



# **BUDGET BOOK**

**2007-2008**

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**Director of Finance  
& Corporate Services**

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**Section A**

# **Budget Book 2007/08**

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 ઈન્ટરપ્રિટીંગ સેવાની ગોઠવણ કરી આપીશું.

ਜੇਕਰ ਤੁਹਾਨੂੰ ਇਸ ਪਰਚੇ ਨੂੰ ਸਮਝਣ ਵਿੱਚ 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 استقبالیے 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 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 26<sup>th</sup> February 2007 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/publicmeetings/calendar\\_of\\_meetings.htm?mgl=/mgListCommittees.asp&](http://www.richmond.gov.uk/home/council_government_and_democracy/democratic_processes_and_events/publicmeetings/calendar_of_meetings.htm?mgl=/mgListCommittees.asp&)**

The full Council approved the Council Tax on March 6<sup>th</sup> 2007. 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 Local Strategic Partnership is currently developing a new Community Plan for 2007 – 2017.

The Community Plan will be developed along the following themes:

- Children and Young People
- A Greener and Sustainable Borough
- A Healthy and Caring Borough
- A Safer Borough
- A Vibrant and Prosperous Borough
- 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.

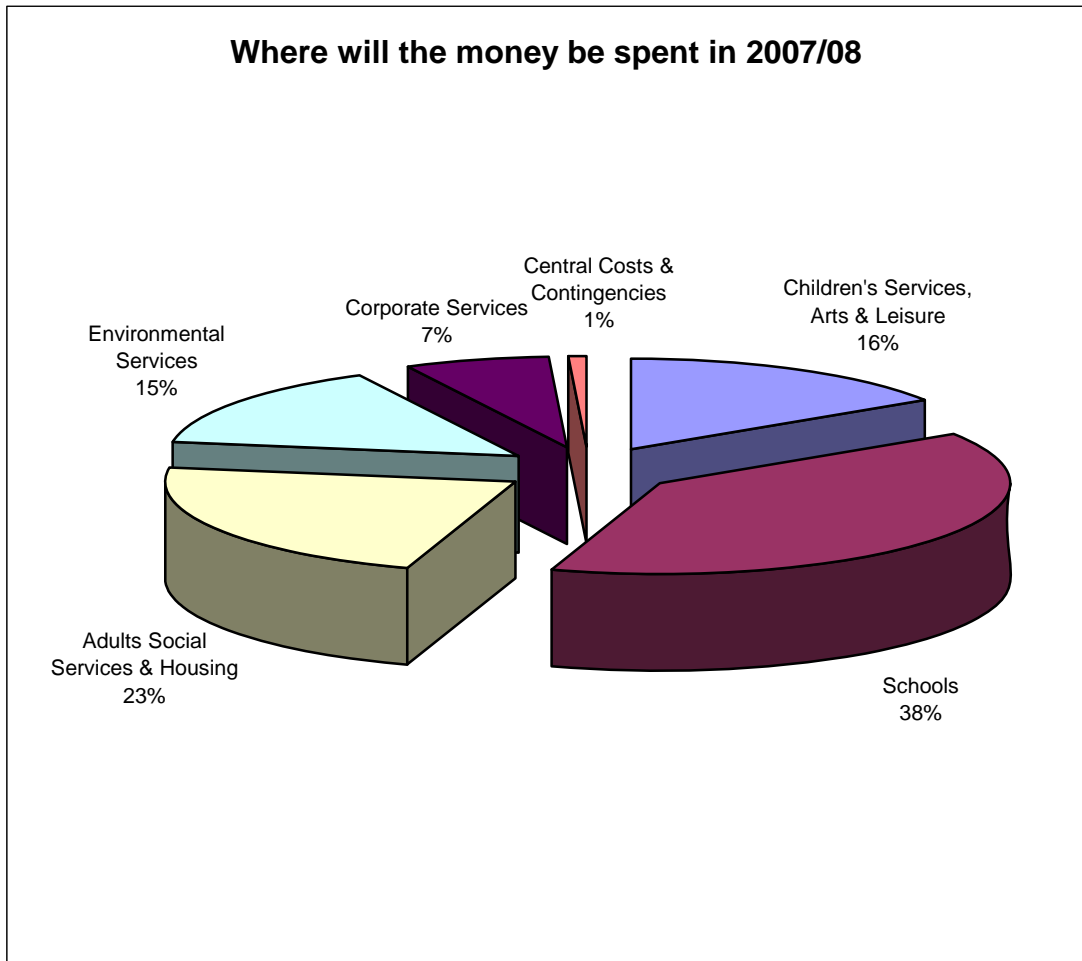
The Council's role is as an enabler, acting as a leader in a Local Strategic Partnership committed to providing the quality services that the local community needs in the most efficient way possible. Our progress will be reported in the Best Value Performance Plan and in our Annual Reports.

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 a given level of service to residents.

The chart below shows the percentage of budgeted spend by service for 2007/08 (excluding capital charges):

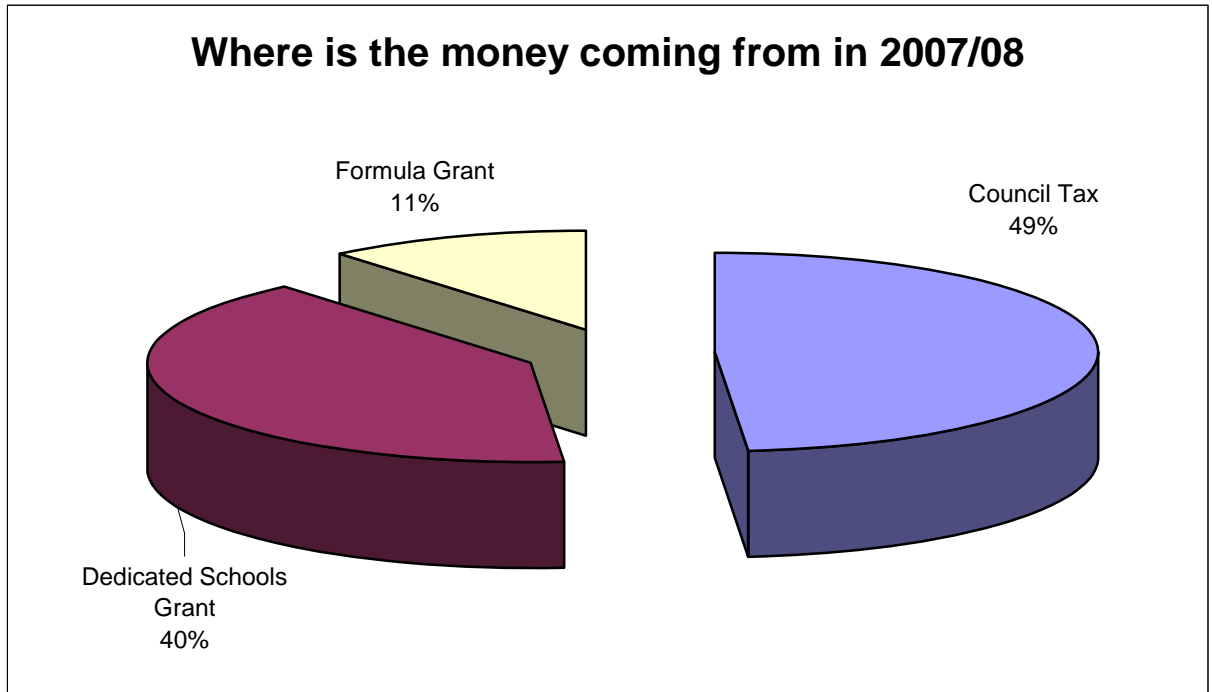


## **Budgeted Expenditure And Funding 2007/08**

	<b>Gross</b>		<b>Net</b>	<b>Net</b>
	<b>Expenditure</b>	<b>Income</b>	<b>Expenditure</b>	<b>Expenditure</b>
	<b>£000's</b>	<b>£000's</b>	<b>£000's</b>	<b>per Resident</b>
				<b>£'s</b>
Schools	88,914	-3019	85,895	450.45
Children's Services, Arts & Leisure	59,375	-24745	34,630	181.61
Adults Social Services & Housing	137,250	-83093	54,157	284.01
Environmental Services	77,574	-49830	27,744	145.49
Corporate Services	37,999	-31665	6,334	33.21
Corporate Democratic Core	4,836	0	4,836	25.36
Non-Distributed Costs	2,979	0	2,979	15.62
<b>Total Expenditure on services</b>	<b>408,927</b>	<b>-192352</b>	<b>216,575</b>	<b>1,135.75</b>
Treasury			-8441	-44.27
Capitalisation			-200	-1.05
Contribution to/from Reserves			-750	-3.93
Contingencies			551	2.89
<b>Total Expenditure on LBRuT services</b>			<b>207,735</b>	<b>1,089.39</b>
Add Levies:				
Lee Valley Regional Park			263	1.38
Environment Agency Flood Defence			167	0.88
London Pensions Authority			243	1.27
Coroners' Service			128	0.67
West London Waste			5,789	30.36
<b>London Borough of Richmond Upon Thames Budget Requirement (Excluding DSG)</b>			<b>214,325</b>	<b>1,123.95</b>
Greater London Authority Precept			26,602	139.51
Less:				
Formula Grant			24,041	126.08
DSG			85,895	450.45
Surplus on Collection Fund			500	2.62
<b>Richmond Upon Thames Council Tax Requirement</b>			<b>130,491</b>	<b>684.31</b>
<b>Tax Base (equivalent Band D Properties)</b>			<b>87,543</b>	
<b>Band 'D' Council Tax</b>			<b>1,490.60</b>	

#### 4. Where is the money coming from in 2007/ 2008

Details of the background to setting this year's Council Tax can be found in the Revenue Budget Strategy and Council Tax 2007/08 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 4.98%.

The Council Tax bands for 2007/2008 are as follows:

2007/08	Richmond Council Tax Requirement	Greater London Authority	Total Council Tax
Band	£'s	£'s	£'s
<b>A</b>	791.15	202.59	993.74
<b>B</b>	923.00	236.35	1,159.35
<b>C</b>	1,054.86	270.12	1,324.98
<b>D</b>	<b>1,186.72</b>	<b>303.88</b>	<b>1,490.60</b>
<b>E</b>	1,450.44	371.41	1,821.85
<b>F</b>	1,714.15	438.94	2,153.09
<b>G</b>	1,977.87	506.47	2,484.34
<b>H</b>	2,373.44	607.76	2,981.20



## **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 2007/08 Richmond will receive £24.041 million in formula grant compared to £23.847 million in 2006/07. This equates to an increase of just 0.8%. This means that in 2007/08 Richmond will receive the lowest level of funding per person in London at £126.08 per person. Excluding Schools funding the council receives only 19% of it's funding from formula grant, compared to the national average of 49%.

Central Government sets the level of Non-Domestic Business rates. For 2007-08 the charge is 44.4p in the pound or 44.1p 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 2007-08, the Council estimates that it will collect £66.585 million on behalf of Central Government. It will receive £20.586 million of National Non-Domestic Rates (NNDR) from the national pool.

## **4.3 Dedicated Schools Grant**

From 2006-07 the government separated funding for schools from Formula Grant. This Dedicated Schools Grant is ring fenced 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 2007/08 Richmond is expected to receive £85.895 million in Dedicated Schools Grant compared to £80.391 million in 2006/07, an increase of 6.8%.

## **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, have now been reviewed and reproduced 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 the promotion of partnerships and community focus.

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:

<b>Auditor's Judgement</b>	<b>2006</b>
Financial Reporting	3
Financial Management	3
Financial Standing	3
Internal Control	3
Value for Money	4

The Audit Commission commented that:

- Priority services are improving and this is recognised by residents.
- Overall satisfaction with Council services is improving and amongst the best in London.
- Richmond continues to provide good services for children and young people and makes an effective contribution to improving outcomes, for example in delivering the best results in the country for primary schools for key stage assessments.
- The modernisation of adult social care continues and is reflected in performance improvements.
- Although national recycling targets have not been met, performance is improving and residents are noticing a cleaner borough.
- Homeless households spend significantly less time in bed and breakfast accommodation.
- Richmond focuses on the needs of residents and promotes fair access to services.
- The benefits and culture services continue to perform well.
- Crime figures for robberies and domestic burglaries deteriorated, but are now improving, whilst performance in environmental services is mixed.
- Richmond provides good value for money, with spending per head of population being one of the lowest in London, and has a good track record of delivering required change.
- Richmond has robust plans and the capacity to sustain service improvement.

## 8. 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.

Finance and Strategy Overview and Scrutiny Committee on 28<sup>th</sup> September 2006 considered a report on the Council's approach to its Efficiency Strategy particularly in relation to strengthening the links with service and financial planning and performance management.

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.

By the end of 2006/07 Richmond expects to have made cumulative savings of £7.7million, meaning £1million more savings will need to be made in 2007/08 to meet the overall target for the three years.

Alongside the Gershon Review the Council is undertaking efficiency work focussing in particular on services where the unit cost is above the lower quartile for London boroughs and south east of England unitary authorities. This work is intended to broaden the awareness of efficiency within the Council and to challenge budget holders where spending is higher than expected.

Debate about efficiency savings has been a central element of the budget preparation process and both the budget and the latest MLTFS include the impact of efficiency savings, both cashable and non-cashable, that have been identified.

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/browse\\_committee\\_documents.htm?mgl=ieListDocuments.asp&CIId=406&MIId=1570&Ver=4](http://www.richmond.gov.uk/home/council_government_and_democracy/democratic_processes_and_events/browse_committee_documents.htm?mgl=ieListDocuments.asp&CIId=406&MIId=1570&Ver=4)

## **7. 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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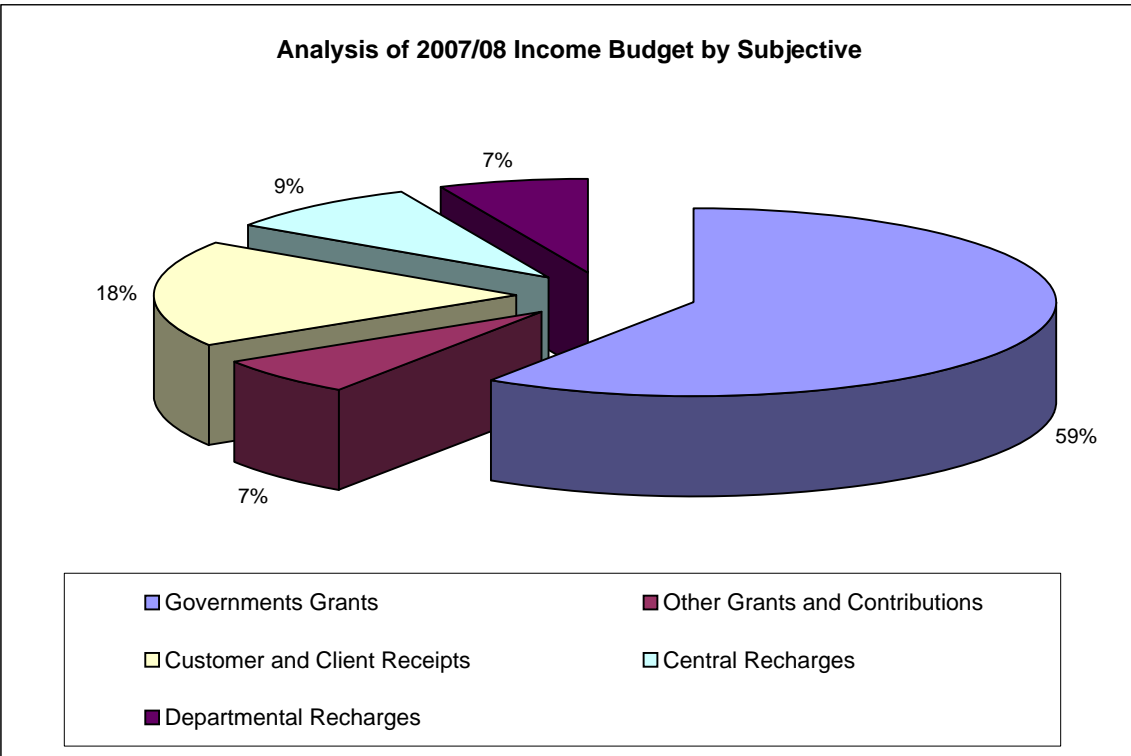
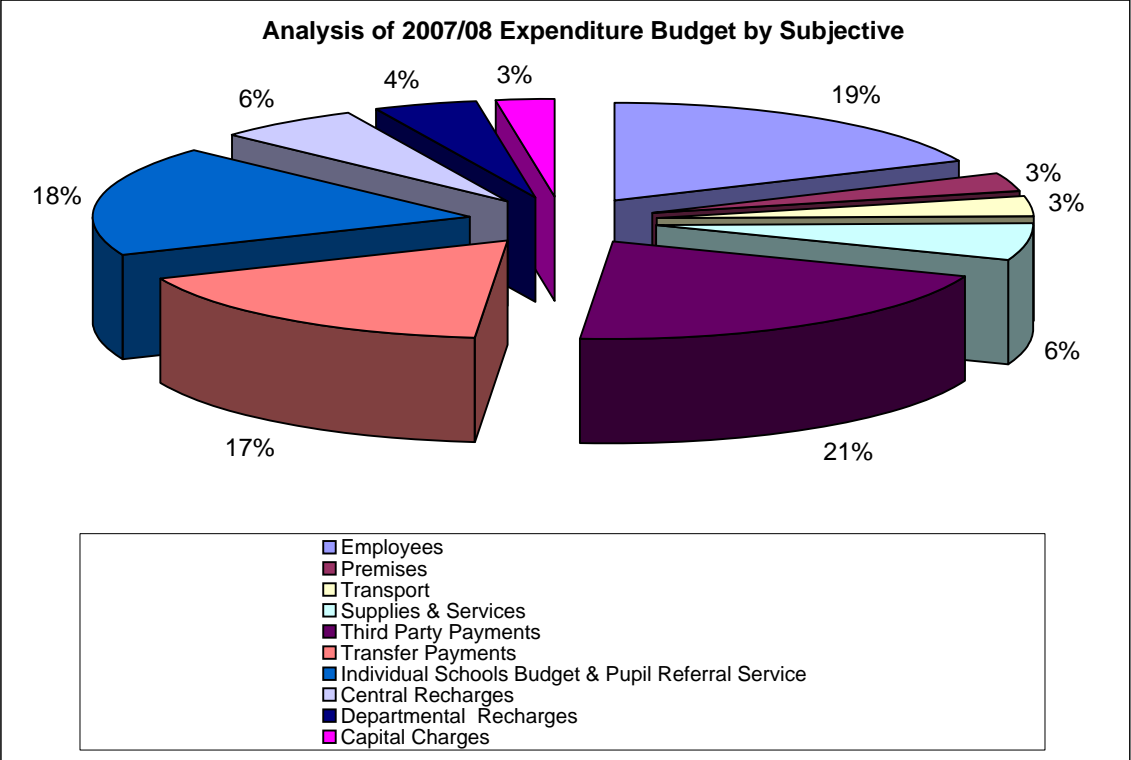
Subjective Summary

### COUNCIL'S REVENUE BUDGET 2007/08 SUBJECTIVE ANALYSIS OF EXPENDITURE AND INCOME

	<u>2005/06</u> <u>ACTUAL</u> £	<u>2006/07</u> <u>ORIGINAL</u> £	<u>2006/07</u> <u>REVISED</u> £	<u>2007/08</u> <u>ESTIMATE</u> £
<u>Expenditure</u>				
Employees	71,537,817	73,247,800	72,084,600	75,472,500
Premises	14,805,688	15,851,700	13,055,500	13,332,300
Transport	12,491,957	12,222,600	12,302,000	13,264,700
Supplies & Services	26,442,287	28,204,800	27,223,500	26,357,200
Third Party Payments	82,305,101	74,295,400	80,820,400	84,775,100
Transfer Payments	66,234,095	66,010,900	69,283,600	71,697,800
Individual Schools Budget & Pupil Referral Service	64,621,645	71,545,200	71,560,200	75,753,600
Central Recharges	23,585,571	23,738,700	23,295,600	24,854,500
Departmental Recharges	18,218,963	18,209,400	18,761,800	18,432,000
Capital Charges	29,718,223	30,417,600	9,668,000	10,826,000
<b>TOTAL EXPENDITURE</b>	<b>409,961,347</b>	<b>413,744,100</b>	<b>398,055,200</b>	<b>414,765,700</b>
<u>Income</u>				
Governments Grants	(80,683,543)	(156,040,300)	(157,388,500)	(164,518,500)
Other Grants and Contributions	(16,878,904)	(16,962,000)	(18,365,300)	(18,341,900)
Customer and Client Receipts	(52,383,127)	(47,889,700)	(48,160,700)	(50,631,300)
Central Recharges	(23,585,570)	(23,738,700)	(22,995,200)	(24,538,300)
Departmental Recharges	(18,218,963)	(18,209,400)	(19,062,200)	(18,748,200)
Recharges to Non General Fund Accounts	(426,100)	(457,300)	(439,400)	(418,700)
<b>TOTAL INCOME</b>	<b>(192,176,208)</b>	<b>(263,297,400)</b>	<b>(266,411,300)</b>	<b>(277,196,900)</b>
<b>SERVICES' NET EXPENDITURE</b>	<b>217,785,139</b>	<b>150,446,700</b>	<b>131,643,900</b>	<b>137,568,800</b>
Central Items	(28,971,941)	(28,165,800)	(7,751,900)	(7,898,000)
<b>Total for Services and Central Items</b>	<b>188,813,198</b>	<b>122,280,900</b>	<b>123,892,000</b>	<b>129,670,800</b>
Movement (to)/from Reserves	99,408	53,400	(1,557,700)	(1,240,800)
<b>Net Expenditure (including reserves)</b>	<b>188,912,606</b>	<b>122,334,300</b>	<b>122,334,300</b>	<b>128,430,000</b>

### BUDGETED STAFFING FTE'S

	<b>2006-07</b>	<b>2007-08</b>
Number of Employees	3550.50	3576.00





# **CORPORATE SERVICES**

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

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**REVENUE BUDGET - SUMMARY OF EXPENDITURE**

<b>PURPOSE</b>	<u>2005/06</u> <u>Actual</u> £	<u>2006/07</u> <u>Original</u> £	<u>2006/07</u> <u>Revised</u> £	<u>2007/08</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
Business Consultancy	0	0	0	0
Communications	0	0	0	0
Electoral Services	408,297	700,100	692,400	524,600
Democratic Representation and Management	2,533,393	2,608,800	2,750,000	2,893,900
Grants to Voluntary Organisations	2,312,165	2,309,200	2,365,900	2,417,200
Cost of Local Tax Collection	2,522,713	2,870,200	2,953,000	3,015,500
Community Safety	453,497	441,700	489,900	468,100
Corporate Management	1,762,186	2,114,000	2,017,100	1,967,400
Non Distributed Costs**	1,394,631	4,135,800	4,120,800	2,979,200
Economic Development	138,248	145,600	131,200	63,600
Precepts and Levies	522,135	548,800	548,800	564,300
Movement to/(from) Reserves	426,761	(438,000)	(1,279,100)	(279,400)
Home Loans	46,245	0	28,800	31,700
LPSA	0	0	23,600	41,400
<b>Total for Corporate Services</b>	<b>12,520,271</b>	<b>15,436,200</b>	<b>14,842,400</b>	<b>14,687,500</b>
Central Items	(28,971,941)	(28,165,800)	(7,751,900)	(7,898,000)
<b>Total for Corporate Services and Central Items</b>	<b>(18,209,846)</b>	<b>(12,729,600)</b>	<b>7,090,500</b>	<b>6,789,500</b>

\* These are support services and as such are recharged in full to front line services.

\*\* This includes past service pension costs.

**Variation Analysis**

Original Estimate 2006/07	(12,729,600)	(12,729,600)
Inflation	0	938,100
Service Plan	0	735,600
Budget Transfer	(477,500)	(1,451,700)
Capital Charges	20,647,700	19,534,700
Other Variations	(350,200)	(237,600)
Revised Budget 2006/07	<u>7,090,500</u>	
Original Budget 2007/08		<u>6,789,500</u>

**SUBJECTIVE ANALYSIS**

	<u>2005/06</u> <u>Actual</u> £	<u>2006/07</u> <u>Original</u> £	<u>2006/07</u> <u>Revised</u> £	<u>2007/08</u> <u>Estimate</u> £
<b>Expenditure</b>				
Employees	12,173,813	14,419,500	13,783,100	14,170,800
Premises	384,871	413,300	436,900	455,900
Transport	34,262	43,100	43,100	43,700
Supplies and Services	8,433,094	8,695,000	9,268,400	8,386,900
Third Party Payments	2,392,296	2,208,000	2,223,500	2,422,700
Transfer Payments	12,734,539	12,990,700	13,031,600	13,495,100
Central Recharges	6,601,741	7,100,700	6,507,900	7,058,700
Capital Charges	688,814	630,500	528,600	573,600
<b>TOTAL EXPENDITURE</b>	<b>43,443,430</b>	<b>46,500,800</b>	<b>45,823,100</b>	<b>46,607,400</b>
<b>Income</b>				
Government Grants	(11,616,199)	(11,709,900)	(11,709,900)	(12,194,600)
Other Grants & Contributions	(1,250,854)	(904,400)	(992,700)	(929,200)
Other Income	0	(1,300)	(1,300)	(1,300)
Fees & Charges	(1,404,408)	(940,100)	(963,000)	(1,111,600)
Rents	(312,900)	(320,700)	(320,700)	(328,700)
Central Recharges	(15,912,698)	(16,730,900)	(16,553,700)	(16,935,800)
Recharges to Non General Fund Accounts	(426,100)	(457,300)	(439,400)	(418,700)
<b>TOTAL INCOME</b>	<b>(30,923,158)</b>	<b>(31,064,600)</b>	<b>(30,980,700)</b>	<b>(31,919,900)</b>
<b>NET EXPENDITURE</b>	<b>12,520,271</b>	<b>15,436,200</b>	<b>14,842,400</b>	<b>14,687,500</b>
<b>Total for Corporate Services</b>	<b>12,520,271</b>	<b>15,436,200</b>	<b>14,842,400</b>	<b>14,687,500</b>
Central Items	(28,971,941)	(28,165,800)	(7,751,900)	(7,898,000)
<b>Total for Corporate Services and Central Items</b>	<b>(16,451,670)</b>	<b>(12,729,600)</b>	<b>7,090,500</b>	<b>6,789,500</b>

	<b>2006-07</b>	<b>2007-08</b>
Number of Employees	271	271

**C01 WEB TEAM**

This section has corporate responsibility for the look, feel, content and functionality of the Council's Internet and Intranet sites, working in conjunction with the strategic IT partnership who are supplying systems and solutions as part of the main IT contract.

	<u>2005/06</u> <u>Actual</u> £	<u>2006/07</u> <u>Original</u> £	<u>2006/07</u> <u>Revised</u> £	<u>2007/08</u> <u>Estimate</u> £
<b><u>Expenditure</u></b>				
Employees	267,610	166,600	200,400	203,500
Supplies and Services	6,745	10,400	13,400	10,400
Central Recharges	29,263	27,000	23,100	26,400
<b>TOTAL EXPENDITURE</b>	<b>303,618</b>	<b>204,000</b>	<b>236,900</b>	<b>240,300</b>
<b><u>Income</u></b>				
Central Recharges	(303,618)	(204,000)	(236,900)	(240,300)
<b>TOTAL INCOME</b>	<b>(303,618)</b>	<b>(204,000)</b>	<b>(236,900)</b>	<b>(240,300)</b>
<b>NET EXPENDITURE</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

**Variation Analysis**

Original Estimate 2006/07	0	0
Inflation	0	300
Service Plan	0	(300)
Budget Transfer	36,800	36,900
Capital Charges	0	0
Other Variations	(36,800)	(36,900)
Revised Budget 2006/07	<u>0</u>	
Original Budget 2007/08		<u>0</u>

**WEB TEAM C01****KEY ACTIVITY DATA**

Monthly average number of visits to the Council's website (April - August 2006).	170,000		
Monthly average number of individuals accessing the - Council's website (April - August 2006).	78,000		
	<b>Actual</b>	<b>Forecast</b>	
	<i>2005/06</i>	<i>2006/07</i>	<i>2007/08</i>
Number of individual web pages viewed (annual)	20,305,199	25,000,000	30,000,000
Separate individuals visiting the website (annual)	1,407,770	1,800,000	2,000,000
Number of web payments accepted	100,000	110,000	120,000

**BEST VALUE PERFORMANCE DATA**

<b>BV CODE INDICATOR</b>	<b><u>2005/06 Actuals</u></b>		<b><u>Targets</u></b>	
	<b><u>Richmond</u></b>	<b><u>Top 25% London</u></b>	<b><u>2006/07</u></b>	<b><u>2007/08</u></b>

None applicable

	<b>2006/07</b>	<b>2007/08</b>
Number of Full Time Equivalent Employees	4.0	4.0

**C02 ICT & E-SERVICES**

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>2005/06</u> <u>Actual</u> £	<u>2006/07</u> <u>Original</u> £	<u>2006/07</u> <u>Revised</u> £	<u>2007/08</u> <u>Estimate</u> £
<u>Expenditure</u>				
Employees	323,895	390,200	344,400	368,500
Transport	793	2,100	2,100	2,100
Supplies and Services	4,939,391	4,940,300	4,940,300	5,055,100
Central Recharges	436,365	458,800	404,100	412,000
Capital Charges	82,081	46,200	(91,400)	(91,400)
<b>TOTAL EXPENDITURE</b>	<b>5,782,525</b>	<b>5,837,600</b>	<b>5,599,500</b>	<b>5,746,300</b>
<u>Income</u>				
Central Recharges	(5,782,525)	(5,837,600)	(5,599,500)	(5,746,300)
<b>TOTAL INCOME</b>	<b>(5,782,525)</b>	<b>(5,837,600)</b>	<b>(5,599,500)</b>	<b>(5,746,300)</b>
<b>NET EXPENDITURE</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

**Variation Analysis**

Original Estimate 2006/07	0	0
Inflation	0	138,600
Service Plan	0	(7,300)
Budget Transfer	(45,800)	(38,200)
Capital Charges	(137,600)	(137,600)
Other Variations	183,400	44,500
Revised Budget 2006/07	<u>0</u>	
Original Budget 2007/08		<u>0</u>

**IT CLIENT SERVICES C02****KEY ACTIVITY DATA**

	Actual	Forecast
	2005/06	2006/07
Number of PCs/ users supported	2,035	2,100
Number of helpdesk calls handled	19,399	14,000
Number of IT service requests carried out	5,437	5,800
Number of PC replacements carried out	333	450
Email system availability	99.9%	99.9%
Other critical systems availability	99.8%	99.0%
PC failiures fixed within 8 hours	98.5%	99.5%
Telecommunication failiures fixed within 8 hours	99.0%	99.5%

**BEST VALUE PERFORMANCE DATA**

<b>BV CODE INDICATOR</b>	<b><u>2005/06 Actuals</u></b>		<b><u>Targets</u></b>	
	<b><u>Richmond</u></b>	<b><u>Top 25% London</u></b>	<b><u>2006/07</u></b>	<b><u>2007/08</u></b>
BV 157 Number of types of interaction enabled for e-delivery as a percentage of types of interaction legally permissible for e-delivery	97.35%	100%	100%	100%

	<b>2006/07</b>	<b>2007/08</b>
Number of Full Time Equivalent Employees	6.5	6.5

**C03 HUMAN RESOURCES**

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>2005/06</u> <u>Actual</u> £	<u>2006/07</u> <u>Original</u> £	<u>2006/07</u> <u>Revised</u> £	<u>2007/08</u> <u>Estimate</u> £
<u>Expenditure</u>				
Employees	1,465,109	1,411,600	1,392,900	1,477,300
Transport	1,722	5,700	5,700	5,800
Supplies and Services	130,354	69,200	86,200	62,300
Third Party Payments	36,224	62,000	62,000	55,100
Central Recharges	351,112	353,900	356,300	389,300
<b>TOTAL EXPENDITURE</b>	<b>1,984,521</b>	<b>1,902,400</b>	<b>1,903,100</b>	<b>1,989,800</b>
<u>Income</u>				
Fees and Charges	(473,414)	(442,900)	(438,800)	(435,600)
Central Recharges	(1,511,107)	(1,459,500)	(1,464,300)	(1,554,200)
<b>TOTAL INCOME</b>	<b>(1,984,521)</b>	<b>(1,902,400)</b>	<b>(1,903,100)</b>	<b>(1,989,800)</b>
<b>NET EXPENDITURE</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

**Variation Analysis**

Original Estimate 2006/07	0	0
Inflation	0	95,400
Service Plan	0	(53,000)
Budget Transfer	(1,700)	12,800
Capital Charges	0	0
Other Variations	1,700	(55,200)
Revised Budget 2006/07	<u>0</u>	
Original Budget 2007/08		<u>0</u>



**HUMAN RESOURCES C03****KEY ACTIVITY DATA**

This service provides Human Resource function for about 4,700 current employees.
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**BEST VALUE PERFORMANCE DATA**

BV CODE INDICATOR	<u>2005/06 Actuals</u>		<u>Targets</u>	
	<u>Richmond</u>	<u>Top 25% London</u>	<u>2006/07</u>	<u>2007/08</u>
BV 11a Percentage of top paid 5% of Local Authority staff who are women	50.7%	47.7%	45%	45%
BV 11b Percentage of top paid 5% of Local Authority staff who are from an ethnic minority	3.8%	15.3%	5.0%	6.0%
BV 12 Number of working days/shifts lost to the Local Authority due to sickness absence	8.8 days	7.9 days	7.8 days	7 days
BV 14 Early retirements (excluding ill health) as a percentage of the total workforce	0.39%	0.23%	0.3%	0.3%
BV 15 Ill health retirements as a percentage of the total workforce	0.18%	0.17%	0.2%	0.2%
BV 16a The percentage of Local Authority employees with a disability	2.86%	4.09%	3.0%	3.3%
BV 17a Percentage of Local Authority employees from ethnic minority communities	9.8%	35%	9.9%	9.9%

	<u>2006/07</u>	<u>2007/08</u>
Number of Full Time Equivalent Employees	38.7	36.2

**C04 REVENUE SERVICES**

This service is responsible for the Cash Office which administers and collects payments for all Council Departments. It also includes the senior management costs for the Revenues and Benefits service.

	<u>2005/06</u> <u>Actual</u> £	<u>2006/07</u> <u>Original</u> £	<u>2006/07</u> <u>Revised</u> £	<u>2007/08</u> <u>Estimate</u> £
<u>Expenditure</u>				
Employees	484,952	515,400	515,400	513,400
Transport	8,924	11,100	11,100	11,300
Supplies and Services	77,976	62,600	88,200	159,700
Central Recharges	127,974	134,000	101,800	114,300
<b>TOTAL EXPENDITURE</b>	<b>699,826</b>	<b>723,100</b>	<b>716,500</b>	<b>798,700</b>
<u>Income</u>				
Fees and Charges	(20,236)	(11,800)	(11,800)	(12,100)
Central Recharges	(679,591)	(711,300)	(704,700)	(786,600)
<b>TOTAL INCOME</b>	<b>(699,826)</b>	<b>(723,100)</b>	<b>(716,500)</b>	<b>(798,700)</b>
<b>NET EXPENDITURE</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

**Variation Analysis**

Original Estimate 2006/07	0	0
Inflation	0	(11,300)
Service Plan	0	(700)
Budget Transfer	25,600	107,000
Capital Charges	0	0
Other Variations	(25,600)	(95,000)
Revised Budget 2006/07	0	
Original Budget 2007/08		0

**REVENUE SERVICES C04****KEY ACTIVITY DATA**

The Cash Office processes about 300,000 transactions per year to the value of £1.2 billion via different payment methods including cash, cheques, credit/ debit cards, direct debits, bank payments, on-line payments, and via the Automated telephone payment system. Its cash collections include about 15,000 collections from on-street parking meters and from Council establishments.

**BEST VALUE PERFORMANCE DATA**

<b>BV CODE INDICATOR</b>	<b><u>2005/06 Actuals</u></b>		<b><u>Targets</u></b>	
	<b><u>Richmond</u></b>	<b><u>Top 25% London</u></b>	<b><u>2006/07</u></b>	<b><u>2007/08</u></b>
None applicable				

	<b>2006/07</b>	<b>2007/08</b>
Number of Full Time Equivalent Employees	14.1	13.4

**C05 LEGAL SERVICES**

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>2005/06</u>	<u>2006/07</u>	<u>2006/07</u>	<u>2007/08</u>
	<u>Actual</u>	<u>Original</u>	<u>Revised</u>	<u>Estimate</u>
	£	£	£	£
<u>Expenditure</u>				
Employees	1,255,761	1,372,700	1,375,000	1,460,100
Transport	2,307	2,400	2,400	2,400
Supplies and Services	184,476	71,300	119,000	69,400
Central Recharges	243,512	283,100	290,100	318,700
<b>TOTAL EXPENDITURE</b>	<b>1,686,056</b>	<b>1,729,500</b>	<b>1,786,500</b>	<b>1,850,600</b>
<u>Income</u>				
Fees and Charges	(168,099)	(105,800)	(105,800)	(108,500)
Central Recharges	(1,517,957)	(1,623,700)	(1,680,700)	(1,742,100)
<b>TOTAL INCOME</b>	<b>(1,686,056)</b>	<b>(1,729,500)</b>	<b>(1,786,500)</b>	<b>(1,850,600)</b>
<b>NET EXPENDITURE</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

**Variation Analysis**

Original Estimate 2006/07	0	0
Inflation	0	54,800
Service Plan	0	(1,300)
Budget Transfer	50,000	29,300
Capital Charges	0	0
Other Variations	(50,000)	(82,800)
Revised Budget 2006/07	0	
Original Budget 2007/08		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 from April to September-06, the Department dealt with 11 licensing hearings, 114 Education Admission appeals, 1 Education Exclusion appeals, 6 SEN Tribunal cases, 4 unfair dismissal and 28 part-time pension cases, 64 prosecutions, 53 routine contracts, 37 non-routine contracts, 23 leases and licences, 8 freehold disposals.

132 Planning enforcement matters, 101 development agreements, 10 planning appeals  
6 Freedom of Information matters.

**BEST VALUE PERFORMANCE DATA**

BV CODE INDICATOR	<u>2005/06 Actuals</u>		<u>Targets</u>	
	<u>Richmond</u>	<u>Top 25% London</u>	<u>2006/07</u>	<u>2007/08</u>
None applicable				

	<b>2006/07</b>	<b>2007/08</b>
Number of Full Time Equivalent Employees	29.5	28.9

**C06 DEMOCRATIC SERVICES**

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>2005/06</u> <u>Actual</u> £	<u>2006/07</u> <u>Original</u> £	<u>2006/07</u> <u>Revised</u> £	<u>2007/08</u> <u>Estimate</u> £
<u>Expenditure</u>				
Employees	482,483	538,400	531,400	639,500
Transport	590	900	900	900
Supplies and Services	94,085	101,800	101,800	101,900
Central Recharges	340,453	313,200	245,100	263,600
<b>TOTAL EXPENDITURE</b>	<b>917,611</b>	<b>954,300</b>	<b>879,200</b>	<b>1,005,900</b>
<u>Income</u>				
Fees and Charges	(6,405)	(3,800)	(3,800)	(3,900)
Central Recharges	(911,206)	(950,500)	(875,400)	(1,002,000)
<b>TOTAL INCOME</b>	<b>(917,611)</b>	<b>(954,300)</b>	<b>(879,200)</b>	<b>(1,005,900)</b>
<b>NET EXPENDITURE</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

**Variation Analysis**

Original Estimate 2006/07	0	0
Inflation	0	22,900
Service Plan	0	72,600
Budget Transfer	(7,000)	5,600
Capital Charges	0	0
Other Variations	7,000	(101,100)
Revised Budget 2006/07	0	
Original Budget 2007/08		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**

<b>BV CODE INDICATOR</b>	<b><u>2005/06 Actuals</u></b>		<b><u>Targets</u></b>	
	<b><u>Richmond</u></b>	<b><u>Top 25% London</u></b>	<b><u>2006/07</u></b>	<b><u>2007/08</u></b>

None applicable

	<b>2006/07</b>	<b>2007/08</b>
Number of Full Time Equivalent Employees	14.0	14.0

**C07 FINANCIAL SERVICES**

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

	<u>2005/06</u> <u>Actual</u> £	<u>2006/07</u> <u>Original</u> £	<u>2006/07</u> <u>Revised</u> £	<u>2007/08</u> <u>Estimate</u> £
<u>Expenditure</u>				
Employees	2,362,809	2,816,800	2,791,200	2,931,400
Transport	4,122	6,400	6,400	6,500
Supplies and Services	376,805	156,200	250,200	198,900
Third Party Payments	5,012	8,100	8,100	3,000
Central Recharges	452,386	615,700	551,700	609,700
<b>TOTAL EXPENDITURE</b>	<b>3,201,134</b>	<b>3,603,200</b>	<b>3,607,600</b>	<b>3,749,500</b>
<u>Income</u>				
Fees and Charges	(130,864)	(133,300)	(133,300)	(136,600)
Central Recharges	(2,644,169)	(3,012,600)	(3,034,900)	(3,194,200)
Recharges to Non General Fund Accounts	(426,100)	(457,300)	(439,400)	(418,700)
<b>TOTAL INCOME</b>	<b>(3,201,134)</b>	<b>(3,603,200)</b>	<b>(3,607,600)</b>	<b>(3,749,500)</b>
<b>NET EXPENDITURE</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

**Variation Analysis**

Original Estimate 2006/07	0	0
Inflation	0	118,400
Service Plan	0	(3,200)
Budget Transfer	68,400	54,500
Capital Charges	0	0
Other Variations	(68,400)	(169,700)
Revised Budget 2006/07	<u>0</u>	
Original Budget 2007/08		<u>0</u>



**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 86,738 payslips last year.

Creditors Control section processed 74,600 invoices last year.

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

The Internal Audit section delivers approximately 1192 audit days per year and examines procedures and systems in all departments. The planned audit days cover the delivery of approximately 100 reports/ assignments. The section also carries out pro-active fraud work and investigations.

Accountancy section supports a gross revenue budget of £441m (including expenditure budgets within Central Items) for 2006/07 and a capital programme of £48.2m, and issues monitoring reports to 100 budget holders. The section prepares and coordinates grant claims to the value of £91m per year, excluding Dedicated School Grant, and is responsible for approximately 120,000 BACS & CHAPS payments annually. The Section also issues 44,000 invoices per year to customers, with supporting credit notes, reminders, copy invoices and court letters.

**BEST VALUE PERFORMANCE DATA**

<b>BV CODE INDICATOR</b>	<b><u>2005/06 Actuals</u></b>		<b><u>Targets</u></b>	
	<b><u>Richmond</u></b>	<b><u>Top 25% London</u></b>	<b><u>2006/07</u></b>	<b><u>2007/08</u></b>
BV 8 Percentage of invoices paid within 30 days or within the agreed payment terms	87%	90%	90%	95%

	<b>2006/07</b>	<b>2007/08</b>
Number of Full Time Equivalent Employees	66.7	66.7

**C08 CHIEF EXECUTIVE'S OFFICE**

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

	<u>2005/06</u> <u>Actual</u> £	<u>2006/07</u> <u>Original</u> £	<u>2006/07</u> <u>Revised</u> £	<u>2007/08</u> <u>Estimate</u> £
<u>Expenditure</u>				
Employees	246,241	255,900	255,900	270,100
Transport	2,234	1,200	1,200	1,200
Supplies and Services	30,880	105,200	54,800	70,000
Central Recharges	213,084	208,900	41,500	44,700
<b>TOTAL EXPENDITURE</b>	<b>492,439</b>	<b>571,200</b>	<b>353,400</b>	<b>386,000</b>
<u>Income</u>				
Central Recharges	(492,439)	(571,200)	(353,400)	(386,000)
<b>TOTAL INCOME</b>	<b>(492,439)</b>	<b>(571,200)</b>	<b>(353,400)</b>	<b>(386,000)</b>
<b>NET EXPENDITURE</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

**Variation Analysis**

Original Estimate 2006/07	0	0
Inflation	0	10,400
Service Plan	0	(1,500)
Budget Transfer	(50,400)	(29,900)
Capital Charges	0	0
Other Variations	50,400	21,000
Revised Budget 2006/07	<u>0</u>	
Original Budget 2007/08		<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>2005/06 Actuals</u>		<u>Targets</u>	
	<u>Richmond</u>	<u>Top 25% London</u>	<u>2006/07</u>	<u>2007/08</u>

None applicable

	<b>2006/07</b>	<b>2007/08</b>
Number of Full Time Equivalent Employees	2.0	2.0

**C09 CORPORATE POLICY TEAM**

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.

	<u>2005/06</u> <u>Actual</u> £	<u>2006/07</u> <u>Original</u> £	<u>2006/07</u> <u>Revised</u> £	<u>2007/08</u> <u>Estimate</u> £
<u>Expenditure</u>				
Employees	854,769	839,300	893,600	839,400
Transport	2,757	900	900	900
Supplies and Services	73,891	82,600	101,400	88,400
Third Party Payments	19,787	16,100	34,100	16,500
Central Recharges	183,445	190,400	147,300	162,500
Capital Charges	72,606	8,400	54,700	54,700
<b>TOTAL EXPENDITURE</b>	<b>1,207,255</b>	<b>1,137,700</b>	<b>1,232,000</b>	<b>1,162,400</b>
<u>Income</u>				
Fees and Charges	(30,240)	(22,700)	(22,700)	(23,300)
Central Recharges	(1,177,015)	(1,115,000)	(1,209,300)	(1,139,100)
<b>TOTAL INCOME</b>	<b>(1,207,255)</b>	<b>(1,137,700)</b>	<b>(1,232,000)</b>	<b>(1,162,400)</b>
<b>NET EXPENDITURE</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

**Variation Analysis**

Original Estimate 2006/07	0	0
Inflation	0	14,900
Service Plan	0	(2,400)
Budget Transfer	91,100	(6,800)
Capital Charges	46,300	46,300
Other Variations	(137,400)	(52,000)
Revised Budget 2006/07	0	
Original Budget 2007/08		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.

Co-ordination of organisation development including the provision of learning and development.

**BEST VALUE PERFORMANCE DATA**

BV CODE INDICATOR	<u>2005/06 Actuals</u>		<u>Targets</u>	
	<u>Richmond</u>	<u>Top 25% London</u>	<u>2006/07</u>	<u>2007/08</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 3
BV 2b The duty to promote race equality	68%	89%	74%	79%

	<u>2006/07</u>	<u>2007/08</u>
Number of Full Time Equivalent Employees	15.5	15.5

**C16 BUSINESS CONSULTANCY**

This service is responsible for Strategic Service Reviews including the Best Value service review programme and efficiency reviews; publishing statutory performance information including the annual statutory Best Value Performance Plan; corporate performance management; corporate management of consultation with the public, service users and others.

The service also manages the Comprehensive Performance Assessment process. The section includes the Citizens Panel which was set up as a method of consultation principally as a requirement of Best Value. It comprises a cross-section of residents of the Borough, chosen to reflect the demographic make up of the population, who are consulted on various issues usually using a questionnaire and sometimes using other methods, for example focus groups.

	<u>2005/06</u>	<u>2006/07</u>	<u>2006/07</u>	<u>2007/08</u>
	<u>Actual</u>	<u>Original</u>	<u>Revised</u>	<u>Estimate</u>
	£	£	£	£
<u>Expenditure</u>				
Employees	358,590	269,800	488,400	468,600
Transport	1,224	2,000	2,000	2,000
Supplies and Services	72,101	459,100	410,100	89,800
Central Recharges	82,725	87,100	64,200	71,900
<b>TOTAL EXPENDITURE</b>	<b>514,640</b>	<b>818,000</b>	<b>964,700</b>	<b>632,300</b>
<u>Income</u>				
Other Grants and Contributions	(53,172)	0	0	0
Central Recharges	(461,468)	(818,000)	(964,700)	(632,300)
<b>TOTAL INCOME</b>	<b>(514,640)</b>	<b>(818,000)</b>	<b>(964,700)</b>	<b>(632,300)</b>
<b>NET EXPENDITURE</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

**Variation Analysis**

Original Estimate 2006/07	0	0
Inflation	0	4,600
Service Plan	0	(900)
Budget Transfer	169,600	(174,200)
Capital Charges	0	0
Other Variations	(169,600)	170,500
Revised Budget 2006/07	<u>0</u>	
Original Budget 2007/08		<u>0</u>

**BUSINESS CONSULTANCY 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>2005/06 Actuals</u>		<u>Targets</u>	
	<u>Richmond</u>	<u>Top 25% London</u>	<u>2006/07</u>	<u>2007/08</u>

None applicable

	<b>2006/07</b>	<b>2007/08</b>
Number of Full Time Equivalent Employees	5.5	5.5

**C19 COMMUNICATIONS**

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>2005/06</u> <u>Actual</u> £	<u>2006/07</u> <u>Original</u> £	<u>2006/07</u> <u>Revised</u> £	<u>2007/08</u> <u>Estimate</u> £
<u>Expenditure</u>				
Employees	18,565	31,800	31,800	35,100
Premises	132	300	300	300
Transport	1,118	800	800	800
Supplies and Services	169,132	140,900	138,500	141,500
Third Party Payments	269,318	262,300	262,300	337,900
Central Recharges	24,612	27,800	32,600	34,400
<b>TOTAL EXPENDITURE</b>	<b>482,877</b>	<b>463,900</b>	<b>466,300</b>	<b>550,000</b>
<u>Income</u>				
Fees and Charges	(51,273)	(36,400)	(36,400)	(37,300)
Central Recharges	(431,604)	(427,500)	(429,900)	(512,700)
<b>TOTAL INCOME</b>	<b>(482,877)</b>	<b>(463,900)</b>	<b>(466,300)</b>	<b>(550,000)</b>
<b>NET EXPENDITURE</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

**Variation Analysis**

Original Estimate 2006/07	0	0
Inflation	0	11,700
Service Plan	0	68,500
Budget Transfer	(2,400)	(1,600)
Capital Charges	0	0
Other Variations	2,400	(78,600)
Revised Budget 2006/07	0	
Original Budget 2007/08		0



**COMMUNICATIONS C19****KEY ACTIVITY DATA**

Annual budgeted filming income	£37,300
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>2005/06 Actuals</u>		<u>Targets</u>	
	<u>Richmond</u>	<u>Top 25% London</u>	<u>2006/07</u>	<u>2007/08</u>

None applicable

	<u>2006/07</u>	<u>2007/08</u>
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.

**C10 ELECTORAL SERVICES**

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>2005/06</u> <u>Actual</u> £	<u>2006/07</u> <u>Original</u> £	<u>2006/07</u> <u>Revised</u> £	<u>2007/08</u> <u>Estimate</u> £
<u>Expenditure</u>				
Employees	195,821	201,800	201,800	222,000
Supplies and Services	113,421	386,300	386,300	189,300
Central Recharges	110,789	116,200	108,500	117,600
<b>TOTAL EXPENDITURE</b>	<b>420,031</b>	<b>704,300</b>	<b>696,600</b>	<b>528,900</b>
<u>Income</u>				
Fees and Charges	(11,734)	(4,200)	(4,200)	(4,300)
<b>TOTAL INCOME</b>	<b>(11,734)</b>	<b>(4,200)</b>	<b>(4,200)</b>	<b>(4,300)</b>
<b>NET EXPENDITURE</b>	<b>408,297</b>	<b>700,100</b>	<b>692,400</b>	<b>524,600</b>

**Variation Analysis**

Original Estimate 2006/07	700,100	700,100
Inflation	0	24,600
Service Plan	0	(206,600)
Budget Transfer	0	5,100
Capital Charges	0	0
Other Variations	(7,700)	1,400
Revised Budget 2006/07	<u>692,400</u>	
Original Budget 2007/08		<u>524,600</u>

**ELECTORAL SERVICES C10****KEY ACTIVITY DATA**

Total electorate as at 1st September 2006	124,068
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The Electoral Services team processes over 81,000 Voter Registration forms during the annual canvass and an average of 890 Alteration forms per month. The latter include deletion from and changes to the Electoral register during the rolling registration period.

During an election the office is responsible for over 54 polling stations, all election staff employed by the Council, some 18,000 postal votes and the Count.

**BEST VALUE PERFORMANCE DATA**

BV CODE INDICATOR	<u>2005/06 Actuals</u>	<u>Targets</u>	
	<u>Richmond</u> <u>Top 25%</u> <u>London</u>	<u>2006/07</u>	<u>2007/08</u>
None applicable			

	<b>2006/07</b>	<b>2007/08</b>
Number of Full Time Equivalent Employees	6.0	6.0

**C11 DEMOCRATIC REPRESENTATION AND MANAGEMENT**

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

	<u>2005/06</u> <u>Actual</u> £	<u>2006/07</u> <u>Original</u> £	<u>2006/07</u> <u>Revised</u> £	<u>2007/08</u> <u>Estimate</u> £
<u>Expenditure</u>				
Mayor's Allowances & Support Services	33,001	28,300	32,700	29,000
Members' Allowances	769,261	769,000	678,000	695,000
Members' Expenses & Support Services	64,354	70,300	171,300	173,700
Committee Meeting Refreshments	9,553	12,900	12,900	12,900
Civic Functions and Regalia	7,679	15,600	15,600	15,600
Subscriptions to Assoc. of Local Government	220,988	229,400	229,400	235,100
Central Recharges	1,428,557	1,484,600	1,611,400	1,733,900
<b>TOTAL EXPENDITURE</b>	<b>2,533,393</b>	<b>2,610,100</b>	<b>2,751,300</b>	<b>2,895,200</b>
<u>Income</u>				
Other Income	0	(1,300)	(1,300)	(1,300)
<b>TOTAL INCOME</b>	<b>0</b>	<b>(1,300)</b>	<b>(1,300)</b>	<b>(1,300)</b>
<b>NET EXPENDITURE</b>	<b>2,533,393</b>	<b>2,608,800</b>	<b>2,750,000</b>	<b>2,893,900</b>

**Variation Analysis**

Original Estimate 2006/07	2,608,800	2,608,800
Inflation	0	28,400
Service Plan	0	(1,500)
Budget Transfer	14,400	0
Capital Charges	0	0
Other Variations	126,800	258,200
Revised Budget 2006/07	<u>2,750,000</u>	
Original Budget 2007/08		<u>2,893,900</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**

<b>BV CODE INDICATOR</b>	<b><u>2005/06 Actuals</u></b>		<b><u>Targets</u></b>	
	<b><u>Richmond</u></b>	<b><u>Top 25% London</u></b>	<b><u>2006/07</u></b>	<b><u>2007/08</u></b>

None applicable

	<b>2006/07</b>	<b>2007/08</b>
None		

**C13 GRANTS TO VOLUNTARY ORGANISATIONS**

This cost code includes the Council's contribution to London Borough Grants and also the in-house grants to the voluntary organisations programme.

	<u>2005/06</u> <u>Actual</u> £	<u>2006/07</u> <u>Original</u> £	<u>2006/07</u> <u>Revised</u> £	<u>2007/08</u> <u>Estimate</u> £
<u>Expenditure</u>				
Premises	384,739	413,000	436,600	455,600
Supplies and Services	263	600	600	600
Grants to Voluntary Organisations	1,573,207	1,522,300	1,563,200	1,586,400
London Borough Grants Unit	642,173	673,000	673,000	689,800
Central Recharges	69	100	2,900	3,200
Capital Charges	24,615	20,900	10,300	10,300
<b>TOTAL EXPENDITURE</b>	<b>2,625,065</b>	<b>2,629,900</b>	<b>2,686,600</b>	<b>2,745,900</b>
<u>Income</u>				
Rents	(312,900)	(320,700)	(320,700)	(328,700)
<b>TOTAL INCOME</b>	<b>(312,900)</b>	<b>(320,700)</b>	<b>(320,700)</b>	<b>(328,700)</b>
<b>NET EXPENDITURE</b>	<b>2,312,165</b>	<b>2,309,200</b>	<b>2,365,900</b>	<b>2,417,200</b>

**Variation Analysis**

Original Estimate 2006/07	2,309,200	2,309,200
Inflation	0	58,000
Service Plan	0	26,000
Budget Transfer	64,500	31,500
Capital Financing	(10,600)	(10,600)
Other Variations	2,800	3,100
Revised Budget 2006/07	<u>2,365,900</u>	
Original Budget 2007/08		<u>2,417,200</u>

**GRANTS TO VOLUNTARY ORGANISATIONS C13****KEY ACTIVITY DATA**

The Council's grants programme supports approximately 100 organisations offering a wide range of services. From 1 April 2004 the programme has been managed via a partnering arrangement with the Richmond Council for Voluntary Service through Grants Direct.

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

**BEST VALUE PERFORMANCE DATA**

BV CODE INDICATOR	<u>2005/06 Actuals</u>		<u>Targets</u>	
	<u>Richmond</u>	<u>Top 25% London</u>	<u>2006/07</u>	<u>2007/08</u>
226a Amount spent on advice and guidance provided by external organisations	£291,000	N/A	£291,000	£291,000
226b Percentage of monies spend on advice and guidance provision which was given to CLS Quality Mark Organisations	98.6%	N/A	98.6%	98.6%
226c Amount spent on advice and guidance provided directly by the authority	£189,250	N/A	£190,000	£190,000

	<b>2006/07</b>	<b>2007/08</b>
None		

**C14, C15 COST OF LOCAL TAX COLLECTION**

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>2005/06</u> <u>Actual</u> £	<u>2006/07</u> <u>Original</u> £	<u>2006/07</u> <u>Revised</u> £	<u>2007/08</u> <u>Estimate</u> £
<u>Expenditure</u>				
Employees	2,383,273	2,183,700	2,178,200	2,333,300
Transport	8,470	9,600	9,600	9,800
Supplies and Services	319,918	362,800	530,200	498,100
Third Party Payments	203,408	225,100	225,100	230,700
Transfer Payments (of Council Tax Benefits)	10,519,159	10,795,400	10,795,400	11,218,900
Central Recharges	1,427,773	1,466,800	1,414,700	1,587,100
<b>TOTAL EXPENDITURE</b>	<b>14,862,001</b>	<b>15,043,400</b>	<b>15,153,200</b>	<b>15,877,900</b>
<u>Income</u>				
Government Grants	(11,616,199)	(11,709,900)	(11,709,900)	(12,194,600)
Other Grants and Contributions	(306,623)	(310,000)	(310,000)	(317,800)
Fees and Charges	(416,466)	(153,300)	(180,300)	(350,000)
<b>TOTAL INCOME</b>	<b>12,339,289</b>	<b>(12,173,200)</b>	<b>(12,200,200)</b>	<b>(12,862,400)</b>
<b>NET EXPENDITURE</b>	<b><u>2,522,713</u></b>	<b>2,870,200</b>	<b>2,953,000</b>	<b>3,015,500</b>

**Variation Analysis**

Original Estimate 2006/07	2,870,200	2,870,200
Inflation	0	85,500
Service Plan	0	(32,400)
Budget Transfer	68,900	(4,800)
Capital Charges	0	0
Other Variations	13,900	97,000
Revised Budget 2006/07	<u>2,953,000</u>	
Original Budget 2007/08		<u>3,015,500</u>



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

On average 85,500 Council Tax & NNDR Bills are sent out each year, of total value in excess of £194 million.

Housing and Council Tax benefits amount to nearly £52.4 million.

**BEST VALUE PERFORMANCE DATA**

BV CODE INDICATOR	<u>2005/06 Actuals</u>		<u>Targets</u>		
	<u>Richmond</u>	<u>Top 25% London</u>	<u>2006/07</u>	<u>2007/08</u>	
BV 9	Percentage of Council Tax collected	98.1%	96%	98.1%	98.2%
BV 10	Percentage of non-domestic rates collected	97.3%	99%	98.7%	98.8%
BV 76	<u>Housing Benefit Security</u>				
	a) Number of claimants visited, per 1000 caseload	183	N/A	185	190
	b) Number of investigators employed, per 1000 caseload	0.25	N/A	0.30	0.30
	c) Number of fraud investigations, per 1000 caseload	15	N/A	60	70
	d) Number of prosecutions and sanctions, per 1000 caseload	1.2	N/A	4	6
BV 78	<u>Speed of processing:</u>				
	a) Average processing time taken for housing and council tax benefit claims	30.9 days	30.7 days	29 days	28 days
	b) Average processing time to taken for changes to claimant's circumstance	11.4 days	11.4 days	9 days	8 days
BV 79	<u>Accuracy of processing:</u>				
	a) Percentage of case for which the calculation of the amount of benefit due was correct	99.2%	98.9%	99%	99%
	b)i Percentage of recoverable overpayments recovered	71.5%	71.48%	72%	73%
	b)ii Percentage of all overpayments deemed recoverable, non-recoverable and written off that were recovered	27.6%	29.89%	45%	50%

**BUDGETED STAFFING FTE'S**

	<u>2006/07</u>	<u>2007/08</u>
Number of Full Time Equivalent Employees	62.0	65.0

**C17 CORPORATE MANAGEMENT**

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. The costs may be either direct (e.g. bank charges, external audit fees, maintenance of statutory registers etc.), or incurred in a service department and transferred to Corporate Management by means of central recharges.

	<u>2005/06</u> <u>Actual</u> £	<u>2006/07</u> <u>Original</u> £	<u>2006/07</u> <u>Revised</u> £	<u>2007/08</u> <u>Estimate</u> £
<u>Expenditure</u>				
Supplies and Services	534,968	456,900	618,600	363,200
Third Party Payments	649,524	403,100	403,100	563,200
Central Recharges*	1,053,749	1,254,000	995,400	1,041,000
<b>TOTAL EXPENDITURE</b>	<b>2,238,241</b>	<b>2,114,000</b>	<b>2,017,100</b>	<b>1,967,400</b>
<u>Income</u>				
Fees and Charges	(51,061)	0	0	0
Government Grants *	(424,993)	0	0	0
<b>TOTAL INCOME</b>	<b>(476,054)</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>NET EXPENDITURE</b>	<b>1,762,186</b>	<b>2,114,000</b>	<b>2,017,100</b>	<b>1,967,400</b>

\*In 2005/06, Council received a grant of £424,993 for Local Authority Business Growth Incentive Scheme. (LABGI).

**Variation Analysis**

Original Estimate 2006/07	2,114,000	2,114,000
Inflation	0	20,900
Service Plan	0	67,900
Budget Transfer	161,700	(22,400)
Capital Charges	0	0
Other Variations	(258,600)	(213,000)
Revised Budget 2006/07	<u>2,017,100</u>	
Original Budget 2007/08		<u>1,967,400</u>

**CORPORATE MANAGEMENT C17**

**KEY ACTIVITY DATA**

None applicable.

**BEST VALUE PERFORMANCE DATA**

<b>BV CODE INDICATOR</b>	<u>2005/06 Actuals</u>		<u>Targets</u>	
	<u>Richmond</u>	<u>Top 25% London</u>	<u>2006/07</u>	<u>2007/08</u>

None applicable

	<b>2006/07</b>	<b>2007/08</b>
None		

**C18 NON DISTRIBUTED COSTS**

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>2005/06</u> <u>Actual</u> <u>£</u>	<u>2006/07</u> <u>Original</u> <u>£</u>	<u>2006/07</u> <u>Revised</u> <u>£</u>	<u>2007/08</u> <u>Estimate</u> <u>£</u>
<u>Expenditure</u>				
Employees	863,387	3,555,100	3,557,100	2,370,500
Third Party Payments	21,595	8,700	8,700	8,700
Central Recharges	137	17,000	0	0
Capital Charges	509,512	555,000	555,000	600,000
<b>TOTAL EXPENDITURE</b>	<b>1,394,631</b>	<b>4,135,800</b>	<b>4,120,800</b>	<b>2,979,200</b>
<u>Income</u>				
Other Income	0	0	0	0
<b>TOTAL INCOME</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>NET EXPENDITURE</b>	<b>1,394,631</b>	<b>4,135,800</b>	<b>4,120,800</b>	<b>2,979,200</b>

**Variation Analysis**

Original Estimate 2006/07	4,135,800	4,135,800
Inflation	0	238,500
Service Plan	0	(200)
Budget Transfer	2,000	(1,422,900)
Capital Charges	0	45,000
Other Variations	(17,000)	(17,000)
Revised Budget 2006/07	<u>4,120,800</u>	
Original Budget 2007/08		<u>2,979,200</u>

**NON DISTRIBUTED COSTS C18****KEY ACTIVITY DATA**

None applicable.
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**BEST VALUE PERFORMANCE DATA**

<b>BV CODE INDICATOR</b>	<b><u>2005/06 Actuals</u></b>		<b><u>Targets</u></b>	
	<b><u>Richmond</u></b>	<b><u>Top 25% London</u></b>	<b><u>2006/07</u></b>	<b><u>2007/08</u></b>

None applicable

	<b>2006/07</b>	<b>2007/08</b>
None		

**C20 ECONOMIC DEVELOPMENT**

This cost centre provides funding for the external management of Richmond, Twickenham and Whitton town centres, and an in-house lead on tourism. As from 2007/08 Tourism function has been transferred to Environment Services.

	<u>2005/06</u> <u>Actual</u> £	<u>2006/07</u> <u>Original</u> £	<u>2006/07</u> <u>Revised</u> £	<u>2007/08</u> <u>Estimate</u> £
<u>Expenditure</u>				
Supplies and Services	47,928	60,800	60,800	23,000
Third Party Payments	103,030	101,200	88,700	32,400
Central Recharges	8,973	9,500	7,600	8,200
<b>TOTAL EXPENDITURE</b>	<b>159,931</b>	<b>171,500</b>	<b>157,100</b>	<b>63,600</b>
<u>Income</u>				
Fees and Charges	(21,683)	(25,900)	(25,900)	0
<b>TOTAL INCOME</b>	<b>(21,683)</b>	<b>(25,900)</b>	<b>(25,900)</b>	<b>0</b>
<b>NET EXPENDITURE</b>	<b>138,248</b>	<b>145,600</b>	<b>131,200</b>	<b>63,600</b>

**Variation Analysis**

Original Estimate 2006/07	145,600	145,600
Inflation	0	1,400
Service Plan	0	(1,400)
Budget Transfer	(12,500)	(80,700)
Capital Charges	0	0
Other Variations	(1,900)	(1,300)
Revised Budget 2006/07	<u>131,200</u>	
Original Budget 2007/08		<u>63,600</u>

**ECONOMIC DEVELOPMENT C20****KEY ACTIVITY DATA**

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

Maintenance of "visitrichmond" website.

Support to town centre management.

Liaison with business support organisations.

**BEST VALUE PERFORMANCE DATA**

<b>BV CODE INDICATOR</b>	<b><u>2005/06 Actuals</u></b>		<b><u>Targets</u></b>	
	<b><u>Richmond</u></b>	<b><u>Top 25% London</u></b>	<b><u>2006/07</u></b>	<b><u>2007/08</u></b>

None applicable

None	<b>2006/07</b>	<b>2007/08</b>

**C21 PRECEPTS AND LEVIES**

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, Petersham Common, Coroners Court and the Local Levy for Flood Defence.

	<u>2005/06</u> <u>Actual</u> <u>£</u>	<u>2006/07</u> <u>Original</u> <u>£</u>	<u>2006/07</u> <u>Revised</u> <u>£</u>	<u>2007/08</u> <u>Estimate</u> <u>£</u>
<u>Expenditure</u>				
Third Party Payments	522,135	548,800	548,800	564,300
<b>TOTAL EXPENDITURE</b>	<b>522,135</b>	<b>548,800</b>	<b>548,800</b>	<b>564,300</b>
<b>NET EXPENDITURE</b>	<b>522,135</b>	<b>548,800</b>	<b>548,800</b>	<b>564,300</b>

**Variation Analysis**

Original Estimate 2006/07	548,800	548,800
Inflation	0	13,800
Service Plan	0	0
Budget Transfer	0	0
Capital Charges	0	0
Other Variations	0	1,700
Revised Budget 2006/07	<u>548,800</u>	
Original Budget 2007/08		<u>564,300</u>



**PRECEPTS AND LEVIES C21****KEY ACTIVITY DATA**

None applicable.
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**BEST VALUE PERFORMANCE DATA**

<b>BV CODE INDICATOR</b>	<b><u>2005/06 Actuals</u></b>		<b><u>Targets</u></b>	
	<b><u>Richmond</u></b>	<b><u>Top 25% London</u></b>	<b><u>2006/07</u></b>	<b><u>2007/08</u></b>

None applicable

	<b>2006/07</b>	<b>2007/08</b>
None		

**C22 COMMUNITY SAFETY**

This section implements the Community Safety Strategy produced with organisations which are members of the Community Safety Partnership.

	<u>2005/06</u> <u>Actual</u> £	<u>2006/07</u> <u>Original</u> £	<u>2006/07</u> <u>Revised</u> £	<u>2007/08</u> <u>Estimate</u> £
<u>Expenditure</u>				
Employees	183,788	308,400	281,100	276,100
Supplies and Services	141,279	102,500	228,100	104,000
Third Party Payments	562,263	572,600	582,600	610,900
Central Recharges	55,165	52,600	80,800	88,500
<b>TOTAL EXPENDITURE</b>	<b>942,495</b>	<b>1,036,100</b>	<b>1,172,600</b>	<b>1,079,500</b>
<u>Income</u>				
Other Grants & Contributions	(488,998)	(594,400)	(682,700)	(611,400)
<b>TOTAL INCOME</b>	<b>(488,998)</b>	<b>(594,400)</b>	<b>(682,700)</b>	<b>(611,400)</b>
<b>NET EXPENDITURE</b>	<b>453,497</b>	<b>441,700</b>	<b>489,900</b>	<b>468,100</b>

**Variation Analysis**

Original Estimate 2006/07	441,700	441,700
Inflation	0	6,300
Service Plan	0	18,900
Budget Transfer	20,000	(34,700)
Capital Charges	0	0
Other Variations	28,200	35,900
Revised Budget 2006/07	<u>489,900</u>	
Original Budget 2007/08		<u>468,100</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 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>2005/06 Actuals</u>		<u>Targets</u>	
	<u>Richmond</u>	<u>Top 25% London</u>	<u>2006/07</u>	<u>2007/08</u>
BV126 Domestic burglaries per 1,000 households	17.4	16.4	13	13
BV127a Violent crimes per 1,000 population	16.1	22.8	16.1	16.1
BV127b Robberies per 1,000 population	2.5	3.8	1.3	1.3
BV128 Vehicle crimes per 1,000 population	10.6	15.7	21.9	21.9
BV174 The number of racial incidents recorded per 100,000 population	104	N/A	103	102
BV175 The percentage of racial incidents that resulted in further action	100%	100%	100%	100%
BV225 Actions against domestic violence	91%	N/A	92%	94%

	<u>2006/07</u>	<u>2007/08</u>
Number of Full Time Equivalent Employees	5.5	6.5

**CENTRAL ITEMS**

	<u>2005/06</u> <u>Actual</u> £	<u>2006/07</u> <u>Original</u> £	<u>2006/07</u> <u>Revised</u> £	<u>2007/08</u> <u>Estimate</u> £
<b><u>ASSET MGMT &amp; TREASURY</u></b>				
INTEREST PAID	4,947,982	5,222,000	5,222,000	5,672,000
INTEREST RECEIVED	(4,624,429)	(4,135,000)	(4,135,000)	(4,270,300)
MRP (Principal Loan Repay)	610,000	843,000	843,000	983,000
REVERSAL OF NOTIONAL INTEREST	(18,594,923)	(18,532,400)	0	0
REVERSAL OF DEPRECIATION	(6,092,422)	(5,730,200)	(6,490,200)	(6,484,900)
REVERSAL OF DEFERRED CHARGES	(5,218,149)	(6,155,000)	(6,561,600)	(6,873,000)
REVERSAL OF GOVT. GRANT DEFERRED	0	0	3,383,900	2,531,900
<b><u>CONTINGENCY ITEMS</u></b>				
SINGLE STATUS	0	369,300	52,700	0
WLWA SECTION 52	0	442,200	442,200	942,200
PFI AFFORDABILITY	0	50,000	50,000	50,000
PENSION COSTS	0	200,000	200,000	0
CONTINGENCY	0	500,000	480,800	501,100
<b><u>OTHER</u></b>				
CAPITALISATION OF REVENUE	0	(200,000)	(200,000)	(200,000)
USE OF RESERVES	0	(1,039,700)	(1,039,700)	(750,000)
	<u>28,971,941</u>	<u>(28,165,800)</u>	<u>(7,751,900)</u>	<u>(7,898,000)</u>

**Variation Analysis**

Original Estimate 2006/07	(28,165,800)	(28,165,800)
Inflation	0	0
Service Plan	0	794,400
Budget Transfer	(313,200)	(118,200)
Capital Charges	20,749,700	19,591,600
Other Variations	(22,600)	0
Revised Budget 2006/07	<u>(7,751,900)</u>	
Original Budget 2007/08		<u>(7,898,000)</u>

## Section D

# Education and Children's Services

Should you have any queries concerning the Education and Children's Budget Pages  
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**REVENUE BUDGET - SUMMARY OF EXPENDITURE**

<b>PURPOSE</b>	<u>2005/06</u> <u>ACTUAL</u> £	<u>2006/07</u> <u>ORIGINAL</u> £	<u>2006/07</u> <u>REVISED</u> £	<u>2007/08</u> <u>ESTIMATE</u> £
Library Services	5,717,726	5,672,800	5,237,300	5,502,900
Orleans House Gallery and Arts Service	500,568	412,900	391,300	418,400
Sports	2,245,808	2,204,400	1,694,600	1,742,200
Early Years	3,124,017	3,643,800	3,780,300	3,876,900
Youth & Community	2,026,458	2,126,900	1,914,500	2,331,600
Individual School Budgets	64,057,737	70,926,100	71,066,100	75,226,000
Primary Non Delegated	10,388,940	10,113,500	3,338,600	3,699,900
Secondary Non Delegated	9,763,742	9,245,000	3,482,500	3,445,600
Special Non Delegated	5,878,139	6,238,700	6,482,500	7,385,600
Specialist Support	1,774,620	2,003,700	2,177,300	2,371,600
School Improvement	1,463,227	1,313,600	1,382,000	1,450,600
Strategic Management	0	0	0	0
Standards Fund and Other Grants	2,499,825	642,600	825,900	716,700
Specialist Children's Divisional Management	0	0	0	0
Social Work	5,007,502	5,466,200	5,033,500	4,995,300
Looked After Children	3,859,964	3,757,200	3,784,000	4,388,900
Family Support	1,244,547	1,443,000	1,704,900	1,685,500
Youth Justice	323,964	298,500	296,600	307,700
Other Children & Families	1,122,522	1,148,700	1,156,100	1,139,200
	120,999,306	126,657,600	113,748,000	120,684,600
Movement to/from Reserves	2,074,752	(11,100)	(740,700)	(159,700)
Adjusted Dedicated Schools Grant	0	(79,592,700)	(80,463,700)	(85,895,000)
	2,074,752	(79,603,800)	(81,204,400)	(86,054,700)
<b>Total Education and Children's Services</b>	<b>123,074,058</b>	<b>47,053,800</b>	<b>32,543,600</b>	<b>34,629,900</b>

**Variation Analysis**

Original Estimate 2006/07	47,053,800	47,053,800
Inflation	0	3,867,000
Service Plan	0	2,794,700
Budget Transfer	1,020,700	1,237,200
Capital Charges	(14,835,400)	(14,728,400)
Other Variations	(695,500)	(5,594,400)
Revised Budget 2006/07	<u>32,543,600</u>	
Original Budget 2007/08		<u>34,629,900</u>

**REVENUE BUDGET - SUBJECTIVE SUMMARY OF EXPENDITURE**

	<u>2005/06</u> <u>ACTUAL</u> £	<u>2006/07</u> <u>ORIGINAL</u> £	<u>2006/07</u> <u>REVISED</u> £	<u>2007/08</u> <u>ESTIMATE</u> £
<b><u>Expenditure</u></b>				
Individual Schools Budget (Net)	64,057,737	70,926,100	71,066,100	75,226,000
Pupil Referral Service (Net)	563,908	619,100	494,100	527,600
Employees	16,220,724	17,104,600	17,907,500	19,074,300
Premises	1,333,288	1,323,400	1,383,700	1,455,200
Transport	1,821,470	2,069,600	2,075,000	2,425,300
Supplies and Services	9,848,998	9,828,600	10,651,800	10,514,600
Third Party Payments	12,890,300	11,894,800	14,148,800	15,560,400
Transfer Payments	12,046,658	8,733,900	8,943,100	9,030,600
Central Recharges	5,210,413	5,154,800	5,567,300	6,061,300
Departmental Recharges	5,455,565	5,530,200	5,277,100	5,312,400
Capital Charges	19,082,349	17,765,000	2,929,600	3,036,600
<b>TOTAL EXPENDITURE</b>	<b>148,531,410</b>	<b>150,950,100</b>	<b>140,444,100</b>	<b>148,224,300</b>
<b><u>Income</u></b>				
Government Grants	(15,869,571)	(13,536,700)	(13,763,000)	(14,183,200)
Other Grants and Contributions	(3,509,643)	(3,578,200)	(4,680,300)	(5,014,400)
Fees & Charges	(3,749,541)	(2,755,400)	(2,975,700)	(3,029,700)
Departmental Recharges	(4,403,349)	(4,422,200)	(5,277,100)	(5,312,400)
<b>TOTAL INCOME</b>	<b>(27,532,104)</b>	<b>(24,292,500)</b>	<b>(26,696,100)</b>	<b>(27,539,700)</b>
<b>NET EXPENDITURE</b>	<b>120,999,306</b>	<b>126,657,600</b>	<b>113,748,000</b>	<b>120,684,600</b>
Transfer to/from Reserves	2,074,752	(11,100)	(740,700)	(159,700)
Adjusted Dedicated Schools Grant	0	(79,592,700)	(80,463,700)	(85,895,000)
	0	(79,592,700)	(80,463,700)	(85,895,000)
<b>NET EXPENDITURE (incl DSG, Reserves)</b>	<b>120,999,306</b>	<b>47,064,900</b>	<b>33,284,300</b>	<b>34,789,600</b>

	<b>2006/07</b>	<b>2007/08</b>
Number of full time equivalent employees	2110.1	2212.5

**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 and Richmond Information Centre. Four 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 and all libraries display Cabinet papers and local planning applications. Extensive use is made of reference and information services which provide access to Council Information, community information and tourist information, meeting the requirements of residents, visitors, local businesses, students and researchers.

The School's Library and Resource Service based at the Cottage, provides schools in the Borough with advice, practical help, books and other materials. It also provides a comprehensive 'off-air' recording service of educational radio and television broadcasts.

	<u>2005/06</u> <u>Actual</u> £	<u>2006/07</u> <u>Original</u> £	<u>2006/07</u> <u>Revised</u> £	<u>2007/08</u> <u>Estimate</u> £
<u>Expenditure</u>				
Employees	2,697,821	2,924,000	3,127,700	3,351,100
Premises	471,999	410,000	412,100	434,500
Transport	18,173	14,700	16,400	17,800
Supplies and Services	1,219,048	1,141,900	1,170,100	1,156,300
Central Recharges	553,440	538,500	535,600	569,800
Departmental Recharges	233,776	215,300	109,700	116,500
Capital Charges	887,852	805,900	243,200	243,200
<b>TOTAL EXPENDITURE</b>	<b>6,082,109</b>	<b>6,050,300</b>	<b>5,614,800</b>	<b>5,889,200</b>
<u>Income</u>				
Fees & Charges	(364,383)	(377,500)	(377,500)	(386,300)
<b>TOTAL INCOME</b>	<b>(364,383)</b>	<b>(377,500)</b>	<b>(377,500)</b>	<b>(386,300)</b>
<b>NET EXPENDITURE</b>	<b>5,717,726</b>	<b>5,672,800</b>	<b>5,237,300</b>	<b>5,502,900</b>

**Variation Analysis**

Original Estimate 2006/07	5,672,800	5,672,800
Inflation	0	138,400
Service Plan	0	(10,000)
Budget Transfer	235,700	331,700
Capital Charges	(562,700)	(562,700)
Other Variations	(108,500)	(67,300)
Revised Budget 2006/07	<u>5,237,300</u>	
Original Budget 2007/08		<u>5,502,900</u>



**LIBRARY SERVICES E02**

**KEY ACTIVITY DATA**

12 lending libraries and a separate reference and information facility.  
 Annual visits: 1.471 million.  
 Total stock: 369,208 items.  
 Annual number of items issued: 1,133,725  
 Enquiries: 405,000  
 People's network bookings: 241,099  
 PC's available for public use: 164

**BEST VALUE PERFORMANCE DATA**

BV CODE INDICATOR	<u>2005/06 Actuals</u>		<u>Targets</u>	
	<u>Richmond</u>	<u>Top 25% London</u>	<u>2006/07</u>	<u>2007/08</u>

None applicable

	<b>2006/07</b>	<b>2007/08</b>
Number of full time equivalent employees	111.5	112.5

**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>2005/06</u> <u>Actual</u> £	<u>2006/07</u> <u>Original</u> £	<u>2006/07</u> <u>Revised</u> £	<u>2007/08</u> <u>Estimate</u> £
<u>Expenditure</u>				
Employees	243,420	236,300	274,300	290,400
Premises	37,019	46,300	52,500	58,600
Transport	295	500	500	500
Supplies and Services	184,749	32,200	32,200	32,200
Central Recharges	45,300	45,700	57,100	60,300
Departmental Recharges	48,295	44,400	61,800	66,500
Capital Charges	171,161	88,500	22,900	22,900
<b>TOTAL EXPENDITURE</b>	<b>730,239</b>	<b>493,900</b>	<b>501,300</b>	<b>531,400</b>
<u>Income</u>				
Other Grants and Contributions	0	(12,600)	(12,600)	(12,900)
Fees & Charges	(229,671)	(68,400)	(97,400)	(100,100)
<b>TOTAL INCOME</b>	<b>(229,671)</b>	<b>(81,000)</b>	<b>(110,000)</b>	<b>(113,000)</b>
<b>NET EXPENDITURE</b>	<b>500,568</b>	<b>412,900</b>	<b>391,300</b>	<b>418,400</b>

**Variation Analysis**

Original Estimate 2006/07	412,900	412,900
Inflation	0	13,100
Service Plan	0	(900)
Budget Transfer	15,200	15,300
Capital Charges	(65,600)	(65,600)
Other Variations	28,800	43,600
Revised Budget 2006/07	<u>391,300</u>	
Original Budget 2007/08		<u>418,400</u>

**ORLEANS HOUSE GALLERY AND ARTS SERVICE E03**

**KEY ACTIVITY DATA**

62,757 visits in person per annum  
 7,534 queries per annum  
 3,305 visits by school children to OHG  
 4,188 other education visits includes 395 for ticketed holiday activities, 1,659 for family events, 477 for family programme, 204 for adult programme, 631 for star club, 88 Tea time Community project, 200 education launch events, 150 artful II PV, 60 Star Club performance, 40 teachers for Inset, 20 PGCE students, 10 mental health group, and 160 volunteer visits and 54 extra young people at risk and 40 education conference.

These figures include 82 young people at risk through GCSE programmes for VIP and the PRS and special projects including Frieze, Treasure Troves, The Traveller's Life and 6 vulnerable young people involved in regular work experience

44 weddings and functions per annum

Riverside Gallery

16,810 visits per annum

Museum of Richmond

11,510 visits per annum

2,630 visits by school children

Arts Development

5,066 visitors to Leap into Dance Festival in 2006, 6,797 visitors to Leap into Dance in 2005

20 check groups and 320 participants (mostly under 16) performing in Richdance

10 young people performing as part of Greycourt School Dance residency with Temujin Gill

2,091 visitors to Book Now festival

1420 visitors to Larks in the Parks festival

59 participants involved in the Little Larks targeted early years project

12 participants in Larkin About Youth Drama Project and 263 attending the Larkin performance in Hampton

5,411 visitors to Arthouse and 98 artists and 8 schools participating in Arthouse

22 schools participating in Artful II – the schools visual arts showcase

500 Public Arts queries

3,000 visits to On the Edge 1 day event

1000 people attended Caribbean Carnival in June 2005

**BEST VALUE PERFORMANCE DATA**

BV CODE INDICATOR	<u>2005/06 Actuals</u>		<u>Targets</u>	
	<u>Richmond</u>	<u>Top 25% London</u>	<u>2006/07</u>	<u>2007/08</u>
BV170c Pupils visiting museums and galleries in organised school groups	5,935	5,350	6,033	6,335

	<u>2006/07</u>	<u>2007/08</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 support partners to deliver sporting opportunities for the community. They provide a range of courses throughout the year, including the holidays, in tennis, golf, athletics, netball, football, cricket, rugby, softball and swimming. They run the mini marathon trial which provides a team for the London Mini Marathon, which takes place prior to the main marathon. They run Borough Championships in tennis, swimming, judo and karate. They support the delivery of Borough squads in tennis and swimming. They also run a number of Primary School Tournaments in tag rugby, basketball girls and boys football, tennis, indoor athletics and netball. They also run a Special Schools Gala. All these events help to provide team members for our major event of the year which is The London Youth Games which is an event participated in by all 33 London Boroughs. The London Youth Games consists of 27 different sports. They also produce a sports club directory that details all sports clubs in the Borough.

Four sports 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 Pool and 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>2005/06</u> <u>Actual</u> £	<u>2006/07</u> <u>Original</u> £	<u>2006/07</u> <u>Revised</u> £	<u>2007/08</u> <u>Estimate</u> £
<b><u>Expenditure</u></b>				
Employees	1,298,786	1,380,900	1,472,700	1,546,800
Premises	372,675	462,100	514,100	508,100
Transport	6,207	10,400	10,400	10,600
Supplies and Services	397,241	366,100	389,100	388,600
Third Party Payments	427,688	420,600	420,600	411,700
Central Recharges	256,067	259,600	313,800	341,300
Departmental Recharges	144,885	133,500	62,400	67,400
Capital Charges	881,736	879,600	259,900	259,900
<b>TOTAL EXPENDITURE</b>	<b>3,785,285</b>	<b>3,912,800</b>	<b>3,443,000</b>	<b>3,534,400</b>
<b><u>Income</u></b>				
Other Grants & Contributions	(34,194)	(35,000)	(35,000)	(35,900)
Fees & Charges	(1,505,283)	(1,673,400)	(1,713,400)	(1,756,300)
<b>TOTAL INCOME</b>	<b>(1,539,477)</b>	<b>(1,708,400)</b>	<b>(1,748,400)</b>	<b>(1,792,200)</b>
<b>NET EXPENDITURE</b>	<b>2,245,808</b>	<b>2,204,400</b>	<b>1,694,600</b>	<b>1,742,200</b>

**Variation Analysis**

Original Estimate 2006/07	2,204,400	2,204,400
Inflation	0	54,700
Service Plan	0	(5,000)
Budget Transfer	126,800	93,800
Capital Charges	(619,700)	(619,700)
Other Variations	(16,900)	14,000
Revised Budget 2006/07	<u>1,694,600</u>	
Original Budget 2007/08		<u>1,742,200</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 2005/06 were 33,002.

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

Annual visits in 2005/06 were:

Shene Sport & Fitness Centre	55,462
Teddington Sports Centre	80,241
Whitton Sport & Fitness Centre	38,940
Hampton Sport & Fitness Centre	42,360

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

Annual visits in 2005/06 were: 181,311

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

Annual visits in 2005/06 were: 437,177

From 2006/07, National Performance Indicators for Sport & Physical Activity are being introduced as follows

- Percentage of adults participating in at least 30 minutes of moderate intensity sport and recreation on 3 or more days per week.

Interim Scores:

Target: 29% LBRUT: 31.6% (2<sup>nd</sup> highest score in England)

- Percentage of the population volunteering in sport and active recreation for at least one hour per week.

Interim Scores:

England Average: 4.80% LBRUT: 2.90%

- Percentage of population within 20 minutes walking distance of 3 different sports facility types, one of which has achieved a quality standard.

Provisional Scores:

Target: 50% LBRUT: 61.40%

- Population in local authority sport / recreation provision, e.g. 11-19s, 60 plus, BME, disabled, social class 6/7, subsidy per visit, facility utilisation. To be published early 2007.

Sport & Fitness Services were included in the Audit Commission's Cultural Services Inspection 2004, which indicated that Cultural Services were rated 2 Star - Good.

**BEST VALUE PERFORMANCE DATA**

BV CODE INDICATOR	<u>2005/06 Actuals</u>		<u>Targets</u>	
	<u>Richmond</u>	<u>Top 25%</u>	<u>2006/07</u>	<u>2007/08</u>
		<u>London</u>		
None applicable				

	<b>2006/07</b>	<b>2007/08</b>
Number of full time equivalent employees	46.0	47.0

**EARLY YEARS E26, E28, E76**

The Government allocates funding to the Local Authority for universal nursery education for three and four year olds. There is one stand-alone nursery school, Windham Nursery, part of the Early Excellence Centre, 35 nursery units attached to primary schools and 107 providers in the Partnership Provider Scheme. Children become eligible for funded nursery education at the start of the term following their third birthday.

The Government additionally provides funding through the Sure Start Childcare Grant to achieve four main targets:

- to create and sustain childcare places;
- to achieve quality accessible inclusive services;
- to develop a skilled and well qualified workforce; and
- the integration of children's services.

Funding from a local charity supports children with special needs/disabilities and those experiencing temporary financial hardship to enjoy the full range of out of school activities.

	<u>2005/06</u> <u>Actual</u> £	<u>2006/07</u> <u>Original</u> £	<u>2006/07</u> <u>Revised</u> £	<u>2007/08</u> <u>Estimate</u> £
<u>Expenditure</u>				
Employees	730,580	651,900	651,900	700,300
Supplies and Services	977,283	1,436,900	1,456,900	1,472,800
Third Party Payments	2,342,844	2,830,600	2,917,600	3,089,700
Transfer Payments	75,055	21,000	21,000	21,500
Central Recharges	144,480	155,500	182,000	203,600
Departmental Recharges	250,232	230,400	152,600	164,400
Capital Charges	65,669	65,700	166,500	16,500
<b>TOTAL EXPENDITURE</b>	<b>4,586,143</b>	<b>5,392,000</b>	<b>5,548,500</b>	<b>5,668,800</b>
<u>Income</u>				
Government Grants	(1,462,126)	(1,748,200)	(1,748,200)	(1,791,900)
Fees & Charges	0	0	(20,000)	0
<b>TOTAL INCOME</b>	<b>(1,462,126)</b>	<b>(1,748,200)</b>	<b>(1,768,200)</b>	<b>(1,791,900)</b>
<b>NET EXPENDITURE</b>	<b>3,124,017</b>	<b>3,643,800</b>	<b>3,780,300</b>	<b>3,876,900</b>

**Variation Analysis**

Original Estimate 2006/07	3,643,800	3,643,800
Inflation	0	189,100
Service Plan	0	0
Budget Transfer	87,000	111,100
Capital Charges	100,800	(49,200)
Other Variations	(51,300)	(17,900)
Revised Budget 2006/07	<u>3,780,300</u>	
Original Budget 2007/08		<u>3,876,900</u>

**EARLY YEARS E26, E28, E76**

**KEY ACTIVITY DATA**

Funded Nursery Education Places were taken up by 2,036 of the 2,386 estimated 3-4 year old population for 2005/06.

362 new childcare places were created in 2005/6 across all sectors in the private, voluntary and independent sectors; 86 in full daycare, 157 places with childminders and 119 Out of School places. Overall, there was a net gain of 173 places.

Total number of childcare places at 31 March 2006 was 7,250

3,450 training days were offered to practitioners delivering the Foundation Stage curriculum.

The Early Years Development and Childcare Partnership funding for pre-school children with special needs/disabilities supported 21 children.

47 Children with special needs/disabilities were supported at Out of School and Holiday Clubs during the year.

25 families (37 children) received support through the Hampton Fuel Allotments' Charity funded hardship grant.

**BEST VALUE PERFORMANCE DATA**

BV CODE INDICATOR	<u>2005/06 Actuals</u>		<u>Targets</u>	
	<u>Richmond</u>	<u>Top 25% London</u>	<u>2006/07</u>	<u>2007/08</u>

None applicable

	<b>2006/07</b>	<b>2007/08</b>
Number of full time equivalent employees	18.0	20.0

**YOUTH AND COMMUNITY E57-E69, E85**

This Heading contains budgetary information for Adult Community Learning Grants from the Learning & Skills Council (LSC), Way to Work and the Youth Service. Grants from the LSC support adults and family learning including accessibility issues, while Way to Work recruit 16-18 olds into jobs in business and childcare in the West London area and provide Modern Apprenticeship training. Funding is provided by the LSC and employers. Grant for the Richmond Music Trust is also included under this heading.

The Local Authority Youth Service operates various clubs and cross borough projects out of five strategically located youth centres. The Transforming Youth Work Development Plan details the strategic vision for the service. The work of the Service includes an outreach programme covering the whole of the Borough in order to contact young people who are not in contact with current provision and also to target young people who maybe considered 'at risk'. The Service also offers support, advice, transport management and line management to the voluntary sector.

The service has been involved with the South London Connexions Service since 2001 and employs and manages 2 outreach Personal Advisors on behalf of the local Connexions Management Committee. The Service employs eight full time youth workers and around 50 part time youth workers and instructors, there are also around 80 volunteer assistants. The Service provides grants and training opportunities to over 90 affiliated voluntary youth organisations and runs an extensive youth work training programme for those working with young people. The youth work curriculum on offer focuses on 13 to 19 year olds and includes arts development, live and recorded music, digital radio station, extensive Duke of Edinburgh Award Scheme, international youth exchanges and drug, alcohol and tobacco education delivered across the whole education sector. The Service seeks to ensure and broaden informal educational opportunities including accredited courses for all young people in the Borough. The curriculum focuses on young people making choices, valuing differences, developing identity and working together with a guiding principle of equal opportunity.

	<u>2005/06</u> <u>Actual</u> £	<u>2006/07</u> <u>Original</u> £	<u>2006/07</u> <u>Revised</u> £	<u>2007/08</u> <u>Estimate</u> £
<b><u>Expenditure</u></b>				
Employees	1,200,208	1,249,600	1,228,800	1,358,100
Premises	123,576	139,100	139,100	186,400
Transport	25,762	16,400	16,400	16,700
Supplies and Services	2,073,253	1,674,200	1,705,300	1,973,600
Third Party Payments	0	0	50,000	0
Transfer Payments	0	5,000	5,000	5,000
Central Recharges	246,629	251,600	250,200	281,600
Departmental Recharges	508,849	501,800	490,200	528,300
Capital Charges	305,622	305,600	69,000	69,000
<b>TOTAL EXPENDITURE</b>	<b>4,483,899</b>	<b>4,143,300</b>	<b>3,954,000</b>	<b>4,418,700</b>
<b><u>Income</u></b>				
Government Grants	(1,087,249)	(717,200)	(717,200)	(735,000)
Other Grants and Contributions	(1,061,060)	(1,203,100)	(1,226,200)	(1,253,600)
Fees & Charges	(309,132)	(96,100)	(96,100)	(98,500)
<b>TOTAL INCOME</b>	<b>(2,457,441)</b>	<b>(2,016,400)</b>	<b>(2,039,500)</b>	<b>(2,087,100)</b>
<b>NET EXPENDITURE</b>	<b>2,026,458</b>	<b>2,126,900</b>	<b>1,914,500</b>	<b>2,331,600</b>

**Variation Analysis**

Original Estimate 2006/07	2,126,900	2,126,900
Inflation	0	42,600
Service Plan	0	235,000
Budget Transfer	37,200	70,000
Capital Charges	(236,600)	(236,600)
Other Variations	(13,000)	93,700
Revised Budget 2006/07	<u>1,914,500</u>	
Original Budget 2007/08		<u>2,331,600</u>



**YOUTH AND COMMUNITY E57-E69, E85**

**KEY ACTIVITY DATA**

London Borough of Richmond Youth Service has five full-time youth centres, one Principal Youth Officer, 2 .5 Youth Support Managers, 17 Full-time Youth Workers, 2 Connexions Personal Advisers employed by the Youth Service, 2 FTE Administrative posts. The aims of the Youth Service are to provide a high quality service that empowers young people to maximise and achieve their potential through provision of opportunities for personal and social development, gaining new skills and experiences and having access to experienced and dynamic youth workers who support them in their learning. The Service also works in close partnership with Richmond Youth Partnership which provides support, advice and training to over 90 voluntary groups and organisations throughout the borough.

In 2006/07 Richmond upon Thames are currently piloting the direct funding of part of its Adult and Community Learning (ACL) provision, the First Steps and Personal and Community Development Learning (PCDL) portion. The ACL contract with the local Learning and Skills Council (LSC) for provision within Richmond upon Thames is split in two between Richmond Adult Community College (PCDL and First Steps) and the Local Authority (Family Learning and Family Literacy, Language and Numeracy). The Local Authority retains the overarching strategic responsibility for identifying local need, recommending the nature, and geographical distribution priorities for the provision to be delivered. Richmond Adult Community College (RACC) will be funded directly by the local LSC to deliver adult learning in line with the agreed strategic plan, which include learner targets, community based delivery and working partnerships with Richmond upon Thames Council for Voluntary Services (RCVS) and the Ethnic Minorities Advocacy Group (EMAG).

In 2005/06 RACC (both core and outreach), RCVS and EMAG were contracted to deliver ACL provision across the borough, which included basic skills, ESOL, and various arts, language and music based personal development programmes. In addition, the local Authority commissioned the delivery of its family learning programmes (both wider Family Learning and Family Literacy, Language and Numeracy programmes) across the borough to schools - as part of their extended schools activities, The Library Service, The Arts Service, support centres and other specialist agencies.

2005/06 Headline adult learner data: Total learners participating in ACL/family learning programmes - 5,972

**Note**

Final learner total may vary slightly due to further interrogation and accuracy checking of data before the final 2005/06 CR03 data return in January 2007.

**BEST VALUE PERFORMANCE DATA**

BV CODE INDICATOR	<u>2005/06 Actuals</u>		<u>Targets</u>	
	<u>Richmond</u>	<u>Top 25% London</u>	<u>2006/07</u>	<u>2007/08</u>
BV221a Recorded outcomes from Youth Work - NEW	30%	61%	40%	50%
BV221b Accredited outcomes from Youth Work - NEW	24%	24%	26%	30%

The Adult and Community Learning Development Plan 2006/07 includes the following learner targets:

Adult Learning	6,400	7,040
Adults participating in family learning	1,060	1,110
Adults involved in literacy, languages and numeracy programmes for families	220	255

	<u>2006/07</u>	<u>2007/08</u>
Number of full time equivalent employees	33.5	34.8

**INDIVIDUAL SCHOOLS BUDGETS (NET) E33**

Local Education Authorities (LEAs) 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 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 2006/2007, 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 LEAs Scheme for the Financing of Schools approved by the Secretary of State in accordance with Section 48 of the Act

The ISB funds one nursery school at the Windham Early Excellence Centre, fifteen 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>2005/06</u> <u>Actual</u> £	<u>2006/07</u> <u>Original</u> £	<u>2006/07</u> <u>Revised</u> £	<u>2007/08</u> <u>Estimate</u> £
<u>Expenditure</u>				
Employees	55,655,624	61,243,600	61,343,600	65,259,800
Premises	3,942,314	4,428,700	4,468,700	4,580,500
Transport	199,152	144,000	144,000	147,500
Supplies and Services	2,181,373	2,372,000	2,372,000	2,432,000
Third Party Payments	2,079,274	2,737,800	2,737,800	2,806,200
<b>NET EXPENDITURE</b>	<b>64,057,737</b>	<b>70,926,100</b>	<b>71,066,100</b>	<b>75,226,000</b>

**Variation Analysis**

Original Estimate 2006/07	70,926,100	70,926,100
Inflation	0	2,718,400
Service Plan	0	1,495,100
Budget Transfer	140,000	86,400
Capital Charges	0	0
Other Variations	0	0
Revised Budget 2006/07	<u>71,066,100</u>	
Original Budget 2007/08		<u>75,226,000</u>

**INDIVIDUAL SCHOOLS BUDGETS E33**

**KEY ACTIVITY DATA**

Data taken from January 2007 Draft School Census

There is 1 nursery school and 15 nursery units attached to primary schools.

13 full time pupils  
852 part time pupils

There are 41 primary schools: 7 junior, 7 infant, 27 combined junior and infant.

11,578 full time pupils  
640 part time pupils

There are 8 comprehensive schools including 1 single sex girls and 1 voluntary aided mixed

7,137 pupils

There are 2 special schools

153 pupils

**BEST VALUE PERFORMANCE DATA**

BV CODE INDICATOR	<u>2005/06 Actuals</u>		<u>Targets</u>	
	<u>Richmond</u>	<u>Top 25% London</u>	<u>2006/07</u>	<u>2007/08</u>

None applicable

	<u>2006/07</u>	<u>2007/08</u>
Number of full time equivalent employees <sup>(1)</sup>	1623.0	1,708.0

<sup>(1)</sup> FTE numbers come from draft School Census data that is compiled from a return the schools compile in January each year

**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 Schools. 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>2005/06</u> <u>Actual</u> £	<u>2006/07</u> <u>Original</u> £	<u>2006/07</u> <u>Revised</u> £	<u>2007/08</u> <u>Estimate</u> £
<u>Expenditure</u>				
Premises	39,918	11,000	11,000	11,200
Transport	123,729	207,500	207,500	212,700
Supplies and Services	2,615,380	3,261,600	3,311,600	3,438,500
Transfer Payments	1,009,141	147,100	147,100	62,000
Central Recharges	515,013	495,700	424,500	468,200
Departmental Recharges	1,029,879	1,085,200	1,104,900	1,262,100
Capital Charges	8,611,119	7,757,400	984,000	1,264,000
<b>TOTAL EXPENDITURE</b>	<b>13,944,179</b>	<b>12,965,500</b>	<b>6,190,600</b>	<b>6,718,700</b>
<u>Income</u>				
Government Grants	(3,168,135)	(2,201,200)	(2,201,200)	(2,216,000)
Other Grants and Contributions	(387,104)	(650,800)	(650,800)	(802,800)
<b>TOTAL INCOME</b>	<b>(3,555,241)</b>	<b>(2,852,000)</b>	<b>(2,852,000)</b>	<b>(3,018,800)</b>
<b>NET EXPENDITURE</b>	<b>10,388,940</b>	<b>10,113,500</b>	<b>3,338,600</b>	<b>3,699,900</b>

**Variation Analysis**

Original Estimate 2006/07	10,113,500	10,113,500
Inflation	0	17,000
Service Plan	0	(100)
Budget Transfer	50,000	(86,500)
Capital Charges	(6,773,400)	(6,493,400)
Other Variations	(51,500)	149,400
Revised Budget 2006/07	<u>3,338,600</u>	
Original Budget 2007/08		<u>3,699,900</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. 2 completely new primary schools at Kew Riverside and Marshgate and 2 school expansions on additional sites have opened successfully. 3 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 will last for 30 Years

**BEST VALUE PERFORMANCE DATA**

BV CODE INDICATOR	<u>2005/06 Actuals</u>		<u>Targets</u>	
	<u>Richmond</u>	<u>Top 25% London</u>	<u>2006/07</u>	<u>2007/08</u>
BV40 % pupils in LEA schools achieving level 4 or above in Key Stage 2 Mathematics	84.9%	77.0%	90.0%	90.0%
BV41 % pupils in LEA schools achieving level 4 or above in Key Stage 2 English	88.1%	82.5%	90.0%	90.0%
BV46 % total half days missed in primary schools	4.8%	5.8%	4.4%	4.3%
BV194a % of pupils in schools maintained by the LEA achieving level 5 or above in Key stage 2 in English	41.0%	29.0%	46.0%	46.0%
BV194b % of pupils in schools maintained by the LEA achieving level 5 or above in Key stage 2 in Maths	45.0%	34.0%	46.0%	46.0%

	<b>2006/07</b>	<b>2007/08</b>
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>2005/06</u> <u>Actual</u> £	<u>2006/07</u> <u>Original</u> £	<u>2006/07</u> <u>Revised</u> £	<u>2007/08</u> <u>Estimate</u> £
<b><u>Expenditure</u></b>				
Pupil Referral Service (Net)	563,908	619,100	494,100	527,600
Employees	108,663	119,900	43,400	47,300
Premises	15,999	18,000	18,000	18,400
Transport	56,707	63,500	63,500	71,200
Supplies and Services	457,162	121,800	439,800	223,700
Third Party Payments	197	0	0	0
Transfer Payments	800,412	27,800	27,800	28,500
Central Recharges	503,189	459,000	503,000	553,000
Departmental Recharges	775,741	795,200	846,300	952,300
Capital Charges	7,390,706	7,020,700	1,046,600	1,023,600
<b>TOTAL EXPENDITURE</b>	<b>10,672,684</b>	<b>9,245,000</b>	<b>3,482,500</b>	<b>3,445,600</b>
<b><u>Income</u></b>				
Government Grants	(836,982)	0	0	0
Fees & Charges	(71,960)	0	0	0
<b>TOTAL INCOME</b>	<b>(908,942)</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>NET EXPENDITURE</b>	<b>9,763,742</b>	<b>9,245,000</b>	<b>3,482,500</b>	<b>3,445,600</b>

**Variation Analysis**

Original Estimate 2006/07	9,245,000	9,245,000
Inflation	0	29,400
Service Plan	0	(3,600)
Budget Transfer	116,500	(79,200)
Capital Charges	(5,974,100)	(5,997,100)
Other Variations	95,100	251,100
Revised Budget 2006/07	<u>3,482,500</u>	
Original Budget 2007/08		<u>3,445,600</u>

**SECONDARY NON DELEGATED E35, E36, E37, E39****KEY ACTIVITY DATA**

PRS Data taken from January 2007 Draft School Census

1 Pupil Referral Service  
24 Pupils

**BEST VALUE PERFORMANCE DATA**

BV CODE INDICATOR	<u>2005/06 Actuals</u>		<u>Targets</u>	
	<u>Richmond</u>	<u>Top 25% London</u>	<u>2006/07</u>	<u>2007/08</u>
BV38 % 15 year olds achieving 5 or more GCSE grade A*-C or equivalent	54.8%	59.9%	64%	64%
BV39 % 15 year olds achieving 5 or more GCSE grade A*-G or equivalent	89%	91.3%	96%	96%
BV45 % half days missed due to absence in LEA secondary schools	8.5%	7.01%	7.4%	7.35%
BV181a % of 14 year old pupils in LEA Schools achieving Level 5 or above in key stage 3 test in English	75.3%	77.2%	82%	83%
BV181b % of 14 year old pupils in LEA Schools achieving Level 5 or above in key stage 3 test in Maths	72.7%	74.7%	82%	83%
BV181c % of 14 year old pupils in LEA Schools achieving Level 5 or above in key stage 3 test in Science	69.9%	70.5%	79%	80%
BV181d % of 14 year old pupils in LEA Schools achieving Level 5 or above in key stage 3 test in ICT assessments	68%	68.2%	79%	80%

	<u>2006/07</u>	<u>2007/08</u>
Number of full time equivalent employees <sup>(1)</sup>	15.0	11.0

<sup>(1)</sup> 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>2005/06</u> <u>Actual</u> £	<u>2006/07</u> <u>Original</u> £	<u>2006/07</u> <u>Revised</u> £	<u>2007/08</u> <u>Estimate</u> £
<u>Expenditure</u>				
Premises	5,282	4,400	4,400	4,500
Transport	1,461,363	1,578,900	1,578,900	1,922,300
Supplies and Services	(22,606)	99,800	99,800	101,300
Third Party Payments	4,991,771	4,446,000	6,119,000	6,759,800
Transfer Payments	87,021	5,100	5,100	5,200
Central Recharges	189,973	190,500	141,600	156,100
Departmental Recharges	262,823	273,600	289,100	304,800
Capital Charges	489,429	489,500	82,700	82,700
<b>TOTAL EXPENDITURE</b>	<b>7,465,056</b>	<b>7,087,800</b>	<b>8,320,600</b>	<b>9,336,700</b>
<u>Income</u>				
Government Grants	(84,253)	0	0	0
Other Grants and Contributions	(1,486,164)	(832,200)	(1,821,200)	(1,933,800)
Fees & Charges	(16,500)	(16,900)	(16,900)	(17,300)
<b>TOTAL INCOME</b>	<b>(1,586,917)</b>	<b>(849,100)</b>	<b>(1,838,100)</b>	<b>(1,951,100)</b>
<b>NET EXPENDITURE</b>	<b>5,878,139</b>	<b>6,238,700</b>	<b>6,482,500</b>	<b>7,385,600</b>

**Variation Analysis**

Original Estimate 2006/07	6,238,700	6,238,700
Inflation	0	149,400
Service Plan	0	719,700
Budget Transfer	684,000	687,800
Capital Charges	(406,800)	(406,800)
Other Variations	(33,400)	(3,200)
Revised Budget 2006/07	<u>6,482,500</u>	
Original Budget 2007/08		<u>7,385,600</u>



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

**KEY ACTIVITY DATA**

We recoup income for 47 pupils from 4 London Boroughs & 2 County Council

We pay statemented support for 51 pupils to 8 London Boroughs & 2 County Councils

We pay 16 authorities for educating 69 pupils that live within this borough

111 children are placed in independent schools

266 children are provided with transport to special needs placements using 89 separate transport routes

11 pupils are transported by parents/guardians

There are 720 statemented children

**BEST VALUE PERFORMANCE DATA**

BV CODE INDICATOR	<u>2005/06 Actuals</u>		<u>Targets</u>	
	<u>Richmond</u>	<u>Top 25% London</u>	<u>2006/07</u>	<u>2007/08</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	92.7%	95.6%	92%	93%

	<u>2006/07</u>	<u>2007/08</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 LEA 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 LEA. 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>2005/06</u> <u>Actual</u> £	<u>2006/07</u> <u>Original</u> £	<u>2006/07</u> <u>Revised</u> £	<u>2007/08</u> <u>Estimate</u> £
<u>Expenditure</u>				
Employees	1,458,649	1,569,400	1,700,100	1,816,100
Premises	106,273	81,000	81,000	83,300
Transport	24,840	44,400	44,400	45,400
Supplies and Services	115,649	188,200	188,500	190,200
Third Party Payments	79,677	53,000	53,000	104,300
Central Recharges	188,244	191,100	213,700	237,000
<b>TOTAL EXPENDITURE</b>	<b>1,973,332</b>	<b>2,127,100</b>	<b>2,280,700</b>	<b>2,476,300</b>
<u>Income</u>				
Government Grants	(31,745)	(21,300)	(21,300)	0
Other Grants and Contributions	(38,504)	0	0	0
Fees & Charges	(128,463)	(102,100)	(82,100)	(104,700)
<b>TOTAL INCOME</b>	<b>(198,712)</b>	<b>(123,400)</b>	<b>(103,400)</b>	<b>(104,700)</b>
<b>NET EXPENDITURE</b>	<b>1,774,620</b>	<b>2,003,700</b>	<b>2,177,300</b>	<b>2,371,600</b>

**Variation Analysis**

Original Estimate 2006/07	2,003,700	2,003,700
Inflation	0	65,600
Service Plan	0	(3,000)
Budget Transfer	151,000	209,500
Capital Charges	0	0
Other Variations	22,600	45,800
Revised Budget 2006/07	<u>2,177,300</u>	
Original Budget 2007/08		<u>2,321,600</u>

**SPECIALIST SUPPORT E46-E50, E84, E86, E87**

**KEY ACTIVITY DATA**

51 schools supported with weekly support visits for Secondary Schools and 3 weekly visits to Primary Schools.

435 Referrals

16 Truancy Patrols

26 successful prosecutions

101 Child Employment Permits issued

328 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.

321 psychological assessments and formal consultations were carried out.

**BEST VALUE PERFORMANCE DATA**

BV CODE INDICATOR	<u>2005/06 Actuals</u>		<u>Targets</u>	
	<u>Richmond</u>	<u>Top 25% London</u>	<u>2006/07</u>	<u>2007/08</u>

None applicable

	<b>2006/07</b>	<b>2007/08</b>
Number of full time equivalent employees	40.0	40.0

**SCHOOL IMPROVEMENT E75, E79, E83**

The budgets for the Inspection and Advisory Service (IAS) and Ethnic Minority and Travellers Achievement Service (EMTAS) are included under this heading. The IAS plays a key role in the LEA'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 IAS also provides advice on professional matters relating to curriculum development and the statutory requirements of Education Acts. The Inspectorate also has a central role in the planning and management of development initiatives and contributes to overall policy and planning.

	<u>2005/06</u> <u>Actual</u> £	<u>2006/07</u> <u>Original</u> £	<u>2006/07</u> <u>Revised</u> £	<u>2007/08</u> <u>Estimate</u> £
<u>Expenditure</u>				
Employees	838,148	975,900	975,900	1,038,500
Premises	1,140	0	0	0
Transport	7,986	10,900	10,900	11,200
Supplies and Services	787,705	494,600	494,600	487,200
Central Recharges	99,267	110,800	120,800	134,200
Departmental Recharges	202,978	187,700	246,100	257,400
<b>TOTAL EXPENDITURE</b>	<b>1,937,224</b>	<b>1,779,900</b>	<b>1,848,300</b>	<b>1,928,500</b>
<u>Income</u>				
Government Grants	(165,275)	(178,700)	(178,700)	(183,200)
Other Grants and Contributions	(194,691)	(274,500)	(274,500)	(281,300)
Fees & Charges	(114,031)	(13,100)	(13,100)	(13,400)
<b>TOTAL INCOME</b>	<b>(473,997)</b>	<b>(466,300)</b>	<b>(466,300)</b>	<b>(477,900)</b>
<b>NET EXPENDITURE</b>	<b>1,463,227</b>	<b>1,313,600</b>	<b>1,382,000</b>	<b>1,450,600</b>

**Variation Analysis**

Original Estimate 2006/07	1,313,600	1,313,600
Inflation	0	33,800
Service Plan	0	(8,800)
Budget Transfer	0	18,900
Capital Charges	0	0
Other Variations	68,400	93,100
Revised Budget 2006/07	<u>1,382,000</u>	
Original Budget 2007/08		<u>1,450,600</u>

**SCHOOL IMPROVEMENT E75, E79, E83**

**KEY ACTIVITY DATA**

The Inspectorate and Advisory Service and the Ethnic Minority and Travellers Achievement Team play a key role in the LEA'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 are also included under this service.

All schools have an assigned inspector or School Improvement Partner. There are 5 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 inspectorate 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>2005/06 Actuals</u>		<u>Targets</u>	
	<u>Richmond</u>	<u>Top 25% London</u>	<u>2006/07</u>	<u>2007/08</u>

None applicable

	<b>2006/07</b>	<b>2007/08</b>
Number of full time equivalent employees	18.0	17.0

**STRATEGIC MANAGEMENT E80**  
**MEMORANDUM ACCOUNT**

The central administration exercises general control over the education service and its development within the statutory requirements of the Education Acts and the policies of the Council. It is responsible working through the Inspectorate, 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>2005/06</u> <u>Actual</u> £	<u>2006/07</u> <u>Original</u> £	<u>2006/07</u> <u>Revised</u> £	<u>2007/08</u> <u>Estimate</u> £
<u>Expenditure</u>				
Employees	2,315,223	2,189,800	2,203,100	2,675,900
Transport	8,967	25,800	25,800	12,000
Supplies and Services	335,268	377,200	539,900	370,500
Central Recharges	1,051,397	1,095,000	1,247,700	1,338,300
<b>TOTAL EXPENDITURE</b>	<b>3,710,854</b>	<b>3,687,800</b>	<b>4,016,500</b>	<b>4,396,700</b>
<u>Income</u>				
Fees & Charges	(253,396)	(220,700)	(220,700)	(226,200)
Departmental Recharges	(3,457,458)	(3,467,100)	(3,795,800)	(4,170,500)
<b>TOTAL INCOME</b>	<b>(3,710,854)</b>	<b>(3,687,800)</b>	<b>(4,016,500)</b>	<b>(4,396,700)</b>
<b>NET EXPENDITURE</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

**Variation Analysis**

Original Estimate 2006/07	0	0
Inflation	0	84,000
Service Plan	0	(34,000)
Budget Transfer	176,000	410,100
Capital Charges	0	0
Other Variations	(176,000)	(460,100)
Revised Budget 2006/07	0	
Original Budget 2007/08		0

**STRATEGIC MANAGEMENT E80**

**KEY ACTIVITY DATA**

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

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>2005/06 Actuals</u>		<u>Targets</u>	
	<u>Richmond</u>	<u>Top 25% London</u>	<u>2006/07</u>	<u>2007/08</u>

None applicable

	<b>2006/07</b>	<b>2007/08</b>
Number of full time equivalent employees	54.0	60.0

**STANDARDS FUND AND OTHER GRANTS E72 , E73, E77**

The Standards Fund programme remains a key part of the Government's education strategy, with the DfES stating that schools should see the Standards Fund as making a contribution to the development and improvement agenda, including personalised learning.

	<u>2005/06</u> <u>Actual</u> <u>£</u>	<u>2006/07</u> <u>Original</u> <u>£</u>	<u>2006/07</u> <u>Revised</u> <u>£</u>	<u>2007/08</u> <u>Estimate</u> <u>£</u>
<b><u>Expenditure</u></b>				
Employees	665,003	653,700	703,700	695,100
Transfer Payments	7,163,144	5,583,800	6,034,900	5,914,600
<b>TOTAL EXPENDITURE</b>	<b>7,828,147</b>	<b>6,237,500</b>	<b>6,738,600</b>	<b>6,609,700</b>
<b><u>Income</u></b>				
Government Grants	(5,328,322)	(5,594,900)	(5,822,700)	(5,800,700)
Other Grants and Contributions	0	0	(90,000)	(92,300)
<b>TOTAL INCOME</b>	<b>(5,328,322)</b>	<b>(5,594,900)</b>	<b>(5,912,700)</b>	<b>(5,893,000)</b>
<b>NET EXPENDITURE</b>	<b>2,499,825</b>	<b>642,600</b>	<b>825,900</b>	<b>716,700</b>

**Variation Analysis**

Original Estimate 2006/07	642,600	642,600
Inflation	0	28,600
Service Plan	0	(25,000)
Budget Transfer	183,300	74,500
Capital Charges	0	0
Other Variations	0	(4,000)
Revised Budget 2006/07	<u>825,900</u>	
Original Budget 2007/08		<u>716,700</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.

There are currently 25 projects and funds are either advanced or devolved in year to schools or retained by the LEA to support school activity.

**BEST VALUE PERFORMANCE DATA**

BV CODE INDICATOR	<u>2005/06 Actuals</u>		<u>Targets</u>	
	<u>Richmond</u>	<u>Top 25% London</u>	<u>2006/07</u>	<u>2007/08</u>

None applicable

	<b>2006/07</b>	<b>2007/08</b>
Number of full time equivalent employees	13.5	11.5

**DIVISIONAL MANAGEMENT - SPECIALIST CHILDREN'S SERVICES E90**

**FUNCTION TRANSFERRED FROM SOCIAL SERVICES WITH EFFECT FROM MAY 2006**

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

	<u>2005/06</u> <u>Actual</u> £	<u>2006/07</u> <u>Original</u> £	<u>2006/07</u> <u>Revised</u> £	<u>2007/08</u> <u>Estimate</u> £
<u>Expenditure</u>				
Employees	446,160	445,000	850,900	476,500
Premises	13,996	0	0	0
Transport	1,722	7,400	10,800	10,000
Supplies and Services	21,692	24,600	213,800	108,700
Central Recharges	416,571	409,600	488,100	519,300
Departmental Recharges	47,600	68,500	26,300	27,400
<b>TOTAL EXPENDITURE</b>	<b>947,741</b>	<b>955,100</b>	<b>1,589,900</b>	<b>1,141,900</b>
<u>Income</u>				
Fees & Charges	(1,850)	0	(108,600)	0
Departmental Recharges	(945,891)	(955,100)	(1,481,300)	(1,141,900)
<b>TOTAL INCOME</b>	<b>(947,741)</b>	<b>(955,100)</b>	<b>(1,589,900)</b>	<b>(1,141,900)</b>
<b>NET EXPENDITURE</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

**Variation Analysis**

Original Estimate 2006/07	0	0
Inflation	0	15,300
Service Plan	0	(2,600)
Budget Transfer	489,900	105,500
Capital Charges	0	0
Other Variations	(489,900)	(118,200)
Revised Budget 2006/07	0	
Original Budget 2007/08		0

**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>2005/06 Actuals</u>		<u>Targets</u>	
	<u>Richmond</u>	<u>Top 25% London</u>	<u>2006/07</u>	<u>2007/08</u>
None applicable				

	<b>2006/07</b>	<b>2007/08</b>
Number of full time equivalent employees	9.0	9.5

**SOCIAL WORK - SPECIALIST CHILDREN'S SERVICES E91**

**FUNCTION TRANSFERRED FROM SOCIAL SERVICES WITH EFFECT FROM MAY 2006**

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>2005/06</u> <u>Actual</u> £	<u>2006/07</u> <u>Original</u> £	<u>2006/07</u> <u>Revised</u> £	<u>2007/08</u> <u>Estimate</u> £
<u>Expenditure</u>				
Employees	2,620,121	2,868,300	2,814,900	2,963,800
Premises	82,672	86,000	86,000	95,600
Transport	53,884	61,100	61,400	65,300
Supplies and Services	338,152	265,900	224,300	212,800
Third Party Payments	169,022	231,900	324,600	325,500
Transfer Payments	14,719	2,300	4,300	2,400
Central Recharges	732,664	696,500	688,200	768,800
Departmental Recharges	1,440,882	1,508,100	1,269,300	1,058,900
Capital Charges	202,178	199,000	25,000	25,000
<b>TOTAL EXPENDITURE</b>	<b>5,654,294</b>	<b>5,919,100</b>	<b>5,498,000</b>	<b>5,518,100</b>
<u>Income</u>				
Government Grants	(339,097)	(256,800)	(225,700)	(229,400)
Other Grants and Contributions	(118,930)	(196,100)	(196,100)	(208,400)
Fees & Charges	(188,765)	0	(42,700)	(85,000)
<b>TOTAL INCOME</b>	<b>(646,792)</b>	<b>(452,900)</b>	<b>(464,500)</b>	<b>(522,800)</b>
<b>NET EXPENDITURE</b>	<b>5,007,502</b>	<b>5,466,200</b>	<b>5,033,500</b>	<b>4,995,300</b>

**Variation Analysis**

Original Estimate 2006/07	5,466,200	5,466,200
Inflation	0	104,700
Service Plan	0	(5,000)
Budget Transfer	(11,600)	(19,500)
Capital Charges	(174,000)	(174,000)
Other Variations	(247,100)	(377,100)
Revised Budget 2006/07	<u>5,033,500</u>	
Original Budget 2007/08		<u>4,995,300</u>

**SOCIAL WORK – SPECIALIST CHILDREN'S SERVICES E91**

**KEY ACTIVITY DATA**

Social Workers	49.75 FTE
Children Receiving Social Work Support	480
Looked After Children	89
Care Leavers	62
Children on Child Protection Register @31 March 2006	49

**BEST VALUE PERFORMANCE DATA**

BV CODE INDICATOR	<u>2005/06 Actuals</u>		<u>Targets</u>	
	<u>Richmond</u>	<u>Top 25% London</u>	<u>2006/07</u>	<u>2007/08</u>
BV 49 Stability of placements of children looked after (% of children with 3 or more placements during the year)	12.36%	N/A	10.5%	10.0%
BV 161 Employment, education and training for care leavers	1.02%	0.98%	0.90%	0.90%
BV 162 Reviews of child protection cases	100%	100%	100%	100%
BV 163 Adoptions of Children Looked After	10.4%	9.4%	8.2%	9.3%

	<b>2006/07</b>	<b>2007/08</b>
Number of full time equivalent employees	77.1	80.0

**LOOKED AFTER CHILDREN E92**

**FUNCTION TRANSFERRED FROM SOCIAL SERVICES WITH EFFECT FROM MAY 2006**

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>2005/06</u> <u>Actual</u> £	<u>2006/07</u> <u>Original</u> £	<u>2006/07</u> <u>Revised</u> £	<u>2007/08</u> <u>Estimate</u> £
<b><u>Expenditure</u></b>				
Employees	365,176	456,700	491,900	653,900
Transport	7,896	7,000	7,000	7,500
Supplies and Services	102,104	76,300	98,700	74,100
Third Party Payments	3,816,639	3,259,800	3,073,200	3,617,500
Transfer Payments	58,741	28,400	28,400	29,100
Central Recharges	80,345	74,200	164,500	178,100
Departmental Recharges	133,545	144,900	218,700	177,400
<b>TOTAL EXPENDITURE</b>	<b>4,564,446</b>	<b>4,047,300</b>	<b>4,082,400</b>	<b>4,737,600</b>
<b><u>Income</u></b>				
Government Grants	(403,785)	(182,500)	(190,800)	(238,400)
Other Grants and Contributions	(28,964)	(107,600)	(107,600)	(110,300)
Fees & Charges	(271,733)	0	0	0
<b>TOTAL INCOME</b>	<b>(704,482)</b>	<b>(290,100)</b>	<b>(298,400)</b>	<b>(348,700)</b>
<b>NET EXPENDITURE</b>	<b>3,859,964</b>	<b>3,757,200</b>	<b>3,784,000</b>	<b>4,388,900</b>

**Variation Analysis**

Original Estimate 2006/07	3,757,200	3,757,200
Inflation	0	101,500
Service Plan	0	398,200
Budget Transfer	(137,300)	(4,400)
Capital Charges	0	0
Other Variations	164,100	136,400
Revised Budget 2006/07	<u>3,784,000</u>	
Original Budget 2007/08		<u>4,388,900</u>

**LOOKED AFTER CHILDREN E92**

**KEY ACTIVITY DATA**

	<b>Children Numbers LAC @ 31 March 2006</b>	<b>Placement weeks for placement types for whole year</b>
Residential Care - Independent	15	667
Residential Care - Disabled Children	8	515
Foster Care - Local Authority	54	3057
Foster Care - Independent	11	516

**BEST VALUE PERFORMANCE DATA**

<b>BV CODE INDICATOR</b>	<b><u>2005/06 Actuals</u></b>		<b><u>Targets</u></b>	
	<b><u>Richmond</u></b>	<b><u>Top 25% London</u></b>	<b><u>2006/07</u></b>	<b><u>2007/08</u></b>
BV 49 Stability of placements of Children Looked After (% of children with 3 or more placements during the year)	12.36%	N/A	10.5%	10.0%
BV 50 Educational Services for Children Looked After (%care leavers with 1 or more GCSE passes A*-G)	44.0%	56.0%	50.0%	55.0%

	<b><u>2006/07</u></b>	<b><u>2007/08</u></b>
Number of full time equivalent employees	8.6	18.0

**FAMILY SUPPORT E93**

**FUNCTION TRANSFERRED FROM SOCIAL SERVICES WITH EFFECT FROM MAY 2006**

This relates to two Consultation 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>2005/06</u> <u>Actual</u> £	<u>2006/07</u> <u>Original</u> £	<u>2006/07</u> <u>Revised</u> £	<u>2007/08</u> <u>Estimate</u> £
<u>Expenditure</u>				
Employees	572,865	717,900	702,900	710,900
Premises	44,505	39,500	39,500	43,800
Transport	1,592	2,600	2,600	3,100
Supplies and Services	176,936	180,200	200,100	185,800
Third Party Payments	170,772	259,800	343,900	375,700
Transfer Payments	106,171	110,700	270,600	257,800
Central Recharges	61,600	61,000	84,400	89,000
Departmental Recharges	252,550	187,000	223,900	182,700
Capital Charges	39,058	39,100	13,100	13,100
<b>TOTAL EXPENDITURE</b>	<b>1,426,049</b>	<b>1,597,800</b>	<b>1,881,000</b>	<b>1,861,900</b>
<u>Income</u>				
Government Grants	(143,550)	(154,800)	(176,100)	(176,400)
Fees & Charges	(37,952)	0	0	0
<b>TOTAL INCOME</b>	<b>(181,502)</b>	<b>(154,800)</b>	<b>(176,100)</b>	<b>(176,400)</b>
<b>NET EXPENDITURE</b>	<b>1,244,547</b>	<b>1,443,000</b>	<b>1,704,900</b>	<b>1,685,500</b>

**Variation Analysis**

Original Estimate 2006/07	1,443,000	1,443,000
Inflation	0	45,700
Service Plan	0	(3,200)
Budget Transfer	227,600	202,300
Capital Charges	(26,000)	(26,000)
Other Variations	60,300	23,700
Revised Budget 2006/07	<u>1,704,900</u>	
Original Budget 2007/08		<u>1,685,500</u>



**FAMILY SUPPORT E93**

**KEY ACTIVITY DATA**

Contact Sessions For Looked After Children	663
Parent Groups	160
Community Groups	107
Individual Family Work	507
Parent/Child Sessions	1
Children's Groups	29
<b>Short breaks &amp; Direct Payments for parents/carers of disabled children</b>	
Residential And Family Care (overnight)	418
Home Care (hours)	1,529
Befriender (hours)	5008
Direct Payment to Parents / Carers	43 @31/3/06
Residence Orders In Place	22

**BEST VALUE PERFORMANCE DATA**

BV CODE INDICATOR	<u>2005/06 Actuals</u>		<u>Targets</u>	
	<u>Richmond</u>	<u>Top 25% London</u>	<u>2006/07</u>	<u>2007/08</u>

None applicable

	<b>2006/07</b>	<b>2007/08</b>
Number of full time equivalent employees	19.7	18.0

**YOUTH JUSTICE E94**

**FUNCTION TRANSFERRED FROM SOCIAL SERVICES WITH EFFECT FROM MAY 2006**

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

	<u>2005/06</u> <u>Actual</u> £	<u>2006/07</u> <u>Original</u> £	<u>2006/07</u> <u>Revised</u> £	<u>2007/08</u> <u>Estimate</u> £
<u>Expenditure</u>				
Employees	363,856	341,200	341,200	424,500
Premises	5,980	7,000	7,000	7,200
Transport	9,347	8,100	8,100	8,300
Supplies and Services	29,712	24,800	24,800	24,800
Third Party Payments	6,671	3,200	3,200	3,300
Central Recharges	58,300	58,700	71,300	73,900
Departmental Recharges	64,915	80,800	66,300	56,800
<b>TOTAL EXPENDITURE</b>	<b>538,781</b>	<b>523,800</b>	<b>521,900</b>	<b>598,800</b>
<u>Income</u>				
Other Grants and Contributions	(152,448)	(225,300)	(225,300)	(241,100)
Fees & Charges	(62,369)	0	0	(50,000)
<b>TOTAL INCOME</b>	<b>(214,817)</b>	<b>(225,300)</b>	<b>(225,300)</b>	<b>(291,100)</b>
<b>NET EXPENDITURE</b>	<b>323,964</b>	<b>298,500</b>	<b>296,600</b>	<b>307,700</b>

**Variation Analysis**

Original Estimate 2006/07	298,500	298,500
Inflation	0	8,000
Service Plan	0	(400)
Budget Transfer	0	10,400
Capital Charges	0	0
Other Variations	(1,900)	(8,800)
Revised Budget 2006/07	<u>296,600</u>	
Original Budget 2007/08		<u>307,700</u>

**YOUTH JUSTICE E94**

**KEY ACTIVITY DATA**

The Youth Offending Team deals with an average of 17 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>2005/06 Actuals</u>		<u>Targets</u>	
	<u>Richmond</u>	<u>Top 25% London</u>	<u>2006/07</u>	<u>2007/08</u>
None applicable				

	<b>2006/07</b>	<b>2007/08</b>
Number of full time equivalent employees	9.0	10.5

**OTHER CHILDREN AND FAMILY SERVICES E95**

**FUNCTION TRANSFERRED FROM SOCIAL SERVICES WITH EFFECT FROM MAY 2006**

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>2005/06</u> <u>Actual</u> £	<u>2006/07</u> <u>Original</u> £	<u>2006/07</u> <u>Revised</u> £	<u>2007/08</u> <u>Estimate</u> £
<u>Expenditure</u>				
Employees	296,045	324,100	324,100	325,100
Premises	12,253	19,000	19,000	3,600
Transport	13,000	10,400	10,400	10,700
Supplies and Services	40,270	62,300	62,300	73,500
Third Party Payments	885,020	389,900	843,700	872,900
Transfer Payments	11,255	404,800	1,000	3,000
Central Recharges	67,934	61,800	80,800	88,800
Departmental Recharges	58,615	73,800	109,500	89,500
Capital Charges	37,820	114,000	16,700	16,700
<b>TOTAL EXPENDITURE</b>	<b>1,422,212</b>	<b>1,460,100</b>	<b>1,467,500</b>	<b>1,483,800</b>
<u>Income</u>				
Government Grants	(98,053)	(83,200)	(83,200)	(110,700)
Other Grants and Contributions	(7,585)	(41,000)	(41,000)	(42,000)
Fees & Charges	(155,302)	(140,500)	(140,500)	(144,100)
Rents	(38,750)	(46,700)	(46,700)	(47,800)
<b>TOTAL INCOME</b>	<b>(299,690)</b>	<b>(311,400)</b>	<b>(311,400)</b>	<b>(344,600)</b>
<b>NET EXPENDITURE</b>	<b>1,122,522</b>	<b>1,148,700</b>	<b>1,156,100</b>	<b>1,139,200</b>

**Variation Analysis**

Original Estimate 2006/07	1,148,700	1,148,700
Inflation	0	27,700
Service Plan	0	(1,700)
Budget Transfer	50,000	19,100
Capital Charges	(97,300)	(97,300)
Other Variations	54,700	42,700
Revised Budget 2006/07	<u>1,156,100</u>	
Original Budget 2007/08		<u>1,139,200</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>2005/06 Actuals</u>		<u>Targets</u>	
	<u>Richmond</u>	<u>Top 25% London</u>	<u>2006/07</u>	<u>2007/08</u>
BV 163 Adoption of Children Looked After	10.4%	9.4%	8.2%	9.3%

	<b>2006/07</b>	<b>2007/08</b>
Number of full time equivalent employees	7.2	7.7

## Section E

# ENVIRONMENT DIRECTORATE

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

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**REVENUE BUDGET - SUMMARY OF EXPENDITURE**

<b>PURPOSE</b>	<u>2005/06</u>	<u>2006/07</u>	<u>2006/07</u>	<u>2007/08</u>
	<u>Actual</u>	<u>Original</u>	<u>Revised</u>	<u>Estimate</u>
	<u>£</u>	<u>£</u>	<u>£</u>	<u>£</u>
CCTV/Careline	278,829	233,500	214,900	277,400
Customer Services	743,309	467,800	346,200	483,400
Depots	0	0	0	0
Emergency Planning	247,161	160,500	299,000	168,900
Facilities Management & Services	4,427	(41,700)	(24,300)	(12,500)
Highways Management	8,504,543	6,669,300	6,494,100	6,172,000
Management & Administration	0	0	0	0
Parking Services	(4,548,660)	(5,493,200)	(5,658,700)	(5,745,100)
Parks & Open Spaces	2,871,591	3,024,600	2,760,900	2,797,800
Property Services & Building Maintenance	136,314	997,700	1,007,400	1,031,700
Regulatory Services	4,892,439	4,939,600	5,196,300	5,313,500
Transport Planning	3,483,189	3,862,900	2,461,400	2,415,700
Transport Services	6,192,401	6,466,800	6,449,200	6,999,400
Waste Management & Enforcement	12,708,403	13,693,700	13,188,300	13,902,500
<b>Total for Environmental Services</b>	<b>35,513,946</b>	<b>34,981,500</b>	<b>32,734,700</b>	<b>33,804,700</b>
<b>Movement (to)/from Reserves</b>	<b>(1,641,972)</b>	<b>64,500</b>	<b>(687,000)</b>	<b>(951,100)</b>
<b>Total including Movement (to)/from Reserves</b>	<b>33,871,974</b>	<b>35,046,000</b>	<b>32,047,700</b>	<b>32,853,600</b>

**Variation Analysis**

Original Estimate 2006/07	34,981,500	34,981,500
Inflation	0	1,361,300
Service Plan	0	42,600
Budget Transfer	86,200	476,100
Capital Financing	(3,443,900)	(3,482,900)
Other Variations	359,400	(589,500)
Revised Budget 2006/07	<u>31,983,200</u>	
Original Budget 2007/08		<u>32,789,100</u>

**SUBJECTIVE ANALYSIS**

	<u>2005/06</u> <u>Actual</u> £	<u>2006/07</u> <u>Original</u> £	<u>2006/07</u> <u>Revised</u> £	<u>2007/08</u> <u>Estimate</u> £
<b><u>Expenditure</u></b>				
Employees	20,014,052	19,183,800	19,906,900	21,061,100
Premises	8,136,912	9,420,600	9,418,800	10,007,500
Transport	9,470,082	8,876,600	9,041,600	9,626,400
Supplies & Services	4,787,661	2,920,400	3,082,400	3,438,800
Third Party Payments	24,174,018	22,084,300	21,835,700	22,955,700
Central Recharges	6,080,194	6,354,800	6,213,400	6,345,200
Departmental Recharges	7,632,276	7,693,300	7,792,400	7,654,900
Capital Charges	5,303,918	5,076,800	1,632,900	1,593,900
<b>TOTAL EXPENDITURE</b>	<b>85,599,113</b>	<b>81,610,600</b>	<b>78,924,100</b>	<b>82,683,500</b>
<b><u>Income</u></b>				
Government Grants	(583,059)	(207,800)	(598,900)	(598,300)
Other Grants and Contributions	(2,317,930)	(1,924,700)	(2,050,700)	(1,996,500)
Sales	(1,210,725)	(974,100)	(1,144,400)	(1,182,700)
Fees & Charges	(29,427,587)	(27,558,100)	(26,797,900)	(28,413,800)
Rents	(1,182,096)	(1,182,500)	(1,279,800)	(1,347,500)
Other income	(58,623)	(80,800)	(83,800)	(82,600)
Central Recharges Income	(7,672,872)	(7,007,800)	(6,441,500)	(7,602,500)
Departmental Recharges Income	(7,632,276)	(7,693,300)	(7,792,400)	(7,654,900)
<b>TOTAL INCOME</b>	<b>(50,085,168)</b>	<b>(46,629,100)</b>	<b>(46,189,400)</b>	<b>(48,878,800)</b>
<b>NET EXPENDITURE</b>	<b>35,513,945</b>	<b>34,981,500</b>	<b>32,734,700</b>	<b>33,804,700</b>
Movement (to)/from Reserves	(1,641,972)	64,500	(687,000)	(951,100)
<b>NET EXPENDITURE (including Reserves)</b>	<b>33,871,974</b>	<b>35,046,000</b>	<b>32,047,700</b>	<b>32,853,600</b>

	<b>2006-07</b>	<b>2007-08</b>
Number of full time equivalent employees	539.0	549.8



**CCTV/CARELINE**

*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>2005/06</u> <u>Actual</u> £	<u>2006/07</u> <u>Original</u> £	<u>2006/07</u> <u>Revised</u> £	<u>2007/08</u> <u>Estimate</u> £
<b><u>Expenditure</u></b>				
Employees	569,740	582,400	582,400	597,900
Premises	28,207	26,600	26,600	27,300
Transport	12,805	11,600	11,600	11,900
Supplies & Services	158,800	200,100	200,100	249,100
Central Recharges	150,158	168,000	140,600	155,800
Departmental Recharges	21,755	20,600	29,400	30,600
<b>TOTAL EXPENDITURE</b>	<b>941,465</b>	<b>1,009,300</b>	<b>990,700</b>	<b>1,072,600</b>
<b><u>Income</u></b>				
Fees & Charges	(662,636)	(775,800)	(775,800)	(795,200)
<b>TOTAL INCOME</b>	<b>(662,636)</b>	<b>(775,800)</b>	<b>(775,800)</b>	<b>(795,200)</b>
<b>NET EXPENDITURE</b>	<b>278,829</b>	<b>233,500</b>	<b>214,900</b>	<b>277,400</b>

**Variation Analysis**

Original Estimate 2006/07	233,500	233,500
Inflation		4,100
Service Plan	0	44,100
Budget Transfer	0	(2,100)
Capital Financing	0	0
Other Variations	(18,600)	(2,200)
Revised Budget 2006/07	<u>214,900</u>	
Original Budget 2007/08		<u>277,400</u>

**CCTV/CARELINE**

**KEY ACTIVITY DATA**

Number of cameras	2005/06 Actual	2006/07 Projection	2007/08 Estimate
Barnes Station	5	5	5
Barnes	2	2	2
Ham	2	6	6
Hampton	3	3	3
Hampton Wick	0	0	0
Kew	2	2	2
St Margarets	1	1	1
Sheen	0	0	0
Teddington	2	2	2
Whitton	4	4	4
Kew Bus Lane	1	0	0
Richmond Town Centre	5	6	6
Richmond Car Parks	5	11	11
Richmond Bus Lanes	3	3	3
Twickenham Town Centre	3	7	7
Twickenham Bus Lanes	3	3	3
Twickenham Civic Centre	8	9	9
Car Parks	7	7	7
Others	2	8	8
	<u>58</u>	<u>79</u>	<u>79</u>

**BEST VALUE PERFORMANCE DATA**

BV CODE INDICATOR

2005/6 Actuals

Targets

Richmond Top 25%  
London

2006/07

2007/08

None applicable

	2006-07	2007-08
Number of full time equivalent employees	15.0	15.0

**CUSTOMER SERVICES**

*This Group covers the cost of:-*

*Customer Services, Postal and Courier Services, Cemeteries, Registration of Births, Deaths and Marriages and Land Charges*

Customer Services: Reception areas are located in the Civic Centre, York House, and Sheen Lane Centre. The Environment Contact Centre is located on the first floor in the Civic Centre, handling calls for Planning, Waste and Recycling, Street Scene and Parks and Trees. From November 2006 it will handle calls for Adult Social Services and is called Richmond Direct. Highways and Transport Planning are to be included early in 2007.

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.

The Land Charges team administers searches and enquiries concerning property in the Borough.

	<u>2005/06</u> <u>Actual</u> £	<u>2006/07</u> <u>Original</u> £	<u>2006/07</u> <u>Revised</u> £	<u>2007/08</u> <u>Estimate</u> £
<b><u>Expenditure</u></b>				
Employees	1,922,381	1,884,200	2,015,200	2,027,600
Premises	574,780	235,000	244,500	240,100
Transport	50,564	61,000	54,000	62,700
Supplies & Services	365,551	272,100	275,400	320,600
Third Party Payments	438	7,600	7,600	0
Central Recharges	1,077,006	1,286,200	1,367,900	1,089,000
Departmental Recharges	243,154	227,600	415,700	387,400
Capital Charges	297,007	273,500	89,000	89,000
<b>TOTAL EXPENDITURE</b>	<b>4,530,881</b>	<b>4,247,200</b>	<b>4,469,300</b>	<b>4,216,400</b>
<b><u>Income</u></b>				
Government Grants	(669)	(600)	(600)	(600)
Sales	(63,020)	(46,400)	(46,400)	(47,000)
Fees & Charges	(1,967,005)	(1,786,500)	(1,786,500)	(1,697,200)
Rents	(117,449)	(88,400)	(88,400)	(90,700)
Other income	(1,513)	(5,000)	(5,000)	(5,100)
Central Recharges	(905,086)	(908,300)	(953,700)	(943,600)
Departmental Recharges	(732,832)	(944,200)	(1,242,500)	(948,800)
<b>TOTAL INCOME</b>	<b>(3,787,572)</b>	<b>(3,779,400)</b>	<b>(4,123,100)</b>	<b>(3,733,000)</b>
<b>NET EXPENDITURE</b>	<b>743,309</b>	<b>467,800</b>	<b>346,200</b>	<b>483,400</b>

**Variation Analysis**

Original Estimate 2006/07	467,800	467,800
Inflation		41,700
Service Plan	0	132,400
Budget Transfer	136,800	102,700
Capital Financing	(184,500)	(184,500)
Other Variations	(73,900)	(76,700)
Revised Budget 2006/07	<u>346,200</u>	
Original Budget 2007/08		<u>483,400</u>

**CUSTOMER SERVICES**

**KEY ACTIVITY DATA**

	2005/06 Actual	2006/07 Projection	2007/08 Estimate
Items posted through franking machines	694,651	680,000	640,000
Items through STL Posting books	362,645	300,000	300,000
Items utilising Packet Post	n/a	20,000	60,000
Land searches - postal & personal	8,512	9,000	8,500
Marriages at Register Office	495	495	495
Marriages at Other Venues	441	441	441
Citizenship (Individuals)	1,090	1,090	1,090
Civil Partnerships (from 21/12/05 to 31/3/06)	100	100	100
Registered Deaths	402	402	402
Registered Births	70	70	70
Burials (n.b no cremations)	343	334	334
Visitors helped by customer service desks			
Civic Centre & York House	77,000	78,500	80,000
Sheen Lane Centre	6,400	6,300	6,200
Total	83,400	84,800	86,200
Telephone enquiries			
Switchboard	285,200	283,600	282,600
Contact Centre	95,923	167,400	185,000
	381,123	451,000	467,600

**BEST VALUE PERFORMANCE DATA**

BV CODE INDICATOR	<u>2005/06 Actuals</u>		<u>Targets</u>	
	<u>Richmond</u>	<u>Top 25% London</u>	<u>2006/07</u>	<u>2007/08</u>
BV 179 Percentage of standard searches carried out in 10 working days	100%	100%	100%	100%

**Local Performance Indicators**

All outgoing mail received into section by 5pm despatched the same day	100%	N/A	100%	100%
Percentage of telephone calls answered in 5 rings	63%	N/A	80%	80%

	2006-07	2007-08
Number of full time equivalent employees	67.0	68.4

**DEPOTS**

*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>2005/06</u> <u>Actual</u> £	<u>2006/07</u> <u>Original</u> £	<u>2006/07</u> <u>Revised</u> £	<u>2007/08</u> <u>Estimate</u> £
<b>Expenditure</b>				
Employees	86,113	76,600	76,600	65,500
Premises	340,409	317,200	317,200	344,800
Transport	28,385	26,900	26,900	27,600
Supplies & Services	49,760	18,100	18,100	15,300
Third Party Payments	58,764	35,400	35,400	37,100
Central Recharges	125,088	109,200	69,000	77,100
Departmental Recharges	85,508	78,200	38,500	39,600
Capital Charges	311,917	311,900	123,600	123,600
<b>TOTAL EXPENDITURE</b>	<b>1,085,944</b>	<b>973,500</b>	<b>705,300</b>	<b>730,600</b>
<b>Income</b>				
Fees & Charges	(597)	(800)	(800)	(800)
Rents	(98,481)	(97,500)	(97,500)	(99,900)
Central Recharges Income	(32,053)	(28,300)	(19,900)	(20,800)
Departmental Recharges Income	(954,813)	(846,900)	(587,100)	(609,100)
<b>TOTAL INCOME</b>	<b>(1,085,944)</b>	<b>(973,500)</b>	<b>(705,300)</b>	<b>(730,600)</b>
<b>NET EXPENDITURE</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

**Variation Analysis**

Original Estimate 2006/07	0	0
Inflation		27,900
Service Plan	0	(500)
Budget Transfer	0	(13,600)
Capital Financing	(188,300)	(188,300)
Other Variations	188,300	174,500
Revised Budget 2006/07	0	
Original Budget 2007/08		0

**DEPOTS**

**KEY ACTIVITY DATA**

	2005/06 Actual	2006/07 Projection	2007/08 Estimate
Users renting depot accommodation			
Internal users	16	16	16
External users	8	8	8
Total m <sup>2</sup> rented			
Internal users	14,068	14,068	14,068
External users	6,729	6,729	6,729
Total	20,797	20,797	20,797

**BEST VALUE PERFORMANCE DATA**

BV CODE INDICATOR	<u>2005/6 Actuals</u>		<u>Targets</u>	
	<u>Richmond</u>	<u>Top 25% London</u>	<u>2006/07</u>	<u>2007/08</u>
None applicable				

	2006-07	2007-08
Number of full time equivalent employees	3.0	3.0

**EMERGENCY PLANNING**

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

This section works towards ensuring 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 & Cooperation 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 cooperation with LFEPA 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>2005/06</u> <u>Actual</u> £	<u>2006/07</u> <u>Original</u> £	<u>2006/07</u> <u>Revised</u> £	<u>2007/08</u> <u>Estimate</u> £
<b><u>Expenditure</u></b>				
Employees	112,352	64,100	122,100	75,900
Premises	9,910	27,100	27,100	22,900
Transport	928	1,000	1,000	1,000
Supplies & Services	56,979	17,500	99,500	17,500
Central Recharges	9,658	9,900	15,000	16,800
Departmental Recharges	48,016	46,300	39,700	40,300
Capital Charges	2,426	0	0	0
<b>TOTAL EXPENDITURE</b>	<b>240,269</b>	<b>165,900</b>	<b>304,400</b>	<b>174,400</b>
<b><u>Income</u></b>				
Government Grants	6,942	0	0	0
Fees & Charges	(50)	(5,400)	(5,400)	(5,500)
<b>TOTAL INCOME</b>	<b>6,892</b>	<b>(5,400)</b>	<b>(5,400)</b>	<b>(5,500)</b>
<b>NET EXPENDITURE</b>	<b>247,161</b>	<b>160,500</b>	<b>299,000</b>	<b>168,900</b>

**Variation Analysis**

Original Estimate 2006/07	160,500	160,500
Inflation		5,800
Service Plan	0	(400)
Budget Transfer	140,000	2,100
Capital Financing	0	0
Other Variations	(1,500)	900
Revised Budget 2006/07	<u>299,000</u>	
Original Budget 2007/08		<u>168,900</u>

**EMERGENCY PLANNING**

**KEY ACTIVITY DATA**

	2005/06 Actual	2006/07 Projection	2007/08 Estimate
No. emergency planning exercises & in-house training events	20	30	30
No. Business Continuity Training Events	60	60	60
No. of staff & members attending external providers	40	50	50
No. multi-agency & external exercises	20	25	25

**BEST VALUE PERFORMANCE DATA**

**BV CODE INDICATOR**

	<u>2005/6 Actuals</u>		<u>Targets</u>	
	<u>Richmond</u>	<u>Top 25% London</u>	<u>2006/07</u>	<u>2007/08</u>
None applicable				

	2006-07	2007-08
Number of full time equivalent employees	1.0	2.0



**FACILITIES MANAGEMENT & SERVICES**

*This Group covers the cost of:-*

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

Facilities Management - the Premises Team provide support at York House, Civic Centre and Sheen Lane Centre during normal office hours. Support is also provided for Council and social functions during the evenings and weekends. Building Cleaning Team monitors building cleaning contracts across the Council. Civic Catering manages the provision of staff and civic catering including the Staff Social Club which is used for both Council and private social functions.

Corporate Contracts takes a lead on developing the Council's procurement strategy, provides advice on procurement issues and manages the Council's corporate contracts.

The Health & Safety Unit provides a monitoring, workplace inspection and accident investigation service to measure the health and safety performance.

The Print Unit is responsible for the provision of printing services for all Council Departments.

Community Centres: 3 premises are leased to grant aided community organisations.

There are 4 public halls available for hire in the borough and 24 allotment sites available for rent.

	<u>2005/06</u> <u>Actual</u> £	<u>2006/07</u> <u>Original</u> £	<u>2006/07</u> <u>Revised</u> £	<u>2007/08</u> <u>Estimate</u> £
<u>Expenditure</u>				
Employees	1,185,780	1,055,900	1,035,500	1,201,200
Premises	2,760,422	2,895,400	3,119,300	3,638,900
Transport	378,853	324,900	324,900	333,000
Supplies & Services	738,560	372,500	372,500	809,700
Third Party Payments	0	0	30,000	0
Central Recharges	508,721	429,000	477,800	529,700
Departmental Recharges	32,708	31,600	18,900	17,600
Capital Charges	794,978	792,700	287,600	287,600
<b>TOTAL EXPENDITURE</b>	<b>6,400,022</b>	<b>5,902,000</b>	<b>5,666,500</b>	<b>6,817,700</b>
<u>Income</u>				
Other Grants and Contributions	(45,475)	(47,300)	(47,300)	(47,300)
Sales	(289,222)	(277,700)	(277,700)	(284,600)
Fees & Charges	(1,144,152)	(997,100)	(1,153,100)	(1,250,800)
Rents	(22,495)	(28,400)	(125,700)	(164,600)
Other income	(53,847)	(58,000)	(58,000)	(59,500)
Central Recharges Income	(4,840,404)	(4,535,200)	(4,029,000)	(5,023,400)
<b>TOTAL INCOME</b>	<b>(6,395,595)</b>	<b>(5,943,700)</b>	<b>(5,690,800)</b>	<b>(6,830,200)</b>
<b>NET EXPENDITURE</b>	<b>4,427</b>	<b>(41,700)</b>	<b>(24,300)</b>	<b>(12,500)</b>

**Variation Analysis**

Original Estimate 2006/07	(41,700)	(41,700)
Inflation		155,000
Service Plan	0	30,300
Budget Transfer	45,700	745,200
Capital Financing	(505,100)	(505,100)
Other Variations	476,800	(396,200)
Revised Budget 2006/07	(24,300)	
Original Budget 2007/08		(12,500)

**FACILITIES MANAGEMENT & SERVICES**

**KEY ACTIVITY DATA**

Building	Floor Area (m <sup>2</sup> )	Cost per year (£000)		
Civic Centre	5,900			197
Elmfield House	540			105
Regal House	2,600			294
1-3 Richmond Road	420			165
68 Sheen Lane	260			748
Sheen Lane Centre	1,780			102
York House	3,870			158
42 York Street	1,120			142
Ilex House	200			326
		2005/06 Actual	2006/07 Projection	2007/08 Estimate
Number of corporate contracts managed		16	16	15
Number of schools under SLA agreement		38	38	36
Number of print impressions		7.2 million	5.6 million	5.7 million
There are 24 allotment sites in the Borough (9 of which are statutory) divided into 1,877 individual plots				

**BEST VALUE PERFORMANCE DATA**

BV CODE INDICATOR	<u>2005/06 Actuals</u>		<u>Targets</u>	
	<u>Richmond</u>	<u>Top 25% London</u>	<u>2006/07</u>	<u>2007/08</u>
BV 156 Percentage of local authority buildings suitable for and accessible by disabled people	39.0%	64.5%	75.0%	90.0%

	2006-07	2007-08
Number of full time equivalent employees	28.1	30.9

**HIGHWAYS MANAGEMENT**

*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>2005/06</u> <u>Actual</u> £	<u>2006/07</u> <u>Original</u> £	<u>2006/07</u> <u>Revised</u> £	<u>2007/08</u> <u>Estimate</u> £
<b><u>Expenditure</u></b>				
Employees	1,076,855	602,400	622,700	642,500
Premises	748,313	1,194,900	1,194,900	1,116,700
Transport	212,817	221,900	221,900	227,900
Supplies & Services	880,624	177,700	177,700	177,700
Third Party Payments	4,284,073	2,552,600	2,965,100	2,727,500
Central Recharges	68,462	74,500	69,300	73,500
Departmental Recharges	2,235,732	2,556,300	2,483,500	2,509,000
Capital Charges	788,524	756,200	226,200	226,200
<b>TOTAL EXPENDITURE</b>	<b>10,295,400</b>	<b>8,136,500</b>	<b>7,961,300</b>	<b>7,701,000</b>
<b><u>Income</u></b>				
Fees & Charges	(1,790,857)	(1,467,200)	(1,467,200)	(1,529,000)
<b>TOTAL INCOME</b>	<b>(1,790,857)</b>	<b>(1,467,200)</b>	<b>(1,467,200)</b>	<b>(1,529,000)</b>
<b>NET EXPENDITURE</b>	<b>8,504,543</b>	<b>6,669,300</b>	<b>6,494,100</b>	<b>6,172,000</b>

**Variation Analysis**

Original Estimate 2006/07	6,669,300	6,669,300
Inflation		200,600
Service Plan	0	(238,300)
Budget Transfer	432,800	118,700
Capital Financing	(530,000)	(530,000)
Other Variations	(78,000)	(48,300)
Revised Budget 2006/07	<u>6,494,100</u>	
Original Budget 2007/08		<u>6,172,000</u>

**HIGHWAYS MANAGEMENT**

**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
	2005/06 Actual	2006/07 Projection	2007/08 Estimate
Reactive maintenance jobs undertaken	11,083	8,600	9,000
Sign shop orders completed	777	772	800

**BEST VALUE PERFORMANCE DATA**

BV CODE INDICATOR	<u>2005/06 Actuals</u>		<u>Targets</u>		
	<u>Richmond</u>	<u>Top 25% London</u>	<u>2006/07</u>	<u>2007/08</u>	
BV 223	Condition of principal roads (% in need of repair)	13.0%	N/A	12.0%	11.0%
BV 224a	Condition of classified non-principal roads (% in need of repair)	20.0%	N/A	19.0%	18.0%
BV 224b	Condition of unclassified non-principal roads (% in need of repair)	21.96%	N/A	20.0%	19.0%
BV 100	Number of days of temporary traffic controls or road closure on traffic sensitive roads caused by local authority roadwork's per km of traffic sensitive roads	0.17	0.02	0.20	0.20
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	48.0%	11.0%	46.0%	44.0%
BV 199a	Local Street and Environmental Cleanliness: Litter	31.0%	17.0%	22.0%	17.0%
BV 199b	Local Street and Environmental Cleanliness: Graffiti	10.0%	7.0%	9.0%	8.5%
BV 199c	Local Street and Environmental Cleanliness: Fly-Post	1.0%	1.0%	1.0%	1.0%
BV215a	Rectification of Street Lighting Faults (Non-Distribution Network Operator)	23.57	1.99	7.00	7.00
BV215b	Rectification of Street Lighting Faults (DNO)	21.09	19.30	19.00	18.00

	<b>2006-07</b>	<b>2007-08</b>
Number of full time equivalent employees	22.0	22.0

**MANAGEMENT & ADMINISTRATION**

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

This account incorporates management, finance, information technology and general administrative support for the Environment Directorate where they are unable to be directly allocated. All costs are recharged to users of the service.

	<u>2005/06</u> <u>Actual</u> £	<u>2006/07</u> <u>Original</u> £	<u>2006/07</u> <u>Revised</u> £	<u>2007/08</u> <u>Estimate</u> £
<u>Expenditure</u>				
Employees	3,662,055	3,616,300	3,503,600	3,555,400
Transport	46,016	48,200	48,200	49,300
Supplies & Services	283,969	211,900	211,900	211,900
Third Party Payments	162,270	41,000	41,000	26,700
Central Recharges	1,145,517	1,114,200	1,131,300	1,213,800
Departmental Recharges	54,600	55,200	40,600	40,600
<b>TOTAL EXPENDITURE</b>	<b>5,354,427</b>	<b>5,086,800</b>	<b>4,976,600</b>	<b>5,097,700</b>
<u>Income</u>				
Other Grants and Contributions	(468,904)	(218,600)	(218,600)	(290,400)
Sales	(987)	(3,100)	(3,100)	(3,200)
Fees & Charges	(13,219)	(19,600)	(19,600)	(20,100)
Departmental Recharges Income	(4,871,317)	(4,845,500)	(4,735,300)	(4,784,000)
<b>TOTAL INCOME</b>	<b>(5,354,427)</b>	<b>(5,086,800)</b>	<b>(4,976,600)</b>	<b>(5,097,700)</b>
<b>NET EXPENDITURE</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

**Variation Analysis**

Original Estimate 2006/07	0	0
Inflation		118,300
Service Plan	0	(33,200)
Budget Transfer	(112,700)	(231,600)
Capital Financing	0	0
Other Variations	112,700	146,500
Revised Budget 2006/07	0	
Original Budget 2007/08		0

**MANAGEMENT & ADMINISTRATION**

**KEY ACTIVITY DATA**

Information Management (IT) activities include the establishment of a corporate property database and the implementation of an upgraded planning, building control and land charges system; the development of Geographic Information Systems, South West London extranet, access channels for information and public consultation, and Environment Directorate intranet and internet web pages; development, maintenance and support of parking systems, planning & building control systems, and highways management & contract management systems.

	Actual 2005/06	Estimate 2006/07	Projected 2007/08
Number of creditor invoices processed	30,493 pa	28,461 pa	27,445 p.a
Number of debtor invoices raised	29,463	30,000	30,000
	Actual 2005/06	Estimate 2006/07	Estimate 2007/08
Budgets monitored:-			
Revenue Expenditure	£65m	£63m	£64m
Revenue Income	£35m	£30m	£30m
Capital Expenditure	£9m	£12m	£10m

**BEST VALUE PERFORMANCE DATA**

BV CODE INDICATOR	<u>2005/6 Actuals</u>		<u>Targets</u>	
	<u>Richmond</u>	<u>Top 25% London</u>	<u>2006/07</u>	<u>2007/08</u>
None applicable				

	2006-07	2007-08
Number of full time equivalent employees	80.1	71.7

**PARKING SERVICES**

*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 2,681 spaces in 27 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 spaces for visitors. Approximately 30% of the borough (excluding metropolitan open land and green belt) is now under CPZ control. 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 notices issued under the Road Traffic Act and manages the enforcement contractor who also administers and issues parking permits.

	<u>2005/06</u> <u>Actual</u> £	<u>2006/07</u> <u>Original</u> £	<u>2006/07</u> <u>Revised</u> £	<u>2007/08</u> <u>Estimate</u> £
<b><u>Expenditure</u></b>				
Employees	789,740	731,400	731,400	820,000
Premises	822,056	938,900	862,700	898,200
Supplies & Services	267,620	211,400	161,400	196,200
Third Party Payments	2,527,837	2,338,100	2,368,100	2,771,300
Central Recharges	401,294	433,600	428,100	470,100
Departmental Recharges	485,442	404,500	608,600	590,500
Capital Charges	309,852	329,800	61,900	61,900
<b>TOTAL EXPENDITURE</b>	<b>5,603,841</b>	<b>5,387,700</b>	<b>5,222,200</b>	<b>5,808,200</b>
<b><u>Income</u></b>				
Fees & Charges	(9,948,568)	(10,665,300)	(10,665,300)	(11,332,300)
Rents	(203,933)	(215,600)	(215,600)	(221,000)
<b>TOTAL INCOME</b>	<b>(10,152,501)</b>	<b>(10,880,900)</b>	<b>(10,880,900)</b>	<b>(11,553,300)</b>
<b>NET EXPENDITURE</b>	<b>(4,548,660)</b>	<b>(5,493,200)</b>	<b>(5,658,700)</b>	<b>(5,745,100)</b>

**Variation Analysis**

Original Estimate 2006/07	(5,493,200)	(5,493,200)
Inflation		(33,500)
Service Plan	0	(529,700)
Budget Transfer	(96,200)	347,100
Capital Financing	(267,900)	(267,900)
Other Variations	198,600	232,100
Revised Budget 2006/07	<u>(5,658,700)</u>	
Original Budget 2007/08		<u>(5,745,100)</u>

**PARKING SERVICES**

**KEY ACTIVITY DATA**

	2005/06 Actual	2006/07 Projection	2007/08 Estimate
Resident permits issued	22,685	23,157	23,000
Business permits issued	974	930	900
Other operational	2,540	2,640	2,600
Penalty charge notices collectable (Inc CCTV)	88,826	90,000	90,000
Number of car parks	26	26	25
Number of car park spaces	2,681	2,681	2,618

**BEST VALUE PERFORMANCE DATA**

BV CODE INDICATOR	<u>2005/6 Actuals</u>		<u>Targets</u>	
	<u>Richmond</u>	<u>Top 25% London</u>	<u>2006/07</u>	<u>2007/08</u>

None applicable

**Local Performance Indicators**

Number of major town centres (5) in a controlled parking zone	4	N/A	4	5
Number and percentage of stations within a controlled parking zone	7 60%	N/A N/A	7 60%	9 80%
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

	2006-07	2007-08
Number of full time equivalent employees	25.0	25.0



**PARKS AND OPEN SPACES**

*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 38 children's playgrounds.

The Arboriculture Section is responsible for the management of over 17,000 street trees and the administration of Tree Preservation Orders.

	<u>2005/06</u> <u>Actual</u> £	<u>2006/07</u> <u>Original</u> £	<u>2006/07</u> <u>Revised</u> £	<u>2007/08</u> <u>Estimate</u> £
<u>Expenditure</u>				
Employees	590,204	597,900	686,700	718,200
Premises	2,271,911	2,266,100	2,261,600	2,322,800
Transport	14,018	13,200	14,700	15,000
Supplies & Services	135,003	103,500	117,100	117,100
Third Party Payments	316,315	317,500	357,500	333,200
Central Recharges	197,512	168,600	214,600	234,100
Departmental Recharges	104,169	87,900	135,600	126,700
Capital Charges	271,632	353,200	5,100	5,100
<b>TOTAL EXPENDITURE</b>	<b>3,900,764</b>	<b>3,907,900</b>	<b>3,792,900</b>	<b>3,872,200</b>
<u>Income</u>				
Fees & Charges	(336,436)	(277,800)	(362,800)	(387,600)
Rents	(320,772)	(243,900)	(243,900)	(250,000)
Other income	(3,263)	(11,600)	(14,600)	(15,000)
Central Recharges Income	(43,479)	(41,400)	(54,200)	(55,700)
Departmental Recharges Income	(325,223)	(308,600)	(356,500)	(366,100)
<b>TOTAL INCOME</b>	<b>(1,029,173)</b>	<b>(883,300)</b>	<b>(1,032,000)</b>	<b>(1,074,400)</b>
<b>NET EXPENDITURE</b>	<b>2,871,591</b>	<b>3,024,600</b>	<b>2,760,900</b>	<b>2,797,800</b>

**Variation Analysis**

Original Estimate 2006/07	3,024,600	3,024,600
Inflation		79,800
Service Plan	0	(2,800)
Budget Transfer	88,000	15,900
Capital Financing	(348,100)	(348,100)
Other Variations	(3,600)	28,400
Revised Budget 2006/07	<u>2,760,900</u>	
Original Budget 2007/08		<u>2,797,800</u>

**PARKS, OPEN SPACES**

**KEY ACTIVITY DATA**

	2005/6 Actual	2006/7 Projection	2007/8 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>2005/06 Actuals</u>		<u>Targets</u>	
	<u>Richmond</u>	<u>Top 25% London</u>	<u>2006/07</u>	<u>2007/08</u>
None applicable				
<b><u>Local Performance Indicators</u></b>				
% correspondence answered in 7 days	85%	N/A	90%	80%
Average parks' maintenance contract performance (% of target)	70%	N/A	75%	75%
Pitch occupancy	70%	N/A	70%	70%
TCA % dealt with within 6 weeks	75%	N/A	95%	95%
TPO's dealt with within 8 weeks	75%	N/A	95%	95%
Total spend on parks/head of population	£15.88	N/A	£16.30	£16.30
Area of parks/head of population	0.003h	N/A	0.003h	0.003h
% Playgrounds @ LEAP standard	77%	N/A	78%	78%
Number of play areas per 1,000 under 12'	1.51	N/A	1.51	1.51
Number of equipped playgrounds	39	N/A	39	40

	<b>2006-07</b>	<b>2007-08</b>
Number of full time equivalent employees	14.5	16.5

**PROPERTY SERVICES & BUILDING MAINTENANCE**

*This Group covers the cost of:-*

*Property Services, Building Maintenance & Service and Sundry Properties*

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

Building Maintenance:- the budget provides funding for the annual maintenance contracts for installations such as boiler controls and lifts in non-school buildings and a fund for minor maintenance works to be undertaken each year such as cyclical maintenance.

Building Services undertake reactive maintenance and repairs to all Council premises.

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>2005/06</u> <u>Actual</u> <u>£</u>	<u>2006/07</u> <u>Original</u> <u>£</u>	<u>2006/07</u> <u>Revised</u> <u>£</u>	<u>2007/08</u> <u>Estimate</u> <u>£</u>
<b><u>Expenditure</u></b>				
Employees	1,659,587	2,071,500	2,092,800	2,232,100
Premises	315,841	1,150,900	1,131,900	1,154,600
Transport	66,731	95,500	95,500	98,000
Supplies & Services	392,137	290,700	294,400	305,700
Third Party Payments	581,622	320,400	320,400	328,400
Central Recharges	718,364	727,300	641,500	703,000
Departmental Recharges	247,871	237,000	201,500	201,400
Capital Charges	59,422	4,700	19,800	19,800
<b>TOTAL EXPENDITURE</b>	<b>4,041,575</b>	<b>4,898,000</b>	<b>4,797,800</b>	<b>5,043,000</b>
<b><u>Income</u></b>				
Other Grants and Contributions	(230,410)	(536,600)	(536,600)	(536,600)
Fees & Charges	(1,408,634)	(1,364,900)	(1,364,900)	(1,399,000)
Rents	(414,367)	(504,200)	(504,200)	(516,700)
Central Recharges Income	(1,851,850)	(1,494,600)	(1,384,700)	(1,559,000)
<b>TOTAL INCOME</b>	<b>(3,905,261)</b>	<b>(3,900,300)</b>	<b>(3,790,400)</b>	<b>(4,011,300)</b>
<b>NET EXPENDITURE</b>	<b>136,314</b>	<b>997,700</b>	<b>1,007,400</b>	<b>1,031,700</b>

**Variation Analysis**

Original Estimate 2006/07	997,700	997,700
Inflation		64,300
Service Plan	0	92,800
Budget Transfer	6,000	(18,400)
Capital Financing	15,100	15,100
Other Variations	(11,400)	(119,800)
Revised Budget 2006/07	<u>1,007,400</u>	
Original Budget 2007/08		<u>1,031,700</u>

**PROPERTY SERVICES & BUILDING MAINTENANCE****KEY ACTIVITY DATA**

No of properties managed by Property Services	c 400
Value of Properties (at 31/3/06)	c. £520m
Annual Schools Maintenance Programmes	£1.1m
Annual Corporate Maintenance Programmes	£2.0m
Annual Parks Investment Programme	£1.5m
Annual Secondary School Investment Programme	£2.7m
Examples of Major Investment Projects On-site:-	
Shene School Maths Block	£2.0m
Hampton Community College ICT, Library & Nursery	£2.2m
Whitton School ASD Unit	£1.0m
40 Cambridge Park Care Home	£1.0m

**BEST VALUE PERFORMANCE DATA**

BV CODE INDICATOR	<u>2005/6 Actuals</u>		<u>Targets</u>	
	<u>Richmond</u>	<u>Top 25% London</u>	<u>2006/07</u>	<u>2007/08</u>
None applicable				

**Local Performance Indicators**

Capital Project completed on time	est 68%	N/A	80%	80%
Capital projects completed within budget	est 66%	N/A	80%	80%
Capital receipts from (non Right to Buy) disposals	£3.8m	N/A	£7.9m	£9.4m

	<b>2006-07</b>	<b>2007-08</b>
Number of full time equivalent employees	52.1	55.8

**REGULATORY SERVICES**

*This Group covers the cost of:-  
Building Control, Development Control, Land Use Policy & Design, Consumer Protection,  
Health Promotion and Special Projects*

Building Control is responsible for ensuring building work is carried out in compliance with building regulations securing safety associated with dangerous structures, safety of spectators at sports grounds and street naming and numbering.

Development Control processes planning applications and planning appeals and undertakes 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 (food safety, health and safety, noise and nuisance, infectious disease investigation) Trading Standards (weights and measures, fair trading, consumer advice) and Licensing (premises licensing for alcohol, entertainment and late night refreshments, special treatments, street trading and animal 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>2005/06</u>	<u>2006/07</u>	<u>2006/07</u>	<u>2007/08</u>
	<u>Actual</u>	<u>Original</u>	<u>Revised</u>	<u>Estimate</u>
	<u>£</u>	<u>£</u>	<u>£</u>	<u>£</u>
Employees	4,607,869	4,231,200	4,521,600	4,850,800
Premises	77,482	63,500	63,400	66,600
Transport	59,030	62,300	62,300	67,800
Supplies & Services	779,546	549,400	649,400	473,700
Third Party Payments	220,721	186,900	231,500	280,500
Central Recharges	1,052,957	1,139,500	1,007,700	1,079,800
Departmental Recharges	1,072,145	1,182,000	1,479,900	1,410,800
Capital Charges	122,014	28,000	54,100	15,100
<b>TOTAL EXPENDITURE</b>	<b>7,991,764</b>	<b>7,442,800</b>	<b>8,069,900</b>	<b>8,245,100</b>
<u>Income</u>				
Government Grants	(589,332)	(207,200)	(598,300)	(597,700)
Other Grants and Contribution	(56,378)	0	0	0
Sales	(30,431)	(13,200)	(13,200)	(13,500)
Departmental Recharges Income	(2,157,984)	(1,961,400)	(1,961,400)	(1,990,100)
Fees & Charges	(265,200)	(321,400)	(300,700)	(330,300)
<b>TOTAL INCOME</b>	<b>(3,099,325)</b>	<b>(2,503,200)</b>	<b>(2,873,600)</b>	<b>(2,931,600)</b>
<b>NET EXPENDITURE</b>	<b>4,892,439</b>	<b>4,939,600</b>	<b>5,196,300</b>	<b>5,313,500</b>

**Variation Analysis**

Original Estimate 2006/07	4,939,600	4,939,600
Inflation		121,900
Service Plan	0	23,800
Budget Transfer	7,200	81,100
Capital Financing	26,100	(12,900)
Other Variations	223,400	160,000
Revised Budget 2006/07	5,196,300	
Original Budget 2007/08		5,313,500

**REGULATORY SERVICES****KEY ACTIVITY DATA**

	2005/06 Actual	2006/07 Projection	2007/08 Estimate
Number of Building Regulation Inspections (site visits)	12,589	12,000	12,589
Number of planning applications	4,296	4,200	4,200
Number of health & safety inspections	379	350	350
Premises/club premises licences, new and variation	745	120	120
Proportion of high risk premises inspected (Env Health)	91%	95%	95%
Proportion of high risk premises inspected (Trading Standards)	100%	100%	100%

**BEST VALUE PERFORMANCE DATA**

BV CODE INDICATOR	2005/06 Actuals		Targets	
	Richmond	Top 25% London	2006/07	2007/08
BV106 Percentage of new homes built on previously developed land.	100%	100%	95%	95%
BV109 Percentage of applications determined in line with the Government's new development control targets to determine:	a) Major 60% in 13 weeks b) Minor 60% in 8 weeks c) Other 80% in 8 weeks	77.33% 83.89% 91.79%	76.00% 76.00% 87.00%	77.00% 77.00% 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%
BV179 % of standard searches carried out in 10 working days	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	Yes	N/A	Yes	Yes
BV200c Plan Making: Monitoring Report replace/alter within 3 year time-table	Yes	N/A	Yes	Yes
BV204 % of appeals allowed against the authority's decision to refuse planning applications	35.8%	N/A	29.0%	28.0%
BV205 Quality of service checklist	100%	100%	100%	100%
BV216a Number of sites of potential concern - land contamination	1,510	N/A	1,496	1,488
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	72	72
BV219b Conservation Areas - Character Appraisals	100.0%	43.24%	100.0%	100.0%
BV219c Conservation Areas - Management Plans	30.56%	20.00%	40.00%	50.00%

	2006-07	2007-08
Number of full time equivalent employees	101.6	101.6

**TRANSPORT PLANNING**

*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 and quality of life for people in the borough.

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.

This group also encompasses Safety Education covering road, home and water safety education, training and publicity. The team is responsible for the School Crossing service and the development of Walking Buses.

	<u>2005/06</u> <u>Actual</u> £	<u>2006/07</u> <u>Original</u> £	<u>2006/07</u> <u>Revised</u> £	<u>2007/08</u> <u>Estimate</u> £
<b><u>Expenditure</u></b>				
Employees	913,571	931,100	917,100	971,600
Premises	4,000	4,100	4,100	4,200
Transport	9,317	10,800	10,800	10,900
Supplies & Services	88,211	52,900	52,900	49,300
Third Party Payments	1,612,685	1,616,900	1,616,900	1,670,600
Central Recharges	184,423	192,800	197,700	213,900
Departmental Recharges	113,847	325,700	434,300	330,600
Capital Charges	2,062,518	2,021,100	598,100	598,100
<b>TOTAL EXPENDITURE</b>	<b>4,988,572</b>	<b>5,155,400</b>	<b>3,831,900</b>	<b>3,849,200</b>
<b><u>Income</u></b>				
Other Grants and Contributions	(1,201,344)	(1,122,200)	(1,122,200)	(1,122,200)
Departmental Recharges Income	(186,920)	(111,000)	(189,000)	(189,000)
Fees & Charges	(117,119)	(59,300)	(59,300)	(122,300)
<b>TOTAL INCOME</b>	<b>(1,505,383)</b>	<b>(1,292,500)</b>	<b>(1,370,500)</b>	<b>(1,433,500)</b>
<b>NET EXPENDITURE</b>	<b>3,483,189</b>	<b>3,862,900</b>	<b>2,461,400</b>	<b>2,415,700</b>

**Variation Analysis**

Original Estimate 2006/07	3,862,900	3,862,900
Inflation		83,400
Service Plan	0	(16,600)
Budget Transfer	(14,000)	(39,000)
Capital Financing	(1,423,000)	(1,423,000)
Other Variations	35,500	(52,000)
Revised Budget 2006/07	<u>2,461,400</u>	
Original Budget 2007/08		<u>2,415,700</u>

**TRANSPORT PLANNING**

**KEY ACTIVITY DATA**

	2005/06 Actual	2006/07 Projection	2007/08 Estimate
Number of adults receiving cycle training	62	60	60
Number of ante and post natal group talks on car safety	27	52	52
Number of traffic management orders	76	80	80
Provision of disabled bays	71	70	60
Percentage of London Cycle Networks completed	37.0%	45.0%	60.0%
Length of Cycle Route Improvements	39kms	48kms	64kms

**BEST VALUE PERFORMANCE DATA**

BV CODE INDICATOR	<u>2005/06 Actuals</u>		<u>Targets</u>		
	<u>Richmond</u>	<u>Top 25% London</u>	<u>2006/07</u>	<u>2007/08</u>	
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	80	101	72	64
BV99a(ii)	% change from previous year - all	-35%	-25.8%	-10%	-11%
BV99a(iii)	% change from previous year - children	-41%	-44.0%	-45%	-50%
BV99b(i)	Child - killed/seriously injured	5	11	4	3
BV99b(ii)	% change from previous year - children	-55%	-31.0%	-20%	-25%
BV99b(iii)	Average % change in the no. of casualties between 1994 & 1998 - children	-64%	-57.8%	-71%	-79%
BV99c(i)	All - slightly injured	544	665	524	504
BV99c(ii)	% change from previous year - all	-10%	-12.0%	-4%	-4%
BV99c(iii)	Average % change in the no. of casualties between 1994 & 1998 - All	-24%	-25.1%	-27%	-30%
BV100	Temporary Road Closure - Days/km traffic controls in place	0.1	0.0%	0.2	0.2
BV165	Pedestrian crossings with disabled facilities	97%	99.7%	98%	99%

	2006-07	2007-08
Number of full time equivalent employees	24.0	24.0



**TRANSPORT SERVICES**

*This Group covers the cost of:-*

*The Accessible Transport Unit, Transport Workshops and Vehicle Maintenance Workshops*

The Accessible Transport Unit manages the Concessionary Fares, the Disabled Persons Parking Scheme, the Taxicard scheme and co-ordinates the provision of transport for Social Services clients.

The Transport Workshop carries out maintenance and repairs to the Council's fleet consisting of 155 and currently provides maintenance and servicing of vehicles under contract with Ealing Council.

The Transport Services Section provides a complete range of transport services to all departments within the Council and provides passenger services for Social Services contractors and Special Education Needs.

	<u>2005/06</u> <u>Actual</u> <u>£</u>	<u>2006/07</u> <u>Original</u> <u>£</u>	<u>2006/07</u> <u>Revised</u> <u>£</u>	<u>2007/08</u> <u>Estimate</u> <u>£</u>
<b><u>Expenditure</u></b>				
Employees	2,184,454	2,178,900	2,348,200	2,342,000
Premises	29,751	149,900	20,200	16,800
Transport	7,510,994	6,923,100	6,990,200	7,578,100
Supplies & Services	143,389	74,900	74,900	130,400
Third Party Payments	1,254,540	899,900	899,900	1,434,900
Central Recharges	246,425	257,200	223,100	241,400
Departmental Recharges	384,796	344,200	297,400	313,800
Capital Charges	275,291	205,700	162,300	162,300
<b>TOTAL EXPENDITURE</b>	<b>12,029,640</b>	<b>11,033,800</b>	<b>11,016,200</b>	<b>12,219,700</b>
<b>Income</b>				
Sales	(3,712)	(3,100)	(3,100)	(13,500)
Fees & Charges	(5,833,527)	(4,563,900)	(4,563,900)	(5,206,800)
<b>TOTAL INCOME</b>	<b>(5,837,239)</b>	<b>(4,567,000)</b>	<b>(4,567,000)</b>	<b>(5,220,300)</b>
<b>NET EXPENDITURE</b>	<b>6,192,401</b>	<b>6,466,800</b>	<b>6,449,200</b>	<b>6,999,400</b>

Note: Transport payments includes concessionary fares

**Variation Analysis**

Original Estimate 2006/07	6,466,800	6,466,800
Inflation		171,500
Service Plan	0	530,000
Budget Transfer	106,700	(79,400)
Capital Financing	(43,400)	(43,400)
Other Variations	(80,900)	(46,100)
Revised Budget 2006/07	<u>6,449,200</u>	
Original Budget 2007/08		<u>6,999,400</u>

**TRANSPORT SERVICES**

**KEY ACTIVITY DATA**

	2005/06 Actual	2006/07 Projection	2007/08 Estimate
No. of Council vehicles maintained	155	155	155
No. of Non Council vehicles maintained	97	125	135
Freedom passes (men >60; women >60)	26,300	30,000	27,000
Taxi card scheme members	1,232	1,000	1,200
Blue badges on issue	4,450	4,500	4,500

\*Freedom Passes are issued biennially during March & April. Therefore figures during the issuing period will be lower

**BEST VALUE PERFORMANCE DATA**

<b>BV CODE INDICATOR</b>	<b><u>2005/6 Actuals</u></b>		<b><u>Targets</u></b>	
	<b><u>Richmond</u></b>	<b><u>Top 25% London</u></b>	<b><u>2006/07</u></b>	<b><u>2007/08</u></b>
None applicable				

	<b>2006-07</b>	<b>2007-08</b>
Number of full time equivalent employees	85.7	84.0

**WASTE MANAGEMENT & ENFORCEMENT**

*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. The service is currently being reviewed to add plastics and card to the recycling collection and considering collection frequencies to reduce landfill costs and LATS penalties. 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 approximately 400 km of roads and footways) and graffiti removal. The Skip Service is also being reviewed because of dwindling income. These budgets also include the provision for public conveniences which are now predominantly provided via the Community Toilet Scheme.

	<u>2005/06</u> <u>Actual</u> £	<u>2006/07</u> <u>Original</u> £	<u>2006/07</u> <u>Revised</u> £	<u>2007/08</u> <u>Estimate</u> £
<b>Expenditure</b>				
Employees	653,352	559,900	651,000	960,400
Premises	153,829	151,000	145,300	153,600
Transport	1,079,623	1,076,200	1,179,600	1,143,200
Supplies & Services	447,513	367,700	377,100	364,600
Third Party Payments	13,154,753	13,768,000	12,962,300	13,345,500
Central Recharges	194,608	244,800	229,800	247,200
Departmental Recharges	2,502,532	2,096,200	1,568,800	1,616,000
Capital Charges	8,336	0	5,200	5,200
<b>TOTAL EXPENDITURE</b>	<b>18,194,546</b>	<b>18,263,800</b>	<b>17,119,100</b>	<b>17,835,700</b>
<b>Income</b>				
Other Grants and Contributions	(315,419)	0	(126,000)	0
Sales	(823,355)	(630,600)	(800,900)	(820,900)
Fees & Charges	(4,046,799)	(3,613,100)	(2,611,900)	(2,677,100)
Rents	(4,599)	(4,500)	(4,500)	(4,600)
Other income	0	(6,200)	(6,200)	(3,000)
Departmental Recharges Income	(295,971)	(315,700)	(381,300)	(427,600)
<b>TOTAL INCOME</b>	<b>(5,486,143)</b>	<b>(4,570,100)</b>	<b>(3,930,800)</b>	<b>(3,933,200)</b>
<b>NET EXPENDITURE</b>	<b>12,708,403</b>	<b>13,693,700</b>	<b>13,188,300</b>	<b>13,902,500</b>

**Variation Analysis**

Original Estimate 2006/07	13,693,700	13,693,700
Inflation		320,500
Service Plan	0	10,700
Budget Transfer	97,400	463,000
Capital Financing	5,200	5,200
Other Variations	(608,000)	(590,600)
Revised Budget 2006/07	<u>13,188,300</u>	
Original Budget 2007/08		<u>13,902,500</u>

**WASTE MANAGEMENT & ENFORCEMENT**

**KEY ACTIVITY DATA**

	2005/06 Actual	2006/07 Projection	2007/08 Estimate
Waste disposed (tonnes)	<b>108,938</b>	<b>102,042</b>	<b>101,900</b>
Waste collected (tonnes)			
Street Cleansing:-			
Transport Avenue:	1,359	1,334	1,400
CA Site:	2,624	2,310	2,500
<b>Total:</b>	<b>3,983</b>	<b>3,644</b>	<b>3,900</b>
Refuse:-			
Collected Domestic:	51,920	44,270	43,000
Collected Commercial	12,349	9,142	8,000
CA Site Domestic:	5,530	6,214	7,000
CA Site Commercial:	10,694	10,162	10,000
<b>Total:</b>	<b>80,493</b>	<b>69,788</b>	<b>68,000</b>
Materials Recycled (tonnes)	<b>24,462</b>	<b>28,610</b>	<b>30,000</b>
Recycling Rate	28.48%	35%	36%
Number of recycling banks	123	123	130
Number of conventional public conveniences	8		
Number of automatic public conveniences	5		

**BEST VALUE PERFORMANCE DATA**

BV CODE INDICATOR	<u>2005/06 Actuals</u>		<u>Targets</u>		
	<u>Richmond</u>	<u>Top 25% London</u>	<u>2006/07</u>	<u>2007/08</u>	
Total tonnage of household waste arisings:					
BV 82a(i)	Percentage recycled	21.06%	19.29%	23.0%	24.0%
BV 82a(ii)	Tonnage recycled	18117.24	18289.00	18534.16	19965.59
BV 82b(i)	Percentage composted	7.53%	7.53%	8.0%	9.0%
BV 82b(ii)	Tonnage composted	6464.10	6746.00	7000.00	7000.00
BV 82d(i)	Percentage landfilled	71.52%	69.82%	69.0%	67.0%
BV 82d(ii)	Tonnage landfilled	61434.22	14679.00	59502.84	57232.41
BV 84	Kg of household waste collected per head	470	378	465	461
BV 84b	% change	-3.94%	-4.61%	-1.00%	-1.00%
BV 86	Cost of waste collection per household	£41.40	£42.93	£43.00	£45.00
BV 91a	Percentage of population served by a kerbside collection of recyclables	97.0%	100.0%	97.5%	98.0%
BV91b	Two recyclable	97.0%	100.0%	97.5%	98.0%
BV218a	Abandoned vehicles (investigated)	89.9%	97.1%	97.0%	98.0%
BV218b	Abandoned vehicles (removed)	97.2%	96.9%	97.0%	98.0%

	<b>2006-07</b>	<b>2007-08</b>
Number of full time equivalent employees	20.0	30.0

# Adult Social Services & Housing

Should you have any queries concerning the Adult Social Services and Housing Budget Pages please contact:

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## ADULT SOCIAL SERVICES AND HOUSING

### REVENUE BUDGET - OBJECTIVE SUMMARY OF EXPENDITURE

	<u>2005/06</u> <u>Actual</u> <u>£</u>	<u>2006/07</u> <u>Original</u> <u>£</u>	<u>2006/07</u> <u>Revised</u> <u>£</u>	<u>2007/08</u> <u>Estimate</u> <u>£</u>
Adults Care Management	7,054,002	6,949,100	7,421,900	7,461,900
Older People Care Purchasing	17,060,410	16,495,900	15,022,000	15,433,900
Physical Disabilities Care Purchasing	3,196,960	3,478,000	3,627,100	3,726,600
Learning Disabilities Care Management	1,333,239	1,260,400	1,324,900	1,328,200
Learning Disabilities Care Purchasing	8,603,532	9,880,900	9,847,200	10,918,100
Mental Health Care Management	1,409,462	1,431,600	1,441,000	1,668,100
Mental Health Care Purchasing	2,265,723	2,588,300	2,427,600	2,492,600
Drugs & Alcohol and HIV / AIDS	553,444	597,500	608,900	691,000
Service Strategy & Regulation	720,790	634,300	750,000	998,400
<b>Adult Social Services Net Expenditure</b>	<b>42,197,562</b>	<b>43,316,000</b>	<b>42,470,600</b>	<b>44,718,800</b>
Housing Strategy	497,717	616,700	444,400	462,000
Housing Advice	354,494	345,400	359,700	385,700
Homelessness	1,461,159	1,354,900	1,641,600	1,423,900
Temporary Accommodation	65,034	30,100	235,400	275,000
Housing Benefit Payments	(355,494)	265,500	272,200	278,900
Supporting People	99,189	103,900	96,700	91,700
Residential Services	3,801,540	6,393,000	4,831,400	6,333,200
Asylum Seekers	630,415	538,600	430,500	317,800
<b>Housing Net Expenditure</b>	<b>6,554,054</b>	<b>9,648,100</b>	<b>8,311,900</b>	<b>9,568,200</b>
<b>Total Adult Social Services &amp; Housing</b>	<b>48,751,616</b>	<b>52,964,100</b>	<b>50,782,500</b>	<b>54,287,000</b>
<b><u>Movement (to)/from Reserves</u></b>	<b>(333,372)</b>	<b>0</b>	<b>(130,000)</b>	<b>(130,000)</b>
<b><u>Total Including Movement (to)/from Reserves</u></b>	<b>48,418,244</b>	<b>52,964,100</b>	<b>50,652,500</b>	<b>54,157,000</b>

### Variation Analysis

Original Estimate 2006/07	52,964,100	52,964,100
Inflation	0	1,423,600
Service Plan	0	43,900
Budget Transfer	(629,400)	(210,800)
Capital Financing	(2,368,400)	(1,323,400)
Other Variations	686,200	1,259,600
Revised Budget 2006/07	<u>50,652,500</u>	
Original Budget 2007/08		<u>54,157,000</u>

## ADULT SOCIAL SERVICES AND HOUSING

### REVENUE BUDGET - SUBJECTIVE SUMMARY OF EXPENDITURE

	<u>2005/06</u> <u>Actual</u> £	<u>2006/07</u> <u>Original</u> £	<u>2006/07</u> <u>Revised</u> £	<u>2007/08</u> <u>Estimate</u> £
<u>Expenditure</u>				
Employees	23,129,228	22,539,900	20,487,100	21,166,300
Premises	4,950,617	4,694,400	1,816,100	1,413,700
Transport	1,166,144	1,233,300	1,142,300	1,169,300
Supplies and Services	3,372,533	6,760,800	4,220,900	4,016,900
Third Party Payments	42,848,487	38,108,300	42,612,400	43,836,300
Transfer Payments	41,452,898	44,286,300	47,308,900	49,172,100
Central Recharges	5,693,224	5,128,400	5,007,000	5,389,300
Departmental Recharges	5,131,122	4,985,900	5,692,300	5,464,700
Capital Charges	4,643,142	6,945,300	4,576,900	5,621,900
Transfer to Reserves	0	0	0	0
<b>TOTAL EXPENDITURE</b>	<b>132,387,394</b>	<b>134,682,600</b>	<b>132,863,900</b>	<b>137,250,500</b>
<u>Income</u>				
Government Grants	(52,614,714)	(50,993,200)	(50,853,000)	(51,647,400)
Other Grants and Contributions	(9,800,478)	(10,554,700)	(10,641,600)	(10,401,800)
Fees & Charges	(9,895,597)	(9,212,900)	(9,754,500)	(10,379,800)
Rents	(5,141,652)	(4,863,800)	(4,839,600)	(4,753,600)
Departmental Recharge Income	(6,183,338)	(6,093,900)	(5,992,700)	(5,780,900)
<b>TOTAL INCOME</b>	<b>(83,635,778)</b>	<b>(81,718,500)</b>	<b>(82,081,400)</b>	<b>(82,963,500)</b>
<b>NET EXPENDITURE</b>	<b>48,751,616</b>	<b>52,964,100</b>	<b>50,782,500</b>	<b>54,287,000</b>
Movement (to)/from Reserves	(333,372)	0	(130,000)	(130,000)
<b>NET EXPENDITURE</b>	<b>48,418,244</b>	<b>52,964,100</b>	<b>50,652,500</b>	<b>54,157,000</b>

	<b>2006 - 07</b>	<b>2007- 08</b>
Number of full time equivalent employees *	630.30	539.20

\* The 2006/07 FTE figures include home care staff who are not included in the 2007/08 FTEs as this service has been outsourced.

## ADULT SOCIAL SERVICES AND HOUSING

### ADULT SERVICES DIVISIONAL MANAGEMENT S10

This budget includes the management costs of the Adult Services Division which are recharged to services.

	<u>2005/06</u> <u>Actual</u> £	<u>2006/07</u> <u>Original</u> £	<u>2006/07</u> <u>Revised</u> £	<u>2007/08</u> <u>Estimate</u> £
<u>Expenditure</u>				
Employees	954,152	935,700	895,900	922,600
Premises	1,396	0	0	0
Transport	5,098	5,900	5,900	6,100
Supplies and Services	136,352	280,300	77,700	77,700
Third Party Payments	226,563	196,800	197,200	186,400
Transfer Payments	50,604	0	0	0
Central Recharges	194,266	182,900	193,400	207,700
Departmental Recharges	74,600	145,100	141,700	137,700
<b>TOTAL EXPENDITURE</b>	<b>1,643,032</b>	<b>1,746,700</b>	<b>1,511,800</b>	<b>1,538,200</b>
<u>Income</u>				
Government Grants	(222,311)	(353,100)	(405,400)	(399,900)
Other Grants and Contributions	(35,361)	(85,200)	(85,200)	(87,300)
Fees & Charges	(47,213)	0	0	0
Departmental Recharges	(1,338,147)	(1,308,400)	(1,021,200)	(1,051,000)
<b>TOTAL INCOME</b>	<b>(1,643,032)</b>	<b>(1,746,700)</b>	<b>(1,511,800)</b>	<b>(1,538,200)</b>
<b>NET EXPENDITURE</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

### Variation Analysis

Original Estimate 2006/07	0	0
Inflation	0	26,300
Service Plan	0	(30,900)
Budget Transfer	(294,300)	(276,900)
Other Variations	294,300	281,500
Revised Budget 2006/07	<u>0</u>	
Original Budget 2007/08		<u>0</u>



**ADULT SERVICES – DIVISIONAL MANAGEMENT S10**

**KEY ACTIVITY DATA**

Management of Adults Services Division Workforce	382.16 FTE
Management of Adult Social Services	£69 million gross

**BEST VALUE PERFORMANCE DATA**

<b>BV CODE INDICATOR</b>	<b><u>2005/06 Actuals</u></b>		<b><u>Targets</u></b>	
	<b><u>Richmond</u></b>	<b><u>Top 25% London</u></b>	<b><u>2006/07</u></b>	<b><u>2007/08</u></b>

None Applicable

Number of full time equivalent employees	<b>2006/07</b>	<b>2007/08</b>
	9.4	9.4

**CARE MANAGEMENT - OLDER PEOPLE AND ADULTS**  
**UNDER 65 WITH PHYSICAL DISABILITIES S11**

This relates to the assessment and care management of older people and adults under 65 with physical disabilities, including social work and occupational therapy staff. It also includes the cost of Sensory Services and The Emergency Out of Hours Service which covers all adult groups and children's services.

	<u>2005/06</u>	<u>2006/07</u>	<u>2006/07</u>	<u>2007/08</u>
	<u>Actual</u>	<u>Original</u>	<u>Revised</u>	<u>Estimate</u>
	<u>£</u>	<u>£</u>	<u>£</u>	<u>£</u>
<u>Expenditure</u>				
Employees	3,668,806	3,773,900	3,893,400	4,176,400
Premises	3,539	0	0	0
Transport	43,377	54,100	59,500	61,000
Supplies and Services	149,865	107,600	191,300	194,700
Third Party Payments	4,803	0	0	0
Transfer Payments	25,009	15,000	15,000	15,300
Central Recharges	1,338,007	1,161,800	1,145,900	1,236,600
Departmental Recharges	2,111,140	2,059,700	2,653,500	2,483,300
<b>TOTAL EXPENDITURE</b>	<b>7,344,546</b>	<b>7,172,100</b>	<b>7,958,600</b>	<b>8,167,300</b>
<u>Income</u>				
Government Grants	(223,000)	(223,000)	(228,000)	(232,200)
Fees & Charges	(67,543)	0	(308,700)	(473,200)
<b>TOTAL INCOME</b>	<b>(290,543)</b>	<b>(223,000)</b>	<b>(536,700)</b>	<b>(705,400)</b>
<b>NET EXPENDITURE</b>	<b>7,054,002</b>	<b>6,949,100</b>	<b>7,421,900</b>	<b>7,461,900</b>

**Variation Analysis**

Original Estimate 2006/07	6,949,100	6,949,100
Inflation	0	143,500
Service Plan	0	(128,200)
Budget Transfer	(105,100)	(22,800)
Other Variations	577,900	520,300
Revised Budget 2006/07	<u>7,421,900</u>	
Original Budget 2007/08		<u>7,461,900</u>

**CARE MANAGEMENT - OLDER PEOPLE AND ADULTS UNDER 65 WITH PHYSICAL DISABILITIES S11**

**KEY ACTIVITY DATA**

<b>All Adults</b>	<b>Number of Events</b>	<b>No of Service Users</b>
Contacts	3,398	2,874
Contact Assessments	2,063	1,828
Assessments (exc Contact Assess)	2,508	2,090
Reviews (inc Reassessments)	4,983	3,482
Care Plans	4,893	4,808
<b>All Adults</b>	<b>Number of Items</b>	<b>No of Service Users</b>
Equipment & Minor Adaptations	7,982	322

**BEST VALUE PERFORMANCE DATA**

BV CODE INDICATOR	<u>2005/06 Actuals</u>		<u>Targets</u>	
	<u>Richmond</u>	<u>Top 25% London</u>	<u>2006/07</u>	<u>2007/08</u>
BV195 Acceptable waiting time for assessment	77.6%	86.9%	89.0%	95.0%
BV196 Clients receiving all services in care packages in 4 weeks of completion of assessment	93.8%	91.7%	95.0%	96.0%

Number of full time equivalent employees	<b>2006/07</b>	<b>2007/08</b>
	99.6	104.7

**CARE PURCHASING - OLDER PEOPLE S12 - S17**

This budget covers independent sector provision of care services for older people, including Direct Payments, enabling service users to 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, day care, residential and nursing care placements and short breaks for carers.

	<u>2005/06</u> <u>Actual</u> £	<u>2006/07</u> <u>Original</u> £	<u>2006/07</u> <u>Revised</u> £	<u>2007/08</u> <u>Estimate</u> £
<u>Expenditure</u>				
Employees	5,137,422	3,578,000	2,029,700	1,711,300
Premises	80,240	80,500	74,300	78,400
Transport	625,399	669,400	576,200	590,700
Supplies and Services	91,544	586,800	449,400	527,300
Third Party Payments	19,035,166	18,227,500	19,512,800	20,101,400
Transfer Payments	42,927	680,900	673,200	1,268,700
Central Recharges	667,711	609,300	390,900	421,500
Departmental Recharges	517,094	551,600	478,200	472,900
Capital Charges	622,905	635,100	96,700	96,700
<b>TOTAL EXPENDITURE</b>	<b>26,820,408</b>	<b>25,619,100</b>	<b>24,281,400</b>	<b>25,268,900</b>
<u>Income</u>				
Government Grants	(3,086,772)	(2,907,000)	(2,759,600)	(2,765,900)
Other Grants and Contributions	(900,229)	(681,300)	(781,300)	(938,200)
Fees & Charges	(5,772,871)	(5,534,700)	(5,718,300)	(6,130,700)
Rents	(126)	(200)	(200)	(200)
<b>TOTAL INCOME</b>	<b>(9,759,998)</b>	<b>(9,123,200)</b>	<b>(9,259,400)</b>	<b>(9,835,000)</b>
<b>NET EXPENDITURE</b>	<b>17,060,410</b>	<b>16,495,900</b>	<b>15,022,000</b>	<b>15,433,900</b>

**Variation Analysis**

Original Estimate 2006/07	16,495,900	16,495,900
Inflation	0	427,700
Service Plan	0	(47,200)
Budget Transfer	(643,700)	(608,800)
Capital Financing	(538,400)	(538,400)
Other Variations	(291,800)	(295,300)
Revised Budget 2006/07	<u>15,022,000</u>	
Original Budget 2007/08		<u>15,433,900</u>

**CARE PURCHASING – OLDER PEOPLE S12 – S17**

**KEY ACTIVITY DATA**

People over 65 receiving Direct Payments	86	
Home care hours (all adults & older people)	588,302	
Meals provided at Day Centres per week	425	
Meals provided at home per week	2,550	
Carer Break Vouchers	<b>Service User Nos</b>	<b>Value of Vouchers</b>
	22	£22,740
Delayed transfer of care (people)	250	
Delays due to Adult Social Services	42	
	<b>Service User Nos</b>	<b>Bed Weeks</b>
Residential Care	279	14,457
Nursing Care	163	8,285
Day Care	277	N/A

**BEST VALUE PERFORMANCE DATA**

BV CODE INDICATOR	<u>2005/06 Actuals</u>		<u>Targets</u>	
	<u>Richmond</u>	<u>Top 25% London</u>	<u>2006/07</u>	<u>2007/08</u>
BV 54 Older people aged 65 or over helped to live at Home (per 1,000 population)	75.0	115.38	75.0	75.0
BV 56 % of items of equipment and adaptations Delivered within 7 working days	95%	94%	96%	96%

Number of full time equivalent employees	<b>2006/07</b>	<b>2007/08</b>
	53.3	55.4

**CARE PURCHASING - PHYSICAL DISABILITIES S22 - S27**

This budget covers independent sector provision of care services for adults under 65 with physical disabilities, including Direct Payments enabling service users to purchase their own care services. Services are provided with the aim of maximising independence and choice for service users and their carers. Services include equipment and minor adaptations, meals, domiciliary care, day care, residential and nursing care placements and short breaks for carers.

	<u>2005/06</u> <u>Actual</u> £	<u>2006/07</u> <u>Original</u> £	<u>2006/07</u> <u>Revised</u> £	<u>2007/08</u> <u>Estimate</u> £
<b>Expenditure</b>				
Employees	294,523	366,700	354,700	385,700
Premises	13,749	21,700	25,800	26,900
Transport	66,673	75,600	75,600	77,500
Supplies and Services	831,268	756,200	1,053,700	1,129,200
Third Party Payments	3,321,050	2,473,800	2,484,600	2,460,300
Transfer Payments	11,006	1,163,500	1,163,500	1,243,500
Central Recharges	41,461	41,200	51,600	53,900
Departmental Recharges	38,142	39,100	81,600	80,600
<b>TOTAL EXPENDITURE</b>	<b>4,617,873</b>	<b>4,937,800</b>	<b>5,291,100</b>	<b>5,457,600</b>
<b>Income</b>				
Government Grants	(618,800)	(597,100)	(596,900)	(666,800)
Other Grants and Contributions	(436,504)	(543,700)	(792,300)	(780,500)
Fees & Charges	(365,609)	(319,000)	(274,800)	(283,700)
<b>TOTAL INCOME</b>	<b>(1,420,913)</b>	<b>(1,459,800)</b>	<b>(1,664,000)</b>	<b>(1,731,000)</b>
<b>NET EXPENDITURE</b>	<b>3,196,960</b>	<b>3,478,000</b>	<b>3,627,100</b>	<b>3,726,600</b>

**Variation Analysis**

Original Estimate 2006/07	3,478,000	3,478,000
Inflation	0	93,800
Service Plan	0	94,200
Budget Transfer	96,200	104,900
Other Variations	52,900	(44,300)
Revised Budget 2006/07	<u>3,627,100</u>	
Original Budget 2007/08		<u>3,726,600</u>

**CARE PURCHASING - PHYSICAL DISABILITIES S22 – S27****KEY ACTIVITY DATA**

Home Care Hours (all adults and older people)	588,302		
Service users receiving Direct Payments	76		
Carer Breaks provided	<b>Service Users</b>	<b>Value of Vouchers</b>	
	2	£2,000	
Residential care	<b>Service Users</b>	<b>Bed Weeks</b>	
Nursing care	19	1,107	
Day Care	16	966	
	48	N/A	

**BEST VALUE PERFORMANCE DATA**

BV CODE INDICATOR	<u>2005/06 Actuals</u>		<u>Targets</u>	
	<u>Richmond</u>	<u>Top 25% London</u>	<u>2006/07</u>	<u>2007/08</u>
BV 56 % of items of equipment costing less than £1,000 delivered in less than 3 weeks	95%	94%	96.0%	96.0%
BV 201 Number of adults & older people receiving direct payments at 31 Mar per 100,000 population aged 18 or over	128.1	69	167.0	199.0

	<b>2006/07</b>	<b>2007/08</b>
Number of full time equivalent employees	13.3	13.4

**CARE MANAGEMENT - LEARNING DISABILITIES S31**

This covers the cost of assessment and care management for adults with learning disabilities.

	<u>2005/06</u>	<u>2006/07</u>	<u>2006/07</u>	<u>2007/08</u>
	<u>Actual</u>	<u>Original</u>	<u>Revised</u>	<u>Estimate</u>
	<u>£</u>	<u>£</u>	<u>£</u>	<u>£</u>
<u>Expenditure</u>				
Employees	525,029	530,400	505,400	587,600
Premises	2,200	8,600	8,600	9,000
Transport	21,456	18,300	18,300	18,700
Supplies and Services	8,961	4,800	4,800	4,800
Third Party Payments	240	0	0	0
Transfer Payments	3,040	0	0	0
Central Recharges	139,300	141,700	166,900	180,500
Departmental Recharges	770,196	710,800	771,800	682,400
Capital Charges	13,260	0	3,300	3,300
<b>TOTAL EXPENDITURE</b>	<b>1,483,682</b>	<b>1,414,600</b>	<b>1,479,100</b>	<b>1,486,300</b>
<u>Income</u>				
Other Grants and Contributions	(150,443)	(154,200)	(154,200)	(158,100)
<b>TOTAL INCOME</b>	<b>(150,443)</b>	<b>(154,200)</b>	<b>(154,200)</b>	<b>(158,100)</b>
<b>NET EXPENDITURE</b>	<b>1,333,239</b>	<b>1,260,400</b>	<b>1,324,900</b>	<b>1,328,200</b>

**Variation Analysis**

Original Estimate 2006/07	1,260,400	1,260,400
Inflation	0	15,200
Service Plan	0	(10,100)
Budget Transfer	(25,000)	-12,300
Capital Financing	3,300	3,300
Other Variations	86,200	71,700
Revised Budget 2006/07	<u>1,324,900</u>	
Original Budget 2007/08		<u>1,328,200</u>



**CARE MANAGEMENT - LEARNING DISABILITIES S31**

**KEY ACTIVITY DATA**

<b><i>All Adults</i></b>	<b><i>Number of Events</i></b>	<b><i>No of Service Users</i></b>
Contacts	3,398	2,874
Contact Assessments	2,063	1,828
Assessments (exc Contact Assess)	2,508	2,090
Reviews (including reassessments)	4,983	3,482
Care Plans	4,893	4,808

**BEST VALUE PERFORMANCE DATA**

**BV CODE INDICATOR**

**2005/06 Actuals**

**Targets**

**Richmond**   **Top 25%**   **2006/07**   **2007/08**  
**London**

None Applicable

	<b>2006/07</b>	<b>2007/08</b>
Number of full time equivalent employees	18.5	20.5

**CARE PURCHASING - LEARNING DISABILITIES S32 - S37**

This budget covers in-house and independent sector provision of care services for adults with learning disabilities, including Direct Payments enabling service users to 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 Community Support Service, day care, supported accommodation, residential and nursing care placements, short breaks for carers and employment services.

	<u>2005/06</u> <u>Actual</u> £	<u>2006/07</u> <u>Original</u> £	<u>2006/07</u> <u>Revised</u> £	<u>2007/08</u> <u>Estimate</u> £
<u>Expenditure</u>				
Employees	3,428,819	3,733,800	3,751,100	3,794,600
Premises	444,357	414,900	415,800	520,100
Transport	289,909	293,000	292,300	299,400
Supplies and Services	295,486	344,500	299,900	239,900
Third Party Payments	13,816,767	14,325,600	14,587,600	15,187,900
Transfer Payments	148,205	340,200	330,500	415,000
Central Recharges	372,900	364,800	320,400	341,800
Departmental Recharges	568,919	539,100	482,000	495,300
Capital Charges	327,095	327,000	77,200	77,200
<b>TOTAL EXPENDITURE</b>	<b>19,692,457</b>	<b>20,682,900</b>	<b>20,556,800</b>	<b>21,371,200</b>
<u>Income</u>				
Government Grants	(1,282,130)	(635,200)	(634,300)	(554,600)
Other Grants and Contributions	(7,693,129)	(8,556,000)	(8,413,000)	(8,094,700)
Fees & Charges	(2,070,811)	(1,599,800)	(1,651,300)	(1,792,500)
Rents	(42,855)	(11,000)	(11,000)	(11,300)
<b>TOTAL INCOME</b>	<b>(11,088,925)</b>	<b>(10,802,000)</b>	<b>(10,709,600)</b>	<b>(10,453,100)</b>
<b>NET EXPENDITURE</b>	<b>8,603,532</b>	<b>9,880,900</b>	<b>9,847,200</b>	<b>10,918,100</b>

**Variation Analysis**

Original Estimate 2006/07	9,880,900	9,880,900
Inflation	0	348,000
Service Plan	0	142,800
Budget Transfer	317,600	395,200
Capital Financing	(249,800)	(249,800)
Other Variations	(101,500)	401,000
Revised Budget 2006/07	<u>9,847,200</u>	
Original Budget 2007/08		<u>10,918,100</u>

**CARE PURCHASING - LEARNING DISABILITIES S32 – S37****KEY ACTIVITY DATA**

Adults under 65 with receiving Direct payments	9	
People in, or being helped to find paid employment	50	
People given support by Community Support Service	46	
	<b>Service Users</b>	<b>Value of Vouchers Issued</b>
Carer Breaks Vouchers	2	£2,000
	<b>Service Users</b>	<b>Bed Weeks</b>
Residential care		
Nursing Care	2	104
Supported Living	23	N/A
Day Care	93	N/A
Residential Care	215	11,565

**BEST VALUE PERFORMANCE DATA**

BV CODE INDICATOR	<u>2005/06 Actuals</u>		<u>Targets</u>	
	<u>Richmond</u>	<u>Top 25% London</u>	<u>2006/07</u>	<u>2007/08</u>
BV201 Number of adults and older people receiving direct payments at 31 Mar per 100,000 population aged 18 or over	128.1	69	167.0	199.0

Number of full time equivalent employees	<b>2006/07</b>	<b>2007/08</b>
	125.2	122.2

**CARE MANAGEMENT - MENTAL HEALTH S41**

This covers expenditure on assessment and care management provided by the Community Mental Health Teams.

	<u>2005/06</u> <u>Actual</u> £	<u>2006/07</u> <u>Original</u> £	<u>2006/07</u> <u>Revised</u> £	<u>2007/08</u> <u>Estimate</u> £
<u>Expenditure</u>				
Employees	977,399	1,036,800	887,900	947,300
Premises	101,504	98,800	98,800	101,300
Transport	19,895	23,200	23,200	23,700
Supplies and Services	30,302	35,100	29,100	29,100
Third Party Payments	2,442	0	53,600	216,200
Transfer Payments	4,527	0	0	0
Central Recharges	196,554	193,700	213,700	233,000
Departmental Recharges	407,518	409,100	416,500	438,800
<b>TOTAL EXPENDITURE</b>	<b>1,740,142</b>	<b>1,796,700</b>	<b>1,722,800</b>	<b>1,989,400</b>
<u>Income</u>				
Government Grants	(295,009)	(295,000)	(281,800)	(321,300)
Other Grants and Contributions	(35,671)	(70,100)	0	0
<b>TOTAL INCOME</b>	<b>(330,680)</b>	<b>(365,100)</b>	<b>(281,800)</b>	<b>(321,300)</b>
<b>NET EXPENDITURE</b>	<b>1,409,462</b>	<b>1,431,600</b>	<b>1,441,000</b>	<b>1,668,100</b>

**Variation Analysis**

Original Estimate 2006/07	1,431,600	1,431,600
Inflation	0	33,100
Service Plan	0	(700)
Budget Transfer	(18,000)	3,100
Capital Financing	0	0
Other Variations	27,400	201,000
Revised Budget 2006/07	<u>1,441,000</u>	
Original Budget 2007/08		<u>1,668,100</u>

**CARE MANAGEMENT - MENTAL HEALTH S41**

**KEY ACTIVITY DATA**

<i>All Adults</i>	<i>Number of Events</i>	<i>No of Service Users</i>
Contacts	3,398	2,874
Contact Assessments	2,063	1,828
Assessments (exc Contact Assess)	2,508	2,090
Reviews (inc reassessments)	4,983	3,482
Care Plans	4,893	4,808

**BEST VALUE PERFORMANCE DATA**

**BV CODE INDICATOR**

**2005/06 Actuals**

**Targets**

**Richmond Top 25%  
London**

**2006/07 2007/08**

None Applicable

Number of full time equivalent employees	<b>2006/07</b>	<b>2007/08</b>
	25.0	25.0

**CARE PURCHASING - MENTAL HEALTH S42 - S47**

This budget covers in-house and independent sector provision of care services for adults under 65 with mental health needs. The Council aims to provide services which maximise independence and choice for service users and carers. Services include domiciliary care, day care, residential and nursing care placements and short breaks for carers.

	<u>2005/06</u> <u>Actual</u> £	<u>2006/07</u> <u>Original</u> £	<u>2006/07</u> <u>Revised</u> £	<u>2007/08</u> <u>Estimate</u> £
<b><u>Expenditure</u></b>				
Employees	711,149	770,400	770,400	792,300
Premises	83,716	84,800	83,900	89,000
Transport	10,950	12,300	12,300	12,600
Supplies and Services	111,805	126,100	124,200	124,200
Third Party Payments	1,944,500	1,946,700	2,093,900	2,086,100
Transfer Payments	(271,996)	5,600	18,200	24,700
Central Recharges	113,600	106,700	104,700	112,300
Departmental Recharges	114,463	120,700	116,700	117,600
Capital Charges	287,850	287,900	63,100	58,100
<b>TOTAL EXPENDITURE</b>	<b>3,106,038</b>	<b>3,461,200</b>	<b>3,387,400</b>	<b>3,416,900</b>
<b><u>Income</u></b>				
Government Grants	(281,800)	(193,200)	(192,300)	(196,600)
Other Grants and Contributions	(174,255)	(170,700)	(246,500)	(192,300)
Fees & Charges	(306,860)	(412,900)	(424,900)	(436,900)
Rents	(77,400)	(96,100)	(96,100)	(98,500)
<b>TOTAL INCOME</b>	<b>(840,314)</b>	<b>(872,900)</b>	<b>(959,800)</b>	<b>(924,300)</b>
<b>NET EXPENDITURE</b>	<b>2,265,723</b>	<b>2,588,300</b>	<b>2,427,600</b>	<b>2,492,600</b>

**Variation Analysis**

Original Estimate 2006/07	2,588,300	2,588,300
Inflation	0	67,100
Service Plan	0	(2,800)
Budget Transfer	70,100	85,600
Capital Financing	(224,800)	(229,800)
Other Variations	(6,000)	(15,800)
Revised Budget 2006/07	<u>2,427,600</u>	
Original Budget 2007/08		<u>2,492,600</u>

**CARE PURCHASING - MENTAL HEALTH S42 – S47**

**KEY ACTIVITY DATA**

Direct Payments	<b>Service Users</b> 1	
	<b>Service Users</b>	<b>Bed Weeks</b>
Residential Care	35	2,020
Nursing Care	3	156
Day Care	150	N/A

**BEST VALUE PERFORMANCE DATA**

**BV CODE INDICATOR**

**2005/06 Actuals**

**Targets**

<b><u>Richmond</u></b>	<b><u>Top 25% London</u></b>	<b><u>2006/07</u></b>	<b><u>2007/08</u></b>
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None Applicable

	<b>2006/07</b>	<b>2007/08</b>
Number of full time equivalent employees	24.8	24.7

**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>2005/06</u> <u>Actual</u> £	<u>2006/07</u> <u>Original</u> £	<u>2006/07</u> <u>Revised</u> £	<u>2007/08</u> <u>Estimate</u> £
<u>Expenditure</u>				
Employees	294,582	254,200	248,800	265,900
Transport	8,913	12,800	12,800	13,100
Supplies and Services	99,484	98,900	97,300	97,300
Third Party Payments	311,869	352,000	215,600	234,000
Transfer Payments	1,283	0	10,800	69,300
Central Recharges	76,800	75,800	61,700	67,000
Departmental Recharges	90,012	92,800	113,900	112,800
<b>TOTAL EXPENDITURE</b>	<b>882,942</b>	<b>886,500</b>	<b>760,900</b>	<b>859,400</b>
<u>Income</u>				
Government Grants	(107,800)	(107,800)	(95,200)	(96,200)
Other Grants and Contributions	(196,005)	(164,400)	(40,000)	(41,000)
Fees & Charges	(25,694)	(16,800)	(16,800)	(31,200)
<b>TOTAL INCOME</b>	<b>(329,499)</b>	<b>(289,000)</b>	<b>(152,000)</b>	<b>(168,400)</b>
<b>NET EXPENDITURE</b>	<b>553,444</b>	<b>597,500</b>	<b>608,900</b>	<b>691,000</b>

**Variation Analysis**

Original Estimate 2006/07	597,500	597,500
Inflation	0	13,700
Service Plan	0	(2,400)
Budget Transfer	4,400	9,900
Other Variations	7,000	72,300
Revised Budget 2006/07	<u>608,900</u>	
Original Budget 2007/08		<u>691,000</u>



**DRUG & ALCOHOL AND HIV/AIDS S61****KEY ACTIVITY DATA**

People with HIV/AIDS receiving Direct Payments		2
People with HIV/AIDS receiving support and advice		27
People with HIV/AIDS receiving home care		4
<b>All Adults</b>	<b>Number of Events</b>	<b>No of Service Users</b>
Contacts	3,398	2,874
Contact Assessments	2,063	1,828
Assessments (excluding Contact Assessments)	2,508	2,090
Reviews (Including Reassessments)	4,983	3,482
Care Plans	4,893	4,808
	<b>Service Users</b>	<b>Bed Weeks</b>
Residential Rehabilitation Services	26	343
Day Rehabilitation Services	3	N/A

**BEST VALUE PERFORMANCE DATA****BV CODE INDICATOR****2005/06 Actuals****Targets**

**Richmond** **Top 25%**  
**London**

**2006/07****2007/08**

None Applicable

Number of full time equivalent employees	<b>2006/07</b>	<b>2007/08</b>
	7.00	7.00

**SERVICE STRATEGY AND REGULATION S90**

This includes the Director of Social Services and Housing and services which relate to the strategic operation of the directorate, including the complaints service.

	<u>2005/06</u> <u>Actual</u> £	<u>2006/07</u> <u>Original</u> £	<u>2006/07</u> <u>Revised</u> £	<u>2007/08</u> <u>Estimate</u> £
<u>Expenditure</u>				
Employees	337,052	421,300	421,300	644,500
Transport	963	1,500	1,500	1,500
Supplies and Services	73,239	27,200	90,200	114,400
Transfer Payments	22	0	0	0
Central Recharges	78,844	69,000	118,100	125,900
Departmental Recharges	244,547	117,300	120,900	120,000
<b>TOTAL EXPENDITURE</b>	<b>734,667</b>	<b>636,300</b>	<b>752,000</b>	<b>1,006,300</b>
<u>Income</u>				
Government Grants	(2,530)	(2,000)	(2,000)	(2,100)
Other Grants and Contributions	(344,718)	0	(130,000)	(135,800)
<b>TOTAL INCOME</b>	<b>(347,248)</b>	<b>(2,000)</b>	<b>(132,000)</b>	<b>(137,900)</b>
<b>NET EXPENDITURE</b>	<b>387,418</b>	<b>634,300</b>	<b>620,000</b>	<b>868,400</b>

**Variation Analysis**

Original Estimate 2006/07	634,300	634,300
Inflation	0	16,800
Service Plan	0	197,800
Budget Transfer	(67,000)	(62,200)
Other Variations	52,700	81,700
Revised Budget 2006/07	<u>620,000</u>	
Original Budget 2007/08		<u>868,400</u>

**SERVICE STRATEGY & REGULATION S90**

**KEY ACTIVITY DATA**

<b>2005 – 2006 Complaints</b>	<b>Housing</b>	<b>Adult Social Services</b>
Stage 1	18	33
Stage 2	0	5
Stage 3	0	4

**BEST VALUE PERFORMANCE DATA**

**BV CODE INDICATOR**

**2005/06 Actuals**

**Targets**

**Richmond   Top 25%   2006/07   2007/08  
**London****

None Applicable

	<b>2006/07</b>	<b>2007/08</b>
Number of full time equivalent employees	6.5	6.5

**STRATEGY AND RESOURCES DIVISION S01**

The division works across the Directorate and includes Contracts, Finance, Information Services and Systems, Workforce Development and Planning, Policy and Quality Assurance and Central Support Services. The division manages the Welfare Benefits Advice service, provided by Age Concern in partnership with the Pension Service.

	<u>2005/06</u> <u>Actual</u> £	<u>2006/07</u> <u>Original</u> £	<u>2006/07</u> <u>Revised</u> £	<u>2007/08</u> <u>Estimate</u> £
<b><u>Expenditure</u></b>				
Employees	3,411,172	3,628,700	3,371,200	3,449,300
Premises	49,334	44,400	44,400	45,700
Transport	12,736	12,600	10,900	11,000
Supplies and Services	598,890	588,200	834,200	516,500
Third Party Payments	67,540	58,900	92,200	93,800
Transfer Payments	1,094	0	0	0
Central Recharges	1,156,153	1,006,600	1,173,000	1,260,900
Capital Charges	419,764	176,200	160,400	36,400
<b>TOTAL EXPENDITURE</b>	<b>5,716,683</b>	<b>5,515,600</b>	<b>5,686,300</b>	<b>5,413,600</b>
<b><u>Income</u></b>				
Government Grants		(578,800)	(577,700)	(566,600)
Other Grants and Contributions	(149,189)	(85,200)	(85,200)	(63,900)
Fees & Charges	(110,631)	(21,900)	(31,900)	(32,700)
Rents	(19,995)	(44,200)	(20,000)	(20,500)
Departmental Recharges	(4,845,191)	(4,785,500)	(4,971,500)	(4,729,900)
<b>TOTAL INCOME</b>	<b>(5,716,683)</b>	<b>(5,515,600)</b>	<b>(5,686,300)</b>	<b>(5,413,600)</b>
<b>NET EXPENDITURE</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

**Variation Analysis**

Original Estimate 2006/07	0	0
Inflation	0	130,900
Service Plan	0	(73,100)
Budget Transfer	35,400	200,300
Capital Financing	(15,800)	(139,800)
Other Variations	(19,600)	(118,300)
Revised Budget 2006/07	0	
Original Budget 2007/08		0

**STRATEGY AND RESOURCES DIVISION S01**

**KEY ACTIVITY DATA**

Financial Management support for Directorate budgets of £137M gross / £54m net

Workforce development & training for the Department's 546 FTE staff and to partnership organisations e.g. health service, police, care providers etc

Contract management and commissioning for the Directorate's care purchasing budgets of £39M

**BEST VALUE PERFORMANCE DATA**

**BV CODE INDICATOR**

**2005/06 Actuals**

**Targets**

**Richmond**

**Top 25%  
London**

**2006/07**

**2007/08**

None Applicable

**Local Performance Indicator**

No of welfare benefit checks provided

652

N/A

600

600

Percentage of in-house training attended by LBRUT staff

82.60

N/A

73.58

73.58

Percentage of in-house training attended by Non LBRUT staff

17.40

N/A

26.42

26.42

	<b><u>2006/07</u></b>	<b><u>2007/08</u></b>
Number of full time equivalent employees	68.0	69.7

**HOUSING STRATEGY H11**

The Housing Strategy and Development Team oversees the delivery of additional affordable housing to meet identified need. It leads on strategic planning, partnerships and producing housing related strategies, action plans and the Service Plan. It promotes improvements in the delivery of housing services by the Council and local housing associations and leads on bringing empty homes back into use.

	<u>2005/06</u> <u>Actual</u> £	<u>2006/07</u> <u>Original</u> £	<u>2006/07</u> <u>Revised</u> £	<u>2007/08</u> <u>Estimate</u> £
<u>Expenditure</u>				
Employees	311,515	451,700	309,400	331,700
Premises	446	400	400	400
Transport	584	600	600	600
Supplies and Services	26,233	40,000	43,500	31,900
Transfer Payments	2,235	0	0	0
Central Recharges	144,198	110,600	78,100	84,600
Departmental Recharges	13,000	13,400	12,400	12,800
<b>TOTAL EXPENDITURE</b>	<b>498,211</b>	<b>616,700</b>	<b>444,400</b>	<b>462,000</b>
<u>Income</u>				
Fees & Charges	(494)	0	0	0
<b>TOTAL INCOME</b>	<b>(494)</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>NET EXPENDITURE</b>	<b>497,717</b>	<b>616,700</b>	<b>444,400</b>	<b>462,000</b>

**Variation Analysis**

Original Estimate 2006/07	616,700	616,700
Inflation	0	12,800
Service Plan	0	(1,000)
Budget Transfer	(138,800)	(135,400)
Other Variations	(33,500)	(31,100)
Revised Budget 2006/07	<u>444,400</u>	
Original Budget 2007/08		<u>462,000</u>

**HOUSING STRATEGY H11**

**KEY ACTIVITY DATA**

Affordable homes provided through the development programme	142
Vacant private sector dwellings returned into occupation or demolished	70

**BEST VALUE PERFORMANCE DATA**

BV CODE INDICATOR	<u>2005/06 Actuals</u>		<u>Targets</u>	
	<u>Richmond</u>	<u>Top 25% London</u>	<u>2006/07</u>	<u>2007/08</u>
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	60	360	65	68

	<b>2006/07</b>	<b>2007/08</b>
Number of full time equivalent employees	7.5	7.5

## ADULT SOCIAL SERVICES AND HOUSING

### HOUSING ADVICE H12

This includes the Housing Provision Team, which maintains the Richmond Common Housing Register. It nominates applicants to take up permanent tenancies in housing association stock, both to general needs and supported housing. It also provides information and makes referrals to low cost home ownership schemes, including shared ownership and key worker housing. The team also runs a Sponsored Moves Scheme to help under-occupying housing association tenants to move to smaller properties, thereby freeing up much needed family accommodation.

	<u>2005/06</u> <u>Actual</u> £	<u>2006/07</u> <u>Original</u> £	<u>2006/07</u> <u>Revised</u> £	<u>2007/08</u> <u>Estimate</u> £
<u>Expenditure</u>				
Employees	215,778	216,300	216,300	235,500
Premises	0	200	200	200
Transport	190	700	700	700
Supplies and Services	29,475	38,600	38,600	38,600
Transfer Payments	1,430	0	0	0
Central Recharges	95,740	77,400	92,200	98,700
Departmental Recharges	11,900	12,200	11,700	12,000
<b>TOTAL EXPENDITURE</b>	<b>354,514</b>	<b>345,400</b>	<b>359,700</b>	<b>385,700</b>
<u>Income</u>				
Fees & Charges	(20)	0	0	0
<b>TOTAL INCOME</b>	<b>(20)</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>NET EXPENDITURE</b>	<b>354,494</b>	<b>345,400</b>	<b>359,700</b>	<b>385,700</b>

### Variation Analysis

Original Estimate 2006/07	345,400	345,400
Inflation	0	9,600
Service Plan	0	(900)
Budget Transfer	0	5,200
Other Variations	14,300	26,400
Revised Budget 2006/07	<u>359,700</u>	
Original Budget 2007/08		<u>385,700</u>



**HOUSING ADVICE H12**

**KEY ACTIVITY DATA**

Anticipated processed applications to join Richmond Housing Register	1,485
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**BEST VALUE PERFORMANCE DATA**

BV CODE INDICATOR	<u>2005/06 Actuals</u>		<u>Targets</u>	
	<u>Richmond</u>	<u>Top 25% London</u>	<u>2006/07</u>	<u>2007/08</u>
None applicable				

Number of full time equivalent employees	<b>2006/07</b>	<b>2007/08</b>
	6.5	6.5

## ADULT SOCIAL SERVICES AND HOUSING

### HOMELESSNESS H13

This includes the Advice & Assessment Team which provides a housing advice service, preventative services, rent deposits and processing homeless applications. It also includes the Resettlement Service, as well as services for Rough Sleepers provided by SPEAR.

	<u>2005/06</u> <u>Actual</u> £	<u>2006/07</u> <u>Original</u> £	<u>2006/07</u> <u>Revised</u> £	<u>2007/08</u> <u>Estimate</u> £
<u>Expenditure</u>				
Employees	1,012,452	1,098,400	1,088,000	1,151,900
Premises	128,132	132,800	153,000	171,800
Transport	17,122	20,300	19,500	19,000
Supplies and Services	578,464	567,300	537,700	556,300
Third Party Payments	27,636	14,400	28,000	28,700
Transfer Payments	109,108	60,100	57,000	58,400
Central Recharges	355,758	345,200	369,400	397,400
Departmental Recharges	55,700	57,000	82,600	84,800
Capital Charges	127,070	99,100	336,000	38,000
<b>TOTAL EXPENDITURE</b>	<b>2,411,442</b>	<b>2,394,600</b>	<b>2,671,200</b>	<b>2,506,300</b>
<u>Income</u>				
Government Grants	(295,074)	(345,100)	(315,000)	(350,000)
Other Grants and Contributions	(18,345)	0	0	0
Fees & Charges	(256,002)	(209,800)	(229,800)	(235,500)
Rents	(380,861)	(484,800)	(484,800)	(496,900)
<b>TOTAL INCOME</b>	<b>(950,283)</b>	<b>(1,039,700)</b>	<b>(1,029,600)</b>	<b>(1,082,400)</b>
<b>NET EXPENDITURE</b>	<b>1,461,159</b>	<b>1,354,900</b>	<b>1,641,600</b>	<b>1,423,900</b>

### Variation Analysis

Original Estimate 2006/07	1,354,900	1,354,900
Inflation	0	36,100
Service Plan	0	(33,300)
Budget Transfer	0	22,700
Capital Financing	236,900	(61,100)
Other Variations	49,800	104,600
Revised Budget 2006/07	<u>1,641,600</u>	
Original Budget 2007/08		<u>1,423,900</u>

**HOMELESSNESS H13**

**KEY ACTIVITY DATA**

Homeless applications	477
Housing advice cases	793
People receiving resettlement advice	205

**BEST VALUE PERFORMANCE DATA**

	<u>2005/06 Actuals</u>		<u>Targets</u>	
	<u>Richmond</u>	<u>Top 25% London</u>	<u>2006/07</u>	<u>2007/08</u>
<b>BV CODE INDICATOR</b>				
BV 202 The number of people sleeping rough in a single night within the authority	5	1	<6	<6
BV 213 Number of homeless households for whom LA Housing Advice Service intervention resolved the situation	1	6	3	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	2.36%	0.32%	<1%	<1%

	<b>2006/07</b>	<b>2007/08</b>
Number of full time equivalent employees	29.5	28.7

## ADULT SOCIAL SERVICES AND HOUSING

### TEMPORARY ACCOMMODATION H15

This covers the procurement and management of temporary accommodation used by homeless households, including the Council's two hostels. The Team helps to minimise the use of unsuitable and costly bed & breakfast accommodation and works with housing association that have leased private housing.

	<u>2005/06</u> <u>Actual</u> £	<u>2006/07</u> <u>Original</u> £	<u>2006/07</u> <u>Revised</u> £	<u>2007/08</u> <u>Estimate</u> £
<u>Expenditure</u>				
Employees	479,115	486,500	486,500	515,400
Premises	4,008,876	3,768,200	858,700	330,900
Transport	20,175	13,000	13,000	13,300
Supplies and Services	49,048	50,500	50,500	50,500
Transfer Payments	323,351	232,100	3,242,900	3,549,300
Central Recharges	178,682	169,300	176,800	189,800
Departmental Recharges	20,200	21,200	117,700	120,100
<b>TOTAL EXPENDITURE</b>	<b>5,079,446</b>	<b>4,740,800</b>	<b>4,946,100</b>	<b>4,769,300</b>
<u>Income</u>				
Fees & Charges	(437,157)	(534,800)	(534,800)	(421,000)
Rents	(4,577,256)	(4,175,900)	(4,175,900)	(4,073,300)
<b>TOTAL INCOME</b>	<b>(5,014,413)</b>	<b>(4,710,700)</b>	<b>(4,710,700)</b>	<b>(4,494,300)</b>
<b>NET EXPENDITURE</b>	<b>65,034</b>	<b>30,100</b>	<b>235,400</b>	<b>275,000</b>

### Variation Analysis

Original Estimate 2006/07	30,100	30,100
Inflation	0	4,700
Service Plan	0	(1,300)
Budget Transfer	101,300	111,300
Other Variations	104,000	130,200
Revised Budget 2006/07	<u>235,400</u>	
Original Budget 2007/08		<u>275,000</u>

**TEMPORARY ACCOMODATION H15**

**KEY ACTIVITY DATA**

Households in bed and breakfast accommodation	38
Hostel rooms	49
Short term leased properties	295

**BEST VALUE PERFORMANCE DATA**

	<u>2005/06 Actuals</u>		<u>Targets</u>	
	<u>Richmond</u>	<u>Top 25% London</u>	<u>2006/07</u>	<u>2007/08</u>
<b>BV CODE INDICATOR</b>				
BV 183a The average length of stay for families in bed and breakfast accommodation	4.4 weeks	0 weeks	0.9 weeks	0.8 weeks
BV 183b The average length of stay for families in hostel accommodation	18.47 weeks	0.95 weeks	18 weeks	15 weeks
BV 203 % change in the average number of families placed in temporary accommodation under homelessness legislation compared with the average for the previous year	-15.31%	-7.86%	-10%	-12%

	<b>2006/07</b>	<b>2007/08</b>
Number of full time equivalent employees	14.0	14.0

## ADULT SOCIAL SERVICES AND HOUSING

### 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>2005/06</u> <u>Actual</u> £	<u>2006/07</u> <u>Original</u> £	<u>2006/07</u> <u>Revised</u> £	<u>2007/08</u> <u>Estimate</u> £
<u>Expenditure</u>				
Supplies and Services	271	0	0	0
Transfer Payments	41,000,315	41,785,000	41,793,900	42,524,100
Departmental Recharges	0	0	6,700	6,900
<b>TOTAL EXPENDITURE</b>	<b>41,000,585</b>	<b>41,785,000</b>	<b>41,800,600</b>	<b>42,531,000</b>
<u>Income</u>				
Government Grants	(41,460,922)	(41,209,500)	(41,218,400)	(41,969,300)
Fees & Charges	104,843	-310,000	-310,000	-282,800
<b>TOTAL INCOME</b>	<b>(41,356,079)</b>	<b>(41,519,500)</b>	<b>(41,528,400)</b>	<b>(42,252,100)</b>
<b>NET EXPENDITURE</b>	<b>(355,494)</b>	<b>265,500</b>	<b>272,200</b>	<b>278,900</b>

### Variation Analysis

Original Estimate 2006/07	265,500	265,500
Inflation	0	6,600
Other Variations	6,700	6,800
Revised Budget 2006/07	<u>272,200</u>	
Original Budget 2007/08		<u>278,900</u>

**HOUSING BENEFIT PAYMENTS H16**

**KEY ACTIVITY DATA**

Average Housing Benefit claims per week	10,100
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**BEST VALUE PERFORMANCE DATA**

BV CODE INDICATOR	<u>2005/06 Actuals</u>		<u>Targets</u>	
	<u>Richmond</u>	<u>Top 25% London</u>	<u>2006/07</u>	<u>2007/08</u>
BV 76a No of claimants visited per 1,000 caseload	185.53	N/A	185	190
BV 76b Number of fraud investigators per 1,000 caseload	0.25	N/A	0.3	0.3
BV 76c No of fraud investigations per 1,000 caseload	14.95	N/A	60	70
BV 76d No of prosecutions/sanctions per 1,000 caseload	1.39	N/A	4	6
BV 78 Speed of processing:				
a) average time for processing new claims (days)	30.9	30.7	29.	28.
b) average time for processing notifications of change of circumstances (days)	11.44	11.4	9	8
BV 79 a) % HB/CTB claims processed correctly	99.2%	98.86	99.%	99.%
b1) percentage of overpayments recovered as a percentage of all overpayments	71.48%	71.48%	72%	73%
bii) percentage of all overpayments deemed recoverable, non recoverable and those subsequently written off	27.55%	29.89%	45%	50%
biii) % recovery of all overpayments deemed recoverable, non recoverable and those subsequently written off, recovered	4.39%		4%	3.9%

	<b>2006/07</b>	<b>2007/08</b>
Number of full time equivalent employees	0	0

## ADULT SOCIAL SERVICES AND HOUSING

### 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>2005/06</u> <u>Actual</u> <u>£</u>	<u>2006/07</u> <u>Original</u> <u>£</u>	<u>2006/07</u> <u>Revised</u> <u>£</u>	<u>2007/08</u> <u>Estimate</u> <u>£</u>
<u>Expenditure</u>				
Employees	155,304	167,200	167,200	166,000
Premises	233	500	500	500
Transport	410	700	700	700
Supplies and Services	31,012	2,838,200	28,300	20,700
Third Party Payments	3,109,617	0	2,813,900	2,847,600
Transfer Payments	1,101	0	0	0
Central Recharges	58,911	49,400	37,700	41,200
Departmental Recharges	9,600	9,700	10,200	10,500
<b>TOTAL EXPENDITURE</b>	<b>3,366,188</b>	<b>3,065,700</b>	<b>3,058,500</b>	<b>3,087,200</b>
<u>Income</u>				
Government Grants	(3,011,295)	(2,961,800)	(2,961,800)	(2,995,500)
Fees & Charges	(255,704)	0	0	0
<b>TOTAL INCOME</b>	<b>(3,266,999)</b>	<b>(2,961,800)</b>	<b>(2,961,800)</b>	<b>(2,995,500)</b>
<b>NET EXPENDITURE</b>	<b>99,189</b>	<b>103,900</b>	<b>96,700</b>	<b>91,700</b>

### Variation Analysis

Original Estimate 2006/07	103,900	103,900
Inflation	0	4,000
Service Plan	0	(14,400)
Budget Transfer	4,000	4,000
Other Variations	(11,200)	(5,800)
Revised Budget 2006/07	<u>96,700</u>	
Original Budget 2007/08		<u>91,700</u>



**SUPPORTING PEOPLE H18**

**KEY ACTIVITY DATA**

<b>Client Group</b>	<b>No.of Schemes</b>	<b>No.of Clients</b>
Offenders	3	25
Older People with support needs	43	972
People with physical disabilities	1	3
People with HIV/AIDS	4	6
People with learning disabilities	7	39
People with Mental health needs	18	126
Rough sleepers	4	39
Single homeless	2	113
Teenage parents	1	4
Travellers	1	10
Women at risk of Domestic Violence	3	17
Young People at risk	3	36
Young People leaving care	4	24
Total	94	1,414

**BEST VALUE PERFORMANCE DATA**

<b>BV CODE INDICATOR</b>	<b><u>2005/06 Actuals</u></b>		<b><u>Targets</u></b>	
	<b><u>Richmond</u></b>	<b><u>Top 25% London</u></b>	<b><u>2006/07</u></b>	<b><u>2007/08</u></b>
None Applicable				
<b>Local Performance Indicator</b>				
Service Users who are supported to establish and maintain independent living	94.28%	N/A	95%	95%
Service users who have moved on in a planned way from temporary living arrangements	90.43%	N/A	90%	90%

Number of full time equivalent employees	<b>2006/07</b>	<b>2007/08</b>
	4.5	3.5

## ADULT SOCIAL SERVICES AND HOUSING

### RESIDENTIAL SERVICES H19

This covers residential environmental health and housing services. This work includes the provision of grants and loans to adapt and improve properties mainly in the private sector, via Disabled Facilities Grants and House-Proud loans, as well as the Home Improvement Agency. Its other responsibilities include promoting home energy conservation and dealing with domestic noise and pest control. This team also leads on health promotion initiatives and organises food hygiene courses for the hospitality industry.

	<u>2005/06</u> <u>Actual</u> £	<u>2006/07</u> <u>Original</u> £	<u>2006/07</u> <u>Revised</u> £	<u>2007/08</u> <u>Estimate</u> £
<u>Expenditure</u>				
Employees	666,770	754,600	754,600	770,900
Premises	32,895	37,500	50,600	38,400
Transport	16,082	15,200	15,200	15,500
Supplies and Services	136,402	193,200	193,200	186,500
Third Party Payments	38,283	69,800	49,200	71,500
Transfer Payments	(364)	3,700	3,700	3,800
Central Recharges	251,378	216,600	229,000	246,400
Departmental Recharges	35,300	36,200	49,500	50,800
Capital Charges	2,845,199	5,420,000	3,840,200	5,312,200
<b>TOTAL EXPENDITURE</b>	<b>4,021,945</b>	<b>6,746,800</b>	<b>5,185,200</b>	<b>6,696,000</b>
<u>Income</u>				
Government Grants	(25,000)	(10,000)	(10,000)	(10,300)
Other Grants and Contributions	0	(39,000)	(39,000)	(40,000)
Fees & Charges	(152,246)	(253,200)	(253,200)	(259,600)
Rents	(43,159)	(51,600)	(51,600)	(52,900)
<b>TOTAL INCOME</b>	<b>(220,405)</b>	<b>(353,800)</b>	<b>(353,800)</b>	<b>(362,800)</b>
<b>NET EXPENDITURE</b>	<b>3,801,540</b>	<b>6,393,000</b>	<b>4,831,400</b>	<b>6,333,200</b>

### Variation Analysis

Original Estimate 2006/07	6,393,000	6,393,000
Inflation	0	24,600
Service Plan	0	(42,800)
Budget Transfer	(7,500)	17,400
Capital Financing	(1,579,800)	(107,800)
Other Variations	25,700	48,800
Revised Budget 2006/07	<u>4,831,400</u>	
Original Budget 2007/08		<u>6,333,200</u>

**RESIDENTIAL SERVICES H19**

**KEY ACTIVITY DATA**

Renovation grants provided	8
House Proud loans provided	10
Disabled Facility grants provided	100
People using Handyperson Service	1,200
Noise nuisance enquiries per annum (Domestic)	400
Food Hygiene courses organised	15

**BEST VALUE PERFORMANCE DATA**

<b>BV CODE INDICATOR</b>	<b><u>2005/06 Actuals</u></b>	<b><u>Targets</u></b>	
	<b><u>Richmond Top 25% London</u></b>	<b><u>2006/07</u></b>	<b><u>2007/08</u></b>
None Applicable			

	<b>2006/07</b>	<b>2007/08</b>
Number of full time equivalent employees	19.4	18.4

## ADULT SOCIAL SERVICES AND HOUSING

### ASYLUM SEEKERS S51

The Asylum Seeker Team carries out the Council's legal responsibilities to asylum seekers who do not fall under the responsibility of the Home Office's National Asylum Support Service. The team is responsible for finding and inspecting suitable accommodation, providing support and subsistence payments. It works closely with health, social services, education and the voluntary sector to ensure that service users' needs are met.

	<u>2005/06</u> <u>Actual</u> £	<u>2006/07</u> <u>Original</u> £	<u>2006/07</u> <u>Revised</u> £	<u>2007/08</u> <u>Estimate</u> £
<u>Expenditure</u>				
Employees	548,188	335,300	335,300	317,400
Premises	0	1,100	1,100	1,100
Transport	6,214	4,100	4,100	4,200
Supplies and Services	94,430	77,300	77,300	77,300
Third Party Payments	942,010	442,800	483,800	322,400
Transfer Payments	0	200	200	0
Central Recharges	232,961	206,400	83,500	90,100
Departmental Recharges	48,791	50,900	24,700	25,400
<b>TOTAL EXPENDITURE</b>	<b>1,872,593</b>	<b>1,118,100</b>	<b>1,010,000</b>	<b>837,900</b>
<u>Income</u>				
Government Grants	(1,110,595)	(574,600)	(574,600)	(520,100)
Other Grants and Contributions	0	(4,900)	(4,900)	0
Fees & Charges	(131,584)	0	0	0
<b>TOTAL INCOME</b>	<b>(1,242,178)</b>	<b>(579,500)</b>	<b>(579,500)</b>	<b>(520,100)</b>
<b>NET EXPENDITURE</b>	<b>630,415</b>	<b>538,600</b>	<b>430,500</b>	<b>317,800</b>

### Variation Analysis

Original Estimate 2006/07	538,600	538,600
Inflation	0	9,100
Service Plan	0	(1,800)
Budget Transfer	41,000	(52,000)
Other Variations	(149,100)	(176,100)
Revised Budget 2006/07	<u>430,500</u>	
Original Budget 2007/08		<u>317,800</u>

**ASYLUM SEEKERS S51**

**KEY ACTIVITY DATA**

The budget allows for the following average client numbers:	
Unaccompanied children aged 16 or 17	26
Young People leaving care	12

**BEST VALUE PERFORMANCE DATA**

**BV CODE INDICATOR**

	<u>2005/06 Actuals</u>		<u>Targets</u>	
	<u>Richmond</u>	<u>Top 25% London</u>	<u>2006/07</u>	<u>2007/08</u>

None applicable

	<b>2006/07</b>	<b>2007/08</b>
Number of full time equivalent employees	7.0	6.0

## Section G

**CABINET**

**DATE:** 26<sup>TH</sup> FEBRUARY 2007

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

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

Agenda Item No.

**15**

**SUBJECT:** REVENUE BUDGET STRATEGY AND COUNCIL TAX 2007/08

**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 2007/08

### **EXECUTIVE SUMMARY**

This report makes recommendations as to the level of Council Tax for 2007/08 having regard to:

- The proposed budget for 2007/08 and the Local Government Finance Settlement
- The proposed level of reserves and contingencies
- The advice of the Director of Finance and Corporate Services on the robustness of the estimates and the level of reserves to be held

The recommended Band D charge for the Richmond element of the Council Tax is £1,186.72 (a 4.9% increase)

The proposed charge from the GLA is £303.88 (a 5.3% increase)

The total Band D charge for 2007/08 will be £1,490.60 (a 4.98% increase)

### **2. RECOMMENDATIONS**

- 2.1 That the Central Items and contingencies as set out in paragraph 3.6.4 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 3.12)

- 2.3 That the Council be RECOMMENDED to agree the Revenue Budget for 2007/08**
- 2.4 That the Council be RECOMMENDED to agree that the Richmond upon Thames element of the Band D Council Tax be set at £1,186.72 (an increase of £55.42 or 4.90%)**
- 2.5 That the Cabinet note the increase in the Greater London Authority (GLA) precept of 5.3% to £303.88 (£288.61 in 2006/07)**
- 2.6 That the Council be RECOMMENDED to agree that the overall Band D level of Council Tax for 2007/08 including the GLA element be set at £1,490.60, an overall increase of 4.98%. 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. (See Section H)**

### **3. DETAIL**

#### **3.1 The Corporate Planning Process**

3.1.1 The Community Plan is the key document that drives the way in which the Council operates. The last Community Plan Cycle was for 2003 – 2006. The Council, in conjunction with the Local Strategic Partnership, is currently undertaking a consultation exercise, YourSay 2017, the results of which will inform the writing of the 2007 Community Plan. The consultation is framed around 5 key themes which represent the Council's aspirations for the Borough.

- cleaner and greener
- safer and stronger
- a healthier community
- children and young people
- vibrant and prosperous

At a more detailed level, the recently published Medium and Long Term Financial Strategy (MLTFS) identified the following key priorities:

- 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 – includes revenue growth bid, and review of 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 constrained by growth in statutory services especially in the areas of education and social care.

#### **3.2 The Medium and Long Term Financial Strategy**

3.2.1 The MLTFS is the document that draws together the financial impact of the Community, Directorate 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...

- To set the lowest Council Tax increase consistent with the provision of high quality local services (maintaining the current aim of sub-5% increases)
- To manage spending within the overall budget levels agreed
- To invest surplus reserves in key strategic improvements whilst maintaining prudent levels within the range agreed by Council
- To deliver year on year efficiency improvements to create opportunity for strategic and sustainable front line service investments
- To support a prudent level of capital investment to meet the Council's strategic priorities
- To enable longer term planning in the delivery of the Council's strategic vision and objectives

... which are intended to achieve the balance between maintaining financial stability and progressing the aims of the Council.

3.2.3 The version of the MLTFS approved by Cabinet on 4<sup>th</sup> December 2006 concluded that efficiencies of approximately £2m per annum over the next 3 years were necessary in order to keep within the Government's capping limit for Council Tax of 5%. The MLTFS has been updated since then to reflect budget decisions and a revised version was considered by Finance and Strategy Overview and Scrutiny Committee on 21<sup>st</sup> February (see Section H). It is important to note that a number of the proposals for efficiencies/savings have an impact beyond the 2007/08 budget.

## 3.3 The Current Financial Position

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

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

### 3.3.2 Balances and Reserves

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
- Approximately 10% of the quoted balances figure are funds that are outside of the Council's direct control e.g. school balances
- 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

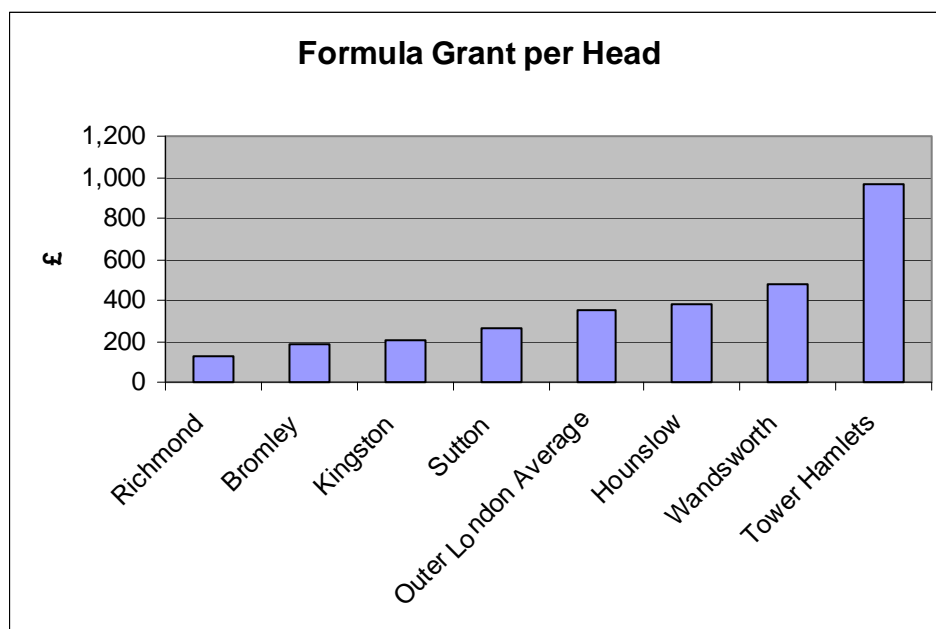


The MLTFS includes a fuller analysis of the reserves position (see App D of the MLTFS in Section H).

### 3.4 The 2007/08 Local Government Finance Settlement

3.4.1 Appendix C contains a Briefing Note on the main detail of the 2007/08 settlement. The details for Richmond have not changed since the Briefing Note was issued. As has been the case for a number of years, the settlement was a poor one for Richmond. The Council's grant increased by £194k or 0.8%. To put this into context, the proposals in this report contain an allowance of nearly £5m 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, thus far, refused to meet with the Borough and has made no changes to the settlement in respect of issues that we, or other boroughs, have raised.

3.4.2 The chart below illustrates how much less per head Richmond receives compared to other boroughs.



If Richmond were funded at the same level as Bromley, the next lowest funded authority, we would receive an additional £60.31 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 £84.34 per head, equivalent to around a £180 reduction in Band D Council Tax.

3.4.2 The outlook for the future of the grant is poor. Public spending is likely to come under increasing pressure further restricting the funds available for Local Government. Even if additional funds were put in, Richmond, as a “floor” authority would be unlikely to receive any benefit. This is because the level of grant, as calculated by the national formula, is so far below what we actually receive that any increase would not be sufficient to raise the Council to a level above the floor.

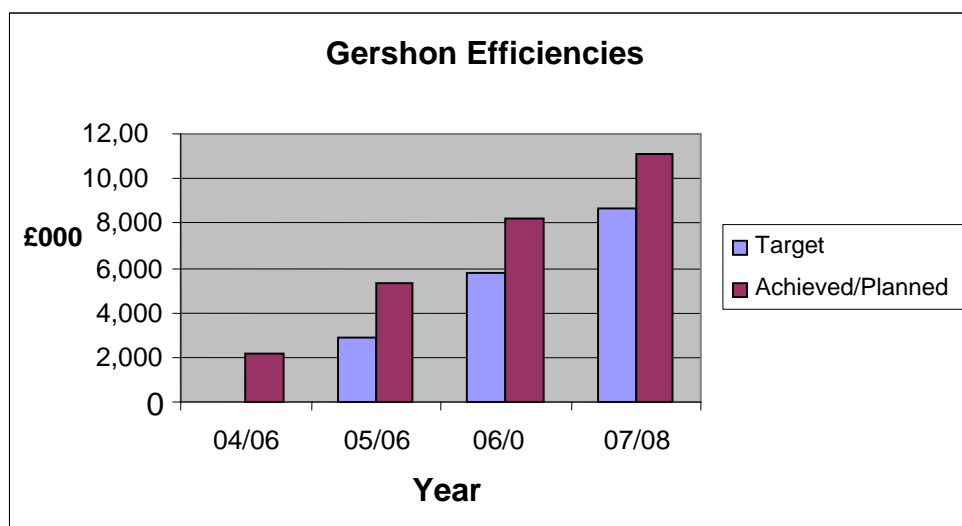
### 3.5 The Efficiency Strategy

3.5.1 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, 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.

3.5.2 Finance and Strategy Overview and Scrutiny Committee on 28<sup>th</sup> September 2006 considered a report on the Council's approach to its Efficiency Strategy particularly in relation to strengthening the links with service and financial planning and performance management.

3.5.3 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.



3.5.4 Alongside the Gershon Review the Council is undertaking efficiency work focussing in particular on services where the unit cost is above the lower quartile for London boroughs and south east of England unitary authorities. This work is intended to broaden the awareness of efficiency within the Council and to challenge budget holders where spending is higher than expected.

3.5.5 Debate about efficiency savings has been a central element of the budget preparation process and both the budget and the latest MLTFS include the impact of efficiency savings, both cashable and non-cashable, that have been identified.

### 3.6 Overall budget proposals

3.6.1 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. Comments from those Committees have been considered in drawing up the final recommendations.

3.6.2 Key features of the proposed budget are:

- Inflationary pressures will cost the borough £4.5m
- Some £2.5m of cashable efficiency savings and income generation are included
- £1.6m of new demands for statutory services have been built in

- The budget has had to absorb £1.1m of increases arising from Government and outside bodies
- Investment proposals totalling £1.2m have been included

The updated version of the MLTFS (see Section H) includes a full listing of these items.

3.6.3 The final service totals are:

	<u>£m</u>
Education and Childrens' Services	34.630
Environment	32.854
Adult Social Services and Housing	54.157
Corporate Services	14.687
Total	<u>136.328</u>

3.6.4 Central Items and contingency

Asset Management Revenue Account

	<u>£m</u>
Capital Charges (inc. Leases)	-8.652
Principal (Minimum Revenue Provision)	0.983
Interest	<u>-0.772</u>
Total	-8.441
Use of balances	-750
General Contingency	551
Waste and Recycling Strategy	942
Capitalisation	-200
Total	<u>-7.898</u>

**3.7 Summary of Borough Expenditure**

	<u>£m</u>
Service Estimates (para 3.6.3)	136.328
Central Items and Contingency	-7.898
Total LBRuT Budget Requirement	<u>128.430</u>

**3.8 Levies**

3.8.1 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	2006/07 £000	2007/08 £000	Variation %
West Waste	Environment	4,449	4,912*	10.4
Lee Valley Park	Environment	257	263	2.33
Flood Defence	Environment	103	167	62.1
London Pension Fund Authority	Corporate Services	236	243	2.97
Coroner's Service	Corporate Services	124	128	3.23

\* Estimated figure

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

### 3.9 Capping

3.9.1 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.

3.9.2 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 Council tax rises be limited to no more than 5%.

3.9.3 The proposed budget for 2007/08 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 4.4% (December 2006).

	2006/07		2007/08	
	Amount	Increase	Amount	Increase
Budget Requirement inc. schools	£202.725m	4.44%	£214.325m	5.68%
Budget Requirement ex schools	£122.334m	2.3%	£128.430m	4.98%
Council Tax	£1,131.30	0.00%	£1,186.72	4.90%

3.9.4 The Council will be utilising £0.628m surplus from the Collection Fund in 2007/08. Of this amount, £0.500m serves to reduce the Richmond element of the Council Tax with the balance contributing towards the GLA element.

### 3.10 The Greater London Authority (GLA) Precept

3.10.1 The GLA Precept is proposed to increase by 5.3%. It gives rise to a Band D Council Tax of £303.88 (up by £15.27 over 2006/07).

3.10.2 The proposed 5.3% increase adds 0.08% to the overall Band D Council Tax increase.

### 3.11 Summary of requirements and Council Tax

#### 3.11.1

	<b>£m</b>
Total LBRuT Budget Requirement	128.430
School expenditure funded from DSG	85.895
GLA Precept	26.605
	<hr/> 240.930
Less	
Formula Grant	-24.041
DSG	-85.895
Collection Fund Surplus	-500
	<hr/>
Total Requirement for Council Tax	130.494

3.11.2 At the Council meeting of 23rd January 2007, the Council Tax Base for 2007/08 was agreed as 87,542.57 Band D equivalents.

3.11.3 Based on the above figures, the total tax at Band D including the GLA element is £1,490.60 an increase of 4.98% over the 2006/07 figure of £1,419.91.

### 3.12 Section 25(2) of the Local Government Act 2003

3.12.1 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.

3.12.2 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

3.12.3 Both internal and external reports have indicated that budget setting and monitoring processes have improved significantly in recent years. The improved information offered by the new financial systems has helped to consolidate this improvement, as has the updating of financial regulations and budget manager roles. This has culminated in a score of 3 (Good) for the Use of Resources judgement under the Comprehensive Performance Assessment carried out late last year. 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. The review of the Council's structure that is underway makes proposals for the strengthening of the finance function in spending directorates and the impact of this change will be closely monitored.

- 3.12.4 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 social care and special educational needs provision where a small increase in client numbers can result in major increases in costs. Adult Social Services are under additional pressure resulting from funding problems within the NHS. The budget process has considered these issues and, within the resource constraints faced by the Council, has adjusted budget levels.
- 3.12.5 Paragraph 3.5 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.
- 3.12.6 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 £7.4m more than it would receive were the "floor" to be withdrawn. This equates to around 7% on Council Tax. The forward financial plans currently allow for a 2% increase but the situation will be monitored closely.
- 3.12.7 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.
- 3.12.8 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 2010.
- 3.12.9 Following the use of just over £1m of balances to support the Council Tax in 2006/07, this budget proposes a use of around £0.75m in 2007/08. This is part of an ongoing plan to gradually remove the use of balances from the budget without a major impact on the Council Tax. The plan is for £250k to be removed each year until the £1.0m has been removed. This illustrates the impact of using balances to directly support budgets in a given year. After allowing for this and the impact of the latest budget monitoring report, the Council's General Reserve is expected to stand at around £11.5m by the year end. This is still within the Council's agreed range. 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 2007/08 budget allows for a further increase in employer contributions as part of the recovery.

#### **4. CONSULTATION**

- 4.1 The Council undertook three 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 MORI organisation, the second a Citizens Panel survey and the third a consultation evening for Business Ratepayers. The outcomes were reported to the Finance and Strategy Overview and Scrutiny Committee on 21<sup>st</sup> February as part of the revised MLTFS (For further information on the consultation exercise please go to [http://modern.gov.richmond.gov.uk/Published/C00000163/M00001522/AI00012322/\\$CouncilTaxAppE.doc.pdf](http://modern.gov.richmond.gov.uk/Published/C00000163/M00001522/AI00012322/$CouncilTaxAppE.doc.pdf))

## **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 (Section H) and in paragraph 3.12 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 There are none arising directly from 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](http://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 2007/08

<b>Band</b>	<b>Richmond Council element of Tax  £</b>	<b>Greater London Authority element of Tax  £</b>	<b>Total Council Tax  £</b>
A	791.14	202.59	993.73
B	923.01	236.35	1,159.36
C	1,054.86	270.12	1,324.98
<b>D</b>	<b>1,186.72</b>	<b>303.88</b>	<b>1,490.60</b>
E	1,450.43	371.41	1,821.84
F	1,714.15	438.94	2,153.09
G	1,977.86	506.47	2,484.33
H	2,373.44	607.76	2,981.20



**APPENDIX B**

DESCRIPTION	Balance 1.4.06	Estimated Movement 2006/07	Balance 31.3.07	PURPOSE OF RESERVE
<b>RESERVES HELD AT COUNCIL'S DISCRETION</b>				
General Reserve (available for any purpose)	-12,052	527	-11,525	Working balance/unexpected events/emergencies/balancing budget and Council Tax
<b>Earmarked Reserves:</b>			0	
Infrastructure Reserve	-11,169	1,700	-9,469	Major works to improve Council infrastructure/deliver benefits to the community.
PFI Reserve	-5,302	-300	-5,602	To allow for future smoothing of annual payments under PFI contracts
General Insurance Reserve	-1,870	*	-1,870	Covers the internal element of the Council's main insurance cover including allocation of up to £100k p.a. for Risk Management
Repair and Renewals Fund	-1,934	0	-1,934	The purchase/creation of assets providing benefits of at least 3 years. Repayable by the service over an agreed timescale.
Project Development Reserve	-2,808	-236	-3,044	Funds development of major projects.
Social Housing Reserve	-1,300	0	-1,300	From LSVT funds to meet agreed programme of capital investment in social housing
Salaries and Wages Oncost	-1,284	500	-784	Balance of on-cost rate charged on all employees for liability insurance. Also used to fund Cyborg Payroll/HR system.
Waste and Recycling Reserve	-904	-400	-1,304	Used to fund Waste Strategy
LABGI Reserve	-425	0	-425	Used to fund local business development
Single Status Reserve	-355	355	0	To fund implementation of Single Status pay adjustments
PSA Agreement (Revenue element)	-432	-232	-664	Government grant to fund performance improvement projects
Pension Costs Reserve	-733	-200	-933	To smooth contributions to the Pension Fund
Carry forwards Reserve	-2,894	2,000	-894	Unspent revenue budgets carried forward for specific Cabinet approved projects
Loss of Government Grant Reserve	-500	500	0	Provides protection against loss of Government Grant in year
School' Maternity and Supply Cover Scheme	-195	*	-195	Internal insurance arrangement for supply and maternity cover in schools
Environment Contract Services Insurance	-122	*	-122	Internal insurance arrangement for contract hire vehicles

**APPENDIX B**

Social Services Special Equipment Reserve	-95	*	-95	To fund purchase of small items of domestic equipment for Social Services establishments.
Libraries Trading Account	-110	*	-110	Surplus from hiring CD's/DVD's/Videos, used to reinvest in service
Land Charges IT System	-56	*	-56	Created from land charge fees and being used to fund electronic system development
Other minor reserves	-395	*	-395	
<b>Sub total: Reserves held at Council's discretion</b>	<b>-44,935</b>	<b>4,214</b>	<b>-40,721</b>	
<b>RESERVES OUTSIDE COUNCIL CONTROL</b>				
Schools	-5,391	*	-5,391	Ring fenced to schools
Collection Fund	-1,625	625	-1,000	Accumulated surplus arising from higher than budgeted collection rate
Home Loans Unit	-147	*	-147	Funds associated with former GLC mortgages (distributed across all London Boroughs)
<b>Sub total: Reserves outside Council Control</b>	<b>-7,163</b>	<b>625</b>	<b>-6,538</b>	
<b>TOTAL RESERVES</b>	<b>-52,098</b>	<b>4,839</b>	<b>-47,259</b>	

All movements in reserves are only estimates at this stage and will be subject to review at year end. Those marked with an asterisk in the Movement column rely on detailed year end transactions



# Local Government Provisional Finance Settlement for 2007/08

Preliminary Briefing 28th November 2006

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## National Headlines

The Office for the Deputy Prime Minister issued the provisional 2007/08 Local Government Finance Settlement for consultation on 28th November.

The main national headlines from the Provisional Settlement announcement are:

- Total revenue grants for English local authorities including dedicated funding for schools will be £65.1 billion in 2007/08, an increase on the previous year of 4.9%.
- Formula grant (general support for Council services) excluding schools will total £25.6 billion in 2007/08, an increase of 3.7% in cash terms.
- Dedicated Schools Grant increases by 5.8% to £28.1bn.
- Full resource equalisation has been applied, which has the effect of reducing the level of grant to authorities with a high council taxbase to the advantage of authorities with a low taxbase.
- The Provisional Settlement continues to include a minimum (floor) level of increase in grant. The floor for London authorities is 2.7% for 2007/08, compared to 2% in 2006/07. 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 2006/07, the Government expects average Council Tax increases to remain below 5%, and will use capping powers to ensure that Council Tax payers do not face unacceptable increases.

## What does it mean for Richmond?

Richmond's Provisional Formula Grant for 2007/08 is £24.041m. Comparing the 2007/08 provisional formula grant to the 2006/07 adjusted formula grant, this equates to a £0.632m increase (2.7% increase equal to the minimum floor increase). However, the actual formula grant that Richmond received for 2006/07 was £23.847m, meaning that the 2007/08 provisional grant has actually only increased by £0.194m, which equates to a 0.8% increase.

This shortfall in Richmond's 2007/08 formula grant is due to the adjustments that the Government has made to the 2006/07 formula grant baseline. The main adjustment is

## APPENDIX C

the removal of the capital adjustment from the formula grant calculations. The Government has stated that local authorities will receive capital grants to compensate for the loss in formula grant. However, officials have still not provided details of these grants, and it is now expected that the majority of this funding will be given to local authorities with housing stock. If this is the case, Richmond will not receive sufficient funding from capital grants to compensate for the reduction in its formula grant, and will face a below inflation increase in funding for 2007/08 despite the Government's previous promise of a 2.7% minimum increase for all local authorities.

On average, the formula grant for London boroughs has increased by 3.4% for 2007/08 compared to the adjusted 2006/07 formula grant, and 3% compared to the actual 2006/07 formula grant. For Outer London boroughs, the average increase is 3.2% above the adjusted 2006/07 formula grant, and 2.86% above the actual 2006/07 formula grant.

For 2007/08, this level of Central Government support for non-school services within Richmond equates to £126.08 funding per head of population. This compares to the London boroughs' average of £499.75 (£373.67 or 296% more than Richmond), and the Outer London boroughs' average of £360.12 (£234.04 or 186% more than Richmond). In fact, Richmond's 2007/08 formula grant per head of population has actually reduced by 0.6% from the 2006/07 level of £126.87. This compares to a 2.3% increase in the 2007/08 average London boroughs' formula grant per head of population, and a 2.1% average increase for Outer London boroughs.

The Borough not only continues to be the worst funded in London, but as the above figures demonstrate, the funding gap is increasing at a rapid level despite Richmond's above average estimated population growth in recent years. Comparisons to Kingston upon Thames reveal that Richmond is likely to receive £84.34 less per head of population in 2007/08, compared to £81.89 in 2006/07. Bromley is the next worst funded London Borough, but in 2007/08 it is likely to receive £60.31 more funding per head of population, compared to £57.56 in 2006/07. These increases in the funding gap are despite Kingston's estimated population increasing by 1,758 (1.1%), and Bromley's increasing by 2,114 (0.7%), whilst Richmond's estimated population increase for 2007/08 is 2,723 (1.4%).

Without the floor mechanism in place the Council would have only received £16.640m for 2007/08. The floor mechanism increased the borough's grant by £7.401m to £24.041m. This compares to the 2006/07 Settlement where the floor resulted in Richmond receiving additional grant of £6.795m. This means that in just one year the borough's floor protection has increased by £0.606 or 8.92%.

If Richmond received the same formula grant per head of population in 2007/08 as Kingston this would equate to £40.124m (an additional £16.083m), which would take it £23.484m above its grant floor.

The provisional Dedicated Schools Grant for 2007/08 allocated to Richmond is £86.350m, compared to £80.463m in 2006/07, an increase of 7.3%. In calculating this figure, the government has used provisional pupil numbers and the actual allocation to Richmond may be different.

### Conclusions

The Provisional Settlement continues to leave Richmond as the lowest funded authority in London, with a continuing increase in the funding gap.

With the abolition of the capital adjustment, Richmond no longer receives formula grant above the floor to specifically support capital expenditure, and it is unlikely that the borough will receive additional capital grants to compensate for this loss in formula grant funding.

Richmond's grant protection from the floor mechanism has increased by 8.92% for 2007/08.

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.

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.

that in London the position is even more stark in that the Council is the worst funded borough by a considerable margin and if it were only to be funded at the level of the next worst funded Borough (Bromley) it would receive £60.31 more per person or £11.5m in total. **The Outer London average funding per head of population is £234.04 greater than Richmond's per head of population funding. If Richmond were funded at this level it would have received £44m additional grant funding (enough to reduce Council Tax by approximately 44%).** The Council has written, both individually and jointly with other South West London Boroughs, to make the case to Government for a review of its treatment via the formula grant.

- 5.1.4 From 2006/07 schools were funded separately through the new Dedicated Schools Grant (DSG). This was achieved by top slicing the general grant paid to Education Authorities and was based on prior year funding levels. In Richmond's case, the Council was funding schools at a level above that suggested by the grant formula and this excess funding is now locked into the DSG mechanism.
- 5.1.5 After the direct funding of schools through DSG is allowed for, Richmond's support from Revenue Grant and Business rates has fallen to around only 19% of the remaining budget requirement - compared to a national average of nearer 50%.
- 5.1.6 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, the knock on effects of the NHS funding crisis, increasing energy charges, pay and workforce pressures, and potential grant fluctuations as a result of demographic changes.
- 5.1.7 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 "below 5% average" Council Tax increases.
- 5.1.8 Looking ahead, the Government have made clear their intention to rein back public spending and there is much discussion about how efficiency targets will be extended for the years ahead.
- 5.1.9 Against such a background it is highly unlikely that the Council's funding position is going to improve and, although the projections shown later in this report assume a grant floor of 2% continues, there must be a significant risk that even this low level of funding will be reduced.

## 5.2 Capital Expenditure

- 5.2.1 The Council is a low debt authority and carries out regular reviews of all its properties to ensure those not required are disposed of appropriately. In coming years it is projected that receipts and grants will be insufficient to meet the demands of the capital programme and the requirement to borrow will, therefore, increase.. In order to minimise the impact on the Council Tax, officers continue to seek alternative funding routes and in recent times have been successful in securing £30m funding for schools development. The table below shows some of the key capital indicators for forthcoming years.

	2006/07 £000s	2007/08 £000s	2008/09 £000s	2009/10 £000s	2010/11 £000s
Total Capital Expenditure	38,048	48,234	35,209	23,755	18,193
Capital expenditure to be funded from borrowing	4,194	7,319	8,595	9,095	7,095

Estimated Debt Outstanding at 31st March	45,048	52,367	60,692	68,057	74,152
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The new administration has reflected its priorities in the Capital Programme for the next 5 years by:

- increasing the resources available for schools to £5m per annum from £3m per annum
- agreeing a programme of urgent remedial works on Youth Centres of £574k
- creating a new Youth Fund of £1m to allow for investment in Youth facilities
- Investing in a new fleet of Waste vehicles to further the Waste and Recycling Strategy

5.2.2 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.

5.2.3 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.

5.2.4 Following its Local Implementation Plan bid to Transport for London (TfL), the Council achieved its highest ever allocation of approximately £7m to support a variety of highway related improvements. This includes significant investment in Twickenham and Richmond town centres, which will support sustainable transport initiatives.

### 5.3 Key Risks/Opportunities

5.3.1 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 major identified risks are considered in more detail in Appendix C.

5.3.2 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 is currently being 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.

5.3.3 The revenue investment priorities and planned efficiencies are set out in more detail in each of the budget review reports recently considered by individual Overview and Scrutiny Committees. Allowance has also been made in the current budgeting assumptions for the major capital investment plans. It will be clear to those who have followed the changes in the MLTFS over recent years that the allowance for growth/investment in the forward plans is very much more limited than in the past. The Council's inflationary pressures alone are around the equivalent of a 4-5% Council Tax increase and therefore any growth has to be at least matched by equivalent savings/income. Attention is drawn, in particular, to the long term issues associated with Waste Disposal which have a potential for massive impact beyond 2009/10.

5.3.4 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 5 - 6 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.

5.3.5 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 £720k or 0.7% of Council Tax  
Each additional £1m revenue expenditure equates to a rise in Council Tax of 1.0%.  
Borrowing of £1m over a 25year period adds approximately £70k per annum to the Council's expenditure.

#### 5.4 Budget Proposals

Since the original MLTFS was produced in November / December 2006, the Administration has published its proposals to ensure the Council stays within a 5% Council Tax increase. These, together with proposals aimed at beginning to address the longer term need to bring the projections shown in the original MLTFS from around a 7% increase to closer to the stated aim of less than 5%, are listed in Appendix A. A summary of the overall projections is shown in section 6 below.

The major changes from the previous report include:

- Care Services for older people/adults with learning difficulties show a significant increase in projected growth across the period largely due to the latest demand trends combined with the proposed reduction in joint funding from the Health Service. The projections also include targets for efficiency for these services, proposals for which are being worked on jointly with the local PCT.
- The projected costs associated with Looked After Children have also had to be increased from £100k per year to £300k-£400k to reflect the latest placement position and projections of trends.
- Youth service revenue investment has been increased to £250k in line with the new Administrations' priorities for this area.
- In Social Care and Housing (as well as the adult care efficiencies referred to above) there are a number of additional savings/efficiency proposals linked to the overall restructuring of Council services and income increases expected following the Charging Policy Review.
- In Environment, there are a number of additional efficiency proposals spread across the three years of the MLTFS including management and staffing reductions, closures of existing facilities where it is believed services can be more effectively provided in different ways and a reduction in street trees budget reflecting the work that has been done over the past few years to address the backlog in tree works.
- Included under Corporate/Central Items are efficiencies which are to be achieved across the Council as a whole including restructure of Policy and Commissioning Services (see separate report to Cabinet), the impact of freezing the majority of supplies and service budgets across the Council and the proposed premature repayment of the Civic Centre Lease (see separate report to Cabinet).



- The central contingency budget has been retained at £500k. This reflects the general budgetary risks faced by the Council and in particular rising concern over cost shunting from the NHS on care budgets, rising costs of looked after children and children with special educational needs, and potential losses from changes in land charges which are under discussion with Government.
- There has been a very significant increase in the Council Tax Base for 2007/08 due primarily to a higher number of projected building completions in both 2006/07 and 2007/08 combined with a 10% reduction in the number of single person discounts being claimed. Although it is difficult to predict the tax base forward with any certainty, we have also increased the future years taxbase based on our latest analysis.
- The allowance for inflation/pension cost increases have been adjusted downwards across all three years following detailed calculations on each element as part of this year's estimates. This is due to combination of a reduction in calls for above inflation contract increases, lower staff pension on-costs due to lower numbers of staff in the pension fund and a one-off reduction in the on-costs recovered in respect of general employers liability costs of insurance and the costs of running the HR/Payroll systems.
- The provisional Concessionary Fares settlement has been received and shows a much more significant increase in expected costs due primarily to Richmond's share of passes issued rising faster than other Boroughs (and therefore the Council bearing a higher proportion of scheme costs).

## 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 and identifies the increased savings that will be required if Council Tax increases are to be kept at 5% (excluding GLA) as Members would wish:

*(Note: Includes use of balances etc)*

	2007/08	2008/09	2009/10
Base Budget	122,334	128,430	134,867
Inflation (including increased pension costs)	4,506	5,023	5,166
Government/Outside body led growth	1,103	650	800
Demand led growth	1,620	1,320	1,170
Investment priorities	1,254	750	1,000
Efficiency proposals / income generation	-2,536	-1,796	-808
Other growth and savings	149	490	290
LBRUT Service Expenditure	128,430	134,867	142,485
Formula Grant	-24,041	-24,522	-25,012
Collection Fund	-500	-500	-200

LBRUT CTAX Requirement	103,889	109,845	117,273
CTAX Base	87,543	87,843	88,143
CTAX Richmond Element	1,186.72	1,250.47	1,330.48
%age increase	4.90	5.37	6.4
Reductions required to keep CTAX increase to 5%	0	-388	-1,562

- 6.2 The above table shows service expenditure budgets increasing by around 5-6% annually (before required savings/efficiencies) – this is below the average growth rate over the last 20 years which is around 6-7%. Most of this increase is due to inflationary pressures and other changes where the Council has only limited influence. Projected growth is, in the main, driven by increases in waste disposal, social care, pension and capital investment costs but there is still an assumption of further efficiencies of approximately £2 - £2.5m per annum to remain within the 5% Council Tax increase target.
- 6.3 It should be noted that the £1.796m efficiencies/savings in 2008/09 and £0.808m in 2009/10 are yet to be achieved and it will be necessary to monitor progress closely over the coming years. Any shortfall here will require additional efficiencies/income to be identified in other areas of the budget. The model will be updated as we work on further efficiency proposals and risks change throughout the coming year.
- 6.4 The risks to maintaining financial (and therefore Council Tax) stability remain significant. In the medium term it is clear that Government Funding for non-school services will be extremely tight and it is unlikely that the Council will be able to maintain sub-5% increases without significant efficiencies or service reductions. Looking longer term, changes such as the (once again delayed) review of Council Tax and the Lyons Inquiry into Local Government Finance combined with the 2007 Comprehensive Spending Review could have a very dramatic effect on our projections and Members will be briefed as and when we get further information.

## 7. **Priorities and Planned Actions**

Key priorities for the new Administration which require some change to the current financial strategy include:

- 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 – includes revenue growth bid, and review of capital resources available for Youth
- 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 and Gershon targets.
- Continue lobbying Government for better resourcing
- Seek to maximise all income sources where consistent with policy priorities
- Set sub-5% Council Tax increase for 2007/08 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.
- Review departmental and central finance structures to ensure financial management capacity.

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

- Review current investment programmes particularly in light of priorities for additional investment in schools, youth and sustainability.
- Update policies on balances and reserves when setting 2007/08 budget
- Identify refinancing opportunities

Objective 4: To deliver year on year efficiency improvements

- Updated Annual Efficiency Statement and detailed plans
- Efficiency review using 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.

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

- Review existing financial plans in light of new Administration priorities.
- 2007/08 detailed budget review and new strategies for e.g. waste, sustainability, parking and IT.
- Implement revised Property Services arrangements
- Develop Richmond Works project
- Identify impact of LAA on financial strategy
- 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

- Full review of Social Services/PCT sites to identify options to maximise use.
- Capital programme review by Asset Management Forum.
- Update capital strategy to include new Administration's priorities particularly to increase investment in schools by £2m per annum, create investment in Youth and review opportunities to expand support for affordable housing.

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 in November/December and February/March.
- Begin review of new plans in light of latest efficiency and performance information in June 2007.

## APPENDIX A

Directorate	Description	2007/08 £000	2008/09 £000	2009/10 £000
SSH	Rent allowances/CTB growth	0	100	100
ENV	Concessionary fares	453	100	100
CS	CPA Inspection Fees	150	-150	0
CI	Waste and Recycling Investment	500	600	600
<b>Total</b>	<b>Government/Outside Body Led</b>	<b>1,103</b>	<b>650</b>	<b>800</b>
SSH	Care Services for Older People/LD	900	900	750
ECS	Looked after children placements	400	300	300
ENV	Refuse collection from new property	20	20	20
ECS	SEN Transport contract	300	100	100
<b>Total</b>	<b>Demand Led</b>	<b>1,620</b>	<b>1,320</b>	<b>1,170</b>
ECS	Youth Service	250	0	0
ENV	Sustainability Team	100	0	0
ENV	Project Management	60	0	0
ENV	CCTV Ongoing Revenue Costs	49	0	0
CI	Borrowing costs	605	750	1,000
CS	Leader's Support/Scrutiny	75	0	0
CS	Domestic Violence Co-ordinator	20	0	0
CS	Richmond Grants Direct Admin.	26	0	0
CS	Communication Contract	69	0	0
<b>Total</b>	<b>Investment priorities</b>	<b>1,254</b>	<b>750</b>	<b>1,000</b>
SSH	Dom Care review and contracts	-200	-150	0
SSH	Charging Policy Review	-100	-150	0
SSH	PLD Efficiency Target	-250	-250	-250
SSH	Reduce 0.5fte Supp People Admin Officer	-14	0	0
SSH	Reduce 1 fte environmental health officer	-38	0	0
SSH	Reduce Assessment and Care Man. Costs	-80	0	0
SSH	Review Homeless reception	-25	0	0
SSH	Supported living for Mental Health Clients	0	-50	0
SSH	Review Strategy and Resources Division	-50	-50	0
SSH	Raise FAC eligibility to Moderate Band	0	-60	0
SSH	Single Assesment Project Manager Post	-29	0	0
ENV	Parking review of charges (excl. permit charges)	-1,000	0	0
ENV	Less current parking overspend	500	0	0
ENV	Civic Catering income generation	0	-100	-75
ENV	Close Parking Shops	-25	-25	0
ENV	Terminate APC Toilets	0	0	-30
ENV	Close Sheen Lane One Stop Shop	-35	-20	0
ENV	Rationalise Admin of Regulatory Services	0	-50	0
ENV	Pest Control Reduction	0	-44	0
ENV	Management/Admin Support Reduction	-50	-50	0
ENV	Reduce Street Tree work growth	-200	0	0
ENV	Transport Planning/Highways Efficiencies	-28	0	0
ENV	Other Environment Fees & Charges	-50	0	0
ECS	Children's Services Integration	-50	-50	0
CS	HR / Accountancy / Payroll Review	-50	-50	-50
CS	Ctax/Benefits Reengineering	0	0	-50
CS	Reduce Initiatives Fund	-75	0	0
CS	Review Strat Policy and Commisssioning	0	-175	-75

CS	Centralise HR/Workforce Devt	0	-100	0
CS	Court Fees Income	-22	0	0
CI	Freeze Supplies and Services Budgets	-265	-272	-278
	Remove Recruitment and Retention			
CI	Scheme	-300	0	0
CI	Civic Centre Lease	-100	-150	0
<b>Total</b>	<b>Efficiencies/Income Generation</b>	<b>-2,536</b>	<b>-1,796</b>	<b>-808</b>
ENV	Civic Accom. Rental increases	40	40	40
ENV	Land charges	200	200	0
ENV	Loss of Ealing Vehicle Maint Contract	80	0	0
CS	Election costs	-200	0	0
CI	Pensions Contingency	-200	0	0
CI	Use of balances	289	250	250
Various	Other minor variations	-60	0	0
<b>Total</b>	<b>Other Growth and Savings</b>	<b>149</b>	<b>490</b>	<b>290</b>

SSH Social Services and Housing  
ENV Environment  
ECS Education and Childrens' Services  
CS Corporate Services  
CI Central Items

## Significant Known/Committed Cost Pressures

### Inflation

Details of items included in the inflation figure are set out below. In 2007/08, the overall impact of inflation is expected to be £4.5m which equates to a 4.6% increase in the Council Tax. Given that Central Government Capping is expected to be set at a 5% increase, this leaves the Council with no 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 2007/08, 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 salary increments is calculated on an individual basis. As part of the Council's general efficiency drive, it has further been proposed that most supplies and services budgets will receive no inflationary increase over the life of this plan.

#### Inflation - Pensions

The triennial valuation of the Council's fund occurred in 2004/05. The actuary advised that the contribution rate to be paid by the Council should rise to 23.9% but agreed that this could be phased in over a 4 year period. This was higher than had been anticipated in earlier strategies and requires the Council to increase contribution rates by approximately 1.5% per annum.

### Capital Financing Costs / Investment Income

As the capital budget assumes the use of all usable capital receipts (including LSVT) 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 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 are now being highlighted by budget monitoring reports and, combined with potential funding problems in the Health Service, mean that the drive for efficiency and value for money will need to continue.

### Secondary/Special School investment

This project aims to ensure that all secondary/special school accommodation needs including those related to sufficiency, suitability and condition are addressed. The Capital programme has been adjusted to increase spend on this project from £3m per annum to £5m per annum (this would then be supplemented by additional grant bids etc). The recent BSF pathfinder development involving government funding of £30m to completely rebuild Teddington School will form a significant (additional) part of this programme.

## **Other Education Issues**

There are a number of other major medium term issues contained in the Education service plan commitments identified previously:

- The continuing growth in Primary numbers which, despite the new PFI places, may lead to some further expansion of places to meet demand in each of the coming years.
- The projected growth in the demand for secondary places as a consequence of increased primary places apparent from 2008/2009.
- Special Educational Needs costs continue to be projected to increase significantly.

The majority of this is expected to be contained with Dedicated Schools Grant funding.

## **Social Care for Children**

Continues to be an area where costs are increasing and where individual placements can have a significant impact on budgets.

## **Rent Allowances/Council Tax Benefit/Discretionary Rate relief**

Rent allowance/Council Tax Benefit expenditure has continued to increase in recent years despite the relatively healthy state of the economy. In addition, increasing business rate bills have impacted on the cost of discretionary rate relief. It is prudent to provide £100k per annum to cover these issues beyond 2007/08.

## **Levies**

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

## **Waste Costs**

There is still a significant amount of informed "guesswork" involved in calculating the impact of Landfill Allowances, increased recycling and reducing trade waste on the WLWA levy. The figures included in this strategy allow for a build up of budget to the point at which we currently estimate WLWA may incur landfill allowance penalties (around 2009/2010). In the years before penalties are incurred it is expected that this budget will be used to supplement waste reduction/recycling initiatives. This position will need to be kept under review, particularly in the light of the Council's increased investment in recycling and the recent Waste Strategy review.

## **Concessionary Fares**

The cost of the freedom pass scheme for older people and people with disabilities is set to rise at a rate much greater than estimated inflation in 2007/8 following the latest fare agreement negotiated with Transport for London. Further contingency provision may be required in future years as a result. Additional information is still being sought from TfL.

## **Risks and Opportunities**

### **Comprehensive Spending Review (SR2007)**

The overall funding outlook for the public services is less favourable than in previous years and Local Government can expect to come under financial pressure as a result. Overall settlement - given Richmond's current position in relation to the national grant settlement i.e. very poorly funded and receiving the minimum level of increase each year, this will have little impact on the figures quoted in the MTFS unless changes are made to the floor mechanism (see below). There may be issues arising from a decrease in the level, or abolition, of certain specific grants which currently support our expenditure. These are most likely to impact Social Services.

### **Floors and Ceilings**

Following the separation of funding for DSG the value of the general Government grant has become significantly lower – representing only around 20% 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 28% (almost £7m) above the "real" grant calculations and the removal/reduction of the floor presents an increasing risk beyond 2007/08.

### **Council Tax Revaluation**

Council Tax revaluation has recently been postponed. With highest relative property price movements in recent years, London was expected to suffer from this revaluation with many houses likely to move up a band. The Government's review of local government funding is looking at alternative funding methods but recent indications are that there will be few significant changes in funding methods.

### **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 2009/2010 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 is 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) and the fact that grant claims back to 2002/03 still remain to be signed off by the Government mean some risk remains.

On homelessness generally, action taken by the Housing Needs Section has significantly reduced reliance on Bed and Breakfast accommodation and therefore costs. The main threat to this position is either in an economic downturn or a further tightening in the supply of acceptable alternative accommodation.

Any reduction in the rate of housing benefit subsidy for homeless households in temporary accommodation would represent a significant upward pressure on the housing budget. There is a high risk that this could occur at some stage over the next three years.

### **Investment Income/Capital Investment**

The Council now has a significant investment portfolio and therefore the revenue budget is more vulnerable to interest rate movements. Action was taken over the last two years to restructure long term debts and improve the resilience of the Council's position to such changes and further minor restructuring is still possible. 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 refinancing opportunities and the potential savings available in the very long term borrowing markets.

### **Public Service Agreement/Other Direct Grants**

The completion of the pilot Public Service Agreement yielded reward grant income of £1.6m. The Council has now agreed a further PSA which could yield a reward grant of over £4m in 2009.

There are a number of grants where the long term position is unclear i.e. Planning Delivery Grant (where the Council has achieved significant additional funding by dramatically improving its performance), Supporting people grant, various social services grants. Where possible officers restrict the use of these grants to operations that could be scaled back/will generate efficiency savings to offset any grant loss. In many cases, particularly demand led areas such as social services, this is not possible and if grant were lost action would need to be taken that had some impact on service delivery. These areas are closely monitored and reported to Members.

### **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**

Although the stock market has regained much of the loss it had suffered over the past few years, the impact of this has been more than offset by increasing longevity of members of the fund. The latest actuarial revaluation therefore continued the upward trend in employer contribution rates – setting an increase of 5.4% for LBRuT's fund to 23.9%. Proposed changes to the Local Government Pension Fund have still to be finalised and there remains a significant risk that this cost will continue to rise.

### **Children and Adult Services Changes**

Although there have been some opportunities to achieve efficiencies in the recent development of Children's Services and closer working with the local PCT, wider potential efficiencies have thus far proved difficult to achieve against a background of structural change in the NHS. The recent additional requirement on our local PCT to contribute to the NHS overspend across London as a whole has increased difficulties and raised significant concerns over potential increased costs

being borne by the local authority. It is likely that any efficiency gains will need to be reinvested in services as demand in both of these areas continues to grow. There are also likely to be new costs to be borne such as the central child register.

### **Single Status**

The Council believes it has largely completed the elements of single status changes that are likely to involve significant ongoing cost. However, following court cases in other parts of the country it is currently proving difficult to finalise an agreement with the unions and as such there may be some risk of a challenge arising that could require one-off funding above the levels currently identified.

### **Local Authority Business Growth Incentive (LABGI)**

This scheme offers Local Authorities the chance to retain a portion of any real growth in business rates in their area. It is intended as an incentive to encouraging local economic/business development. It remains unclear whether the Council will receive any additional amount in 2006/07, after receiving over £440k in 2005/06. Future benefits will be dependent on the continued growth in business rates. Clearly it would be inappropriate to take any funds potentially receivable through this route into the Council Tax setting process at this stage.

### **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 first two years figures announced have provided sufficient funding to meet both SEN growth and the extension of 3/4yr old placements as well as continuing to increase per pupil funding by over 6%. The Government have stated that, after 2007/08, they will be looking at the balance of absolute funding per pupil (rather than just increasing year on year) – as the scope for such a review has not yet been specified, it is unclear what impact this may have.

**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 31<sup>st</sup> March 2006. The current budget strategy indicates that around £5m of these will be utilised this year (a combination of planned infrastructure works and use in general support of the budget/Council Tax).

Included within these funds is some £14.9m 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.

From a strategic viewpoint, the new 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 by the equivalent of £2m per year (over and above the £3m per annum committed by the previous administration) and to establishing a new fund for investment in Youth related services of a minimum of £1m.

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 at the upper end of the Council's requirement and some £2.5m is already assumed to be used to support Council Tax levels in the current and next three years. Assuming no further contributions, this will reduce the reserve to £9.6m which is around 7% of the net budget (excluding schools). Using the current policy of 5% being the minimum prudent level to hold general reserves, this will still allow some limited flexibility for further use in support of either one off initiatives such as investment in school improvement 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 £11.2m and has been earmarked for improvements in parks, libraries, highways and modernisation initiatives (Richmond Works). Whilst funding was identified, much of this expenditure has yet to have specific schemes identified against it. The New Administration believes, whilst much of this investment should be continued, there should be a new emphasis on investment in Youth Facilities and will be seeking to create a fund of at least £1m. This funding will come from utilising uncommitted elements of the current funds, with the balance going to support the additional investment in secondary /special schools.

The **Project Development Reserve** is earmarked for investment in IT infrastructure but a number of other one off schemes including Twickenham Riverside Developments and the development of the Building Schools for the Future initiative have eaten into this and it is proposed to top this up by moving £500k from the **Loss of Government Grant Reserve** which can now be removed in the light of the strength of general balances.

The money received from the Local Authority Business Growth Incentive (LABGI) scheme is to become a new **Economic Development Fund**. We will discuss with local business

what initiatives this could support that would encourages further economic growth in the Borough.

The **Waste and Recycling Reserve** will be used (along with a significant element of the R&R Fund) to meet the costs that are likely to arise from the recent Waste Strategy Review. This being very much an “invest to save” initiative aimed at avoiding the increasing costs associated with Landfill Tax.

Finally the salaries and wages on-cost account which has been built up from amounts added to salaries and wages budgets to cover the estimated cost of insurance, pensions and improvements to the HR/Payroll system will be split to allow £1m to be utilised supporting additional investment in schools referred to above – with the remainder being utilised to support ongoing developments to the HR/payroll systems.

### **Overall reserve position**

Overall reserves and balances stood at £52million at the end of the 2005/6 financial year. These proposals will see a significant investment in local services including youth, sustainability and schools. Assuming that the delivery of these existing and changed investment commitments, overall reserves will fall to around £35m by the end of the first 4 year term of this Administration, with the element inside the Council's direct control being around £20-£25m. Over £15m of reserves will therefore have been invested in service priorities by the end of this Administration's first term.

(Please see overleaf for full list of reserves as at 31.03.2006)

## **Revenue Reserves as at 31 March 2006**

	<b>£000</b>
<b>APPLICATION GOVERNED BY STATUTE</b>	
Collection Fund	1,625
Home Loans Unit	147
	<u>1,772</u>
<b>APPLICATION OUTSIDE THE COUNCIL'S DIRECT CONTROL</b>	
Schools' Balances	5,391
	<u>5,391</u>
<b>EARMARKED FOR CERTAIN OR PROBABLE EXPENDITURE OUTSIDE THE COUNCIL'S CONTROL</b>	
General Insurance Reserve	1,870
Environment Contract Services Insurance	122
Schools Maternity and Supply cover scheme	195
	<u>2,187</u>
<b>EARMARKED FOR POSSIBLE EXPENDITURE / LOSS OF INCOME OUTSIDE THE COUNCIL'S CONTROL</b>	
Provision for VAT Liabilities	126
Loss of Government Grant Reserve	500
Single Status Reserve	355
Pension Costs Reserve	733
	<u>1,714</u>
<b>EARMARKED FOR FUTURE INVESTMENT IN BUILDING &amp; TECHNOLOGY INFRASTRUCTURE AND MAINTENANCE</b>	
Infrastructure Reserve	11,169
Project Development Reserve	2,808
Repairs and Renewals Fund	1,934
Social Housing Reserve	1,300
Libraries Trading Account	110
IT Systems Reserve - E Government and Land Charges	56
Maintenance of Graves	27
Staff Common Room Lets	4
Education - Field House Holding A/C	41
	<u>17,449</u>
<b>EARMARKED FOR PURCHASE, REPAIR &amp; MAINTENANCE OF VEHICLES, PLANT &amp; EQUIPMENT</b>	
Social Services Special Equipment and Furniture Fund	95
	<u>95</u>
<b>EARMARKED FOR SPECIFIC PURPOSES WITHIN SPECIFIC SERVICES OR HELD ON BEHALF OF THIRD PARTIES</b>	
Carry Forwards Reserve	2,894
PFI Reserve (Education and Social Services)	5,302
Waste and Recycling Reserve	904
LABGI Reserve	425
St. Luke's Day Centre Holding A/C	58
Way to Work Modern Apprenticeship Scheme Reserve	26
Salaries Oncost and General Oncost Account	1,284
Public Service Agreement Revenue	432
Thames Landscape Strategy - Funds held for third party	63
Other Minor Earmarked Reserves	50
	<u>11,438</u>
<b>HELD AS A GENERAL CONTINGENCY FOR ANY PURPOSE</b>	
General Fund Reserve	12,052
	<u>52,098</u>
<b>TOTAL USABLE REVENUE RESERVES</b>	<b><u>52,098</u></b>

## Section I

### LONDON BOROUGH OF RICHMOND UPON THAMES

#### CABINET

**DATE:** 26 FEBRUARY 2007

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

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

**SUBJECT:** CAPITAL BUDGET 2007/08 TO 2011/12

**WARDS:** ALL

**KEY DECISION?:** YES

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

Agenda Item No.

**16**

#### For general release

#### 1. PURPOSE OF THE REPORT

1.1 This report provides details of the proposed capital programme for 2007/08 and considers the programme for 2008/09 to 2011/12.

#### 1.2 EXECUTIVE SUMMARY

This report makes recommendations as to the schemes to be included in the Capital Programme for the financial years 2007/08 to 2011/12 having regard to:

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

## **2 RECOMMENDATIONS**

- 2.1 That the schemes identified in Appendix A be approved for inclusion in the capital budget.**
- 2.2 That the capital budget for 2007/08 be RECOMMENDED to Council for approval.**
- 2.3 That the Cabinet note the proposals in Appendix B for the financial years 2008/09 to 2011/12.**
- 2.4 That the Prudential Indicators in Appendix C be approved.**
- 2.5 That the Treasury Management Strategy, attached as Appendix D, be RECOMMENDED to Council for approval**
- 2.6 That the Treasury Management Policy, attached as Appendix E, be RECOMMENDED to Council for approval**

## **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 June 2006 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 new Comprehensive Performance Assessment (CPA) framework and will be updated again around May/June 2007.
- 3.2 Bids for capital schemes now go through a new process which is described in more detail in Paragraphs 7.4 to 7.6.
- 3.3 This report recommends the proposed five-year capital programme, giving descriptions of the 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.
- 3.4 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 Councils 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.

- 3.6 The Council also updates its Treasury Management Strategy and Treasury Management Policy each year.
- 3.6.1 The Treasury Management Strategy details the expected activities of the Treasury function in the financial year 2007/08. Its production and submission to the Council is a requirement of the CIPFA Code of Practice for Treasury Management. The suggested strategy for 2007/08 is based upon Officers views on interest rates, supplemented with leading market forecasts provided by the Council's treasury advisor. The strategy is attached as Appendix D to this report.
- 3.6.2 The Treasury Management Policy provides rules and guidance for all treasury management activities. The policy complies with the CIPFA Code of Practice for Treasury Management, which was effective from April 2002. The Code recommends that public service organisations should put in place policies and procedures which facilitate effective management and control of Treasury functions. The Policy is attached as Appendix E to this report.

#### **4 CAPITAL BUDGET 2007/08**

- 4.1 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.
- 4.2 The types of resources currently available are listed below:
- 4.2.1 Grants and Contributions - These are issued from a number of sources. The majority are issued by the DfES to finance work on Education projects. Since 1 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
- 4.2.2 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.
- 4.2.3 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 £9.2m at the start of 2007/08, 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 2011/12 without any further contribution from revenue.



- 4.2.4 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.
- 4.2.5 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.
- 4.2.6 Large Scale Voluntary Transfer receipt – The balance remaining of this receipt is £2.2 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.
- 4.2.7 Supported Borrowing – Since 1 April 2004, the Prudential Borrowing regime has applied. Previously, credit approvals attracted Revenue Support Grant (RSG) to support the cost of debt charges on this borrowing. Central government has continued this support for borrowing through RSG with notional Supported Capital Expenditure (Revenue) or SCE(R) replacing the SCA and BCA system. Normally, an increase in SCE(R) would translate to an increase in RSG to support our costs of borrowing. However, as Richmond is currently a Floor authority being “topped up” to receive the guaranteed minimum increase in RSG we do not benefit from any increase in SCE(R). Because of this, any changes in the data used to calculate RSG will not result in an increase in RSG until such time as Richmond moves above the Settlement Floor.
- 4.2.8 Prudential Borrowing – 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 would need to be fully met from Council Tax, as it is not subject to any government support. This replaces the previous system of borrowing approvals (SCA and BCA). It is more flexible in that the Council sets its own priorities and would evaluate 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.

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.

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.

- 4.3 Officers will continually review the alternative methods of financing to ensure that the programme is funded through the most advantageous methods.

## **5 DETAILS OF THE 2007/08 CAPITAL PROGRAMME**

- 5.1 The new administration proposes to reflect its priorities in the Capital Programme by:
- increasing the resources available for schools from £3m per annum to £5m per annum
  - agreeing a programme of urgent remedial works on Youth Centres of £574k
  - creating a new Youth Fund of £1m to allow for investment in Youth facilities
  - Investing in a new fleet of Waste vehicles to further the Waste and Recycling Strategy
- 5.2 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.
- 5.3 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.
- 5.4 Following its Local Implementation Plan bid to Transport for London (TfL), the Council achieved its highest ever allocation of approximately £7m to support a variety of highway related improvements. This includes significant investment in Twickenham and Richmond town centres, which will support sustainable transport initiatives.
- 5.5 Summary figures for the 2007/08 programme are set out below with detailed scheme listings in AppendixA:

<b>Directorate</b>	<b>£000</b>
Education and Children's Services	32,482
Adult's Social Services and Housing	6,198
Environment	14,318
Finance and Corporate Services	4,931

Less: Estimated slippage	(8,689)
<b>Total</b>	<b>49,240</b>

## **6 FINANCIAL MODEL 2007/08 TO 2011/12**

- 6.1 Appendix B shows a financial model summarising the capital position up to 2011/12.
- 6.2 The model shows that the Council is estimated to use up all existing capital receipts by the end of 2011/12. 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.
- 6.3 The Council is estimated 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.

## **7 FINANCIAL IMPLICATIONS AND RISK ANALYSIS**

- 7.1 Risks to the capital programme can arise from three main areas:
- The complete or partial loss of (or delay in the receipt of) anticipated capital receipts, particularly given the reliance in the programme on this source of funding.
  - Overspending against the agreed budgets.
  - Unexpected calls on the Councils capital resources from unforeseen events.
- 7.2 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 70% 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.
- 7.3 The new CPA “The Harder Test” has raised the standards for the Use of Resources element. This now 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 “there is a recognition that arrangements for managing the asset base can be improved”.
- 7.4 The process for evaluating capital bids has been reviewed as part of the process for making this improvement. Executive Board and Leading Members have on occasions expressed concern/confusion over the process for agreeing the Council’s capital programme. In particular the process for prioritising different schemes has not always been clear or sufficiently open for all those involved. Also, the Government’s allocation of SCE(R) suggests that borrowing at this level is “free” whereas the level of support for Richmond is unpredictable due to our receiving the “Floor” level of funding.
- 7.5 The new process has now been in place for a year. Bids for capital schemes are prepared by Directors and submitted to the Asset Management Working Group (AMWG) which scores the schemes and prepares a prioritised list. Bids are scored using the new “Evaluation and Scoring Matrix for Capital Bids” which is available on the Intranet. This gives a higher weighting to bids which meet Community Plan objectives and/or AMP priorities, which promote partnership working, achieve external funding or generate capital receipts from disposal of an asset.
- 7.6 The prioritised list is considered by Executive Board and Members, and then Cabinet make decisions based on the recommendations from this process. Bids can be submitted throughout the year, but the majority are received as part of the Capital Estimates process. The proposed Capital Programme for 2007/08 includes budget provision for several bids which have been through this process and are submitted for approval as part of this report.

## **8 CONCLUSION**

- 8.1 The Capital Budget for future years has been boosted by the increase in Supported Capital Expenditure allocations. However, as a Floor authority, Richmond does not receive increased revenue grant to fund the SCE(R) element of these allocations. The Revenue costs of additional borrowing can currently be managed from the existing budget strategy, but increasing these costs by increasing borrowing (either supported or prudential) may change this position
- 8.2 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.
- 8.3 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.

- 8.4 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.

## **9 CONSULTATION**

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

## **10 FINANCIAL IMPLICATIONS**

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

## **11 POLICY IMPLICATIONS/CONSIDERATIONS**

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

## **12 RISK ASSESSMENT**

- 12.1 Risks are assessed in paragraph 7 above.

## **13 EQUALITY IMPACT/CONSIDERATIONS**

- 13.1 No direct equalities impact implications arise from this report.

## **14 LEGAL IMPLICATIONS**

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

## **15 BACKGROUND DOCUMENTS:**

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

## 16 CONTACTS

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**Details of the 2007/08 Capital Programme**

	<b>2007/08 Budget £'000</b>
<b>Education and Children's Services</b>	
General Planned Maintenance Programme - Continued investment in the infrastructure of the schools is essential and the proposed continuation of the current annual budget of £1.083m will support a number of prioritised schemes identified through the schools asset management planning process. The budget for 2007/08 also includes £725k remaining from the 2006/07 allocation.	1,808
Children's Centre and Extended Schools – These Surestart schemes are fully funded by a grant from the DfES. The budget for 2007/08 includes slippage from 2006/07.	1,604
Building Schools for the Future One School Pathfinder Project – this capital grant from the DfES will be used to rebuild Teddington School.	16,446
Secondary and Special Schools Investment Programme (SSIP) – This project aims to ensure that all secondary and special school accommodation needs, including those related to sufficiency, suitability and condition, are addressed. The 2007/08 programme includes £1.606m for Hampton Community College, £1.550m for Shene School and £462k is currently unallocated.	3,618
Modernisation schemes – The DfES are continuing to fund school modernisation schemes partly from SCE(C) grant and partly as SCE(R) supported borrowing.	3,593
Devolved Formula Capital schemes - This grant gives schools direct funding for the capital needs of their buildings. The allocation is £1,778k and can be used for capital repair, remodelling or new build. This funding is devolved to individual schools in accordance with the formula set out by the DfES.	1,778
Schools Access Initiative schemes – financed by Supported Capital Expenditure (Revenue). The budget for 2007/08 also includes £140k remaining from the 2006/07 allocation.	339
Youth Services Premises – In January 2007, Cabinet received a report detailing the urgent remedial work required in relation to the condition of Youth service premises. A capital bid has been submitted for a total of £574k to be financed from capital receipts.	574
Slippage from 2006/07 budget – in addition to slippage on specific schemes as above.	2,722

**Total Education and Children's Services Budget** **32,482**

**Adults' Social Services and Housing**

Improvement Grants – This budget covers both Disabled Facilities Grants and discretionary renovation grants. Disabled facilities grants are part financed (up to 60%) by Capital Grant and part by capital receipts. 1,226

Housing Capital Programme – This is based upon the Housing Improvement Plan and funding allocations from the Housing Corporation (HC), and includes part of the allocation for 2006/07 which has now been reprogrammed to 2007/08. 1,341

Slippage from 2006/07 budget - 3,631

**Adults' Social Services and Housing Budget** **6,198**

**Environment**

Principal Roads Planned Maintenance – This is an annual budget to finance the principal roads planned maintenance programme. Financed from capital receipts. 140

Highways Improvements – This is in addition to the current annual budget of £140k. Investment in the infrastructure reduces the amount of reactive maintenance required and improves the street scene. Certain Best Value Performance Indicators will also improve. Financed from Infrastructure Fund. 500

Parks Strategy – The Open Spaces Strategy Action Plan was reported to Cabinet in November 2004, and it was agreed that up to £750k per annum would be invested in parks and open spaces. This report included a five-year programme of works, financed from the Infrastructure Fund, Capital Receipts and Contributions, however the capital programme approved in February 2006 approved the first three years only. The budget allocation for 2007/08 includes slippage from 2006/07 of £447k. 1,227

Footpaths – This programme of footpath works allows for approximately 10km of footway to be repaired per year. Financed from the Infrastructure Fund. 500

Transport for London (TfL) schemes – Each year, the Council submits a Local Implementation Plan to the Traffic Director for London. This is assessed along with the plans of other London boroughs, and the grant is issued accordingly. This grant is regularly reviewed and revised throughout the year. 6,890

Waste and Recycling vehicles – In January 2007 Cabinet agreed to procure new waste fleet vehicles costing £3,657k in 2007/08 plus a further £300k in 2009/10. The majority of this expenditure will be financed from the Repairs and Renewals Fund with the balance financed from grant and earmarked reserves. 3,657



Street Lights remote monitoring – In January 2007, Cabinet agreed to the first phase of a scheme to allow remote monitoring of street lights to enable the Council to improve its reporting and repair arrangements. This scheme will be financed from revenue.	250
Slippage from 2006/07 budget -	1,154
<b>Environment Budget</b>	<b>14,318</b>
<b>Finance and Corporate Services</b>	
Capitalisation of Revenue – There are a number of schemes that are charged to the revenue budget in the first instance but are subsequently capitalised as part of the Council's overall budget strategy. Financed from capital receipts.	200
Richmond Theatre – The budget is to continue the Council's requirement to meet lease costs associated with the Theatre, following the agreement negotiated in 1992. The final payment under this arrangement will be in 2013/14. Financed from capital receipts.	600
General Maintenance Programme – Continued investment in the infrastructure of the Council's assets is essential and this report proposes the continuation of the annual budget of £1.35m. The 2007/08 budget includes slippage from 2006/07. The proposed programme will concentrate on the priorities identified in the condition survey and details of schemes will be reported to Cabinet for approval in March. Financed from capital receipts.	1,843
Accommodation Strategy – Richmond Works! is a long term strategic project to rationalise and improve office accommodation and develop flexible working practices. Since the initial Cabinet report in July 2004, there have been a number of progress reports to Cabinet over the last couple of years. The budget for 2007/08 is for projects in the Civic Centre (mainly the second floor).	1,750
New Capital Bids	538
<b>Finance and Corporate Services Budget</b>	<b>4,931</b>
<b>Estimated Slippage (15%)</b>	<b>(8,689)</b>
<b>Total Capital Programme for 2007/08</b>	<b>49,240</b>

**CAPITAL PROGRAMME FOR 2007/08 to 2011/12****Appendix B**

	<u>Estimate</u> <u>07/08</u> £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>TOTAL</u> £000
<b>Slippage/planned delays from previous year</b>	<b>0</b>	<b>8,689</b>	<b>6,240</b>	<b>4,196</b>	<b>3,211</b>	<b>22,336</b>
<b>Current Programme</b>						
<b>Education, Arts &amp; Leisure</b>						
Collis Expansion programme	61					61
Whiton School - Lincoln Fields	738					738
HCC entrance/ICT/Resource/Nursery (SSIP)	1,606					1,606
Shene (SSIP)	1,550					1,550
Orleans House Gallery Phase 3 (grant award)	791					791
St Elizabeth 's Replacement of demountable classroom	130					130
HCC Music Centre (Match funding)	100					100
General Planned Maintenance	1,808	1,083	1,083	1,083	1,083	6,140
Health & Safety	126					126
Fire Safety Works	35					35
Water Treatment	75					75
Libraries refurbishments	666					666
Edn-SCE (C/R) - Modernisation	3,593	1,876	1,876	1,876	1,876	11,097
Children's Centres and Extended Schools	1,604					1,604
Building Schools for the Future	16,446	12,750	0	0		29,196
School Access Initiative Edn SCE ( R)	339	199	199	199	199	1,135
Secondary & Special Schools Investment Programme	462	7,000	7,500	5,000	5,000	24,962
Edn-SCE (C) - Devolved Formula Capital	1,778	1,778	1,778	1,778	1,778	8,890
Youth Services Premises	574					574
	32,482	24,686	12,436	9,936	9,936	89,476
<b>Social Services &amp; Housing</b>						
Cambridge Park	921					921
Rodney Road	450					450
Avenue Centre	1,900					1,900
Arlington House	0	320				320
Craig House	360					360
Improvement Grants	1,226	1,226	1,226	1,226	1,226	6,130
Housing Capital Programme	1,341	2,500	2,500	2,500	2,500	11,341
	6,198	4,046	3,726	3,726	3,726	21,422
<b>Environment</b>						
Public Conveniences	78					78
Parks - Health & Safety	57					57
S106 Schemes	117					117
Richmond Bridge - Repairs to Stonework	78					78
Twickenham Cemetery	235					235
Accessible Transport Vehicles (Phase 2)	73					73
Emergency Control Room	183					183
Organic Waste Collections Vehicle Adj	80					80
Kingsfield Pavillion	50					50

Refurbishment of Bring Banks	71					71
Other slipped schemes	57					57
Principal Roads restructure	140	140	140	140	140	700
Highway improvements	500	0	0	0		500
Parks Strategy	1,227	0				1,227
Footpaths	500	0	0	0		500
Transport for London	6,890					6,890
Purchase of Baling Machinery	75					75
Waste & Recycling Vehicles	3,657		300			3,957
Street Lights - remote monitoring	250					250
	14,318	140	440	140	140	15,178

### Corporate Services

Capitalisation of revenue	200	200	200	200	200	1,000
Richmond Theatre	600	649	702	759	820	3,530
General Maintenance Programme (future prog)	1,843	1,350	1,350	1,350	1,350	7,243
Accommodation Strategy Civic 1st Flr & 42 York St - Slippage	50					50
Accommodation Strategy - 2nd Flr Civic Centre	1,700	350				2,050
Accommodation Strategy - Future Capital Spend	0	1,490	2,880	1,100	0	5,470
New Capital Bids	538					538
	4,931	4,039	5,132	3,409	2,370	19,881

### Estimated slippage (15%)

	-8,689	-6,240	-4,196	-3,211	-2,907	-25,243
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	<b>49,240</b>	<b>35,360</b>	<b>23,778</b>	<b>18,196</b>	<b>16,476</b>	<b>143,050</b>
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### Financed by..

Borrowing	7,631	8,595	9,095	7,095	6,675	39,091
Use of Section 106 Receipts/AHF	60	0	0	0	0	60
Application of Capital Receipts	2,559	10,221	9,806	7,654	6,883	37,123
Application of LSVT Receipts	2,151	37	0	0	0	2,188
Repairs and Renewals Fund	2,113	0	300	0	0	2,413
Infrastructure Fund - Capital schemes	3,721	1,000	1,820	690	161	7,392
Direct Revenue Financing	1,654	0	0	0	0	1,654
Capital Grants & Contributions	29,351	15,507	2,757	2,757	2,757	53,129
Project Development Fund	0	0	0	0	0	0
	49,240	35,360	23,778	18,196	16,476	143,050

### General Capital Receipts

Estimated Unused Capital Receipts at 1st April	22,887	24,034	18,766	14,537	6,883	
Estimated New Receipts in Year						
- @ 100% for receipts earmarked for specific work	1,500	1,900	2,000	0	0	
- @ 70% for other receipts	1,806	2,653	3,577	0	0	
RHP Right to Buy receipts	400	400	0	0	0	
Estimated Use of Capital Receipts in Year	-2,559	-10,221	-9,806	-7,654	-6,883	
<b>Estimated Unused Capital Receipts at 31st March</b>	<b>24,034</b>	<b>18,766</b>	<b>14,537</b>	<b>6,883</b>	<b>0</b>	

### S106 & AHF

Estimated Unused S106 at 1st April	3,646	3,586	3,586	3,586	3,586	
Estimated Use of S106 in Year	-60	0	0	0	0	

<b>Estimated Unused S106 at 31st March</b>	<b>3,586</b>	<b>3,586</b>	<b>3,586</b>	<b>3,586</b>	<b>3,586</b>
<b>LSVT Receipt (Usable Part) (94702)</b>					
Estimated Unused Capital Receipt at 1st April	2,188	37	0	0	0
Estimated Use of LSVT Receipt in Year	-2,151	-37	0	0	0
<b>Estimated Unused Capital Receipt at 31st March</b>	<b>37</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Borrowing</b>					
Estimated Borrowing at 1st April	44,737	52,368	60,963	70,058	77,153
Estimated New Borrowing in Year	7,631	8,595	9,095	7,095	6,675
<b>Estimated Borrowing at 31st March</b>	<b>52,368</b>	<b>60,963</b>	<b>70,058</b>	<b>77,153</b>	<b>83,828</b>
<b>Infrastructure Fund</b>					
Balance of Fund at 1st April	9,470	5,274	3,716	1,414	161
Use during the Year - Capital	-3,721	-1,000	-1,820	-690	-161
Use during the Year - Revenue	-475	-558	-482	-563	0
New Contributions	0	0	0	0	0
<b>Balance of Fund at 31st March</b>	<b>5,274</b>	<b>3,716</b>	<b>1,414</b>	<b>161</b>	<b>0</b>
<b>Repairs and Renewals Fund</b>					
Balance of Fund at 1st April	1,936	0	987	1,728	2,711
Used for Capital Schemes during the Year	-2,113	0	-300	0	0
Used for Revenue Schemes during the Year	-390	-145	0	0	0
Repayments	567	1,132	1,041	983	823
New Contributions	0	0	0	0	0
<b>Balance of Fund at 31st March</b>	<b>0</b>	<b>987</b>	<b>1,728</b>	<b>2,711</b>	<b>3,534</b>
<b>Project Development Fund</b>					
Balance of Fund at 1st April	2,779	2,179	1,599	1,099	599
Use during the Year - Capital	0	0	0	0	0
Use during the Year - Revenue	-600	-580	-500	-500	-500
New Contributions	0	0	0	0	0
<b>Balance of Fund at 31st March</b>	<b>2,179</b>	<b>1,599</b>	<b>1,099</b>	<b>599</b>	<b>99</b>

**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 2007/08.

	<u>Actual</u> <u>2005/06</u> <u>£000</u>	<u>Estimate</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>
Capital Expenditure	28,084	37,045	49,240	35,360	23,778	18,196	16,475
<i>Of Which:</i>							
Financed by RuT	11,770	18,574	19,829	19,853	21,021	15,439	13,718
Financed from Grants & Contributions	16,314	18,471	29,411	15,507	2,757	2,757	2,757

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 2006/07 have detailed these changes which have generally arisen from additional Government Grants. In addition to these budget changes the slippage figures also account for some of the variance. The proposed Capital Programme shows a significant reduction after 2008/09. This is largely associated with Building Schools for the Future funding ending and the depletion of the Infrastructure Fund.

Capital receipts are predicted to run out in 2011/12 and this leads to a decline in the capital works which can be financed in future years.

**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>2005/06</u> <u>£000</u>	<u>Estimate</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>
Financing Costs	934	803	1,476	2,887	4,046	2,730	3,435
Net Revenue Stream	194,111	201,926	214,325	226,400	238,900	252,400	266,600
As a Ratio	<b>0.48%</b>	<b>0.40%</b>	<b>0.69%</b>	<b>1.28%</b>	<b>1.69%</b>	<b>1.08%</b>	<b>1.29%</b>

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 reduce in 2006/07 because of beneficial 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 higher rates.

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.

<b><u>Impact of Change in Financing Costs</u></b>	<u>Actual</u>	<u>Revised</u>	<u>Estimate</u>	<u>Estimate</u>	<u>Estimate</u>	<u>Estimate</u>	<u>Estimate</u>
	<u>2005/06</u>	<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>£000</u>	<u>£000</u>	<u>£000</u>	<u>£000</u>	<u>£000</u>	<u>£000</u>	<u>£000</u>
Principal Repayments (MRP)	610	676	971	1,412	1,843	2,209	2,452
Net Interest Payments	324	128	505	1,475	2,203	522	983
Financing Costs	934	803	1,476	2,887	4,046	2,730	3,435
Year on Year Increase	285	-130	673	1,412	1,159	-1,316	705
Impact on the Council Tax Requirement	<b>0.24%</b>	<b>-0.11%</b>	<b>0.52%</b>	<b>1.07%</b>	<b>0.84%</b>	<b>-0.91%</b>	<b>0.47%</b>
Impact on a Band D Property	<b>£3.31</b>	<b>-£1.51</b>	<b>£7.76</b>	<b>£16.23</b>	<b>£13.27</b>	<b>-£15.02</b>	<b>£8.02</b>

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 reflects the benefits of the interest rate rise for short term investments, lower than anticipated borrowing to finance capital spend and strong cash flow.

The increase in Principal Repayments is due to the anticipated increased need to borrow in 2007/08 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 2008/09 and then declines. This is in line with the decline in capital spending after 2008/09 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>2005/06</u> <u>£000</u>	<u>Estimate</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>
Capital Financing Requirement	<b>49,344</b>	<b>52,550</b>	<b>59,210</b>	<b>66,393</b>	<b>73,645</b>	<b>78,531</b>	<b>82,754</b>
Year on Year Increase in CFR	-1,449	+3,206	+6,660	+7,183	+7,252	+4,886	+4,222
<i>Increase represented by:</i>							
Schemes financed by Borrowing	1,557	3,882	7,631	8,595	9,095	7,095	6,675
Financing of accrued expenditure	-2,397	0	0	0	0	0	0
MRP contributions to fund the Requirement	-610	-676	-971	-1,412	-1,843	-2,209	-2,452
	<u>-1,450</u>	<u>3,206</u>	<u>6,660</u>	<u>7,183</u>	<u>7,252</u>	<u>4,886</u>	<u>4,222</u>

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

The Schemes financed by Borrowing in 2005/06 used this internal borrowing and did not represent new loans taken out by the Council. The same is assumed for schemes financed by borrowing in 2006/07.

The balance of Useable Capital Receipts is anticipated to be nil by 2011/12, meaning that this source of funding will be limited to the use of any new receipts generated. The Infrastructure Fund will also be nil by the end of 2011/12.

In 2005/06 we made a change in our accounting practice for financing accrued capital expenditure, in line with a changes enabled under Prudential Code. This has resulted in a one off reduction to the CFR as the impact of the change was felt in the year.

#### **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>2005/06</u> <u>£000</u>	<u>Estimate</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>	-	-
Net External Borrowing Limit Set	59,200	66,400	73,600	78,500	82,800		
External Borrowing	-27,293	-32,633	-18,277	-4,838	8,404		
Amount above/(below) limit	-86,493	-99,033	-91,877	-83,338	-74,396		

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>2005/06</u> <u>£000</u>	<u>Estimate</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>
Authorised Limit Set	51,000	55,000	62,000	71,000	78,000	84,000	90,000
Actual External Debt	40,854	44,736	52,367	60,962	68,057	74,152	79,827
Amount above/(below) limit	-10,146	-10,264	-9,633	-10,038	-9,943	-9,848	-10,173

The Council is projected to stay well within the Authorised Limit set for 2006/07. 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>2005/06</u> <u>£000</u>	<u>Estimate</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>
Operational Boundary Set	46,000	50,000	57,000	66,000	73,000	79,000	85,000
External Debt	40,854	44,736	52,367	60,962	68,057	74,152	79,827
Amount below Limit	-5,146	-5,264	-4,633	-5,038	-4,943	-4,848	-5,173

Actual external debt was well within the Operational Boundary in 2005/06 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.

Both indicators have been revised to match the change in Indicator K Total Principal Sum Invested Beyond the Period End agreed by Cabinet during 2006/07. Investments have now been made exceeding a year, and this has reduced the net exposure to Fixed and Variable rates.

	<u>Actual</u> <u>2005/06</u> <u>£000</u>	<u>Estimate</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>
<b><u>Fixed Rate Exposure</u></b>							
Lower Limit on Fixed Rate Exposure	17,000	-7,000	8,000	18,000	27,000	36,000	44,000
Upper Limit on Fixed Rate Exposure	46,000	23,000	38,000	48,000	57,000	66,000	74,000
Fixed Rate Exposure	31,598	8,480	22,968	33,016	41,955	51,095	59,200

The Fixed Rate exposure at 31 March 2006 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.

<b>Variable Rate Exposure</b>	<u>Actual</u> <u>2005/06</u> <u>£000</u>	<u>Estimate</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>
Lower Limit on Variable Rate Exposure	-48,000	-30,000	-30,000	-27,000	-23,000	-19,000	-16,000
Upper Limit on Variable Rate Exposure	-113,000	-95,000	-95,000	-92,000	-88,000	-84,000	-81,000
Variable Rate Exposure	-63,488	-45,113	-45,245	-41,854	-37,551	-33,780	-31,442

The Variable Rate exposure at 31 March 2006 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</u> <u>Limit</u> <u>2007/08</u> <u>%</u>	<u>Upper</u> <u>Limit</u> <u>2007/08</u> <u>%</u>	<u>Estimate</u> <u>2006/07</u> <u>%</u>	-
Under 1 year	0%	30%	11%	-
1 to 2 years	0%	40%	1%	-
2 to 5 years	0%	50%	7%	-
5 to 10 years	5%	60%	9%	-
10 to 15 years	}	}	23%	-
15 to 25 years	} 20%	} 85%	50%	-
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 from 2006/07 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 31 March 2007 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>Investments Over 364 Days</u>						
	<u>2005/06</u>	<u>2006/07</u>	<u>2007/08</u>	<u>2008/09</u>	<u>2009/10</u>	<u>2010/11</u>	<u>2011/12</u>
Limit	20.0%	40.0%	40.0%	40.0%	40.0%	40.0%	40.0%
Actual / Estimate	4.1%	35.9%	30.0%	30.0%	30.0%	30.0%	30.0%
Investments at 31st March (£m)	£2.250	£29.250	£22.393	£20.940	£19.096	£17.051	£15.621

During 2006/07 it was agreed by Cabinet to increase this limit to 40% to allow the authority to lock into the currently available long term interest rates. This decision also reflected the repayment of the Fund Managers' investments. These had, in effect, been long term investments, as the Council had not required any repayment of the investments up to the date of the termination. Therefore this increase of the limit would not impact the liquidity of the Council.

During 2006/07 the Council has made 6 investments totalling £22m which are the only current investments over 364 days as at January. Further investments are anticipated.

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.

**LONDON BOROUGH OF RICHMOND UPON THAMES****Treasury Management Strategy for 2007/08****Introduction**

This Treasury Strategy Statement details the expected activities of the Treasury function in the forthcoming financial year (2007/08). The suggested strategy for 2007/08 in respect of the following aspects of the treasury management function is based upon the Treasury officers' views on interest rates, supplemented with leading market forecasts provided by the Council's treasury advisors. The strategy covers:

- the current treasury position;
- prospects for interest rates;
- treasury limits in force which will limit the treasury risk and activities of the Council;
- the borrowing strategy;
- the investments strategy;
- debt rescheduling opportunities;

**1. Current Portfolio Position**

The Council's treasury portfolio position at 26 January 2007 comprised:

**Borrowing**

		<u>Balance at 26 January 2007</u>			
		<u>PWLB</u>	<u>Money Market</u>	<u>Other</u>	<u>Total</u>
		<u>£m</u>	<u>£m</u>	<u>£m</u>	<u>£m</u>
Fixed Rate:					
	- Short term	0.0	0.0	0.0	0.0
	- Long term	31.8	2.0	0.0	33.8
Variable Rate:					
	- Short term	0.0	0.0	2.5	2.5
	- Long term	2.0	0.0	0.0	2.0
<b>Total Borrowing</b>		<b>33.8</b>	<b>2.0</b>	<b>2.5</b>	<b>38.3</b>

PWLB refers to the Public Works Loans Board, a government body that lends money to public sector organisations to finance major projects.

Money market borrowing includes banks, building societies and other financial institutions.

Other borrowing includes loans from the South West Middlesex Crematorium Board and various Trust Funds (effectively these bodies have invested money with the Council).

## Investments

	<u>Total</u> <u>26 Jan 2006</u> <u>£m</u>	<u>Total</u> <u>26 Jan 2007</u> <u>£m</u>
<u>In House</u>		
- Short term	50.8	70.3
- Long term	2.2	24.2
Fund Managers	36.6	0.0
<b>Total Investment</b>	<b>89.6</b>	<b>94.5</b>

It can be seen that the current investments at 23 January 2007 are greater than the loans outstanding. The main reasons for this are:

- Only a residual level of Council Tax is received in the last two months of the financial year leaving a large amount of revenue expenditure to be financed from investments.
- Slippage in the capital program is c £6m, which provides additional increased levels of investment

## 2. Prospects for Interest Rates

The Councils treasury advisors, Sector Treasury Services, assist officers in formulating views on interest rates. The Bank of England Bank Rate was increased in August, November and January 2007 from 4.5% to the current level of 5.25%. Sector's current view is that the base rate will increase to 5.50% by the end of March 2007 before falling back to 5.00% by the end of 2007. They then expect the rate to reduce to 4.75% and remain at this level during 2008.

**Economic Background – UK:** Gross Domestic Product (GDP) has increased from the low point reached in June 2005. The recent robust growth is expected to reduce during 2007 and continue at below the trend rate of 2.5% thereafter. The increase in GDP has been driven by a recovery in consumer spending and retail sales, the robust housing market and higher than expected immigration from Eastern Europe which has strengthened growth and dampened wage inflation.

The Monetary Policy Committee's (MPC) decisions to raise bank rate in November 2006 and January 2007 are intended to bring CPI inflation down to the 2% medium term target. The MPC has been concerned that short term price increases could feed through into wage settlements in the current pay round and increase inflation expectations. Household income growth is expected to recover during 2007 as inflation falls but the extra income is likely to go into a recovery of the savings rate, pension savings and servicing debt costs rather than into consumer expenditure. The increase in public sector expenditure is expected to fall to 2.5% per annum rather than the 3% per annum over the past five years. The bank rate increases are also expected to dampen the housing market and increases in unsecured borrowing although one more rate increase is forecast. Once inflation is seen to be under control the bank rate is expected to begin falling in late 2007.

**International:** The US, UK and EU economies have all experienced a period of sustained growth and have therefore been raising interest rates to counter inflationary pressures stimulated by high oil, gas and electricity prices which could feed through into increases in wage inflation and producer prices. The US has been raising interest rates steadily over the past two years and the current rate of 5.25% is probably the peak. The major feature of the US economy is steeply falling house prices, which is likely to reduce household spending and lead to an increase in saving. EU growth is expected to slow in 2007 due to weaker US and global demand. Despite sharply increased energy prices a fall in the cost of manufactured goods from India and China have helped to keep inflation in the advanced

economies to an average of around 3% and this should fall as the energy effects go into reverse.

### Summary Bank Forecasts

The table below is a summary of independent forecasters views of base rate as at January 2006 produced by HM Treasury.

(%)	2007	2008	2009	2010
	Quarter 4	Average	Average	Average
Average	4.85%	4.86%	4.88%	4.85%
Highest	5.50%	5.90%	5.60%	6.10%
Lowest	4.00%	3.75%	4.00%	4.00%

### 3. Treasury Limits For 2007/08

#### a) Treasury Limits

In accordance with Section 3 of the Local Government Act 2003 the Treasury limits set by full Council as part of its treasury policy are:

	<u>2006/07</u>	<u>2007/08</u>
	<u>£m</u>	<u>£m</u>
Overall Revenue and Capital Borrowing Limit	<b>55</b>	<b>62</b>
The total amount of the overall borrowing limit which may be outstanding by way of short term borrowings	<b>16</b>	<b>19</b>
The maximum proportion of borrowings which may be at variable interest rates to be	<b>50%</b>	<b>50%</b>

#### b) Prudential Code

A significant change to local authority borrowing and investment resulted from the introduction of the Prudential Code on 1 April 2004.

Previous government regulations severely restricted the ability of local authorities to borrow for capital projects and to invest capital receipts. The Code allows each authority to make its own decisions as to the limits of capital investment as long as its capital spending plans are affordable, prudent and sustainable. To demonstrate that the Council meets these criteria the Prudential Code sets out certain indicators, which must be used. These indicators are to be used to support local decision-making and are not intended to be used as comparative performance indicators.

There are two types of prudential indicators, one type to demonstrate affordability and one type to demonstrate prudence. The prudential indicators affecting treasury management are set out below.

## **Analysis of Prudential Indicators (A to E are non treasury)**

### **F. Authorised Limit for External Debt**

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

	<u>Actual</u> <u>2005/06</u> <u>£000</u>	<u>Estimate</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>
Authorised Limit	51,000	55,000	62,000	71,000	78,000

This limit is set by each authority and as such can be set at any level. The levels set at this stage represent the absolute limit of borrowing based upon known factors at this stage.

### **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>2005/06</u> <u>£000</u>	<u>Estimate</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>
Operational Boundary	46,000	50,000	57,000	66,000	73,000

The levels have been set to reflect the anticipated borrowing in future years and allow a small margin for cash flow fluctuations. This is the day-to-day limit as opposed to the absolute limit in indicator F.

### **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.

### **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.

	<u>Actual</u> <u>2005/06</u> <u>£000</u>	<u>Estimate</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>
Lower Limit on Fixed Rate Exposure	17,000	-6,000	8,000	18,000	27,000
Upper Limit on Fixed Rate Exposure	46,000	24,000	38,000	48,000	57,000
Lower Limit on Variable Rate Exposure	-48,000	-29,000	-30,000	-27,000	-23,000
Upper Limit on Variable Rate Exposure	-113,000	-94,000	-95,000	-92,000	-88,000

At this stage it has been assumed that any future borrowing will be fixed interest borrowing. However before the decision on whether fixed or variable rate borrowing is made analysis will be done to ensure that the most advantageous type of borrowing is taken.

No more than 50% of the total borrowing can be variable. This is to safeguard against the impact of interest rate fluctuations.

**J. Maturity Structure of Borrowing**

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>Estimate</u> <u>2006/07</u> %	<u>Lower Limit</u> %	<u>Upper Limit</u> %
Under 1 year	11%	0%	30%
1 to 2 years	1%	0%	40%
2 to 5 years	7%	0%	50%
5 to 10 years	9%	5%	60%
10 to 15 years	23%	}	85%
15 to 25 years	50%	} 20%	85%
Over 25 years	0%	}	85%

It can be seen from the above table that the estimated maturity structure at 31 March 2007 indicates that there will be an adequate spread of the borrowing portfolio.

**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 made 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)

The limit set will be no more than 40% beyond 364 days.

The Council currently has £24.2 million invested for longer than 364 days.

**4. Capital Borrowing and the Borrowing Portfolio Strategy**

The need to borrow will be carefully weighed against the requirements of the capital programme and the predicted level of interest rates.

The forecast for PWLB rates is as follows:

- the 50-year PWLB rate will remain at around 4.25%. There is scope for the rate to move around the central forecast by +/- 25 basis points without affecting this overall forecast.
- the 25-30 year PWLB rate is expected to stay at 4.50% for the foreseeable future.
- the 10 year PWLB rate will fall from 5.00% to 4.75% in quarter 3 of 2007 and then fall again to 4.50% in quarter 1 of 2008 and remain at that level for the foreseeable future.



- the 5-year PWLB rate will fall from 5.25% to 5.00% in quarter 3 of 2007 and continue falling until reaching 4.50% in quarter 1 of 2008. It is then expected to remain at this rate for the foreseeable future.

This forecast indicates that the borrowing strategy for 2007/08 should be to take long dated borrowing at any time during the financial year. Variable rate and shorter term fixed rate loans will be more expensive than long term and will therefore be less attractive throughout 2007/08.

Against this background caution will be adopted with the 2007/08 treasury operations. The Director of Finance and Corporate Services will monitor the interest rate market and adopt a pragmatic approach to changing circumstances, reporting any significant activity to Cabinet at the earliest opportunity.

**Sensitivity of the forecast** - The main sensitivities of the forecast are likely to be the two scenarios below. The Council officers, in conjunction with the treasury advisers, will continually monitor both the prevailing interest rates and the market forecasts, adopting the following responses to a change of sentiment:

- *if it was felt that there was a significant risk of a sharp rise in long and short term rates*, perhaps arising from a greater than expected increase in world economic activity, then the portfolio position will be re-appraised with the likely action that fixed rate funding will be drawn whilst interest rates are still relatively cheap.
- *If it was felt that there was a significant risk of a sharp fall in long and short term rates*, due to e.g. growth rates remaining low or weakening, then long term borrowings will be postponed and any rescheduling from fixed rate funding into variable or short rate funding will be exercised.

## **5. Annual Investment Strategy**

- a) The Council has regard to the ODPM's Guidance on Local Government Investments issued in March 2004 and CIPFA's Code of Practice for Treasury Management in Public Services.
- b) This Annual Investment Strategy states which investments the Council may use for the prudent management of its treasury balances during the financial year under the heads of:

### **Specified Investments and Non-Specified Investments.**

These are listed in paragraph (k)

- c) This Strategy also sets out:
  - The procedures for determining the use of each asset class (advantages and associated risk), particularly if the investment falls under the category of "**non-specified investments**";
  - The maximum periods for which funds may be prudently committed in each asset class;
  - The £ or % limit to be invested in each asset class;
  - Whether the investment instrument is to be used by the Council's in-house officers and/or by the Council's appointed external fund managers; and, if non-

specified investments are to be used in-house, whether prior professional advice is to be sought from the Council's treasury advisors;

- The maximum amount to be held in short-term investments (i.e. one which the Council may require to be repaid or redeemed within 12 months of making the Investment).

d) **Investment Objectives** :

- i) All investments will be in sterling. The general policy objective for this Council is the prudent investment of its treasury balances. The Council's investment priorities are
  - (a) The **security** of capital and
  - (b) **Liquidity** of its investments.

The council will aim to achieve the optimum return on its investments commensurate with the proper levels of security and liquidity.

- ii) The Department for Communities and Local Government (DCLG) maintains that the borrowing of monies purely to invest or on-lend and make a return is unlawful and this Council will not engage in such activity.

e) **Security of Capital: The use of Credit Ratings**

- i) This Council relies on credit ratings published by Fitch Ratings to establish the credit quality of counterparties and investment schemes. The Council has also determined the minimum long-term, short-term and other credit ratings it deems to be "high" for each category of investment.
- ii) Monitoring of credit ratings:  
The Council has access to Fitch credit ratings and is alerted to changes by its financial advisors.

If a counterparty's or investment scheme's rating is downgraded with the result that it no longer meets the Council's minimum criteria, the further use of that counterparty/ investment scheme as a new investment will be withdrawn immediately.

If a counterparty is upgraded so that it fulfils the Council's criteria, its inclusion will be considered and put to the Director of Finance and Corporate Services for approval.

f) **Investment balances / Liquidity of investments**

- i) Based upon its cash flow forecasts, the Council anticipates its average fund balances in 2007-08 to range between £88m and £100m.
- ii) Giving due consideration to the Council's level of balances over the next 3 years, the need for liquidity, its spending commitments and provisioning for contingencies, the Council has determined that a maximum of 40% of its overall fund balances can be prudently committed to longer term investments (i.e. those with a maturity exceeding a year).
- iii) As the Council has decided to restrict most of its investments to term deposits, it will maintain liquidity by aiming to keep a minimum of £15m maturing within 1 month.

g) **Investments defined as capital expenditure**

- i) The acquisition of share capital or loan capital in any body corporate is defined as capital expenditure under Section 16(2) of the Local Government Act 2003. Such investments will have to be funded out of capital or revenue resources and will be classified as 'non-specified investments'.
- ii) A loan or grant by this Council to another body for capital expenditure by that body is also deemed by regulation to be capital expenditure by this Council. It is therefore important for this Council to clearly identify if the loan has been made for policy reasons (e.g. to the registered social landlord for the construction/improvement of dwellings) or if it is an investment for treasury management purposes. The latter will be governed by the framework set by the Council for 'specified' and 'non-specified' investments.
- iii) This Council will not use any investment that will be deemed as capital expenditure.

#### **h) Provisions for Credit-related losses**

If any of the Council's investments appeared at risk of loss due to default (i.e. this is a credit-related loss, and not one resulting from a fall in price due to movements in interest rates) the Council will make revenue provision of an appropriate amount.

#### **i) Investment Strategy to be followed in-house:**

- i) The Council's Treasury Advisor is currently anticipating bank rate increasing to 5.50% by the end of 2006/07 and then falling to 5% by the end of the final quarter of 2007/08.
- ii) At present the Council has £80.2 million of short term investments (less than one year), and £24.2 million of long-term investments (greater than one year). All investments are made with reference to cash flow requirements.

Decisions about the financing of new capital expenditure will be made having regard to interest rates prevailing at the time. Officers will liaise closely with the investment advisors to attempt to anticipate any further changes in rates.

Investments will be made in accordance with the Approved Investments Regulations (1990) and with the institutions identified in the Council's investment list, approved as part of the Treasury Management Policy Statement.

#### **j) End of year Investment Report**

At the end of the financial year, the Council will prepare a report on its investment activity as part of its Annual Treasury Report.

**k) SPECIFIED INVESTMENTS**

Specified investments offer high security and high liquidity. All such investments must be in sterling and with a maturity of no more than one year.

<b><u>Investment</u></b>	<b><u>Share/ Loan Capital?</u></b>	<b><u>Repayable/ Redeemable within 12 months?</u></b>	<b><u>Security / Minimum credit rating **</u></b>	<b><u>Capital Expenditure?</u></b>	<b><u>Circumstance of use</u></b>	<b><u>Maximum period</u></b>
<b>Term deposits</b> with credit-rated deposit takers (banks and building societies), including callable deposits, with maturities up to 1 year	No	Yes	YES <u>Banks:</u> Fitch AA- <u>B.Soc.</u> Min. assets £1 billion	NO	In-house or by external fund managers	1 year
<b>Money Market Funds</b> <i>These funds do not have any maturity date</i>	No	Yes	YES Fitch AA-	NO	In-house or by external fund managers subject to the guidelines and parameters agreed with them	The period of investment may not be determined at the outset but would be subject to cash flow and liquidity requirements
<b>Forward deals</b> with credit rated banks and building societies < 1 year (i.e. negotiated deal period plus period of deposit)	No	Yes	YES <u>Banks:</u> Fitch AA- <u>B.Soc.</u> Min. assets £1 billion	NO	In-house	Aggregate 1 year
<b>Certificates of Deposit</b> with credit rated banks with maturities greater than 1 year <i>Custodial arrangement required prior to purchase</i>	No	No	YES Fitch AA-	NO	To be used by external fund managers only	1 year

## NON-SPECIFIED INVESTMENTS

Non specified investments are for periods of more than one year and generally carry more risk. They must be in sterling.

<u>Investment</u>	<u>(A) Why use it?</u> <u>(B) Associated risks?</u>	<u>Share/</u> <u>Loan</u> <u>Capital?</u>	<u>Repayable/</u> <u>Redeemable</u> <u>within 12</u> <u>months?</u>	<u>Security /</u> <u>Minimum credit</u> <u>rating **</u>	<u>Capital</u> <u>Expen-</u> <u>diture?</u>	<u>Circumstance of</u> <u>use</u>	<u>Maximum</u> <u>maturity of</u> <u>investment</u>
<b>Term deposits</b> with credit rated deposit takers (banks and building societies) with maturities greater than 1 year	(A) (i) Certainty of rate of return over period invested. (ii) No movement in capital value of deposit despite changes in interest rate environment. (B) (i) Illiquid : as a general rule, cannot be traded or repaid prior to maturity. (ii) Opportunity cost if interest rates rise after making the investment. (iii) Credit risk : potential for greater deterioration in credit quality over longer period	No	No	YES <u>Banks:</u> Fitch AA- <u>B.Soc.</u> Min. assets £1 billion	NO	in-house	5 years
<b>Certificates of Deposit</b> with credit rated banks with maturities greater than 1 year <i>Custodial arrangement required prior to purchase</i>	(A) (i) Opportunity to make capital profit. (B) (i) 'Market or interest rate risk' : Yield subject to movement during life of CD which could negatively impact on price of the CD. (ii) Although in theory tradable can be illiquid	No	Yes	YES Fitch AA-	NO	To be used by external cash fund manager(s) only	5 years

<u>Investment</u>	<u>(A) Why use it?</u> <u>(B) Associated risks?</u>	<u>Share/</u> <u>Loan</u> <u>Capital?</u>	<u>Repayable/</u> <u>Redeemable</u> <u>within 12</u> <u>months?</u>	<u>Security /</u> <u>Minimum Credit</u> <u>Rating?</u>	<u>Capital</u> <u>Expen-</u> <u>diture?</u>	<u>Circumstance of</u> <u>use</u>	<u>Maximum</u> <u>maturity of</u> <u>investment</u>
<p><b>UK government gilts</b> with maturities in excess of 1 year</p> <p><i>Custodial arrangement required prior to purchase</i></p>	<p>(A) (i) Excellent credit quality. (ii) Very Liquid. (iii) If held to maturity, known yield (rate of return) per annum ~ aids forward planning. (iv) If traded, potential for capital gain through appreciation in value (i.e. sold before maturity) (v) No currency risk (B) (i) 'Market or interest rate risk' : Yield subject to movement during life of sovereign bond which could negatively impact on price of the bond i.e. potential for capital loss.</p>	No	Yes	Government backed	NO	<p>(1) Buy and hold to maturity : to be used in-house after consultation/ advice from Sector (2) for trading : by external cash fund manager(s) only subject to the guidelines and parameters agreed with them</p>	10 years
<p><b>Multilateral Development Bank Bonds</b></p> <p><i>Custodial arrangement required prior to purchase</i></p>	<p>(A) (i) Excellent credit quality. (ii) Relatively liquid (although not as liquid as gilts). (iii) If held to maturity, known yield (rate of return) per annum, which would be higher than that on comparable gilt ~ aids forward planning, enhanced return compared to gilts. (iv) If traded, potential for capital gain through appreciation in value (i.e. sold before maturity) (B) (i) 'Market or interest rate risk' : Yield subject to movement during life of bond which could negatively impact on price of the bond i.e. potential for capital loss. (ii) Spread versus gilts could widen</p>	Yes	Yes	AAA or government guaranteed	NO	<p>(1) Buy and hold to maturity : to be used in-house after consultation/ advice from Sector (2) for trading : by external cash fund manager(s) only, subject to the guidelines and parameters agreed with them</p>	10 years

<b>INSTRUMENTS NOT CONSIDERED BY THIS COUNCIL AS PRUDENT INVESTMENTS FOR ITS SURPLUS TREASURY FUNDS</b>							
<u>Investment</u>	<u>Associated risks?</u>	<u>Share/ Loan Capital?</u>	<u>Repayable/ Redeemable within 12 months?</u>	<u>Security / High Credit Rating?</u>	<u>Capital Expenditure?</u>	<u>Circumstance of use</u>	<u>Maximum maturity of investment</u>
<b>Equities</b>	Very volatile Requires sophisticated knowledge of the equity market and individual stocks. Not suitable for treasury funds which have a much shorter time frame than pension funds.	<b>YES</b>	Yes	No	YES		
<b>Open Ended Investment Companies (OEICS) - those which are equity based.</b>	Volatile Requires sophisticated understanding of the equities, geographical and industry sectors underlying the fund. Not suitable for treasury funds which have a much shorter time frame than pension funds.	<b>YES</b>	Yes	No	YES		
<b>Derivatives</b>	These are still considered <b>ultra vires</b> (see below) *	No	n/a	n/a	ultra vires		

\* **The prohibition on the use of derivatives:** A derivative can be defined as a financial contract the performance of which is derived from a different financial asset. This prohibition effectively relies on the judgment of the House of Lords in the case of *Hazell v The Council of the London Borough of Hammersmith and Fulham and Others* in 1991. Their Lordships held that local authorities have no power to enter into interest rate swaps and similar instruments.

Sector believes that as this ruling still stands and will not be rescinded by the introduction of the Local Government Act 2003, local authorities will not have the power to use derivative instruments.

#### **Monitoring of credit ratings:**

The Council has access to Fitch credit ratings and is alerted to changes by its financial advisors. If a counterparty or investment scheme is downgraded with the result that it no longer meets the Council's minimum credit criteria the use of that counterparty / investment scheme will be withdrawn. The Council will establish with its fund manager(s) the frequency of their monitoring of credit ratings so as to be satisfied as to their stringency and regularity.

## **l) Prudential Code**

Previously local authorities were prevented by government regulation from investing for periods in excess of one year unless they were completely debt free. The introduction of the Prudential Code on 1 April 2004 removed this restriction and the Council now enjoys more freedom to make long-term investment decisions within the Prudential Code criteria of affordability, prudence and sustainability. Any decision to invest significant amounts for more than one year will only be made after consultation with the Council's treasury advisors.

## **6. Debt Rescheduling**

Debt rescheduling is when an existing loan is repaid and replaced by a new loan. A penalty is charged by the lender for repaying the existing loan if the interest rate on the old loan is higher than that of the new. If the rate on the old loan is lower than that of the new, the lender will pay a premium. So far in 2006/07 no debt rescheduling has taken place.

As the first fall in bank rate is expected in quarter 4 of 2007 there will be a sharp difference between higher short-term rates and cheaper long-term rates in quarters two to four of 2007. In 2007/08 this advantage will diminish when bank rate and short-term rates generally begin to fall. There will therefore be an opportunity during quarters two to four of 2007 to restructure shorter-term debt into longer-term debt in order to optimize the potential savings available in the financial year 2007/08. Any rescheduling carried out will be in accordance with the strategy position outlined in Section 4 above.

The reasons for any rescheduling to take place will include:

- the generation of cash savings at minimum risk;
- in order to help fulfill the strategy outlined in Section 4 above; and
- in order to enhance the balance of the long term portfolio (amend the maturity profile and/or the balance of volatility).

CIPFA issued a draft accounting standards document (SORP 2007) on 18 October 2006 and a final draft in November. This includes major potential changes in the treatment of the valuation of debt and investments, the calculation of interest and the treatment of premia and discounts arising from debt rescheduling. There will be a three-month consultation period before proposals are finalised. It is also expected that these proposals, once finalised, may make necessary the issuance of legislation to take effect from 1 April 2007 (the DCLG issued draft regulations in November 2006). The treasury management strategy will be reviewed once the final decisions are known to see whether any changes will be required to the borrowing, investment or debt rescheduling strategies.

When debt is rescheduled a penalty may be incurred in the year. This is the major factor taken into account when taking decisions on debt rescheduling.

The Director of Finance and Corporate Services will take any debt rescheduling decisions considered during the year in consultation with the Council's treasury advisor.



## **TREASURY MANAGEMENT POLICY STATEMENT**

### **Introduction and Background**

This Council adopted the revised CIPFA Code of Practice on Treasury Management in Local Authorities from 1 April 2002 and the key recommendations as described in section 4 of that code are:

- Public service organisations should put in place formal and comprehensive objectives, policies and practices, strategies and reporting arrangements for the effective management and control of their treasury management activities.
- Their policies and practices should make clear that the effective management and control of risk are prime objectives of their treasury management activities
- They should acknowledge that the pursuit of best value in treasury management and the use of suitable performance measures are valid and important tools for responsible organisations to employ in support of their business and service objectives; and that within the context of effective risk management, their treasury management policies and practices should reflect this.
- In order to achieve the above, organisations should follow Treasury Management Practices (TMPs)

### **Definition**

Treasury management in this context is defined as:

*“The management of the organisation’s cash flows, its banking, money market and capital market transactions; the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks”.*

### **Treasury Management Policy’s**

Detailed below are the Council’s Treasury Management Policy’s (TMPs), which fully comply with the requirements of the Code.

### **TMP1 – Risk Management**

The Director of Finance will design, implement and monitor all arrangements for identification and management of treasury management risk. Circumstances of any actual or likely difficulty in achieving the Councils objectives in this respect will need to be reported in accordance with TMP6. Further details of the types of risk that the Director of Finance needs to design, implement and monitor are as follows:

### Liquidity Risk

The Director of Finance shall ensure that the Council has adequate (not excessive) cash resources, borrowing arrangements, overdraft or standby facilities to have a level of funds available for normal activity.

### Interest Rate Risk

The Council should manage its exposure to fluctuations in interest rates with a view to containing its interest costs or revenues in accordance with its budget arrangements as detailed in TMP7.

As required by Section 3 of the Local Government Act 2003, the Council must approve before the beginning of each financial year the following treasury limits

- the overall borrowing limit
- the amount of the overall borrowing limit which may be outstanding by way of short term borrowing;
- the maximum proportion of interest on borrowing which is subject to variable rate interest.

The Director of Finance is responsible for incorporating these limits into the Annual Treasury Management Strategy, and for ensuring compliance with the limits. Should it prove necessary to amend these limits, the Director of Finance shall submit the changes for approval to Cabinet before submission to the full Council for approval

### Exchange Rate Risk

The Council should manage its exposure to fluctuations in exchange rates (where applicable) with a view to containing its interest costs or revenues in accordance with its budget arrangements as detailed in TMP7.

### Inflation Risk Management

The effects of varying levels of inflation should be controlled by the organisation as an integral part of its strategy for managing its overall exposure to inflation.

### Credit and Counterparty Risk Management

The Council should regard the security of the principal sums invested as a prime objective. Accordingly it shall not invest with any institutions that do not meet the criteria specified in Annex 1. A full listing of the institutions who meet the criteria is appended at Annex 2.

### Refinancing Risk Management

The Council will ensure that its borrowing, private financing and partnership arrangements are negotiated, structured and documented, and managed with a view to obtaining refinancing offer terms that are reasonable given the market conditions at the time. Any decision regarding debt refinancing shall only take place after seeking advice from the Council's treasury management advisors.

#### Legal and Regulatory Risk Management

The Council will ensure that all of its treasury management activities comply with statutory powers and regulatory requirements

The Council will also seek to minimise the risk of future legislative or regulatory changes as far as it is reasonable to do so.

#### Fraud, Error, Corruption and Contingency Management.

The Council will ensure that it employs suitable systems to minimise the risk of fraud, error and corruption. Suitable contingency plans should be in place to maintain effective management, should this occur.

#### Market Risk Management

The Council should seek to ensure that it will not be compromised by adverse market fluctuations and it should seek to protect itself from such fluctuations

#### **TMP2 – Best Value and Performance Measurement**

The Council is committed to the pursuit of Best Value in its Treasury Management activities within the framework set out in this Treasury Management Policy Statement.

#### **TMP3 – Decision Making Analysis**

Full records of Treasury Management decisions, processes and practices will be maintained. These records will be used to both learn from past experiences and to ensure that reasonable steps were taken when making such decisions.

#### **TMP4 – Approved Instruments, Methods and techniques**

The Council will undertake treasury management activities by employing methods and techniques detailed within this policy statement. Annex 1 provides details of approved instruments for investments and Annex 2 provides a listing of current institutions that meet the criteria specified in Annex 1. The Treasury Management Strategy provides approved methods and sources of raising capital finance.

#### **TMP5 – Organisation, Clarity and Segregation of Responsibility**

The Council will ensure that at all times there will be clarity of treasury management responsibilities. There will be a clear distinction between those people setting treasury management policies and those responsible for implementing and controlling these policies particularly with the regard to execution and transmission of funds.

The Director of Finance has delegated powers through this Policy to take the most appropriate form of borrowing from the approved sources, and to take the most appropriate form of investments in approved instruments (in accordance with Annex 1).

The Director of Finance may delegate his power to borrow and invest to members of his staff. All dealing transactions must be conducted by the Director of Finance, the Assistant Director of Finance and the Chief Accountant or the designated Treasury Management team or staff authorised by the Director of Finance to act as temporary cover for leave/sickness. All transactions must be authorised by at least two of the named officers above.

Prior to entering into any capital financing, lending or investment transaction, it is the responsibility of the Director of Finance to be satisfied, by reference to the Monitoring

Officer, the Authority's legal department and external advisors as appropriate, that the proposed transaction does not breach any statute, external regulation or the Authority's Financial Regulations. It is also the responsibility of the Director of Finance to ensure that the Authority complies with the requirements of The London Code of Conduct for principals and broking firms in the wholesale markets.

#### **TMP6 – Reporting Requirements**

- The Policy Statement should be reported to Cabinet whenever there is a material change in content.
- The Treasury Management Strategy should be reported to Cabinet before the start of each financial year and should include details of the prospects for interest rates over the forthcoming year, limits on treasury activities and an expected borrowing strategy.
- The annual report on the performance of the treasury management function should be reported to Cabinet no later than the 30 September following the close of the financial year.
- Any material deviation from the annual treasury management budget should be reported as soon as practically possible.

#### **TMP7 – Budgeting Accounting and Auditing Requirements**

The Director of Finance will prepare an annual budget for all costs involved in running the treasury management function and Cabinet will approve this budget. The Director of Finance will exercise effective controls over this budget and in accordance with TMP6 report any material deviations as soon as practically possible.

The Council will account for its treasury management activities in accordance with appropriate accounting practices and standards and within statutory and regulatory requirements.

The Council will ensure that its auditors have access to all information and papers supporting the activities of the function.

#### **TMP 8 – Cash and Cash Flow Management**

All monies in the hands of the organisation will be under the control of the Director of Finance and aggregated cash flow and investment management purposes.

#### **TMP9 – Money Laundering**

The Director of Finance should be alert to the possibility of money laundering and maintain procedures for recording the identity of all counterparties.

### **TMP10 – Staff Training and Qualifications**

The Director of Finance should recognise the importance of all staff involved in the treasury management function ensure that staff are fully equipped and trained to undertake the duties and responsibilities allocated to them.

### **TMP11 – Use of External Service Providers**

The Council should recognise the potential value of employing external providers of treasury management services.

The Authority's Policy is to appoint professional cash/external investment fund managers as appropriate and that in so doing, the Authority will comply with the Local Authorities (Contracting Out of Investment Functions) Order 1996 [SI 1996 No 1883].

The Director of Finance is responsible for ensuring that the Council employs treasury management advisors whose role shall include providing advice on interest rate predictions, debt restructuring and assistance in the monitoring of external fund managers.

The Director of Finance shall be responsible for monitoring the performance of external cash fund managers and where necessary report to Cabinet the performance of the managers.

### **TMP 12 – Corporate Governance**

The organisation is committed to the pursuit of proper corporate governance and therefore the treasury management function should be undertaken with openness, honesty and integrity.

## Annex 1

### APPROVED ORGANISATIONS FOR INVESTMENTS

1. In accordance with The Local Government Act 2003 and the Prudential Code, the instruments approved for investment and commonly used by local authorities are:
  - Gilts;
  - Treasury Bills;
  - Deposits with banks building societies or local authorities (and certain other bodies)
  - Certificates of deposits with banks or building societies. Issues in Sterling by Multi Lateral Development Banks.
  
2. The Director of Finance and Corporate Services and the Council's treasury management advisors have formulated suitable criteria for assessing and monitoring the credit risk of investment counterparties and has constructed a lending list comprising time, type, sector and specific counterparty limits. If credit ratings change banks and building societies will be added to or excluded from the approved list as appropriate. These criteria are detailed below.

#### Lending List Criteria

Security of the Authority's funds is the primary consideration in compiling a lending list. Any institution included on the lending list must have passed a test of financial status and stability.

The employment of a credit rating agency, which assigns an individual rating to an institution, is one method of establishing that institution's stability. This Authority receives regular credit rating lists from the FITCH Rating Agency, an agency recognised by the Financial Services Authority.

Institutions rated by FITCH are assigned long term, short term, individual and legal ratings. Long-term ratings estimate the long-term stability and credit worthiness of an institution and short-term ratings estimate the short-term credit worthiness of an institution. The individual ratings assess an institution's exposure to, appetite for and management of risk whilst the legal rating estimates the likely level of intervention or support that would be offered to an institution should it experience difficulties.

#### **Short-term ratings are as follows:**

- i) F1: Highest credit quality  
Indicates the strongest capacity for timely payment of financial commitments and may have an added + to denote any exceptionally strong credit feature.

- ii) F2: Good credit quality  
A satisfactory capacity for timely payment of financial commitments but the margin of safety is not as great as in the case of the higher ratings.
- iii) F3: Fair credit quality  
The capacity for timely payment of financial commitments is adequate. However near-term adverse changes could result in a reduction to non-investment grade.
- iv) B: Speculative  
Minimal capacity for timely payment of financial commitments plus vulnerability to near-term adverse changes in financial and economic conditions.
- v) C: High default risk  
Default is a real possibility. Capacity for meeting financial commitments is solely reliant upon a sustained and favourable business and economic environment.

**Long term Investment Grade ratings are as follows:**

- i) AAA: Highest credit quality  
AAA ratings denote the lowest expectation of credit risk. They are assigned only in case of exceptionally strong capacity for timely payment of financial commitments. This capacity is highly unlikely to be adversely affected by foreseeable events.
- ii) AA: Very high credit quality  
AA ratings denote a very low expectation of credit risk. They indicate very strong capacity for timely payment of financial commitments. This capacity is not significantly vulnerable to foreseeable events.
- iii) A: High credit quality  
A ratings denote a low expectation of credit risk. The capacity for timely payment of financial commitments is considered strong. This capacity may, nevertheless, be more vulnerable to changes in circumstances or in economic conditions than is the case for higher ratings.
- iv) BBB: Good credit quality  
BBB ratings indicate that there is currently a low expectation of credit risk. The capacity for timely payment of financial commitments is considered adequate but adverse changes in circumstances and in economic conditions are more likely to impair this capacity. This is the lowest investment grade category.

**Long term Speculative Grade ratings are as follows:**

- v) BB: Speculative  
BB ratings indicate that there is a possibility of credit risk developing, particularly as the result of adverse economic change over time. However business or financial alternatives may be available to allow financial commitments to be met. Securities rated in this category are not investment grade.

- vi) B: Highly speculative  
B ratings indicate that significant credit risk is present but a limited margin of safety remains. Financial commitments are currently being met. However capacity for continued payment is contingent upon a sustained, favourable business and economic environment.
- vii) CCC, CC and C: High default risk  
Default is a real possibility. Capacity for meeting financial commitments is solely reliant upon sustained, favourable business or economic developments. A CC rating indicates that default of some kind appears probable. C ratings signal imminent default.

+ or – may be appended to a rating to denote relative status within major rating categories. Such suffixes are not added to the AAA long term rating category, to categories below CCC or to short term ratings other than F1.

**Individual Ratings are as follows:**

- i) A: A very strong bank.  
Characteristics may include outstanding profitability and balance sheet integrity, franchise, management, operating environments, or prospects.
- ii) B: A strong bank  
There are no major concerns regarding the bank. Characteristics may include strong profitability and balance sheet integrity, franchise, management, operating environment or prospects.
- iii) C: An adequate bank  
There may be some concerns regarding its profitability and balance sheet integrity, franchise, management, operating environment or prospects.
- iv) D: A bank which has weakness of internal and/or external origin  
There are concerns regarding its profitability and balance sheet integrity, franchise, management, operating environment or prospects.

**Support/Legal Ratings are as follows:**

- i) 1 A bank for which there is a clear legal guarantee on the part of the state OR a bank of such importance both internationally and domestically that, in the opinion of Fitch, support from a state would be forthcoming if necessary. The state in question must clearly be prepared and able to support its principal banks.
- ii) 2 A bank for which, in the opinion of Fitch, state support would be forthcoming even in the absence of a legal guarantee. This could be, for example, because of the bank’s importance to the economy or its historic



relationship with the authorities.

- iii) 3 A bank or bank holding company which has institutional owners who are of sufficient reputation and possess such resources that, in the opinion of Fitch, shareholder support would be forthcoming if necessary.
- iv) 4 A bank for which support is likely but not certain.
- v) 5 A bank or bank holding company for which support, although possible, cannot be relied upon.

Based on the above ratings deposits may only be placed with the following:

**Banks that are on the Financial Services Authority authorised list, that are incorporated within the UK and that enjoy:**

A short term rating of F1+,  
A long term rating of at least AA-,  
An individual rating of at least B/C and  
A legal rating of at least 3.

For long term rating of AA and above the investment limit will be £15m

For long term ratings of AA- the investment limit will £10m

Investments can be for periods in excess of 1 year

**Building Societies that are incorporated within the UK:**

Investments are made only with building societies whose assets are in excess of £1bn.

For building societies with assets in excess of £5bn the investment limit will be £10m

For building societies with assets between £1bn and £5bn the investment limit will be £5m

Investments can be for periods in excess of 1 year

**Banks who are on the Financial Services Authority authorised list, that are incorporated outside the UK and that enjoy:**

A short term rating of F1+,  
A long term rating of at least AA-,  
An individual rating of at least B/C and  
A legal rating of at least 2.

For support ratings of 1 the investment limit will be £10m

For support ratings of 2 the investment limit will be £5m

Investments can be for periods in excess of 1 year

### **Local Authorities and Joint Authorities**

Local Authorities and Joint Authorities are not credit rated but are considered stable and secure. No local authority or joint authority has ever defaulted on a loan repayment. Furthermore the Local Government and Housing Act 1989 (section 47) states that “all money borrowed by a local authority, together with any interest thereon, shall be charged on the revenues of the authority”. Basically any loan which is not paid back on the due date is a charge on future revenues until such time as it is discharged in full. Both local and joint authorities are therefore included on our lending list.

### **Central Government**

The Local Authority Investment Regulations were amended as from 1 April 2002 to permit local authorities to invest in the Debt Management Account Deposit Facility (DMADF). This is administered by the Debt Management Office, which is part of HM Treasury. This can be considered to be a risk free investment as the risk lies with central government.

### **Additional Criteria**

The lending list is kept under constant review to take account of rating changes.

In addition there will be no investments made with any institution whose credit rating is under review.

## Annex 2

### Investment Organisations which meet the Council's Approved Criteria

<u>U.K Banks</u>	<u>Short Term</u>	<u>Long Term</u>	<u>Individual</u>	<u>Legal</u>	<u>Maximum Investment Permitted £M</u>
Abbey National PLC	F1+	AA-	B	2	10
Alliance and Leicester	F1+	AA-	B	3	10
Barclays Bank PLC	F1+	AA+	A/B	1	15
Bristol & West PLC	F1+	AA-	B	1	10
Clydesdale Bank	F1+	AA-	B/C	1	10
HBOS	F1+	AA+	A/B	1	15
HSBC PLC	F1+	AA	A/B	1	15
Lloyds TSB PLC	F1+	AA+	A	1	15
MBNA Europe Bank Ltd	F1+	AA+	A/B	1	15
National Westminster Bank	F1+	AA+	A/B	1	15
Royal Bank of Scotland	F1+	AA+	A/B	1	15
Ulster Bank	F1+	AA	B	1	15
 <u>Foreign Banks</u>					
ABN AMRO Bank NV	F1+	AA-	B	1	10
Allied Irish Banks	F1+	AA-	B	1	10
Australia & New Zealand Banking Group	F1+	AA-	B	2	5
Banca Intesa					
Banco Bilbao Vizcaya Argentaria	F1+	AA-	B	1	10
Banco de Cred. Local de Espana	F1+	AA-	A/B	1	10
Banco Popular Espano	F1+	AA	A	2	5
Banco Santander Central Hispano	F1+	AA-	B	1	10
Banco Santander Totta SA	F1+	AA-	B	1	10
Bank Nederlandse Gemeenten	F1+	AAA	A	1	10
Bank of America NA	F1+	AA-	A/B	1	10
Bank of Ireland	F1+	AA-	B	1	10
Bank of Montreal	F1+	AA-	B	1	10
Bank of New York	F1+	AA-	A/B	2	5
Bank of Nova Scotia	F1+	AA-	B	1	10
Banque Generale Luxembourg	F1+	AA-	A/B	1	10
BNP Paribas	F1+	AA	A/B	1	10
Caixa Geral de Depositos SA	F1+	AA-	B	1	10
Calyon	F1+	AA	B/C	1	10
Canadian Imperial Bank of Commerce	F1+	AA-	B	1	10
CIC Group	F1+	AA-	B/C	1	10
Citibank NA	F1+	AA+	A	1	10
Commonwealth Bank Australia	F1+	AA	A/B	2	5
Confederacion Espanola de Cajas de Ahorros	F1+	AA-	B	2	5
Credit Agricole	F1+	AA	B	1	10
Credit Suisse	F1+	AA-	B	1	10
Danske Bank	F1+	AA-	B	1	10
DBS Bank (Hong Kong) Ltd	F1+	AA-	B	1	10
DBS Ltd	F1+	AA-	B	2	5

Deutsche Bank AG	F1+	AA-	B	1	10
Dexia BIL	F1+	AA+	A/B	1	10
Dexia Bank	F1+	AA+	B	1	10
Dexia Credit Local	F1+	AA+	A/B	1	10
First Active	F1+	AA	B	1	10
Fortis Bank	F1+	AA-	B	1	10
HSBC Hong Kong	F1+	AA	A/B	1	10
HSBC Bank USA	F1+	AA	B	1	10
ING Bank NV	F1+	AA-	B	1	10
KBC Bank NV	F1+	AA-	B	2	5
Landwirtschaftliche Retenbank	F1+	AAA	A/B	1	10
National Australia Bank	F1+	AA	A/B	2	5
Natixis	F1+	AA	B/C	1	10
Nordea Bank Finland	F1+	AA-	B	1	10
Nordea Bank AB	F1+	AA-	B	1	10
Overseas-Chinese Banking Corp	F1+	AA-	B	2	5
Rabobank International	F1+	AA+	A	1	10
Royal Bank of Canada	F1+	AA	A/B	1	10
Sanpaolo IMI	F1+	AA-	B	2	5
Societe General	F1+	AA-	B	1	10
State Street Bank & Trust Co.	F1+	AA-	A/B	2	5
Svenska Handelsbanken AB	F1+	AA-	B	1	10
Toronto Dominion Bank	F1+	AA-	B	1	10
UBS A.G.	F1+	AA+	A/B	1	10
United Overseas Bank	F1+	AA-	B	2	5
Westpac Banking Corporation	F1+	AA-	B	2	5

**U.K. Building Societies**

	<u>Total</u> <u>Assets</u> (£billion)	<u>Maximum</u> <u>Investment</u> <u>Permitted</u> (£million)
Nationwide	108.0	10
Britannia	29.0	10
Portman	17.7	10
Yorkshire	16.2	10
Coventry	11.1	10
Chelsea	9.6	10
Skipton	8.8	10
Leeds and Holbeck	7.1	10
West Bromwich	5.6	10
Derbyshire	5.0	10
Cheshire	4.7	5
Principality	4.4	5
Newcastle	3.7	5
Norwich and Peterborough	3.4	5
Stroud and Swindon	2.5	5
Nottingham	2.4	5
Dunfermline	2.3	5
Scarborough	1.6	5
Kent Reliance	1.3	5
Progressive	1.2	5
National Counties	1.0	5



## 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.