008/09</u>
BV 49 Stability of placements of Looked After Children	11.90%	n/a	10.0%	9.5%
BV 50 Education Qualification of Looked After Children	70.6%	n/a	55.0%	60.0%
BV161 Employment, Education and Training for Care Leavers	0.9%	n/a	0.9%	0.9%

	2007/08	2008/09
Number of full time equivalent employees	18.0	18.0

FAMILY SUPPORT E93

This relates to two Contact and Assessment Centres, providing a wide range of individual and group work activities and support for families and their children up to 14 years of age. It also includes support provided under S17 of the Children's Act, services for parent carers of disabled children, services to reduce teenage pregnancy and the payment of Residence Order Allowances.

	<u>2006/07</u> <u>Actual</u> £	<u>2007/08</u> <u>Original</u> £	<u>2007/08</u> <u>Revised</u> £	<u>2008/09</u> <u>Estimate</u> £
<u>Expenditure</u>				
Employees	676,329	710,900	710,900	723,800
Premises	42,506	43,800	43,800	44,400
Transport	1,370	3,100	3,100	3,200
Supplies and Services	160,129	185,800	185,800	130,100
Third Party Payments	312,529	375,700	375,700	385,100
Transfer Payments	329,257	257,800	257,800	339,200
Central Recharges	79,440	89,000	72,800	70,800
Departmental Recharges	199,473	182,700	186,900	184,100
Capital Charges	42,000	13,100	42,000	42,000
TOTAL EXPENDITURE	1,843,033	1,861,900	1,878,800	1,922,700
<u>Income</u>				
Government Grants	(176,100)	(176,400)	(176,400)	0
Fees & Charges	(74,823)	0	0	0
TOTAL INCOME	(250,923)	(176,400)	(176,400)	0
NET EXPENDITURE	1,592,110	1,685,500	1,702,400	1,922,700

Variation Analysis

Original Estimate 2007/08	1,685,500	1,685,500
Inflation	0	46,100
Service Plan	0	16,800
Budget Transfer	0	(16,600)
Capital Financing	28,900	28,900
Other Variations	(12,000)	162,000
Revised Budget 2007/08	<u>1,702,400</u>	
Original Budget 2008/09		<u>1,922,700</u>

FAMILY SUPPORT E93

KEY ACTIVITY DATA

Contact Sessions For Looked After Children	731
Parent Groups	62
Community Groups	118
Individual Family Work	507
Parent/Child Sessions	0
Children's Groups	8
Short breaks & Direct Payments for parents/carers of disabled children	
Residential And Family Care (overnight)	447
Home Care (hours)	1,313
Befriender (hours)	3,382
Direct Payment to Parents / Carers	61 as at 31/3/07
Residence Orders In Place	22

BEST VALUE PERFORMANCE DATA

BV CODE INDICATOR	<u>2006/07 Actuals</u>		<u>Targets</u>	
	<u>Richmond</u>	<u>Top 25% London</u>	<u>2007/08</u>	<u>2008/09</u>
BV 197 % change in the number of conceptions to females aged under 18, resident in an area, per thousand females aged 15-17 resident in the area.	-12.5%	n/a	-30.6%	-29.8%

	<u>2007/08</u>	<u>2008/09</u>
Number of full time equivalent employees	18.0	16.5

YOUTH JUSTICE E94

The multi-agency Youth Offending Team provides a comprehensive service for young people involved in or at risk of being involved in crime.

	<u>2006/07</u> <u>Actual</u> £	<u>2007/08</u> <u>Original</u> £	<u>2007/08</u> <u>Revised</u> £	<u>2008/09</u> <u>Estimate</u> £
<u>Expenditure</u>				
Employees	373,009	424,500	430,000	474,500
Premises	2,602	7,200	7,200	7,300
Transport	10,015	8,300	8,300	8,500
Supplies and Services	37,988	24,800	24,800	24,800
Third Party Payments	352	3,300	17,800	18,300
Central Recharges	67,163	73,900	70,400	70,200
Departmental Recharges	59,825	56,800	33,600	35,900
TOTAL EXPENDITURE	550,954	598,800	592,100	639,500
<u>Income</u>				
Other Grants and Contributions	(112,411)	(241,100)	(261,100)	(267,600)
Fees & Charges	(135,874)	(50,000)	(50,000)	(51,300)
TOTAL INCOME	(248,285)	(291,100)	(311,100)	(318,900)
NET EXPENDITURE	302,669	307,700	281,000	320,600

Variation Analysis

Original Estimate 2007/08	307,700	307,700
Inflation	0	11,000
Service Plan	0	(400)
Budget Transfer	0	27,000
Other Variations	(26,700)	(24,600)
Revised Budget 2007/08	<u>281,000</u>	
Original Budget 2008/09		<u>320,700</u>

YOUTH JUSTICE E94

KEY ACTIVITY DATA

The Youth Offending Team deals with an average of 31 young people every month who have received new Court Orders or final warnings.

At any one time the team is working with around 65 young people.

BEST VALUE PERFORMANCE DATA

BV CODE INDICATOR	<u>2006/07 Actuals</u>		<u>Targets</u>	
	<u>Richmond</u>	<u>Top 25% London</u>	<u>2007/08</u>	<u>2008/09</u>
None applicable				
Local Area Agreement				
Make a Positive Contribution				
The proportion of all young offenders who re-offend within 12 months of their disposal, who commit an offence before their 18th birthday	n/a	n/a	22.5%	20.5%

	2007/08	2008/09
Number of full time equivalent employees	10.5	10.5

OTHER CHILDREN AND FAMILY SERVICES E95

This budget includes the costs of adoption support (pre and post placement), counselling for prospective adoptors and support to adopted people who are seeking information about their past. It also includes the cost of services to young people leaving care.

	<u>2006/07</u> <u>Actual</u> £	<u>2007/08</u> <u>Original</u> £	<u>2007/08</u> <u>Revised</u> £	<u>2008/09</u> <u>Estimate</u> £
<u>Expenditure</u>				
Employees	338,214	325,100	325,100	335,200
Premises	10,421	3,600	3,600	45,500
Transport	10,626	10,700	10,700	11,000
Supplies and Services	88,783	73,500	73,500	73,500
Third Party Payments	1,105,438	872,900	872,900	984,700
Transfer Payments	3,730	3,000	3,000	3,100
Central Recharges	75,945	88,800	100,400	101,200
Departmental Recharges	97,703	89,500	91,300	89,700
Capital Charges	13,447	16,700	13,400	13,400
TOTAL EXPENDITURE	1,744,307	1,483,800	1,493,900	1,657,300
<u>Income</u>				
Government Grants	0	(110,700)	(110,700)	0
Other Grants and Contributions	(15,429)	(42,000)	(42,000)	(43,100)
Fees & Charges	(204,470)	(144,100)	(144,100)	(147,700)
Rents	(14,613)	(47,800)	(47,800)	(49,000)
TOTAL INCOME	(234,512)	(344,600)	(344,600)	(239,800)
NET EXPENDITURE	1,509,795	1,139,200	1,149,300	1,417,500

Variation Analysis

Original Estimate 2007/08	1,139,200	1,139,200
Inflation	0	27,500
Service Plan	0	88,300
Budget Transfer	(4,800)	34,800
Capital Financing	(3,300)	(3,300)
Other Variations	18,200	130,900
Revised Budget 2007/08	<u>1,149,300</u>	
Original Budget 2008/09		<u>1,417,400</u>

OTHER CHILDREN AND FAMILY SERVICES E95

KEY ACTIVITY DATA

No of adoptions	8
No of care leavers supported	62
Adoption Allowances awarded	24

BEST VALUE PERFORMANCE DATA

BV CODE INDICATOR	<u>2006/07 Actuals</u>		<u>Targets</u>	
	<u>Richmond</u>	<u>Top 25% London</u>	<u>2007/08</u>	<u>2008/09</u>
BV 163 Adoption of Children Looked After	11.6%	n/a	9.3%	10.0%

	2007/08	2008/09
Number of full time equivalent employees	7.7	7.7

Section E

Environment Directorate

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

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REVENUE BUDGET - SUMMARY OF EXPENDITURE

Service	<u>2006/07</u> <u>Actual</u> £	<u>2007/08</u> <u>Original</u> £	<u>2007/08</u> <u>Revised</u> £	<u>2008/09</u> <u>Estimate</u> £
CCTV/Careline	272,227	277,400	291,200	357,300
Registrars, Cemeteries & Postal Services	387,716	483,400	1,076,700	1,154,200
Depots	0	0	0	0
Emergency Planning	298,579	168,900	391,700	147,300
Facilities Management & Services	24,952	89,100	79,800	80,800
Highways Management	6,142,752	6,172,000	6,752,400	6,173,300
Management & Administration	0	0	0	0
Parking Services	(5,089,478)	(5,745,100)	(5,874,400)	(6,091,200)
Parks & Open Spaces	2,705,952	2,797,800	2,747,300	2,822,800
Property Services & Building Maintenance	(231,687)	930,100	1,010,600	1,062,200
Regulatory Services	4,755,675	5,313,500	5,053,000	5,290,200
Transport Planning	2,172,187	2,415,700	2,365,200	2,422,900
Transport Services	6,548,443	6,999,400	7,205,600	(364,100)
Waste Management & Enforcement	12,990,134	13,902,500	14,086,400	14,881,600
Total for Environmental Services	<u>30,977,452</u>	<u>33,804,700</u>	<u>35,185,500</u>	<u>27,937,300</u>

Variation Analysis

Original Estimate 2007/08	33,804,700	33,804,700
Inflation		1,256,700
Service Plan		29,800
Budget Transfer	1,509,900	(6,374,600)
Capital Financing	612,100	384,600
Other Variations	(741,200)	(1,163,900)
Revised Budget 2007/08	<u>35,185,500</u>	
Original Budget 2008/09		<u>27,937,300</u>

SUBJECTIVE ANALYSIS

	<u>2006/07</u> <u>Actual</u> £	<u>2007/08</u> <u>Original</u> £	<u>2007/08</u> <u>Revised</u> £	<u>2008/09</u> <u>Estimate</u> £
<u>Expenditure</u>				
Employees	20,615,214	21,061,100	19,957,000	18,413,900
Premises	9,070,337	10,007,500	9,954,800	10,006,800
Transport	9,991,159	9,626,400	9,400,700	3,216,200
Supplies & Services	2,838,258	3,431,600	3,440,900	3,255,600
Third Party Payments	22,891,928	22,962,900	23,932,500	22,360,700
Central Recharges	5,726,068	6,345,200	6,359,400	5,938,200
Departmental Recharges	7,209,084	7,654,900	6,535,800	6,598,800
Capital Charges	1,752,301	1,593,900	2,206,000	1,978,500
TOTAL EXPENDITURE	80,094,349	82,683,500	81,787,100	71,768,700
<u>Income</u>				
Government Grants	(736,052)	(598,300)	(652,100)	(109,200)
Other Grants and Contributions	(2,386,758)	(1,996,500)	(2,144,900)	(2,110,900)
Sales	(1,473,946)	(1,182,700)	(1,313,000)	(1,456,400)
Fees & Charges	(29,318,091)	(28,496,400)	(27,683,000)	(25,314,000)
Rents	(1,594,654)	(1,347,500)	(1,507,500)	(1,545,100)
Central Recharges Income	(6,398,312)	(7,602,500)	(6,765,300)	(6,697,000)
Departmental Recharges Income	(7,209,084)	(7,654,900)	(6,535,800)	(6,598,800)
TOTAL INCOME	(49,116,897)	(48,878,800)	(46,601,600)	(43,831,400)
NET EXPENDITURE	30,977,452	33,804,700	35,185,500	27,937,300

	2007-08	2008-09
Number of full time equivalent employees	549.8	424.0

CCTV/CARELINE N83

*This Group covers the cost of:-
CCTV & Careline*

Careline provides personal monitoring of the elderly and vulnerable under a range of contracts and service level agreements. Careline staff also monitor the Council's growing use of closed circuit television cameras (CCTV) across the borough, being developed to enforce bus lanes and waiting restrictions. These services operate 24 hours every day of the year, with staff acting as front line for all Council services, receiving calls for emergency assistance outside of normal hours

	<u>2006/07</u> <u>Actual</u> £	<u>2007/08</u> <u>Original</u> £	<u>2007/08</u> <u>Revised</u> £	<u>2008/09</u> <u>Estimate</u> £
<u>Expenditure</u>				
Employees	622,453	597,900	597,900	617,300
Premises	19,642	27,300	27,300	28,000
Transport	12,383	11,900	11,900	13,000
Supplies & Services	182,041	249,100	299,100	298,300
Central Recharges	133,748	155,800	236,900	223,000
Departmental Recharges	25,900	30,600	25,300	27,600
TOTAL EXPENDITURE	996,167	1,072,600	1,198,400	1,207,200
<u>Income</u>				
Fees & Charges	(723,940)	(795,200)	(907,200)	(849,900)
TOTAL INCOME	(723,940)	(795,200)	(907,200)	(849,900)
NET EXPENDITURE	272,227	277,400	291,200	357,300

Variation Analysis

Original Estimate 2007/08	277,400	277,400
Inflation		5,100
Service Plan		72,600
Budget Transfer	(71,600)	(71,600)
Capital Financing	0	0
Other Variations	85,400	73,800
Revised Budget 2007/08	<u>291,200</u>	
Original Budget 2008/09		<u>357,300</u>

CCTV/CARELINE N83**KEY ACTIVITY DATA**

	2006/07 Actual	2007/08 Projection	2008/09 Estimate
Number of cameras			
Barnes Station	5	5	5
Barnes	2	2	2
Ham	6	6	6
Hampton	3	3	3
Hampton Wick	0	0	0
Kew	0	0	4
St Margarets	2	2	2
Sheen	1	1	1
Teddington	0	0	4
Whitton	2	2	6
Kew Bus Lane	4	4	4
Richmond Town Centre	1	1	1
Richmond Car Parks	5	7	12
Richmond Bus Lanes	11	11	11
Twickenham Town Centre	3	3	3
Twickenham Bus Lanes	5	12	12
Twickenham Civic Centre	4	4	4
Car Parks	8	9	9
Others	7	7	7
	<u>69</u>	<u>79</u>	<u>96</u>

BEST VALUE PERFORMANCE DATA**BV CODE INDICATOR****2006/7 Actuals****Targets****Richmond****Top 25%
London****2007/08****2008/09**

None applicable

	2007-08	2008-09
Number of full time equivalent employees	15.0	15.0

REGISTRARS, CEMETERIES & POSTAL SERVICES N03-N06, N08-N10,N21,N41

This Group covers the cost of:-

Postal and Courier Services, Cemeteries and Registration of Births, Deaths and Marriages

Postal and Courier Services: provided across the Council and recharged to service users.

Cemeteries: there are 6 cemeteries open for burial, which cover 36 hectares.

Registration of Births, Deaths, Marriages and Civil Partnerships: conducts civil ceremonies at the Register Office and other approved premises and offers citizenship and other ceremonies.

Responsibility for the Contact Centre, Customer Services, Reception Services and Land Charges was transferred to Corporate Services on 26 June 2007 under the Council's re-organisation.

	<u>2006/07</u> <u>Actual</u> £	<u>2007/08</u> <u>Original</u> £	<u>2007/08</u> <u>Revised</u> £	<u>2008/09</u> <u>Estimate</u> £
<u>Expenditure</u>				
Employees	2,199,654	2,027,600	1,095,500	1,137,200
Premises	323,530	240,100	239,400	247,200
Transport	50,153	62,700	62,600	64,800
Supplies & Services	429,044	320,600	268,900	264,900
Third Party Payments	47	0	0	0
Central Recharges	1,042,098	1,089,000	513,900	574,600
Departmental Recharges	392,995	387,400	177,200	179,500
Capital Charges	86,593	89,000	70,800	70,800
TOTAL EXPENDITURE	4,524,114	4,216,400	2,428,300	2,539,000
<u>Income</u>				
Government Grants	(1,373)	(600)	(600)	(600)
Sales	(68,820)	(47,000)	(11,900)	(12,200)
Fees & Charges	(2,016,174)	(1,702,300)	(871,500)	(893,200)
Rents	(113,901)	(90,700)	(90,700)	(93,000)
Central Recharges	(949,865)	(943,600)	(376,900)	(385,800)
Departmental Recharges	(986,265)	(948,800)	0	0
TOTAL INCOME	(4,136,398)	(3,733,000)	(1,351,600)	(1,384,800)
NET EXPENDITURE	387,716	483,400	1,076,700	1,154,200

Variation Analysis

Original Estimate 2007/08	483,400	483,400
Inflation		27,800
Service Plan		(6,500)
Budget Transfer	499,100	499,800
Capital Financing	(18,200)	(18,200)
Other Variations	112,400	167,900
Revised Budget 2007/08	<u>1,076,700</u>	
Original Budget 2008/09		<u>1,154,200</u>

REGISTRARS, CEMETERIES AND POSTAL SERVICES N03-N06,N08-N10,N21,N41**KEY ACTIVITY DATA**

	2006/07 Actual	2007/08 Projection	2008/09 Estimate
Items posted through franking machines	633,030	620,000	600,000
Items through STL Posting books	343,365	345,000	350,000
Items utilising Packet Post	34,902	50,000	60,000
Marriages at Register Office	486	394	370
Marriages at Other Venues	449	364	350
Citizenship (Individuals)	876	825	880
Civil Partnerships	116	70	50
Registered Deaths	400	360	360
Registered Births	70	70	80
Birth Declarations	992	900	900
Burials (n.b no cremations)	314	384	350

BEST VALUE PERFORMANCE DATA

BV CODE INDICATOR	<u>2006/07 Actuals</u>		<u>Targets</u>	
	<u>Richmond</u>	<u>Top 25% London</u>	<u>2007/08</u>	<u>2008/09</u>

Local Performance Indicators

All outgoing mail received into section by 5pm dispatched the same day	100%	N/A	100%	100%
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	2007-08	2008-09
Number of full time equivalent employees	68.4	31.8

DEPOTS N67

*This Group covers the cost of:-
Depots*

The Council has a Central Depot located at Langhorn Drive. It is used as a base for all the Council's operational activities undertaken both in-house and by nominated contractors. It includes offices for staff in the Environment Directorate together with storage facilities for highway materials, a vehicle workshop and the recycling material facility.

	<u>2006/07</u> <u>Actual</u> £	<u>2007/08</u> <u>Original</u> £	<u>2007/08</u> <u>Revised</u> £	<u>2008/09</u> <u>Estimate</u> £
<u>Expenditure</u>				
Employees	72,801	65,500	65,500	68,900
Premises	297,920	344,800	343,600	296,200
Transport	30,031	27,600	27,600	33,600
Supplies & Services	(145,697)	15,300	15,300	15,300
Third Party Payments	73,034	37,100	37,100	88,400
Central Recharges	70,569	77,100	93,700	86,900
Departmental Recharges	34,800	39,600	37,300	92,500
Capital Charges	255,051	123,600	255,100	255,100
TOTAL EXPENDITURE	688,509	730,600	875,200	936,900
<u>Income</u>				
Fees & Charges	(5,546)	(800)	(800)	(800)
Rents	(104,929)	(99,900)	(99,900)	(102,400)
Central Recharges Income	(18,900)	(20,800)	(49,100)	(121,600)
Departmental Recharges Income	(559,134)	(609,100)	(725,400)	(712,100)
TOTAL INCOME	(688,509)	(730,600)	(875,200)	(936,900)
NET EXPENDITURE	0	0	0	0

Variation Analysis

Original Estimate 2007/08	0	0
Inflation		11,200
Service Plan		(400)
Budget Transfer	(1,200)	0
Capital Financing	131,500	131,500
Other Variations	(130,300)	(142,300)
Revised Budget 2007/08	<u>0</u>	
Original Budget 2008/09		<u>0</u>

DEPOTS N67

KEY ACTIVITY DATA

	2006/07 Actual	2007/08 Projection	2008/09 Estimate
Users renting depot accommodation			
Internal users	16	16	16
External users	8	8	8
Total m ² rented			
Internal users	14,068	14,068	14,068
External users	6,729	6,729	6,729
Total	<u>20,797</u>	<u>20,797</u>	<u>20,797</u>

BEST VALUE PERFORMANCE DATA

BV CODE INDICATOR	<u>2006/7 Actuals</u>		<u>Targets</u>	
	<u>Richmond</u>	<u>Top 25% London</u>	<u>2007/08</u>	<u>2008/09</u>
None applicable				

	2007-08	2008-09
Number of full time equivalent employees	3.0	3.0

EMERGENCY PLANNING N68

*This Group covers the cost of:-
Emergency Planning*

This section works towards ensuring that corporate duties under the Civil Contingencies Act 2004 are delivered to an acceptable level. The CCA 2004 places seven auditable duties on local authorities as category 1 responders. These are Information Sharing & Co-operation with Category One and Two partners, Risk Assessment to deliver a Community Risk Register, Emergency Planning, Business Continuity, Warning and Informing the Public, & Promotion of Business Continuity to local business and the voluntary sector. This includes continually developing emergency and business continuity plans at a corporate level. It supports service level emergency and business continuity planning. It promotes awareness of issues and appropriate actions to staff both prior to and during incidents. The section also ensures co-operation with LFEPA (London Fire & Emergency Planning Authority) in the planning requirements of a top tier COMAH (Control of Major Accidents and Hazards) site within the borough in addition to coordinating the multi-agency Borough Resilience Forum. There is an increasing amount of direct contact from the public and media as awareness is raised within the community.

	<u>2006/07</u> <u>Actual</u> £	<u>2007/08</u> <u>Original</u> £	<u>2007/08</u> <u>Revised</u> £	<u>2008/09</u> <u>Estimate</u> £
<u>Expenditure</u>				
Employees	131,585	75,900	75,900	79,200
Premises	30,336	22,900	22,900	23,200
Transport	2,282	1,000	1,000	1,000
Supplies & Services	27,332	17,500	87,500	17,500
Central Recharges	14,302	16,800	12,800	13,200
Departmental Recharges	35,600	40,300	18,100	18,800
Capital Charges	69,257	0	179,000	0
TOTAL EXPENDITURE	310,694	174,400	397,200	152,900
<u>Income</u>				
Fees & Charges	(12,115)	(5,500)	(5,500)	(5,600)
TOTAL INCOME	(12,115)	(5,500)	(5,500)	(5,600)
NET EXPENDITURE	298,579	168,900	391,700	147,300

Variation Analysis

Original Estimate 2007/08	168,900	168,900
Inflation		4,000
Service Plan		(500)
Budget Transfer	68,700	(1,300)
Capital Financing	179,000	0
Other Variations	(24,900)	(23,800)
Revised Budget 2007/08	<u>391,700</u>	
Original Budget 2008/09		<u>147,300</u>

EMERGENCY PLANNING N68**KEY ACTIVITY DATA**

	2006/07 Actual	2007/08 Projection	2008/09 Estimate
No. emergency planning exercises & in-house training events	30	35	30
No. Business Continuity Training Events	60	50	50
No. of staff & members attending external providers	50	40	50
No. multi-agency & external exercises	25	20	25

BEST VALUE PERFORMANCE DATA**BV CODE INDICATOR**

	<u>2006/7 Actuals</u>		<u>Targets</u>	
	<u>Richmond</u>	<u>Top 25% London</u>	<u>2007/08</u>	<u>2008/09</u>
None applicable				

	2007-08	2008-09
Number of full time equivalent employees	2.0	2.0

FACILITIES MANAGEMENT & SERVICES N01,N07,N14,N38,N39,N77,N78,N80

This Group covers the cost of:-

Facilities Management, Building Maintenance Services, Building Cleaning, Civic Catering, Health & Safety, Print Unit, Community Centres, Public Halls & Allotments, Richmond Works.

Facilities management, Building Cleaning Building Maintenance, Civic Catering and Health & Safety all provide services across the Council. Community Centres include 3 premises which are leased to grant aided organisations. There are 4 public halls available for hire and 24 allotment sites available for rent. The group also manages the Richmond Works programme. Corporate Procurement was transferred to Audit & Community Services in 2007 as part of the Council's re-organisation, however the budget will not transfer until 1st April 2008.

	<u>2006/07</u> <u>Actual</u> £	<u>2007/08</u> <u>Original</u> £	<u>2007/08</u> <u>Revised</u> £	<u>2008/09</u> <u>Estimate</u> £
<u>Expenditure</u>				
Employees	1,714,994	1,930,400	1,939,100	1,804,300
Premises	3,511,202	3,638,900	3,582,700	3,662,300
Transport	394,935	405,900	405,900	415,700
Supplies & Services	280,441	1,027,300	657,300	739,200
Third Party Payments	355,977	332,200	332,200	340,500
Central Recharges	532,235	591,900	568,600	528,000
Departmental Recharges	175,200	98,800	200,300	221,700
Capital Charges	298,302	287,600	339,500	328,000
TOTAL EXPENDITURE	7,263,286	8,313,000	8,025,600	8,039,700
<u>Income</u>				
Other Grants and Contributions	(45,692)	(47,300)	(47,300)	(53,200)
Sales	(430,185)	(284,600)	(284,600)	(290,600)
Fees & Charges	(2,683,662)	(2,704,000)	(2,704,000)	(2,658,300)
Rents	(126,631)	(164,600)	(164,600)	(168,700)
Central Recharges Income	(3,952,164)	(5,023,400)	(4,745,300)	(4,788,100)
TOTAL INCOME	(7,238,334)	(8,223,900)	(7,945,800)	(7,958,900)
NET EXPENDITURE	24,952	89,100	79,800	80,800

Variation Analysis

Original Estimate 2007/08	89,100	89,100
Inflation		120,200
Service Plan		21,600
Budget Transfer	309,100	307,500
Capital Financing	51,900	40,400
Other Variations	(370,300)	(498,000)
Revised Budget 2007/08	<u>79,800</u>	
Original Budget 2008/09		<u>80,800</u>

FACILITIES MANAGEMENT & SERVICES N01,N07,N14,N38,N39,N77,N78,N80**KEY ACTIVITY DATA**

Building	Floor Area (m ²)	Cost per m ² £		
Civic Centre	6,850			176
Regal House	2,760			307
1-3 Richmond Road	420			147
68 Sheen Lane	1,390			376
Sheen Lane Centre	1,780			122
York House	4,160			171
42 York Street	1,120			151
		2006/07 Actual	2007/08 Projection	2008/09 Estimate
Number of corporate contracts managed		14	14	15
Number of schools under SLA agreement		43	43	43
Number of print impressions		4.5 million	4.6 million	4.6 million
There are 24 allotment sites in the Borough (9 of which are statutory) divided into 1,886 individual plots				

BEST VALUE PERFORMANCE DATA

BV CODE INDICATOR	<u>2006/07 Actuals</u>		<u>Targets</u>	
	<u>Richmond</u>	<u>Top 25% London</u>	<u>2007/08</u>	<u>2008/09</u>
BV 1 Percentage of local authority buildings suitable for and accessible by disabled people	49.0%	N/A	90.0%	95.0%

	2007-08	2008-09
Number of full time equivalent employees	48.9	47.9

HIGHWAYS MANAGEMENT N45-N67

*This Group covers the cost of:-
Highways Management*

The Council is responsible for the maintenance and improvement of 327 km of Borough Roads (unclassified and 'B' Roads) and 47 km of Principal Roads ('A' Roads). It also retains cleansing responsibilities for the A316 and A205 trunk roads. Transport for London (TfL) is responsible for all other works on trunk roads. Highways maintenance activities are undertaken by "term" contractors with minor reactive maintenance being carried out by the Council's in-house team.

A combination of annual and specialist contractors also undertake other works, such as riverbank, (structural) street lighting, verge and tree maintenance. All works are subject to public competition.

	<u>2006/07</u> <u>Actual</u> £	<u>2007/08</u> <u>Original</u> £	<u>2007/08</u> <u>Revised</u> £	<u>2008/09</u> <u>Estimate</u> £
Expenditure				
Employees	575,152	642,500	642,500	667,200
Premises	1,017,523	1,116,700	1,116,700	1,041,600
Transport	214,660	227,900	227,900	235,400
Supplies & Services	441,945	177,700	177,700	177,700
Third Party Payments	3,342,847	2,727,500	3,308,000	2,960,200
Central Recharges	69,363	73,500	87,000	87,100
Departmental Recharges	2,246,305	2,509,000	2,512,700	2,407,100
Capital Charges	159,681	226,200	350,400	350,400
TOTAL EXPENDITURE	8,067,476	7,701,000	8,422,900	7,926,700
Income				
Government Grants	(108,777)	0	0	0
Fees & Charges	(1,814,168)	(1,529,000)	(1,670,500)	(1,753,400)
Rents	(1,779)	0	0	0
TOTAL INCOME	(1,924,724)	(1,529,000)	(1,670,500)	(1,753,400)
NET EXPENDITURE	6,142,752	6,172,000	6,752,400	6,173,300

Variation Analysis

Original Estimate 2007/08	6,172,000	6,172,000
Inflation		96,500
Service Plan		(4,300)
Budget Transfer	439,000	(126,800)
Capital Financing	124,200	124,200
Other Variations	17,200	(88,300)
Revised Budget 2007/08	<u>6,752,400</u>	
Original Budget 2008/09		<u>6,173,300</u>

HIGHWAYS MANAGEMENT N45-N67**KEY ACTIVITY DATA**

Borough roads				327km
Principal roads				47km
Riverbank				10.3km
Highway structures maintained (inc two bridges across Thames)				53
Number of gullies				15,300
Street trees				17,000
Street verges				19.5h
		2006/07	2007/08	2008/09
		Actual	Projection	Estimate
Reactive maintenance jobs undertaken		8,853	9,000	9,000
Sign shop orders completed		707	800	800

BEST VALUE PERFORMANCE DATA

BV CODE INDICATOR	<u>2006/07 Actuals</u>		<u>Targets</u>	
	<u>Richmond</u>	<u>Top 25% London</u>	<u>2007/08</u>	<u>2008/09</u>
BV 223 Condition of principal roads (% in need of repair)	14.0%	8.0%	11.0%	10.0%
BV 224a Condition of classified non-principal roads (% in need of repair)	24.0%	10.0%	18.0%	17.0%
BV 224b Condition of unclassified non-principal roads (% in need of repair)	37.0%	9.0%	19.0%	18.0%
BV 178 The percentage of total length of footpaths and other rights of way which were easy to use by members of the public	100.0%	100.0%	100.0%	100.0%
BV 187 Condition of Footway	37.0%	16.0%	44.0%	42.0%
BV 199a Local Street and Environmental Cleanliness: Litter	26.0%	14.6%	17.0%	17.0%
BV 199b Local Street and Environmental Cleanliness: Graffiti	6.0%	4.0%	8.5%	8.0%
BV 199c Local Street and Environmental Cleanliness: Fly-Post	1.0%	1.0%	1.0%	1.0%
BV 199d Year on Year reduction in incidents/increases in enforcement actions - Fly-tipping	-2	-2	-1	-1
BV215a Rectification of Street Lighting Faults (Non-Distribution Network Operator)	7.96 days	2.13 days	7 days	7 days
BV215b Rectification of Street Lighting Faults (DNO)	41.27 days	15.21 days	18 days	17 days

	2007-08	2008-09
Number of full time equivalent employees	22.0	22.0

MANAGEMENT & ADMINISTRATION N85-N87

*This Group covers the cost of:-
Management & Administration Support for the Directorate*

This account incorporates management, finance and general administrative support for the Environment Directorate where they are unable to be directly allocated to services.

The Accountancy function for Environment was fully devolved from Corporate Services to the department from January 2008 as part of the Council's re-organisation.

The ICT Group was transferred from the Environment Directorate to Corporate Services during 2007/08. All costs are recharged to users of the service.

	<u>2006/07</u> <u>Actual</u> £	<u>2007/08</u> <u>Original</u> £	<u>2007/08</u> <u>Revised</u> £	<u>2008/09</u> <u>Estimate</u> £
<u>Expenditure</u>				
Employees	3,508,477	3,555,400	3,192,900	3,305,500
Premises	208	0	0	0
Transport	45,642	49,300	47,800	48,900
Supplies & Services	200,476	211,900	169,900	168,100
Third Party Payments	95,693	26,700	26,700	27,400
Central Recharges	1,048,143	1,213,800	1,360,800	1,229,200
Departmental Recharges	40,600	40,600	5,300	6,000
TOTAL EXPENDITURE	4,939,239	5,097,700	4,803,400	4,785,100
<u>Income</u>				
Other Grants and Contributions	(585,561)	(290,400)	(290,400)	(225,200)
Sales	(1,203)	(3,200)	0	0
Fees & Charges	(14,094)	(20,100)	(16,300)	(16,700)
Departmental Recharges Income	(4,338,381)	(4,784,000)	(4,496,700)	(4,543,200)
TOTAL INCOME	(4,939,239)	(5,097,700)	(4,803,400)	(4,785,100)
NET EXPENDITURE	0	0	0	0

Variation Analysis

Original Estimate 2007/08	0	0
Inflation		119,500
Service Plan		(53,900)
Budget Transfer	(25,700)	86,100
Capital Financing	0	0
Other Variations	25,700	(151,700)
Revised Budget 2007/08	0	
Original Budget 2008/09		0

MANAGEMENT & ADMINISTRATION N85-N87

KEY ACTIVITY DATA

	Actual 2006/07	Estimate 2007/08	Projected 2008/09
Number of creditor invoices processed	26,112	24,321	24,000
Number of debtor invoices raised	25,198	28,308	28,000
	Actual 2006/07	Estimate 2007/08	Estimate 2008/09
Budgets monitored:-	£m	£m	£m
Revenue Expenditure	65	67	57
Revenue Income	36	33	31
Capital Expenditure	9	17	10

BEST VALUE PERFORMANCE DATA

BV CODE INDICATOR	<u>2006/7 Actuals</u>		<u>Targets</u>	
	<u>Richmond</u>	<u>Top 25% London</u>	<u>2007/08</u>	<u>2008/09</u>
None applicable				

	2007-08	2008-09
Number of full time equivalent employees	71.7	64.8

PARKING SERVICES N26,N27,N81,N82

This Group covers the cost of:-

On & Off Street Parking Management and Parking Enforcement

The Council's policy on public off-street parking is to provide spaces favouring short and medium-term users, with limited long-stay space to meet essential business needs. Currently there are 2,677 spaces in 26 car parks. Pressure on on-street parking space, particularly by rail and other commuters, has led to the introduction of controlled parking zones (CPZs), providing priority spaces for residents and businesses and metered and shared use spaces for visitors. Currently approximately 30% of the borough (excluding metropolitan open land and green belt) is under CPZ control and this will rise in 2008 as new CPZ's are introduced. Surplus income from on-street parking is ring-fenced for parking, highway and public transport expenditure and facilitates the implementation of the Mayor of London's Transport Strategy. The Parking Enforcement section processes penalty charge notices issued under the Road Traffic Act, administers and issues parking permits, receives payments for all associated services and manages the parking enforcement contractor.

	<u>2006/07</u> <u>Actual</u> £	<u>2007/08</u> <u>Original</u> £	<u>2007/08</u> <u>Revised</u> £	<u>2008/09</u> <u>Estimate</u> £
<u>Expenditure</u>				
Employees	847,154	820,000	820,000	950,500
Premises	1,059,262	898,200	1,053,700	1,085,800
Transport	222	0	0	0
Supplies & Services	208,828	196,200	196,200	211,200
Third Party Payments	2,356,347	2,771,300	2,771,300	2,609,700
Central Recharges	434,559	470,100	501,400	494,300
Departmental Recharges	648,678	590,500	429,400	438,000
Capital Charges	65,367	61,900	66,900	66,900
TOTAL EXPENDITURE	5,620,417	5,808,200	5,838,900	5,856,400
<u>Income</u>				
Fees & Charges	(10,276,626)	(11,332,300)	(11,332,300)	(11,557,100)
Rents	(433,269)	(221,000)	(381,000)	(390,500)
TOTAL INCOME	(10,709,895)	(11,553,300)	(11,713,300)	(11,947,600)
NET EXPENDITURE	(5,089,478)	(5,745,100)	(5,874,400)	(6,091,200)

Variation Analysis

Original Estimate 2007/08	(5,745,100)	(5,745,100)
Inflation		147,800
Service Plan		(5,100)
Budget Transfer	(20,600)	(379,200)
Capital Financing	5,000	5,000
Other Variations	(113,700)	(114,600)
Revised Budget 2007/08	<u>(5,874,400)</u>	
Original Budget 2008/09		<u>(6,091,200)</u>

PARKING SERVICES N26,N27,N81,N82**KEY ACTIVITY DATA**

	2006/07 Actual	2007/08 Projection	2008/09 Estimate
Resident permits issued	19,700	19,500	22,500
Business permits issued	820	710	720
Other operational	2,390	2,600	2,500
Penalty charge notices collectable (Inc CCTV)	96,458	100,500	106,000
Number of car parks	26	26	25
Number of car park spaces	2,681	2,677	2,600

BEST VALUE PERFORMANCE DATA

BV CODE INDICATOR	<u>2006/7 Actuals</u>		<u>Targets</u>	
	<u>Richmond</u>	<u>Top 25% London</u>	<u>2007/08</u>	<u>2008/09</u>

None applicable

Local Performance Indicators

Number of major town centres (5) in a controlled parking zone	4	N/A	5	5
Number and percentage of stations within a controlled parking zone	7 50%	N/A N/A	8 57%	8 57%
Number of secure car park awards	2	N/A	2	2
Number of disabled spaces provided per 1,000 car park spaces	15	N/A	15	15

	2007-08	2008-09
Number of full time equivalent employees	25.0	28.0

PARKS AND OPEN SPACES N15,N20

*This Group covers the cost of:-
Parks and Open Spaces*

This Section is responsible for 146 parks and open spaces covering a total of 517 hectares. Included in this area are 42 children's playgrounds.

The Arboriculture Section is responsible for the management of over 16,500 street trees and the administration of Tree Preservation Orders.

	<u>2006/07</u> <u>Actual</u> £	<u>2007/08</u> <u>Original</u> £	<u>2007/08</u> <u>Revised</u> £	<u>2008/09</u> <u>Estimate</u> £
<u>Expenditure</u>				
Employees	695,725	718,200	718,200	745,300
Premises	2,252,805	2,322,800	2,313,900	2,389,400
Transport	13,474	15,000	15,000	15,300
Supplies & Services	268,818	117,100	117,100	117,100
Third Party Payments	339,769	333,200	360,700	362,500
Central Recharges	195,624	234,100	186,000	184,600
Departmental Recharges	122,799	126,700	111,500	111,300
Capital Charges	5,199	5,100	5,400	5,400
TOTAL EXPENDITURE	3,894,213	3,872,200	3,827,800	3,930,900
<u>Income</u>				
Government Grants	(6,536)	0	0	0
Fees & Charges	(412,274)	(402,600)	(402,600)	(412,600)
Rents	(351,491)	(250,000)	(250,000)	(256,200)
Central Recharges Income	(55,190)	(55,700)	(45,200)	(46,300)
Departmental Recharges Income	(362,770)	(366,100)	(382,700)	(393,000)
TOTAL INCOME	(1,188,261)	(1,074,400)	(1,080,500)	(1,108,100)
NET EXPENDITURE	<u>2,705,952</u>	<u>2,797,800</u>	<u>2,747,300</u>	<u>2,822,800</u>

Variation Analysis

Original Estimate 2007/08	2,797,800	2,797,800
Inflation		107,200
Service Plan		(2,700)
Budget Transfer	7,900	(8,000)
Capital Financing	300	300
Other Variations	(58,700)	(71,800)
Revised Budget 2007/08	<u>2,747,300</u>	
Original Budget 2008/09		<u>2,822,800</u>

PARKS AND OPEN SPACES N15,N20**KEY ACTIVITY DATA**

	2006/7 Actual	2007/8 Projection	2008/9 Estimate
Number of parks	146	146	146
Area of parks (Council owned)	517h	517h	517h
Number of tree works applications	800	850	800
Number of tree preservation orders (applications)	220	250	250
Number of tree conservation areas (applications)	800	850	800

BEST VALUE PERFORMANCE DATA

BV CODE INDICATOR	<u>2006/07 Actuals</u>		<u>Targets</u>	
	<u>Richmond</u>	<u>Top 25% London</u>	<u>2007/08</u>	<u>2008/09</u>
None applicable				
<u>Local Performance Indicators</u>				
% correspondence answered in 7 days	92%	N/A	95%	95%
Average parks' maintenance contract performance (% of target)	70%	N/A	75%	75%
Pitch occupancy	51%	N/A	65%	65%
TCA % dealt with within 6 weeks	85%	N/A	95%	95%
TPO's dealt with within 8 weeks	85%	N/A	95%	95%
Total spend on parks/head of population	£16.27	N/A	£16.85	£16.85
Area of parks/head of population	0.003h	N/A	0.003h	0.003h
% Playgrounds @ LEAP standard	82%	N/A	90%	90%
Number of play areas per 1,000 under 12's	1.51	N/A	1.51	1.51
Number of equipped playgrounds	39	N/A	40	40

	2007-08	2008-09
Number of full time equivalent employees	16.5	16.5

PROPERTY SERVICES N35-N37

This Group covers the cost of:-

Property Services, Estates, Sustainability, Sundry Properties, Development & Regeneration and Maintenance of Assets

Property Services covers every aspect of building-related matters, including the provision of specialist advice and services on all construction and property-related matters.

The Sustainability Team promotes the green agenda tackling climate change.

Sundry Properties account includes the costs of various properties that are part of the Council's portfolio but are not used for the provision of direct services.

	<u>2006/07</u> <u>Actual</u> £	<u>2007/08</u> <u>Original</u> £	<u>2007/08</u> <u>Revised</u> £	<u>2008/09</u> <u>Estimate</u> £
<u>Expenditure</u>				
Employees	1,119,166	1,502,900	1,477,400	1,515,400
Premises	316,775	1,154,600	1,067,300	1,093,700
Transport	12,710	25,100	25,100	25,600
Supplies & Services	(267,722)	80,900	69,900	69,900
Third Party Payments	61,880	3,400	51,100	1,000
Central Recharges	572,520	640,800	676,200	664,800
Departmental Recharges	175,800	120,200	209,200	222,400
Capital Charges	29,164	19,800	21,800	21,800
TOTAL EXPENDITURE	2,020,293	3,547,700	3,598,000	3,614,600
<u>Income</u>				
Other Grants and Contributions	(335,733)	(536,600)	(536,600)	(682,200)
Departmental Recharges Income	0	0	0	0
Sales	(2,200)	0	0	0
Fees & Charges	(34,659)	(5,300)	(5,300)	(5,400)
Rents	(457,195)	(516,700)	(516,700)	(529,600)
Central Recharges Income	(1,422,193)	(1,559,000)	(1,528,800)	(1,335,200)
TOTAL INCOME	(2,251,980)	(2,617,600)	(2,587,400)	(2,552,400)
NET EXPENDITURE	(231,687)	930,100	1,010,600	1,062,200

Variation Analysis

Original Estimate 2007/08	930,100	930,100
Inflation		54,400
Service Plan		(151,400)
Budget Transfer	(95,200)	(142,000)
Capital Financing	2,000	2,000
Other Variations	173,700	369,100
Revised Budget 2007/08	<u>1,010,600</u>	
Original Budget 2008/09		<u>1,062,200</u>

PROPERTY SERVICES N35-N37**KEY ACTIVITY DATA**

No of properties managed by Property Services	c. 200
Value of Properties (at 31/3/07)	c. £517m
Annual Schools Maintenance Programmes	£1.1m
Annual Corporate Maintenance Programmes	£1.4m
Annual Parks Investment Programme	£0.7m
Annual Secondary School Investment Programme	£7.0m
Examples of Major Investment Projects On-site:-	
Heathfield Children's Centre	£1.2m
Hampton Community College ICT & Nursery	£2.0m
Ham Children's Centre	£1.0m
40 Cambridge Park Care Home	£1.2m
Orleans House Gallery Phase III	£1.1m

BEST VALUE PERFORMANCE DATA

BV CODE INDICATOR	<u>2006/7 Actuals</u>		<u>Targets</u>	
	<u>Richmond</u>	<u>Top 25% London</u>	<u>2007/08</u>	<u>2008/09</u>
None applicable				

Local Performance Indicators

Capital Project completed on time	67%	N/A	70%	70%
Capital projects completed within budget	67%	N/A	70%	70%
Capital receipts from (non Right to Buy) disposals	£7.5m	N/A	£9.3m	£5.6m

	2007-08	2008-09
Number of full time equivalent employees	37.8	29.1

REGULATORY SERVICES N11-N13,N24,N25

This Group covers the cost of:-

Building Control, Development Control, Land Use Policy & Design, Consumer Protection, and Special Projects

Building Control is responsible for ensuring building work is carried out in compliance with regulations, securing of dangerous structures, safety at sports grounds etc.

Development Control processes planning applications, appeals and enforcement work.

Land Use Policy & Design is responsible for the preparation, monitoring and review of planning policies and guidance, and environmental enhancement. Consumer Protection encompasses Environmental Health, Trading Standards and Licensing.

Special Projects is concerned with the monitoring and provision of action plans in relation to air pollution, ambient noise and contaminated land.

<u>Expenditure</u>	<u>2006/07</u> <u>Actual</u> £	<u>2007/08</u> <u>Original</u> £	<u>2007/08</u> <u>Revised</u> £	<u>2008/09</u> <u>Estimate</u> £
Employees	4,656,071	4,850,800	4,889,300	4,973,600
Premises	67,253	66,600	66,300	68,300
Transport	57,690	67,800	67,800	69,400
Supplies & Services	569,243	473,700	659,800	609,700
Third Party Payments	257,952	280,500	238,700	198,000
Central Recharges	971,081	1,079,800	1,185,300	1,265,300
Departmental Recharges	1,238,356	1,410,800	899,600	935,500
Capital Charges	17,286	15,100	52,100	15,100
TOTAL EXPENDITURE	7,834,932	8,245,100	8,058,900	8,134,900
<u>Income</u>				
Government Grants	(619,366)	(597,700)	(651,500)	(108,600)
Sales	(27,408)	(13,500)	(16,700)	(17,100)
Fees & Charges	(2,113,515)	(1,990,100)	(1,993,900)	(2,375,100)
Departmental Recharges Income	(318,968)	(330,300)	(343,800)	(343,900)
TOTAL INCOME	(3,079,257)	(2,931,600)	(3,005,900)	(2,844,700)
NET EXPENDITURE	4,755,675	5,313,500	5,053,000	5,290,200

Variation Analysis

Original Estimate 2007/08	5,313,500	5,313,500
Inflation		132,800
Service Plan		154,600
Budget Transfer	76,400	(52,300)
Capital Financing	37,000	0
Other Variations	(373,900)	(258,400)
Revised Budget 2007/08	<u>5,053,000</u>	
Original Budget 2008/09		<u>5,290,200</u>

REGULATORY SERVICES N11-N13,N24,N25**KEY ACTIVITY DATA**

	2006/07 Actual	2007/08 Projection	2008/09 Estimate
Number of Building Regulation Inspections (site visits)	12,086	12,086	12,086
Number of planning applications	4,426	5,500	6,200
Number of health & safety inspections	385	350	350
Premises/club premises licences, new and variation	513	550	550
Proportion of high risk premises inspected (Env Health)	90%	95%	95%
Proportion of high risk premises inspected (Trading Standards)	100%	100%	100%

BEST VALUE PERFORMANCE DATA

BV CODE INDICATOR	<u>2006/07 Actuals</u>		<u>Targets</u>	
	<u>Richmond</u>	<u>Top 25% London</u>	<u>2007/08</u>	<u>2008/09</u>
BV106 Percentage of new homes built on previously developed land.	100%	100%	85%	95%
BV109 Percentage of applications determined in line with the Government's new development control targets to determine:				
a) Major 60% in 13 weeks	87.00%	82.56%	77.00%	77.00%
b) Minor 60% in 8 weeks	72.00%	85.15%	73.00%	74.00%
c) Other 80% in 8 weeks	87.00%	92.86%	88.00%	88.00%
BV166a Score against a checklist of enforcement for environmental health	100%	100%	100%	100%
BV166b Score against a checklist of enforcement for trading standards	100%	100%	100%	100%
BV200a Development plan adopted in last 5 years where end date has not expired	Yes	N/A	Yes	Yes
BV200b If 'no' are there proposals on deposit to replace/alter within 3 year time-table	No	N/A	Yes	Yes
BV200c Plan Making: Monitoring Report replace/alter	Yes	N/A	Yes	Yes
BV204 % of appeals allowed against the authority's decision to refuse planning applications	41.0%	28.5%	35.0%	34.0%
BV205 Quality of service checklist	100%	100%	100%	100%
BV216a Number of sites of potential concern - land contamination	1,520	N/A	1,520	1,515
BV216b Number of sites with information to decide whether remediation of land is necessary - as a percentage of 216a	1.0%	N/A	1.0%	1.0%
BV217 Percentage of pollution control improvements to existing installation completed on time.	100.0%	100%	100.0%	100.0%
BV219a Conservation Areas - Number	72	N/A	73	74
BV219b Conservation Areas - Character Appraisals	100.0%	65.00%	100.0%	100.0%
BV219c Conservation Areas - Management Plans	31.00%	44.20%	50.00%	60.00%

	2007-08	2008-09
Number of full time equivalent employees	101.6	101.1

TRANSPORT PLANNING N22.N23

*This Group covers the cost of:-
Transport Planning and Safety Education*

Transport Planning involves the preparation, consultation and implementation of transport strategies, policies and detailed schemes to secure improvements for the safety of all road users.

Transport Planning contributes to the Council's Safety Strategy, through ensuring improvements to the security of car parks, working in partnership with public transport providers and others to reduce the fear of crime and giving priority to the personal safety of users of the highway. Another priority is the promotion of road safety and the reduction in the number of casualties on borough roads.

Safety Education Team covers road, home and water safety education, training and publicity. It is also responsible for the School Crossing service and the development of Walking Buses.

	<u>2006/07</u> <u>Actual</u> £	<u>2007/08</u> <u>Original</u> £	<u>2007/08</u> <u>Revised</u> £	<u>2008/09</u> <u>Estimate</u> £
<u>Expenditure</u>				
Employees	1,058,175	971,600	971,600	1,007,200
Premises	4,100	4,200	4,200	4,300
Transport	7,085	10,900	10,900	11,000
Supplies & Services	66,672	49,300	49,300	49,300
Third Party Payments	1,676,385	1,670,600	1,670,600	1,712,400
Central Recharges	189,195	213,900	261,300	261,200
Departmental Recharges	335,851	330,600	124,000	135,300
Capital Charges	573,495	598,100	637,800	637,800
TOTAL EXPENDITURE	3,910,958	3,849,200	3,729,700	3,818,500
<u>Income</u>				
Other Grants and Contributions	(1,213,963)	(1,122,200)	(1,122,200)	(1,150,300)
Fees & Charges	(238,220)	(122,300)	(122,300)	(125,300)
Central Recharges	0	0	(20,000)	(20,000)
Departmental Recharges Income	(286,588)	(189,000)	(100,000)	(100,000)
TOTAL INCOME	(1,738,771)	(1,433,500)	(1,364,500)	(1,395,600)
NET EXPENDITURE	2,172,187	2,415,700	2,365,200	2,422,900

Variation Analysis

Original Estimate 2007/08	2,415,700	2,415,700
Inflation		47,600
Service Plan		(1,100)
Budget Transfer	(12,200)	(12,200)
Capital Financing	39,700	39,700
Other Variations	(78,000)	(66,800)
Revised Budget 2007/08	<u>2,365,200</u>	
Original Budget 2008/09		<u>2,422,900</u>

TRANSPORT PLANNING N22.N23**KEY ACTIVITY DATA**

	2006/07 Actual	2007/08 Projection	2008/09 Estimate
Number of adults receiving cycle training	56	60	70
Number of ante and post natal group talks on car safety	28	25	25
Number of traffic management orders	42	60	60
Provision of disabled bays	4	40	40
Disabled bays revoked	17	20	20
Percentage of London Cycle Networks completed	42.0%	50.0%	70.0%
Length of Cycle Route Improvements	45km	53km	74km

BEST VALUE PERFORMANCE DATA**BV CODE INDICATOR****2006/07 Actuals****Targets**

	<u>Richmond</u>	<u>Top 25% London</u>	<u>2007/08</u>	<u>2008/09</u>
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BV99	Number of road accident casualties			
	(a) killed/seriously injured - all			
	(b) killed/seriously injured - children			
	(c) slightly injured			
BV99a(i)	All - killed/seriously injured	103	85	65
BV99a(ii)	% change from previous year - all	43%	-20.2%	N/A
BV99a(iii)	% change from previous year - children	-24%	-38.0%	-37%
BV99b(i)	Child - killed/seriously injured	5	8	8
BV99b(ii)	% change from previous year - children	67%	-26.9%	N/A
BV99b(iii)	Average % change in the no. of casualties	-64%	-46.0%	-44%
BV99c(i)	All - slightly injured	376	671	581
BV99c(ii)	% change from previous year - all	-21%	-2.4%	N/A
BV99c(iii)	Average % change in the no. of casualties	-47%	-21.9%	-19%
BV100	Temporary Road Closure -	0.2	0.0%	0.2
BV165	Pedestrian crossings with disabled facilities	99%	100.0%	99%

	2007-08	2008-09
Number of full time equivalent employees	24.0	21.8

TRANSPORT SERVICES N76,N79

*This Group covers the cost of:-
Transport Hire and Vehicle Maintenance Workshops*

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 155 vehicles and currently provides maintenance and servicing of Council, Partners and Contractors vehicles which is detailed in the Key Activity Data.

Responsibility for the provision of departments transport needs eg Childrens Services and Adult Social Care and Accessible Transport Unit, were transferred to Adult & Community Care during 2007 under the Council's re-organisation. The budget will be transferred with effect from 1st April 2008.

	<u>2006/07</u> <u>Actual</u> £	<u>2007/08</u> <u>Original</u> £	<u>2007/08</u> <u>Revised</u> £	<u>2008/09</u> <u>Estimate</u> £
<u>Expenditure</u>				
Employees	2,448,042	2,342,000	2,264,500	514,000
Premises	30,483	16,800	16,800	1,000
Transport	8,088,302	7,578,100	7,387,700	618,800
Supplies & Services	129,939	130,400	130,400	33,500
Third Party Payments	1,499,585	1,434,900	1,434,900	34,600
Central Recharges	225,874	241,400	372,700	39,200
Departmental Recharges	283,500	313,800	318,800	255,600
Capital Charges	187,688	162,300	221,900	221,900
TOTAL EXPENDITURE	12,893,413	12,219,700	12,147,700	1,718,600
<u>Income</u>				
Sales	(13,574)	(13,500)	(13,500)	0
Fees & Charges	(6,331,396)	(5,206,800)	(4,928,600)	(2,082,700)
TOTAL INCOME	(6,344,970)	(5,220,300)	(4,942,100)	(2,082,700)
NET EXPENDITURE	6,548,443	6,999,400	7,205,600	(364,100)

Note: Transport payments includes concessionary fares

Variation Analysis

Original Estimate 2007/08	6,999,400	6,999,400
Inflation		(16,300)
Service Plan		(800)
Budget Transfer	5,900	(7,150,000)
Capital Financing	59,600	59,600
Other Variations	140,700	(256,000)
Revised Budget 2007/08	<u>7,205,600</u>	
Original Budget 2008/09		<u>(364,100)</u>

TRANSPORT SERVICES N76,N79

KEY ACTIVITY DATA

	2006/07 Actual	2007/08 Projection	2008/09 Estimate
No. of Council vehicles maintained	155	155	185
No. of Non Council vehicles maintained	97	125	100

BEST VALUE PERFORMANCE DATA

BV CODE INDICATOR	<u>2006/7 Actuals</u>		<u>Targets</u>	
	<u>Richmond</u>	<u>Top 25% London</u>	<u>2007/08</u>	<u>2008/09</u>
None applicable	To be developed during 2008/09 by the Association of London Transport Officers.			

	2007-08	2008-09
Number of full time equivalent employees	84.0	11.0

WASTE MANAGEMENT & ENFORCEMENT N69-N75

This Group covers the cost of:-

Waste Collection & Disposal, Recycling, Street Cleansing, Skip Service and Public Conveniences

The Council is recycling nearly one third of the borough's domestic waste and also provides a weekly refuse service to 80,000 properties and a trade collection service, for which a charge is made.

Waste Disposal is carried out through the West London Waste Authority who are predicting significant increases in costs if recycling is not maximised over the coming years.

Street cleansing operations include street sweeping (of approx. 400 km of roads and footways) and graffiti removal. These budgets also include the provision for public conveniences which are now predominantly provided via the Community Toilet Scheme.

	<u>2006/07</u> <u>Actual</u> £	<u>2007/08</u> <u>Original</u> £	<u>2007/08</u> <u>Revised</u> £	<u>2008/09</u> <u>Estimate</u> £
<u>Expenditure</u>				
Employees	965,765	960,400	1,206,700	1,028,300
Premises	139,297	153,600	100,000	65,800
Transport	1,061,589	1,143,200	1,109,500	1,663,700
Supplies & Services	446,900	364,600	542,500	483,900
Third Party Payments	12,832,412	13,345,500	13,701,200	14,026,000
Central Recharges	226,758	247,200	302,800	286,800
Departmental Recharges	1,452,700	1,616,000	1,467,100	1,547,500
Capital Charges	5,218	5,200	5,300	5,300
TOTAL EXPENDITURE	17,130,639	17,835,700	18,435,100	19,107,300
<u>Income</u>				
Other Grants and Contributions	(205,809)	0	(148,400)	0
Sales	(930,556)	(820,900)	(986,300)	(1,136,500)
Fees & Charges	(2,641,703)	(2,680,100)	(2,722,200)	(2,577,900)
Rents	(5,459)	(4,600)	(4,600)	(4,700)
Departmental Recharges Income	(356,978)	(427,600)	(487,200)	(506,600)
TOTAL INCOME	(4,140,505)	(3,933,200)	(4,348,700)	(4,225,700)
NET EXPENDITURE	12,990,134	13,902,500	14,086,400	14,881,600

Variation Analysis

Original Estimate 2007/08	13,902,500	13,902,500
Inflation		398,900
Service Plan		7,700
Budget Transfer	330,300	675,400
Capital Financing	100	100
Other Variations	(146,500)	(103,000)
Revised Budget 2007/08	<u>14,086,400</u>	
Original Budget 2008/09		<u>14,881,600</u>

WASTE MANAGEMENT & ENFORCEMENT N69-N75**KEY ACTIVITY DATA**

	2006/07 Actual	2007/08 Projection	2008/09 Estimate
Waste disposed (tonnes)	94,427	93,881	93,950
Materials Recycled (tonnes)	24,911	26,875	27,500
Waste collected (tonnes):			
Street Cleansing:-	3,777	3,912	4,000
Refuse:-	65,739	63,094	62,450
Collected Domestic:	45,223	42,067	41,200
Collected Commercial:	8,793	8,633	8,500
CA Site Domestic:	4,910	5,374	5,600
CA Site Commercial:	6,813	7,020	7,150
Recycling Rate (domestic properties)	31.60%	34.35%	35.12%
Number of recycling banks	121	121	121
Number of conventional public conveniences	5	5	5

BEST VALUE PERFORMANCE DATA

BV CODE INDICATOR	<u>2006/07 Actuals</u>		<u>Targets</u>	
	<u>Richmond</u>	<u>Top 25% London</u>	<u>2007/08</u>	<u>2008/09</u>
Total tonnage of household waste arisings:				
BV 82a(i) Percentage recycled	22.78%	21.77%	24.0%	25.0%
BV 82a(ii) Tonnage recycled	18,520	21,178	19,966	20,797
BV 82b(i) Percentage composted	8.93%	9.19%	9.0%	10.0%
BV 82b(ii) Tonnage composted	7,188	8,674	7,200	7,300
BV 82c(i) Percentage waste used to recover other energy resources	1.46%	53.09%	N/A	N/A
BV 82c(ii) Tonnage of waste used to recover heat, power and other energy sources	1,157	49,621	N/A	N/A
BV 82d(i) Percentage landfilled	66.78%	28.00%	67.0%	65.0%
BV 82d(ii) Tonnage landfilled	52,879	12,292	51,000	50,500
BV 84 Kg of household waste collected per head	431	391	415	410
BV 84b % change	-8.10%	-1.52%	-2.35%	-3.00%
BV 86 Cost of waste collection per household	£67.73	£45.87	£70.01	£78.28
BV 91a Percentage of population served by a kerbside collection of recyclables	98.4%	100.0%	98.0%	98.5%
BV91b Two recyclable	98.4%	100.0%	98.0%	98.5%
BV218a Abandoned vehicles (investigated)	82.0%	98.8%	97.0%	98.0%
BV218b Abandoned vehicles (removed)	85.0%	97.3%	97.0%	98.0%

	2007-08	2008-09
Number of full time equivalent employees	30.0	30.0

Section F

Adult & Community Services

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

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REVENUE BUDGET - OBJECTIVE SUMMARY OF EXPENDITURE

	<u>2006/07</u> <u>Actual</u> £	<u>2007/08</u> <u>Original</u> £	<u>2007/08</u> <u>Revised</u> £	<u>2008/09</u> <u>Estimate</u> £
Commissioning Care Services Division	10,070,240	10,997,100	10,644,800	11,659,500
Care Services Older People/Young Adults	16,250,308	16,511,300	16,736,300	20,067,200
Care Services Learning Disabilities	7,051,323	7,415,000	7,294,100	7,852,200
Care Services Mental Health Needs	2,467,081	2,492,600	2,695,300	2,805,500
Care Services Drug & Alcohol / HIV	300,769	415,800	422,600	473,300
Supporting People	88,724	91,700	162,100	259,200
Commissioning, Policy & Strategy	925,705	1,245,100	1,337,900	4,918,000
Housing Operations	5,581,623	8,595,300	8,473,700	10,893,400
Care Provision	5,817,617	5,888,600	6,116,100	6,730,600
Transport Services	0	0	0	6,599,500
Housing Benefit Payments	(1,440,928)	279,100	179,000	(20,000)
Directorate Management and Finance	262,148	355,400	365,600	363,600
TOTAL NET EXPENDITURE	47,374,610	54,287,000	54,427,500	72,602,000

Variation Analysis

Original Estimate 2007/08	54,287,000	54,287,000
Inflation	0	1,838,900
Service Plan	0	(646,100)
Budget Transfer	(270,500)	9,543,300
Capital Financing	(278,500)	1,267,500
Other Variations	689,500	6,311,400
Revised Budget 2007/08	<u>54,427,500</u>	
Original Budget 2008/09		<u>72,602,000</u>

REVENUE BUDGET - SUBJECTIVE SUMMARY OF EXPENDITURE

	<u>2006/07</u> <u>Actual</u> £	<u>2007/08</u> <u>Original</u> £	<u>2007/08</u> <u>Revised</u> £	<u>2008/09</u> <u>Estimate</u> £
<u>Expenditure</u>				
Employees	19,888,724	21,166,300	19,995,800	24,212,400
Premises	2,071,400	1,413,700	1,485,800	1,846,400
Transport	1,111,943	1,169,300	1,164,500	7,111,800
Supplies and Services	2,095,934	4,216,100	4,510,200	7,096,700
Third Party Payments	43,353,349	43,836,300	44,095,300	47,222,500
Transfer Payments	48,380,531	48,690,100	51,539,200	51,584,800
Central Recharges	4,837,736	5,389,300	5,773,000	6,575,600
Departmental Recharges	4,831,210	5,464,700	5,274,800	6,464,400
Capital Charges	3,838,994	5,621,900	5,332,600	6,888,900
TOTAL EXPENDITURE	130,409,821	136,967,700	139,171,200	159,003,500
<u>Income</u>				
Government Grants	(53,300,637)	(51,647,400)	(54,464,900)	(50,796,400)
Other Grants and Contributions	(10,353,030)	(10,401,800)	(9,844,300)	(10,090,400)
Fees & Charges	(9,526,719)	(10,097,000)	(10,269,800)	(14,097,900)
Rents	(4,769,916)	(4,753,600)	(4,723,400)	(4,155,200)
Central Recharge Income	(253,700)	(316,200)	(166,500)	(797,200)
Departmental Recharge Income	(4,831,210)	(5,464,700)	(5,274,800)	(6,464,400)
TOTAL INCOME	(83,035,212)	(82,680,700)	(84,743,700)	(86,401,500)
NET EXPENDITURE	47,374,609	54,287,000	54,427,500	72,602,000

	2007/08	2008/09
Number of full time equivalent employees	543.10	629.96

COMMISSIONING CARE SERVICES DIVISION S11

This Division includes assessment, care management and occupational therapy services for all adult service users. The Policy & Quality Assurance section covers quality assurance, information services, contract compliance, performance management and IT support for the Directorate. The Service Development section implements the strategic objectives for adult social care, incorporating Supporting People, Adult Education and brokerage and care home placement functions.

	<u>2006/07</u> <u>Actual</u> £	<u>2007/08</u> <u>Original</u> £	<u>2007/08</u> <u>Revised</u> £	<u>2008/09</u> <u>Estimate</u> £
<u>Expenditure</u>				
Employees	8,470,024	9,213,300	8,541,300	9,031,800
Premises	134,359	118,000	110,300	113,000
Transport	105,977	131,300	127,500	130,400
Supplies and Services	521,614	470,000	467,900	491,900
Third Party Payments	134,370	216,200	191,400	218,100
Transfer Payments	25,959	15,300	15,300	15,600
Central Recharges	2,149,002	2,420,800	2,534,500	2,504,600
Departmental Recharges	3,380,706	3,742,200	3,342,200	3,766,600
Capital Charges	128,996	21,400	90,700	10,700
TOTAL EXPENDITURE	15,051,007	16,348,500	15,421,100	16,282,700
<u>Income</u>				
Government Grants	(1,156,976)	(1,173,400)	(1,133,600)	(185,000)
Other Grants and Contributions	(339,315)	(309,300)	(266,900)	(273,500)
Fees & Charges	(346,609)	(330,900)	(321,700)	(348,500)
Rents	(20,000)	(20,500)	0	0
Central Recharge Income	(111,100)	(147,800)	0	0
Departmental Recharges	(3,006,767)	(3,369,500)	(3,054,100)	(3,816,200)
TOTAL INCOME	(4,980,767)	(5,351,400)	(4,776,300)	(4,623,200)
NET EXPENDITURE	10,070,240	10,997,100	10,644,800	11,659,500

Variation Analysis

Original Estimate 2007/08	10,997,100	10,997,100
Inflation	0	312,500
Service Plan	0	14,100
Budget Transfer	(696,600)	(701,700)
Capital Financing	80,100	100
Other Variations	264,200	1,037,400
Revised Budget 2007/08	<u>10,644,800</u>	<u>11,659,500</u>

COMMISSIONING CARE SERVICES DIVISION S11

KEY ACTIVITY DATA

<i>All Adults</i>	<i>No of Events</i>
Contacts	3,426
Contact Assessments	2,332
Reviews (inc Reassessments)	N/A
Care Plans	N/A

BEST VALUE PERFORMANCE DATA

BV CODE INDICATOR

		<u>2006/07 Actuals</u>	<u>Targets</u>	
		<u>Richmond</u>	<u>2007/08</u>	<u>2008/09</u>
BV 195	Acceptable waiting time for assessment	85.00%	95.00%	100.00%
BV 196	Clients receiving all services in care packages in 4 weeks of completion of assessment	91.00%	96.00%	96.00%

LAA Targets

% Homecare users extremely or very satisfied with LA commissioned homecare	52%	55%
Number of telecare users - alone or in partnership with other agencies	1,863	5,143

Number of full time equivalent employees	2007/08 202.98	2008/09 198.95
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CARE SERVICES OLDER PEOPLE AND YOUNGER ADULTS S13

This budget covers independent sector provision of care services for older people, and younger adults including Direct Payments, where service users purchase their own care services. Services are provided with the aim of maximising independence and choice for service users and their carers as well as preventing delays in hospital discharges. Services include equipment and minor adaptations, meals, domiciliary care and short breaks for carers.

	<u>2006/07</u> <u>Actual</u> <u>£</u>	<u>2007/08</u> <u>Original</u> <u>£</u>	<u>2007/08</u> <u>Revised</u> <u>£</u>	<u>2008/09</u> <u>Estimate</u> <u>£</u>
<u>Expenditure</u>				
Employees	1,061,833	948,600	708,100	758,700
Premises	7,959	14,300	12,800	12,900
Transport	49,030	31,000	31,000	31,800
Supplies and Services	1,273,289	1,489,100	1,514,900	1,531,900
Third Party Payments	22,415,846	22,569,000	22,309,500	23,436,200
Transfer Payments	2,197,207	2,507,100	2,801,300	2,883,800
Central Recharges	196,300	219,900	217,000	218,500
Departmental Recharges	262,500	309,500	211,800	240,200
Capital Charges	0	0	155,000	0
TOTAL EXPENDITURE	27,463,964	28,088,500	27,961,400	29,114,000
<u>Income</u>				
Government Grants	(3,385,415)	(3,365,500)	(3,492,700)	(1,021,100)
Other Grants and Contributions	(1,707,561)	(1,685,100)	(1,357,400)	(1,391,500)
Fees & Charges	(6,120,680)	(6,526,600)	(6,375,000)	(6,634,200)
TOTAL INCOME	(11,213,656)	(11,577,200)	(11,225,100)	(9,046,800)
NET EXPENDITURE	16,250,308	16,511,300	16,736,300	20,067,200

Variation Analysis

Original Estimate 2007/08	16,511,300	16,511,300
Inflation	0	595,900
Service Plan	0	589,500
Budget Transfer	160,300	(114,100)
Capital Financing	155,000	0
Other Variations Including Recharges	(90,300)	2,484,600
Revised Budget 2007/08	<u>16,736,300</u>	
Original Budget 2008/09		<u>20,067,200</u>

CARE SERVICES OLDER PEOPLE AND YOUNGER ADULTS S13

KEY ACTIVITY DATA

	2007 - 08	2008 - 09
No of Service Users with self directed supported services	100	940
Percentage of Adult Services helped to live at home budget, spent on Self Directed Services	16.70%	20.00%
	Service User Nos	Value of Vouchers
Carer's Break Vouchers Older People & Younger Adults	81	£61,000
	Service User Nos	Bed Weeks
Delayed transfers of care (people)	300	
Delays due to Adult Social Services	65	
People over 65 receiving Direct Payments	134	
Younger Adults receiving Direct Payments	107	
Home care hours per week (all adults & older people)	11,383	
Meals provided at home per year	123,330	
	Service User Nos	Bed Weeks
Residential Care - Older People & Younger Adults	274	14,948
Nursing Care - Older People & Younger Adults	174	9,618
	No of Items	No of Service Users
Equipment & Minor Adaptations	9,210	744

BEST VALUE PERFORMANCE DATA

BV CODE INDICATOR

	<u>2006/07 Actuals</u>		<u>Targets</u>	
	<u>Richmond</u>	<u>Top 25% London</u>	<u>2007/08</u>	<u>2008/09</u>
BV53 Number of households receiving intensive homecare per 1,000 population aged 65 or over	13.1%	13.3%	12.5%	12.5%
BV 54 Older People aged 65 or over helped to live at home (per 1,000 population)	81.0%	83.0%	81.0%	81.0%
BV 56 % if items of equipment and adaptations delivered within 7 working days	93%	90%	96%	96%
BV 201 Number of adults and older people receiving direct payments at 31st March per 100,000 population aged 18 or over	199	95	292 (400 people)	510 (700 people)

Number of full time equivalent employees	2007/08 31.86	2008/09 27.86
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CARE SERVICES - ADULTS WITH LEARNING DISABILITIES S33

This budget covers independent sector provision of care services for adults with learning disabilities, including Direct Payments where service users purchase their own care services. Services are provided which aim to maximise independence and choice for service users and their carers in line with the 'Valuing People' agenda. Services include residential care, day support services, supported accommodation and short breaks for carers.

	<u>2006/07</u> <u>Actual</u> £	<u>2007/08</u> <u>Original</u> £	<u>2007/08</u> <u>Revised</u> £	<u>2008/09</u> <u>Estimate</u> £
<u>Expenditure</u>				
Employees	43,508	17,700	51,600	34,700
Premises	156,683	150,300	150,300	154,100
Supplies and Services	(126,727)	52,500	48,600	49,800
Third Party Payments	14,781,352	15,142,900	15,213,900	15,317,400
Transfer Payments	386,136	375,600	425,600	436,200
Central Recharges	400	400	0	0
Departmental Recharges	39,155	46,300	37,500	56,100
TOTAL EXPENDITURE	15,280,507	15,785,700	15,927,500	16,048,300
<u>Income</u>				
Government Grants	(591,130)	(524,300)	(518,600)	(33,300)
Other Grants and Contributions	(6,320,343)	(6,276,300)	(6,242,400)	(6,398,500)
Fees & Charges	(1,317,711)	(1,570,100)	(1,872,400)	(1,764,300)
TOTAL INCOME	(8,229,184)	(8,370,700)	(8,633,400)	(8,196,100)
NET EXPENDITURE	7,051,323	7,415,000	7,294,100	7,852,200

Variation Analysis

Original Estimate 2007/08	7,415,000	7,415,000
Inflation	0	180,300
Service Plan	0	(250,000)
Budget Transfer	(111,700)	(155,600)
Capital Financing	0	0
Other Variations Including Recharges	(9,200)	662,500
Revised Budget 2007/08	<u>7,294,100</u>	
Original Budget 2008/09		<u>7,852,200</u>

CARE SERVICES - ADULTS WITH LEARNING DISABILITIES S33

KEY ACTIVITY DATA

	Service Users	Value of Vouchers Issued
Carer's Break Vouchers	3	£2,500
	Service Users	Bed Weeks
Nursing Care	3	104
Residential Care (External)	169	10,151
Supported Living (External)	35	1512
Adults under 65 receiving Direct Payments	20	

BEST VALUE PERFORMANCE DATA

BV CODE INDICATOR

		<u>2006/07 Actuals</u>		<u>Targets</u>	
		<u>Richmond</u>	<u>Top 25% London</u>	<u>2007/08</u>	<u>2008/09</u>
BV 201	Number of adults and older people receiving direct payments at 31st March, per 100,000 population aged 18 or over	199	95	292 (400 people)	510 (700 people)

Number of full time equivalent employees	2007/08 5.00	2008/09 5.00
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CARE SERVICES - PEOPLE WITH MENTAL HEALTH NEEDS S43

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. The Council aims to provide services which maximise independence and choice for service users and carers. Services include residential care, day support services, vocational training services, support treatment and recovery services and short breaks for carers.

	<u>2006/07</u> <u>Actual</u> £	<u>2007/08</u> <u>Original</u> £	<u>2007/08</u> <u>Revised</u> £	<u>2008/09</u> <u>Estimate</u> £
<u>Expenditure</u>				
Employees	707,527	792,300	567,600	694,900
Premises	71,786	89,000	89,000	67,400
Transport	10,950	12,600	11,400	11,700
Supplies and Services	310,465	124,200	84,900	86,700
Third Party Payments	2,155,374	2,086,100	2,465,700	2,347,800
Transfer Payments	(13,257)	24,700	19,200	19,700
Central Recharges	105,000	112,300	101,400	100,500
Departmental Recharges	96,820	117,600	129,200	174,800
Capital Charges	62,495	58,100	62,300	62,300
TOTAL EXPENDITURE	3,507,161	3,416,900	3,530,700	3,565,800
<u>Income</u>				
Government Grants	(192,290)	(196,600)	(192,400)	0
Other Grants and Contributions	(302,255)	(192,300)	(184,100)	(188,700)
Fees & Charges	(467,635)	(436,900)	(371,100)	(481,600)
Rents	(77,900)	(98,500)	(87,800)	(90,000)
TOTAL INCOME	(1,040,080)	(924,300)	(835,400)	(760,300)
NET EXPENDITURE	2,467,081	2,492,600	2,695,300	2,805,500

Variation Analysis

Original Estimate 2007/08	2,492,600	2,492,600
Inflation	0	66,000
Service Plan	0	(50,200)
Budget Transfer	197,800	50,300
Capital Financing	4,200	4,200
Other Variations Including Recharges	700	242,600
Revised Budget 2007/08	<u>2,695,300</u>	
Original Budget 2008/09		<u>2,805,500</u>

CARE SERVICES - PEOPLE WITH MENTAL HEALTH NEEDS S43

KEY ACTIVITY DATA

Direct Payments	Service Users 7	
Care Break Vouchers	Service Users 1	Value of Vouchers Issued £100
Residential Care	Service Users 36	Bed Weeks 1,840
Nursing Care	3	156
Day Support Services	184	N/A

BEST VALUE PERFORMANCE DATA

BV CODE INDICATOR

<u>Richmond</u>	<u>2006/07 Actuals</u>		<u>Targets</u>	
	<u>Top 25% London</u>		<u>2007/08</u>	<u>2008/09</u>

None applicable

Number of full time equivalent employees	2007/08 24.67	2008/09 21.68
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DRUG & ALCOHOL AND HIV / AIDS S61

This budget relates to the provision of services to people with HIV/AIDS and for people requiring services for Drug and Alcohol Misuse.

	<u>2006/07</u> <u>Actual</u> £	<u>2007/08</u> <u>Original</u> £	<u>2007/08</u> <u>Revised</u> £	<u>2008/09</u> <u>Estimate</u> £
<u>Expenditure</u>				
Supplies and Services	93,948	95,800	98,000	100,400
Third Party Payments	156,674	234,000	244,500	250,700
Transfer Payments	48,025	69,300	69,300	71,100
Central Recharges	60,200	67,000	71,600	70,600
Departmental Recharges	95,540	112,800	94,300	104,400
TOTAL EXPENDITURE	454,387	578,900	577,700	597,200
<u>Income</u>				
Government Grants	(95,259)	(96,200)	(88,200)	(55,400)
Other Grants and Contributions	(37,728)	(41,000)	(41,000)	(42,000)
Fees & Charges	(20,631)	(25,900)	(25,900)	(26,500)
TOTAL INCOME	(153,618)	(163,100)	(155,100)	(123,900)
NET EXPENDITURE	300,769	415,800	422,600	473,300

Variation Analysis

Original Estimate 2007/08	415,800	415,800
Inflation	0	6,600
Service Plan	0	0
Budget Transfer	17,600	17,600
Capital Financing	0	0
Other Variations Including Recharges	(10,800)	33,300
Revised Budget 2007/08	<u>422,600</u>	
Original Budget 2008/09		<u>473,300</u>

CARE SERVICES DRUGS & ALCOHOL / HIV/AIDS S61

KEY ACTIVITY DATA

People with HIV/AIDS receiving:-	Service Users	
Direct Payments	1	
Support and advice	28	
Home care	3	
	Service Users	Bed weeks
Residential Rehabilitation Services	48	576
Day Rehabilitation Services	5	N/A

BEST VALUE PERFORMANCE DATA

BV CODE INDICATOR

<u>2006/07 Actuals</u>		<u>Targets</u>	
<u>Richmond</u>	<u>Top 25% London</u>	<u>2007/08</u>	<u>2008/09</u>

None applicable

Number of full time equivalent employees	2007/08	2008/09
	0	0

SUPPORTING PEOPLE H18

The Council is the commissioning body for local supported housing services funded through the Supporting People Programme. It is also responsible for carrying out reviews of all funded services in order to deliver improved services and ensure value for money. Services funded through Supporting People benefit a wide range of groups including older people, people with learning disabilities, people with mental health needs and the single homeless.

	<u>2006/07</u> <u>Actual</u> £	<u>2007/08</u> <u>Original</u> £	<u>2007/08</u> <u>Revised</u> £	<u>2008/09</u> <u>Estimate</u> £
<u>Expenditure</u>				
Employees	159,550	166,000	166,000	168,700
Premises	267	500	500	500
Transport	683	700	700	700
Supplies and Services	34,531	20,700	20,700	21,100
Third Party Payments	2,778,788	2,847,600	2,897,600	2,848,000
Central Recharges	35,600	41,200	43,300	43,100
Departmental Recharges	8,700	10,500	28,800	25,100
TOTAL EXPENDITURE	3,018,119	3,087,200	3,157,600	3,107,200
<u>Income</u>				
Government Grants	(2,937,128)	(2,995,500)	(2,995,500)	(2,848,000)
Fees & Charges	7,733	0	0	0
TOTAL INCOME	(2,929,395)	(2,995,500)	(2,995,500)	(2,848,000)
NET EXPENDITURE	88,724	91,700	162,100	259,200

Variation Analysis

Original Estimate 2007/08	91,700	91,700
Inflation	0	3,800
Budget Transfer	48,000	(6,400)
Other Variations Including Recharges	22,400	170,100
Revised Budget 2007/08	<u>162,100</u>	
Original Budget 2008/09		<u>259,200</u>

SUPPORTING PEOPLE H18

KEY ACTIVITY DATA

Client Group	No of Schemes	No of Service Users
Frail Older People	0	0
Offenders	25	21
Older People with support needs	1,094	687
People with physical disabilities	3	1
People with HIV/AIDS	6	2
People with learning disabilities	40	35
People with mental health needs	132	76
Rough sleepers	39	30
Single homeless	113	11
Teenage parents	4	3
Women at risk of domestic violence	17	7
Young People at risk	37	9
Young People leaving care	18	7
Total	1,528	889

BEST VALUE PERFORMANCE DATA

BV CODE INDICATOR

	<u>2006/07 Actuals</u>		<u>Targets</u>	
	<u>Richmond</u>	<u>Top 25% London</u>	<u>2007/08</u>	<u>2008/09</u>
SPKPI1 Service Users who are supported to establish and maintain independent living	98.7%	N/A	95%	95%
SPKPI2 Service Users who have moved on in a planned way from temporary living services.	87.9%	N/A	80%	80%

Number of full time equivalent employees	2007/08 4.00	2008/09 4.00
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COMMISSIONING, CORPORATE POLICY AND STRATEGY AD2

This Division includes the strategic policy and commissioning function, ensuring policy coherence in pursuit of the objectives of the Community and Corporate Plans, the LAA and other partnership agreements. It includes the development of community engagement across the Council, policy development, corporate equalities, community safety, corporate procurement and corporate complaints. This Division acts as the Council's lead in its relationship with the voluntary sector (including the grants programme) and developing partnership relationships that fit within the Borough's Community Plan.

	<u>2006/07</u> <u>Actual</u> <u>£</u>	<u>2007/08</u> <u>Original</u> <u>£</u>	<u>2007/08</u> <u>Revised</u> <u>£</u>	<u>2008/09</u> <u>Estimate</u> <u>£</u>
<u>Expenditure</u>				
Employees	588,646	890,600	763,600	1,741,000
Premises	210	900	900	488,500
Transport	6,180	3,400	3,600	7,100
Supplies and Services	168,022	177,700	177,500	2,721,000
Third Party Payments	0	0	0	630,200
Transfer Payments	0	3,800	3,800	3,900
Central Recharges	144,400	163,200	333,500	587,500
Departmental Recharges	54,940	64,200	113,700	253,600
Capital Charges	0	0	0	10,300
TOTAL EXPENDITURE	962,398	1,303,800	1,396,600	6,443,100
<u>Income</u>				
Government Grants	(2,452)	(2,100)	(2,100)	(271,900)
Other Grants and Contributions	(9,549)	(40,000)	(40,000)	(41,000)
Fees & Charges	(24,692)	(16,600)	(16,600)	(69,300)
Rents	0	0	0	(336,900)
Central Recharge Income	0	0	0	(662,700)
Departmental Recharges	0	0	0	(143,300)
TOTAL INCOME	(36,693)	(58,700)	(58,700)	(1,525,100)
NET EXPENDITURE	925,705	1,245,100	1,337,900	4,918,000

Variation Analysis

Original Estimate 2007/08	1,245,100	1,245,100
Inflation	0	131,000
Service Plan	0	(55,600)
Budget Transfer	(133,400)	3,413,300
Other Variations Including Recharges	226,200	184,200
Revised Budget 2007/08	<u>1,337,900</u>	
Original Budget 2008/09		<u>4,918,000</u>

COMMISSIONING, CORPORATE POLICY & STRATEGY AD2

KEY ACTIVITY DATA

Manages 13 corporate contracts and 128 Adult Services Contracts with a value of £20M
Co-ordination of Community Plan and facilitation of Local Strategic Partnership

2006 - 07 Complaints	Adults Soc Serv	Housing	Corporate	
Stage 1	30	25	350	
Stage 2	4	4	50	
Stage 3	1	2	20	
Health & Safety Courses organised				2
Number of people attending Food Safety and Health & Safety courses				250
New Walkers attending Health Walks				250
Number of people attending Falls Classes following referral from a health professional				50
No of children with mental health problems attending physical activity programme				30
No of families participating in Childhood Obesity Programme				30
No of completions at Exercise Referral Project after 12 weeks				110
Affordable homes provided through the development programme				94
Vacant private sector dwellings returned into occupation or demolished				90

BEST VALUE PERFORMANCE DATA

BV CODE INDICATOR

		<u>2006/07 Actuals</u>		<u>Targets</u>	
		<u>Richmond</u>	<u>Top 25% London</u>	<u>2007/08</u>	<u>2008/09</u>
BV2a	The level of the Equality Standard for Local Government to which the authority conforms	Level 2	N/A	Level 3	Level 4
BV2b	Duty to promote Race Equality - % score against checklist	73.7%	89%	78.9%	84.2%
BV17a	The percentage of black and minority ethnic employees	9.64%	37.8%	9.9%	9.9%
BV126	Domestic Burglaries per 1,000 households	13.2	14.1	13	13
BV127a	Violent Crime per 1,000 population	14.4	22.0	16.1	16.1
BV127b	Robberies per 1,000 population	2.2	3.7	1.3	1.3
BV 128	Vehicle Crimes per 1,000 population	11	14.0	21.9	21.9
BV 64	Number of private sector vacant dwellings returned into occupation or demolished during 2006/07 as a direct result of action by the local authority	95	396	80	90

Number of full time equivalent employees	2007/08 14.44	2008/09 33.44
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HOUSING OPERATIONS H01

This new section brings together all of the frontline in-house Directorate housing functions, including the residential Private Sector Housing Team, housing needs, asylum seekers and resettlement services. The Private Sector Housing Team covers residential, environmental health and housing services, including the provision of grants and loans to adapt and improve housing, as well as domestic noise and pest control services. The Housing Needs Service includes housing advice, homelessness resettlement services as well as support to asylum seekers who do not come under the responsibility of the National Asylum Support Service.

	<u>2006/07</u> <u>Actual</u> <u>£</u>	<u>2007/08</u> <u>Original</u> <u>£</u>	<u>2007/08</u> <u>Revised</u> <u>£</u>	<u>2008/09</u> <u>Estimate</u> <u>£</u>
<u>Expenditure</u>				
Employees	2,805,042	3,029,300	3,047,000	3,141,200
Premises	1,310,701	572,800	652,300	599,500
Transport	49,035	52,300	52,300	53,400
Supplies and Services	278,675	1,180,800	1,353,900	1,345,400
Third Party Payments	562,556	422,600	412,500	395,900
Transfer Payments	3,235,407	3,607,700	3,342,800	2,803,300
Central Recharges	986,700	1,087,800	1,132,700	1,080,800
Departmental Recharges	236,424	284,300	683,200	986,900
Capital Charges	3,473,290	5,368,500	4,841,600	6,622,600
TOTAL EXPENDITURE	12,937,830	15,606,100	15,518,300	17,029,000
<u>Income</u>				
Government Grants	(1,431,845)	(880,400)	(870,100)	(835,800)
Other Grants and Contributions	(2,419)	0	0	0
Fees & Charges	(819,367)	(909,800)	(919,100)	(986,900)
Rents	(4,638,632)	(4,623,100)	(4,624,100)	(3,716,500)
Central Recharge Income	(142,600)	(168,400)	(166,500)	(134,500)
Departmental Recharges	(321,344)	(429,100)	(464,800)	(461,900)
TOTAL INCOME	(7,356,207)	(7,010,800)	(7,044,600)	(6,135,600)
NET EXPENDITURE	5,581,623	8,595,300	8,473,700	10,893,400

Variation Analysis

Original Estimate 2007/08	8,595,300	8,595,300
Inflation	0	94,700
Service Plan	0	274,600
Budget Transfer	(39,000)	(56,300)
Capital Financing	(526,900)	1,254,100
Other Variations Including Recharges	444,300	731,000
Revised Budget 2007/08	<u>8,473,700</u>	
Original Budget 2008/09		<u>10,893,400</u>

HOUSING OPERATIONS H01

KEY ACTIVITY DATA

Anticipated processed applications to join Richmond Housing Register	1,748
Homelessness applications	374
Housing advice cases	774
People receiving resettlement advice	78
No of people helped into tenancies through the Rent Deposit Scheme	190
Households in bed and breakfast accomodation	47
Hostel rooms	49
Short term leased properties	255
Renovation grants provided	8
House Proud Loans provided	5
Disabled Facility grants provided	115
People using Handyperson Service	800
Noise nuisance enquiries per annum (Domestic)	400
Young Asylum Seekers leaving care	56

BEST VALUE PERFORMANCE DATA

BV CODE INDICATOR	<u>2006/07 Actuals</u>		<u>Targets</u>	
	<u>Top 25%</u>		<u>2007/08</u>	<u>2008/09</u>
	<u>Richmond</u>	<u>London</u>		
BV 64 The number of private sector dwellings made fit or demolished as a result of local authority action	95	396	80	90
BV 202 The number of people sleeping rough in a single night within the authority	4	1	<5	<6
BV 213 Number of homeless households for whom LA Housing Advice Service intervention resolved the situation	1.93	8	2	3
BV 214 Proportion of households accepted as statutorily homeless who were accepted as statutorily homeless by the same Authority within the last two years	0	0	<1%	<1%
BV 183a The average length of stay for stay for families in bed and breakfast accomodation (weeks)	2.1	0	1.1	0.7
BV 183b The average length of stay for families in hostel accomodation (weeks)	19.9	0	<15	<12
BV 203 % change in the average number of families placed in temporary accomodation under homelessness legislation compared with the average for the previous year	-18.45%	-11.43	-10%	-12%

Number of full time equivalent employees	2007/08	2008/09
	76.26	76.37

CARE PROVISION H02

This section manages all of the in-house adult social care provision, including community support, residential and day care services. It brings together care provision for older people, younger adults and adults with learning disabilities, including Power Employment which supports people with learning disabilities to find and maintain employment.

	<u>2006/07</u> <u>Actual</u> £	<u>2007/08</u> <u>Original</u> £	<u>2007/08</u> <u>Revised</u> £	<u>2008/09</u> <u>Estimate</u> £
<u>Expenditure</u>				
Employees	4,934,499	4,925,300	4,967,400	5,336,500
Premises	382,654	460,800	462,600	386,800
Transport	889,516	936,600	936,600	959,900
Supplies and Services	261,169	354,800	493,300	398,700
Third Party Payments	274,306	224,100	269,800	276,700
Transfer Payments	81,670	44,500	44,500	45,600
Central Recharges	552,950	596,900	555,900	564,200
Departmental Recharges	587,500	693,000	549,800	754,000
Capital Charges	174,212	173,900	183,000	183,000
TOTAL EXPENDITURE	8,138,476	8,409,900	8,462,900	8,905,400
<u>Income</u>				
Government Grants	(274,200)	(390,800)	(273,800)	0
Other Grants and Contributions	(1,628,186)	(1,852,000)	(1,706,700)	(1,749,300)
Fees & Charges	(385,089)	(267,000)	(354,800)	(413,700)
Rents	(33,384)	(11,500)	(11,500)	(11,800)
TOTAL INCOME	(2,320,859)	(2,521,300)	(2,346,800)	(2,174,800)
NET EXPENDITURE	5,817,617	5,888,600	6,116,100	6,730,600

Variation Analysis

Original Estimate 2007/08	5,888,600	5,888,600
Inflation	0	196,800
Service Plan	0	(53,600)
Budget Transfer	402,600	378,800
Capital Financing	9,100	9,100
Other Variations Including Recharges	(184,200)	310,900
Revised Budget 2007/08	<u>6,116,100</u>	
Original Budget 2008/09		<u>6,730,600</u>

CARE PROVISION

KEY ACTIVITY DATA

People in, or being helped to find paid employment	60
People receiving support from Community Support Service	48
Adults with Learning Disabilities using Day Care Services	87
Older People using Day Care Services	221
Adults with Physical Disabilities using Day Care Service	46
Meals provided at Day Centres per year	16,975
Adults with Learning Disabilities	
Residential Care Bed Weeks	1,356
Supported Living Accommodation Bed Weeks	209
Respite Care Nights	1,980

BEST VALUE PERFORMANCE DATA

BV CODE INDICATOR

<u>2006/07 Actuals</u>		<u>Targets</u>	
<u>Richmond</u>	<u>Top 25% London</u>	<u>2007/08</u>	<u>2008/09</u>

None applicable

Number of full time equivalent employees	2007/08 158.78	2008/09 164.59
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TRANSPORT H03

The Accessible Transport Unit manages the Concessionary Fares, Disabled Person's Parking Scheme, Taxicard Scheme and co-ordinates the provision of transport for Adults and Children's Services. The Transport Services Section provides a complete range of transport services to all council departments and provides passenger services for Adult Social Services and Specialist Children's Services.

	<u>2006/07</u> <u>Actual</u> £	<u>2007/08</u> <u>Original</u> £	<u>2007/08</u> <u>Revised</u> £	<u>2008/09</u> <u>Estimate</u> £
<u>Expenditure</u>				
Employees	0	0	0	1,858,200
Premises	0	0	0	16,300
Transport	0	0	0	5,915,400
Supplies and Services	0	0	0	99,300
Third Party Payments	0	0	0	1,436,100
Central Recharges	0	0	0	633,600
TOTAL EXPENDITURE	0	0	0	9,958,900
<u>Income</u>				
Fees & Charges	0	0	0	(3,359,400)
TOTAL INCOME	0	0	0	(3,359,400)
NET EXPENDITURE	0	0	0	6,599,500

Variation Analysis

Original Estimate 2007/08	0	0
Inflation	0	194,400
Service Plan	0	(834,400)
Grant Changes	0	0
Budget Transfer	0	6,605,900
Capital Financing	0	0
Other Variations Including Recharges	0	633,600
Revised Budget 2007/08		<u>0</u>
Original Budget 2008/09		<u><u>6,599,500</u></u>

TRANSPORT SERVICES H03

KEY ACTIVITY DATA

	2004 Actual Renewal	2006 Actual Renewal	2008 Predicted Renewal
Freedom Passes (Older People)	25,534	25,911	27,500
Freedom Passes (Disabled People)	1,095	1,312	1,550
	2006/07 Actual	2007/08 Projection	2008/09 Estimate
Taxi Card Scheme members	1,149	1,177	1,429
Blue Badges issued	1,981	2,010	2,070

BEST VALUE PERFORMANCE DATA

BV CODE INDICATOR

<u>2006/07 Actuals</u>		<u>Targets</u>	
<u>Richmond</u>	<u>Top 25% London</u>	<u>2007/08</u>	<u>2008/09</u>

None applicable

Number of full time equivalent employees	2007/08 0	2008/09 72.97
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HOUSING BENEFIT PAYMENTS H16

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>2006/07</u> <u>Actual</u> £	<u>2007/08</u> <u>Original</u> £	<u>2007/08</u> <u>Revised</u> £	<u>2008/09</u> <u>Estimate</u> £
<u>Expenditure</u>				
Supplies and Services	(743,631)	199,200	199,200	199,200
Transfer Payments	42,419,383	42,042,100	44,817,400	45,305,600
Central Recharges	200	200	0	0
Departmental Recharges	5,500	6,900	7,000	6,100
TOTAL EXPENDITURE	41,681,452	42,248,400	45,023,600	45,510,900
<u>Income</u>				
Government Grants	(43,121,940)	(41,969,300)	(44,844,600)	(45,530,900)
Fees & Charges	(440)	0	0	0
TOTAL INCOME	(43,122,380)	(41,969,300)	(44,844,600)	(45,530,900)
NET EXPENDITURE	(1,440,928)	279,100	179,000	(20,000)

Variation Analysis

Original Estimate 2007/08	279,100	279,100
Inflation	0	6,900
Service Plan	0	(305,000)
Grant Changes	0	0
Budget Transfer	(100,000)	0
Capital Financing	0	0
Other Variations Including Recharges	(100)	(1,000)
Revised Budget 2007/08	<u>179,000</u>	
Original Budget 2008/09		<u>(20,000)</u>

HOUSING BENEFIT PAYMENTS H16

KEY ACTIVITY DATA

Average Housing Benefit claims per week	9,980
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BEST VALUE PERFORMANCE DATA

BV CODE INDICATOR

	<u>2006/07 Actuals</u>		<u>Targets</u>	
	<u>Richmond</u>	<u>Top 25% London</u>	<u>2007/08</u>	<u>2008/09</u>
BV 76a No of claimants visited per 1,000 caseload	193.32	N/A	152	152
BV 76b Number of fraud investigators per 1,000 caseload	0.35	N/A	0.35	0.35
BV 76c No of fraud investigations per 1,000 caseload	36.27	N/A	20	25
BV 76d No of prosecution/sanctions per 1,000 caseload	7.37	N/A	6	8
BV 78 Speed of processing				
a) average time for processing new claims	27.43 days	27.5 days	28 days	26 days
b) average time for processing notifications of change of circumstances	8.6 days	12 days	8 days	7.5 days
BV 79a %HB/CTB claims processed correctly	99.8%	99.30%	99.0%	99.0%
BV 79bi percentage of overpayments recovered as a percentage of all overpayments	75.33%	70.37%	75%	78%
BV 79bii percentage of all overpayments deemed recoverable, non recoverable and those subsequently written off	28.56%	28.35%	50%	55%
BV 79biii % recovery of all overpayments deemed recoverable, non recoverable and those subsequently written off, recovered	3.97%	N/A	5%	10%

Number of full time equivalent employees	2007/08	2008/09
	0	0

DIRECTORATE MANAGEMENT AND FINANCE S9C

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

	<u>2006/07</u> <u>Actual</u> £	<u>2007/08</u> <u>Original</u> £	<u>2007/08</u> <u>Revised</u> £	<u>2008/09</u> <u>Estimate</u> £
<u>Expenditure</u>				
Employees	1,118,096	1,183,200	1,183,200	1,446,700
Premises	6,782	7,100	7,100	7,400
Transport	573	1,400	1,400	1,400
Supplies and Services	24,578	51,300	51,300	51,300
Third Party Payments	94,084	93,800	90,400	65,400
Central Recharges	606,984	679,600	783,100	772,200
Departmental Recharges	63,425	77,400	77,300	96,600
TOTAL EXPENDITURE	1,914,522	2,093,800	2,193,800	2,441,000
<u>Income</u>				
Government Grants	(112,000)	(53,300)	(53,300)	(15,000)
Other Grants and Contributions	(5,675)	(5,800)	(5,800)	(5,900)
Fees & Charges	(31,599)	(13,200)	(13,200)	(13,500)
Departmental Recharges	(1,503,100)	(1,666,100)	(1,755,900)	(2,043,000)
TOTAL INCOME	(1,652,374)	(1,738,400)	(1,828,200)	(2,077,400)
NET EXPENDITURE	262,148	355,400	365,600	363,600

Variation Analysis

Original Estimate 2007/08	355,400	355,400
Inflation	0	50,000
Service Plan	0	24,500
Budget Transfer	(16,100)	111,500
Capital Financing	0	0
Other Variations Including Recharges	26,300	(177,800)
Revised Budget 2007/08	<u>365,600</u>	
Original Budget 2008/09		<u>363,600</u>

DIRECTORATE MANAGEMENT AND FINANCE S9C

KEY ACTIVITY DATA

Financial Support for the Directorate budgets of £159m gross and £73m net.
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BEST VALUE PERFORMANCE DATA

BV CODE INDICATOR

	<u>2006/07 Actuals</u>		<u>Targets</u>	
	<u>Richmond</u>	<u>Top 25% London</u>	<u>2007/08</u>	<u>2008/09</u>

None applicable

Number of full time equivalent employees	2007/08 25.11	2008/09 25.10
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Section G

LONDON BOROUGH OF RICHMOND UPON THAMES

CABINET

DATE: 25TH FEBRUARY 2008

REPORT OF: DEPUTY LEADER AND CABINET
MEMBER FOR RESOURCES

LEAD OFFICER: MARK MAIDMENT, DIRECTOR OF
FINANCE AND CORPORATE
SERVICES

Agenda Item No.

9

SUBJECT: REVENUE BUDGET STRATEGY AND COUNCIL TAX 2008/09

WARDS: ALL

KEY DECISION?: YES

IF YES, IN FORWARD PLAN?: YES

1. PURPOSE OF THE REPORT

- 1.1 To consider the revenue budget strategy and recommend the level of Council Tax for 2008/09

2. RECOMMENDATIONS

- 2.1 That the Central Items and contingencies as set out in paragraph 3.5.4 be agreed
- 2.2 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 paragraph 3.11)
- 2.3 That the Council be **RECOMMENDED** to agree the Revenue Budget for 2008/09
- 2.4 That the Council be **RECOMMENDED** to agree that the Richmond upon Thames element of the Band D Council Tax be set at £1,233.94 (an increase of £47.22)
- 2.5 That the Cabinet note the increase in the Greater London Authority (GLA) precept to £309.82 (£303.88 in 2007/08)
- 2.6 That the Council be **RECOMMENDED** to agree that the overall Band D level of Council Tax for 2008/09 including the GLA element be set at **£1,543.76, an increase of 3.57%**. The levels of Council Tax for all property bands are shown at Appendix A.
- 2.7 That the Cabinet approve the revised Medium and Long Term Financial Strategy including the efficiencies/savings identified. (Appendix D)

3. DETAIL

3.1 The Corporate Planning Process

3.1.1 The Community Plan 2007-17, developed by the Local Strategic Partnership (LSP) following the consultation exercise "Yoursay 2017", sets out the Partnership's vision and priorities for the Borough over the next 10 years. The Council has developed a Corporate Plan for the period 2007-10 which identifies its own priorities and how they will contribute to the achievement of the Community Plan. The priorities are:

- Environment and Sustainability
- Education and Children's Services
- Efficient local government
- A safer community
- Promoting health, housing and well being of all residents

Over the past year, and looking to the future, the Medium and Long Term Financial Strategy (MLTFS) has identified a number of specific funding opportunities to meet these priorities including:

- Investment in the built environment of the 5 identified areas of deprivation in the Borough
- Investments in sustainability with the aim of reducing the Council's "carbon footprint"
- Reviewing the use of reserves and balances to target revised priorities
- Investment in Youth provision – including both revenue and capital resources available for Youth
- Additional investment in school infrastructure
- Aligned with the sustainability agenda – action on improving recycling and reducing waste

3.1.2 The proposals in this budget balance the Council's aspirations and policy aims against the limited resources available. The Council is also seeking to meet growing needs in statutory services, especially in the areas of education and social care.

3.2 The Medium and Long Term Financial Strategy (MLTFS)

3.2.1 The MLTFS is the document that draws together the financial impact of the Community, Corporate and Service Plans and sets them in the context of the overall financial position and outlook of the Council, the risks facing the Council in achieving its plans, the additional demands on Council services and any national policy initiatives that may impact on services.

3.2.2 The MLTFS has 7 objectives which are intended to achieve the balance between maintaining financial stability and progressing the aims of the Council.

3.2.3 An initial review of the MLTFS was considered by Finance and Strategy Overview and Scrutiny Committee on 15th January 2008. A full revised version is attached at Appendix D. In particular the MLTFS identifies that the Council largely met the specific actions set out in the MLTFS a year ago and, alongside delivering a significantly larger capital programme for future years, the underlying gap, i.e. before efficiencies, between what the Council could raise if it were to set Council Tax increases at the maximum capping limit of 5% and the projected budget has fallen to around £1.5m per annum. This assumes that the Council delivers its current efficiency programme.

3.2.4 The Council receives the maximum score from the Audit Commission for Value for Money and it is continuing to work on some major efficiency projects which are yet to be included in the budget. It will be important that this efficiency strategy delivers if the Council is to achieve Council Tax increases below 5% or indeed even lower levels as

the Council would wish. The efficiency strategy will be the subject of further detailed reports to Members in the coming year.

3.3 The Current Financial Position

3.3.1 In assessing the Council's current position, there are 4 key issues to consider:

- Current budget trends
- Future outlook
- The Local Government Finance Settlement
- Level of balances and reserves

3.3.2 Current Budget Trends

3.3.3 The Council has, in recent years, regularly underspent on its revenue budget. This has been for a variety of reasons including the regular overachievement of interest earned on investments. However, as the balances are increasingly being used in support of the Council's investment priorities, this income will fall.

3.3.4 These underspends have more than offset additional expenditure pressures faced by the Council. In particular, costs of Special Educational Needs provision and social care costs have risen steadily and this trend seems destined to continue. The latest budget monitoring reports show projected overspends on Special Educational Needs, Looked After Children, and Services for Older People and Younger Adults all of which are reflected in the proposals contained in this report.

3.3.5 Future outlook

3.3.6 The Council is likely to remain under pressure in respect of both increasing costs and diminishing resources from Government. The continuing rise in the cost of social care and Special Educational Needs shows no sign of abating and there is considerable uncertainty around the future costs of waste disposal.

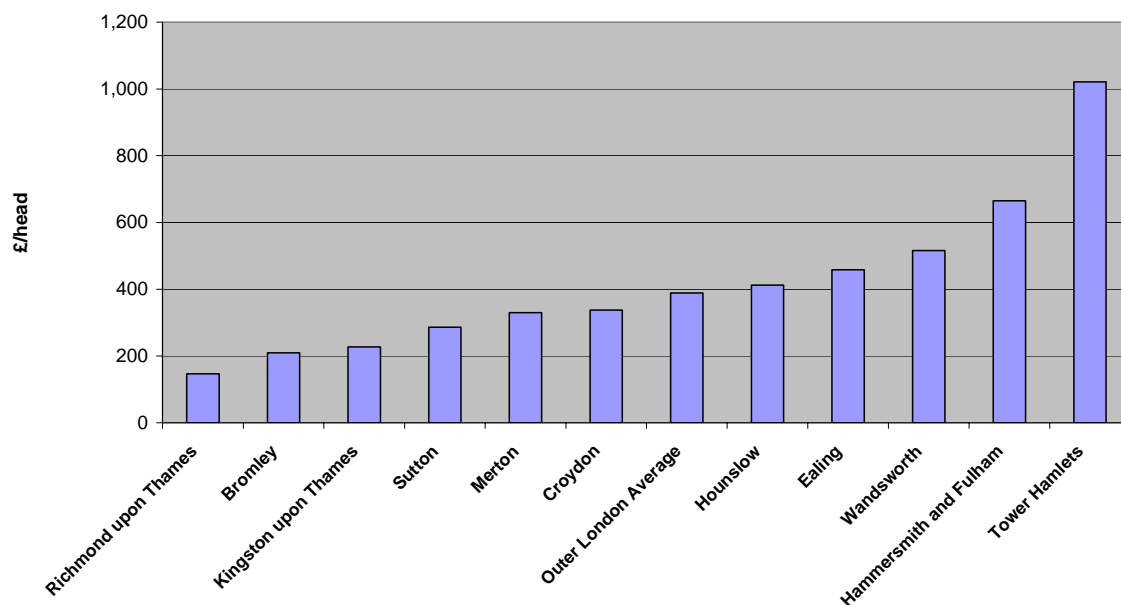
3.3.7 On the resource side, CSR07 has signalled a tightening of resources for Local Government with real terms reductions in funding for the borough over the next three years.

3.3.8 The 2008/09 Local Government Finance Settlement

3.3.9 Appendix C contains a Briefing Note on the main detail of the 2008/09 settlement. As has been the case for a number of years, the settlement was a poor one for Richmond. The Council's grant increased by £533k or the minimum "floor" amount of 2%. To put this into context, the proposals in this report contain an allowance of nearly £4.8m for inflation. The grant, therefore, remains well below the level required to meet the Council's needs. The Borough has made representations to Government about the level of the settlement both individually and in conjunction with other boroughs that are experiencing similar problems. The Government has also met with a party of Members / MPs from the Borough to hear our case. Last year's representations to Government did yield some benefits in changes at the margins of this year's settlement and it is to be hoped that the Government will consider further changes for the future.

3.3.10 The following chart illustrates how much less per head Richmond receives compared to other boroughs.

Formula Grant per Head 2008/09



If Richmond were funded at the same level as Bromley, the next lowest funded authority, we would receive an additional £62 per head. This would equate to approximately £130 off the Band D Council Tax. Funding at the same level as Kingston would provide an additional £81 per head, equivalent to around a £168 reduction in Band D Council Tax.

3.3.11 The outlook for the future of the grant remains poor. With some 73% of our general Government Grant now coming from the protection of the “floor” it is certain that Richmond will remain at the minimum increase in grant for the foreseeable future. The Government has for the first time announced the proposed floor increases for three years which show the increase dropping from 2% to 1.75% and then 1.5%. In addition the Government has rolled a raft of specific grants into a single Area Based Grant (ABG) and again announced these for future years. A number of these grants (particularly around social care) have been significantly reduced this year. Total losses in these grants amount to £685k and, although some new funding has also been received, the expenditure associated with these grants cannot be stopped at such short notice. Hence the budget reflects the fact that the Council will be largely protecting services from these grant losses in 2008/09 but with the expectation that, if the reduction in funding continues, this will result in reducing expenditure or alternative savings being identified in the future.

3.3.12 Balances and Reserves

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

- General Reserve is towards the upper end of the target range set by the Council i.e. between 5 and 10% of annual expenditure
- The Council is holding a significant level of other discretionary balances although the majority have been earmarked for specific projects and purposes (and significant expenditure from these reserves, largely in support of capital investments, is programmed in 2007/08 and 2008/09).
- Approximately 14% (£8.3m) of the quoted balances at 1.4.07 are funds that are outside of the Council’s direct control e.g. school balances, Collection Fund. In addition to this a further 18% (£10.2m) e.g. PFI Reserve, Insurance Funds and Section 106 receipts, whilst being nominally under Council control, are

effectively not available for use. The remaining reserves are expected to reduce as they are applied in support of the Council's investment priorities.

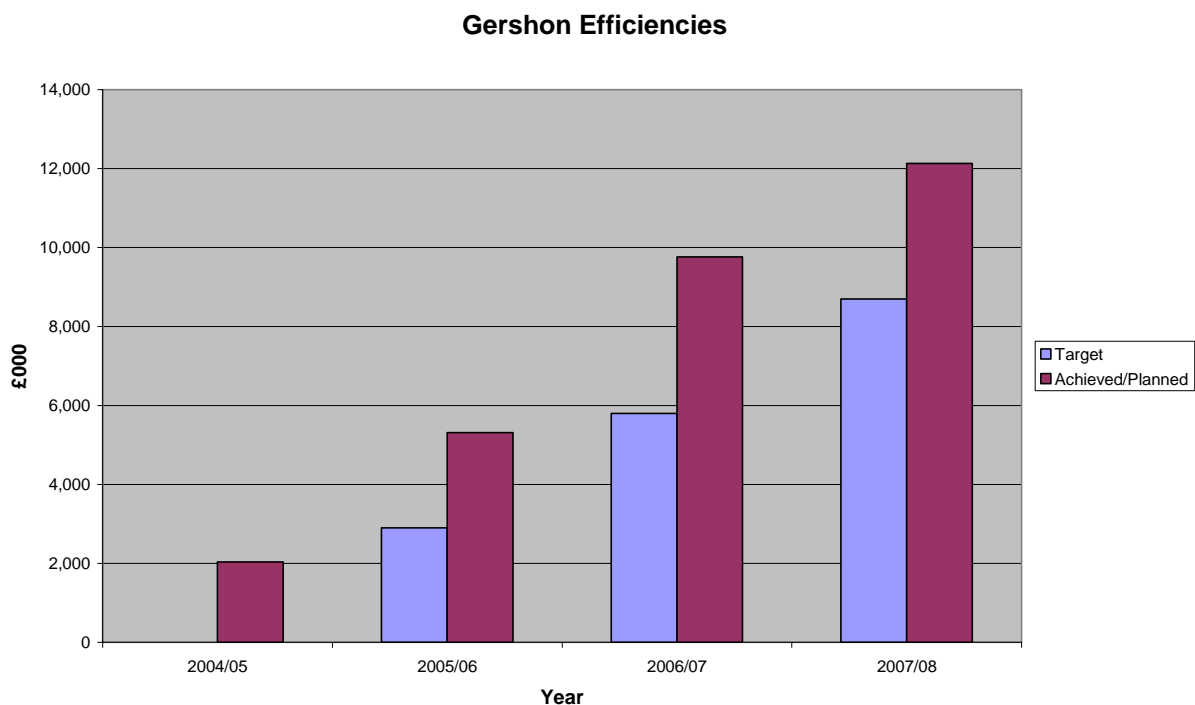
- Balances are only available for use once. Their use to reduce Council Tax in any given year will result in efficiencies being required in future years.

The MLTFS includes a fuller analysis of the reserves position (see App D of that document).

3.4 The Efficiency Strategy

3.4.1 The history of poor grant settlements, coupled with increasing demands and expectations of the public, has meant that Richmond has had to focus on achieving efficiency and value for money in providing its services. In recent years, the Council has achieved a combination of good external assessments of its services and, as part of the CPA, a maximum score of 4 on the Council's approach to achieving value for money. Only 3 other London boroughs have achieved this latter score.

3.4.2 To date, the most visible element of efficiency work has been in relation to the Gershon Review, which set the borough a target of £2.9m efficiency savings per annum for the 3 years 2005/06 to 2007/08. The chart below, taken from the MLTFS, shows that the borough is on course to exceed its target efficiencies.



3.4.3 The Gershon Review period finishes at the end of 2007/08. As part of the Comprehensive Spending Review 2007, the Government announced a new efficiency regime for Local Government. There will be an overall 3% cashable efficiency target for the sector as a whole, but no individual targets for authorities. However, individual authority performance will be assessed as part of the annual audit and inspection process. A 3% target for Richmond would mean cashable efficiencies of between £4m and £5m year on year for the next 3 years. Such a target would be extremely challenging given the low base of expenditure that the borough is starting from.

3.4.4 In order to continue to meet government challenges in this area, the Council is reviewing its overall Efficiency Strategy. The updated strategy will set a framework for identifying projects and areas of Council work that might yield efficiency savings,

improve recording and reporting of efficiency issues and strengthen the links between performance management, efficiency and financial management.

3.4.5 Executive Board has considered initial proposals for the new strategy and a final version and initial efficiency programme will be presented to Cabinet in due course.

3.5 Overall budget proposals

3.5.1 In line with the Constitution and in accordance with proposals agreed by Leading Members and the Overview and Scrutiny Coordinating Group, individual service budgets have been agreed by the relevant Cabinet Member and reports have been submitted to the relevant Overview and Scrutiny Committee.

3.5.2 The Council has balanced service demands, changes in resources and its efficiency programme to set a budget that supports investment in key services, maintains service standards and delivers a Council Tax increase below the level of inflation (Dec 2007 RPI=4.0%). In particular it has:

- Built in £1.5m for new demands for statutory services:
 - £0.9m on Care Services for Older People and people with Learning Difficulties
 - £0.6m on Looked After Children and Special Educational Needs
- Allocated £1.1m to Waste and Recycling Services
- Allowed for inflationary pressures of £4.8m
- Partly balanced the above by identifying £1.7m of cashable efficiency savings and income generation

3.5.3 The final service totals are:

	<u>£m</u>
Education and Childrens' Services	30.891
Environment	26.718
Adult and Community Services	59.935
Corporate Services	22.026
Total	<u>139.570</u>

3.5.4 Central Items and contingency

	<u>£m</u>
Treasury	1.769
General Contingency	0.500
Waste Contingency	1.218
Single Status Contingency	0.350
Capitalisation	-0.200
Use of balances	-0.750
Transfers to reserves	0.571
Total	<u>3.458</u>

3.6 Summary of Borough Expenditure

	<u>£m</u>
Service Estimates	139.570

Central Items and Contingency 3.458

Total LBRuT Budget Requirement 143.028

3.7 Levies

3.7.1 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. For information, the relevant amounts and services are set out below:

Levy	Directorate	2007/08 £000	2008/09 £000	Variation %
West Waste	Environment	4,793	5,538	15.5
Lee Valley Park	Environment	263	270	2.7
Flood Defence	Environment	167	178	6.6
London Pension Fund Authority	Corporate Services	243	255	4.9
Coroner's Service	Corporate Services	128	131	2.3

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

3.8 Capping

3.8.1 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.

3.8.2 The Secretary of State does not 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. The Government has made it clear that it considers the grant settlement sufficient to ensure that the average Council tax rise will be "well below" 5%.

3.8.3 The proposed budget for 2008/09 would give increases in the budget requirement and tax level as set out below. For comparison purposes, the latest inflation figure, as measured by the Retail Price Index (RPI) stands at 4.1% (January 2008).

	2007/08		2008/09	
	Amount	Increase	Amount	Increase
Budget Requirement inc. schools	£223.044m*	5.68%	£232.995m	4.4%
Budget Requirement ex schools	£137.149m*	4.98%	£143.028m	4.3%
Council Tax (LBRuT element)	£1,186.72	4.90%	£1,233.94	3.98%

* These figures have been adjusted to allow for the impact of grant changes made by Government

3.8.4 The Council will be utilising £1.256m surplus from the Collection Fund in 2008/09. Of this amount, £1.0m serves to reduce the Richmond element of the Council Tax with the balance contributing towards the GLA element.

3.9 The Greater London Authority (GLA) Precept

3.9.1 The GLA Precept is proposed to increase by 1.95%. It gives rise to a Band D Council Tax of £309.82 (up by £5.94 over 2007/08).

3.10 Summary of requirements and Council Tax

3.10.1

	£m
Total LBRuT Budget Requirement	143.028
School expenditure funded from DSG	89.967
GLA Precept	<u>27.288</u>
	260.283
Less	
Formula Grant	-27.178
Area Based Grant	-6.167
DSG	-89.967
Collection Fund Surplus	-1.000
	<u>135.971</u>
Total Requirement for Council Tax	<u>135.971</u>

3.10.2 At the Council meeting of 22nd January 2008, the Council Tax Base for 2008/09 was agreed as 88,078.22 Band D equivalents.

3.10.3 Based on the above figures, the total tax at Band D including the GLA element is £1,543.76 an increase of 3.57% over the 2007/08 figure of £1,490.60.

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

	2007/08	2008/09	%
	£	£	increase
LBRUT	1,186.72	1,233.94	3.98
GLA	303.88	309.82	1.95
TOTAL	<u>1,490.60</u>	<u>1,543.76</u>	<u>3.57</u>

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

3.11.1 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.

3.11.2 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:

- Whether budget setting and monitoring processes are robust and effective
- Demand pressures on the budget
- Identifying and achieving efficiency improvements
- Risks to Government funding levels

- The need for investment to sustain services in the long term
- 3.11.3 The Council has a good recent track record in financial management that is recognised through external assessment from the Audit Commission with scores of 3 (good) for the Use of Resources judgement and the maximum score of 4 for Value for Money. These scores take into account both the service performance of the Council and the way we prepare and monitor our budgets. We have made recent changes to the way we organise our accounting resources to further strengthen the finance function in the major spending Directorates. These improvements, combined with the contingencies/prudence provided within the estimates provide an increasingly robust budgetary base for the Council. In order to maintain this progress and improvement, the Council must continue to review its arrangements in the light of experience and developing best practice.
- 3.11.4 In spite of improved budgeting and monitoring procedures, the Council cannot be immune from changes in demand for the services that it provides. There are particular demand risks associated with care needs for both adults and children in addition to external pressures which are affecting the current and future cost of disposing of waste. The budget process has considered these issues and, within the resource constraints faced by the Council, has adjusted budget levels.
- 3.11.5 Paragraph 3.4 discussed the Council's approach to efficiency. Given the resource constraints and demand pressures faced by the Council it is imperative that the search for increased efficiency remains at the heart of all Council activities. This will contribute towards the achievement of the Council's objectives. Failure to move towards more efficient ways of providing services will put additional pressures on already stretched budgets.
- 3.11.6 The major risk around government funding is the potential change to the "floor" mechanism, which provides for a minimum level of increase in grant each year. This risk is highlighted by the fact that the "floor" provides the borough with over £19m more than it would receive were the "floor" to be withdrawn. This equates to around 18% on Council Tax and represents, in percentage terms, by far the largest level of floor protection for any authority in the country. The Government have now provisionally agreed floor levels for the next two years but these are at a reducing amount and signal the Government's desire to remove floors from the calculation.
- 3.11.7 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.
- 3.11.8 A full list of the current reserves held by the Council is attached at Appendix B. The main infrastructure funds are now fully committed and likely, in the absence of any further contributions, to be significantly depleted by 2011.
- 3.11.9 Given the current estimate that there will be no drawing on the General Reserve in 2007/08 and the fact that no drawing was made against it in 2006/07, the forward financial strategy has been adjusted to reflect a higher use of the general reserve moving forward. The plan however remains that any use of balances is gradually removed from budget assumptions at no more than £250k per year such that this change has no major impact on Council Tax increases. It is projected that up to £3m will be withdrawn from the general reserve over the next 5 years. 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 15 year recovery plan for the fund and the 2008/09 budget allows for a further increase in employer contributions as part of the recovery.

4. CONSULTATION

- 4.1 The Council has undertaken two consultation exercises in relation to the budget. The first was with a selected representative sample of the public who attended an evening run by the ORC organisation, the second a Citizens Panel survey. The outcomes were reported to the Finance and Strategy Overview and Scrutiny Committee on 15th January 2008. A third consultation evening for Business Ratepayers is being planned and will take place prior to the setting of the budget. In addition the individual service budgets have been considered by the relevant Overview and Scrutiny Committee.

5 FINANCIAL IMPLICATIONS

- 5.1 These are set out in the report.

6. POLICY IMPLICATIONS/CONSIDERATIONS

- 6.1 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.

7. RISK ASSESSMENT

- 7.1 The risks faced by the Council in relation to financial planning and budget setting are set out in the MLTFS (Appendix C) and in paragraph 3.11 of this report (The Director of Finance and Corporate Services' comments on Section 25 (2) of the Local Government Act 2003).

8. EQUALITY IMPACT/CONSIDERATIONS

- 8.1 The Council is currently in the process of seeking recognition at level 3 of the Equality Standard. This involves the Council auditing each of its major policies and service areas and carrying out further assessments each time any major changes are made. Some of those changes, such as the overall restructure of Council Directorates, will also be reflected in major budget changes shown in this report.

9. LEGAL IMPLICATIONS

- 9.1 There are none arising directly from this report.

10. BACKGROUND DOCUMENTS:

- 10.1 Accountancy Estimate Working Papers
Correspondence from GLA, DCLG and other Government Departments
Local Government Finance Settlement information on DCLG website at:
www.local.dtlr.gov.uk/finance/0708/grant.htm#set

Medium and Long Term Financial Strategy

11. CONTACTS

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APPENDIX A

COUNCIL TAX BANDS 2008/09

Band	LBRUT element £	GLA element £	Total Council Tax £
A	822.62	206.55	1,029.17
B	959.73	240.97	1,200.70
C	1,096.83	275.40	1,372.23
D	1,233.94	309.82	1,543.76
E	1,508.15	378.67	1,886.82
F	1,782.36	447.52	2,229.88
G	2,056.56	516.37	2,572.93
H	2,467.88	619.64	3,087.52

DESCRIPTION	Balance 1.4.07	Estimated Movement 07/08	Estimated Balance 31.3.08	PURPOSE OF RESERVE
RESERVES HELD AT COUNCIL'S DISCRETION				
General Reserve (available for any purpose)	-12,094	0	-12,094	Working balance/unexpected events/emergencies/balancing budget and Council Tax
Earmarked Reserves:				
Infrastructure Reserve	-10,651	3,905	-6,746	Major works to improve Council infrastructure/deliver benefits to the community
PFI Reserve (Future Liabilities)	-5,856	-365	-6,221	To allow for future smoothing of annual payments under PFI contracts
Project Development Reserve	-2,912	777	-2,135	Funds development of major projects
Carry Forwards Reserve	-2,663	663	-2,000	Unspent revenue budgets carried forward for specific Cabinet approved projects
General Insurance Reserve	-2,402	*	-2,402	Covers the internal element of the Council's main insurance cover
Repairs and Renewals Fund	-2,126	2,126	0	Purchase/creation of assets providing benefits of at least 3 years. Repayable by services over an agreed timescale.
Waste & Recycling Reserve	-1,327	723	-604	Used to fund Waste and Recycling Strategy
Section 106	-1,239	*	-1,239	To fund the rise in cost of works between receipt and usage of developer contributions
Climate Change Reserve	-1,000	100	-900	To support the Council's Sustainability Team in reducing the threat of climate change, cut carbon emissions and promote energy efficiency
Community Development Fund	-1,000	58	-942	To support investment in the 5 areas of relative deprivation
Schools Improvement Fund	-1,000	1,000	0	To support improvement in school performance
Youth Development Fund	-1,000	*	-1,000	To provide for investment in Youth Services
Salaries Oncost Account	-853	0	-853	Balance of on-cost charged on employee budgets to fund liability insurance and HR Payroll system
Economic Development Fund	-600	250	-350	To fund Town Centre Management, environmental and business assessments and DDA advisory service for local employers.
PSA Reserve	-573	288	-285	Government grant to fund improvement projects
LPSA Reserve	-461	456	-5	Government grant to fund improvement projects
Schools' Maternity & Supply Cover Scheme	-217	*	-217	Internal insurance arrangement for supply and maternity cover in schools

DESCRIPTION	Balance 1.4.07	Estimated Movement 07/08	Estimated Balance 31.3.08	PURPOSE OF RESERVE
Single Status Reserve	-180	180	0	To fund implementation of Single Status pay adjustments
VAT Reserve	-164	*	-164	To cover potential tax liabilities
Social Services Special Equipment Reserve	-145	*	-145	To fund purchase of small items of domestic equipment for Social Services establishments
Vehicles Insurance Reserve	-134	*	-134	Internal insurance for Council vehicles
Libraries Trading Account	-110	*	-110	Surplus from Library commercial activities to reinvest in the service
Way to Work Reserve	-92	*	-92	Surplus funds to reinvest in the service
Other	-294	*	-294	Various minor reserves
Sub total: Reserves held at Council's discretion	-49,093	10,161	-38,932	
RESERVES OUTSIDE OF COUNCIL CONTROL				
Schools	-6,471	*	-6,471	Ring fenced to schools
Collection Fund	-1,739	-650	-2,389	Accumulated surplus arising from higher than budgeted collection rate
Home Loans Unit	-62	0	-62	Funds associated with former GLC mortgages (distributed across all London Boroughs)
Sub total: Reserves outside Council control	-8,272	-650	-8,922	
TOTAL RESERVES	-57,365	9,511	-47,854	

All movements in reserves are estimated and may be subject to review at year end. Those marked with an asterisk rely on detailed year end transactions so no estimates are currently available

Pension Fund Reserve: This reserve is an estimate of the surplus or deficit on the Pension Fund as calculated by the Council's actuary. As at 1st April 07 the reserve showed a **deficit** of £108.694m



Local Government Provisional Finance Settlement for 2008/09

Preliminary Briefing 6th December 2007

The Department for Communities and Local Government issued the provisional 2008/09 Local Government Finance Settlement for consultation on 6th December.

The Provisional Settlement covers the three years from 2008/09. Funding will be given through non ring-fenced grant wherever possible.

Three types of grant will be provided:

- 1) Non-Ring fenced General Grant – The main type of general grant will be formula grant. Its main purpose will be to provide funding for core services and will be distributed using formulae depending on relative need.
- 2) Non-Ring fenced Area Based Grant (ABG) - This grant will be allocated according to specific policy criteria. There will be no conditions attached to the way this funding can be used. Many of the grants previously received through specific grants will now be a part of the Area Based Grant.
- 3) Specific Grants – Specific grants will only be given in limited circumstances e.g. uncertainty or where there is a recognised need for resources to be allocated for a specific purpose, where Revenue Support Grant (RSG) and ABG cannot be used.

National Headlines

The main national headlines from the Provisional Settlement announcement are:

- Total revenue grants for English local authorities including dedicated funding for schools will be £70.4 billion in 2008/09, an increase on the previous year of 4.0%. In 2009/10 the total revenue grant is expected to be £73.5 billion and in 2010/11 it is projected to be £76.7 billion. This represents increases of 4.4% and 4.3%.
- Formula grant (general support for Council services), excluding schools, will total £27.5 billion in 2008/09, an increase of 2.0%.
- Dedicated Schools Grant (DSG) increases by 3.2% to £29.1bn in 2008/09. In 2009/10 DSG is expected to increase by 3.4% to £30.1bn and by 4.3% in 2010/11 to £31.4bn.
- The Provisional Settlement continues to include a minimum (floor) level of increase in grant. The floor for London authorities is 2.0% for 2008/09. This will reduce to 1.8% in 2009/10 and to 1.5% in 2010/11. The floor level of increase is applied to the previous year's grant total after making certain adjustments for changes in funding methodology.

- As in 2007/08, the Government expects average Council Tax increases to remain “substantially below” 5%, and will use capping powers to ensure that Council Tax payers do not face unacceptable increases.

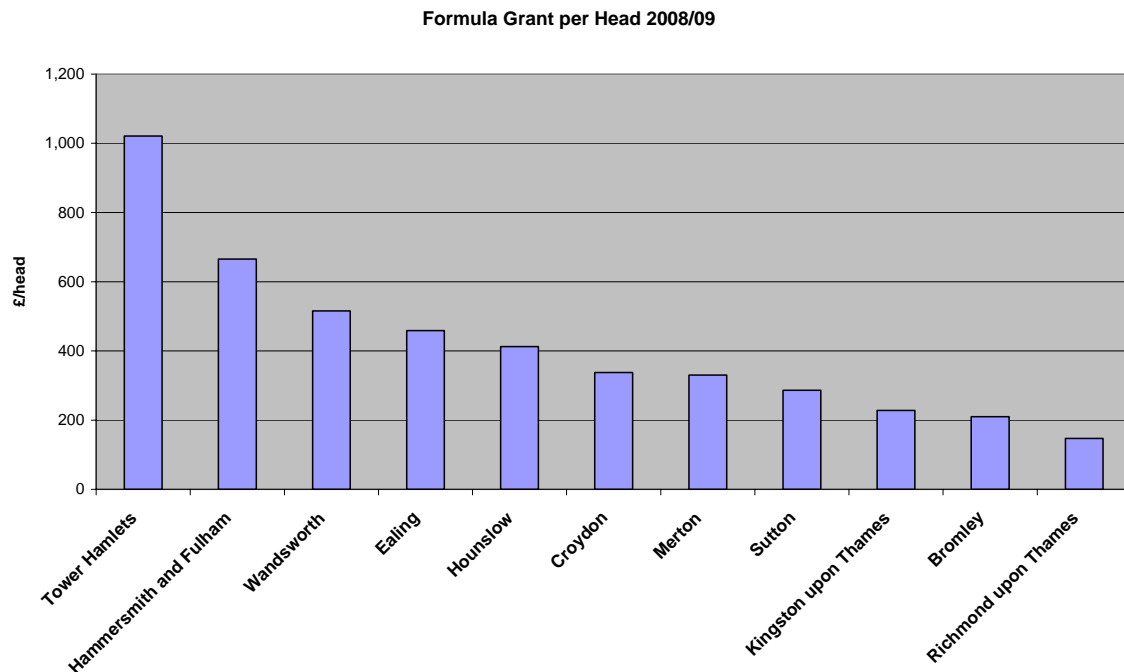
What does it mean for Richmond?

The Provisional Grant Settlement sets out the following allocations for Richmond over the next three years:

Year	Formula Grant (£m)	% Change	£ per head of population
2008/09	27.090	2.00%	147.25
2009/10	27.526	1.75%	148.33
2010/11	27.925	1.50%	149.20

On average, the formula grant for London boroughs will increase by 2.4% in 2008/09, 2.0% in 2009/10 and 1.75% in 2010/11. Richmond’s floor level increases will be consistently lower than the London average. The increases in all three years are lower than expected levels of inflation, meaning Richmond will receive a real terms reduction in funding in each year.

For 2008/09, this level of Central Government support for non-school services within Richmond equates to £147.25 funding per head of population. This compares to the London boroughs’ average of £520.75 (£373.50 more than Richmond), and the Outer London boroughs’ average of £387.01 (£239.76 more than Richmond). In 2009/10 the funding per head of population for Richmond will be £148.33 and £149.20 in 2010/11. This compares to London averages of £527.95 and £534.43.



Richmond continues to be the worst funded borough in London. The table shows how much extra per head Richmond would receive if it received the same level of funding per head as the next two lowest funded boroughs.

Local Authority	£ per head	Extra £ received per head
Richmond upon Thames	147.25	
Bromley	209.92	62.67
Kingston upon Thames	227.85	80.60

If Richmond were funded at the same level as Bromley it would receive an additional £11.5m in grant equivalent to a reduction in Council Tax of around 11%. If it were funded at the Outer London average it would receive an additional £44.5m in grant funding, equivalent to a reduction in Council Tax of around 44%.

Without the floor mechanism in place the Council would have only received £7.288m for 2008/09, meaning that 73.10% of Richmond's grant will be attributable to the floor mechanism. This compares to 2007/08 when the floor mechanism increased the borough's grant by 30.8%. The main reasons for this dramatic shift are changes in the formula relating to children and younger adults and the Government's assumptions about levels of Council Tax that can be raised locally.

The provisional Dedicated Schools Grant for 2008/09 allocated to Richmond is £89.967m, compared to £85.895m in 2007/08, an increase of 4.7%. In calculating this figure, the government has used provisional pupil numbers and the actual allocation to Richmond may be different. The provisional allocations for 2009/10 and 2010/11 reflect further increases of 4.8% and 5.4%.

Conclusions

Whilst the Provisional Settlement appears to be broadly in line with our financial planning assumptions, it continues to leave Richmond as the lowest funded authority in London. Furthermore, the settlement locks in real terms reductions in Formula Grant for the medium term.

Richmond's grant protection from the floor mechanism has increased to almost £20m for 2008/09 leaving the Council even more vulnerable to future changes to the floor mechanism.

From 2008/09 many grants previously received through specific grants will now form a new non-ringfenced Area Based Grant. Full details of this grant have not yet been announced. This may have further implications for our assessment of the Council's overall funding position.

We are currently analysing the detail of the settlement and working on various responses to the Government both individually and in conjunction with other London Boroughs. Additional briefings will be circulated and more detailed reports will be made to both Cabinet and Finance and Strategy Overview and Scrutiny Committee in due course.

If you would like further information about the settlement and the impact on Richmond, please call Mark Maidment, Director of Finance and Corporate Services on 020 8891 7171 or Graham Russell, Assistant Director of Finance on 020 8891 7226.



**Medium and Long Term Financial
Strategy**

February 2008 Update

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1. Objectives
2. Background
3. Current position
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6. Conclusions
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1. Objectives

Through the adoption of the following formal set of objectives for the Medium and Long Term Financial Strategy (MLTFS) it is the Administration's aim to maintain a sustainable financial position whilst identifying funds to invest in the Council's key priorities as set out in the Corporate Plan. The following objectives were first agreed last year and remain unchanged. We have also summarised achievement in the last year:

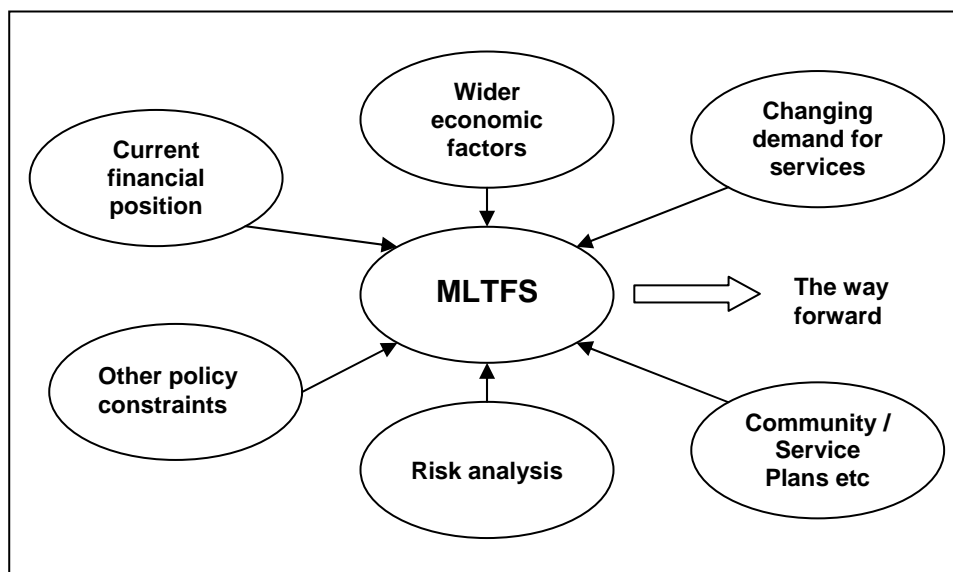
MLTFS Objectives		Progress
1	To set the lowest Council Tax increase consistent with the provision of high quality local services (maintaining the current aim of sub-5% increases)	2007/08 = 4.98% increase. 2008/09 = 3.66% increase proposed
2	To manage spending within the overall budget levels agreed	1.4% u/spend currently projected
3	To invest surplus reserves in key strategic improvements whilst maintaining prudent levels within the range agreed by Council	£10.5m projected to be invested in 2007/08
4	To deliver year on year efficiency improvements to.....	Exceeding Gershon efficiency targets
5create opportunity for strategic and sustainable front line service investments	See details in budgets
6	To support a prudent level of capital investment to meet the Council's strategic priorities	See detail in capital budget
7	To enable longer term planning in the delivery of the Council's strategic vision and objectives	Continuing process

Further details against the specific targets set last year are included in the MLTFS review considered by Finance and Strategy Overview and Scrutiny Committee on 15th January 2008.

2. Background

2.0 What is the Medium and Long Term Financial Strategy (MLTFS)

- 2.1 It is the Council's forward looking financial planning document which takes account of all the various factors and influences that are expected to impact on the Council over the next 3 – 5 years. These factors include current expenditure patterns, inflation, planned changes to service delivery, changing demand for services, the impact of new legislation, sources of income etc. It also includes an assessment of the risks faced by the Council.
- 2.2 It allows the Council to model the expected impact of the various factors and to plan how it will implement its priority policies to meet the needs of the residents whilst maintaining a stable financial position and limiting Council Tax increases. The diagram below summarises the main influences on the MLTFS:

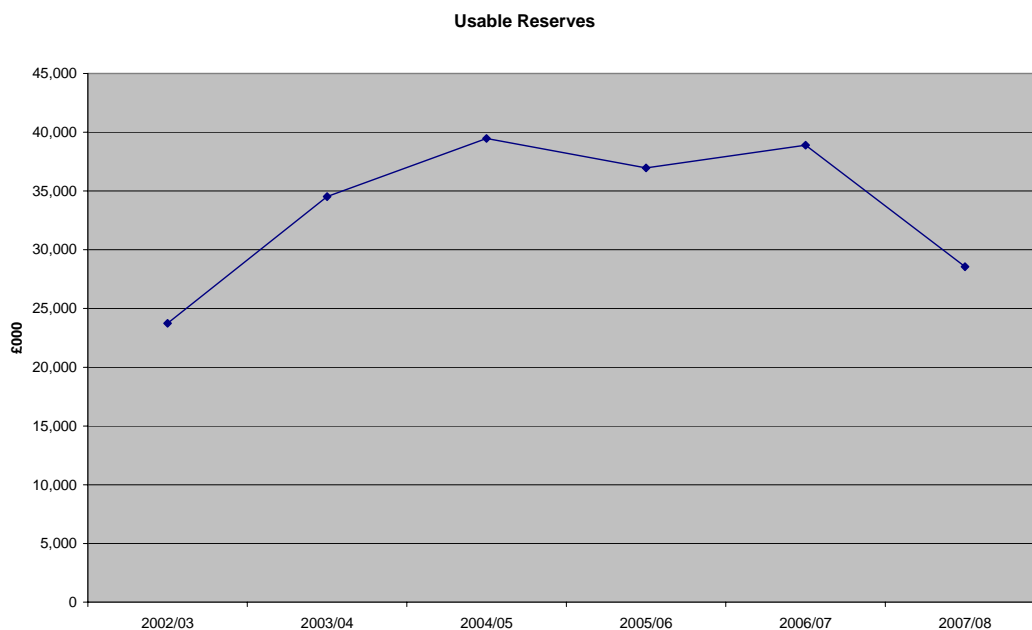


- 2.3.1 The purpose of this document is to set out the Council's medium and longer term financial strategy and to form part of its deliberations as it moves towards setting its detailed budget for 2008/09 and the framework for its longer term plans.
- 2.3.2 The Strategy forms a key plank in the Council's achievement of the aims set out in the Corporate and Community Plan, individual service plans and performance plans. Budgets are developed alongside the services performance and efficiency agenda and monitored similarly. This document draws on the information, aims and concerns set out in these and other documents and seeks to provide a financial framework within which the Council can plan for the longer term.

3. Current position

- 3.1.1 The first budget set by the current administration saw a Council Tax increase of 4.98% (inclusive of GLA) and targets set to reduce reserves through investment in key initiatives. In addition Members agreed an efficiency package that sought to improve the underlying position of the Council's budget including around £1m of staffing reductions from a restructure of Council Services, £250k p.a. from freezing supplies and services budgets, £750k from a joint efficiency programme with the Primary Care Trust (PCT) and a range of income increases. A number of these changes have been planned to take place across a number of years but together they have helped to reduced the underlying gap in the Councils current budget plans (see paragraph 6).
- 3.1.2 The Council has tightened its budgetary control and over the past 5-6 years has not overspent its overall budget in any year. The Administration continues to have significant revenue and capital investment plans and have taken steps to increase project management resources to ensure that these plans are delivered.

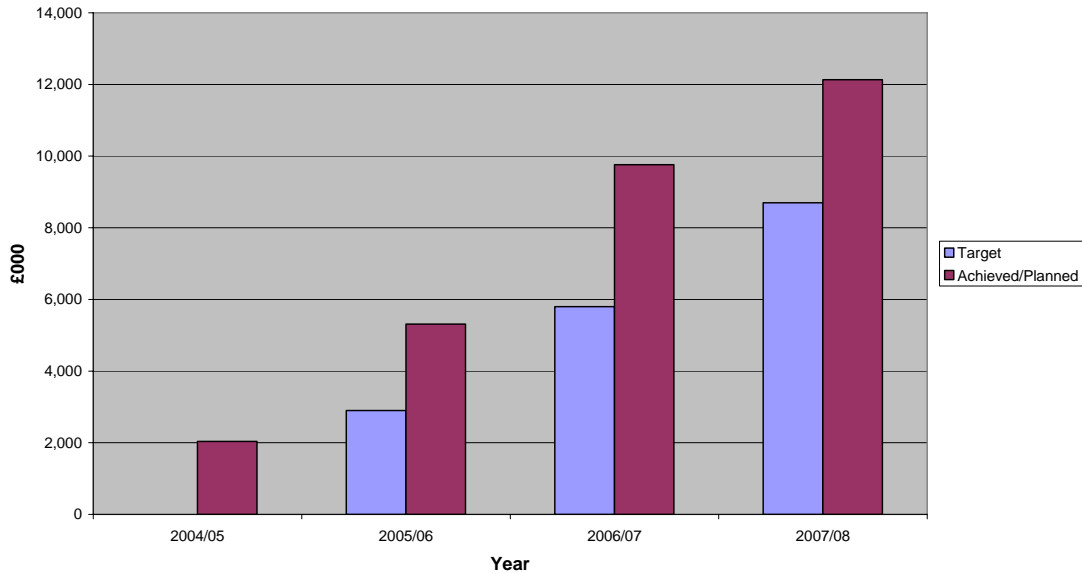
3.1.3 Overall revenue reserves (excluding the pension fund deficit) stood at £57m at the end of 2006/07. Excluding those reserves where the Council has little discretion over their expenditure (those governed by statute, insurance/tax reserves, the PFI reserve and schools reserves), those that are “usable” stood at £39m. In 2007/08 we are projecting that usable reserves will reduce by £10m to around £29m by the end of the financial year in March. This is as a result of investment in the Councils key priority areas including the waste and recycling service (£3.5m), and Schools (£2.8m).



3.2 In terms of balances/reserves, it remains important for the Council to focus on those where it has some discretion to spend to ensure that they contribute to the long term strategy of the Council. The A fuller review of reserves/balances is included at Appendix D.

3.3 Tight budgetary control continues to be essential for the Council in helping to ensure that the savings plans set out for past and future years are delivered. The overall improvement in the Council’s financial position has been achievable by continually identifying and achieving efficiencies. The Borough has remained one of the lowest spenders per head of population in London whilst consistently improving performance in many of the major services. It also achieved the ranking of being only one of seven authorities in the country to achieve the top rating from the Audit Commission for Value For Money. In more recent years efficiency has been identified via Annual Efficiency Statements. The achievements are shown below together with the planned exceeding of Gershon efficiency targets.

Gershon Efficiencies



- 3.4 This method of measurement is changing for 2008/09 and beyond, with Government targets concentrating on so-called “cashable” savings. Irrespective of these centrally set expectations, in order to achieve its ambitions for lower Council Tax increases, the Council must continue to have a strong focus on efficient service delivery if we are to protect and improve services to the most vulnerable. In addition to reinvesting many of the efficiency gains outlined above the Council has also identified additional funds to invest in basic infrastructure and key priority areas including Parks, Libraries, Highways, Schools and Social Care.
- 3.5 The continued development of medium and longer term financial strategies (which have been in place for both capital and revenue expenditure for the past 6+ years) have enabled the Council to plan for projected changes in both resourcing and expenditure. It has also enabled key service and priority changes to be managed in a way that recognises that the financial strategy is not an end in itself but is structured to ensure that the Council can continue to improve its service delivery.
- 3.6 In overall terms the financial strategy has contributed to the successful achievement of all major objectives that have been set but we are moving into even more difficult times with Government funding likely to reduce further in real terms and rising needs and expectations of services.

4. **Performance and Efficiency**

- 4.1 The Council's performance has steadily improved in recent years. As outlined above, it has invested heavily in long term strategies that are aimed at further improving efficiency and service performance. According to Audit Commission figures, the Council was the lowest spending per head of population on services in London in 2006/07.
- 4.2 The Council has both performance and budget review processes already in place, which seek to minimise costs and ensure all services are kept under review / challenge such that they contribute towards the Council's overall aims. The Efficiency Strategy (see report to Strategy and Resources Overview and Scrutiny Committee November 2007) is an integral part of the Councils budget planning process. The Council does not set “blanket” savings targets for services. Members have rather been asked to consider those areas for investment/reduction based on a series of considerations including impact on performance, assessment of need, importance to local community, achievability, efficiency comparisons etc. Members' views are informed through a variety of mechanisms ranging from the budget consultation exercises carried out annually and Community Plan consultations to direct feedback via area consultation meetings. Reports from the budget consultation process for 2008/09 were circulated with the earlier MLTFS review paper to Finance and Strategy Overview and Scrutiny and are available on-line at www.richmond.gov.uk (under the front page link for Statement of Accounts and related publications).

- 4.3 The Best Value Performance Plan, a variety of individual inspections, the triennial resident's survey and CPA conclusions all suggest that the financial planning has contributed to significant improvement in Council services.
- 4.4 In addition, the Council continues to be scored 4 out of 4 for Value for Money by the Audit Commission which is classified as "performing strongly" (less than 5% of other Councils nationally achieved the maximum score in this category in 2007). The latest Corporate Assessment began in May 2007 and has resulted in the Council maintaining its overall score of "good". This was a different set of test criteria to 2002 which were designed to result in a "harder test" and hence this result represents continuing good progress by the Council. The review was also a combined inspection with the Joint Area Review for Children and Young People's services. In the latter the Council scored a maximum 4 and when combined with a maximum score also for Adult Social Care Services, means that many of the Council's services now rank amongst the best in the country.

5. Looking Forward

5.1 The National Funding Context

- 5.1.1 The 2007 Spending Review (CSR07) and the associated 3 year funding settlement for Local Government were published in November 2007. The review was widely expected to signal a slow down in the rate of growth of funding for the public sector as a whole and for the Local Government sector. Although the headline announcements sounded fairly generous, the reality was that, once inflation and PFI funding had been accounted for, Local Government was left with 3 years of real cuts in resources. The table below illustrates this point.

Increase in funding	2008/09	2009/10	2010/11
As per announcement	4.2%	3.5%	3.4%
RPI (Oct 07)	4.2%	4.2%	4.2%
"Real" increase in funding	0.0%	-0.7%	-0.8%
Less PFI Funding	0.4%	0.7%	0.8%
Decrease in funding for services	-0.4%	-1.4%	-1.6%

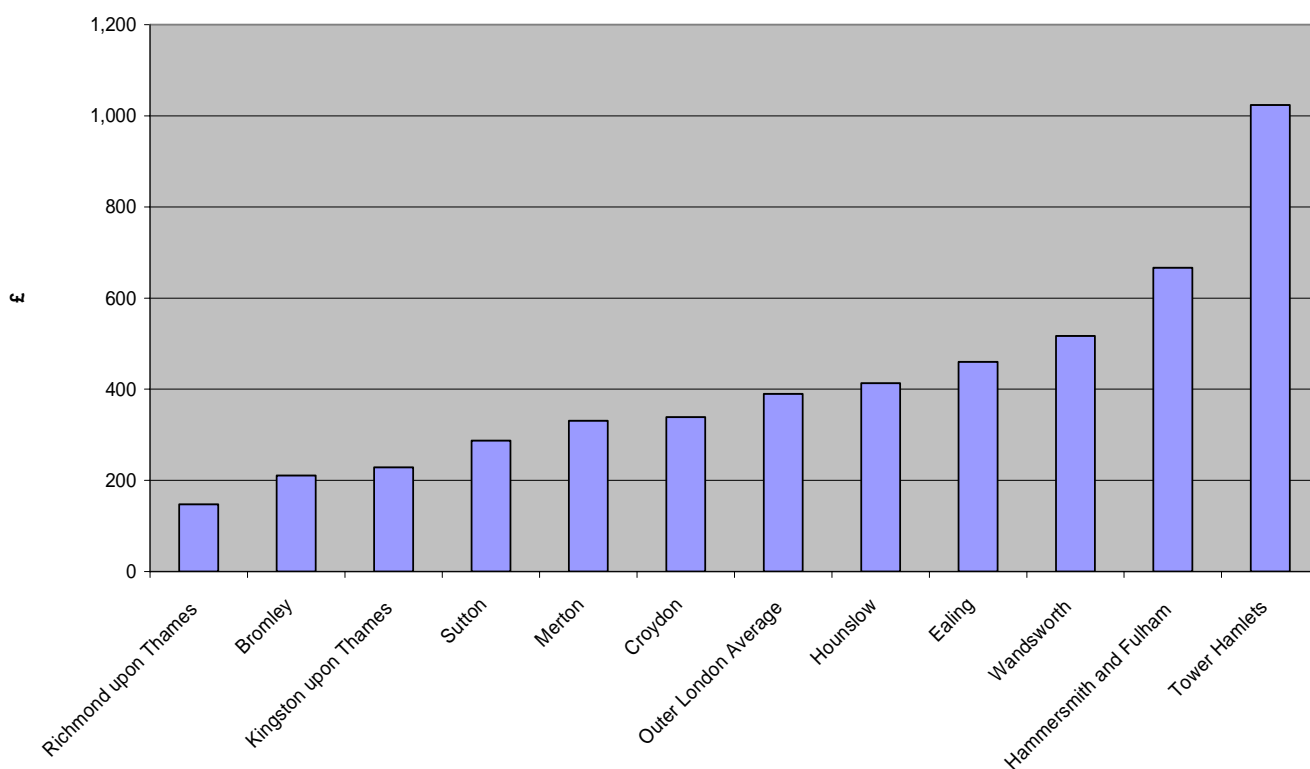
5.2 The Local Government Finance Settlement

- 5.2.1 This year's settlement saw some important changes that impact on the borough. For the first time, provisional figures were provided for 3 years which will be useful for medium term planning. The Government also introduced Area Based Grants (ABG), which combine a considerable number of specific grants into one general grant. The lateness of the announcement on ABG meant that it was too late to adjust budgets where grant levels changed. As a result, Richmond has used its own resources to protect services from falling grants for a period of one year. Thereafter, expenditure levels will be matched directly to grant levels. This has cost the Council £554k in 2008/09.
- 5.2.2 Probably the most important announcement from Richmond's point of view was that the system of "floor" damping was to be retained. The "floor" mechanism provides a minimum level of increase in the amount of Formula Grant to be received by an authority. Without it, authorities would receive the unadjusted amount of Formula Grant as calculated by the Government.
- 5.2.3 In 2008/09, Richmond will receive £27.178m in Formula Grant a cash increase of £0.533m over the equivalent figure for 2007/08. To put this into context, the detailed budget calculations include nearly £4.8m for inflation alone. This illustrates the scale of the financial challenges facing the authority. It should also be noted that the value of the "floor" mechanism to the Council has increased from around £7m to just under £20m or 73% of the total Formula Grant. This is

because of changes made to the distribution mechanism for Social Care funding. This change increases the potential impact on the Council of the Government removing the “floor” mechanism to a totally unmanageable level. In any event, the level of floor protection will fall from 2% in 2008/09, to 1.75% in 2009/10 and 1.5% in 2010/11. This effectively builds in even larger real terms reductions in resources for Richmond than for Local Government generally.

5.2.4 The Amount of Formula Grant to be received by the borough equates to £147.73 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 nearly £63 per head more than Richmond. Funding at this level for Richmond would yield an additional £11.5m in grant which would allow a reduction of 11% in the Council Tax. **Funding at the Outer London average level (£389.57 per head) would yield an additional £44.5m in grant, enough to reduce Council Tax by approximately 45%).** The Council continues to make the case to Government for a review of its treatment via the formula grant. The Council submitted an individual response to the settlement consultation as well as a combined south west London response and a delegation of leading members and local MPs visited the Minister responsible in January.

Formula Grant per head 2008/09



5.2.5 After the direct funding of schools through DSG is allowed for, Richmond’s support from Revenue Grant and Business rates has fallen to 19% 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.

5.2.6 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, pay and workforce pressures, and potential grant fluctuations as a result of demographic changes.

5.2.7 The Government has stated that it is committed to containing future public spending through realising targets for increased levels of efficiency within the sector. Publicity and debates around Council Tax levels will ensure that the threat of capping continues, and councils will need to set budgets that keep Council Tax increases to a minimum whilst increasing the efficiency and quality of services. Ministers are still referring to “well below 5% average” Council Tax increases.

5.2.8 The outlook for the next three years and beyond is that the Council will be required to deal with the twin problems of ever escalating demands for services and real terms reductions in resources allocated by central government. It therefore remains imperative that the Council continues to plan well in advance to deal with the service and financial pressures and pursues a robust policy of seeking out and implementing efficiencies in the way it provides its services.

5.3 Capital Expenditure

5.3.1 A review of the capital element of the MLTFS and the Capital Programme for 2008/09 to 2012/13 were considered and approved by Cabinet on 14th January 2008. The key feature of the current programme is the increasing dominance of Education projects (62% of the total programme over the next 5 years). This reflects the increased resources being provided by Central Government for the development of primary and secondary schools on top of the Council's own investment plans for Education.

5.3.2 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 major element of financing in the short term but, as these are one off sources, their importance diminishes over time. Capital grants are also key in the early years of the programme but, as projects like Teddington School are completed, their importance also diminishes. 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.

	2008/09 £000s	2009/10 £000s	2010/11 £000s	2011/12 £000s	2012/13 £000s
Total Capital Expenditure	51,678	44,014	33,187	19,212	16,708
Capital expenditure to be funded from reserves and capital receipts	21,593	15,958	2,097	162	0
Capital expenditure to be funded from grants and contributions	19,772	23,013	14,637	2,752	2,752
Capital expenditure to be funded from borrowing	10,064	5,043	16,453	16,298	13,956
Estimated Debt Outstanding at 31st March	50,395	55,438	71,891	88,188	102,144

5.3.4 The Capital Programme remains a key means by which the Council is able to deliver the priorities set out in the Community and Corporate Plans. It is underpinned by robust governance arrangements designed to ensure that resources are directed towards the Council's priorities and that investment decisions are affordable as well as effective.

5.4 Key Risks/Opportunities

5.4.1 Although the Council now receives only 19% of its non-school funding from Government, demands on services, changes in grant regimes and legislative changes can all have a significant impact on the Council's budget. The announcement of floors and ceilings, together with a large number of specific grants, for a three year period to 2010/11 is a welcome development that aids stability in budgeting. However, it also reflects a continued tightening of public finances – with a massive 73% of the Council's general grant now being reliant on the "floor" regime, any move away from this protection would leave the Council facing a very serious financial position. The major identified risks are considered in more detail in Appendix C and some of the key/changing risks and opportunities are drawn out below:

Key Risks	Key Opportunities
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<ul style="list-style-type: none"> • Government Grant reductions • Waste Disposal costs • Increasing numbers/cost of childrens' services • Increasing demand for adult social care • Inflation / salary costs 	<ul style="list-style-type: none"> • Overall efficiency strategy • Government funding of schools capital investment • Concessionary Fares review
<ul style="list-style-type: none"> • Successful delivery of investment programme 	

5.4.2 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. This is reinforced through the new Local Area Agreement (LAA), which has recently been finalised with the Council's major partners. The Council is currently working on a number of projects with the London Centre of Excellence (pan London body supporting efficiency projects) to ensure that any opportunities for better procurement can be implemented quickly.

5.4.3 The revenue investment priorities and planned efficiencies will be 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 strategy.

5.4.4 The introduction of the Prudential Code for borrowing, together with enhanced one-off funds generated from revenue means that the Council is able to have more flexible capital plans than in the past. However, as well as the risks that surround the ability to achieve capital receipts, there will in any event come a point in the next 3 - 4 years when the Council will 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 new 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.

5.4.5 The Council's inflationary pressures alone are around the equivalent of a 4-5% increase in Council Tax and therefore any growth has to be at least matched by equivalent savings/income. 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 £730k or 0.73% of Council Tax
- Each additional £1m revenue expenditure equates to a rise in Council Tax of approximately 1.0%.
- Borrowing of £1m over a 25year period adds approximately £70k per annum to the Council's expenditure.

6. Conclusion/Forward financial strategy

6.1 The table below sets out our current estimates of expenditure (see detailed lists in Appendix A and B), at this stage, for the next three years:

(Note: Includes use of balances etc)

	2008/09 £000	2009/10 £000	2010/11 £000
Opening Base Budget (previous year)*	128,430	143,028	152,306
Inflation (including increased pension costs)	4,763	4,692	4,823
Adjustments to Government Grants**	8,719	3,084	-350
Government/Outside body led growth	1,322	578	1,019
Demand led growth	1,520	1,270	1,020
Investment priorities	34	650	1,000
Efficiency proposals / income generation	-1,785	-1,076	-2,302
Other growth and savings	25	80	80
LBRUT Service Expenditure	143,028	152,306	157,596
Formula Grant	-27,178	-27,615	-27,925
Area Based Grant	-6,167	-9,251	-8,902
Collection Fund	-1,000	-500	-250
LBRUT CTAX Requirement	108,683	114,940	120,519
CTAX Base	88,078	88,378	88,678
CTAX Richmond Element	1,233.94	1,300.54	1,359.06
%age increase	3.98	5.40	4.50

* *Opening position adjusted annually to allow for known transfers into/out of revenue grant*

** *Adjustments arising from Government decision to transfer specific grants to Area Based Grant or Formula Grant*

6.2 After allowing for the effects of specific grants transferred to Formula Grant and ABG and before accounting for planned efficiencies, the underlying service expenditure budgets are increasing by between 5% and 7%. Most of the increase is due to inflationary pressures, capital investment and other areas where the Council only has limited influence such as increases in Waste Disposal and Social Care costs.

6.3 The above table shows that, on current projections, additional budget measures over and above those efficiencies already identified will be required in 2009/10 to bring the Council Tax increase to below 5%. It should also be noted that some of the efficiency / income generation measures for future years have yet to be realised and it will be necessary to monitor progress closely in the coming years.

- 6.4 Despite the relatively stable position over the next three years, the risks to maintaining financial (and therefore Council Tax) stability remain significant. A full review of the risks and opportunities and the underlying growth pressures are set out in Appendices B and C. The CSR07 confirms that, in the medium term, Government Funding for non-school services will be extremely tight and sub-5% increases will continue to require a focus on efficiencies and sound financial planning and management.

7. Priorities and Planned Actions

Key priorities for the Administration include:

- Investments in sustainability with the aim of reducing the Council's "carbon footprint"
- Use of surplus reserves and balances to target investment priorities
- Investment in Youth provision
- Additional investment in school infrastructure
- Aligned with the sustainability agenda – action on improving recycling and reducing waste

Action planned against MLTFS objectives:

Objective 1: To set the lowest Council Tax increase consistent with the provision of high quality local services (maintaining the current aim of sub-5% increases)

- Continue to improve long term service planning to identify savings and efficiencies to meet budget requirements.
- Continue lobbying Government for better resourcing.
- Seek to maximise all income sources where consistent with policy priorities
- Set sub-5% Council Tax increase for 2008/09 and beyond

Objective 2: To manage spending within the overall budget levels agreed

- Continue regular budget/performance monitoring.
- Review services where major projected overspends occur and identify action plans to contain.
- Ensure changes to finance structures in directorates improve financial capacity and review central accounting structures .

Objective 3: To invest surplus reserves in key strategic improvements whilst maintaining prudent levels within the range agreed by Council

- Maintain regular review of investment programmes particularly in light of priorities for additional investment in schools, youth and sustainability.
- Update policies on balances and reserves when setting budget
- Identify refinancing opportunities

Objective 4: To deliver year on year efficiency improvements

- Produce new efficiency strategy and operational arrangements
- Continue/enhance unit cost comparisons to drive more detailed reviews
- Further development of the locally based Call Centre and the enabling of transactions with the Council to take place electronically (if residents so wish) aiming to improve the efficiency and responsiveness of the whole organisation.
- Focussed review of major contracts and spending areas

Objective 5: Create opportunity for strategic and sustainable front line service investments

- Regular review of existing financial plans
- Ensure new programme/project management resources are in place and enhance deliverability of capital investment programmes

- Continue to implement Richmond Works project
- Work jointly with PCT and other partners to maximise resources in an increasingly difficult funding climate

Objective 6: To support a prudent level of capital investment to meet the Council's strategic priorities

- Resolve school investment options
- Capital programme review by Asset Management Forum.
- Increase value of capital programme delivered.

Objective 7: To enable longer term planning in the delivery of the Council's strategic vision and objectives

- Carry out budget consultation with residents and business community.
- Update financial plans earlier in financial year.
- Begin review of new plans in light of latest efficiency and performance information in June 2007.

Directorate	Description	2008/09 £000	2009/10 £000	2010/11 £000
Total	Impact of Grant changes (Govt)	8,719	3,084	-350
Various	Impact of Grant changes (LBRUT)	554	-498	0
ACS	Concessionary Fares	-834	315	333
ACS	Housing Benefit Rent Cap	300	0	0
ENV	Waste Disposal	850	600	600
ENV	Planning Development Grant	300	0	0
CS	CPA Inspection fees	-150	0	0
CS	Land Charge Regulations	200	0	0
CS	Increases in Flood Defence Levy	0	36	26
CS	Childrens Act Legal Fees	86	0	0
CI	Supplementary Business Rate	0	65	0
Various	Other	16	60	60
Total	Government/Outside Body Led	1,322	578	1,019
ACS	Care Services for Older People/LD	900	750	500
ENV	Refuse collection from new property	20	20	20
ECS	Looked after children / SEN	400	400	400
ECS	SEN Transport contract	200	100	100
Total	Demand Led	1,520	1,270	1,020
ACS	CPA Related Growth	250	0	0
ENV	Waste and Recycling Investment	250	0	0
ENV	Sustainability Team self financing target	0	-100	0
CI	Treasury Management	-466	750	1,000
Total	Investment priorities	34	650	1,000
ACS	Domiciliary Care Review	-150	0	0
ACS	Reorganisation of Council Wide strategic policy and business planning functions	-175	-75	0
ACS	Increased charges for non residential services	-150	0	0
ACS	Joint PCT Efficiency Plan (PLD)	-250	-250	0
ACS	Raise FAC eligibility to moderate	-60	0	0
ACS	Strategy and Resources Division	-50	0	0
ACS	Supported living for mental health clients	-50	0	0
ENV	Licensing Fee income (net)	-85	0	0
ENV	Delete Property Projects post	-70	0	0
ENV	Reduce management/admin. support	-50	0	0

Directorate	Description	2008/09 £000	2009/10 £000	2010/11 £000
ENV	Planning pre application fee income	-30	0	0
ENV	Reduce high hedges budget	-20	0	0
ENV	Terminate APC toilets	0	-30	0
ENV	Civic Catering	0	-75	0
ENV	Close Parking shops	0	-25	0
ENV	Rationalise admin of Regulatory Services	0	-50	0
ECS	Childrens' Services integration	-50	0	0
ECS	Mortlake Family Centre	-55	-55	0
CS	Centralise HR workforce development	-80	-20	0
CS	CTAX/Benefits re engineering	0	0	-50
CS	Close Sheen Lane One stop shop	-20	0	0
CS	CS structure review	-50	-50	0
CI	Civic Centre lease	-150	-200	-2,000
Various	Supplies and Services Budgets	-240	-246	-252
Total	Efficiencies/Income Generation	-1,785	-1,076	-2,302
ACS	Rent Allowances	-300	0	0
ENV	Careline	80	0	0
ENV	Estates Services	-80	0	0
ENV	Civic Accommodation rents	40	40	40
ECS	Changes to DSG regulations	121	0	0
ECS	PFI contingency	-50	0	0
CI	Single Status Contingency	350	0	0
Various	NNDR revaluation	-136	40	40
Total	Other Growth and Savings	25	80	80

Acronyms used

ACS	Adult and Community Services
ENV	Environment
ECS	Education and Childrens' Services
CS	Corporate Services
CI	Central Items
APC	Automated Public Convenience
CPA	Comprehensive Performance Assessment
CTAX	Council Tax
DSG	Dedicated Schools Grant
FAC	Fair Access to Care
HR	Human Resources
LD	Learning Difficulties
PCT	Primary Care Trust
PFI	Private Finance Initiative
PLD	People with 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 2008/09, the overall impact of inflation is expected to be £4.8m which equates to a 4.6% increase in the Council Tax. Given that Central Government Capping is to be set at a 5% increase, this leaves the Council with little room for manoeuvre and leads to the situation where any new policy initiatives and service pressures need to be financed from efficiencies.

Inflation – Salaries and General Prices

This needs to allow for the projected pay award in 2008/09, incremental progression on salaries and general price inflation. The projections assume a 2.5% increase in salaries, and 2.5% for all other expenditure and income - 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. As part of the overall efficiency drive, supplies and services budgets continue to receive no inflation over the life of this plan.

Inflation - Pensions

The latest triennial valuation of the Council's fund has just been completed. The actuary advised that the contribution rate to be paid by the Council should remain at the 23.9% agreed at the latest valuation (the final 0.9% to bring us to this level is included in the figures for 2008/09).

Capital Financing Costs / Investment Income

As the capital budget assumes the use of all usable capital receipts and a reduction in infrastructure reserves over time, it is likely that in the short to medium term income from investments will fall. This plan currently reflects some improvement in our projected position compared to last year but assumes that borrowing will need to increase over the medium term but also reflects slightly better borrowing rates, investment rates and cashflow levels than were previously assumed.

Social Services growth and efficiency measures

The restructure and modernisation of these services has continued to yield both performance and efficiency gains. The recent improvements in performance scores have been significant and changes in procurement of both staffing and care budgets have worked to contain costs for the future. However, underlying cost and demand pressures remain high and very significant changes in the way clients are funded (Self directed support) will need to be closely monitored in the coming year.

Secondary/Special School investment

This programme aims to ensure that all secondary/special school accommodation needs including those related to sufficiency, suitability and condition are addressed. Following the recent planning approval, the Teddington School development (£32.6m) will form a significant part of this programme. Although we continue to develop other options, further major progress will be partly dependent on final outcomes from investigating major funding routes potentially open to the Council.

Primary School expansion and investment

The continuing growth in Primary numbers which, despite the new PFI places, means the Council needs to significantly expand the number of places to meet demand in each of the coming years. It is already reviewing all potential sites and again is bidding for funding from Government to support this expansion. There is also a need for significant investment to meet suitability and condition issues at some primary schools.

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. In addition the Councils leaving care budgets face significant potential growth following the "Hillingdon Judgement" in relation to care for unaccompanied asylum seeking children. This will be kept under close review throughout the year.

Levies

All levy increases except West London Waste Authority (WLWA) and flood defence levy have been assumed at 2.5% and included in the inflation figures.

Waste Disposal Costs

We have made significant progress in projecting waste disposal costs with WLWA but a large amount of educated "guesswork" is still required around reductions in use of landfill, increased recycling etc. The final levy increase this year was 19% and similarly large increases are anticipated for the future. The current provisions made within the budget allow for the projections without the impact of landfill penalties (which could be imposed from 2009/10 onwards).

Recycling / Waste Collection Costs

The Council has made a significant investment in new vehicles and made a major change to the collection of waste and recycling. Although the initial implementation has encountered problems, recycling rates have increased significantly. The Council is currently reviewing the implementation with a view to bringing costs back within the original budget and to assess how recycling rates could be improved further. A further allowance has been made in the estimates to allow for an increase in costs associated with further service changes.

Concessionary Fares

Although the cost of the freedom pass scheme for older people and people with disabilities is rising at a rate much greater than estimated inflation following the latest fare agreement negotiated with Transport for London, changes in funding associated with the extension of concessionary fares schemes nationally, together with minor amendments to the method of distributing the costs across London have lead to a significant one off reduction in 2008/09. For 2009/10 and beyond the estimates continue to reflect the expected 6% increase in costs from TfL (however please note risks / opportunities section on further potential changes to the method of distribution).

Single Status

Single status negotiations are still to be finalised at the time of writing. This issue continues to attract significant publicity with significant awards being made against Councils in a number of areas. An allowance has been made in this budget for higher than anticipated costs associated with both ongoing and back pay.

Risks and Opportunities

Government Funding

The Government funding position is now fairly firmly fixed for the next 3 years which takes some of the risk out of budget planning in the medium term but unfortunately locks in a low funding position for the Borough. Our Formula grant increased by 2% this year and will increase by 1.75% and 1.5% in the next two years. We have also had firm proposals for £6m of specific grants for the next 3 years. These are more likely to be subject to change but will be monitored closely. In overall terms, Government funding generally remains a key area of both risk and opportunity for the Council with bidding opportunities (particularly for capital) growing at present.

General government grant now represents only around 19% of the Council's non-school funding.

The "floor" mechanism has provided a welcome protection against the worst effects of recent changes in grant calculations. This now provides protection at some 73% (almost £19m) above the "real" grant calculations and the removal/reduction of the floor presents an increasing risk beyond 2010/11. Clearly across this longer timescale there remains a possibility of a wholesale change in Local Government funding but this currently seems a very remote possibility.

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 estimates that it will be able to avoid penalties until 2011/2012 but not beyond that unless it can begin to divert significant amounts of waste away from landfill. Officers are working with WLWA and closely monitoring the position. Members will be kept regularly informed of developments but it is clear that the Council will need to continue to invest in recycling activities if it is to restrict its costs.

Supporting People

The Supporting People Programme aims to provide a framework to promote and improve the quality of housing related support services in England. It gives local authorities responsibility for commissioning and funding support services and a needs-led planning process. It is expected that there will be further cuts in the government funding for this programme with such cuts expected to be countered by efficiencies.

Homelessness/Asylum Seekers

Asylum Seekers grant has become a significantly smaller issue for this Borough in recent years, although recent decisions on support required for young asylum seekers (the so-called Hillingdon judgement) has introduced a significant budget risk.

On homelessness generally, the current projected downturn in the economy combined with a reduction in the rate of housing benefit subsidy for homeless households in temporary accommodation represents a significant upward pressure on the housing budget.

Investment Income/Capital Investment

The Council now has a significant investment portfolio and therefore the revenue budget is more vulnerable to interest rate movements. The Council has taken action to lengthen the term of some of its investments to provide some protection against such movements. The proposed increase in capital programme investments, combined with reducing opportunities for capital receipts, means that net borrowing costs will rise in the future. Officers will be seeking to minimise the impact of this through taking advantage of any opportunity in the borrowing market.

Public Service Agreement/Other Direct Grants

The impending completion of our second PSA will yield a reward grant in 2009. There are no further PSA's now planned and the general position on Government grants is covered earlier in the Government funding section.

Fees and Charges

The Council will review all existing fees and charges and 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.

Pension Fund

Statutory changes to the terms of the Local Government Pension fund combined with strong stock market performance to March last year (the date at which the valuation is done) means that the latest triennial valuation showed no proposed change in employer contributions for the first time in many years.

Stock markets have plunged in the early part of 2008 and there is concern for some time ahead. Combined with continuing increases in longevity there therefore 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 Investment Committee is charged with taking that longer perspective.

NHS/PCT funding

Of all the Council's partners, the PCT is the one whose funding and funding decisions can have a significant impact on the Council's services. Although the PCT's finances appear to have stabilised for the current year we continue to work closely together to achieve efficiencies which we hope will contain the significant growth pressures on social care services.

Single Status

The Council is currently implementing proposals with all groups affected by single status changes. However, some of the final cost associated with the implementation are still to be confirmed and we have made further contingency allowance in the budget to meet additional back dated and ongoing costs.

Richmond Works

The Council has agreed to fund the initial phases of the Richmond Works project which aims to enable flexible/homeworking. At present no allowance has been made for efficiencies which it is hoped will flow from this development and this is expected to present an opportunity to the Council for the future.

ICT/E-Government investment

The Council has an ICT strategy and agreed list of prioritised projects. These developments will offer the opportunity for efficiency and/or service enhancement. It should also be recognised that this remains a rapidly changing environment and the demand for changed levels of service and enhanced information means that demand for investment is likely to remain at a high level.

Dedicated Schools Grant

The latest funding announcement shows reducing increases in 2008/09 and beyond. 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 MLTFS, the risk remains that further resources will be required.

APPENDIX D

Review of Revenue Reserves and Balances

Attached to this appendix is the full list of revenue reserves and balances held by the Council as at 31st March 2007. The budget report for 2008/09 contains an analysis of expected changes in the current year which indicate that there is likely to be an overall reduction of around £10m. This reduction is largely as a result of planned investment in waste and infrastructure projects.

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 very unreliable. Included within these funds is some £18.5m which is held on behalf of other parties, for statutory purposes, linked to specific PFI payments or used for internal insurance purposes. Although elements of these will be reviewed to ensure the value held is appropriate, the Administration does not consider any major changes can or will be made to the purposes for which they are held.

The remainder of the funds are largely made up of a number held as general reserves against budgetary risks to the Council and those committed to investment in the Council's infrastructure. In last financial year expenditure from reserves totalled £3.9m and for the current year this is expected to rise to £10.5m.

From a strategic viewpoint, the Administration has made clear its belief that this overall level of reserves can be further reduced by more targeted investment in key Council services. In particular it is committed to increasing the level of investment devoted to improving secondary and special schools, investing in youth, community and sustainability developments. In order to achieve this, the use of the following reserves has been considered:

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 £12.1m which is towards the upper end of the Council's requirement and the plans have been amended to utilise some £3m to support Council Tax levels over the next five years. Assuming no further contributions, this will reduce the reserve to £9.1m 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 such as the investment in schools identified above 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 – the **Infrastructure Fund** – stands at £10.7m and has been earmarked for improvements in parks, libraries, highways and modernisation initiatives (Richmond Works). It is expected that this fund will have reduced to £6.7m by the year end primarily as a result of expenditure on Schools, Parks and the Accommodation Strategy. It is also anticipated that any underspend in the current year will be added to this fund to help support the costs of the Teddington School development.

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. In order to keep our budget provisions in line with anticipated costs up to 2010/11 the additional contributions being made to this contingency have been increased to £850k from 2008/09.

Finally the interest element of the Section 106 reserve is being fully reviewed to identify amounts associated with S106 receipts that now been spent. It is anticipated that this will yield a significant sum that could be consolidated into the infrastructure reserve. Final proposals on this will be made at the year end

Overall reserve position

Overall reserves and balances stood at £57million at the end of the 2006/7 financial year. These budget proposals will see a continued significant investment in local services including youth, sustainability and schools. In gross terms over £14.4m of reserves will therefore have been

invested in service priorities in the first two years of this Administration. The MLTFS envisages that both General and Infrastructure Reserves will further reduce over the life of the plan.

Revenue Reserves as at 31 March 2007

	£000
APPLICATION GOVERNED BY STATUTE	
Collection Fund	1,739
Home Loans Unit	62
	<u>1,801</u>
APPLICATION OUTSIDE THE COUNCIL'S DIRECT CONTROL	
Schools' Balances	6,471
	<u>6,471</u>
EARMARKED FOR CERTAIN OR PROBABLE EXPENDITURE OUTSIDE THE COUNCIL'S CONTROL	
General Insurance Reserve	2,402
Environment Contract Services Insurance	134
Schools Maternity and Supply cover scheme	217
	<u>2,753</u>
EARMARKED FOR POSSIBLE EXPENDITURE / LOSS OF INCOME OUTSIDE THE COUNCIL'S CONTROL	
Provision for VAT Liabilities	164
Single Status Reserve	180
	<u>344</u>
EARMARKED FOR FUTURE INVESTMENT IN BUILDING & TECHNOLOGY INFRASTRUCTURE AND MAINTENANCE	
Infrastructure Reserve	10,651
Project Development Reserve	2,912
Repairs and Renewals Fund	2,126
Libraries Trading Account	110
IT Systems (Land Charges)	37
Maintenance of Graves	27
Education – Field House	40
Other	2
	<u>15,905</u>
EARMARKED FOR PURCHASE, REPAIR & MAINTENANCE OF VEHICLES, PLANT & EQUIPMENT	
Social Services Special Equipment and Furniture Fund	145
	<u>145</u>
EARMARKED FOR SPECIFIC PURPOSES WITHIN SPECIFIC SERVICES OR HELD ON BEHALF OF THIRD PARTIES	
Carry Forwards Reserve	2,663
PFI Reserve (Education and Social Services)	5,856
Waste and Recycling Reserve	1,327
Youth Development Fund	1,000
Schools Improvement Fund	1,000
Community Development Fund	1,000
Climate Change Reserve	1,000
S 106 Reserve	1,239
Economic Development Fund	600
St. Luke's Day Centre Holding A/C	63
Way to Work Modern Apprenticeship Scheme Reserve	92
Salaries Oncost Account	853
Public Service Agreement Reserve	573
Local Public Service Agreement Reserve	461
Thames Landscape Strategy - Funds held for third party	56
Other Minor Earmarked Reserves	69
	<u>17,852</u>
HELD AS A GENERAL CONTINGENCY FOR ANY PURPOSE	
General Fund Reserve	12,094
TOTAL USABLE REVENUE RESERVES	<u>57,365</u>

Section I

LONDON BOROUGH OF RICHMOND UPON THAMES

CABINET

Agenda Item
No.

DATE: 14 JANUARY 2008

REPORT OF: DEPUTY LEADER AND CABINET
MEMBER FOR RESOURCES

LEAD OFFICER: DIRECTOR OF FINANCE AND
CORPORATE SERVICES

SUBJECT: CAPITAL BUDGET 2008/09 TO 2012/13

WARDS: ALL

KEY DECISION?: YES

IF YES, IN FORWARD PLAN?: YES

For general release

1. PURPOSE OF THE REPORT

- 1.1 This report provides details of a proposed £165m capital investment programme for 2008/09 to 2012/13.
- 1.2 The Medium to Long Term Capital Strategy and Prudential Indicators are part of this process and are also considered.

EXECUTIVE SUMMARY

This report makes recommendations as to the schemes to be included in the Capital Investment Programme for the financial years 2008/09 to 2012/13 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 Members approve the Medium to Long Term Capital Strategy attached as Appendix A**
- 2.2 That the schemes identified in Appendix B be approved for inclusion in the capital budget.**
- 2.3 That the Cabinet note the proposals in Appendix B for the financial years 2009/10 to 2012/13.**
- 2.4 That the overall capital budget for 2008/09 be recommended to Council in March for approval alongside the revenue budget and Council Tax.**
- 2.5 That the Prudential Indicators in Appendix C be recommended to Council in March for approval alongside the revenue budget and Council Tax.**

3 BACKGROUND

- 3.1 The Council updates its long-term capital strategy every year in line with the revenue strategy and the impact of the local government finance settlement on the resources available. This strategy is informed by the Asset Management Plan (AMP). An AMP update was reported to Cabinet in July 2007 and it 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. The AMP links to the Key Lines of Enquiry (KLOEs) for “Use of Resources” within the Comprehensive Performance Assessment (CPA) framework and will be updated again around May/June 2008. The Medium to Long Term Capital Strategy is attached at **Appendix A**
- 3.2 This report recommends the proposed five-year capital programme, giving descriptions of the main schemes contained in the first year of the programme. 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 Bids for new capital schemes to be added to the programme now go through a process of prioritisation by officers and recommendation to Members. The outcomes of this year’s process are given in Paragraph 6
- 3.4 In addition to the capital projects set out in this report, the Council has two Private Finance Initiative schemes, which are for Older Peoples Homes and Primary Schools. The Council also has a partnership with the private sector to invest in the IT infrastructure of the Council. These schemes have generated significant investment in the Council’s infrastructure involving the private sector.
- 3.5 This PFI expenditure is not deemed to be within the public sector and is therefore shown ‘off balance sheet’ (i.e. not within the Council’s capital accounts) but these schemes do involve funding via the revenue budget over a number of years. Ownership of the assets will revert to the Council at the end of the contract.

4 FINANCIAL MODEL 2008/09 TO 2012/13

- 4.1 **Appendix B** shows a financial model summarising the capital position up to 2012/13.
- 4.2 The model shows that the Council is estimated to use up all existing capital receipts by the end of 2010/11. To support the programme the Council needs to borrow either by taking out a loan from an external body or by “borrowing” cash coming in to pay for capital expenditure. The Council will “borrow” to finance schemes which do not attract external funding, or which cannot be financed from a revenue contribution.

- 4.3 The Council is aiming to maintain a balance in the Repairs and Renewals Fund. The purchase of new waste and recycling vehicles to replace the existing leased fleet will reduce the balance to nil at the end of 2007/08, but the ongoing repayments from this and other schemes will steadily increase the balance over future years, making resources available for other projects.

5 DETAILS OF THE 2008/09 CAPITAL PROGRAMME

5.1 The 2008/09 capital investment programme is the Council's most ambitious to date, with over £51m of capital investment planned.

5.2 The administration proposes to reflect its priorities in the Capital Programme by:

- Investing £2.0m in improving areas of relative deprivation
- Providing new primary school places
- Continuing the wider secondary and special school investment programme
- Putting sustainability at the heart of its building programme
- Investing in services for Youth

The need for new primary places was reported to December Cabinet and a report on the need to invest in areas of relative deprivation is elsewhere on this agenda.

5.3 Summary figures for the 2008/09 programme are set out below with detailed scheme listings in **Appendix B:**

Directorate	£000
Education and Children's Services	28,368
Adult and Community Services	12,432
Environment	2,539
Corporate Services	4,219
New Bids	706
Net estimated slippage	3,414
Total	51,678

- 5.4 The programme also continues to address the backlog of maintenance on the Council's assets with major planned maintenance programmes for schools and other Council buildings. The Corporate Planned Maintenance budgets for the next 3 years will be reviewed by the Asset Management Working Group. Although this does not constitute a new bid, it is considered that this group should scrutinise the planned spend as it will link to decision making on future bids.
- 5.5 Allowance has also been made for the Accommodation Strategy, which involves a variety of initiatives (homeworking, refurbishment etc.) designed to reduce the overall office accommodation requirement of the Council. This investment is aimed at yielding revenue savings through a more efficient use of office accommodation.
- 5.6 The Housing Capital Programme includes an annual budget of £2.5m for investment in affordable housing in conjunction with RSLs. At present work is being undertaken on feasibilities for possible future developments with no firm schemes or costings as yet. The budget of £2.5m for 2008/09 would be more than sufficient to cover any costs during the year due to the long lead in time for site acquisition and planning approval etc.
- 5.7 Several Education budgets are included on the same basis as the Housing Capital Programme. For example, the new funding for Primary Strategy is included pending the submission of a strategy document to the Department for Children, Schools and Families (DCSF). Given the increase in Education capital there will be further detailed reports on this area.

6 CAPITAL BIDS 2008/09

6.1 The Capital Bid process for prioritising and approving new capital schemes in line with Council priorities was followed for 2008/09. 2 new bids have been put forward from this process to be approved in this report:

£2m	Investment in Areas of Relative Deprivation
£0.1m	S106 Funded Traffic Calming at Brunel University

6.2 In addition to the bids put forward, there were further bids where additional information is required before a final decision can be made. It is currently anticipated that these schemes will be successful and will result in further reports to Cabinet for approval. The deferred schemes are as follows:

	Total Bid (£m)
Richmond Bridge Refurbishment	0.4
21 Kingston Lane	0.3
Street Lighting	1.5
Youth Centre Improvements	0.9
Twickenham Embankment	1.0
	<hr/> 4.1

6.3 Richmond Bridge – This scheme is to repair the bridge. External funding would be available several years in the future, but by this time the extent of the repairs would have escalated and there is the potential for the bridge to become unsafe causing significant problems for residents.

6.4 21 Kingston Lane – This property is a hostel for Mental Health clients. Works are needed to meet the minimum inspection standards for hygiene facilities for residents and other improvements.

6.5 Street Lighting – This scheme aims to fund the testing and start the renewal of existing concrete street light columns. The replacement aims to prevent the failure of existing columns due to age, and to allow for more sustainable lighting solutions. If agreed, this would be progressed with support from the Sustainability Manager.

6.6 Youth Centre Improvements – Funding was approved for 2006/07 and 2007/08 to make urgent repairs to the Council's Youth Centres in line with the priority to invest in youth. This further bid addresses the less urgent works and is a combination of health and safety and service improvements.

6.7 Twickenham Embankment – This scheme to improve the riverbank is part of the longer term proposals for the Riverside development and as such the bid for £1m includes funding from the development of £700k and from Arcadia £200k. Therefore only £300k is required to be funded from Council resources.

7 CAPITAL RESOURCES

7.1 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.

7.2 The types of resources currently available are listed below:

7.2.1 Grants and Contributions - These are issued from a number of sources. The majority are issued by the DCSF to finance work on Education projects. Since 1st April 2004, Capital Grants have been described as Supported Capital Expenditure (Capital) or SCE(C). The Council works extensively to ensure that it draws in funding from many sources – with one major example being the Arcadia in the City project which combines a limited amount of underwritten resources from the Council, a lottery grant and significant fund raising. Raising funds from external partners and sponsors will continue to be a key theme within the Council's ongoing programme of works

7.2.2 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.

- 7.2.3 Infrastructure Fund – This fund was created to enable improvements to be made to the infrastructure of the Council. The fund is currently projected to total £7.4m at the start of 2008/09, and can be used to increase capital investment in infrastructure. The Council has commissioned a wide-ranging review of office accommodation and it is proposed that this fund be partly used to meet any schemes that cannot be self-financed within the final proposals. It can be seen from the table in Appendix B that this fund would run out around the end of 2012/13 without any further contribution from revenue.
- 7.2.4 Repairs and Renewals Fund - This fund has been set up to provide for the purchase or creation of assets. It works as an internal loan mechanism with funds being reimbursed from revenue budgets by the relevant service over a period not exceeding ten years. The starting position on this fund for 2008/09 will be nil due to the investment in waste vehicles during 2007/08.
- 7.2.5 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 as once this rationalisation is completed, there will be little scope to generate further receipts.
- 7.2.6 Large Scale Voluntary Transfer receipt – The balance remaining of this receipt is £0.2 m. The Council is committed to using this in support of social housing schemes and it is anticipated that this fund will be exhausted during 2008/09.
- 7.2.7 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. However, the Government has continued to support a level of borrowing with notional Supported Capital Expenditure (Revenue) or SCE(R) replacing the previous system. The main difference is that the Council is not limited by these approvals and can borrow under the Prudential regime regardless of these notional approvals.

8 PRUDENTIAL BORROWING

- 8.1 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 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.
- 8.2 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 C**. 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.
- 8.3 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 and Long Term Financial Strategy to ensure that the effect on the revenue budgets is allowed for.
- 8.4 Officers will continually review the alternative methods of financing to ensure that the programme is funded through the most advantageous methods.

9 FINANCIAL IMPLICATIONS AND RISK ANALYSIS

- 9.1 Risks to the capital programme can arise from four main areas:

- The complete or partial loss of (or delay in the receipt of) anticipated capital receipts, particularly given the present reliance in the programme on this source of funding.
- Overspending against the agreed budgets.
- Unexpected calls on the Councils capital resources from unforeseen events.
- Interest rate movements making borrowing more costly than anticipated.

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

- Receipts are only included in the programme when there is a definite disposal timetable for the relevant assets, and the 3-year capital programme assumes that 85% of projected disposal receipts will actually be received. Receipts from preserved Right To Buy sales have reduced significantly, so are included at a minimum level in future estimates of capital receipts. Allowing for this reduction, the total resources available are still sufficient to meet short-term slippage.
- 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.
- Strict adherence to the financial regulations is being enforced to ensure budget holders are accountable to members for any overspends incurred.

9.3 The CPA includes a section on how well Councils manage their asset base, which includes assessments of capital reporting and planning. Our Use of Resources judgement states that "Improvements in the arrangements for managing the Council's asset base have been made, although asset management performance measures should be introduced to monitor efficiency in the use of assets."

9.4 The Capital Bid process which is now embedded in the budget setting process ensures that all new projects identify target outcomes which are used to assess the success of the project on completion. Major projects use the Council's PAT system for project management and a process for Post Project Reviews has been developed and evaluation templates are currently being tested on selected completed projects. Once the test is completed and the final process agreed this will be rolled out to all significant projects.

10 CONCLUSION

10.1 The Capital Budget for future years has been boosted by an increase in the level of capital grants available from the Department for Children, Schools and Families. These grants are timely as the Council now needs to concentrate resources on meeting the increased demand for Primary school places.

10.2 The proposed Capital Programme will shrink considerably after 2009/10. From then it will focus on the priority areas of Schools, Housing, Corporate Maintenance Programme and the Accommodation Strategy.

10.3 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.

10.4 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.

11 CONSULTATION

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

12 FINANCIAL IMPLICATIONS

12.1 These are contained in the body of the report.

13 POLICY IMPLICATIONS/CONSIDERATIONS

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

14 RISK ASSESSMENT

14.1 Risks are assessed in paragraph 9 above.

15 EQUALITY IMPACT/CONSIDERATIONS

15.1 No direct equalities impact implications arise from this report.

16 LEGAL IMPLICATIONS

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

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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Medium and Long Term Financial Strategy

December 2007

CAPITAL REVIEW PAPER

Medium to Long Term Capital Strategy

Introduction

The MLTCS forms a key strand of the Council's overall financial planning process. It seeks to identify the needs and funding for capital investment across a 5 year planning horizon as well as identifying issues relating to the practical implementation of the programme and the knock on effects on the Council Tax.

The MLTCS links to both the Capital Strategy, which details the planned investment and the Asset Management Plan, which is the overarching document detailing how the borough intends to make the best use of its property assets.

Objectives

MLTCS Objectives	
1	To enable longer term planning in the delivery of the Council's strategic vision and objectives
2	To identify resources to meet the Council's investment needs
3	To assist in the delivery of the agreed Capital Programme on time and within budget
4	To identify the revenue impact of capital expenditure proposals and link to the Revenue Strategy
5	To assist in the achievement of the targets set out in the Council's Asset Management Plan

2007/08 Issues

The key issues for the overall capital strategy at the time of writing are:

- **The increasing dominance of Education in the overall programme**
Education is a key investment priority for the administration, as reflected in planned use of the Council's resources to ensure the Borough's educational establishments are modernised and fit for purpose. This is also a priority area nationally, as reflected in the levels of capital grants received from the Government. Teddington School is being rebuilt under the Building Schools for the Future scheme. Rising primary pupil numbers are driving the need for the expansion of our primary schools. The Council has already committed to a programme of £20m investment in secondary schools over four years. However, there are uncertainties as to future government funding of this area. Indicative increased grant allocations have been announced for 2009/10 and 2010/11 totalling £5.9m and £11.9m respectively. These cover both primary (£10.8m) and secondary/special sectors (£8m). Details on how these funds can be released are being assessed together with further bidding opportunities that have been announced.
- **Leading by example in tackling climate change and sustainability issues**
The Council's Climate Change Strategy approved by Cabinet in February 2007 details our commitment to tackling this global threat. New build and refurbishment projects should provide for the highest sustainability standards. We are working with the Sustainable Buildings Task Group (a government organisation) to ensure that we consider the whole life energy and other resource requirements of projects from design through to long term maintenance. We aim to cut energy usage across all our estate and switch to renewable sources where practical. Building project budgets will now allow for compliance with BREEAM/Ecohomes 'excellent' standards or the equivalent.

- **Meeting the internal resource requirements to run the programme**

The Council has increased its staffing levels to deal with Capital projects. Going forward, consideration is given to internal resourcing levels for new schemes as bids are submitted for funding. Where necessary, additional project management costs are built into these bids to ensure the projects can be delivered within programme. The Council is actively developing its internal project management resources.

- **Requirement to continue reducing backlog maintenance**

The current backlog position is estimated at just over £15m with £0.9m of D1 (worst condition / urgent repair) works needed. This is prior to the updating of condition surveys that will take place over a rolling 4 year period. This is being addressed through the Corporate Capital Maintenance budget within the Capital Programme. Further information on the backlog is in the Asset Management Plan which was approved by Council on 27th November 2007.

- **Keeping to planned timescales**

The Council is working hard to deliver schemes to planned timescales and avoid 'slippage' in the programme wherever possible. Delivering to timescale avoids impact on service delivery, helps achievement of performance objectives aids resource planning. Recent slippage in the programme can be partly linked to the level of internal resources, which have not matched the expansion in the programme over recent years.

Summary Financial Model 2008/09 – 2012/13

Key issues:

- Over the next 5 years, Education schemes constitute 62% of the value of the total programme reflecting the Government's decision to fund development of both primary and secondary schools. A significant amount of this funding is coming via grant, which is a welcome increase in the Council's resources. Bids will be made for further grant funding to increase primary places across the borough and improve secondary schools.
- Capital grants are becoming more important, again reflecting Government decisions. The reduction in the anticipated level of capital receipts at the end of the latest 3 year Property Disposal Programme increases the Council's need to attract external funding for major schemes.
- The programme shows significant use of revenue and capital reserves to fund the programme. Major reserves are expected to be used within the 5 year programme:
 - Infrastructure Fund used by the end of 2011/12
 - Project Development Fund used by the end of 2011/12
 - Capital Receipts used by the end of 2010/11 (pending a new disposal programme)
- As these reserves are reduced, so will the interest the Council currently earns on investing them. This will impact the Revenue budget which is currently in surplus due, in part, to recent rises in interest rates.
- Capital receipts are a major funding source in early years but are programmed to run out after 2010/11
- Borrowing is the largest source of funding and is expected to increase as other funding sources run out. The use of borrowing impacts on Revenue budgets as debt will incur interest as well as the statutory requirement to set aside money for the repayment of the loan as it matures.

	Estimate 08/09 £000	Estimate 09/10 £000	Estimate 10/11 £000	Estimate 11/12 £000	Estimate 12/13 £000	TOTAL £000
Slippage/planned delays from previous year	6,520	3,106	7,767	5,857	3,390	26,640
<u>Current Programme</u>						
Education & Childrens ADULT & Community Environment	28,368	36,257	23,032	9,963	9,963	107,583
Corporate Services	12,432	5,426	3,726	3,726	3,726	29,036
	2,539	1,390	540	290	140	4,899
	4,219	4,822	3,389	2,766	2,437	17,633
Potential new bids	706	780	590	0	0	2,076
Slippage	-3,106	-7,767	-5,857	-3,390	-2,948	-23,068
Total	51,678	44,014	33,187	19,212	16,708	164,799
<u>Financed by..</u>						
Application of Capital Receipts	17,325	12,838	1,347	0	0	31,5210
Application of LSVT Receipts	200	0	0	0	0	200
Repairs and Renewals Fund	0	300	0	0	0	300
Infrastructure Fund - Capital schemes	3,107	2,820	750	162	0	6,839
Project Development Fund	49	0	0	0	0	49
Community Development Fund	912	0	0	0	0	912
Direct Revenue Financing	43	0	0	0	0	43
Capital Grants & Contributions	19,772	23,013	14,637	2,752	2,752	62,926
Use of Section 106 Receipts/AHF	203	0	0	0	0	206
Borrowing	10,064	5,043	16,453	16,298	13,956	61,814
	51,678	44,014	33,187	19,212	16,708	164,799

Key Assumptions

Government Funding – Over £60m of this programme is financed from government grants, of which £55m is for Education. Approx. £25m is Building Schools for the Future grant ring-fenced for Teddington School. This scheme has not yet started on site but is due to complete during 2009/10.

Capital Receipts – Only those disposals approved in the Disposal Programme are included at this time. It is assumed that 85% of planned general receipts will be realised reflecting the difficulties involved in the disposal process as well uncertainty over prices. Only disposals which are earmarked for specific schemes are anticipated at 100%, which includes the Richmond Works sites.

Primary Places – The expansion of primary schools is required due to the rising demand for primary places. Cabinet has considered options to expand schools and the programme assumes feasibility works will be carried out in 2008/09 with work at Holy Trinity beginning in 2009/10.

New funding from the Department for Children, Schools and Families (DCSF) – The Government has allocated over £8m between 2009/10 and 2010/11 for Primary schools investment. The conditions for this funding will be released shortly but feasibility studies will be required during 2008/09 to ensure this grant is spent. A further £8m over the same period is allocated for 14-19 diplomas, SEN & Disabilities which will also require feasibility studies.

Schools Planned Maintenance and Modernisation – Both these programmes currently assume that the increased capacity in the Building and Development team will allow slippage from 2007/08 to be caught up.

Housing Capital Programme of £2.5m a year continues, which assumes that schemes will be agreed to spend this.

Corporate Planned Maintenance – Officers anticipate catching up the previous years’ slippage by the end of 2011/12 due to the increased capacity of the team agreed by Cabinet.

New Bids approved by the Asset Management Working Group are shown below. In addition a number of other projects have been agreed in principle and may be added to the programme when further information has been considered by the Asset Management Forum.

Potential New Bids	08/09	09/10	10/11	11/12	12/13	Total
Investment in Areas of Relative Deprivation	610	780	590	0	0	1,980
Brunel University - traffic (S106)	96	0	0	0	0	96
	706	780	590	0	0	2,076

Schemes agreed in principle but awaiting further details are:

Richmond Bridge Refurbishment	400
21 Kingston Lane	318
Franking Machine	50
Street Lighting	To be advised
Youth Centres	898
Twickenham Embankment	1,000

Slippage – Slippage is assumed at 15% per year. This is to allow for unforeseen difficulties which delay schemes, such as issues arising from consultation, unfavourable feasibility studies etc.

Efficiency

Allocating Resources – The Capital Bid process means that additions to the Capital Programme go through the Officer Group (Asset Management Working Group) for assessment against the Council’s priorities and then the prioritised list is scrutinised by Members before the decision is taken. This ensures that resources are targeted where they will make the most impact in achieving the Council’s objectives.

Partnership Working - The overarching partnership for Richmond is the local strategic partnership which provides joined up solutions to local problems, particularly working with the NHS, Police, voluntary sector partners, businesses and Registered Social Landlords. Recent examples of joint projects include :

- Joint planning of the use of land and property assets with the NHS Primary Care Trust and the Mental Health Trust
- The recently completed combined PCT/Adults Service scheme at Sheen Lane Centre.
- The Council playing an active part in the formation of a property development board for the South West London Regional Health Service and assisting in project options being developed for sites at Whitton and Ham.
- Our assisting the Metropolitan Police in the provision of new local community police stations at Whitton, Sheen and Hampton.
- Our joint work with the Richmond Council for Voluntary Services on the development of a property strategy for voluntary groups occupying Council owned premises
- Enhancing our construction delivery capacity by working with the South East Centre of Excellence. The Council will get access to tried and tested Framework-based contracts. Framework arrangements for Major Build (projects over £1m) Construction Contracts are already in place, and consultancy work is currently being tendered through the South East Centre of Excellence. These arrangements will include the ability to buy into framework based contracts at competitive rates to provide a full scale project management consultancy service, minor construction projects and one off or ongoing specialists for the duration of a new build or refurbishment project. This will allow us to cope with fluctuating workload demands that cannot be done with an in-house team alone, and bring in the expertise of an external firm or firms in key areas such as the delivery of sustainable developments and in the provision of a modern data platform system.
- The Council has set up a Local Strategic Partnership (LSP) property/asset working group to promote joint decisions on the property portfolios of all partners.

Risks and Opportunities

- Interest rate movements – The Council's debt is currently fairly low compared to other London boroughs. The need for increased borrowing over the 5 year programme will lead to an increase in debt. This needs to be managed to allow the Council to achieve the most favourable interest payments on what will be long term debt. The Council is allowed under regulations to borrow up to 3 years in advance of need, based on its forward plans for capital expenditure. The timing of borrowing decisions is kept under review with the Council's external treasury advisors.
- Ability to deliver the programme – The level of slippage within the programme has been a cause for concern in recent years. The programme is set to reflect Council priorities and if schemes do not complete on time, these priorities are at risk. A variety of actions have been taken to improve the situation including the reorganisation of internal/external property resources, additional project management and property staff, joint working with the South East Centre of Excellence and a review of programme planning.
- Realising expected levels of capital receipts – Capital receipts are subject to market uncertainties in terms of price and timing. The programme is currently very dependent on sales receipts being available. However, as the flow of receipts reduces over time, this risk is replaced by the borrowing and interest rate risks described above.
- Ensuring investment achieves its aims – The Capital Bid process includes the requirement for all schemes to state their objectives when funding is requested. This allows for a review on completion to evaluate how far these objectives have been achieved, and the opportunity to learn from the project to improve future performance.

Conclusions

The Capital and Revenue Strategies are both important tools in the achievement of the Council's objectives and have implications for the level of Council Tax. The links between them are embedded in the Medium to Long Term planning process and the Capital and Revenue Strategies should be considered together.

The 5 year programme as set out in this document continues to support the aims of the Community and Corporate Plans.

Community Plan Priority	Corporate Plan Priority	Example Project(s)
Tackling disadvantage	Promoting health, housing and well being	Investment in areas of relative deprivation (£1.98m) Housing Capital Programme (£12.5m)
The greenest borough in London	Environment and sustainability Efficient Local Government	Parks Strategy (£2.2m) Introduction of new sustainability standards for new build and refurbishment projects Accommodation Strategy (£4.7m)
The safest London Borough for all our communities	Safe community	Road safety schemes

Community Plan Priority	Corporate Plan Priority	Example Project(s)
Growing up in Richmond upon Thames	Education and Childrens' Services	Building Schools for the future (£29.748m) Schools Investment Programme (£25.8m)
A healthy and caring Richmond upon Thames	Promoting health, housing and well being	Avenue Centre (£3.5m) Improvement Grants (£6.1m) As per tackling disadvantage
Improving access and participation	Promoting health, housing and well being	As above

The plan is affordable in terms of its impact on Council Tax and can be contained within the overall financial strategy of the Council but, in increasing reliance on borrowing, the Council will need to keep the programme under constant review and maintain pressure on central government to provide adequate funding via the various grant settlements.

	<u>Estimate</u> <u>08/09</u> £000	<u>Estimate</u> <u>09/10</u> £000	<u>Estimate</u> <u>10/11</u> £000	<u>Estimate</u> <u>11/12</u> £000	<u>Estimate</u> <u>12/13</u> £000	<u>TOTAL</u> £000
Slippage/planned delays from previous year	6,520	3,106	7,767	5,857	3,390	26,640
Current Programme						
Education & Children's Services						
Whitton School S&FC - Lincoln Fields	971					971
Edn-SCE (C) - Modernisation ADVANCE	638					638
Match funded schemes x 5	205					205
Health & Safety	145					145
External Works	37					37
NDS Condition Funding	49					49
HCC entrance/ICT/Resource/Nursery (SSIP)	50					50
General Planned Maintenance	1,951	1,083	1,083	1,083	1,083	6,283
Edn-SCE (C/R) - Modernisation	2,866	1,104	1,104	1,876	1,876	8,826
Children's Centres and Extended Schools	1,734					1,734
School Access Initiative Edn SCE (R)	444	231	231	231	231	1,368
Schools Investment Programme	900	3,500	5,000	5,000	5,000	19,400
SIP - Feasibility for Primary Places / Strategy	400					400
SIP - Primary Places at Holy Trinity	500	5,500				6,000
SIP - Contribution to BSF	4,000	0				4,000
Building Schools for the Future	10,648	14,600	500			25,748
Edn-SCE (C) - Devolved Formula Capital	1,823	1,773	1,773	1,773	1,773	8,915
Primary Strategy Capital Programme	0	3,000	5,378			8,378
Basic Need	0	1,994	997			2,991
Extended Schools	229	243	126			598
Harnessing Technology Grant	371	357	369			1,097
14-19 diplomas, SEN & Disabilities	0	2,000	6,000			8,000
Sure Start Children's Centres	407	872	471			1,750
	28,368	36,257	23,032	9,963	9,963	107,583
Adult & Community Services						
Avenue Centre	3,472					3,472
DoH Extra Care Housing Fund	3,350					3,350
Housing Capital Programme - Linked Site Strategy	2,259					2,259
SPEAR Project	445					445
Craig House, Teddington	360					360
Sponsored Moves	200					200
Arlington House	320					320
Improvement Grants	1,226	1,226	1,226	1,226	1,226	6,130
Housing Capital Programme	800	4,200	2,500	2,500	2,500	12,500
	12,432	5,426	3,726	3,726	3,726	29,036
Environment						
Pks & Open Spaces-Terrace Gardens	455					455
Street Lights - Column Replacement	150					150
Barn Elms Feasibility	130					130
S106 Schemes	110					110
Richmond Bridge - Repairs to Stonework	0					0
Footpaths (Initiatives Fund)	92					92
Hampton Wick village space	80					80
Principal Roads restructure	53					53
Kew Green Improvement Project	43					43
Parks Strategy	1,136	800				1,936
Parks Cyclical Capital fund	150	150	150	150		600
Principal Roads restructure	140	140	140	140	140	700
Waste & Recycling Vehicles	0	300				300
Works at St Marys (Busen)			250			250
	2,539	1,390	540	290	140	4,899
Corporate Services						
DDA compliance	100					100
Capitalisation of revenue	200	200	200	200	200	1,000

	<u>Estimate</u> <u>08/09</u> £000	<u>Estimate</u> <u>09/10</u> £000	<u>Estimate</u> <u>10/11</u> £000	<u>Estimate</u> <u>11/12</u> £000	<u>Estimate</u> <u>12/13</u> £000	<u>TOTAL</u> £000
Richmond Theatre	649	702	759	820	887	3,817
General Maintenance Programme (future prog)	1,350	1,800	1,750	1,746	1,350	7,996
Accommodation Strategy - 2nd Flr Civic Centre	1,250					1,250
Accommodation Strategy - 3rd Flr Civic Centre	420	435				855
Accommodation Strategy - York House	250	250	260			760
Accommodation Strategy - Ground Flr Civic		950				950
Accommodation Strategy - 42 York St		485	420			905
	4,219	4,822	3,389	2,766	2,437	17,633
Potential New Bids						
Investment in Areas of Relative Deprivation	610	780	590			1,980
Brunel University - traffic (S106)	96					96
Richmond Bridge Refurbishment						0
21 Kingston Lane						0
Franking Machine						0
Street Lighting						0
Youth Centres						0
Twickenham Embankment						0
	706	780	590	0	0	2,076
Estimated slippage (15% of current year schemes)	(3,106)	(7,767)	(5,857)	(3,390)	(2,948)	(23,068)
	51,678	44,014	33,187	19,212	16,708	164,799

	<u>Estimate</u> <u>08/09</u> £000	<u>Estimate</u> <u>09/10</u> £000	<u>Estimate</u> <u>10/11</u> £000	<u>Estimate</u> <u>11/12</u> £000	<u>Estimate</u> <u>12/13</u> £000	<u>TOTAL</u> £000
Financed by..						
Application of Capital Receipts	17,325	12,838	1,347	0	0	31,510
Application of LSVT Receipts	200	0	0	0	0	200
Repairs and Renewals Fund	0	300	0	0	0	300
Infrastructure Fund - Capital schemes	3,107	2,820	750	162	0	6,839
Project Development Fund	49	0	0	0	0	49
Community Development Fund	912	0	0	0	0	912
Direct Revenue Financing	43	0	0	0	0	43
Capital Grants & Contributions	19,772	23,013	14,637	2,752	2,752	62,926
Use of Section 106 Receipts/AHF	206	0	0	0	0	206
Borrowing	10,064	5,043	16,453	16,298	13,956	61,814
	51,678	44,014	33,187	19,212	16,708	164,799
General Capital Receipts (94701)						
Estimated Unused Capital Receipts at 1st April	15,970	10,153	1,347	0	0	
Estimated New Receipts in Year						
- @ 100% for receipts earmarked for specific work	1,200	1,100	0	0	0	
- @ 85% for other receipts	9,908	2,933	0	0	0	
RHP Right to Buy receipts	400	0	0	0	0	
Estimated Use of Capital Receipts in Year	(17,325)	(12,838)	(1,347)	0	0	
Estimated Unused Capital Receipts at 31st March	10,153	1,347	0	0	0	
S106 & AHF (88101 & 3)						
Estimated Unused S106 at 1st April	3,873	3,667	3,667	3,667	3,667	
Estimated Use of S106 in Year	(206)	0	0	0	0	
Estimated Unused S106 at 31st March	3,667	3,667	3,667	3,667	3,667	
LSVT Receipt (Usable Part) (94702)						
Estimated Unused Capital Receipt at 1st April	200	0	0	0	0	
Estimated Use of LSVT Receipt in Year	(200)	0	0	0	0	
Estimated Unused Capital Receipt at 31st March	0	0	0	0	0	
Borrowing						
Estimated Borrowing at 1st April	40,640	50,704	55,747	72,200	88,498	
Estimated New Borrowing in Year	10,064	5,043	16,453	16,298	13,956	
Estimated Borrowing at 31st March	50,704	55,747	72,200	88,498	102,454	
Infrastructure Fund (97902)						
Balance of Fund at 1st April	7,436	4,175	1,113	227	65	
Use during the Year - Capital	(3,107)	(2,820)	(750)	(162)	0	
Use during the Year - Revenue	(154)	(242)	(404)	0	0	
New Contributions	0	0	268	0	0	
Balance of Fund at 31st March	4,175	1,113	227	65	65	
Repairs and Renewals Fund (97904)						
Balance of Fund at 1st April	0	987	1,728	2,711	3,534	
Used for Capital Schemes during the Year	0	(300)	0	0	0	
Used for Revenue Schemes during the Year	(145)	0	0	0	0	
Repayments	1,132	1,041	983	823	823	
New Contributions	0	0	0	0	0	
Balance of Fund at 31st March	987	1,728	2,711	3,534	4,357	
Project Development Fund (97903)						
Balance of Fund at 1st April	2,135	1,475	975	475	0	
Use during the Year - Capital	(49)	0	0	0	0	
Use during the Year - Revenue	(611)	(500)	(500)	(475)	0	
New Contributions	0	0	0	0	0	
Balance of Fund at 31st March	1,475	975	475	0	0	

Analysis of 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 2008/09.

	<u>Actual</u> <u>2006/07</u> <u>£000</u>	<u>Estimate</u> <u>2007/08</u> <u>£000</u>	<u>Estimate</u> <u>2008/09</u> <u>£000</u>	<u>Estimate</u> <u>2009/10</u> <u>£000</u>	<u>Estimate</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>
Capital Expenditure	31,845	36,947	51,678	44,014	33,187	19,211	16,708
<i>Of Which:</i>							
Financed by RuT	15,096	19,608	31,700	21,001	18,550	16,459	13,956
Financed from Grants & Contributions	16,749	17,339	19,978	23,013	14,637	2,752	2,752

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 2007/08 have detailed these changes which have generally arisen from additional Government Grants. In addition to these budget changes the slippage to future years also accounts for some of the variance.

The proposed Capital Programme shows a significant reduction after 2008/09. This is due to Building Schools for the Future funding ending, the depletion of the Infrastructure Fund and capital receipts.

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

This set of prudential indicators are 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>Actual</u> <u>2006/07</u> <u>£000</u>	<u>Estimate</u> <u>2007/08</u> <u>£000</u>	<u>Estimate</u> <u>2008/09</u> <u>£000</u>	<u>Estimate</u> <u>2009/10</u> <u>£000</u>	<u>Estimate</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>
Financing Costs	287	-117	1,150	2,830	1,175	2,443	3,447
Net Revenue Stream	201,926	214,325	142,886	152,002	157,184	163,839	170,832
As a Ratio	0.14%	-0.05%	0.80%	1.86%	0.75%	1.49%	2.02%

Financing costs represent the net interest costs to the Council (interest payable on debt less interest due on balances), the costs of financing the Civic Centre lease, 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.

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 rates to fall further to a low point of 5% during 2009/10 before possibly rising again, although the further into the future the projection the less certain it is. Average rates of 5.25% are assumed on short term investments.

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.

The reduction in costs in 2010/11 is due to the Civic Centre lease expiring. Cabinet have approved, in principal, that the Council make early repayment. The accounting treatment for this is to treat it as a payment in advance (long term debtor) and charge the payments to revenue over the life of the lease. The lease costs (net of the saving from the early repayment) will therefore continue to show in the accounts until 2010/11 as a book entry only, there will be no movement in cash.

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.

Impact of Change in Financing Costs	<u>Actual</u> <u>2006/07</u> <u>£000</u>	<u>Estimate</u> <u>2007/08</u> <u>£000</u>	<u>Estimate</u> <u>2008/09</u> <u>£000</u>	<u>Estimate</u> <u>2009/10</u> <u>£000</u>	<u>Estimate</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>
Principal Repayments (MRP)	676	921	1,185	1,683	1,894	2,524	3,075
Net Interest Payments	-389	-1,038	-36	1,146	-719	-81	372
Financing Costs	287	-117	1,150	2,830	1,175	2,443	3,447
Year on Year Increase	-647	-403	1,266	1,680	-1,655	1,268	1,004
Impact on the Council Tax Requirement	-0.54%	-0.31%	0.97%	1.23%	-1.17%	0.85%	0.65%
Impact on a Band D Property	-£7.49	-£4.65	£14.56	£19.25	-£18.89	£14.43	£11.39

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 the Building Schools for the Future Pathfinder which are fully financed by grant have no impact on the Council Tax.

The reduction in projected Net Interest Payments in 2006/07 reflected the benefits of the interest rate rise for short term investments, with fixed borrowing costs and strong cash flow.

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 rate of increase in costs peaks in 2009/10 and then declines. This is in line with the decline in capital spending after 2009/10 leading to a slower increase in debt and therefore interest payments. However, this position will vary year on year depending on current and future interest rate projections. The assumptions in these estimates are on a prudent basis.

The large fall in Financing Costs in 2010/11 is due to the Financing Lease for the Civic Centre ending. This reduces the payments by approx £2.2m

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>Actual</u> <u>2006/07</u> <u>£000</u>	<u>Estimate</u> <u>2007/08</u> <u>£000</u>	<u>Estimate</u> <u>2008/09</u> <u>£000</u>	<u>Estimate</u> <u>2009/10</u> <u>£000</u>	<u>Estimate</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>
Capital Financing Requirement	51,304	53,531	62,410	65,769	80,329	94,102	104,983
Year on Year Increase in CFR	+1,960	+2,227	+8,879	+3,359	+14,560	+13,773	+10,881
<i>Increase represented by:</i>							
Schemes financed by Borrowing	2,636	3,148	10,064	5,043	16,453	16,297	13,956
MRP contributions to fund the Requirement	-676	-921	-1,185	-1,683	-1,894	-2,524	-3,075
	1,960	2,227	8,879	3,360	14,559	13,773	10,881

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 Schemes financed by Borrowing in 2006/07 used this internal borrowing and did not represent new loans taken out by the Council. The balance of Useable Capital Receipts is anticipated to be nil by the end of 2010/11, meaning that this source of funding will be limited to the use of any new receipts generated. The Infrastructure Fund will also be minimal by the end of 2012/13.

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>Actual</u> <u>2006/07</u> <u>£000</u>	<u>Estimate</u> <u>2007/08</u> <u>£000</u>	<u>Estimate</u> <u>2008/09</u> <u>£000</u>	<u>Estimate</u> <u>2009/10</u> <u>£000</u>	<u>Estimate</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>
Net External Borrowing Limit Set	62,400	65,800	80,300	94,100	105,000	105,000	105,000
External Borrowing	-38,093	-58,271	-33,716	-18,430	-1,806	11,806	22,464
Amount above/(below) limit	-100,493	-124,071	-114,016	-112,530	-106,806	-93,194	-82,536

Net borrowing remains very low and 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>Actual</u> <u>2006/07</u> <u>£000</u>	<u>Estimate</u> <u>2007/08</u> <u>£000</u>	<u>Estimate</u> <u>2008/09</u> <u>£000</u>	<u>Estimate</u> <u>2009/10</u> <u>£000</u>	<u>Estimate</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>
Authorised Limit Set	51,000	50,000	60,000	65,000	82,000	98,000	112,000
Actual External Debt	39,183	40,331	50,395	55,438	71,891	88,188	102,144
Amount above/(below) limit	-11,817	-9,669	-9,605	-9,562	-10,109	-9,812	-9,856

The Council is projected to stay well within the Authorised Limit set for 2007/08. 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>Actual</u> <u>2006/07</u> <u>£000</u>	<u>Estimate</u> <u>2007/08</u> <u>£000</u>	<u>Estimate</u> <u>2008/09</u> <u>£000</u>	<u>Estimate</u> <u>2009/10</u> <u>£000</u>	<u>Estimate</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>
Operational Boundary Set	46,000	45,000	55,000	60,000	77,000	93,000	107,000
External Debt	39,183	40,331	50,395	55,438	71,891	88,188	102,144
Amount below Limit	-6,817	-4,669	-4,605	-4,562	-5,109	-4,812	-4,856

Actual external debt was well within the Operational Boundary in 2006/07 and this position is projected to continue.

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 2002, a revised version of the Code was issued and the Treasury Management Policy was amended to reflect the new Code. 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.

<u>Fixed Rate Exposure</u>	<u>Actual</u> <u>2006/07</u> <u>£000</u>	<u>Estimate</u> <u>2007/08</u> <u>£000</u>	<u>Estimate</u> <u>2008/09</u> <u>£000</u>	<u>Estimate</u> <u>2009/10</u> <u>£000</u>	<u>Estimate</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>
Lower Limit on Fixed Rate Exposure	-8,000	-4,000	5,000	14,000	30,000	46,000	59,000
Upper Limit on Fixed Rate Exposure	22,000	26,000	35,000	44,000	60,000	76,000	89,000
Fixed Rate Exposure	6,598	10,746	20,310	28,853	45,306	60,603	73,559

The Fixed Rate exposure at 31 March 2007 was within the lower and upper limits set.

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

<u>Variable Rate Exposure</u>	<u>Actual</u> <u>2006/07</u> <u>£000</u>	<u>Estimate</u> <u>2007/08</u> <u>£000</u>	<u>Estimate</u> <u>2008/09</u> <u>£000</u>	<u>Estimate</u> <u>2009/10</u> <u>£000</u>	<u>Estimate</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>
Lower Limit on Variable Rate Exposure	-34,000	-58,000	-43,000	-36,000	-36,000	-38,000	-40,000
Upper Limit on Variable Rate Exposure	-99,000	-123,000	-108,000	-101,000	-101,000	-103,000	-105,000
Variable Rate Exposure	-48,691	-73,017	-58,026	-51,283	-51,112	-52,797	-55,095

The Fixed Rate exposure at 31 March 2007 was within the lower and upper limits set.

The steady increase in the exposure limit reflects the projected decline in balances leaving less money available for investment.

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 large maturities occurring at similar times.

	<u>Lower Limit</u> <u>2008/09</u> <u>%</u>	<u>Upper Limit</u> <u>2008/09</u> <u>%</u>	<u>Estimate</u> <u>2008/09</u> <u>%</u>
Under 1 year	0%	30%	11%
1 to 2 years	0%	40%	1%
2 to 5 years	0%	50%	5%
5 to 10 years	5%	60%	8%
10 to 15 years	}	}	27%
15 to 25 years	} 20%	} 85%	48%
over 25 years	}	}	0%

The current economic environment is allowing Councils the opportunity to borrow at a very low rate of interest for long periods. For this reason, the maturity structure for the longer term borrowing has been split to give a clearer view of the impact of any possible decisions on future years.

It can be seen from the above table that the maturity structure at 31st March 2009 borrowing has begun to concentrate at the longer end to take advantage of current rates.

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>2006/07</u>	<u>2007/08</u>	<u>2008/09</u>	<u>2009/10</u>	<u>2010/11</u>	<u>2011/12</u>	<u>2012/13</u>
Limit	40.0%	40.0%	40.0%	40.0%	40.0%	40.0%	40.0%
Actual / Estimate	33.5%	25.6%	30.4%	29.9%	29.9%	30.2%	30.2%
Investments at 31st March (£m)	£27.3	£26.3	£26.8	£23.3	£23.3	£24.3	£25.3

The current limit reflects the Council's decision to end the use of Fund Managers and manage the whole investment portfolio internally. Interest rates are usually higher for longer term investments than short term. It is therefore assumed that the Council would keep around 30% of it's investments at fixed rates to benefit from the higher rates. Each investment would be considered individually with respect to the need for liquidity and current interest rates.

Section J

Definitions of Budget Headings

EXPENDITURE

Employees

This includes the cost of employee expenses, both direct and indirect, to the authority. Direct employee expenses are Salaries, Employer's National Insurance contribution, Employer's superannuation contribution, Agency staff, Employee expenses. Indirect employee expenses include Relocation, Interview, Training, Advertising and Severance payments.

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, Cleaning and domestic supplies, Contract cleaning, 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 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, Services, Communications and computing, Expenses, 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 trading operation where the service does not fit into another area (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 awards and Discretionary awards to students, payments to Social Services clients, and Housing Benefit payments.

Central Recharges

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 Services, Office Accommodation, Legal Services, Best Value, press, publicity and public relations, internal mail, internal print facilities and post rooms and administrative services.

Capital Charges

This charge includes depreciation (the loss value during the year due to the age/use of the asset). This also includes Deferred Charges, which are where the Council has incurred capital expenditure but does not have an (improved) asset to show for it, an example being where the Council gives Disabled Facilities Grants to residents to make adaptations so they can continue to live at home. From 2006/07 the requirement to charge notional interest was removed although this charge is still included in the 2005/06 Actual and 2006/07 Base Budget.

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.

Recharges to Non General Fund Accounts

This is income received where a Support Service (such as Finance or Human Resources) makes a charge for services to an external body (such as a school).

Central Recharges

This is the value of costs recharged to internal users.

Rents

This includes Rents, way leaves and other land and property-based charges of a non-casual user.

Other Income

This includes any income, which is not covered in other headings.