



BUDGET BOOK

2012-2013

Mark Maidment CPFA

**Director of Finance
& Corporate Services**

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Budget Book 2012/13

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

Produced by the Accountancy Section

Finance and Corporate Services Directorate

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

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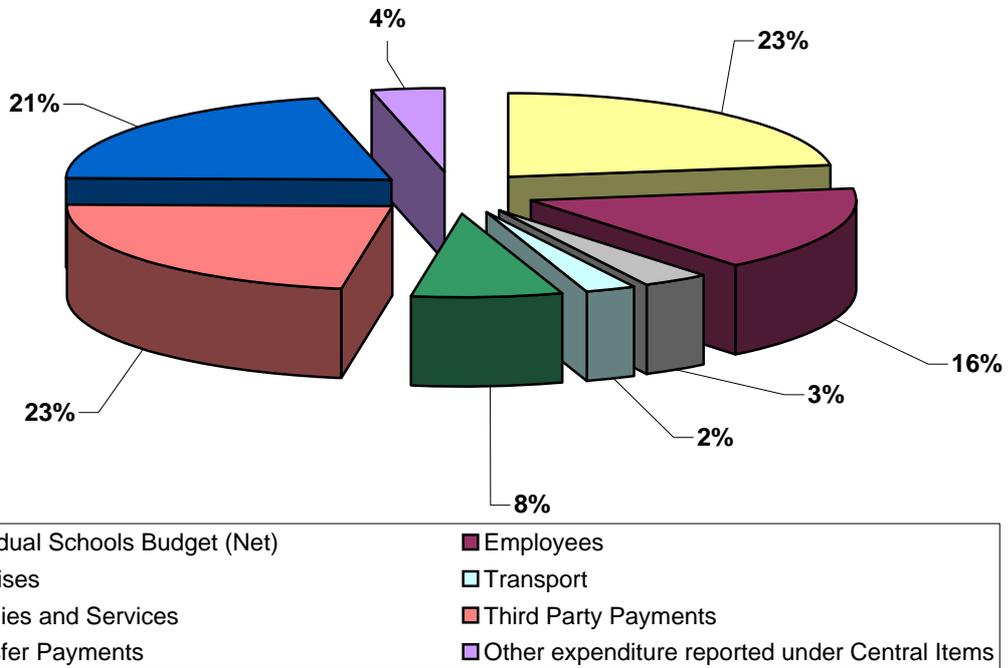
COUNCIL'S REVENUE BUDGET 2012/13
SUBJECTIVE SUMMARY OF EXPENDITURE AND INCOME

	<u>2010/11</u> <u>Actual</u> £	<u>2011/12</u> <u>Original</u> £	<u>2012/13</u> <u>Estimate</u> £
Individual Schools and Nursery Budget (Net)	80,638,238	92,304,100	94,057,000
<u>Expenditure</u>			
Employees	81,698,906	74,225,600	67,142,600
Premises	15,574,499	13,667,000	13,911,500
Transport	11,997,767	9,708,600	10,268,500
Supplies and Services	39,579,861	33,265,800	30,938,000
Third Party Payments	93,850,230	90,395,900	92,930,900
Transfer Payments	98,128,842	84,690,800	87,767,900
TOTAL EXPENDITURE	421,468,343	398,257,800	397,016,400
<u>Income</u>			
Adjusted Dedicated Schools Grant	(94,223,000)	(103,057,800)	(106,104,200)
Government Grants	(93,147,670)	(86,386,200)	(88,653,300)
Other Grants and Contributions	(34,703,288)	(9,140,100)	(10,101,000)
Customer & Client Receipts	(62,979,982)	(56,578,400)	(52,835,600)
TOTAL INCOME	(285,053,940)	(255,162,500)	(257,694,100)
NET EXPENDITURE (EXCL. CENTRAL ITEMS)	136,414,403	143,095,300	139,322,300
Central Items	(21,970,903)	(28,142,400)	(23,467,400)
NET EXPENDITURE (CONTROLLABLE)	114,443,500	114,952,900	115,854,900
<u>Financial Accounting Adjustments</u>			
Central Support Charges	24,702,741	24,423,200	22,566,300
Departmental Charges	18,558,602	16,626,900	17,994,400
Capital Charges	0	0	0
Central Support Income	(24,702,741)	(24,423,200)	(22,566,300)
Departmental Charges Income	(18,558,602)	(16,626,900)	(17,994,400)
NET ACCOUNTING ADJUSTMENTS	0	0	0
NET EXPENDITURE (ALL BUDGETS)	114,443,500	114,952,900	115,854,900

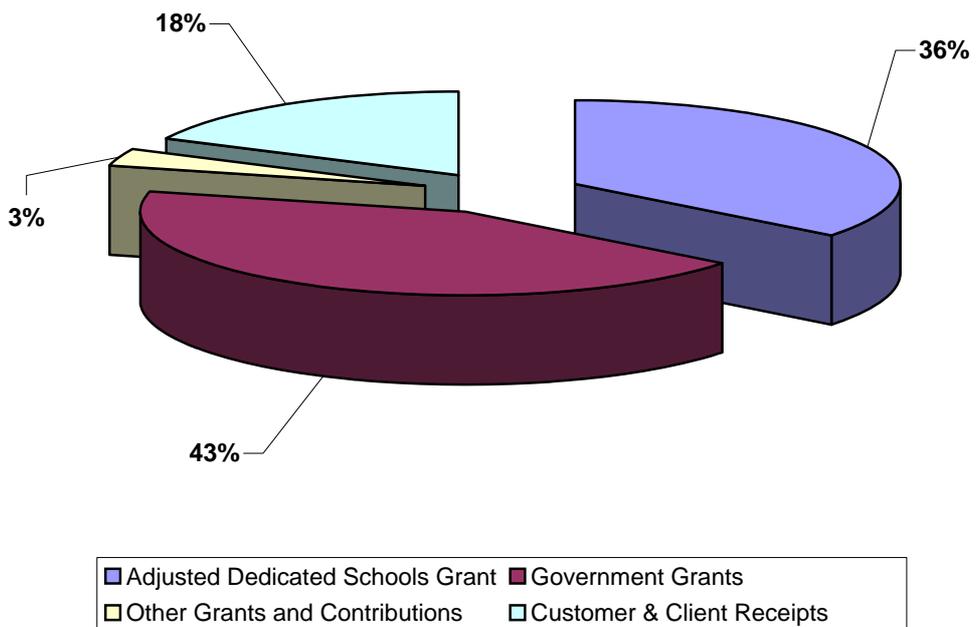
<u>Variation Analysis (excluding schools)</u>	
Original Budget 2011/12	114,952,900
Inflation	2,551,400
Changes in Government Grants	(3,316,100)
Other Government or Outside Body changes	3,409,800
Demand Led Growth	3,221,800
Efficiency Savings	(8,343,900)
Investment Priorities	754,000
Other Growth and Savings	2,625,000
Budget Transfer	0
Original Budget 2012/13	115,854,900
<u>Other Information</u>	
Employee FTE's (Budgeted)	3,334.3 3313.0*
* Staff budgets have been reduced to reflect planned efficiency savings where the details are yet to be finalised. This is not reflected in the FTE numbers.	

SECTION B

Analysis of 2012/13 Expenditure Budget



Analysis of 2012/13 Income Budgets



FINANCE AND CORPORATE SERVICES

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

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SECTION C

REVENUE BUDGET - SUMMARY OF EXPENDITURE

<u>PURPOSE</u>	<u>2010/11</u> <u>Actual</u> <u>£</u>	<u>2011/12</u> <u>Original</u> <u>£</u>	<u>2012/13</u> <u>Estimate</u> <u>£</u>
ICT & E-Services	0	0	0
Human Resources	0	0	0
Corporate Income	0	0	0
Legal Services	0	0	0
Democratic Services	889,022	831,500	880,100
Financial Services Management	0	0	0
Accountancy	0	0	0
Internal Audit	0	0	0
Chief Executive's Office	310,288	414,300	406,700
Electoral Services	751,490	568,200	532,000
Democratic Representation and Management	1,397,592	1,440,500	1,263,500
Cost of Local Tax Collection	2,959,066	3,236,500	3,287,000
Corporate Management	924,044	1,152,200	1,098,400
Precepts and Levies	665,183	740,800	728,000
Customer Services	0	0	0
Efficiency & Transformation Team	0	0	0
Home Loans Unit	44,146	8,200	(10,100)
Total for Corporate Services	7,940,831	8,392,200	8,185,600
Central Items	(48,373,203)	(50,318,600)	(47,168,100)
Total for Corporate Services and Central Items	(40,432,372)	(41,926,400)	(38,982,500)

<u>Variation Analysis</u>	
Original Budget 2011/12	(41,926,400)
Inflation	348,900
Changes in Government Grants	(960,500)
Other Government or Outside Body changes	2,434,700
Demand Led Growth	0
Budget Review Savings	(1,905,200)
Investment Priorities	733,000
Other Growth and Savings	630,000
Budget Transfers	1,663,000
Original Budget 2012/13	(38,982,500)

SECTION C

FINANCE AND CORPORATE SERVICES

SUBJECTIVE ANALYSIS

	<u>2010/11</u>	<u>2011/12</u>	<u>2012/13</u>
	<u>Actual</u>	<u>Original</u>	<u>Estimate</u>
<u>Expenditure</u>	<u>£</u>	<u>£</u>	<u>£</u>
Employees	12,774,040	12,562,900	8,630,700
Premises	30,129	24,600	24,600
Transport	79,472	38,000	53,000
Supplies and Services	9,242,683	9,498,400	8,529,500
Third Party Payments	885,409	978,800	3,926,300
Transfer Payments	13,301,201	13,295,900	13,235,900
TOTAL EXPENDITURE	36,312,934	36,398,600	34,400,000
<u>Income</u>			
Government Grants	(14,140,595)	(13,940,100)	(13,915,500)
Other Grants and Contributions	(289,749)	(333,800)	(333,800)
Customer & Client Receipts	(2,161,920)	(1,739,300)	(1,409,500)
TOTAL INCOME	(16,592,264)	(16,013,200)	(15,658,800)
NET EXPENDITURE (EXCL. CENTRAL ITEMS)	19,720,670	20,385,400	18,741,200
Central Items (excluding FA Adjustments)	(21,970,902)	(28,142,400)	(23,467,400)
NET EXPENDITURE (CONTROLLABLE)	(2,250,232)	(7,757,000)	(4,726,200)
<u>Financial Accounting Adjustments</u>			
Central Support Charges	5,661,396	5,706,400	4,911,800
Departmental Support Charges	0	0	0
Capital Charges	(25,609,809)	(21,378,700)	(22,971,100)
Central Support Income	(18,233,727)	(18,497,100)	(16,197,000)
Departmental Support Income	0	0	0
NET ACCOUNTING ADJUSTMENTS	(38,182,140)	(34,169,400)	(34,256,300)
NET EXPENDITURE (ALL BUDGETS)	(40,432,372)	(41,926,400)	(38,982,500)

Other Information

Employee FTE's (Budgeted)

279.9

203.6

SECTION C

FINANCE AND CORPORATE SERVICES

ICT & E-SERVICES

This budget comprises the strategic IT partnership with Serco and corporate ICT provision. Serco are responsible for providing IT infrastructure, support and desktop support, and management of some core applications. This section create and maintain the navigation and content for the Council's public website and intranet, develop a range of databases and web applications using e-forms, integrate web applications using web services and provide technical advice on web technology.

	<u>2010/11</u> <u>Actual</u> £	<u>2011/12</u> <u>Original</u> £	<u>2012/13</u> <u>Estimate</u> £
<u>Expenditure</u>			
Employees	1,491,424	1,082,500	1,295,200
Premises	0	0	0
Transport	12,928	2,300	2,400
Supplies and Services	5,270,291	6,553,700	5,574,200
Third Party Payments	0	0	0
Transfer Payments	0	60,000	0
TOTAL EXPENDITURE	6,774,643	7,698,500	6,871,800
<u>Income</u>			
Government Grants	0	0	0
Other Grants and Contributions	0	0	0
Customer & Client Receipts	(24,303)	0	(25,000)
TOTAL INCOME	(24,303)	0	(25,000)
NET EXPENDITURE (CONTROLLABLE)	6,750,340	7,698,500	6,846,800
<u>Financial Accounting Adjustments</u>			
Central Support Charges	438,241	340,800	336,100
Departmental Support Charges	0	0	0
Capital Charges	761,062	716,200	686,200
Central Support Income	(7,949,643)	(8,755,500)	(7,869,100)
Departmental Support Income	0	0	0
NET ACCOUNTING ADJUSTMENTS	(6,750,340)	(7,698,500)	(6,846,800)
NET EXPENDITURE (ALL BUDGETS)	0	0	0

<u>Variation Analysis</u>	
Original Budget 2011/12	0
Inflation	271,100
Changes in Government Grants	0
Other Government or Outside Body changes	0
Demand Led Growth	0
Efficiency Savings	(1,279,500)
Investment Priorities	0
Other Growth and Savings	0
Budget Transfer	1,008,400
Original Budget 2012/13	0
<u>Other Information</u>	
Employee FTE's (Budgeted)	21.7 29.6

SECTION C

FINANCE AND CORPORATE SERVICES

HUMAN RESOURCES

The Human Resources Team supports and enables the Council to recruit, develop, lead and manage its people effectively. From 1st April 2012 the HR Service including Payroll will be delivered to Richmond Council by a Shared Service hosted by the Royal Borough of Kingston upon Thames. The Pensions Team will remain in Richmond and will be managed by the Director of Finance & Corporate Services.

	<u>2010/11</u> <u>Actual</u> <u>£</u>	<u>2011/12</u> <u>Original</u> <u>£</u>	<u>2012/13</u> <u>Estimate</u> <u>£</u>
<u>Expenditure</u>			
Employees	2,733,629	2,386,100	367,100
Premises	160	0	0
Transport	13,507	5,300	100
Supplies and Services	572,872	165,800	201,500
Third Party Payments	0	0	1,678,800
Transfer Payments	(2,115)	0	0
TOTAL EXPENDITURE	3,318,053	2,557,200	2,247,500
<u>Income</u>			
Government Grants	0	0	0
Other Grants and Contributions	0	0	0
Customer & Client Receipts	(977,992)	(867,800)	(644,200)
TOTAL INCOME	(977,992)	(867,800)	(644,200)
NET EXPENDITURE (CONTROLLABLE)	2,340,061	1,689,400	1,603,300
<u>Financial Accounting Adjustments</u>			
Central Support Charges	637,971	550,000	13,900
Departmental Support Charges	0	0	0
Capital Charges	20,883	75,600	0
Central Support Income	(2,998,915)	(2,315,000)	(1,617,200)
Departmental Support Income	0	0	0
NET ACCOUNTING ADJUSTMENTS	(2,340,061)	(1,689,400)	(1,603,300)
NET EXPENDITURE (ALL BUDGETS)	0	0	0

<u>Variation Analysis</u>		
Original Budget 2011/12		0
Inflation		2,300
Changes in Government Grants		0
Other Government or Outside Body changes		0
Demand Led Growth		0
Efficiency Savings		(288,200)
Investment Priorities		0
Other Growth and Savings		300,000
Budget Transfer		(14,100)
Original Budget 2012/13		0
<u>Other Information</u>		
Employee FTE's (Budgeted)	48.0	2.7

SECTION C

FINANCE AND CORPORATE SERVICES

CORPORATE INCOME

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

	<u>2010/11</u> <u>Actual</u> £	<u>2011/12</u> <u>Original</u> £	<u>2012/13</u> <u>Estimate</u> £
<u>Expenditure</u>			
Employees	231,760	229,000	219,600
Premises	0	0	0
Transport	12,016	10,300	10,400
Supplies and Services	41,748	45,500	45,500
Third Party Payments	0	0	0
Transfer Payments	0	0	0
TOTAL EXPENDITURE	285,524	284,800	275,500
<u>Income</u>			
Government Grants	0	0	0
Other Grants and Contributions	0	0	0
Customer & Client Receipts	(6,744)	(12,700)	(7,000)
TOTAL INCOME	(6,744)	(12,700)	(7,000)
NET EXPENDITURE (CONTROLLABLE)	278,780	272,100	268,500
<u>Financial Accounting Adjustments</u>			
Central Support Charges	133,417	115,200	81,700
Departmental Support Charges	0	0	0
Capital Charges	5,215	5,200	5,200
Central Support Income	(417,412)	(392,500)	(355,400)
Departmental Support Income	0	0	0
NET ACCOUNTING ADJUSTMENTS	(278,780)	(272,100)	(268,500)
NET EXPENDITURE (ALL BUDGETS)	0	0	0

<u>Variation Analysis</u>		
Original Budget 2011/12		0
Inflation		(300)
Changes in Government Grants		0
Other Government or Outside Body changes		0
Demand Led Growth		0
Efficiency Savings		(1,100)
Investment Priorities		0
Other Growth and Savings		0
Budget Transfer		1,400
Original Budget 2012/13		0
<u>Other Information</u>		
Employee FTE's (Budgeted)	6.5	6.5

SECTION C

FINANCE AND CORPORATE SERVICES

LEGAL SERVICES

In September 2011 the Council entered into a joint arrangement with LB Merton for the provision of Legal Services. The service is hosted by LB Merton but governed by a joint board who oversee the delivery of services. The LB Richmond makes monthly payments to cover its share of the cost. The joint service provides legal services to all Directorates and across all of the Council's functions, and to schools and to certain other public bodies; procures specialist advice and advocacy where necessary; and ensures legality, probity and sound corporate governance.

	<u>2010/11</u> <u>Actual</u> <u>£</u>	<u>2011/12</u> <u>Original</u> <u>£</u>	<u>2012/13</u> <u>Estimate</u> <u>£</u>
<u>Expenditure</u>			
Employees	1,605,127	1,458,600	0
Premises	0	0	0
Transport	2,133	1,400	0
Supplies and Services	127,759	81,500	0
Third Party Payments	0	0	1,166,900
Transfer Payments	0	0	0
TOTAL EXPENDITURE	1,735,019	1,541,500	1,166,900
<u>Income</u>			
Government Grants	0	0	0
Other Grants and Contributions	0	0	0
Customer & Client Receipts	(226,641)	(132,000)	0
TOTAL INCOME	(226,641)	(132,000)	0
NET EXPENDITURE (CONTROLLABLE)	1,508,378	1,409,500	1,166,900
<u>Financial Accounting Adjustments</u>			
Central Support Charges	229,159	295,000	26,400
Departmental Support Charges	0	0	0
Capital Charges	0	0	0
Central Support Income	(1,737,537)	(1,704,500)	(1,193,300)
Departmental Support Income	0	0	0
NET ACCOUNTING ADJUSTMENTS	(1,508,378)	(1,409,500)	(1,166,900)
NET EXPENDITURE (ALL BUDGETS)	0	0	0

Variation Analysis		
Original Budget 2011/12		0
Inflation		2,000
Changes in Government Grants		0
Other Government or Outside Body changes		0
Demand Led Growth		0
Efficiency Savings		(102,000)
Investment Priorities		0
Other Growth and Savings		0
Budget Transfer		100,000
Original Budget 2012/13		0
<u>Other Information</u>		
Employee FTE's (Budgeted)	27.9	0.0

SECTION C

FINANCE AND CORPORATE SERVICES

DEMOCRATIC SERVICES

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

	<u>2010/11</u> <u>Actual</u> <u>£</u>	<u>2011/12</u> <u>Original</u> <u>£</u>	<u>2012/13</u> <u>Estimate</u> <u>£</u>
<u>Expenditure</u>			
Employees	580,694	567,100	579,900
Premises	0	0	0
Transport	987	900	900
Supplies and Services	78,902	94,400	94,400
Third Party Payments	0	0	0
Transfer Payments	0	0	0
TOTAL EXPENDITURE	660,583	662,400	675,200
<u>Income</u>			
Government Grants	0	0	0
Other Grants and Contributions	0	0	0
Customer & Client Receipts	0	0	0
TOTAL INCOME	0	0	0
NET EXPENDITURE (CONTROLLABLE)	660,583	662,400	675,200
<u>Financial Accounting Adjustments</u>			
Central Support Charges	228,439	169,100	204,900
Departmental Support Charges	0	0	0
Capital Charges	0	0	0
Central Support Income	0	0	0
Departmental Support Income	0	0	0
NET ACCOUNTING ADJUSTMENTS	228,439	169,100	204,900
NET EXPENDITURE (ALL BUDGETS)	889,022	831,500	880,100

<u>Variation Analysis</u>	
Original Budget 2011/12	831,500
Inflation	6,400
Changes in Government Grants	0
Other Government or Outside Body changes	0
Demand Led Growth	0
Efficiency Savings	(2,200)
Investment Priorities	0
Other Growth and Savings	0
Budget Transfer	44,400
Original Budget 2012/13	880,100
<u>Other Information</u>	
Employee FTE's (Budgeted)	14.6

SECTION C

FINANCE AND CORPORATE SERVICES

FINANCIAL SERVICES MANAGEMENT

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

	<u>2010/11</u> <u>Actual</u> £	<u>2011/12</u> <u>Original</u> £	<u>2012/13</u> <u>Estimate</u> £
<u>Expenditure</u>			
Employees	389,620	448,100	439,200
Premises	57	0	0
Transport	4,241	500	900
Supplies and Services	29,739	9,700	9,700
Third Party Payments	0	0	0
Transfer Payments	0	0	0
TOTAL EXPENDITURE	423,657	458,300	449,800
<u>Income</u>			
Government Grants	0	0	0
Other Grants and Contributions	0	0	0
Customer & Client Receipts	0	0	0
TOTAL INCOME	0	0	0
NET EXPENDITURE (CONTROLLABLE)	423,657	458,300	449,800
<u>Financial Accounting Adjustments</u>			
Central Support Charges	246,320	82,600	73,500
Departmental Support Charges	0	0	0
Capital Charges	0	0	0
Central Support Income	(669,977)	(540,900)	(523,300)
Departmental Support Income	0	0	0
NET ACCOUNTING ADJUSTMENTS	(423,657)	(458,300)	(449,800)
NET EXPENDITURE (ALL BUDGETS)	0	0	0

<u>Variation Analysis</u>		
Original Budget 2011/12		0
Inflation		4,900
Changes in Government Grants		0
Other Government or Outside Body changes		0
Demand Led Growth		0
Efficiency Savings		(100)
Investment Priorities		0
Other Growth and Savings		0
Budget Transfer		(4,800)
Original Budget 2012/13		0
<u>Other Information</u>		
Employee FTE's (Budgeted)	3.5	3.5

SECTION C

FINANCE AND CORPORATE SERVICES

ACCOUNTANCY

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

	<u>2010/11</u> <u>Actual</u> £	<u>2011/12</u> <u>Original</u> £	<u>2012/13</u> <u>Estimate</u> £
<u>Expenditure</u>			
Employees	1,059,003	1,467,100	1,423,000
Premises	0	0	0
Transport	3,496	4,100	4,100
Supplies and Services	139,061	50,600	50,600
Third Party Payments	0	0	0
Transfer Payments	0	0	0
TOTAL EXPENDITURE	1,201,560	1,521,800	1,477,700
<u>Income</u>			
Government Grants	0	0	0
Other Grants and Contributions	0	0	0
Customer & Client Receipts	(75,378)	(85,300)	(77,300)
TOTAL INCOME	(75,378)	(85,300)	(77,300)
NET EXPENDITURE (CONTROLLABLE)	1,126,182	1,436,500	1,400,400
<u>Financial Accounting Adjustments</u>			
Central Support Charges	377,934	461,600	481,100
Departmental Support Charges	0	0	0
Capital Charges	0	0	0
Central Support Income	(1,504,116)	(1,898,100)	(1,881,500)
Departmental Support Income	0	0	0
NET ACCOUNTING ADJUSTMENTS	(1,126,182)	(1,436,500)	(1,400,400)
NET EXPENDITURE (ALL BUDGETS)	0	0	0

<u>Variation Analysis</u>		
Original Budget 2011/12		0
Inflation		9,400
Changes in Government Grants		0
Other Government or Outside Body changes		0
Demand Led Growth		0
Efficiency Savings		(1,200)
Investment Priorities		0
Other Growth and Savings		0
Budget Transfer		(8,200)
Original Budget 2012/13		0
<u>Other Information</u>		
Employee FTE's (Budgeted)	36.5	36.5

SECTION C

FINANCE AND CORPORATE SERVICES

INTERNAL AUDIT

Internal Audit is a statutory function. All local authorities must comply with the Accounts and Audit Regulations (amended 2011) and are required to make provision for internal audit in accordance with the CIPFA Code of Practice for Internal Audit in Local Government in the UK. The section is currently leading on a joint service with Royal Borough of Kingston.

	<u>2010/11</u> <u>Actual</u> <u>£</u>	<u>2011/12</u> <u>Original</u> <u>£</u>	<u>2012/13</u> <u>Estimate</u> <u>£</u>
<u>Expenditure</u>			
Employees	410,056	494,800	478,700
Premises	0	0	0
Transport	6,613	1,200	8,800
Supplies and Services	24,317	14,900	14,900
Third Party Payments	117,383	113,900	213,900
Transfer Payments	0	0	0
TOTAL EXPENDITURE	558,369	624,800	716,300
<u>Income</u>			
Government Grants	0	0	(100,000)
Other Grants and Contributions	0	0	0
Customer & Client Receipts	(750)	0	0
TOTAL INCOME	(750)	0	(100,000)
NET EXPENDITURE (CONTROLLABLE)	557,619	624,800	616,300
<u>Financial Accounting Adjustments</u>			
Central Support Charges	113,102	96,700	123,600
Departmental Support Charges	0	0	0
Capital Charges	0	0	0
Central Support Income	(670,720)	(721,500)	(739,900)
Departmental Support Income	0	0	0
NET ACCOUNTING ADJUSTMENTS	(557,618)	(624,800)	(616,300)
NET EXPENDITURE (ALL BUDGETS)	0	0	0

<u>Variation Analysis</u>		
Original Budget 2011/12		0
Inflation		4,800
Changes in Government Grants		0
Other Government or Outside Body changes		0
Demand Led Growth		0
Efficiency Savings		(2,800)
Investment Priorities		0
Other Growth and Savings		0
Budget Transfer		(2,000)
Original Budget 2012/13		0
<u>Other Information</u>		
Employee FTE's (Budgeted)	10.5	10.5

SECTION C

FINANCE AND CORPORATE SERVICES

CHIEF EXECUTIVE'S OFFICE

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

	<u>2010/11</u> <u>Actual</u> £	<u>2011/12</u> <u>Original</u> £	<u>2012/13</u> <u>Estimate</u> £
<u>Expenditure</u>			
Employees	277,548	297,200	288,500
Premises	0	0	0
Transport	2,946	1,500	3,200
Supplies and Services	3,742	84,700	86,400
Third Party Payments	0	0	0
Transfer Payments	0	0	0
TOTAL EXPENDITURE	284,236	383,400	378,100
<u>Income</u>			
Government Grants	0	0	0
Other Grants and Contributions	0	0	0
Customer & Client Receipts	0	0	0
TOTAL INCOME	0	0	0
NET EXPENDITURE (CONTROLLABLE)	284,236	383,400	378,100
<u>Financial Accounting Adjustments</u>			
Central Support Charges	26,052	30,900	28,600
Departmental Support Charges	0	0	0
Capital Charges	0	0	0
Central Support Income	0	0	0
Departmental Support Income	0	0	0
NET ACCOUNTING ADJUSTMENTS	26,052	30,900	28,600
NET EXPENDITURE (ALL BUDGETS)	310,288	414,300	406,700

<u>Variation Analysis</u>		
Original Budget 2011/12		414,300
Inflation		3,700
Changes in Government Grants		0
Other Government or Outside Body changes		0
Demand Led Growth		0
Efficiency Savings		(400)
Investment Priorities		0
Other Growth and Savings		0
Budget Transfer		(10,900)
Original Budget 2012/13		406,700
<u>Other Information</u>		
Employee FTE's (Budgeted)	2.0	2.0

SECTION C

FINANCE AND CORPORATE SERVICES

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>2010/11</u> <u>Actual</u> £	<u>2011/12</u> <u>Original</u> £	<u>2012/13</u> <u>Estimate</u> £
<u>Expenditure</u>			
Employees	254,917	242,200	226,300
Premises	29,808	22,600	22,600
Transport	203	0	0
Supplies and Services	345,566	173,500	174,100
Third Party Payments	0	0	0
Transfer Payments	0	0	0
TOTAL EXPENDITURE	630,494	438,300	423,000
<u>Income</u>			
Government Grants	(696)	0	0
Other Grants and Contributions	0	0	0
Customer & Client Receipts	(5,966)	(4,500)	(4,600)
TOTAL INCOME	(6,662)	(4,500)	(4,600)
NET EXPENDITURE (CONTROLLABLE)	623,832	433,800	418,400
<u>Financial Accounting Adjustments</u>			
Central Support Charges	127,658	134,400	113,600
Departmental Support Charges	0	0	0
Capital Charges	0	0	0
Central Support Income	0	0	0
Departmental Support Income	0	0	0
NET ACCOUNTING ADJUSTMENTS	127,658	134,400	113,600
NET EXPENDITURE (ALL BUDGETS)	751,490	568,200	532,000

<u>Variation Analysis</u>		
Original Budget 2011/12		568,200
Inflation		(3,400)
Changes in Government Grants		0
Other Government or Outside Body changes		0
Demand Led Growth		0
Efficiency Savings		(3,800)
Investment Priorities		0
Other Growth and Savings		0
Budget Transfer		(29,000)
Original Budget 2012/13		532,000
<u>Other Information</u>		
Employee FTE's (Budgeted)	6.0	6.0

SECTION C

FINANCE AND CORPORATE SERVICES

DEMOCRATIC REPRESENTATION AND MANAGEMENT

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

	<u>2010/11</u> <u>Actual</u> £	<u>2011/12</u> <u>Original</u> £	<u>2012/13</u> <u>Estimate</u> £
<u>Expenditure</u>			
Mayor's Allowances & Support Services	22,123	29,800	29,800
Members' Allowances	685,570	686,750	686,800
Members' Expenses & Support Services	190,509	202,100	185,300
Committee Meeting Refreshments	12,384	11,600	11,600
Civic Functions and Regalia	17,697	14,800	14,800
Subscriptions	286,740	209,500	203,200
Civic Pride Fund	0	33,950	33,900
TOTAL EXPENDITURE	1,215,023	1,188,500	1,165,400
<u>Income</u>			
Contributions to Refreshments	(143)	(1,300)	(1,300)
TOTAL INCOME	(143)	(1,300)	(1,300)
NET EXPENDITURE (CONTROLLABLE)	1,214,880	1,187,200	1,164,100
<u>Financial Accounting Adjustments</u>			
Central Support Charges	182,712	253,300	99,400
Departmental Support Charges	0	0	0
Capital Charges	0	0	0
Central Support Income	0	0	0
Departmental Support Income	0	0	0
NET ACCOUNTING ADJUSTMENTS	182,712	253,300	99,400
NET EXPENDITURE (ALL BUDGETS)	1,397,592	1,440,500	1,263,500

<u>Variation Analysis</u>		
Original Budget 2011/12		1,440,500
Inflation		7,200
Changes in Government Grants		0
Other Government or Outside Body changes		0
Demand Led Growth		0
Efficiency Savings		(2,000)
Investment Priorities		0
Other Growth and Savings		0
Budget Transfer		(182,200)
Original Budget 2012/13		1,263,500
<u>Other Information</u>		
Employee FTE's (Budgeted)	0.0	0.0

SECTION C

FINANCE AND CORPORATE SERVICES

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 11,000 residents.

	<u>2010/11</u> <u>Actual</u> £	<u>2011/12</u> <u>Original</u> £	<u>2012/13</u> <u>Estimate</u> £
<u>Expenditure</u>			
Employees	2,120,190	2,219,600	1,846,500
Premises	0	0	0
Transport	17,504	10,400	21,100
Supplies and Services	480,071	386,700	455,400
Third Party Payments	13,573	29,100	29,800
Transfer Payments	13,303,316	13,235,900	13,235,900
TOTAL EXPENDITURE	15,934,654	15,881,700	15,588,700
<u>Income</u>			
Government Grants	(14,139,898)	(13,940,100)	(13,815,500)
Other Grants and Contributions	(289,749)	(333,800)	(333,800)
Customer & Client Receipts	(490,370)	(367,800)	(377,000)
TOTAL INCOME	(14,920,017)	(14,641,700)	(14,526,300)
NET EXPENDITURE (CONTROLLABLE)	1,014,637	1,240,000	1,062,400
<u>Financial Accounting Adjustments</u>			
Central Support Charges	1,944,271	1,996,500	2,222,700
Departmental Support Charges	0	0	0
Capital Charges	158	0	1,900
Central Support Income	0	0	0
Departmental Support Income	0	0	0
NET ACCOUNTING ADJUSTMENTS	1,944,429	1,996,500	2,224,600
NET EXPENDITURE (ALL BUDGETS)	2,959,066	3,236,500	3,287,000

<u>Variation Analysis</u>	
Original Budget 2011/12	3,236,500
Inflation	1,000
Changes in Government Grants	124,600
Other Government or Outside Body changes	0
Demand Led Growth	0
Efficiency Savings	(214,200)
Investment Priorities	0
Other Growth and Savings	0
Budget Transfer	139,100
Original Budget 2012/13	3,287,000
<u>Other Information</u>	
Employee FTE's (Budgeted)	58.4 49.8

SECTION C

FINANCE AND CORPORATE SERVICES

CORPORATE MANAGEMENT

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

	<u>2010/11</u> <u>Actual</u> £	<u>2011/12</u> <u>Original</u> £	<u>2012/13</u> <u>Estimate</u> £
<u>Expenditure</u>			
Employees	0	0	0
Premises	0	0	0
Transport	0	0	0
Supplies and Services	485,804	577,300	585,800
Third Party Payments	0	0	0
Transfer Payments	0	0	0
TOTAL EXPENDITURE	485,804	577,300	585,800
<u>Income</u>			
Government Grants	0	0	0
Other Grants and Contributions	0	0	0
Customer & Client Receipts	(53,155)	(39,600)	(39,600)
TOTAL INCOME	(53,155)	(39,600)	(39,600)
NET EXPENDITURE (CONTROLLABLE)	432,649	537,700	546,200
<u>Financial Accounting Adjustments</u>			
Central Support Charges	491,395	614,500	552,200
Departmental Support Charges	0	0	0
Capital Charges	0	0	0
Central Support Income	0	0	0
Departmental Support Income	0	0	0
NET ACCOUNTING ADJUSTMENTS	491,395	614,500	552,200
NET EXPENDITURE (ALL BUDGETS)	924,044	1,152,200	1,098,400

<u>Variation Analysis</u>	
Original Budget 2011/12	1,152,200
Inflation	14,500
Changes in Government Grants	0
Other Government or Outside Body changes	0
Demand Led Growth	0
Efficiency Savings	(6,000)
Investment Priorities	0
Other Growth and Savings	0
Budget Transfers	(62,300)
Original Budget 2012/13	1,098,400
<u>Other Information</u>	
Employee FTE's (Budgeted)	0.0 0.0

SECTION C

FINANCE AND CORPORATE SERVICES

PRECEPTS AND LEVIES

This cost centre includes the cost of levies that the Council has to pay each year that are not shown within the departmental budgets e.g. London Pensions Fund Authority, Coroners Court and the local levy for Flood Defence.

	<u>2010/11</u> <u>Actual</u> <u>£</u>	<u>2011/12</u> <u>Original</u> <u>£</u>	<u>2012/13</u> <u>Estimate</u> <u>£</u>
<u>Expenditure</u>			
Employees	0	0	0
Premises	0	0	0
Transport	0	0	0
Supplies and Services	0	0	0
Third Party Payments	657,118	727,600	728,000
Transfer Payments	0	0	0
TOTAL EXPENDITURE	657,118	727,600	728,000
<u>Income</u>			
Government Grants	0	0	0
Other Grants and Contributions	0	0	0
Customer & Client Receipts	0	0	0
TOTAL INCOME	0	0	0
NET EXPENDITURE (CONTROLLABLE)	657,118	727,600	728,000
<u>Financial Accounting Adjustments</u>			
Central Support Charges	8,065	13,200	0
Departmental Support Charges	0	0	0
Capital Charges	0	0	0
Central Support Income	0	0	0
Departmental Support Income	0	0	0
NET ACCOUNTING ADJUSTMENTS	8,065	13,200	0
NET EXPENDITURE (ALL BUDGETS)	665,183	740,800	728,000

<u>Variation Analysis</u>		
Original Budget 2011/12		740,800
Inflation		0
Changes in Government Grants		0
Other Government or Outside Body changes		0
Demand Led Growth		0
Efficiency Savings		0
Investment Priorities		0
Other Growth and Savings		0
Budget Transfer		(12,800)
Original Budget 2012/13		728,000
<u>Other Information</u>		
Employee FTE's (Budgeted)	0.0	0.0

SECTION C

FINANCE AND CORPORATE SERVICES

CUSTOMER SERVICES

Customer Services is responsible for handling and resolving (wherever possible) telephone and email enquiries for customers contacting the council and visitors to the Civic Centre and 44 York Street.

	<u>2010/11</u> <u>Actual</u> £	<u>2011/12</u> <u>Original</u> £	<u>2012/13</u> <u>Estimate</u> £
<u>Expenditure</u>			
Employees	1,128,448	1,299,800	1,281,000
Premises	104	0	0
Transport	2,023	100	1,100
Supplies and Services	173,174	48,600	48,600
Third Party Payments	7,335	26,000	26,700
Transfer Payments	0	0	0
TOTAL EXPENDITURE	1,311,084	1,374,500	1,357,400
<u>Income</u>			
Government Grants	0	0	0
Other Grants and Contributions	0	0	0
Customer & Client Receipts	(107,543)	(36,900)	(37,700)
TOTAL INCOME	(107,543)	(36,900)	(37,700)
NET EXPENDITURE (CONTROLLABLE)	1,203,541	1,337,600	1,319,700
<u>Financial Accounting Adjustments</u>			
Central Support Charges	405,276	405,400	485,400
Departmental Support Charges	0	0	0
Capital Charges	39,397	39,400	36,300
Central Support Income	(1,648,214)	(1,782,400)	(1,841,400)
Departmental Support Income	0	0	0
NET ACCOUNTING ADJUSTMENTS	(1,203,541)	(1,337,600)	(1,319,700)
NET EXPENDITURE (ALL BUDGETS)	0	0	0

<u>Variation Analysis</u>		
Original Budget 2011/12		
Inflation		(3,400)
Changes in Government Grants		0
Other Government or Outside Body changes		0
Demand Led Growth		0
Efficiency Savings		(1,100)
Investment Priorities		0
Other Growth and Savings		0
Budget Transfer		4,500
Original Budget 2012/13		0
<u>Other Information</u>		
Employee FTE's (Budgeted)	38.0	39.3

SECTION C

FINANCE AND CORPORATE SERVICES

EFFICIENCY CHALLENGE PROGRAMME TEAM

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

	<u>2010/11</u> <u>Actual</u> £	<u>2011/12</u> <u>Original</u> £	<u>2012/13</u> <u>Estimate</u> £
<u>Expenditure</u>			
Employees	425,201	299,600	117,600
Premises	0	0	0
Transport	875	0	0
Supplies and Services	240,856	0	0
Third Party Payments	0	0	0
Transfer Payments	0	0	0
TOTAL EXPENDITURE	666,932	299,600	117,600
<u>Income</u>			
Government Grants	0	0	0
Other Grants and Contributions	0	0	0
Customer & Client Receipts	(54,468)	0	0
TOTAL INCOME	(54,468)	0	0
NET EXPENDITURE (CONTROLLABLE)	612,464	299,600	117,600
<u>Financial Accounting Adjustments</u>			
Central Support Charges	24,729	87,100	58,300
Departmental Support Charges	0	0	0
Capital Charges	0	0	0
Central Support Income	(637,193)	(386,700)	(175,900)
Departmental Support Income	0	0	0
NET ACCOUNTING ADJUSTMENTS	(612,464)	(299,600)	(117,600)
NET EXPENDITURE (ALL BUDGETS)	0	0	0

Variation Analysis		
Original Budget 2011/12		0
Inflation		(6,100)
Changes in Government Grants		0
Other Government or Outside Body changes		0
Demand Led Growth		0
Efficiency Savings		0
Investment Priorities		0
Other Growth and Savings		0
Budget Transfer		6,100
Original Budget 2012/13		0
<u>Other Information</u>		
Employee FTE's (Budgeted)	5.2	1.5

SECTION C

FINANCE AND CORPORATE SERVICES

HOME LOANS UNIT

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

	<u>2010/11</u> <u>Actual</u> £	<u>2011/12</u> <u>Original</u> £	<u>2012/13</u> <u>Estimate</u> £
<u>Expenditure</u>			
Employees	66,423	71,200	68,100
Premises	0	2,000	2,000
Transport	0	0	0
Supplies and Services	13,758	23,000	23,000
Third Party Payments	90,000	82,200	82,200
Transfer Payments	0	0	0
TOTAL EXPENDITURE	170,181	178,400	175,300
<u>Income</u>			
Government Grants	0	0	0
Other Grants and Contributions	0	0	0
Customer & Client Receipts	(138,467)	(191,400)	(195,800)
TOTAL INCOME	(138,467)	(191,400)	(195,800)
NET EXPENDITURE (CONTROLLABLE)	31,714	(13,000)	(20,500)
<u>Financial Accounting Adjustments</u>			
Central Support Charges	12,432	21,200	10,400
Departmental Support Charges	0	0	0
Capital Charges	0	0	0
Central Support Income	0	0	0
Departmental Support Income	0	0	0
NET ACCOUNTING ADJUSTMENTS	12,432	21,200	10,400
NET EXPENDITURE (ALL BUDGETS)	44,146	8,200	(10,100)

<u>Variation Analysis</u>	
Original Budget 2011/12	8,200
Inflation	(4,600)
Changes in Government Grants	0
Other Government or Outside Body changes	0
Demand Led Growth	0
Efficiency Savings	(600)
Investment Priorities	0
Other Growth and Savings	0
Budget Transfer	(13,100)
Original Budget 2012/13	(10,100)
<u>Other Information</u>	
Employee FTE's (Budgeted)	1.1
	1.1

SECTION C

FINANCE AND CORPORATE SERVICES

CENTRAL ITEMS

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

	<u>2010/11</u> <u>Actual</u> <u>£</u>	<u>2011/12</u> <u>Original</u> <u>£</u>	<u>2012/13</u> <u>Estimate</u> <u>£</u>
<u>ASSET MANAGEMENT & TREASURY</u>			
Interest Payable	3,843,598	3,166,000	2,289,000
Interest Receivable	(1,637,780)	(1,217,000)	(444,000)
MRP (Principal Loan Repay)	2,805,003	2,071,000	1,934,000
<u>CONTINGENCY AND INVESTMENT ITEMS</u>			
West London Waste Authority	0	1,128,300	0
General & Pay Award Contingency	0	580,000	580,000
Carbon Reduction Commitment	0	250,000	250,000
Pavements and Potholes	0	500,000	1,000,000
Twickenham Riverside and Uplift Projects	0	1,000,000	500,000
Education Strategy	0	1,750,000	0
Social Care Initiatives	0	0	500,000
Sixth Form Schools	0	0	1,000,000
Funding for Parks	0	0	564,000
<u>NON RINGFENCED GOVERNMENT GRANTS</u>			
New Homes Bonus Grant	0	0	(1,117,000)
Area Based Grant	(8,667,628)	0	0
Early Intervention Grant	0	(5,943,000)	(6,564,100)
Council Tax Freeze Grant	0	(2,881,000)	(2,896,000)
Revenue Support Grant	(28,015,216)	(30,752,900)	(30,111,300)
<u>OTHER</u>			
Capitalisation of Revenue Expenditure	0	(700,000)	0
Revenue Funding of Capital Expenditure	2,585,979	0	917,000
Use of General Reserves	0	(500,000)	(250,000)
Transfers to / From Earmarked Reserves	3,801,451	1,156,400	3,893,500
Distribution of surplus / deficit on Collection Fund	(500,000)	(250,000)	(500,000)
Centrally Funded Pensions	3,813,691	2,499,800	4,987,500
NET EXPENDITURE (CONTROLLABLE)	<u>(21,970,902)</u>	<u>(28,142,400)</u>	<u>(23,467,400)</u>
<u>Financial Accounting Adjustments</u>			
Central Support Charges	34,223	38,900	0
Reversal of Depreciation	(11,761,401)	(11,300,100)	(11,883,700)
Reversal of Deferred Charges	(14,675,123)	(10,915,000)	(11,817,000)
NET ACCOUNTING ADJUSTMENTS	<u>(26,402,301)</u>	<u>(22,176,200)</u>	<u>(23,700,700)</u>
NET EXPENDITURE (ALL BUDGETS)	<u>(48,373,203)</u>	<u>(50,318,600)</u>	<u>(47,168,100)</u>
<u>Variation Analysis</u>			
Original Budget 2011/12			(50,318,600)
Inflation			39,400
Changes in Government Grants			(1,085,100)
Other Government or Outside Body changes			2,434,700
Investment Priorities			733,000
Other Growth and Savings			330,000
Budget Transfer			698,500
Original Budget 2012/13			(47,168,100)

EDUCATION, CHILDREN'S & CULTURAL SERVICES

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

Collette Carter
Principal Finance Officer

Tel: 020 8891 7297

Email: c.carter@richmond.gov.uk

SECTION D

EDUCATION, CHILDREN'S AND CULTURAL SERVICES

REVENUE BUDGET - SUMMARY OF EXPENDITURE

PURPOSE	<u>2010/11</u> <u>ACTUAL</u> £	<u>2011/12</u> <u>ORIGINAL</u> £	<u>2012/13</u> <u>ESTIMATE</u> £
Specialist Services			
Specialist Services Management	0	0	0
Social Work	5,099,086	4,887,600	5,023,600
Looked After Children	5,561,614	5,279,700	5,361,100
Family Support	1,887,538	2,446,300	2,329,800
Leaving Care	2,309,670	2,354,500	2,191,000
Behavioural, Emotional & Social Difficulties Service	945,009	1,366,500	1,286,000
Protective and Preventative Services			
Integrated Youth Support	3,327,032	2,768,400	1,914,700
SEN and Recoupment	11,292,148	11,108,800	11,890,000
Early Years	1,194,548	4,606,000	5,558,800
Educational and Family Support Services	2,913,410	3,228,600	3,538,400
Other Protective & Preventative Services	289,915	282,800	278,500
School Effectiveness	2,170,929	1,701,300	1,943,500
Culture			
Library Services	5,283,960	4,580,000	4,457,600
Arts and Music	1,478,407	514,700	1,391,200
Sports	2,011,263	1,873,600	1,747,400
Service Improvement	438,015	1,439,100	1,337,400
Finance and Resources			
Schools Non Delegated	16,257,767	13,503,300	13,357,500
Schools Commissioning	688,845	550,100	735,700
Individual School & Nursery Budgets	80,638,238	92,304,100	94,057,000
Directorate Administration	(59,271)	57,600	0
Strategic Management	0	100	0
Dedicated Schools Grant	(94,223,000)	(103,057,800)	(106,104,200)
Total Education, Children's and Cultural Services	49,505,123	51,795,300	52,295,000

Variation Analysis	
Original Estimate 2011/12	51,795,300
Inflation	538,400
Changes in Government Grants	(2,033,600)
Other Government or Outside Body changes	528,600
Demand Led Growth	2,421,800
Efficiency Savings	(1,470,800)
Investment Priorities	0
Other Growth and Savings	10,000
Budget Transfer	505,300
Original Budget 2012/13	52,295,000

SECTION D

EDUCATION, CHILDREN'S AND CULTURAL SERVICES

REVENUE BUDGET - SUBJECTIVE SUMMARY OF EXPENDITURE

	<u>2010/11</u> <u>Actual</u> £	<u>2011/12</u> <u>Original</u> £	<u>2012/13</u> <u>Estimate</u> £
<u>Expenditure</u>			
Individual Schools & Nursery Budget (Net)	80,638,238	92,304,100	94,057,000
Employees	24,487,791	21,292,800	21,347,200
Premises	3,791,106	1,741,500	1,827,800
Transport	4,111,610	3,070,300	3,235,800
Supplies and Services	18,863,119	13,566,700	12,334,100
Third Party Payments	15,453,967	14,885,800	15,498,000
Transfer Payments	18,317,259	2,918,200	3,427,800
TOTAL EXPENDITURE	165,663,090	149,779,400	151,727,700
<u>Income</u>			
Dedicated Schools Grant	(94,223,000)	(103,057,800)	(106,104,200)
Government Grants	(16,921,776)	(2,034,100)	(1,922,000)
Other Grants and Contributions	(19,793,737)	(6,369,900)	(5,788,000)
Customer & Client Receipts	(6,702,328)	(3,573,800)	(3,444,100)
TOTAL INCOME	(137,640,841)	(115,035,600)	(117,258,300)
NET EXPENDITURE (CONTROLLABLE)	28,022,249	34,743,800	34,469,400
<u>Financial Accounting Adjustments</u>			
Central Support Charges	6,297,051	6,381,300	5,672,200
Departmental Support Charges	5,393,031	3,775,600	3,792,100
Capital Charges	15,185,824	10,670,200	12,153,400
Central Support Income	0	0	0
Departmental Support Income	(5,393,032)	(3,775,600)	(3,792,100)
NET ACCOUNTING ADJUSTMENTS	21,482,874	17,051,500	17,825,600
NET EXPENDITURE (ALL BUDGETS)	49,505,123	51,795,300	52,295,000

BUDGETED STAFFING FTE'S

	2011/12	2012/13
Number of full time equivalent employees	2,082.7	2,168.4

SECTION D

EDUCATION, CHILDREN'S AND CULTURAL SERVICES

SPECIALIST SERVICES MANAGEMENT

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

	<u>2010/11</u> <u>Actual</u> <u>£</u>	<u>2011/12</u> <u>Original</u> <u>£</u>	<u>2012/13</u> <u>Estimate</u> <u>£</u>
<u>Expenditure</u>			
Employees	468,254	321,000	315,300
Premises	(450)	0	0
Transport	5,956	1,200	1,200
Supplies and Services	135,309	132,900	133,100
Third Party Payments	5,200	0	0
Transfer Payments	(49,000)	0	0
NET EXPENDITURE	565,269	455,100	449,600
<u>Income</u>			
Government Grants	0	0	0
Other Grants and Contributions	0	0	0
Customer & Client Receipts	129	0	0
TOTAL INCOME	129	0	0
NET EXPENDITURE (CONTROLLABLE)	565,398	455,100	449,600
<u>Financial Accounting Adjustments</u>			
Central Support Charges	220,156	242,600	301,600
Departmental Support Charges	697,210	375,000	357,000
Capital Charges	0	0	0
Central Support Income	0	0	0
Departmental Support Income	(1,482,764)	(1,072,700)	(1,108,200)
NET ACCOUNTING ADJUSTMENTS	(565,398)	(455,100)	(449,600)
NET EXPENDITURE (ALL BUDGETS)	0	0	0
Funded from DSG			35,400

<u>Variation Analysis</u>		
Original Estimate 2011/12		0
Inflation		5,700
Changes in Government Grants		0
Other Government or Outside Body changes		0
Demand Led Growth		0
Efficiency Savings		(3,100)
Investment Priorities		0
Other Growth and Savings		0
Budget Transfer		(2,600)
Original Budget 2012/13		0
<u>Other Information</u>		
Employee FTE's (Budgeted)	6.5	6.5

SECTION D

EDUCATION, CHILDREN'S AND CULTURAL SERVICES

SOCIAL WORK

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

	<u>2010/11</u> <u>Actual</u> £	<u>2011/12</u> <u>Original</u> £	<u>2012/13</u> <u>Estimate</u> £
<u>Expenditure</u>			
Employees	2,858,591	2,722,600	2,806,000
Premises	12,350	16,800	0
Transport	40,803	54,400	56,100
Supplies and Services	633,931	278,900	381,000
Third Party Payments	298,157	307,300	317,500
Transfer Payments	149	0	0
TOTAL EXPENDITURE	3,843,981	3,380,000	3,560,600
<u>Income</u>			
Government Grants	0	0	0
Other Grants and Contributions	(343,465)	(22,100)	(22,700)
Customer & Client Receipts	(37,777)	(30,000)	(30,800)
TOTAL INCOME	(381,242)	(52,100)	(53,500)
NET EXPENDITURE (CONTROLLABLE)	3,462,739	3,327,900	3,507,100
<u>Financial Accounting Adjustments</u>			
Central Support Charges	873,134	986,200	833,500
Departmental Support Charges	757,141	566,200	676,900
Capital Charges	6,072	7,300	6,100
Central Support Income	0	0	0
Departmental Support Income	0	0	0
NET ACCOUNTING ADJUSTMENTS	1,636,347	1,559,700	1,516,500
NET EXPENDITURE (ALL BUDGETS)	5,099,086	4,887,600	5,023,600
Funded from DSG			0

<u>Variation Analysis</u>		
Original Estimate 2011/12		4,887,600
Inflation		70,100
Changes in Government Grants		0
Other Government or Outside Body changes		0
Demand Led Growth		0
Efficiency Savings		(9,100)
Investment Priorities		0
Other Growth and Savings		0
Budget Transfer		75,000
Original Budget 2012/13		5,023,600
<u>Other Information</u>		
Employee FTE's (Budgeted)	65.7	68.0

SECTION D

EDUCATION, CHILDREN'S AND CULTURAL SERVICES

LOOKED AFTER CHILDREN

This primarily includes the cost of purchasing independent sector residential and foster care placements, as well as the cost of providing and maintaining local authority foster care placements for children and young people who are looked after by the Local Authority. Also included are the costs of the adoption team of social workers who provide adoption support (pre and post placement), and support to adopted people who are seeking information about their past.

	<u>2010/11</u> <u>Actual</u> £	<u>2011/12</u> <u>Original</u> £	<u>2012/13</u> <u>Estimate</u> £
<u>Expenditure</u>			
Employees	696,038	817,500	824,900
Premises	33,459	500	500
Transport	169,625	90,200	90,200
Supplies and Services	459,864	135,300	117,200
Third Party Payments	3,871,695	3,883,600	3,956,900
Transfer Payments	89,317	45,000	49,800
TOTAL EXPENDITURE	5,319,998	4,972,100	5,039,500
<u>Income</u>			
Government Grants	0	0	0
Other Grants and Contributions	(126,411)	(57,500)	(33,800)
Customer & Client Receipts	(45,712)	(9,300)	(9,500)
TOTAL INCOME	(172,123)	(66,800)	(43,300)
NET EXPENDITURE (CONTROLLABLE)	5,147,875	4,905,300	4,996,200
<u>Financial Accounting Adjustments</u>			
Central Support Charges	177,196	203,600	176,900
Departmental Support Charges	236,543	170,800	188,000
Capital Charges	0	0	0
Central Support Income	0	0	0
Departmental Support Income	0	0	0
NET ACCOUNTING ADJUSTMENTS	413,739	374,400	364,900
NET EXPENDITURE (ALL BUDGETS)	5,561,614	5,279,700	5,361,100
Funded from DSG			50,000
<u>Variation Analysis</u>			
Original Estimate 2011/12			5,279,700
Inflation			94,900
Changes in Government Grants			0
Other Government or Outside Body changes			0
Demand Led Growth			400,000
Efficiency Savings			(210,300)
Investment Priorities			0
Other Growth and Savings			0
Budget Transfer			(203,200)
Original Budget 2012/13			5,361,100
<u>Other Information</u>			
Employee FTE's (Budgeted)		19.0	18.8

SECTION D

EDUCATION, CHILDREN'S AND CULTURAL SERVICES

FAMILY SUPPORT

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

	<u>2010/11</u> <u>Actual</u> £	<u>2011/12</u> <u>Original</u> £	<u>2012/13</u> <u>Estimate</u> £
<u>Expenditure</u>			
Employees	751,207	524,000	550,300
Premises	44,106	48,100	82,000
Transport	72,169	2,300	2,300
Supplies and Services	442,173	652,100	659,900
Third Party Payments	836,547	492,800	528,000
Transfer Payments	436,977	350,800	355,800
TOTAL EXPENDITURE	2,583,179	2,070,100	2,178,300
<u>Income</u>			
Government Grants	(627,730)	0	0
Other Grants and Contributions	(189,213)	0	(56,400)
Customer & Client Receipts	(182,954)	0	0
TOTAL INCOME	(999,897)	0	(56,400)
NET EXPENDITURE (CONTROLLABLE)	1,583,282	2,070,100	2,121,900
<u>Financial Accounting Adjustments</u>			
Central Support Charges	118,276	106,800	83,700
Departmental Support Charges	153,537	74,700	89,200
Capital Charges	32,443	194,700	35,000
Central Support Income	0	0	0
Departmental Support Income	0	0	0
NET ACCOUNTING ADJUSTMENTS	304,256	376,200	207,900
NET EXPENDITURE (ALL BUDGETS)	1,887,538	2,446,300	2,329,800
Funded from DSG			0

<u>Variation Analysis</u>	
Original Estimate 2011/12	2,446,300
Inflation	20,400
Changes in Government Grants	0
Other Government or Outside Body changes	17,000
Demand Led Growth	0
Efficiency Savings	(28,300)
Investment Priorities	0
Other Growth and Savings	0
Budget Transfer	(125,600)
Original Budget 2012/13	2,329,800
<u>Other Information</u>	
Employee FTE's (Budgeted)	9.0 9.6

SECTION D

EDUCATION, CHILDREN'S AND CULTURAL SERVICES

LEAVING CARE

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

	<u>2010/11</u>	<u>2011/12</u>	<u>2012/13</u>
	<u>Actual</u>	<u>Original</u>	<u>Estimate</u>
	£	£	£
<u>Expenditure</u>			
Employees	548,380	483,300	356,400
Premises	503,024	40,300	38,100
Transport	27,862	9,200	9,200
Supplies and Services	217,858	106,600	110,300
Third Party Payments	898,161	759,400	759,400
Transfer Payments	528,622	1,293,100	1,306,200
TOTAL EXPENDITURE	2,723,907	2,691,900	2,579,600
<u>Income</u>			
Government Grants	(347,334)	(361,700)	(361,700)
Other Grants and Contributions	(2,906)	(44,200)	(45,300)
Customer & Client Receipts	(311,914)	(123,400)	(126,500)
TOTAL INCOME	(662,154)	(529,300)	(533,500)
NET EXPENDITURE (CONTROLLABLE)	2,061,753	2,162,600	2,046,100
<u>Financial Accounting Adjustments</u>			
Central Support Charges	136,747	131,000	102,000
Departmental Support Charges	145,386	92,800	79,900
Capital Charges	5,728	10,400	5,700
Central Support Income	0	0	0
Departmental Support Income	(39,944)	(42,300)	(42,700)
NET ACCOUNTING ADJUSTMENTS	247,917	191,900	144,900
NET EXPENDITURE (ALL BUDGETS)	2,309,670	2,354,500	2,191,000
Funded from DSG			0

<u>Variation Analysis</u>		
Original Estimate 2011/12		2,354,500
Inflation		38,800
Changes in Government Grants		0
Other Government or Outside Body changes		200
Demand Led Growth		0
Efficiency Savings		(12,800)
Investment Priorities		0
Other Growth and Savings		0
Budget Transfer		(189,700)
Original Budget 2012/13		2,191,000
<u>Other Information</u>		
Employee FTE's (Budgeted)	11.1	8.3

SECTION D

EDUCATION, CHILDREN'S AND CULTURAL SERVICES

BEHAVIOURAL, EMOTIONAL & SOCIAL DIFFICULTIES SERVICES

The Newhouse is a local authority Special Needs Centre for pupils with emotional, social & behavioural difficulties. This educational facility takes young people in key stage 3 and 4 on placements from mainstream education. This Centre is part of a wider service which includes the Mortlake Centre where the Multi Agency Team for Vulnerable Pupils is based.

	<u>2010/11</u> <u>Actual</u> <u>£</u>	<u>2011/12</u> <u>Original</u> <u>£</u>	<u>2012/13</u> <u>Estimate</u> <u>£</u>
<u>Expenditure</u>			
Employees	720,808	740,000	720,400
Premises	63,142	105,700	109,300
Transport	3,487	6,100	6,100
Supplies and Services	230,086	177,500	204,200
Third Party Payments	0	46,900	46,900
Transfer Payments	(25,938)	103,400	103,400
TOTAL EXPENDITURE	991,585	1,179,600	1,190,300
<u>Income</u>			
Other Grants and Contributions	(8,375)	(64,600)	(66,200)
Customer & Client Receipts	(38,201)	0	0
TOTAL INCOME	(46,576)	(64,600)	(66,200)
NET EXPENDITURE (CONTROLLABLE)	945,009	1,115,000	1,124,100
<u>Financial Accounting Adjustments</u>			
Central Support Charges	0	149,400	45,000
Departmental Support Charges	0	102,100	116,900
Capital Charges	0	0	0
Central Support Income	0	0	0
Departmental Support Income	0	0	0
NET ACCOUNTING ADJUSTMENTS	0	251,500	161,900
NET EXPENDITURE (ALL BUDGETS)	945,009	1,366,500	1,286,000
Funded from DSG			1,124,000
<u>Variation Analysis</u>			
Original Estimate 2011/12			1,366,500
Inflation			3,800
Changes in Government Grants			0
Other Government or Outside Body changes			0
Demand Led Growth			0
Efficiency Savings			(2,700)
Investment Priorities			0
Other Growth and Savings			0
Budget Transfer			(81,600)
Original Budget 2012/13			1,286,000
<u>Other Information</u>			
Employee FTE's (Budgeted)		18.0	17.5

SECTION D

EDUCATION, CHILDREN'S AND CULTURAL SERVICES

INTEGRATED YOUTH SUPPORT

This area includes the Youth Service, Targeted Youth Support Team, Sexual Health, Substance Misuse and Way to Work teams. Combined, these services provide young people with access to information, positive activities and advice and guidance services.

	<u>2010/11</u> <u>Actual</u> £	<u>2011/12</u> <u>Original</u> £	<u>2012/13</u> <u>Estimate</u> £
<u>Expenditure</u>			
Employees	1,808,471	1,407,100	1,444,900
Premises	212,459	212,200	202,300
Transport	43,058	23,600	23,500
Supplies and Services	2,104,808	1,351,100	227,000
Third Party Payments	110,887	149,100	71,100
Transfer Payments	(37,027)	100	100
TOTAL EXPENDITURE	4,242,656	3,143,200	1,968,900
<u>Income</u>			
Government Grants	(96,082)	(39,100)	0
Other Grants and Contributions	(1,237,217)	(726,200)	(538,600)
Customer & Client Receipts	(282,354)	(167,000)	(30,800)
TOTAL INCOME	(1,615,653)	(932,300)	(569,400)
NET EXPENDITURE (CONTROLLABLE)	2,627,003	2,210,900	1,399,500
<u>Financial Accounting Adjustments</u>			
Central Support Charges	386,543	330,200	299,500
Departmental Support Charges	200,929	140,400	113,000
Capital Charges	112,557	86,900	102,700
Central Support Income	0	0	0
Departmental Support Income	0	0	0
NET ACCOUNTING ADJUSTMENTS	700,029	557,500	515,200
NET EXPENDITURE (ALL BUDGETS)	3,327,032	2,768,400	1,914,700
Funded from DSG			0

<u>Variation Analysis</u>	
Original Estimate 2011/12	2,768,400
Inflation	38,000
Changes in Government Grants	0
Other Government or Outside Body changes	(6,100)
Demand Led Growth	0
Efficiency Savings	(32,600)
Investment Priorities	0
Other Growth and Savings	0
Budget Transfer	(853,000)
Original Budget 2012/13	1,914,700
<u>Other Information</u>	
Employee FTE's (Budgeted)	29.3 31.2

SECTION D

EDUCATION, CHILDREN'S AND CULTURAL SERVICES

SPECIAL EDUCATIONAL NEEDS AND RECOUPMENT

These centrally retained budgets mainly provide funding for young people with statements of special educational need who are either placed in independent special schools or attend schools in other authorities and their associated transport costs.

	<u>2010/11</u> <u>Actual</u> £	<u>2011/12</u> <u>Original</u> £	<u>2012/13</u> <u>Estimate</u> £
<u>Expenditure</u>			
Employees	644,204	568,700	573,100
Premises	3,013	0	0
Transport	3,441,568	2,749,200	2,849,200
Supplies and Services	64,196	188,100	100,900
Third Party Payments	8,868,101	8,650,600	9,399,200
Transfer Payments	597,202	735,200	759,200
TOTAL EXPENDITURE	13,618,284	12,891,800	13,681,600
<u>Income</u>			
Government Grants	0	0	0
Other Grants and Contributions	(2,020,316)	(1,986,900)	(1,987,900)
Customer & Client Receipts	(568,945)	(68,400)	(68,400)
TOTAL INCOME	(2,589,261)	(2,055,300)	(2,056,300)
NET EXPENDITURE (CONTROLLABLE)	11,029,023	10,836,500	11,625,300
<u>Financial Accounting Adjustments</u>			
Central Support Charges	133,160	148,800	128,400
Departmental Support Charges	114,854	108,400	121,200
Capital Charges	15,111	15,100	15,100
Central Support Income	0	0	0
Departmental Support Income	0	0	0
NET ACCOUNTING ADJUSTMENTS	263,125	272,300	264,700
NET EXPENDITURE (ALL BUDGETS)	11,292,148	11,108,800	11,890,000
Funded from DSG			8,316,800
<u>Variation Analysis</u>			
Original Estimate 2011/12			11,108,800
Inflation			169,000
Changes in Government Grants			0
Other Government or Outside Body changes			0
Demand Led Growth			350,000
Efficiency Savings			(5,600)
Investment Priorities			0
Other Growth and Savings			0
Budget Transfer			267,800
Original Budget 2012/13			11,890,000
<u>Other Information</u>			
Employee FTE's (Budgeted)		13.7	12.7
<i>Less 18 which are now in new page Behaviour</i>			

SECTION D

EDUCATION, CHILDREN'S AND CULTURAL SERVICES

EARLY YEARS

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

	<u>2010/11</u> <u>Actual</u> £	<u>2011/12</u> <u>Original</u> £	<u>2012/13</u> <u>Estimate</u> £
Expenditure			
Employees	1,572,621	1,393,800	1,485,400
Premises	100,915	107,900	74,200
Transport	16,197	2,000	9,800
Supplies and Services	3,126,000	2,546,800	3,079,300
Third Party Payments	903	43,800	0
Transfer Payments	577,865	22,600	450,000
TOTAL EXPENDITURE	5,394,501	4,116,900	5,098,700
Income			
Government Grants	(4,789,608)	0	0
Other Grants and Contributions	(30,044)	0	0
Customer & Client Receipts	(174,777)	(7,800)	(8,000)
TOTAL INCOME	(4,994,429)	(7,800)	(8,000)
NET EXPENDITURE (CONTROLLABLE)	400,072	4,109,100	5,090,700
Financial Accounting Adjustments			
Central Support Charges	253,295	287,900	256,000
Departmental Support Charges	202,387	162,600	163,400
Capital Charges	338,794	46,400	48,700
Central Support Income	0	0	0
Departmental Support Income	0	0	0
NET ACCOUNTING ADJUSTMENTS	794,476	496,900	468,100
NET EXPENDITURE (ALL BUDGETS)	1,194,548	4,606,000	5,558,800
Funded from DSG			89,200

Variation Analysis	
Original Estimate 2011/12	4,606,000
Inflation	(35,000)
Changes in Government Grants	0
Other Government or Outside Body changes	589,000
Demand Led Growth	0
Efficiency Savings	(251,700)
Investment Priorities	0
Other Growth and Savings	0
Budget Transfer	650,500
Original Budget 2012/13	5,558,800
Other Information	
Employee FTE's (Budgeted)	33.7 36.0

SECTION D

EDUCATION, CHILDREN'S AND CULTURAL SERVICES

EDUCATIONAL AND FAMILY SUPPORT SERVICES

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

	<u>2010/11</u> <u>Actual</u> £	<u>2011/12</u> <u>Original</u> £	<u>2012/13</u> <u>Estimate</u> £
<u>Expenditure</u>			
Employees	3,058,180	2,550,900	2,917,900
Premises	21,158	5,100	5,400
Transport	86,217	11,700	46,700
Supplies and Services	756,135	351,100	167,700
Third Party Payments	7,762	172,400	27,600
Transfer Payments	270,019	54,000	54,000
TOTAL EXPENDITURE	4,199,471	3,145,200	3,219,300
<u>Income</u>			
Government Grants	(666,245)	0	0
Other Grants and Contributions	(810,688)	(706,500)	(307,000)
Customer & Client Receipts	(499,383)	(53,400)	(251,900)
TOTAL INCOME	(1,976,316)	(759,900)	(558,900)
NET EXPENDITURE (CONTROLLABLE)	2,223,155	2,385,300	2,660,400
<u>Financial Accounting Adjustments</u>			
Central Support Charges	498,288	642,900	693,000
Departmental Support Charges	159,923	168,400	152,700
Capital Charges	32,044	32,000	32,300
Central Support Income	0	0	0
Departmental Support Income	0	0	0
NET ACCOUNTING ADJUSTMENTS	690,255	843,300	878,000
NET EXPENDITURE (ALL BUDGETS)	2,913,410	3,228,600	3,538,400
Funded from DSG			676,800

<u>Variation Analysis</u>		
Original Estimate 2011/12		3,228,600
Inflation		(6,900)
Changes in Government Grants		0
Other Government or Outside Body changes		0
Demand Led Growth		0
Efficiency Savings		(10,800)
Investment Priorities		0
Other Growth and Savings		0
Budget Transfer		327,500
Original Budget 2012/13		3,538,400
<u>Other Information</u>		
Employee FTE's (Budgeted)	56.4	61.7

SECTION D

EDUCATION, CHILDREN'S AND CULTURAL SERVICES

OTHER PROTECTIVE AND PREVENTATIVE SERVICES

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

	<u>2010/11</u> <u>Actual</u> <u>£</u>	<u>2011/12</u> <u>Original</u> <u>£</u>	<u>2012/13</u> <u>Estimate</u> <u>£</u>
<u>Expenditure</u>			
Employees	174,028	225,200	217,600
Premises	60	500	500
Transport	5,592	300	5,200
Supplies and Services	42,684	35,000	35,000
Third Party Payments	0	0	0
Transfer Payments	0	0	0
TOTAL EXPENDITURE	222,364	261,000	258,300
<u>Income</u>			
Government Grants	0	0	0
Other Grants and Contributions	0	(29,500)	(30,200)
Customer & Client Receipts	32,527	(13,000)	(13,300)
TOTAL INCOME	32,527	(42,500)	(43,500)
NET EXPENDITURE (CONTROLLABLE)	254,891	218,500	214,800
<u>Financial Accounting Adjustments</u>			
Central Support Charges	35,024	36,000	36,300
Departmental Support Charges	0	28,300	27,400
Capital Charges	0	0	0
Central Support Income	0	0	0
Departmental Support Income	0	0	0
NET ACCOUNTING ADJUSTMENTS	35,024	64,300	63,700
NET EXPENDITURE (ALL BUDGETS)	289,915	282,800	278,500

Funded from DSG 0

<u>Variation Analysis</u>	
Original Estimate 2011/12	282,800
Inflation	(1,500)
Changes in Government Grants	0
Other Government or Outside Body changes	0
Demand Led Growth	0
Efficiency Savings	(800)
Investment Priorities	0
Other Growth and Savings	0
Budget Transfer	(2,000)
Original Budget 2012/13	278,500
<u>Other Information</u>	
Employee FTE's (Budgeted)	3.0 3.0

SECTION D

EDUCATION, CHILDREN'S AND CULTURAL SERVICES

SCHOOL EFFECTIVENESS

The Inspection and Advisory services play a central role in the planning and the management of school improvement initiatives, education policy and planning. The service includes Richmond Education Business Partnership, Learning Needs Services, Governors' Support Services, Ethnic Minority and Traveller Achievement Service and Local Authority Initiatives.

	<u>2010/11</u> <u>Actual</u> £	<u>2011/12</u> <u>Original</u> £	<u>2012/13</u> <u>Estimate</u> £
Expenditure			
Employees	1,905,785	1,464,300	1,393,000
Premises	133,707	2,500	2,500
Transport	20,474	10,800	21,700
Supplies and Services	907,014	550,500	507,300
Third Party Payments	0	0	4,500
Transfer Payments	236,505	0	263,300
TOTAL EXPENDITURE	3,203,485	2,028,100	2,192,300
Income			
Government Grants	(449,903)	0	0
Other Grants and Contributions	(682,930)	(533,700)	(554,300)
Customer & Client Receipts	(526,604)	(357,200)	(227,600)
TOTAL INCOME	(1,659,437)	(890,900)	(781,900)
NET EXPENDITURE (CONTROLLABLE)	1,544,048	1,137,200	1,410,400
Financial Accounting Adjustments			
Central Support Charges	332,915	288,100	269,000
Departmental Support Charges	293,966	276,000	264,100
Capital Charges	0	0	0
Central Support Income	0	0	0
Departmental Support Income	0	0	0
NET ACCOUNTING ADJUSTMENTS	626,881	564,100	533,100
NET EXPENDITURE (ALL BUDGETS)	2,170,929	1,701,300	1,943,500
Funded from DSG			751,100

Variation Analysis	
Original Estimate 2011/12	1,701,300
Inflation	18,200
Changes in Government Grants	0
Other Government or Outside Body changes	0
Demand Led Growth	0
Efficiency Savings	(88,200)
Investment Priorities	0
Other Growth and Savings	0
Budget Transfer	312,200
Original Budget 2012/13	1,943,500
Other Information	
Employee FTE's (Budgeted)	28.0 26.5

SECTION D

EDUCATION, CHILDREN'S AND CULTURAL SERVICES

LIBRARY SERVICE

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

	<u>2010/11</u> <u>Actual</u> <u>£</u>	<u>2011/12</u> <u>Original</u> <u>£</u>	<u>2012/13</u> <u>Estimate</u> <u>£</u>
<u>Expenditure</u>			
Employees	2,958,327	2,702,300	2,522,600
Premises	527,519	455,300	547,400
Transport	57,823	48,700	49,000
Supplies and Services	1,091,884	815,400	863,200
Third Party Payments	0	0	0
Transfer Payments	(8,325)	0	0
TOTAL EXPENDITURE	4,627,228	4,021,700	3,982,200
<u>Income</u>			
Government Grants	0	0	0
Other Grants and Contributions	(25,910)	0	0
Customer & Client Receipts	(492,257)	(360,800)	(375,600)
TOTAL INCOME	(518,167)	(360,800)	(375,600)
NET EXPENDITURE (CONTROLLABLE)	4,109,061	3,660,900	3,606,600
<u>Financial Accounting Adjustments</u>			
Central Support Charges	617,325	548,700	436,900
Departmental Support Charges	223,089	91,600	88,900
Capital Charges	334,485	278,800	325,200
Central Support Income	0	0	0
Departmental Support Income	0	0	0
NET ACCOUNTING ADJUSTMENTS	1,174,899	919,100	851,000
NET EXPENDITURE (ALL BUDGETS)	5,283,960	4,580,000	4,457,600
Funded from DSG			0

<u>Variation Analysis</u>	
Original Estimate 2011/12	4,580,000
Inflation	30,600
Changes in Government Grants	0
Other Government or Outside Body changes	(2,100)
Demand Led Growth	0
Efficiency Savings	(74,300)
Investment Priorities	0
Other Growth and Savings	10,000
Budget Transfer	(86,600)
Original Budget 2012/13	4,457,600
<u>Other Information</u>	
Employee FTE's (Budgeted)	84.3 73.0

SECTION D

EDUCATION, CHILDREN'S AND CULTURAL SERVICES

ARTS AND MUSIC

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

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

	<u>2010/11</u>	<u>2011/12</u>	<u>2012/13</u>
	<u>Actual</u>	<u>Original</u>	<u>Estimate</u>
	<u>£</u>	<u>£</u>	<u>£</u>
<u>Expenditure</u>			
Employees	387,428	313,400	305,300
Premises	101,174	47,500	59,300
Transport	23,878	500	500
Supplies and Services	680,001	130,800	339,200
Third Party Payments	0	0	0
Transfer Payments	(338)	0	0
TOTAL EXPENDITURE	1,192,143	492,200	704,300
<u>Income</u>			
Government Grants	(4,626)	0	(208,400)
Other Grants and Contributions	(427,057)	(13,500)	(13,500)
Customer & Client Receipts	(216,692)	(73,700)	(75,000)
TOTAL INCOME	(648,375)	(87,200)	(296,900)
NET EXPENDITURE (CONTROLLABLE)	543,768	405,000	407,400
<u>Financial Accounting Adjustments</u>			
Central Support Charges	43,608	62,900	30,800
Departmental Support Charges	136,479	46,800	51,000
Capital Charges	754,552	0	902,000
Central Support Income	0	0	0
Departmental Support Income	0	0	0
NET ACCOUNTING ADJUSTMENTS	934,639	109,700	983,800
NET EXPENDITURE (ALL BUDGETS)	1,478,407	514,700	1,391,200
Funded from DSG			0

Variation Analysis

Original Estimate 2011/12	514,700
Inflation	10,100
Changes in Government Grants	0
Other Government or Outside Body changes	0
Demand Led Growth	0
Efficiency Savings	700
Investment Priorities	0
Other Growth and Savings	0
Budget Transfer	865,700
Original Budget 2012/13	1,391,200

Other Information

Employee FTE's (Budgeted)	7.2	7.2
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SECTION D

EDUCATION, CHILDREN'S AND CULTURAL SERVICES

SPORTS

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

	<u>2010/11</u> <u>Actual</u> £	<u>2011/12</u> <u>Original</u> £	<u>2012/13</u> <u>Estimate</u> £
<u>Expenditure</u>			
Employees	1,574,601	1,608,300	1,554,900
Premises	521,260	588,600	595,900
Transport	10,103	6,600	10,000
Supplies and Services	600,948	482,600	481,100
Third Party Payments	446,568	379,900	386,900
Transfer Payments	116,787	0	0
TOTAL EXPENDITURE	3,270,267	3,066,000	3,028,800
<u>Income</u>			
Government Grants	(18,776)	0	0
Other Grants & Contributions	(124,978)	(93,500)	(93,600)
Customer & Client Receipts	(1,953,142)	(1,768,000)	(1,841,900)
TOTAL INCOME	(2,096,896)	(1,861,500)	(1,935,500)
NET EXPENDITURE (CONTROLLABLE)	1,173,371	1,204,500	1,093,300
<u>Financial Accounting Adjustments</u>			
Central Support Charges	324,654	297,100	206,500
Departmental Support Charges	141,054	76,700	75,100
Capital Charges	372,184	295,300	372,500
Central Support Income	0	0	0
Departmental Support Income	0	0	0
NET ACCOUNTING ADJUSTMENTS	837,892	669,100	654,100
NET EXPENDITURE (ALL BUDGETS)	2,011,263	1,873,600	1,747,400
Funded from DSG			0

<u>Variation Analysis</u>	
Original Estimate 2011/12	1,873,600
Inflation	3,000
Changes in Government Grants	0
Other Government or Outside Body changes	(15,000)
Demand Led Growth	0
Efficiency Savings	(59,500)
Investment Priorities	0
Other Growth and Savings	0
Budget Transfer	(54,700)
Original Budget 2012/13	1,747,400
<u>Other Information</u>	
Employee FTE's (Budgeted)	49.7

SECTION D

EDUCATION, CHILDREN'S AND CULTURAL SERVICES

SERVICE IMPROVEMENT

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

	<u>2010/11</u> <u>Actual</u> £	<u>2011/12</u> <u>Original</u> £	<u>2012/13</u> <u>Estimate</u> £
<u>Expenditure</u>			
Employees	1,341,217	1,160,800	1,231,400
Premises	108,358	46,800	46,800
Transport	9,912	200	200
Supplies and Services	1,194,348	262,600	262,600
Third Party Payments	0	0	0
Transfer Payments	(6,420)	0	0
TOTAL EXPENDITURE	2,647,415	1,470,400	1,541,000
<u>Income</u>			
Government Grants	(39,839)	(52,600)	0
Other Grants & Contributions	(733,523)	(183,000)	(405,800)
Customer & Client Receipts	(622,610)	(190,400)	(193,200)
TOTAL INCOME	(1,395,972)	(426,000)	(599,000)
NET EXPENDITURE (CONTROLLABLE)	1,251,443	1,044,400	942,000
<u>Financial Accounting Adjustments</u>			
Central Support Charges	315,498	266,200	273,100
Departmental Support Charges	0	128,500	122,300
Capital Charges	0	0	0
Central Support Income	0	0	0
Departmental Support Income	(1,128,926)	0	0
NET ACCOUNTING ADJUSTMENTS	(813,428)	394,700	395,400
NET EXPENDITURE (ALL BUDGETS)	438,015	1,439,100	1,337,400
Funded from DSG			94,200

<u>Variation Analysis</u>	
Original Estimate 2011/12	1,439,100
Inflation	5,000
Changes in Government Grants	52,600
Other Government or Outside Body changes	(52,600)
Demand Led Growth	0
Efficiency Savings	(87,300)
Investment Priorities	0
Other Growth and Savings	0
Budget Transfer	(19,400)
Original Budget 2012/13	1,337,400
<u>Other Information</u>	
Employee FTE's (Budgeted)	25.1 26.7

SECTION D

EDUCATION, CHILDREN'S AND CULTURAL SERVICES

SCHOOLS NON DELEGATED INCLUDING RESIDUAL GRANT

These centrally managed budgets provide funding for a number of services including the Primary Private Finance Initiative (PFI) and health and safety. Delegated funding for Richmond schools is shown under the Individual Schools Budget (ISB) heading.

	<u>2010/11</u> <u>Actual</u> <u>£</u>	<u>2011/12</u> <u>Original</u> <u>£</u>	<u>2012/13</u> <u>Estimate</u> <u>£</u>
<u>Expenditure</u>			
Employees	408,533	1,200	19,200
Premises	1,402,228	63,700	63,600
Transport	5,761	0	0
Supplies and Services	5,878,575	5,076,300	4,217,900
Transfer Payments	50,058	0	0
Third Party Payments	6,348,834	314,000	86,000
TOTAL EXPENDITURE	14,093,989	5,455,200	4,386,700
<u>Income</u>			
Government Grants	(9,876,084)	(1,579,900)	(1,351,900)
Other Grants and Contributions	(3,717,645)	(1,908,700)	(1,632,700)
Customer & Client Receipts	(190,768)	(18,100)	(18,600)
TOTAL INCOME	(13,784,497)	(3,506,700)	(3,003,200)
NET EXPENDITURE (CONTROLLABLE)	309,492	1,948,500	1,383,500
<u>Financial Accounting Adjustments</u>			
Central Support Charges	835,888	727,400	596,400
Departmental Support Charges	1,930,533	1,124,100	1,069,500
Capital Charges	13,181,854	9,703,300	10,308,100
Central Support Income	0	0	0
Departmental Support Income	0	0	0
NET ACCOUNTING ADJUSTMENTS	15,948,275	11,554,800	11,974,000
NET EXPENDITURE (ALL BUDGETS)	16,257,767	13,503,300	13,357,500
Funded from DSG			296,300

Variation Analysis		
Original Estimate 2011/12		13,503,300
Inflation		31,400
Changes in Government Grants		0
Other Government or Outside Body changes		(1,800)
Demand Led Growth		0
Efficiency Savings		(524,700)
Investment Priorities		0
Other Growth and Savings		0
Budget Transfer		349,300
Original Budget 2012/13		13,357,500
<u>Other Information</u>		
Employee FTE's (Budgeted)	0.0	0.0

SECTION D

EDUCATION, CHILDREN'S AND CULTURAL SERVICES

SCHOOL COMMISSIONING

This includes the budgets for the School Admissions Team and Student Support.

	<u>2010/11</u> <u>Actual</u> £	<u>2011/12</u> <u>Original</u> £	<u>2012/13</u> <u>Estimate</u> £
<u>Expenditure</u>			
Employees	508,718	392,200	380,000
Premises	0	0	0
Transport	45,319	45,800	45,700
Supplies and Services	119,506	28,100	232,100
Transfer Payments	0	0	0
Third Party Payments	9,242,030	0	0
TOTAL EXPENDITURE	9,915,573	466,100	657,800
<u>Income</u>			
Government Grants	(5,549)	(800)	0
Other Grants and Contributions	(9,233,059)	0	0
Customer & Client Receipts	(70,062)	(49,700)	(45,600)
TOTAL INCOME	(9,308,670)	(50,500)	(45,600)
NET EXPENDITURE (CONTROLLABLE)	606,903	415,600	612,200
<u>Financial Accounting Adjustments</u>			
Central Support Charges	81,942	92,300	87,900
Departmental Support Charges	0	42,200	35,600
Capital Charges	0	0	0
Central Support Income	0	0	0
Departmental Support Income	0	0	0
NET ACCOUNTING ADJUSTMENTS	81,942	134,500	123,500
NET EXPENDITURE (ALL BUDGETS)	688,845	550,100	735,700
Funded from DSG			415,400

<u>Variation Analysis</u>	
Original Estimate 2011/12	550,100
Inflation	7,200
Changes in Government Grants	0
Other Government or Outside Body changes	0
Demand Led Growth	0
Efficiency Savings	(5,300)
Investment Priorities	0
Other Growth and Savings	0
Budget Transfer	183,700
Original Budget 2012/13	735,700
<u>Other Information</u>	
Employee FTE's (Budgeted)	8.4

SECTION D

EDUCATION, CHILDREN'S AND CULTURAL SERVICES

INDIVIDUAL SCHOOLS & NURSERY BUDGETS (NET)

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

	<u>2010/11</u> <u>Actual</u> £	<u>2011/12</u> <u>Original</u> £	<u>2012/13</u> <u>Estimate</u> £
Expenditure			
Individual Schools Budget	73,710,946	83,750,100	84,114,500
Individual Nursery Budget	5,479,429	6,519,100	7,350,300
ISB in year Allowances	1,447,863	2,034,900	2,592,200
NET EXPENDITURE (CONTROLLABLE)	<u>80,638,238</u>	<u>92,304,100</u>	<u>94,057,000</u>

Funded from DSG		94,057,000
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Variation Analysis	
Original Estimate 2011/12	92,304,100
Inflation	8,000
Changes in Government Grants	0
Other Government or Outside Body changes	0
Demand Led Growth	1,671,800
Efficiency Savings	(8,000)
Investment Priorities	0
Other Growth and Savings	0
Budget Transfer	81,100
Original Budget 2012/13	<u>94,057,000</u>
Other Information	
Employee FTE's (Budgeted)	1583.0 1,674.0

SECTION D

EDUCATION, CHILDREN'S AND CULTURAL SERVICES

DIRECTORATE ADMINISTRATION

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

	<u>2010/11</u> <u>Actual</u> £	<u>2011/12</u> <u>Original</u> £	<u>2012/13</u> <u>Estimate</u> £
<u>Expenditure</u>			
Employees	1,204,885	1,017,100	875,800
Premises	3,624	0	0
Transport	18,581	7,500	7,500
Supplies and Services	177,799	265,000	215,100
Transfer Payments	59,928	0	0
Third Party Payments	0	0	0
TOTAL EXPENDITURE	1,464,817	1,289,600	1,098,400
<u>Income</u>			
Government Grants	0	0	0
Other Grants and Contributions	(80,000)	0	0
Customer & Client Receipts	(520,832)	(283,600)	(127,400)
TOTAL INCOME	(600,832)	(283,600)	(127,400)
NET EXPENDITURE (CONTROLLABLE)	863,985	1,006,000	971,000
<u>Financial Accounting Adjustments</u>			
Central Support Charges	797,828	725,700	709,100
Departmental Support Charges	0	0	0
Capital Charges	0	0	0
Central Support Income	0	0	0
Departmental Support Income	(1,721,084)	(1,674,100)	(1,680,100)
NET ACCOUNTING ADJUSTMENTS	(923,256)	(948,400)	(971,000)
NET EXPENDITURE (ALL BUDGETS)	(59,271)	57,600	0
Funded from DSG			198,000
<u>Variation Analysis</u>			
Original Estimate 2011/12			57,600
Inflation			20,800
Changes in Government Grants			0
Other Government or Outside Body changes			0
Demand Led Growth			0
Efficiency Savings			(56,400)
Investment Priorities			0
Other Growth and Savings			0
Budget Transfer			(22,000)
Original Budget 2012/13			0
<u>Other Information</u>			
Employee FTE's (Budgeted)		20.6	18.6

SECTION D

EDUCATION, CHILDREN'S AND CULTURAL SERVICES

STRATEGIC MANAGEMENT

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

	<u>2010/11</u> <u>Actual</u> <u>£</u>	<u>2011/12</u> <u>Original</u> <u>£</u>	<u>2012/13</u> <u>Estimate</u> <u>£</u>
<u>Expenditure</u>			
Employees	897,515	879,100	852,800
Premises	0	0	0
Transport	7,225	0	1,700
Supplies and Services	0	0	0
Transfer Payments	0	0	0
Third Party Payments	0	0	0
NET EXPENDITURE	904,740	879,100	854,500
<u>Income</u>			
Government Grants	0	0	0
Other Grants and Contributions	0	0	0
Customer & Client Receipts	0	0	0
TOTAL INCOME	0	0	0
NET EXPENDITURE (CONTROLLABLE)	904,740	879,100	854,500
<u>Financial Accounting Adjustments</u>			
Central Support Charges	115,574	107,500	106,600
Departmental Support Charges	0	0	0
Capital Charges	0	0	0
Central Support Income	0	0	0
Departmental Support Income	(1,020,314)	(986,500)	(961,100)
NET ACCOUNTING ADJUSTMENTS	(904,740)	(879,000)	(854,500)
NET EXPENDITURE (ALL BUDGETS)	0	100	0
Funded from DSG			0

<u>Variation Analysis</u>	
Original Estimate 2011/12	100
Inflation	6,800
Changes in Government Grants	0
Other Government or Outside Body changes	0
Demand Led Growth	0
Efficiency Savings	0
Investment Priorities	0
Other Growth and Savings	0
Budget Transfer	(6,900)
Original Budget 2012/13	0
<u>Other Information</u>	
Employee FTE's (Budgeted)	11.0

ENVIRONMENT DIRECTORATE

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

Nick Greenaway
Principal Finance Officer

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Email: n.greenaway@richmond.gov.uk

SECTION E

ENVIRONMENT DIRECTORATE

REVENUE BUDGET - SUMMARY OF EXPENDITURE

<u>Service</u>	<u>2010/11</u> <u>Actual</u> £	<u>2011/12</u> <u>Original</u> £	<u>2012/13</u> <u>Estimate</u> £
Registrars & Cemeteries	286,880	335,600	145,800
Depots	0	0	0
Health, Safety and Resilience Team	212,718	142,200	118,500
Facilities Management & Services	271,261	176,900	190,700
Highways Management	6,661,075	6,324,700	6,013,900
Management Services	0	(138,000)	(197,500)
Parking Services	(4,935,999)	(6,188,100)	(5,079,600)
Cultural & Related Services	3,800,482	3,297,400	3,562,300
Planning & Development Services	3,779,448	3,442,200	3,185,200
Property Services & Building Maintenance	423,669	818,400	710,700
Consumer Protection	2,362,992	1,810,200	1,817,600
Transport Planning & Safety Education	2,687,972	2,770,800	2,644,800
Transport Services	(9,598)	149,700	(81,500)
Waste Management & Enforcement	16,154,871	16,859,500	16,153,700
Total for Environment	31,695,771	29,801,500	29,184,600

<u>Variation Analysis</u>	
Original Estimate 2011/12	29,801,500
Inflation	709,800
Changes in Government Grants	(201,000)
Other Government or Outside Body changes	50,800
Demand Led Growth	300,000
Efficiency Savings	(3,062,900)
Investment Priorities	0
Other Growth and Savings	1,990,000
Budget Transfer	(403,600)
Original Budget 2012/13	29,184,600

SECTION E

ENVIRONMENT DIRECTORATE

SUBJECTIVE ANALYSIS

	<u>2010/11</u> <u>Actual</u> £	<u>2011/12</u> <u>Original</u> £	<u>2012/13</u> <u>Estimate</u> £
<u>Expenditure</u>			
Employees	18,743,800	16,466,000	14,165,600
Premises	9,513,580	9,969,200	10,131,400
Transport	5,477,901	5,064,800	5,003,800
Supplies & Services	4,897,194	3,097,300	2,913,900
Third Party Payments	22,907,748	21,400,400	20,274,400
Transfer Payments	(1,067,493)	0	0
TOTAL EXPENDITURE	60,472,730	55,997,700	52,489,100
<u>Income</u>			
Government Grants	(172,713)	0	(201,000)
Other Grants and Contributions	(553,884)	(263,100)	(268,200)
Customer & Client Receipts	(33,567,899)	(31,376,200)	(28,696,900)
TOTAL INCOME	(34,294,496)	(31,639,300)	(29,166,100)
NET EXPENDITURE (CONTROLLABLE)	<u>26,178,234</u>	<u>24,358,400</u>	<u>23,323,000</u>
<u>Financial Accounting Adjustments</u>			
Central Support Charges	6,533,632	5,880,700	5,945,700
Departmental Support Charges*	6,050,134	5,480,900	5,535,000
Capital Charges	4,351,575	4,121,400	4,180,600
Central Support Income	(5,316,284)	(4,519,600)	(4,264,700)
Departmental Support Income	(6,101,520)	(5,520,300)	(5,535,000)
NET ACCOUNTING ADJUSTMENTS	5,517,537	5,443,100	5,861,600
NET EXPENDITURE (ALL BUDGETS)	<u>31,695,771</u>	<u>29,801,500</u>	<u>29,184,600</u>

*The Careline team transferred to Adult & Community Services from the Environment Directorate during 2011/12. Therefore the Environment Directorate support services relating to this team are reported within Adult & Community Service, for 2010/11 (£51,387) & 2011/12 (£39,400)

BUDGETED STAFFING FTE'S

	2011/12	2012/13
Number of full time equivalent employees	367.2	346.3

SECTION E

ENVIRONMENT DIRECTORATE

REGISTRARS & CEMETERIES

The Registration Service conducts over 1,000 civil ceremonies at the Register Office and other approved premises within the borough, in addition to registering Life Events and Citizenship services, including the Nationality Checking Service.

There are 6 cemeteries open for burial, which cover 36 hectares and over 350 funeral services a year are carried out.

	<u>2010/11</u> <u>Actual</u> £	<u>2011/12</u> <u>Original</u> £	<u>2012/13</u> <u>Estimate</u> £
<u>Expenditure</u>			
Employees	721,351	728,500	733,000
Premises	155,035	180,500	178,800
Transport	63,572	64,400	66,300
Supplies & Services	114,950	108,900	107,900
Third Party Payments	0	0	0
Transfer Payments	0	0	0
TOTAL EXPENDITURE	1,054,908	1,082,300	1,086,000
<u>Income</u>			
Government Grants	(4,591)	0	0
Other Grants and Contributions	0	0	0
Fees & Charges	(993,046)	(990,200)	(1,126,200)
TOTAL INCOME	(997,637)	(990,200)	(1,126,200)
NET EXPENDITURE (CONTROLLABLE)	57,271	92,100	(40,200)
<u>Financial Accounting Adjustments</u>			
Central Support Charges	122,487	154,200	103,600
Departmental Support Charges	101,410	85,100	76,700
Capital Charges	5,712	4,200	5,700
Central Support Income	0	0	0
Departmental Support Income	0	0	0
NET ACCOUNTING ADJUSTMENTS	229,609	243,500	186,000
NET EXPENDITURE (ALL BUDGETS)	286,880	335,600	145,800

<u>Variation Analysis</u>	
Original Estimate 2011/12	335,600
Inflation	(15,400)
Changes in Government Grants	0
Other Government or Outside Body changes	(700)
Demand Led Growth	0
Efficiency Savings	(117,500)
Investment Priorities	0
Other Growth and Savings	30,000
Budget Transfer	(86,200)
Original Budget 2012/13	145,800
<u>Other Information</u>	
Employee FTE's (Budgeted)	18.1

SECTION E

ENVIRONMENT DIRECTORATE

DEPOTS

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

	<u>2010/11</u> <u>Actual</u> £	<u>2011/12</u> <u>Original</u> £	<u>2012/13</u> <u>Estimate</u> £
<u>Expenditure</u>			
Employees	64,796	78,400	75,700
Premises	318,291	378,700	335,900
Transport	44,554	40,800	41,100
Supplies & Services	12,442	17,800	17,800
Third Party Payments	14,259	21,600	2,000
Transfer Payments	(1,575)	0	0
TOTAL EXPENDITURE	452,767	537,300	472,500
<u>Income</u>			
Government Grants	0	0	0
Other Grants and Contributions	0	0	0
Fees & Charges	(201,336)	(192,600)	(195,000)
TOTAL INCOME	(201,336)	(192,600)	(195,000)
NET EXPENDITURE (CONTROLLABLE)	251,431	344,700	277,500
<u>Financial Accounting Adjustments</u>			
Central Support Charges	40,908	44,200	21,200
Departmental Support Charges	88,710	85,800	122,900
Capital Charges	211,166	211,200	214,000
Central Support Income	0	0	0
Departmental Support Income	(592,215)	(685,900)	(635,600)
NET ACCOUNTING ADJUSTMENTS	-251,431	(344,700)	(277,500)
NET EXPENDITURE (ALL BUDGETS)	0	0	0

<u>Variation Analysis</u>		
Original Estimate 2011/12		0
Inflation		14,800
Changes in Government Grants		0
Other Government or Outside Body changes		2,100
Demand Led Growth		0
Efficiency Savings		(81,100)
Investment Priorities		0
Other Growth and Savings		0
Budget Transfer		64,200
Original Budget 2012/13		0
<u>Other Information</u>		
Employee FTE's (Budgeted)	3.0	3.0

SECTION E

ENVIRONMENT DIRECTORATE

HEALTH, SAFETY AND RESILIENCE TEAM

This section acts as health and safety advisors to the Council. The section also delivers duties under the Civil Contingencies Act 2004 including holding emergency and business continuity plans, training staff and exercising plans in conjunction with partner agencies. The team also responds to emergencies and maintains the Council's Emergency Control Centre.

	<u>2010/11</u> <u>Actual</u> <u>£</u>	<u>2011/12</u> <u>Original</u> <u>£</u>	<u>2012/13</u> <u>Estimate</u> <u>£</u>
<u>Expenditure</u>			
Employees	122,000	62,900	61,000
Premises	10,531	25,000	25,600
Transport	2,096	1,000	1,000
Supplies & Services	17,096	16,800	16,800
Third Party Payments	0	0	0
Transfer Payments	0	0	0
TOTAL EXPENDITURE	151,723	105,700	104,400
<u>Income</u>			
Government Grants	0	0	0
Other Grants and Contributions	0	0	0
Fees & Charges	(4,424)	(5,700)	(5,800)
TOTAL INCOME	(4,424)	(5,700)	(5,800)
NET EXPENDITURE (CONTROLLABLE)	147,299	100,000	98,600
<u>Financial Accounting Adjustments</u>			
Central Support Charges	15,432	10,700	6,900
Departmental Support Charges	45,320	31,500	13,000
Capital Charges	4,667	0	0
Central Support Income	0	0	0
Departmental Support Income	0	0	0
NET ACCOUNTING ADJUSTMENTS	65,419	42,200	19,900
NET EXPENDITURE (ALL BUDGETS)	212,718	142,200	118,500

<u>Variation Analysis</u>		
Original Estimate 2011/12		142,200
Inflation		1,000
Changes in Government Grants		0
Other Government or Outside Body changes		0
Demand Led Growth		0
Efficiency Savings		(400)
Investment Priorities		0
Other Growth and Savings		0
Budget Transfer		(24,300)
Original Budget 2012/13		118,500
<u>Other Information</u>		
Employee FTE's (Budgeted)	1.0	1.0

SECTION E

ENVIRONMENT DIRECTORATE

FACILITIES MANAGEMENT & SERVICES

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

	<u>2010/11</u> <u>Actual</u> £	<u>2011/12</u> <u>Original</u> £	<u>2012/13</u> <u>Estimate</u> £
<u>Expenditure</u>			
Employees	1,157,799	826,900	608,300
Premises	3,508,348	3,097,900	3,110,500
Transport	48,252	37,500	1,400
Supplies & Services	442,713	272,700	161,100
Third Party Payments	276,165	289,500	23,100
Transfer Payments	(500)	0	0
TOTAL EXPENDITURE	5,432,777	4,524,500	3,904,400
<u>Income</u>			
Government Grants	0	0	0
Other Grants and Contributions	(6,800)	0	0
Fees & Charges	(2,474,563)	(2,018,900)	(1,424,000)
TOTAL INCOME	(2,481,363)	(2,018,900)	(1,424,000)
NET EXPENDITURE (CONTROLLABLE)	2,951,414	2,505,600	2,480,400
<u>Financial Accounting Adjustments</u>			
Central Support Charges	371,398	306,300	203,300
Departmental Support Charges	150,267	131,000	115,400
Capital Charges	453,823	420,400	470,000
Central Support Income	(3,655,641)	(3,186,400)	(3,078,400)
Departmental Support Income	0	0	0
NET ACCOUNTING ADJUSTMENTS	-2,680,153	(2,328,700)	(2,289,700)
NET EXPENDITURE (ALL BUDGETS)	271,261	176,900	190,700

<u>Variation Analysis</u>	
Original Estimate 2011/12	176,900
Inflation	96,300
Changes in Government Grants	0
Other Government or Outside Body changes	16,900
Demand Led Growth	0
Efficiency Savings	(8,400)
Investment Priorities	0
Other Growth and Savings	0
Budget Transfer	(91,000)
Original Budget 2012/13	190,700
<u>Other Information</u>	
Employee FTE's (Budgeted)	24.0 23.3
Plus 1.5 FTE from 11/12 for transfer of Sustainability from Property Services	
* Staff budgets have been reduced to reflect planned efficiency savings where the details are yet to be finalised. This is not reflected in the FTE numbers.	

SECTION E

ENVIRONMENT DIRECTORATE

HIGHWAYS MANAGEMENT

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

	<u>2010/11</u> <u>Actual</u> <u>£</u>	<u>2011/12</u> <u>Original</u> <u>£</u>	<u>2012/13</u> <u>Estimate</u> <u>£</u>
<u>Expenditure</u>			
Employees	555,638	800,100	787,600
Premises	1,280,307	1,275,500	1,326,700
Transport	286,160	259,000	216,100
Supplies & Services	1,014,679	239,700	187,700
Third Party Payments	3,459,901	2,966,000	2,861,400
Transfer Payments	(757,986)	0	0
TOTAL EXPENDITURE	5,838,699	5,540,300	5,379,500
<u>Income</u>			
Government Grants	(104,000)	0	0
Other Grants and Contributions	0	0	0
Fees & Charges	(2,423,016)	(2,071,900)	(2,208,700)
TOTAL INCOME	(2,527,016)	(2,071,900)	(2,208,700)
NET EXPENDITURE (CONTROLLABLE)	3,311,683	3,468,400	3,170,800
<u>Financial Accounting Adjustments</u>			
Central Support Charges	129,603	180,100	238,600
Departmental Support Charges	2,293,498	1,767,000	1,510,000
Capital Charges	926,291	909,200	934,100
Central Support Income	0	0	0
Departmental Support Income	0	0	160,400
NET ACCOUNTING ADJUSTMENTS	3,349,392	2,856,300	2,843,100
NET EXPENDITURE (ALL BUDGETS)	6,661,075	6,324,700	6,013,900

<u>Variation Analysis</u>	
Original Estimate 2011/12	6,324,700
Inflation	93,700
Changes in Government Grants	0
Other Government or Outside Body changes	0
Demand Led Growth	0
Efficiency Savings	(305,700)
Investment Priorities	0
Other Growth and Savings	0
Budget Transfer	(98,800)
Original Budget 2012/13	6,013,900
<u>Other Information</u>	
Employee FTE's (Budgeted)	23.0 22.0

SECTION E

ENVIRONMENT DIRECTORATE

MANAGEMENT SERVICES

This area incorporates management, finance, postal services, Print Unit and general administrative support for the Environment Directorate and staff whose work covers more than one service.

	<u>2010/11</u> <u>Actual</u> £	<u>2011/12</u> <u>Original</u> £	<u>2012/13</u> <u>Estimate</u> £
<u>Expenditure</u>			
Employees	3,634,856	3,005,200	3,118,500
Premises	491	1,000	900
Transport	101,496	38,300	60,900
Supplies & Services	455,670	368,600	381,700
Third Party Payments	0	0	0
Transfer Payments	(1,589)	0	0
TOTAL EXPENDITURE	4,190,924	3,413,100	3,562,000
<u>Income</u>			
Government Grants	0	0	0
Other Grants and Contributions	0	0	0
Fees & Charges	(637,669)	(745,000)	(759,600)
TOTAL INCOME	(637,669)	(745,000)	(759,600)
NET EXPENDITURE (CONTROLLABLE)	3,553,255	2,668,100	2,802,400
<u>Financial Accounting Adjustments</u>			
Central Support Charges	1,304,149	1,111,600	1,516,600
Departmental Support Charges	60,012	52,400	47,900
Capital Charges	15,281	0	0
Central Support Income	(273,608)	(282,600)	(341,200)
Departmental Support Income	(4,659,089)	(3,687,500)	(4,223,200)
NET ACCOUNTING ADJUSTMENTS	-3,553,255	(2,806,100)	(2,999,900)
NET EXPENDITURE (ALL BUDGETS)	0	(138,000)	(197,500)

<u>Variation Analysis</u>		
Original Estimate 2011/12		(138,000)
Inflation		13,900
Changes in Government Grants		0
Other Government or Outside Body changes		0
Demand Led Growth		0
Efficiency Savings		(471,400)
Investment Priorities		0
Other Growth and Savings		0
Budget Transfer		398,000
Original Budget 2012/13		(197,500)
<u>Other Information</u>		
Employee FTE's (Budgeted)	57.0	73.0
* Staff budgets have been reduced to reflect planned efficiency savings where the details are yet to be finalised. This is not reflected in the FTE numbers.		

SECTION E

ENVIRONMENT DIRECTORATE

PARKING SERVICES

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

	<u>2010/11</u> <u>Actual</u> £	<u>2011/12</u> <u>Original</u> £	<u>2012/13</u> <u>Estimate</u> £
<u>Expenditure</u>			
Employees	908,598	1,035,600	564,200
Premises	1,094,422	1,124,100	1,138,600
Transport	9,357	0	0
Supplies & Services	424,287	328,300	378,300
Third Party Payments	2,725,370	1,794,100	1,923,500
Transfer Payments	(4,697)	0	0
TOTAL EXPENDITURE	5,157,337	4,282,100	4,004,600
<u>Income</u>			
Government Grants	0	0	0
Other Grants and Contributions	0	0	0
Fees & Charges	(11,368,519)	(11,515,900)	(10,421,800)
TOTAL INCOME	(11,368,519)	(11,515,900)	(10,421,800)
NET EXPENDITURE (CONTROLLABLE)	<u>-6,211,182</u>	<u>(7,233,800)</u>	<u>(6,417,200)</u>
<u>Financial Accounting Adjustments</u>			
Central Support Charges	633,901	591,800	648,500
Departmental Support Charges	305,068	123,000	350,000
Capital Charges	336,214	330,900	339,100
Central Support Income	0	0	0
Departmental Support Income	0	0	0
NET ACCOUNTING ADJUSTMENTS	1,275,183	1,045,700	1,337,600
NET EXPENDITURE (ALL BUDGETS)	<u>(4,935,999)</u>	<u>(6,188,100)</u>	<u>(5,079,600)</u>

<u>Variation Analysis</u>	
Original Estimate 2011/12	(6,188,100)
Inflation	67,100
Changes in Government Grants	0
Other Government or Outside Body changes	(13,700)
Demand Led Growth	200,000
Efficiency Savings	(550,900)
Investment Priorities	0
Other Growth and Savings	1,400,000
Budget Transfer	6,000
Original Budget 2012/13	<u>(5,079,600)</u>
<u>Other Information</u>	
Employee FTE's (Budgeted)	30.0 27.0
* Staff budgets have been reduced to reflect planned efficiency savings where the details are yet to be finalised. This is not reflected in the FTE numbers.	

SECTION E

ENVIRONMENT DIRECTORATE

CULTURAL & RELATED SERVICES

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

	<u>2010/11</u> <u>Actual</u> <u>£</u>	<u>2011/12</u> <u>Original</u> <u>£</u>	<u>2012/13</u> <u>Estimate</u> <u>£</u>
<u>Expenditure</u>			
Employees	981,154	751,400	768,400
Premises	2,821,062	2,771,300	2,898,000
Transport	22,396	8,300	14,800
Supplies & Services	394,762	246,700	246,700
Third Party Payments	331,596	386,900	381,500
Transfer Payments	(287,736)	0	0
TOTAL EXPENDITURE	4,263,234	4,164,600	4,309,400
<u>Income</u>			
Government Grants	(25,567)	0	0
Other Grants and Contributions	(43,967)	0	0
Fees & Charges	(1,181,404)	(1,101,400)	(1,139,900)
TOTAL INCOME	(1,250,938)	(1,101,400)	(1,139,900)
NET EXPENDITURE (CONTROLLABLE)	3,012,296	3,063,200	3,169,500
<u>Financial Accounting Adjustments</u>			
Central Support Charges	467,412	271,100	363,400
Departmental Support Charges	209,188	196,400	308,700
Capital Charges	111,586	111,300	113,900
Central Support Income	0	0	0
Departmental Support Income	0	(344,600)	(393,200)
NET ACCOUNTING ADJUSTMENTS	788,186	234,200	392,800
NET EXPENDITURE (ALL BUDGETS)	3,800,482	3,297,400	3,562,300

<u>Variation Analysis</u>		
Original Estimate 2011/12		3,297,400
Inflation		107,400
Changes in Government Grants		0
Other Government or Outside Body changes		4,200
Demand Led Growth		0
Efficiency Savings		(40,100)
Investment Priorities		0
Other Growth and Savings		0
Budget Transfer		193,400
Original Budget 2012/13		3,562,300
<u>Other Information</u>		
Employee FTE's (Budgeted)	15.8	17.7
* Staff budgets have been reduced to reflect planned efficiency savings where the details are yet to be finalised. This is not reflected in the FTE numbers.		

SECTION E

ENVIRONMENT DIRECTORATE

PLANNING & DEVELOPMENT SERVICES

This group encompasses Building Control (including Land Charges and Land Contamination), Development Control, Land Use Policy and Design, reviewing planning and conservation policies/ Initiatives and Economic Development.

	<u>2010/11</u> <u>Actual</u> <u>£</u>	<u>2011/12</u> <u>Original</u> <u>£</u>	<u>2012/13</u> <u>Estimate</u> <u>£</u>
<u>Expenditure</u>			
Employees	3,612,732	3,506,800	3,210,800
Premises	5,474	5,100	5,100
Transport	67,416	24,100	46,300
Supplies & Services	1,119,442	415,100	311,900
Third Party Payments	71,615	126,600	327,900
Transfer Payments	0	0	0
TOTAL EXPENDITURE	4,876,679	4,077,700	3,902,000
<u>Income</u>			
Government Grants	(26,205)	0	(201,000)
Other Grants and Contributions	(187,061)	(260,400)	(265,500)
Fees & Charges	(2,483,678)	(2,059,100)	(2,080,200)
TOTAL INCOME	(2,696,944)	(2,319,500)	(2,546,700)
NET EXPENDITURE (CONTROLLABLE)	2,179,735	1,758,200	1,355,300
<u>Financial Accounting Adjustments</u>			
Central Support Charges	1,380,557	1,348,400	1,200,700
Departmental Support Charges	555,195	688,500	955,600
Capital Charges	0	0	0
Central Support Income	0	0	0
Departmental Support Income	(336,039)	(352,900)	(326,400)
NET ACCOUNTING ADJUSTMENTS	1,599,713	1,684,000	1,829,900
NET EXPENDITURE (ALL BUDGETS)	3,779,448	3,442,200	3,185,200

<u>Variation Analysis</u>	
Original Estimate 2011/12	3,442,200
Inflation	(500)
Changes in Government Grants	(201,000)
Other Government or Outside Body changes	201,000
Demand Led Growth	100,000
Efficiency Savings	(78,200)
Investment Priorities	0
Other Growth and Savings	0
Budget Transfer	(278,300)
Original Budget 2012/13	3,185,200
<u>Other Information</u>	
Employee FTE's (Budgeted) including 3 from Land Charges for 11/12 and 12/13	74.5 69.0

SECTION E

ENVIRONMENT DIRECTORATE

PROPERTY SERVICES

Property Services covers every aspect of building-related matters, including specialist advice and services on all construction and property matters, and construction project management through the Project Management Office. The Estates Team provide valuation and estate management advice, including disposals and acquisitions, strategic asset management planning, and the taking and granting of leases and licences.

	<u>2010/11</u> <u>Actual</u> £	<u>2011/12</u> <u>Original</u> £	<u>2012/13</u> <u>Estimate</u> £
<u>Expenditure</u>			
Employees	1,362,083	971,600	750,200
Premises	227,537	1,054,100	1,059,500
Transport	14,810	5,800	7,600
Supplies & Services	48,910	58,100	56,500
Third Party Payments	158,468	15,600	16,000
Transfer Payments	(13,410)	0	0
TOTAL EXPENDITURE	1,798,398	2,105,200	1,889,800
<u>Income</u>			
Government Grants	0	0	0
Other Grants and Contributions	0	0	0
Fees & Charges	(964,596)	(1,093,700)	(1,033,700)
TOTAL INCOME	(964,596)	(1,093,700)	(1,033,700)
NET EXPENDITURE (CONTROLLABLE)	833,802	1,011,500	856,100
<u>Financial Accounting Adjustments</u>			
Central Support Charges	539,372	473,200	275,900
Departmental Support Charges	172,753	154,200	160,200
Capital Charges	48,790	19,500	46,700
Central Support Income	(1,171,048)	(840,000)	(628,200)
Departmental Support Income	0	0	0
NET ACCOUNTING ADJUSTMENTS	-410,133	(193,100)	(145,400)
NET EXPENDITURE (ALL BUDGETS)	423,669	818,400	710,700

<u>Variation Analysis</u>		
Original Estimate 2011/12		818,400
Inflation		21,300
Changes in Government Grants		0
Other Government or Outside Body changes		21,300
Demand Led Growth		0
Efficiency Savings		(120,600)
Investment Priorities		0
Other Growth and Savings		60,000
Budget Transfer		(89,700)
Original Budget 2012/13		710,700
<u>Other Information</u>		
Employee FTE's (Budgeted)	20.6	13.0
Less 1.5 FTE from 11/12 for transfer of Sustainability to Facilities Management and Services		

SECTION E

ENVIRONMENT DIRECTORATE

CONSUMER PROTECTION

Consumer Protection includes Commercial Environmental Health (food safety, workplace health and safety, commercial noise and pollution control and planning/licensing consultation), Trading Standards, Licensing and Special Projects (mainly air quality).

	<u>2010/11</u> <u>Actual</u> <u>£</u>	<u>2011/12</u> <u>Original</u> <u>£</u>	<u>2012/13</u> <u>Estimate</u> <u>£</u>
<u>Expenditure</u>			
Employees	2,017,880	1,455,800	1,299,900
Premises	24,035	0	0
Transport	55,182	16,200	31,300
Supplies & Services	202,204	305,600	298,600
Third Party Payments	76,997	107,100	107,900
Transfer Payments	0	0	0
TOTAL EXPENDITURE	2,376,298	1,884,700	1,737,700
<u>Income</u>			
Government Grants	0	0	0
Other Grants and Contributions	0	(2,700)	(2,700)
Fees & Charges	(426,160)	(380,900)	(416,400)
TOTAL INCOME	(426,160)	(383,600)	(419,100)
NET EXPENDITURE (CONTROLLABLE)	1,950,138	1,501,100	1,318,600
<u>Financial Accounting Adjustments</u>			
Central Support Charges	470,337	396,600	328,600
Departmental Support Charges	125,220	118,700	382,900
Capital Charges	33,284	4,400	4,400
Central Support Income	(215,987)	(210,600)	(216,900)
Departmental Support Income	0	0	0
NET ACCOUNTING ADJUSTMENTS	412,854	309,100	499,000
NET EXPENDITURE (ALL BUDGETS)	2,362,992	1,810,200	1,817,600

<u>Variation Analysis</u>		
Original Estimate 2011/12		1,810,200
Inflation		6,700
Changes in Government Grants		0
Other Government or Outside Body changes		0
Demand Led Growth		0
Efficiency Savings		(44,800)
Investment Priorities		0
Other Growth and Savings		0
Budget Transfer		45,500
Original Budget 2012/13		1,817,600
<u>Other Information</u>		
Employee FTE's (Budgeted)	31.4	28.4

SECTION E

ENVIRONMENT DIRECTORATE

TRANSPORT PLANNING & SAFETY EDUCATION

Transport Planning covers Traffic Policy and Programmes, Traffic Management, Projects and Partnership functions. Its key roles are delivering on the Borough's transport strategy, securing funding from external sources mainly Transport for London, Road Safety Education, day to day management of traffic and parking in the Borough and design and delivery of the Capital Works Programme.

	<u>2010/11</u> <u>Actual</u> £	<u>2011/12</u> <u>Original</u> £	<u>2012/13</u> <u>Estimate</u> £
<u>Expenditure</u>			
Employees	1,994,624	1,951,800	1,176,600
Premises	1,305	0	0
Transport	13,263	5,700	5,900
Supplies & Services	42,672	39,900	39,200
Third Party Payments	669,975	505,000	506,600
Transfer Payments	0	0	0
TOTAL EXPENDITURE	2,721,839	2,502,400	1,728,300
<u>Income</u>			
Government Grants	0	0	0
Other Grants and Contributions	(285,159)	0	0
Fees & Charges	(1,569,188)	(1,338,400)	(720,200)
TOTAL INCOME	(1,854,347)	(1,338,400)	(720,200)
NET EXPENDITURE (CONTROLLABLE)	867,492	1,164,000	1,008,100
<u>Financial Accounting Adjustments</u>			
Central Support Charges	475,796	357,100	221,300
Departmental Support Charges	108,843	103,600	119,400
Capital Charges	1,242,676	1,188,000	1,361,000
Central Support Income	0	0	0
Departmental Support Income	(6,835)	(41,900)	(65,000)
NET ACCOUNTING ADJUSTMENTS	1,820,480	1,606,800	1,636,700
NET EXPENDITURE (ALL BUDGETS)	2,687,972	2,770,800	2,644,800

<u>Variation Analysis</u>		
Original Estimate 2011/12		2,770,800
Inflation		900
Changes in Government Grants		0
Other Government or Outside Body changes		199,500
Demand Led Growth		0
Efficiency Savings		(223,600)
Investment Priorities		0
Other Growth and Savings		0
Budget Transfer		(102,800)
Original Budget 2012/13		2,644,800
<u>Other Information</u>		
Employee FTE's (Budgeted)	35.8	22.9
* Staff budgets have been reduced to reflect planned efficiency savings where the details are yet to be finalised. This is not reflected in the FTE numbers.		

SECTION E

ENVIRONMENT DIRECTORATE

TRANSPORT SERVICES

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

	<u>2010/11</u> <u>Actual</u> £	<u>2011/12</u> <u>Original</u> £	<u>2012/13</u> <u>Estimate</u> £
<u>Expenditure</u>			
Employees	419,232	471,700	378,400
Premises	33,778	1,000	4,000
Transport	2,376,208	2,196,500	2,119,700
Supplies & Services	91,256	42,800	72,800
Third Party Payments	6,603	16,300	700
Transfer Payments	0	0	0
TOTAL EXPENDITURE	2,927,077	2,728,300	2,575,600
<u>Income</u>			
Government Grants	0	0	0
Other Grants and Contributions	0	0	0
Fees & Charges	(4,155,005)	(3,699,500)	(3,478,500)
TOTAL INCOME	(4,155,005)	(3,699,500)	(3,478,500)
NET EXPENDITURE (CONTROLLABLE)	(1,227,928)	(971,200)	(902,900)
<u>Financial Accounting Adjustments</u>			
Central Support Charges	57,807	57,900	26,800
Departmental Support Charges	283,070	224,300	188,200
Capital Charges	877,453	838,700	606,400
Central Support Income	0	0	0
Departmental Support Income	0	0	0
NET ACCOUNTING ADJUSTMENTS	1,218,330	1,120,900	821,400
NET EXPENDITURE (ALL BUDGETS)	(9,598)	149,700	(81,500)

<u>Variation Analysis</u>	
Original Estimate 2011/12	149,700
Inflation	17,900
Changes in Government Grants	0
Other Government or Outside Body changes	0
Demand Led Growth	0
Efficiency Savings	(43,900)
Investment Priorities	0
Other Growth and Savings	0
Budget Transfer	(205,200)
Original Budget 2012/13	(81,500)
<u>Other Information</u>	
Employee FTE's (Budgeted)	11.0 10.0
* Staff budgets have been reduced to reflect planned efficiency savings where the details are yet to be finalised. This is not reflected in the FTE numbers.	

SECTION E

ENVIRONMENT DIRECTORATE

WASTE MANAGEMENT & ENFORCEMENT

The Council is recycling over 43% of the borough's domestic waste and also provides a weekly refuse service to approximately 80,000 properties plus a trade collection service, for which a charge is made. Waste Disposal is managed by the West London Waste Authority. Other services undertaken include street cleansing, graffiti removal and the management of the Community Toilet Scheme. It also retains cleansing responsibilities for the A316 and A205 which are part of the Transport for London Road Network.

	<u>2010/11</u> <u>Actual</u> £	<u>2011/12</u> <u>Original</u> £	<u>2012/13</u> <u>Estimate</u> £
<u>Expenditure</u>			
Employees	1,191,057	819,300	633,000
Premises	32,964	55,000	47,800
Transport	2,373,139	2,367,200	2,391,400
Supplies & Services	516,111	636,300	636,900
Third Party Payments	15,116,799	15,171,700	14,123,800
Transfer Payments	0	0	0
TOTAL EXPENDITURE	19,230,070	19,049,500	17,832,900
<u>Income</u>			
Government Grants	(12,350)	0	0
Other Grants and Contributions	(30,897)	0	0
Fees & Charges	(4,685,295)	(4,163,000)	(3,686,900)
TOTAL INCOME	(4,728,542)	(4,163,000)	(3,686,900)
NET EXPENDITURE (CONTROLLABLE)	14,501,528	14,886,500	14,146,000
<u>Financial Accounting Adjustments</u>			
Central Support Charges	524,473	577,500	790,300
Departmental Support Charges	1,551,580	1,719,400	1,184,100
Capital Charges	84,632	83,600	85,300
Central Support Income	0	0	0
Departmental Support Income	(507,342)	(407,500)	(52,000)
NET ACCOUNTING ADJUSTMENTS	1,653,343	1,973,000	2,007,700
NET EXPENDITURE (ALL BUDGETS)	16,154,871	16,859,500	16,153,700

<u>Variation Analysis</u>	
Original Estimate 2011/12	16,859,500
Inflation	284,700
Changes in Government Grants	0
Other Government or Outside Body changes	(379,800)
Demand Led Growth	0
Efficiency Savings	(976,300)
Investment Priorities	0
Other Growth and Savings	500,000
Budget Transfer	(134,400)
Original Budget 2012/13	16,153,700
<u>Other Information</u>	
Employee FTE's (Budgeted)	22.0 18.0

ADULT & COMMUNITY SERVICES

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

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SECTION F

ADULT AND COMMUNITY SERVICES

SUMMARY BY SERVICE AREA

<u>PURPOSE</u>	<u>2010/11</u>	<u>2011/12</u>	<u>2012/13</u>
	<u>Actual</u>	<u>Original</u>	<u>Estimate</u>
	£	£	£
Commissioning Care Sservices Divisional Management	1,553	300	0
Care Management	9,421,239	9,476,500	8,995,600
Care Services - Older People and Physical Disabilities	21,729,390	21,761,900	22,631,500
Care Services - Learning Disabilities	7,301,521	7,451,800	6,405,200
Care Services - Mental Health	3,725,806	3,594,700	3,158,500
Careline	470,913	566,100	828,800
Community Serv.Operations Man't and Support Services	185,132	194,800	196,000
Housing Advice & Assessment	1,064,552	1,221,900	1,187,300
Resettlement Service	371,127	267,500	226,100
Temporary Accommodation	3,134,670	4,394,400	4,420,100
Private Sector & Other Housing Team	3,395,701	2,870,400	2,790,700
Care Provision - (Learning Disabilities)	5,749,866	5,271,000	4,941,100
Care Provision -(Older People & People with Disabilities)	2,670,489	2,308,000	1,950,600
Transport Operations	0	340,500	432,900
Accessible Transport Unit	6,246,942	7,223,700	7,664,200
CCPS Divisional Management	0	0	0
Performance and Engagement	846,443	418,000	639,000
Partnerships and Planning	1,874,472	1,607,000	1,253,400
Grants to Voluntary Organisations	2,539,653	2,706,000	2,276,500
Corporate Procurement	0	0	0
Performance and Quality Assurance	0	0	0
Corporate Equality and Diversity	0	0	0
Corporate Communications	0	0	0
Rent Allowances	(386,224)	50,700	(37,900)
Supported Housing Services	2,891,070	2,944,100	2,821,300
Direct Management and Finance	440,663	613,200	576,900
Service Development	0	0	0
Total Adult & Community Services Directorate	73,674,978	75,282,500	73,357,800

<u>Variation Analysis</u>	
Original Estimate 2011/12	75,282,500
Inflation	954,300
Changes in Government Grants	(121,000)
Other Government or Outside Body changes	395,700
Demand Led Growth	500,000
Budget Review Savings	(1,905,000)
Investment Priorities	21,000
Other Growth and Savings	(5,000)
Budget Transfers	(1,764,700)
Original Budget 2012/13	73,357,800

SECTION F

ADULT AND COMMUNITY SERVICES

SUBJECTIVE ANALYSIS

	<u>2010/11</u> <u>Actual</u> £	<u>2011/12</u> <u>Original</u> £	<u>2012/13</u> <u>Estimate</u> £
<u>Expenditure</u>			
Employees	25,693,282	23,903,900	22,999,100
Premises	2,239,683	1,931,700	1,927,700
Transport	2,328,785	1,535,500	1,975,900
Supplies and Services	6,576,863	7,103,400	7,160,500
Third Party Payments	54,603,103	53,130,900	53,232,200
Transfer Payments	67,577,874	68,476,700	71,104,200
TOTAL EXPENDITURE	159,019,590	156,082,100	158,399,600
<u>Income</u>			
Government Grants	(61,912,587)	(70,412,000)	(72,614,800)
Other Grants and Contributions	(14,065,916)	(2,173,300)	(3,711,000)
Customer & Client Receipts	(20,547,834)	(19,889,100)	(19,285,100)
TOTAL INCOME	(96,526,337.0)	(92,474,400)	(95,610,900)
NET EXPENDITURE (CONTROLLABLE)	62,493,253	63,607,700	62,788,700
Financial Accounting Adjustments			
Central Support Charges	6,210,660	6,454,800	6,036,600
Departmental Support Charges	7,115,435	7,370,400	8,667,300
Capital Charges	6,072,409	6,587,100	6,637,100
Central Support Income	(1,152,730)	(1,406,500)	(2,104,600)
Departmental Support Income	(7,064,049)	(7,331,000)	(8,667,300)
NET ACCOUNTING ADJUSTMENTS	11,181,725	11,674,800	10,569,100
NET EXPENDITURE (ALL BUDGETS)	73,674,978	75,282,500	73,357,800

*The Careline team transferred to Adult & Community Services from the Environment Directorate during 2011/12. Therefore the Environment Directorate support services relating to this team are reported within Adult & Community Service, for 2010/11 (£51,387) & 2011/12 (£39,400)

BUDGETED STAFFING FTE'S

	2011/12	2012/13
Number of full time equivalent employees	604.6	594.6

SECTION F

ADULT AND COMMUNITY SERVICES

COMMISSIONING CARE SERVICES DIVISIONAL MANAGEMENT

This includes the management costs of the Commissioning Care Services Division, including the Assistant Director and Service Managers.

	<u>2010/11</u> <u>Actual</u> £	<u>2011/12</u> <u>Original</u> £	<u>2012/13</u> <u>Estimate</u> £
<u>Expenditure</u>			
Employees	589,861	601,900	600,300
Premises	63,007	0	57,500
Transport	9,301	500	800
Supplies and Services	78,504	34,600	651,400
Third Party Payments	144,428	121,100	150,000
Transfer Payments	0	0	0
TOTAL EXPENDITURE	885,101	758,100	1,460,000
<u>Income</u>			
Government Grants	0	0	(163,000)
Other Grants and Contributions	(2,267)	(22,600)	(513,200)
Customer & Client Receipts	0	0	0
TOTAL INCOME	(2,267)	(22,600)	(676,200)
NET EXPENDITURE (CONTROLLABLE)	882,834	735,500	783,800
<u>Financial Accounting Adjustments</u>			
Central Support Charges	212,307	228,000	115,400
Departmental Support Charges	49,519	57,300	276,800
Capital Charges	0	0	0
Central Support Income	0	0	0
Departmental Support Income	(1,143,107)	(1,020,500)	(1,176,000)
NET ACCOUNTING ADJUSTMENTS	(881,281)	(735,200)	(783,800)
NET EXPENDITURE (ALL BUDGETS)	1,553	300	0

<u>Variation Analysis</u>	
Original Estimate 2011/12	300
Inflation	11,200
Changes in Government Grants	(163,000)
Other Government or Outside Body changes	163,000
Demand Led Growth	0
Budget Review Savings	(1,500)
Investment Priorities	0
Other Growth and Savings	0
Budget Transfer	(10,000)
Original Budget 2012/13	0
<u>Other Information</u>	
Employee FTE's (Budgeted)	11.0 6.0

SECTION F

ADULT AND COMMUNITY SERVICES

CARE MANAGEMENT

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

	<u>2010/11</u> <u>Actual</u> <u>£</u>	<u>2011/12</u> <u>Original</u> <u>£</u>	<u>2012/13</u> <u>Estimate</u> <u>£</u>
<u>Expenditure</u>			
Employees	6,630,759	6,166,100	5,380,900
Premises	10,995	106,400	106,400
Transport	123,761	57,700	73,200
Supplies and Services	342,834	151,300	206,700
Third Party Payments	381,758	202,600	360,600
Transfer Payments	16,238	30,200	6,900
TOTAL EXPENDITURE	7,506,345	6,714,300	6,134,700
<u>Income</u>			
Government Grants	(189,400)	0	0
Other Grants and Contributions	(135,000)	0	(200,000)
Customer & Client Receipts	(360,243)	(351,700)	(324,600)
TOTAL INCOME	(684,643)	(351,700)	(524,600)
NET EXPENDITURE (CONTROLLABLE)	6,821,702	6,362,600	5,610,100
<u>Financial Accounting Adjustments</u>			
Central Support Charges	1,458,683	1,538,500	1,304,000
Departmental Support Charges	1,485,281	1,580,800	2,081,500
Capital Charges	0	1,100	0
Central Support Income	0	0	0
Departmental Support Income	(344,427)	(6,500)	0
NET ACCOUNTING ADJUSTMENTS	2,599,537	3,113,900	3,385,500
NET EXPENDITURE (ALL BUDGETS)	9,421,239	9,476,500	8,995,600

<u>Variation Analysis</u>		
Original Estimate 2011/12		9,476,500
Inflation		(900)
Changes in Government Grants		0
Other Government or Outside Body changes		0
Demand Led Growth		0
Budget Review Savings		(4,200)
Investment Priorities		0
Other Growth and Savings		0
Budget Transfer		(475,800)
Original Budget 2012/13		8,995,600
<u>Other Information</u>		
Employee FTE's (Budgeted)	146.6	134.3

SECTION F

ADULT AND COMMUNITY SERVICES

CARE SERVICES OLDER PEOPLE AND PHYSICAL DISABILITIES

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

	<u>2010/11</u> <u>Actual</u> £	<u>2011/12</u> <u>Original</u> £	<u>2012/13</u> <u>Estimate</u> £
<u>Expenditure</u>			
Employees	491,202	639,800	421,900
Premises	23,665	11,600	11,700
Transport	161,729	121,800	127,800
Supplies and Services	519,285	794,400	698,100
Third Party Payments	23,541,472	22,741,900	24,662,200
Transfer Payments	5,327,103	5,123,000	4,849,400
TOTAL EXPENDITURE	30,064,456	29,432,500	30,771,100
<u>Income</u>			
Government Grants	(1,255,089)	(852,200)	(852,200)
Other Grants and Contributions	(2,366,484)	(1,288,700)	(1,781,800)
Customer & Client Receipts	(7,441,050)	(8,051,600)	(7,856,100)
TOTAL INCOME	(11,062,623)	(10,192,500)	(10,490,100)
NET EXPENDITURE (CONTROLLABLE)	19,001,833	19,240,000	20,281,000
<u>Financial Accounting Adjustments</u>			
Central Support Charges	266,725	326,000	391,000
Departmental Support Charges	1,928,463	1,866,800	1,617,900
Capital Charges	532,369	329,100	341,600
Central Support Income	0	0	0
Departmental Support Income	0	0	0
NET ACCOUNTING ADJUSTMENTS	2,727,557	2,521,900	2,350,500
NET EXPENDITURE (ALL BUDGETS)	21,729,390	21,761,900	22,631,500

<u>Variation Analysis</u>	
Original Estimate 2011/12	21,761,900
Inflation	346,500
Changes in Government Grants	0
Other Government or Outside Body changes	0
Demand Led Growth	411,400
Budget Review Savings	(759,400)
Investment Priorities	0
Other Growth and Savings	0
Budget Transfer	871,100
Original Budget 2012/13	22,631,500
<u>Other Information</u>	
Employee FTE's (Budgeted)	17.1 16.1

SECTION F

ADULT AND COMMUNITY SERVICES

CARE SERVICES - ADULTS WITH LEARNING DISABILITIES

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

	<u>2010/11</u> <u>Actual</u> £	<u>2011/12</u> <u>Original</u> £	<u>2012/13</u> <u>Estimate</u> £
<u>Expenditure</u>			
Employees	0	45,000	45,000
Premises	179,040	192,000	196,800
Transport	209,732	0	175,000
Supplies and Services	82,571	53,100	54,400
Third Party Payments	15,809,836	15,084,000	13,110,700
Transfer Payments	931,581	1,398,000	2,155,900
TOTAL EXPENDITURE	17,212,760	16,772,100	15,737,800
<u>Income</u>			
Government Grants	0	(8,981,000)	(8,977,800)
Other Grants and Contributions	(9,325,173)	0	0
Customer & Client Receipts	(1,439,690)	(1,464,200)	(1,343,500)
TOTAL INCOME	(10,764,863)	(10,445,200)	(10,321,300)
NET EXPENDITURE (CONTROLLABLE)	6,447,897	6,326,900	5,416,500
<u>Financial Accounting Adjustments</u>			
Central Support Charges	470	69,300	137,200
Departmental Support Charges	853,154	1,055,600	851,500
Capital Charges	0	0	0
Central Support Income	0	0	0
Departmental Support Income	0	0	0
NET ACCOUNTING ADJUSTMENTS	853,624	1,124,900	988,700
NET EXPENDITURE (ALL BUDGETS)	7,301,521	7,451,800	6,405,200

Variation Analysis

Original Estimate 2011/12	7,451,800
Inflation	238,000
Changes in Government Grants	0
Other Government or Outside Body changes	0
Demand Led Growth	0
Budget Review Savings	(300,000)
Investment Priorities	0
Other Growth and Savings	0
Budget Transfer	(984,600)
Original Budget 2012/13	6,405,200
<u>Other Information</u>	
Employee FTE's (Budgeted)	0.0 0.0

SECTION F

ADULT AND COMMUNITY SERVICES

CARE SERVICES - PEOPLE WITH MENTAL HEALTH NEEDS

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

	<u>2010/11</u> <u>Actual</u> £	<u>2011/12</u> <u>Original</u> £	<u>2012/13</u> <u>Estimate</u> £
<u>Expenditure</u>			
Employees	822,658	792,700	664,700
Premises	55,103	53,000	53,700
Transport	15,448	17,000	17,000
Supplies and Services	316,162	166,300	166,200
Third Party Payments	3,068,057	2,831,400	2,619,200
Transfer Payments	67,221	99,500	80,200
TOTAL EXPENDITURE	4,344,649	3,959,900	3,601,000
<u>Income</u>			
Government Grants	(86,000)	0	0
Other Grants and Contributions	(716,154)	(554,700)	(568,700)
Customer & Client Receipts	(528,591)	(536,000)	(492,300)
TOTAL INCOME	(1,330,745)	(1,090,700)	(1,061,000)
NET EXPENDITURE (CONTROLLABLE)	<u>3,013,904</u>	<u>2,869,200</u>	<u>2,540,000</u>
<u>Financial Accounting Adjustments</u>			
Central Support Charges	121,575	140,600	125,600
Departmental Support Charges	523,455	519,400	419,200
Capital Charges	66,872	65,500	73,700
Central Support Income	0	0	0
Departmental Support Income	0	0	0
NET ACCOUNTING ADJUSTMENTS	711,902	725,500	618,500
NET EXPENDITURE (ALL BUDGETS)	<u>3,725,806</u>	<u>3,594,700</u>	<u>3,158,500</u>

Variation Analysis

Original Estimate 2011/12	3,594,700
Inflation	38,600
Changes in Government Grants	0
Other Government or Outside Body changes	0
Demand Led Growth	88,600
Budget Review Savings	(1,400)
Investment Priorities	0
Other Growth and Savings	0
Budget Transfer	(562,000)
Original Budget 2012/13	<u>3,158,500</u>
<u>Other Information</u>	
Employee FTE's (Budgeted)	23.0 19.7

SECTION F

ADULT AND COMMUNITY SERVICES

CARELINE

Careline provides monitoring of community alarms & telecare sensors for the elderly and vulnerable, and also provides messaging services out of hours for the Council and other partnership agencies. The service also monitors the Council's Closed Circuit Television Cameras across the borough. This services transferred from the Environment Directorate in 2011/12

	<u>2010/11</u> <u>Actual</u> £	<u>2011/12</u> <u>Original</u> £	<u>2012/13</u> <u>Estimate</u> £
<u>Expenditure</u>			
Employees	705,714	702,900	680,000
Premises	30,670	28,700	28,700
Transport	15,404	7,100	16,700
Supplies and Services	374,874	489,300	283,500
Third Party Payments	0	0	0
Transfer Payments	(1,800)	0	0
TOTAL EXPENDITURE	1,124,862	1,228,000	1,008,900
<u>Income</u>			
Government Grants	0	0	0
Other Grants and Contributions	0	0	0
Customer & Client Receipts	(876,657)	(871,100)	(516,900)
TOTAL INCOME	(876,657)	(871,100)	(516,900)
NET EXPENDITURE (CONTROLLABLE)	248,205	356,900	492,000
<u>Financial Accounting Adjustments</u>			
Central Support Charges	158,829	155,300	154,300
Departmental Support Charges	63,879	53,900	182,500
Capital Charges	0	0	0
Central Support Income	0	0	0
Departmental Support Income	0	0	0
NET ACCOUNTING ADJUSTMENTS	222,708	209,200	336,800
NET EXPENDITURE (ALL BUDGETS)	470,913	566,100	828,800

<u>Variation Analysis</u>		
Original Estimate 2011/12		566,100
Inflation		(9,900)
Changes in Government Grants		0
Other Government or Outside Body changes		0
Demand Led Growth		0
Budget Review Savings		(7,000)
Investment Priorities		0
Other Growth and Savings		0
Budget Transfer		279,600
Original Budget 2012/13		828,800
<u>Other Information</u>		
Employee FTE's (Budgeted)	15.0	15.0

SECTION F

ADULT AND COMMUNITY SERVICES

COMMUNITY SERVICES OPERATIONS MANAGEMENT & SUPPORT SERVICES

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

	<u>2010/11</u> <u>Actual</u> £	<u>2011/12</u> <u>Original</u> £	<u>2012/13</u> <u>Estimate</u> £
<u>Expenditure</u>			
Employees	365,971	300,300	243,300
Premises	9,834	5,200	5,200
Transport	15,654	9,700	10,600
Supplies and Services	71,292	117,600	76,900
Third Party Payments	0	0	0
Transfer Payments	0	0	0
TOTAL EXPENDITURE	462,751	432,800	336,000
<u>Income</u>			
Government Grants	0	0	0
Other Grants and Contributions	0	0	0
Customer & Client Receipts	(15,003)	(10,900)	(11,200)
TOTAL INCOME	(15,003)	(10,900)	(11,200)
NET EXPENDITURE (CONTROLLABLE)	447,748	421,900	324,800
<u>Financial Accounting Adjustments</u>			
Central Support Charges	326,757	217,100	192,000
Departmental Support Charges	30,326	29,700	82,100
Capital Charges	20,684	18,500	31,100
Central Support Income	0	0	0
Departmental Support Income	(640,383)	(492,400)	(434,000)
NET ACCOUNTING ADJUSTMENTS	(262,616)	(227,100)	(128,800)
NET EXPENDITURE (ALL BUDGETS)	185,132	194,800	196,000

<u>Variation Analysis</u>	
Original Estimate 2011/12	194,800
Inflation	2,800
Changes in Government Grants	0
Other Government or Outside Body changes	0
Demand Led Growth	0
Budget Review Savings	(2,000)
Investment Priorities	0
Other Growth and Savings	0
Budget Transfer	400
Original Budget 2012/13	196,000
<u>Other Information</u>	
Employee FTE's (Budgeted)	4.5 3.0

SECTION F

ADULT AND COMMUNITY SERVICES

HOUSING ADVICE AND ASSESSMENT

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

	<u>2010/11</u> <u>Actual</u> £	<u>2011/12</u> <u>Original</u> £	<u>2012/13</u> <u>Estimate</u> £
<u>Expenditure</u>			
Employees	786,590	741,900	711,600
Premises	2,168	8,800	8,800
Transport	17,807	2,900	14,500
Supplies and Services	53,317	134,600	134,600
Third Party Payments	60	0	0
Transfer Payments	1,610	0	0
TOTAL EXPENDITURE	861,552	888,200	869,500
<u>Income</u>			
Government Grants	(116,000)	0	0
Other Grants and Contributions	(3,500)	0	0
Customer & Client Receipts	(519)	0	0
TOTAL INCOME	(120,019)	0	0
NET EXPENDITURE (CONTROLLABLE)	741,533	888,200	869,500
<u>Financial Accounting Adjustments</u>			
Central Support Charges	240,973	242,600	231,700
Departmental Support Charges	82,046	91,100	86,100
Capital Charges	0	0	0
Central Support Income	0	0	0
Departmental Support Income	0	0	0
NET ACCOUNTING ADJUSTMENTS	323,019	333,700	317,800
NET EXPENDITURE (ALL BUDGETS)	1,064,552	1,221,900	1,187,300

<u>Variation Analysis</u>		
Original Estimate 2011/12		1,221,900
Inflation		2,200
Changes in Government Grants		0
Other Government or Outside Body changes		0
Demand Led Growth		0
Budget Review Savings		(3,200)
Investment Priorities		0
Other Growth and Savings		0
Budget Transfer		(33,600)
Original Budget 2012/13		1,187,300
<u>Other Information</u>		
Employee FTE's (Budgeted)	19.0	19.0

SECTION F

ADULT AND COMMUNITY SERVICES

RESETTLEMENT SERVICE

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

	<u>2010/11</u> <u>Actual</u> £	<u>2011/12</u> <u>Original</u> £	<u>2012/13</u> <u>Estimate</u> £
<u>Expenditure</u>			
Employees	366,303	281,200	244,700
Premises	179	0	0
Transport	17,608	7,400	15,900
Supplies and Services	75,523	94,200	82,300
Third Party Payments	6,600	9,000	9,000
Transfer Payments	0	0	0
TOTAL EXPENDITURE	466,213	391,800	351,900
<u>Income</u>			
Government Grants	0	0	0
Other Grants and Contributions	0	0	0
Customer & Client Receipts	(237,129)	(247,600)	(228,200)
TOTAL INCOME	(237,129)	(247,600)	(228,200)
NET EXPENDITURE (CONTROLLABLE)	229,084	144,200	123,700
<u>Financial Accounting Adjustments</u>			
Central Support Charges	105,619	93,800	77,800
Departmental Support Charges	36,424	29,500	24,600
Capital Charges	0	0	0
Central Support Income	0	0	0
Departmental Support Income	0	0	0
NET ACCOUNTING ADJUSTMENTS	142,043	123,300	102,400
NET EXPENDITURE (ALL BUDGETS)	371,127	267,500	226,100

<u>Variation Analysis</u>	
Original Estimate 2011/12	267,500
Inflation	(2,500)
Changes in Government Grants	0
Other Government or Outside Body changes	0
Demand Led Growth	0
Budget Review Savings	(2,500)
Investment Priorities	0
Other Growth and Savings	0
Budget Transfer	(36,400)
Original Budget 2012/13	226,100
<u>Other Information</u>	
Employee FTE's (Budgeted)	7.0 6.5

SECTION F

ADULT AND COMMUNITY SERVICES

TEMPORARY ACCOMMODATION

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

	<u>2010/11</u> <u>Actual</u> £	<u>2011/12</u> <u>Original</u> £	<u>2012/13</u> <u>Estimate</u> £
<u>Expenditure</u>			
Employees	508,799	387,500	531,300
Premises	458,335	443,800	451,100
Transport	15,284	7,600	13,200
Supplies and Services	443,374	935,200	925,800
Third Party Payments	0	15,600	16,000
Transfer Payments	2,352,110	2,326,300	2,326,300
TOTAL EXPENDITURE	3,777,902	4,116,000	4,263,700
<u>Income</u>			
Government Grants	(624,050)	(700,000)	(600,000)
Other Grants and Contributions	(1,938)	0	0
Customer & Client Receipts	(2,930,787)	(3,302,900)	(3,531,700)
TOTAL INCOME	(3,556,775)	(4,002,900)	(4,131,700)
NET EXPENDITURE (CONTROLLABLE)	221,127	113,100	132,000
		4,394,400	4,420,100
<u>Financial Accounting Adjustments</u>			
Central Support Charges	156,850	149,000	133,500
Departmental Support Charges	73,990	72,700	95,000
Capital Charges	2,682,703	4,059,600	4,059,600
Central Support Income	0	0	0
Departmental Support Income	0	0	0
NET ACCOUNTING ADJUSTMENTS	2,913,543	4,281,300	4,288,100
NET EXPENDITURE (ALL BUDGETS)	3,134,670	4,394,400	4,420,100

<u>Variation Analysis</u>	
Original Estimate 2011/12	4,394,400
Inflation	(32,600)
Changes in Government Grants	0
Other Government or Outside Body changes	200,000
Demand Led Growth	0
Budget Review Savings	(18,400)
Investment Priorities	0
Other Growth and Savings	0
Budget Transfer	(123,300)
Original Budget 2012/13	4,420,100
<u>Other Information</u>	
Employee FTE's (Budgeted)	9.8 11.7

SECTION F

ADULT AND COMMUNITY SERVICES

PRIVATE SECTOR AND OTHER HOUSING

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

	<u>2010/11</u> <u>Actual</u> £	<u>2011/12</u> <u>Original</u> £	<u>2012/13</u> <u>Estimate</u> £
<u>Expenditure</u>			
Employees	725,554	690,700	609,900
Premises	89,827	54,800	54,700
Transport	23,398	6,700	22,700
Supplies and Services	75,959	105,000	82,600
Third Party Payments	33,429	39,800	40,000
Transfer Payments	0	0	0
TOTAL EXPENDITURE	948,167	897,000	809,900
<u>Income</u>			
Government Grants	0	0	0
Other Grants and Contributions	(31,832)	(30,200)	(31,000)
Customer & Client Receipts	(312,039)	(206,900)	(211,100)
TOTAL INCOME	(343,871)	(237,100)	(242,100)
NET EXPENDITURE (CONTROLLABLE)	604,296	659,900	567,800
<u>Financial Accounting Adjustments</u>			
Central Support Charges	190,541	191,200	146,800
Departmental Support Charges	70,083	117,300	174,100
Capital Charges	2,530,781	1,902,000	1,902,000
Central Support Income	0	0	0
Departmental Support Income	0	0	0
NET ACCOUNTING ADJUSTMENTS	2,791,405	2,210,500	2,222,900
NET EXPENDITURE (ALL BUDGETS)	3,395,701	2,870,400	2,790,700

<u>Variation Analysis</u>		
Original Estimate 2011/12		2,870,400
Inflation		(3,900)
Changes in Government Grants		0
Other Government or Outside Body changes		0
Demand Led Growth		0
Budget Review Savings		(2,000)
Investment Priorities		0
Other Growth and Savings		0
Budget Transfer		(73,800)
Original Budget 2012/13		2,790,700
<u>Other Information</u>		
Employee FTE's (Budgeted)	15.5	12.5

SECTION F

ADULT AND COMMUNITY SERVICES

CARE PROVISION - LEARNING DISABILITIES

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

	<u>2010/11</u> <u>Actual</u> £	<u>2011/12</u> <u>Original</u> £	<u>2012/13</u> <u>Estimate</u> £
<u>Expenditure</u>			
Employees	4,255,846	3,835,600	3,506,800
Premises	309,152	337,900	310,900
Transport	356,464	183,200	249,300
Supplies and Services	279,251	246,000	223,400
Third Party Payments	13,306	0	9,200
Transfer Payments	999	0	0
TOTAL EXPENDITURE	5,215,018	4,602,700	4,299,600
<u>Income</u>			
Government Grants	1,567	0	0
Other Grants and Contributions	(135,248)	(118,100)	(121,100)
Customer & Client Receipts	(546,747)	(335,100)	(343,300)
TOTAL INCOME	(680,428)	(453,200)	(464,400)
NET EXPENDITURE (CONTROLLABLE)	4,534,590	4,149,500	3,835,200
<u>Financial Accounting Adjustments</u>			
Central Support Charges	602,000	547,300	370,200
Departmental Support Charges	825,350	702,300	1,021,600
Capital Charges	142,600	129,200	129,200
Central Support Income	0	0	0
Departmental Support Income	(354,674)	(257,300)	(415,100)
NET ACCOUNTING ADJUSTMENTS	1,215,276	1,121,500	1,105,900
NET EXPENDITURE (ALL BUDGETS)	5,749,866	5,271,000	4,941,100

Variation Analysis

Original Estimate 2011/12	5,271,000
Inflation	300
Changes in Government Grants	0
Other Government or Outside Body changes	100
Demand Led Growth	0
Budget Review Savings	(128,200)
Investment Priorities	0
Other Growth and Savings	0
Budget Transfer	(202,100)
Original Budget 2012/13	4,941,100
<u>Other Information</u>	
Employee FTE's (Budgeted)	107.7 99.6

SECTION F

ADULT AND COMMUNITY SERVICES

CARE PROVISION - (OLDER PEOPLE & PEOPLE WITH DISABILITIES)

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

	<u>2010/11</u> <u>Actual</u> £	<u>2011/12</u> <u>Original</u> £	<u>2012/13</u> <u>Estimate</u> £
<u>Expenditure</u>			
Employees	1,283,079	1,095,800	826,800
Premises	86,875	101,800	89,000
Transport	607,310	544,700	549,000
Supplies and Services	132,544	70,500	50,800
Third Party Payments	205,926	148,900	149,700
Transfer Payments	(130)	0	0
TOTAL EXPENDITURE	2,315,604	1,961,700	1,665,300
<u>Income</u>			
Government Grants	(4,833)	0	0
Other Grants and Contributions	0	(10,000)	0
Customer & Client Receipts	(79,645)	(68,800)	(80,800)
TOTAL INCOME	(84,478)	(78,800)	(80,800)
NET EXPENDITURE (CONTROLLABLE)	2,231,126	1,882,900	1,584,500
<u>Financial Accounting Adjustments</u>			
Central Support Charges	200,302	206,300	116,400
Departmental Support Charges	179,883	159,600	187,700
Capital Charges	59,178	59,200	62,000
Central Support Income	0	0	0
Departmental Support Income	0	0	0
NET ACCOUNTING ADJUSTMENTS	439,363	425,100	366,100
NET EXPENDITURE (ALL BUDGETS)	2,670,489	2,308,000	1,950,600

<u>Variation Analysis</u>		
Original Estimate 2011/12		2,308,000
Inflation		8,400
Changes in Government Grants		0
Other Government or Outside Body changes		(200)
Demand Led Growth		0
Budget Review Savings		(218,300)
Investment Priorities		0
Other Growth and Savings		0
Budget Transfer		(147,300)
Original Budget 2012/13		1,950,600
<u>Other Information</u>		
Employee FTE's (Budgeted)	36.6	24.4

SECTION F

ADULT AND COMMUNITY SERVICES

TRANSPORT OPERATIONS

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

	<u>2010/11</u> <u>Actual</u> £	<u>2011/12</u> <u>Original</u> £	<u>2012/13</u> <u>Estimate</u> £
<u>Expenditure</u>			
Employees	1,708,680	1,817,800	1,743,800
Premises	68,100	68,100	68,100
Transport	695,066	541,500	651,200
Supplies and Services	41,695	57,000	57,000
Third Party Payments	1,927,630	1,372,000	1,406,300
Transfer Payments	0	0	0
TOTAL EXPENDITURE	4,441,171	3,856,400	3,926,400
<u>Income</u>			
Government Grants	0	0	0
Other Grants and Contributions	0	0	0
Customer & Client Receipts	(4,833,632)	(3,884,800)	(3,831,500)
TOTAL INCOME	(4,833,632)	(3,884,800)	(3,831,500)
NET EXPENDITURE (CONTROLLABLE)	(392,461)	(28,400)	94,900
<u>Financial Accounting Adjustments</u>			
Central Support Charges	204,346	197,300	138,400
Departmental Support Charges	188,115	171,600	199,600
Capital Charges	0	0	0
Central Support Income	0	0	0
Departmental Support Income	0	0	0
NET ACCOUNTING ADJUSTMENTS	392,461	368,900	338,000
NET EXPENDITURE (ALL BUDGETS)	0	340,500	432,900

<u>Variation Analysis</u>		
Original Estimate 2011/12		340,500
Inflation		35,900
Changes in Government Grants		0
Other Government or Outside Body changes		0
Demand Led Growth		0
Budget Review Savings		(1,400)
Investment Priorities		0
Other Growth and Savings		0
Budget Transfer		57,900
Original Budget 2012/13		432,900
<u>Other Information</u>		
Employee FTE's (Budgeted)	65.6	65.6

SECTION F

ADULT AND COMMUNITY SERVICES

ACCESSIBLE TRANSPORT

The Accessible Transport Unit manages the Concessionary Fares, Disabled Person's Blue Badge, Taxi Card and the Super Shopper schemes.

	<u>2010/11</u> <u>Actual</u> £	<u>2011/12</u> <u>Original</u> £	<u>2012/13</u> <u>Estimate</u> £
<u>Expenditure</u>			
Employees	215,689	221,600	207,000
Premises	14,022	16,500	16,500
Transport	10,378	20,800	21,300
Supplies and Services	38,054	9,500	59,500
Third Party Payments	5,718,973	6,639,800	7,109,800
Transfer Payments	0	0	0
TOTAL EXPENDITURE	5,997,116	6,908,200	7,414,100
<u>Income</u>			
Government Grants	0	0	(53,200)
Other Grants and Contributions	0	0	0
Customer & Client Receipts	(3,857)	(3,400)	(3,500)
TOTAL INCOME	(3,857)	(3,400)	(56,700)
NET EXPENDITURE (CONTROLLABLE)	5,993,259	6,904,800	7,357,400
<u>Financial Accounting Adjustments</u>			
Central Support Charges	109,889	132,700	73,200
Departmental Support Charges	143,794	186,200	233,600
Capital Charges	0	0	0
Central Support Income	0	0	0
Departmental Support Income	0	0	0
NET ACCOUNTING ADJUSTMENTS	253,683	318,900	306,800
NET EXPENDITURE (ALL BUDGETS)	6,246,942	7,223,700	7,664,200

<u>Variation Analysis</u>	
Original Estimate 2011/12	7,223,700
Inflation	156,800
Changes in Government Grants	(50,000)
Other Government or Outside Body changes	356,800
Demand Led Growth	0
Budget Review Savings	(200)
Investment Priorities	0
Other Growth and Savings	0
Budget Transfer	(22,900)
Original Budget 2012/13	7,664,200
<u>Other Information</u>	
Employee FTE's (Budgeted)	6.3 6.2

SECTION F

ADULT AND COMMUNITY SERVICES

COMMISSIONING CORPORATE POLICY & STRATEGY DIVISIONAL MANAGEMENT

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

	<u>2010/11</u> <u>Actual</u> £	<u>2011/12</u> <u>Original</u> £	<u>2012/13</u> <u>Estimate</u> £
<u>Expenditure</u>			
Employees	159,394	163,400	201,100
Premises	0	0	0
Transport	1,049	100	400
Supplies and Services	3,006	5,600	2,200
Third Party Payments	0	0	0
Transfer Payments	0	0	0
TOTAL EXPENDITURE	163,449	169,100	203,700
<u>Income</u>			
Government Grants	0	0	0
Other Grants and Contributions	0	0	0
Customer & Client Receipts	0	0	0
TOTAL INCOME	0	0	0
NET EXPENDITURE (CONTROLLABLE)	163,449	169,100	203,700
<u>Financial Accounting Adjustments</u>			
Central Support Charges	32,538	19,500	33,000
Departmental Support Charges	5,958	7,600	48,300
Capital Charges	0	0	0
Central Support Income	0	0	0
Departmental Support Income	(201,945)	(196,200)	(285,000)
NET ACCOUNTING ADJUSTMENTS	(163,449)	(169,100)	(203,700)
NET EXPENDITURE (ALL BUDGETS)	0	0	0

<u>Variation Analysis</u>		
Original Estimate 2011/12		0
Inflation		(5,200)
Changes in Government Grants		0
Other Government or Outside Body changes		0
Demand Led Growth		0
Budget Review Savings		0
Investment Priorities		0
Other Growth and Savings		0
Budget Transfer		5,200
Original Budget 2012/13		0
<u>Other Information</u>		
Employee FTE's (Budgeted)	2.0	3.0

SECTION F

ADULT AND COMMUNITY SERVICES

PERFORMANCE & ENGAGEMENT

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

	<u>2010/11</u> <u>Actual</u> £	<u>2011/12</u> <u>Original</u> £	<u>2012/13</u> <u>Estimate</u> £
<u>Expenditure</u>			
Employees	886,585	677,400	687,600
Premises	87	3,100	0
Transport	6,124	1,100	1,100
Supplies and Services	144,402	87,500	49,900
Third Party Payments	32,950	0	0
Transfer Payments	0	1,800	0
TOTAL EXPENDITURE	1,070,148	770,900	738,600
<u>Income</u>			
Government Grants	(75,000)	0	0
Other Grants and Contributions	(66,973)	(63,500)	0
Customer & Client Receipts	(35,249)	0	0
TOTAL INCOME	(177,222)	(63,500)	0
NET EXPENDITURE (CONTROLLABLE)	892,926	707,400	738,600
<u>Financial Accounting Adjustments</u>			
Central Support Charges	147,942	178,000	142,000
Departmental Support Charges	67,112	43,000	123,200
Capital Charges	0	0	0
Central Support Income	(261,537)	(510,400)	(364,800)
Departmental Support Income	0	0	0
NET ACCOUNTING ADJUSTMENTS	(46,483)	(289,400)	(99,600)
NET EXPENDITURE (ALL BUDGETS)	846,443	418,000	639,000

Variation Analysis

Original Estimate 2011/12	418,000
Inflation	4,900
Changes in Government Grants	0
Other Government or Outside Body changes	0
Demand Led Growth	0
Budget Review Savings	(1,900)
Investment Priorities	0
Other Growth and Savings	0
Budget Transfer	218,000
Original Budget 2012/13	639,000
<u>Other Information</u>	
Employee FTE's (Budgeted)	17.0 14.6

SECTION F

ADULT AND COMMUNITY SERVICES

PARTNERSHIPS & PLANNING

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

	<u>2010/11</u> <u>Actual</u> £	<u>2011/12</u> <u>Original</u> £	<u>2012/13</u> <u>Estimate</u> £
<u>Expenditure</u>			
Employees	963,889	899,700	669,000
Premises	21,775	21,300	400
Transport	7,070	1,700	5,100
Supplies and Services	241,422	218,600	99,100
Third Party Payments	309,852	306,200	125,800
Transfer Payments	0	0	0
TOTAL EXPENDITURE	1,544,008	1,447,500	899,400
<u>Income</u>			
Government Grants	(2,775)	(188,800)	(91,000)
Other Grants and Contributions	0	(10,000)	(10,300)
Customer & Client Receipts	(73,868)	(24,100)	(45,200)
TOTAL INCOME	(76,643)	(222,900)	(146,500)
NET EXPENDITURE (CONTROLLABLE)	1,467,365	1,224,600	752,900
<u>Financial Accounting Adjustments</u>			
Central Support Charges	284,103	262,400	208,200
Departmental Support Charges	123,004	120,000	292,300
Capital Charges	0	0	0
Central Support Income	0	0	0
Departmental Support Income	0	0	0
NET ACCOUNTING ADJUSTMENTS	407,107	382,400	500,500
NET EXPENDITURE (ALL BUDGETS)	1,874,472	1,607,000	1,253,400

<u>Variation Analysis</u>		
Original Estimate 2011/12		1,607,000
Inflation		3,000
Changes in Government Grants		92,000
Other Government or Outside Body changes		(47,000)
Demand Led Growth		0
Budget Review Savings		(76,400)
Investment Priorities		21,000
Other Growth and Savings		0
Budget Transfer		(346,200)
Original Budget 2012/13		1,253,400
<u>Other Information</u>		
Employee FTE's (Budgeted)	20.0	15.0

SECTION F

ADULT AND COMMUNITY SERVICES

GRANTS TO VOLUNTARY ORGANISATIONS

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

	<u>2010/11</u> <u>Actual</u> £	<u>2011/12</u> <u>Original</u> £	<u>2012/13</u> <u>Estimate</u> £
<u>Expenditure</u>			
Employees	97,146	95,900	86,500
Premises	809,225	461,800	461,800
Transport	0	100	100
Supplies and Services	2,671,136	2,376,700	2,392,400
Third Party Payments	0	0	0
Transfer Payments	0	0	0
TOTAL EXPENDITURE	3,577,507	2,934,500	2,940,800
<u>Income</u>			
Government Grants	0	0	0
Other Grants and Contributions	(426,009)	0	(436,700)
Customer & Client Receipts	(700,000)	(345,300)	(345,300)
TOTAL INCOME	(1,126,009)	(345,300)	(782,000)
NET EXPENDITURE (CONTROLLABLE)	2,451,498	2,589,200	2,158,800
<u>Financial Accounting Adjustments</u>			
Central Support Charges	14,631	39,700	23,000
Departmental Support Charges	58,958	68,400	82,500
Capital Charges	14,566	8,700	12,200
Central Support Income	0	0	0
Departmental Support Income	0	0	0
NET ACCOUNTING ADJUSTMENTS	88,155	116,800	117,700
NET EXPENDITURE (ALL BUDGETS)	2,539,653	2,706,000	2,276,500

Variation Analysis

Original Estimate 2011/12	2,706,000
Inflation	53,800
Changes in Government Grants	0
Other Government or Outside Body changes	(277,000)
Demand Led Growth	0
Budget Review Savings	(100)
Investment Priorities	0
Other Growth and Savings	0
Budget Transfer	(206,200)
Original Budget 2012/13	2,276,500
<u>Other Information</u>	
Employee FTE's (Budgeted)	2.0 2.0

SECTION F

ADULT AND COMMUNITY SERVICES

CORPORATE PROCUREMENT

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

	<u>2010/11</u> <u>Actual</u> £	<u>2011/12</u> <u>Original</u> £	<u>2012/13</u> <u>Estimate</u> £
<u>Expenditure</u>			
Employees	359,644	316,900	936,300
Premises	1,300	0	0
Transport	5,706	700	1,700
Supplies and Services	7,845	6,100	5,500
Third Party Payments	4,980	51,300	52,600
Transfer Payments	0	0	0
TOTAL EXPENDITURE	379,475	375,000	996,100
<u>Income</u>			
Government Grants	0	0	0
Other Grants and Contributions	0	0	0
Customer & Client Receipts	(45,918)	(29,100)	(29,200)
TOTAL INCOME	(45,918)	(29,100)	(29,200)
NET EXPENDITURE (CONTROLLABLE)	333,557	345,900	966,900
<u>Financial Accounting Adjustments</u>			
Central Support Charges	88,919	97,600	230,500
Departmental Support Charges	17,733	18,500	0
Capital Charges	0	0	0
Central Support Income	(260,910)	(246,900)	(1,197,400)
Departmental Support Income	(179,299)	(215,100)	0
NET ACCOUNTING ADJUSTMENTS	(333,557)	(345,900)	(966,900)
NET EXPENDITURE (ALL BUDGETS)	0	0	0

<u>Variation Analysis</u>		
Original Estimate 2011/12		0
Inflation		900
Changes in Government Grants		0
Other Government or Outside Body changes		0
Demand Led Growth		0
Budget Review Savings		0
Investment Priorities		0
Other Growth and Savings		0
Budget Transfer		(900)
Original Budget 2012/13		0
<u>Other Information</u>		
Employee FTE's (Budgeted)	6.5	20.6

SECTION F

ADULT AND COMMUNITY SERVICES

PERFORMANCE AND QUALITY ASSURANCE

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

	<u>2010/11</u> <u>Actual</u> £	<u>2011/12</u> <u>Original</u> £	<u>2012/13</u> <u>Estimate</u> £
<u>Expenditure</u>			
Employees	903,242	1,063,400	801,500
Premises	561	0	0
Transport	2,057	1,300	1,300
Supplies and Services	192,428	161,300	207,800
Third Party Payments	68,495	115,500	118,400
Transfer Payments	0	0	0
TOTAL EXPENDITURE	1,166,783	1,341,500	1,129,000
<u>Income</u>			
Government Grants	0	0	0
Other Grants and Contributions	(2,500)	(24,900)	(25,500)
Customer & Client Receipts	0	0	0
TOTAL INCOME	(2,500)	(24,900)	(25,500)
NET EXPENDITURE (CONTROLLABLE)	1,164,283	1,316,600	1,103,500
<u>Financial Accounting Adjustments</u>			
Central Support Charges	314,879	291,200	194,300
Departmental Support Charges	129,754	130,400	99,000
Capital Charges	3,345	0	0
Central Support Income	0	0	0
Departmental Support Income	(1,612,261)	(1,738,200)	(1,396,800)
NET ACCOUNTING ADJUSTMENTS	(1,164,283)	(1,316,600)	(1,103,500)
NET EXPENDITURE (ALL BUDGETS)	0	0	0

Variation Analysis

Original Estimate 2011/12	0
Inflation	5,200
Changes in Government Grants	0
Other Government or Outside Body changes	0
Demand Led Growth	0
Budget Review Savings	(1,700)
Investment Priorities	0
Other Growth and Savings	0
Budget Transfer	(3,500)
Original Budget 2012/13	0
<u>Other Information</u>	
Employee FTE's (Budgeted)	24.2 18.2

SECTION F

ADULT AND COMMUNITY SERVICES

CORPORATE EQUALITY & DIVERSITY TEAM

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

	<u>2010/11</u> <u>Actual</u> £	<u>2011/12</u> <u>Original</u> £	<u>2012/13</u> <u>Estimate</u> £
<u>Expenditure</u>			
Employees	78,350	101,600	63,900
Premises	0	0	0
Transport	2,291	300	300
Supplies and Services	11,581	9,200	9,200
Third Party Payments	0	0	0
Transfer Payments	0	0	0
TOTAL EXPENDITURE	92,222	111,100	73,400
<u>Income</u>			
Government Grants	0	0	0
Other Grants and Contributions	0	0	0
Customer & Client Receipts	0	0	0
TOTAL INCOME	0	0	0
NET EXPENDITURE (CONTROLLABLE)	92,222	111,100	73,400
<u>Financial Accounting Adjustments</u>			
Central Support Charges	17,336	17,600	9,200
Departmental Support Charges	0	0	0
Capital Charges	0	0	0
Central Support Income	(109,558)	(128,700)	(82,600)
Departmental Support Income	0	0	0
NET ACCOUNTING ADJUSTMENTS	(92,222)	(111,100)	(73,400)
NET EXPENDITURE (ALL BUDGETS)	0	0	0

<u>Variation Analysis</u>		
Original Estimate 2011/12		0
Inflation		200
Changes in Government Grants		0
Other Government or Outside Body changes		0
Demand Led Growth		0
Budget Review Savings		(200)
Investment Priorities		0
Other Growth and Savings		0
Budget Transfer		0
Original Budget 2012/13		0
<u>Other Information</u>		
Employee FTE's (Budgeted)	2.0	1.0

SECTION F

ADULT AND COMMUNITY SERVICES

CORPORATE COMMUNICATIONS

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

	<u>2010/11</u> <u>Actual</u> £	<u>2011/12</u> <u>Original</u> £	<u>2012/13</u> <u>Estimate</u> £
<u>Expenditure</u>			
Employees	17,188	38,000	0
Premises	836	0	0
Transport	1,168	800	800
Supplies and Services	73,981	54,300	54,300
Third Party Payments	445,847	447,700	429,500
Transfer Payments	0	0	0
TOTAL EXPENDITURE	539,020	540,800	484,600
<u>Income</u>			
Government Grants	0	0	0
Other Grants and Contributions	0	0	0
Customer & Client Receipts	(42,691)	(39,200)	(39,200)
TOTAL INCOME	(42,691)	(39,200)	(39,200)
NET EXPENDITURE (CONTROLLABLE)	496,329	501,600	445,400
<u>Financial Accounting Adjustments</u>			
Central Support Charges	24,396	18,900	14,400
Departmental Support Charges	0	0	0
Capital Charges	0	0	0
Central Support Income	(520,725)	(520,500)	(459,800)
Departmental Support Income	0	0	0
NET ACCOUNTING ADJUSTMENTS	(496,329)	(501,600)	(445,400)
NET EXPENDITURE (ALL BUDGETS)	0	0	0

<u>Variation Analysis</u>		
Original Estimate 2011/12		0
Inflation		21,500
Changes in Government Grants		0
Other Government or Outside Body changes		0
Demand Led Growth		0
Budget Review Savings		(1,400)
Investment Priorities		0
Other Growth and Savings		0
Budget Transfer		(20,100)
Original Budget 2012/13		0
<u>Other Information</u>		
Employee FTE's (Budgeted)	1.0	0.0

SECTION F

ADULT AND COMMUNITY SERVICES

RENT ALLOWANCES

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

	<u>2010/11</u> <u>Actual</u> £	<u>2011/12</u> <u>Original</u> £	<u>2012/13</u> <u>Estimate</u> £
<u>Expenditure</u>			
Employees	0	0	0
Premises	0	0	0
Transport	0	0	0
Supplies and Services	(41,956)	153,100	153,100
Third Party Payments	0	0	0
Transfer Payments	58,882,942	59,497,900	61,685,500
TOTAL EXPENDITURE	58,840,986	59,651,000	61,838,600
<u>Income</u>			
Government Grants	(59,302,531)	(59,690,000)	(61,877,600)
Other Grants and Contributions	0	0	0
Customer & Client Receipts	69,698	0	0
TOTAL INCOME	(59,232,833)	(59,690,000)	(61,877,600)
NET EXPENDITURE (CONTROLLABLE)	<u>(391,847)</u>	<u>(39,000)</u>	<u>(39,000)</u>
<u>Financial Accounting Adjustments</u>			
Central Support Charges	0	0	0
Departmental Support Charges	5,623	89,700	1,100
Capital Charges	0	0	0
Central Support Income	0	0	0
Departmental Support Income	0	0	0
NET ACCOUNTING ADJUSTMENTS	5,623	89,700	1,100
NET EXPENDITURE (ALL BUDGETS)	<u>(386,224)</u>	<u>50,700</u>	<u>(37,900)</u>

<u>Variation Analysis</u>		
Original Estimate 2011/12		50,700
Inflation		3,800
Changes in Government Grants		0
Other Government or Outside Body changes		0
Demand Led Growth		0
Budget Review Savings		(3,800)
Investment Priorities		0
Other Growth and Savings		0
Budget Transfers		(88,600)
Original Budget 2012/13		<u>(37,900)</u>
<u>Other Information</u>		
Employee FTE's (Budgeted)	0.0	0.0

SECTION F

ADULT AND COMMUNITY SERVICES

SUPPORTED HOUSING SERVICES

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

	<u>2010/11</u> <u>Actual</u> £	<u>2011/12</u> <u>Original</u> £	<u>2012/13</u> <u>Estimate</u> £
<u>Expenditure</u>			
Employees	0	0	0
Premises	0	0	0
Transport	0	0	0
Supplies and Services	87,657	18,200	0
Third Party Payments	2,808,801	2,847,600	2,718,800
Transfer Payments	0	0	0
TOTAL EXPENDITURE	2,896,458	2,865,800	2,718,800
<u>Income</u>			
Government Grants	(70,000)	0	0
Other Grants and Contributions	0	0	0
Customer & Client Receipts	0	0	0
TOTAL INCOME	(70,000)	0	0
NET EXPENDITURE (CONTROLLABLE)	2,826,458	2,865,800	2,718,800
<u>Financial Accounting Adjustments</u>			
Central Support Charges	0	12,400	27,300
Departmental Support Charges	64,612	65,900	75,200
Capital Charges	0	0	0
Central Support Income	0	0	0
Departmental Support Income	0	0	0
NET ACCOUNTING ADJUSTMENTS	64,612	78,300	102,500
NET EXPENDITURE (ALL BUDGETS)	2,891,070	2,944,100	2,821,300

Variation Analysis

Original Estimate 2011/12	2,944,100
Inflation	71,200
Changes in Government Grants	0
Other Government or Outside Body changes	0
Demand Led Growth	0
Budget Review Savings	(200,000)
Investment Priorities	0
Other Growth and Savings	0
Budget Transfer	6,000
Original Budget 2012/13	2,821,300
<u>Other Information</u>	
Employee FTE's (Budgeted)	0.0 0.0

SECTION F

ADULT AND COMMUNITY SERVICES

DIRECTORATE MANAGEMENT AND FINANCE

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

	<u>2010/11</u> <u>Actual</u> £	<u>2011/12</u> <u>Original</u> £	<u>2012/13</u> <u>Estimate</u> £
<u>Expenditure</u>			
Employees	1,711,467	1,189,000	2,216,700
Premises	490	0	0
Transport	5,391	800	6,900
Supplies and Services	168,013	338,400	414,300
Third Party Payments	75,482	135,500	136,400
Transfer Payments	0	0	0
TOTAL EXPENDITURE	1,960,843	1,663,700	2,774,300
<u>Income</u>			
Government Grants	(35,500)	0	0
Other Grants and Contributions	(787,160)	(6,000)	(6,200)
Customer & Client Receipts	(38,730)	(23,800)	(24,400)
TOTAL INCOME	(861,390)	(29,800)	(30,600)
NET EXPENDITURE (CONTROLLABLE)	1,099,453	1,633,900	2,743,700
<u>Financial Accounting Adjustments</u>			
Central Support Charges	791,355	842,100	1,251,000
Departmental Support Charges	59,684	55,100	227,300
Capital Charges	0	0	0
Central Support Income	0	0	0
Departmental Support Income	(1,509,829)	(1,917,900)	(3,645,100)
NET ACCOUNTING ADJUSTMENTS	(658,790)	(1,020,700)	(2,166,800)
NET EXPENDITURE (ALL BUDGETS)	440,663	613,200	576,900

Variation Analysis

Original Estimate 2011/12	613,200
Inflation	5,700
Changes in Government Grants	0
Other Government or Outside Body changes	0
Demand Led Growth	0
Budget Review Savings	(171,700)
Investment Priorities	0
Other Growth and Savings	0
Budget Transfer	129,700
Original Budget 2012/13	576,900
<u>Other Information</u>	
Employee FTE's (Budgeted)	26.0 65.5

SECTION F

ADULT AND COMMUNITY SERVICES

SERVICE DEVELOPMENT

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

	<u>2010/11</u> <u>Actual</u> £	<u>2011/12</u> <u>Original</u> £	<u>2012/13</u> <u>Estimate</u> £
<u>Expenditure</u>			
Employees	1,059,672	1,037,800	918,500
Premises	4,437	16,900	6,400
Transport	3,585	0	0
Supplies and Services	92,109	215,800	19,500
Third Party Payments	5,221	21,000	8,000
Transfer Payments	0	0	0
TOTAL EXPENDITURE	1,165,024	1,291,500	952,400
<u>Income</u>			
Government Grants	(152,976)	0	0
Other Grants and Contributions	(65,678)	(44,600)	(16,500)
Customer & Client Receipts	(75,487)	(92,600)	(27,100)
TOTAL INCOME	(294,141)	(137,200)	(43,600)
NET EXPENDITURE (CONTROLLABLE)	870,883	1,154,300	908,800
<u>Financial Accounting Adjustments</u>			
Central Support Charges	138,695	240,400	196,200
Departmental Support Charges	49,235	78,000	184,600
Capital Charges	19,311	14,200	25,700
Central Support Income	0	0	0
Departmental Support Income	(1,078,124)	(1,486,900)	(1,315,300)
NET ACCOUNTING ADJUSTMENTS	(870,883)	(1,154,300)	(908,800)
NET EXPENDITURE (ALL BUDGETS)	0	0	0

<u>Variation Analysis</u>		
Original Estimate 2011/12		0
Inflation		(1,600)
Changes in Government Grants		0
Other Government or Outside Body changes		0
Demand Led Growth		0
Budget Review Savings		1,900
Investment Priorities		0
Other Growth and Savings		(5,000)
Budget Transfer		4,700
Original Budget 2012/13		0
<u>Other Information</u>		
Employee FTE's (Budgeted)	19.2	15.1

SECTION G

LONDON BOROUGH OF RICHMOND UPON THAMES

CABINET

DATE: 23 FEBRUARY 2012

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

TITLE OF DECISION: REVENUE BUDGET STRATEGY AND COUNCIL TAX 2012/13

WARDS: ALL

KEY DECISION?: YES

IF YES, IN FORWARD PLAN?: YES

For general release

1. MATTER FOR CONSIDERATION

- 1.1 This report gives details of the budget strategy and recommends that the Richmond upon Thames element of the Council Tax remain unchanged at £1,287.39.

2. RECOMMENDATIONS

- 2.1 That Members consider the advice of the Director of Finance and Corporate Services in respect of Section 25 of the Local Government Act 2003 in setting the budget (see paragraphs 3.33 to 3.44)
- 2.2 That the Council be recommended to agree the Revenue Budget for 2012/13.
- 2.3 That the Council be recommended to agree that the Richmond upon Thames element of the Band D Council Tax be **unchanged at £1,287.39**; thereby enabling the Council to accept a further £2.896m one off funding in Council Tax Freeze Grant from the Government.
- 2.4 That the Cabinet note the expected Greater London Authority (GLA) precept of £306.72.
- 2.5 **That the Council be RECOMMENDED to agree that the overall Band D level of Council Tax for 2012/13 including the GLA element be set at £1,594.11, a reduction of 0.19% on 2011/12. The levels of Council Tax for all property bands are shown at Appendix A; and**
- 2.6 That the Cabinet approve the revised Medium Term Financial Strategy (Appendix C) including the efficiencies/savings identified and the expansion of the 5 year capital programme.

3. DETAILS

Background

- 3.1 The development of the Council's financial strategy continues to be set against the background of an almost unprecedented deficit in the national public finances and the need to take "austerity measures" in the UK and most European (and world wide) economies.
- 3.2 In developing this strategy the Council has already produced a number of reports and briefing notes reviewing the budget, assessing the impact of the local government finance settlement, reviewing reserves and balances and setting out the Administration's key aims and priorities for capital investment. The information in those reports is not repeated in detail here but the links are listed at the end of this report.

The Medium Term Financial Strategy (MTFS)

- 3.3 The MTFS is intended to identify a financially sustainable way of achieving the Council's aims, recognising the need to balance service needs with available resources and the impact on Council Tax payers. The wider aims behind the strategy are set out in the attached MTFS but, in particular, the strategy aims to deliver the administration's key financial objective of:
- **A freeze in Council Tax for 2012/13 and to work towards zero or sustainable low increases in the years beyond.**
- 3.4 During 2011/12 the Council is, once again, projecting an underspend in its budget (although within this overall figure there are individual overspends in key areas of Children's, Adults and Parking Services). The overall underspend is, to some extent, a result of the Council reining back expenditure and holding posts vacant in preparation for the longer term changes that are required to ensure that it is well placed to meet any further changes in funding. This combined with some achievement "in advance of need" of savings again provides an opportunity for one off investments in the Council's and local people's priorities and these are identified in paragraph 3.23.
- 3.5 The latest update to the MTFS is attached as Appendix C. It identifies that, in broad terms, the Council will continue to target savings/efficiencies over 4 years of the current Administration in the previously agreed range of £28m-£33m. It still has some allowance in the 2012/13 and 2013/14 budget for direct, one-off investment in priorities. It is also on target for 2013/14 but still has significant savings to achieve 2014/15 and beyond if it is to achieve low Council Tax increases. This will particularly be the case if government funding is further reduced in 2015/16 and 2016/17 as set out in the Chancellor of the Exchequer's Autumn Statement. The following sections of this report identify that potential changes in funding are becoming a higher risk in the Council's budget planning assumptions.

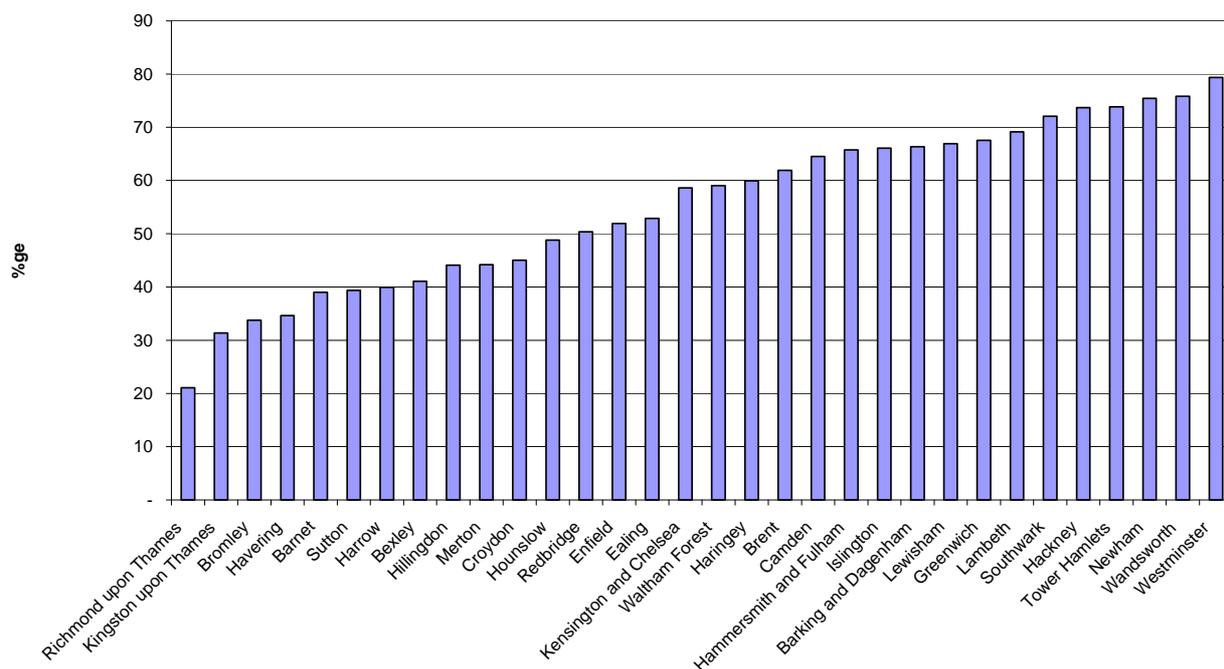
SECTION G

The Local Government Finance Settlement (LGFS)

- 3.6 This year's LGFS was the second year of the current Spending Review Period (2011/12 – 2014/15). The 2011/12 announcement began the process of major reductions in the resources provided to Local Government as part of the Government's deficit reduction strategy. For Richmond, this meant a cumulative reduction of £8.6m (24%) in Formula Grant in 2011/12 and 2012/13 with the prospect of further major cuts in the future.
- 3.7 The Council's Medium Term Financial Strategy had anticipated this major funding loss and plans were already in place to allow the Council to restrict increases in Council Tax to zero or near zero per cent and to maintain the quality of essential services to the public whilst meeting challenging expenditure reduction targets.
- 3.8 The 2012/13 settlement figures were exactly as expected – they had been pre-announced as part of the 2011/12 settlement. The impact, including detailed lists of grant changes, was covered in a briefing notes to Members, reports and presentations to Overview and Scrutiny Committee and reports to Cabinet (see links at end of report). The briefings during the current year have been updated for the changes being introduced in the Local Government Finance Settlement for 2012/13 and other Government announcements. The main financial impact on the Council for 2012/13 can be summarised as:
- A 10.4% loss in 2012/13 Formula Grant equating to a loss of £3.5m. This adds to the loss of £5.1m (14.3%) in 2011/12.
 - A one-off £2.896m additional Council Tax Freeze grant for 2012/13. This is on top of the £2.874m received in 2011/12 which has now been rolled into formula grant with an expectation that it stays in the funding until at least 2014/15.
 - Confirmation that approximately £1.7m NHS funding which supports social care and also benefits health will continue until at least 2014/15.
 - New Homes Bonus Grant has increased to £1.17m and it is assumed that this is applied to supporting homelessness costs and the cost of supporting affordable housing in the Borough.
- 3.9 The Government has further announced that it will be adjusting Local Government Finance totals to reflect its expected restriction of pay awards to 1% for 2 yrs starting 2013. It has also announced that public sector funding will reduce by a further 0.9% in real terms in 2015/16 and 2016/17 and published the Local Government Finance Bill that will see major changes to funding and responsibilities for Councils. The potential impact for the Council is covered in the following paragraphs.
- 3.10 The chart below illustrates the relative position of Richmond in London in respect of Formula Grant. It shows that Richmond receives just over 20% of its funding from Formula Grant which is significantly lower than any other London Borough.

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Formula Grant as %ge of Budget Requirement 2011/12



Future Funding Issues

3.11 There have been a number of announcements regarding future changes to Government funding over the past 6 months. The majority of these indicate changes at a national level but the exact impact on a borough by borough basis is difficult to calculate with any accuracy. The following gives an idea of the major issues and potential impact for Richmond:

- A further 0.9% reduction in public sector funding in the years 2015/16 and 2016/17. This follows an equivalent level of funding cut in 2011/12 – 2014/15. If the reductions were to be applied in broadly the same way as the 2011/12-2014/15 reduction Richmond could lose a further £5-6m in funding. There is, however, no firm indication yet of the share of this reduction that would be borne by Local Government as a sector.
- If the Local Government pay award falls in line with Government guidelines of 1%, this would reduce the assumptions made in last years MTFs by approximately £1m per year in 2013/14 and 2014/15 and this has been reflected in the updated model.
- The Local Government Finance Bill includes the “localisation” of Council Tax Benefits with a 10% funding reduction – despite widespread opposition in the consultation on this proposal. This funding reduction would equate to around £1.3m unless the Council reduces the value or range of the benefit on offer.
- The Local Government Finance Bill also introduces changes to the way the general government funding would be calculated in future and links it to changes in the business rates income of an area. No model yet exists to work through exactly what this may mean for the Council.
- A further one-off Council Tax freeze grant has been made available to all local authorities who freeze the level of Council Tax in 2012/13. This will be worth approximately £2.896m to the Council. Given the Council was already planning on

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freezing Council Tax in this year this is additional to our earlier plans but, as it is one-off, it is proposed that this is held and used to offset the other potential changes indicated above and to contribute towards the aim of freezing Council Tax for a longer period.

- If the original Council Tax Freeze Grant is removed in 2015/16 and further reductions are applied to Government funding (per the first bullet points of this section), the overall reduction in funding in this one year could lead to a Council Tax increase projection of well in excess of 5% without further action being taken by the Council.

Spending Power

3.12 This measure, introduced in 2011/12, is defined as:

Council Tax requirement (the Government uses the 2010/11 figure in calculating Spending Power)

Plus

Formula Grant

Plus

Other Grants

Equals

Spending Power

The Government figures for Richmond are set out below:

	2011/12	2012/13	+/-	%
Council Tax Requirement	114.443	114.443	0.000	0.0%
Formula Grant	30.399	27.238	-3.161	-10.4%
Other Grants	20.260	20.776	0.516	2.5%
Spending Power	165.102	162.457	-2.645	-1.6%

- 3.13 The Council has suffered the maximum level of Formula Grant reduction at 10.4%. With the small increase in Other Grants, Richmond suffered an overall loss of Government Support of £2.645m. The Government's measure of Spending Power masks the real impact of this cut because it includes locally raised Council Tax in its calculation. Because of the very high proportion of Richmond's overall spending which is required to be funded by Council Tax the percentage impact of any cut in Government funding is diluted. It remains the case that Richmond receives the lowest level of Government Grant per head in London and the third lowest amount nationally.
- 3.14 To understand how this difference impacts on local people it is worth drawing out that the average earner occupying a Band D property in Richmond pays £1,287 compared to the Inner London average of £841 i.e. some £446 (53%) more despite the level of net Council spending per head in Richmond being well below the average net spending per head in these Boroughs.

Partners and forward planning

- 3.15 The Council and our local partners have a strong commitment and good track record of working in partnership. This is demonstrated through our joint commissioning work with NHS Richmond, engagement with the voluntary sector, close relationship with the police

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and others via the Community Safety Partnership and joint action taken to address the impact of the current economic situation.

- 3.16 Particularly important in financial terms is the relationship with the local NHS. In common with all other public sector organisations, the PCT is facing intense financial pressures. A serious financial situation in NHS Croydon has resulted in a potential deficit of £25m in 2011/12 which will have an impact on NHS South West London and individual PCTs in the South West London cluster. Whilst NHS Richmond is on target to achieve a surplus of £5.6m, it may be required to make some in-year savings to contribute towards the overall South West London deficit. Looking forward, the PCT will be required to plan for a 1.5% surplus. The 2012/13 uplift in funding will be 2.9% (£8.2m) but to meet the 1.5% surplus target it has to implement a savings plan totalling £8.4m. Whilst the acute services budget position is stronger than in previous years, there are particular budget pressures relating to individual acute hospital trusts and also in mental health and learning disability services.
- 3.17 Over and above the uplift, the PCT will receive £1.69m (£1.75m in 2011/12) non recurrent funding to support work that is beneficial to both social care and health. It is also now expected that funding at this level will continue until at least 2014/15. The guidance in respect of the funding focuses on work that supports reablement, quicker discharge from hospital and preventing hospital admissions. An example of this type of joint work is that the Council has agreed with the PCT that extra funding that has been released in 2010/11 will go to funding an enhancement of the multi-disciplinary teams dealing with patients at the point of discharge from hospital and also helping to avoid unnecessary re-admission to hospital. The Council aims to work with the health sector to reduce the impact of demand and thereby bring longer term benefits to health and social care budgets by 2014/15.
- 3.18 With the major changes underway in the NHS the impact on the borough remains uncertain. However, close working relationships are being maintained at a local and regional level.

Balances and Reserves

- 3.19 Appendix B to this report contains a full listing of the revenue balances and reserves held by the Council and gives explicit details on their intended application. The key issues are:
- General Reserve planned to reduce to around £10m by the end of 2013/14.
 - As reported earlier in the year, an initial review of reserves has been undertaken and identified that the amount that could be used to meet the expanded requirements of the capital programme can be increased to around £8m.
 - Approximately 23% (£12.3m) of the quoted balances at 1.4.11 are funds that are outside of the Council's direct control e.g. school balances. In addition to this a further approximately 17% (£9.1m) e.g. PFI Reserve and Insurance Funds, whilst being nominally under Council control, are largely not available for use.
 - The MTFs includes use of £0.75m of the General Reserve between 2011/12 and 2012/13.
 - Once any schools become academies, reserves associated with these schools will be transferred out of Council funds.
 - After allowing for the Academies transfer and the support to the capital programme it is anticipated that reserves will fall to around £45m by the end of 2013/14 which would be their lowest level since 2003/04 and in line with the level identified in the

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Minimum Reserves Policy considered by Cabinet and Overview and Scrutiny Committee in June 2011.

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

Overall Budget Proposals

- 3.20 In line with the Constitution and in accordance with proposals agreed by Leading Members, individual service budgets have been agreed by the relevant Cabinet Member and reports have been submitted to Overview and Scrutiny Committees.
- 3.21 The Council has attempted to set a budget that achieves a balance between the Council Tax increase not adding a further financial burden on household budgets, maintaining service standards whilst addressing the serious, long term reductions in public finances that are expected.
- 3.22 This means that the budget proposals must also consider the longer term and to this end the Council's savings programme continues, to a limited extent, to achieve in advance of need to ensure difficult decisions are taken early in the budgetary cycle, provide for some investment in specific priorities and provide some flexibility should Council funding deteriorate further.
- 3.23 In particular the budget has:
- Built in specific funds for new demands / costs of statutory services:
 - £0.5m for further growth demands on social care services.
 - £0.5m on Children's services.
 - Allowed up to £1.4m for changes in parking and enforcement income, in-part related to the Council's Fair Parking Policy which includes 30 minutes free parking for local residents using the Richmond Card.
 - Included efficiency/savings/income generation of £8.3m. These include the full year effect of savings agreed in 2011/12, over £2m of procurement/contract savings and a number of staff savings resulting from shared service proposals and internal restructures (see details in MTFs and individual budget reports).
 - Included the following specific one off allowances to provide for investment in the Council's priorities:
 - £1m expenditure on pavements and highways. This will supplement the additional funding included in the capital programme and be focussed on residential roads. Reflecting the priority given to this area during the All-in-One consultation, it is also intended that up to half of this funding will be prioritised by local people.
 - £0.5m* on social care initiatives including increased funding for Disabled Facilities Grants, Coldbusters grants and Stay Warm initiatives to help disabled and older people to remain healthy and independent in their own homes.
 - Included an additional revenue budget to finance £2.1m of the capital programme, details as follows
 - £0.5m contribution to wider works on Twickenham Riverside.
 - £1.0m on funding the increased capital programme expenditure on Sixth Forms (combined with other actions this will limit the longer term borrowing requirements).

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- £0.6m to fund the first year of investment in parks. The subsequent four years of parks investment is funded within the wider capital programme.

These budgets are assumed to be removed from 2013/14, with the exception of pavements and highways, to help meet the potential budget gap in those years. The Administration intends to continue to prioritise investment in highways and pavements over a longer period with the amounts depending on the financial circumstances of the Council each year.

- Provided continuing support for capital investment, particularly in education.
- Assumed that the impact of inflation will be held at close to zero on salaries and non-contracted services.
- Assumed the acceptance of the latest one-off freeze grant from the Government and its application to meet longer term aims of holding down / freezing Council Tax increases in future years.

3.24 The final service totals are:

	<u>£m</u>
Children's Services & Culture	34.5
Environment	23.3
Adult and Community Services	62.8
Finance & Corporate Services	18.7
Total	<u>139.3</u>

3.25 Central Items and contingency

	<u>£m</u>
Borrowing and Investment	4.7
Centrally funded past pensions	5.0
General Contingency	0.6
Carbon Reduction Commitment	0.3
Use of balances	-0.3
Investment Priorities	3.6
Transfers to Reserves (inc. CTax Freeze Grant)	3.9
Non Ring Fenced Grants (including EIG)	-10.6
Total	<u>7.2</u>

3.26 Summary of Borough Expenditure

	<u>£m</u>
Service Estimates	139.3
Central Items and Contingency	7.2
Total	<u>146.5</u>

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Levies

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

Levy	Directorate	2011/12 £000	2012/13 £000	Variation %
West Waste	Environment	6,847	6,643	-3.0%
Lee Valley Park	Environment	264	266	+0.8%
Flood Defence	Corporate Services	176	*176	0.0%
London Pension Fund Authority	Corporate Services	322	305	-5.3%
Coroner's Service	Corporate Services	141	148	+5.0%

* Latest estimate

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

Capping/Council Tax Referendums

- 3.28 The Localism Act abolished direct capping by the Government and replaced it with the ability of the Secretary of State to set a maximum level of council tax increase. Any Council wishing to set a higher level of increase will be required to hold a local referendum. The Secretary of State has announced his intention to set that level at 3.5% for 2012/13.
- 3.29 The proposed budget for 2012/13 would give a decrease in the budget requirement and a tax level as set out below:

	2011/12		2012/13	
	Amount	Increase	Amount	Increase
Budget Requirement inc. schools	£251.888m*	-1.7%	£252.571m	+0.3%
Budget Requirement ex schools	£148.830m*	-2.9%	£146.467m	-1.6%
Council Tax (LBRuT element only)	£1,287.39	0.0%	£1,287.39	0.0%

*The 2011/12 figures have been adjusted to reflect the £2.874m of specific grants that have been rolled into formula grant in 2011/12 to present the figures on a comparable basis.

The Greater London Authority (GLA) Precept

- 3.30 The Band D Council Tax in respect of the GLA Precept is expected to reduce to £306.72.

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3.31 Summary of requirements and Council Tax

	£m
Total LBRuT Budget Requirement	146.467
School expenditure funded from DSG	106.104
GLA Precept	27.602
	280.173
Less	
Formula Grant	-30.112
DSG	-106.104
Contribution from Collection Fund	-0.500
	143.457

At the Cabinet meeting of 26th January 2012, the Council Tax Base for 2012/13 was agreed as 89,992.04 Band D equivalents.

Based on the above figures, the total tax at Band D including the GLA element is reduced to £1,594.11.

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

	2011/12	2012/13	%
	£	£	increase
LBRUT	1,287.39	1,287.39	0.00
GLA	309.82	306.72	-1.00
TOTAL	1,597.21	1,594.11	-0.19

Section 25(2) of the Local Government Act 2003

3.33 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.

3.34 The Council's stated aim is to achieve long term stability in its finances whilst restricting Council Tax increases. To achieve this, the Council must have regard to the major risks to its financial position and in particular:

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

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- 3.35 The Council has a good recent track record in financial management and in the delivery of Value For Money (VFM). The judgements by external inspectorates take into account both the service performance of the Council and the way we prepare and monitor our budgets as well as the wider use of resources including staffing and physical resources.
- 3.36 Local government finance issues have been dominated in recent times by cuts in government funding and pressure to keep council tax increases down. Alongside this the longer term position is also made more uncertain by the changes in the way Government Funding will be calculated and the proposal to “localise” Council Tax Benefit with a lower level of Government funding. Although the MTFs (attached as Appendix C) shows that the action taken to date has been successful in maintaining a strong financial position, and providing some limited one off investment, the longer term position remains extremely challenging if the Council is to achieve low or zero Council Tax increases. Section 3.11 of this report draws attention to the risk of loss of Council Tax Freeze Grant and further reductions in Government funding impacting the Council in one year (2015/16). Should this happen this would require further savings to be identified in order to avoid a more significant rise in Council Tax. Members should also note that freezing Council Tax levels produces a permanent real terms reduction in Council Tax yield.
- 3.37 With relatively low allowance for demand growth, uncertainty over Government funding and the need to achieve challenging savings targets, the risks inherent in the revenue budget are inevitably increased. The Council has sufficient reserves to deal with such a position in the short term and in the medium term has taken action to increase its savings/efficiency programme significantly. Achievement of this programme will be closely monitored.
- 3.38 Given the resource constraints and demand pressures faced by the Council it is imperative that efficiency remains at the heart of all Council activities. This will contribute towards the achievement of the Council’s objectives.
- 3.39 The major risks around government funding have to some extent been realised for 2011/12 and 2012/13 with the Council being at the worst end of the “floor” calculations. We still do not have details for the years beyond that but cannot ignore the possibility of further reductions. This risk is highlighted by the fact that the “floor” provides the borough with almost £11m more than it would receive were the “floor” to be withdrawn. This equates to around 9% on Council Tax and represents, in percentage terms, the 2nd largest level of floor protection for any unitary authority in the country.
- 3.40 Despite the constrained funding position, the Council remains committed to investing in the essential infrastructure that underpins high quality services. Hence the continued expansion of the capital programme. The affordability of this expansion has been helped by the identification of one-off capital and revenue resources but the programme still relies heavily on the Council increasing its borrowing. The impact of this is built into the Medium term Financial Strategy and will be kept under regular review with the aim of reducing the borrowing need if possible.
- 3.41 The Council’s reserves and their usage is linked to both the capital and revenue budget. A full list of the current reserves held by the Council is attached at Appendix B and is reviewed in the attached MTFs. Although reserves are likely to reduce overall, this is a result of their use for the purposes they were established. The overall level therefore remains adequate.
- 3.42 The financial strategy includes the use of £500k general reserves in 2012/13 and a further £250k in 2013/14. Thereafter, the use of balances is removed from budget assumptions but this position will be revisited each year. Both the current and projected levels of

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General Reserve are expected to remain within the Council's agreed range of 5-10% of the Budget Requirement.

- 3.43 It should be noted that the Pension Fund Reserve is, in common with many other Pension Funds, showing a large deficit. The Council has a long term recovery plan for the fund and expects employer funding requirements to be improved by the outcome of the Governments proposed changes to public sector pension schemes. Balancing this, the expected reducing numbers contributing to the fund will increase pressure on employer contribution rates. Officers will be continuing discussions with the fund's actuary and the Council's Pension Fund Committee on how best to address this position in the longer term.
- 3.44 In summary, the Chief Financial Officer (being the Director of Finance and Corporate Services) confirms that he is content that the estimates are robust for the purposes of the required budget/council tax calculations and that the Council's reserves are adequate.

4. FINANCIAL AND EFFICIENCY IMPLICATIONS

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

5. PROCUREMENT IMPLICATIONS

- 5.1 Improvements in procurement processes and outcomes forms a key part of the Council's efficiency programme. Included in the budget proposals are a number of new procurements which are anticipated to contribute to the overall savings targets for the Council.

6. LEGAL IMPLICATIONS

- 6.1 There are none arising directly from this report.

7. CONSULTATION AND ENGAGEMENT

- 7.1 The Council has undertaken one specific consultation exercise in relation to the general principles of the budget as it was being developed via a selected representative sample of the public who attended an evening run by the OPM organisation. The outcomes are published on the Council's website at:
http://www.richmond.gov.uk/home/council_government_and_democracy/council_consultation_and_feedback/council_consultations/consultation_details.htm?id=C00406
- 7.2 There has also been a large amount of engagement and communication work with the Council's own staff in view of the high level of change being made across Council services. In addition the Council will be drawing on the outcomes from specific consultations in respect of budget proposals and more general consultations such as the "All in One" survey and the Twickenham Barefoot and Conference exercises.
- 7.3 The Council has participated in a number of business events and conferences addressing the current economic position and action to support local businesses and hopes to present budget proposals at a business breakfast in January/February. It will also circulate copies of the budget report and MTFS papers to major local businesses and business association for comment.

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

8. POLICY IMPLICATIONS/CONSIDERATIONS

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

9. RISK ASSESSMENT

- 9.1 The risks faced by the Council in relation to financial planning and budget setting are set out in the MTFs (Appendix C) and in paragraphs 3.33-3.44 of this report as part of the Director of Finance and Corporate Services' comments on Section 25 (2) of the Local Government Act 2003.

Many of the risks are similar to previous years but it is particularly worth noting that risks in relation to both Government Funding and Treasury Management (investment and borrowing) are considered to have increased in relation to the current economic climate.

10. EQUALITY IMPACT/CONSIDERATIONS

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

Those changes where Members will particularly wish to note have been identified as having potential impact and on which consideration to is being given to mitigating action include Older People's Day Care Services, Adult Care Provision, Adult Social Care Procurement and Supporting People Commissioning. Further details are available in the relevant Overview and Scrutiny budget report.

11. ENVIRONMENTAL CONSIDERATIONS

- 11.1 The level of budget available for different services has a direct impact on service delivery. The Council has made available both one off and ongoing funds in areas such as sustainable building, green business advice, waste and recycling which are aimed at improving the environmental impact of the Council and its partners

12. APPENDICES

Appendix A – Council Tax Bands 2012/13

Appendix B – Revenue Reserves

Appendix C – Medium Term Financial Strategy (February 2012 Update)

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13. BACKGROUND PAPERS

13.1 [Provisional Corporate Outturn \(Revenue and Capital\) 2010-11 - Cabinet 23 June 2011](#)

[Indicative Council Tax Report - Cabinet 23 June 2011](#)

[Minimum Reserves Policy - Cabinet 23 June 2011](#)

[Delivering Savings Through Procurement - Cabinet 23 June 2011](#)

[Efficiency and Transformation Update - Cabinet 21 July 2011](#)

[Budget Setting Process 2012-13 - Finance & Performance O & S Committee 6 April 2011](#)

[Capital Programme Review - Finance & Performance O & S Committee 14 November 2011](#)

Updates on the Council's financial position are made to Cabinet and the relevant Overview and Scrutiny Committee throughout the year.

A range of individual reports to Overview and Scrutiny Committees have been made in respect of individual business cases and efficiency projects and for each Directorate's specific budget proposals.

These can be accessed via the Council's web site at:

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

14. CONTACTS

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Council Tax Bands 2012/13

Band	Richmond Council Tax Requirement (2012/13) £	Greater London Authority (2012/13) £	Total Council Tax (2012/13) £
A	858.26	204.48	1,062.74
B	1,001.30	238.56	1,239.86
C	1,144.35	272.64	1,416.99
D	1,287.39	306.72	1,594.11
E	1,573.48	374.88	1,948.36
F	1,859.56	443.04	2,302.60
G	2,145.65	511.20	2,656.85
H	2,574.78	613.44	3,188.22

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APPENDIX B

DESCRIPTION		Actual Balance at 1.4.11 £000	Transfers between reserves £000	Estimated Revenue Usage 11/12 £000	Estimated Capital Usage 11/12 £000	Estimated Additions 11/12 £000	Estimated Balance at 31.3.12 £000	PURPOSE OF RESERVE
STATUTORY RESERVES OVER WHICH THE COUNCIL HAS LIMITED OR NO CONTROL								
	Schools	-10,251	*	*	*	*	-10,251	Ring fenced to schools
	Home Loans Unit	-34	0	0	0	0	-34	Funds associated with former GLC mortgages (distributed across all London Boroughs)
	Thames Landscape Strategy	-200	0	154	0	0	-46	Ringfenced reserve managed on behalf of London Authorities
	Schools' Maternity & Supply Cover Scheme	-432	*	*	*	*	-432	Internal insurance arrangement for supply and maternity cover in schools
	Dedicated Schools Grant Reserve	-873	*	*	*	*	-873	Created from underspend of Dedicated Schools Grant. Earmarked for schools expenditure.
	Orleans House	-488	0	0	0	-14	-502	Balance of rent income received on Trust assets managed by the Council. To be used in relation to the Orlean House site.
Sub total		-12,278	0	154	0	-14	-12,138	
NON STATUTORY BUT ESSENTIAL RESERVES								
	General Insurance Reserve	-3,053	*	*	*	*	-3,053	Revaluation done as part of Insurance tendering process.
	Vehicles Insurance Reserve	-219	*	*	*	*	-219	Internal insurance for Council vehicles
	PFI Reserve (Future Liabilities)	-5,821	0	198	0	-50	-5,673	To allow for future smoothing of annual payments under PFI contracts
Sub total		-9,093	0	198	0	-50	-8,945	
DISCRETIONARY RESERVES CURRENTLY EARMARKED								
	VAT Reserve	-205	0	0	100	0	-105	To cover potential tax liabilities.
	Infrastructure Reserve	-40	0	0	40	0	0	Major works to improve Council infrastructure/deliver benefits to the community
	Schools Infrastructure Reserve	-2,518	0	0	2,191	-673	-1,000	To support expansion and improvement works to schools.
	Twickenham Riverside/Uplift Projects	-484	0	0	0	-670	-1,154	To support the development of Uplift projects and projects resulting from All in One Consultation/Twickenham Riverside
	Project Development Reserve	-1,442	0	616	37	0	-789	To fund start up costs and development costs of major projects
	Repairs and Renewals Fund	-1,699	0	0	50	-1,054	-2,703	Purchase or creation of assets providing benefits of at least 3 years.
	Social Services Special Equipment Reserve	-118	0	31	0	0	-87	To fund purchase of small items of equipment for Social Services establishments
	Carry Forwards Reserve	-462	0	462	0	0	0	Unspent revenue budgets carried forward for specific Cabinet approved projects
	Waste & Recycling Reserve	-3,164	-6	0	1,000	-2,054	-4,224	Used to fund Waste and Recycling Strategy and to meet any future penalties under the Landfill allowance Trading Scheme (LATS)

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APPENDIX B

DESCRIPTION		Actual Balance at 1.4.11 £000	Transfers between reserves £000	Estimated Revenue Usage 11/12 £000	Estimated Capital Usage 11/12 £000	Estimated Additions 11/12 £000	Estimated Balance at 31.3.12 £000	PURPOSE OF RESERVE
	Youth Development Fund	-683	0	0	50	0	-633	To fund capital schemes to improve youth facilities
	Community Development Fund	-120	12	108	0	0	0	To support investment in the 5 areas of relative deprivation as identified in the Community plan
	Youth Centres Reserve	-329	0	50	0	0	-279	Income generated by youth centres (e.g. lettings) which is earmarked for re-investment within youth services.
	Libraries Trading Account	-37	0	10	0	0	-27	Earmarked for use in Library services
	Climate Change Reserve	-518	0	194	0	0	-324	To support the Council's Sustainability Team in reducing the threat of climate change, cut carbon emissions and promote energy efficiency
	Invest to Save Fund	-6,285	-630	2,000	129	-46	-4,832	Funding for efficiency work across the Council and includes the current projected revenue underspend
	Section 106	-1,125	0	0	732	0	-393	To fund the rise in cost of works between receipt and usage of developer contributions
	Civic Pride Fund	-113	113	0	0	0	0	Balance transferred to the All in One reserve as per Cabinet (15/12/11)
	All in One Reserve	0	-125	25	0	0	-100	Used to finance activities to progress community involvement (as per Cabinet 15/12/11)
	Recession and Recovery Fund	-70	70	0	0	0	0	Used to support initiatives to address the impact of recession on people, businesses and communities in the Borough
	Economic Development Fund	-314	314	0	0	0	0	To fund Town Centre Management, environmental and business assessments and DDA advisory services for local employers.
	Economic Support Fund	0	-384	162	0	0	-222	Consolidation of Recession and Recovery Fund and Economic Development Fund
	Salaries Oncost Account	-630	630	0	0	0	0	Balance of on-cost charged on employee budgets to fund liability insurance etc.
	Connexions Legal Challenge	0	0	0	0	-325	-325	To provide for potential costs associated with ending the joint Connexions service
	Other Reserves	-329	6	55	0	-20	-288	Various small reserves
Sub total		-20,685	0	3,713	4,329	-4,842	-17,485	
GENERAL FUND								
	General Reserve (available for any purpose)	-10,705	0	500	3,400	-3,400	-10,205	
TOTAL RESERVES		-52,761	0	4,565	7,729	-8,306	-48,773	



Medium Term Financial
Strategy

February 2012 Update

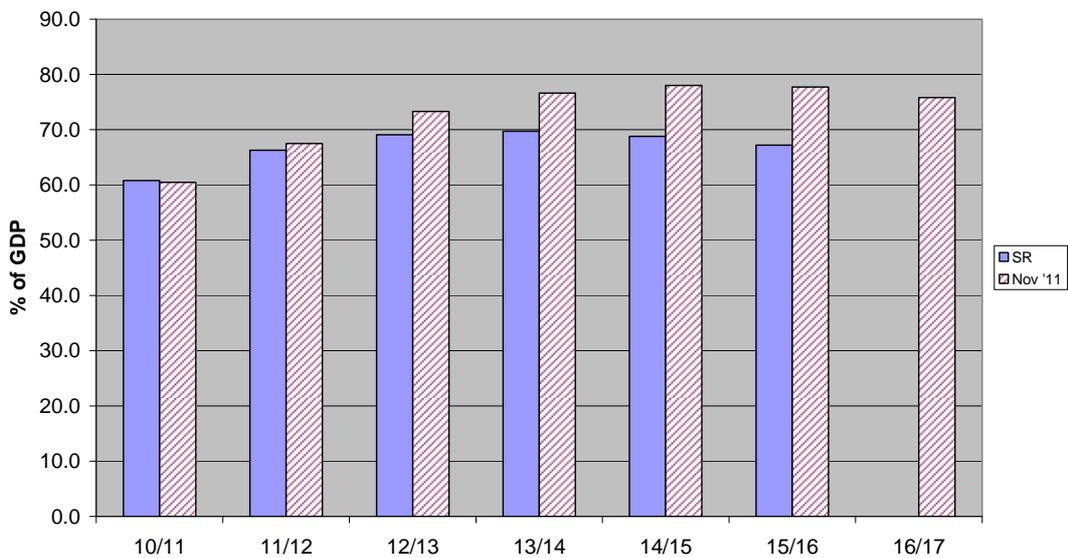
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1. Executive Summary

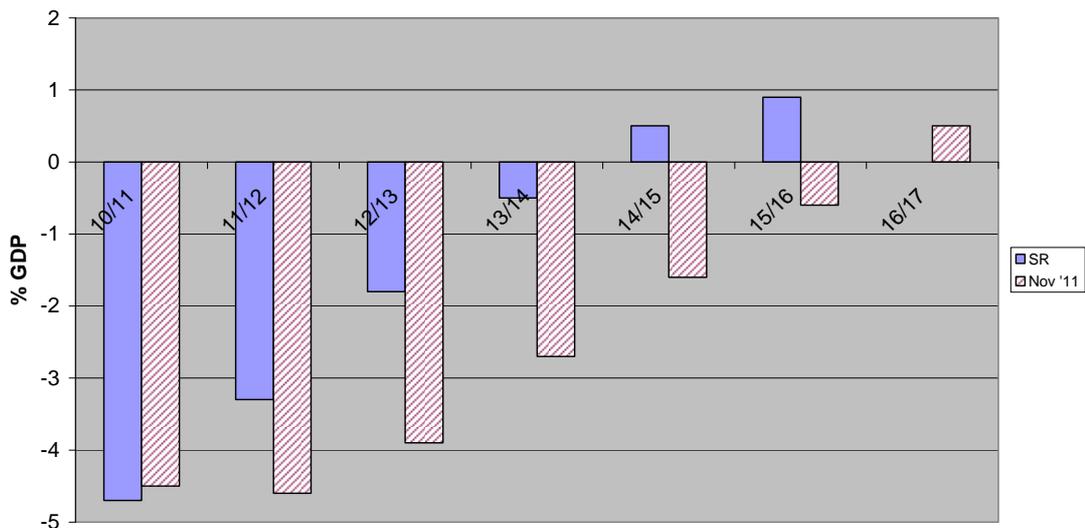
This document provides an update to the Council's Medium Term Financial Strategy (MTFS). This summary seeks to update the overall economic background within which this MTFS is produced and draw out the major changes since the last MTFS update. In particular it continues to focus on the Administration's targeted low or 0% Council Tax increases.

At the last spending review (SR 2010), the Government set itself targets of achieving a cyclically-adjusted current budget balance in 2015–16 and of seeing public sector net debt fall between 2014–15 and 2015–16. In order to achieve these targets, the Government announced a package of reductions in public spending totalling £81bn. The charts below show the latest forecast for these targets. Whilst net debt is expected to begin falling between 2014/15 and 2015/16 as per the target, it is at a higher level overall. The current budget is not now expected to be in surplus until 2016/17, 2 years later than originally planned.

Forecast Public Sector Net Debt as % of GDP



Forecast Cyclically Adjusted Current Budget Balance as % GDP



Key: SR = spending review figures produced in October 2010.
Nov 11 = latest projection from Office for Budget Responsibility.

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The direct impact on Richmond will continue to come mainly through the Local Government Finance Settlement and the consequent reductions in grant funding. The Government has announced that it intends to continue to reduce public sector spending for at least 2 years beyond the current spending review (i.e. in 2015/16 and 2016/17). Any cuts for Local Government will be on top of the 26% reduction in funding for Local Government over 2011/12-2014/15. All of the Council's plans are set against this backdrop of reducing resources but will also seek to take advantage of short term measures to help local people including Council Freeze Grant allocations.

1.1 Key Objective of the MTFS

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

In pursuing this aim, the Council will:

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

1.2 Implementing the Strategy and Key Changes

In order to achieve its aims the Council has; continued to implement savings plans agreed last year; implemented significant change to its procurement process; proposed a number of further changes and efficiencies linked to repositioning the Council as a "Commissioning Council" and generally sought to reduce its costs where possible. The Council continues to believe it will be necessary to identify further savings if it is to sustain its Council Tax aims in the medium term, particularly with the spectre of further very difficult local government finance settlements until at least 2016/17.

This plan demonstrates that the current plans will enable the achievement of the promised 0% Council Tax for 2012/13 and go some way towards achieving zero increases in 2013/14 and 2014/15. Later years are significantly more difficult to project but the possibility of Council Tax Freeze Grant dropping out in 2015/16 and further general grant reductions mean that significant further changes in the way the Council runs and procures services are likely to be needed if the aim of low Council Tax increases is to be sustained into the future.

The key financial figures and changes to the strategy are:

- A council tax rise of 0% in 2012/13, and a realistic possibility of achieving a similarly low rise in 2013/14 and 2014/15 if Government funding is not significantly further reduced in those years and dependent on the final level of savings achieved
- Additional savings/efficiencies/income generation proposals identified of over £14m in the next three years.
- Assumes the funding of a significantly increased capital programme particularly for schools, sixth forms, highways, pavements and parks.
- Zero salary inflation expectations for 2012/13 and 1% increases 2013/14 and 2014/15.
- Continuing, but relatively low, growth pressures in adults and children's social care in particular.
- Relatively small further decreases in Government grants after 2012/13 but the position is very unclear, particularly when allied to the expected change in the overall local government funding system in 2013/14.

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- Continued short term investment opportunities, particularly aimed at reducing the long term costs of the increased capital programme.

Achieving the targets will not be easy, given the pressure on public finances and the scale of change required. The Council will continue to need to ensure that the following targets are achieved (*existing achievements in italics*):

1	All spending is managed within the overall agreed budget <i>In 2011/12 the Council expects to underspend by approximately £3.4m (2.3% of net budget)</i>
2	That the headcount of the Council is reduced <i>The budgeted headcount has reduced by 273 FTEs since 2010/11.</i>
3	That the move towards a Commissioning Council yields real savings whilst achieving excellent service standards <i>Budget requirement reduced in cash and real terms, major service standards maintained</i>
4	That the Capital Programme is set at a prudent, affordable level to achieve the Council's priorities <i>Costs of expanding capital programme are contained within overall targeted Council Tax levels. New schemes include 6th forms, further school places etc.</i>

2. National funding context and the Local Government Finance Settlement

- 2.1 The Government carried out a comprehensive spending review in 2010 and identified significant public sector spending reductions to be implemented by 2014/15. Since then the international economic position has worsened, particularly in our main trading partners in the Eurozone, and economic growth projections have been reduced. Partly in response to this, the Government has announced that public spending will need to be further reduced in 2015/16 and 2016/17.
- 2.2 Although the Council has details of the expected reductions in funding for 2012/13, there are no details available for later years. Particularly when this is combined with a change in the system for financing local government (to be introduced for 2013/14) future projections are, at best, speculative.
- 2.3 The 2012/13 settlement for Richmond was as expected with the headlines being summarised as follows:
- Further reduction in Formula Grant of 10.4% in 2012/13 bringing the total loss in general grant across 2011/12 and 2012/13 to £8.6m.
 - A further new one-off Council Tax Freeze Grant of £2.9m (this is in addition to the grant for 2011/12 which continues until 2014/15).
 - £1.7m PCT funding to be spent on areas of joint benefits to social care and health is promised as ongoing to at least 2014/15.

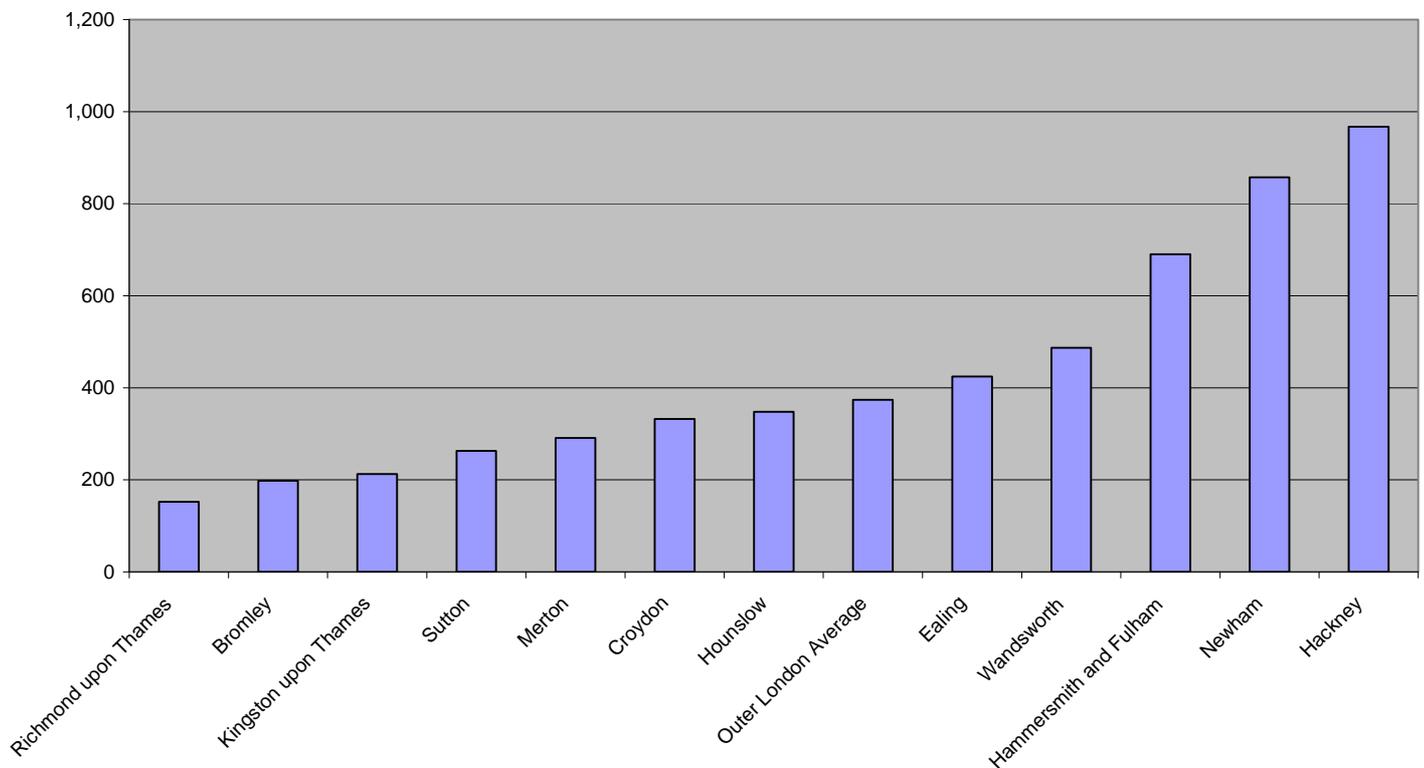
The Council has been portrayed as doing relatively well out of the settlement in some parts of the media due to the use of the government's new "spending power" measure. This shows that the Council's spending power is reduced by just 1.6% in 2012/13 following these grant changes. The details behind this analysis are covered in the 2012/13 budget report to Cabinet in February. In brief, given that the Council gets relatively little funding from the Government it is inevitable that a reduction in such grants has a relatively lower impact on Richmond than those who receive higher levels of Government funding.

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- 2.4 The Amount of Formula Grant to be received by the borough equates to £152.41 per head of population. This is the lowest amount of funding per head in London and 3rd lowest nationally amongst Unitary Authorities. The chart below shows comparisons with a selection of London Boroughs and the outer London borough average. The next lowest funded London Borough, Bromley, receives over £45 per head more than Richmond. Funding at this level for Richmond would yield an additional £9m in grant which would allow a reduction of 7.8% in the Richmond element of the Council Tax. **Funding at the Outer London average level (£374.02 per head) would yield an additional £43.8m in grant, enough to reduce Council Tax by approximately 38%.**

To understand how this difference impacts on local people it is worth drawing out that the average earner, such as a teacher or a nurse, occupying a Band D property in Richmond pays £1,287 compared to the Inner London average of £841 i.e. some £446 (53%) more despite the level of net Council spending per head in Richmond being well below the average net spending per head in these Boroughs.

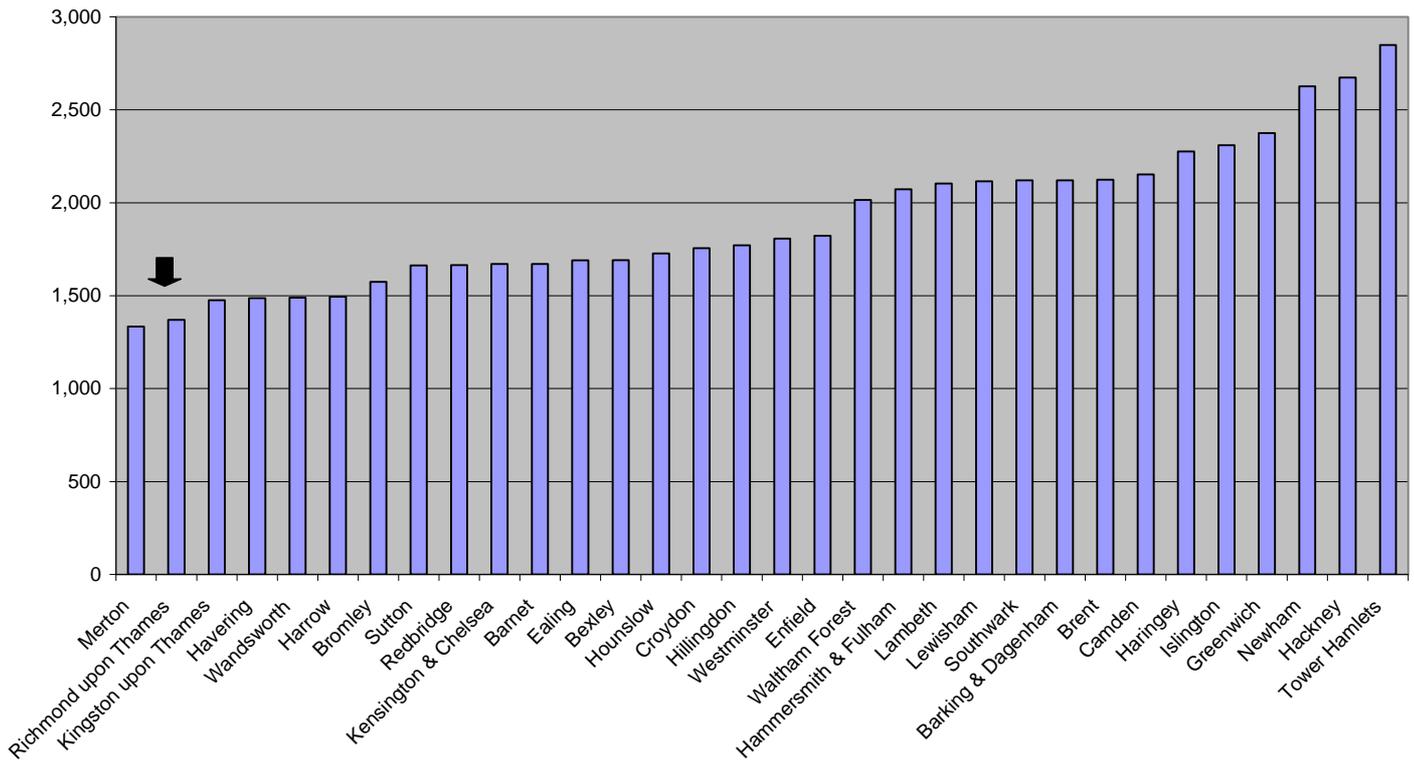
Formula Grant / head 2012/13



- 2.5 After the direct funding of schools through DSG is allowed for, Richmond's support from Revenue Grant and Business rates makes up around 20% of the remaining budget requirement - compared to a national average of nearer 50% reflecting the twin impact of the low level of grant implied by the Government's formula and the relatively high Council Tax base.
- 2.6 Local authorities are currently facing significant and unavoidable spending pressures, which will continue into future years. These include the escalating costs of pensions, waste disposal, social care, any knock on effects of NHS funding issues, increasing energy charges, and potential grant fluctuations as a result of demographic changes.
- 2.7 The Council has a long history of being a relatively low spender per head of population. The latest data available from CIPFA (2009/10 actuals) shows Richmond as the second lowest spender per head in London (see chart below).

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Service expenditure per head 2009/10



- 2.8 Members' views are informed through a variety of mechanisms including the budget and the All in One consultation. Reports from the budget consultation process for 2012/13 have been circulated to Cabinet and are available on-line at www.richmond.gov.uk (under the consultation pages). Other consultations have been carried out on major budget proposals and have been reported to the relevant Overview and Scrutiny Committee.

3. Budget reductions

- 3.1 The 2011 update to the MTFs identified that the Council needed to target £28-£33m of savings over a 4 year period if it wanted to achieve between 0-2% Council tax increases over this period. It concluded that £13m had been identified and a strategy was in place for the development of proposals to fill the £15-£20m "gap". Broadly, the overall target has reduced slightly but remains in a similar range, however, the Council has now developed proposals for a further £11m of efficiencies/savings/income generation.
- 3.2 The table in paragraph 7 identifies that the current estimate is that a further £5-6m is required to deliver a 0% Council Tax increase for 2013/14 and 2014/15. Two important caveats should be added to these projections:
- They assume relatively low levels of Government funding reductions for those years.
 - They do not look at the years beyond, when we know that there is a risk of further general funding cuts and that there are no promises in relation to Council Tax Freeze grant or PCT Social Care Funding.

The likely implication being that further savings will continue to be required beyond 2014/15.

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

- 4.1 In November 2010 Cabinet agreed a new strategic vision for the Council as a commissioning organisation with a reduced role in the direct delivery of services, an increased commissioning role, building community capacity and working closely with partners to deliver services that truly meet local needs. The rationale for doing this is driven by the financial context and a local and national commitment to devolution of decision-making to a community level.

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- 4.2 The priority for the Council is increasingly to secure the most effective, efficient and highest quality services for residents by appropriately commissioning them. This might be traditional outsourcing to the private sector, establishing shared services with other local authorities, developing internal providers into commissioned services, or contracting voluntary sector providers or social enterprises to deliver services on behalf of the Council.

In order to become an effective Commissioning Council we are working on a change programme comprising three elements:

- **the commissioning model** which will be a key aspect of how the council will operate
- **what the Council itself looks like organisationally and**
- **our relationships with other organisations and the community**

4.3 Developing the Commissioning model

Commissioning in Richmond upon Thames is a process that assesses needs, identifies gaps, prioritises these and secures services to achieve the best outcomes for residents within available resources. It also involves managing and monitoring the delivery of these services.

The Council already spends around £100m with external providers. Our new strategic direction means that we will be commissioning more. To ensure services are both high quality and value for money, we will need to ensure that the commissioning process is consistent across the different service areas. Therefore, we have developed a commissioning model which will guide us in how we approach commissioning and the tools, techniques, systems and processes we use to do so.

4.4 Designing the Commissioning Council

Ultimately, the Council will be significantly smaller than it is now, as services which are currently provided internally will be provided by a range of other organisations. We therefore recognise that the Commissioning Council must itself be designed in such a way that it is governed, resourced and organised to deliver the Commissioning Model.

The key functions of the Council which are being considered in this design work are:

- governance and decision making
- member role
- organisational design including structure, functions and resources
- officer roles, skills and competencies
- customer interface.

4.5 Shaping the Council's role as community leader and through partnership working

- 4.5.1 Partnership working will become more important as we move towards becoming the Commissioning Council, and some of our strategic and operational partnerships must change as more of our services are delivered externally. Our intention is to focus more on the way we commission and deliver collaboratively, be that through jointly procuring services or through shared service arrangements. As additional services are provided externally, we are also mindful of how we will need to review the operational management arrangements we have for organisations providing services, as well as those which have a key role in the community.

- 4.5.2 The Council's critical financial partner is the PCT. In common with all other public sector organisations the PCT is facing intense financial pressures. A serious financial situation in NHS Croydon has resulted in a potential deficit of £25m in 2011/12 which will have an impact on NHS South West London and individual PCTs in the South West London cluster. Whilst NHS Richmond is on target to achieve a surplus of £5.6m, it may be required to make some in-year savings to contribute towards the overall South West London deficit. Looking forward, the PCT will be required to plan for a 1.5% surplus. The 2012/13 uplift in funding will be 2.9% (£8.2m) but to meet the 1.5% surplus target it has to implement a savings plan totalling £8.4m. Whilst the acute services budget position is stronger than in previous years, there are particular budget pressures relating to individual acute hospital trusts and also in mental health and learning disability services.

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4.5.3 Over and above the uplift, the PCT will receive £1.69m (£1.75m in 2011/12) non recurrent funding to support work that is beneficial to both social care and health. It is also now expected that funding at this level will continue until at least 2014/15. The guidance in respect of the funding focuses on work that supports reablement, quicker discharge from hospital and preventing hospital admissions. An example of this type of joint work is that the Council has agreed with the PCT that extra funding that has been released in 2010/11 will go to funding an enhancement of the multi-disciplinary teams dealing with patients at the point of discharge from hospital and also helping to avoid unnecessary re-admission to hospital. The Council aims to work with the health sector to reduce the impact of demand and thereby bring longer term benefits to health and social care budgets by 2014/15.

With the major changes underway in the NHS the impact on the borough remains uncertain. However, close working relationships are being maintained at a local and regional level.

4.5.4 In accordance with the Cabinet's in principle decision taken on 10th March 2010, the Grants to Voluntary Organisations budget will be transferred into commissioning budgets. This process has already started with £190,000 being transferred to Children's Services for 2011/12. By the end of 2012/13 all of the existing grants budget will be allocated to commissioned services, apart from approximately £100,000 which will be distributed as grants via the Civic Pride Fund.

4.5.5 London Councils have reviewed and reduced the pan London grants subscription which has resulted in savings of £277,000 in 2012/13. From this budget, a contingency amount of £80,000 is being retained to allow for additional support to the voluntary sector as required. In addition funding will be carried forward as a contingency to cover potential support required by the sector related to property and change management.

5 Capital Programme

5.1 A review of the capital element of the MTFs and the Capital Programme for 2012/13 to 2016/17 was begun by Overview and Scrutiny Committee in November 2011 and the final programme was approved by Cabinet in January 2012. This Capital Programme totals around £143m during the 5 year period. Education projects (70% of the total programme over the next 5 years) continue to dominate the programme. This reflects the resources being provided by Central Government for the redevelopment of secondary schools through the Academies programme (£27m) on top of the Council's own investment plans for primary and secondary school places and the development of sixth forms (£64m). It is expected that this programme will now bring the number of extra primary school places up to 2,850 and provide a minimum of 750 secondary school places. It will also provide sixth form places rising over time towards 1,000 in total. The programme was expanded to specifically accommodate the purchase of a site for a secondary school and the delivery of sixth forms in all Borough secondary schools.

5.2 The table below shows some of the key capital financing expectations for forthcoming years. Internal financing through capital receipts or the use of reserves has been increased but forms a diminishing element of financing over the next three years and as new capital receipts are expected to be very limited during the current economic downturn. Capital grants are key to the programme reflecting Central Government investment in Education projects. However, there is still considerable uncertainty over the actual level of grant funding that will be received. The funding gap for the programme is increasingly taken up by borrowing as time goes on. The increase in borrowing costs will be spread over a number of years as the Council will run down its internal cash holdings in the short term (see commentary in capital programme reports) which will help to limit its impact on Council Tax. The long term expected increase in borrowing nevertheless remains significant. Given the overall revenue projections it is clear that the Council will need to review its commitments for the future carefully to ensure they are affordable.

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	2012/13 £000s	2013/14 £000s	2014/15 £000s	2015/16 £000s	2016/17 £000s
Total Capital Expenditure	62,063	46,999	20,508	7,139	6,139
Capital expenditure to be funded from revenue budgets, reserves and capital receipts	12,593	8,300	7,090	2,650	917
Capital expenditure to be funded from grants and contributions	32,688	10,526	4,885	3,858	3,858
Capital expenditure to be funded from borrowing (internal / external)	16,782	28,173	8,533	631	1,364
Estimated Debt Outstanding (Internal / External) at 31 st March	62.630	90.803	99.336	99.967	101.331

5.3 The current level of outstanding borrowing is £40.848m. The MTFS allows for increases of £3.2 in debt servicing costs over the next 5 years. Of this amount, £2.1m relates to the Education Programme with the remaining £1.1m relating to all other aspects of the programme.

6. Key Risks/Opportunities

6.1 The Council faces a range of risks which can potentially have a serious impact on its financial position. Set against these are a number opportunities which may benefit the Council. The major identified risks are considered in more detail in Annex 3 and some of the key risks and opportunities are set out below:

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

6.2 Opportunities through changing the way services are provided or increasing income are covered in detailed service plans for each service. The Council is continually seeking to work with its major partners and, where possible, with other authorities to maximise the use of combined resources.

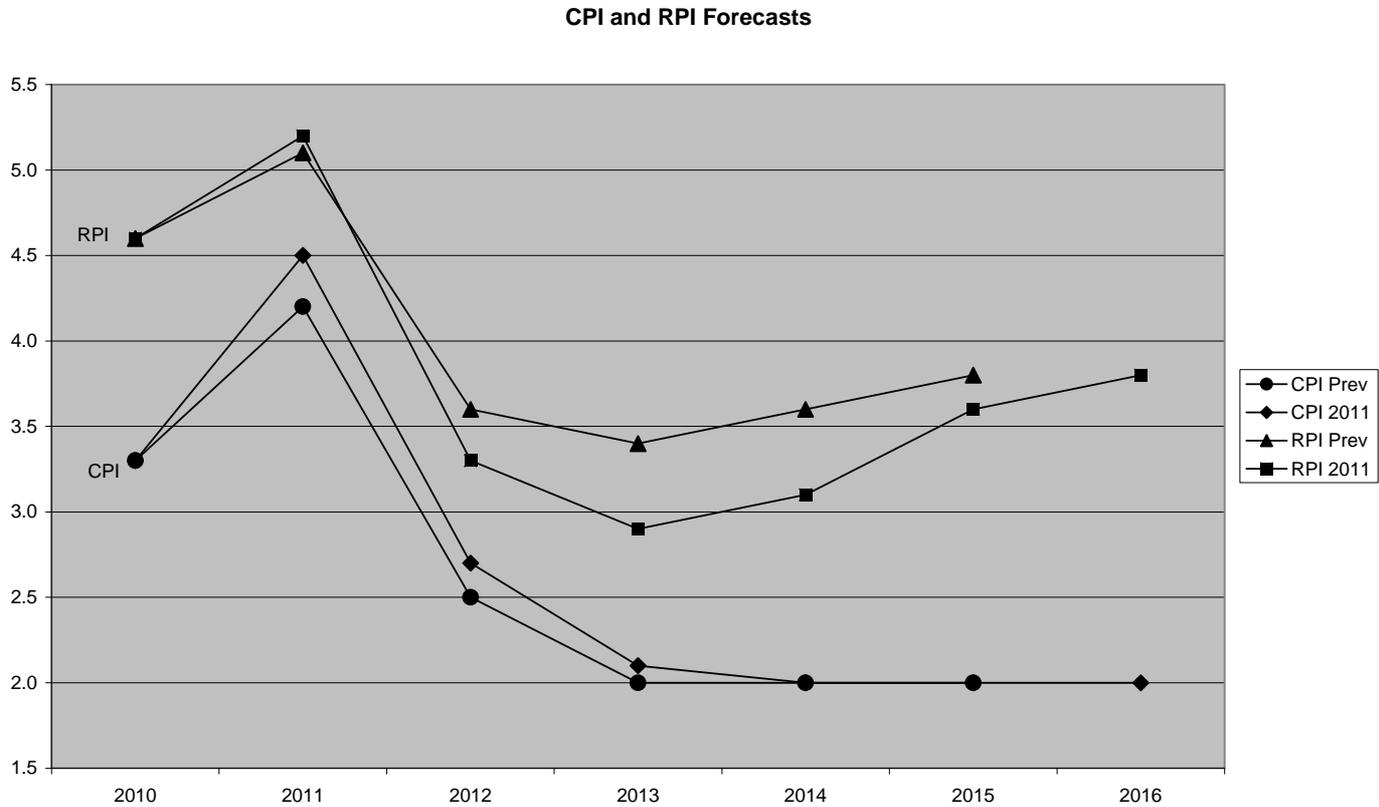
6.3 The revenue investment priorities and planned efficiencies have been set out in more detail in each of the budget review reports considered by individual Overview and Scrutiny Committees. Allowance has also been made in the current budgeting assumptions for the major capital investment plans. More details on this position have been set out in the revised capital programme.

6.4 The programme identifies that the Council will become more reliant on borrowing and Government grants to support its capital expenditure. The revenue programme reflects the expected loss of investment income/cost of borrowing as this position develops but this will clearly mean that the Council will become more vulnerable to Government restrictions on borrowing / changes in borrowing regulations in the future. In particular, under the current revenue grant regime, it is clear that the Council is receiving no additional government support for new borrowing allocations i.e. the whole cost of any new borrowing

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will fall on Borough taxpayers. Hence the level of future capital expenditure must be considered uncertain at this time.

- 6.5 The Council's inflationary pressures are very uncertain in the medium term. The chart below shows the latest OBR forecasts for CPI and RPI together with the previous forecast for comparison purposes.



Forecasts for both indices are currently above previous expectations. The expectation is that CPI will stabilize at the Government's target rate of 2% by 2014 but that RPI will remain higher. The OBR report states that it expects RPI to be around 1.4% higher than CPI over the long term, mainly due to the impact of house prices. This may be important for the Council as pay awards and some contracts tend to be pegged to the RPI whereas Government funding uses CPI. To give a feel for what effect different elements of expenditure can have on the Council's budget:

- A 1% increase or decrease in the pay award equates to approximately £700k or 0.6% of Council Tax
- Each additional £1m of revenue expenditure equates to a rise in Council Tax of approximately 0.9%.
- To reduce Council tax by 1% requires savings of approximately £1.1 -£1.2m.
- Borrowing of £1m over a 25year period adds approximately £80k per annum to the Council's expenditure.

- 6.6 The Council maintains a number of reserves and balances aimed at both protecting against financial risks and providing opportunities for targeted investment. The overall position is reviewed in Annex 4 of this document.

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7. **Conclusion/Forward financial strategy**

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

	2012/13 £000	2013/14 £000	2014/15 £000
Opening Base Budget (previous year)	145,956	146,467	147,667
Inflation and associated increases	2,387	3,951	4,113
Government/Outside body led growth	1,789	608	719
Demand led growth	1,300	760	610
Investment priorities	754	-1,422	460
Efficiency proposals / income generation	-8,344	-3,071	-3,234
Other growth and savings	2,625	374	258
LBRUT Budget Requirement	146,467	147,667	150,593
Formula Grant (assumes nominal £1m loss in last 2 years)	-30,112	-29,112	-28,112
Collection Fund	-500	-250	-250
LBRUT CTAX Requirement	115,855	118,305	122,231
CTAX Base	89,992.04	90,192.04	90,392.04
CTAX Richmond Element	1,287.39	1,311.70	1,352.23
Further savings to achieve Council Tax aims - Ctax @ 0%	0	2,192	3,672

7.2 The figures in the model above have been set at the prudent end of our expectations although not at the worst case scenario. As it stands, the figures imply savings still to be identified of approximately £5-6m assuming 0% Council Tax increases. Two key points to note against this are that the model shows figures for only 3 years and the initial projections for 2015/16 show that savings of up to £10m may be required if Council Tax freeze grant ends in this year and inflation (including pay) reverts to nearer normal long term levels. Given these circumstances, the uncertainty surrounding a number of assumptions and the Council's continued desire to drive best value from every pound of taxpayers' money that it spends, the Council's financial strategy, whilst remaining broadly on track at this stage, needs to continue to build in flexibility to deal with the uncertain longer term position.

7.3 By taking early action in relation to efficiencies and budget reviews, the Council has positioned itself to achieve its savings targets and allow some leeway to both deal with unexpected demands and provide investment in priority areas. The plans for the current year therefore, once again, allow for support to investment in highways and pavement repairs, and direct funding to support capital works on parks, Twickenham Riverside and sixth forms. Additional support is also being made available for social care initiatives that improve the health and well being of our community through a £500k one off package of

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measures including increased funding for Disabled Facilities Grants, Coldbusters grants and Stay Warm initiatives.

- 7.4 With roads and pavements being consistently amongst the highest concerns of residents in the All in One survey, allowance is also being made for this additional investment to continue beyond 2012/13 and for an element of the works to be directly prioritised by local residents.

7.5 Sensitivity analysis of projections

- 7.6 In any assessment of the future position of the Council, it is important to understand the main financial drivers which influence overall expenditure and the risks associated with them. The table below shows a high level breakdown of Council expenditure and income.

Description	£000	%
Employee Costs	69,406	22.8
Premises Costs	13,748	4.5
Transport Costs	10,276	3.4
Supplies and Services Costs	21,168	7.0
Third Party Payments*	94,314	31.1
Transfer Payments (inc. HB Payments)	82,752	27.2
Treasury	3,779	1.2
Central Items	8,454	2.8
	303,897	100.0
Funded by:		
Income from fees, charges etc.	-60,967	20.1
Housing Benefit Subsidy	-72,284	23.8
Government Grant		
Formula Grant	-30,112	9.9
Other Specific Grants	-24,679	8.1
Council Tax	-115,855	38.1
	-303,897	100.0

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

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

- 7.7 The budgeted impact of inflation in 2012/13 is considerably lower than in “normal” years. This is primarily due to expected zero per cent pay awards and the pressure on suppliers to keep costs low. To put inflation in context, a 1% increase in staff costs equates to £0.7m and a 1% increase in other costs equates to £1.6m (excluding housing benefit payments). The model assumes that the budgetary effect of general inflation is held low over the next 3 years and before reverting to a more normal long term trend of around 2.5%.
- 7.8 There has been consistent pressure on “demand led” budgets over the years reflecting the impact of demographic changes including a growing population, increasing numbers of school children, increasing numbers of elderly and children requiring care. The MTFs assumes that these pressures will continue into the future although they will be ameliorated to some extent by efficiency measures being undertaken. Although the exact impact of this cannot be known, there is a significant underlying risk related to the level of care that may be required as well as numbers of clients. The Council currently spends approximately £47m on the provision of care for all client groups so a 1% increase in costs or client numbers would cost just under £0.5m. This expenditure is mostly included in the Third Party Costs figure in the table.
- 7.9 Most major service contracts usually have an annual uplift linked to a specific measure of inflation. There is a risk that the use of a particular measure may lead to volatility in costs which is out of step with other areas of Council expenditure. For example, the November 11 figure for RPI is 5.2% and for CPI is

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4.8%. In addition, the updates normally relate to a specific month and this can have a significant impact on cost particularly in volatile economic conditions.

- 7.10 The Council generates income from a number of key sources (e.g. planning fees, building control fees, parking charges) which are subject to fluctuation in difficult economic times. These and other income streams support large expenditure budgets which do not reduce in the same way as the income budgets thus putting pressure on the overall budget. Although income might be expected to stabilize in the future, there will remain the underlying risk of shortfalls. The Council currently budgets to collect around £61m in fees and charges. The principles for reviewing charges were agreed in Cabinet reports in January and May 2011.
- 7.11 The final variable is the level of Government support for services. This comes to the Council in a variety of ways e.g. Formula Grant, Specific grants and non ring fenced grants and, as discussed earlier, will be under severe pressure for the foreseeable future as the Government takes steps to reduce the public sector deficit. Government Grants of all sorts currently total £54.8m so each 1% fall costs the Council £0.548m.
- 7.12 To summarise, a 1% change in each of the factors above would lead to a change in costs of around £4.0m which equates £44.45 or 3.5% of the Council Tax. This clearly illustrates the potential impact of the volatile risk factors underlying the budget.
- 7.13 The current strategy is intended to maintain financial stability into the medium term. On current assumptions, as shown above, achieving savings of around £19m in the next 3 years would enable the Council to achieve or come close to achieving a zero % Council Tax rise. Each additional 1% reduction in Council Tax requires additional budget reductions of around £1.1m-£1.2m.

8. Key Actions in the next 6months

- 8.1 The following summarises the key actions and reports that will impact on the Council's budgetary position in the next 6 months:
- Revenue and Capital outturn reports (May)
 - Q1 monitoring report for 2012/13 (July)
 - Implementation of all savings programmes agreed for 2012/13
 - Continued implementation of new procurement processes and strategy
 - Update on Commissioning Strategy
 - Performance monitoring reports
 - Final outturn report 2011/12 and reserves and balances review
 - Development of implementation plan for Local Government finance review proposals
 - Development of implementation plan for "localisation" of council tax benefits
 - Impact analysis of Local Housing Allowance changes

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

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ANNEX 1

Directorate	Description	2012/13 £000	2013/14 £000	2014/15 £000
All	Base Budget	145,956	146,467	147,667
	<u>Inflation</u>			
All	Employees (Increments etc.)	103	1,064	1,095
All	Standard Inflation	2,284	2,887	3,018
		2,387	3,951	4,113
	<u>Government Grant Changes</u>			
	Grants that have transferred into Formula Grant	2,874	0	0
All	Grants that have ended/reduced	270	117	125
All	Increases in Grants	-1,009	0	0
All	New Home Bonus	-1,117	0	0
All	Council Tax Freeze Grant 2012/13	-2,889	0	0
		-1,871	117	125
	<u>Impact of Outside Body / Grant Changes</u>			
ACS	Concessionary Fares	307	351	376
ACS	Reduction in Grants Unit Levy	-277	0	0
FCS	Levies	0	100	100
CI	WLWA Contingency	-1,503	0	78
CI	Council Tax Freeze Grant to Reserves	2,896	0	0
All	Increases as a Result of Grant Changes	2,026	0	0
All	Other	211	40	40
		3,660	491	594
	<u>Demand Led Growth</u>			
ACS	Care Services for Older People / LD	500	400	150
ECCS	Looked After Children / SEN	500	500	500
All	Other	300	-140	-40
		1,300	760	610
	<u>Investment Priorities</u>			
	Treasury (Changes to the Capital Programme)	419	1,142	1,460
CI	Reversal of 2011/12 One Off Projects	-3,250	0	0
CI	One Off Projects 2012/13	3,564	-2,564	-1,000
CI	Other Investment Priorities	21	0	0
		754	-1,422	460
	<u>Efficiencies / Income Generation</u>			
ACS	Admin Business Case	-150	0	0
ACS	Supporting People Review	-200	-200	0
ECCS	Street Cleansing Contract	-500	0	0
ENV	Waste & Recycling Contract	-200	0	0
ENV	London permits	-150	0	0
All	Savings Made re Grant Cuts	-434	0	0
All	Efficiency Projects / Savings	-4,096	-2,290	-3,095
ECCS	Children's Services Review	-800	**	**
All	Income Generation Schemes	-578	-331	-139
ENV	Environment Staffing reviews	-500	-200	0
All	Reduction in Supplies Budgets	-359	0	0
All	Other Efficiencies	-377	-50	0
		-8,344	-3,071	-3,234

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<u>Other Growth and Savings</u>				
FCS	Local Election	0	0	300
CI	Treasury (Effect of Interest Rate Changes)	80	-126	-92
ENV	Parking Contract / Income	1,400	**	0
ENV	Trade Refuse Income	500	0	0
All	Reduced Use of General Reserve	250	250	0
All	Other	395	250	50
		2,625	374	258
Final LBR Budget Requirement		146,467	147,667	150,593

** Further details are being developed in these areas but it is likely that they will lead to the identification of additional budget reductions.

Acronyms used

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

Significant Known/Committed Cost Pressures

Inflation

Details of items included in the inflation figure are set out below. In 2012/13, most commentators are predicting inflation to remain above the Bank of England's target rate. However the real impact on Council budgets is expected to be managed by low pay awards and negotiations with contractors/inflation being compensated by savings. Longer term inflation rates remain difficult to predict. The assumptions built in below draw on a number of sources including HM treasury projections.

Inflation – Salaries and General Prices

This needs to allow for the projected pay award in 2012/13, incremental progression on salaries and general price inflation. The Local Government pay award is not yet known but it is expected to be very low or nil. A number of political statements have been made in relation to public sector pay restraint. The projections in the MTFS allow for a potential 0% increase in salaries in 2012/13. 0% is also allowed in 2012/13 for most other expenditure - although specific work will be carried out in significant areas of the budget where inflation rates may vary significantly from the standard. The cost of increments is calculated on an individual basis. Salaries are assumed to increase by 1% in 2013/14 and 2014/15 in line with Government statements on public sector pay. Non-staffing costs are assumed to increase by 2.5% from 2012/13.

Inflation – Energy

Energy costs continue to be very difficult to predict with events overseas and currency values having an impact as well as changes in demand. These estimates assume continued increases in prices of an average of 10% per annum.

Inflation - Pensions

The latest triennial valuation of the Council's fund was completed in 2010. No new increase in pensions contributions is included for the life of this MTFS. Final agreement on scheme changes has yet to be reached between the Government and public sector unions. However, there is an expectation that changes such as increased employee contribution rates and moving to career average based benefits will help to keep employer contribution rates down. Set against this is the impact of the financial crisis on investment returns which may adversely affect the next valuation and put upward pressure on contribution rates.

Inflation – Contracts

The Council has a significant level of outsourced services run under contract with the private sector. Most of these contracts have either specific inflation indices built into them (often RPI linked or industry specific) or require renegotiation on an annual basis such as social care spot purchases. The MTFS figures assume a return to inflation of 2.5% beyond 2012/13.

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

Capital Financing Costs / Investment Income

The Council still has a significant capital programme and, although much is funded through Government Grant, the current plans would still see an increase in borrowing of £55m over the next 5 years. This, combined with continuing low rates of interest from a declining level of investments, is built into the forward strategy but is subject to review for affordability on an annual basis.

Adult Social Services growth and efficiency measures

The restructure and modernisation of these services has continued to yield both performance and efficiency gains. The continued work on implementing Self Directed Support and the introduction of reablement services are aimed at continuing to make our services more efficient and effective. Reablement efficiencies are now being realised and this is recognised in lower projected growth beyond 2012/13. However demand pressures

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are forecast to remain for the foreseeable future and managing this area of spend is a key risk for the Council and its health partners.

Primary School expansion and Secondary School / Sixth Form investment

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

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

Special Educational Needs / Social Care for Children

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

Waste Disposal Costs

The budgets in this area have previously allowed for both changes in the WLWA levy and for potential costs associated with Landfill Allowance Trading Scheme (LATS) penalties and or/the cost of developing recycling/alternative disposal methods. LATS penalties are now considered not to be a high risk and work on the procurement of new waste disposal options combined with a continuing increase in recycling rates mean that these budgets can be significantly reduced from this year. It is possible that the procurement of new waste disposal options will reduce budget expectations further. Separate reports will be made to Members on this issue.

Concessionary Fares

The plan currently allows for an increase of just over 7% in 2012/13 (a combination of fare and usage increases) and "real" increases of around 5% per annum thereafter.

Risks and Opportunities

Current economic climate

The current economic climate continues to present one of the most significant challenges to the Council with its impact on government funding, income streams and the local economy.

Inflation

This is discussed in some detail elsewhere in this report. There is a major risk to the Council that funding does not keep pace with actual price rises

Government Funding

Government funding has been announced only up to 2012/13. Beyond 2012/13 the MTFs models potential Formula grant losses of £1m p.a. It is likely that details for further years will be tied into changes in the overall system of Local Government Finance but is framed within a Government expectation that public sector funding will continue to decline for another 4 years. Dependent on the economy, it is also possible that there may be further opportunities to bid for capital funding in later years.

The Grant “floor”

Although the Council has suffered bigger losses through the reduction in the “floor” in the grant settlement than seemed likely 18 months ago, the “floor” mechanism still provides almost £11m (36%) more grant than the raw formula calculation. The removal/reduction of the floor presents an ongoing risk beyond 2012/13 as the existing grant mechanism remains in the background of the proposed new system (see below). Continuing press coverage identifies how boroughs such as Richmond, who rely less on Government funding, remain something of a “target” for those areas more reliant on Government funding support.

New Local Government Finance System

The Government has confirmed its intention to push ahead with a new funding mechanism that tries to link funding more closely to local business rates. Final details of the new system are still awaited but the Councils response to the draft proposals issued last year made clear its belief that those proposals offered little or no benefit to our local residents and potentially introduced new risks over which the Council would have limited influence. Further reports will be taken to members as details of the new system become clear.

Achievement of Savings Plans

The MTFs is modelled on the basis that the Council will achieve all the savings targets it sets in the timescales agreed. The focus of the plan is across all the next 3 years not just 2012/13. With a much higher savings programme and reducing staff numbers, the capacity to deliver such change represents a substantial challenge. This has been recognised in the risk work the Council has done and processes have been set up to ensure all the plans are closely monitored, that pump priming funding is available and that opportunities to work better/differently are fully explored.

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

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

Waste Disposal

The Council’s trade and domestic refuse is dealt with via a statutory body – West London Waste Authority (WLWA). Although this Council has a good record in terms of recycling, much of the waste generated is currently disposed of to landfill sites. The main risks to costs (and to some extent an opportunity for the Council) is the ability to, and the cost of, continuing to expand recycling and the costs of procuring alternatives to landfill for disposal.

Housing/Homelessness

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

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The Council is developing its housing strategy in response to these challenges and will initially use New Homes Bonus Grant to help manage any pressures in this area.

Investment Income/Capital Investment

The Council has a significant investment portfolio and a growing demand for borrowing. Therefore the revenue budget is more vulnerable to interest rate movements. The Council has taken an explicit decision to reduce the level of its investments as part of managing this risk in the short to medium term but expects the gap between investment and borrowing rates to narrow in the medium term.

Fees and Charges

The Council is reviewing all existing fees and charges to ensure that opportunities for new sources of finance are investigated in accordance with the Corporate Fees and Charges Policy. However, it should be noted that there are risks inherent in having large parts of the budget financed by potentially volatile income streams and these are particularly apparent in the current economic climate.

Pension Fund

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

NHS/PCT funding

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

Dedicated Schools Grant / Academies "Top Slice"

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

In addition there is no clarity over how much funding the Council will lose if / when schools become academies. At present the DSG funds some of the central support functions provided for schools and the concern is that the funding loss will far exceed the true costs or actual savings that Councils can achieve when a small number of their schools become academies. Discussions on this issue have continued at a national level with Government.

Looked after Children Budgets

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

Council Tax Benefit

The Government have announced that they will be devolving responsibility for Council Tax Benefits to local authorities in 2013/14 together with funding that will be reduced by 10%. The current cost of Council Tax Benefit is over £12m. This would mean that over the next year Councils will have to develop and consult on new local schemes, implement changes to Council Tax systems and billing systems and decide how to deal with the risks involved in managing the reduced funding. A separate programme team is being established by the Council to oversee this project and will report to Cabinet and Finance and Performance Overview and Scrutiny Committee.

Review of Revenue Reserves and Balances

In summary, the Council's reserves position as at 1st April 2011 was as follows:

	<u>£m</u>
Statutory reserves over which the Council has limited or no control	12.3
Non statutory but essential reserves	9.1
Discretionary reserves currently earmarked	20.7
General Fund	10.7
Total	52.8

The budget report for 2012/13 contains a full list of revenue reserves and balances with an analysis of expected changes in the current year which indicate that there is projected to be an overall reduction of around £4m by the end of 2011/12. This will be subject to further review alongside the final outturn figures and is projected to fall further in 2012/13 and 2013/14 as funds are applied to support priority investments.

It is extremely difficult to predict the future level of all reserves and some, such as insurance and pension reserves, involve year end calculations. For school balances in particular, projections provided by schools have proved unreliable in the past (overall schools balances have risen by 72% or £4m over the past 3 years). Included within these funds is some £21.8m (as at 1.4.11) which is held on behalf of other parties, for statutory purposes, linked to specific PFI payments or used for internal insurance purposes.

The remainder of the funds are largely held for specific purposes and have specific Cabinet Members responsible for them. In 2010/11 gross expenditure from reserves totalled almost £9m and for the current year this is expected to be around £12m.

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

The **General Fund Reserve** – by its nature, not earmarked for any specific purpose – is identified to protect the Council against unexpected fluctuations in its financial position/budget and to provide short term Council Tax protection against the impact of major changes in funding (Government Grant/Policy Changes). It now stands at £10.7m which is within the Council's agreed range and the plans continue to assume the use of some £0.75m to support Council Tax levels to 2012/13. Assuming no further contributions, this will reduce the reserve to £9.95m which will be around 6-7% of the net budget (excluding schools). Using the current policy of 5% being the minimum prudent level to hold general reserves, this will only allow very limited flexibility for further use in support of either one off initiatives or helping to manage future Council Tax increases. Such decisions will be taken alongside the detailed budget proposals for the Council each year.

The next largest discretionary fund that the Council has established is the **Invest to Save Fund** and stands at £6.2m. As well as funds identified for one off investment in highway/pavement repairs and changes to parking arrangements the remainder is held against the expectation of significant redundancy costs and the need to provide investment to support savings / efficiency initiatives.

The **School Infrastructure Fund** stood at £2.5m at the start of the year but is fully committed and expected to be largely exhausted next year.

The **Waste and Recycling Reserve** has been used (along with a significant element of the R&R Fund) to meet the costs associated with changes in waste collection and recycling. This is very much an "invest to save" initiative aimed at avoiding the increasing costs associated with Landfill Tax. Recent changes to levy calculations and assumptions on Landfill Tax penalties mean that this reserve can be reduced

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over the next two to three years as new procurement proposals for diverting waste from landfill are developed by the West London Waste Authority.

The **Repairs and Renewals fund** continues to be replenished in the current year, as repayments exceed expenditure. The final targeted level for this reserve needs to be reviewed alongside the long term proposals for the transport and waste vehicle fleet.

The **Project Development Reserve** is projected to reduce by the end of the current financial year. The majority of this reserve supports the development costs for the initial three academies and provides funding for essential upgrades and investments for IT systems and infrastructure.

Overall reserve position

Overall reserves and balances stood at £52.8 million at the end of the 2010/11 financial year and we currently project they will reduce to around £48m-£49m by the start of 2012/13.

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LONDON BOROUGH OF RICHMOND UPON THAMES

CABINET

DATE: 26 January 2012

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

TITLE OF DECISION: CAPITAL PROGRAMME 2012 / 13 – 2016 / 17

WARDS: ALL

KEY DECISION?: YES

IF YES, IN FORWARD PLAN?: YES

1. MATTER FOR CONSIDERATION

- 1.1 This report considers the five year capital programme (from 2012/13 to 2016/17), provides details of new capital schemes and looks at how the capital programme is funded.

2. RECOMMENDATIONS

- 2.1 That the schemes identified in Appendix A be approved for inclusion in the 2012/13 capital budget.
- 2.2 That Cabinet note the proposals in Appendix A for the financial years 2013 / 12 to 2016 / 17
- 2.3 That the overall capital budget for 2012/13 be RECOMMENDED to Council in February for approval as part of the overall financial strategy.
- 2.4 That the prudential indicators in Appendix B be recommended to Council in February for approval.

3. BACKGROUND

- 3.1 A review of the current capital programme was reported to the Finance and Performance Overview and Scrutiny Committee in November 2011. This report builds upon and reflects the main changes since that report.
- 3.2 The Capital Programme has been updated to reflect the current priorities of the Council. This includes extra provision of sixth form and secondary school places. The details of the proposals are contained in the November report.
- 3.3 The capital programme is financed from grants, capital receipts, revenue sources and borrowing. The November report expanded on the Council's use of 'internal' borrowing i.e. temporarily borrowing the money from the Council's

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cash reserves. Paragraph 5 below provides more information on this with a further more detailed analysis contained with the Treasury Strategy report going to February Cabinet.

4. CAPITAL BUDGETS

- 4.1 The report to November Overview & Scrutiny reviewed the existing 5 year programme from 2011/12 to 2015/16 and included new schemes in the current year. This report therefore also includes the revised 2011/12 budget as well as the new 5 year programme for consistency. **Appendix A** gives details of the programme and is summarised below:

	£m		
	Existing/ Committed	New	Total
Capital Budget 2011/12	61.2	6.0	67.2
Capital Budget 2012/13 to 2016/17	90.8	52.0	142.8
Total Budget 2011/12 to 2016/17	152.0	58.0	210.0

4.2 Existing & Committed Schemes

- 4.2.1 The total budget for existing and committed schemes over the six years is £152.0m (£128.4m existing schemes and £23.6m committed schemes). Approximately £93.9m relates to schools. This includes £52.2m on increasing the provision of primary places in the borough.
- 4.2.2 Included in the school related expenditure above is £39m for 2 academies which are fully funded by government grant. The 3rd Academy, Richmond Park, also has just under £10m funding from Government but this is not being managed by the Council and hence is not included in our budget.
- 4.2.3 £22.9m is allocated to Housing schemes with £14.2m to be spent on increasing provision of affordable housing and £8.7m on grants to improve existing private housing, including statutory grants given to install disabled facilities which allow residents to remain in their own homes.
- 4.2.4 There is also spend of £14.7m on maintenance of Council buildings, of which £6.8m relates to school buildings. These schemes will include resurfacing of car parks, replacement of boilers and similar works.

4.3 New Schemes

The November report to Finance and Performance Overview and Scrutiny Committee identified a potential increase in the programme of £51m to £60m.

4.3.1 School Places / Sixth Forms (up to £40m)

The capital programme review report that was considered at the Finance & Performance Overview and Scrutiny Committee details the proposals for

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increasing places in primary and secondary schools as well as proposals for sixth forms. In summary, the Council is committed to providing sufficient places to meet its requirements including sixth forms in all secondary schools maintained by the Authority and the proposal is that recruitment of sixth form students will be able to begin in 2013. Further details of proposals will be subject to separate reports to Cabinet during the year. The current estimated additional cost of these combined developments of up to £40m will be reviewed as the detailed reports provide more accurate costs.

4.3.2 Twickenham Riverside/Uplift Schemes (£10m)

The purpose of these schemes is to regenerate Whitton, Hampton North, Barnes, Mortlake and Ham as well as to contribute to the improvement of specific sites within the borough e.g. Twickenham Riverside. This involves new physical developments of buildings, public spaces and improved street scene. The objective is to uplift the area in appearance and the services and functions available. Separate reports will be submitted to Cabinet as each scheme is developed.

4.3.3 Potholes & Pavements (£5m)

The recent All in One consultation identified this area as a priority for local residents and businesses. This funding will be used to address maintenance issues along with the priorities identified in pavement and highways planning processes. A separate report will be submitted to Cabinet on the proposed detail of this and other schemes funded from one off revenue funds in February. Investment in this area will be further supplemented by funding from the revenue budget as will be detailed in the Council Tax report in February.

4.3.4 Parks Strategy (£3m)

The funding will be used to maintain the high standards of parks by improving facilities such as play and accessibility. Schemes will also develop potential new facilities, such as pavilions and enhancing horticultural aspects of parks. This work will be carried out by the Council in partnership with the borough's residents. Proposals for how this money will be invested will also be brought to Cabinet in February.

4.4 Key Expected Benefits

The benefits of the new schemes were fully discussed in the November report. The key benefits are:

- Approximately 1,000 sixth form places
- Up to an additional 750 secondary school places
- Up to an additional 2,850 primary schools places
- Up to 500 units of new affordable homes

The reports to February Cabinet on detailed schemes for Potholes & Pavements and Parks will also identify the expected key outcomes associated with the proposed schemes.

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5 FINANCING

5.1 The total budgeted spend on the capital programme over the next 6 years is £210.0m. The table below sets out a summary of the funding proposals:

	£m
Total capital budget 2011/12 to 2016/17	210.0
Funded from capital grants & contributions (incl S106)	-103.1
Funded from revenue grant (revenue funding)	-5.2
Funded from capital receipts	-25.2
Funding from earmarked reserves and revenue	-14.5
Balance to be Funded from Borrowing	62.0

5.2 The November report to Finance and Performance Overview and Scrutiny Committee identified a potential increase in borrowing of £28m to £41m based on the estimated increase in costs. Since this report there have been significant changes to the financing proposals. The main changes are identified below:

- The Government have announced revisions to the basic need and capital maintenance grant leading to an additional £7.7m being received by the Council.
- An additional £2.8m of likely Capital Receipts have been identified.
- Approximately £5.2m of New Homes Bonus Funding has been set aside to fund capital.
- Approximately £3.5m of Capitalisation of Revenue has been removed from future years of the programme following on from the review of spending priorities and the increase in revenue funding for the programme.
- As part of the work on updating the Medium Term Financial Strategy, a number of earmarked reserves have been reviewed and it is proposed that a further £5.3m be used to finance the programme as well as a further £2.9m of direct revenue funding.

5.3 These changes since the November report and other adjustments reduce the estimated new borrowing requirement by approximately £28m.

5.4 In previous budget planning assumptions, the costs of such borrowing would be reflected immediately in the relevant years revenue estimates. However, as explained in the November Overview and Scrutiny, the Council continues to hold cash balances on average in excess of £70m and the return on investments is expected to remain very low in the medium term.

5.5 Given a position where increasing council debt at a cost of 4.0-4.5% (12/13 assumed interest rate) when the Council holds such large cash balances earning only 0.7% whilst invested, the Council will pursue a policy of running down its cash reserves in the short term. Effectively this means the Council will be "internally borrowing" for a short period. However the cash reserves are there to support the revenue position and eventually the Council will need to borrow to support the Capital Programme. The overall impact of this move will be to:

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- Reduce investment risk
- Reduce short term net borrowing costs
- Delay external borrowing such that new borrowing is spread over a longer period than would otherwise be the case

5.6 The Prudential Indicators are designed in part to identify the expected overall increase in net borrowing costs and affordability of the overall programme. They show the impact of the proposed programme on revenue budgets and Council Tax to inform decision making on the affordability, sustainability and prudence of the proposals. This includes the impact on Council Tax of the new borrowing proposed based on the estimated timing and interest rates at that time.

5.7 The medium term impact will be reflected in the 3 year Medium Term Financial Strategy (MTFS) to be presented to Cabinet in February. This will show an increase in net borrowing costs (this reflects both expected interest rate movements and the changes in net investment/borrowing) of circa £1.1m over the 3 years included in the MTFS agreed in February 2011.

6. PRUDENTIAL BORROWING & CAPITAL RESOURCES

6.1 The Council is required to set Prudential Indicators to demonstrate it is exercising its power to borrow in a sustainable, affordable and prudent manner. These indicators and commentary are attached in Appendix B.

7. FINANCE AND EFFICIENCY IMPLICATIONS

7.1 The Treasury Management budget is impacted by the borrowing, project timing and cash flow decisions taken to support the capital programme as well as the projected changes in interest rates. The impact of the programme and these other changes over the next 3 years is projected to total £2.9m (the equivalent of £32.04 or 2.5% increase in the Band D Council Tax). This represents an increase of £1.1m (the equivalent of £12.97 or approximately 1.0% increase in the Band D Council Tax) when compared with the MTFS agreed in February 2011.

7.2 These increases assume a maximum level of internal borrowing of £28.0m to be repaid within 5 years (as reserves are committed over this period). The projected impact of every £1m of internal borrowing is to save the interest payable on an external loan (estimated at 4.5% for 12/13) but to reduce interest receivable on investments (estimated at 0.7% for 12/13).

8. PROCUREMENT IMPLICATIONS

The proposed Capital Programme will impact on procurement as the contracts for each scheme are let. This will be undertaken in line with corporate and legal requirements.

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9. LEGAL IMPLICATIONS

The Prudential Indicators in Appendix B are compliant with legislation and individual projects will be properly assessed to ensure any consultation, planning and contracting meets legal requirements.

10. CONSULTATION AND ENGAGEMENT

The review of the programme included changes to address issues raised in the All in One survey and other consultation exercise. Specific consultation will be undertaken on a project by project basis.

11. POLICY IMPLICATIONS / CONSIDERATIONS

The new demands identified in this report are all driven from the Council's key priorities and feedback received as part of consultation exercises.

12. RISK CONSIDERATION

12.1 The main risks to the Capital Programme are:

- The complete or partial loss (or delay in the receipt of) anticipated capital receipts, particularly given the current economic climate.
- Overspending against the agreed budgets.
- The over provision of secondary and sixth form places.

12.2 A more detailed risk assessment can be found in Appendix C, along with measures to mitigate these risks.

13. EQUALITY IMPACT CONSIDERATIONS

Capital works will be undertaken in line with all the relevant requirements including the Disability Discrimination Act. Many of the capital works undertaken will have a positive impact on improving access to services, supporting the vulnerable and disadvantaged in our community and generally improving the environment and services for all. Such schemes include expanding education place numbers, supporting affordable housing, improving pavements, improving parks, providing disabled facilities and cold busters grants etc.

14. ENVIRONMENTAL STATEMENT

Individual works will take account of Council priorities for the environment and sustainability.

15. BACKGROUND DOCUMENTS:

None

16. APPENDICES

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- A Capital Programme 2012/13 to 2016/17
- B Prudential Indicators
- C Risk Assessment
- D Capital Resources

17. CONTACTS

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APPENDIX A

Capital Programme 2011/12 - 2016/17	2011/12 £000	2012/13 £000	2013/14 £000	2014/15 £000	2015/16 £000	2016/17 £000	Total £000
1. Existing Programme							
Education, Children's and Cultural Services (ECCS)							
Devolved Formula Capital	306	258	258	258	258	258	1,596
Teddington (BSF)	775	217	-	-	-	-	992
Academies							
→ Hampton Academy	5,213	7,554	3,450	442	-	-	16,659
→ Richmond Park Academy	-	-	-	-	-	-	-
→ Twickenham Academy	6,916	11,536	3,218	728	-	-	22,398
Primary Places Phase 1&2							
→ Holy Trinity	520	121	-	-	-	-	641
→ St Mary's and St Peter's	3,162	1,159	127	-	-	-	4,448
→ Orleans Infant	997	19	-	-	-	-	1,016
→ Chase Bridge	3,516	1,981	-	-	-	-	5,497
→ Stanleys	2,555	4,025	696	-	-	-	7,276
→ St Stephen's	447	28	-	-	-	-	475
→ Collis	250	5	-	-	-	-	255
→ St Osmund's SFE	237	4	-	-	-	-	241
→ St Mary Magdalen's SFE	470	11	-	-	-	-	481
→ Buckingham Phase 1	370	12	-	-	-	-	382
→ Buckingham Phase 2	179	1,616	605	-	-	-	2,400
→ Sheen Mount SFE	637	-	-	-	-	-	637
→ Lowther Permanent Expansion	1,346	1,565	65	-	-	-	2,976
→ St John's Site for St Mary's Expansion	4,222	1,546	60	-	-	-	5,828
→ Nelson	-	-	200	-	-	-	200
→ Hampton Wick	307	5	-	-	-	-	312
General Planned Maintenance	2,510	866	866	866	866	866	6,840
Schemes Only in 2011/12							
Primary Places Phase 1&2 - 2011/12 Only	3,607	-	-	-	-	-	3,607
14-19 Diplomas, SEN & Disabilities - 2011/12 Only	5,432	-	-	-	-	-	5,432
Other ECCS Schemes in 2011/12 Only	3,245	-	-	-	-	-	3,245
ECCS Totals	47,219	32,528	9,545	2,294	1,124	1,124	93,834
Adult & Community Services (ACS)							
Housing							
→ Sherland Road	216	144	-	-	-	-	360
→ Lower Grove Road	216	144	-	-	-	-	360
→ Princes Road	72	48	-	-	-	-	120
→ Waldegrave Road	45	30	-	-	-	-	75
→ Lock Road	-	125	83	-	-	-	208
→ St. Margaret's Road	-	140	-	-	-	-	140
→ Elm Tree Road	480	320	-	-	-	-	800
→ Hanworth Road	480	320	-	-	-	-	800
→ Sponsored Moves	224	-	150	200	200	200	974
Other Housing Schemes - 2011/12 Only	2,362	-	-	-	-	-	2,362
Improvement Grants							
→ Disabled Facilities Grants (all residents except RHP)	705	705	705	705	705	705	4,230
→ Disabled Facilities Grants (RHP residents)	300	300	300	300	300	300	1,800
→ Disabled Facilities Grants (Children's)	100	100	100	100	100	100	600
→ Empty Property Grant	12	12	12	12	12	12	72
→ Houses in Multiple Occupation	9	9	9	9	9	9	54
→ Renovation grants - Landlords	30	30	30	30	30	30	180
→ Home Repair Assistance Grant	41	41	41	41	41	41	246
→ Coldbusters Home Repair Assistance Grant	142	142	142	142	142	142	852
→ Houseproud	6	6	6	6	6	6	36
→ SW London - Empty Property Grants	241	368	-	-	-	-	609
Other ACS Schemes - 2011/12 Only	1,054	-	-	-	-	-	1,054
New Bids - ACS	-	245	-	-	-	-	245
ACS Totals	6,735	3,229	1,578	1,545	1,545	1,545	16,177
ENVIRONMENT (ENV)							
Street Lighting	485	500	500	500	500	500	2,985
Parks Cyclical	220	150	150	150	150	150	970
Principal Road Restructure	208	140	140	140	140	140	908
General Planned Maintenance	2,500	1,080	1,080	1,080	1,080	1,080	7,900

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Capital Programme 2011/12 - 2016/17	2011/12 £000	2012/13 £000	2013/14 £000	2014/15 £000	2015/16 £000	2016/17 £000	Total £000
Other Environment Schemes - 2011/12 Only	2,060						2,060
ENV Totals	5,473	1,870	1,870	1,870	1,870	1,870	14,823
Finance & Corporate Services (FCS)							
Capitalisation of Revenue	700	-	-	-	-	-	700
Richmond Theatre	859	902	948	-	-	-	2,709
Other FCS Schemes - 2011/12 Only	167	-	-	-	-	-	167
FCS Totals	1,726	902	948	-	-	-	3,576
Total of Schemes in Existing Programme	61,153	38,529	13,941	5,709	4,539	4,539	128,410

2. Committed Schemes

<u>Primary Places Phase 3</u>							
Orleans Infant	-	1,377	723	-	-	-	2,100
St Stephen's Junior	-	1,515	770	-	-	-	2,285
Hampton Wick Infant	-	1,714	940	-	-	-	2,654
St John the Baptist Junior	-	139	1,497	199	-	-	1,835
Heathfield Infant and Junior	-	2,899	1,778	-	-	-	4,677
RC SFE	-	50	450	-	-	-	500
Clifden Primary	-	500	1,000	-	-	-	1,500
<u>Housing</u>							
Extensions to existing homes	-	750	-	-	-	-	750
Other Housing Schemes - Unallocated	-	990	4,300	2,000	-	-	7,290
Total of Committed Schemes	-	9,934	11,458	2,199	-	-	23,591

3. New Schemes

Secondary/SEN School Places & 6th Forms	up to 6,000	up to 8,000	up to 16,000	up to 9,000	up to 1,000	-	up to 40,000
Uplift Schemes/Twickenham Area Action Plan		4,000	4,000	2,000	-	-	10,000
Pot Holes & Pavements		1,000	1,000	1,000	1,000	1,000	5,000
Parks Strategy		600	600	600	600	600	3,000
Total of New Schemes	6,000	13,600	21,600	12,600	2,600	1,600	58,000
Total of All Schemes	67,153	62,063	46,999	20,508	7,139	6,139	210,001

Financed By:

Capital Grants	45,539	32,295	10,526	4,885	3,858	3,858	100,961
Section 106 Receipts/AHF	1,487	393	-	-	-	-	1,880
Contributions	260						260
Revenue Grants used as Direct Revenue Financing	642	917	917	917	917	917	5,227
Other Direct Revenue Financing	4,010	2,643	-	-	-	-	6,653
Earmarked Reserves	4,546	3,300	-	-	-	-	7,846
Application of Capital Receipts	4,213	5,733	7,383	6,173	1,733	-	25,235
Borrowing Requirement	6,456	16,782	28,173	8,533	631	1,364	61,939
	67,153	62,063	46,999	20,508	7,139	6,139	210,001

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Prudential Indicators

The Council is required to set Prudential Indicators to demonstrate it is exercising its power to borrow in a sustainable, affordable and prudent manner.

The requirement is statutory and therefore requires the use of budgets and actuals which comply with proper accounting practice.

While the Council produces its Statement of Accounts on the basis of proper practice, budgets are set differently to facilitate proper financial controls and budget monitoring by non finance professionals during the year. This is general practice in local government, especially with the introduction of International Financial Reporting Standards (IFRS) from 2010/11 which have increased the amount of technical adjustments required for final accounts.

This means that although the Prudential Indicators are presented with the Capital Programme they are required to include the technical adjustments mentioned above and therefore will not be directly comparable with the Programme. For example, Prudential Indicators include financing leases, as they are effectively another method of taking out a loan to finance the purchase of a capital asset, with the loan taken via a financing company and not directly with the bank or government or other lender.

Therefore the costs of financing will include the cost of leases etc which for management purposes are included in the relevant manager's budget (e.g. computer leases would be budgeted for within ICT budgets).

The inclusion of leased assets will increase the Council's reported need to borrow.

For clarity, the amount of external debt is split between direct borrowing and lease borrowing whenever practicable.

A. Actuals and Estimates of Capital Expenditure

Capital expenditure forms the basis of determining the need to borrow. The capital expenditure shown in this indicator reflects the proposed Capital Programme for 2012/13 to 2016/17.

	<u>Revised</u> <u>2011/12</u> <u>£000</u>	<u>Estimate</u> <u>2012/13</u> <u>£000</u>	<u>Estimate</u> <u>2013/14</u> <u>£000</u>	<u>Estimate</u> <u>2014/15</u> <u>£000</u>	<u>Estimate</u> <u>2015/16</u> <u>£000</u>	<u>Estimate</u> <u>2016/17</u> <u>£000</u>
Capital Expenditure	67,153	62,063	46,999	20,508	7,139	6,139
<i>Of Which:</i>						
Financed from Grants & Contributions	47,286	32,688	10,526	4,885	3,858	3,858
Financed by RuT	13,411	12,593	8,300	7,090	2,650	917
New Borrowing Required by Programme	6,456	16,782	28,173	8,533	631	1,364

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

The proposed Capital Programme shows a significant reduction after 2013/14. This is due to the value of government grants being lower than in previous years and the reduction in the level of reserves available to fund the Programme. The programme has been reviewed and funding reallocated to the current priority schemes.

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

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

	<u>Revised</u> <u>2011/12</u> <u>£000</u>	<u>Estimate</u> <u>2012/13</u> <u>£000</u>	<u>Estimate</u> <u>2013/14</u> <u>£000</u>	<u>Estimate</u> <u>2014/15</u> <u>£000</u>	<u>Estimate</u> <u>2015/16</u> <u>£000</u>	<u>Estimate</u> <u>2016/17</u> <u>£000</u>
Financing Costs	5,761	6,315	6,870	8,112	7,395	6,808
Net Revenue Stream	145,956	146,467	147,667	150,593	154,358	158,217
As a Ratio	3.95%	4.31%	4.65%	5.39%	4.79%	4.30%

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

These costs include those paid as part of a lease arrangement, such as the PFI and Serco contracts.

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

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

The financing costs are linked to movements in interest rates. Most borrowing is at a fixed rate, meaning interest payments will not vary, whereas most investments are for under a year meaning there are often amounts maturing which can be reinvested at (currently) lower rates. The current market projections are for bank base rate to increase from the low point of 0.50% in the second half of 2013/14, although the further into the future the projection, the less certain it is.

The interest payable costs are budgeted to increase every year as new borrowing is taken to fund the capital programme. Interest rates on borrowing are projected to stay fairly stable going forward. These costs are offset in later years by increases in interest receivable due to projected increases in interest rates.

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.

<u>Impact of Change in Financing Costs</u>	<u>Revised</u> <u>2011/12</u> <u>£000</u>	<u>Estimate</u> <u>2012/13</u> <u>£000</u>	<u>Estimate</u> <u>2013/14</u> <u>£000</u>	<u>Estimate</u> <u>2014/15</u> <u>£000</u>	<u>Estimate</u> <u>2015/16</u> <u>£000</u>	<u>Estimate</u> <u>2016/17</u> <u>£000</u>
Interest Payable						
- Direct borrowing	2,083	2,289	3,124	4,119	4,683	5,030
- Leases and PFI	1,833	1,797	1,761	1,726	1,692	1,658
Interest Receivable	-1,318	-1,093	-1,133	-1,565	-2,984	-3,860
Principal Repayment						
- represented by MRP	1,817	1,932	2,307	2,968	3,140	3,116
- Financing Leases and Similar (incl. PFI)	1,347	1,391	812	865	865	865
Financing Costs	<u>5,761</u>	<u>6,315</u>	<u>6,870</u>	<u>8,112</u>	<u>7,395</u>	<u>6,808</u>
Year on Year Increase	-323	554	555	1,242	-717	-587
Impact on the Council Tax Requirement (RuT element)	n/a	0.48%	0.47%	1.02%	-0.54%	-0.42%
Impact on a Band D Property	n/a	£6.15	£6.15	£13.74	-£7.91	-£6.46

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

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

Schemes such as Transport for London which are fully financed by grant have no impact on the Council Tax.

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

The increase in Principal Repayments on Debt is due to the anticipated increased need to borrow which impacts both the interest payments due on higher borrowing and the provision for debt repayment (MRP) increasing.

Interest payable increases over time as the anticipated level of debt increases.

Interest Receivable also increases over time. This is due to forecast increased return on investments due to anticipated bank rate increases.

The year on year increase in Financing Costs in the next few years is due to the financing of the capital programme, particularly the need to borrow to provide school places.

D. Actuals and Estimates of the Capital Financing Requirement

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

	<u>Revised</u> <u>2011/12</u> <u>£000</u>	<u>Estimate</u> <u>2012/13</u> <u>£000</u>	<u>Estimate</u> <u>2013/14</u> <u>£000</u>	<u>Estimate</u> <u>2014/15</u> <u>£000</u>	<u>Estimate</u> <u>2015/16</u> <u>£000</u>	<u>Estimate</u> <u>2016/17</u> <u>£000</u>
Capital Financing Requirement (CFR)	93,128	106,587	131,642	136,342	132,967	130,351
Year on Year Increase in CFR	+3,292	+13,459	+25,054	+4,700	-3,374	-2,617
Change represented by:						
Schemes financed by Borrowing (incl. leases)	6,456	16,782	28,173	8,533	631	1,364
MRP contributions to fund the Requirement						
- represented by MRP	-1,817	-1,932	-2,307	-2,968	-3,140	-3,116
- Financing Leases and Similar (incl. PFI)	-1,347	-1,391	-812	-865	-865	-865
	3,292	13,459	25,054	4,700	-3,374	-2,617

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 (including a finance lease) or by "borrowing" from cash coming in, or reserves, to pay for the scheme.

The CFR decreases where there is either no new debt taken, or contributions to repay debt are higher than the new debt. This is the case in later years of the programme due to the increased total amount of debt and the reduced programme anticipated in the medium term.

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E. Net Borrowing and the Capital Financing Requirement

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

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

	<u>Revised</u> <u>2011/12</u> <u>£000</u>	<u>Estimate</u> <u>2012/13</u> <u>£000</u>	<u>Estimate</u> <u>2013/14</u> <u>£000</u>	<u>Estimate</u> <u>2014/15</u> <u>£000</u>	<u>Estimate</u> <u>2015/16</u> <u>£000</u>	<u>Estimate</u> <u>2016/17</u> <u>£000</u>
Net External Borrowing Limit Set	131,600	136,300	133,000	133,000	133,000	130,400
Net External Borrowing	11,911	28,786	52,850	63,916	62,111	57,851
Amount above/(below) limit	-119,689	-107,514	-80,150	-69,084	-70,889	-72,549

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

F. Authorised Limit for External Debt

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

	<u>Revised</u> <u>2011/12</u> <u>£000</u>	<u>Estimate</u> <u>2012/13</u> <u>£000</u>	<u>Estimate</u> <u>2013/14</u> <u>£000</u>	<u>Estimate</u> <u>2014/15</u> <u>£000</u>	<u>Estimate</u> <u>2015/16</u> <u>£000</u>	<u>Estimate</u> <u>2016/17</u> <u>£000</u>
Authorised Limit Set	96,000	105,000	127,000	142,000	146,000	152,000
Projected External Debt	74,732	85,123	107,484	121,708	126,474	131,973
Amount above/(below) limit	-21,268	-19,877	-19,516	-20,292	-19,526	-20,027

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

The Council is projected to stay well within the Authorised Limit set for 2012/13. This limit is at the Council's discretion and any change in the projected external debt should be reflected in this limit.

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G. Operational Boundary

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

	<u>Revised</u> <u>2011/12</u> <u>£000</u>	<u>Estimate</u> <u>2012/13</u> <u>£000</u>	<u>Estimate</u> <u>2013/14</u> <u>£000</u>	<u>Estimate</u> <u>2014/15</u> <u>£000</u>	<u>Estimate</u> <u>2015/16</u> <u>£000</u>	<u>Estimate</u> <u>2016/17</u> <u>£000</u>
Operational Boundary Set	91,000	100,000	122,000	137,000	141,000	147,000
Projected Total Debt	74,732	85,123	107,484	121,708	126,474	131,973
Amount below Limit	-16,268	-14,877	-14,516	-15,292	-14,526	-15,027

The Council is projected to stay well within the Authorised Limit set for 2012/13.

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

The CIPFA Code of Practice sets out best practice in treasury management and the Code has always been followed in Richmond. In 2009, a revised version of the Code was issued and the Treasury Management Policy will be amended to reflect the new Code when this is reviewed in February. The Prudential Indicator states that Authorities should adhere to the Code of Practice. All Treasury activities currently adhere to the Code of Practice and regular reviews ensure that this continues.

I. Limits on Fixed and Variable Interest Exposure

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

The limits are set on net exposure, which is borrowing less investments.

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

<u>Fixed Rate Exposure</u>	<u>Revised</u> <u>2011/12</u> <u>£000</u>	<u>Estimate</u> <u>2012/13</u> <u>£000</u>	<u>Estimate</u> <u>2013/14</u> <u>£000</u>	<u>Estimate</u> <u>2014/15</u> <u>£000</u>	<u>Estimate</u> <u>2015/16</u> <u>£000</u>	<u>Estimate</u> <u>2016/17</u> <u>£000</u>
Upper Limit	64,000	98,000	104,000	119,000	124,000	131,000
Lower Limit	14,000	48,000	54,000	69,000	74,000	81,000
Projected Exposure	38,598	72,993	78,553	93,642	99,273	105,637

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

<u>Variable Rate Exposure</u>	<u>Revised</u> <u>2011/12</u> <u>£000</u>	<u>Estimate</u> <u>2012/13</u> <u>£000</u>	<u>Estimate</u> <u>2013/14</u> <u>£000</u>	<u>Estimate</u> <u>2014/15</u> <u>£000</u>	<u>Estimate</u> <u>2015/16</u> <u>£000</u>	<u>Estimate</u> <u>2016/17</u> <u>£000</u>
Upper Limit	-104,000	-98,000	-101,000	-104,000	-111,000	-121,000
Lower Limit	-29,000	-23,000	-26,000	-29,000	-36,000	-46,000
Projected Exposure	-54,307	-47,823	-51,120	-54,278	-60,849	-70,608

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

J. Maturity Structure of Borrowing

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

	<u>Lower Limit</u> <u>2012/13</u> <u>%</u>	<u>Upper Limit</u> <u>2012/13</u> <u>%</u>	<u>Estimate</u> <u>2012/13</u> <u>%</u>
Under 1 year	0%	30%	11%
1 to 2 years	0%	40%	9%
2 to 5 years	0%	50%	13%
5 to 10 years	0%	60%	26%
10 to 15 years	}	}	4%
15 to 25 years	} 20%	} 85%	37%
over 25 years	}	}	0%

It can be seen from the above table that the maturity structure has begun to concentrate at the longer end to take advantage of rates for this duration.

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

K. Total Principal Sum Invested Beyond the Period End.

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

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

	<u>Revised</u> <u>2011/12</u>	<u>Estimate</u> <u>2012/13</u>	<u>Estimate</u> <u>2013/14</u>	<u>Estimate</u> <u>2014/15</u>	<u>Estimate</u> <u>2015/16</u>	<u>Estimate</u> <u>2016/17</u>
Limit	40.0%	40.0%	40.0%	40.0%	40.0%	40.0%
Actual / Estimate	11.5%	12.9%	4.1%	3.9%	3.5%	3.0%
Projected Investments at 31st March (£m)	7.3	7.3	2.3	2.3	2.3	2.3

Interest rates are usually higher for longer term investments than short term. However, given the current problems in financial markets, the decision has been taken to limit further long term investments with money market institutions until the market stabilises. Investments may still be placed with other public bodies, such as other London Boroughs, County Councils etc. although appetite may be limited in this sector.

Once the Council is satisfied that the risks of long term investments can be controlled, the Council could keep up to 40% of it's investments at fixed rates to benefit from the higher rates and certainty of income. Each investment would be considered individually with respect to the need for security and liquidity and any benefit from interest rates for different durations.

APPENDIX C

RISK ASSESSMENT

Risks to the Capital Programme can arise from the following:

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

These risks cannot be completely removed but the following 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. The 5 year capital programme assumes that approximately 70%, 60% and 50% of disposal receipts anticipated in 2012/13, 2013/14 and 2014/15 respectively will actually be received.
- A budget manager is clearly assigned responsibility for monitoring the budget and to ensure that the necessary approvals have been sought and funding identified.
- Regular capital expenditure monitoring meetings are held with budget managers to identify any problems at an early stage.
- Staffing levels in construction and property development areas have been increased to support capital projects.
- The approval process for new capital schemes considers the revenue implications of increased borrowing requirements.

SECTION I

Appendix D

CAPITAL RESOURCES

The types of resources currently available are listed below:

Grants and Contributions - These are issued from a number of sources. The majority of grants are issued by the DfE for Education projects. The Council works extensively to ensure that it draws in funding from many sources. Raising funds from external partners and sponsors will continue to be a key theme within the Council's ongoing programme of works.

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.

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. In the current economic climate it is likely that some of the existing scheduled receipts will continue to be deferred to later years.

Revenue Reserves / Revenue Financing – The Council is able to use revenue resources to finance capital expenditure if it chooses to do so. Revenue resources include revenue grants, fees or underspends which occur in the current year or reserves holding balances carried forward from prior years. The Council holds a Repairs and Renewals Reserve specifically to fund schemes where a one off cost can be borrowed from the reserve and repaid over subsequent years. The Infrastructure Reserves were set aside in prior years to fund capital schemes to maintain infrastructure. Reserves will normally be a finite resource (like Capital Receipts) unless they are increased from future revenue streams. In year revenue financing is also likely to be short term, although the Council has allocated part of the New Homes Bonus to finance capital on an ongoing basis.

External Borrowing – Since 1st April 2004, the Prudential Borrowing regime has applied. This allows the Council to set its own limits on what it can afford to borrow rather than requiring Government credit approvals, using the Prudential Indicators to make decisions on the affordability, sustainability and prudence. External borrowing will incur interest charges and repayment of the principal borrowed.

Internal Borrowing – The Council holds cash balances which represent capital receipts, reserves and so on as well as short term beneficial cash flow. Where capital works are funded from borrowing, the Council may decide to run down its cash balances rather than taking on addition debt. This internal borrowing will still need to be repaid in the future, for example when reserves are planned to be spent, the cash needs to be available to facilitate that spend. The benefit of internal borrowing is that it can delay external borrowing there by saving debt charges and it reduces the value of the Council's investments, which is beneficial if investment interest is low or there are concerns about where to safely invest balances. The risk is that interest rates rise so that the cost of borrowing at the later time is higher.

SECTION J

Definitions of Budget Headings

SeRCOP (formerly BVACOP)

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

EXPENDITURE

Employees

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

Premises

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

Transport

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

Supplies and Services

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

Third Party Payments

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

Transfer Payments

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

SECTION J

INCOME

Government Grants

This covers all specific and special government grants.

Other Grants & Contributions

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

Customer & Client Receipts

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

FINANCIAL ACCOUNTING ADJUSTMENTS

Central Support Charges

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

Central Support Income

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

Departmental Support Charges

This covers the internal cost of departmental specific 'back office' functions that support the delivery of services to the public e.g. directorate management costs.

Departmental Support Income

This relates to internal income received by Departmental Support Services from other teams within the directorate in relation to Departmental Support Charges.

Capital Charges

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

OTHER DEFINITIONS

Corporate and Democratic Core

This comprises corporate management and democratic representation and management costs.