

Council budgets 2013-2014



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SECTION 1
GENERAL INFORMATION ON COUNCIL FINANCE

This section gives outlines of the Council's finances and financial procedures, the financial calendar, treasury policy, and employee numbers, together with brief information about the Finance Department and the Council's accounts. Further information on the Council's final accounts is published each year in the Statement of Accounts, available in September.

THE FINANCIAL CALENDAR, BUDGETS AND INTERACTION WITH THE COUNCIL'S BUSINESS PLANNING PROCESS

The Council's services are subject to four, largely separate, budget frameworks which are detailed in later sections of this book. These are the general revenue budgets, the Dedicated Schools Budget, the Council housing budgets, and the general capital budgets. These budget frameworks are driven by the Council's key service objectives as set out in the Corporate Business Plan (CBP).

The Executive, under the scrutiny of the Finance and Corporate Resources Committee, deals with the development and review of financial policies and procedures, and the allocation of financial resources to services within the broad limits defined by the budgets adopted by the Council shortly before each financial year (running from 1st April to 31st March). Net expenditure is planned from the start of the year to be contained within budgets, and monitored during the year by budget holders and senior managers. The service managers are generally expected to seek to finance any additional spending requirements from savings made elsewhere and also to eliminate any overspendings. If they are unable to comply with these requirements, any requests for additional resources (known as "budget variations") must be approved by the Executive. To give flexibility for minor departures from budget, the Director of Finance is authorised to make compensating adjustments between budgets in consultation with the relevant service director. Committees and the Executive are advised by the Director of Finance, or his representatives, on financial matters including the budgetary position.

The timing of the main events in the yearly financial cycle is indicated below, though some variations may occur. Key non-financial elements of the business planning process are shown in italics for completeness.

| | |
|-------------|--|
| MARCH/APRIL | Council decides council tax and general revenue budget framework and treasury management policy Council tax and non-domestic rate bills despatched <i>Key issues and CPA priorities agreed</i> |
| JUNE | Previous year outturn reports to Committees Annual reports on treasury management, council tax and business rates collection <i>CBP agreed</i> |
| SEPTEMBER | Capital programme review, revenue budget reviews commence |
| NOVEMBER | Charges reviews |
| DECEMBER | Local authority grant proposals for next year announced by Government |
| JANUARY | Revenue budget reviews completed and development budget completed Council housing rent and Housing Revenue Account business plan review Additions to general capital programme decided by Executive Council tax-base and collection fund surplus/deficit calculated |
| FEBRUARY | Council decides Housing Revenue Account business plan and reviews rents Precepts and levies announced by other local government bodies Council decides general capital budget framework |
| MARCH | Council decides council tax and general revenue budget framework and treasury management policy Council tax and Non-domestic rate bills despatched |

1. STATUS AND REVIEW OF FINANCIAL REGULATIONS

- 1.1. The Council expects the highest standards of propriety in the conduct of all its business, prudence in managing risks, and economy, efficiency and effectiveness in all its functions. Accordingly these Financial Regulations apply to every member and officer of the Council and anyone acting on its behalf.
- 1.2. The Financial Regulations identify the principal financial responsibilities of the full Council and its committees, the Executive and overview and scrutiny committee members, the Chief Executive, the Monitoring Officer, the Director of Finance and other chief officers. References to "chief officer" in these Financial Regulations should be read as referring to directors, heads of service and headteachers with full delegated responsibility for financial management.
- 1.3. The Director of Finance is responsible for maintaining a continuous review of the Financial Regulations and submitting any additions or changes necessary to the full Council for approval.
- 1.4. The Director of Finance is responsible for issuing financial directives, practice-notes and advice as needed to underpin the Financial Regulations.
- 1.5. Chief Officers are responsible for ensuring that their staff are sufficiently aware of, and comply with, the Council's Financial Regulations and financial directives and guidance issued by the Director of Finance, issuing further advice and instructions as appropriate for their own area.

2. FINANCIAL MANAGEMENT FRAMEWORK

- 2.1. The full Council is responsible for adopting the Authority's Constitution and Members' Code of Conduct and for approving the policy framework and budget within which the Executive and Chief Officers operate. It is also responsible for approving and monitoring compliance with the Council's overall framework of accountability and control, set out in its Constitution, and for monitoring compliance with the policy framework and budget.
- 2.2. The Executive is responsible for proposing the policy framework and budget to the full Council, and for discharging Executive functions in accordance with the policy framework and budget. Executive decisions can be delegated to a committee of the Executive, an individual Cabinet member, an officer or a joint committee. The Executive is responsible for establishing protocols to ensure that individual Cabinet members consult with relevant officers before taking a decision within their delegated authority, having proper regard to the legal and financial liabilities and risk management issues that may arise from the decision.
- 2.3. Overview and scrutiny committees, and the Pensions and Audit Committees, have functions of monitoring, advice, scrutiny and review of financial matters, in accordance with Article 6 of the Constitution.

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- 2.4. The Audit Committee are responsible for consideration of the external auditor's opinions on financial statements and of other reports addressed to the Council at Member level from the Audit Commission and its appointees/representatives; deciding any required initial response; obtaining assurance that appropriate action is being taken on any issues raised; initiating any appropriate recommendations to the Executive for matters within their remit; and otherwise approving any action or matter that the Committee consider appropriate in relation to these opinions and reports. Also, the General Purposes Committee are responsible for maintaining a Scheme of Delegations to officers as a constituent part of the Council's Constitution.
- 2.5. The Chief Executive and the Monitoring Officer have special responsibilities within the Council's framework of accountability and control, as set out in provisions of the Constitution.
- 2.6. Chief officers are responsible for:-
- (a) ensuring that Council resources are used with the maximum degree of economy, efficiency and effectiveness;
 - (b) ensuring that Council resources are used only for the purpose intended to achieve the approved policies and objectives, are appropriately secured and maintained, and are properly accounted for;
 - (c) consulting with the Director of Finance in a timely manner and seeking Executive and/or the appropriate regulatory or other committee approval on any matter liable to affect the Council's finances materially, before any commitments are incurred;
 - (d) promoting sound financial practices in relation to the standards, performance and development of their staff, partnerships where the Council is the accountable body and other partnership-type organisations on which the Council is represented and has a lead-borough role, devolved management organisations such as schools, resident management organisations in respect of Council-owned housing property and voluntary organisations funded by the Council or in respect of which the Council has a contractual relationship, and commercial contractors, liaising as necessary with and having regard to advice of the Director of Finance and the Borough Solicitor;
 - (e) ensuring that they are properly advised of the financial implications of all proposals in relation to their services;
 - (f) ensuring that councillors are properly advised of the financial implications of all proposals they are known to be considering, and that the advice is endorsed by the Director of Finance, with such advice being sought from the Director of Finance in a timescale that allows for a full financial appraisal to be carried out;
 - (g) maximising levels of external funding for activities aimed at achieving the Council's approved policies;

- (h) ensuring that there are suitable exit strategies in place that minimise the effect on the Council's budget in the event of the withdrawal of any time-limited grants or external funding; and
- (i) working strategically with partners and external stakeholders to focus resources to secure shared objectives and maximise efficiency.

2.7. The Director of Finance is the officer appointed by the Council in accordance with Section 151 of the Local Government Act 1972 to be responsible for the proper administration of the Council's financial affairs. The Director of Finance is therefore responsible in particular for:

- (a) setting and monitoring compliance with financial management standards;
- (b) advising on the corporate financial position and monitoring compliance with the financial frameworks and Member exception reporting controls;
- (c) approving financial processes and arrangements including within operational systems;
- (d) providing financial advice on proposals before the Council;
- (e) determining the accounting policies and procedures for the Council;
- (f) presenting budgets and accounts for the Council's approval; and
- (g) treasury management.

3. FINANCIAL PLANNING

3.1. The full Council is responsible annually, in February/March, for setting revised capital and revenue budgets for the current financial year, the capital and revenue budgets for future financial years including allocation to different services and projects, and reserves for specified and general contingencies for the forthcoming financial year, the council tax requirement, and basic amounts of tax.

3.2. The Executive is responsible for –

- (a) submitting to the Council annually, after having regard to the advice of the Director of Finance, its proposals regarding capital budgets; and

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- (b) submitting to the Council annually in February or early March, after having regard to the advice of the Director of Finance, its estimates in relation to revenue budgets for the current financial year, the revenue budgets for future financial years including allocation to different services and projects, and reserves for specified and general contingencies for the forthcoming financial year, the council tax requirement, and basic amounts of tax. The Executive is also responsible for approving during the year variations to the budget in line with the Council's revenue budget framework; these will be reported to Overview and Scrutiny Committees in specific reports unless they are of a minor nature, volume changes, non staffing efficiencies or of a technical nature in which case they are approved via the development budget process.
- 3.3. The full Council in dealing with the matters referred to in paragraph 3.1 above normally determines the amounts of council tax for all categories of dwellings by aggregating the basic amounts of tax with the amounts stated by major precepting authorities; otherwise the full Council will direct that the amounts are to be determined by the Executive or by such other committee of the Council as it may appoint.
- 3.4. The Director of Finance is responsible:
- (a) for ensuring that budgets, estimates and advice including options and sensitivity modelling are prepared as required by the Executive for the purposes of paragraph 3.2 above;
 - (b) for advising on appropriate levels of reserves for the Council having regard to the opportunity cost of maintaining balances;
 - (c) for informing chief officers of the amounts of their budgets;
 - (d) for authorising, with the agreement of any Directors concerned, the transfer of provision from one budget head to another to move resources to priority objectives;
 - (e) for establishing and maintaining arrangements including responsibilities between staffing groups for chief officers to forecast expenditure and income in relation to budgets so that prompt reports are made to the Executive and the appropriate overview and scrutiny committee if forecast adverse variances exceed thresholds defined by the Council;
 - (f) for carrying out statutory consultation with ratepayers' representatives in accordance with Section 65 of the Local Government Finance Act 1992;
 - (g) for making statutory returns of budgets and of actual income and expenditure;
 - (h) for making arrangements to meet statutory requirements for publishing accounts and making them available for inspection; and
 - (i) for annual review of the Medium-Term Financial Strategy which integrates the detailed financial management processes with the key objectives in the Corporate Business Plan.

3.5. It is the responsibility of chief officers –

- (a) to ensure that an accountable budget manager is identified for each item of income and expenditure under the control of the chief officer, aligning budget responsibility as closely as possible to the decision-making that influences the income/expenditure concerned;
- (b) to ensure that budget managers prepare and implement realistic plans to deliver services within budget, and prepare and submit to the chief officer and the Director of Finance realistic forecasts of income and expenditure compared with budget in the form and at the frequency required by the Director of Finance;
- (c) to ensure that appropriate corrective action is taken where significant variations from the approved budget are forecast; and
- (d) to ensure that prior approval is given by the full Council or the Executive (as appropriate) for any measures that are likely to materially extend or reduce the Council's services, and for new commitments for which there would otherwise be no budget provision.

4. RISK MANAGEMENT AND CONTROL OF RESOURCES

Risk Management

4.1. It is the responsibility of chief officers –

- (a) to ensure that their corporate risk specialist reviews and their departmental risk reviews are carried out within the timescales and format prescribed by the Directors' Board;
- (b) to ensure the regular identification, review and management of risk within their departments, having regard to the Council's risk management strategy and associated advice and instructions from the Director of Finance and other specialist officers (e.g. crime prevention, business continuity, health and safety);
- (c) to notify the Director of Finance immediately of any loss, liability or damage that may lead to a claim against the Council, together with any information or explanation required by the Director of Finance or the Council's insurers;
- (d) to notify the Director of Finance immediately of any risks, properties, vehicles or other assets that require or cease to require insurance, and of any alterations affecting existing insurances;
- (e) to consult the Director of Finance and the Borough Solicitor on the terms of any indemnity that the Council is requested to give, on appropriate contract conditions for contractors to indemnify the Council, and on suitable minimum insurance levels for inclusion in contracts; and

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(f) to ensure that employees, councillors, school governors, or anyone else acting on behalf of the Council, is instructed not to make any admission of liability or offer of compensation that might prejudice the assessment of a potential liability of the Council or of its insurers.

4.2. The Director of Finance is responsible for reviewing risk management strategy and advising and instructing chief officers accordingly, and for procuring insurance cover where appropriate.

Internal Control

4.3. It is the responsibility of chief officers to maintain and promote sound arrangements for internal control. These arrangements shall be devised by management to help to ensure that the Council's objectives are achieved in a manner that promotes economical, efficient and effective use of resources and that the Council's assets and interests are safeguarded. The arrangements shall have regard to the advice and instructions of the Director of Finance. The Director of Finance, through the Head of Audit, is responsible for reviewing systems of internal control and advising and instructing chief officers accordingly. Chief Officers are responsible for the timely implementation of all agreed recommendations in Internal Audit Reports.

4.4. The Audit Committee are responsible for approving the Annual Governance Statement in accordance with the applicable Accounts and Audit Regulations, the CIPFA/SOLACE Guidance and in the light of reviews of the effectiveness of risk management arrangements and the control environment.

Audit

4.5. The Director of Finance is responsible for ensuring –

(a) the maintenance of an internal audit function that is sufficient in its coverage and independent in its planning and operation;

(b) that the Head of Audit has direct access to the Chief Executive, all levels of management and the Finance Sub-Committee of the General Purposes Committee and the Audit Committee; and

(c) that the internal auditors are trained to comply with professional good practice.

4.6. The Audit Commission is responsible for appointing external auditors to each local authority to review and report upon -

(a) the financial aspects of the Council's corporate governance arrangements;

(b) the Council's financial statements, to be satisfied that the statement of accounts "presents fairly" the financial position of the Council and its income and expenditure for the year in question and complies with the legal requirements; and

- (c) aspects of the Council's arrangements to manage its performance, including the preparation and publication of specified performance information and compliance in respect of the preparation and publication of the Best Value Performance Plan.
- 4.7. The Council may, from time to time, be subject to audit, inspection or investigation by external bodies such as H.M. Revenues and Customs, who have statutory rights of access.
- 4.8. It is the responsibility of chief officers –
- (a) to ensure that internal auditors, external auditors, and other authorised inspectors, are given access at all reasonable times to premises, personnel, documents and assets, and are provided with any information and explanations, that they consider necessary for the purposes of their work;
 - (b) to consider and respond promptly to recommendations in audit reports; and
 - (c) to ensure that any agreed actions arising from audit recommendations are carried out in a timely and efficient fashion.
- 4.9. The full Council shall maintain an Audit Committee, responsible for reviewing external auditor's reports and annual audit letter, the Council's Risk Management Strategy and the Head of Audit's annual report. This Committee can consult directly with internal and external auditors.

Preventing Fraud and Corruption

- 4.10. All Council Members and employees are personally responsible for ensuring integrity in the conduct of the Council's business, in particular by ensuring that they (and any subordinates) are aware of the Council's anti-fraud and anti-corruption policies and procedures, and by alerting the relevant chief officer or the Head of Audit to any suspected breach.
- 4.11. Chief officers are responsible for notifying the Head of Audit immediately of any suspected fraud, theft, irregularity, improper use or misappropriation of the Council's property, assets, resources or services.
- 4.12. The Director of Finance is responsible for advising the Audit Committee, Executive and chief officers on the maintenance and implementation of an anti-fraud and anti-corruption policy and associated arrangements for appropriate treatment and registration, by employees and members, of relevant interests, gifts and hospitality.

Assets

- 4.13. Chief officers, having regard to advice and instructions from the Director of Finance and any other relevant professional advisors employed by the Council, shall ensure that:
- (a) resources are used only for the purposes of the Council and are properly accounted for;

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- (b) resources are available for use when required;
- (c) resources no longer required are disposed of in accordance with the law and the procedure rules of the Council so as to maximise benefits;
- (d) an asset register is maintained for the Council, assets are recorded when they are acquired by the Council and this record is updated as changes occur with respect to the location and condition of the asset;
- (e) all staff are aware of their responsibilities with regard to safeguarding the Council's assets and information, including the requirements of the Data Protection Act 1998, the Freedom of Information Act 2000 and software copyright legislation;
- (f) all staff are aware of their responsibilities with regard to safeguarding the security of the Council's computer systems, including maintaining restricted access to the information held on them and compliance with the Council's computer and internet security policies; and
- (g) contingency plans for the security of assets and continuity of service in the event of disaster or system failure are in place.

Treasury Management

- 4.14. The full Council is responsible for approving annually in February/March, and at other times should the circumstances require it the treasury management policy statement, including statutory limits on borrowing.
- 4.15. The Executive is responsible for proposing the treasury management policy statement to the full Council on the advice of the Director of Finance.
- 4.16. The Director of Finance is responsible for ensuring that the Council's treasury management is conducted in accordance with the Council's Treasury Policy Statement and the Treasury Systems Document (including the Treasury Management Practices), that these are prepared with due regard for good professional practice and relevant codes such as those issued by the Chartered Institute of Public Finance and Accountancy and the Financial Reporting Council (FRC) which is the United Kingdom's independent regulator for corporate reporting and governance, and that reports are made to the appropriate Overview and Scrutiny Committee on treasury management policies, practices, and activities, including strategy in advance of each year and a review after its close.
- 4.17. The Director of Finance is responsible for making arrangements for the Council's banking and cash handling arrangements. This includes the issuing of instructions with regard to the closing, opening and operation of bank accounts, the arrangements for retention of cash on Council premises and the issuing of instructions concerning the operation of any credit, debit or other payment cards.

4.18. It is the responsibility of chief officers:

- (a) to establish and maintain banking and imprest accounts only as approved by, and in accordance with instructions issued by, the Director of Finance;
- (b) to ensure that loans outside the terms of Council-approved schemes are not made to third parties, and that interests are not acquired in companies, joint ventures or other enterprises, without the approval of the Executive following consultation with the Director of Finance;
- (c) in relation to school funds, resident or user amenity funds, and any other funds held on behalf of third parties, to ensure secure administration in a manner approved by the Director of Finance; and
- (d) to ensure that leasing agreements and other credit arrangements are not entered into without the prior written approval of the Director of Finance and, if applicable, approval of the scheme through its addition to the capital programme.

5. INCOME AND EXPENDITURE PROCEDURES

5.1. The Executive, having regard to the advice of the relevant chief officer and the Director of Finance, is responsible for determining discretionary charges for Council services, for writing off sums due to the Council, and for delegating authority to officers to determine discretionary charges and to write off sums due to the Council.

5.2. It is the responsibility of chief officers to ensure that:

- (a) all income due to the Council is identified and charged correctly;
- (b) all charges for Council services are reviewed at least once a year having regard to their appropriateness in relation to the Council's approved charging policy and other relevant Council policies;
- (c) all income is collected from the correct person, at the right time, using the correct procedures and the appropriate stationery;
- (d) all money received by an employee, contractor or agent on behalf of the Council is paid without delay to the Council's bank account, properly recorded, and reconciled to the bank account by a person who is not involved in the collection or banking process;
- (e) cash collection duties are separated from those for identifying the amount due and those for reconciling the amount due to the amount received;
- (f) effective action is taken to pursue non-payment within defined timescales;
- (g) formal approval for debt write-off is obtained without delay;

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- (h) a scheme of delegation is operated effectively within their area identifying staff authorised to act on the chief officer's behalf in respect of placing orders, payments, income collection and preparation of write-offs for submission to the Director of Finance, together with the limits of their authority;
 - (i) all goods and services are ordered only by appropriate persons, on a system or stationery approved by the Director of Finance and are correctly recorded on the appropriate system;
 - (j) goods and services received are checked to ensure they are in accordance with the order by someone different from the person who placed the order and that this is recorded on the system in the manner approved by the Director of Finance;
 - (k) payments are not made unless goods have been received by the Council to the correct price, quantity and quality standards;
 - (l) all payments are made to the correct person, for the correct amount and are properly recorded, regardless of the payment method;
 - (m) for payments to employees and members, proper authorisation procedures are in place there is adherence to corporate timetables in relation to starters, leavers, variations, and enhancements, and payments are made on the basis of timesheets or claims;
 - (n) all taxable transactions are identified, properly carried out and accounted for within stipulated timescales;
 - (o) information is provided for tax and other appropriate authorities within their stipulated timescale; and
 - (p) external funds are acquired only to meet Council policies, only if any matched funding requirements can be met within budgets, and only if the key conditions of external funding will be met.
- 5.3. The Director of Finance shall make a report under Section 114 of the Local Government Finance Act 1988 if it appears to him that the authority:-
- (a) has made or is about to make a decision which involves or would involve the authority incurring expenditure which is unlawful,
 - (b) has taken or is about to take a course of action which, if pursued to its conclusion, would be unlawful and likely to cause a loss or deficiency on the part of the authority, or
 - (c) is about to enter an item of account the entry of which is 'unlawful'.

Expenditure. The Council's revenue expenditure includes those costs associated with the day to day running of services. This includes the salaries and wages of employees, premises costs, transport, supplies and services, payments to contractors, central, technical and departmental support, and a range of other expenses particular to each service. It also includes depreciation charges on assets where applicable.

Income. Government grants form a large part of the Council's revenue income. Specific grants relate to particular services, for example, housing benefits subsidy and the dedicated schools grant. Income is due from other local authorities in respect of pupils with special needs from their area. Rents received on housing properties are considered annually as part of the review of the income and expenditure on the statutory ring-fenced Housing Revenue Account. The budget for this account is reviewed in January/February each year and rents adjusted for the following year in the light of this and other factors (see Section 5). Fees and charges for services, where the Council has discretion, are generally reviewed in November/December. Interest received on the Council's balances held during the year (such as unused capital receipts) and interest on Council mortgages are also shown as revenue income.

Financing of Net Revenue Expenditure. The Council's net expenditure requirement is adjusted to reflect the use of reserves and the Council's share of any estimated surplus or deficit on the Collection Fund. From 2013/14, as part of the new structure of the local government finance settlement, the Council retains 30% local business rates and receives Revenue Support Grant and a business rates top-up as general Government support towards its council tax requirement to be met through the Collection Fund.

Collection Fund. The fund administered by a billing authority into which council taxes and business rates are paid, and from which payments are made to the General Funds of the Council and Greater London Authority and to the government.

INCREMENTAL BUDGET CONSTRUCTION

The Council operates an incremental approach to budget construction: the budget used originally to set the last council tax forms the base for revising that budget and for setting budgets for the following three years, adjusted by changes for inflation and the effects of approved growth. Zero-based, and other reviews of budgets are undertaken, but their results are always expressed in terms of the net change to the current budget (a "budget variation"), for the purposes of constructing future budgets.

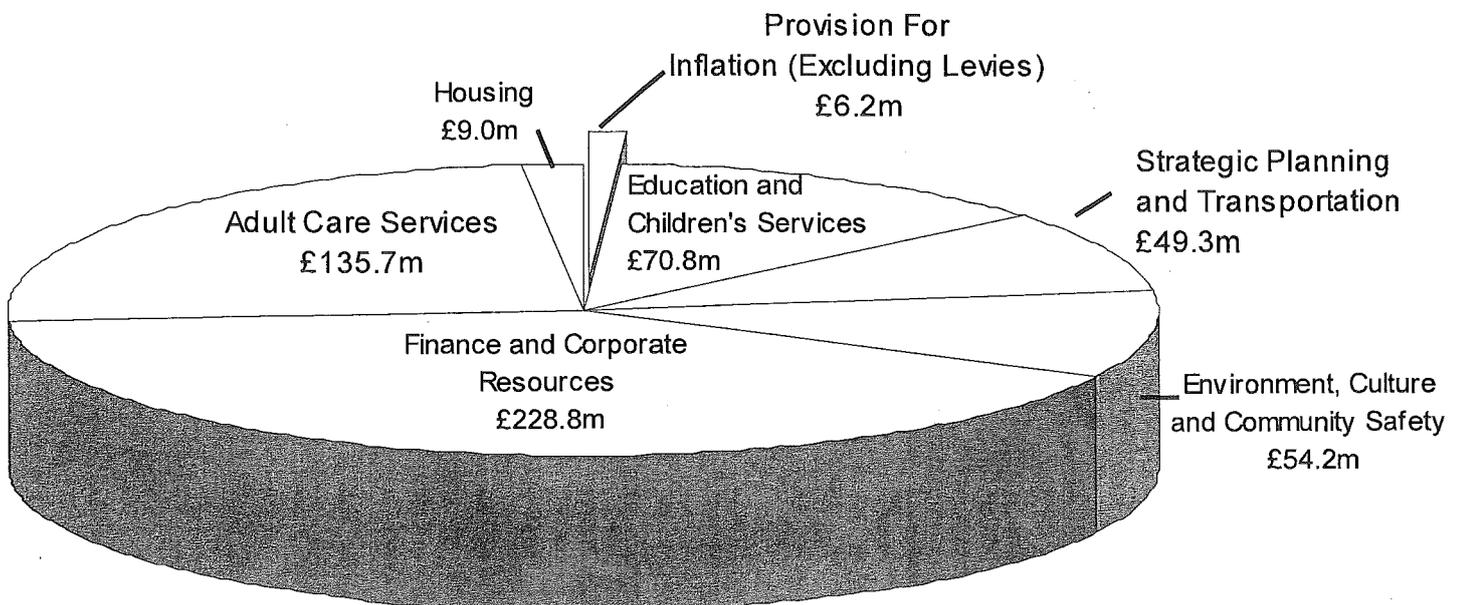
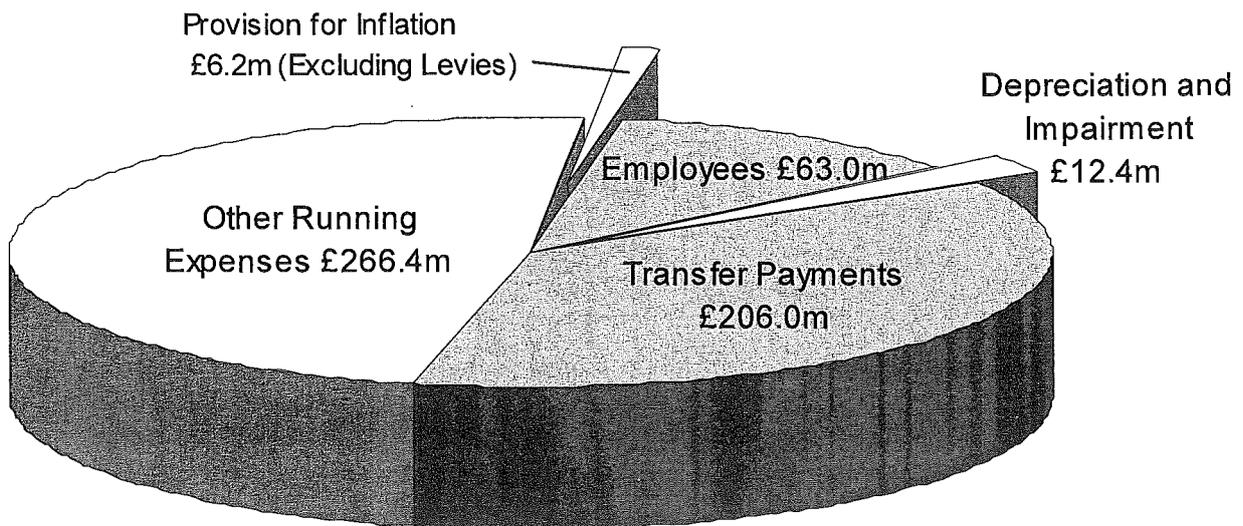
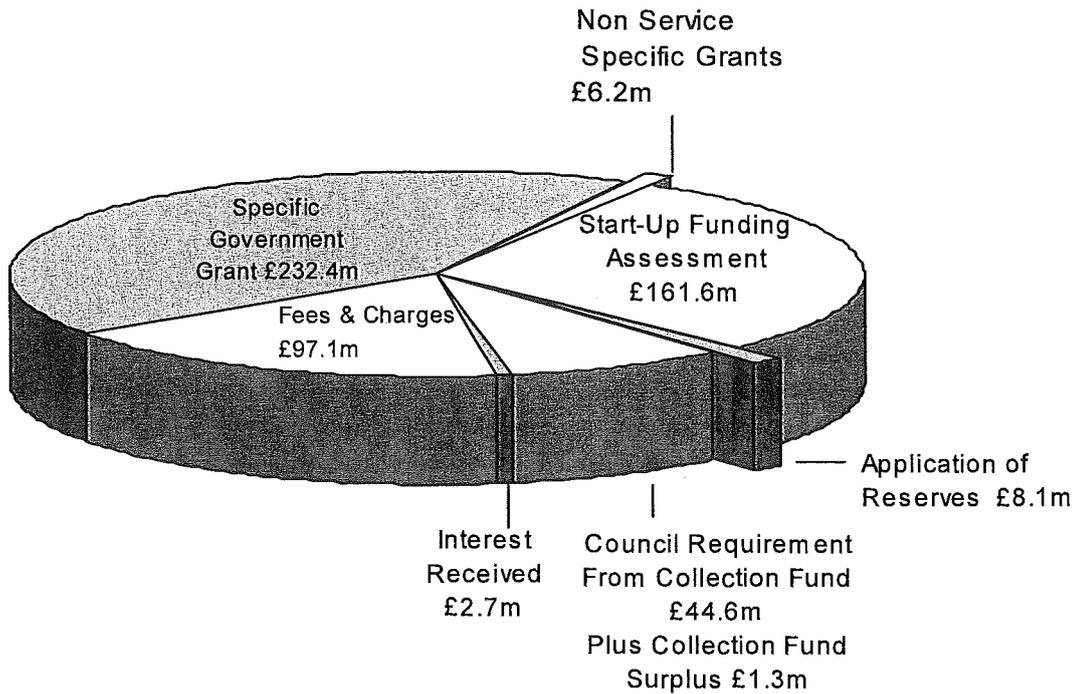
Inflation

- (a) Salaries and wages budgets are increased in line with pay awards when approved. Most awards are effective from April each year, so the amount added to the budget is generally similar for both the revised budget and subsequent years' budgets.
- (b) Budgets for service contracts are increased by the contractual inflation allowance and are usually effective from the anniversary date of the contract. Where this date is after 1st April, the amount added for the revised budget will only be for a part-year. The addition for subsequent years will, however, be the full year effect of the increase.
- (c) Most other running cost budgets are increased, for the revised budget, by the standard percentage considered appropriate when the council tax was set. This ensures that additions to detailed budgets are consistent with the general policy. Budget managers are required to stay within overall budgets, balancing those areas where inflation costs exceed the general rate with those where they are less. For the subsequent years' budgets, however, additions for inflation, for the twelve months to November of the revised budget year, reflect the measured changes in prices during this period.
- (d) Some running cost budgets are not increased for inflation, chiefly depreciation on buildings, infrastructure and equipment.
- (e) Budgets for charges are increased to reflect the reviews of charges made each year. Charges are reviewed in line with the Council's charging policy which is to maximise charges for specific services so as to minimise any indirect subsidy from the council tax payer, seeking wherever possible to recover the cost of the service provision as a minimum. In addition there are other income budgets which are not included in the charges report. Budgets for charges increased by statute or under delegated authorities (e.g. linked to the increase in costs) are adjusted accordingly. Government grant budgets are already at outturn prices in the original budgets.

Developments

- (a) Budget variations. Whenever a report to Committee has financial implications, the Director of Finance advises either (i) that the additional cost can be met or saving retained within the budget, or (ii) that a request should be made to the Executive for a "budget variation". If a budget variation is approved, it is shown among the developments.
- (b) Revenue effects of the capital programme. Budgets for the financing costs of capital schemes are adjusted each year to reflect the latest approved programme for capital spending, including additions to the capital programme approved by the Executive. There are differing effects in each year depending when the capital expenditure is planned. Capital financing charges start in the year following the capital expenditure. When these are completed, budgets are reduced by the amount of capital financing charges ending.
- (c) Transfers within/between committee. Budget managers, with the approval of the Director of Finance, can move ("vire") budgets between service heads to reflect latest spending patterns or changes in spending priority. The overall effect of virement is, of course, nil. There are also occasionally transfers between committee budgets - particularly where budgets exist for the recharge of costs from one committee to another, such as for those relating to central services.
- (d) External changes. Adjustments are included to reflect changes in Government funding, and changes in volume where services are almost wholly demand-led (e.g. housing benefits).
- (e) Accounting changes and other technical adjustments. Occasionally new accounting codes of practice for local authorities come into force, necessitating changes to the structure of accounts and hence also budgets.
- (f) Minor efficiency savings. Departments will in the normal review of services discover more efficient and effective ways of delivering services resulting in cost savings. These are not usually independently reported to committee but are included within the development budget.

**THE COUNCIL'S GENERAL REVENUE
INCOME AND EXPENDITURE 2013/14
TOTAL £554.0m**



Capital finance is treated separately from revenue finance for most purposes, because it is subject to different legislation. Capital finance generally involves a long-term asset of some kind, such as land or a building. For Council housing, however, distinctions between capital and revenue finance are less significant: much housing investment is financed from revenue, and the boundary between maintenance and investment is not clear-cut.

75% of dwelling receipts and 50% of receipts from housing land are required to be paid over to the Government. An exemption for receipts other than right-to-buy disposals is allowed if they are earmarked to finance the cost of "the provision of affordable housing and regeneration". All other capital receipts can be used in full to finance capital expenditure; pending this they are invested, yielding interest for the general revenue budget.

Local authorities are required to manage their affairs so that at any time their borrowing does not exceed their affordable borrowing limit, as defined in Part 1 of the Local Government Act 2003. This limit is determined by the authority itself to reflect the maximum amount that a local authority decides that it can afford to borrow. As this Council has usable investments the limit has been set to allow no new borrowing, except for the possibility of an education "spend-to-save" schemes that require borrowing, so that cost can be passed on to the schools in accordance with the Government's school funding regulations.

The scope for capital expenditure not charged to a revenue account in any year for this Council is largely determined by the availability of usable investments, and grants and reimbursements.

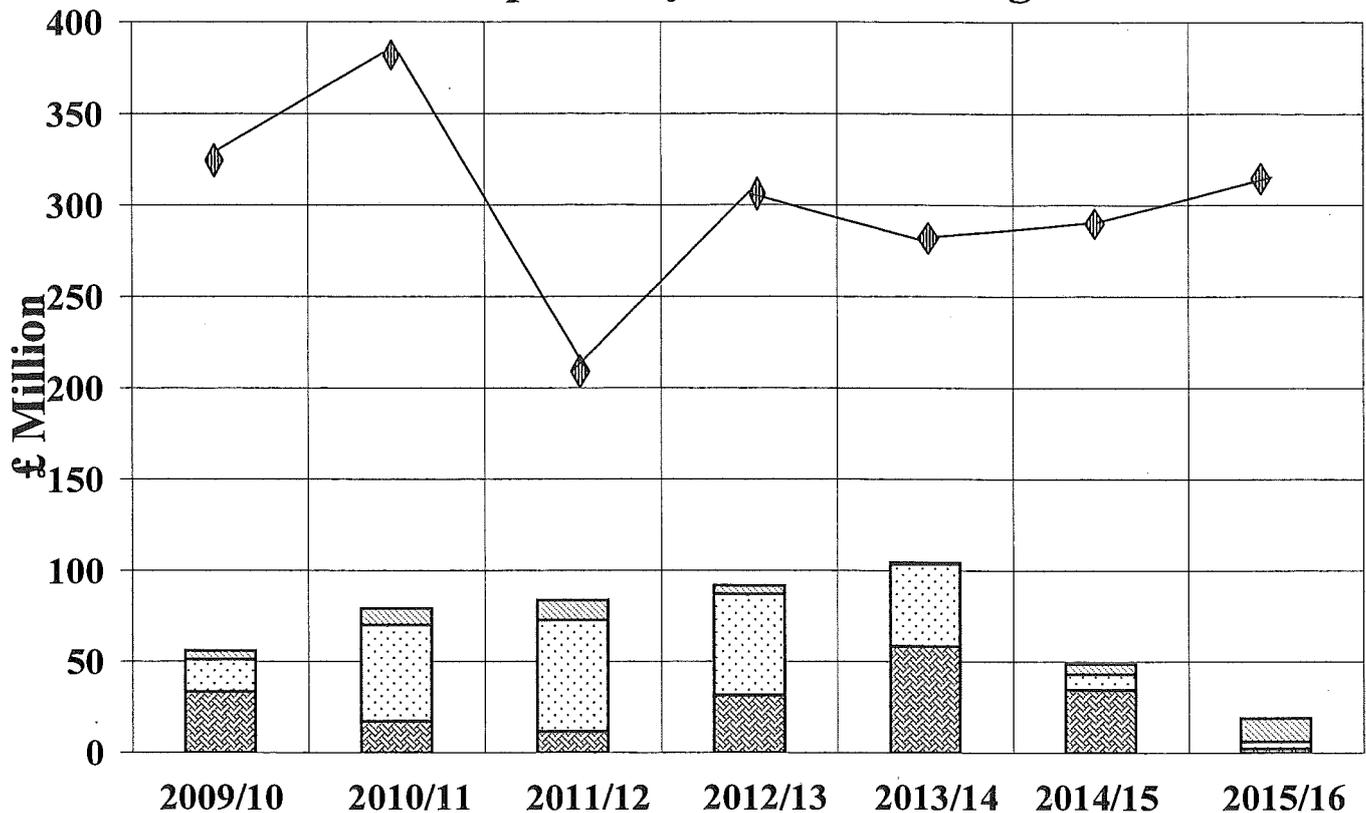
Any service using a capital asset has to bear charges in its revenue account in the form of a depreciation charge for the use of that asset.

CAPITAL STRATEGY

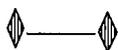
The Council's capital programme, detailed in Section 6 of this book, is prepared for the current year and the two subsequent years, and operates within the Council's Capital Strategy summarised below:-

- (a) Asset Management: make maximum beneficial use of assets; maintain and refurbish economically having regard to all relevant costs including sustainability costs and income over the asset life cycle; identify and seek to minimise under-use; and dispose of surplus assets promptly to best advantage (including non-financial benefits where applicable).
- (b) Financial Resources: maximise grants and reimbursements, provided that the associated conditions are consistent with Council objectives and requirements.
- (c) Resource Planning: programmed capital expenditure to be kept well within expected financial resources; council housing schemes to be financed within the Housing Revenue Account, including ringfenced grants and revenue contributions, and usable capital receipts for the "provision of affordable housing"; other schemes to be financed by relevant grants and reimbursements, and usable capital receipts.
- (d) Scheme Appraisal: outline schemes to be costed and appraised in relation to service delivery needs, and for economy, efficiency and effectiveness having regard to asset life sustainability and the intended period of use, and taking account of all associated requirements including annual net costs; users', neighbours' and other stakeholders' views to be ascertained and weighed as appropriate; independent review of appraisal to be conducted by Property Audit Team; alternatives of influencing provision by others, or negotiating joint provisions, to be considered wherever applicable.
- (e) Prioritisation: consider most potential additions to the council housing programme and to the general capital programme at the same time so that relative priorities may be weighed and proposals that cross service boundaries may be more readily handled; involve leading members; give higher priority where there is a time-limited opportunity to invest in a particular advantageous manner.
- (f) Procurement: maintain and observe codes of practice to ensure probity and economy in procurement of assets and related works and services; have regard to the nature of potential supplier markets and to possible changes in those markets and in service needs, when deciding whether and how to combine the procurement of an asset with related ongoing services.
- (g) Programme Control and Review: maintain appropriate procedures for identifying, reporting and authorising changes in timing and costs, with defined thresholds for member involvement; allow managers' virement of cost reductions, but only within limits that safeguard members' interest in policy changes and in reallocation of significant sums; review programme as a whole at least annually, and report to the Finance and Corporate Resources Overview and Scrutiny Committee, and the Executive with appropriate performance measures.
- (h) Sustainability: adopt sustainability and energy efficiency proposals and cost effective, having regard to Council policies such as the Sustainable communities Strategy, the Environment Policy and the Energy Code of Practice; seek to reduce energy consumption and carbon emissions in line with Council targets; and increase the use of materials from sustainable sources where costs effective.

Investments & Capital Payments Financing



**Investments
at 31st March:**



Capital Payments (housing and general) financed by:



Revenue



Realisation of
Investments



Grants and Reimbursements

The Council's capital spend is forecast to increase in 2012/13 and 2013/14, which is largely due to the major remodelling works being carried out at Burntwood, Southfields, Bolingbroke and Elliott schools. This increase in capital spend has mainly been affordable due to the high level of capital receipts forecast in 2012/13, 2013/14 and 2014/15, some of which have been specifically earmarked for Children Services schemes.

The level of investment reduced at the end of 2011/12 due to the £434 million paid to the Government for the HRA Subsidy Buy-Out which took place on 28th March 2012. £224 million was borrowed externally from the Public Work Loans Board, with the balance consisting of internal borrowing from both the General Fund and the HRA itself. The level of investment is expected to increase in 2012/13 due to the high level of capital receipts received and the receipt of capital grant in advance from the Department for Education. The level of investment is set to reduce in 2013/14 as works on the Children's Services schemes progress.

The most significant capital grants are Government grants for education schemes.

TREASURY MANAGEMENT

STRATEGY FOR 2013/14

The following table shows the outlook for investment and debt levels for the period 2012/13 to 2015/16, taking into account estimates of major cash flow movements.

| | <u>2012/13</u> | <u>2013/14</u> | <u>2014/15</u> | <u>2015/16</u> |
|---|----------------|----------------|----------------|----------------|
| | £'m | £'m | £'m | £'m |
| Estimated investments 1st April | 214.6 | 310.0 | 288.9 | 299.4 |
| Estimated debt 1st April | -230.1 | -212.6 | -194.7 | -175.6 |
| Deposit facilities for other bodies and funds | -0.3 | -0.3 | -0.3 | -0.3 |
| <u>Net investments 1st April</u> | <u>-15.8</u> | <u>97.1</u> | <u>93.9</u> | <u>-123.5</u> |
| <u>Deduct</u> | | | | |
| Capital payments – general | -68.2 | -74.7 | -24.1 | -10.0 |
| Capital payments – HRA | -23.5 | -29.4 | -24.9 | -25.5 |
| Payment of capital receipts to Government | -1.5 | -1.7 | -1.9 | -0.5 |
| Movement in funds, reserves and provisions | - | - | -3.4 | - |
| Reduction in net creditors | - | -25.0 | -6.0 | - |
| <u>Add</u> | | | | |
| Capital receipts | 59.0 | 38.1 | 40.9 | 14.1 |
| Capital grants | 54.8 | 45.1 | 7.7 | 4.5 |
| Movement in funds, reserves & provisions | -7.4 | 9.4 | -3.4 | 1.3 |
| Revenue provisions for capital and credit liabilities | 39.9 | 35.0 | 41.3 | 54.2 |
| Increase in net creditors | 45.0 | - | - | - |
| In-Year net investment movement | <u>112.9</u> | <u>-3.2</u> | <u>29.6</u> | <u>38.1</u> |
| Net investments 31st March | <u>97.1</u> | <u>93.9</u> | <u>123.5</u> | <u>161.7</u> |
| Estimated debt 31st March | -212.6 | -194.7 | -175.6 | -154.9 |
| Deposit facilities for other bodies | -0.3 | -0.3 | -0.3 | -0.2 |
| Change in use of deposit facilities | - | - | - | 0.1 |
| Gross Investment | 310.0 | 288.9 | 299.4 | 316.7 |
| Repayment of debt | 17.5 | 17.9 | 19.1 | 20.7 |

The Council is expected to begin the year with investments of around £310 million. Repayment of £0.7 million of old long-term debt falls due over the next year from April 2013, together with £17.2 million repayment of new PWLB loans taken up for the HRA on 28th March 2012 before allowing for any repayment of new PWLB loans taken up for the HRA on 28th March 2012. The estimated movement for the following two years based upon current cash flows shows that investments are likely to fluctuate around the £300 million level.

Affordable Borrowing Limit and Operational Boundary The Council have to set an affordable borrowing limit and operational boundary for 2013/14 under Section 3 of Part 1 of the Local Government Act 2003. This limit refers only to gross borrowing, ignoring investments, and it is intended that it reflect the maximum amount that a local authority decides that it can afford to borrow. This limit was set at £280 million in February 2012 for 2012/13, reflecting the potential borrowing of £250 million or higher for the HRA subsidy buy-out on 28th March 2012, the previously existing debt position of £7 million, and allowing for the possibility of borrowing for a "spend-to-save" scheme, and short-term fluctuations in cash flows, including deposit facilities offered to other bodies and external funds, such as the North East Surrey Crematorium Board. In practice the new borrowing was only £224 million of which £17 million will have been repaid by the beginning of 2013/14. A limit of £220 million is therefore proposed for the affordable borrowing limit and operational boundary for 2013/14, reflecting the continuing effect of this new borrowing, the previous debt of £6 million, and allowing for other possible requirements.

TREASURY MANAGEMENT

SCOPE OF CORPORATE TREASURY MANAGEMENT

Treasury management activities are defined as the 'management of the Council's cash flows, banking, money market and capital market transactions, the effective control of the risks associated with those activities, and the pursuit of optimum performance consistent with those risks, supporting the achievement of the Council's business and service objectives.'

All cash, bank balances, financial assets, borrowings and credit arrangements held or made by any person in the course of their employment by the Council fall within the scope of Corporate Treasury Management, apart from items specifically excepted for this purpose by the Executive. The current exceptions are:

- (i) Funds held as cash and as bank balances, and managed by officers of the Education and Youth Services for the purposes of school journey grants, voluntary funds, and encashment of wages;
- (ii) Funds held as cash and as bank balances and managed by officers of Adult Social Services and Children's Services Departments' Care Establishments for small items of expenditure and on behalf of residents;
- (iii) Funds held in bank accounts for school disbursements and managed by officers in schools that have exercised their right to use different bankers from the Council; and
- (iv) Pension Fund investments and balances under the control of investment managers appointed by the Pensions Committee.

ADMINISTRATION

- (1) The Director of Finance's responsibilities for Treasury Management are prescribed in the Council's Financial Regulations. Corporate Treasury Management is part of the statutory responsibility of the Director of Finance under Section 151 of the Local Government Act 1972, and no other Council or school employee is authorised to borrow or make credit arrangements on behalf of the Council.
- (2) Subject to (c) below, the Director of Finance has delegated authority in relation to Treasury Management as follows:
 - (i) To invest any surplus balances of the Council's funds other than the Pension Fund and to sell investments for the purpose of re-investment or to meet the needs of a particular fund.
 - (ii) To administer the Council's external debt within the ambit of any policy as to borrowing which the Council may have from time to time determined, and specifically:
 - (a) to raise, repay, renew and otherwise vary the terms of the loans; and
 - (b) to enter into any collateral agreements necessary to facilitate effective debt management; and

- (iii) To negotiate and enter into leasing agreements in order to finance the acquisition of vehicles, plant and equipment and to enter into any collateral agreements necessary to facilitate an effective leasing policy.
- (3) The Director of Finance shall submit for the approval of the full Council by 31st March of each year, a Treasury Policy Statement defining the overall arrangements and strategy for the ensuing financial year, a mid-year review report, and a report on the exercise of his delegated authority by 30th September in the following financial year, and a mid-year review report. Such statements and reports will have regard to good professional practice and relevant codes such as the CIPFA Guide to Treasury Management in the Public Services. The Policy Statement will distinguish between general strategy, which will be followed without exception, and strategy specific to the circumstances foreseen for the coming year, from which the Director may depart if changed circumstances so require provided that the departure be reported to the next meeting of the Finance and Corporate Resources Overview and Scrutiny Committee, the Executive and the Council. The Director may depart from the policy to act upon the lowest credit rating of the three credit rating agencies when making investment decisions, with the approval of the Cabinet member for Finance and Corporate Resources, if circumstances become such that investment opportunities under this policy are so restricted that it is not possible to place investments other than with the Debt Management Account Deposit Facility.
- (4) Day-to-day Treasury Management responsibilities shall be handled by the Treasury Management Group, within the Corporate Finance Division of the Finance Department, in accordance with a Treasury Systems Document reviewed annually by the Director. The Treasury Systems Document will contain details of the Council's Treasury Management Practices, including how the Council will manage and control the relevant activities.
- (5) Treasury Management activities and issues shall be reviewed at a monthly Financial Planning meeting within the Finance Department chaired by the Director, and attended by the Heads of Corporate Finance, Service Finance, Audit and Pension Payments and Support. This meeting makes strategic decisions relating to items such as structure of investments and timing of long-term borrowing. The Director of Finance or, in his absence, either the Head of Corporate Finance, or Head of Service Finance may authorise changes in strategy previously defined at a monthly meeting if circumstances require.

TREASURY MANAGEMENT

GENERAL STRATEGY

- (1) Corporate Treasury Management will be conducted in a manner that regards the successful identification, monitoring, and control of risk as of prime importance, and accordingly the analysis and reporting of treasury management will include a substantial focus on the risk implications, and employ suitable performance measurement techniques within the context of effective risk management.
- (2) Investment
 - (i) Cash Balances - The Council shall not borrow in order to make financial investments.
 - (ii) Investment of the Council's surplus cash balances (other than the exceptions listed under longer term investments) shall be for up to 364 days through brokers in the sterling money market, directly through the Government's Debt Management Account Deposit Facility (DMADF), or directly with sterling AAA rated money market funds. Investments may also be placed directly with institutions that were in the UK Governments former credit guarantee scheme, where it has not been possible to place investments through brokers. Where money market funds are used, the choice of the fund shall be determined at the monthly Financial Planning meeting within the Finance Department, as described in paragraph (5) above. Around £80 million of the portfolio should be invested for 3 months or less, and the remaining balance will be invested for periods of between 3 months and 364 days.
 - (iii) Investments shall be placed with institutions in accordance with the following criteria shown in the table and sub-paragraphs below:-

TREASURY MANAGEMENT

| Policy Para 3.2.2 | Short-term rating | Long-term rating | Short-term outlook | Institution | Maximum Investment | Maximum Investment >6 Months |
|-------------------|-------------------|------------------|--------------------|---|--------------------|------------------------------|
| UK Only | | | | | | |
| (a) (i) | F1+ | AA- | Not Negative | In former UK Government Credit guarantee Scheme | £50m | £20m |
| (a) (ii) | F1+ | A | Not Negative | In former UK Government Credit guarantee Scheme | £50m | £15m |
| (b) | | | | UK Local Authority or precepting authority | £50m | £50m |
| (c) | F1+ | AA | Not Negative | UK | £40m | £20m |
| (d) | F1+ | AA | Negative | UK | £20m | nil |
| (e) | F1+ | A | Not Negative | UK | £15m | £15m |
| (f) | F1+ | A | Negative | UK | £10m | nil |
| (g) | F1 | A+ | Not Negative | UK | £10m | £10m |
| (h) | F1 | A+ | Negative | UK | £5m | nil |
| (i) | F1 | A | Not Negative | UK | £5m | nil |
| (j) | | | | Royal Bank of Scotland/NatWest PLC | £50m | Overnight only |

NON-UK with Sovereign Credit Rating of Country of Origin of at least AA+

| Policy Para 3.2.2 | Short-term rating | Long-term rating | Short-term outlook | Institution | Maximum Investment | Maximum Investment >6 Months |
|-------------------|-------------------|------------------|--------------------|-------------|--------------------|------------------------------|
| (k) | F1+ | AA- | Not Negative | Non-UK | £40m | £20m |
| (l) | F1+ | AA- | Negative | Non-UK | £20m | nil |
| (m) | F1+ | A+ | Not Negative | Non-UK | £20m | £20m |
| (n) | F1+ | A+ | Negative | Non-UK | £5m | nil |

TREASURY MANAGEMENT

For UK institutions only

- (a) in relation to those institutions that were eligible for the Government's credit guarantee scheme:
- (i) up to £50 million with UK institutions with a Fitch credit rating of at least F1+ short-term, AA long-term, and a short-term outlook that is not negative (or equivalent under Moody's or Standard and Poor's), where generally no more than £20 million is placed for periods longer than 6 months; and
 - (ii) up to £50 million with UK institutions with a Fitch credit rating of at least F1+ short-term, A long-term, and a short-term outlook that is not negative (or equivalent under Moody's or Standard and Poor's), and where generally no more than £15 million is placed for periods longer than 6 months;
- (b) up to £50 million with other UK local authorities or precepting authorities;
- (c) up to £40 million with UK institutions with a Fitch credit rating of at least F1+ short-term, AA long-term, and a short-term outlook that is not negative (or equivalent under Moody's or Standard and Poor's), where generally no more than £20 million is placed for periods longer than 6 months;
- (d) up to £20 million for a maximum of 6 months with UK institutions with a Fitch credit rating of at least F1+ short-term, AA long-term, and a short-term outlook that is negative (or equivalent under Moody's or Standard and Poor's);
- (e) up to £15 million with UK institutions with a Fitch credit rating of at least F1+ short-term, A long-term, and a short-term outlook that is not negative (or equivalent under Moody's or Standard and Poor's);
- (f) up to £10 million for a maximum of 6 months with UK institutions with a Fitch credit rating of at least F1+ short-term, A long-term, and a short-term outlook that is negative (or equivalent under Moody's or Standard and Poor's);
- (g) up to £10 million with UK institutions with a Fitch credit rating of at least F1 short-term, A+ long-term, and a short-term outlook that is not negative (or equivalent under Moody's or Standard and Poor's);
- (h) up to £5 million for a maximum of 6 months with UK institutions with a Fitch credit rating of at least F1 short-term, A+ long-term, and a negative short-term outlook (or equivalent under Moody's or Standard and Poor's); and
- (i) up to £5 million with UK institutions with a Fitch credit rating of at least F1 short-term, A long-term, and a short-term outlook that is not negative (or equivalent under Moody's or Standard and Poor's);
- (j) up to £50 million with Royal Bank of Scotland/Nat West PLC overnight only.

For non-UK institutions from a country with a sovereign Fitch credit rating of at least AA+ (or equivalent under Moody's or Standards and Poor's):

- (k) up to £40 million with institutions with a Fitch credit rating of at least F1+ short-term, AA- long-term, and a short-term outlook that is not negative (or equivalent under Moody's or Standard and Poor's), and where generally no more than £20 million is placed for periods longer than 6 months;
- (l) up to £20 million for a maximum of 6 months with institutions with a Fitch credit rating of at least F1+ short-term, AA- long-term, and a short-term outlook that is negative (or equivalent under Moody's or Standard and Poor's);
- (m) up to £20 million with institutions with a Fitch credit rating of at least F1+ short-term, A+ long-term, and a short-term outlook that is not negative (or equivalent under Moody's or Standard and Poor's); and
- (n) up to £5 million for a maximum of 6 months with institutions with a Fitch credit rating of at least F1+ short-term, A+ long-term, and a short-term outlook that is negative (or equivalent under Moody's or Standard and Poor's).

The credit ratings from Fitch, Moody's and Standards and Poor's shall be reviewed on a monthly basis, and the lowest of the three will be used.

The above investment criteria shall be regarded as maximum levels and due regard shall be had to market conditions. Restrictions on the above limits may be placed from time to time on a temporary basis by the Director of Finance or in his absence the Head of Corporate Finance or the Head of Service Finance. Any such temporary restrictions applied shall be reported to the next available meeting of the Finance and Corporate Resources Overview and Scrutiny Committee, the Executive and the Council.

- (iv) Longer Term Investments – Investments for periods longer than 364 days must be authorised by the Director of Finance, and may be made only when either: -
 - a) Investments in directly through commercial sterling money market funds i.e. where investments are placed in financial institutions with AAA ratings. The choice of funds is to be determined at the monthly Financial Planning meeting within the Finance Department, as described in paragraph (5) above;
 - b) Investments in UK gilt-edged securities; or
 - c) Investment is of amounts set aside from the HRA reserves for repayment of a bond, or a long-term PWLB loan.

TREASURY MANAGEMENT

Longer-term investments shall not be longer than two years, except the investment of amounts set aside from the HRA reserve for repayment of a bond, or long-term PWLB loans which may be invested for longer periods, as long as the maturity date is no later the maturity date of the bond, or long-term PWLB loan. The amount that can prudently be invested for longer than 364 days, but for no longer than two years must relate to forecasts of investments, taking into account foreseeable net spending needs and allowing for adequate reserves and contingencies. As investment levels are expected to remain at over £300 million, a prudent limit for the maximum amount to be invested for longer than 364 days but for no longer than two years is £50 million.

- (v) No credit arrangements shall be undertaken except
- leases of land and buildings approved by the Executive or under powers delegated to the Borough Valuer and Estates Surveyor or another officer; and
 - finance leases for vehicles, plant, and equipment on terms more favourable than realisation of investments.
- (vi) Generally, at least 90%, and always at least 80%, of the Council's borrowing shall be taken in the form of loans raised for a period in excess of one year and, if practicable, with an average original period of at least six years. Long-term loans shall be taken up either through brokers in the sterling money market, the Public Works Loan Board (PWLB), or by the issuing of a bond.

TRADING ACCOUNTS AND SERVICE LEVEL AGREEMENTS

When the Council exposes the provision of its services to competitive tendering, and an in-house bid by its own labour force is awarded the 'contract', then these activities are treated as 'trading' operations. The charge to the 'client' service is not the actual cost but the charge which would be appropriate if the labour force had obtained the work on the same footing as a private contractor. This charge is then treated as income to a trading account, which also bears the actual costs, to determine whether the labour-force is commercially viable.

A trading account surplus at the end of the year can be carried forward to meet future deficits, or it may be credited to the General Fund for the more immediate benefit of taxpayers, or if housing related credited to the Housing Revenue Account. Deficits may be similarly treated.

Reports showing financial results are presented to the relevant Overview and Scrutiny Committee on each trading account. In practice, some caution is necessary in drawing conclusions on competitiveness merely from these financial results.

Other activities, while not being put out to tender, are also subject to the discipline of trading accounts. The heightened management awareness associated with the need to demonstrate achievement of both financial and service delivery targets within these disciplines is generally recognised as beneficial. The term Service Level Agreement (SLA) is usually applied to these arrangements when the activity has not been subject to competitive tender.

Charges for SLA's are designed to maintain a break-even situation taking one year with another; in the interest of properly accounting for costs in the year of account, deficits carried forward are limited to 2.5% of gross expenditure and surpluses to 5%. Deficits or surpluses within these parameters are expected to be reflected in charges for the subsequent year; excess deficits or surpluses are fully reported to the responsible Committee, and reflected in adjusted charges in the year of account.

The present extent of trading accounts and SLA's in each Department is shown on the next page, together with an indication of the gross budget included within such arrangements.

TRADING ACCOUNTS AND SERVICE LEVEL AGREEMENTS

| | 2013/14 ANNUAL VALUE <hr/> £'000 |
|---|---|
| <u>ADMINISTRATION DEPARTMENT</u> | |
| Training Centre | 369 |
| Graphics | 319 |
| Quickprint | 489 |
| | <hr/> 1,177 <hr/> |
| <u>ADULT SOCIAL SERVICES DEPARTMENT</u> | |
| <i>Providers</i> | |
| Athelstone | 2,753 |
| <i>Support Services</i> | |
| Central Support Services | 2,507 |
| Departmental Support Services | 5,973 |
| | <hr/> 11,233 <hr/> |
| <u>CHILDREN'S SERVICES DEPARTMENT</u> | |
| <i>Schools Trading Accounts</i> | |
| Schools IT Support | 469 |
| Personnel Services | 379 |
| Learning Resources | 289 |
| Curriculum and Professional Development | 51 |
| Schools Financial Management | 291 |
| Music Support | 340 |
| Contracts | 251 |
| Performance and Standards | 144 |
| PC Training and Development | 126 |
| Literacy Support | 361 |
| | <hr/> 2,701 <hr/> |

TRADING ACCOUNTS AND SERVICE LEVEL AGREEMENTS

| | <u>2013/14</u> <u>ANNUAL</u> <u>VALUE</u> <u>£'000</u> |
|---|---|
| <u>ENVIRONMENTAL & COMMUNITY SERVICES DEPARTMENT</u> | |
| Engineering Consultancy and Highway Maintenance | 5,370 |
| Building Maintenance | 9,433 |
| Transport Management Services | 1,669 |
| Social Services Transport | 571 |
| Education Transport | 1,999 |
| Tree Maintenance Administration | 322 |
| | <u>19,364</u> |
| <u>FINANCE DEPARTMENT</u> | |
| Audit and Benefit Fraud | 1,590 |
| Accounting Services | 593 |
| Payroll | 620 |
| Design Service | 2,611 |
| | <u>5,414</u> |
| <u>HOUSING DEPARTMENT</u> | |
| Housing Contract Services: general management and maintenance | 10,964 |
| | <u>10,964</u> |
| TOTAL | <u><u>50,853</u></u> |

AUDIT

External Audit. PricewaterhouseCoopers LLP have been appointed by the Audit Commission as the Council's external auditor from the 1st April 2008. The auditor covers the financial aspects of corporate governance, the Council's accounts and performance management, and reports via the Audit Commission to the Audit Committee. When the accounts have been prepared, they are advertised, usually about July, as open to inspection by anyone interested. Any elector can make objections to the auditor about any items in the accounts.

Internal Audit. The Council has a statutory obligation to maintain an adequate and effective system of internal audit of the accounting records and internal control systems, with a corresponding right of access at all times to documents, information and explanations needed. The Finance Department's Internal Audit Service is concerned to ensure that both financial and non-financial systems and procedures at all levels operate to safeguard the Council's interests, maximise economy, efficiency and effectiveness and contribute to the achievement of the Council's objectives. The Section maintains a capacity for special investigations and, along with its contractor, works to a programme of reviews in all departments of the Council.

The Director of Finance is under a duty to report to the Council and the external auditor if it appears that any proposal would incur unlawful expenditure or cause a loss or deficiency.

The Head of Audit reports at least annually to the Directors, the Directors' Board and the Audit Committee, and has the prime responsibility for advising this Committee regarding the Annual Governance Statement for publication with the Council's accounts.

The Head of Audit is a member of the Procurement Advisory Group that considers all procurement with a total value in excess of £100,000.

The Head of Audit is the initial contact for staff, Members and third parties to report suspicions of fraud, corruption or financial irregularity, and is the Council's Money Laundering Reporting Officer.

EMPLOYEES

The table below shows the employee budgets for 2013/14 by department, compared with the previous year:

| <u>DEPARTMENT</u> | <u>2012/13</u> £'000 | <u>2013/14</u> £'000 |
|--------------------------------------|-------------------------|-------------------------|
| Administration | 15,547 | 17,827 |
| Adult Social Services | 18,231 | 17,855 |
| Children's Services | 216,025 | 185,351 |
| Environmental and Community Services | 33,866 | 30,207 |
| Finance | 16,901 | 18,249 |
| Housing | 19,519 | 19,625 |
| | <u>320,089</u> | <u>289,114</u> |

The table below shows an estimate of the number of employees (full-time equivalents and including employees of foundation and voluntary-aided schools, and agency and sessional staff) for 2013/14 by department compared with the previous year.

| <u>Staff Numbers</u> | <u>2012/13</u> | <u>2013/14</u> |
|--------------------------------------|----------------|----------------|
| Administration | 240 | 297 |
| Adult Social Services | 433 | 432 |
| Children's Services | 4,937 | 4,049 |
| Environmental and Community Services | 910 | 790 |
| Finance | 360 | 393 |
| Housing | 470 | 460 |
| | <u>7,350</u> | <u>6,421</u> |

Balances - the accumulated surplus of income over expenditure, which can be used to finance future expenditure.

Billing authority - a local authority empowered to set and collect council taxes and business rates, and manage the Collection Fund on behalf of itself and precepting authorities in its area. London boroughs and the City of London are billing authorities.

Business Rates - also referred to as National Non-Domestic Rates (NNDR). These are a tax on businesses according to a rate multiplier applied to the rateable value of the properties they occupy. Both the rateable value and the rate multiplier are set by the government. From 2013/14, authorities will be able to retain a proportion of business rates collectable: in London 30% will be retained, 20% will be passed to the Greater London Authority and 50% to the government.

Capital expenditure - the definition extends to:

- the acquisition, reclamation, enhancement or laying out of land, exclusive of roads, buildings and other structures;
- the acquisition, construction, preparation, enhancement or replacement of roads, buildings and other structures;
- the acquisition, installation or replacement of movable or immovable plant, machinery and apparatus and vehicles and vessels;
- the making of advances, grants or other financial assistance to any person towards expenditure incurred or to be incurred by him on matters mentioned in the three categories above or in the acquisition of investments;
- the acquisition of share or loan capital in any body corporate, excluding pension fund investments.

Capital Financing Costs - the revenue costs arising from loss of interest on investments used to pay for capital expenditure, or the repayments of interest and principal on external loans taken up.

Capital receipts - sums received from the sale of assets where expenditure on those assets would be expenditure of a capital nature.

GLOSSARY OF LOCAL AUTHORITY FINANCE

Collection Fund - the fund administered by a billing authority into which council taxes and business rates are paid, and from which payments are made to the General Funds of charging and precepting authorities and to the government.

Council tax - the local taxes on property, set by the charging authority and the precepting authorities in order to collect sufficient revenue to meet their demand on the Collection Fund. It is based on the value of the property. The Valuation Office Agency assesses the properties in each district and assigns each property to one of eight valuation bands, A to H. The tax is calculated on the basis of the weighted number of properties, equated to Band D. Tax levels for dwellings in other bands are then set relative to the Band D amount.

Council tax benefit - financial help given to taxpayers whose income falls below prescribed amounts. The cost is substantially covered by government grant.

Council tax requirement - an amount calculated, in advance of each year, by each billing authority, and by each major precepting authority. It is the amount that each Council needs to raise from council tax for its own purposes.

Dedicated Schools Budget (DSB) - consists of the delegated schools budgets and the central spending by the Council in support of schools. This budget is ring-fenced and wholly funded by grant.

Demand on the Collection Fund - the amount calculated by a billing authority to be transferable from its Collection Fund to its General Fund. Apart from any surplus or deficit in the Collection Fund, the amount is calculated as the authority's council tax requirement.

Depreciation - is the process by which the consumption of the economic benefits or service potential inherent in an item of property, plant or equipment is recognised in the cost of services.

General Fund - the fund within which most transactions of a local authority take place. Although strictly it includes the Housing Revenue Account and the DSB, it commonly refers only to items outside those Accounts. Other funds held by a local authority may include a Collection Fund, Pension Fund and trust funds held for charitable purposes.

Housing benefit - financial help (sometimes known as rent allowances) given to local authority, housing associations or private tenants whose income falls below prescribed amounts.

Housing Revenue Account (HRA) - a local authority statutory account, legally within the General Fund but commonly regarded as distinct, covering current income and expenditure relating to its own housing stock.

Indirect Employee Expenses - includes costs incurred for staff training and for recruitment.

Levy - the amount charged by a statutory levying body to relevant billing authorities, usually in proportion to the relevant tax bases of those billing authorities.

Major precepting authority - the Greater London Authority makes a precept on the Collection Fund, as county councils do elsewhere.

Precept - represents the amount required from the Collection Fund to finance the expenditure of a major precepting authority.

Premises Costs - includes repair and maintenance of fixed plant, maintenance of grounds, fuel, light, cleaning, water, fixtures and fittings, rent and rates, and premises-related insurance.

Provisions - amounts set aside generally as estimates of liabilities or losses already incurred but whose exact amount will be determined in the future e.g. bad debts.

Reserves - Revenue account reserves can be amounts for general contingencies and to provide working balances, or they can be earmarked to specific future expenditure.

Revenue Expenditure - in a general sense, expenditure on recurring items including the running of services, interest, and annual debt repayments.

GLOSSARY OF LOCAL AUTHORITY FINANCE

Settlement - "Local Government Finance Settlement" is the annual determination made in a Local Government Finance Report by affirmative resolution of the House of Commons for the following year's provision for local authority expenditure. From 2013/14 it involves a Start Up Funding Assessment, including Revenue Support Grant, locally retained business rates, and a calculated top-up or tariff to compensate for the difference between these and the individual authority funding baseline.

Specific grants - these are grants paid by various Government departments for use on specific services, such as housing benefit subsidies. Those may be earmarked or non-earmarked.

Supplies and Services - includes equipment, furniture, materials, clothing, uniforms, laundry, printing, stationery, telephones, postage, computers, advertising (other than for recruitment), and grants to voluntary bodies.

Third Party Payments - services provided by an external supplier, such as a private contractor or public authority.

Trading services - local authority services that are, or are generally intended to be, financed mainly from charges levied on the users of the service.

Transfer Payments - payments to individuals for which the authority does not receive any direct goods or services, e.g. housing benefits.

Use of Transport - includes repair and maintenance of vehicles and moveable plant, fuel, oil, tyres, licences, transport insurance, hire of vehicles and moveable plant, and employee car allowances.

SECTION 2 COUNCIL'S REVENUE BUDGET AND COUNCIL TAX

This section sets out how the 2013/14 revenue budget, council tax, and budget framework were developed from the previous year's budget. It is based on reports considered by the Finance and Corporate Resources Overview and Scrutiny Committee on the 24th January 2013 and 27th February 2013, and by the Council on the 6th March 2013. The section contains appendices summarising the budgetary effect of developments and of repricing from November 2011 to 2012, levies from other public bodies, special reserves, and the council tax base.

COUNCIL NET REVENUE EXPENDITURE

Service Revenue Budgets

1. In January 2013, the Executive approved the service revenue budgets, which showed the effects of providing for current programmes, policies and developments as detailed in the cream-coloured pages of this book.
2. In doing so, the Executive also approved the detailed changes to take account of inflation between November 2011 and November 2012. There were no increases in pay effective from April 2012. Budgets for contracted services were increased by the retail price index or other specified repricing basis from the relevant review date. Other running costs were cash limited in 2012/13 to the 2.7% allowed for when deciding the Council's budget, but for 2013/14 the inflation reflects the actual change in prices between November 2011 and November 2012. The effects of inflation to November 2012 amounted to £3.6 million in 2012/13 and £3.7 million in a full year, as summarised in Appendix A. The revised budgets for 2012/13 total £201.445 million, which is a decrease of £3.9 million on the original budget (including provision of £4.443 million for inflation) approved in March 2012.
3. The bodies empowered to make levies or charges upon the Council have largely issued their requirements for 2013/14. These fall into two categories: the first are those levies which could be passported through to local council tax payers, without triggering a council tax referendum. The second are charges which do not fall into that category. The details of all the levies and charges are given in Appendix C, requiring increased budget provision of £1.333 million, of which £1.348 million is in relation to levying bodies. Most bodies have broadly held their charges to 2012/13 levels, or made modest reductions, although the impact of the change in the statutory calculation of the taxbases of the constituent authorities has had a redistributive effect.
4. This redistribution is a direct consequence of the move from council tax benefit from the former council tax support, and has had the unintended consequence of penalising low tax councils who have protected residents from the impact of the change, whilst benefiting high tax authorities who have passed the change onto tax payers. However, there has been an increase in the levy from the Western Riverside Waste Authority, due to the authority reducing the levy in the previous year by a one-off utilisation of balances.
5. The allowance recommended for inflation from November 2012 prices through to 2013/14 outturn is £6.21 million. Further increases for 2014/15 and 2015/16 of £8.13 million and £7.44 million respectively were also recommended.

6. This produced total 2013/14 service budgets of £215.701 million shown analysed by Committee and by income and expenditure categories in Appendix B. The total is £14.4 million more than the equivalent figure for 2012/13. The projected service budgets for 2014/15 and 2015/16 are £218.077 million and £224.171 million, as shown in Appendix A.

New Homes Bonus and Council Tax Freeze Grant

7. The New Homes Bonus was introduced in 2011 and provides a Government grant equivalent to the increase in council tax revenues that would otherwise be generated from new housing stock, but calculated using the national council tax charges. The new grant is payable on cumulative growth in housing stock for 6 years from 2011/12. For 2013/14 the grant payable is £5.2 million, including payments in respect of the previous two years. For 2013/14, the Government has also provided a New Homes Bonus Adjustment Grant of £0.5 million. It should be noted that nationally the New Homes Bonus is a top-slice from overall Government support to local authorities and that in the event in future years that new homes bonus is not fully allocated nationally a further adjustment grant may be payable.
8. Authorities that freeze or reduce their element of council tax, excluding any levies (known as the relevant basic amount), will be eligible to receive additional funding in 2013/14. In order to enable a like for like comparison of relevant basic amounts of tax between years, an Alternative Notional Amount for 2012/13 had to be calculated to reflect the change to localisation of council tax support. In Wandsworth's case, the additional grant receivable is £491,636. The recommendation in respect of council tax is not to increase the relevant basic amount - all the increase is attributable to the increase in levies and, as such, the Council will be eligible to receive this grant. Unlike the grant paid for freezing the council tax in 2011/12 which the Council will receive for each year of the current Spending Review period, the grant for 2013/14 is only guaranteed for that year. It should also be noted that the grant paid in relation to 2012/13 was not consolidated into the Start-Up Funding Assessment for 2013/14 and future years (para 14).

GENERAL FUND RESERVES

9. The calculation of the Council's requirements has to include the amount of financial reserves which it will be appropriate to raise or use in the financial year. The Council has no need for reserves for two of the purposes which it is obliged to consider: to cover deficits remaining from any earlier financial year (as there are none), and to cover 2014/15 expenditure to be incurred before revenues for that year are available (as this can be met within the Council's temporary borrowing limit).

Special Reserves

10. The special reserves are those appropriate for meeting future expenditure in performing the Council's functions. The existing and proposed special reserves are shown in Appendix E, although those relating to the Housing Revenue Account and schools are not directly relevant.

- (a) Finite Services Fund. Provision has been made in the Finite Services Fund to pre-finance fully the cost of certain schemes of limited duration. The Fund had reduced over the years as the various specific schemes had been financed, with the remaining Olympic preparation costs being financed in 2012/13. £1m was added to the Fund at the end of the last financial year as a specific provision to finance the Council's aspirations programme. The use of the Fund over the next three years is anticipated to be as follows:

| | <u>2012/13</u> £'m | <u>2013/14</u> £'m | <u>2014/15</u> £'m | <u>2015/16</u> £'m |
|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| Aspirations programme | 0.039 | 0.081 | 0.018 | - |
| Olympic preparation | 0.003 | - | - | - |
| | <hr/> 0.042 | <hr/> 0.081 | <hr/> 0.018 | <hr/> - |

- (b) Renewals Fund. The Fund is for "loans" to services with unusually large requirements for building refurbishment, energy conservation schemes, investment in IT schemes and vehicle and plant replacements. The use of the Fund over the next three years is anticipated to be as follows:

| | <u>2012/13</u> £'m | <u>2013/14</u> £'m | <u>2014/15</u> £'m | <u>2015/16</u> £'m |
|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| Contributions to Fund | 569 | 549 | 549 | 549 |
| Charges from Fund | -4,474 | -1,748 | -447 | -172 |
| Net Fund movement | <hr/> -3,905 | <hr/> -1,199 | <hr/> 102 | <hr/> 377 |

- (c) Specific Grant Reserve. This reserve is retained for over-estimates and potential exposure to loss of General Fund Government specific grants.
- (d) Insurance Reserve. This reserve was established to meet certain non-specific liability and property claims where the Council does not insure externally. An external review carried out in 2008 determined that the reserve exceeds the Council's requirements. The surplus is being returned to the General Fund and Housing Revenue Account over a period of years, reflecting due caution given the volatility of potential claims. The General Fund will receive £0.6 million in each year from 2012 to 2014 and the adequacy of the reserve will be subject to a further external review during 2013.

- (e) Employer's Pensions Contributions Reserve. This reserve was established to mitigate the impact of future increases in employer's pension contributions.
- (f) Service Transformation Reserve. This reserve was established in 2011/12 to mitigate the impact of the restructuring of services with particular regards to redundancy and other costs of service restructuring.

General Reserves

11. The general reserves at 31st March 2013, on the basis of previous reports and the current outlook for 2012/13, were then estimated as:

| | <u>£'m</u> | <u>£'m</u> |
|--|----------------|----------------------|
| General Fund balance 1st April 2012 | | 21.629 |
| <u>Plus:</u> | | |
| Increased net appropriations from the Renewals Fund | | |
| Original | -0.348 | |
| Revised | <u>-3.905</u> | |
| | | 3.557 |
| <u>Less:</u> | | |
| Increase in net appropriations from the Finite Services Fund | | |
| Original | -0.023 | |
| Revised | <u>-0.042</u> | |
| | | 0.019 |
| <u>Plus:</u> | | |
| Reduction in Committee budgets 2012/13 | | |
| Original | 201.310 | |
| Revised | <u>198.634</u> | |
| | | 2.676 |
| <u>Less :</u> | | |
| Planned contribution to general reserves | | -7.646 |
| Estimated General Fund balance 31st March 2013 | | <u><u>20.235</u></u> |
| <u>Less:</u> | | |
| Recommended for contingencies for 2013/14 | | 14.000 |
| Excess over required contingency | | <u><u>6.235</u></u> |

12. The Council must make an appropriate prudent allowance for contingencies for the forthcoming year. The Council considered that it would be prudent to retain a general reserve for contingencies of all kinds of about £14.0 million, the same as that indicated on the outturn report on the 2011/12 accounts (Paper No 12-491). The increase results from additional cost pressures in 2013/14 including the impacts of Welfare reform and the uncertainty over future inflation. The budget provision for pay awards is 1% and non-staff costs is 2.0%, based on an average of private sector forecasts published by the Treasury, and where an additional 0.5% would add £0.85 million in 2013/14. The full range of uncertainties in the next financial year is indicated by the items shown in Appendix D. With the General Fund balance estimated to be £20.235 million at 31st March 2013, £6.235 million is available to reduce the council tax requirement for 2013/14.

USE OF RESERVES

13. The Council's net expenditure is reduced by drawing on reserves as follows:

| | <u>2013/14</u> £'m | <u>2014/15</u> £'m | <u>2015/16</u> £'m |
|---|-----------------------|-----------------------|-----------------------|
| Council's Net Expenditure (para.6) | 215.701 | 218.077 | 224.171 |
| Contribution from General Reserves (para.11) | -6.235 | - | - |
| Contribution from Renewals Fund (para. 10) | -1.199 | 0.102 | 0.377 |
| Contribution from Insurance Reserve (para.10) | -0.605 | -0.605 | - |
| Financing from the Finite Services Fund (para.10) | -0.081 | -0.018 | - |
| Council's Net Expenditure after use of Reserves | <u>207.581</u> | <u>217.556</u> | <u>224.548</u> |

LOCAL AUTHORITY GRANT SETTLEMENT

Start-up Funding Assessment (SUFA)

14. The Government significantly amended the methodology for central government support for local authorities, consolidating many previously specific grants into the new funding model. Local authority funding is now split into three separate streams: retained Business Rates (the Council retains 30% of local business rates), a Business Rates top-up (recognising the lower amount receivable under this methodology when compared with the assessed funding base level), and Revenue Support Grant (RSG), to arrive at the settlement for 2013/14 totalling £161.6 million, inclusive of the Council Tax Freeze Grant for 2011/12 of £1.20 million. The Council Tax Freeze Grant for 2012/13 of £1.21 million has not been rolled forward in the provisional settlement for 2013/14. The overall figure is now described as the Start-Up Funding Assessment (SUFA). This is the first of a two-year settlement and is in line with the announcement of grant entitlement made in December 2012. SUFA figures have been provided by the Government for 2014/15 that total £145.8 million, a reduction of £16 million. For budgetary purposes a total of £142.8 million for RSG and Business Rates has been assumed for 2015/16; this is based on a projection of current high level Government spending plans for that year. Increases in new home bonus have been assumed on the basis of 800 additional new homes for each of the next two years.

CALCULATION OF COUNCIL TAX AMOUNTS

Collection Fund

15. The tax requirements of the Council are aggregated with those of the precepting authorities within the Collection Fund. The Council's part represents its budget requirement less its share of Business Rates and RSG, and any Collection Fund surplus or deficit. It is estimated that the Collection Fund will have a surplus of £2.406 million at 31st March 2013. Of this amount £1.327 million will be credited to the Council's General Fund in 2013/14. The remainder is passed to the Greater London Authority.

Wandsworth Council Tax Requirement

16. After taking account of Business Rates and central Government support, the amount that this Council needs to raise from council tax for its own purposes is as follows:

| | <u>2013/14</u> | <u>2014/15</u> | <u>2015/16</u> |
|---|----------------|----------------|----------------|
| | £'m | £'m | £'m |
| Council's Net Expenditure after use of reserves (para.13) | 207.581 | 217.556 | 224.548 |
| Less: Collection Fund surplus (para.15) | -1.327 | - | - |
| | <hr/> | <hr/> | <hr/> |
| | 206.254 | 217.556 | 224.548 |
| Less: Local Authority Finance Settlement (para.14) | -161.622 | -145.824 | -142.800 |
| | <hr/> | <hr/> | <hr/> |
| Wandsworth Council Tax Requirement | 44.632 | 71.732 | 81.748 |

The statutory form of calculation by the Council is shown in Appendix G, with details in Appendix F.

Section 25 of the Local Government Act 2003 requires that when a local authority is making its budget calculations, the Director of Finance must report to it on the robustness of the estimates made for the purposes of the calculations, and the adequacy of the proposed financial reserves. The Director of Finance considers that the estimates are sufficiently robust for the purposes of the calculations and that the proposed financial reserves are adequate.

Council Tax Bases

17. In order to translate the Council's demand upon the Collection Fund into household tax amounts, it is necessary to relate it to the appropriate tax bases. The Council tax bases are now calculated annually by the Director of Finance following delegation of the determination by the Council at its meeting on 4th February 2004.

The method of calculation has changed for 2013/14, as detailed in the Local Authorities (Calculation of Council Tax Base) (England) Regulations 2012, to reflect adjustments that are now required for the Long Term Empty premium (additional 50% charged on properties empty and unfurnished for at least 2 years) and an equivalent number of dwellings relating to the estimated spend on the Council's new council tax reduction scheme from 1st April 2013. The calculation continues to require authorities to "convert" the various property bands to band D equivalents after adjusting for discounts, exempt properties, the effect of appeals, new, demolished and converted property, and banding reductions related to disability. Losses on collection and payments made by the Secretary of State for Defence with regard to service accommodation in the borough are also taken into account.

This method necessarily produces a lower result than the tax base used for grant purposes, as the latter takes no account of non-collection and appeals.

These tax bases were calculated making a number of assumptions:

- | | |
|--|--|
| (a) Existing properties | - valuation list as at 30th November 2012 |
| (b) New, converted and demolished property | - no effect on the tax base |
| (c) Exempt property | - property currently exempt plus those under review |
| (d) Appeals | - number outstanding at 30th November 2012, 100% successful |
| (e) Disabled bandings reduction | - reductions currently granted |
| (f) Discounts | - based on those granted at 30th November 2012 plus an allowance for reviews |
| (g) Collection rate | - 96.6% |

The relevant amount for each valuation band is required to be calculated as follows in accordance with the Local Authorities (Calculation of Council Tax Base) (England) Regulations 2012 :-

$$(C - (D \times E) - Z) \times \frac{F}{G} \quad \text{where:-}$$

- C = number of chargeable dwellings, net of any exemptions and adjustments for appeals or disabled band reductions
- D = number of discounts in respect of dwellings, net of any premiums that may need to be accounted for
- E = appropriate percentage, i.e. 25%
- $\frac{F}{G}$ = proportion for the band in relation to Band D
- Z = estimate of total spend on council tax reduction scheme, expressed as an equivalent number of chargeable dwellings in the band

The main statistics for the calculation are shown in Appendix H. Based on these assumptions, the council tax bases for 2013/14 amount to 114,871 for the borough as a whole, and 23,791 for the Wimbledon and Putney Commons Conservators' (WPCC) area. The figures for 2012/13 were 128,358 and 26,955. The reductions result from the new statutory calculation that incorporates the effect of Council Tax Support on the tax base. The Government determined that local authorities should administer their own schemes for Council Tax Support, at the same time announcing a 10% reduction in support for cost of these benefits. The impact on the Council was twofold. The cost to the Council of not passing on this reduction in Government support was in excess of £600,000 (almost 11%). In addition, as noted in paragraph 3 the impact on Council tax bases used for levying purposes has had an adverse distributional effect on the Council: despite the LPFA having held its levy at the same level as that for 2012/13, there was an increased cost of £125,000 in the Council's share. Growth of 800 properties per annum has been assumed for future years.

Special Expenses

18. The Council is required to treat as a special expense the levy of the WPCC, and formally resolved to do so for successive financial years at its meeting on 10th March 1993. For 2013/14 this levy amounts to £662,336.28, a decrease of £3,372.77 on the levy for 2012/13. As a special expense it must be charged only to taxpayers within the Conservators' area, who will therefore have tax amounts £27.84 (£24.69 in 2012/13) higher than elsewhere in the Borough at band D (applying the 23,791 taxbase figure for the Conservators' area and after allowing for roundings in calculations), with proportionate differences in other bands. The Conservators' total levies, including those parts of their area in other boroughs, remained at £966,124.

Basic Amounts of Tax

19. The Council has to calculate first an average band D tax element (dividing the tax needs shown in paragraph 16 by the 114,871 taxbase figure), and then separate amounts for the majority of the Borough (excluding the special expenses) and for the Conservators' levy area. The statutory form of statement is shown in Appendix G and the amounts are:

| | Average | Majority |
|---------|----------------|-----------------|
| | £ | £ |
| 2013/14 | 388.54 | 382.77 |
| 2012/13 | 377.00 | 371.82 |

20. Having calculated band D amounts, the Council has to calculate for each part of its area the amounts of tax for valuation bands other than D. The calculation is made by applying the statutory proportion for each band to the relevant band D amount. The amounts are shown in Appendix G part (d)(viii).

Council Tax Referenda

21. The Localism Act 2011 replaced the capping regime for excessive council tax increases with local referenda, and on 4th February 2013, the Government confirmed the council tax referendum thresholds for 2013/14. The limit above which a London borough's increase in its relevant basic amount of council tax (i.e. excluding levies) would trigger a referendum was set at 2% when compared to the relevant basic amount of council tax calculated on the basis of the alternative notional amount for 2012/13. The recommendations of this report will not result in the referendum trigger being breached despite Wandsworth's council tax (including levies) being increased by more than 2%.

Greater London Authority

22. As well as GLA core services, in 2013/14 the GLA has responsibility for four functional bodies: Transport for London, the Mayor's Office for Policing and Crime, the London Fire and Emergency Planning Authority, and the London Legacy Development Corporation (for which there are no net costs). The GLA has set a council tax requirement for its core activities and its functional bodies for 2013/14 of £766.8 million:

| | <u>2012/13</u> £'m | <u>2013/14</u> £'m | <u>Increase (+)/ Decrease (-)</u> £'m | <u>Increase (+)/ Decrease (-)</u> % |
|---|-----------------------|-----------------------|--|--|
| Mayor's Office for Policing and Crime | 695.00 | 557.10 | -137.90 | -19.8 |
| London Fire and Emergency Planning Authority | 120.70 | 128.40 | 7.70 | 6.4 |
| Other Services (including GLA, LLDC and TfL) | 119.40 | 93.20 | -26.20 | -21.9 |
| Total GLA Group | 935.10 | 778.70 | -156.40 | -16.7 |

23. After general Government grants, and the use of Collection Fund surpluses and reserves, the GLA band D precept amounts are:

| | <u>2012/13</u> Band D Amounts £ | <u>2013/14</u> Band D Amounts £ | <u>Increase (+)/ Decrease (-)</u> £ | <u>Increase (+)/ Decrease (-)</u> % |
|--|--|--|--|--|
| Mayor's Office for Policing and Crime | 233.46 | 220.25 | -13.21 | -5.66 |
| Other Services | 73.26 | 82.75 | 9.49 | 12.95 |
| Total GLA | 306.72 | 303.00 | -3.72 | -1.21 |

24. There is a £3.72 reduction in the Mayor's band D council tax in 2013/14. Further successive annual decreases of 1% have been assumed for the budget framework.

COUNCIL TAX AMOUNTS FOR 2013/14

25. Combining this Council's tax amount with that of the GLA produces total band D amounts as follows:

| | Average £ | Majority £ | Conservators' Area £ |
|--------------------------|--------------|---------------|-------------------------|
| Wandsworth Council | 388.54 | 382.77 | 410.61 |
| Greater London Authority | 303.00 | 303.00 | 303.00 |
| Band D total | 691.54 | 685.77 | 713.61 |

The amounts for all valuation bands are shown in Appendix G part (f). In 2012/13 this Council set the lowest tax amounts in the country for each band. The amounts for 2013/14 should remain the lowest average Council tax in the country but reflects an increase of £11.54 from the passing through of the levies increase.

Council Tax Bills

26. The consequential bills for each valuation band, and the increases compared with 2012/13, are shown in Appendix I. After taking account of discounts, exemptions and the distribution of properties over valuation bands, the average bill for all dwellings in the Borough is estimated to be around £597.

Paying Council Tax over 12 Instalments

27. New legislation prescribes that from the financial year 2013/14 the Council is required to offer taxpayers the option of spreading their council tax payments until March. This will result in 12 monthly instalments between April and March, as long as requests are received in time for an April instalment to be set up. For requests received throughout the year, instalments will be spread over the remaining months of the year up to and including March.
28. The instalment due dates for any such requests will be the same as for the default scheme. For Direct Debit payers there will be a choice of the 4th, 11th, 15th, 18th and 25th. For cash, it will be the 1st of the month only (apart from April which will be the 5th).

GENERAL REVENUE BUDGET FRAMEWORK

29. Future Years and Budget Framework

The budget, inflation allowances, and grant assumptions described earlier, imply that the average band D tax amounts for the Council would be £620 in 2014/15 and £702 in 2015/16. These represent increases of 59.6% and 13.2% respectively, compared with the preceding year. If Government referendum criteria required increases of no more than 2%, the council tax requirement would have to be reduced by £40.77 million in 2015/16. With the assumed GLA precept decreases, the total average band D amount would rise to £920 in 2014/15 and £999 in 2015/16. The budget framework showing these amounts is given in Appendix J. In accordance with the Council's constitution, the Council should be recommended to adopt the framework in Appendix J on the basis that the Executive may then approve budget variations within the overriding restrictions that unearmarked reserves should not be forecast to fall below £5 million in 2013/14, nor the council tax band D forecast for the next two years rise by more than a further £43.53.

APPENDIX A

SUMMARY OF SERVICE BUDGETS

| | 2012/13 REVISED BUDGET | | | | 2013/14 BUDGET | | |
|---------------------------------------|------------------------|--------------------------|-------------------|-----------------|--------------------------|-------------------|-----------------|
| | 2012/13 | INFLATION TO NOV. '12 | DEVEL- OPMENTS | TOTAL | INFLATION TO NOV. '12 | DEVEL- OPMENTS | TOTAL |
| | ORIGINAL BUDGET | | | | | | |
| Salaries | 61,404 | 3 | 3,073 | 64,480 | - | 882 | 62,286 |
| Indirect Employee Expenses | 1,168 | 9 | 241 | 1,418 | - | -421 | 747 |
| Premises | 14,622 | 322 | -725 | 14,219 | 112 | -2,978 | 11,756 |
| Use of Transport | 5,370 | 142 | -43 | 5,469 | 94 | -134 | 5,330 |
| Concessionary Fares | 13,532 | 2 | -246 | 13,288 | 2 | -41 | 13,493 |
| Supplies and Services | | | | | | | |
| - Grants to Voluntary Bodies | 7,010 | 89 | 424 | 7,523 | 65 | -846 | 6,229 |
| - Other | 21,519 | 335 | 3,852 | 25,706 | 199 | 1,122 | 22,840 |
| Third Party Payments | | | | | | | |
| - Precepts, Levies and Charges | 16,929 | - | -119 | 16,810 | - | 980 | 17,909 |
| - Other | 122,075 | 2,709 | -1,157 | 123,627 | 3,287 | 18,996 | 144,358 |
| Transfer Payments - Hsg Benefits etc. | 226,947 | 28 | -5,910 | 221,065 | 22 | -20,947 | 206,022 |
| Central and Technical Support | 43,462 | 119 | 2,913 | 46,494 | 62 | 821 | 44,345 |
| Depreciation and Impairment | 12,040 | 15 | 358 | 12,413 | 54 | 348 | 12,442 |
| GROSS EXPENDITURE | 546,078 | 3,773 | 2,661 | 552,512 | 3,897 | -2,218 | 547,757 |
| Government Grants | -251,056 | - | 3,065 | -247,991 | - | 18,703 | -232,353 |
| Rents | -2,625 | - | 9 | -2,616 | - | -136 | -2,761 |
| Fees, Charges and Other Income | -90,293 | -137 | -6,797 | -97,227 | -173 | -3,801 | -94,267 |
| Interest Received | -1,216 | - | -2,017 | -3,233 | - | -1,422 | -2,638 |
| INCOME | -345,190 | -137 | -5,740 | -351,067 | -173 | 13,344 | -332,019 |
| NET EXPENDITURE | 200,888 | 3,636 | -3,079 | 201,445 | 3,724 | 11,126 | 215,738 |
| REVENUE EXPENDITURE BY SERVICE | | | | | | | |
| Adult Care and Health Services | 88,385 | 2,421 | -1,554 | 89,252 | 3,103 | 3,804 | 95,292 |
| Education and Children's Services | 52,789 | 589 | 504 | 53,882 | 421 | 12,213 | 65,423 |
| Environment, Culture & Comm. Safety | 42,386 | 323 | -545 | 42,164 | -14 | -2,261 | 40,111 |
| Finance and Corporate Resources | -218 | 121 | -450 | -547 | 81 | -1,127 | -1,264 |
| Housing | 3,999 | 11 | -199 | 3,811 | 29 | 161 | 4,189 |
| Strategic Planning and Transportation | 13,547 | 171 | -835 | 12,883 | 104 | -1,664 | 11,987 |
| NET EXPENDITURE | 200,888 | 3,636 | -3,079 | 201,445 | 3,724 | 11,126 | 215,738 |

SUMMARY OF SERVICE BUDGETS

| | <u>2012/13</u> £'000 | <u>2013/14</u> £'000 | <u>2014/15</u> £'000 | <u>2015/16</u> £'000 |
|--|-------------------------|-------------------------|-------------------------|-------------------------|
| 2012/13 ORIGINAL BUDGET at November 2011 price levels | 200,888 | 200,888 | 200,888 | 200,888 |
| INFLATION TO NOVEMBER 2012 | 3,636 | 3,724 | 3,724 | 3,724 |
| 2012/13 ORIGINAL BUDGET REPRICED | <u>204,524</u> | <u>204,612</u> | <u>204,612</u> | <u>204,612</u> |
| DEVELOPMENTS | | | | |
| Adult Care and Health Services | -1,554 | 3,804 | 2,201 | 2,080 |
| Education and Children's Services | 504 | 12,213 | 11,906 | 11,611 |
| Environment, Culture and Community Safety | -545 | -2,261 | -2,291 | -2,556 |
| Finance and Corporate Resources | -450 | -1,127 | -2,584 | -1,654 |
| Housing | -199 | 161 | 163 | -334 |
| Strategic Planning and Transportation | -835 | -1,664 | -3,864 | -3,864 |
| NET EFFECT OF DEVELOPMENTS | <u>-3,079</u> | <u>11,126</u> | <u>5,531</u> | <u>5,283</u> |
| NET EXPENDITURE at November 2012 Prices | <u>201,445</u> | <u>215,738</u> | <u>210,143</u> | <u>209,895</u> |
| ANALYSIS BY SERVICE | | | | |
| Adult Care and Health Services | 89,252 | 95,292 | 93,689 | 93,568 |
| Education and Children's Services | 53,882 | 65,423 | 65,116 | 64,821 |
| Environment, Culture and Community Safety | 42,164 | 40,111 | 40,081 | 39,816 |
| Finance and Corporate Resources | -547 | -1,264 | -2,721 | -1,791 |
| Housing | 3,811 | 4,189 | 4,191 | 3,694 |
| Strategic Planning and Transportation | 12,883 | 11,987 | 9,787 | 9,787 |
| NET EXPENDITURE at November 2012 Prices | <u>201,445</u> | <u>215,738</u> | <u>210,143</u> | <u>209,895</u> |
| New Homes Bonus | - | -5,751 | -6,404 | -7,504 |
| Council Tax Freeze Grant | - | -492 | - | - |
| Inflation to outturn prices | - | 6,206 | 14,338 | 21,780 |
| NET EXPENDITURE with inflation to outturn | <u>201,445</u> | <u>215,701</u> | <u>218,077</u> | <u>224,171</u> |

APPENDIX B

ANALYSIS OF SERVICE BUDGETS 2013/14

| £'000 | ADULT CARE & HEALTH SERVICES | EDUCATION & CHILDREN'S SERVICES | ENVIRONMENT, CULTURE & COMMUNITY SAFETY | FINANCE & CORPORATE RESOURCES | HOUSING | STRATEGIC PLANNING & TRANSPORTATION | GENERAL FUND TOTAL | DEDICATED SCHOOLS BUDGET | HOUSING REVENUE ACCOUNT | TOTAL |
|---|------------------------------|---------------------------------|---|-------------------------------|--------------|-------------------------------------|--------------------|--------------------------|-------------------------|----------------|
| EXPENDITURE - at November 2012 prices for General Fund | | | | | | | | | | |
| Salaries | 15,384 | 21,355 | 8,394 | 6,628 | 2,316 | 8,209 | 62,286 | 165,038 | 7,707 | 235,031 |
| Wages | - | - | - | - | - | - | - | 2,089 | - | 2,089 |
| Indirect Employee Expenses | 102 | 418 | 66 | 48 | 18 | 95 | 747 | 3,865 | 68 | 4,680 |
| Premises | 186 | 1,459 | 6,773 | 545 | 197 | 2,596 | 11,756 | 15,187 | 36,979 | 63,922 |
| Use of Transport | 1,571 | 3,326 | 233 | 10 | 36 | 154 | 5,330 | 792 | 42 | 6,164 |
| Concessionary Fares | - | - | - | - | - | 13,493 | 13,493 | - | - | 13,493 |
| Supplies and Services | 1,683 | 3,511 | 170 | 808 | 57 | - | 6,229 | 1,812 | - | 8,041 |
| - Funding to Voluntary Bodies | 5,209 | 7,143 | 1,861 | 2,843 | 157 | 5,627 | 22,840 | 10,309 | 7,254 | 40,403 |
| Third Party Payments | - | - | - | - | - | - | - | - | - | - |
| - Precepts, Levies and Charges | - | 1,520 | 14,698 | 991 | - | 700 | 17,909 | - | - | 17,909 |
| - Other | 103,876 | 11,054 | 16,156 | 1,586 | 3,236 | 8,450 | 144,358 | 10,280 | 16,935 | 171,573 |
| Transfer Payments | - | - | - | - | - | - | - | - | - | - |
| - Housing Benefits etc | - | 1,454 | 149 | 202,081 | 2,338 | - | 206,022 | 53 | 3,549 | 209,624 |
| Central & Technical Support | 7,558 | 15,662 | 3,742 | 12,665 | 616 | 4,102 | 44,345 | 3,337 | 6,159 | 53,841 |
| Depreciation and Impairment | 155 | 3,929 | 1,978 | 522 | 2 | 5,856 | 12,442 | - | 23,054 | 35,496 |
| Capital Financing Charges | - | - | - | - | - | - | - | - | - | - |
| - Capital Charges to Users | - | - | - | - | - | - | - | - | 40,776 | 40,776 |
| - Leasing Charges | - | - | - | - | - | - | - | - | 22 | 22 |
| TOTAL | 135,724 | 70,831 | 54,220 | 228,727 | 8,973 | 49,282 | 547,757 | 212,762 | 142,545 | 903,064 |

ANALYSIS OF SERVICE BUDGETS 2013/14 (Continued)

| £'000 | ADULT CARE & HEALTH SERVICES | EDUCATION & CHILDREN'S SERVICES | ENVIRONMENT, CULTURE & COMMUNITY SAFETY | FINANCE & CORPORATE RESOURCES | HOUSING | STRATEGIC PLANNING & TRANSPORTATION | GENERAL FUND TOTAL | DEDICATED SCHOOLS BUDGET | HOUSING REVENUE ACCOUNT | TOTAL |
|---|---------------------------------------|--|--|--|--------------|--|--------------------------|--------------------------------|-------------------------------|----------------|
| INCOME - at November 2012 prices for General Fund | | | | | | | | | | |
| Government Grants | 25,477 | 2,463 | 57 | 202,167 | 1,764 | 425 | 232,353 | 186,256 | - | 418,609 |
| Education for Other Authorities | - | - | - | - | - | - | - | 12,658 | - | 12,658 |
| Rents | 359 | - | 880 | 1,522 | - | - | 2,761 | - | 114,524 | 117,285 |
| Fees/Charges & Other Income | 14,596 | 2,945 | 13,172 | 23,680 | 3,004 | 36,870 | 94,267 | 13,848 | 27,140 | 135,255 |
| Interest Received | - | - | - | 2,622 | 16 | - | 2,638 | - | 881 | 3,519 |
| TOTAL | 40,432 | 5,408 | 14,109 | 229,991 | 4,784 | 37,295 | 332,019 | 212,762 | 142,545 | 687,326 |
| NET EXPENDITURE | 95,292 | 65,423 | 40,111 | -1,264 | 4,189 | 11,987 | 215,738 | - | - | 215,738 |
| New Homes Bonus Funding | | | | | | | -5,751 | | | |
| Council Tax Freeze Grant | | | | | | | -492 | | | |
| General Fund inflation from November 2012 to end of 2013/14 | | | | | | | 6,206 | | | |
| Net Committee Budgets | | | | | | | 215,701 | | | |

APPENDIX C

SUMMARY OF LEVIES AND CHARGES

| | <u>Existing</u> <u>Budget</u> £'000 | <u>Change in</u> <u>Requirement</u> £'000 | <u>2013/14</u> <u>Budget</u> £'000 |
|---|---|---|--|
| Levies | | | |
| Western Riverside Waste Authority - levy | 1,297 | 1,199 | 2,496 |
| Environment Agency - Flood Defence | 251 | 19 | 270 |
| London Pensions Fund Authority | | | |
| - Greater London | 434 | 26 | 460 |
| - Inner London | 1,421 | 99 | 1,520 |
| Lee Valley Regional Park Authority | 369 | 8 | 377 |
| Wimbledon and Putney Commons Conservators | 665 | -3 | 662 |
| Total Levies | 4,437 | 1,348 | 5,785 |
| Charges | | | |
| Western Riverside Waste Authority - charges | 11,325 | -168 | 11,157 |
| London Councils | | | |
| - Concessionary Fares | 13,192 | 148 | 13,340 |
| - London Lorry Ban | 11 | -7 | 4 |
| TFL - Traffic Technology | 412 | 12 | 424 |
| Port of London Authority - river debris clearance | 6 | - | 6 |
| London Pensions Fund Authority | | | |
| - Deficit | 156 | - | 156 |
| Total Charges | 25,102 | -15 | 25,087 |
| Total Levies and Charges | 29,539 | 1,333 | 30,872 |

EXAMPLES OF CONTINGENCIES WHICH COULD INCREASE
GENERAL FUND EXPENDITURE

- (a) Changes in application of legislation and the conditions for Government specific grants (e.g. for value added tax and housing benefit).
- (b) Reorganisations, budget reductions, and competition procedures giving rise to unbudgeted severance and enhanced pension costs.
- (c) Increase in inflation above the levels anticipated when setting the budget.
- (d) The application of higher than anticipated inflation indices to contracted out services, where increases are contractually based on the inflation index for specified calendar months.
- (e) Retendering of service contracts at higher costs due to factors such as the Working Time Directive, the statutory minimum wage, and less competitive markets.
- (f) Unforeseen difficulties in recovering arrears, requiring additional provision to be made for doubtful debts.
- (g) Other unforeseen demands, and opportunities for service improvements in line with the Council's general policies, which could not be accommodated within approved budgets.
- (h) Utilisation of specific grants already consolidated into the budget.
- (i) Budgetary pressures facing adult social services and housing, especially for people with learning disabilities arising from changes in local demographics, and homelessness.
- (j) Shortfalls in capital receipts, adding to the net interest borne by the General Fund.
- (k) Cost of a local disaster not covered by Government grant under the Bellwin Scheme.
- (l) Transfer of responsibilities from health authorities to local authorities.
- (m) Reduction in income streams due to the current economic difficulties.
- (n) Additional costs arising from auto-enrolment of staff into the pension scheme.
- (o) Potential increase in costs arising from Welfare Reform implementation.

APPENDIX E

SPECIAL RESERVES

All these reserves are legally part of the Council's General Fund, though earmarked for specific purposes. The reserves, their purposes, and the expected change in their balances, under existing policies are summarised below:

| | Balance 1st April 2012 £'000 | Budgeted Change 2012/13 £'000 | Budgeted Change 2013/14 £'000 | Balance 1st April 2014 £'000 |
|-------------------------|---------------------------------------|--|--|---------------------------------------|
| 1. <u>Renewals Fund</u> | | | | |
| Net use - Revenue | | -4,474 | -1,748 | |
| Net use - Other | | -596 | -25 | |
| Increase in Fund | | 569 | 549 | |
| | 32,949 | -4,501 | -1,224 | 27,224 |

This fund is for "loans" to services with unusually large requirements for building refurbishment, energy conservation schemes, computer software and vehicle and plant replacements. The planned expenditure is chiefly for securing replacement operational property following the expiry of the lease on one of the main operational properties. The additional contributions are to fund the maintenance backlog on operational properties.

| | | | | |
|--------------------------------|-------|-----|-----|-----|
| 2. <u>Finite Services Fund</u> | 1,038 | -42 | -81 | 915 |
|--------------------------------|-------|-----|-----|-----|

This reserve provides for some pre-financing of identified costs of limited duration, now chiefly the Council's Aspirations programme.

| | | | | |
|----------------------------------|-------|---|---|-------|
| 3. <u>Specific Grant Reserve</u> | 2,400 | - | - | 2,400 |
|----------------------------------|-------|---|---|-------|

This reserve is for potential over-estimates or losses of specific Government grants for General Fund services, such as housing and council tax benefits.

| | | | | |
|---|-------|---|---|-------|
| 4. <u>Services Transformation Reserve</u> | 5,000 | - | - | 5,000 |
|---|-------|---|---|-------|

This reserve was established to meet the short-term costs of service restructuring including redundancy. Relevant restructuring costs will be aggregated and charged to the reserve at the end of each year as part of the accounts closing process.

| | Balance 1st April 2012 £'000 | Budgeted Change 2012/13 £'000 | Budgeted Change 2013/14 £'000 | Balance 1st April 2014 £'000 |
|--|---------------------------------------|--|--|---------------------------------------|
| 5. <u>Housing Revenue Account/ Housing Repairs Account</u> | 189,126 | 12,366 | -5,088 | 196,404 |

The Housing Revenue Account and Housing Repairs Reserve balances provide the resources for the annual revenue and long term housing major works programme, and a cushion against future reductions in government resourcing. There are statutory restrictions on transfers from these accounts, so these Reserves are not available for other purposes.

| | | | | |
|---------------------------|--------|---|---|--------|
| 6. <u>School Balances</u> | 22,262 | - | - | 22,262 |
|---------------------------|--------|---|---|--------|

Schools generally have statutory rights to carry forward unspent balances of delegated budgets so these are not available for any other purposes.

| | | | | |
|-----------------------------|-------|------|------|-------|
| 7. <u>Insurance Reserve</u> | 8,429 | -839 | -839 | 6,751 |
|-----------------------------|-------|------|------|-------|

This reserve was established to meet certain non-specific liability and property claims where the Council does not insure externally. A recent external review determined that the reserve exceeds the Council's requirements. The surplus is being returned to the General Fund and Housing Revenue Account over a period of years, reflecting due caution given the volatility of potential claims.

| | | | | |
|---|--------|---|---|--------|
| 8. <u>Employer's Pensions Contributions Reserve</u> | 41,400 | - | - | 41,400 |
|---|--------|---|---|--------|

This reserve was established to mitigate the impact of future increases in employer's pension contributions.

| | | | | |
|----------------------------|----------|---|---|----------|
| 9. <u>Pensions Reserve</u> | -231,807 | - | - | -231,807 |
|----------------------------|----------|---|---|----------|

This reserve reflects the Council's estimated net Pension Fund liabilities.

| | | | | |
|----------------------------------|-------|---|---|-------|
| 10. <u>Enhanced Pension Fund</u> | 4,247 | - | - | 4,247 |
|----------------------------------|-------|---|---|-------|

This Fund provides for pensions enhancements which fall outside statutory pension schemes, and mainly relates to teachers.

| | | | | |
|--|-------|---|---|-------|
| 11. <u>Business Rates Volatility Reserve</u> | 5,000 | - | - | 5,000 |
|--|-------|---|---|-------|

| | | | | |
|-------|--------|-------|--------|--------|
| TOTAL | 80,044 | 6,984 | -7,232 | 79,796 |
|-------|--------|-------|--------|--------|

APPENDIX F

AMOUNTS TO BE CALCULATED BY THE COUNCIL FOR THE PURPOSES OF SECTION 31A OF THE LOCAL GOVERNMENT FINANCE ACT 1992 FOR THE YEAR 2013/14

| | <u>£'000</u> | <u>See Note</u> |
|---|----------------|---------------------|
| (a) The expenditure the Council estimates it will incur in the year in performing its functions and will charge to a revenue account, other than a BID revenue account, for the year in accordance with proper practices; | 896,672 | 1 |
| (b) Such allowance as the Council estimates will be appropriate for contingencies in relation to expenditure to be charged to a revenue account for the year in accordance with proper practices; | 14,000 | |
| (c) The financial reserves which the Council estimates it will be appropriate to raise in the year for meeting its estimated future expenditure; | NIL | |
| (d) Such financial reserves as are sufficient to meet so much of the amount estimated by the Council to be a revenue account deficit for any earlier financial year as has not already been provided for; | NIL | |
| (e) Any amounts which it estimates will be transferred in the year from its General Fund to its Collection Fund in accordance with section 97(4) of the Local Government Finance Act 1988; and | NIL | |
| (f) Any amounts which it estimates will be transferred from its General Fund to its Collection Fund pursuant to a direction under section 98(5) of the Local Government Finance Act 1988 and charged to a revenue account for the year. | NIL | |
| SUB-TOTAL | <u>910,672</u> | |
| <u>LESS</u> | | |
| (a) The income which it estimates will accrue to it in the year and which it will credit to a revenue account, other than a BID revenue account, for the year in accordance with proper practices; | 836,762 | 1 |
| (b) Any amounts which it estimates will be transferred in the year from its Collection Fund to its General Fund in accordance with section 97(3) of the Local Government Finance Act 1988; | 1,811 | |

| | <u>£'000</u> | <u>See Note</u> |
|--|----------------------|---------------------|
| (c) Any amounts which it estimates will be transferred from its Collection Fund to its General Fund pursuant to a direction under section 98(4) of the Local Government Finance Act 1988 and will be credited to a revenue account for the year; and | NIL | |
| (d) The amount of the financial reserves which the Authority estimates that it will use in order to provide for the items mentioned in (a), (b), (e) and (f) above. | 27,467 | 2 |
| SUB-TOTAL | <u>866,040</u> | |
| DIFFERENCE (COUNCIL TAX REQUIREMENT) | <u><u>44,632</u></u> | |

Note 1

| | <u>Expenditure</u> £'000 | <u>Income</u> £'000 |
|---|-----------------------------|------------------------|
| Gross Expenditure/Income as in Appendix B | 903,064 | 693,569 |
| RSG/NNDR | - | 161,622 |
| less internal recharges | -18,029 | -18,029 |
| plus inflation to end of 2013/14 | 6,290 | 84 |
| less credit from Collection Fund shown separately | - | -484 |
| less contributions to special reserves within Gross Expenditure | 5,347 | - |
| | <u>896,672</u> | <u>836,762</u> |

Note 2

| | £'000 |
|--|---------------|
| General reserves available (para.11) | 20,235 |
| Less drawings from special reserves (Appendix E) | 7,232 |
| | <u>27,467</u> |

APPENDIX G

COUNCIL TAX DECISION

- (a) That the revised revenue estimates for the year 2012/13 referred to in Paper No. 13-80 and the revenue estimates for 2013/14 as summarised in Appendix B of this paper be approved;
- (b) That the details of the council tax requirement for the year 2013/14, as set out in Appendix F of this paper, be approved;
- (c) That it be noted that the following amounts for the year 2013/14 have been calculated in accordance with the delegation made by the Council on 4th February 2004 and with regulations made under Section 33(5) and 34(4) of the Local Government Finance Act 1992:
- (i) 114,871 being the amount calculated by the Council, in accordance with regulation 3 of the Local Authorities (Calculation of Council Tax Base) Regulations 1992, as its council tax base for the year; and
 - (ii) 23,791 being the amount calculated by the Council, in accordance with Regulation 6 of the Regulations, as the amount of its council tax base for the year for dwellings in the Wimbledon and Putney Commons Conservators' Levy Area;
- (d) That it be noted in accordance with Section 25 of the Local Government Act 2003 that the Director of Finance has reported that the estimates are sufficiently robust for the purposes of the calculations and that the proposed financial reserves are adequate, and the following amounts be now calculated by the Council for the year 2013/14 in accordance with Sections 31 to 36 of the Local Government Finance Act 1992:
- (i) £910,671,502 being the aggregate of the amounts which the Council estimates for the items set out in Section 31A of the Act;
 - (ii) £866,039,636 being the aggregate of the amounts which the Council estimates for the items set out in Section 31A(3) of the Act;
 - (iii) £44,631,866 being the amount by which the aggregate at d(i) above exceeds the aggregate at (d)(ii) above, calculated by the Council in accordance with Section 31A(4) of the Act as its council tax requirement for the year;

- (iv) £388.5390 being the amount at (d)(iii) divided by the amount at (c)(i) above, calculated by the Council in accordance with Section 33(1) of the Act as the basic amount of its council tax for the year;
- (v) £662,336.28 being the aggregate amount of all special items referred to in Section 34(1) of the Act, namely the levy of the Wimbledon and Putney Commons Conservators;
- (vi) £382.7731 being the amount at (d)(iv) above less the result given by dividing the amount at (d)(v) above by the amount at (c)(i) above, calculated by the Council in accordance with Section 34(2) of the Act as the basic amount of its council tax for the year for dwellings in those parts of its area to which no special item relates;
- (vii) £410.6129 being the amount given by adding to the amount at (d)(vi) above the amount of the special item at (d)(v) above divided by the amount at (c)(ii) above, calculated by the Council in accordance with Section 34(3) of the Act as the basic amount of its council tax for the year for dwellings in that part of its area to which the special item relates; and

| (viii) | Wimbledon and Putney Commons Conservators' Levy Area | All other parts of the Council's Area |
|----------------------------|---|--|
| <u>Valuation Bands</u> | £ | £ |
| A | 273.7419 | 255.1821 |
| B | 319.3656 | 297.7124 |
| C | 364.9892 | 340.2428 |
| D | 410.6129 | 382.7731 |
| E | 501.8602 | 467.8338 |
| F | 593.1075 | 552.8945 |
| G | 684.3548 | 637.9552 |
| H | 821.2258 | 765.5462 |

being the amounts given by multiplying the amounts at (d)(vi) and (d)(vii) above by the number which, in the proportion set out in Section 5(1) of the Act, is applicable to dwellings listed in a particular valuation band divided by the number which in that proportion is applicable to dwellings listed in valuation Band D, calculated by the Council in accordance with Section 36(1) of the Act as the amounts to be taken into account for the year in respect of categories of dwellings listed in different valuation bands;

- (e) That it be noted that for the year 2013/14 the Greater London Authority has stated the following amounts in precepts issued to the Council, in accordance with Section 40 of the Local Government Finance Act 1992, for each of the categories of dwellings shown below:

| <u>Valuation Bands</u> | Greater London Authority £ |
|------------------------|--------------------------------------|
| A | 202.00 |
| B | 235.67 |
| C | 269.33 |
| D | 303.00 |
| E | 370.33 |
| F | 437.67 |
| G | 505.00 |
| H | 606.00 |

- (f) That having calculated the aggregate in each case of the amounts at (d)(viii) and (e) above, the Council, in accordance with Section 30(2) of the Local Government Finance Act 1992, hereby sets the following amounts as the amounts of council tax for the year 2013/14 for each of the categories of dwellings shown below:

| <u>Valuation Bands</u> | Wimbledon and Putney Commons Conservators' Levy Area £ | All other parts of the Council's Area £ |
|------------------------|--|---|
| A | 475.74 | 457.18 |
| B | 555.04 | 533.38 |
| C | 634.32 | 609.57 |
| D | 713.61 | 685.77 |
| E | 872.19 | 838.16 |
| F | 1,030.78 | 990.56 |
| G | 1,189.35 | 1,142.96 |
| H | 1,427.23 | 1,371.55 |

IMPACT OF EACH ADDITIONAL £1 MILLION COUNCIL TAX

| <u>Circumstances/Band</u> | <u>Major Part</u> | <u>No. of Dwellings W & PCC Levy Area</u> | <u>Borough</u> | <u>Increase per Household Before Council Tax Support</u> <u>£</u> |
|---------------------------|-------------------|---|-----------------|--|
| 2 + Adults | | | | |
| A | 2,289 | 1,007 | 3,296 | 5.81 |
| B | 4,120 | 1,487 | 5,607 | 6.77 |
| C | 17,837 | 4,294 | 22,131 | 7.74 |
| D | 18,339 | 4,007 | 22,346 | 8.71 |
| E | 12,700 | 2,890 | 15,590 | 10.65 |
| F | 9,336 | 1,799 | 11,135 | 12.58 |
| G | 7,899 | 2,454 | 10,353 | 14.52 |
| H | 1,282 | 965 | 2,247 | 17.42 |
| | (73,802) | (18,903) | (92,705) | |
| 1 Adult | | | | |
| A | 1,903 | 1,404 | 3,307 | 4.36 |
| B | 4,921 | 1,824 | 6,745 | 5.08 |
| C | 11,363 | 2,364 | 13,727 | 5.81 |
| D | 7,558 | 1,817 | 9,375 | 6.53 |
| E | 4,130 | 1,152 | 5,282 | 7.99 |
| F | 2,441 | 637 | 3,078 | 9.44 |
| G | 1,293 | 484 | 1,777 | 10.89 |
| H | 162 | 122 | 284 | 13.07 |
| | (33,771) | (9,804) | (43,575) | |
| Exempt A-H | 2,547 | 659 | 3,206 | NIL |
| TOTALS | 110,120 | 29,366 | 139,486 | |

APPENDIX I

COUNCIL TAX BILLS 2013/14

| <u>Band</u> | <u>No. of Households</u> | <u>Council Tax</u> £ | <u>Change</u> £ |
|--|--------------------------|-------------------------|--------------------|
| 2+ Adults Major Part of the Borough | | | |
| A | 2,289 | 457.18 | 4.82 |
| B | 4,120 | 533.38 | 5.63 |
| C | 17,837 | 609.57 | 6.43 |
| D | 18,339 | 685.77 | 7.23 |
| E | 12,700 | 838.16 | 8.84 |
| F | 9,336 | 990.56 | 10.45 |
| G | 7,899 | 1,142.96 | 12.07 |
| H | 1,282 | 1,371.55 | 14.48 |
| 2+ Adults W & PCC Part | | | |
| A | 1,007 | 475.74 | 6.92 |
| B | 1,487 | 555.04 | 8.08 |
| C | 4,294 | 634.32 | 9.22 |
| D | 4,007 | 713.61 | 10.38 |
| E | 2,890 | 872.19 | 12.68 |
| F | 1,799 | 1,030.78 | 15.00 |
| G | 2,454 | 1,189.35 | 17.29 |
| H | 965 | 1,427.23 | 20.76 |
| 1 Adult Major Part of the Borough | | | |
| A | 1,903 | 342.88 | 3.61 |
| B | 4,921 | 400.03 | 4.22 |
| C | 11,363 | 457.18 | 4.83 |
| D | 7,558 | 514.33 | 5.43 |
| E | 4,130 | 628.62 | 6.63 |
| F | 2,441 | 742.92 | 7.84 |
| G | 1,293 | 857.22 | 9.05 |
| H | 162 | 1,028.66 | 10.86 |

| <u>Band</u> | <u>No. of Households</u> | <u>Council Tax</u> £ | <u>Change</u> £ |
|-------------------------|--------------------------|-------------------------|--------------------|
| 1 Adult W & PCC Part | | | |
| A | 1,404 | 356.80 | 5.19 |
| B | 1,824 | 416.28 | 6.06 |
| C | 2,364 | 475.74 | 6.92 |
| D | 1,817 | 535.21 | 7.79 |
| E | 1,152 | 654.14 | 9.51 |
| F | 637 | 773.08 | 11.25 |
| G | 484 | 892.01 | 12.97 |
| H | 122 | 1,070.42 | 15.57 |

APPENDIX J

GENERAL REVENUE BUDGET FRAMEWORK

| | <u>2012/13</u> <u>Revised</u> £'m | <u>2013/14</u> £'m | <u>2014/15</u> £'m | <u>2015/16</u> £'m |
|--|---|-----------------------|-----------------------|-----------------------|
| Committee Budgets at 2012 prices | | | | |
| Adult Care and Health Services | 89.252 | 95.292 | 93.689 | 93.568 |
| Education and Children's Services | 53.882 | 65.423 | 65.116 | 64.821 |
| Environment, Culture and Community Safety | 42.164 | 40.111 | 40.081 | 39.816 |
| Finance and Corporate Resources | -0.547 | -1.264 | -2.721 | -1.791 |
| Housing | 3.811 | 4.189 | 4.191 | 3.694 |
| Strategic Planning and Transportation | 12.883 | 11.987 | 9.787 | 9.787 |
| New Homes Bonus | - | -5.751 | -6.404 | -7.504 |
| Council Tax Freeze Grant | - | -0.492 | - | - |
| Total | 201.445 | 209.495 | 203.739 | 202.391 |
| Inflation to outturn prices | | 6.206 | 14.338 | 21.780 |
| Contributions to (+)/drawings from (-) General, Renewals, and Finite Services Funds | -8.757 | -8.120 | -0.521 | 0.377 |
| Net expenditure after drawing from reserves | 192.688 | 207.581 | 217.556 | 224.548 |
| Less: | | | | |
| Collection Fund surplus | -2.308 | -1.327 | - | - |
| Formula Grant/Start-Up Funding Assessment | -141.989 | -161.622 | -145.824 | -142.800 |
| Council Tax Requirement | 48.391 | 44.632 | 71.732 | 81.748 |
| Band D Council Tax | £ | £ | £ | £ |
| Wandsworth Council | 377.00 | 388.54 | 620.13 | 701.87 |
| Greater London Authority | 306.72 | 303.00 | 299.97 | 296.97 |
| Total | 683.72 | 691.54 | 920.10 | 998.84 |
| Increase in Wandsworth council tax | | 3.1% | 59.6% | 13.2% |
| | | | £'m | £'m |
| Budget reductions needed in future years to maintain Wandsworth "relevant basic amount" increases to within 2% | | | 31.833 | 40.77 |

SECTION 3 SERVICE GENERAL REVENUE BUDGETS

The following tables update the budget reports presented to Overview and Scrutiny Committees in January 2013 to provide details of the budget adopted by the Council on 6th March 2013.

The summary tables for each Cabinet remit are paired on facing pages. The left hand page shows the construction of the revised 2012/13 and 2013/14 budgets, by type of expenditure and income and by service. The 2013/14 estimates are at November 2012 prices levels. The budgets are adjusted in April for inflation on running expenses, but employee budget heads are adjusted only after pay awards are settled.

The remaining pages start with the 2012/13 original budget at November 2011 price levels, adopted by the Council on 9th March 2011. This is adjusted for the effect of repricing to November 2012. The revenue effects of approved developments are then detailed to produce the revised budget for 2012/13, and budgets for 2013/14 and 2014/15. After the Cabinet remit summaries in this form, corresponding details for each service are shown.

ADULT CARE AND HEALTH SERVICES

This Cabinet remit covers principally the care and protection of dependent and disadvantaged adults in the community, including elderly people, adults with physical disabilities, learning disabilities or mental illness and also the public health services of the borough.

Finance Department Committee representative: Paul Guillotti
(Head of Audit)
Tel: 020-8871 6450

Financial Controller: Katherine Burston
Tel: 020-8871 6506

The general fund revenue budget for the Adult Care and Health Services Overview and Scrutiny Committee includes the costs of social work and support staff. It also includes the costs of purchasing services both from the Adult Social Services department's internal provider and support services and from private and independent sector providers on a unit or block contract basis.

Expenditure is funded from client contributions, rental income and Government grants. Most specific grants relating to Adult Care and Health Services were already centralised within Formula Grant from 2011/12 except the Learning Disabilities and Health Reform grant which will be centralised from April 2013.

The new responsibility for Public Health which transfers from the Wandsworth Primary Care Trust to the Council from 1st April 2013 is also included in the remit of this committee. This service is fully funded by a ring-fenced public health grant.

Changes to the expenditure budget will be made as and when the Director of Adult Social Services formulates proposals for spending and brings them to future meetings of the Overview and Scrutiny Committee and Executive for appropriate budget variations.

**ADULT CARE AND HEALTH SERVICES
SUMMARY**

| | <u>2012/13 REVISED BUDGET</u> | | | | <u>2013/14 BUDGET</u> | | |
|-----------------------------------|-------------------------------|--------------------|----------------|---------------|-----------------------|----------------|---------------|
| | <u>2012/13</u> | | | | | | |
| | <u>ORIGINAL</u> | <u>INFLATION</u> | <u>DEVEL-</u> | <u>TOTAL</u> | <u>INFLATION</u> | <u>DEVEL-</u> | <u>TOTAL</u> |
| | <u>BUDGET</u> | <u>TO NOV. '12</u> | <u>OPMENTS</u> | | <u>TO NOV. '12</u> | <u>OPMENTS</u> | |
| | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 |
| Salaries | 10,062 | - | 1,924 | 11,986 | - | 5,322 | 15,384 |
| Indirect Employee Expenses | 137 | 3 | -36 | 104 | - | -35 | 102 |
| Premises | 310 | 7 | -123 | 194 | - | -124 | 186 |
| Use of Transport | 1,584 | 53 | -64 | 1,573 | 49 | -62 | 1,571 |
| Supplies and Services | | | | | | | |
| - Contracts with Voluntary Bodies | 2,833 | 40 | -548 | 2,325 | 40 | -1,190 | 1,683 |
| - Other | 2,093 | 45 | 288 | 2,426 | 11 | 3,105 | 5,209 |
| Third Party Payments | 89,818 | 2,348 | -2,770 | 89,396 | 3,059 | 10,999 | 103,876 |
| Central and Technical Support | 7,095 | - | 307 | 7,402 | 10 | 453 | 7,558 |
| Depreciation and Impairment | 136 | - | 19 | 155 | - | 19 | 155 |
| Government Grants | -10,174 | - | 8 | -10,166 | - | -15,303 | -25,477 |
| Rents | -359 | - | - | -359 | - | - | -359 |
| Other Income | -15,150 | -75 | -559 | -15,784 | -66 | 620 | -14,596 |
| NET EXPENDITURE | 88,385 | 2,421 | -1,554 | 89,252 | 3,103 | 3,804 | 95,292 |

REVENUE EXPENDITURE BY SERVICE

| | | | | | | | |
|--------------------------------------|---------------|--------------|---------------|---------------|--------------|--------------|---------------|
| Older People and Physical Disability | 38,801 | 995 | -1,049 | 38,747 | 1,330 | -1,148 | 38,983 |
| Learning Disability | 30,510 | 909 | -199 | 31,220 | 1,209 | 8,653 | 40,372 |
| Mental Health | 8,524 | 170 | 40 | 8,734 | 242 | -178 | 8,588 |
| Other Services | 10,550 | 347 | -346 | 10,551 | 322 | -3,074 | 7,798 |
| Public Health | - | - | - | - | - | -449 | -449 |
| NET EXPENDITURE | 88,385 | 2,421 | -1,554 | 89,252 | 3,103 | 3,804 | 95,292 |

**ADULT CARE AND HEALTH SERVICES
SUMMARY**

| | <u>2012/13</u> £'000 | <u>2013/14</u> £'000 | <u>2014/15</u> £'000 | <u>2015/16</u> £'000 |
|--|-------------------------|-------------------------|-------------------------|-------------------------|
| 2012/2013 ORIGINAL BUDGET at November 2011 price levels | 88,385 | 88,385 | 88,385 | 88,385 |
| INFLATION TO NOVEMBER 2012 | 2,421 | 3,103 | 3,103 | 3,103 |
| 2012/2013 ORIGINAL BUDGET REPRICED | 90,806 | 91,488 | 91,488 | 91,488 |
| DEVELOPMENTS | | | | |
| Older People and Physical Disability | -1,049 | -1,148 | -1,943 | -2,147 |
| Learning Disability | -199 | 8,653 | 8,498 | 8,498 |
| Mental Health | 40 | -178 | -341 | -258 |
| Other Services | -346 | -3,074 | -2,871 | -2,871 |
| Public Health | - | -449 | -1,142 | -1,142 |
| NET EFFECT OF DEVELOPMENTS | -1,554 | 3,804 | 2,201 | 2,080 |
| NET EXPENDITURE at November 2012 Prices | 89,252 | 95,292 | 93,689 | 93,568 |
| ANALYSIS BY SERVICE | | | | |
| Older People and Physical Disability | 38,747 | 38,983 | 38,188 | 37,984 |
| Learning Disability | 31,220 | 40,372 | 40,217 | 40,217 |
| Mental Health | 8,734 | 8,588 | 8,425 | 8,508 |
| Other Services | 10,551 | 7,798 | 8,001 | 8,001 |
| Public Health | - | -449 | -1,142 | -1,142 |
| NET EXPENDITURE at November 2012 Prices | 89,252 | 95,292 | 93,689 | 93,568 |

**ADULT CARE AND HEALTH SERVICES
OLDER PEOPLE AND PHYSICAL DISABILITY**

| | <u>2012/13</u> £'000 | <u>2013/14</u> £'000 | <u>2014/15</u> £'000 | <u>2015/16</u> £'000 |
|--|-------------------------|-------------------------|-------------------------|-------------------------|
| 2012/2013 ORIGINAL BUDGET at November 2011 price levels | 38,801 | 38,801 | 38,801 | 38,801 |
| INFLATION TO NOVEMBER 2012 | 995 | 1,330 | 1,330 | 1,330 |
| 2012/2013 ORIGINAL BUDGET REPRICED | 39,796 | 40,131 | 40,131 | 40,131 |

DEVELOPMENTS

Prior to March 2012 Council Tax Setting

| | | | | |
|---|---|------|------|------|
| 11-306 (Apr 11) Framework Agreement - Domiciliary Home Care | - | -333 | -743 | -947 |
| 11-648 (Sep 11) START - New Rostering System | - | -34 | -34 | -34 |
| 12-40 (Jan 12) Respite and Emergency Care for Older People | - | -15 | -15 | -15 |
| 12-42 (Jan 12) Electronic Monitoring of Home Care | - | -145 | -145 | -145 |

This Year Budget Variations

| | | | | |
|--|------|------|------|------|
| 11-706 (Nov 12) Home Care and Residential Care Homes | -233 | -233 | -233 | -233 |
| 12-702 (Nov 12) Meals on Wheels Service | - | -140 | -140 | -140 |
| 13-18 (Jan 13) Re-organisation of ASSD | - | - | -271 | -271 |
| 13-23 (Jan 13) Advocacy Services | - | -74 | -74 | -74 |
| 13-120 (Feb 13) Deprivation of Liberty Safeguards | - | 12 | 12 | 12 |
| 13-189 (Feb 13) Recruitment and Retention Review | - | -35 | -35 | -35 |

Transfers between Committees

| | | | | |
|---|-----|-----|-----|-----|
| 12-273 (Apr 12) Insurance Tender Review | -18 | -18 | -18 | -18 |
| 12-315 (Jun 12) Maintenance, Repair and Decoration Services | -2 | -3 | -3 | -3 |
| 12-461 (Jul 12) Office Removals and Building Support Services | -4 | -8 | -8 | -8 |
| 12-491 (Jul 12) Renewals Fund - Laptops | 53 | - | - | - |
| Direct Payments to SPD Children | -16 | -16 | -16 | -16 |
| Depreciation | -7 | -7 | -7 | -7 |

Other Technical/Volume Adjustments

| | | | | |
|---|------|------|------|------|
| 12-375 (Jul 12) Administration Review - Legal | - | -2 | -2 | -2 |
| Statutory Charges Review | -264 | -265 | -265 | -265 |
| Administrative Buildings | 11 | 11 | 11 | 11 |
| Review of Central Support Services | -52 | -69 | -69 | -69 |
| Delayed Transfers of Care Funding | -601 | 114 | - | - |
| Transfers within Committee | 84 | 112 | 112 | 112 |

| | | | | |
|--|---------------|---------------|---------------|---------------|
| NET EFFECT OF DEVELOPMENTS | -1,049 | -1,148 | -1,943 | -2,147 |
| NET EXPENDITURE at November 2012 Prices | 38,747 | 38,983 | 38,188 | 37,984 |

ANALYSIS BY SERVICE

| | | | | |
|---|---------------|---------------|---------------|---------------|
| Access Team | 426 | 424 | 428 | 428 |
| Older People and Physical Disability East Area Team | 2,713 | 2,754 | 2,611 | 2,611 |
| Older People and Physical Disability West Area Team | 2,180 | 2,195 | 2,054 | 2,054 |
| Occupational Therapy | 437 | 543 | 429 | 429 |
| Purchasing - Older People | 23,466 | 23,436 | 23,085 | 22,907 |
| Purchasing - Physical Disability | 5,618 | 5,346 | 5,296 | 5,270 |
| Contracts with Voluntary Bodies | 1,362 | 1,303 | 1,303 | 1,303 |
| Other Services | 2,545 | 2,982 | 2,982 | 2,982 |
| NET EXPENDITURE at November 2012 Prices | 38,747 | 38,983 | 38,188 | 37,984 |

**ADULT CARE AND HEALTH SERVICES
LEARNING DISABILITY**

| | <u>2012/13</u> £'000 | <u>2013/14</u> £'000 | <u>2014/15</u> £'000 | <u>2015/16</u> £'000 |
|--|-------------------------|-------------------------|-------------------------|-------------------------|
| 2012/2013 ORIGINAL BUDGET at November 2011 price levels | 30,510 | 30,510 | 30,510 | 30,510 |
| INFLATION TO NOVEMBER 2012 | 909 | 1,209 | 1,209 | 1,209 |
| 2012/2013 ORIGINAL BUDGET REPRICED | 31,419 | 31,719 | 31,719 | 31,719 |

DEVELOPMENTS

Prior to March 2012 Council Tax Setting

| | | | | |
|---|---|------|------|------|
| 10-182 (Feb 10) Supported Living | - | -111 | -166 | -166 |
| 11-19 (Jan 11) Residential Care to Supported Living | - | -118 | -118 | -118 |

This Year Budget Variations

| | | | | |
|---|------|------|------|------|
| 12-376 (Jun 12) Respite and Emergency Services/Shared Lives | -88 | -236 | -236 | -236 |
| 12-555 (Sep 12) Respite and Emergency Services - PLD | - | -6 | -6 | -6 |
| 12-702 (Nov 12) Meals on Wheels Service | - | -2 | -2 | -2 |
| 12-704 (Feb 12) Non Residential Respite - PLD | - | -75 | -75 | -75 |
| 12-705 (Nov 12) Shared Lives - Staffing | - | -42 | -42 | -42 |
| 12-706 (Nov 12) Home Care and Residential Care Homes | -153 | -153 | -153 | -153 |
| 13-18 (Jan 13) Re-organisation of ASSD | - | - | -93 | -93 |
| 13-120 (Feb 13) Deprivation of Liberty Safeguards | - | 4 | 4 | 4 |

Transfers between Committees

| | | | | |
|---|----|----|----|----|
| 12-273 (Apr 12) Insurance Tender Review | -8 | -8 | -8 | -8 |
| 12-315 (Jun 12) Maintenance, Repair and Decoration Services | -1 | -2 | -2 | -2 |
| 12-461 (Jul 12) Office Removals and Building Support Services | -1 | -2 | -2 | -2 |

Other Technical/Volume Adjustments

| | | | | |
|---|------|-------|-------|-------|
| 12-375 (Jul 12) Administration Review - Legal | - | -2 | -2 | -2 |
| Statutory Charges Review | -101 | -101 | -101 | -101 |
| Supported Housing | - | -41 | -41 | -41 |
| Review of Central Support Services | -27 | -47 | -47 | -47 |
| Carbon Reduction Commitment Allowances | - | -1 | -1 | -1 |
| Changes in Specific Grants:- | | | | |
| - LD and Health Reform Grant into Start-up Funding Assessment | - | 9,654 | 9,654 | 9,654 |
| - Local Reform and Community Voices | - | -227 | -234 | -234 |
| Recalibration of I.T. Budgets | -7 | -25 | -25 | -25 |
| Transfers within Committee | 187 | 194 | 194 | 194 |

| | | | | |
|-----------------------------------|-------------|--------------|--------------|--------------|
| NET EFFECT OF DEVELOPMENTS | -199 | 8,653 | 8,498 | 8,498 |
|-----------------------------------|-------------|--------------|--------------|--------------|

| | | | | |
|--|---------------|---------------|---------------|---------------|
| NET EXPENDITURE at November 2012 Prices | 31,220 | 40,372 | 40,217 | 40,217 |
|--|---------------|---------------|---------------|---------------|

ANALYSIS BY SERVICE

| | | | | |
|---------------------------------------|--------|--------|--------|--------|
| Learning Disability Teams | 30,787 | 39,914 | 39,759 | 39,759 |
| Learning Disability Management | 411 | 404 | 404 | 404 |
| Contracts with Voluntary Bodies | 74 | 108 | 108 | 108 |
| Retained Costs - Transferred Services | -52 | -54 | -54 | -54 |

| | | | | |
|--|---------------|---------------|---------------|---------------|
| NET EXPENDITURE at November 2012 Prices | 31,220 | 40,372 | 40,217 | 40,217 |
|--|---------------|---------------|---------------|---------------|

**ADULT CARE AND HEALTH SERVICES
MENTAL HEALTH**

| | <u>2012/13</u> £'000 | <u>2013/14</u> £'000 | <u>2014/15</u> £'000 | <u>2015/16</u> £'000 |
|--|-------------------------|-------------------------|-------------------------|-------------------------|
| 2012/2013 ORIGINAL BUDGET at November 2011 price levels | 8,524 | 8,524 | 8,524 | 8,524 |
| INFLATION TO NOVEMBER 2012 | 170 | 242 | 242 | 242 |
| 2012/2013 ORIGINAL BUDGET REPRICED | <u>8,694</u> | <u>8,766</u> | <u>8,766</u> | <u>8,766</u> |

DEVELOPMENTS

Prior to March 2012 Council Tax Setting

| | | | | |
|--|---|------|------|------|
| 10-411 (Jun 10) Mental Health Accommodation Review | - | 150 | -15 | -15 |
| 11-19 (Jan 11) Mental Health Care | - | -170 | -170 | -170 |

This Year Budget Variations

| | | | | |
|--|---|------|------|------|
| 12-702 (Nov 12) Meals on Wheels Service | - | -8 | -8 | -8 |
| 13-18 (Jan 13) Re-organisation of ASSD | - | - | 2 | 2 |
| 13-118 (Feb 13) Community Based Mental Health Services | - | -162 | -162 | -162 |
| 13-120 (Feb 13) Deprivation of Liberty Safeguards | - | 2 | 2 | 2 |

Transfers between Committees

| | | | | |
|---|----|----|----|----|
| 12-273 (Apr 12) Insurance Tender Review | -5 | -5 | -5 | -5 |
| 12-461 (Jul 12) Office Removals and Building Support Services | -1 | -1 | -1 | -1 |

Other Technical/Volume Adjustments

| | | | | |
|---|-----|-----|-----|-----|
| 09-263 (Feb 09) Independent Professional Advocacy Services | - | - | - | 83 |
| 12-41 (Jan 12) Re-organisation of Adult Social Services Dept. | -13 | -13 | -13 | -13 |
| 12-375 (Jul 12) Administration Review - Legal | - | -1 | -1 | -1 |
| Statutory Charges Review | -31 | -31 | -31 | -31 |
| Administrative Buildings | 4 | 4 | 4 | 4 |
| Review of Central Support Services | -16 | -22 | -22 | -22 |
| Recalibration of I.T. Budgets | 2 | 2 | 2 | 2 |
| Transfers within Committee | 100 | 77 | 77 | 77 |

| | | | | |
|----------------------------|-----------|-------------|-------------|-------------|
| NET EFFECT OF DEVELOPMENTS | <u>40</u> | <u>-178</u> | <u>-341</u> | <u>-258</u> |
|----------------------------|-----------|-------------|-------------|-------------|

| | | | | |
|---|--------------|--------------|--------------|--------------|
| NET EXPENDITURE at November 2012 Prices | <u>8,734</u> | <u>8,588</u> | <u>8,425</u> | <u>8,508</u> |
|---|--------------|--------------|--------------|--------------|

ANALYSIS BY SERVICE

| | | | | |
|---------------------------------|-------|-------|-------|-------|
| Mental Health Teams | 6,024 | 6,138 | 6,140 | 6,140 |
| Purchasing Management | -115 | 43 | -122 | -122 |
| Specialist Teams | 1,791 | 1,884 | 1,884 | 1,884 |
| Contracts with Voluntary Bodies | 984 | 511 | 511 | 511 |
| Other Services | 50 | 12 | 12 | 95 |

| | | | | |
|---|--------------|--------------|--------------|--------------|
| NET EXPENDITURE at November 2012 Prices | <u>8,734</u> | <u>8,588</u> | <u>8,425</u> | <u>8,508</u> |
|---|--------------|--------------|--------------|--------------|

**ADULT CARE AND HEALTH SERVICES
OTHER SERVICES**

| | <u>2012/13</u> £'000 | <u>2013/14</u> £'000 | <u>2014/15</u> £'000 | <u>2015/16</u> £'000 |
|---|-------------------------|-------------------------|-------------------------|-------------------------|
| 2012/2013 ORIGINAL BUDGET at November 2011 price levels | 10,550 | 10,550 | 10,550 | 10,550 |
| INFLATION TO NOVEMBER 2012 | 347 | 322 | 322 | 322 |
| 2012/2013 ORIGINAL BUDGET REPRICED | 10,897 | 10,872 | 10,872 | 10,872 |
| DEVELOPMENTS | | | | |
| <u>This Year Budget Variations</u> | | | | |
| 12-699 (Nov 12) Review of Supporting People | - | -175 | -175 | -175 |
| 13-18 (Jan 13) Re-organisation of ASSD | - | - | 225 | 225 |
| <u>Transfers between Committees</u> | | | | |
| 12-261 (Apr 12) New Postage Contract | -3 | -3 | -3 | -3 |
| 12-273 (Apr 12) Insurance Tender Review | 2 | 2 | 2 | 2 |
| 12-315 (Jun 12) Maintenance, Repair and Decoration Services | -1 | -2 | -2 | -2 |
| 12-461 (Jul 12) Office Removals and Building Support Services | -2 | -3 | -3 | -3 |
| Depreciation | 26 | 26 | 26 | 26 |
| <u>Other Technical/Volume Adjustments</u> | | | | |
| Administrative Buildings | 1 | 1 | 1 | 1 |
| Review of Central Support Services | 2 | - | - | - |
| Review of Supporting People | - | -2,537 | -2,559 | -2,559 |
| Transfers within Committee | -371 | -383 | -383 | -383 |
| NET EFFECT OF DEVELOPMENTS | -346 | -3,074 | -2,871 | -2,871 |
| NET EXPENDITURE at November 2012 Prices | 10,551 | 7,798 | 8,001 | 8,001 |

ANALYSIS BY SERVICE

| | | | | |
|--|---------------|--------------|--------------|--------------|
| Contracts with Voluntary Bodies | 75 | 75 | 75 | 75 |
| Supporting People | 8,816 | 6,050 | 6,028 | 6,028 |
| Other Services | 1,660 | 1,673 | 1,898 | 1,898 |
| NET EXPENDITURE at November 2012 Prices | 10,551 | 7,798 | 8,001 | 8,001 |

**ADULT CARE AND HEALTH SERVICES
PUBLIC HEALTH**

| | <u>2012/13</u> £'000 | <u>2013/14</u> £'000 | <u>2014/15</u> £'000 | <u>2015/16</u> £'000 |
|--|-------------------------|-------------------------|-------------------------|-------------------------|
| ANALYSIS BY SERVICE | | | | |
| Public Health Expenditure | - | 24,289 | 24,289 | 24,289 |
| Public Health Grant (at outturn prices) | - | -24,738 | -25,431 | -25,431 |
| NET EXPENDITURE at November 2012 Prices | - | -449 | -1,142 | -1,142 |

The lead local responsibility for Public Health will transfer from the Wandsworth Primary Care Trust to the Council with effect from 1st April 2013, under the Health and Social Care Act 2012. The Department of Health announced public health grant allocations for Wandsworth fixed at £24.7 million for 2013/14 and £25.4 million for 2014/15 (with no additional inflation provision). This grant is ring-fenced to support public health needs within the Borough and therefore expenditure budgets will match this grant in each year. Public Health expenditure budgets outlined above are consistent with council wide budgets in that they are set at November 2012 prices. When inflated, expenditure budgets will match the grant allocation.

EDUCATION AND CHILDREN'S SERVICES

This Cabinet remit includes nursery, primary and secondary education, adult education, provision for children with special educational needs, children's specialist social services, youth and play provision, early years and associated support services.

Finance Department Committee representative: Mike Hall
(Head of Corporate Finance)
Tel: 020-8871 6406

Financial Controller: Matthew Rowe
Tel: 020-8871 8041

The schools' budgets and central spending to support schools is known as the Dedicated Schools Budget. The funding for the Dedicated Schools Budget is largely provided through Dedicated Schools Grant and 6th Form Grant from the Education Funding Agency. This provision is covered in more detail in Section 4: Dedicated Schools Budget.

The services outside of the Dedicated Schools Budget are General Fund budgets and are funded from the Council's Revenue Support Grant, Specific Grants, Council Tax and other charges. The annual net revenue budget for these General Fund services in 2013/14 is £65.423 million.

**EDUCATION AND CHILDREN'S SERVICES
SUMMARY**

| | <u>2012/13 REVISED BUDGET</u> | | | | <u>2013/14 BUDGET</u> | | |
|---|-------------------------------|--------------------------|-------------------|---------------|--------------------------|-------------------|---------------|
| | <u>2012/13</u> | INFLATION TO NOV. '12 | DEVEL- OPMENTS | TOTAL | INFLATION TO NOV. '12 | DEVEL- OPMENTS | TOTAL |
| | <u>BUDGET</u> | | | | | | |
| Salaries | 23,637 | - | 384 | 24,021 | - | -2,282 | 21,355 |
| Indirect Employee Expenses | 763 | - | -213 | 550 | - | -345 | 418 |
| Premises | 1,482 | 45 | 373 | 1,900 | 8 | -31 | 1,459 |
| Use of Transport | 3,328 | 78 | 39 | 3,445 | 40 | -42 | 3,326 |
| Supplies and Services | | | | | | | |
| - Grants to Voluntary Bodies | 3,095 | 21 | 738 | 3,854 | - | 416 | 3,511 |
| - Other | 8,430 | 74 | 1,624 | 10,128 | 81 | -1,368 | 7,143 |
| Third Party Payments | | | | | | | |
| - Levies | 1,421 | - | - | 1,421 | - | 99 | 1,520 |
| - Other | 11,861 | 281 | -640 | 11,502 | 199 | -1,006 | 11,054 |
| Transfer Payments | 1,253 | 25 | 97 | 1,375 | 18 | 183 | 1,454 |
| Central, Technical & Departmental Support | 14,850 | 50 | 1,146 | 16,046 | 21 | 791 | 15,662 |
| Depreciation and Impairment | 3,660 | 15 | 238 | 3,913 | 54 | 215 | 3,929 |
| Government Grants | -17,400 | - | -2,254 | -19,654 | - | 14,937 | -2,463 |
| Other Income | -3,591 | - | -1,028 | -4,619 | - | 646 | -2,945 |
| NET EXPENDITURE | 52,789 | 589 | 504 | 53,882 | 421 | 12,213 | 65,423 |

REVENUE EXPENDITURE BY SERVICE

| | | | | | | | |
|--------------------------------|---------------|------------|------------|---------------|------------|---------------|---------------|
| Children's Specialist Services | 33,491 | 400 | 65 | 33,956 | 266 | -1,508 | 32,249 |
| Policy and Development | 10,858 | 46 | 297 | 11,201 | 57 | -1,011 | 9,904 |
| Planning and Resources | -7,211 | 29 | -285 | -7,467 | 6 | 14,562 | 7,357 |
| Standards and Schools | 5,575 | 28 | 338 | 5,941 | 59 | 205 | 5,839 |
| Young People and Learning | 10,076 | 86 | 89 | 10,251 | 33 | -35 | 10,074 |
| | 52,789 | 589 | 504 | 53,882 | 421 | 12,213 | 65,423 |

**EDUCATION AND CHILDREN'S SERVICES
SUMMARY**

| | <u>2012/13</u> £'000 | <u>2013/14</u> £'000 | <u>2014/15</u> £'000 | <u>2015/16</u> £'000 |
|--|-------------------------|-------------------------|-------------------------|-------------------------|
| 2012/2013 ORIGINAL BUDGET at November 2011 price levels | 52,789 | 52,789 | 52,789 | 52,789 |
| INFLATION TO NOVEMBER 2012 | 589 | 421 | 421 | 421 |
| 2012/2013 ORIGINAL BUDGET REPRICED | 53,378 | 53,210 | 53,210 | 53,210 |
| DEVELOPMENTS | | | | |
| Children's Specialist Services | 65 | -1,508 | -1,688 | -1,688 |
| Policy and Development | 297 | -1,011 | -1,138 | -1,138 |
| Planning and Resources | -285 | 14,562 | 14,562 | 14,562 |
| Standards and Schools | 338 | 205 | 205 | 205 |
| Young People and Learning | 89 | -35 | -35 | -330 |
| NET EFFECT OF DEVELOPMENTS | 504 | 12,213 | 11,906 | 11,611 |
| NET EXPENDITURE at November 2012 Prices | 53,882 | 65,423 | 65,116 | 64,821 |
| ANALYSIS BY SERVICE | | | | |
| Children's Specialist Services | 33,956 | 32,249 | 32,069 | 32,069 |
| Policy and Development | 11,201 | 9,904 | 9,777 | 9,777 |
| Planning and Resources | -7,467 | 7,357 | 7,357 | 7,357 |
| Standards and Schools | 5,941 | 5,839 | 5,839 | 5,839 |
| Young People and Learning | 10,251 | 10,074 | 10,074 | 9,779 |
| NET EXPENDITURE at November 2012 Prices | 53,882 | 65,423 | 65,116 | 64,821 |

**EDUCATION AND CHILDREN'S SERVICES
CHILDREN'S SPECIALIST SERVICES**

| | <u>2012/13</u> £'000 | <u>2013/14</u> £'000 | <u>2014/15</u> £'000 | <u>2015/16</u> £'000 |
|--|-------------------------|-------------------------|-------------------------|-------------------------|
| 2012/2013 ORIGINAL BUDGET at November 2011 price levels | 33,491 | 33,491 | 33,491 | 33,491 |
| INFLATION TO NOVEMBER 2012 | 400 | 266 | 266 | 266 |
| 2012/2013 ORIGINAL BUDGET REPRICED | 33,891 | 33,757 | 33,757 | 33,757 |

DEVELOPMENTS

This Year Budget Variations

| | | | | |
|--|-----|--------|--------|--------|
| 12-720 (Nov 12) Proposed Service Changes | -90 | -1,304 | -1,484 | -1,484 |
| 13-5 (Jan 13) Family Support Workers | - | -183 | -183 | -183 |
| 13-189 (Mar 13) Recruitment & Retention Review | - | -67 | -67 | -67 |

Transfers between Committees

| | | | | |
|--------------------------------------|------|------|------|------|
| 12-261 (Apr 12) Postage Savings | -3 | -2 | -2 | -2 |
| 12-315 (Jun 12) Maintenance Contract | -1 | -2 | -2 | -2 |
| 12-461 (Jul 12) Office Removals | -3 | -6 | -6 | -6 |
| Depreciation | 17 | 17 | 17 | 17 |
| Review of Central Support Services | -183 | -299 | -299 | -299 |

Other Technical/Volume Adjustments

| | | | | |
|----------------------------|-----|-----|-----|-----|
| Budget Reductions | - | -5 | -5 | -5 |
| Extension of Bus Contract | - | 26 | 26 | 26 |
| Transfers within Committee | 328 | 317 | 317 | 317 |

| | | | | |
|-----------------------------------|-----------|---------------|---------------|---------------|
| NET EFFECT OF DEVELOPMENTS | 65 | -1,508 | -1,688 | -1,688 |
|-----------------------------------|-----------|---------------|---------------|---------------|

| | | | | |
|--|---------------|---------------|---------------|---------------|
| NET EXPENDITURE at November 2012 Prices | 33,956 | 32,249 | 32,069 | 32,069 |
|--|---------------|---------------|---------------|---------------|

ANALYSIS BY SERVICE

| | | | | |
|-------------------------------------|--------|--------|--------|--------|
| Children Looked After | 12,884 | 12,168 | 11,988 | 11,988 |
| Service Development and Training | 646 | 560 | 560 | 560 |
| Family and Community Services | 12,074 | 11,398 | 11,398 | 11,398 |
| Special Needs and Disabled Children | 8,352 | 8,123 | 8,123 | 8,123 |

| | | | | |
|--|---------------|---------------|---------------|---------------|
| NET EXPENDITURE at November 2012 Prices | 33,956 | 32,249 | 32,069 | 32,069 |
|--|---------------|---------------|---------------|---------------|

**EDUCATION AND CHILDREN'S SERVICES
POLICY AND DEVELOPMENT**

| | <u>2012/13</u> £'000 | <u>2013/14</u> £'000 | <u>2014/15</u> £'000 | <u>2015/16</u> £'000 |
|--|-------------------------|-------------------------|-------------------------|-------------------------|
| 2012/2013 ORIGINAL BUDGET at November 2011 price levels | 10,858 | 10,858 | 10,858 | 10,858 |
| INFLATION TO NOVEMBER 2012 | 46 | 57 | 57 | 57 |
| 2012/2013 ORIGINAL BUDGET REPRICED | 10,904 | 10,915 | 10,915 | 10,915 |
| DEVELOPMENTS | | | | |
| <u>This Year Budget Variations</u> | | | | |
| 12-152 (Feb 12) Adventure Playgrounds | - | -74 | -74 | -74 |
| 12-271 (Nov 12) Increased EIG Allocation | 495 | 495 | 495 | 495 |
| 12-321 (Jul 12) Battersea Park Playground | -65 | -130 | -130 | -130 |
| 12-720 (Nov 12) Proposed Service Changes | - | -46 | -46 | -46 |
| 12-721 (Nov 12) Review of Charges | - | -30 | -30 | -30 |
| 13-102 (Feb 13) Early Childhood Services | - | -446 | -573 | -573 |
| 13-107 (Feb 13) Targeted and Preventative Services | - | -130 | -130 | -130 |
| <u>Transfers between Committees</u> | | | | |
| 12-315 (Jun 12) Maintenance Contract | -3 | -5 | -5 | -5 |
| 12-461 (Jul 12) Office Removals | -1 | -2 | -2 | -2 |
| 12-491 (Jul 12) Council's Financial Results | 15 | - | - | - |
| Depreciation | 11 | 11 | 11 | 11 |
| Review of Central Support Services | 83 | 113 | 113 | 113 |
| <u>Other Technical/Volume Adjustments</u> | | | | |
| Carbon Reduction Commitment | -2 | -2 | -2 | -2 |
| Budget Reductions | -160 | -194 | -194 | -194 |
| Removal of Grant Income | 15 | 15 | 15 | 15 |
| Removal of Early Years Expenditure to DSB | - | -495 | -495 | -495 |
| Transfers within Committee | -91 | -91 | -91 | -91 |
| NET EFFECT OF DEVELOPMENTS | 297 | -1,011 | -1,138 | -1,138 |
| NET EXPENDITURE at November 2012 Prices | 11,201 | 9,904 | 9,777 | 9,777 |

ANALYSIS BY SERVICE

| | | | | |
|--|---------------|--------------|--------------|--------------|
| Early Years Service | 7,624 | 6,631 | 6,504 | 6,504 |
| Extended Schools and CIS | 826 | 814 | 814 | 814 |
| Play Services | 1,620 | 1,333 | 1,333 | 1,333 |
| Policy, Planning and Review | 13 | 12 | 12 | 12 |
| Safeguarding and Standards Unit | 1,118 | 1,114 | 1,114 | 1,114 |
| NET EXPENDITURE at November 2012 Prices | 11,201 | 9,904 | 9,777 | 9,777 |

**EDUCATION AND CHILDREN'S SERVICES
PLANNING AND RESOURCES**

| | <u>2012/13</u> £'000 | <u>2013/14</u> £'000 | <u>2014/15</u> £'000 | <u>2015/16</u> £'000 |
|--|-------------------------|-------------------------|-------------------------|-------------------------|
| 2012/2013 ORIGINAL BUDGET at November 2011 price levels | -7,211 | -7,211 | -7,211 | -7,211 |
| INFLATION TO NOVEMBER 2012 | 29 | 6 | 6 | 6 |
| 2012/2013 ORIGINAL BUDGET REPRICED | -7,182 | -7,205 | -7,205 | -7,205 |
| DEVELOPMENTS | | | | |
| <u>Transfers between Committees</u> | | | | |
| 12-261 (Apr 12) Postage Savings | -1 | -2 | -2 | -2 |
| 12-315 (Jun 12) Maintenance Contract | -1 | -2 | -2 | -2 |
| 12-461 (Jul 12) Office Removals | -1 | -2 | -2 | -2 |
| 12-491 (Jul 12) Council's Financial Results | 105 | - | - | - |
| 13-183 (Mar 13) Council Tax Setting (LPFA Levy) | - | 99 | 99 | 99 |
| Depreciation | -142 | -142 | -142 | -142 |
| Review of Central Support Services | 381 | 308 | 308 | 308 |
| <u>Other Technical/Volume Adjustments</u> | | | | |
| Removal of Recoupment Charge to DSB | - | 856 | 856 | 856 |
| Budget Reductions | -33 | -159 | -159 | -159 |
| Early Intervention Grant | -8 | 14,179 | 14,179 | 14,179 |
| Carbon Reduction Commitment | -2 | -3 | -3 | -3 |
| Transfers within Committee | -583 | -570 | -570 | -570 |
| NET EFFECT OF DEVELOPMENTS | -285 | 14,562 | 14,562 | 14,562 |
| NET EXPENDITURE at November 2012 Prices | -7,467 | 7,357 | 7,357 | 7,357 |

ANALYSIS BY SERVICE

| | | | | |
|--|---------------|--------------|--------------|--------------|
| Building Schools for the Future | 494 | 486 | 486 | 486 |
| Contracts and Personnel | 651 | 545 | 545 | 545 |
| Capital and Building Development | 1,282 | 1,174 | 1,174 | 1,174 |
| Financial and Other Services | -11,890 | 3,226 | 3,226 | 3,226 |
| ICT and Office Services | 1,996 | 1,926 | 1,926 | 1,926 |
| NET EXPENDITURE at November 2012 Prices | -7,467 | 7,357 | 7,357 | 7,357 |

**EDUCATION AND CHILDREN'S SERVICES
STANDARDS AND SCHOOLS**

| | <u>2012/13</u> £'000 | <u>2013/14</u> £'000 | <u>2014/15</u> £'000 | <u>2015/16</u> £'000 |
|--|-------------------------|-------------------------|-------------------------|-------------------------|
| 2012/2013 ORIGINAL BUDGET at November 2011 price levels | 5,575 | 5,575 | 5,575 | 5,575 |
| INFLATION TO NOVEMBER 2012 | 28 | 59 | 59 | 59 |
| 2012/2013 ORIGINAL BUDGET REPRICED | 5,603 | 5,634 | 5,634 | 5,634 |
| DEVELOPMENTS | | | | |
| <u>Transfers between Committees</u> | | | | |
| 12-461 (Jul 12) Office Removals | -1 | -1 | -1 | -1 |
| 12-491 (Jul 12) Council's Financial Results | 28 | - | - | - |
| Depreciation | 361 | 337 | 337 | 337 |
| Review of Central Support Services | -3 | -27 | -27 | -27 |
| <u>Other Technical/Volume Adjustments</u> | | | | |
| Budget Reductions | -45 | -116 | -116 | -116 |
| Transfers within Committee | -2 | 12 | 12 | 12 |
| NET EFFECT OF DEVELOPMENTS | 338 | 205 | 205 | 205 |
| NET EXPENDITURE at November 2012 Prices | 5,941 | 5,839 | 5,839 | 5,839 |

ANALYSIS BY SERVICE

| | | | | |
|---|--------------|--------------|--------------|--------------|
| Curriculum and Governor Development | 22 | 22 | 22 | 22 |
| Dedicated Schools Budget Funded by General Fund | 3,173 | 3,187 | 3,187 | 3,187 |
| Education and Welfare Service | 464 | 460 | 460 | 460 |
| Inclusion Service | 718 | 718 | 718 | 718 |
| Performance and Standards | 1,524 | 1,412 | 1,412 | 1,412 |
| Pupil Services | 40 | 40 | 40 | 40 |
| NET EXPENDITURE at November 2012 Prices | 5,941 | 5,839 | 5,839 | 5,839 |

**EDUCATION AND CHILDREN'S SERVICES
YOUNG PEOPLE AND LEARNING**

| | <u>2012/13</u> £'000 | <u>2013/14</u> £'000 | <u>2014/15</u> £'000 | <u>2015/16</u> £'000 |
|--|-------------------------|-------------------------|-------------------------|-------------------------|
| 2012/2013 ORIGINAL BUDGET at November 2011 price levels | 10,076 | 10,076 | 10,076 | 10,076 |
| INFLATION TO NOVEMBER 2012 | 86 | 33 | 33 | 33 |
| 2012/2013 ORIGINAL BUDGET REPRICED | 10,162 | 10,109 | 10,109 | 10,109 |
| DEVELOPMENTS | | | | |
| <u>This Year Budget Variations</u> | | | | |
| 11-796 (Nov 11) Youth Work Review | - | -250 | -250 | -250 |
| 12-721 (Nov 12) Charges Review | - | -1 | -1 | -1 |
| 13-183 (Mar 13) Council Tax Setting (FRP) | - | 295 | 295 | - |
| <u>Transfers between Committees</u> | | | | |
| 12-261 (Apr 12) Postage Savings | -2 | -1 | -1 | -1 |
| 12-315 (Jun 12) Maintenance Contract | -3 | -6 | -6 | -6 |
| 12-461 (Jul 12) Office Removals | -3 | -5 | -5 | -5 |
| 12-491 (Jul 12) Council's Financial Results | 161 | - | - | - |
| Depreciation | 5 | 5 | 5 | 5 |
| Review of Central Support Services | -35 | -77 | -77 | -77 |
| <u>Other Technical/Volume Adjustments</u> | | | | |
| Carbon Reduction Commitment | -1 | -1 | -1 | -1 |
| Family Recovery Project | -396 | -344 | -344 | -344 |
| Adult Education | 15 | 18 | 18 | 18 |
| Transfers within Committee | 348 | 332 | 332 | 332 |
| NET EFFECT OF DEVELOPMENTS | 89 | -35 | -35 | -330 |
| NET EXPENDITURE at November 2012 Prices | 10,251 | 10,074 | 10,074 | 9,779 |

ANALYSIS BY SERVICE

| | | | | |
|--|---------------|---------------|---------------|--------------|
| 14-19 | 517 | 504 | 504 | 504 |
| Adult Education | 54 | 54 | 54 | 54 |
| Diversion Service | 2,465 | 2,712 | 2,712 | 2,417 |
| Integrated Youth Service | 7,101 | 6,690 | 6,690 | 6,690 |
| Teenage Pregnancy | 114 | 114 | 114 | 114 |
| NET EXPENDITURE at November 2012 Prices | 10,251 | 10,074 | 10,074 | 9,779 |

ENVIRONMENT, CULTURE AND COMMUNITY SAFETY

This Cabinet remit includes sport, public libraries, cultural services, leisure and recreation centres, community centres. The remit also extends to environmental health, trading standards, some public control functions, public licensing, street cleansing, refuse collection, public conveniences, cemeteries and crematoria and the management of parks, commons and public open spaces and allotments, crime prevention including partnerships with other authorities; neighbourhood watch; cctv monitoring and maintenance.

Finance Department Committee representative: Katherine Burston
(Financial Controller)
Tel: 020-8871 6506

Financial Controllers: Rob Hallett
(Environmental Services, Leisure Services and Amenities Services)
Tel: 020-8871 6507
Brian Skelton (Community Safety)
Tel: 020-8871 6499

The General Fund revenue budget for Environment, Culture and Community Safety includes Leisure Services, Amenities Services, Community Safety and Environmental Services. Major Services that are contracted out include refuse collection, street cleaning, leisure centre management, library services and parks and cemeteries grounds maintenance.

The budget for 2013/14 and future years includes the effects of efficiency reviews of all Services. Specifically, the tendering of the library service which produced a saving of £0.894 million, the retendering of the parks and cemeteries maintenance contract and the street cleansing contract which produced a saving of £0.849 million and £0.140 million respectively and a review of charges resulting in a net budget reduction of £0.291 million. The Western Riverside Waste Authority (WRWA) levy and disposal charges increased by £1.031 million in 2013/14.

**ENVIRONMENT, CULTURE AND COMMUNITY SAFETY
SUMMARY**

| | <u>2012/13 REVISED BUDGET</u> | | | | <u>2013/14 BUDGET</u> | | |
|-------------------------------|-------------------------------|--------------------------|-------------------|---------|--------------------------|-------------------|---------|
| | <u>2012/13</u> | INFLATION TO NOV. '12 | DEVEL- OPMENTS | TOTAL | INFLATION TO NOV. '12 | DEVEL- OPMENTS | TOTAL |
| | <u>BUDGET</u> | | | | | | |
| Salaries | 12,155 | 1 | -235 | 11,921 | - | -3,761 | 8,394 |
| Indirect Employee Expenses | 86 | 2 | 484 | 572 | - | -20 | 66 |
| Premises | 8,658 | 229 | -163 | 8,724 | 55 | -1,940 | 6,773 |
| Use of Transport | 283 | 7 | -41 | 249 | 3 | -53 | 233 |
| Supplies and Services | | | | | | | |
| - Funding to Voluntary Bodies | 199 | 5 | -2 | 202 | 2 | -31 | 170 |
| - Other | 2,722 | 56 | -67 | 2,711 | 8 | -869 | 1,861 |
| Third Party Payments | | | | | | | |
| - Precepts and Levies | 13,687 | - | -25 | 13,662 | - | 1,011 | 14,698 |
| - Other | 12,466 | 33 | -53 | 12,446 | 10 | 3,680 | 16,156 |
| Transfer Payments | 154 | 3 | -1 | 156 | - | -5 | 149 |
| Central and Technical Support | 4,064 | 33 | -53 | 4,044 | 15 | -337 | 3,742 |
| Depreciation and Impairment | 2,245 | - | -267 | 1,978 | - | -267 | 1,978 |
| Government Grants | -69 | - | -85 | -154 | - | 12 | -57 |
| Rents | -894 | - | 9 | -885 | - | 14 | -880 |
| Other Income | -13,370 | -46 | -46 | -13,462 | -107 | 305 | -13,172 |

| | | | | | | | |
|------------------------|---------------|------------|-------------|---------------|------------|---------------|---------------|
| NET EXPENDITURE | 42,386 | 323 | -545 | 42,164 | -14 | -2,261 | 40,111 |
|------------------------|---------------|------------|-------------|---------------|------------|---------------|---------------|

REVENUE EXPENDITURE BY SERVICE

| | | | | | | | |
|-------------------------------------|--------|-----|------|--------|-----|------|--------|
| Community Safety | 1,616 | 1 | 337 | 1,954 | 1 | 212 | 1,829 |
| Environmental Services | 3,973 | 26 | -105 | 3,894 | 19 | -91 | 3,901 |
| Libraries and Heritage Services | 5,816 | 57 | -49 | 5,824 | 19 | -935 | 4,900 |
| Parks and Open Spaces | 5,845 | 136 | -54 | 5,927 | 15 | -604 | 5,256 |
| Bereavement Services | -613 | 45 | -42 | -610 | 7 | -414 | -1,020 |
| Leisure Centres and Sports Services | 536 | 6 | -228 | 314 | -89 | -317 | 130 |
| Waste Management | 24,619 | 21 | -623 | 24,017 | 4 | 151 | 24,774 |
| Security, Arts and Public Events | 594 | 31 | 219 | 844 | 10 | -263 | 341 |

| | | | | | | | |
|------------------------|---------------|------------|-------------|---------------|------------|---------------|---------------|
| NET EXPENDITURE | 42,386 | 323 | -545 | 42,164 | -14 | -2,261 | 40,111 |
|------------------------|---------------|------------|-------------|---------------|------------|---------------|---------------|

**ENVIRONMENT, CULTURE AND COMMUNITY SAFETY
SUMMARY**

| | <u>2012/13</u> £'000 | <u>2013/14</u> £'000 | <u>2014/15</u> £'000 | <u>2015/16</u> £'000 |
|--|-------------------------|-------------------------|-------------------------|-------------------------|
| 2012/2013 ORIGINAL BUDGET at November 2011 price levels | 42,386 | 42,386 | 42,386 | 42,386 |
| INFLATION TO NOVEMBER 2012 | 323 | -14 | -14 | -14 |
| 2012/2013 ORIGINAL BUDGET REPRICED | 42,709 | 42,372 | 42,372 | 42,372 |
| DEVELOPMENTS | | | | |
| Community Safety | 337 | 212 | 212 | 212 |
| Environmental Services | -105 | -91 | -121 | -141 |
| Libraries and Heritage Services | -49 | -935 | -935 | -1,135 |
| Parks and Open Spaces | -54 | -604 | -604 | -604 |
| Bereavement Services | -42 | -414 | -414 | -459 |
| Leisure Centres and Sports Services | -228 | -317 | -317 | -317 |
| Waste Management | -623 | 151 | 151 | 151 |
| Security, Arts and Public Events | 219 | -263 | -263 | -263 |
| NET EFFECT OF DEVELOPMENTS | -545 | -2,261 | -2,291 | -2,556 |
| NET EXPENDITURE at November 2012 Prices | 42,164 | 40,111 | 40,081 | 39,816 |

ANALYSIS BY SERVICE

| | | | | |
|--|---------------|---------------|---------------|---------------|
| Community Safety | 1,954 | 1,829 | 1,829 | 1,829 |
| Environmental Services | 3,894 | 3,901 | 3,871 | 3,851 |
| Libraries and Heritage Services | 5,824 | 4,900 | 4,900 | 4,700 |
| Parks and Open Spaces | 5,927 | 5,256 | 5,256 | 5,256 |
| Bereavement Services | -610 | -1,020 | -1,020 | -1,065 |
| Leisure Centres and Sports Services | 314 | 130 | 130 | 130 |
| Waste Management | 24,017 | 24,774 | 24,774 | 24,774 |
| Security, Arts and Public Events | 844 | 341 | 341 | 341 |
| NET EXPENDITURE at November 2012 Prices | 42,164 | 40,111 | 40,081 | 39,816 |

**ENVIRONMENT, CULTURE AND COMMUNITY SAFETY
COMMUNITY SAFETY**

| | <u>2012/13</u> £'000 | <u>2013/14</u> £'000 | <u>2014/15</u> £'000 | <u>2015/16</u> £'000 |
|--|-------------------------|-------------------------|-------------------------|-------------------------|
| 2012/2013 ORIGINAL BUDGET at November 2011 price levels | 1,616 | 1,616 | 1,616 | 1,616 |
| INFLATION TO NOVEMBER 2012 | 1 | 1 | 1 | 1 |
| 2012/2013 ORIGINAL BUDGET REPRICED | 1,617 | 1,617 | 1,617 | 1,617 |
| DEVELOPMENTS | | | | |
| <u>This Year Budget Variations</u> | | | | |
| 12-563 (Sep 12) Review of Community Safety Division | - | -77 | -77 | -77 |
| <u>Transfers between Committees</u> | | | | |
| Review of Central Support Services | 8 | 8 | 8 | 8 |
| <u>Other Technical/Volume Adjustments</u> | | | | |
| Review of Community Safety Grants | - | -21 | -21 | -21 |
| Community Safety Efficiency Savings | - | -26 | -26 | -26 |
| Review of Retail Radio Charges | - | -1 | -1 | -1 |
| Depreciation | -23 | -23 | -23 | -23 |
| Transfers within Committee | 352 | 352 | 352 | 352 |
| NET EFFECT OF DEVELOPMENTS | 337 | 212 | 212 | 212 |
| NET EXPENDITURE at November 2012 Prices | 1,954 | 1,829 | 1,829 | 1,829 |

ANALYSIS BY SERVICE

| | | | | |
|--|--------------|--------------|--------------|--------------|
| CCTV Maintenance and Retail Radio | 481 | 494 | 494 | 494 |
| Neighbourhood Watch | 87 | 16 | 16 | 16 |
| Burglary Aftercare | 40 | 40 | 40 | 40 |
| Community Safety Grants | 124 | 97 | 97 | 97 |
| Domestic Violence Co-Ordinator | 55 | 55 | 55 | 55 |
| Anti-Social Behaviour Unit | 81 | 81 | 81 | 81 |
| Administration and Support Services | 734 | 694 | 694 | 694 |
| Safer Parks Team | 352 | 352 | 352 | 352 |
| NET EXPENDITURE at November 2012 Prices | 1,954 | 1,829 | 1,829 | 1,829 |

**ENVIRONMENT, CULTURE AND COMMUNITY SAFETY
ENVIRONMENTAL SERVICES**

| | <u>2012/13</u> £'000 | <u>2013/14</u> £'000 | <u>2014/15</u> £'000 | <u>2015/16</u> £'000 |
|--|-------------------------|-------------------------|-------------------------|-------------------------|
| 2012/2013 ORIGINAL BUDGET at November 2011 price levels | 3,973 | 3,973 | 3,973 | 3,973 |
| INFLATION TO NOVEMBER 2012 | 26 | 19 | 19 | 19 |
| 2012/2013 ORIGINAL BUDGET REPRICED | 3,999 | 3,992 | 3,992 | 3,992 |
| DEVELOPMENTS | | | | |
| <u>This Year Budget Variations</u> | | | | |
| 12-261 (Apr 12) Postage Review | -4 | -4 | -4 | -4 |
| 12-375 (Jun 12) Review of Legal Services | - | -1 | -1 | -1 |
| 13-76 (Jan 13) Customer Services | - | -30 | -30 | -30 |
| 13-189 (Feb 13) Recruitment and Retention Review | - | -6 | -6 | -6 |
| <u>Transfers between Committees</u> | | | | |
| Review of Central Support Services | -32 | -31 | -31 | -31 |
| <u>Other Technical/Volume Adjustments</u> | | | | |
| Air Quality Studies Funded by DEFRA | -68 | -14 | -44 | -64 |
| Review Printing and Postage | - | -4 | -4 | -4 |
| Depreciation | -1 | -1 | -1 | -1 |
| NET EFFECT OF DEVELOPMENTS | -105 | -91 | -121 | -141 |
| NET EXPENDITURE at November 2012 Prices | 3,894 | 3,901 | 3,871 | 3,851 |

ANALYSIS BY SERVICE

| | | | | |
|--|--------------|--------------|--------------|--------------|
| Food and Health & Safety | 1,336 | 1,330 | 1,330 | 1,330 |
| Trading Standards | 542 | 543 | 543 | 543 |
| Licensing | 331 | 296 | 296 | 296 |
| Coroners Court and Mortuary | 444 | 443 | 443 | 443 |
| General Environmental Services | 1,241 | 1,289 | 1,259 | 1,239 |
| NET EXPENDITURE at November 2012 Prices | 3,894 | 3,901 | 3,871 | 3,851 |

**ENVIRONMENT, CULTURE AND COMMUNITY SAFETY
LIBRARIES AND HERITAGE SERVICES**

| | <u>2012/13</u> £'000 | <u>2013/14</u> £'000 | <u>2014/15</u> £'000 | <u>2015/16</u> £'000 |
|--|-------------------------|-------------------------|-------------------------|-------------------------|
| 2012/2013 ORIGINAL BUDGET at November 2011 price levels | 5,816 | 5,816 | 5,816 | 5,816 |
| INFLATION TO NOVEMBER 2012 | 57 | 19 | 19 | 19 |
| 2012/2013 ORIGINAL BUDGET REPRICED | <u>5,873</u> | <u>5,835</u> | <u>5,835</u> | <u>5,835</u> |
| DEVELOPMENTS | | | | |
| <u>This Year Budget Variations</u> | | | | |
| 12-273 (Apr 12) Insurance Tender Review | -15 | -15 | -15 | -15 |
| 12-315 (Jun 12) Public Building Maintenance | -3 | -6 | -6 | -6 |
| 12-761 (Nov 12) Libraries Contract | - | -894 | -894 | -894 |
| <u>Transfers between Committees</u> | | | | |
| Review of Central Support Services | -22 | -22 | -22 | -22 |
| Revision of Admin Buildings Charges | 10 | 10 | 10 | 10 |
| Recalibration of IT Budgets | -3 | -12 | -12 | -12 |
| <u>Other Technical/Volume Adjustments</u> | | | | |
| Carbon Reduction Commitment Charges | -3 | -3 | -3 | -3 |
| Museum Rent - 38 West Hill | - | - | - | -200 |
| Depreciation | -13 | 7 | 7 | 7 |
| NET EFFECT OF DEVELOPMENTS | <u>-49</u> | <u>-935</u> | <u>-935</u> | <u>-1,135</u> |
| NET EXPENDITURE at November 2012 Prices | <u>5,824</u> | <u>4,900</u> | <u>4,900</u> | <u>4,700</u> |
| ANALYSIS BY SERVICE | | | | |
| Libraries | 5,163 | 4,900 | 4,900 | 4,900 |
| Children's Library Service | 532 | - | - | - |
| Heritage Service | 132 | - | - | -200 |
| Library Agency Service | -3 | - | - | - |
| NET EXPENDITURE at November 2012 Prices | <u>5,824</u> | <u>4,900</u> | <u>4,900</u> | <u>4,700</u> |

**ENVIRONMENT, CULTURE AND COMMUNITY SAFETY
PARKS AND OPEN SPACES**

| | <u>2012/13</u> £'000 | <u>2013/14</u> £'000 | <u>2014/15</u> £'000 | <u>2015/16</u> £'000 |
|--|-------------------------|-------------------------|-------------------------|-------------------------|
| 2012/2013 ORIGINAL BUDGET at November 2011 price levels | 5,845 | 5,845 | 5,845 | 5,845 |
| INFLATION TO NOVEMBER 2012 | 136 | 15 | 15 | 15 |
| 2012/2013 ORIGINAL BUDGET REPRICED | 5,981 | 5,860 | 5,860 | 5,860 |
| DEVELOPMENTS | | | | |
| <u>Prior to March 2012 Council Tax Setting</u> | | | | |
| 11-854 (Nov 11) Fees and Charges | - | -2 | -2 | -2 |
| <u>This Year Budget Variations</u> | | | | |
| 12-261 (Apr 12) Postage Review | -9 | -9 | -9 | -9 |
| 12-273 (Apr 12) Insurance Tender Review | -5 | -5 | -5 | -5 |
| 12-315 (Jun 12) Public Buildings Maintenance | -6 | -12 | -12 | -12 |
| 12-415 (Jun 12) Wandle Valley Regional Park | 8 | 8 | 8 | 8 |
| 12-461 (Jul 12) Office Removals | -1 | -1 | -1 | -1 |
| 12-765 (Nov 12) Parks and Cemeteries Contract | - | -539 | -539 | -539 |
| 12-770 (Nov 12) Fees and Charges | - | -2 | -2 | -2 |
| 13-183 (Feb 13) Lee Valley Regional Park Levy | - | 8 | 8 | 8 |
| 13-183 (Feb 13) Wimbledon & Putney Commons Conservators Levy | - | -3 | -3 | -3 |
| <u>Transfers between Committees</u> | | | | |
| Review of Central Support Services | 11 | 10 | 10 | 10 |
| <u>Other Technical/Volume Adjustments</u> | | | | |
| Carbon Reduction Commitment Charges | 1 | 1 | 1 | 1 |
| Review Printing and Postage | - | -5 | -5 | -5 |
| Depreciation | -103 | -103 | -103 | -103 |
| Transfers within Committee | 50 | 50 | 50 | 50 |
| NET EFFECT OF DEVELOPMENTS | -54 | -604 | -604 | -604 |
| NET EXPENDITURE at November 2012 Prices | 5,927 | 5,256 | 5,256 | 5,256 |
| ANALYSIS BY SERVICE | | | | |
| Battersea Park | 1,242 | 1,050 | 1,050 | 1,050 |
| Parks and Open Spaces | 4,685 | 4,206 | 4,206 | 4,206 |
| NET EXPENDITURE at November 2012 Prices | 5,927 | 5,256 | 5,256 | 5,256 |

**ENVIRONMENT, CULTURE AND COMMUNITY SAFETY
BEREAVEMENT SERVICES**

| | <u>2012/13</u> £'000 | <u>2013/14</u> £'000 | <u>2014/15</u> £'000 | <u>2015/16</u> £'000 |
|--|-------------------------|-------------------------|-------------------------|-------------------------|
| 2012/2013 ORIGINAL BUDGET at November 2011 price levels | -613 | -613 | -613 | -613 |
| INFLATION TO NOVEMBER 2012 | 45 | 7 | 7 | 7 |
| 2012/2013 ORIGINAL BUDGET REPRICED | -568 | -606 | -606 | -606 |
| DEVELOPMENTS | | | | |
| <u>This Year Budget Variations</u> | | | | |
| 12-261 (Apr 12) Postage Review | -1 | -1 | -1 | -1 |
| 12-273 (Apr 12) Insurance Tender Review | -7 | -7 | -7 | -7 |
| 12-315 (Jun 12) Public Buildings Maintenance | -3 | -6 | -6 | -6 |
| 12-765 (Nov 12) Parks and Cemeteries Contract | - | -303 | -303 | -303 |
| 12-770 (Nov 12) Fees and Charges | -21 | -85 | -85 | -85 |
| <u>Transfers between Committees</u> | | | | |
| Review of Central Support Services | -3 | -2 | -2 | -2 |
| Dog Control Premises | -2 | -2 | -2 | -2 |
| Recalibration of IT Budgets | -1 | -1 | -1 | -1 |
| <u>Other Technical/Volume Adjustments</u> | | | | |
| Carbon Reduction Commitment Charges | 2 | 2 | 2 | 2 |
| Review Printing and Postage | - | -3 | -3 | -3 |
| NESCB Budget Review | -3 | -3 | -3 | -48 |
| Transfers within Committee | -3 | -3 | -3 | -3 |
| NET EFFECT OF DEVELOPMENTS | -42 | -414 | -414 | -459 |
| NET EXPENDITURE at November 2012 Prices | -610 | -1,020 | -1,020 | -1,065 |
| ANALYSIS BY SERVICE | | | | |
| Cemeteries | -30 | -413 | -413 | -413 |
| Crematorium | -395 | -422 | -422 | -422 |
| NESCB Distribution | -185 | -185 | -185 | -230 |
| NET EXPENDITURE at November 2012 Prices | -610 | -1,020 | -1,020 | -1,065 |

**ENVIRONMENT, CULTURE AND COMMUNITY SAFETY
LEISURE CENTRES AND SPORTS SERVICES**

| | <u>2012/13</u> £'000 | <u>2013/14</u> £'000 | <u>2014/15</u> £'000 | <u>2015/16</u> £'000 |
|--|-------------------------|-------------------------|-------------------------|-------------------------|
| 2012/2013 ORIGINAL BUDGET at November 2011 price levels | 536 | 536 | 536 | 536 |
| INFLATION TO NOVEMBER 2012 | 6 | -89 | -89 | -89 |
| 2012/2013 ORIGINAL BUDGET REPRICED | 542 | 447 | 447 | 447 |
| DEVELOPMENTS | | | | |
| <u>This Year Budget Variations</u> | | | | |
| 12-261 (Apr 12) Postage Review | -7 | -7 | -7 | -7 |
| 12-273 (Apr 12) Insurance Tender Review | -35 | -35 | -35 | -35 |
| 12-315 (Jun 12) Public Buildings Maintenance | -9 | -17 | -17 | -17 |
| 12-461 (Jul 12) Office Removals | - | -1 | -1 | -1 |
| 12-765 (Nov 12) Parks and Cemeteries Contract | - | -7 | -7 | -7 |
| 12-770 (Nov 12) Fees and Charges | -6 | -67 | -67 | -67 |
| <u>Transfers between Committees</u> | | | | |
| Review of Central Support Services | -9 | -11 | -11 | -11 |
| Olympic Support | - | -3 | -3 | -3 |
| <u>Other Technical/Volume Adjustments</u> | | | | |
| Leisure Centre Contract | -33 | -19 | -19 | -19 |
| Carbon Reduction Commitment Charges | -9 | -9 | -9 | -9 |
| Review Printing and Postage | - | -5 | -5 | -5 |
| Depreciation | 21 | 21 | 21 | 21 |
| Transfers within Committee | -141 | -157 | -157 | -157 |
| NET EFFECT OF DEVELOPMENTS | -228 | -317 | -317 | -317 |
| NET EXPENDITURE at November 2012 Prices | 314 | 130 | 130 | 130 |
| ANALYSIS BY SERVICE | | | | |
| Leisure Centres Client Costs | -615 | -701 | -701 | -701 |
| Sports Development | 445 | 436 | 436 | 436 |
| Children's Sports Development | 150 | 147 | 147 | 147 |
| Sports Services | 334 | 248 | 248 | 248 |
| NET EXPENDITURE at November 2012 Prices | 314 | 130 | 130 | 130 |

**ENVIRONMENT, CULTURE AND COMMUNITY SAFETY
WASTE MANAGEMENT**

| | <u>2012/13</u> £'000 | <u>2013/14</u> £'000 | <u>2014/15</u> £'000 | <u>2015/16</u> £'000 |
|--|-------------------------|-------------------------|-------------------------|-------------------------|
| 2012/2013 ORIGINAL BUDGET at November 2011 price levels | 24,619 | 24,619 | 24,619 | 24,619 |
| INFLATION TO NOVEMBER 2012 | 21 | 4 | 4 | 4 |
| 2012/2013 ORIGINAL BUDGET REPRICED | 24,640 | 24,623 | 24,623 | 24,623 |
| DEVELOPMENTS | | | | |
| <u>Prior to March 2012 Council Tax Setting</u> | | | | |
| 11-854 (Nov 11) Fees and Charges | - | -72 | -72 | -72 |
| <u>This Year Budget Variations</u> | | | | |
| 12-261 (Apr 12) Postage Review | -4 | -4 | -4 | -4 |
| 12-570 (Sep 12) Street Cleansing Contract | - | -140 | -140 | -140 |
| 12-770 (Nov 12) Fees and Charges | - | -57 | -57 | -57 |
| 13-183 (Feb 13) WRWA Levy | - | -168 | -168 | -168 |
| 13-183 (Feb 13) WRWA Waste Disposal | - | 1,199 | 1,199 | 1,199 |
| <u>Transfers between Committees</u> | | | | |
| Review of Central Support Services | 13 | 13 | 13 | 13 |
| <u>Other Technical/Volume Adjustments</u> | | | | |
| 2012/13 Street Cleansing Contractor | - | -484 | -484 | -484 |
| Domestic Refuse Volume Adjustment | 66 | 66 | 66 | 66 |
| Housing Garden Waste Disposal | -25 | -25 | -25 | -25 |
| Carbon Reduction Commitment Charges | -1 | -1 | -1 | -1 |
| Depreciation | -165 | -165 | -165 | -165 |
| Transfers within Committee | -507 | -11 | -11 | -11 |
| NET EFFECT OF DEVELOPMENTS | -623 | 151 | 151 | 151 |
| NET EXPENDITURE at November 2012 Prices | 24,017 | 24,774 | 24,774 | 24,774 |
| ANALYSIS BY SERVICE | | | | |
| Refuse & Recycling | 18,436 | 19,186 | 19,186 | 19,186 |
| Street Cleansing | 5,274 | 5,284 | 5,284 | 5,284 |
| Public Conveniences | 133 | 131 | 131 | 131 |
| Dog Control and Enforcement | 174 | 173 | 173 | 173 |
| NET EXPENDITURE at November 2012 Prices | 24,017 | 24,774 | 24,774 | 24,774 |

**ENVIRONMENT, CULTURE AND COMMUNITY SAFETY
SECURITY, ARTS AND PUBLIC EVENTS**

| | <u>2012/13</u> £'000 | <u>2013/14</u> £'000 | <u>2014/15</u> £'000 | <u>2015/16</u> £'000 |
|--|-------------------------|-------------------------|-------------------------|-------------------------|
| 2012/2013 ORIGINAL BUDGET at November 2011 price levels | 594 | 594 | 594 | 594 |
| INFLATION TO NOVEMBER 2012 | 31 | 10 | 10 | 10 |
| 2012/2013 ORIGINAL BUDGET REPRICED | 625 | 604 | 604 | 604 |
| DEVELOPMENTS | | | | |
| <u>Prior to March 2012 Council Tax Setting</u> | | | | |
| 09-701 (Sep 09) British Genius Site | - | 45 | 45 | 45 |
| 11-841 (Jun 11) Parks Police Review | - | 48 | 48 | 48 |
| <u>This Year Budget Variations</u> | | | | |
| 12-261 (Apr 12) Postage Review | -5 | -5 | -5 | -5 |
| 12-273 (Apr 12) Insurance Tender Review | -7 | -7 | -7 | -7 |
| 12-315 (Jun 12) Public Buildings Maintenance | -2 | -5 | -5 | -5 |
| 12-770 (Nov 12) Fees and Charges | - | -80 | -80 | -80 |
| <u>Transfers between Committees</u> | | | | |
| Review of Central Support Services | -18 | -18 | -18 | -18 |
| Revision of Admin Buildings | -6 | -6 | -6 | -6 |
| Recalibration of IT Budgets | -2 | -6 | -6 | -6 |
| <u>Other Technical/Volume Adjustments</u> | | | | |
| Review Printing and Postage | - | -7 | -7 | -7 |
| Depreciation | 17 | 17 | 17 | 17 |
| Transfers within Committee | 242 | -239 | -239 | -239 |
| NET EFFECT OF DEVELOPMENTS | 219 | -263 | -263 | -263 |
| NET EXPENDITURE at November 2012 Prices | 844 | 341 | 341 | 341 |
| ANALYSIS BY SERVICE | | | | |
| Shows and Special Events | 172 | 217 | 217 | 217 |
| Battersea Park Events | -500 | -514 | -514 | -514 |
| Parks Police | 497 | - | - | - |
| Public Halls and Community Centres | 74 | 43 | 43 | 43 |
| Arts | 601 | 595 | 595 | 595 |
| NET EXPENDITURE at November 2012 Prices | 844 | 341 | 341 | 341 |

FINANCE AND CORPORATE RESOURCES

This Cabinet remit includes:
the control of the Council's finances,
public relations and accountability;
electoral arrangements, the mayoralty,
registration of births, deaths and
marriages, planning for civil emergencies;
council tax and rate collection;
the operation of Housing Benefit
Schemes; overall policies towards
voluntary organisations; ensuring
optimum use of the Council's property
portfolio; office accommodation, central
administrative and financial support;
computer technology.

Finance Department Committee representative: Chris Buss
(Director and Deputy Chief Executive)
Tel: 020-8871 8300

Financial Controller: Brian Skelton
Tel: 020-8871 6499

The repriced budget is adjusted to include the revenue effects of approved and unavoidable service developments and budget transfers during the year to produce the revised budget for 2012/13. This includes technical adjustments to depreciation and changes to expenditure from earmarked reserves which do not impact directly on the council's overall budget requirement. The 2012/13 and future years budgets include the effect of increased anticipated interest income although this is not something which can be relied upon in future years.

In the current tight budgetary climate a particular focus of the Council has been on seeking to reduce the cost of 'back office' functions, many of which fall within the remit of this committee. Ongoing major reviews are being undertaken across both the Administration and Finance functions, a process which began in 2010/11 with the budgetary effects beginning to be fully felt in 2011/12 and continuing into future years. Because back office functions are fully recharged to frontline services these budgetary effects will ultimately materialise across the budgets of all committees.

Most existing specific grants are now centralised under the Business Rates Retention scheme with few remaining to be shown within service budgets. The main exception to this is the Housing Benefit and Council Tax benefit administration grant, which for 2013/14 will be £2.55 million. Council Tax Benefit subsidy reimbursement has been replaced by Council Tax Support Grant which is now paid as part of central government grant.

**FINANCE AND CORPORATE RESOURCES
SUMMARY**

| | <u>2012/13 REVISED BUDGET</u> | | | | <u>2013/14 BUDGET</u> | | |
|--------------------------------|---|--------------------------|-------------------|----------|--------------------------|-------------------|----------|
| | <u>2012/13</u> | INFLATION TO NOV. '12 | DEVEL- OPMENTS | TOTAL | INFLATION TO NOV. '12 | DEVEL- OPMENTS | TOTAL |
| | <u>ORIGINAL</u> <u>BUDGET</u> £'000 | | | | | | |
| Salaries | 5,906 | - | 368 | 6,274 | - | 722 | 6,628 |
| Indirect Employee Expenses | 72 | 1 | -1 | 72 | - | -24 | 48 |
| Premises | 1,264 | 16 | -722 | 558 | 4 | -723 | 545 |
| Use of Transport | 18 | - | -8 | 10 | - | -8 | 10 |
| Supplies and Services | | | | | | | |
| - Grants to Voluntary Bodies | 826 | 23 | 236 | 1,085 | 23 | -41 | 808 |
| - Other | 2,959 | 61 | 1,144 | 4,164 | 41 | -157 | 2,843 |
| Third Party Payments | | | | | | | |
| - Precepts, Levies and Charges | 1,147 | - | -94 | 1,053 | - | -156 | 991 |
| - Other | 383 | 10 | 26 | 419 | - | 1,203 | 1,586 |
| Transfer Payments | 224,554 | - | -7,006 | 217,548 | - | -22,473 | 202,081 |
| Central and Technical Support | 12,065 | 10 | 1,724 | 13,799 | 13 | 587 | 12,665 |
| Depreciation and Impairment | 374 | - | 135 | 509 | - | 148 | 522 |
| Government Grants | -222,644 | - | 6,453 | -216,191 | - | 20,477 | -202,167 |
| Rents | -1,372 | - | - | -1,372 | - | -150 | -1,522 |
| Fees, Charges and Other Income | -24,582 | - | -685 | -25,267 | - | 902 | -23,680 |
| Interest Received | -1,188 | - | -2,020 | -3,208 | - | -1,434 | -2,622 |

| | | | | | | | |
|-----------------|------|-----|------|------|----|--------|--------|
| NET EXPENDITURE | -218 | 121 | -450 | -547 | 81 | -1,127 | -1,264 |
|-----------------|------|-----|------|------|----|--------|--------|

REVENUE EXPENDITURE BY SERVICE

| | | | | | | | |
|----------------------------------|---------|----|--------|---------|----|--------|---------|
| General Services | | | | | | | |
| - Administration Department | 6,647 | 21 | 939 | 7,607 | 14 | 585 | 7,246 |
| - Finance Department | -12,561 | 23 | -1,532 | -14,070 | 23 | -1,897 | -14,435 |
| Council Tax and Rate Collection | 2,207 | 35 | -116 | 2,126 | 17 | -153 | 2,071 |
| Property Services | 1,033 | 23 | 455 | 1,511 | 17 | 19 | 1,069 |
| Housing and Council Tax Benefits | 2,456 | 19 | -196 | 2,279 | 10 | 319 | 2,785 |

| | | | | | | | |
|-----------------|------|-----|------|------|----|--------|--------|
| NET EXPENDITURE | -218 | 121 | -450 | -547 | 81 | -1,127 | -1,264 |
|-----------------|------|-----|------|------|----|--------|--------|

**FINANCE AND CORPORATE RESOURCES
SUMMARY**

| | <u>2012/13</u> £'000 | <u>2013/14</u> £'000 | <u>2014/15</u> £'000 | <u>2015/16</u> £'000 |
|--|-------------------------|-------------------------|-------------------------|-------------------------|
| 2012/2013 ORIGINAL BUDGET at November 2011 price levels | -218 | -218 | -218 | -218 |
| INFLATION TO NOVEMBER 2012 | 121 | 81 | 81 | 81 |
| 2012/2013 ORIGINAL BUDGET REPRICED | -97 | -137 | -137 | -137 |
| DEVELOPMENTS | | | | |
| General Services | | | | |
| - Administration Department | 939 | 585 | 478 | 453 |
| - Finance Department | -1,532 | -1,897 | -1,658 | -383 |
| Council Tax and Rate Collection | -116 | -153 | -153 | -153 |
| Property Services | 455 | 19 | -1,394 | -1,714 |
| Housing and Council Tax Benefits | -196 | 319 | 143 | 143 |
| NET EFFECT OF DEVELOPMENTS | -450 | -1,127 | -2,584 | -1,654 |
| NET EXPENDITURE at November 2012 Prices | -547 | -1,264 | -2,721 | -1,791 |
| ANALYSIS BY SERVICE | | | | |
| General Services | | | | |
| - Administration Department | 7,607 | 7,246 | 7,139 | 7,114 |
| - Finance Department | -14,070 | -14,435 | -14,196 | -12,921 |
| Council Tax and Rate Collection | 2,126 | 2,071 | 2,071 | 2,071 |
| Property Services | 1,511 | 1,069 | -344 | -664 |
| Housing and Council Tax Benefits | 2,279 | 2,785 | 2,609 | 2,609 |
| NET EXPENDITURE at November 2012 Prices | -547 | -1,264 | -2,721 | -1,791 |

**FINANCE AND CORPORATE RESOURCES
GENERAL SERVICES - ADMINISTRATION DEPARTMENT**

| | <u>2012/13</u> £'000 | <u>2013/14</u> £'000 | <u>2014/15</u> £'000 | <u>2015/16</u> £'000 |
|--|-------------------------|-------------------------|-------------------------|-------------------------|
| 2012/2013 ORIGINAL BUDGET at November 2011 price levels | 6,647 | 6,647 | 6,647 | 6,647 |
| INFLATION TO NOVEMBER 2012 | 21 | 14 | 14 | 14 |
| 2012/2013 ORIGINAL BUDGET REPRICED | 6,668 | 6,661 | 6,661 | 6,661 |
| DEVELOPMENTS | | | | |
| <u>Prior to March 2012 Council Tax Setting</u> | | | | |
| 12-88 (Jan 12) Banking Contract | - | 15 | 7 | - |
| <u>This Year Budget Variations</u> | | | | |
| 12-261 (Apr 12) Postage | -5 | -5 | -5 | -5 |
| 12-261 (Apr 12) Web Team | 98 | 46 | 46 | 46 |
| 12-273 (Apr 12) Insurance Tender Review | 2 | 2 | 2 | 2 |
| 12-375 (Jun 12) Admin Dept Review (Print Controller) | - | -58 | -58 | -58 |
| 12-477 (Jul 12) Criminal Records Bureau Checks | - | -16 | -16 | -16 |
| 12-491 (Jul 12) Rolling PC Replacement (Renewals Fund) | 172 | 172 | 172 | 172 |
| 12-645 (Oct 12) Aspirations Programme | 21 | 25 | 18 | - |
| 12-651 (Oct 12) Future Effects of Human Resources Review | - | - | -76 | -76 |
| 13-177 (Feb 12) HealthWatch Tender | - | 34 | 34 | 34 |
| 13-189 (Feb 12) Recruitment and Retention Review | - | -5 | -5 | -5 |
| <u>Transfers between Committees</u> | | | | |
| Depreciation Adjustment | 179 | 179 | 179 | 179 |
| <u>Other Technical/Volume Adjustments</u> | | | | |
| Revision of Administrative Buildings Charges | -78 | -78 | -78 | -78 |
| Policy Staff Virement | -16 | 16 | - | - |
| Effect of Central Support Budget Changes | 566 | 422 | 422 | 422 |
| Electoral Registration Efficiencies | - | -15 | -15 | -15 |
| Nationality Checking Settlement Service Work | - | -50 | -50 | -50 |
| Reduction in External Audit Fees | - | -99 | -99 | -99 |
| NET EFFECT OF DEVELOPMENTS | 939 | 585 | 478 | 453 |
| NET EXPENDITURE at November 2012 Prices | 7,607 | 7,246 | 7,139 | 7,114 |
| ANALYSIS BY SERVICE | | | | |
| Registration of Electors | 737 | 719 | 719 | 719 |
| Land Charges | -6 | -19 | -19 | -19 |
| Emergency Planning | 203 | 200 | 200 | 200 |
| Corporate Management Costs | 6,423 | 6,115 | 6,008 | 5,983 |
| LINKs | 161 | 195 | 195 | 195 |
| Registration of Births, Deaths and Marriages | 89 | 36 | 36 | 36 |
| NET EXPENDITURE at November 2012 Prices | 7,607 | 7,246 | 7,139 | 7,114 |

**FINANCE AND CORPORATE RESOURCES
GENERAL SERVICES - FINANCE DEPARTMENT**

| | <u>2012/13</u> £'000 | <u>2013/14</u> £'000 | <u>2014/15</u> £'000 | <u>2015/16</u> £'000 |
|--|-------------------------|-------------------------|-------------------------|-------------------------|
| 2012/2013 ORIGINAL BUDGET at November 2011 price levels | -12,561 | -12,561 | -12,561 | -12,561 |
| INFLATION TO NOVEMBER 2012 | 23 | 23 | 23 | 23 |
| 2012/2013 ORIGINAL BUDGET REPRICED | -12,538 | -12,538 | -12,538 | -12,538 |
| DEVELOPMENTS | | | | |
| <u>Prior to March 2012 Council Tax Setting</u> | | | | |
| 11-756 (Oct 11) Wandsworth Advice Services Contract | - | -36 | -70 | -70 |
| Revenue Effects of Capital Programme | - | -1 | -12 | -12 |
| Local Services Support Grant | - | 929 | 929 | 929 |
| <u>This Year Budget Variations</u> | | | | |
| 12-461 (Jul 12) Office Moves | -1 | -1 | -1 | -1 |
| 12-491 (Jul 12) Renewals Fund | 1,431 | 200 | - | - |
| 12-491 (Jul 12) Voluntary Sector Grants | 236 | - | - | - |
| 12-652 (Oct 12) Finance Review | -16 | -40 | -40 | -40 |
| 12-739 (Nov 12) Bedford House Disposal | - | -46 | - | - |
| 13-74 (Jan 12) London Boroughs Grant Committee | - | -88 | -88 | -88 |
| 13-176 (Feb 12) Wandsworth Advice Services Contract | - | -5 | -10 | -10 |
| 13-182 (Feb 12) Revenue Effects of Capital Bids | - | 32 | 107 | 146 |
| 13-183 (Feb 12) London Pensions Fund Authority Levy | - | 26 | 26 | 26 |
| 13-184 (Feb 12) Streamlining of Council Processes | - | 250 | 250 | - |
| <u>Transfers between Committees</u> | | | | |
| Budget Virement (EC&CS) | -70 | -70 | -70 | -70 |
| Renewals Fund - Putney Sculpture Trail | -4 | - | - | - |
| Depreciation Adjustment | -209 | -188 | -188 | -188 |
| <u>Other Technical/Volume Adjustments</u> | | | | |
| 12-749 (Nov 12) Future Years Effect of Internal Audit Review | - | - | -31 | -56 |
| Renewals Fund - HR/Payroll System | - | -200 | -200 | -200 |
| Interest on Reserves | -166 | 373 | 614 | 601 |
| Interest Effect of HRA Subsidy Buyout | -1,852 | -1,707 | -1,561 | -1,416 |
| Interest from Loan to Greenwich Leisure Ltd | - | -97 | -85 | -73 |
| Preventing Homelessness Transfer to Formula Grant | - | 299 | 299 | 299 |
| Housing Benefit Transition Funding | -196 | - | - | - |
| Effect of Central Support Budget Changes | -175 | -175 | -175 | -175 |
| Notified Non-Ringfenced Government Grants | -425 | -1,367 | -1,367 | - |
| Transfer within Committee | -85 | 15 | 15 | 15 |
| NET EFFECT OF DEVELOPMENTS | -1,532 | -1,897 | -1,658 | -383 |
| NET EXPENDITURE at November 2012 Prices | -14,070 | -14,435 | -14,196 | -12,921 |
| ANALYSIS BY SERVICE | | | | |
| General Services Finance | -2,150 | -2,167 | -1,915 | -664 |
| Voluntary Organisations | 1,588 | 1,222 | 1,184 | 1,184 |
| Capital Financing Account | | | | |
| - Interest Payable | 7,111 | 6,389 | 5,762 | 4,918 |
| - Charge to Housing Revenue Account | -7,111 | -6,389 | -5,762 | -4,918 |
| - Depreciation Charge | -13,180 | -13,172 | -13,172 | -13,172 |
| - Interest received on Capital Receipts | -328 | -318 | -293 | -269 |
| NET EXPENDITURE at November 2012 Prices | -14,070 | -14,435 | -14,196 | -12,921 |

**FINANCE AND CORPORATE RESOURCES
COUNCIL TAX AND RATE COLLECTION**

| | <u>2012/13</u> £'000 | <u>2013/14</u> £'000 | <u>2014/15</u> £'000 | <u>2015/16</u> £'000 |
|--|-------------------------|-------------------------|-------------------------|-------------------------|
| 2012/2013 ORIGINAL BUDGET at November 2011 price levels | 2,207 | 2,207 | 2,207 | 2,207 |
| INFLATION TO NOVEMBER 2012 | 35 | 17 | 17 | 17 |
| 2012/2013 ORIGINAL BUDGET REPRICED | <u>2,242</u> | <u>2,224</u> | <u>2,224</u> | <u>2,224</u> |
| DEVELOPMENTS | | | | |
| <u>This Year Budget Variations</u> | | | | |
| 12-461 (Jul 12) Postage | -27 | -27 | -27 | -27 |
| 12-652 (Oct 12) Finance Review | -16 | -40 | -40 | -40 |
| 12-750 (Nov 12) Council Tax Booklet | -26 | -26 | -26 | -26 |
| <u>Other Technical/Volume Adjustments</u> | | | | |
| Effect of Central Support Budget Changes | -55 | -76 | -76 | -76 |
| Revision of Administrative Buildings Charges | -3 | -3 | -3 | -3 |
| Reduction in NNDR Collection Allowance | 19 | 27 | 27 | 27 |
| Transfers within Committee | -8 | -8 | -8 | -8 |
| NET EFFECT OF DEVELOPMENTS | <u>-116</u> | <u>-153</u> | <u>-153</u> | <u>-153</u> |
| NET EXPENDITURE at November 2012 Prices | <u>2,126</u> | <u>2,071</u> | <u>2,071</u> | <u>2,071</u> |
| ANALYSIS BY SERVICE | | | | |
| Council Tax and Rate Collection | 2,126 | 2,071 | 2,071 | 2,071 |
| NET EXPENDITURE at November 2012 Prices | <u>2,126</u> | <u>2,071</u> | <u>2,071</u> | <u>2,071</u> |

**FINANCE AND CORPORATE RESOURCES
PROPERTY SERVICES**

| | <u>2012/13</u> £'000 | <u>2013/14</u> £'000 | <u>2014/15</u> £'000 | <u>2015/16</u> £'000 |
|--|-------------------------|-------------------------|-------------------------|-------------------------|
| 2012/2013 ORIGINAL BUDGET at November 2011 price levels | 1,033 | 1,033 | 1,033 | 1,033 |
| INFLATION TO NOVEMBER 2012 | 23 | 17 | 17 | 17 |
| 2012/2013 ORIGINAL BUDGET REPRICED | 1,056 | 1,050 | 1,050 | 1,050 |

DEVELOPMENTS

Prior to March 2012 Council Tax Setting

| | | | | |
|---|---|-----|------|--------|
| 09-422 (Apr 09) Valuation Contract Retender | - | 15 | 34 | 34 |
| 11-553 (Jul 11) Former Bolingbroke Hospital | - | -95 | -139 | -139 |
| 11-554 (Jul 11) Property Disposals | - | -55 | -55 | -55 |
| Rephasing Office Accommodation Strategy | - | 200 | -780 | -1,346 |

This Year Budget Variations

| | | | | |
|---|------|------|------|-----|
| 12-267 (Apr 12) Office Accommodation Strategy | 883 | 159 | 375 | 36 |
| 12-273 (Apr 12) Insurance Tender Review | -2 | -2 | -2 | -2 |
| 12-315 (Jun 12) Reps & Maintenance Public Buildings | -9 | -18 | -18 | -18 |
| 12-739 (Nov 12) Bedford House Disposal | - | -127 | - | - |
| 13-182 (Feb 12) Capital Programme | -331 | 166 | 165 | - |
| Removal of Welbeck House from OAS | - | - | -750 | - |

Transfers between Committees

| | | | | |
|-------------------------|-----|-----|-----|-----|
| 32 York Road Budgets | 14 | 14 | 14 | 14 |
| Depreciation Adjustment | -58 | -45 | -45 | -45 |

Other Technical/Volume Adjustments

| | | | | |
|--|-----|------|------|------|
| Effect of Central Support Budget Changes | -80 | -131 | -131 | -131 |
| Revision of Administrative Buildings Charges | 69 | 69 | 69 | 69 |
| Legal Fees on Property Disposals | - | -50 | -50 | -50 |
| Advertising Hoarding Income | - | -50 | -50 | -50 |
| Electricity Feed-in-Tariff Income | -29 | -29 | -29 | -29 |
| Carbon Reduction Commitment Charges | -2 | -2 | -2 | -2 |

| | | | | |
|-----------------------------------|------------|-----------|---------------|---------------|
| NET EFFECT OF DEVELOPMENTS | 455 | 19 | -1,394 | -1,714 |
|-----------------------------------|------------|-----------|---------------|---------------|

| | | | | |
|--|--------------|--------------|-------------|-------------|
| NET EXPENDITURE at November 2012 Prices | 1,511 | 1,069 | -344 | -664 |
|--|--------------|--------------|-------------|-------------|

ANALYSIS BY SERVICE

| | | | | |
|-----------------------------|-------|-------|------|------|
| Operational Properties | 2,291 | 1,602 | 215 | 60 |
| Commercial Properties | -648 | -858 | -883 | -883 |
| Properties Pending Disposal | -132 | 325 | 324 | 159 |

| | | | | |
|--|--------------|--------------|-------------|-------------|
| NET EXPENDITURE at November 2012 Prices | 1,511 | 1,069 | -344 | -664 |
|--|--------------|--------------|-------------|-------------|

**FINANCE AND CORPORATE RESOURCES
HOUSING AND COUNCIL TAX BENEFITS**

| | <u>2012/13</u> £'000 | <u>2013/14</u> £'000 | <u>2014/15</u> £'000 | <u>2015/16</u> £'000 |
|--|-------------------------|-------------------------|-------------------------|-------------------------|
| 2012/2013 ORIGINAL BUDGET at November 2011 price levels | 2,456 | 2,456 | 2,456 | 2,456 |
| INFLATION TO NOVEMBER 2012 | 19 | 10 | 10 | 10 |
| 2012/2013 ORIGINAL BUDGET REPRICED | <u>2,475</u> | <u>2,466</u> | <u>2,466</u> | <u>2,466</u> |

DEVELOPMENTS

This Year Budget Variations

| | | | | |
|--|-----|-----|-----|-----|
| 12-274 (Apr 12) Housing Benefit Reform | 90 | - | - | - |
| 12-461 (Jul 12) Postage | -20 | -20 | -20 | -20 |
| 12-652 (Oct 12) Finance Review | -67 | -67 | -67 | -67 |
| 13-179 (Feb 13) Welfare Reform | - | 176 | - | - |

Other Technical/Volume Adjustments

| | | | | |
|---|------|------|------|------|
| Revision of Administrative Buildings Charges | -2 | -2 | -2 | -2 |
| Effect of Central Support Budget Changes | -163 | -249 | -249 | -249 |
| Housing Benefit Subsidy | -127 | 20 | 20 | 20 |
| New Housing Benefits Administration Subsidy | - | 228 | 228 | 228 |
| Replace Council Tax Benefits with Support Grant | - | 240 | 240 | 240 |
| Transfers within Committee | 93 | -7 | -7 | -7 |

| | | | | |
|----------------------------|-------------|------------|------------|------------|
| NET EFFECT OF DEVELOPMENTS | <u>-196</u> | <u>319</u> | <u>143</u> | <u>143</u> |
|----------------------------|-------------|------------|------------|------------|

| | | | | |
|---|--------------|--------------|--------------|--------------|
| NET EXPENDITURE at November 2012 Prices | <u>2,279</u> | <u>2,785</u> | <u>2,609</u> | <u>2,609</u> |
|---|--------------|--------------|--------------|--------------|

ANALYSIS BY SERVICE

| | | | | |
|----------------------------------|-------|-------|-------|-------|
| Housing and Council Tax Benefits | 2,279 | 2,785 | 2,609 | 2,609 |
|----------------------------------|-------|-------|-------|-------|

| | | | | |
|---|--------------|--------------|--------------|--------------|
| NET EXPENDITURE at November 2012 Prices | <u>2,279</u> | <u>2,785</u> | <u>2,609</u> | <u>2,609</u> |
|---|--------------|--------------|--------------|--------------|

**FINANCE AND CORPORATE RESOURCES CENTRAL SUPPORT SERVICES
SUMMARY**

| | <u>2012/13 REVISED BUDGET</u> | | | | <u>2013/14 BUDGET</u> | | |
|--|----------------------------------|--------------------------|-------------------|---------------|--------------------------|-------------------|---------------|
| | <u>2012/13</u> | INFLATION TO NOV. '12 | DEVEL- OPMENTS | TOTAL | INFLATION TO NOV. '12 | DEVEL- OPMENTS | TOTAL |
| | <u>ORIGINAL</u> <u>BUDGET</u> | | | | | | |
| Salaries | 21,074 | - | 240 | 21,314 | - | -311 | 20,763 |
| Indirect Employee Expenses | 868 | 8 | 55 | 931 | 8 | -6 | 870 |
| Premises | 3,413 | 70 | 1,494 | 4,977 | 61 | 793 | 4,267 |
| Use of Transport | 343 | 3 | - | 346 | 1 | - | 344 |
| Supplies and Services | 8,730 | 89 | -75 | 8,744 | 28 | -626 | 8,132 |
| Third Party Payments | 2,463 | 7 | 4 | 2,474 | 7 | -12 | 2,458 |
| Central and Technical Support | 19 | - | - | 19 | - | - | 19 |
| Income | -2,319 | - | -454 | -2,773 | - | -657 | -2,976 |
| NET EXPENDITURE | 34,591 | 177 | 1,264 | 36,032 | 105 | -819 | 33,877 |
| REVENUE EXPENDITURE BY SERVICE | | | | | | | |
| Administrative Buildings | 3,643 | 62 | 1,706 | 5,411 | 50 | 997 | 4,690 |
| Central Services | | | | | | | |
| - Administration Department | 10,943 | 25 | -476 | 10,492 | 12 | -1,111 | 9,844 |
| - Finance Department | 12,285 | 52 | 88 | 12,425 | 39 | 138 | 12,462 |
| ICT Services - Administration Department | 5,291 | 31 | -91 | 5,231 | 3 | -862 | 4,432 |
| Democratic Representation | 2,429 | 7 | 37 | 2,473 | 1 | 19 | 2,449 |
| NET EXPENDITURE | 34,591 | 177 | 1,264 | 36,032 | 105 | -819 | 33,877 |

**These budgets are not included in the Committee Summary
since they are fully recharged to other services.**

**FINANCE AND CORPORATE RESOURCES CENTRAL SUPPORT SERVICES
SUMMARY**

| | <u>2012/13</u> £'000 | <u>2013/14</u> £'000 | <u>2014/15</u> £'000 | <u>2015/16</u> £'000 |
|--|-------------------------|-------------------------|-------------------------|-------------------------|
| 2012/2013 ORIGINAL BUDGET at November 2011 price levels | 34,591 | 34,591 | 34,591 | 34,591 |
| INFLATION TO NOVEMBER 2012 | 177 | 105 | 105 | 105 |
| 2012/2013 ORIGINAL BUDGET REPRICED | 34,768 | 34,696 | 34,696 | 34,696 |
| DEVELOPMENTS | | | | |
| Administrative Buildings | 1,706 | 997 | -60 | -299 |
| Central Services | | | | |
| - Administration Department | -476 | -1,111 | -1,203 | -1,203 |
| - Finance Department | 88 | 138 | 107 | 82 |
| ICT Services - Administration Department | -91 | -862 | -862 | -862 |
| Democratic Representation | 37 | 19 | 19 | 19 |
| NET EFFECT OF DEVELOPMENTS | 1,264 | -819 | -1,999 | -2,263 |
| NET EXPENDITURE at November 2012 Prices | 36,032 | 33,877 | 32,697 | 32,433 |
| ANALYSIS BY SERVICE | | | | |
| Administrative Buildings | 5,411 | 4,690 | 3,633 | 3,394 |
| Central Services | | | | |
| - Administration Department | 10,492 | 9,844 | 9,752 | 9,752 |
| - Finance Department | 12,425 | 12,462 | 12,431 | 12,406 |
| ICT Services - Administration Department | 5,231 | 4,432 | 4,432 | 4,432 |
| Democratic Representation | 2,473 | 2,449 | 2,449 | 2,449 |
| NET EXPENDITURE at November 2012 Prices | 36,032 | 33,877 | 32,697 | 32,433 |

**FINANCE AND CORPORATE RESOURCES CENTRAL SUPPORT SERVICES
ADMINISTRATIVE BUILDINGS**

| | <u>2012/13</u> £'000 | <u>2013/14</u> £'000 | <u>2014/15</u> £'000 | <u>2015/16</u> £'000 |
|--|-------------------------|-------------------------|-------------------------|-------------------------|
| 2012/2013 ORIGINAL BUDGET at November 2011 price levels | 3,643 | 3,643 | 3,643 | 3,643 |
| INFLATION TO NOVEMBER 2012 | 62 | 50 | 50 | 50 |
| 2012/2013 ORIGINAL BUDGET REPRICED | 3,705 | 3,693 | 3,693 | 3,693 |
| DEVELOPMENTS | | | | |
| <u>This Year Budget Variations</u> | | | | |
| 12-261 (Apr 12) Customer Services Review Phase 2 | -2 | -2 | -2 | -2 |
| 12-267 (Apr 12) Office Accomodation Strategy | 883 | 159 | 375 | 36 |
| 12-273 (Apr 12) Insurance Tender Review | -32 | -32 | -32 | -32 |
| 12-315 (Jun 12) Maintenance, Repair & Decs of Public Buildings | -9 | -18 | -18 | -18 |
| 12-739 (Nov 12) Bedford House Disposal | - | -147 | - | - |
| 13-184 (Feb 12) Streamlining of Council Processes | - | - | -750 | - |
| <u>Transfers between Committees</u> | | | | |
| 12-314 (Jun 12) Combined Reception Budgets | -37 | -63 | -63 | -63 |
| Depreciation | 20 | 20 | 20 | 20 |
| <u>Other Technical/Volume Adjustments</u> | | | | |
| Office Accommodation Strategy Budgets | 720 | 920 | 250 | -400 |
| Freezing of Charges for Staff Parking Permits | 39 | 39 | 39 | 39 |
| Transfers within Committee | 124 | 121 | 121 | 121 |
| NET EFFECT OF DEVELOPMENTS | 1,706 | 997 | -60 | -299 |
| NET EXPENDITURE at November 2012 Prices | 5,411 | 4,690 | 3,633 | 3,394 |

**FINANCE AND CORPORATE RESOURCES CENTRAL SUPPORT SERVICES
ADMINISTRATION DEPARTMENT**

| | <u>2012/13</u> £'000 | <u>2013/14</u> £'000 | <u>2014/15</u> £'000 | <u>2015/16</u> £'000 |
|--|-------------------------|-------------------------|-------------------------|-------------------------|
| 2012/2013 ORIGINAL BUDGET at November 2011 price levels | 10,943 | 10,943 | 10,943 | 10,943 |
| INFLATION TO NOVEMBER 2012 | 25 | 12 | 12 | 12 |
| 2012/2013 ORIGINAL BUDGET REPRICED | 10,968 | 10,955 | 10,955 | 10,955 |

DEVELOPMENTS

This Year Budget Variations

| | | | | |
|--|-----|------|------|------|
| 12-261 (Apr 12) Customer Services Review Phase 2 | -19 | -19 | -19 | -19 |
| 12-273 (Apr 12) Insurance Tender Review | 2 | 2 | 2 | 2 |
| 12-375 (Jul 12) Administration Dept Review | -65 | -444 | -444 | -444 |
| 12-477 (Jul 12) Criminal Records Bureau Checks | - | -23 | -23 | -23 |
| 12-491 (Jul 12) Final Accounts - Renewal Fund | 28 | - | - | - |
| 12-651 (Oct 12) Human Resources Review | 13 | -70 | -146 | -146 |
| 12-748 (Nov 12) Further Administration Department Review | -39 | -138 | -138 | -138 |
| 12-761 (Nov 12) Libraries Tender | - | -33 | -33 | -33 |
| 13-189 (Feb 12) Recruitment and Retention Review | - | -7 | -7 | -7 |

Transfers between Committees

| | | | | |
|--------------|----|----|----|----|
| Depreciation | -6 | -6 | -6 | -6 |
|--------------|----|----|----|----|

Other Technical/Volume Adjustments

| | | | | |
|--|------|------|------|------|
| Policy Unit Inter Year Budget Transfer | -16 | 16 | - | - |
| Budget Alignments | -85 | -76 | -76 | -76 |
| Efficiency Savings | - | -42 | -42 | -42 |
| Transfers within Committee | -289 | -271 | -271 | -271 |

| | | | | |
|-----------------------------------|-------------|---------------|---------------|---------------|
| NET EFFECT OF DEVELOPMENTS | -476 | -1,111 | -1,203 | -1,203 |
|-----------------------------------|-------------|---------------|---------------|---------------|

| | | | | |
|--|---------------|--------------|--------------|--------------|
| NET EXPENDITURE at November 2012 Prices | 10,492 | 9,844 | 9,752 | 9,752 |
|--|---------------|--------------|--------------|--------------|

ANALYSIS BY SERVICE

| | | | | |
|--|-------|-------|-------|-------|
| Staff Training Centre/I.T. Training | 356 | 351 | 351 | 351 |
| Valuers | 848 | 862 | 862 | 862 |
| Policy Unit | 530 | 512 | 496 | 496 |
| Press Office | 370 | 364 | 364 | 364 |
| Central Personnel | 3,167 | 3,034 | 2,958 | 2,958 |
| General Office/Directorate | 1,161 | 1,019 | 1,019 | 1,019 |
| Legal | 2,518 | 2,377 | 2,377 | 2,377 |
| Despatch Services | 350 | 292 | 292 | 292 |
| Graphics/Printing | 804 | 734 | 734 | 734 |
| Property Audit Team | 89 | - | - | - |
| Professional Services Divisional Support | 299 | 299 | 299 | 299 |

| | | | | |
|--|---------------|--------------|--------------|--------------|
| NET EXPENDITURE at November 2012 Prices | 10,492 | 9,844 | 9,752 | 9,752 |
|--|---------------|--------------|--------------|--------------|

**FINANCE AND CORPORATE RESOURCES CENTRAL SUPPORT SERVICES
FINANCE DEPARTMENT**

| | <u>2012/13</u> £'000 | <u>2013/14</u> £'000 | <u>2014/15</u> £'000 | <u>2015/16</u> £'000 |
|--|-------------------------|-------------------------|-------------------------|-------------------------|
| 2012/2013 ORIGINAL BUDGET at November 2011 price levels | 12,285 | 12,285 | 12,285 | 12,285 |
| INFLATION TO NOVEMBER 2012 | 52 | 39 | 39 | 39 |
| 2012/2013 ORIGINAL BUDGET REPRICED | 12,337 | 12,324 | 12,324 | 12,324 |
| DEVELOPMENTS | | | | |
| <u>Prior to March 2012 Council Tax Setting</u> | | | | |
| 12-88 (Jan 12) Banking Contract | - | 79 | 79 | 79 |
| <u>This Year Budget Variations</u> | | | | |
| 12-261 (Apr 12) Customer Services Review Phase 2 | -53 | -53 | -53 | -53 |
| 12-273 (Apr 12) Insurance Tenders | -10 | -10 | -10 | -10 |
| 12-652 (Oct 12) Finance Department Review | -96 | -135 | -135 | -135 |
| 12-749 (Nov 12) Internal Audit Tender | - | -49 | -80 | -105 |
| 13-57 (Jan 13) Saffron Hosting Tender | - | -29 | -29 | -29 |
| <u>Transfers between Committees</u> | | | | |
| 12-314 (Jun 12) Combined Reception Budgets | 182 | 312 | 312 | 312 |
| Depreciation | -17 | -17 | -17 | -17 |
| <u>Other Technical/Volume Adjustments</u> | | | | |
| Reduction in External Audit Fees | - | -118 | -118 | -118 |
| Review of Shared Pension Budget | -13 | -29 | -29 | -29 |
| Scanning and Indexing Recharge to Home Ownership | 1 | 3 | 3 | 3 |
| Transfers within Committee | 94 | 184 | 184 | 184 |
| NET EFFECT OF DEVELOPMENTS | 88 | 138 | 107 | 82 |
| NET EXPENDITURE at November 2012 Prices | 12,425 | 12,462 | 12,431 | 12,406 |
| ANALYSIS BY SERVICE | | | | |
| Finance Directorate and General Services | 640 | 631 | 631 | 631 |
| Treasury and Capital Management | 248 | 248 | 248 | 248 |
| Pension Fund Accounting | 91 | 90 | 90 | 90 |
| Accounting including Cashiers | 1,319 | 1,319 | 1,319 | 1,319 |
| Audit and Benefit Fraud | 1,490 | 1,438 | 1,407 | 1,382 |
| Procurement | 411 | 411 | 411 | 411 |
| Financial Control | 979 | 979 | 979 | 979 |
| Mortgages | 61 | 61 | 61 | 61 |
| Payroll | 905 | 888 | 888 | 888 |
| Income Collection Service | 673 | 614 | 614 | 614 |
| Pensions | 477 | 461 | 461 | 461 |
| Support Services | 216 | 214 | 214 | 214 |
| Finance Consultants | 141 | 141 | 141 | 141 |
| Bank Charges | 105 | 120 | 120 | 120 |
| External Audit Fees | 382 | 263 | 263 | 263 |
| Rent Collection/Accounting | 1,522 | 1,541 | 1,541 | 1,541 |
| Property Accounts | 228 | 227 | 227 | 227 |
| Business Support Unit | 1,259 | 1,237 | 1,237 | 1,237 |
| Customer Services Call Centre | 1,027 | 955 | 955 | 955 |
| Reception Services | 251 | 429 | 429 | 429 |
| Switchboard | - | 195 | 195 | 195 |
| NET EXPENDITURE at November 2012 Prices | 12,425 | 12,462 | 12,431 | 12,406 |

**FINANCE AND CORPORATE RESOURCES CENTRAL SUPPORT SERVICES
ICT SERVICES - ADMINISTRATION DEPARTMENT**

| | <u>2012/13</u> £'000 | <u>2013/14</u> £'000 | <u>2014/15</u> £'000 | <u>2015/16</u> £'000 |
|--|-------------------------|-------------------------|-------------------------|-------------------------|
| 2012/2013 ORIGINAL BUDGET at November 2011 price levels | 5,291 | 5,291 | 5,291 | 5,291 |
| INFLATION TO NOVEMBER 2012 | 31 | 3 | 3 | 3 |
| 2012/2013 ORIGINAL BUDGET REPRICED | 5,322 | 5,294 | 5,294 | 5,294 |
| DEVELOPMENTS | | | | |
| <u>Prior to March 2011 Council Tax Setting</u> | | | | |
| 11-395 (Apr 11) IT Investment Programme | - | -70 | -70 | -70 |
| <u>This Year Budget Variations</u> | | | | |
| 12-261 (Apr 12) Customer Services Review Phase 2 | 96 | 44 | 44 | 44 |
| 12-761 (Nov 12) Libraries Tender | - | -90 | -90 | -90 |
| <u>Transfers between Committees</u> | | | | |
| Centralisation Budget Adjustment | -154 | -154 | -154 | -154 |
| Depreciation | -33 | -33 | -33 | -33 |
| <u>Other Technical/Volume Adjustments</u> | | | | |
| Reduction in Use of Consultants | - | -100 | -100 | -100 |
| Standardisation of Equipment Efficiencies | - | -10 | -10 | -10 |
| Recalibration of IT Budgets | - | -218 | -218 | -218 |
| Cessation of A-Z Directory Printing | - | -13 | -13 | -13 |
| Transfers within Committee | - | -218 | -218 | -218 |
| NET EFFECT OF DEVELOPMENTS | -91 | -862 | -862 | -862 |
| NET EXPENDITURE at November 2012 Prices | 5,231 | 4,432 | 4,432 | 4,432 |
| ANALYSIS BY SERVICE | | | | |
| Information Technology Services | 4,438 | 3,941 | 3,941 | 3,941 |
| Telecommunication Services | 793 | 491 | 491 | 491 |
| NET EXPENDITURE at November 2012 Prices | 5,231 | 4,432 | 4,432 | 4,432 |

**FINANCE AND CORPORATE RESOURCES CENTRAL SUPPORT SERVICES
DEMOCRATIC REPRESENTATION**

| | <u>2012/13</u> £'000 | <u>2013/14</u> £'000 | <u>2014/15</u> £'000 | <u>2015/16</u> £'000 |
|--|-------------------------|-------------------------|-------------------------|-------------------------|
| 2012/2013 ORIGINAL BUDGET at November 2011 price levels | 2,429 | 2,429 | 2,429 | 2,429 |
| INFLATION TO NOVEMBER 2012 | 7 | 1 | 1 | 1 |
| 2012/2013 ORIGINAL BUDGET REPRICED | <u>2,436</u> | <u>2,430</u> | <u>2,430</u> | <u>2,430</u> |

DEVELOPMENTS

This Year Budget Variations

| | | | | |
|--|----|----|----|----|
| 12-261 (Apr 12) Customer Services Review Phase 2 | -9 | -9 | -9 | -9 |
| 12-748 (Nov 12) Further Administration Department Review | 11 | -7 | -7 | -7 |

Other Technical/Volume Adjustments

| | | | | |
|-----------------------------|-----|-----|-----|-----|
| Recalibration of IT Budgets | 60 | 60 | 60 | 60 |
| Transfers within Committee | -25 | -25 | -25 | -25 |

| | | | | |
|----------------------------|-----------|-----------|-----------|-----------|
| NET EFFECT OF DEVELOPMENTS | <u>37</u> | <u>19</u> | <u>19</u> | <u>19</u> |
|----------------------------|-----------|-----------|-----------|-----------|

| | | | | |
|-----------------|--------------|--------------|--------------|--------------|
| NET EXPENDITURE | <u>2,473</u> | <u>2,449</u> | <u>2,449</u> | <u>2,449</u> |
|-----------------|--------------|--------------|--------------|--------------|

ANALYSIS BY SERVICE

| | | | | |
|---------------------------|-------|-------|-------|-------|
| Mayoralty | 188 | 186 | 186 | 186 |
| Committee Support | 723 | 722 | 722 | 722 |
| Members' Support/Expenses | 1,541 | 1,520 | 1,520 | 1,520 |
| Election Expenses | 21 | 21 | 21 | 21 |

| | | | | |
|---|--------------|--------------|--------------|--------------|
| NET EXPENDITURE at November 2012 Prices | <u>2,473</u> | <u>2,449</u> | <u>2,449</u> | <u>2,449</u> |
|---|--------------|--------------|--------------|--------------|

This Cabinet remit includes the provision of rented accommodation, assistance by way of house purchase advances to private individuals, the Homelessness Prevention Service for both Council and private tenants, and administering homelessness and asylum seekers.

Finance Department Committee representative: Fenella Merry
(Head of Service Finance)
Tel: 020-8871 5370

Financial Controller: Mark Davies
Tel: 020-8871 6502

The revised 2012/13 revenue budget and the original budget for 2013/14 for services within the terms of reference for this Committee have been adjusted for the effects of inflation and service developments. Significant items include a budget increase for the Homelessness Service and a review of the Departmental Support Services. The traveller's site, previously within the Strategic Planning and Transportation Committee has now been consolidated within the Housing Department, and a change to the overall Housing Committee has resulted in a separate service for all Homelessness related activities.

The expenditure and income related to the provision of rented accommodation are "ring-fenced" to the Housing Revenue Account (HRA) and shown under Section 5: Council Housing Budgets.

**HOUSING
SUMMARY**

| | <u>2012/13 REVISED BUDGET</u> | | | <u>2013/14 BUDGET</u> | | | |
|-----------------------------------|-------------------------------|--------------------------|-------------------|-----------------------|--------------------------|-------------------|--------------|
| | <u>2012/13</u> | INFLATION TO NOV. '12 | DEVEL- OPMENTS | TOTAL | INFLATION TO NOV. '12 | DEVEL- OPMENTS | TOTAL |
| | <u>BUDGET</u> | | | | | | |
| Salaries | 2,359 | - | -2 | 2,357 | - | -43 | 2,316 |
| Indirect Employee Expenses | 20 | 1 | -2 | 19 | - | -2 | 18 |
| Premises | 190 | 6 | - | 196 | 7 | - | 197 |
| Use of Transport | 36 | 1 | - | 37 | - | - | 36 |
| Supplies and Services | | | | | | | |
| - Contracts with Voluntary Bodies | 57 | - | - | 57 | - | - | 57 |
| - Other | 136 | 3 | 56 | 195 | 2 | 19 | 157 |
| Third Party Payments | 1,222 | - | 1,501 | 2,723 | 13 | 2,001 | 3,236 |
| Transfer Payments | 986 | - | 1,000 | 1,986 | 4 | 1,348 | 2,338 |
| Central and Technical Support | 667 | - | -51 | 616 | 3 | -54 | 616 |
| Depreciation and Impairment | 2 | - | - | 2 | - | - | 2 |
| Government Grants | -694 | - | -789 | -1,483 | - | -1,070 | -1,764 |
| Other Income | -954 | - | -1,915 | -2,869 | - | -2,050 | -3,004 |
| Interest Received | -28 | - | 3 | -25 | - | 12 | -16 |
| NET EXPENDITURE | 3,999 | 11 | -199 | 3,811 | 29 | 161 | 4,189 |

REVENUE EXPENDITURE BY SERVICE

| | | | | | | | |
|------------------------|--------------|-----------|-------------|--------------|-----------|------------|--------------|
| Private Sector Housing | 879 | 2 | -71 | 810 | 1 | -146 | 734 |
| Housing Services | 2,827 | 2 | -135 | 2,694 | 20 | 318 | 3,165 |
| Other Housing Services | 293 | 7 | 7 | 307 | 8 | -11 | 290 |
| NET EXPENDITURE | 3,999 | 11 | -199 | 3,811 | 29 | 161 | 4,189 |

**HOUSING
SUMMARY**

| | <u>2012/13</u> £'000 | <u>2013/14</u> £'000 | <u>2014/15</u> £'000 | <u>2015/16</u> £'000 |
|--|-------------------------|-------------------------|-------------------------|-------------------------|
| 2012/2013 ORIGINAL BUDGET at November 2011 price levels | 3,999 | 3,999 | 3,999 | 3,999 |
| INFLATION TO NOVEMBER 2012 | 11 | 29 | 29 | 29 |
| 2012/2013 ORIGINAL BUDGET REPRICED | <u>4,010</u> | <u>4,028</u> | <u>4,028</u> | <u>4,028</u> |
| DEVELOPMENTS | | | | |
| Private Sector Housing | -71 | -146 | -146 | -146 |
| Housing Services | -135 | 318 | 318 | -182 |
| Other Housing Services | 7 | -11 | -9 | -6 |
| NET EFFECT OF DEVELOPMENTS | <u>-199</u> | <u>161</u> | <u>163</u> | <u>-334</u> |
| NET EXPENDITURE at November 2012 Prices | <u>3,811</u> | <u>4,189</u> | <u>4,191</u> | <u>3,694</u> |
| ANALYSIS BY SERVICE | | | | |
| Private Sector Housing | 810 | 734 | 734 | 734 |
| Housing Services | 2,694 | 3,165 | 3,165 | 2,665 |
| Other Housing Services | 307 | 290 | 292 | 295 |
| NET EXPENDITURE at November 2012 Prices | <u>3,811</u> | <u>4,189</u> | <u>4,191</u> | <u>3,694</u> |

HOUSING
PRIVATE SECTOR HOUSING

| | <u>2012/13</u> £'000 | <u>2013/14</u> £'000 | <u>2014/15</u> £'000 | <u>2015/16</u> £'000 |
|--|-------------------------|-------------------------|-------------------------|-------------------------|
| 2012/2013 ORIGINAL BUDGET at November 2011 price levels | 879 | 879 | 879 | 879 |
| INFLATION TO NOVEMBER 2012 | 2 | 1 | 1 | 1 |
| 2012/2013 ORIGINAL BUDGET REPRICED | <u>881</u> | <u>880</u> | <u>880</u> | <u>880</u> |

DEVELOPMENTS

This Year Budget Variations

| | | | | |
|-------------------------------------|-----|------|------|------|
| 12-358 (Jun 12) Staffing Review | -71 | -141 | -141 | -141 |
| 13-47 (Jan 13) Non-Dwelling Charges | - | -4 | -4 | -4 |

Transfers between Committees

| | | | | |
|------------------------------|---|---|---|---|
| Transfer of Training Budgets | 2 | 2 | 2 | 2 |
|------------------------------|---|---|---|---|

Other Technical/Volume Adjustments

| | | | | |
|----------------------------|----|----|----|----|
| Administrative Buildings | -5 | -5 | -5 | -5 |
| Transfers within Committee | 3 | 2 | 2 | 2 |

| | | | | |
|----------------------------|------------|-------------|-------------|-------------|
| NET EFFECT OF DEVELOPMENTS | <u>-71</u> | <u>-146</u> | <u>-146</u> | <u>-146</u> |
|----------------------------|------------|-------------|-------------|-------------|

| | | | | |
|---|------------|------------|------------|------------|
| NET EXPENDITURE at November 2012 Prices | <u>810</u> | <u>734</u> | <u>734</u> | <u>734</u> |
|---|------------|------------|------------|------------|

ANALYSIS BY SERVICE

| | | | | |
|-------------------|-----|-----|-----|-----|
| Renovation Grants | 810 | 734 | 734 | 734 |
|-------------------|-----|-----|-----|-----|

| | | | | |
|---|------------|------------|------------|------------|
| NET EXPENDITURE at November 2012 Prices | <u>810</u> | <u>734</u> | <u>734</u> | <u>734</u> |
|---|------------|------------|------------|------------|

**HOUSING
HOUSING SERVICES**

| | <u>2012/13</u> £'000 | <u>2013/14</u> £'000 | <u>2014/15</u> £'000 | <u>2015/16</u> £'000 |
|--|-------------------------|-------------------------|-------------------------|-------------------------|
| 2012/2013 ORIGINAL BUDGET at November 2011 price levels | 2,827 | 2,827 | 2,827 | 2,827 |
| INFLATION TO NOVEMBER 2012 | 2 | 20 | 20 | 20 |
| 2012/2013 ORIGINAL BUDGET REPRICED | 2,829 | 2,847 | 2,847 | 2,847 |

DEVELOPMENTS

This Year Budget Variations

| | | | | |
|---|------|------|------|------|
| 12-353 (Jun 12) Resources and Commitments | -100 | -153 | -153 | -153 |
| 12-358 (Jun 12) Staffing Review | 38 | 74 | 74 | 74 |
| 13-164 (Feb 13) Funding to Hestia Housing and Support | - | -24 | -24 | -24 |
| 13-183 (Feb 13) Council Tax | - | 500 | 500 | - |

Transfers between Committees

| | | | | |
|--------------------------------------|----|----|----|----|
| 12-261 (Apr 12) New Postage Contract | -3 | -3 | -3 | -3 |
|--------------------------------------|----|----|----|----|

Other Technical/Volume Adjustments

| | | | | |
|---|-----|-----|-----|-----|
| Review of Departmental Support Services | -54 | -53 | -53 | -53 |
| Administrative Buildings | -8 | -8 | -8 | -8 |
| Transfers within Committee | -8 | -15 | -15 | -15 |

| | | | | |
|-----------------------------------|-------------|------------|------------|-------------|
| NET EFFECT OF DEVELOPMENTS | -135 | 318 | 318 | -182 |
|-----------------------------------|-------------|------------|------------|-------------|

| | | | | |
|--|--------------|--------------|--------------|--------------|
| NET EXPENDITURE at November 2012 Prices | 2,694 | 3,165 | 3,165 | 2,665 |
|--|--------------|--------------|--------------|--------------|

ANALYSIS BY SERVICE

| | | | | |
|-----------------------------------|-------|-------|-------|-------|
| Asylum Seekers | 449 | 466 | 466 | 466 |
| Homelessness - General Fund Costs | 694 | 1,188 | 1,188 | 688 |
| Homelessness Prevention | 1,551 | 1,511 | 1,511 | 1,511 |

| | | | | |
|--|--------------|--------------|--------------|--------------|
| NET EXPENDITURE at November 2012 Prices | 2,694 | 3,165 | 3,165 | 2,665 |
|--|--------------|--------------|--------------|--------------|

**HOUSING
OTHER HOUSING SERVICES**

| | <u>2012/13</u> £'000 | <u>2013/14</u> £'000 | <u>2014/15</u> £'000 | <u>2015/16</u> £'000 |
|--|-------------------------|-------------------------|-------------------------|-------------------------|
| 2012/2013 ORIGINAL BUDGET at November 2011 price levels | 293 | 293 | 293 | 293 |
| INFLATION TO NOVEMBER 2012 | 7 | 8 | 8 | 8 |
| 2012/2013 ORIGINAL BUDGET REPRICED | <u>300</u> | <u>301</u> | <u>301</u> | <u>301</u> |

DEVELOPMENTS

This Year Budget Variations

| | | | | |
|--|-----|-----|-----|-----|
| 12-358 (Jun 12) Staffing Review | -14 | -27 | -27 | -27 |
| 12-678 (Nov 12) Travellers Site Charges Review | -1 | -3 | -3 | -3 |

Other Technical/Volume Adjustments

| | | | | |
|---|----|-----|-----|-----|
| Leaseholder Loans Interest Effects | 3 | 12 | 14 | 17 |
| Review of Watch Charges | - | -10 | -10 | -10 |
| Review of Departmental Support Services | 13 | 13 | 13 | 13 |
| Wardens | - | 3 | 3 | 3 |
| Administrative Buildings | -1 | -1 | -1 | -1 |
| Transfers within Committee | 7 | 2 | 2 | 2 |

| | | | | |
|---|------------|------------|------------|------------|
| NET EFFECT OF DEVELOPMENTS | <u>7</u> | <u>-11</u> | <u>-9</u> | <u>-6</u> |
| NET EXPENDITURE at November 2012 Prices | <u>307</u> | <u>290</u> | <u>292</u> | <u>295</u> |

ANALYSIS BY SERVICE

| | | | | |
|---|------------|------------|------------|------------|
| Housing Associations | 44 | 43 | 43 | 43 |
| Service Strategy and Regulations | 12 | 12 | 12 | 12 |
| Graffiti Removal | 285 | 270 | 270 | 270 |
| Travellers Site | -11 | -13 | -13 | -13 |
| Warden Services | -7 | -14 | -14 | -14 |
| Other Expenses | 9 | 8 | 8 | 8 |
| House Purchase and Leaseholder Advances | -25 | -16 | -14 | -11 |
| NET EXPENDITURE at November 2012 Prices | <u>307</u> | <u>290</u> | <u>292</u> | <u>295</u> |

STRATEGIC PLANNING AND TRANSPORTATION

This Cabinet remit is for:
the maintenance of public highways,
footpaths and bridges; street lighting;
traffic and parking policies; accident
prevention; the Council's depots and
transport services; the supervision of the
Council's Direct Service Organisations
for maintenance, highways, transport
and engineering; concessionary fares
including the taxicard scheme; town
planning policy, development control
and building regulations; town centre
management and economic
development.

Finance Department Committee representative: Jean Stevenson
(Deputy Chief Accountant)
Tel: 020-8871 6407

Financial Controllers: Rob Hallett
(Highways, Concessionary Fares, Planning and Transportation)
Tel: 020-8871 6507
Brian Skelton
(Town Centre Management and Economic Development)
Tel: 020-8871 6499

The General Fund revenue budget for Strategic Planning and Transportation includes all Highway Services, Planning, Town Centre Management and Economic Development.

The budget includes provision for the review of existing controlled parking zones where areas of concern are raised by residents. Increases in charges have resulted in a budget reduction of £2.4 million in 2013/14. The Road Traffic Regulations Act requires that the surplus from the Parking Service is used for a range of specific purposes including highways investment and public passenger transport support. The majority of the surplus is applied to the Council's contribution to the London-wide concessionary fares scheme, set at £13.3 million for 2013/14. An additional amount of £2 million has been provided in 2013/14 for the maintenance of footways and carriageways. Efficiency savings of £0.384 million have been achieved for 2013/14 on front line services.

The capital programme includes provision of £16.6 million over the three years 2012/13 to 2014/15 for investment on the Borough's highways, financed in part by grant resources allocated by Transport for London in response to the Council's Local Implementation Plan submission. A further £1.8 million of capital resources is available over the same period for town centre and economic development projects partly funded by government grants.

**STRATEGIC PLANNING AND TRANSPORTATION
SUMMARY**

| | <u>2012/13 REVISED BUDGET</u> | | | | <u>2013/14 BUDGET</u> | | |
|--------------------------------------|-------------------------------|------------------|---------------|--------------|-----------------------|---------------|--------------|
| | <u>2012/13</u> | <u>INFLATION</u> | <u>DEVEL-</u> | <u>TOTAL</u> | <u>INFLATION</u> | <u>DEVEL-</u> | <u>TOTAL</u> |
| | <u>ORIGINAL</u> | | | | | | |
| | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 |
| Salaries | 7,285 | 2 | 634 | 7,921 | - | 924 | 8,209 |
| Indirect Employee Expenses | 90 | 2 | 9 | 101 | - | 5 | 95 |
| Premises | | | | | | | |
| - Street Lighting Electricity | 837 | - | - | 837 | 34 | - | 871 |
| - Other Premises | 1,881 | 19 | -90 | 1,810 | 4 | -160 | 1,725 |
| Use of Transport | 121 | 3 | 31 | 155 | 2 | 31 | 154 |
| Concessionary Fares | 13,532 | 2 | -246 | 13,288 | 2 | -41 | 13,493 |
| Supplies and Services | 5,179 | 96 | 807 | 6,082 | 56 | 392 | 5,627 |
| Third Party Payments | | | | | | | |
| - Precepts, Levies and Charges | 674 | - | - | 674 | - | 26 | 700 |
| - Parking Enforcement | 3,115 | - | - | 3,115 | - | - | 3,115 |
| - Parking Pay & Display Machine Mtce | 680 | 18 | - | 698 | 15 | - | 695 |
| - Other Third Party Payments | 2,530 | 19 | 779 | 3,328 | -9 | 2,119 | 4,640 |
| Support Services | 4,721 | 26 | -160 | 4,587 | - | -619 | 4,102 |
| Depreciation and Impairment | 5,623 | - | 233 | 5,856 | - | 233 | 5,856 |
| Government Grants | -75 | - | -268 | -343 | - | -350 | -425 |
| Other Income | -32,646 | -16 | -2,564 | -35,226 | - | -4,224 | -36,870 |

| | | | | | | | |
|------------------------|---------------|------------|-------------|---------------|------------|---------------|---------------|
| NET EXPENDITURE | 13,547 | 171 | -835 | 12,883 | 104 | -1,664 | 11,987 |
|------------------------|---------------|------------|-------------|---------------|------------|---------------|---------------|

REVENUE EXPENDITURE BY SERVICE

| | | | | | | | |
|---|---------|----|--------|---------|----|--------|---------|
| Bridges, Structures & Drainage | 280 | 1 | -75 | 206 | - | -75 | 205 |
| Footway and Carriageway Maintenance | 2,259 | 29 | 1,640 | 3,928 | 4 | 2,922 | 5,185 |
| Traffic Management | 300 | 2 | 2 | 304 | - | 2 | 302 |
| Street Lighting and Furniture | 1,695 | 2 | - | 1,697 | 37 | - | 1,732 |
| Parking Service and Traffic Enforcement | -16,354 | 82 | -1,145 | -17,417 | 47 | -2,941 | -19,248 |
| Technical Services General | 7,093 | 12 | -972 | 6,133 | 6 | -1,168 | 5,931 |
| Concessionary Fares | 13,532 | 3 | -247 | 13,288 | 2 | -41 | 13,493 |
| Planning Services | 2,912 | 23 | -28 | 2,907 | 7 | -379 | 2,540 |
| Town Centres | 508 | 4 | -36 | 476 | - | -2 | 506 |
| Economic Development | 1,322 | 13 | 26 | 1,361 | 1 | 18 | 1,341 |

| | | | | | | | |
|------------------------|---------------|------------|-------------|---------------|------------|---------------|---------------|
| NET EXPENDITURE | 13,547 | 171 | -835 | 12,883 | 104 | -1,664 | 11,987 |
|------------------------|---------------|------------|-------------|---------------|------------|---------------|---------------|

**STRATEGIC PLANNING AND TRANSPORTATION
SUMMARY**

| | <u>2012/13</u> £'000 | <u>2013/14</u> £'000 | <u>2014/15</u> £'000 | <u>2015/16</u> £'000 |
|--|-------------------------|-------------------------|-------------------------|-------------------------|
| 2012/2013 ORIGINAL BUDGET at November 2011 price levels | 13,547 | 13,547 | 13,547 | 13,547 |
| INFLATION TO NOVEMBER 2012 | 171 | 104 | 104 | 104 |
| 2012/2013 ORIGINAL BUDGET REPRICED | 13,718 | 13,651 | 13,651 | 13,651 |
| DEVELOPMENTS | | | | |
| Bridges, Structures & Drainage | -75 | -75 | -75 | -75 |
| Footway and Carriageway Maintenance | 1,640 | 2,922 | 922 | 922 |
| Traffic Management | 2 | 2 | 2 | 2 |
| Street Lighting and Furniture | - | - | - | - |
| Parking Service and Traffic Enforcement | -1,145 | -2,941 | -2,941 | -2,941 |
| Technical Services General | -972 | -1,168 | -1,168 | -1,168 |
| Concessionary Fares | -247 | -41 | -41 | -41 |
| Planning Services | -28 | -379 | -379 | -379 |
| Town Centres | -36 | -2 | -2 | -2 |
| Economic Development | 26 | 18 | -182 | -182 |
| NET EFFECT OF DEVELOPMENTS | -835 | -1,664 | -3,864 | -3,864 |
| NET EXPENDITURE at November 2012 Prices | 12,883 | 11,987 | 9,787 | 9,787 |
| ANALYSIS BY SERVICE | | | | |
| Bridges, Structures & Drainage | 206 | 205 | 205 | 205 |
| Footway and Carriageway Maintenance | 3,928 | 5,185 | 3,185 | 3,185 |
| Traffic Management | 304 | 302 | 302 | 302 |
| Street Lighting and Furniture | 1,697 | 1,732 | 1,732 | 1,732 |
| Parking Service and Traffic Enforcement | -17,417 | -19,248 | -19,248 | -19,248 |
| Technical Services General | 6,133 | 5,931 | 5,931 | 5,931 |
| Concessionary Fares | 13,288 | 13,493 | 13,493 | 13,493 |
| Planning Services | 2,907 | 2,540 | 2,540 | 2,540 |
| Town Centres | 476 | 506 | 506 | 506 |
| Economic Development | 1,361 | 1,341 | 1,141 | 1,141 |
| NET EXPENDITURE at November 2012 Prices | 12,883 | 11,987 | 9,787 | 9,787 |

**STRATEGIC PLANNING AND TRANSPORTATION
BRIDGES, STRUCTURES & DRAINAGE**

| | <u>2012/13</u> £'000 | <u>2013/14</u> £'000 | <u>2014/15</u> £'000 | <u>2015/16</u> £'000 |
|--|-------------------------|-------------------------|-------------------------|-------------------------|
| 2012/2013 ORIGINAL BUDGET at November 2011 price levels | 280 | 280 | 280 | 280 |
| INFLATION TO NOVEMBER 2012 | 1 | - | - | - |
| 2012/2013 ORIGINAL BUDGET REPRICED | <hr/> 281 | <hr/> 280 | <hr/> 280 | <hr/> 280 |
| DEVELOPMENTS | | | | |
| <u>This Year Budget Variations</u> | | | | |
| 12-273 (Apr 12) Review of Insurance Tender | -76 | -76 | -76 | -76 |
| <u>Transfers between Committees</u> | | | | |
| Review of Central Support Services | 1 | 1 | 1 | 1 |
| NET EFFECT OF DEVELOPMENTS | <hr/> -75 | <hr/> -75 | <hr/> -75 | <hr/> -75 |
| NET EXPENDITURE at November 2012 Prices | <hr/> 206 | <hr/> 205 | <hr/> 205 | <hr/> 205 |

ANALYSIS BY SERVICE

| | | | | |
|---|-----------|-----------|-----------|-----------|
| Bridges and Other Structures | 152 | 151 | 151 | 151 |
| Surface Water Drainage and Sewers | 54 | 54 | 54 | 54 |
| NET EXPENDITURE at November 2012 Prices | <hr/> 206 | <hr/> 205 | <hr/> 205 | <hr/> 205 |

**STRATEGIC PLANNING AND TRANSPORTATION
FOOTWAY AND CARRIAGEWAY MAINTENANCE**

| | <u>2012/13</u> £'000 | <u>2013/14</u> £'000 | <u>2014/15</u> £'000 | <u>2015/16</u> £'000 |
|--|-------------------------|-------------------------|-------------------------|-------------------------|
| 2012/2013 ORIGINAL BUDGET at November 2011 price levels | 2,259 | 2,259 | 2,259 | 2,259 |
| INFLATION TO NOVEMBER 2012 | 29 | 4 | 4 | 4 |
| 2012/2013 ORIGINAL BUDGET REPRICED | 2,288 | 2,263 | 2,263 | 2,263 |

DEVELOPMENTS

This Year Budget Variations

| | | | | |
|---|-----|-------|-----|-----|
| 12-261 (Apr 12) Postage Review | -25 | -26 | -26 | -26 |
| 12-273 (Apr 12) Review of Insurance Tender | -34 | -35 | -35 | -35 |
| 12-375 (Apr 12) Review of Legal Services | - | -1 | -1 | -1 |
| 12-446 (Jul 12) Review of Front Line Services | -1 | -5 | -5 | -5 |
| 12-461 (Jul 12) Office Removal Review | -2 | -3 | -3 | -3 |
| 12-491 (Jul 12) Carriageway Repairs | 500 | - | - | - |
| 12-711 (Nov 12) Highway Charges | - | -80 | -80 | -80 |
| 13-183 (Feb 13) Highway Maintenance | - | 2,000 | - | - |

Transfers between Committees

| | | | | |
|------------------------------------|-----|-----|-----|-----|
| Review of Central Support Services | -5 | -5 | -5 | -5 |
| Depreciation | -11 | -11 | -11 | -11 |

Other Technical/Volume Adjustments

| | | | | |
|-----------------------------------|-------|-------|-------|-------|
| On Street Services Income Review | - | -130 | -130 | -130 |
| Merging of Licence and Suspension | 1,435 | 1,435 | 1,435 | 1,435 |
| ECS Client Support services | -217 | -217 | -217 | -217 |

NET EFFECT OF DEVELOPMENTS

| | | | |
|-------|-------|-----|-----|
| 1,640 | 2,922 | 922 | 922 |
|-------|-------|-----|-----|

NET EXPENDITURE at November 2012 Prices

| | | | |
|-------|-------|-------|-------|
| 3,928 | 5,185 | 3,185 | 3,185 |
|-------|-------|-------|-------|

ANALYSIS BY SERVICE

| | | | | |
|------------------------|-------|-------|-------|-------|
| Programmed Maintenance | 2,199 | 3,677 | 1,677 | 1,677 |
| Winter Maintenance | 188 | 186 | 186 | 186 |
| Administration | 1,541 | 1,322 | 1,322 | 1,322 |

NET EXPENDITURE at November 2012 Prices

| | | | |
|-------|-------|-------|-------|
| 3,928 | 5,185 | 3,185 | 3,185 |
|-------|-------|-------|-------|

**STRATEGIC PLANNING AND TRANSPORTATION
TRAFFIC MANAGEMENT**

| | <u>2012/13</u> £'000 | <u>2013/14</u> £'000 | <u>2014/15</u> £'000 | <u>2015/16</u> £'000 |
|--|-------------------------|-------------------------|-------------------------|-------------------------|
| 2012/2013 ORIGINAL BUDGET at November 2011 price levels | 300 | 300 | 300 | 300 |
| INFLATION TO NOVEMBER 2012 | 2 | - | - | - |
| 2012/2013 ORIGINAL BUDGET REPRICED | <u>302</u> | <u>300</u> | <u>300</u> | <u>300</u> |
| DEVELOPMENTS | | | | |
| <u>Transfers between Committees</u> | | | | |
| Review of Central Support Services | 2 | 2 | 2 | 2 |
| NET EFFECT OF DEVELOPMENTS | <u>2</u> | <u>2</u> | <u>2</u> | <u>2</u> |
| NET EXPENDITURE at November 2012 Prices | <u>304</u> | <u>302</u> | <u>302</u> | <u>302</u> |
| ANALYSIS BY SERVICE | | | | |
| Traffic Management | 304 | 302 | 302 | 302 |
| NET EXPENDITURE at November 2012 Prices | <u>304</u> | <u>302</u> | <u>302</u> | <u>302</u> |

**STRATEGIC PLANNING AND TRANSPORTATION
STREET LIGHTING AND FURNITURE**

| | <u>2012/13</u> £'000 | <u>2013/14</u> £'000 | <u>2014/15</u> £'000 | <u>2015/16</u> £'000 |
|--|-------------------------|-------------------------|-------------------------|-------------------------|
| 2012/2013 ORIGINAL BUDGET at November 2011 price levels | 1,695 | 1,695 | 1,695 | 1,695 |
| INFLATION TO NOVEMBER 2012 | 2 | 37 | 37 | 37 |
| 2012/2013 ORIGINAL BUDGET REPRICED | <u>1,697</u> | <u>1,732</u> | <u>1,732</u> | <u>1,732</u> |
| DEVELOPMENTS | - | - | - | - |
| NET EFFECT OF DEVELOPMENTS | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| NET EXPENDITURE at November 2012 Prices | <u>1,697</u> | <u>1,732</u> | <u>1,732</u> | <u>1,732</u> |
| ANALYSIS BY SERVICE | | | | |
| Street Lighting Maintenance | 1,404 | 1,436 | 1,436 | 1,436 |
| Street Furniture Maintenance | 293 | 296 | 296 | 296 |
| NET EXPENDITURE at November 2012 Prices | <u>1,697</u> | <u>1,732</u> | <u>1,732</u> | <u>1,732</u> |

**STRATEGIC PLANNING AND TRANSPORTATION
PARKING SERVICE AND TRAFFIC ENFORCEMENT**

| | <u>2012/13</u> £'000 | <u>2013/14</u> £'000 | <u>2014/15</u> £'000 | <u>2015/16</u> £'000 |
|--|-------------------------|-------------------------|-------------------------|-------------------------|
| 2012/2013 ORIGINAL BUDGET at November 2011 price levels | -16,354 | -16,354 | -16,354 | -16,354 |
| INFLATION TO NOVEMBER 2012 | 82 | 47 | 47 | 47 |
| 2012/2013 ORIGINAL BUDGET REPRICED | -16,272 | -16,307 | -16,307 | -16,307 |
| DEVELOPMENTS | | | | |
| <u>This Year Budget Variations</u> | | | | |
| 12-261 (Apr 12) Postage Review | -5 | -11 | -11 | -11 |
| 12-442 (Jun 12) Parking Charges | -1,047 | -2,393 | -2,393 | -2,393 |
| 12-446 (Jul 12) Review of Front Line Services | -44 | -299 | -299 | -299 |
| 12-461 (Jul 12) Office Removal Review | -1 | -1 | -1 | -1 |
| 13-189 (Feb 13) Recruitment and Retention Review | - | -8 | -8 | -8 |
| <u>Transfers between Committees</u> | | | | |
| Review of Central Support Services | 14 | 13 | 13 | 13 |
| Review of Administrative Buildings Charges | -39 | -39 | -39 | -39 |
| <u>Other Technical/Volume Adjustments</u> | | | | |
| Cash Collection Contract | -20 | -40 | -40 | -40 |
| ECS Client Support Services | -3 | -3 | -3 | -3 |
| Additional Mobile Cameras | - | -160 | -160 | -160 |
| NET EFFECT OF DEVELOPMENTS | -1,145 | -2,941 | -2,941 | -2,941 |
| NET EXPENDITURE at November 2012 Prices | -17,417 | -19,248 | -19,248 | -19,248 |
| ANALYSIS BY SERVICE | | | | |
| Parking Administration and Income | -16,540 | -18,199 | -18,199 | -18,199 |
| Parking Zone Projects and Reviews | 313 | 305 | 305 | 305 |
| Bus Lane and Traffic Enforcement | -1,190 | -1,354 | -1,354 | -1,354 |
| NET EXPENDITURE at November 2012 Prices | -17,417 | -19,248 | -19,248 | -19,248 |

**STRATEGIC PLANNING AND TRANSPORTATION
TECHNICAL SERVICES GENERAL**

| | <u>2012/13</u> £'000 | <u>2013/14</u> £'000 | <u>2014/15</u> £'000 | <u>2015/16</u> £'000 |
|--|-------------------------|-------------------------|-------------------------|-------------------------|
| 2012/2013 ORIGINAL BUDGET at November 2011 price levels | 7,093 | 7,093 | 7,093 | 7,093 |
| INFLATION TO NOVEMBER 2012 | 12 | 6 | 6 | 6 |
| 2012/2013 ORIGINAL BUDGET REPRICED | 7,105 | 7,099 | 7,099 | 7,099 |

DEVELOPMENTS

This Year Budget Variations

| | | | | |
|--|-----|------|------|------|
| 12-261 (Apr 12) Postage Review | - | -4 | -4 | -4 |
| 12-273 (Apr 12) Review of Insurance Tender | -1 | -1 | -1 | -1 |
| 12-375 (Apr 12) Review of Legal Services | - | -2 | -2 | -2 |
| 12-437 (Jul 12) School Crossing Patrollers | -42 | -170 | -170 | -170 |
| 12-446 (Jul 12) Review of Front Line Services | - | -9 | -9 | -9 |
| 13-183 (Feb 13) Traffic Signals | - | 13 | 13 | 13 |
| 13-183 (Feb 13) Lorry Ban | - | -7 | -7 | -7 |
| 13-183 (Feb 13) NRA Flood Defence | - | 19 | 19 | 19 |
| 13-189 (Feb 13) Recruitment and Retention Review | - | -5 | -5 | -5 |

Transfers between Committees

| | | | | |
|--|-----|-----|-----|-----|
| Review of Central Support Services | 6 | 6 | 6 | 6 |
| Review of Administrative Buildings Charges | -1 | -1 | -1 | -1 |
| Depreciation | 281 | 281 | 281 | 281 |

Other Technical/Volume Adjustments

| | | | | |
|-----------------------------------|--------|--------|--------|--------|
| Eltringham Depot | - | -70 | -70 | -70 |
| Merging of Licence and Suspension | -1,435 | -1,435 | -1,435 | -1,435 |
| ECS Client Support Services | 220 | 217 | 217 | 217 |

| | | | | |
|-----------------------------------|-------------|---------------|---------------|---------------|
| NET EFFECT OF DEVELOPMENTS | -972 | -1,168 | -1,168 | -1,168 |
|-----------------------------------|-------------|---------------|---------------|---------------|

| | | | | |
|--|--------------|--------------|--------------|--------------|
| NET EXPENDITURE at November 2012 Prices | 6,133 | 5,931 | 5,931 | 5,931 |
|--|--------------|--------------|--------------|--------------|

ANALYSIS BY SERVICE

| | | | | |
|-------------------------------------|--------|--------|--------|--------|
| Precepts and Levies | 674 | 700 | 700 | 700 |
| Wandsworth Community Transport | 249 | 248 | 248 | 248 |
| Engineer Services | 478 | 457 | 457 | 457 |
| School Crossing Patrols | 157 | 28 | 28 | 28 |
| Administration and Support Services | 5,786 | 5,709 | 5,709 | 5,709 |
| Highway Licensing | -1,211 | -1,211 | -1,211 | -1,211 |

| | | | | |
|--|--------------|--------------|--------------|--------------|
| NET EXPENDITURE at November 2012 Prices | 6,133 | 5,931 | 5,931 | 5,931 |
|--|--------------|--------------|--------------|--------------|

**STRATEGIC PLANNING AND TRANSPORTATION
CONCESSIONARY FARES**

| | <u>2012/13</u> £'000 | <u>2013/14</u> £'000 | <u>2014/15</u> £'000 | <u>2015/16</u> £'000 |
|--|-------------------------|-------------------------|-------------------------|-------------------------|
| 2012/2013 ORIGINAL BUDGET at November 2011 price levels | 13,532 | 13,532 | 13,532 | 13,532 |
| INFLATION TO NOVEMBER 2012 | 3 | 2 | 2 | 2 |
| 2012/2013 ORIGINAL BUDGET REPRICED | 13,535 | 13,534 | 13,534 | 13,534 |

DEVELOPMENTS

This Year Budget Variations

| | | | | |
|--|-----|-----|-----|-----|
| 12-261 (Apr 12) Postage Review | - | -3 | -3 | -3 |
| 12-446 (Jul 12) Review of Front Line Services | -91 | -28 | -28 | -28 |
| 13-183 (Feb 13) Disabled Persons Freedom Pass | - | 20 | 20 | 20 |
| 13-183 (Feb 13) Elderly Persons Freedom Pass | - | 127 | 127 | 127 |
| 13-183 (Feb 13) Administration | - | 1 | 1 | 1 |
| 13-189 (Feb 13) Recruitment and Retention Review | - | -2 | -2 | -2 |

Transfers between Committees

| | | | | |
|--|----|----|----|----|
| Review of Administrative Buildings Charges | -5 | -5 | -5 | -5 |
|--|----|----|----|----|

Other Technical/Volume Adjustments

| | | | | |
|-----------------|------|------|------|------|
| Taxicard Scheme | -151 | -151 | -151 | -151 |
|-----------------|------|------|------|------|

| | | | | |
|-----------------------------------|-------------|------------|------------|------------|
| NET EFFECT OF DEVELOPMENTS | -247 | -41 | -41 | -41 |
|-----------------------------------|-------------|------------|------------|------------|

| | | | | |
|--|---------------|---------------|---------------|---------------|
| NET EXPENDITURE at November 2012 Prices | 13,288 | 13,493 | 13,493 | 13,493 |
|--|---------------|---------------|---------------|---------------|

ANALYSIS BY SERVICE

| | | | | |
|---------------------------------|--------|--------|--------|--------|
| Elderly Persons Freedom Passes | 11,314 | 11,441 | 11,441 | 11,441 |
| Disabled Persons Freedom Passes | 1,814 | 1,834 | 1,834 | 1,834 |
| Taxicard Scheme | 40 | 40 | 40 | 40 |
| Administration | 120 | 178 | 178 | 178 |

| | | | | |
|--|---------------|---------------|---------------|---------------|
| NET EXPENDITURE at November 2012 Prices | 13,288 | 13,493 | 13,493 | 13,493 |
|--|---------------|---------------|---------------|---------------|

**STRATEGIC PLANNING AND TRANSPORTATION
PLANNING SERVICES**

| | <u>2012/13</u> £'000 | <u>2013/14</u> £'000 | <u>2014/15</u> £'000 | <u>2015/16</u> £'000 |
|--|-------------------------|-------------------------|-------------------------|-------------------------|
| 2012/2013 ORIGINAL BUDGET at November 2011 price levels | 2,912 | 2,912 | 2,912 | 2,912 |
| INFLATION TO NOVEMBER 2012 | 23 | 7 | 7 | 7 |
| 2012/2013 ORIGINAL BUDGET REPRICED | 2,935 | 2,919 | 2,919 | 2,919 |

DEVELOPMENTS

This Year Budget Variations

| | | | | |
|--|-----|-----|-----|-----|
| 12-261 (Apr 12) Postage Review | -1 | -11 | -11 | -11 |
| 12-273 (Apr 12) Review of Insurance Tender | -1 | -1 | -1 | -1 |
| 12-375 (Apr 12) Review of Legal Services | - | -2 | -2 | -2 |
| 12-446 (Jul 12) Review of Front Line Services | -13 | -43 | -43 | -43 |
| 12-622 (Oct 12) Flood Defence and Management | 71 | 92 | 92 | 92 |
| 12-711 (Nov 12) Building Control Charges | - | -5 | -5 | -5 |
| 13-76 (Jan 13) Customer Services | - | -40 | -40 | -40 |
| 13-189 (Feb 13) Recruitment and Retention Review | - | -28 | -28 | -28 |

Transfers between Committees

| | | | | |
|--|-----|-----|-----|-----|
| Review of Central Support Services | 11 | 11 | 11 | 11 |
| Review of Administrative Buildings Charges | -16 | -16 | -16 | -16 |
| Recalibration of IT Charges | 7 | 1 | 1 | 1 |
| Depreciation | -36 | -36 | -36 | -36 |

Other Technical/Volume Adjustments

| | | | | |
|-------------------------------|-----|------|------|------|
| Community Infrastructure Levy | -50 | -100 | -100 | -100 |
| Statutory Planning Fees | - | -200 | -200 | -200 |
| ECS Client Support Services | - | -1 | -1 | -1 |

| | | | | |
|-----------------------------------|------------|-------------|-------------|-------------|
| NET EFFECT OF DEVELOPMENTS | -28 | -379 | -379 | -379 |
|-----------------------------------|------------|-------------|-------------|-------------|

| | | | | |
|--|--------------|--------------|--------------|--------------|
| NET EXPENDITURE at November 2012 Prices | 2,907 | 2,540 | 2,540 | 2,540 |
|--|--------------|--------------|--------------|--------------|

ANALYSIS BY SERVICE

| | | | | |
|----------------------|-------|-------|-------|-------|
| Development Planning | 1,589 | 1,565 | 1,565 | 1,565 |
| Development Control | 992 | 674 | 674 | 674 |
| Building Control | 32 | 13 | 13 | 13 |
| Transportation | 294 | 288 | 288 | 288 |

| | | | | |
|--|--------------|--------------|--------------|--------------|
| NET EXPENDITURE at November 2012 Prices | 2,907 | 2,540 | 2,540 | 2,540 |
|--|--------------|--------------|--------------|--------------|

**STRATEGIC PLANNING AND TRANSPORTATION
TOWN CENTRES**

| | <u>2012/13</u> £'000 | <u>2013/14</u> £'000 | <u>2014/15</u> £'000 | <u>2015/16</u> £'000 |
|--|-------------------------|-------------------------|-------------------------|-------------------------|
| 2012/2013 ORIGINAL BUDGET at November 2011 price levels | 508 | 508 | 508 | 508 |
| INFLATION TO NOVEMBER 2012 | 4 | - | - | - |
| 2012/2013 ORIGINAL BUDGET REPRICED | <hr/> 512 | <hr/> 508 | <hr/> 508 | <hr/> 508 |
| DEVELOPMENTS | | | | |
| <u>Other Technical/Volume Adjustments</u> | | | | |
| Review of Central Support Services | -57 | -57 | -57 | -57 |
| Roehampton Regeneration | 17 | 55 | 55 | 55 |
| Putney Sculpture Trail | 4 | - | - | - |
| NET EFFECT OF DEVELOPMENTS | <hr/> -36 | <hr/> -2 | <hr/> -2 | <hr/> -2 |
| NET EXPENDITURE at November 2012 Prices | <hr/> 476 | <hr/> 506 | <hr/> 506 | <hr/> 506 |
| ANALYSIS BY SERVICE | | | | |
| Town Centres | 459 | 451 | 451 | 451 |
| Roehampton Regeneration | 17 | 55 | 55 | 55 |
| NET EXPENDITURE at November 2012 Prices | <hr/> 476 | <hr/> 506 | <hr/> 506 | <hr/> 506 |

**STRATEGIC PLANNING AND TRANSPORTATION
ECONOMIC DEVELOPMENT**

| | <u>2012/13</u> £'000 | <u>2013/14</u> £'000 | <u>2014/15</u> £'000 | <u>2015/16</u> £'000 |
|--|-------------------------|-------------------------|-------------------------|-------------------------|
| 2012/2013 ORIGINAL BUDGET at November 2011 price levels | 1,322 | 1,322 | 1,322 | 1,322 |
| INFLATION TO NOVEMBER 2012 | 13 | 1 | 1 | 1 |
| 2012/2013 ORIGINAL BUDGET REPRICED | 1,335 | 1,323 | 1,323 | 1,323 |
| DEVELOPMENTS | | | | |
| <u>This Year Budget Variations</u> | | | | |
| 12-261 (Apr 12) Postage Review | -1 | -1 | -1 | -1 |
| 12-491 (Jul 12) Nine Elms | 200 | 200 | - | - |
| <u>Transfers between Committees</u> | | | | |
| Review of Administrative Buildings Charges | -47 | -47 | -47 | -47 |
| Central Support Costs | -126 | -134 | -134 | -134 |
| NET EFFECT OF DEVELOPMENTS | 26 | 18 | -182 | -182 |
| NET EXPENDITURE at November 2012 Prices | 1,361 | 1,341 | 1,141 | 1,141 |
| ANALYSIS BY SERVICE | | | | |
| Business Development | 420 | 414 | 214 | 214 |
| Employment Training | 83 | 81 | 81 | 81 |
| Economic Development Programme | 16 | 16 | 16 | 16 |
| Economic Development | 842 | 830 | 830 | 830 |
| NET EXPENDITURE at November 2012 Prices | 1,361 | 1,341 | 1,141 | 1,141 |

SECTION 4 DEDICATED SCHOOLS BUDGET

Since April 2006 schools' budgets have been predominantly funded through a ring fenced grant from the Department for Education (DfE), known as the Dedicated Schools Grant (DSG). The use of this grant is defined by the School Finance (England) Regulations 2011. Further funding for schools is received in the form of the DfE Pupil Premium grant and 6th Form Education grant from the Education Funding Agency.

The Dedicated Schools Budget (DSB) previously consisted of the Individual Schools Budget (ISB) which is delegated budget allocated to individual schools and a central expenditure budget which enables provision for pupils which the Council funds centrally. From 2013/14 there will be significant changes to schools funding and the DSB will be provided in three new and separate funding blocks with increased delegation to schools and greater restriction on central expenditure.

DEDICATED SCHOOLS BUDGET

MINIMUM FUNDING GUARANTEE

1. Local authorities are required by law to provide schools with a Guaranteed Funding Level (GFL) based on the Minimum Funding Guarantee (MFG) minimum decrease on each school's previous year's budget.
2. In 2013/14 the MFG will guarantee that no school has a cut in budget of more than 1.5% per pupil, before any pupil premium is allocated. The guarantee is also set at minus 1.5% per pupil for 2014/15. The level for subsequent years will be announced when government spending plans for that period have been decided.

SCHOOL FUNDING SETTLEMENT

3. In December 2012 the DfE announced the details of the school funding settlement for 2013/14. This included details of the local authority Dedicated Schools Grant allocations and the level of the Pupil Premium. The Pupil Premium paid for pupils known to be eligible for free school meals in the last six years will increase from £619 in 2012/13 to £900 per pupil in 2013/14. The value was £430 in 2011/12. The Pupil Premium is estimated at £9.385 million in total. An estimated DSB budget for 2013/14 and future years based on the indicative DSG and Pupil Premium allocations is shown in Appendix A.
4. The DSG allocations for 2013/14 are presented in three blocks. The Schools, Early Years and High Needs Blocks. The Schools and Early Years Blocks are adjusted for the overall change to pupil numbers. The Council's Schools Block per pupil is the same as 2012/13 at £5,581. The national average Schools Block per pupil is £4,550. The amount per pupil (where applicable) and totals for each block are shown below:

| Block | Amount per Pupil | Total |
|--|------------------|----------------|
| | £ | £'000 |
| Schools Block | 5,581 | 134,562 |
| Schools Block - to enable schools to pay for the services of their preferred appropriate body for monitoring and quality assure NQT induction. | | 37 |
| Early Years Block for three and four year olds | 4,933 | 15,584 |
| Early Years Block Funding for deprived 2 year olds | N/A | 4,308 |
| High Needs Block | N/A | 38,426 |
| Total DSG | | 192,917 |

DEDICATED SCHOOLS BUDGET

5. The cost of hospital education provision has been topsliced from each council's DSG and allocated to the High Needs Block of those LAs with hospital education provision as there will no longer be inter-authority recoupment for this provision. Wandsworth has an allocation of £528,000 for the cost of provision at St George's and Corner House.
6. As set out in previous papers, high needs pupils are defined as those whose needs cost more than £6,000 to meet. This first £10,000 is deemed already to be in the budgets of mainstream schools. Anything above this level is termed 'top up' and is funded by the commissioning LA from the High Needs block. Although the High Needs Block has been partially adjusted for growth in planned numbers for the place element i.e. the first £6,000, no additional allocation has been included for the top up element with the result that money has had to be transferred from the Schools to the High Needs Block to cover such top up costs. Conversely, money has been transferred from the High Needs Block to the School Block to reflect the fact that the first £6,000 relating to any high needs pupil now needs to form part of the mainstream budget rather than being allocated from a central pot in line with SEN statements as in the past.
7. The Early Years Block element for three and four year olds will be allocated to all providers, including Academies, on the basis of Wandsworth's early years single funding formula and adjusted termly for actual pupil numbers. The 2013/14 allocation will be based on January, May and October 2013 numbers, and once the January numbers are available it should be possible to include an early years estimate in the indicative budgets to be sent to schools prior to the start of the 2013/14 financial year.

Post-16 Funding

8. Budgets for schools with sixth forms will include the funding delivered by the post-16 funding arrangements administered by the EFA. Government changes to the 6th form funding formula in the 2011/12 academic continued to fund growth in learner numbers in 2012/13. However, from the 2012/13 academic year any transitional protection provided in 2011/12 has/will be removed in four equal instalments from the 2011/12 start date or at 3% per learner, whichever is the greatest. The Teachers Pay Grant relating to Upper Pay Scales is also being removed in stages from September 2012/13. Reductions to school budgets arising from these two adjustments are estimated to range from £11,000 to £95,000.
9. The EFA have not yet provided enough information relating to the 2013/14 academic year for indicative allocations to be calculated. Once further information is available the estimated EFA allocations for sixth forms will be included in the individual schools' budget figures. The allocation for each school sixth form should be notified by the EFA in March 2013.

DEDICATED SCHOOLS BUDGET

THE BUDGET FRAMEWORK FOR DEDICATED SCHOOLS BUDGET

10. The Dedicated Schools Budget is 100% funded by grant whilst the Children's Services General Fund budgets are funded from the totality of the Council's income, including Revenue Support Grant, Council Tax and charges. The element of the DSB funded from the same sources as the General Fund, which is the depreciation charge for individual schools, is included under the Standards and Schools Services on page 85.
11. With the Executive determining budget variations, with the involvement of the Children's Services Overview and Scrutiny Committee, referrals to Council would only be needed in extreme circumstances. The Council's adopted rule of reporting to Committee if the forecast in-year overspend exceeds £500,000 on General Fund budgets will still apply. A departure from the budget, requiring clearance by the Council, is defined as arising when forecast net overspends implied a call of more than 50% upon unearmarked reserves (i.e. more than £7 million currently based on a general contingency of £14 million), or an equivalent change in the council tax forecast for future years.
12. Under the Act, the Council has to approve the budget including allocations to the different services, and a clear framework has to be established for reasonable virements by the Executive within appropriate limits beyond which full Council approval is required. These provisions are included within the Council's Constitution. The Council's standing orders and financial regulations include provision to allow the Executive to reallocate monies within the budget. These provisions allow for situations where the Executive needs to make an urgent decision, which would otherwise be contrary to the budget without reference to the full Council.
13. The Council's Scheme for Financing Schools, based on a model scheme developed by the DfE under section 45-53 of the Schools Standards and Framework Act 1998 as amended by the Education Act 2011, sets out the financial relationship between the Council and the schools which it funds. The Scheme sets out duties and responsibilities of both schools and the Council as well as the detailed requirement in meeting those responsibilities.

APPENDIX A

DEDICATED SCHOOLS BUDGET

| | <u>Revised</u> <u>Budget</u> <u>2012/13</u> £'000 | <u>Original</u> <u>Budget</u> <u>2013/14</u> £'000 | <u>Future</u> <u>Years</u> £'000 |
|---|--|---|--|
| <u>EXPENDITURE</u> | | | |
| Individual Schools Budget: | | | |
| Nursery | 1,770 | 1,994 | 1,994 |
| Primary | 92,904 | 104,649 | 104,649 |
| Secondary | 44,779 | 50,440 | 50,440 |
| Special | 25,200 | 28,386 | 28,386 |
| SEN, Early Years and Support Services | 24,746 | 24,741 | 24,741 |
| Recoupment | 2,571 | 2,552 | 2,552 |
| | <u>191,971</u> | <u>212,762</u> | <u>212,762</u> |
| <u>INCOME</u> | | | |
| Dedicated Schools Grant and Pupil Premium | -167,858 | -202,302 | -202,302 |
| Recoupment | -13,653 | - | - |
| Specific Grants | -10,460 | -10,460 | -10,460 |
| | <u>-191,971</u> | <u>-212,762</u> | <u>-212,762</u> |
| Net Expenditure Totals | <u>-</u> | <u>-</u> | <u>-</u> |

**SECTION 5
COUNCIL HOUSING BUDGETS**

Under Part VI of the Local Government and Housing Act 1989, each Local Authority is required to keep a Housing Revenue Account (HRA), for income and expenditure relating to council housing, in accordance with proper practices and detailed directions by the Secretary of State. The Act also requires that:

- (a) during January or February each year, the Council must formulate proposals for expenditure and income for its housing for the following year, which will ensure, on the best assumptions that can be made at that time, that the HRA for that year does not show a debit balance;
- (b) these proposals must be implemented and monitored to ensure that the HRA will not show a debit balance, and;
- (c) within a month of formulating its proposals, a statement must be prepared, showing these proposals and the estimated HRA income and expenditure. This statement must be made available for public inspection until the end of the year following the year to which the statement relates.

The following pages record how the Executive met the requirement outlined in (a) above for 2013/14, and also, in the context of the 30 year HRA business planning process, that the council has prepared plans for the management of its housing stock that are affordable in the long term, at their meeting on 28th January 2013. The requirement for monitoring, described in (b) is delegated to the Director of Housing. The requirement to make available the statement referred to in (c) above is met by including it as Appendix A within these pages, which are then available for reference in public libraries in the borough.

COUNCIL HOUSING

REVIEW OF HOUSING REVENUE ACCOUNT AND BUSINESS PLAN

1. 2012/13 saw an end to the unpopular HRA subsidy system which saw a quarter of all Wandsworth rents pass to other local authorities. The subsidy system was replaced with self-financing. Self-financing required the Council to take on a lump sum of debt as the necessary price of “buying out” of the HRA subsidy system and in lieu of all future negative subsidy payments. The final settlement figure for Wandsworth required a one off buyout cash payment to the government of £434 million. This was funded by borrowing from the government’s Public Works Loan Board (£224 million to be fully repaid over 13 years) and using £210 million of Council reserves.

Self-financing and “headroom”

2. Within the self-financing settlement the government recognised the previous national under-funding of the level of spend required on stock. Effectively this means that, if the Council continues to run its housing stock as it does now and increases rents each year broadly in line with the government’s assumed rent increases, additional resources (known as “headroom”) over and above those identified under the previous HRA subsidy system may become available.
3. The servicing and repayment of the settlement debt each year costs more than the negative subsidy now being avoided and so, for Wandsworth, this headroom does not materialise until after the debt has been repaid in year 13. Significant levels of future surpluses are then forecast by the end of the 30 year HRA business planning period, however these need to be viewed with some caution as they are in no way guaranteed. These forecast surpluses involve a raft of assumptions on future spend and income levels which if varied can have a significant effect on available resources. In addition, the Localism Act 2011 includes provision for the Secretary of State to re-open the self-financing settlement “if there has been a change in any matter that was taken into account” in the settlement; quite what circumstances this could cover is not certain. There is therefore a risk of over-reliance on future potential headroom which could throw the HRA business plan out of balance and necessitate additional borrowing, higher rents or reduced service provision in future years.
4. In view of the long term assumptions underpinning the 30 year business plan and the raft of assumptions on which it is based the future year surpluses should be viewed cautiously, particularly with the longer term impact on the HRA of the Government’s welfare reforms being uncertain. The November HRA business plan update introduced a medium term view of the HRA financial position by also capturing reserves graphically over a ten year period as well as over the standard 30 year financial planning period as shown in Appendix C.

HRA Estimates and Business Plan – proposals for capital

5. In accordance with the HRA business plan, the Director of Housing proposed additions to the capital programme which were approved. The resulting capital programme including subsequently approved budget variations is set out in Appendix D. This includes all foreseeable works derived from the current stock condition survey, both in terms of meeting and maintaining the Decent Homes standard over the 30 year business planning period, but also meeting other essential maintenance.

COUNCIL HOUSING

6. The stock condition survey is a statistical based estimate used to inform assumptions within the business plan on the future level of capital resources required to maintain the Council's stock to the Decent Homes standard. An update of the survey is to be completed in 2013, the results of which will inform the assumptions within the business plan on future levels of capital spend.
7. The additional cost of the approved capital additions to the HRA, net of amounts which should be charged to leaseholders, is estimated at £15.705 million. The total additional amount that would be chargeable to leaseholders is £5.156 million. The actual amount and timing of recharges to leaseholders as part of their annual service charge bills is subject to consultation and will depend on the incidence of spending on these major works on different housing properties.
8. On existing policies, the financing of the HRA capital programme comes from the following sources:
 - (a) Previously the subsidy system included a formula-based Major Repairs Allowance (MRA) used as a proxy for depreciation which was put into the HRA's capital reserve (known as the Major Repairs Reserve) and used to fund capital works. Under self-financing, a revenue charge for depreciation will continue to be put into this reserve and used to fund capital works. The government's intention is for the level of depreciation charge to be based on a life cycle assessment of the differing components in each type of property. However, as this level of detailed information has not yet been captured by local authorities, an uplifted assumed level of MRA can continue to be used as a proxy for depreciation for up to five years under self-financing. This depreciation proxy contributes £21.727 million in 2013/14 to fund capital works;
 - (b) Current government regulations allow any housing capital receipts resulting from sales other than right to buy sales to be retained by the Council for the provision of affordable housing, regeneration or the repayment of debt. The business plan assumes an ongoing level of receipts from disposal of minor sites at around £1.5 million per year reducing as the scope for continuing to identify such disposal opportunities declines. Current projections are that usable receipts of £14 million will be generated in 2012/13. Where one-for-one replacement of dwellings is required under the new enhanced Right to Buy scheme these retained receipts must be utilised for the provision of affordable housing within three years of receiving those receipts;
 - (c) Where capital expenditure is incurred in relation to properties previously sold on long leases the costs are chargeable to the leaseholder as part of the annual service charge bill. The estimated level of leaseholder contributions is £3.323 million in 2012/13 and £3.450 million in 2013/14. In addition to the contributions from leaseholders the HRA is estimated to receive £1.915 million in 2012/13 through capital grant, primarily the final tranche of grant due in relation to the 38 new units completed on the Rollo estate. There are currently no anticipated capital grants receivable in 2013/14; and
 - (d) The HRA and Major Repairs Reserve, which totalled £189.126 million at the end of 2011/12 insofar as these are available.

COUNCIL HOUSING

HRA Estimates and Business Plan – proposals for revenue expenditure

Management and Maintenance

9. Previously comparisons were made between the level of allowances assumed within the subsidy system and actual spend, which highlighted that Council spend in these areas was higher than notional allowances, reflecting the high level of service delivered to residents and quality of the Council's stock. The updated business plan which allows for inflation of 1% on salaries and 2.2% on general running costs except where those costs are linked to specific contracts show actual management and maintenance costs of £2,998 per dwelling after adjusting for leasehold and tenants' service charges. Going forward, expenditure at broadly this level (in real terms) has been anticipated in the HRA business plan, although this is one element that must be kept under review to ensure the long-run viability of the plan.
10. An increase in expenditure of £100,000 per annum would reduce the estimated overall reserves after 30 years by £5.92 million when taking into account the future loss of interest on this additional expenditure. An increase of 1% in the underlying level of inflation assumed in future years for pay and prices would result in additional costs of £513,000 per annum.

Servicing of debt

11. The self-financing final settlement figure for Wandsworth required a one off buyout cash payment to the government of £434 million. This was funded by borrowing £224 million from the government's Public Works Loan Board (over 13 years) and using £210 million of Council reserves (also to be repaid over 13 years). Based on the interest rates borrowed at, in 2013/14 this will cost the HRA £5.707 million in interest and require principal repayments totalling £33.356 million. Due to the types of loans being equal instalments of principal loans the levels of interest payable will diminish over the 13 year borrowing term. Once the debt has been fully repaid the potential 'headroom' created as part of the self financing settlement should start to materialise.

Rent rebates

12. Rent rebate subsidy limitation (RRSL) applies to local authorities and was introduced to give an incentive to control expenditure and the level of rent increases. When a local authority increases its average weekly rent above a limit set by the Secretary of State known as the "limit rent", it will only be reimbursed the cost of paying out housing benefits to its tenants up to that limit. The HRA therefore picks up the cost of any housing benefit paid to its tenants above the limit rent itself.
13. Wandsworth's limit rent for 2012/13 was £113.26 per week. The Department for Work and Pensions has set the 2013/14 limit rents for each authority. Using the existing methodology the 2012/13 figure was adjusted first by 3.1% representing assumed inflation of 2.6% plus a 0.5% real-terms increase. The adjusted figure was then increased by one third of the difference between this adjusted limit rent and the assumed formula rent. The resulting limit rent for 2013/14 is £118.21 representing an increase of £4.95 or 4.37% over 2012/13. The cost of RRSL to the HRA in 2013/14 is estimated to be £3.335 million compared to £4.814 million in 2012/13.

HRA Estimates and Business Plan – proposals for revenue income

Non-dwelling property charges

14. The approved 4% increase in non-dwelling property charges which includes charges for garages and store sheds has been incorporated into the framework income levels from 2013/14 onwards.

Duty to review rents

15. Section 24 of the Housing Act 1985 empowers the Council to "make such reasonable charges as they may determine for the tenancy or occupation of their houses", and requires the Council to "from time to time review rents and make such changes, either of rents generally or of particular rents, as circumstances may require". In so doing, Members have brought to bear their own knowledge and experience of the borough and of needs of Council tenants, and have considered other information on such matters as current Government rent policy and welfare reforms, inflation on prices and income, the eligibility of tenants for housing benefit, and private sector rents.

Rent levels

16. In previous years the HRA rent and budget setting exercise was always informed by the government's assumed level of subsidy expenditure allowances and income. Comparisons were made between the different elements of notional subsidy and the corresponding actual expenditure and income levels. Under self-financing this comparison is no longer possible although it is still necessary to estimate the levels of formula rent, limit rent and guideline rent for HRA business planning purposes.
17. The government's rent restructuring policy (first introduced in 2002/03 and still being implemented by the coalition government) aims to set rents (known as "formula rents") at similar levels for similar properties across the social housing sector. As housing association rents are, on average, higher than local authority rents, this policy has seen above inflation increases in local authority rents since 2002/03 in order to "catch up" to housing association rents. Full convergence to formula rents is assumed in the self-financing settlement buyout to occur in 2015/16.
18. The Council's 2012/13 formula rent of £117.45 per week has, in line with existing methodology, been uplifted by 0.5% in real terms and then increased by 2.6% reflecting September's RPI (Retail Price Index) to produce an estimated target formula rent in 2013/14 of £121.09.
19. Average rents in other Inner London boroughs, for which information is available, currently range from £87.48 to £111.44 per week but are expected to increase generally in April 2013. The Rent Officer currently sets, for housing benefit purposes, Local Housing Allowances for the maximum level of housing benefit to be paid to tenants in the private rented sector. In Wandsworth these currently range from £80.77 per week for a bedsit to £400 for 4 or more bedrooms. Tenants in the private rented sector may, depending on their individual circumstances, be subject to the total weekly benefit cap, which may well override these rates. The average weekly rent in the private sector upon which housing benefit has been assessed has decreased from £184.33 in December 2011 to £181.38 in December 2012, but is still significantly higher than the average rent charged to Council tenants.

COUNCIL HOUSING

Impact of welfare reform on housing benefit claimants

20. In previous years any increase in rents for those tenants on housing benefit was fully covered by a corresponding increase in housing benefit. However, as a result of the government's welfare reforms, with absolute maximum weekly benefit caps and benefit reductions for those Council tenants deemed to be underoccupying, this will no longer be the case. From 2013/14 onwards corresponding increases in housing benefit to cover the Council's rent increase will depend on each individual household's circumstances. 72% of Council tenants are currently on housing benefit, with 48% having their rent fully met by housing benefit and 24% already making some contribution to their rent.

Rent increases

21. Whilst the government's annual assumptions on rent increases required to calculate HRA subsidy each year (previously known as the guideline rent increase), calculated using September's RPI + 0.5% real terms increase plus a convergence step towards formula rents, no longer apply under self-financing, the government's buyout settlement has within it assumed rent increases for the next thirty years of 3.5% + 0.5% each year, with an additional increase each year until 2015/16 to reach convergence with formula rents. The assumed rent increase in the self financing settlement for 2013/14 for Wandsworth is therefore £6.59 per week or 5.5%.
22. The RPI in September 2012 was 2.6%. Swapping from the higher September RPI, which historically is used for rent setting purposes, to the lower Consumer Price Index (CPI) plus a 0.5% real terms increase and foregoing a convergence step to formula rents produces an average rent increase of £3.44 per week (2.7% on actual rents). By contrast, an RPI + 0.5% based increase would equate to £5.57 per week (4.4% on actual rents). By limiting the average rent increase to £3.44 per week there would be a direct benefit to those tenants who pay their own rent but also to those on housing benefit who, under welfare reform, may need to contribute more than they do now. To restore the previous year's relationship between rents and prices would require a rent increase of £3.40 per dwelling/week (+2.7%) and to restore that between rents and earnings would require an increase of £1.57 per dwelling/week (+1.2%).

Distribution of the rent increase

23. Previously, legislation required the Council "to have regard to the principle that the rents of houses of any class or description should bear broadly the same proportion to private sector rents as the rents of houses of any other class or description". This legislation was repealed by the Local Government Act 2003, but has still not been replaced with any mandatory instruction on rent setting. Accordingly, the Council's rents policy remains that rents are set in the same proportion to the open market rental value of each dwelling, currently based on a full valuation carried out during 2010.
24. The table below shows how full implementation of the current valuations would move the pattern of Council rents closer to that of private rents:-

COUNCIL HOUSING

| | <u>Index Numbers for Current Council Rents</u> | <u>Index Numbers for Proposed Council Rents</u> | <u>Index Numbers for Private Rents 2010</u> |
|------------|--|---|---|
| 1 Bedroom | 80.22 | 79.80 | 77.50 |
| 2 Bedroom | 100.00 | 100.00 | 100.00 |
| 3 Bedroom | 131.22 | 131.00 | 132.20 |
| 4+ Bedroom | 155.42 | 155.34 | 162.60 |

25. Members have been informed previously of a Government policy statement published in December 2000 envisaging convergence of rent structures for all social housing landlords originally over a ten-year period but now revised to 2015/16. The original basis of rent restructuring advocated by the Government involves setting rents for every dwelling according to a standard formula – the ‘formula rent’ - so that:
- 30% of each property’s rent is based on its value relative to the national average;
 - 70% is based on average earnings in the local county relative to the national average;
 - a bedroom factor is applied so that smaller properties have lower rents;
 - rent ‘caps’ limit the maximum weekly rent, ranging from £85 for a bedsit to £100 for a four-bedroom or larger property; and
 - there are rent ‘limits’ to ensure that no tenant’s rent changes by more than £2 per week above inflation plus 0.5%.
26. Members have previously been advised that the formula rent approach would reduce the rent differentials between properties of varying sizes reversing the effect of Section 162 of the 1989 Act described above and that until the statutory position changes the Government policy statement should be disregarded. The repeal of the previous legislation by the 2003 Act has not been replaced by any statutory basis for adopting formula rents. Given the adverse redistributive effects of the formula rent the Executive had agreed that the existing basis of open market rental values should continue unless the Council is specifically directed by legislation to adopt an alternative methodology.
27. Rent levels are generally subject to no decreases except where necessary to achieve a transfer that substantially reduces under-occupation of a larger property or where there would be different rents for almost identical properties in the same location as a result of changes in valuation from time to time and the rate at which the rents of such properties move towards the valuation rent. It was agreed that in such limited and other exceptional circumstances the Director of Finance, in conjunction with the Director of Housing, continue to be authorised to harmonise rents at the lower level.
28. Capping individual increases up to a maximum percentage protects tenants against sharp rent increases where there have been significant increases in market valuations. It was agreed that the 2013/14 rent increase was to be capped at 4%. Where properties have in previous years had the maximum percentage increase applied, the higher valuation rent is brought into effect on any change of tenancy following vacation.
29. The table below summarises the effects of the average £3.44 per week rent increase with no decreases and a maximum increase capped at 4%.

COUNCIL HOUSING

Summary of distribution of rent increases
with average of £3.44 per week, no
decreases and a maximum increase of 4%

| <u>Bedrooms</u> | <u>Average Increase</u> | | <u>Total</u> <u>Dwellings</u> |
|-----------------|-------------------------|-----|----------------------------------|
| | £ | % | |
| Bedsit | 1.62 | 2.2 | 986 |
| 1 | 2.26 | 2.3 | 4,540 |
| 2 | 3.52 | 2.9 | 6,426 |
| 3 | 4.52 | 2.8 | 4,165 |
| 4 | 5.44 | 2.9 | 989 |
| 5+ | 6.19 | 2.6 | 79 |
| Total | 3.44 | 2.7 | 17,185 |

Tenants' service charges

30. Individual service charges for tenants were introduced from 2004/05 on an equivalent calculation for leaseholders, but restricted to charges for cleaning in blocks, communal electricity in blocks and the hire of paladins as being eligible for housing benefit on the same basis as for rents. A further unpooling of service charges relating to garden maintenance, aerials, entrycall and estate cleaning was approved from 2010/11. In addition 2011/12 saw a further unpooling of service charges for the Sheltered Wardens service. All of these service charges are deemed to be a notional element of rent and therefore do not require a separate Executive decision on annual increases.
31. Only the service charge for health and safety functions within sheltered accommodation, introduced in 2011/12, sits outside of the rent calculation. This flat charge to all sheltered tenants reflects the additional health and safety functions undertaken in sheltered accommodation which exceed those required in the general housing stock. The charge attracts housing benefit, although those not in receipt of benefit have to fund it from their own resources. Government policy, although not compulsory, is that tenant service charges should increase by no more than RPI + 0.5% each year. This would suggest a 3.1% increase in the charge to sheltered tenants, an increase of £0.06 per week. However, it was approved, for consistency with the rent increase, to similarly increase this service charge by CPI + 0.5% rather than RPI. A 2.7% increase in the charge to sheltered tenants created a revised weekly service charge, covered by benefit where appropriate, of £1.83 per week.
32. In 2012/13 the weekly charge levied on sheltered housing tenants for individual support was temporarily suspended following a cessation of Supporting People funding of the Council's sheltered housing service. The continued suspension of this charge was approved.

HRA BUDGET FRAMEWORK

33. An updated HRA business plan and budget framework was reported to the Housing Overview and Scrutiny Committee and the Executive in November 2012. This framework was formally adjusted to take account of the recommendations in the January 2013 Housing Revenue Account and Rents for Council Dwelling report which the Council adopted as its HRA budget framework covering the period to 31st March 2016, before which time predicted HRA reserves must not be reduced by more than £10 million from the then predicted £207.678 million. The updated framework position as set out in Appendix B includes all budget variations approved since January 2013.

COUNCIL HOUSING

34. The HRA business plan graphs provide an overview of HRA trends for the coming years and the latest forecast of reserves is shown at Appendix C. The plan involves a raft of assumptions that could give different results if varied but currently assumes rent increases beyond 2013/14 and takes into account latest estimates of revenue spend and capital expenditure in line with an updated assumption on the stock condition survey. The Directors of Finance and Housing consider that this HRA business plan and framework similarly updated, would demonstrate that the Council is in a strong position to finance future expenditure plans and to achieve and maintain the decent homes standard.

DECISIONS MADE

35. Having considered the foregoing information the Executive recommended and the Council subsequently approved:
- a) that the capital programme additions be adopted;
 - b) that the Director of Housing be authorised to serve notices upon tenants of HRA dwellings to change rents with effect from Monday 1st April 2013, making an average increase of £3.44 per dwelling/week, but subject to no decreases (except in c) below) and a maximum limit on increases of 4% for existing tenants and otherwise distributed in accordance with the latest valuations;
 - c) that the Director of Finance, in conjunction with the Director of Housing, be authorised to reduce rents of individual properties in limited circumstances;
 - d) that in addition to the rent increase the service charge for additional health and safety functions undertaken in sheltered accommodation be increased by 2.7% to £1.83 per week with effect from Monday 1st April 2013;
 - e) that the service charge for the support element of the sheltered housing service be continued to be suspended following the loss of Supporting People funding and pending a review of the full rent review; and,
 - f) that the estimates shown in the Housing Revenue Account and Rents for Council Dwellings report (Paper No. 13-45) for the financial years 2012/13 to 2015/16 be adopted as the HRA budget framework, subject to any variations subsequently approved by the Executive within the overriding restriction that the HRA reserves shown for 31st March 2016 should not be forecast by the Director of Finance to reduce by more than £10 million.
36. These decisions are reflected in the statutory statement of the Council's Housing Revenue Account proposals, shown as Appendix A to this section.

COUNCIL HOUSING

APPENDIX A

HOUSING REVENUE ACCOUNT ESTIMATES FOR 2013/14

Under s.76(8) of the Local Government and Housing Act 1989, the Council is required to prepare a statement of its proposals for the Housing Revenue Account for each year. The proposals for 2013/14 were contained within papers considered by the Executive on 28th January 2013, subsequently endorsed by the Council on 6th February 2013 and shown in the preceding pages of this book. As a result of those decisions, the estimates for the Housing Revenue Account for the year 2013/14 are as follows:

| <u>HOUSING REVENUE ACCOUNT INCOME AND EXPENDITURE ACCOUNT</u> | <u>£'000</u> |
|---|------------------|
| Expenditure | |
| Repairs and maintenance | (26,053) |
| Supervision and management | (47,157) |
| Rents, rates, taxes and other charges | (468) |
| Rent Rebate Subsidy Limitation | (3,335) |
| Depreciation and impairment of non-current assets | (23,054) |
| Movement in allowance for bad debts | (4,355) |
| Total Expenditure | (104,422) |
| Income | |
| Dwelling rents | 110,734 |
| Non-dwelling rents | 3,783 |
| Charges for services and facilities | 23,957 |
| Total Income | 138,474 |
| Net Cost of HRA Services as Included in the Comprehensive Income and Expenditure Statement | 34,052 |
| HRA Services Share of Corporate and Democratic Core | (1,542) |
| Net Income from HRA Services | 32,510 |
| HRA Share of the Operating Income and Expenditure Included in the Comprehensive Income and Expenditure Account | |
| Interest payable and similar charges | (49,097) |
| Interest and investment income | 881 |
| Pensions interest cost and expected return on pension assets | 365 |
| Capital grants and contributions receivable | 3,450 |
| Surplus for the year on HRA Services | (11,891) |

| <u>STATEMENT OF MOVEMENT ON THE HOUSING REVENUE</u> | <u>£'000</u> |
|---|---------------------|
| <u>ACCOUNT BALANCE</u> | |
| Balance on the HRA at the end of previous year | 103,819 |
| Surplus or (deficit) for the year on the HRA Income and Expenditure Statement | (11,891) |
| HRA share of contributions to or from the pensions reserve | (623) |
| Difference between any other item of income and expenditure determined in accordance with the Code and determined in accordance with statutory HRA requirements | (3,450) |
| Revenue funded by capital under statute | 4,450 |
| Adjustments between accounting basis and funding basis under Statute | 377 |
| Net increase before transfers to or from reserves | (11,514) |
| Transfer to the Capital Adjustment Account | 1,000 |
| Transfers from Insurance Reserve | 234 |
| Decrease in the year on the HRA | (10,280) |
| Balance on the HRA at the end of 2013/14 | 93,539 |

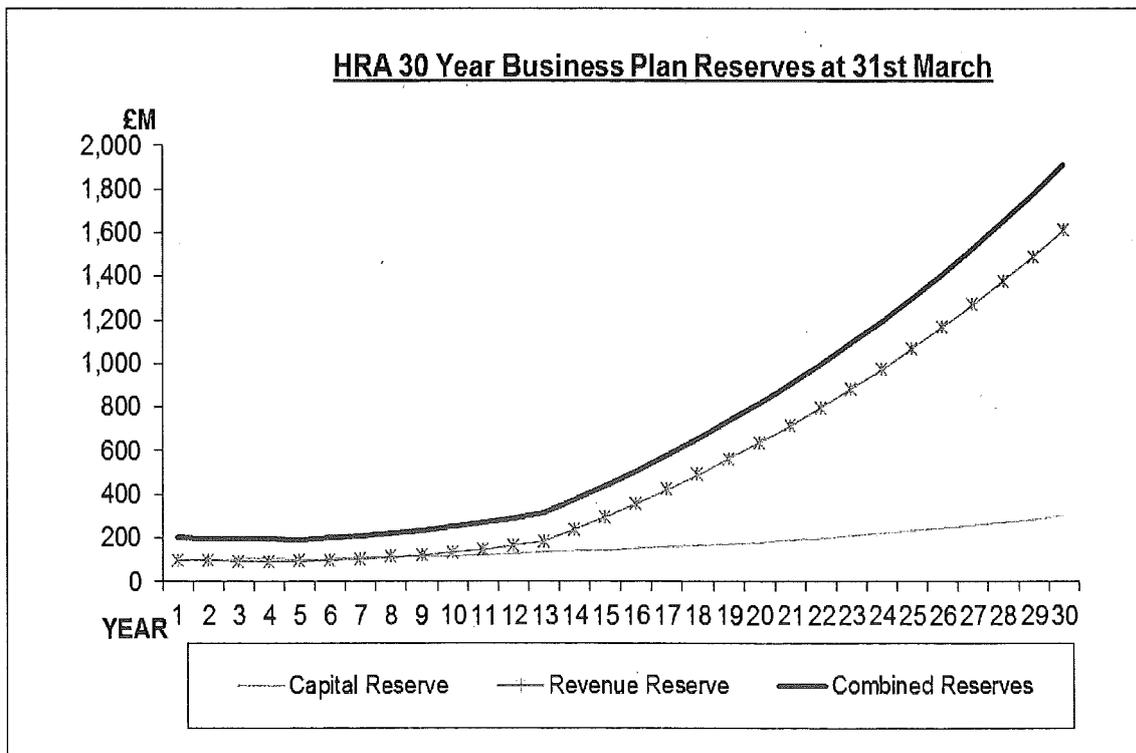
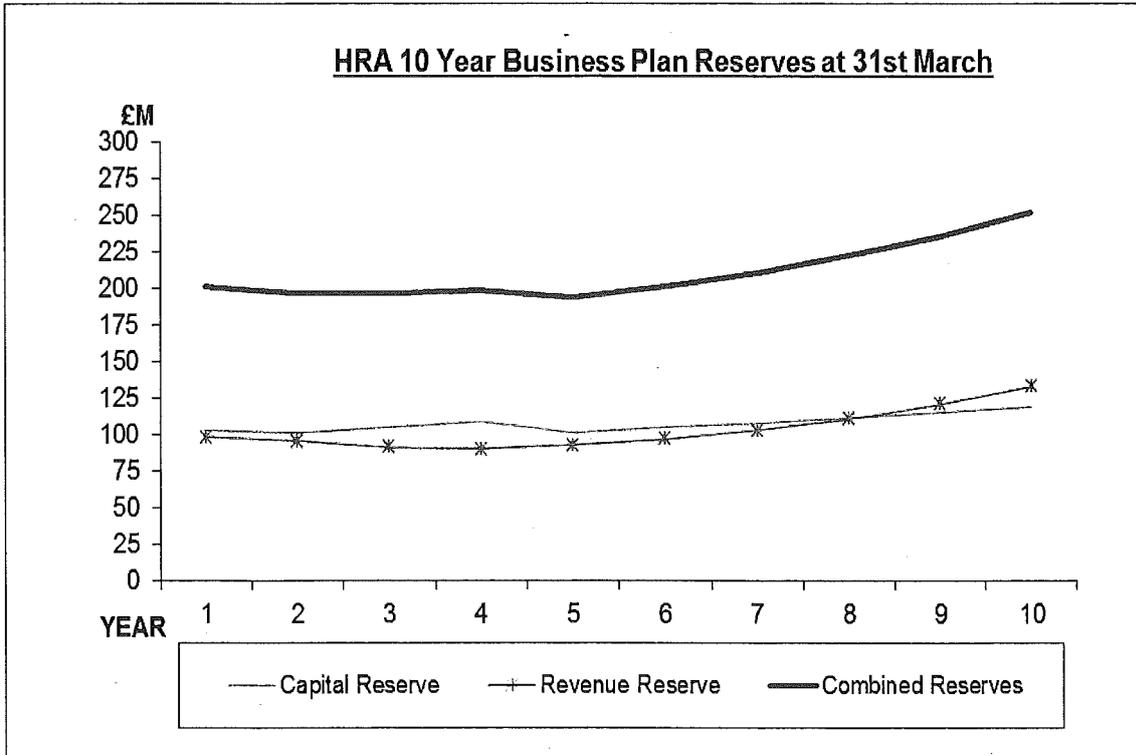
COUNCIL HOUSING

APPENDIX B

APPROVED COUNCIL HOUSING BUDGET FRAMEWORK

| | <u>Original</u> <u>Budget</u> <u>2012/13</u> £'000 | <u>Revised</u> <u>Budget</u> <u>2012/13</u> £'000 | <u>Budget</u> <u>2013/14</u> £'000 | <u>Budget</u> <u>2014/15</u> £'000 | <u>Budget</u> <u>2015/16</u> £'000 |
|---|---|--|--|--|--|
| <u>EXPENDITURE</u> | | | | | |
| <u>REVENUE</u> | | | | | |
| Supervision, Management and Maintenance | | | | | |
| Repairs & Maintenance | 25,633 | 26,531 | 26,053 | 27,274 | 28,529 |
| General Management | 30,404 | 30,311 | 30,459 | 31,189 | 32,002 |
| Special Services | 13,940 | 14,085 | 14,072 | 14,396 | 14,730 |
| Rent Rebates | 4,578 | 4,814 | 3,335 | 3,616 | 3,905 |
| Capital Financing Costs | 48,097 | 41,486 | 40,749 | 40,129 | 39,373 |
| Other Expenses | 1,320 | 1,357 | 4,823 | 8,563 | 8,830 |
| Contribution to Capital | 20,068 | 22,297 | 23,054 | 23,822 | 24,613 |
| | (144,040) | (140,881) | (142,545) | (148,989) | (151,982) |
| <u>CAPITAL</u> | | | | | |
| Repairs and Improvements | 27,394 | 22,487 | 29,163 | 23,785 | 15,952 |
| Purchase of Properties | 50 | 50 | 50 | 50 | - |
| Purchase of Vehicles | - | 15 | - | - | - |
| Portable Discounts | 750 | 750 | 750 | 750 | - |
| Roehampton Regeneration Project & Wider Non-Derogation Leases | 100 | 200 | 250 | 100 | 100 |
| | (28,294) | (23,502) | (30,213) | (24,685) | (16,052) |
| | 172,334 | 164,383 | 172,758 | 173,674 | 168,034 |
| <u>INCOME</u> | | | | | |
| <u>REVENUE</u> | | | | | |
| Gross Rents – Dwellings | 106,383 | 107,642 | 110,734 | 115,466 | 120,337 |
| Gross Rents – Non-Dwellings | 3,766 | 3,783 | 3,856 | 3,952 | 4,051 |
| Leaseholder Service Charges | 13,217 | 11,605 | 12,638 | 12,953 | 13,271 |
| Other Income | 11,077 | 11,950 | 12,204 | 12,509 | 12,833 |
| | (134,443) | (134,980) | (139,432) | (144,880) | (150,492) |
| <u>CAPITAL</u> | | | | | |
| Government Major Repairs Allowance | 20,068 | 22,297 | 23,054 | 23,822 | 24,613 |
| Capital Receipts | 1,500 | 14,000 | 1,500 | 1,200 | 1,200 |
| Capital Reimbursements | 1,960 | 1,915 | - | 729 | - |
| Leaseholder Major Works Charges | 2,665 | 3,323 | 3,450 | 2,882 | 2,952 |
| | (26,193) | (41,535) | (28,004) | (28,633) | (28,765) |
| | 160,636 | 176,515 | 167,436 | 173,513 | 179,257 |
| Total reserves at beginning of year | 185,875 | 189,126 | 201,492 | 196,404 | 196,243 |
| Appropriation from Insurance Reserve | 234 | 234 | 234 | - | - |
| Total reserves at end of year | 174,411 | 201,492 | 196,404 | 196,243 | 207,466 |

The following graphs show a graphical representation of the expected HRA capital and revenue reserves over both the 10 year and 30 year business planning period.



COUNCIL HOUSING

APPENDIX D

CAPITAL PROGRAMME

| | <u>2012/13</u> £'000 | <u>2013/14</u> £'000 | <u>2014/15</u> £'000 |
|--|-------------------------|-------------------------|-------------------------|
| <u>SUMMARY</u> | | | |
| REPAIRS AND IMPROVEMENTS TO DWELLINGS (details on pages 155 to 170) | | | |
| Major Refurbishment of Estates | 9,247 | 15,486 | 14,682 |
| Re-Lifting | 500 | 1,884 | 603 |
| Re-Wiring | 471 | 829 | 903 |
| Heating Improvements | 2,292 | 1,888 | 1,709 |
| Heating Repairs | 2,867 | 2,769 | 1,282 |
| Special Repairs | 1,046 | 1,197 | 1,020 |
| Sheltered Housing | 350 | 504 | 691 |
| Adaptations for the Disabled | 1,550 | 1,550 | 1,550 |
| Entrycall/CCTV | 903 | 356 | 211 |
| Environmental/Estate Improvements | 150 | 100 | 100 |
| Hidden Homes | 3,111 | 2,600 | 1,034 |
| | <hr/> | <hr/> | <hr/> |
| | 22,487 | 29,163 | 23,785 |
| PORTABLE DISCOUNTS | 750 | 750 | 750 |
| PURCHASE OF PROPERTIES | 50 | 50 | 50 |
| PURCHASE OF VEHICLE | 15 | - | - |
| ROEHAMPTON REGENERATION PROJECT AND WIDER NON-DEROGATION LEASE ISSUES | 200 | 250 | 100 |
| TOTAL | <hr/> | <hr/> | <hr/> |
| | 23,502 | 30,213 | 24,685 |

COUNCIL HOUSING

MAJOR REFURBISHMENT OF ESTATES

| | <u>2012/13</u> | <u>2013/14</u> | <u>2014/15</u> |
|---|----------------|----------------|----------------|
| | £'000 | £'000 | £'000 |
| ACKROYDON WEST ESTATE (West Hill) | | | |
| Chilworth Court 1-15, 16-55 - Roof Renewals | 9 | - | - |
| ALDRINGTON SOUTH ESTATE (Furzedown) | | | |
| Grierson House, Shenstone House & Tyers House - Window Renewals | 254 | - | - |
| Roof Renewals | - | 50 | 471 |
| ALTON ESTATE (Roehampton) | | | |
| Blocks D15-27 : Bordon Walk 1-23, Danebury Avenue 117-211, 213-243, Eastleigh Walk, Harbridge Avenue 1-31, 2-32, 33-83, 34-84, 85-115, Hersham Close & Shawford Court - Roof Renewals - Phase 2 | 35 | - | - |
| Blocks D28-35, L3 : Portswood Place & Sherfield Gardens - Roof Renewals - Phase 3 | 8 | - | - |
| Danebury Avenue g1 245-255 | - | 47 | 2 |
| D Blocks D1-5 & 36 : Alton Road 28-58, Fontley Way 1-20, 21-25 (link decorations) & Ibsley Gardens 81-103, 105-127, 110-148 - Window Renewals | - | 800 | 70 |
| Provision for Laverstoke Gardens - Feasibility for Danebury/Roehampton Regeneration | 20 | 424 | - |
| Regeneration Survey | 15 | - | - |
| Tangley Grove - Communal Access Roads | 7 | - | - |
| ANDERSON HOUSE (Tooting) | | | |
| Window Renewals | 71 | - | - |
| ANTRIM HOUSE (Shaftesbury) | | | |
| Window Renewals | 50 | 126 | - |
| ARGYLE ESTATE (West Hill) | | | |
| Renewal of Pitched Roof Covering - Glen Albyn Road 2a, 2-58 (e), 41-87 (o), 60-106 (e), 108-152 (e), 154-200 (e) - Phase 1 | - | 50 | 300 |
| Pitched Roof Renewals - Chobham Gardens 37-65, 37a, 66-95 & Thursley Gardens 8-25 cons, 26a, 26-42 cons - Phase 2 | - | - | 38 |
| ASHBURTON CHARTFIELD ESTATE (East Putney) | | | |
| Whole Estate excluding 34 Westleigh Avenue, 29a Mildmay House & 1a Mullens House | 20 | 1,830 | 257 |
| ASHBURTON SOUTH ESTATE (West Putney) | | | |
| Boyd Court, Cortis Road, Cortis Terrace, Tildesley Road 89-201 (o) & Westleigh Avenue 63-125 (o), 135-165 (o) - Window Renewals - Phase 1 | 2,027 | 100 | - |
| Carlsruhe Road 1-99, 2-80, 82-110, 109-167, 169-177 & Innes Gardens 1-22, 23-52, 53-64, 65-94, 95-116, 117-156 - Window Renewals - Phase 2 | 12 | 1,881 | 150 |
| Hayward Gardens & Pullman Gardens - Window Renewals - Phase 3 | - | 100 | 1,760 |
| Tildesley Road excluding 89-201 - Window Renewals - Phase 4 | - | - | 300 |
| Tildesley Road 2-100 (East Putney) - Roof Renewals | 10 | 140 | 37 |

COUNCIL HOUSING

MAJOR REFURBISHMENT OF ESTATES

| | <u>2012/13</u> £'000 | <u>2013/14</u> £'000 | <u>2014/15</u> £'000 |
|---|-------------------------|-------------------------|-------------------------|
| ASHLEY CRESCENT ESTATE (Shaftesbury) | | | |
| Roof Renewals | 323 | - | - |
| BADRIC COURT (St Mary's Park) | | | |
| Window Renewals | 42 | - | - |
| Roof Renewals | - | 50 | 550 |
| BATTERSEA HIGH STREET ESTATE (St Mary's Park) | | | |
| Tankroom Overhaul and Replacement | 39 | 55 | - |
| Window Renewals (link decorations) - Clancy Court, Coles Court, Humphrey Court, Lindsay Court, Meecham Court & Pritchard Court. Morgan Court - decorations only | - | 62 | 800 |
| BATTERSEA PARK ROAD 259 (Tooting) | | | |
| Conversion - Short Term Lets | - | 265 | 10 |
| BELLAMY HOUSE ESTATE (Tooting) | | | |
| Window Renewals | 30 | - | - |
| CARLTON DRIVE ESTATE (East Putney) | | | |
| No 24 and 25 - Roof Renewals | - | 100 | 15 |
| CLARENCE LANE ESTATE (Roehampton) | | | |
| Window Renewals | 587 | 75 | - |
| CONVENT CO-OP (Fairfield) | | | |
| Ericcson Close 2-38 (e), 3-119 (o) & Chesterton Close 1-11 - Roof Renewals and Balcony Asphalt | 27 | - | - |
| Ericcson Close & Chesterton Close - Window Renewals | - | - | 100 |
| CORNFORD GROVE (Infill) (Bedford) | | | |
| Window Renewals | 3 | - | - |
| DAWES HOUSE (near Winstanley) | | | |
| Hostel Conversion | 418 | - | - |
| EASTWOOD ESTATE (West Putney) | | | |
| Clipstone House - Roof and Window Renewals | - | 70 | 160 |
| EDGECOMBE HALL ESTATE (West Hill) | | | |
| Augustus Road 45-55 & Manningtree Close 25 - Window Renewals | 5 | - | - |
| ENDLESHAM COURT (Nightingale) | | | |
| Roof Renewal | 40 | 1 | - |
| FITZHUGH ESTATE (Wandsworth Common) | | | |
| Window Renewals | 1,065 | 44 | - |

COUNCIL HOUSING

MAJOR REFURBISHMENT OF ESTATES

| | <u>2012/13</u> | <u>2013/14</u> | <u>2014/15</u> |
|--|----------------|----------------|----------------|
| | £'000 | £'000 | £'000 |
| HESLOP COURT (Nightingale) | | | |
| Roof Renewal | - | - | 29 |
| LARCH CLOSE ESTATE (Bedford) | | | |
| Window Renewals | 7 | - | - |
| LATCHMERE ESTATE (Latchmere) | | | |
| Dampness Eradication - Tenanted Units Only (decency works) | 1 | - | - |
| LENNOX ESTATE (Roehampton) | | | |
| Burke Close, Dowdeswell Close & Rockingham Close (flatted units) | | | |
| Window Renewals - Phase 2 | -4 | - | - |
| LONGSTAFF CRESCENT, LONGSTAFF ROAD, BUCKHOLD ROAD & MAPLETON ROAD (Southfields) | | | |
| Window Renewals - Houses | 1 | - | - |
| LONGSTAFF ESTATE (East Putney) | | | |
| Hooper House, Lebanon Road 10-24 only, Luscombe House & Woodhams House - Window Renewals (link decorations) | 189 | - | - |
| McCARTHY COURT CO-OP (St Mary's Park) | | | |
| Window Renewals | 382 | 10 | - |
| MAGDALEN PARK ESTATE (Wandsworth Common) | | | |
| Brightman Road & Fieldview - Roof Renewal - Phase 1 | - | 67 | 300 |
| Godley Road, Gunners Road & Tilehurst Road - Roof Renewal - Phase 2 | - | - | 200 |
| MORRIS GARDENS ESTATE (Southfields) | | | |
| Window Renewals | - | 120 | 500 |
| PRIORY COURT (Roehampton) | | | |
| Window Renewals | 13 | - | - |
| PUTNEY VALE ESTATE (Roehampton) | | | |
| Environmental Improvements | - | 400 | 800 |
| Newlands Community Centre | 46 | - | - |
| Window Renewals - Phase 2 | 24 | - | - |
| RYDE VALE ESTATE (Bedford) | | | |
| Homemead & Hitherlands - Window Renewals | 5 | 1,033 | 10 |
| Little Dimocks 1-12 & Four Acres 1-12 - Roof Renewals | - | - | 50 |
| SAVONA ESTATE (Queenstown) | | | |
| Battersea Park Road 77-99, 103-125 - Refurbishment | 6 | - | - |
| Thessaly Road - Rebuild 178-192 and Refurbish Remainder | 21 | - | - |
| Ascalon House, Seldon House, Thessaly House 1-65 & Wenham House - Window Renewals (link decorations) | 1,078 | 200 | - |

COUNCIL HOUSING

MAJOR REFURBISHMENT OF ESTATES

| | <u>2012/13</u> £'000 | <u>2013/14</u> £'000 | <u>2014/15</u> £'000 |
|---|-------------------------|-------------------------|-------------------------|
| SHERINGHAM COURT (Earlsfield) | | | |
| Roof Renewal (link decorations) | 17 | 76 | - |
| SOMERSET ESTATE (St Mary's Park) | | | |
| Window Renewals | 60 | 1,558 | 40 |
| SURREY LANE ESTATE (St Mary's Park) | | | |
| Window Renewals - Phase 1 | 10 | 1,488 | 36 |
| Window Renewals - Phase 2 | - | 80 | 1,520 |
| Window Renewals - Phases 3/4 & Roof Renewal to Gardiner House | - | - | 300 |
| THE PLATT ESTATE (Thamesfield) | | | |
| Lockyer House & Lilburne Court - Window Renewals | 23 | - | - |
| TOWN HALL ESTATE (Shaftesbury) | | | |
| Window Renewals | 5 | 428 | 5 |
| VICTORIA DRIVE ESTATE (West Hill) | | | |
| Victoria Drive 101, Flats A-H - Window Renewals | 1 | - | - |
| WENDELSWORTH ESTATE (Fairfield) | | | |
| Culver Court, Linstone Court & Vectis Court - Roof Renewals | 169 | 10 | - |
| WINSTANLEY ESTATE (Latchmere) | | | |
| Clark Lawrence Court, Sendall Court & Shaw Court - Phase 1 | 48 | - | - |
| Sporle Court - Window Renewals | 20 | 710 | - |
| WOKING CLOSE ESTATE (Roehampton) | | | |
| Environmental Works to Follow New Development | - | - | 100 |
| YORK ROAD ESTATE (Latchmere) | | | |
| Master Plan Process Fees | 100 | 150 | - |
| Penge House & Pennethorne House - Refurbishment including Rewire/Mains Distribution Boards - Phase 1 | 5 | - | 1,060 |

COUNCIL HOUSING

MAJOR REFURBISHMENT OF ESTATES

| | <u>2012/13</u> | <u>2013/14</u> | <u>2014/15</u> |
|--|----------------|----------------|----------------|
| | £'000 | £'000 | £'000 |
| <u>Boroughwide</u> | | | |
| Digital Systems - Phase 8 | 121 | - | - |
| Digital Systems - Phase 9 | 100 | 474 | - |
| Digital Systems - Phase 10 | - | 100 | 983 |
| Secure Front Entrance Doors - Phase 8 | 21 | 21 | - |
| Secure Front Entrance Doors - Phase 9 | - | 200 | 1,199 |
| <u>Kitchens and Bathrooms - Programme</u> | | | |
| Area One Off | 8 | - | - |
| Phase 1 | 67 | - | - |
| Ethelburga Estate (St Mary's Park) | | | |
| Holgate Avenue (Latchmere) | | | |
| Melody Road Estate (Wandsworth Common) | | | |
| Portinscale Estate (East Putney) | | | |
| Rollo Estate (Queenstown) | | | |
| Wendelsworth Estate (Fairfield) - Kirton Lodge - Kitchens only | | | |
| Wycliffe Estate (Shaftesbury) | | | |
| Phase 2 | | | |
| Argyle (Esher), (Glen Albyn), (Limpsfield), (Smithwood Close) & (Winterfold) | 205 | - | - |
| Phase 3 | | | |
| William Willison Estate (West Hill) | 1,281 | - | - |
| Phase 4 | | | |
| William Willison Estate (West Hill) (completion) | 100 | 1,091 | 30 |
| Continuation Programme Future Phases | - | - | 500 |
| Conversion Fund from External Decorations to Window Renewals | - | 1,000 | 2,000 |
| TOTAL MAJOR REFURBISHMENT OF ESTATES | <u>9,247</u> | <u>15,486</u> | <u>14,682</u> |

COUNCIL HOUSING

RE-LIFTING

| | <u>2012/13</u> | <u>2013/14</u> | <u>2014/15</u> |
|--|----------------|----------------|----------------|
| | £'000 | £'000 | £'000 |
| Ackroydon Estate (West Hill) - Chilworth Court 16-55, Duncombe House & Oatlands Court - Phase 2 East | 150 | 141 | - |
| Alton Estate (Roehampton) - Phase 6 (E blocks) | 1 | - | - |
| Ashburton South Estate (West Putney) | | | |
| - Carslake Road 109-167(o) & Cortis Road 280-308 | - | 40 | 230 |
| - Hayward Gardens 211-250 | 5 | 286 | 10 |
| - Innes Gardens 1-22 | - | 35 | 101 |
| - Innes Gardens 23-52, 53-64, 65-94, 95-116 | 1 | - | - |
| - Tildesley Road 263-387 (o), 411-513 (o) | 220 | 180 | - |
| - Tildesley Road 21-261 | 5 | 757 | - |
| Balham Hill Estate (Balham) - Graham House & Hales House - Phase 2 | 3 | 257 | 10 |
| Doddington Estate (Queenstown) - Bank Court | 2 | 83 | 10 |
| Eastwood Estate (West Putney) - Clipstone House H518 | - | - | 36 |
| Edgecombe Hall Estate (West Hill) - Edgecombe House & William Harvey House | 5 | 81 | - |
| Falcon Estate (Latchmere) - Eden House, Ridley House & Temple House | 91 | 4 | - |
| Longstaff Estate (East Putney) | 7 | - | - |
| Ranelagh Estate (Thamesfield) - Huntingford House | - | 20 | 81 |
| Ryde Vale Estate (Bedford) - Hitherlands and Homemead | - | - | 60 |
| Savona Estate (Queenstown) - Ascalon House, Thessaly House & Wenham House | 4 | - | - |
| Somerset Estate (St Mary's Park) - Selworthy House & Sparkford House | 6 | - | - |
| Southmead Estate (West Hill) - Lift Serving 5 blocks | - | - | 65 |
| TOTAL RE-LIFTING | <u>500</u> | <u>1,884</u> | <u>603</u> |

COUNCIL HOUSING

RE-WIRING

| | <u>2012/13</u> | <u>2013/14</u> | <u>2014/15</u> |
|---|----------------|----------------|----------------|
| | £'000 | £'000 | £'000 |
| Alverton Court (Fairfield) - Mains Renewal | 5 | - | - |
| Argyle Esher Estate (West Hill) - Bisley House - Communal Wiring | 73 | 11 | - |
| Badric Court (St Mary's Park) - Rewires, Communals and Laterals | 47 | 312 | 30 |
| Carnie Lodge (Bedford) - Rewires and Laterals | - | - | 59 |
| Doddington Estate (Queenstown) - Arthur Court, Lucas Court, Palmerston House, St George House & Youngs Court - Renewal of Communal Mains | 9 | - | - |
| Edwyn Trayfoot Lodge (Latchmere) - Fire Alarms/Emergency Lighting | 29 | - | - |
| Falcon Estate (Latchmere) - Laterals and Distribution Boards | - | - | 28 |
| Fernlea Road Estate (Balham) - Laterals and Ryefields | - | - | 11 |
| Fitzhugh Estate (Wandsworth Common) - Distribution Boards | 20 | 92 | - |
| Gravenal Gardens (Graveney) - Rising Mains, Laterals and Rewires | - | - | 27 |
| Harling Court (Latchmere) - Estate Lighting | - | - | 21 |
| Harwood Court (Thamesfield) - Lateral Mains | 10 | - | - |
| Powrie House (St Mary's Park) - Rising Mains | - | - | 27 |
| Savona Estate (Queenstown) - Rewires and Communals | - | 85 | 500 |
| Streathbourne Road 111-117 (Bedford), Hafer Road 4-8 (Northcote) & Lavender Sweep 68-72 (Shaftesbury) - Electric Renewals | 6 | - | - |
| The Alders (Furzedown) - Rewires and Communals | 28 | 129 | - |
| York Road Estate (Latchmere) - Chesterton House, Holcroft House, Inkster House, Penge House, Pennethorne House & Scholey House - Mains, Distribution Boards and Rewires | 6 | - | - |
| Community and Clubrooms - Fire Alarms, Emergency Lighting and Electrical Renewals | 38 | - | - |
| Individual Rewires | 200 | 200 | 200 |
| TOTAL RE-WIRING | <u>471</u> | <u>829</u> | <u>903</u> |

COUNCIL HOUSING

HEATING IMPROVEMENTS

| | <u>2012/13</u> | <u>2013/14</u> | <u>2014/15</u> |
|--|----------------|----------------|----------------|
| | £'000 | £'000 | £'000 |
| Individual Installations | 200 | 200 | 200 |
| Back Boilers - Boroughwide - Infills | - | - | 110 |
| Acquireds | - | - | 120 |
| Ackroydon East Estate (West Hill) | 3 | 684 | 35 |
| All Saints Co-Op (Queenstown) - Lurline Gardens | 23 | - | - |
| Ashburton South Estate (West Putney) - Hayward Gardens - Phase 3 | 41 | - | - |
| Ashburton South Estate (West Putney) - Carslake Road - Phase 4 | 476 | 5 | - |
| Ashburton South Estate (West Putney) - Tildesley Road - Phase 5 | 50 | 931 | 159 |
| Ashley Crescent (Shaftesbury) | 397 | 10 | - |
| Edgecombe Hall Estate (West Hill) - Replacement of Heating and Hot Water Systems | - | - | 625 |
| Morris Gardens (Southfields) - Replacement of Heating and Hot Water Systems | - | - | 70 |
| Rowditch Lane (Latchmere) - Replacement of Heating and Hot Water Systems | - | - | 140 |
| Streatham Park Estate (Furzedown) | 153 | 18 | - |
| Waylands Road (Latchmere) - Replacement of Heating and Hot Water Systems | - | - | 250 |
| William Willison Estate (West Hill) - Replacement Electric Systems - Phase 1 | 105 | - | - |
| William Willison Estate (West Hill) - Phase 2 | 844 | 40 | - |
| TOTAL HEATING IMPROVEMENTS | <u>2,292</u> | <u>1,888</u> | <u>1,709</u> |

COUNCIL HOUSING

HEATING REPAIRS

| | <u>2012/13</u> | <u>2013/14</u> | <u>2014/15</u> |
|--|----------------|----------------|----------------|
| | £'000 | £'000 | £'000 |
| Alton Estate (Roehampton) - Stoughton Close - Boiler | - | 250 | 8 |
| Arndale Estate (Southfields) - Eliot Court & Wentworth Court - Supply Network Communal Heating | 10 | 980 | 20 |
| Ashcombe Court (East Putney) | - | - | 65 |
| Auckland Road Estate (Northcote) | - | - | 100 |
| Carnie Lodge (Bedford) | - | - | 51 |
| Doddington Estate (Queenstown) - St George House & Arthur Court - New Boiler House - Phase 1 | 246 | - | - |
| Doddington Estate (Queenstown) - Bolton Court, Falkener Court, Kennard House, Landseer House & Voltaire Court - Phase 2 | 35 | - | - |
| Doddington Estate (Queenstown) - Cromwell House, Russell Court & Youngs Court - Phase 3 | 1,289 | 40 | - |
| Doddington Estate (Queenstown) - Lucas Court & Palmerston House - Phase 4 | 1,150 | 188 | - |
| Doddington Estate (Queenstown) - Connor Court & Turpin House - Phase 5 | - | 886 | 940 |
| Maysoule Road (Latchmere) - Abandon Communal System | 127 | - | - |
| McCarthy Court (St Mary's Park) - Abandon Communal System | 10 | 425 | 23 |
| Rambler Close (Furzedown) | - | - | 75 |
| TOTAL HEATING REPAIRS | <u>2,867</u> | <u>2,769</u> | <u>1,282</u> |

COUNCIL HOUSING

SPECIAL REPAIRS

| | <u>2012/13</u> | <u>2013/14</u> | <u>2014/15</u> |
|---|----------------|----------------|----------------|
| | £'000 | £'000 | £'000 |
| Acquired Properties - Roofs, Decorations & Damp Proofing | 350 | 350 | 300 |
| Derinton Road Community Centre (Queenstown) - Refurbishment | - | 150 | - |
| Diprose Lodge (Tooting) - Lighting Upgrade | 55 | 7 | - |
| Evenwood Close (East Putney) - Roof Renewal (link decorations) | - | 140 | 20 |
| Frensham Drive 2-12 - Entrycall Installation | 8 | - | - |
| Granfield Street 1-32 & Althorpe Mews 13-20 (St Mary's Park) - Roofing | 1 | - | - |
| Heathfield Road 37 & 39 (Wandsworth Common) - Refurbishment | 1 | - | - |
| Nimrod Road 210-212 (Furzedown) - Conversion to 6 Bed Property | 7 | - | - |
| Phelps House (Thamesfield) - Roof Renewal | 1 | - | - |
| Queenstown Road 85/87 (Queenstown) - C.O.S.T.A. Feasibility and Refurbishment | 9 | - | - |
| Surrey Lane (St Mary's Park) - Car Park Following Demolition | 32 | - | - |
| West Hill - WWA DV Hostel | 10 | - | - |
| Yew Tree Lodge - Renewal of Alarms | 20 | - | - |
| Asbestos Removal | - | - | 350 |
| Asbestos Removal - Contingency | 50 | 50 | - |
| Housing Condition Survey | 140 | - | - |
| Extension/Conversion (Area Team) | | | |
| - Eastleigh Walk 13 (Roehampton) | 27 | - | - |
| - Swanwick Close 5 (Roehampton) | 35 | - | - |
| Minor Environmental Schemes | 300 | 300 | 50 |
| Provision for Future Years | - | 200 | 300 |
| TOTAL SPECIAL REPAIRS | 1,046 | 1,197 | 1,020 |

COUNCIL HOUSING

SHELTERED HOUSING

| | 2012/13 | 2013/14 | 2014/15 |
|---|---------|---------|---------|
| | £'000 | £'000 | £'000 |
| <u>Major Conversions</u> | | | |
| Abyssinia Close (Northcote) - Lift Refurbishment | 64 | 5 | - |
| Althorpe Mews, Kirton Lodge & St Margaret's Court | | | |
| - Installation of Overhead Showers - Phase 4 | - | - | 145 |
| Cowick Road (Tooting) - Extension/Clubroom | 1 | - | - |
| Doris Emmerton Court (Latchmere) - Lift Refurbishment | - | 50 | 150 |
| Ivor Mayor Lodge (Balham) - Including Lift Refurbishment | 2 | - | - |
| Nursery Close (East Putney) | 50 | - | - |
| Rambler Close (Furzedown) - Lift Installation | 1 | - | - |
| Sclater Road Estate (West Putney) - Grosse Way 1-34 | | | |
| - Communal Window Renewals | 2 | - | - |
| Washington Court (Graveney) | 5 | - | - |
| <u>Boroughwide Sheltered Schemes</u> | | | |
| Communal Boiler Replacement | | | |
| - Fontley Way 1-35 (Roehampton) & Hepplestone Close 1-32 (West Putney) | 4 | - | - |
| - Burke Close 1-27 (Roehampton) & Dowdeswell Close 6-40 (Roehampton) | 5 | - | - |
| Introduction of Blending Valves - Contract 1 | 16 | - | - |
| Introduction of Blending Valves - Contract 2 | 12 | - | - |
| Installation of Overhead Showers - Carey Gardens - Phase 1 | 64 | - | - |
| Installation of Overhead Showers - Grosse Way, Hepplestone Close & Riplington Court - Phase 2 | 20 | 294 | - |
| Installation of Overhead Showers - Lennox & Alton Estates - Phase 3 | - | 150 | 341 |
| Automatic Opening Doors | 104 | 5 | - |
| Upgrade CCTV (VCR to DVD) - 14 sites | - | - | 55 |
| TOTAL SHELTERED HOUSING | 350 | 504 | 691 |

COUNCIL HOUSING

ADAPTATIONS FOR THE DISABLED

| | <u>2012/13</u> | <u>2013/14</u> | <u>2014/15</u> |
|---|----------------|----------------|----------------|
| | £'000 | £'000 | £'000 |
| Conversion of Vacant Properties | 850 | 850 | 850 |
| Future Years Provision | 700 | 700 | 700 |
| TOTAL ADAPTATIONS FOR THE DISABLED | <u>1,550</u> | <u>1,550</u> | <u>1,550</u> |

COUNCIL HOUSING

ENTRYCALL/CCTV

| | <u>2012/13</u> | <u>2013/14</u> | <u>2014/15</u> |
|--|----------------|----------------|----------------|
| | £'000 | £'000 | £'000 |
| <u>Controlled Entry</u> | | | |
| Alton Estate (Roehampton) - Witley Point | 20 | 4 | - |
| Downholme (East Putney) - Replacement of Door Entry System | 16 | 4 | - |
| Eastwood North Estate (West Putney) - Installation of New Entrycall | 1 | - | - |
| Eastwood South Estate (West Putney) - Installation of New Entrycall | 6 | - | - |
| Fayland Estate (Furzedown) - Shelburne House - Replacement of Entrycall | - | - | 18 |
| Fernlea Road 65 (A-I) (Balham) - Installation of Entrycall | - | - | 20 |
| Harling Court (Latchmere) - Installation of New Entrycall | 54 | 5 | - |
| Lavender Hill 160 (Shaftesbury) - Replacement of Door Entry System | 6 | - | - |
| Lochinvar Estate (Balham) - Renewal of Entrycall System | 5 | 77 | - |
| Meecham Court (St Mary's Park) 1-8, 9-44, 45-80 & The Alders 81-88 - Installation of Entrycall | - | - | 45 |
| Morris Gardens (Southfields) - Entrycall Installation | 25 | 125 | - |
| Newlands Estate (Bedford) - Barringer Square - Replacement System | 18 | 2 | - |
| Patmore Estate East (Queenstown) - Refurbishment of Entrycall | 164 | 4 | - |
| Pavillion Chambers & Lavenham Court (Northcote) - Refurbishment of Entrycall | 2 | 20 | - |
| Rollo Estate (Queenstown) - Replacement of Entrycall | 14 | - | - |
| Ryde Vale Estate (Bedford) - Four Acres 1-6, 7-12, Hitherlands 1-28 & Homestead 1-28 - Renewal of Door Entry System | - | 20 | 42 |
| Sheridan House (Latchmere) - Replacement System | 10 | 25 | - |
| St James Close 9-38 (Nightingale) - Replacement System | 14 | 2 | - |
| Sunlea Lodge (Southfields) - Renewal of Door Entry System | 12 | - | - |
| The Alders (Furzedown) - Renewal of Door Entry System | - | 20 | 46 |
| William Willison Estate (West Hill) - Keevil Drive 1-63, 65-127 | - | 10 | 40 |
| Winstanley Estate (Latchmere) - 3 Towers - Replacement System | 4 | 38 | - |

COUNCIL HOUSING

ENTRYCALL/CCTV

| | <u>2012/13</u> | <u>2013/14</u> | <u>2014/15</u> |
|---|----------------|----------------|----------------|
| | £'000 | £'000 | £'000 |
| <u>CCTV - Expansion and Modernisation</u> | | | |
| Ackroydon East Estate (West Hill) - Montfort Shopping Parade CCTV | 2 | - | - |
| Aldrington South Estate (Furzedown) | 62 | - | - |
| Alton Estate (Roehampton) - Danebury Avenue 31-115 - CCTV on Entrycall Doors | 6 | - | - |
| Ashburton South (West Putney) - Scheme 1 | 20 | - | - |
| Ashburton South (West Putney) - Scheme 2 | 33 | - | - |
| Burtop Road (Earlsfield) | 7 | - | - |
| Doddington Estate (Queenstown) | 5 | - | - |
| Fayland Estate (Furzedown) | 59 | - | - |
| Henry Prince Estate (Earlsfield) - Additional Cameras | 51 | - | - |
| Kambala Estate (Latchmere) | 34 | - | - |
| Keevil Drive 146-256 (West Hill) | 2 | - | - |
| Melody Road (Wandsworth Common) | 1 | - | - |
| Patmore Estate (Queenstown) - Transmission Links to Control Room | 3 | - | - |
| Rollo Estate (Queenstown) - New CCTV System | 2 | - | - |
| Ryde Vale Estate (Bedford) | 1 | - | - |
| The Alders Estate (Furzedown) | 59 | - | - |
| Sheltered - Boroughwide - Upgrade Digital Recording Facilities | 2 | - | - |
| <u>Upgrade of IP for Digitilisation</u> | | | |
| Renewal of CCTV Cameras and Equipment | 181 | - | - |
| Anderson House | 1 | - | - |
| Gravenal Gardens | 1 | - | - |
| TOTAL ENTRYCALL/CCTV | 903 | 356 | 211 |

COUNCIL HOUSING

ENVIRONMENTAL/ESTATE IMPROVEMENTS

| | <u>2012/13</u> | <u>2013/14</u> | <u>2014/15</u> |
|--|----------------|----------------|----------------|
| | £'000 | £'000 | £'000 |
| Playground Refurbishment | 100 | 100 | 100 |
| Site Clearance | 50 | - | - |
| TOTAL ENVIRONMENTAL/ESTATE IMPROVEMENTS | <u>150</u> | <u>100</u> | <u>100</u> |

COUNCIL HOUSING

HIDDEN HOMES

| | <u>2012/13</u> | <u>2013/14</u> | <u>2014/15</u> |
|--|----------------|----------------|----------------|
| | £'000 | £'000 | £'000 |
| Abbott House (Balham) - Units Built on Roof | 60 | 695 | 2 |
| Battersea Park Road 103-125 | 47 | 798 | 888 |
| Cambalt Road (East Putney) | 10 | - | - |
| Clipstone House (West Putney) | 7 | - | - |
| Doddington Estate (Queenstown) | 33 | - | - |
| Hazelhurst Estate (Tooting) | 2 | - | - |
| Wheeler Court (Latchmere) - St Christophers Clinic | 50 | 550 | 44 |
| William Willison Estate (West Hill) - Castlecombe Drive - Penthouse | 50 | - | - |
| Boroughwide Contract 3 - Fitzhugh & Wandsworth Common | - | 405 | 100 |
| <u>Other Schemes/Feasibilities</u> | | | |
| Boroughwide Provision for New Homes Feasibility | 2 | - | - |
| Rollo Estate (Queenstown) - Creation of Additional Units | 2,705 | 150 | - |
| Smithwood Close 122 (West Hill) | 90 | 2 | - |
| Streatham Park & Aldrington South (Furzedown) & Badric Court (St Mary's Park) | 25 | - | - |
| Whitlock Drive | 1 | - | - |
| William Harvey Clinic - Ashburton Estate | 29 | - | - |
| TOTAL HIDDEN HOMES | <u>3,111</u> | <u>2,600</u> | <u>1,034</u> |

SECTION 6
GENERAL CAPITAL BUDGETS

This section includes the review of the financing of the Council's General Capital Programme 2012/13 to 2014/15, approved by the Executive on 4th March 2013.

Capital Financial Controllers:

Adult Care and Health Services:

Katherine Burston
Tel: 020-8871 6506

Education and Children's Services:

Matthew Rowe
Tel: 020-8871 8041

Finance and Corporate Resources:

Brian Skelton
Tel: 020-8871 6499

Environment, Culture and Community Safety:

Rob Hallett
Tel: 020-8871 6507

Housing:

Mark Davies
Tel: 020-8871 6502

Strategic Planning and Transportation:

Rob Hallett
Tel: 020-8871 6507

Treasury Management/Capital Accountant:

John Steer
Tel: 020-8871 7589

CAPITAL RESOURCES (GENERAL)

Financing the Programme

1. The Council's ability to finance capital spending is restricted only by its own view on affordability, subject to the Government's possible imposition of limits on local authority borrowing for macro-economic reasons.
2. The potential sources of finance for the Council's capital expenditure are: -
 - (a) grants and reimbursements earmarked for particular schemes or services, and obtained only on condition that a corresponding addition is made to the programme;
 - (b) Government capital grants not earmarked for particular schemes or services;
 - (c) Community Infrastructure Levy (CIL) and Section 106 payments;
 - (d) realisation of investments of usable capital receipts and reserves;
 - (e) borrowing; and
 - (f) contributions from Council revenue accounts.
3. Not all of these resources are currently relevant, however. Borrowing is financially disadvantageous compared with the alternative of investment realisation, as long as the Council has substantial investments available for this purpose - except in the limited circumstances of 'spend-to-save' schemes in schools. Moreover, the Government has the powers to impose a national limit on local authorities' borrowing, so borrowing could not be relied upon to finance a medium-term capital programme, currently. Contributions from Council revenue accounts are rarely available for the general capital programme, because of the impact on council tax, although some limited funding is available including the Renewals Fund, amounting to £0.9 million in the current year.
4. Currently then, the major sources of finance for the Council's capital expenditure are grants and realisation of investments. These are discussed in more detail below.

Capital Grants

5. Capital grants are often given for specific projects but, occasionally, grants are unearmarked as "Supported Capital Expenditure (Capital) Single Capital Pot". Some Children's Services capital grants are now described as 'within the Single Capital Pot'.

6. Grants and reimbursements expected to support the programme over the three years exceed £97.1 million. The most significant are Government grants for education schemes totalling around £85 million. Other major sources of funds are Transport for London grant of £8.3 million, and renovation grants of £2.1 million.

7. CIL is a levy which local authorities can charge on new developments and use to fund infrastructure in the local area. The CIL is a standard charge based on development size and location. The Wandsworth CIL commenced on 1st November 2012 and applies to planning decisions on developments from that date. After deduction of an amount set aside for administration CIL income will be treated as capital resources to fund Capital works. Expenditure funded by the CIL is not ring-fenced to the area of the development and therefore can be spent on infrastructure throughout the borough. The Council may carry forward CIL income to fund future identified infrastructure schemes. The projections of CIL capital receipts, which are still to be confirmed, are estimated to be £4,516,000 in 2013/14 and £6,944,000 in 2014/15 and 2015/16. These have not been included in the use of capital receipts and grants table in paragraph 11 and will be shown separately when confirmed. Any CIL receipt for the Vauxhall Nine Elms area will either be transferred to the Greater London Authority to fund construction of the northern line extension or applied to other infrastructure in the area.

Realisation of Investments

8. The amount of the Council's investments at any time reflects daily variations in routine cashflows as well as capital spending, debt redemption, and new capital receipts. The overall outlook for investments is reviewed in the context of the treasury management policy (see pages 20 to 28). The Council's Treasury Management Strategy for 2013/14 shows total investments expected to be around £310 million by 31st March. But these relate almost entirely to current liabilities and to General Fund reserves for contingencies and specific purposes. The only investments available specifically for financing the general capital programme are those arising from the capital receipts, which are neither payable to the Government nor used within the Housing Revenue Account and specific elements within the renewals fund which were previously set aside to finance capital projects.

9. The Council had usable capital receipts in hand amounting to £39.6 million at the start of 2012/13. Forecast capital receipts include the estimates of sales of Council dwellings, based on existing policies, of 661 in 2012/13, 45 in 2013/14 and 45 in 2014/15. Also included are estimates relating to sales of sites already identified as surplus, amounting to £44.2 million in 2012/13, £27.3 million in 2013/14, and £30.2 million in 2014/15. The estimates for total receipts are shown in the table in the General Capital Budget Framework on the next page.

10. Regulations require part of housing capital receipts to be paid to the Government: 75% for dwelling sales and 50% for other sales of HRA assets, such as land. The Council takes full advantage, however, of the exemption for receipts other than proceeds from Right-to-Buy disposals that are earmarked to finance the cost of “the provision of affordable housing and regeneration”. The estimates for receipts paid to the Government and used for affordable housing and regeneration are also shown in the table in the General Capital Budget Framework.

GENERAL CAPITAL BUDGET FRAMEWORK

11. The table below compares the estimated capital grants and receipts with the capital payments to be financed. The £39.6 million usable receipts at the start of 2012/13, after increasing to £64.9 million by the end of 2012/13, will then decrease to £43.3 million at the end of 2013/14 and then increase to £47.8 million at the end of 2014/15.

| | <u>2012/13</u> | <u>2013/14</u> | <u>2014/15</u> |
|--|----------------|----------------|----------------|
| | £'m | £'m | £'m |
| Usable Capital Receipts at start of year | 39.6 | 64.9 | 43.3 |
| Add: Grants and reimbursements | 50.2 | 41.8 | 5.1 |
| Add: Renewals Fund | 0.9 | 0.1 | 0.0 |
| Add: New capital receipts (net of adjustment) | 59.0 | 38.1 | 40.9 |
| Less: Capital receipts paid to Government | -2.2 | -1.3 | -2.1 |
| Less: Capital receipts for affordable housing | -14.4 | -25.6 | -15.3 |
| Less: Total General Capital Payments (after slippage) | -68.2 | -74.7 | -24.1 |
| Usable Capital Receipts at end of year | <u>64.9</u> | <u>43.3</u> | <u>47.8</u> |

12. The table in paragraph 11 forms part of the revised general (non-HRA) capital budget framework adoption by the Council. In view of the overall pressures on council tax in the next few years, and due to the current uncertainty in the economic climate which may affect the sale of sites and reduce the available capital receipts at 31st March 2015, it is proposed that the discretion be limited to a net figure of about £12 million. The additional full year annual impact of such a reduction would be equivalent to about £0.48 on band D council tax.

Revenue Effects

13. Capital payments have no revenue effect to the extent that they are financed by capital grant, provided that the grant is not significantly delayed. Payments financed by the realisation of investments entail loss of interest on those investments. While the Council is expected to remain at the formula Grant "floor" for the foreseeable future, the Government support for capital spending through the Formula Grant system offers no benefit.

14. The revenue effects, based on the loss of investment interest at the current budgeted rate, of the revised General Capital Programme shown in the table in paragraph 11 have a full annual impact of £321,428 equivalent to £2.80 band D council tax.

SUMMARY OF GENERAL CAPITAL PROGRAMME 2012/13 - 2014/15

| | <u>2012/13</u> | <u>2013/14</u> | <u>2014/15</u> |
|---------------------------------------|----------------|----------------|----------------|
| | £'000 | £'000 | £'000 |
| <u>ADULT CARE AND HEALTH SERVICES</u> | | | |
| Adult Care | 1,276 | 1,292 | 100 |
| | <u>1,276</u> | <u>1,292</u> | <u>100</u> |

EDUCATION AND CHILDREN'S SERVICES

| | | | |
|--------------------------------|---------------|---------------|---------------|
| Secondary Education | 44,867 | 39,363 | 13,700 |
| Primary Education | 10,871 | 13,862 | 4,242 |
| Special Schools | 168 | 1,420 | 300 |
| Other Education Funded Schemes | 1,117 | 1,359 | 1,080 |
| Other Services | 1,250 | 238 | 145 |
| | <u>58,273</u> | <u>56,242</u> | <u>19,467</u> |

ENVIRONMENT, CULTURE AND COMMUNITY SAFETY

| | | | |
|-------------------------------------|--------------|------------|-----------|
| Leisure Centres and Sports Services | 442 | 80 | - |
| Libraries Services | 860 | - | - |
| Public Halls/Community Centres | 147 | - | 72 |
| Parks and Open Spaces | 250 | 723 | - |
| Environmental Services | 25 | 70 | - |
| Town Centres | 21 | - | - |
| Crime Reduction Strategy | 19 | - | - |
| | <u>1,764</u> | <u>873</u> | <u>72</u> |

SUMMARY OF GENERAL CAPITAL PROGRAMME 2012/13 - 2014/15

| | <u>2012/13</u> | <u>2013/14</u> | <u>2014/15</u> |
|--|----------------|----------------|----------------|
| | £'000 | £'000 | £'000 |
| <u>FINANCE AND CORPORATE RESOURCES</u> | | | |
| Administrative Buildings | 425 | 313 | 415 |
| IT Services | 921 | 1,063 | - |
| Property Services | 3,017 | 898 | 25 |
| | <u>4,363</u> | <u>2,274</u> | <u>440</u> |
| | | | |
| <u>HOUSING</u> | | | |
| Loans to Leaseholders | 50 | 150 | 175 |
| Renovation Grants | 1,152 | 837 | 150 |
| | <u>1,202</u> | <u>987</u> | <u>325</u> |
| | | | |
| <u>STRATEGIC PLANNING AND TRANSPORTATION</u> | | | |
| Highways Services | 6,238 | 7,928 | 2,500 |
| Depots | - | - | 207 |
| Equipment and Vehicles | 45 | - | - |
| Planning Services | 128 | - | - |
| Economic Development | 800 | 1,062 | - |
| | <u>7,211</u> | <u>8,990</u> | <u>2,707</u> |
| | | | |
| TOTAL CAPITAL PROGRAMME | <u>74,089</u> | <u>70,658</u> | <u>23,111</u> |

ADULT CARE AND HEALTH SERVICES

CAPITAL SCHEMES

| | <u>2012/13</u> £'000 | <u>2013/14</u> £'000 | <u>2014/15</u> £'000 |
|---|-------------------------|-------------------------|-------------------------|
| <u>ADULT CARE</u> | | | |
| Adaptations for the Disabled | 120 | 100 | 100 |
| Better Days Programme | | | |
| - Tooting Community Base (Graveney) | - | 58 | - |
| - Wandsworth Community Base (Fairfield) | 53 | 49 | - |
| - Learning Disabilities Additional Minibus | 33 | - | - |
| Complex Needs Hub | 45 | 1,012 | - |
| Electronic Monitoring of Homecare | 40 | - | - |
| Gwyneth Morgan Day Centre (Fairfield) - Renewal of Boiler Plant | 39 | - | - |
| Inner Park Road (West Hill) - Remodelling | 66 | - | - |
| Minibuses - Learning Disability Transport | 140 | - | - |
| Randall Close Day Centre (St Mary's Park) - Replacement Windows | - | 73 | - |
| 86 Thurleigh Road (Balham) - Remodelling | 460 | - | - |
| 2 Wardley Street (Earlsfield) - Remodelling | 280 | - | - |
| TOTAL ADULT CARE | 1,276 | 1,292 | 100 |

EDUCATION AND CHILDREN'S SERVICES

CAPITAL SCHEMES

| | <u>2012/13</u> | <u>2013/14</u> | <u>2014/15</u> |
|---|----------------|----------------|----------------|
| | £'000 | £'000 | £'000 |
| <u>SECONDARY EDUCATION</u> | | | |
| Building Schools for the Future (BSF) | | | |
| - Burntwood (Earlsfield) | 12,139 | 14,979 | - |
| - Southfields (Southfields) | 14,696 | 7,043 | - |
| BSF IT and Infrastructure | | | |
| - Burntwood (Earlsfield) | 2,153 | - | - |
| - Southfields (Southfields) | 1,782 | - | - |
| Bolingbroke Academy (Northcote) | 9,143 | 1,823 | - |
| Elliott (West Putney) | | | |
| - Initial Development Costs | 4,934 | 18 | 100 |
| - Major Remodelling | 20 | 15,000 | 13,600 |
| John Bosco College (St Mary's Park) - Redevelopment | - | 500 | - |
| TOTAL SECONDARY EDUCATION | 44,867 | 39,363 | 13,700 |

PRIMARY EDUCATION

ROOF CLADDING AND WINDOWS (All Basic Needs)

| | | | |
|--|-------|----|---|
| Broadwater (Tooting) - New Windows - Phase 2 | 45 | - | - |
| Broadwater (Tooting) - New Windows - Phase 3 | 193 | 9 | - |
| Earlsfield (Earlsfield) - Replacement Windows | 353 | 8 | - |
| Fircroft (Tooting) - Replacement Windows | 171 | - | - |
| Franciscan (Graveney) - Replacement Windows | 233 | - | - |
| Shaftesbury Park (Shaftesbury) - Replacement Windows | 353 | 8 | - |
| Southmead (West Hill) - Renew Roof Coverings | 398 | - | - |
| Swaffield (Wandsworth Common) - Replacement Windows | 204 | - | - |
| Various Final Accounts | 20 | 20 | - |
| | 1,970 | 45 | - |

EDUCATION AND CHILDREN'S SERVICES

CAPITAL SCHEMES

| | <u>2012/13</u> £'000 | <u>2013/14</u> £'000 | <u>2014/15</u> £'000 |
|--|-------------------------|-------------------------|-------------------------|
| ADDITIONAL PLACES - BASIC NEEDS | | | |
| Alderbrook (Balham) | 964 | 60 | - |
| Beatrix Potter (Wandsworth Common) | 1,138 | 226 | - |
| Belleville (Northcote) - Consultant Fees/Equipment | 132 | - | - |
| Brandlehow (Thamesfield) - Additional Classroom | 300 | 873 | - |
| Chesterton (Latchmere) | - | 300 | 61 |
| Earlsfield (Earlsfield) - Mobile Classroom | 186 | 86 | - |
| Granard (West Putney) | 101 | - | - |
| Granard (West Putney) - Adaptations | - | 50 | - |
| Hillbrook (Tooting) | 392 | 1,500 | 1,029 |
| Hillbrook (Tooting) - Mobile Classroom | 169 | - | - |
| Penwortham (Furzedown) - Adaptations and IT Improvements | 50 | - | - |
| Penwortham (Furzedown) | 40 | 950 | - |
| Putney Hospital Site - Construction of Primary School (Putney) | 990 | 1,145 | 1,100 |
| Riversdale (Southfields) | 80 | 1,300 | 668 |
| Sacred Heart (Roehampton) - Main Scheme | 1,500 | 1,043 | 100 |
| Shaftesbury Park (Shaftesbury) | 30 | 918 | - |
| Sheringdale (Southfields) - Adaptations | - | 132 | - |
| Smallwood (Tooting) | 62 | 445 | - |
| Southmead (West Hill) | 20 | 254 | - |
| St Michaels CE (East Putney) | 1,500 | 150 | - |
| Swaffield (Wandsworth Common) | 46 | - | - |
| Tooting Primary Places | 200 | 2,096 | 1,134 |
| West Hill (Southfields) | 30 | 809 | - |
| Temporary Accommodation | - | 400 | - |
| Various Final Accounts | 72 | 50 | - |
| | <hr/> 8,002 | <hr/> 12,787 | <hr/> 4,092 |
| OTHER PRIMARY SCHEMES | | | |
| Asbestos Removal - Block Allocation | 19 | 100 | - |
| Chesterton (Latchmere) - Replace Fire Alarm Installation | 35 | - | - |
| Falconbrook (Latchmere) - Replace Fire Alarm Installation | 36 | - | - |
| John Burns (Shaftesbury) - Kitchen Refurbishment | 153 | - | - |
| Ronald Ross (West Hill) - Structural Works/Drainage Replacement | 83 | - | - |
| Sacred Heart (Latchmere) - ASD Base | 200 | 36 | - |
| Shaftesbury Park (Shaftesbury) - Replace Fire Alarm Installation | 46 | - | - |
| Sir James Barrie (Queenstown) - Electrics | 172 | 295 | - |
| Smallwood Nursery (Tooting) | | | |
| - New Building | 15 | - | - |
| - Kitchen Refurbishment | 10 | 219 | - |
| Southmead School (West Hill) - Electrics | 22 | 350 | 150 |
| West Hill (Southfields) - Early Years Resource Base | 94 | - | - |
| Various Final Accounts | 14 | 30 | - |
| | <hr/> 899 | <hr/> 1,030 | <hr/> 150 |
| TOTAL PRIMARY EDUCATION | <hr/> <hr/> 10,871 | <hr/> <hr/> 13,862 | <hr/> <hr/> 4,242 |

EDUCATION AND CHILDREN'S SERVICES

CAPITAL SCHEMES

| | <u>2012/13</u> | <u>2013/14</u> | <u>2014/15</u> |
|---|----------------|----------------|----------------|
| | £'000 | £'000 | £'000 |
| <u>SPECIAL SCHOOLS</u> | | | |
| Greenmead/Chartfield (West Putney) | | | |
| - New Nursery | 55 | - | - |
| - Playground and Other External Spaces | 26 | - | - |
| Relocation of Elsley School to Nightingale School (Wandsworth Common) | | | |
| - Remodelling | 80 | 1,420 | 300 |
| Various Final Accounts | 7 | - | - |
| TOTAL SPECIAL SCHOOLS | 168 | 1,420 | 300 |
| <u>OTHER EDUCATION FUNDED SCHEMES</u> | | | |
| Access Works (Boroughwide) | 15 | 60 | - |
| Early Years Centre, 1 Siward Road (Earlsfield) | | | |
| - Rewiring and Fire Alarm Improvements | - | - | 80 |
| Learning Resource Centre - Relocation | 70 | - | - |
| Schools Devolved Capital up to 2010/11 | 1,000 | 1,189 | 1,000 |
| Security (Boroughwide) | 13 | 60 | - |
| Various Final Accounts | 19 | 50 | - |
| TOTAL OTHER EDUCATION FUNDED SCHEMES | 1,117 | 1,359 | 1,080 |
| TOTAL EDUCATION | 57,023 | 56,004 | 19,322 |

EDUCATION AND CHILDREN'S SERVICES

CAPITAL SCHEMES

| | <u>2012/13</u> | <u>2013/14</u> | <u>2014/15</u> |
|--|----------------|----------------|----------------|
| | £'000 | £'000 | £'000 |
| <u>OTHER SERVICES</u> | | | |
| Alma Road Youth Information and Resource Centre (Fairfield) - Renewal of Radiators and Pipework | - | - | 40 |
| Ashburton Youth Club (West Putney) - New Roof Covering | 71 | - | - |
| Battersea Park Adventure Playground (Queenstown) | 150 | 50 | - |
| Refurbish Youth Facilities DEVAS (Shaftesbury) | 450 | 63 | - |
| Conversion/Extension Foster Carers' Properties | 130 | 25 | - |
| 10 Falcon Grove (Latchmere) - Replace Heating | 25 | 100 | - |
| Harroway Road (St Mary's Park) - Playground Equipment | 30 | - | - |
| Juvenile Justice Centre, 177 Blackshaw Road (Tooting) - Renewal of Radiators and Pipework | - | - | 30 |
| Kimber Road (Earlsfield) - Skate Park | 150 | - | - |
| Oakdene (Graveney) - Lift | 70 | - | - |
| Smallwood Family Centre (Tooting) - Renewal of Heating System | - | - | 75 |
| York Gardens Adventure Playground (Latchmere) | 150 | - | - |
| Various Final Accounts | 24 | - | - |
| TOTAL OTHER SERVICES | <u>1,250</u> | <u>238</u> | <u>145</u> |
| TOTAL EDUCATION AND CHILDREN'S SERVICES | <u>58,273</u> | <u>56,242</u> | <u>19,467</u> |

ENVIRONMENT, CULTURE AND COMMUNITY SAFETY

CAPITAL SCHEMES

| | <u>2012/13</u> £'000 | <u>2013/14</u> £'000 | <u>2014/15</u> £'000 |
|---|-------------------------|-------------------------|-------------------------|
| <u>LEISURE CENTRES AND SPORTS SERVICES</u> | | | |
| All Weather Pitch Replacement | 62 | - | - |
| Barn Elms Beach Volleyball Court | 49 | - | - |
| Barn Elms Tennis Facilities | 70 | 80 | - |
| Battersea Park (Queenstown) - Resurfacing Athletics Track | 97 | - | - |
| Furzedown Recreation Centre (Furzedown) | | | |
| - Replace Tennis Court Surface | 12 | - | - |
| Tooting Bec Athletic Track (Furzedown) | | | |
| - Hammer Cage, Long Jump and Athletics | 140 | - | - |
| Tooting Leisure Centre (Tooting) - Replacement of Boilers | 12 | - | - |
| TOTAL LEISURE CENTRES AND SPORTS SERVICES | 442 | 80 | - |
| <u>LIBRARIES SERVICES</u> | | | |
| Greenwich Leisure Loan | 860 | - | - |
| TOTAL LIBRARIES SERVICES | 860 | - | - |
| <u>PUBLIC HALLS/COMMUNITY CENTRES</u> | | | |
| Civic Suite (Fairfield) - Replacement Heating System | 85 | - | - |
| York Gardens Community Centre (Latchmere) - New Boiler | 62 | - | - |
| Wilditch Community Centre (Latchmere) - Renew Boiler | - | - | 72 |
| TOTAL PUBLIC HALLS/COMMUNITY CENTRES | 147 | - | 72 |
| <u>PARKS AND OPEN SPACES</u> | | | |
| Battersea Park (Queenstown) | | | |
| - Resurface Roads and Paths | 250 | 250 | - |
| - Resurface Tennis Courts | - | 234 | - |
| King George's Park - Resurface Access Paths | - | 25 | - |
| St Mary's Church Boundary Wall (St Mary's Park) | | | |
| - Essential Repairs | - | 30 | - |
| Tooting Common - Path Maintenance | - | 67 | - |
| Wandsworth Common - Resurface Pathways | - | 117 | - |
| TOTAL PARKS AND OPEN SPACES | 250 | 723 | - |

ENVIRONMENT, CULTURE AND COMMUNITY SAFETY

CAPITAL SCHEMES

| | <u>2012/13</u> £'000 | <u>2013/14</u> £'000 | <u>2014/15</u> £'000 |
|--|-------------------------|-------------------------|-------------------------|
| <u>ENVIRONMENTAL SERVICES</u> | | | |
| Air Quality Grant | 25 | - | - |
| Morden Cemetery - Resurface Access Roads and Pathways | - | 35 | - |
| Wandsworth Cemetery (Wandsworth Common) - Resurface Access Roads and Pathways | - | 35 | - |
| TOTAL ENVIRONMENTAL SERVICES | <u>25</u> | <u>70</u> | <u>-</u> |
| <u>TOWN CENTRES</u> | | | |
| Battersea Greening Project | 11 | - | - |
| Clapham Junction (Northcote) - Streetscape Scheme | 10 | - | - |
| TOTAL TOWN CENTRES | <u>21</u> | <u>-</u> | <u>-</u> |
| COMMUNITY SAFETY | | | |
| <u>CRIME REDUCTION STRATEGY</u> | | | |
| Rear Alleyway Improvement Works | 19 | - | - |
| TOTAL CRIME REDUCTION STRATEGY | <u>19</u> | <u>-</u> | <u>-</u> |
| TOTAL ENVIRONMENT, CULTURE AND COMMUNITY SAFETY | <u>1,764</u> | <u>873</u> | <u>72</u> |

FINANCE AND CORPORATE RESOURCES

CAPITAL SCHEMES

| | <u>2012/13</u> £'000 | <u>2013/14</u> £'000 | <u>2014/15</u> £'000 |
|---|-------------------------|-------------------------|-------------------------|
| <u>ADMINISTRATIVE BUILDINGS</u> | | | |
| Town Hall (Fairfield) | | | |
| - Install Chair Lift in Centre Courtyard | 161 | 3 | - |
| - Lift Renewal | 3 | - | - |
| - Renewal of Lift S005 | - | - | 90 |
| - Roof Renewal and Photovoltaic Installation | 200 | - | - |
| Town Hall Extension (Fairfield) | | | |
| - Roof | 9 | - | - |
| - Renew Window Pivots and Upgrade to Double Glazing | 50 | 310 | - |
| - Renew Roof Covering to Roof A | - | - | 75 |
| - Replacing Radiators and Heating Pipework | - | - | 250 |
| Reed House - Photovoltaic Installation | 2 | - | - |
| TOTAL ADMINISTRATIVE BUILDINGS | 425 | 313 | 415 |
| <u>IT SERVICES</u> | | | |
| Document Image and Workflow Systems in the Council Tax and Benefits System | 34 | - | - |
| HR Payroll System | 108 | 82 | - |
| ICT Infrastructure | 612 | 981 | - |
| Self Service Portal for Council Tax and Parking Permits | 167 | - | - |
| TOTAL IT SERVICES | 921 | 1,063 | - |
| <u>PROPERTY SERVICES</u> | | | |
| Acquisition of Depot and Offices - Watergate Wharf | 1,147 | - | - |
| Acquisition of Wood House/Pallandino House | - | 426 | - |
| Bolingbroke Site - Doctors Surgery | 932 | 397 | - |
| Demolition of Old School Building at Eltringham Depot | 113 | - | - |
| Professional Centre | 800 | - | - |
| Preparation of Eltringham Depot and 32 York Road for Disposal | - | 50 | - |
| Works to Land and Property Prior to Sale | 25 | 25 | 25 |
| TOTAL PROPERTY SERVICES | 3,017 | 898 | 25 |
| TOTAL FINANCE AND CORPORATE RESOURCES | 4,363 | 2,274 | 440 |

HOUSING

CAPITAL SCHEMES

| | <u>2012/13</u> £'000 | <u>2013/14</u> £'000 | <u>2014/15</u> £'000 |
|------------------------------|-------------------------|-------------------------|-------------------------|
| <u>HOUSING (non-HRA)</u> | | | |
| Loans to Leaseholders | 50 | 150 | 175 |
| Renovation Grants | | | |
| - Empty Property Grants | 306 | 287 | 150 |
| - Coldbuster Grants | 262 | - | - |
| - Disabled Facilities Grants | 584 | 550 | - |
| | <u>1,152</u> | <u>837</u> | <u>150</u> |
| | | | |
| TOTAL HOUSING | <u>1,202</u> | <u>987</u> | <u>325</u> |

STRATEGIC PLANNING AND TRANSPORTATION

CAPITAL SCHEMES

| | <u>2012/13</u> £'000 | <u>2013/14</u> £'000 | <u>2014/15</u> £'000 |
|--|-------------------------|-------------------------|-------------------------|
| <u>HIGHWAYS SERVICES</u> | | | |
| <u>WBC Funded Schemes</u> | | | |
| Blocked Gullies | 52 | 50 | 95 |
| Capitalised Repairs | | | |
| - Carriageways | 2,007 | 2,500 | 1,405 |
| - Footways | 506 | 1,000 | 975 |
| Mayor's Cycle Hire Scheme | - | 400 | - |
| Provision of New Trees on the Public Highway | 4 | - | - |
| Street Lighting Installation of Electronic Ballasts | 103 | - | - |
| Street LED Lighting | - | - | 25 |
| Town Centre Streetscape Projects | 24 | - | - |
| Traffic Management Schemes | 129 | - | - |
| | 2,825 | 3,950 | 2,500 |
| <u>Transport for London Funded Schemes</u> | | | |
| Corridors/Neighbourhoods - | | | |
| Battersea High Street/Battersea Square - Feasibility Study | 30 | - | - |
| Bus Stop Accessibility Programme | 28 | 28 | - |
| Casualty Reduction Schemes - Investigations and Remedial Measures | 48 | 48 | - |
| Clapham Junction Exemplar | 884 | 583 | - |
| Cycle Parking Programme | 51 | 29 | - |
| Cycle Scheme - Missing Links | 95 | 66 | - |
| Greenway Schemes | 67 | - | - |
| Guardrail and Street Clutter Review/Removal | 24 | 24 | - |
| Legible London - Tooting Town Centre | 117 | - | - |
| Local Shopping Street Improvement | 233 | 328 | - |
| Neighbourhood Schemes - Traffic Movement Proposals | 200 | 494 | - |
| Old York Road Corridor | 190 | 247 | - |
| Pier Information and Signage - Support/Develop Riverbus Service | 33 | - | - |
| Safe Routes to Schools - Investigation and Implementation | 147 | 48 | - |
| Stewarts Road - Development of Proposals to Improve Access | 48 | - | - |
| Street Trees - Addition of Trees Across the Borough | 24 | 71 | - |
| Traffic Management - Improve Traffic Flow, Road Safety and Accessibility | 250 | 386 | - |
| | 2,469 | 2,352 | - |

STRATEGIC PLANNING AND TRANSPORTATION

CAPITAL SCHEMES

| | <u>2012/13</u> £'000 | <u>2013/14</u> £'000 | <u>2014/15</u> £'000 |
|--|-------------------------|-------------------------|-------------------------|
| Smarter Travel - Car Clubs | 25 | - | - |
| | <hr/> 25 | <hr/> - | <hr/> - |
| Principal Road Maintenance - Garratt Lane - Summerstown to Penwith Road | 123 | - | - |
| Putney Bridge Road - Armoury Way to Northfields | 85 | - | - |
| Resurfacing of Carriageways on Principal Roads | - | 376 | - |
| St John's Hill - Brighton Yard to Plough Road | 86 | - | - |
| | <hr/> 294 | <hr/> 376 | <hr/> - |
| Mayor's Transport Strategy - Flexible Funding | 50 | 50 | - |
| Mayor's Cycle Hire Scheme | - | 1,200 | - |
| Bridge Assessment and Strengthening | 75 | - | - |
| | <hr/> 125 | <hr/> 1,250 | <hr/> - |
| TOTAL TRANSPORT FOR LONDON SCHEMES | <hr/> 2,913 | <hr/> 3,978 | <hr/> - |
| <u>Section 106 Agreements under the Town & Country Planning Act 1990</u> | | | |
| ASDA Clapham Junction | 90 | - | - |
| Battersea Reach | 50 | - | - |
| Hardwicks Way 1-9 and 2-6 | 28 | - | - |
| Merton Road 249-251 | 76 | - | - |
| Putney Bridge Road 118 | 14 | - | - |
| Southside Footway Works | 160 | - | - |
| The Plough Public House, St John's Hill | 19 | - | - |
| Other Schemes | 63 | - | - |
| | <hr/> 500 | <hr/> - | <hr/> - |
| TOTAL HIGHWAYS SERVICES | <hr/> 6,238 | <hr/> 7,928 | <hr/> 2,500 |

STRATEGIC PLANNING AND TRANSPORTATION

CAPITAL SCHEMES

| | <u>2012/13</u> £'000 | <u>2013/14</u> £'000 | <u>2014/15</u> £'000 |
|---|-------------------------|-------------------------|-------------------------|
| <u>DEPOTS</u> | | | |
| Frogmore House (Fairfield) | | | |
| - Renew Roof Covering and Insulation | - | - | 140 |
| Hilden House (Fairfield) | | | |
| - Renew Roof to Rear of Building | - | - | 67 |
| TOTAL DEPOTS | - | - | 207 |
| <u>EQUIPMENT AND VEHICLES</u> | | | |
| Forest Computer System | 45 | - | - |
| TOTAL EQUIPMENT AND VEHICLES | 45 | - | - |
| <u>PLANNING SERVICES</u> | | | |
| Conservation/Enhancement Grants | 128 | - | - |
| TOTAL PLANNING SERVICES | 128 | - | - |
| <u>ECONOMIC DEVELOPMENT</u> | | | |
| Balham Improvement Scheme | 305 | 1,062 | - |
| Stewarts Road - Phase 2 | 43 | - | - |
| Town Centre Improvement Schemes (Streetscape Projects) | 52 | - | - |
| Town Centre Improvement Schemes GLE One London Loans Fund | 400 | - | - |
| TOTAL ECONOMIC DEVELOPMENT | 800 | 1,062 | - |
| TOTAL STRATEGIC PLANNING AND TRANSPORTATION | 7,211 | 8,990 | 2,707 |

SECTION 7
PENSION FUND AND ENHANCED PENSION FUND

The Pension Fund is administered by the Council in accordance with regulations made under the Superannuation Act 1972. All employees except teachers can be members of the Fund contributing a percentage of pay at a tiered rate ranging from 5.5% to 7.5% depending on salary level. Pensions and lump sum payments are based upon final salary and are index-linked.

The Council's minimum contribution (employer's rate) is determined by actuarial valuation every three years. The statutory valuation as at 31st March 2010, certified an unchanged employer's rate of 19% applicable for three years from 1st April 2011.

At 31st December 2012 the Pension Fund was valued at £902 million. It is invested in UK and overseas shares and bonds. All of the investments are managed externally.

The Government operates a notional pension fund for teachers. The employers' contribution to this fund remains at 14.1%.

The Enhanced Pension Fund, which represents around 0.41% of the main fund, was established in 1997/98 to meet liabilities arising from awards of added years of service to employees outside the Pension Fund. It can only be invested in Government bonds and cash.

The senior managers of the Pension Fund are:

| | | |
|--|------------------|---------------|
| Head of Pensions, Payments and Support | Robert Claxton | 020-8871 6402 |
| Accounting and Investments: Pension Fund Controller | Peter Harris | 020-8871 8887 |
| Administration and Policy: Pensions Manager | Colette Hollands | 020-8871 6510 |

PENSION FUND AND ENHANCED PENSION FUND

The Pension Fund budget has been re-priced to take account of predictable volume changes and carried forward at outturn prices where significant areas of volatility are probable. This approach provides a definitive trail to variations between budget and outturns and is thus a tool to manage and account for variances in income and expenditure in the Pension Fund.

Employee's contributions have been variable over the past few years due to optional membership of the pension scheme, changes in rates imposed by legislation and unpredictable staff turnover. Employer's contributions are affected by similar influences. Accordingly these elements of income are shown at 2012/13 outturn levels.

Expenditure on retirement lump sums and pensions has historically been relatively predictable and re-pricing represents the volume changes from inflation and new retirees as the Fund demographics continue to mature.

Investment management income and expenses are projected on the assumption that managers meet their investment targets for out-performance, before any element of performance fees becomes payable.

Profits and losses of investments are not budgeted items as their return is too unpredictable. Additionally Pensions Fund values will go down as well as up and will accordingly affect budget amounts shown for investment income.

The estimated outturn for 2012/13, proposed budget for 2013/14 and projected budget for 2014/15 and 2015/16 are shown on the next page:

PENSION FUND AND ENHANCED PENSION FUND

| | <u>2012/13</u> <u>Original</u> £'000 | <u>2012/13</u> <u>Estimated</u> <u>Outturn</u> £'000 | <u>2012/13</u> <u>Variation</u> % | <u>2013/14</u> £'000 | <u>2014/15</u> £'000 | <u>2015/16</u> £'000 |
|--|--|---|---|-------------------------|-------------------------|-------------------------|
| Contributions | | | | | | |
| Contributions Receivable | | | | | | |
| Employees | 7,938 | 7,964 | 0% | 8,123 | 8,286 | 8,451 |
| Employers Normal | 21,992 | 22,088 | 0% | 22,530 | 22,980 | 23,440 |
| Employers Additional | 1,425 | 801 | -44% | 1,454 | 1,483 | 1,512 |
| Transfer In | 3,927 | 4,835 | 23% | 3,927 | 3,927 | 3,927 |
| Benefits Payable | | | | | | |
| Pensions | -21,620 | -21,816 | 1% | -23,343 | -24,977 | -26,726 |
| PIA | -9,458 | -9,640 | 2% | -10,269 | -10,941 | -11,660 |
| Lump Sum Benefits | | | | | | |
| Retirement Benefits | -9,102 | -9,285 | 2% | -9,935 | -10,630 | -11,375 |
| Death Benefits | -801 | -244 | -70% | -801 | -801 | -801 |
| Transfers Out | -3,323 | -3,325 | 0% | -3,323 | -3,323 | -3,323 |
| Establishment | -580 | -610 | 5% | -610 | -610 | -610 |
| Net Additions/Withdrawals from Dealing with Members | | | | | | |
| | -9,603 | -9,232 | -4% | -12,248 | -14,607 | -17,163 |
| Returns on Investments | | | | | | |
| Investment Income | 22,307 | 22,810 | 2% | 23,830 | 24,837 | 25,832 |
| Investment Management Expenses | -1,652 | -2,120 | 28% | -1,771 | -1,890 | -2,019 |
| Custody | -80 | -75 | -6% | -67.5 | -67.5 | -67.5 |
| Legal & Consultancy | -50 | -70 | 40% | -50 | -50 | -50 |
| Total | 10,922 | 11,313 | 4% | 9,694 | 8,222 | 6,532 |

If you have questions about this booklet,
please call the Head of Corporate Finance
on (020) 8871 6406 or email
corporatefinance@wandsworth.gov.uk

If you need it in an alternative format
(e.g. large print) please call (020) 8871 8081