

Council budgets 2012-2013



SECTION 1 - GENERAL INFORMATION ON COUNCIL FINANCE

The Financial Calendar, Budgets and Interaction with the Council's Business Planning Process	2
Financial Regulations	3
Revenue Finance	13
Charts of Council Tax and Formula Grant History	16
General Revenue Budget Summary Charts	17
Capital Finance	18
Capital Strategy	19
Capital Programme History	20
Treasury Management	21
Trading Accounts and Service Level Agreements	29
Audit	32
Employees	33
The Finance Department	34
Glossary of Local Authority Finance	35

SECTION 2 - COUNCIL'S REVENUE BUDGET AND COUNCIL TAX

Council Net Revenue Expenditure	40
General Fund Reserves	42
Use of Reserves	45
Local Authority Grant Settlement	45
Calculation of Council Tax Amounts	45
Council Tax Amounts for 2012/13	49
General Revenue Budget Framework	49
Appendix A - Summary of Service Budgets	50
Appendix B - Analysis of Service Budgets 2012/13	52
Appendix C - Summary of Levies and Charges	54
Appendix D - Examples of Contingencies	55
Appendix E - Special Reserves	56
Appendix F - Elements of the Council Tax Requirement Calculation	58
Appendix G - Council Tax Decision	60
Appendix H - Impact of each additional £1 million Council Tax	63
Appendix I - Council Tax Bills	64
Appendix J – General Revenue Budget Framework	66

SECTION 3 – SERVICE GENERAL REVENUE BUDGETS

Adult Care and Health	69
Education and Children’s Services	77
Environment, Culture and Community Safety	85
Finance and Corporate Resources	97
Housing	113
Strategic Planning and Transportation	119

SECTION 4 – DEDICATED SCHOOLS BUDGET

Review of Dedicated Schools Budget and Budget Framework	131
Appendix A – Dedicated Schools Budget	134

SECTION 5 – COUNCIL HOUSING BUDGETS

Review of Housing Revenue Account and Business Plan	136
Appendix A – Housing Revenue Account Estimates for 2012/13	144
Appendix B – Council Housing Budget Framework	146
Appendix C – Housing Revenue Account 30 Year Business Plan.....	147
Appendix D – Council Housing Capital Programme	148

SECTION 6 – GENERAL CAPITAL BUDGETS

Capital Resources	166
General Capital Budget Framework	168
Summary of Programme	170
Adult Care and Health	172
Education and Children’s Services	173
Environment, Culture and Community Safety	178
Finance and Corporate Resources	180
Housing	181
Strategic Planning and Transportation	182

SECTION 7 – PENSION FUND AND ENHANCED PENSION FUND

Pension Fund and Enhanced Pension Fund	185
Pension Fund Budget	187

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.

FINANCIAL REGULATIONS

- 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

FINANCIAL REGULATIONS

- (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

FINANCIAL REGULATIONS

(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;
 - (b) resources are available for use when required;

FINANCIAL REGULATIONS

- (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;
 - (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;

FINANCIAL REGULATIONS

- (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 or early intervention grant for children and young people. 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 receives Formula Grant as general Government support towards its council tax requirement. The council tax requirement, less the Formula Grant, with the Council's share of any surplus or deficit on the previous year's Collection Fund, produces the Council's net requirement to be met from the council tax.

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 national business rate pool.

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.

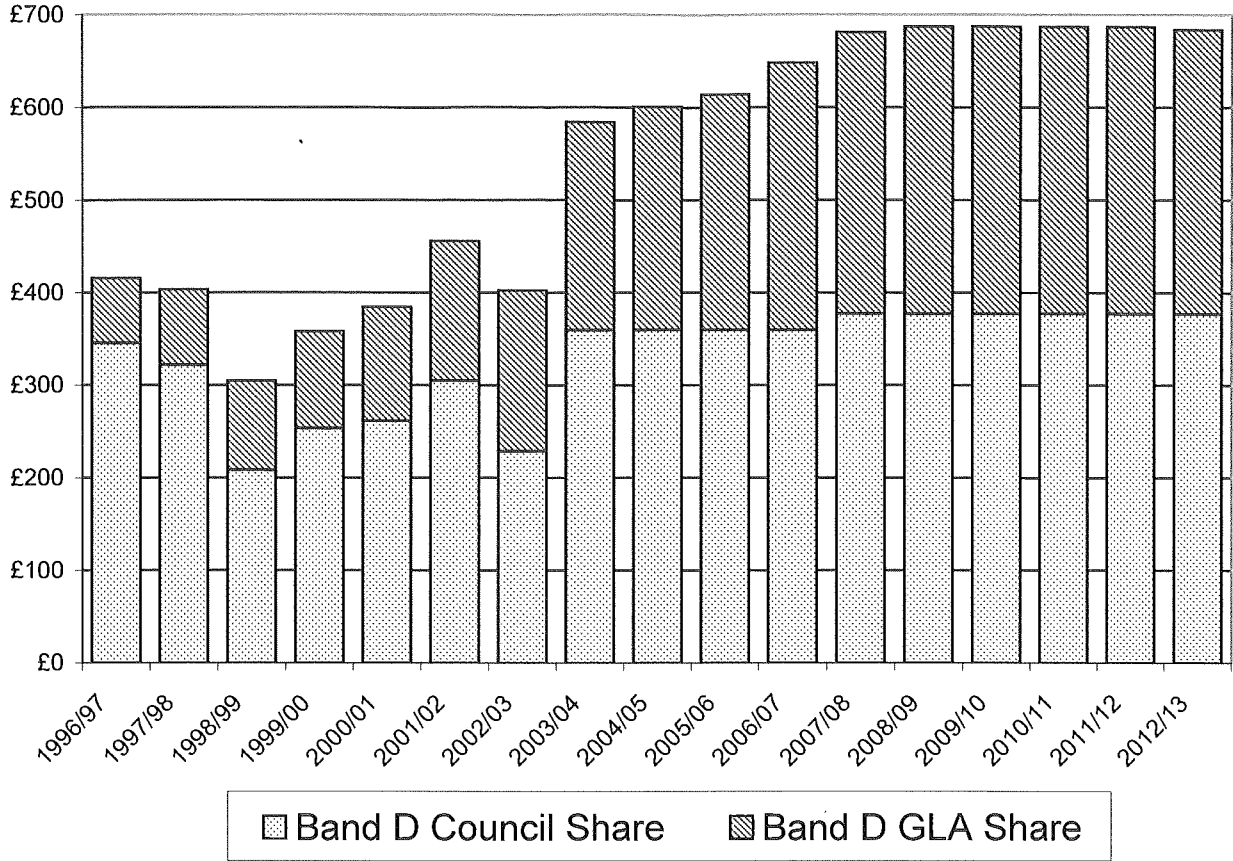
Inflation

- (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.

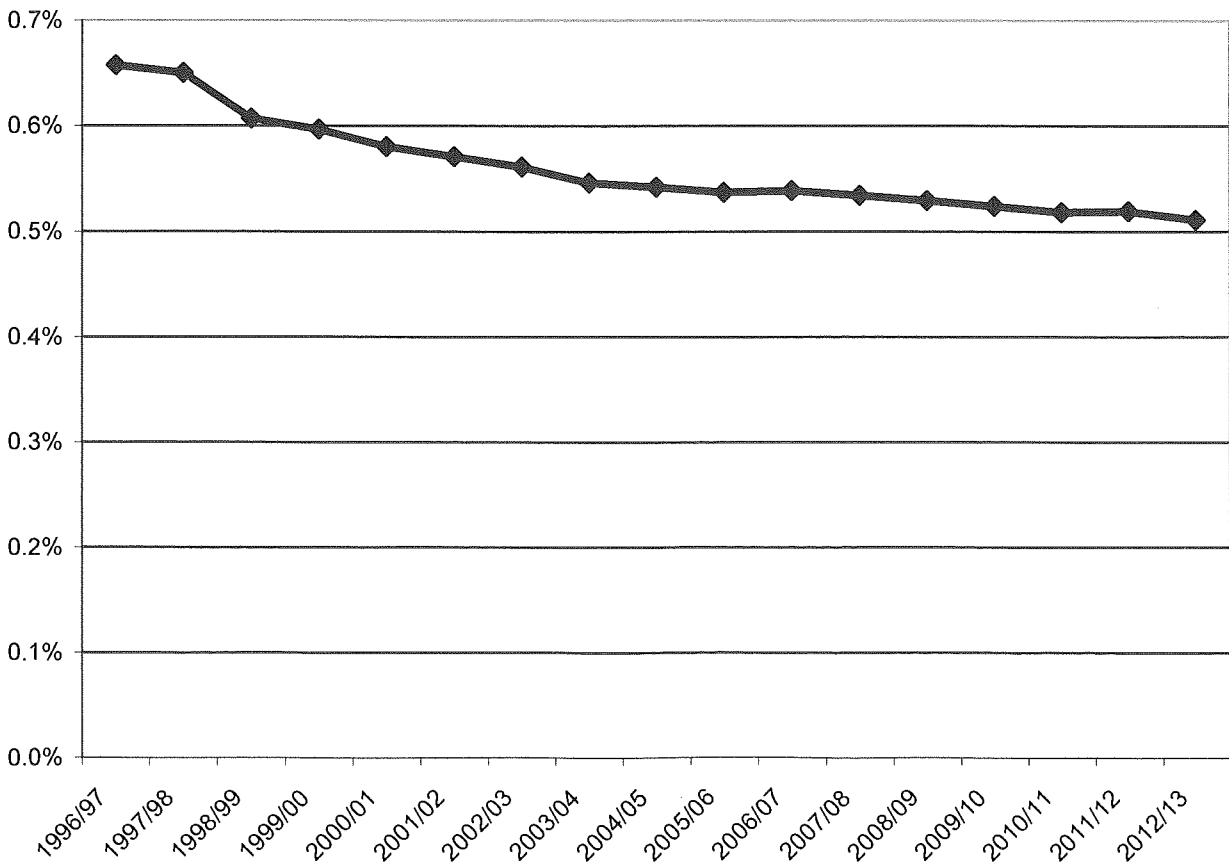
Developments

- (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.

WANDSWORTH'S AVERAGE BAND D COUNCIL TAX

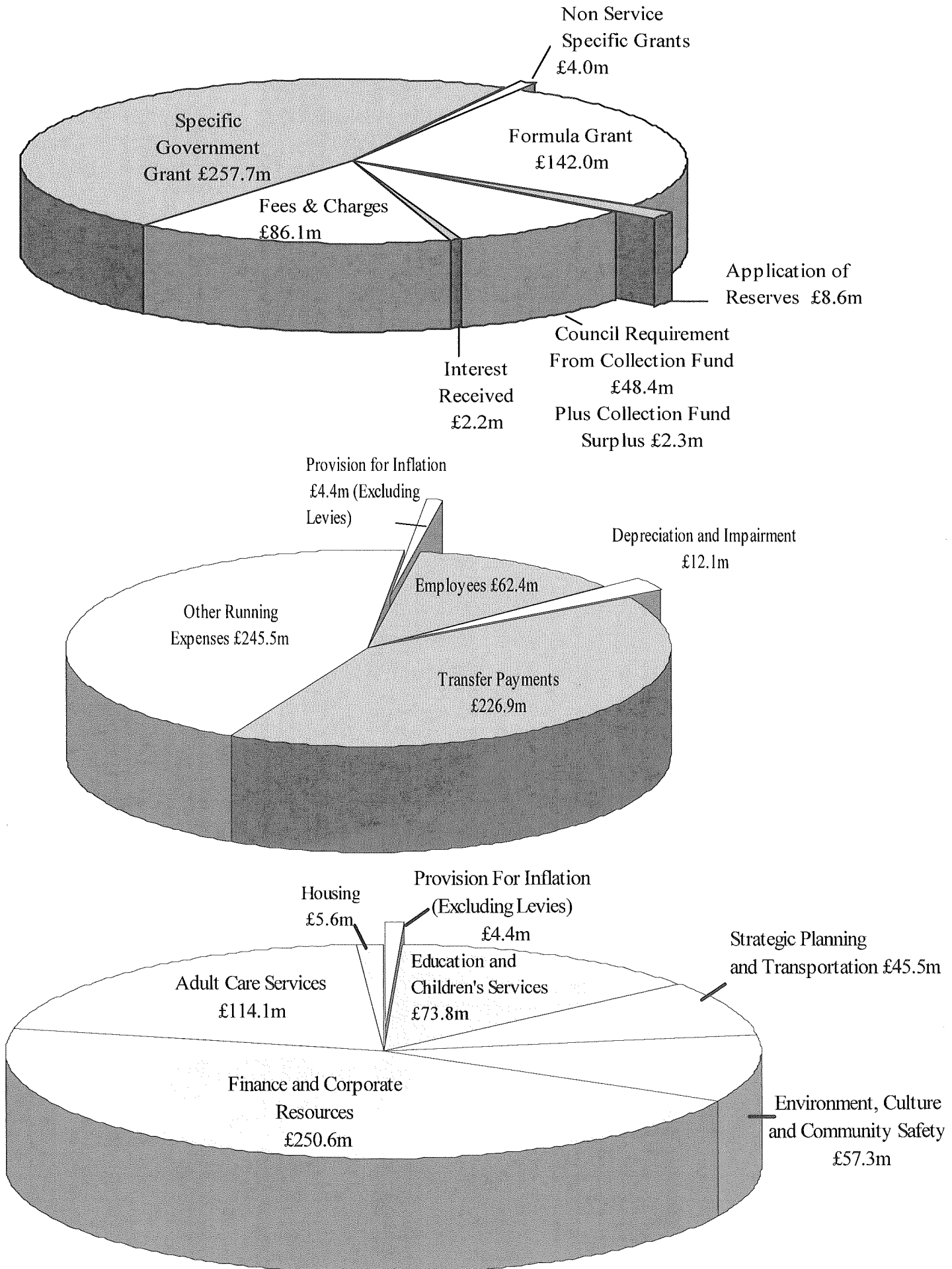


WANDSWORTH'S DWINDLING PERCENTAGE SHARE OF THE TOTAL NATIONAL FORMULA GRANT



THE COUNCIL'S GENERAL REVENUE INCOME AND EXPENDITURE 2012/13

TOTAL £551.3m



CAPITAL FINANCE

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. The limit in Wandsworth reflects the existing outstanding debt (£7 million), including deposit facilities offered to other bodies and external funds, such as Western Riverside Waste Authority and North East Surrey Crematorium Board, and an amount for the take-up of long-term loans from the Public Works Loan Board on 28th March 2012 to finance the Housing Revenue Account debt arising from the end of the subsidy system.

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.

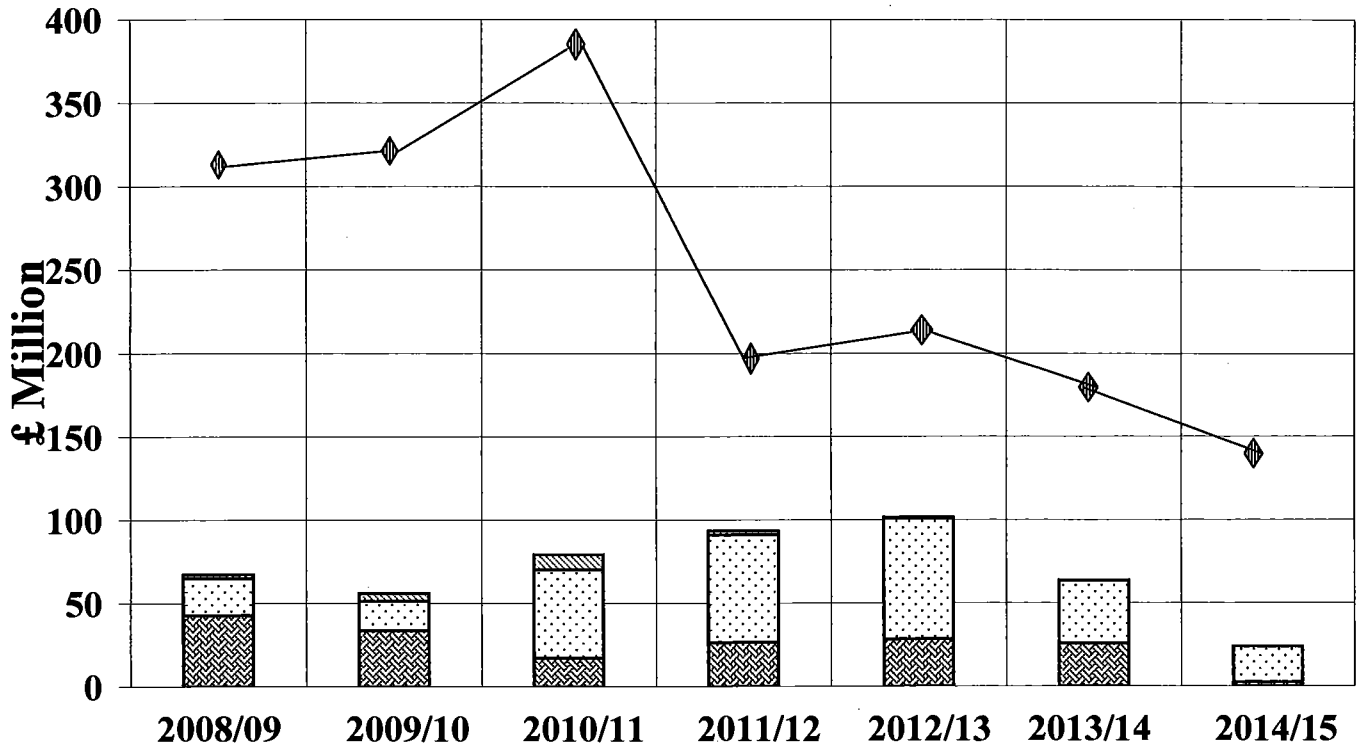
Any service using a capital asset has to bear charges in its revenue account in the form of a depreciation charge for the use of that asset.

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:-

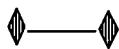
- (a) Asset Management: make maximum beneficial use of assets; maintain and refurbish economically having regard to all relevant costs including sustainability costs and income over the asset life cycle; identify and seek to minimise under-use; and dispose of surplus assets promptly to best advantage (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.

CAPITAL PROGRAMME HISTORY

**Investments
& Capital Payments Financing**



**Investments
at 31st March:**



Capital Payments (housing and general) financed by:



Revenue



Realisation of
Investments



Grants and Reimbursements

Capital receipts received have remained at similar levels since 2008/09. However, receipts expected in 2012/13 have more than doubled to just under £51 million which is mainly due to three large sites within the 2012/13 forecast.

The level of investment will reduce at the end of 2011/12 due to the HRA Subsidy Buy-Out which will take place on 28th March 2012, this will require a payment of £434 million to the Government. It is anticipated that around £250 million will be 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 use of internal borrowing will minimise external interest costs for the Council as a whole.

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

STRATEGY FOR 2012/13

The following table shows the outlook for investment and debt levels for the period 2011/12 to 2014/15, taking into account estimates of major cash flow movements.

	<u>2011/12</u>	<u>2012/13</u>	<u>2013/14</u>	<u>2014/15</u>
	£'m	£'m	£'m	£'m
Estimated investments 1st April	394.1	200.0	215.7	177.5
Estimated debt 1st April	-6.4	-230.4	-215.2	-199.5
Deposit facilities for other bodies and funds	-0.3	-0.2	-0.2	-0.1
<u>Net investments 1st April</u>	<u>387.4</u>	<u>30.6</u>	<u>0.3</u>	<u>-22.1</u>
Deduct				
Capital payments – general	-67.6	-72.8	-33.9	-20.8
Capital payments – HRA	-25.6	-28.3	-26.8	-25.1
Payment of capital receipts to Government	-0.2	-1.6	-1.8	-1.8
Reduction in net creditors	-	-8.3	-18.9	-6.0
Add				
Capital receipts	15.9	50.8	22.4	14.6
Capital grants	72.3	65.2	25.0	7.8
Movement in funds, reserves & provisions	-2.5	4.7	-15.0	-6.2
Revenue provisions for capital and credit liabilities	1.0	21.2	26.6	24.1
Increase in net creditors	3.9	-	-	-
In-Year net investment movement	<u>-436.8</u>	<u>30.9</u>	<u>-22.4</u>	<u>-13.4</u>
Net investments 31st March	<u>-30.6</u>	<u>0.3</u>	<u>-22.1</u>	<u>-35.1</u>
Estimated investments 31st March	-200.0	215.7	177.5	147.2
Estimated debt 31st March	-230.4	-215.2	-199.5	-182.6
Deposit facilities for other bodies	-0.2	-0.2	-0.1	-0.1
Repayment of debt	-	15.2	15.7	16.9
Change in use of deposit facilities	0.1	-	0.1	-

TREASURY MANAGEMENT

The Council is expected to begin the year with investments of around £200 million after the HRA subsidy buy-out. Repayment of £0.3 million of existing long-term debt falls due over the next year from April 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 show some reduction. The possibility of prematurely redeeming the Council's external debt has been explored, but it is not cost effective to do so, because of the premium that would be incurred. Neither is it cost effective for the Council to borrow for General Fund purposes, primarily because the Council would lose the benefit of being able to have a "prudent" minimum revenue provision of nil.

Affordable Borrowing Limit and Operational Boundary The Council has to set an affordable borrowing limit and operational boundary for 2012/13 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. The limit in Wandsworth reflects the existing outstanding debt (£7 million) including deposit facilities offered to other bodies and external funds, such as Western Riverside Waste Authority and North East Surrey Crematorium Board, and an amount for the take-up of long-term loans from the PWLB on 28th March 2012 to finance the HRA debt arising from the end of the subsidy system. A limit of £280 million is therefore proposed for the affordable borrowing limit and operational boundary, reflecting the current position, and the potential borrowing of £250 million or higher for the HRA subsidy buy-out.

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

TREASURY MANAGEMENT

- (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.

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:-

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

TREASURY MANAGEMENT

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
(j)	F1+	AA	Not Negative	Non-UK	£30m	£15m
(k)	F1+	AA	Negative	Non-UK	£15m	nil
(l)	F1+	A+	Not Negative	Non-UK	£10m	£10m
(m)	F1+	A+	Negative	Non-UK	£5m	nil

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);

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):

- (j) up to £30 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 £15 million is placed for periods longer than 6 months;
- (k) up to £15 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);
- (l) up to £10 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
- (m) 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;

TREASURY MANAGEMENT

- 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.

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 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 reduce to around £200 million or even less over the next three years due to the HRA Subsidy Buy-Out, 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 will 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 and with no more than 15% of the long-term portfolio maturing in any one year. Long-term loans shall be taken up through either brokers in the sterling money market or 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

	2012/13 ANNUAL VALUE <hr/> £'000
<u>ADMINISTRATION DEPARTMENT</u>	
Telecommunications	816
Training Centre	375
Graphics	306
Quickprint	478
Land Charges	449
	<hr/> 2,424
 <u>ADULT SOCIAL SERVICES DEPARTMENT</u>	
<i>Providers</i>	
Atheldene	2,883
 <i>Support Services</i>	
Central Support Services	2,442
Departmental Support Services	6,843
	<hr/> 12,168
 <u>CHILDREN'S SERVICES DEPARTMENT</u>	
<i>Children and Families</i>	
Adoption and Fostering	506
Family Resource Centres	1,258
 <i>Schools Trading Accounts</i>	
Schools IT Support	463
Personnel Services	371
Learning Resources	288
Curriculum and Professional Development	51
Schools Financial Management	297
Music Support	340
Contracts	246
Performance and Standards	144
PC Training and Development	148
Literacy Support	361
	<hr/> 4,473

TRADING ACCOUNTS AND SERVICE LEVEL AGREEMENTS

	<u>2012/13 ANNUAL VALUE</u> £'000
<u>ENVIRONMENTAL & COMMUNITY SERVICES DEPARTMENT</u>	
Engineering Consultancy and Highway Maintenance	9,600
Building Maintenance	9,900
Transport Management Services	1,850
Social Services Transport	800
Education Transport	2,050
Tree Maintenance Administration	299
	<u>24,499</u>
<u>FINANCE DEPARTMENT</u>	
Income Collection Service	779
Audit and Benefit Fraud	1,620
Housing Contract Services: Rent Collection	1,098
Accounting Services	899
Payroll	594
Design Service	2,775
	<u>7,765</u>
<u>HOUSING DEPARTMENT</u>	
Housing Contract Services: general management and maintenance	10,417
	<u>10,417</u>
 TOTAL	 <u>61,746</u>

AUDIT

External Audit. PricewaterhouseCoopers 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, usually about July, they are advertised 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 2012/13 by department, compared with the previous year:

<u>DEPARTMENT</u>	<u>2011/12</u> £'000	<u>2012/13</u> £'000
Administration	14,926	15,547
Adult Social Services	20,320	18,231
Children's Services	187,799	183,765
Environmental and Community Services	39,634	33,866
Finance	17,424	16,901
Housing	18,957	19,519
	<u>299,060</u>	<u>287,829</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 2012/13 by department compared with the previous year.

<u>Staff Numbers</u>	<u>2011/12</u>	<u>2012/13</u>
Administration	230	240
Adult Social Services	472	433
Children's Services	5,046	4,937
Environmental and Community Services	1,046	910
Finance	370	360
Housing	448	470
	<u>7,612</u>	<u>7,350</u>

THE FINANCE DEPARTMENT

DIRECTOR OF FINANCE AND
DEPUTY CHIEF EXECUTIVE

ECONOMIC
DEVELOPMENT
OFFICER

HEAD OF
PENSIONS,
PAYMENTS AND
SUPPORT

HEAD OF
CORPORATE
FINANCE

HEAD OF
AUDIT

HEAD OF
REVENUE
SERVICES

HEAD OF
BENEFITS
SERVICE

HEAD OF SERVICE
FINANCE

HEAD OF
DESIGN
SERVICE

ECONOMIC
DEVELOPMENT
OFFICE

DEPARTMENTAL
SUPPORT
PENSIONS SERVICE
BUSINESS SUPPORT
PAYROLL
PAYMENTS
PENSION FUND
ACCOUNTING AND
INVESTMENTS

CORPORATE
FINANCE
INSURANCE
ACCOUNTING
SERVICES
EXTERNAL
AUDIT
CAPITAL
ACCOUNTING
TREASURY
MANAGEMENT
BANKING
INVESTMENT
FINANCE
CONSULTANCY
FINANCIAL
INFORMATION
SYSTEM

INTERNAL AUDIT
ANTI-FRAUD AND
ANTI-CORRUPTION
STRATEGY
STANDARDS AND
ETHICS
BENEFIT COUNTER-
FRAUD
MEASURES
PROCUREMENT
ADVICE

COUNCIL TAX
BUSINESS RATES
RENT COLLECTION
SERVICE CHARGES
AND OTHER DEBTS
CASHIERS
MORTGAGES
INCOME OVERVIEW
COUNCIL-WIDE

SERVICE
DEVELOPMENT
BENEFIT
FINANCE
BENEFIT
PROCESSING
CUSTOMER
ASSESSMENT
CALL CENTRE
RECEPTION
SERVICE

SERVICE BUDGETS
AND ACCOUNTS
FINANCIAL
APPRAISAL
CORPORATE
BUDGET
MONITORING
FINANCIAL
CONTROL
SYSTEMS
DEVELOPMENT
SERVICE
MANAGER
SUPPORT
VAT ADVICE AND
MANAGEMENT

BUILDING
MAINTENANCE
ENERGY
MANAGEMENT

-34-

The senior managers of the department are:

Director of Finance and Deputy Chief Executive
Economic Development Officer
Head of Pensions, Payments and Support
Head of Corporate Finance
Head of Audit
Head of Revenue Services
Head of Benefits Service
Head of Service Finance
Head of Design Service

Chris Buss
Nicholas Smales
Robert Claxton
Ernie Jarvis
Paul Guillotti
Kevin Legg
Kristina Watson
Fenella Merry
John Cornish

TH 27
THE 1
TH 20
TH 217
TH 300
THE 2
THE 1
TH 201
Reed House

020-8871 8300
020-8871 6202
020-8871 6402
020-8871 6406
020-8871 6450
020-8871 6895
020-8871 7061
020-8871 5370
020-8871-6564

Agency and Contracted Services - services provided by an external supplier, such as a private contractor or public authority.

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 manage the Collection Fund on behalf of itself and precepting authorities in its area. London Boroughs and the City of London are billing authorities.

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.

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 national business rate pool.

GLOSSARY OF LOCAL AUTHORITY FINANCE

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 specific 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 less Government general grants.

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.

Formula Grant - Government grant to local authorities, applicable to the General Fund as a whole and not to any specific service. Legally it consists of Revenue Support Grant and a population-related share of a national pool of non-domestic rates, but this anachronism has no real significance. Formula Grant comprises a Relative Needs Amount, a (negative) relative Resource Amount, a Central Allocation, and a Damping Amount, but subject to rules that limit the change from the previous year's Formula Grant.

GLOSSARY OF LOCAL AUTHORITY FINANCE

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.

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

Non-domestic rates (NDR) - are a national tax on businesses otherwise known as "business rates", according to the rental value of the properties they occupy. Prior to 1990/91, rate poundages were set by local authorities and so varied from authority to authority, but since 1 April 1990, a single national poundage has been set by the Government and the proceeds collected by all local authorities are pooled nationally.

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.

GLOSSARY OF LOCAL AUTHORITY FINANCE

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

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, the amount of Formula Grant and other central government support for that expenditure, how that support will be distributed, and the support for certain other local government bodies.

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.

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 2012/13 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 25th January 2012 and 29th February 2012, and by the Council on the 7th March 2012. The section contains appendices summarising the budgetary effect of developments and of repricing from November 2010 to 2011, levies from other public bodies, special reserves, and the council tax base.

COUNCIL NET REVENUE EXPENDITURE

Service Revenue Budgets

1. In January 2012, 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 2010 and November 2011. There was no increase in the National Single Status pay award in 2011/12 and the pay freeze will continue in 2012/13. 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 2011/12 to the 2.5% allowed for when deciding the Council's budget, but for 2012/13 the inflation reflects the actual change in prices between November 2010 and November 2011. The effects of inflation to November 2011 amounted to £3.8 million in 2011/12 and £7.3 million in a full year, as summarised in Appendix A.

2011/12 Service Budgets

3. The revised budgets for 2011/12 total £220.587 million, which is a decrease of £3.6 million on the original budget (including provision of £5.615 million for inflation) approved in March 2011. This reduction included savings arising from changes to income from various Government grants and associated expenditure (-£0.2 million); Renewals Fund expenditure (-£0.7 million); Mental Health Resource Centres (-£0.2 million); Framework Agreement on Domiciliary Home Care (-£0.2 million); Contract renegotiations and tendering (-£0.1 million); Fees and charges reviews (-£0.4 million); Children's Services developments (-£0.2 million) and Departmental staffing reviews (-£1.6 million). These decreases were partially offset by Carbon Reduction commitment allowances (£0.1 million); Pot hole repairs (£0.1 million); Community budgets for families with complex needs (£0.2 million); Housing benefit subsidy (£0.3 million); Central support reviews (£0.3 million) and Interest, revenue effects of capital expenditure and depreciation adjustments (£1.0 million).

Future Service Budgets

4. The Executive agreed in March to make an allowance of £4.44 million for inflation from November 2011 prices through to 2012/13 outturn. Further increases for 2013/14 and 2014/15 of £7.88 million and £7.24 million were also recommended.

5. The Executive also made provision for the £29.7 million levies and charges from other public bodies, as listed in Appendix C, requiring increased budget provision of £1.32 million. Most bodies have broadly held their charges to 2011/12 levels, or made modest reductions with the exception of Concessionary Fares and Western Riverside Waste Authority. The charge to Wandsworth for the Concessionary Fares scheme has increased by £1.0 million (7.9%). Overall the settlement across all London boroughs has increased by 6.9% on 2011/12 reflecting increases in fares of RPI plus 1% on the tube, DLR and Overground services, RPI increases on buses and trams, and RPI plus 1.75% for national rail services. The increase in Wandsworth above these levels reflects a relative increase in usage for the borough. Increases of £0.6 million (4.5%) have been assumed for 2013/14 and 2014/15. The change in the WRWA budget requirement is £0.3 million (2.6%) in 2012/13. A further £1.6 million (12.3%) and £0.5 million (3.3%) have been forecast for 2013/14 and 2014/15 respectively reflecting the completion of the more expensive Energy from Waste facility at Belvedere.
6. This produced total 2012/13 service budgets of £201.310 million shown analysed by Committee and by income and expenditure categories in Appendix B. The total is £20.6 million less than the equivalent figure for 2011/12. Developments identified and budget variations approved during the year included changes to income from various service related Government grants and associated expenditure (-£1.4 million); Renewals Fund provision (-£0.9 million); Contract renegotiations and tendering (-£3.1 million); Mental Health resource centres (-£0.2 million); Framework Agreement on Domiciliary Home Care (-£0.7 million); Intermediate care and Reablement (-£0.2 million); Fees and charges reviews (-£1.3 million); Departmental staffing reviews (£-4.8 million); Libraries review (-£0.4 million); Student Finance Review (-£0.2 million); Reallocation of Waste Disposal costs to HRA (-£0.5 million); Parks Police Review (-£0.7 million); Review of Care Packages (-£0.7 million); Childrens Services Developments (-£5.0 million); Youth Work Service Proposals (-£0.3 million); Recharge of Council costs to Public Health (-£0.3 million); Homelessness review (-£0.1 million); Review of Supporting People funding (-£0.8 million); Adult Care staffing (-£0.3 million); Charges for Highways Services (-£0.9 million); the Council's banking contract (-£0.2 million); Review of the Council Tax and Benefits call centre (-£0.3 million); London Councils' Grants Budgets (-£0.1 million); Older Peoples Respite Care (-£0.1 million); Electronic monitoring of Home Care (-£0.1 million); and a further year's grant for the New Homes Bonus (-£1.7 million) and Council Tax Freeze Grant (-£1.2 million), although the latter is offset by the loss of an equivalent level of grant in respect of 2011/12 which has now been consolidated into Formula Grant for 2012/13 (see paragraphs 7 and 8 below). These developments are partly offset by Community Budgets for families with complex needs (£0.3 million); Central Support service reviews (£0.1 million); IT investment programme (£0.2 million); Interest, revenue effects of Capital Expenditure and Depreciation adjustments (£0.3 million) and Insurance review (£0.1 million). The net effect of inflation, excluding levies is £6.1 million. An increase in the cost of levies (£1.3 million) is outlined in paragraph 5 above. With further inflation and with extra costs generated largely by the capital programme, the projected service budgets for 2013/14 and 2014/15 are £209.744 million and £214.877 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 2012/13 the grant payable is £1.7 million. From 2013/14 it should be noted that nationally the New Homes Bonus will be a top-slice from overall Government support to local authorities. This is in addition to the £1.1 million received for 2011/12.
8. Authorities that freeze or reduce their council tax in 2012/13 will receive additional funding in 2012/13, equivalent to raising their 2011/12 council tax by 2.5 per cent. As the recommendation in this report is to freeze the council tax in 2011/12 additional grant of £1.2 million is receivable. 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 2012/13 is only guaranteed for 2012/13. It should also be noted that the grant paid in relation to 2011/12 has been consolidated into Formula Grant for 2012/13 and future years, whereas the grant for 2012/13 remains as a specific grant within the cost of services.

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 2013/14 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 has reduced over the years as the various specific schemes have been financed. The remaining funds are a specific provision to finance the Council's obligations to contribute towards the anticipated costs in preparation for the Olympics in 2012. The use of the Fund over the next three years is anticipated to be as follows:

	<u>2011/12</u> £'m	<u>2012/13</u> £'m	<u>2013/14</u> £'m	<u>2014/15</u> £'m
Olympic preparation	0.018	0.023	0.015	-

- (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. It is now possible to finance certain of these schemes from capital receipts thereby releasing equivalent sums from the Renewals Fund. It is therefore proposed to transfer £2.5 million from the Renewals Fund to the General Fund in order to increase the contingency from £10 million to £12.5 million as outlined in paragraph 12. The use of the Fund over the next three years is anticipated to be as follows:

	<u>2011/12</u> £'m	<u>2012/13</u> £'m	<u>2013/14</u> £'m	<u>2014/15</u> £'m
Contributions to Fund	741	717	721	715
Charges from Fund	-5,463	-1,065	-1,632	-602
Net Fund movement	<u>-4,722</u>	<u>-348</u>	<u>-911</u>	<u>113</u>

- (c) Specific Grant Reserve. This reserve is retained for over-estimates and potential exposure to loss of General Fund Government specific grants. The level of the reserve was reviewed when the Council’s revenue budget was considered in January 2011 and reduced in 2010/11 by £2 million.
- (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.
- (e) Employer’s Pensions Contributions Reserve. This reserve was established to mitigate the impact of future increases in employer’s pension contributions. The reserve was reduced by £9.6 million in 2011/12 following the triennial review of the pension fund which was reported to the Pensions Committee on 26th January 2011 which signalled a reduced risk of future volatility in employer’s 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 2012, on the basis of previous reports and the current outlook for 2011/12, were then estimated as:

	<u>£'m</u>	<u>£'m</u>
General Fund balance 1st April 2011		30.682
<u>Plus:</u>		
Increased net appropriations from the Renewals Fund		
Original	-2.118	
Revised	<u>-4.722</u>	
		2.604
<u>Less:</u>		
Increase in net appropriations from the Finite Services Fund		
Original	-0.226	
Revised	<u>-0.018</u>	
		-0.208
<u>Plus:</u>		
Reduction in Committee budgets 2011/12		
Original	221.954	
Revised	<u>218.283</u>	
		3.671
<u>Less :</u>		
Planned contribution to general reserves		-16.603
Estimated General Fund balance 31st March 2012		<u><u>20.146</u></u>
<u>Less:</u>		
Recommended for contingencies for 2012/13		12.500
Excess over required contingency		<u><u>7.646</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 £12.5 million, an increase of £2.5 million on 2011/12. The increase results from additional cost pressures in 2012/13 arising from the continued increase in homelessness and the uncertainty over future inflation, where the budget provision for non-staff costs is 2.7%, based on an average of private sector forecasts published by the Treasury, and where an additional 0.5% would add £0.85 million in 2012/13. It is proposed that the increase is funded by a transfer from the Renewals Fund. 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 £20.146 million at 31st March 2012, £7.646 million is available to reduce the council tax requirement for 2012/13.

USE OF RESERVES

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

	<u>2012/13</u>	<u>2013/14</u>	<u>2014/15</u>
	£'m	£'m	£'m
Council's Net Expenditure (para.6)	201.310	209.744	214.877
Contribution from General Reserves (para.12)	-7.646	-	-
Contribution from Renewals Fund (para. 10)	-0.348	-0.911	0.113
Contribution from Insurance Reserve (para.10)	-0.605	-0.605	-
Financing from the Finite Services Fund (para.10)	-0.023	-0.015	-
Council's Net Expenditure after use of Reserves	<u>192.688</u>	<u>208.213</u>	<u>214.990</u>

LOCAL AUTHORITY GRANT SETTLEMENT

Formula Grant

14. The Formula Grant settlement for 2012/13 is £141.99 million, inclusive of the Council Tax Freeze Grant for 2011/12 of £1.20 million that has now been consolidated into Formula Grant. The settlement for 2012/13 is the second year of a 2-year settlement and is in line with the announcement of grant entitlement made in December 2010. No indicative grant figures have been provided by the Government after 2012/13, but for budgetary purposes figures of £141.24 million and £135.67 million for 2013/14 and 2014/15 respectively have been assumed, in line with the headline national grant reduction as set out in the Comprehensive Spending Review together with no increase in the New Homes Bonus. For 2013/14 and 2014/15 it has been assumed that the Council Tax Freeze Grant for 2011/12 of £1.20 million continues to be consolidated into Formula Grant.

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 net expenditure after use of reserves less its share of Formula Grant, and any Collection Fund surplus or deficit. It is estimated that the Collection Fund will have a surplus of £4.205 million at 31st March 2012. Of this amount £2.308 million will be credited to the Council's General Fund in 2012/13. The remainder is passed to the Greater London Authority.

Wandsworth Council Tax Requirement

16. After taking account of Formula Grant, the amount that this Council needs to raise from council tax for its own purposes is as follows:

	<u>2012/13</u>	<u>2013/14</u>	<u>2014/15</u>
	£'m	£'m	£'m
Council's Net Expenditure after use of reserves (para.13)	192.688	208.213	214.990
Less: Collection Fund surplus (para.15)	-2.308	-	-
	<hr/>	<hr/>	<hr/>
	190.380	208.213	214.990
Less: Formula Grant (para.14)	-141.988	-141.237	-135.673
	<hr/>	<hr/>	<hr/>
Wandsworth Council Tax Requirement	48.391	66.976	79.317

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. These tax bases were calculated making a number of assumptions:

- (a) Existing properties - valuation list as at 30th November 2011
- (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 2011, 100% successful
- (e) Disabled bandings reduction - reductions currently granted
- (f) Discounts - based on those granted at 30th November 2011 plus an allowance for reviews
- (g) Collection rate - 96.3%

The main statistics for the calculation are shown in Appendix H. Based on these assumptions, the council tax bases for 2012/13 amount to 128,358 for the borough as a whole and 26,955 for the Wimbledon and Putney Commons Conservators' (WPCC) area. The corresponding figures for 2011/12 were 126,901 and 26,758 respectively. The increases in the numbers are mainly due to an increase in the number of properties on the valuation list. Growth of 700 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 2012/13 this levy amounts to £665,709.05, a marginal decrease of £230.15 on the levy for 2011/12. As a special expense it must be charged only to taxpayers within the Conservators' area, who will therefore have tax amounts £24.69 (£24.87 in 2011/12) higher than elsewhere in the Borough at band D (applying the 26,955 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 128,358 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
	£	£
For 2012/13	377.00	371.82
<i>For 2011/12</i>	<i>377.06</i>	<i>371.82</i>

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 31st January 2012, as part of the local government finance settlement, the Government confirmed the council tax referendum thresholds for 2012/13. The limit above which a London borough's council tax increase would trigger a referendum was set at 3.5% net of any variations in levies. The recommendations of this report will not result in the triggers being breached.

Greater London Authority

22. As well as GLA core services, in 2012/13 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 Olympic Park Legacy Company (for which there are no net costs). The GLA has set a consolidated budget requirement for its core activities and its functional bodies for 2012/13 of £3,136.5 million:

	<u>2011/12</u>	<u>2012/13</u>	<u>Increase (+)/</u> <u>Decrease (-)</u>	<u>Increase (+)/</u> <u>Decrease (-)</u>
	£'m	£'m	£'m	%
Metropolitan Police Authority	2,713.0	2,601.2	-111.8	-4.1
Greater London Authority	155.1	149.5	-5.6	-3.6
Transport for London	6.0	6.0	0.0	0.0
London Fire and Emergency Planning Authority	409.4	379.8	-29.6	-7.2
Total GLA Group	3,283.5	3,136.5	-147.0	-4.5

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

	<u>2011/12</u>	<u>2012/13</u>	<u>Increase (+)/</u> <u>Decrease (-)</u>	<u>Increase (+)/</u> <u>Decrease (-)</u>
	Band D Amounts £	Band D Amounts £	£	%
Metropolitan Police Authority	227.95	233.46	5.51	2.42
Other Services	81.87	73.26	-8.61	-10.52
Total GLA	309.82	306.72	-3.10	-1.00

24. The £3.10 reduction in the Mayor's band D council tax in 2012/13 follows three successive years with no increase. Further annual increases of 2.5% are, however, assumed for the budget framework.

COUNCIL TAX AMOUNTS FOR 2012/13

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	377.00	371.82	396.51
Greater London Authority	306.72	306.72	306.72
Band D total	683.72	678.54	703.23

The amounts for all valuation bands are shown in Appendix G part (f). In 2011/12 this Council set the lowest tax amounts in the country for each band. The amounts for 2012/13 should remain the lowest in the country.

Council Tax Bills

26. The consequential bills for each valuation band, and the increases compared with 2011/12, 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 £663.

GENERAL REVENUE BUDGET FRAMEWORK

27. **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 £519 in 2013/14 and £611 in 2014/15. These represent increases of 37.7% and 17.8% in 2013/14 and 2014/15, compared with the preceding year. If Government referendum criteria required increases of no more than 3.49%, the council tax requirement would have to be reduced by £26.923 million in 2014/15. With the assumed GLA precept increases, the total average band D amount would rise to £833 in 2013/14 and £934 in 2014/15. 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 2012/13, nor the council tax band D forecast for the next two years rise by more than a further £38.95.

APPENDIX A

SUMMARY OF SERVICE BUDGETS

	<u>2011/12 REVISED BUDGET</u>				<u>2012/13 BUDGET</u>		
	<u>2011/12</u>	<u>INFLATION</u> <u>TO NOV. '11</u>	<u>DEVEL-</u> <u>OPMENTS</u>	<u>TOTAL</u>	<u>INFLATION</u> <u>TO NOV. '11</u>	<u>DEVEL-</u> <u>OPMENTS</u>	<u>TOTAL</u>
	<u>BUDGET</u> £'000						
Salaries	66,063	1	1,705	67,769	-	-4,795	61,268
Indirect Employee Expenses	2,561	12	-849	1,724	54	-1,451	1,164
Premises	14,908	438	-397	14,949	747	-1,048	14,607
Use of Transport	5,572	82	-185	5,469	63	-265	5,370
Concessionary Fares	12,561	8	1	12,570	5	966	13,532
Supplies and Services							
- Grants to Voluntary Bodies	10,979	114	-684	10,409	112	-988	10,103
- Other	25,582	429	-3,543	22,468	765	-7,405	18,942
Third Party Payments							
- Precepts, Levies and Charges	17,392	-	-	17,392	-	-156	17,236
- Other	130,150	2,709	-6,160	126,699	5,228	-13,242	122,136
Transfer Payments - Hsg Benefits etc.	216,180	30	1,811	218,021	61	10,706	226,947
Central and Technical Support	45,059	101	3,140	48,300	468	-2,086	43,441
Depreciation and Impairment	12,586	-	-503	12,083	-	-492	12,094
GROSS EXPENDITURE	559,593	3,924	-5,664	557,853	7,503	-20,256	546,840
Government Grants	-234,982	-	-11,992	-246,974	-	-22,688	-257,670
Rents	-1,880	-	1	-1,879	-	-6	-1,886
Fees, Charges and Other Income	-101,655	-89	17,000	-84,744	-190	17,603	-84,242
Interest Received	-2,440	-	-1,229	-3,669	-	286	-2,154
INCOME	-340,957	-89	3,780	-337,266	-190	-4,805	-345,952
NET EXPENDITURE	218,636	3,835	-1,884	220,587	7,313	-25,061	200,888
REVENUE EXPENDITURE BY SERVICE							
Adult Care and Health	91,645	2,190	-1,509	92,326	3,722	-6,982	88,385
Education and Children's Services	60,976	578	-825	60,729	1,124	-9,311	52,789
Environment, Culture & Comm. Safety	46,716	704	-491	46,929	1,314	-5,146	42,884
Finance and Corporate Resources	2,775	107	-1,016	1,866	305	-3,298	-218
Housing	3,585	9	703	4,297	27	397	4,009
Strategic Planning and Transportation	12,939	247	1,254	14,440	821	-721	13,039
NET EXPENDITURE	218,636	3,835	-1,884	220,587	7,313	-25,061	200,888

SUMMARY OF SERVICE BUDGETS

	<u>2011/12</u> £'000	<u>2012/13</u> £'000	<u>2013/14</u> £'000	<u>2014/15</u> £'000
2011/12 ORIGINAL BUDGET at November 2010 price levels	218,636	218,636	218,636	218,636
INFLATION TO NOVEMBER 2011	3,835	7,313	7,313	7,313
2011/12 ORIGINAL BUDGET REPRICED	<u>222,471</u>	<u>225,949</u>	<u>225,949</u>	<u>225,949</u>
DEVELOPMENTS				
Adult Care and Health	-1,509	-6,982	-7,758	-8,388
Education and Children's Services	-825	-9,311	-10,228	-10,228
Environment, Culture and Community Safety	-491	-5,146	-5,749	-5,653
Finance and Corporate Resources	-1,016	-3,298	-1,630	-3,206
Housing	703	397	437	441
Strategic Planning and Transportation	1,254	-721	-791	-791
	<u>-1,884</u>	<u>-25,061</u>	<u>-25,719</u>	<u>-27,825</u>
Part of Developments included in Original Budget	-	-	-	-
NET EFFECT OF DEVELOPMENTS	<u>-1,884</u>	<u>-25,061</u>	<u>-25,719</u>	<u>-27,825</u>
NET EXPENDITURE with inflation to November 2011	<u>220,587</u>	<u>200,888</u>	<u>200,230</u>	<u>198,124</u>
ANALYSIS BY SERVICE				
Adult Care and Health	92,326	88,385	87,609	86,979
Education and Children's Services	60,729	52,789	51,872	51,872
Environment, Culture and Community Safety	46,929	42,884	42,281	42,377
Finance and Corporate Resources	1,866	-218	1,450	-126
Housing	4,297	4,009	4,049	4,053
Strategic Planning and Transportation	14,440	13,039	12,969	12,969
NET EXPENDITURE with inflation to November 2011	<u>220,587</u>	<u>200,888</u>	<u>200,230</u>	<u>198,124</u>
New Homes Bonus	-1,081	-2,811	-2,811	-2,811
Council Tax Freeze Grant	-1,196	-1,210	-	-
Inflation to outturn prices	-	4,443	12,325	19,564
NET EXPENDITURE with inflation to outturn	<u>218,310</u>	<u>201,310</u>	<u>209,744</u>	<u>214,877</u>

ANALYSIS OF SERVICE BUDGETS 2012/13

£'000	ADULT CARE & HEALTH	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 2011 prices for General Fund										
Salaries	10,062	23,700	12,460	5,908	2,342	6,796	61,268	153,753	7,596	222,617
Wages	-	-	-	-	-	-	-	1,946	-	1,946
Indirect Employee Expenses	137	764	90	71	20	82	1,164	3,601	142	4,907
Premises	310	1,476	8,669	1,263	178	2,711	14,607	14,149	39,163	67,919
Use of Transport	1,584	3,329	284	18	37	118	5,370	738	43	6,151
Concessionary Fares	-	-	-	-	-	13,532	13,532	-	-	13,532
Supplies and Services										
- Funding to Voluntary Bodies	2,833	6,298	210	706	56	-	10,103	1,688	-	11,791
- Other	2,093	5,162	2,751	3,664	135	5,137	18,942	9,604	2,103	30,649
Third Party Payments										
- Precepts, Levies and Charges	-	1,421	13,692	1,449	-	674	17,236	-	-	17,236
- Other	89,818	11,860	12,562	450	1,207	6,239	122,136	9,578	16,249	147,963
Transfer Payments										
- Housing Benefits etc	-	1,254	154	224,553	986	-	226,947	49	4,793	231,789
Central & Technical Support	7,095	14,864	4,154	12,050	666	4,612	43,441	3,109	6,026	52,576
Depreciation and Impairment	136	3,679	2,249	407	-	5,623	12,094	-	20,068	32,162
Capital Financing Charges										
- Capital Charges to Users	-	-	-	-	-	-	-	-	48,126	48,126
- Leasing Charges	-	-	-	-	-	-	-	-	22	22
TOTAL	114,068	73,807	57,275	250,539	5,627	45,524	546,840	198,215	144,331	889,386

ANALYSIS OF SERVICE BUDGETS 2012/13 (Continued)

£'000	ADULT CARE & HEALTH	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 2011 prices for General Fund										
Government Grants	10,174	19,436	69	227,222	694	75	257,670	173,521	-	431,191
Education for Other Authorities	-	-	-	-	-	-	-	11,793	-	11,793
Rents	359	-	155	1,372	-	-	1,886	-	110,083	111,969
Fees/Charges & Other Income	15,150	1,582	14,167	20,037	896	32,410	84,242	12,901	33,448	130,591
Interest Received	-	-	-	2,126	28	-	2,154	-	800	2,954
TOTAL	25,683	21,018	14,391	250,757	1,618	32,485	345,952	198,215	144,331	688,498
NET EXPENDITURE	88,385	52,789	42,884	-218	4,009	13,039	200,888	-	-	200,888
New Homes Bonus							-2,811			
Council Tax Freeze Grant							-1,210			
General Fund inflation from November 2011 to end of 2012/13							4,443			
Net Committee Budgets							201,310			

APPENDIX C

SUMMARY OF LEVIES AND CHARGES

	<u>Existing</u> <u>Budget</u> £'000	<u>Change in</u> <u>Requirement</u> £'000	<u>2012/13</u> <u>Budget</u> £'000
Western Riverside Waste Authority	12,314	332	12,646
London Councils			
- Concessionary Fares	12,362	982	13,344
- London Lorry Ban	12	-	12
TFL - Traffic Technology	399	13	412
Environment Agency – Flood Defence	250	1	251
London Pensions Fund Authority			
- Greater London	433	1	434
- Inner London	1,423	-2	1,421
- Deficit	156	-	156
Lee Valley Regional Park Authority	375	-7	368
Port of London Authority - river debris clearance	6	-	6
Wimbledon and Putney Commons Conservators	666	-	666
TOTAL	<u>28,396</u>	<u>1,320</u>	<u>29,716</u>

**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) Risk of breaching the housing benefit subsidy overpayment threshold.
- (n) Reduction in income streams due to the current economic difficulties.
- (o) Additional costs arising from auto-enrolment of staff into the pension scheme.

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 2011 £'000	Budgeted Change 2011/12 £'000	Budgeted Change 2012/13 £'000	Balance 1st April 2013 £'000
1. <u>Renewals Fund</u>				
Net use - Revenue		-5,463	-1,065	
Net use - Other		-1,754	-1,228	
Increase in Fund		741	717	
	31,545	-6,476	-1,576	23,493
2. <u>Finite Services Fund</u>	56	-18	-23	15
3. <u>Specific Grant Reserve</u>	2,400	-	-	2,400
4. <u>Services Transformation Reserve</u>	5,000	-	-	5,000
5. <u>Housing Revenue Account/ Housing Repairs Account</u>	169,224	17,420	6,154	192,798

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.

	Balance 1st April 2011 <hr/> £'000	Budgeted Change 2011/12 <hr/> £'000	Budgeted Change 2012/13 <hr/> £'000	Balance 1st April 2013 <hr/> £'000
6. <u>School Balances</u>	16,627	-	-	16,627

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>	9,271	-839	-839	7,593
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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
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This reserve was established to mitigate the impact of future increases in employer's pension contributions.

9. <u>Pensions Reserve</u>	-108,573	-	-	-108,573
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This reserve reflects the Council's estimated net Pension Fund liabilities.

10. <u>Enhanced Pension Fund</u>	4,870	-	-	4,870
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This Fund provides for pensions enhancements which fall outside statutory pension schemes, and mainly relates to teachers.

TOTAL	<hr/> 171,820	<hr/> 10,087	<hr/> 3,716	<hr/> 185,623
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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 2012/13

	<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;	874,189	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;	12,500	
(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>886,689</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;	819,067	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;	2,800	

	<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.	16,430	2
SUB-TOTAL	<u>838,298</u>	
DIFFERENCE (COUNCIL TAX REQUIREMENT)	<u>48,391</u>	

Note 1

	<u>Expenditure</u> £'000	<u>Income</u> £'000
Gross Expenditure/Income as in Appendix B	889,386	692,519
RSG/NNDR and Council Tax Freeze Grant	-	141,988
less internal recharges	-15,094	-15,094
plus inflation to end of 2012/13	4,589	146
less credit from Collection Fund shown separately	-	-492
less contributions to special reserves within Gross Expenditure	-4,692	-
	<u>874,189</u>	<u>819,067</u>

Note 2

	£'000
General reserves available (para.11)	20,146
Less drawings from special reserves (Appendix E)	-3,716
	<u>16,430</u>

APPENDIX G

COUNCIL TAX DECISION

- (a) That the revised revenue estimates for the year 2011/12 referred to in Paper No.12-92 and the revenue estimates for 2012/13 as summarised in Appendix B of this paper be approved;
- (b) That the details of the council tax requirement for the year 2012/13, as set out in Appendix F of this paper, be approved;
- (c) That it be noted that the following amounts for the year 2012/13 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) 128,358 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) 26,955 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 2012/13 in accordance with Sections 31 to 36 of the Local Government Finance Act 1992:
- (i) £886,688,919 being the aggregate of the amounts which the Council estimates for the items set out in Section 31A of the Act;
 - (ii) £838,297,665 being the aggregate of the amounts which the Council estimates for the items set out in Section 31A(3) of the Act;
 - (iii) £48,391,254 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) £377.0022 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) £665,709.05 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) £371.8159 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) £396.5130 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	264.3420	247.8773
B	308.3990	289.1901
C	352.4560	330.5030
D	396.5130	371.8159
E	484.6270	454.4417
F	572.7410	537.0674
G	660.8550	619.6932
H	793.0260	743.6318

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 2012/13 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	204.48
B	238.56
C	272.64
D	306.72
E	374.88
F	443.04
G	511.20
H	613.44

- (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 2012/13 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	468.82	452.36
B	546.96	527.75
C	625.10	603.14
D	703.23	678.54
E	859.51	829.32
F	1,015.78	980.11
G	1,172.06	1,130.89
H	1,406.47	1,357.07

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 Benefit</u> £
2 + Adults				
A	1,614	960	2,574	5.19
B	3,896	1,454	5,350	6.06
C	17,234	4,147	21,381	6.92
D	17,910	3,873	21,783	7.79
E	12,355	2,816	15,171	9.52
F	9,125	1,749	10,874	11.25
G	7,695	2,380	10,075	12.98
H	1,203	948	2,151	15.58
	(71,032)	(18,327)	(89,359)	
1 Adult				
A	1,984	1,439	3,423	3.89
B	5,085	1,836	6,921	4.55
C	11,769	2,474	14,243	5.19
D	7,740	1,910	9,650	5.84
E	4,214	1,171	5,385	7.14
F	2,392	638	3,030	8.44
G	1,275	497	1,772	9.74
H	138	97	235	11.69
	(34,597)	(10,062)	(44,659)	
Chargeable Empty/Second Home				
A	11	6	17	4.67
B	34	9	43	5.45
C	139	24	163	6.23
D	112	36	148	7.01
E	108	44	152	8.57
F	57	44	101	10.13
G	140	16	156	11.68
H	51	31	82	14.02
	(652)	(210)	(862)	
Exempt A-H	1,958	709	2,667	NIL
TOTALS	108,239	29,308	137,547	

APPENDIX I

COUNCIL TAX BILLS 2012/13

<u>Band</u>	<u>No. of Households</u>	<u>Council Tax</u> £	<u>Change</u> £
2+ Adults Major Part of the Borough			
A	1,614	452.36	-2.07
B	3,896	527.75	-2.41
C	17,234	603.14	-2.76
D	17,910	678.54	-3.10
E	12,355	829.32	-3.79
F	9,125	980.11	-4.48
G	7,695	1,130.89	-5.17
H	1,203	1,357.07	-6.20
2+ Adults W & PCC Part			
A	960	468.82	-2.19
B	1,454	546.96	-2.54
C	4,147	625.10	-2.91
D	3,873	703.23	-3.28
E	2,816	859.51	-4.00
F	1,749	1,015.78	-4.73
G	2,380	1,172.06	-5.45
H	948	1,406.47	-6.54
1 Adult Major Part of the Borough			
A	1,984	339.27	-1.55
B	5,085	395.81	-1.81
C	11,769	452.35	-2.07
D	7,740	508.90	-2.33
E	4,214	621.99	-2.84
F	2,392	735.08	-3.36
G	1,275	848.17	-3.87
H	138	1,017.80	-4.65

<u>Band</u>	<u>No. of Households</u>	<u>Council Tax</u> £	<u>Change</u> £
1 Adult W & PCC Part			
A	1,439	351.61	-1.65
B	1,836	410.22	-1.90
C	2,474	468.82	-2.19
D	1,910	527.42	-2.46
E	1,171	644.63	-3.00
F	638	761.83	-3.55
G	497	879.04	-4.09
H	97	1,054.85	-4.91

Chargeable Empty/Second Home
Major Part of the Borough

A	11	407.12	-1.87
B	34	474.97	-2.17
C	139	542.83	-2.48
D	112	610.69	-2.79
E	108	746.39	-3.41
F	57	882.10	-4.03
G	140	1,017.80	-4.65
H	51	1,221.36	-5.58

Chargeable Empty/Second Home
W & PCC Part

A	6	421.94	-1.97
B	9	492.26	-2.29
C	24	562.59	-2.62
D	36	632.91	-2.95
E	44	773.56	-3.60
F	44	914.20	-4.26
G	16	1,054.85	-4.91
H	31	1,265.82	-5.89

APPENDIX J

GENERAL REVENUE BUDGET FRAMEWORK

	<u>2011/12</u> <u>Revised</u> £'m	<u>2012/13</u> £'m	<u>2013/14</u> £'m	<u>2014/15</u> £'m
Committee Budgets at 2011 prices				
Adult Care and Health	92.326	88.385	87.609	86.979
Education and Children's Services	60.729	52.789	51.872	51.872
Environment, Culture and Community Safety	46.929	42.884	42.281	42.377
Finance and Corporate Resources	1.866	-0.218	1.450	-0.126
Housing	4.297	4.009	4.049	4.053
Strategic Planning and Transportation	14.440	13.039	12.969	12.969
New Homes Bonus	-1.081	-2.811	-2.811	-2.811
Council Tax Freeze Grant	-1.196	-1.210	-	-
Total	218.310	196.867	197.419	195.313
Inflation to outturn prices		4.443	12.325	19.564
Contributions to (+)/drawings from (-) General, Renewals, and Finite Services Funds	-16.304	-8.622	-1.531	0.113
Net Expenditure after drawing from reserves	202.006	192.688	208.213	214.990
Less:				
Collection Fund surplus	-1.477	-2.308	-	-
Formula Grant	-152.679	-141.988	-141.237	-135.673
Council Tax Requirement	47.850	48.391	66.976	79.317
Band D Council Tax	£	£	£	£
Wandsworth Council	377.06	377.00	518.96	611.27
Greater London Authority	309.82	306.72	314.39	322.25
Total	686.88	683.72	833.35	933.51
Increase in Wandsworth council tax		0.0%	37.7%	17.8%
Budget reductions needed in future years to maintain Wandsworth council tax increases to 3.49%			£'m	£'m
			16.622	26.923

SECTION 3 SERVICE GENERAL REVENUE BUDGETS

The following tables update the budget reports presented to Overview and Scrutiny Committees in January 2012 to provide details of the budget adopted by the Council on 7th March 2012.

The summary tables for each Cabinet remit are paired on facing pages. The left hand page shows the construction of the revised 2011/12 and 2012/13 budgets, by type of expenditure and income and by service. The 2012/13 estimates are at November 2011 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 2011/12 original budget at November 2010 price levels, adopted by the Council on 10th March 2010. This is adjusted for the effect of repricing to November 2011. The revenue effects of approved developments are then detailed to produce the revised budget for 2011/12, and budgets for 2012/13, 2013/14. After the Cabinet remit summaries in this form, corresponding details for each service are shown.

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.

Finance Department Committee representative: Ernie Jarvis
(Head of Corporate Finance)
Tel: 020-8871 6406

Financial Controller: Katherine Burston
Tel: 020-8871 6506

The general fund revenue budget for the Adult Care and Health 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 existing specific grants relating to Adult Care and Health Services are now centralised within Formula Grant. The Learning Disabilities and Health Reform grant is the only significant remaining specific grant, included in budgets since 2011/12.

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
SUMMARY**

	<u>2011/12 REVISED BUDGET</u>				<u>2012/13 BUDGET</u>		
	<u>2011/12</u>	<u>INFLATION</u>	<u>DEVEL-</u>	<u>TOTAL</u>	<u>INFLATION</u>	<u>DEVEL-</u>	<u>TOTAL</u>
	<u>BUDGET</u>						
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Salaries	10,468	-	-8	10,460	-	-406	10,062
Indirect Employee Expenses	234	6	-85	155	6	-103	137
Premises	342	9	-6	345	7	-39	310
Use of Transport	1,746	15	-148	1,613	-14	-148	1,584
Supplies and Services							
- Contracts with Voluntary Bodies	3,625	87	-682	3,030	92	-884	2,833
- Other	2,494	62	-396	2,160	104	-505	2,093
Third Party Payments	93,535	2,098	-3,202	92,431	3,613	-7,330	89,818
Central and Technical Support	7,542	-	-28	7,514	57	-504	7,095
Depreciation and Impairment	175	-	-28	147	-	-39	136
Government Grants	-10,636	-	650	-9,986	-	462	-10,174
Rents	-359	-	-	-359	-	-	-359
Other Income	-17,521	-87	2,424	-15,184	-143	2,514	-15,150
NET EXPENDITURE	91,645	2,190	-1,509	92,326	3,722	-6,982	88,385

REVENUE EXPENDITURE BY SERVICE

Older People and Physical Disability	39,590	920	-1,236	39,274	1,683	-2,472	38,801
Learning Disability	30,350	1,029	1	31,380	1,703	-1,543	30,510
Mental Health	9,005	209	-127	9,087	269	-750	8,524
Other Services	12,700	32	-147	12,585	67	-2,217	10,550
NET EXPENDITURE	91,645	2,190	-1,509	92,326	3,722	-6,982	88,385

**ADULT CARE AND HEALTH
SUMMARY**

	<u>2011/12</u> £'000	<u>2012/13</u> £'000	<u>2013/14</u> £'000	<u>2014/15</u> £'000
2011/2012 ORIGINAL BUDGET at November 2010 price levels	91,645	91,645	91,645	91,645
INFLATION TO NOVEMBER 2011	2,190	3,722	3,722	3,722
2011/2012 ORIGINAL BUDGET REPRICED	93,835	95,367	95,367	95,367
DEVELOPMENTS				
Older People and Physical Disability	-1,236	-2,472	-2,999	-3,409
Learning Disability	1	-1,543	-1,772	-1,827
Mental Health	-127	-750	-770	-935
Other Services	-147	-2,217	-2,217	-2,217
	-1,509	-6,982	-7,758	-8,388
Part of Developments included in Original Budget	-	-	-	-
NET EFFECT OF DEVELOPMENTS	-1,509	-6,982	-7,758	-8,388
NET EXPENDITURE with inflation to November 2011	92,326	88,385	87,609	86,979
ANALYSIS BY SERVICE				
Older People and Physical Disability	39,274	38,801	38,274	37,864
Learning Disability	31,380	30,510	30,281	30,226
Mental Health	9,087	8,524	8,504	8,339
Other Services	12,585	10,550	10,550	10,550
NET EXPENDITURE with inflation to November 2011	92,326	88,385	87,609	86,979

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

	<u>2011/12</u>	<u>2012/13</u>	<u>2013/14</u>	<u>2014/15</u>
	£'000	£'000	£'000	£'000
2011/2012 ORIGINAL BUDGET at November 2010 price levels	39,590	39,590	39,590	39,590
INFLATION TO NOVEMBER 2011	920	1,683	1,683	1,683
2011/2012 ORIGINAL BUDGET REPRICED	40,510	41,273	41,273	41,273
DEVELOPMENTS				
<u>Prior to March 2011 Council Tax Setting</u>				
10-791 (Nov 10) Commissioning Day Care Services	-	-223	-223	-223
11-14 (Jan 11) Reorganisation of the Adult Social Services Dept	-	-164	-164	-164
11-17 (Jan 11) Funding to Voluntary Organisations	-	-84	-84	-84
<u>This Year Budget Variations</u>				
11-302 (Apr 11) Respite and Emergency Services	-50	-50	-50	-50
11-306 (Apr 11) Framework Agreement - Domiciliary Home Care	-232	-692	-1,025	-1,435
11-648 (Sept 11) START - New Rostering System	-	-	-34	-34
11-835 (Nov 11) Care Service Contract Negotiations	-69	-69	-69	-69
12-40 (Jan 12) Respite and Emergency Care for Older People	-	-50	-65	-65
12-41 (Jan 12) Re-organisation of the Adult Social Services Dept	-	-178	-178	-178
12-42 (Jan 12) Electronic Monitoring of Home Care	-	-62	-207	-207
12-146 (Feb 12) Meal Charges	-	-11	-11	-11
<u>Transfers between Committees</u>				
10-493 (Jun 10) Assessments, Benefits and Charging Team	-147	-147	-147	-147
11-395 (Apr 11) IT Investment Programme	-	5	5	5
11-745 (Oct 11) Administration Department Review	-	-14	-14	-14
11-746 (Oct 11) Finance Department Review	-13	-199	-199	-199
12-231 (Feb 12) Recruitment and Retention Review	-	-37	-37	-37
Review of Central Support Services	74	74	74	74
Depreciation	32	32	32	32
<u>Other Technical/Volume Adjustments</u>				
Statutory Charges Review	-208	-208	-208	-208
Insurance Review	2	2	2	2
Review of Continuing Care Placements	-	-200	-200	-200
Eligibility for Financial Support	-	-150	-150	-150
Direct Payments Support Services	-54	-	-	-
Intermediate Care and Reablement	-	-200	-200	-200
Transfers within Committee	-571	153	153	153
	-1,236	-2,472	-2,999	-3,409
Part of Developments included in Original Budget	-	-	-	-
NET EFFECT OF DEVELOPMENTS	-1,236	-2,472	-2,999	-3,409
NET EXPENDITURE with inflation to November 2011	39,274	38,801	38,274	37,864

ANALYSIS BY SERVICE

Access Team	452	380	380	380
East Area Team	4,396	5,046	4,679	4,269
West Area Team	3,258	2,977	2,977	2,977
Occupational Therapy	849	540	540	540
Purchasing - Older People	23,629	23,529	23,514	23,514
Purchasing - Physical Disability	4,526	4,517	4,372	4,372
Contracts with Voluntary Organisations	1,142	994	994	994
Other Services	1,022	818	818	818
NET EXPENDITURE with inflation to November 2011	39,274	38,801	38,274	37,864

**ADULT CARE AND HEALTH
LEARNING DISABILITY**

	<u>2011/12</u>	<u>2012/13</u>	<u>2013/14</u>	<u>2014/15</u>
	£'000	£'000	£'000	£'000
2011/2012 ORIGINAL BUDGET	30,350	30,350	30,350	30,350
at November 2010 price levels				
INFLATION TO NOVEMBER 2011	1,029	1,703	1,703	1,703
2011/2012 ORIGINAL BUDGET REPRICED	31,379	32,053	32,053	32,053
DEVELOPMENTS				
<u>Prior to March 2011 Council Tax Setting</u>				
10-28 (Jan 10) Departmental Economies	-	-3	-3	-3
10-182 (Feb 10) Supported Living	-	-56	-167	-222
10-636 (Sep 10) Employment Services	-	-78	-78	-78
11-14 (Jan 11) Reorganisation of the Adult Social Services Dept	-	-9	-9	-9
11-19 (Jan 11) Staff Parking Charges	-	-1	-1	-1
11-19 (Jan 11) Energy Efficiencies	-	3	3	3
11-19 (Jan 11) Learning Disability and Health Reform Grant	-	-223	-223	-223
11-19 (Jan 11) Residential Care to Supported Living	-	-122	-240	-240
11-226 (Mar 11) Administrative Staffing Review	-	-29	-29	-29
11-230 (Mar 11) IT Review	-	-7	-7	-7
<u>This Year Budget Variations</u>				
11-646 (Sep 11) Disability Employment Services	-21	-50	-50	-50
11-835 (Nov 11) Care Service Contract Negotiations	-75	-75	-75	-75
12-41 (Jan 12) Re-organisation of the Adult Social Services Dept	-	-50	-50	-50
12-143 (Feb 12) Outreach and Travel Support	-	-172	-172	-172
<u>Transfers between Committees</u>				
10-493 (Jun 10) Assessments, Benefits and Charging Team	-48	-48	-48	-48
10-181 (Feb 11) LINK contract	-15	-	-	-
11-226 (Mar 11) Wandsworth Interpreting Service	7	7	7	7
11-395 (Apr 11) I.T. Investment Programme	-	7	7	7
11- 564 (Jun 11) Centralising Human Resources	-11	-21	-21	-21
11-745 (Oct 11) Administration Department Review	-	-40	-40	-40
11-746 (Oct 11) Finance Department Review	-2	-8	-8	-8
Review of Central Support Services	-80	-52	-52	-52
Depreciation	-6	-18	-18	-18
<u>Other Technical/Volume Adjustments</u>				
Statutory Charges Review	-77	-77	-77	-77
Review of Care Packages	-	-468	-468	-468
Carbon Reduction Commitment Allowances	2	2	2	2
Learning Disability & Health Reform Grant	-	-7	-7	-7
Essential Car Users - Permit Charges	-	-18	-18	-18
Transfers within Committee	327	70	70	70
	1	-1,543	-1,772	-1,827
Part of Developments included in Original Budget	-	-	-	-
NET EFFECT OF DEVELOPMENTS	1	-1,543	-1,772	-1,827
NET EXPENDITURE	31,380	30,510	30,281	30,226
with inflation to November 2011				
ANALYSIS BY SERVICE				
Learning Disability Teams	30,670	29,943	29,714	29,659
Learning Disability Management	538	530	530	530
Contracts with Voluntary Organisations	209	85	85	85
Retained Costs - Transferred Services	-37	-48	-48	-48
NET EXPENDITURE	31,380	30,510	30,281	30,226
with inflation to November 2011				

**ADULT CARE AND HEALTH
MENTAL HEALTH**

	<u>2011/12</u> £'000	<u>2012/13</u> £'000	<u>2013/14</u> £'000	<u>2014/15</u> £'000
2011/2012 ORIGINAL BUDGET at November 2010 price levels	9,005	9,005	9,005	9,005
INFLATION TO NOVEMBER 2011	209	269	269	269
2011/2012 ORIGINAL BUDGET REPRICED	9,214	9,274	9,274	9,274
DEVELOPMENTS				
<u>Prior to March 2011 Council Tax Setting</u>				
10-411 (Jun 10) Mental Health Accommodation Review	-	93	243	78
10-791 (Nov 10) Commissioning Day Care Services	-	-55	-55	-55
11-14 (Jan 11) Reorganisation of the Adult Social Services Dept	-	-5	-5	-5
11-19 (Jan 11) Mental Health Care	-	-180	-350	-350
<u>This Year Budget Variations</u>				
11-835 (Nov 11) Care Service Contract Negotiations	-20	-20	-20	-20
12-41 (Jan 12) Re-organisation of the Adult Social Services Dept	-	-80	-80	-80
<u>Transfers between Committees</u>				
10-493 (Jun 10) Assessments, Benefits and Charging Team	-25	-25	-25	-25
11-395 (Apr 11) I.T. Investment Programme	-	2	2	2
11-745 (Oct 11) Administration Department Review	-	-1	-1	-1
11-746 (Oct 11) Finance Department Review	-1	-14	-14	-14
Review of Central Support Services	4	4	4	4
Depreciation	-60	-60	-60	-60
<u>Other Technical/Volume Adjustments</u>				
Statutory Charges Review	-34	-34	-34	-34
Mental Health Resource Centres	-162	-162	-162	-162
Drug Action Team	-175	-175	-175	-175
Transfers within Committee	346	-38	-38	-38
	-127	-750	-770	-935
Part of Developments included in Original Budget	-	-	-	-
NET EFFECT OF DEVELOPMENTS	-127	-750	-770	-935
NET EXPENDITURE with inflation to November 2011	9,087	8,524	8,504	8,339
ANALYSIS BY SERVICE				
Mental Health Teams	6,106	5,665	5,495	5,495
Purchasing Management	-260	-140	10	-155
Grants to Voluntary Organisations	1,345	1,254	1,254	1,254
Specialist Teams	1,859	1,695	1,695	1,695
Other Services	37	50	50	50
NET EXPENDITURE with inflation to November 2011	9,087	8,524	8,504	8,339

**ADULT CARE AND HEALTH
OTHER SERVICES**

	<u>2011/12</u> £'000	<u>2012/13</u> £'000	<u>2013/14</u> £'000	<u>2014/15</u> £'000
2011/2012 ORIGINAL BUDGET at November 2010 price levels	12,700	12,700	12,700	12,700
INFLATION TO NOVEMBER 2011	32	67	67	67
2011/2012 ORIGINAL BUDGET REPRICED	12,732	12,767	12,767	12,767
DEVELOPMENTS				
<u>Prior to March 2011 Council Tax Setting</u>				
11-14 (Jan 11) Reorganisation of the Adult Social Services Dept	-	-32	-32	-32
11-17 (Jan 11) Funding of Voluntary Organisations	-	-6	-6	-6
<u>This Year Budget Variations</u>				
11-644 (Sep 11) Review of Supporting People	-	-454	-454	-454
11-837 (Nov 11) Review of Supporting People Contracts	-	-689	-689	-689
12-34 (Jan 12) Supporting People Services	-	-807	-807	-807
<u>Transfers between Committees</u>				
10-493 (Jun 10) Assessments, Benefits and Charging Team	-12	-12	-12	-12
11-395 (Apr 11) IT Investment Programme	-	7	7	7
11-745 (Oct 11) Administration Department Review	-	-2	-2	-2
11-747 (Oct 11) Design Service	-	-39	-39	-39
11-757 (Oct 11) London Contracts and Supplies Group	-	-4	-4	-4
12-88 (Jan 12) Provision of Prepaid Cards	-	6	6	6
Review of Central Support Services	1	1	1	1
Depreciation	-33	-	-	-
<u>Other Technical/Volume Adjustments</u>				
Insurance Review	-1	-1	-1	-1
Transfers within Committee	-102	-185	-185	-185
	-147	-2,217	-2,217	-2,217
Part of Developments included in Original Budget	-	-	-	-
NET EFFECT OF DEVELOPMENTS	-147	-2,217	-2,217	-2,217
NET EXPENDITURE with inflation to November 2011	12,585	10,550	10,550	10,550

ANALYSIS BY SERVICE

Grants to Voluntary Organisations	71	62	62	62
Supporting People	10,691	8,684	8,684	8,684
Other Services	1,823	1,804	1,804	1,804
NET EXPENDITURE with inflation to November 2011	12,585	10,550	10,550	10,550

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 and associated support services.

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

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 newly formed 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 2012/13 is £52.783 million.

From April 2011 the Government introduced a new unringfenced Early Intervention Grant which replaced a number of revenue grant streams, albeit at a reduced level. Other grants were rolled into the ringfenced Dedicated Schools Grant from 2011/12 but the overall grant settlement in 2012/13 is significantly lower than in preceding years.

**EDUCATION AND CHILDREN'S SERVICES
SUMMARY**

	<u>2011/12 REVISED BUDGET</u>				<u>2012/13 BUDGET</u>		
	<u>2011/12</u>						
	<u>ORIGINAL</u> <u>BUDGET</u>	<u>INFLATION</u> <u>TO NOV. '11</u>	<u>DEVEL-</u> <u>OPMENTS</u>	<u>TOTAL</u> <u>£'000</u>	<u>INFLATION</u> <u>TO NOV. '11</u>	<u>DEVEL-</u> <u>OPMENTS</u>	<u>TOTAL</u> <u>£'000</u>
Salaries	27,099	-	621	27,720	-	-3,399	23,700
Indirect Employee Expenses	1,510	-	-509	1,001	36	-782	764
Premises	1,435	35	519	1,989	80	-39	1,476
Use of Transport	3,313	55	27	3,395	77	-61	3,329
Supplies and Services							
- Grants to Voluntary Bodies	6,298	-	-	6,298	-	-	6,298
- Other	8,253	130	-2,748	5,635	193	-3,284	5,162
Third Party Payments							
- Levies	1,423	-	-	1,423	-	-2	1,421
- Other	15,942	263	-3,417	12,788	546	-4,628	11,860
Transfer Payments	1,183	28	98	1,309	53	18	1,254
Central, Technical & Departmental Support	14,270	67	2,478	16,815	139	455	14,864
Depreciation and Impairment	4,299	-	-621	3,678	-	-620	3,679
Government Grants	-7,124	-	-10,187	-17,311	-	-12,312	-19,436
Other Income	-16,925	-	12,914	-4,011	-	15,343	-1,582
NET EXPENDITURE	60,976	578	-825	60,729	1,124	-9,311	52,789

REVENUE EXPENDITURE BY SERVICE

Children's Specialist Services	31,883	294	2,252	34,429	717	891	33,491
Policy and Development	14,388	57	-991	13,454	119	-3,650	10,857
Planning and Resources	-3,161	68	-2,317	-5,410	74	-4,128	-7,215
Standards and Schools	6,253	43	16	6,312	43	-716	5,580
Young People and Learning	11,613	116	215	11,944	171	-1,708	10,076
	60,976	578	-825	60,729	1,124	-9,311	52,789

**EDUCATION AND CHILDREN'S SERVICES
SUMMARY**

	<u>2011/12</u> £'000	<u>2012/13</u> £'000	<u>2013/14</u> £'000	<u>2014/15</u> £'000
2011/2012 ORIGINAL BUDGET at November 2010 price levels	60,976	60,976	60,976	60,976
INFLATION TO NOVEMBER 2011	578	1,124	1,124	1,124
2011/2012 ORIGINAL BUDGET REPRICED	61,554	62,100	62,100	62,100
DEVELOPMENTS				
Children's Specialist Services	2,252	891	891	891
Policy and Development	-991	-3,650	-3,973	-3,973
Planning and Resources	-2,317	-4,128	-4,128	-4,128
Standards and Schools	16	-716	-717	-717
Young People and Learning	215	-1,708	-2,301	-2,301
	-825	-9,311	-10,228	-10,228
Part of Developments included in Original Budget	-	-	-	-
NET EFFECT OF DEVELOPMENTS	-825	-9,311	-10,228	-10,228
NET EXPENDITURE with inflation to November 2011	60,729	52,789	51,872	51,872
ANALYSIS BY SERVICE				
Children's Specialist Services	34,429	33,491	33,491	33,491
Policy and Development	13,454	10,857	10,534	10,534
Planning and Resources	-5,410	-7,215	-7,215	-7,215
Standards and Schools	6,312	5,580	5,579	5,579
Young People and Learning	11,944	10,076	9,483	9,483
NET EXPENDITURE with inflation to November 2011	60,729	52,789	51,872	51,872

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

	<u>2011/12</u> £'000	<u>2012/13</u> £'000	<u>2013/14</u> £'000	<u>2014/15</u> £'000
2011/2012 ORIGINAL BUDGET at November 2010 price levels	31,883	31,883	31,883	31,883
INFLATION TO NOVEMBER 2011	294	717	717	717
2011/2012 ORIGINAL BUDGET REPRICED	32,177	32,600	32,600	32,600
DEVELOPMENTS				
<u>This Year Budget Variations</u>				
11-333 (Apr 11) Aiming High for Disabled Children	-292	-292	-292	-292
11-790 (Nov 11) S&S Service Development	-	-6	-6	-6
11-792 (Nov 11) CSS Service Development	-	-1,535	-1,535	-1,535
11-797 (Nov 11) Revision of Charges	-	-2	-2	-2
<u>Transfers between Committees</u>				
11-226 (Mar 11) Wandsworth Interpreting Service	-	-20	-20	-20
11-230 (Mar 11) IT Division Staffing Review	-	-4	-4	-4
11-395 (Apr 11) IT Investment Programme	-	11	11	11
11-561 (Jun 11) Council's Financial Results Paper	5	-	-	-
11-564 (Jun 11) Centralising Human Resources	-6	-11	-11	-11
11-745 (Oct 11) Administration Department Review	-	-47	-47	-47
11-746 (Oct 11) Finance Department Review	-15	-87	-87	-87
12-231 (Feb 12) Recruitment and Retention Review	-	-10	-10	-10
Depreciation	-11	-12	-12	-12
Review of Central Support Services	-106	-100	-100	-100
<u>Other Technical/Volume Adjustments</u>				
Carbon Reduction Commitment	2	2	2	2
ECU Permits	-	-25	-25	-25
Forecast Efficiency	-300	-	-	-
Removal of Grant Income	85	85	85	85
Transfers within Committee	2,890	2,944	2,944	2,944
	2,252	891	891	891
Part of Developments included in Original Budget	-	-	-	-
NET EFFECT OF DEVELOPMENTS	2,252	891	891	891
NET EXPENDITURE with inflation to November 2011	34,429	33,491	33,491	33,491
ANALYSIS BY SERVICE				
Children Looked After	13,098	13,137	13,137	13,137
Service Development and Training	743	750	750	750
Family and Community Services	12,492	11,657	11,657	11,657
Special Needs and Disabled Children	8,096	7,947	7,947	7,947
NET EXPENDITURE with inflation to November 2011	34,429	33,491	33,491	33,491

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

	<u>2011/12</u> £'000	<u>2012/13</u> £'000	<u>2013/14</u> £'000	<u>2014/15</u> £'000
2011/2012 ORIGINAL BUDGET at November 2010 price levels	14,388	14,388	14,388	14,388
INFLATION TO NOVEMBER 2011	57	119	119	119
2011/2012 ORIGINAL BUDGET REPRICED	14,445	14,507	14,507	14,507
DEVELOPMENTS				
<u>Prior to March 2011 Council Tax Setting</u>				
11-207 (Feb 11) P&D Development Review	-	-275	-275	-275
<u>This Year Budget Variations</u>				
11-790 (Nov 11) S&S Service Development	-	-10	-10	-10
11-791 (Nov 11) P&D Service Review	-	-2,128	-2,378	-2,378
11-797 (Nov 11) Revision of Charges	-	-31	-31	-31
12-152 (Feb 12) York Gardens & Kimber Road Playgrounds	-	-74	-147	-147
<u>Transfers between Committees</u>				
11-561 (Jun 11) Council's Financial Results Paper	15	-	-	-
11-745 (Oct 11) Administration Department Review	-	-28	-28	-28
Depreciation	-34	-34	-34	-34
Review of Central Support Services	-7	-24	-24	-24
<u>Other Technical/Volume Adjustments</u>				
After School Subsidy	-	-56	-56	-56
Carbon Reduction Commitment	2	2	2	2
Reduction in Services Funded from Grant	-511	-536	-536	-536
Removal of Grant Income	546	546	546	546
Transfers within Committee	-1,002	-1,002	-1,002	-1,002
	-991	-3,650	-3,973	-3,973
Part of Developments included in Original Budget	-	-	-	-
NET EFFECT OF DEVELOPMENTS	-991	-3,650	-3,973	-3,973
NET EXPENDITURE with inflation to November 2011	13,454	10,857	10,534	10,534

ANALYSIS BY SERVICE

Early Years Service	7,719	6,051	5,851	5,851
Extended Schools and CIS	1,203	1,052	1,052	1,052
Play Services	3,241	2,548	2,425	2,425
Policy, Planning and Review	80	80	80	80
Safeguarding and Standards Unit	1,211	1,126	1,126	1,126
NET EXPENDITURE with inflation to November 2011	13,454	10,857	10,534	10,534

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

	<u>2011/12</u> £'000	<u>2012/13</u> £'000	<u>2013/14</u> £'000	<u>2014/15</u> £'000
2011/2012 ORIGINAL BUDGET at November 2010 price levels	-3,161	-3,161	-3,161	-3,161
INFLATION TO NOVEMBER 2011	68	74	74	74
2011/2012 ORIGINAL BUDGET REPRICED	-3,093	-3,087	-3,087	-3,087
DEVELOPMENTS				
<u>Prior to March 2011 Council Tax Setting</u>				
11-77 (Jan 11) Performance and Standards Service	-	-479	-479	-479
11-79 (Jan 11) Staffing Implications of Budget Reductions	-	-116	-116	-116
11-207 (Feb 11) P&D Development Review	-	-60	-60	-60
11-209 (Mar 11) Removal of Severance Costs	-	-40	-40	-40
<u>This Year Budget Variations</u>				
11-790 (Nov 11) S&S Service Development	-	-55	-55	-55
11-791 (Nov 11) P&D Development Review	-	-17	-17	-17
11-792 (Nov 11) CSS Service Development	-	-1	-1	-1
<u>Transfers between Committees</u>				
11-226 (Mar 11) Wandsworth Interpreting Service	-	-57	-57	-57
11-230 (Mar 11) IT Division Staffing Review	-	-10	-10	-10
11-395 (Apr 11) IT Investment Programme	-	29	29	29
11-561 (Jun 11) Council's Financial Results Paper	236	-	-	-
11-564 (Jun 11) Centralising Human Resources	-16	-32	-32	-32
11-745 (Oct 11) Administration Department Review	-	-61	-61	-61
11-746 (Oct 11) Finance Department Review	60	-78	-78	-78
11-757 (Oct 11) Office Furniture	-	-7	-7	-7
12-231 (Feb 12) Recruitment and Retention Review	-	-3	-3	-3
Depreciation	-262	-262	-262	-262
Review of Central Support Services	21	56	56	56
<u>Other Technical/Volume Adjustments</u>				
Carbon Reduction Commitment	2	2	2	2
ECU Permits	-	-6	-6	-6
EIG Grant Final Allocation Adjustment	-56	-1,290	-1,290	-1,290
LPFA Levy	-	-2	-2	-2
Reduce Schools Causing Concern Miscellaneous Budgets	-	-50	-50	-50
Removal of Severance Costs	-695	-	-	-
Student Finance	-	-32	-32	-32
Transfers within Committee	-1,607	-1,557	-1,557	-1,557
	-2,317	-4,128	-4,128	-4,128
Part of Developments included in Original Budget	-	-	-	-
NET EFFECT OF DEVELOPMENTS	-2,317	-4,128	-4,128	-4,128
NET EXPENDITURE with inflation to November 2011	-5,410	-7,215	-7,215	-7,215
ANALYSIS BY SERVICE				
Building Schools for the Future	944	714	714	714
Contracts and Personnel	870	898	898	898
Capital and Buildings Development	1,039	1,047	1,047	1,047
Financial and Other Services	3,209	2,828	2,828	2,828
ICT and Office Services	1,473	1,477	1,477	1,477
Early Intervention Grant	-12,945	-14,179	-14,179	-14,179
NET EXPENDITURE with inflation to November 2011	-5,410	-7,215	-7,215	-7,215

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

	<u>2011/12</u> £'000	<u>2012/13</u> £'000	<u>2013/14</u> £'000	<u>2014/15</u> £'000
2011/2012 ORIGINAL BUDGET at November 2010 price levels	6,253	6,253	6,253	6,253
INFLATION TO NOVEMBER 2011	43	43	43	43
2011/2012 ORIGINAL BUDGET REPRICED	6,296	6,296	6,296	6,296
DEVELOPMENTS				
<u>This Year Budget Variations</u>				
11-510 (Jun 11) Music Service Grant	321	-	-	-
11-790 (Nov 11) S&S Service Development	-	-193	-193	-193
11-791 (Nov 11) P&D Service Development	-	-43	-43	-43
11-792 (Nov 11) CSS Service Development	-	-1	-1	-1
<u>Transfers between Committees</u>				
11-561 (Jun 11) Council's Financial Results Paper	84	-	-	-
11-745 (Oct 11) Administration Department Review	-	-1	-1	-1
11-746 (Oct 11) Finance Department Review	-5	-31	-31	-31
12-231 (Feb 12) Recruitment and Retention Review	-	-11	-11	-11
Depreciation	-25	-25	-25	-25
Review of Central Support Services	-390	-396	-397	-397
<u>Other Technical/Volume Adjustments</u>				
CLAESS	-	-45	-45	-45
ECU Permits	-	-2	-2	-2
Pupil Services - Travel Passes	-10	-10	-10	-10
Travel Passes Reduction	-	-30	-30	-30
Transfers within Committee	72	106	106	106
Volume Adjustment	-31	-34	-34	-34
	16	-716	-717	-717
Part of Developments included in Original Budget	-	-	-	-
NET EFFECT OF DEVELOPMENTS	16	-716	-717	-717
NET EXPENDITURE with inflation to November 2011	6,312	5,580	5,579	5,579

ANALYSIS BY SERVICE

Curriculum and Governor Development	383	22	22	22
Dedicated Schools Budget funded by General Fund	2,942	2,792	2,792	2,792
Education and Welfare Service	592	504	504	504
Inclusion Service	642	718	718	718
Performance and Standards	1,688	1,505	1,504	1,504
Pupil Services	65	39	39	39
NET EXPENDITURE with inflation to November 2011	6,312	5,580	5,579	5,579

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

	<u>2011/12</u> £'000	<u>2012/13</u> £'000	<u>2013/14</u> £'000	<u>2014/15</u> £'000
2011/2012 ORIGINAL BUDGET at November 2010 price levels	11,613	11,613	11,613	11,613
INFLATION TO NOVEMBER 2011	116	171	171	171
2011/2012 ORIGINAL BUDGET REPRICED	11,729	11,784	11,784	11,784
DEVELOPMENTS				
<u>Prior to March 2011 Council Tax Setting</u>				
11-79 (Jan 11) Staffing Implications of Budget Reductions	-	-620	-620	-620
<u>This Year Budget Variations</u>				
11-791 (Nov 11) P&D Service Development	-180	-367	-367	-367
11-792 (Nov 11) CSS Service Development	-	-604	-604	-604
11-796 (Nov 11) Youth Work Service Proposals	-	-283	-533	-533
11-797 (Nov 11) Revision of Charges	-	-2	-2	-2
<u>Transfers between Committees</u>				
11-226 (Mar 11) Wandsworth Interpreting Service	-	-6	-6	-6
11-230 (Mar 11) IT Division Staffing Review	-	-1	-1	-1
11-387 (Apr 11) Community Budget for Families with Complex Needs	244	344	-	-
11-395 (Apr 11) I.T. Investment Programme	-	1	1	1
11-561 (Jun 11) Council's Financial Results Paper	208	-	-	-
11-564 (Jun 11) Centralising Human Resources	-2	-3	-3	-3
11-745 (Oct 11) Administration Department Review	-	-12	-12	-12
Depreciation	39	39	39	39
Review of Central Support Services	-66	-34	-33	-33
<u>Other Technical/Volume Adjustments</u>				
Carbon Reduction Commitment	4	4	4	4
PCT Funding	-131	-	-	-
Reduction in Services Funded from Grant	-	-3	-3	-3
Removal of Grant Income	462	462	462	462
RSL Funding	-10	-	-	-
Student Finance	-	-132	-132	-132
Transfers within Committee	-353	-491	-491	-491
	215	-1,708	-2,301	-2,301
Part of Developments included in Original Budget	-	-	-	-
NET EFFECT OF DEVELOPMENTS	215	-1,708	-2,301	-2,301
NET EXPENDITURE with inflation to November 2011	11,944	10,076	9,483	9,483
ANALYSIS BY SERVICE				
14-19	1,140	499	499	499
Adult Education	-89	36	36	36
Diversion Service	2,661	2,309	1,716	1,716
Integrated Youth Service	8,064	7,119	7,119	7,119
Teenage Pregnancy	168	113	113	113
NET EXPENDITURE with inflation to November 2011	11,944	10,076	9,483	9,483

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, town centre management, 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 (Town Centre Management and 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 and parks and cemeteries grounds maintenance.

The budget for 2012/13 and future years includes the effects of efficiency reviews of all Services. Specifically, the Waste Management service includes the effects of the retendering of the refuse collection contract which produced a saving of £0.937 million and a review of charges resulting in a net budget reduction of £0.523 million. The Western Riverside Waste Authority (WRWA) levy increased by £0.332 million. Operational efficiencies for the Parks Police and Dog Control services have been achieved following an agreement with the Metropolitan Police Authority to undertake work carried out by the Parks Police Service.

**ENVIRONMENT, CULTURE AND COMMUNITY SAFETY
SUMMARY**

	<u>2011/12 REVISED BUDGET</u>				<u>2012/13 BUDGET</u>		
	<u>2011/12</u>	<u>INFLATION</u> <u>TO NOV. '11</u>	<u>DEVEL-</u> <u>OPMENTS</u>	<u>TOTAL</u>	<u>INFLATION</u> <u>TO NOV. '11</u>	<u>DEVEL-</u> <u>OPMENTS</u>	<u>TOTAL</u>
	<u>BUDGET</u> £'000						
Salaries	13,623	-	120	13,743	-	-1,163	12,460
Indirect Employee Expenses	259	3	-118	144	4	-173	90
Premises	8,604	304	-74	8,834	460	-395	8,669
Use of Transport	347	8	-74	281	2	-65	284
Supplies and Services							
- Funding to Voluntary Bodies	204	5	-3	206	11	-5	210
- Other	3,042	61	127	3,230	112	-403	2,751
Third Party Payments							
- Precepts and Levies	13,861	-	-	13,861	-	-169	13,692
- Other	12,918	308	287	13,513	681	-1,037	12,562
Transfer Payments	147	2	1	150	8	-1	154
Central and Technical Support	4,888	15	24	4,927	40	-774	4,154
Depreciation and Impairment	2,608	-	-358	2,250	-	-359	2,249
Government Grants	-	-	-241	-241	-	-69	-69
Rents	-197	-	-15	-212	-	42	-155
Other Income	-13,588	-2	-167	-13,757	-4	-575	-14,167
NET EXPENDITURE	46,716	704	-491	46,929	1,314	-5,146	42,884

REVENUE EXPENDITURE BY SERVICE

Community Safety	2,070	13	-479	1,604	26	-480	1,616
Town Centres	553	1	-50	504	7	-52	508
Environmental Services	3,798	17	205	4,020	26	139	3,963
Libraries and Heritage Services	6,527	53	-152	6,428	93	-804	5,816
Parks and Open Spaces	5,796	158	25	5,979	200	-151	5,845
Bereavement Services	-456	50	-40	-446	61	-218	-613
Leisure Centres and Sports Services	986	98	-281	803	189	-639	536
Waste Management	25,543	290	310	26,143	651	-1,747	24,447
Security, Arts and Public Events	1,899	24	-29	1,894	61	-1,194	766
NET EXPENDITURE	46,716	704	-491	46,929	1,314	-5,146	42,884

**ENVIRONMENT, CULTURE AND COMMUNITY SAFETY
SUMMARY**

	<u>2011/12</u> £'000	<u>2012/13</u> £'000	<u>2013/14</u> £'000	<u>2014/15</u> £'000
2011/2012 ORIGINAL BUDGET at November 2010 price levels	46,716	46,716	46,716	46,716
INFLATION TO NOVEMBER 2011	704	1,314	1,314	1,314
2011/2012 ORIGINAL BUDGET REPRICED	47,420	48,030	48,030	48,030
DEVELOPMENTS				
Community Safety	-479	-480	-480	-480
Town Centres	-50	-52	-52	-52
Environmental Services	205	139	55	55
Libraries and Heritage Services	-152	-804	-808	-808
Parks and Open Spaces	25	-151	-185	-185
Bereavement Services	-40	-218	-220	-220
Leisure Centres and Sports Services	-281	-639	-642	-581
Waste Management	310	-1,747	-2,312	-2,312
Security, Arts and Public Events	-29	-1,194	-1,105	-1,070
	-491	-5,146	-5,749	-5,653
Part of Developments included in Original Budget	-	-	-	-
NET EFFECT OF DEVELOPMENTS	-491	-5,146	-5,749	-5,653
NET EXPENDITURE with inflation to November 2011	46,929	42,884	42,281	42,377

ANALYSIS BY SERVICE

Community Safety	1,604	1,616	1,616	1,616
Town Centres	504	508	508	508
Environmental Services	4,020	3,963	3,879	3,879
Libraries and Heritage Services	6,428	5,816	5,812	5,812
Parks and Open Spaces	5,979	5,845	5,811	5,811
Bereavement Services	-446	-613	-615	-615
Leisure Centres and Sports Services	803	536	533	594
Waste Management	26,143	24,447	23,882	23,882
Security, Arts and Public Events	1,894	766	855	890
NET EXPENDITURE with inflation to November 2011	46,929	42,884	42,281	42,377

ENVIRONMENT, CULTURE AND COMMUNITY SAFETY
COMMUNITY SAFETY

	<u>2011/12</u>	<u>2012/13</u>	<u>2013/14</u>	<u>2014/15</u>
	£'000	£'000	£'000	£'000
2011/2012 ORIGINAL BUDGET at November 2010 price levels	2,070	2,070	2,070	2,070
INFLATION TO NOVEMBER 2011	13	26	26	26
2011/2012 ORIGINAL BUDGET REPRICED	2,083	2,096	2,096	2,096
DEVELOPMENTS				
<u>This Year Budget Variations</u>				
11-366 (Apr 11) DTS Staffing Review	-28	-28	-28	-28
11-854 (Sep 11) ECCS Charges Review	-	-1	-1	-1
<u>Transfers between Committees</u>				
Review of Central Support Services	9	9	9	9
DTS Support Services Review	-253	-253	-253	-253
Depreciation	-207	-207	-207	-207
	-479	-480	-480	-480
Part of Developments included in Original Budget	-	-	-	-
NET EFFECT OF DEVELOPMENTS	-479	-480	-480	-480
NET EXPENDITURE with inflation to November 2011	1,604	1,616	1,616	1,616

ANALYSIS BY SERVICE

CCTV Maintenance and Retail Radio	459	465	465	465
Neighbourhood Watch	87	87	87	87
Burglary Aftercare	41	41	41	41
Community Safety Grants	121	124	124	124
Domestic Violence Co-Ordinator	53	53	53	53
Anti-Social Behaviour Unit	82	82	82	82
Administration and Support Services	761	764	764	764
NET EXPENDITURE with inflation to November 2011	1,604	1,616	1,616	1,616

**ENVIRONMENT, CULTURE AND COMMUNITY SAFETY
TOWN CENTRES**

	<u>2011/12</u> £'000	<u>2012/13</u> £'000	<u>2013/14</u> £'000	<u>2014/15</u> £'000
2011/2012 ORIGINAL BUDGET at November 2010 price levels	553	553	553	553
INFLATION TO NOVEMBER 2011	1	7	7	7
2011/2012 ORIGINAL BUDGET REPRICED	554	560	560	560
DEVELOPMENTS				
<u>This Year Budget Variations</u>				
11-680 (Sep 11) Outer London Fund - Tooting TC	231	-	-	-
<u>Transfers between Committees</u>				
11-745 (Sep 11) Administration Department Review	-	-2	-2	-2
Review of Central Support Services	32	32	32	32
Re-apportionment of EDO Staffing Costs	-82	-82	-82	-82
<u>Other Technical/Volume Adjustments</u>				
Outer London Fund - Tooting TC	-231	-	-	-
	-50	-52	-52	-52
Part of Developments included in Original Budget	-	-	-	-
NET EFFECT OF DEVELOPMENTS	-50	-52	-52	-52
NET EXPENDITURE with inflation to November 2011	504	508	508	508
ANALYSIS BY SERVICE				
Town Centres	504	508	508	508
NET EXPENDITURE with inflation to November 2011	504	508	508	508

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

	<u>2011/12</u>	<u>2012/13</u>	<u>2013/14</u>	<u>2014/15</u>
	£'000	£'000	£'000	£'000
2011/2012 ORIGINAL BUDGET at November 2010 price levels	3,798	3,798	3,798	3,798
INFLATION TO NOVEMBER 2011	17	26	26	26
2011/2012 ORIGINAL BUDGET REPRICED	3,815	3,824	3,824	3,824

DEVELOPMENTS

Prior to March 2011 Council Tax Setting

10-826 (Nov 10) Charges for Rat Treatment	-	-10	-10	-10
11-226 (Mar 11) Administration Department Review	-	-9	-9	-9

This Year Budget Variations

11-432 (Jun 11) Licensing Delivery Grant	-14	-14	-14	-14
11-562 (Jun 11) ECS Management Structure	-64	-155	-155	-155
11-757 (Sep 11) Office Furniture	-	-1	-1	-1

Transfers between Committees

11-564 (Jun 11) Centralisation of HR	-54	-78	-78	-78
11-745 (Sep 11) Administration Department Review	-	-4	-4	-4
11-746 (Sep 11) Finance Department Review	-	-4	-4	-4
12-231 (Feb 12) Recruitment and Retention Review	-	-43	-43	-43
Review of Central Support Services	90	76	76	76
Transfer of Services	304	270	270	270
Depreciation	27	27	27	27

Other Technical/Volume Adjustments

Air Quality Grant - DEFRA	-84	84	-	-
	205	139	55	55

Part of Developments included in Original Budget

NET EFFECT OF DEVELOPMENTS	-	-	-	-
	205	139	55	55

NET EXPENDITURE

with inflation to November 2011

	4,020	3,963	3,879	3,879
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ANALYSIS BY SERVICE

Food and Health & Safety	1,420	1,342	1,342	1,342
Trading Standards	576	544	544	544
Licensing	371	334	334	334
Coroners Court and Mortuary	437	441	441	441
General Environmental Services	1,216	1,302	1,218	1,218

NET EXPENDITURE

with inflation to November 2011

	4,020	3,963	3,879	3,879
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**ENVIRONMENT, CULTURE AND COMMUNITY SAFETY
LIBRARIES AND HERITAGE SERVICES**

	<u>2011/12</u> £'000	<u>2012/13</u> £'000	<u>2013/14</u> £'000	<u>2014/15</u> £'000
2011/2012 ORIGINAL BUDGET at November 2010 price levels	6,527	6,527	6,527	6,527
INFLATION TO NOVEMBER 2011	53	93	93	93
2011/2012 ORIGINAL BUDGET REPRICED	6,580	6,620	6,620	6,620

DEVELOPMENTS

Prior to March 2011 Council Tax Setting

11-31 (Jan 11) Staff Review -137 -137 -137

This Year Budget Variations

11-225 (Mar 11) Director of L&A Post -30 -30 -30

11-260 (Mar 11) Libraries Review -359 -359 -359

11-395 (Apr 11) IT Investment Programme 9 9 9

11-562 (Jun 11) ECS Management Structure -9 -13 -13

11-679 (Sep 11) ECS Department Staffing -40 -40 -40

11-747 (Sep 11) Premises Maintenance Review -19 -19 -19

11-854 (Nov 11) Charges Review -3 -31 -31 -31

11-879 (Nov 11) ECS Department Staffing -2 -2 -2

12-88 (Jan 12) Banking Contract -2 -2 -2

Transfers between Committees

11-226 (Mar 11) Administration Department Staff Review 1 1 1

11-564 (Jun 11) Centralisation of HR -28 -41 -41 -41

11-745 (Sep 11) Administration Department Review -11 -11 -11

11-746 (Sep 11) Finance Department Review -6 -6 -6

Review of Central Support Services -28 -34 -34 -34

Depreciation -14 -14 -14 -14

Other Technical/Volume Adjustments

Business Rates Review 8 8 8 8

Carbon Reduction Commitment Allowances 11 11 11 11

Transfers within Committee -98 -98 -98 -98

-152 -804 -808 -808

Part of Developments included in Original Budget - - -

NET EFFECT OF DEVELOPMENTS -152 -804 -808 -808

NET EXPENDITURE

with inflation to November 2011

6,428 5,816 5,812 5,812

ANALYSIS BY SERVICE

Libraries 5,756 5,154 5,150 5,150

Children's Library Service 541 534 534 534

Heritage Service 132 130 130 130

Library Agency Service -1 -2 -2 -2

NET EXPENDITURE

with inflation to November 2011

6,428 5,816 5,812 5,812

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

	<u>2011/12</u> £'000	<u>2012/13</u> £'000	<u>2013/14</u> £'000	<u>2014/15</u> £'000
2011/2012 ORIGINAL BUDGET at November 2010 price levels	5,796	5,796	5,796	5,796
INFLATION TO NOVEMBER 2011	158	200	200	200
2011/2012 ORIGINAL BUDGET REPRICED	5,954	5,996	5,996	5,996

DEVELOPMENTS

Prior to March 2011 Council Tax Setting

10-826 (Nov 10) Charges Review	-	-3	-3	-3
11-31 (Jan 11) Staff Review	-	-70	-70	-70
11-39 (Feb 11) Falcon Park Rent	-	29	-	-

This Year Budget Variations

11-225 (Mar 11) Director of L&A	-	-32	-32	-32
11-395 (Apr 11) IT Investment Programme	-	1	1	1
11-562 (Jun 11) ECS Management Structure	-	-10	-14	-14
11-679 (Sep 11) ECS Department Staffing	-	-20	-20	-20
11-747 (Sep 11) Premises Maintenance Review	-	-37	-37	-37
11-757 (Sep 11) Office Equipment	-	-1	-1	-1
11-854 (Nov 11) Charges Review	-	-1	-2	-2
11-879 (Nov 11) ECS Department Staffing	-	-2	-2	-2

Transfers between Committees

11-226 (Mar 11) Administration Department Staff Review	-	-4	-4	-4
11-564 (Jun 11) Centralisation of HR	-5	-8	-8	-8
11-745 (Sep 11) Administration Department Review	-	-8	-8	-8
11-746 (Sep 11) Finance Department Review	-1	-7	-7	-7
Review of Central Support Services	-15	-19	-19	-19
Depreciation	62	62	62	62

Other Technical/Volume Adjustments

Carbon Reduction Commitment Allowances	10	10	10	10
Renewals Fund Contribution	-	2	2	2
Lee Valley Regional Park Levy	-	-7	-7	-7
Transfers within Committee	-26	-26	-26	-26

Part of Developments included in Original Budget

NET EFFECT OF DEVELOPMENTS	25	-151	-185	-185
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NET EXPENDITURE

with inflation to November 2011

	5,979	5,845	5,811	5,811
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ANALYSIS BY SERVICE

Battersea Park	1,343	1,299	1,299	1,299
Parks and Open Spaces	4,636	4,546	4,512	4,512

NET EXPENDITURE

with inflation to November 2011

	5,979	5,845	5,811	5,811
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**ENVIRONMENT, CULTURE AND COMMUNITY SAFETY
BEREAVEMENT SERVICES**

	<u>2011/12</u> £'000	<u>2012/13</u> £'000	<u>2013/14</u> £'000	<u>2014/15</u> £'000
2011/2012 ORIGINAL BUDGET at November 2010 price levels	-456	-456	-456	-456
INFLATION TO NOVEMBER 2011	50	61	61	61
2011/2012 ORIGINAL BUDGET REPRICED	-406	-395	-395	-395

DEVELOPMENTS

Prior to March 2011 Council Tax Setting

11-31 (Jan 11) Staff Review	-	-43	-43	-43
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This Year Budget Variations

11-225 (Mar 11) Director of L&A Post	-	-12	-12	-12
11-562 (Jun 11) ECS Management Structure	-	-4	-6	-6
11-679 (Sep 11) ECS Department Staffing	-	-9	-9	-9
11-747 (Sep 11) Premises Maintenance Review	-	-18	-18	-18
11-854 (Nov 11) Charges Review	-48	-122	-122	-122
11-879 (Nov 11) ECS Department Staffing	-	-1	-1	-1

Transfers between Committees

11-226 (Mar 11) Administration Department Staff Review	-	-2	-2	-2
11-564 (Jun 11) Centralisation of HR	-3	-4	-4	-4
11-745 (Sep 11) Administration Department Review	-	-4	-4	-4
11-746 (Sep 11) Finance Department Review	-1	-10	-10	-10
Review of Central Support Services	-6	-7	-7	-7
Depreciation	16	16	16	16

Other Technical/Volume Adjustments

Business Rates Review	1	1	1	1
Carbon Reduction Commitment Allowances	4	4	4	4
NESCB Distribution	-48	-48	-48	-48
Transfers within Committee	45	45	45	45
	-40	-218	-220	-220

Part of Developments included in Original Budget

NET EFFECT OF DEVELOPMENTS	-	-	-	-
	-40	-218	-220	-220

NET EXPENDITURE

with inflation to November 2011

	-446	-613	-615	-615
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ANALYSIS BY SERVICE

Cemeteries	98	-39	-40	-40
Crematorium	-361	-391	-392	-392
NESCB Distribution	-183	-183	-183	-183

NET EXPENDITURE

with inflation to November 2011

	-446	-613	-615	-615
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**ENVIRONMENT, CULTURE AND COMMUNITY SAFETY
LEISURE CENTRES AND SPORTS SERVICES**

	<u>2011/12</u>	<u>2012/13</u>	<u>2013/14</u>	<u>2014/15</u>
	£'000	£'000	£'000	£'000
2011/2012 ORIGINAL BUDGET at November 2010 price levels	986	986	986	986
INFLATION TO NOVEMBER 2011	98	189	189	189
2011/2012 ORIGINAL BUDGET REPRICED	1,084	1,175	1,175	1,175

DEVELOPMENTS

Prior to March 2011 Council Tax Setting

06-641 (Sep 06) Olympic Promotion	-	4	-3	-18
11-31 (Jan 11) Staff Review	-	-28	-28	-28

This Year Budget Variations

11-225 (Mar 11) Director of L&A Post	-	-35	-35	-35
11-395 (Apr 11) IT Investment Programme	-	1	1	1
11-465 (Jun 11) Sportive Programme	15	-	-	-
11-562 (Jun 11) ECS Management Structure	-	-10	-10	-10
11-679 (Sep 11) ECS Department Staffing	-	-55	-55	-55
11-747 (Sep 11) Premises Maintenance Review	-	-51	-51	-51
11-757 (Sep 11) Office Equipment	-	-1	-1	-1
11-854 (Nov 11) Charges Review	-	-91	-91	-91
11-879 (Nov 11) ECS Department Staffing	-	-3	-3	-3
12-88 (Jan 12) Banking Contract	-	-3	-3	-3

Transfers between Committees

11-226 (Mar 11) Administration Department Staff Review	-	-10	-10	-10
11-564 (Jun 11) Centralisation of HR	-10	-15	-15	-15
11-745 (Sep 11) Administration Department Review	-	-9	-9	-9
11-746 (Sep 11) Finance Department Review	-1	-6	-6	-6
Review of Central Support Services	-18	-26	-26	-26
Depreciation	-325	-325	-325	-325

Other Technical/Volume Adjustments

Leisure Centre Contract	-	-34	-30	46
Carbon Reduction Commitment Allowances	58	58	58	58

	-281	-639	-642	-581
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Part of Developments included in Original Budget

NET EFFECT OF DEVELOPMENTS	-281	-639	-642	-581
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NET EXPENDITURE

with inflation to November 2011

	803	536	533	594
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ANALYSIS BY SERVICE

Leisure Centres Client Costs	-361	-409	-405	-329
Sports Development	467	441	434	419
Children's Sports Development	187	170	170	170
Sports Services	510	334	334	334

NET EXPENDITURE

with inflation to November 2011

	803	536	533	594
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**ENVIRONMENT, CULTURE AND COMMUNITY SAFETY
WASTE MANAGEMENT**

	<u>2011/12</u> £'000	<u>2012/13</u> £'000	<u>2013/14</u> £'000	<u>2014/15</u> £'000
2011/2012 ORIGINAL BUDGET at November 2010 price levels	25,543	25,543	25,543	25,543
INFLATION TO NOVEMBER 2011	290	651	651	651
2011/2012 ORIGINAL BUDGET REPRICED	25,833	26,194	26,194	26,194
DEVELOPMENTS				
<u>Prior to March 2011 Council Tax Setting</u>				
10-557 (Jun 10) Ending Public Conveniences Contract	169	-	-	-
11-31 (Jan 11) Staff Review	-	-99	-99	-99
<u>This Year Budget Variations</u>				
11-225 (Mar 11) Director of L&A Post	-	-72	-72	-72
11-395 (Apr 11) IT Investment Programme	-	1	1	1
11-529 (Jun 11) Housing Cleansing Contract	-	64	64	64
11-562 (Jun 11) ECS Management Structure	-	-22	-31	-31
11-584 (Jun 11) Refuse Contract	-	-937	-937	-937
11-585 (Jun 11) Street Cleansing Contract	-	-511	-511	-511
11-679 (Sep 11) ECS Department Staffing	-	-52	-52	-52
11-747 (Sep 11) Premises Maintenance Review	-	-1	-1	-1
11-854 (Nov 11) Charges Review	-4	-523	-595	-595
11-879 (Nov 11) ECS Department Staffing	-	-6	-6	-6
<u>Transfers between Committees</u>				
11-226 (Mar 11) Administration Department Staff Review	-	-7	-7	-7
11-564 (Jun 11) Centralisation of HR	-10	-16	-16	-16
11-745 (Sep 11) Administration Department Review	-	-2	-2	-2
11-746 (Sep 11) Finance Department Review	-1	-16	-16	-16
Review of Central Support Services	3	-1	-1	-1
Depreciation	77	77	77	77
<u>Other Technical/Volume Adjustments</u>				
Waste Disposal Charge Adjustment to HRA	-	-500	-500	-500
WRWA Levy	-	332	332	332
Domestic Refuse Volume Adjustment	16	-	-	-
Revision of Street Cleansing Contractor	-	484	-	-
Transfers within Committee	60	60	60	60
	310	-1,747	-2,312	-2,312
Part of Developments included in Original Budget	-	-	-	-
NET EFFECT OF DEVELOPMENTS	310	-1,747	-2,312	-2,312
NET EXPENDITURE with inflation to November 2011	26,143	24,447	23,882	23,882
ANALYSIS BY SERVICE				
Refuse & Recycling	20,106	18,395	18,314	18,314
Street Cleansing	5,736	5,922	5,438	5,438
Public Conveniences	301	130	130	130
NET EXPENDITURE with inflation to November 2011	26,143	24,447	23,882	23,882

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

	<u>2011/12</u> £'000	<u>2012/13</u> £'000	<u>2013/14</u> £'000	<u>2014/15</u> £'000
2011/2012 ORIGINAL BUDGET at November 2010 price levels	1,899	1,899	1,899	1,899
INFLATION TO NOVEMBER 2011	24	61	61	61
2011/2012 ORIGINAL BUDGET REPRICED	1,923	1,960	1,960	1,960

DEVELOPMENTS

Prior to March 2011 Council Tax Setting

09-701 (Sep 09) British Genius Site	-	-4	41	51
10-555 (Jun 11) Parks Police Review	-	-107	-107	-107

This Year Budget Variations

11-225 (Mar 11) Director of L&A Post	-	-28	-28	-28
11-261 (Mar 11) Parks Police Review	-	-221	-221	-221
11-395 (Apr 11) IT Investment Programme	-	2	2	2
11-562 (Jun 11) ECS Management Structure	-	-8	-12	-12
11-679 (Sep 11) ECS Department Staffing	-	-25	-25	-25
11-747 (Sep 11) Premises Maintenance Review	-	-15	-15	-15
11-841 (Nov 11) Parks Police Review	-	-475	-427	-402
11-854 (Nov 11) Charges Review	-	-116	-116	-116
11-879 (Nov 11) ECS Department Staffing	-	-2	-2	-2

Transfers between Committees

11-564 (Jun 11) Centralisation of HR	-18	-27	-27	-27
11-745 (Sep 11) Administration Department Review	-	-9	-9	-9
11-746 (Sep 11) Finance Department Review	-	-7	-7	-7
Review of Central Support Services	-4	-14	-14	-14
Depreciation	-9	-9	-9	-9

Other Technical/Volume Adjustments

Carbon Reduction Commitment Allowances	2	2	2	2
Review of Arts Service	-	-131	-131	-131

	-29	-1,194	-1,105	-1,070
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Part of Developments included in Original Budget

NET EFFECT OF DEVELOPMENTS	-	-	-	-
	-29	-1,194	-1,105	-1,070

NET EXPENDITURE

with inflation to November 2011

	1,894	766	855	890
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ANALYSIS BY SERVICE

Dog Control & Enforcement	183	172	171	171
Shows and Special Events	-52	-74	-74	-74
Battersea Park Events	-296	-600	-555	-545
Parks Police	1,287	646	693	718
Public Halls and Community Centres	139	74	73	73
Arts	633	548	547	547

NET EXPENDITURE

with inflation to November 2011

	1,894	766	855	890
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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 2011/12. 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 2011/12 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 to Formula Grant with few remaining to be shown within service budgets. The main exceptions to this are the Housing Benefit and Council Tax benefit administration grant, which for 2012/13 will be £2.74 million and the Local Services Support grant, the income for which is shown within Finance General Services.

**FINANCE AND CORPORATE RESOURCES
SUMMARY**

	<u>2011/12 REVISED BUDGET</u>			<u>2012/13 BUDGET</u>			
	<u>2011/12</u>	INFLATION TO NOV. '11	DEVEL- OPMENTS	TOTAL	INFLATION TO NOV. '11	DEVEL- OPMENTS	TOTAL
	<u>ORIGINAL</u> <u>BUDGET</u>						
Salaries	5,399	-	664	6,063	-	509	5,908
Indirect Employee Expenses	297	-	-142	155	2	-228	71
Premises	1,561	15	-770	806	11	-309	1,263
Use of Transport	9	-	10	19	-1	10	18
Supplies and Services							
- Grants and Subscriptions	798	20	1	819	7	-99	706
- Other	6,440	72	-779	5,733	88	-2,864	3,664
Third Party Payments							
- Precepts, Levies and Charges	1,448	-	-	1,448	-	1	1,449
- Other	431	-	-	431	19	-	450
Transfer Payments	213,777	-	1,712	215,489	-	10,776	224,553
Central and Technical Support	13,042	-	398	13,440	179	-1,171	12,050
Depreciation and Impairment	408	-	-23	385	-	-1	407
Government Grants	-215,534	-	-2,738	-218,272	-	-11,688	-227,222
Rents	-1,324	-	16	-1,308	-	-48	-1,372
Fees, Charges and Other Income	-21,572	-	1,870	-19,702	-	1,535	-20,037
Interest Received	-2,405	-	-1,235	-3,640	-	279	-2,126

NET EXPENDITURE	<u>2,775</u>	<u>107</u>	<u>-1,016</u>	<u>1,866</u>	<u>305</u>	<u>-3,298</u>	<u>-218</u>
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REVENUE EXPENDITURE BY SERVICE

General Services							
- Administration Department	7,641	21	57	7,719	143	-1,137	6,647
- Finance Department	-11,160	40	-1,063	-12,183	1	-1,402	-12,561
Council Tax and Rate Collection	2,888	15	-419	2,484	71	-752	2,207
Property Services	1,445	14	-553	906	29	-441	1,033
Housing and Council Tax Benefits	1,961	17	962	2,940	61	434	2,456

NET EXPENDITURE	<u>2,775</u>	<u>107</u>	<u>-1,016</u>	<u>1,866</u>	<u>305</u>	<u>-3,298</u>	<u>-218</u>
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**FINANCE AND CORPORATE RESOURCES
SUMMARY**

	<u>2011/12</u> £'000	<u>2012/13</u> £'000	<u>2013/14</u> £'000	<u>2014/15</u> £'000
2011/2012 ORIGINAL BUDGET at November 2010 price levels	2,775	2,775	2,775	2,775
INFLATION TO NOVEMBER 2011	107	305	305	305
2011/2012 ORIGINAL BUDGET REPRICED	2,882	3,080	3,080	3,080
DEVELOPMENTS				
General Services				
- Administration Department	57	-1,137	-1,122	-1,115
- Finance Department	-1,063	-1,402	-431	-383
Council Tax and Rate Collection	-419	-752	-752	-752
Property Services	-553	-441	241	-1,390
Housing and Council Tax Benefits	962	434	434	434
	-1,016	-3,298	-1,630	-3,206
Part of Developments included in Original Budget	-	-	-	-
NET EFFECT OF DEVELOPMENTS	-1,016	-3,298	-1,630	-3,206
NET EXPENDITURE with inflation to November 2011	1,866	-218	1,450	-126
ANALYSIS BY SERVICE				
General Services				
- Administration Department	7,719	6,647	6,662	6,669
- Finance Department	-12,183	-12,561	-11,590	-11,542
Council Tax and Rate Collection	2,484	2,207	2,207	2,207
Property Services	906	1,033	1,715	84
Housing and Council Tax Benefits	2,940	2,456	2,456	2,456
NET EXPENDITURE with inflation to November 2011	1,866	-218	1,450	-126

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

	<u>2011/12</u>	<u>2012/13</u>	<u>2013/14</u>	<u>2014/15</u>
	£'000	£'000	£'000	£'000
2011/2012 ORIGINAL BUDGET at November 2010 price levels	7,641	7,641	7,641	7,641
INFLATION TO NOVEMBER 2011	21	143	143	143
2011/2012 ORIGINAL BUDGET REPRICED	7,662	7,784	7,784	7,784
DEVELOPMENTS				
<u>Prior to March 2011 Council Tax Setting</u>				
10-314 (Mar 10) Single Status/Job Evaluation	-	-64	-64	-64
10-770 (Oct 10) Staff Parking	-	-3	-3	-3
11-172 (Feb 11) LINKs	-	-16	-16	-16
11-226 (Mar 11) Administration Department Review	-	-142	-142	-142
11-230 (Mar 11) IT Division - Staffing Review	-	-8	-8	-8
Renewals Fund	-	4	4	4
<u>This Year Budget Variations</u>				
11-393 (Apr 11) Printing and Mailing Contract	-1	-2	-2	-2
11-395 (Apr 11) IT Investment Programme	-	22	22	22
11-561 (Jul 11) Renewals Fund	39	-	-	-
11-563 (Jul 11) Review of Committee Services	-	-125	-125	-125
11-564 (Jul 11) Centralisation of HR Services	-6	-13	-13	-13
11-745 (Oct 11) Administration Department Review	-	-328	-328	-328
11-746 (Oct 11) Finance Department Review	-25	-91	-91	-91
11-757 (Oct 11) Supply of Office Furniture	-	-2	-2	-2
12-88 (Jan 12) Banking Contract	-	-68	-53	-46
12-231 (Feb 12) Recruitment and Retention Review	-	-7	-7	-7
<u>Transfers between Committees</u>				
Wandsworth Interpreting Service	-54	-54	-54	-54
Wandsworth Care Alliance - LINKs	15	-	-	-
Review of Central Support Services	185	195	195	195
<u>Other Technical/Volume Adjustments</u>				
Essential Car User Scheme	-	-1	-1	-1
Depreciation Adjustment	-84	-84	-84	-84
Web Advertising Income	-	-20	-20	-20
Recharge of Council Costs to Public Health	-	-315	-315	-315
Transfers within Committee	-12	-15	-15	-15
	57	-1,137	-1,122	-1,115
Part of Developments included in Original Budget	-	-	-	-
NET EFFECT OF DEVELOPMENTS	57	-1,137	-1,122	-1,115
NET EXPENDITURE with inflation to November 2011	7,719	6,647	6,662	6,669
ANALYSIS BY SERVICE				
Registration of Electors	810	751	751	751
Land Charges	-46	-66	-66	-66
Emergency Planning	200	198	198	198
Corporate Management Costs	6,344	5,497	5,512	5,519
LINKs	189	161	161	161
Registration of Births, Deaths and Marriages	160	106	106	106
Wandsworth Interpreting Service	62	-	-	-
NET EXPENDITURE with inflation to November 2011	7,719	6,647	6,662	6,669

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

	<u>2011/12</u> £'000	<u>2012/13</u> £'000	<u>2013/14</u> £'000	<u>2014/15</u> £'000
2011/2012 ORIGINAL BUDGET at November 2010 price levels	-11,160	-11,160	-11,160	-11,160
INFLATION TO NOVEMBER 2011	40	1	1	1
2011/2012 ORIGINAL BUDGET REPRICED	-11,120	-11,159	-11,159	-11,159
DEVELOPMENTS				
<u>Prior to March 2011 Council Tax Setting</u>				
11-102 (Jan 11) Procurement/Creditors System	-	-246	-246	-246
Interest on Reserves	-	37	-10	-10
Interest transferred to HRA	-	19	42	42
Revenue Effects of Capital Programme	-	19	39	39
<u>This Year Budget Variations</u>				
11-511 (Jun 11) Tooting Hub	1	2	2	2
11-553 (Jul 11) Former Bolingbroke Hospital	13	13	13	13
11-561 (Jul 11) Renewals Fund	1,505	-	-	-
11-756 (Oct 11) Wandsworth Advice Services Contract	-	-	-36	-70
12-152 (Mar 12) York Grdns & Kimber Rd Adventure Playground	-	3	3	3
12-227 (Mar 12) LPFA Levy 2012/13	-	1	1	1
London Councils Grant Budget 2012/13	-	-100	-100	-100
Revenue Effects of Capital Programme	-	1	-20	-31
<u>Transfers between Committees</u>				
Finance Department Review	-	-18	-18	-18
Review of Central Support Services	2	-123	-123	-123
<u>Other Technical/Volume Adjustments</u>				
Procurement Centralisation	-220	-220	-220	-220
Local Services Support Grant				
- Preventing Homelessness	-905	-905	-300	-300
- Local Flood Grant	-155	-312	-	-
- Extending Rights to Free Travel	-9	-12	-	-
- Community Safety Fund	-387	-	-	-
Depreciation Adjustment	2,462	2,462	2,462	2,462
Renewals Fund Reallocation to Capital	-2,000	-2,000	-2,000	-2,000
Procurement Efficiencies	-168	-168	-168	-168
Interest on Reserves	-1,133	375	475	430
Interest transferred to HRA	-69	-105	-102	36
Ill Health Retirement	-	-40	-40	-40
IT Contract Savings	-	-85	-85	-85
	-1,063	-1,402	-431	-383
Part of Developments included in Original Budget	-	-	-	-
NET EFFECT OF DEVELOPMENTS	-1,063	-1,402	-431	-383
NET EXPENDITURE with inflation to November 2011	-12,183	-12,561	-11,590	-11,542
ANALYSIS BY SERVICE				
General Services Finance	1,522	1,062	2,254	2,413
Capital Financing Account				
- Interest Paid	922	939	913	775
- Charge to Housing Revenue Account	-924	-941	-915	-777
- Depreciation Charge	-12,970	-12,970	-12,970	-12,970
- Interest on Capital	-733	-651	-872	-983
NET EXPENDITURE with inflation to November 2011	-12,183	-12,561	-11,590	-11,542

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

	<u>2011/12</u> £'000	<u>2012/13</u> £'000	<u>2013/14</u> £'000	<u>2014/15</u> £'000
2011/2012 ORIGINAL BUDGET at November 2010 price levels	2,888	2,888	2,888	2,888
INFLATION TO NOVEMBER 2011	15	71	71	71
2011/2012 ORIGINAL BUDGET REPRICED	2,903	2,959	2,959	2,959

DEVELOPMENTS

Prior to March 2011 Council Tax Setting

10-770 (Oct 10) Staff Parking	-	-2	-2	-2
11-101 (Jan 11) Finance Staffing Review	-	-69	-69	-69
11-226 (Mar 11) Administration Department Review	-	-10	-10	-10

This Year Budget Variations

11-393 (Apr 11) Printing and Mailing Contract	-11	-32	-32	-32
11-395 (Apr 11) IT Investment Programme	-	7	7	7
11-561 (Jul 11) Renewals Fund	4	-	-	-
11-564 (Jul 11) Centralisation of HR Services	-3	-5	-5	-5
11-745 (Oct 11) Administration Department Review	-	-12	-12	-12
11-746 (Oct 11) Finance Department Review	-45	-113	-113	-113
11-757 (Oct 11) Supply of Office Furniture	-	-1	-1	-1
12-87 (Jan 12) Call Centre Staffing Review	-	-124	-124	-124
12-88 (Jan 12) Banking Contract	-	-27	-27	-27

Transfers between Committees

Review of Central Support Services	-92	-90	-90	-90
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Other Technical/Volume Adjustments

Essential Car User Scheme	-	-2	-2	-2
Transfers within Committee	-272	-272	-272	-272

	-419	-752	-752	-752
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Part of Developments included in Original Budget
NET EFFECT OF DEVELOPMENTS

	-419	-752	-752	-752
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NET EXPENDITURE
with inflation to November 2011

	2,484	2,207	2,207	2,207
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ANALYSIS BY SERVICE

Council Tax and Rate Collection	2,484	2,207	2,207	2,207
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NET EXPENDITURE
with inflation to November 2011

	2,484	2,207	2,207	2,207
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**FINANCE AND CORPORATE RESOURCES
PROPERTY SERVICES**

	<u>2011/12</u> £'000	<u>2012/13</u> £'000	<u>2013/14</u> £'000	<u>2014/15</u> £'000
2011/2012 ORIGINAL BUDGET at November 2010 price levels	1,445	1,445	1,445	1,445
INFLATION TO NOVEMBER 2011	14	29	29	29
2011/2012 ORIGINAL BUDGET REPRICED	1,459	1,474	1,474	1,474

DEVELOPMENTS

Prior to March 2011 Council Tax Setting

09-422 (Apr 09) Valuation Contract Retender	-	21	36	55
10-770 (Oct 10) Staff Parking	-	-5	-5	-5
11-94 (Jan 11) Office Accomodation Strategy	-	576	-1,030	-1,596
11-108 (Jan 11) Alvering Library Site	-	-84	-84	-84
11-226 (Mar 11) Administration Department Review Renewals Fund	-	-10	-10	-10
	-	9	-	-

This Year Budget Variations

11-553 (Jul 11) Former Bolingbroke Hospital	-	-9	-104	-148
11-554 (Jul 11) Property Disposals	16	45	-10	-10
11-561 (Jul 11) Renewals Fund	10	-	-	-
11-745 (Oct 11) Administration Department Review	-	-100	-100	-100
11-746 (Oct 11) Finance Department Review	-	-10	-10	-10
11-747 (Oct 11) Design Service	-	-46	-46	-46

Transfers between Committees

Review of Central Support Services	100	-16	-16	-16
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Other Technical/Volume Adjustments

Transfers within Committee	9	9	9	9
Depreciation Adjustment	28	51	51	51
Carbon Reduction Allowances	4	4	4	4
Valuers Additional Fee Income	-	-50	-50	-50
Re-phasing of Office Accomodation Strategy	-720	-826	1,606	566
	-553	-441	241	-1,390

Part of Developments included in Original Budget

NET EFFECT OF DEVELOPMENTS	-	-	-	-
	-553	-441	241	-1,390

NET EXPENDITURE

with inflation to November 2011

	906	1,033	1,715	84
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ANALYSIS BY SERVICE

Operational Properties	1,059	1,328	2,160	573
Commercial Properties	-446	-557	-557	-557
Properties Pending Disposal	293	262	112	68

NET EXPENDITURE

with inflation to November 2011

	906	1,033	1,715	84
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**FINANCE AND CORPORATE RESOURCES
HOUSING AND COUNCIL TAX BENEFITS**

	<u>2011/12</u> £'000	<u>2012/13</u> £'000	<u>2013/14</u> £'000	<u>2014/15</u> £'000
2011/2012 ORIGINAL BUDGET at November 2010 price levels	1,961	1,961	1,961	1,961
INFLATION TO NOVEMBER 2011	17	61	61	61
2011/2012 ORIGINAL BUDGET REPRICED	1,978	2,022	2,022	2,022

DEVELOPMENTS

Prior to March 2011 Council Tax Setting

10-770 (Oct 10) Staff Parking	-	-4	-4	-4
11-101 (Jan 11) Finance Staffing Review	-	-142	-142	-142
11-226 (Mar 11) Administration Department Review	-	-15	-15	-15
11-230 (Mar 11) IT Division - Staffing Review	-	-4	-4	-4

This Year Budget Variations

11-393 (Apr 11) Printing and Mailing Contract	-2	-6	-6	-6
11-395 (Apr 11) IT Investment Programme	-	11	11	11
11-564 (Jul 11) Centralisation of HR Services	-6	-12	-12	-12
11-745 (Oct 11) Administration Department Review	-	-18	-18	-18
11-757 (Oct 11) Supply of Office Furniture	-	-1	-1	-1
12-87 (Jan 12) Call Centre Staffing Review	-	-185	-185	-185

Transfers between Committees

10-493 (Jul 10) Assessments, Benefits and Charging Team	232	232	232	232
Review of Central Support Services	105	113	113	113

Other Technical/Volume Adjustments

Essential Car User Scheme	-	-5	-5	-5
NHHT Recharge Reduction	27	27	27	27
LHA Rollout Adjustment	57	57	57	57
Transfers within Committee	280	280	280	280
Housing Benefit Subsidy	269	-	-	-
Housing Benefit Administration Grant	-	106	106	106

Part of Developments included in Original Budget

NET EFFECT OF DEVELOPMENTS	962	434	434	434
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NET EXPENDITURE

with inflation to November 2011

2,940	2,456	2,456	2,456
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ANALYSIS BY SERVICE

Housing and Council Tax Benefits	2,940	2,456	2,456	2,456
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NET EXPENDITURE

with inflation to November 2011

2,940	2,456	2,456	2,456
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**FINANCE AND CORPORATE RESOURCES CENTRAL SUPPORT SERVICES
SUMMARY**

	<u>2011/12 REVISED BUDGET</u>				<u>2012/13 BUDGET</u>		
	<u>2011/12</u>	INFLATION TO NOV. '11	DEVEL- OPMENTS	TOTAL	INFLATION TO NOV. '11	DEVEL- OPMENTS	TOTAL
	<u>BUDGET</u>						
Salaries	20,839	-	525	21,364	-	233	21,072
Indirect Employee Expenses	943	30	62	1,035	48	-232	759
Premises	3,602	49	-293	3,358	164	-379	3,387
Use of Transport	352	9	-5	356	8	-17	343
Supplies and Services	8,292	179	579	9,050	266	172	8,730
Third Party Payments	2,412	-	80	2,492	16	36	2,464
Central and Technical Support	19	1	1	21	-	-	19
Income	-2,214	-30	-	-2,244	-30	-75	-2,319
NET EXPENDITURE	34,245	238	949	35,432	472	-262	34,455
REVENUE EXPENDITURE BY SERVICE							
Administrative Buildings	4,234	62	-284	4,012	198	-817	3,615
Central Services							
- Administration Department	10,348	66	782	11,196	78	420	10,846
- Finance Department	13,027	71	-230	12,868	160	-904	12,283
IT Services - Administration Department	4,037	32	681	4,750	20	1,228	5,285
Democratic Representation	2,599	7	-	2,606	16	-189	2,426
NET EXPENDITURE	34,245	238	949	35,432	472	-262	34,455

**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>2011/12</u> £'000	<u>2012/13</u> £'000	<u>2013/14</u> £'000	<u>2014/15</u> £'000
2011/2012 ORIGINAL BUDGET at November 2010 price levels	34,245	34,245	34,245	34,245
INFLATION TO NOVEMBER 2011	238	472	472	472
2011/2012 ORIGINAL BUDGET REPRICED	<u>34,483</u>	<u>34,717</u>	<u>34,717</u>	<u>34,717</u>
DEVELOPMENTS				
Administrative Buildings	-284	-817	-817	-817
Central Services				
- Administration Department	782	420	420	420
- Finance Department	-230	-904	-824	-817
IT Services - Administration Department	681	1,228	1,158	1,158
Democratic Representation	-	-189	-189	-189
	<u>949</u>	<u>-262</u>	<u>-252</u>	<u>-245</u>
Part of Developments included in Original Budget	-	-	-	-
NET EFFECT OF DEVELOPMENTS	<u>949</u>	<u>-262</u>	<u>-252</u>	<u>-245</u>
NET EXPENDITURE with inflation to November 2011	<u>35,432</u>	<u>34,455</u>	<u>34,465</u>	<u>34,472</u>
ANALYSIS BY SERVICE				
Administrative Buildings	4,012	3,615	3,615	3,615
Central Services				
- Administration Department	11,196	10,846	10,846	10,846
- Finance Department	12,868	12,283	12,363	12,370
IT Services - Administration Department	4,750	5,285	5,215	5,215
Democratic Representation	2,606	2,426	2,426	2,426
NET EXPENDITURE with inflation to November 2011	<u>35,432</u>	<u>34,455</u>	<u>34,465</u>	<u>34,472</u>

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

	<u>2011/12</u> £'000	<u>2012/13</u> £'000	<u>2013/14</u> £'000	<u>2014/15</u> £'000
2011/2012 ORIGINAL BUDGET at November 2010 price levels	4,234	4,234	4,234	4,234
INFLATION TO NOVEMBER 2011	62	198	198	198
2011/2012 ORIGINAL BUDGET REPRICED	4,296	4,432	4,432	4,432
DEVELOPMENTS				
<u>Prior to March 2011 Council Tax Setting</u>				
10-770 (Oct 10) Staff Parking	-	-38	-38	-38
11-226 (Mar 11) Administration Department Review	-	-139	-139	-139
Renewals Fund	-	18	18	18
<u>This Year Budget Variations</u>				
11-745 (Oct 11) Administration Department Review	-	-53	-53	-53
11-747 (Oct 11) Design Service Review	-	-46	-46	-46
<u>Other Technical/Volume Adjustments</u>				
Depreciation	-277	-277	-277	-277
Review of Repairs Budgets	-	-132	-132	-132
Essential Car User Parking Permits	-	-142	-142	-142
Insurance Review	5	5	5	5
Transfers within Committee	-12	-13	-13	-13
	-284	-817	-817	-817
Part of Developments included in Original Budget	-	-	-	-
NET EFFECT OF DEVELOPMENTS	-284	-817	-817	-817
NET EXPENDITURE with inflation to November 2011	4,012	3,615	3,615	3,615

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

	<u>2011/12</u> £'000	<u>2012/13</u> £'000	<u>2013/14</u> £'000	<u>2014/15</u> £'000
2011/2012 ORIGINAL BUDGET at November 2010 price levels	10,348	10,348	10,348	10,348
INFLATION TO NOVEMBER 2011	66	78	78	78
2011/2012 ORIGINAL BUDGET REPRICED	10,414	10,426	10,426	10,426
DEVELOPMENTS				
<u>Prior to March 2011 Council Tax Setting</u>				
10-314 (Mar 10) Single Status/Job Evaluation	-	-64	-64	-64
11-226 (Mar 11) Administration Department Review	-	-269	-269	-269
Renewals Fund (Drop out of BV)	-	3	3	3
<u>This Year Budget Variations</u>				
11-561 (Jul 11) Renewals Fund	78	-	-	-
11-564 (Jul 11) Centralisation of HR	-87	-173	-173	-173
11-745 (Oct 11) Administration Department Review	-	-547	-547	-547
11-746 (Oct 11) Finance Department Review	-	-32	-32	-32
12-231 (Feb 12) Recruitment and Retention Review	-	-4	-4	-4
<u>Transfers between Committees</u>				
Centralisation of HR	839	1,674	1,674	1,674
<u>Other Technical/Volume Adjustments</u>				
Depreciation	-1	-1	-1	-1
Valuers Income	-	-50	-50	-50
Review of Corporate Communications	-	-65	-65	-65
Administrative Support for Debt Team	13	-	-	-
Despatch Services Review	-	-35	-35	-35
Transfers within Committee	-60	-17	-17	-17
	782	420	420	420
Part of Developments included in Original Budget	-	-	-	-
NET EFFECT OF DEVELOPMENTS	782	420	420	420
NET EXPENDITURE with inflation to November 2011	11,196	10,846	10,846	10,846
ANALYSIS BY SERVICE				
Staff Training Centre/I.T. Training	267	274	274	274
Valuers	991	936	936	936
Policy Unit	737	662	662	662
Press Office	469	364	364	364
Central Personnel	2,578	3,151	3,151	3,151
General Office/Directorate	1,274	1,179	1,179	1,179
Legal	2,806	2,477	2,477	2,477
Despatch Services	561	485	485	485
Graphics/Printing	1,049	936	936	936
Property Audit Team	110	108	108	108
Professional Services Divisional Support	354	274	274	274
NET EXPENDITURE with inflation to November 2011	11,196	10,846	10,846	10,846

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

	<u>2011/12</u> £'000	<u>2012/13</u> £'000	<u>2013/14</u> £'000	<u>2014/15</u> £'000
2011/2012 ORIGINAL BUDGET at November 2010 price levels	13,027	13,027	13,027	13,027
INFLATION TO NOVEMBER 2011	71	160	160	160
2011/2012 ORIGINAL BUDGET REPRICED	13,098	13,187	13,187	13,187
DEVELOPMENTS				
<u>This Year Budget Variations</u>				
11-393 (Apr 11) Printing and Mailing Contract	-	-1	-1	-1
11-561 (Jul 11) Renewals Fund	5	-	-	-
11-746 (Oct 11) Finance Department Review	-117	-324	-324	-324
12-87 (Jan 12) Call Centre Staffing Review	-	-309	-309	-309
12-88 (Jan 12) Banking Contract	-	-90	-10	-3
<u>Transfers between Committees</u>				
Finance Review	22	147	147	147
Procurement Team	-11	-11	-11	-11
Centralisation of HR	-73	-145	-145	-145
Centralisation of IT	-15	-30	-30	-30
<u>Other Technical/Volume Adjustments</u>				
Depreciation	-53	-53	-53	-53
External Audit Fees	-	-25	-25	-25
Software Maintenance	-	-15	-15	-15
Ill Health Retirement	-	-40	-40	-40
Transfers within Committee	12	-8	-8	-8
	-230	-904	-824	-817
Part of Developments included in Original Budget	-	-	-	-
NET EFFECT OF DEVELOPMENTS	-230	-904	-824	-817
NET EXPENDITURE with inflation to November 2011	12,868	12,283	12,363	12,370
ANALYSIS BY SERVICE				
Finance Directorate and General Services	676	681	681	681
Treasury and Capital Management	196	247	247	247
Pension Fund Accounting	90	90	90	90
Accounting including Cashiers	1,184	1,320	1,320	1,320
Audit and Benefit Fraud	1,572	1,555	1,555	1,555
Procurement	389	410	410	410
Financial Control	982	982	982	982
Mortgages	59	61	61	61
Payroll	909	912	912	912
Income Collection Service	723	611	611	611
Pensions	485	487	487	487
Support Services	370	214	214	214
Finance Consultants	141	141	141	141
Bank Charges	169	104	120	127
External Audit Fees	396	382	382	382
Rent Collection/Accounting	1,470	1,496	1,560	1,560
Property Accounts	227	227	227	227
Business Support Unit	1,291	1,272	1,272	1,272
Customer Services	1,539	1,091	1,091	1,091
NET EXPENDITURE with inflation to November 2011	12,868	12,283	12,363	12,370

**FINANCE AND CORPORATE RESOURCES CENTRAL SUPPORT SERVICES
I.T. SERVICES - ADMINISTRATION DEPARTMENT**

	<u>2011/12</u> £'000	<u>2012/13</u> £'000	<u>2013/14</u> £'000	<u>2014/15</u> £'000
2011/2012 ORIGINAL BUDGET at November 2010 price levels	4,037	4,037	4,037	4,037
INFLATION TO NOVEMBER 2011	32	20	20	20
2011/2012 ORIGINAL BUDGET REPRICED	4,069	4,057	4,057	4,057
DEVELOPMENTS				
<u>Prior to March 2011 Council Tax Setting</u>				
11-230 (Mar 11) IT Division - Staffing Review	-	-61	-61	-61
<u>This Year Budget Variations</u>				
11-395 (Apr 11) IT Investment Programme	-	170	100	100
11-745 (Oct 11) Administration Department Review	-	-216	-216	-216
11-757 (Oct 11) Office Furniture Supplies	-	-2	-2	-2
<u>Transfers between Committees</u>				
Centralisation of IT	765	1,517	1,517	1,517
<u>Other Technical/Volume Adjustments</u>				
Depreciation	-41	-74	-74	-74
Web Advertising	-	-20	-20	-20
Transfers within Committee	-43	-86	-86	-86
	681	1,228	1,158	1,158
Part of Developments included in Original Budget	-	-	-	-
NET EFFECT OF DEVELOPMENTS	681	1,228	1,158	1,158
NET EXPENDITURE with inflation to November 2011	4,750	5,285	5,215	5,215
ANALYSIS BY SERVICE				
ICT Services	3,793	4,531	4,461	4,461
Telecommunication Services	957	754	754	754
NET EXPENDITURE with inflation to November 2011	4,750	5,285	5,215	5,215

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

	<u>2011/12</u> £'000	<u>2012/13</u> £'000	<u>2013/14</u> £'000	<u>2014/15</u> £'000
2011/2012 ORIGINAL BUDGET at November 2010 price levels	2,599	2,599	2,599	2,599
INFLATION TO NOVEMBER 2011	7	16	16	16
2011/2012 ORIGINAL BUDGET REPRICED	<u>2,606</u>	<u>2,615</u>	<u>2,615</u>	<u>2,615</u>
DEVELOPMENTS				
<u>This Year Budget Variations</u>				
11-563 (Jul 11) Review of Committee Services	-	-125	-125	-125
11-745 (Oct 11) Administration Department Review	-	-20	-20	-20
<u>Other Technical/Volume Adjustments</u>				
Budget Review	-	-44	-44	-44
	<u>-</u>	<u>-189</u>	<u>-189</u>	<u>-189</u>
Part of Developments included in Original Budget	-	-	-	-
NET EFFECT OF DEVELOPMENTS	<u>-</u>	<u>-189</u>	<u>-189</u>	<u>-189</u>
NET EXPENDITURE with inflation to November 2011	<u>2,606</u>	<u>2,426</u>	<u>2,426</u>	<u>2,426</u>
ANALYSIS BY SERVICE				
Mayoralty	189	187	187	187
Committee Support	846	683	683	683
Members' Support/Expenses	1,550	1,535	1,535	1,535
Election Expenses	21	21	21	21
NET EXPENDITURE with inflation to November 2011	<u>2,606</u>	<u>2,426</u>	<u>2,426</u>	<u>2,426</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 2011/12 revenue budget and the original budget for 2012/13 for services within the terms of reference for this Committee have been adjusted for the effects of inflation and service developments. Significant items include the reclassification of the Homelessness Prevention grant which is now non ring-fenced and reported as part of the Local Services Support grant in Finance General Services and the transfer and review of the Private Sector Housing service now consolidated within the Housing Department from the former Department of Technical Services. In addition there have been a number of technical budget revisions as a result of reviews within the Homelessness and Asylum Seekers service, the Housing Associations service and the Graffiti Removal service.

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>2011/12 REVISED BUDGET</u>				<u>2012/13 BUDGET</u>		
	<u>2011/12</u>	<u>INFLATION</u> TO NOV. '11	<u>DEVEL-</u> <u>OPMENTS</u>	<u>TOTAL</u>	<u>INFLATION</u> TO NOV. '11	<u>DEVEL-</u> <u>OPMENTS</u>	<u>TOTAL</u>
	<u>BUDGET</u>						
Salaries	2,615	-	-50	2,565	-	-273	2,342
Indirect Employee Expenses	19	1	-	20	1	-	20
Premises	175	-	-	175	3	-	178
Use of Transport	40	1	-	41	-3	-	37
Supplies and Services							
- Grants to Voluntary Organisations	54	2	-	56	2	-	56
- Other	102	3	10	115	6	27	135
Third Party Payments	1,305	-	-	1,305	55	-153	1,207
Transfer Payments	1,073	-	-	1,073	-	-87	986
Central and Technical Support	884	2	-215	671	-	-218	666
Depreciation and Impairment	-	-	-	-	-	-	-
Government Grants	-1,656	-	901	-755	-	962	-694
Other Income	-991	-	51	-940	-37	132	-896
Interest Received	-35	-	6	-29	-	7	-28
NET EXPENDITURE	3,585	9	703	4,297	27	397	4,009

REVENUE EXPENDITURE BY SERVICE

Private Sector Housing	1,092	3	-238	857	1	-242	851
Other Services	2,493	6	941	3,440	26	639	3,158
NET EXPENDITURE	3,585	9	703	4,297	27	397	4,009

**HOUSING
SUMMARY**

	<u>2011/12</u> £'000	<u>2012/13</u> £'000	<u>2013/14</u> £'000	<u>2014/15</u> £'000
2011/2012 ORIGINAL BUDGET at November 2010 price levels	3,585	3,585	3,585	3,585
INFLATION TO NOVEMBER 2011	9	27	27	27
2011/2012 ORIGINAL BUDGET REPRICED	<u>3,594</u>	<u>3,612</u>	<u>3,612</u>	<u>3,612</u>
DEVELOPMENTS				
Private Sector Housing	-238	-242	-237	-233
Other Housing Services	941	639	674	674
	<u>703</u>	<u>397</u>	<u>437</u>	<u>441</u>
Part of Developments included in Original Budget	-	-	-	-
NET EFFECT OF DEVELOPMENTS	<u>703</u>	<u>397</u>	<u>437</u>	<u>441</u>
NET EXPENDITURE with inflation to November 2011	<u>4,297</u>	<u>4,009</u>	<u>4,049</u>	<u>4,053</u>
ANALYSIS BY SERVICE				
Private Sector Housing	857	851	856	860
Other Housing Services	3,440	3,158	3,193	3,193
NET EXPENDITURE with inflation to November 2011	<u>4,297</u>	<u>4,009</u>	<u>4,049</u>	<u>4,053</u>

HOUSING
PRIVATE SECTOR HOUSING

	<u>2011/12</u> £'000	<u>2012/13</u> £'000	<u>2013/14</u> £'000	<u>2014/15</u> £'000
2011/2012 ORIGINAL BUDGET at November 2010 price levels	1,092	1,092	1,092	1,092
INFLATION TO NOVEMBER 2011	3	1	1	1
2011/2012 ORIGINAL BUDGET REPRICED	1,095	1,093	1,093	1,093

DEVELOPMENTS

This Year Budget Variations

11-366 (Apr 11) DTS Staffing Review	-43	-43	-43	-43
12-207 (Feb 12) Private Housing	-	-10	-10	-10

Transfers between Committees

11-564 (Jun 11) Centralising Human Resources	-7	-5	-5	-5
11-745 (Oct 11) Administration Department Review	-	-1	-1	-1
11-746 (Oct 11) Finance Department Review	-	-1	-1	-1
DTS Support Services Review	-141	-104	-104	-104
Review of Central Support Services	-53	-57	-57	-57

Other Technical/Volume Adjustments

Leaseholder Loans Interest Effects	6	7	12	16
Review of Private Sector Housing Service	-	-28	-28	-28

	-238	-242	-237	-233
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Part of Developments included in Original Budget

NET EFFECT OF DEVELOPMENTS	-238	-242	-237	-233
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NET EXPENDITURE

with inflation to November 2011

	857	851	856	860
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ANALYSIS BY SERVICE

House Purchase and Leaseholder Advances	-29	-28	-23	-19
Renovation Grants	886	879	879	879

NET EXPENDITURE

with inflation to November 2011

	857	851	856	860
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**HOUSING
OTHER HOUSING SERVICES**

	<u>2011/12</u> £'000	<u>2012/13</u> £'000	<u>2013/14</u> £'000	<u>2014/15</u> £'000
2011/2012 ORIGINAL BUDGET at November 2010 price levels	2,493	2,493	2,493	2,493
INFLATION TO NOVEMBER 2011	6	26	26	26
2011/2012 ORIGINAL BUDGET REPRICED	2,499	2,519	2,519	2,519
DEVELOPMENTS				
<u>This Year Budget Variations</u>				
11-395 (Apr 11) IT Investment Programme	-	2	2	2
11-757 (Oct 11) Supply of Office Furniture	-	-2	-2	-2
12-60 (Jan 12) Non Residential Charges	-	-5	-5	-5
<u>Transfers between Committees</u>				
11-564 (Jun 11) Centralising Human Resources	-6	-6	-6	-6
11-745 (Oct 11) Administration Department Review	-	-2	-2	-2
11-746 (Oct 11) Finance Department Review	-	-16	-16	-16
Procurement Team Recharge	5	5	5	5
Homeless Persons Grant Reclassification	905	905	905	905
Review of Central Support Services	30	31	31	31
<u>Other Technical/Volume Adjustments</u>				
Review of Homelessness & Asylum Seekers	6	-124	-89	-89
Review of Housing Association Service	1	-99	-99	-99
Review of Graffiti Service	-	-50	-50	-50
	941	639	674	674
Part of Developments included in Original Budget	-	-	-	-
NET EFFECT OF DEVELOPMENTS	941	639	674	674
NET EXPENDITURE with inflation to November 2011	3,440	3,158	3,193	3,193

ANALYSIS BY SERVICE

Asylum Seekers	444	449	449	449
Homelessness - General Fund Costs	863	790	825	825
Homelessness Prevention	1,620	1,588	1,588	1,588
Housing Associations	153	52	52	52
Service Strategy and Regulations	26	25	25	25
Graffiti Removal	299	254	254	254
WATCH Scheme	3	-33	-33	-33
Wardens - General Fund Costs	24	24	24	24
Other Expenses	8	9	9	9
NET EXPENDITURE with inflation to November 2011	3,440	3,158	3,193	3,193

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; and economic development.

Finance Department Committee representative: Mike Hall
(Deputy Chief Accountant)
Tel: 020-8871 6407

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

The General Fund revenue budget for Strategic Planning and Transportation includes all Highway Services, Planning and Economic Development. Major contracts in 2012/13 include parking enforcement, pay and display machine maintenance and the contract for highways, traffic and associated works which is currently carried out by the Council's Direct Services Organisation.

The revenue budget includes provision for the review of existing controlled parking zones where areas of concern are raised by residents. Otherwise, parking surpluses are applied to highways investment and public passenger transport support, which includes the Council's contribution to the London-wide concessionary fares scheme, set at 13.1 million for 2012/13.

The capital programme includes provision of £15.8 million over the three years 2011/12 to 2013/14 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 £0.2 million of capital resources is available over the same period for conservation and enhancement grants and £2.3 million for economic development projects partly funded by government grants.

**STRATEGIC PLANNING AND TRANSPORTATION
SUMMARY**

	<u>2011/12 REVISED BUDGET</u>				<u>2012/13 BUDGET</u>		
	<u>2011/12</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. '11</u>	<u>OPMENTS</u>		<u>TO NOV. '11</u>	<u>OPMENTS</u>	
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Salaries	6,859	1	358	7,218	-	-63	6,796
Indirect Employee Expenses	242	2	5	249	5	-165	82
Premises							
- Street Lighting Electricity	734	51	-	785	103	-	837
- Other Premises	2,057	24	-66	2,015	83	-266	1,874
Use of Transport	117	3	-	120	2	-1	118
Concessionary Fares	12,561	8	1	12,570	5	966	13,532
Supplies and Services	5,251	101	243	5,595	262	-376	5,137
Third Party Payments							
- Precepts, Levies and Charges	660	-	-	660	-	14	674
- Parking Enforcement	2,958	-	-	2,958	157	-	3,115
- Parking Pay & Display Machine Mtce	767	-	-64	703	34	-121	680
- Other Third Party Payments	2,294	40	236	2,570	123	27	2,444
Support Services	4,433	17	483	4,933	53	126	4,612
Depreciation and Impairment	5,096	-	527	5,623	-	527	5,623
Government Grants	-32	-	-377	-409	-	-43	-75
Other Income	-31,058	-	-92	-31,150	-6	-1,346	-32,410
NET EXPENDITURE	12,939	247	1,254	14,440	821	-721	13,039

REVENUE EXPENDITURE BY SERVICE

Bridges, Structures & Drainage	316	5	-11	310	11	-47	280
Footway and Carriageway Maintenance	3,158	47	83	3,288	148	-1,047	2,259
Traffic Management	411	1	-5	407	16	-127	300
Street Lighting and Furniture	1,616	54	-20	1,650	156	-77	1,695
Parking Service and Traffic Enforcement	-16,141	93	15	-16,033	391	-604	-16,354
Technical Services General	6,482	17	684	7,183	25	586	7,093
Concessionary Fares	12,561	8	2	12,571	5	966	13,532
Planning Services	3,268	16	27	3,311	41	-397	2,912
Economic Development	1,268	6	479	1,753	28	26	1,322
NET EXPENDITURE	12,939	247	1,254	14,440	821	-721	13,039

**STRATEGIC PLANNING AND TRANSPORTATION
SUMMARY**

	<u>2011/12</u> £'000	<u>2012/13</u> £'000	<u>2013/14</u> £'000	<u>2014/15</u> £'000
2011/2012 ORIGINAL BUDGET at November 2010 price levels	12,939	12,939	12,939	12,939
INFLATION TO NOVEMBER 2011	247	821	821	821
2011/2012 ORIGINAL BUDGET REPRICED	13,186	13,760	13,760	13,760
DEVELOPMENTS				
Bridges, Structures & Drainage	-11	-47	-47	-47
Footway and Carriageway Maintenance	83	-1,047	-1,047	-1,047
Traffic Management	-5	-127	-127	-127
Street Lighting and Furniture	-20	-77	-77	-77
Parking Service and Traffic Enforcement	15	-604	-604	-604
Technical Services General	684	586	516	516
Concessionary Fares	2	966	966	966
Planning Services	27	-397	-397	-397
Economic Development	479	26	26	26
	1,254	-721	-791	-791
Part of Developments included in Original Budget	-	-	-	-
NET EFFECT OF DEVELOPMENTS	1,254	-721	-791	-791
NET EXPENDITURE with inflation to November 2011	14,440	13,039	12,969	12,969
ANALYSIS BY SERVICE				
Bridges, Structures & Drainage	310	280	280	280
Footway and Carriageway Maintenance	3,288	2,259	2,259	2,259
Traffic Management	407	300	300	300
Street Lighting and Furniture	1,650	1,695	1,695	1,695
Parking Service and Traffic Enforcement	-16,033	-16,354	-16,354	-16,354
Technical Services General	7,183	7,093	7,023	7,023
Concessionary Fares	12,571	13,532	13,532	13,532
Planning Services	3,311	2,912	2,912	2,912
Economic Development	1,753	1,322	1,322	1,322
NET EXPENDITURE with inflation to November 2011	14,440	13,039	12,969	12,969

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

	<u>2011/12</u> £'000	<u>2012/13</u> £'000	<u>2013/14</u> £'000	<u>2014/15</u> £'000
2011/2012 ORIGINAL BUDGET at November 2010 price levels	316	316	316	316
INFLATION TO NOVEMBER 2011	5	11	11	11
2011/2012 ORIGINAL BUDGET REPRICED	321	327	327	327

DEVELOPMENTS

This Year Budget Variations

11-873 (Nov 11) Highways Works Tender

-12 -48 -48 -48

Transfers between Committees

Review of Central Support Services

1 1 1 1

-11 -47 -47 -47

Part of Developments included in Original Budget

- - - -

NET EFFECT OF DEVELOPMENTS

-11 -47 -47 -47

NET EXPENDITURE

with inflation to November 2011

310 280 280 280

ANALYSIS BY SERVICE

Bridges and Structures

235 226 226 226

Surface Water Drainage and Sewers

75 54 54 54

NET EXPENDITURE

with inflation to November 2011

310 280 280 280

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

	<u>2011/12</u> £'000	<u>2012/13</u> £'000	<u>2013/14</u> £'000	<u>2014/15</u> £'000
2011/2012 ORIGINAL BUDGET at November 2010 price levels	3,158	3,158	3,158	3,158
INFLATION TO NOVEMBER 2011	47	148	148	148
2011/2012 ORIGINAL BUDGET REPRICED	3,205	3,306	3,306	3,306
DEVELOPMENTS				
<u>Prior to March 2011 Council Tax Setting</u>				
11-226 (Mar 11) Administration Department Review	-	-1	-1	-1
On Street Permit Review	-	-10	-10	-10
Review of Provision for Tree Root Damage	-	-25	-25	-25
<u>This Year Budget Variations</u>				
11-366 (Apr 11) DTS Staffing Review	-40	-40	-40	-40
11-395 (Apr 11) IT Investment Programme	-	1	1	1
11-873 (Nov 11) Highways Works Tender	-16	-65	-65	-65
11-879 (Nov 11) ECS Department Staffing	-	-113	-113	-113
12-108 (Jan 13) Highways Charges	-	-930	-930	-930
<u>Transfers between Committees</u>				
11-564 (Jun 11) Centralisation of HR	-1	-1	-1	-1
11-745 (Sep 11) Administration Department Review	-	-4	-4	-4
11-746 (Sep 11) Finance Department Review	-	-2	-2	-2
12-231 (Feb 12) Recruitment and Retention Review	-	-12	-12	-12
Review of Central Support Services	10	14	14	14
DTS Support Services Review	7	7	7	7
<u>Other Technical/Volume Adjustments</u>				
Pot Hole Repairs Funded by DfT Grant	123	-	-	-
Third Party Insurance Review	-	134	134	134
	83	-1,047	-1,047	-1,047
Part of Developments included in Original Budget	-	-	-	-
NET EFFECT OF DEVELOPMENTS	83	-1,047	-1,047	-1,047
NET EXPENDITURE with inflation to November 2011	3,288	2,259	2,259	2,259
ANALYSIS BY SERVICE				
Programmed Maintenance	1,817	1,676	1,676	1,676
Winter Maintenance	195	200	200	200
Administration	1,276	383	383	383
NET EXPENDITURE with inflation to November 2011	3,288	2,259	2,259	2,259

**STRATEGIC PLANNING AND TRANSPORTATION
TRAFFIC MANAGEMENT**

	<u>2011/12</u> £'000	<u>2012/13</u> £'000	<u>2013/14</u> £'000	<u>2014/15</u> £'000
2011/2012 ORIGINAL BUDGET at November 2010 price levels	411	411	411	411
INFLATION TO NOVEMBER 2011	1	16	16	16
2011/2012 ORIGINAL BUDGET REPRICED	<u>412</u>	<u>427</u>	<u>427</u>	<u>427</u>

DEVELOPMENTS

This Year Budget Variations

11-873 (Nov 11) Highways Works Tender	-8	-31	-31	-31
11-879 (Nov 11) ECS Department Staffing	-	-97	-97	-97
<u>Transfers between Committees</u>				
11-745 (Sep 11) Administration Department Review	-	-1	-1	-1
11-746 (Sep 11) Finance Department Review	-	-1	-1	-1
Review of Central Support Services	3	3	3	3
	<u>-5</u>	<u>-127</u>	<u>-127</u>	<u>-127</u>

Part of Developments included in Original Budget
NET EFFECT OF DEVELOPMENTS

-	-	-	-
<u>-5</u>	<u>-127</u>	<u>-127</u>	<u>-127</u>

NET EXPENDITURE
with inflation to November 2011

<u>407</u>	<u>300</u>	<u>300</u>	<u>300</u>
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ANALYSIS BY SERVICE

Traffic Management	407	300	300	300
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NET EXPENDITURE
with inflation to November 2011

<u>407</u>	<u>300</u>	<u>300</u>	<u>300</u>
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**STRATEGIC PLANNING AND TRANSPORTATION
STREET LIGHTING AND FURNITURE**

	<u>2011/12</u> £'000	<u>2012/13</u> £'000	<u>2013/14</u> £'000	<u>2014/15</u> £'000
2011/2012 ORIGINAL BUDGET at November 2010 price levels	1,616	1,616	1,616	1,616
INFLATION TO NOVEMBER 2011	54	156	156	156
2011/2012 ORIGINAL BUDGET REPRICED	1,670	1,772	1,772	1,772
DEVELOPMENTS				
<u>This Year Budget Variations</u>				
11-873 (Nov 11) Highways Works Tender	-20	-77	-77	-77
	-20	-77	-77	-77
Part of Developments included in Original Budget	-	-	-	-
NET EFFECT OF DEVELOPMENTS	-20	-77	-77	-77
NET EXPENDITURE with inflation to November 2011	1,650	1,695	1,695	1,695
ANALYSIS BY SERVICE				
Street Lighting Maintenance	1,360	1,402	1,402	1,402
Street Furniture Maintenance	290	293	293	293
NET EXPENDITURE with inflation to November 2011	1,650	1,695	1,695	1,695

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

	<u>2011/12</u> £'000	<u>2012/13</u> £'000	<u>2013/14</u> £'000	<u>2014/15</u> £'000
2011/2012 ORIGINAL BUDGET at November 2010 price levels	-16,141	-16,141	-16,141	-16,141
INFLATION TO NOVEMBER 2011	93	391	391	391
2011/2012 ORIGINAL BUDGET REPRICED	-16,048	-15,750	-15,750	-15,750
DEVELOPMENTS				
<u>Prior to March 2011 Council Tax Setting</u>				
11-226 (Mar 11) Administration Department Review	-	-26	-26	-26
<u>This Year Budget Variations</u>				
11-366 (Apr 11) DTS Staffing Review	-147	-147	-147	-147
11-393 (Apr 11) Printing and Mailing Contract	-30	-45	-45	-45
11-395 (Apr 11) IT Investment Programme	-	16	16	16
11-486 (Jun 11) Pay and Display Machine Removal	60	-134	-134	-134
11-757 (Sep 11) Office Furniture	-	-1	-1	-1
11-870 (Nov 11) Parking Permit Administration	-5	-20	-20	-20
11-879 (Nov 11) ECS Department Staffing	-	-200	-200	-200
12-88 (Jan 12) Banking Contract	-	-61	-61	-61
<u>Transfers between Committees</u>				
11-564 (Jun 11) Centralisation of HR	-26	-37	-37	-37
11-745 (Sep 11) Administration Department Review	-	-37	-37	-37
11-746 (Sep 11) Finance Dept Review	-2	-6	-6	-6
12-231 (Feb 12) Recruitment and Retention Review	-	-34	-34	-34
Review of Central Support Services	129	112	112	112
DTS Support Services Review	36	36	36	36
<u>Other Technical/Volume Adjustments</u>				
E-Mail Permit Renewals	-	-20	-20	-20
	15	-604	-604	-604
Part of Developments included in Original Budget	-	-	-	-
NET EFFECT OF DEVELOPMENTS	15	-604	-604	-604
NET EXPENDITURE with inflation to November 2011	-16,033	-16,354	-16,354	-16,354
ANALYSIS BY SERVICE				
Parking Administration and Income	-15,134	-15,463	-15,463	-15,463
Parking Zone Projects and Reviews	303	305	305	305
Bus Lane and Traffic Enforcement	-1,202	-1,196	-1,196	-1,196
NET EXPENDITURE with inflation to November 2011	-16,033	-16,354	-16,354	-16,354

**STRATEGIC PLANNING AND TRANSPORTATION
TECHNICAL SERVICES GENERAL**

	<u>2011/12</u> £'000	<u>2012/13</u> £'000	<u>2013/14</u> £'000	<u>2014/15</u> £'000
2011/2012 ORIGINAL BUDGET at November 2010 price levels	6,482	6,482	6,482	6,482
INFLATION TO NOVEMBER 2011	17	25	25	25
2011/2012 ORIGINAL BUDGET REPRICED	6,499	6,507	6,507	6,507

DEVELOPMENTS

Prior to March 2011 Council Tax Setting

11-226 (Mar 11) Administration Department Review - -6 -6 -6

This Year Budget Variations

11-366 (Apr 11) DTS Staffing Review -6 -6 -6 -6

11-395 (Apr 11) IT Investment Programme - 2 2 2

11-879 (Nov 11) ECS Department Staffing - -44 -44 -44

Transfers between Committees

11-564 (Jun 11) Centralisation of HR -1 -1 -1 -1

11-745 (Sep 11) Administration Department Review - -11 -11 -11

11-746 (Sep 11) Finance Department Review - -1 -1 -1

12-231 (Feb 12) Recruitment and Retention Review - -8 -8 -8

Depreciation 660 660 660 660

Review of Central Support Services 4 10 10 10

DTS Support Services Review 27 27 27 27

Other Technical/Volume Adjustments

Eltringham Street Depot Running Costs - -50 -120 -120

Environment Agency - Flood Defence - 1 1 1

Traffic Technology Levy - 13 13 13

684 586 516 516

Part of Developments included in Original Budget - - - -

NET EFFECT OF DEVELOPMENTS 684 586 516 516

NET EXPENDITURE

with inflation to November 2011

7,183 7,093 7,023 7,023

ANALYSIS BY SERVICE

Precepts and Levies 660 674 674 674

Wandsworth Community Transport 236 243 243 243

Engineer Services 539 477 477 477

School Crossing Patrols 200 201 201 201

Administration and Support Services 5,548 5,498 5,428 5,428

NET EXPENDITURE

with inflation to November 2011

7,183 7,093 7,023 7,023

**STRATEGIC PLANNING AND TRANSPORTATION
CONCESSIONARY FARES**

	<u>2011/12</u> £'000	<u>2012/13</u> £'000	<u>2013/14</u> £'000	<u>2014/15</u> £'000
2011/2012 ORIGINAL BUDGET at November 2010 price levels	12,561	12,561	12,561	12,561
INFLATION TO NOVEMBER 2011	8	5	5	5
2011/2012 ORIGINAL BUDGET REPRICED	<u>12,569</u>	<u>12,566</u>	<u>12,566</u>	<u>12,566</u>

DEVELOPMENTS

This Year Budget Variations

11-704 (Sep 11) Blue Badge Reform	-	-10	-10	-10
<u>Transfers between Committees</u>				
11-745 (Sep 11) Administration Department Review	-	-6	-6	-6
12-231 (Feb 12) Recruitment and Retention Review	-	-2	-2	-2
Review of Central Support Services	2	2	2	2
<u>Other Technical/Volume Adjustments</u>				
London Council's Concessionary Fares Levy	-	982	982	982
	<u>2</u>	<u>966</u>	<u>966</u>	<u>966</u>
Part of Developments included in Original Budget	-	-	-	-
NET EFFECT OF DEVELOPMENTS	<u>2</u>	<u>966</u>	<u>966</u>	<u>966</u>

NET EXPENDITURE

with inflation to November 2011

<u>12,571</u>	<u>13,532</u>	<u>13,532</u>	<u>13,532</u>
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ANALYSIS BY SERVICE

Elderly Persons Freedom Passes	10,465	11,314	11,314	11,314
Disabled Persons Freedom Passes	1,678	1,814	1,814	1,814
Taxicard Scheme	197	197	197	197
Administration	231	207	207	207

NET EXPENDITURE

with inflation to November 2011

<u>12,571</u>	<u>13,532</u>	<u>13,532</u>	<u>13,532</u>
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**STRATEGIC PLANNING AND TRANSPORTATION
PLANNING SERVICES**

	<u>2011/12</u> £'000	<u>2012/13</u> £'000	<u>2013/14</u> £'000	<u>2014/15</u> £'000
2011/2012 ORIGINAL BUDGET at November 2010 price levels	3,268	3,268	3,268	3,268
INFLATION TO NOVEMBER 2011	16	41	41	41
2011/2012 ORIGINAL BUDGET REPRICED	3,284	3,309	3,309	3,309
DEVELOPMENTS				
<u>Prior to March 2011 Council Tax Setting</u>				
11-226 (Mar 11) Administration Department Review	-	-8	-8	-8
Housing & Planning Delivery Grant Adjustment	195	195	195	195
<u>This Year Budget Variations</u>				
11-366 (Apr 11) DTS Staffing Review	-79	-79	-79	-79
11-395 (Apr 11) IT Investment Programme	-	7	7	7
11-679 (Sep 11) ECS Department Staffing	-	-232	-232	-232
11-877 (Nov 11) Planning Charges	-10	-38	-38	-38
11-879 (Nov 11) ECS Department Staffing	-	-9	-9	-9
12-88 (Jan 12) Banking Contract	-	-5	-5	-5
12-119 (Jan 12) Pre-Planning Charges	-	-40	-40	-40
<u>Transfers between Committees</u>				
11-564 (Jun 11) Centralisation of HR	-6	-9	-9	-9
11-745 (Sep 11) Administration Department Review	-	-44	-44	-44
11-746 (Sep 11) Finance Department Review	-1	-5	-5	-5
12-231 (Feb 12) Recruitment and Retention Review	-	-35	-35	-35
Depreciation	-133	-133	-133	-133
Review of Central Support Services	50	47	47	47
DTS Support Services Review	11	11	11	11
<u>Other Technical/Volume Adjustments</u>				
Planning Consultation Acknowledgements	-	-20	-20	-20
	27	-397	-397	-397
Part of Developments included in Original Budget	-	-	-	-
NET EFFECT OF DEVELOPMENTS	27	-397	-397	-397
NET EXPENDITURE with inflation to November 2011	3,311	2,912	2,912	2,912
ANALYSIS BY SERVICE				
Development Planning	1,552	1,520	1,520	1,520
Development Control	1,334	1,136	1,136	1,136
Building Control	187	24	24	24
Transportation	238	232	232	232
NET EXPENDITURE with inflation to November 2011	3,311	2,912	2,912	2,912

**STRATEGIC PLANNING AND TRANSPORTATION
ECONOMIC DEVELOPMENT**

	<u>2011/12</u>	<u>2012/13</u>	<u>2013/14</u>	<u>2014/15</u>
	£'000	£'000	£'000	£'000
2011/2012 ORIGINAL BUDGET at November 2010 price levels	1,268	1,268	1,268	1,268
INFLATION TO NOVEMBER 2011	6	28	28	28
2011/2012 ORIGINAL BUDGET REPRICED	1,274	1,296	1,296	1,296

DEVELOPMENTS

Prior to March 2011 Council Tax Setting

10-510 (Jun 10) Nine Elms Consultants	-	-150	-150	-150
11-101 (Jan 11) Finance Department Review	-	-150	-150	-150
11-226 (Mar 11) Administration Department Review	-	-32	-32	-32
11-230 (Mar 11) IT Staffing Review	-	-4	-4	-4

This Year Budget Variations

11-395 (Apr 11) IT Investment Programme	-	5	5	5
11-561 (Jun 11) Funding from Renewals Fund	48	-	-	-
11-880 (Nov 11) Wandsworth Loan Fund	-	-52	-52	-52
12-102 (Jan 12) Outer London Fund 2	-	43	29	-

Transfers between Committees

11-564 (Jun 11) Centralisation of HR	-1	-2	-2	-2
11-745 (Sep 11) Administration Department Review	-	-11	-11	-11
Re-apportionment of EDO Staffing Costs	82	82	82	82
Review of Central Support Services	350	340	340	340

Other Technical/Volume Adjustments

Outer London Fund 2	-	-43	-29	-
	479	26	26	26

Part of Developments included in Original Budget

NET EFFECT OF DEVELOPMENTS	479	26	26	26
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NET EXPENDITURE

with inflation to November 2011

	1,753	1,322	1,322	1,322
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ANALYSIS BY SERVICE

Business Development	203	213	213	213
Employment Training	110	112	112	112
Economic Development Office	1,440	997	997	997

NET EXPENDITURE

with inflation to November 2011

	1,753	1,322	1,322	1,322
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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 newly formed Education Funding Agency.

The Dedicated Schools Budget consists 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, such as Special Educational Needs and Pupil Referral Units.

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 2012/13 the MFG will guarantee that no school has a cut in budget, including the grants merged into the DSG, of more than 1.5% per pupil, before any pupil premium is allocated.
3. The MFG calculated in accordance with the methodology set out by the DfE is compared against the Fair Funding allocation derived using the Council's local Fair Funding Formula, and a budget that reflects the Council's total DSG. Each school then receives the higher of these two budgets.

CENTRALLY RETAINED BUDGETS IN THE DEDICATED SCHOOL BUDGET

4. The overall Dedicated Schools Budget (DSB) is defined by regulation and contains items of expenditure which do not form part of the Individual Schools Budget. The Individual Schools Budget (ISB) and central expenditure budgets are set out in Appendix A.
5. There is provision in the regulations which ensures local authorities do not increase their spending on centrally funded items (such as Special Education Needs (SEN) and excluded pupils) by a greater percentage than their spending on schools. In exceptional circumstances, local authorities may seek their Schools Forum agreement to any increase above their central expenditure limit.
6. Spending on central expenditure within the DSG has reduced by 13.1% mainly due to the reduced budget for school staff severance and early retirement cases. The budget was larger in 2011/12 due to the two closing secondary schools.

POST-16 FUNDING

7. School budgets for schools with sixth forms will include the funding delivered by the post-16 funding arrangements administered by the newly formed Education Funding Agency (EFA). The EFA have provided an overall indicative figure for 2012/13 and this has been included in the Individual Schools Budget total. The final allocation for each school sixth form should be notified to the Council in March 2012.

DEDICATED SCHOOLS BUDGET

SIZE OF THE INDIVIDUAL SCHOOLS BUDGET AND ESTIMATED DSG

8. The Council's estimated DSG of £168.8 million for 2012/13 requires the Council to decrease the Individual Schools Budget by £18.226 million (a decrease of 9.2%). This reduction reflects the decrease in grant for the three schools that have converted to Academy status in 2011/12 as Academies are funded directly from the DfE. The estimate is based on the actual January 2012 pupil numbers plus forecasted changes, and the average DSG funding of £6,565 per pupil, which is unchanged from 2011/12. The DSG will be finalised by the DfE by June 2012 following verification of the Council's pupil number returns.
9. The 2012/13 Individual Schools Budget totals £179.989 million. After allowing for the decrease in central expenditure items and adjusting for the three schools which converted to Academy status, the increase to the ISB is estimated at 1.5%, mainly due to an increase in reception pupil numbers. The overall result is that about 25% of the mainstream schools will be funded at the Minimum Guaranteed Funding Level (GFL), which ensures that no school has a cut in its budgets of more than 1.5% per pupil in 2012/13, before any Pupil Premium is allocated.

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 83.
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 £5 million currently based on a general contingency of £10 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>Original</u> <u>Budget</u> <u>2011/12</u> £'000	<u>Revised</u> <u>Budget</u> <u>2011/12</u> £'000	<u>Original</u> <u>Budget</u> <u>2012/13</u> £'000	<u>Future</u> <u>Years</u> £'000
<u>EXPENDITURE</u>				
Individual Schools Budget:				
Nursery	1,567	1,865	1,805	1,805
Primary	77,411	97,877	94,181	91,677
Secondary	54,253	56,204	45,759	44,083
Special	23,731	26,549	26,569	26,569
SEN, Early Years and Support Services	20,793	25,563	26,887	26,887
Recoupment	2,686	2,627	2,311	2,311
Specific Grants	28,024	5,316	703	703
	<u>208,465</u>	<u>216,001</u>	<u>198,215</u>	<u>194,035</u>
<u>INCOME</u>				
Dedicated Schools Grant and Pupil Premium	-151,343	-175,838	-173,521	-170,284
Recoupment	-13,603	-13,778	-11,793	-11,308
Other Government Grants	-34,712	-24,549	-11,819	-11,361
Direct Schools Income	-8,807	-1,836	-1,082	-1,082
	<u>-208,465</u>	<u>-216,001</u>	<u>-198,215</u>	<u>-194,035</u>
NET EXPENDITURE	<u>-</u>	<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;
- (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 2012/13, 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 30th January 2012. 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. The recently enacted Localism Act has put a welcome end to the unpopular HRA subsidy system which saw a quarter of all Wandsworth rents pass to other local authorities. The subsidy system is to be replaced with self-financing from 2012/13. Self-financing requires the Council to take on a lump sum of debt as the necessary price of “buying out” of the current HRA subsidy system and in lieu of all future negative subsidy payments.
2. The basis of the self-financing settlement is the 2011/12 subsidy allowances. These have been uplifted by various factors, reflecting the government’s acceptance of considerable underfunding inherent in the outgoing subsidy system, to produce a revised base for 2012/13. This revised base has then been projected forward to year thirty to reflect real terms increases in costs and income. The total of cashflows over thirty years has then been converted by applying a discount factor into a figure at today’s prices which represents the “value of the business” over the next thirty years. The final determination issued in February 2012 set the subsidy ‘buy-out’ price for Wandsworth at £434 million.
3. In previous years the HRA rent and budget setting exercise has always been informed by the government’s assumed level of subsidy expenditure allowances and income. Comparisons have in the past been made between the different elements of notional subsidy and the corresponding actual expenditure and income levels.
4. As the self-financing settlement figure has been calculated using an assumed level of notional spend and income for 2012/13, a clear and direct comparison with 2011/12 subsidy is still possible. However, this comparison will not be possible in future years. The main features of the calculation of credit and debit items in this notional HRA are as follows:-
 - (a) Notional Gross Income from Rents. The Council’s revised average weekly ‘guideline rent’ for 2011/12 was £102.94. For 2012/13 the Government has maintained its 2011/12 subsidy assumption of achieving convergence with formula rent in 2015/16. The guideline rent was, therefore, initially increased by 6.1%, representing inflation of 5.6% plus an annual 0.5% real-terms increase and then increased by one quarter of the difference between this revised guideline rent and an assumed ‘formula rent’ for 2012/13. On this basis, without further revision, the convergence date by which all rents for social housing should converge to a common formula rent would be achieved in 2015/16. The resulting guideline rent for Wandsworth in 2012/13 is £111.27 representing an increase of £8.33 per week or 8.1% over 2011/12.
 - (b) Notional Allowances for Management and Maintenance. Nationally the management and maintenance allowances per dwelling have increased by 2.5% for inflation and then been uplifted to reflect additional resources made available under self-financing. This acknowledges that these allowances have historically been underfunded, however, as previous transitional protection has now been discontinued the Council’s management and maintenance allowances have together, after allowing for stock reduction, increased only by £2.397 million (5.44%) compared with 2011/12. Had the base allowances not benefited from transitional protection the overall increase would have been £5.073 million (12.44%).
 - (c) Major Repairs Allowance. The Government introduced an annual formula-based allowance for major repairs in 2001/02 based on its estimate of the long run cost to maintain different property ‘archetypes’ of age and build, which assume the property starts in good condition. In the interests of stability, the Determination has deferred changes to base costs of the archetypes, but a regional factor reflecting relative building cost inflation in London has been

allowed through. It has been acknowledged in the self-financing settlement that the MRA, which is used as a proxy for depreciation, is significantly underfunded. The Council's 2012/13 MRA has therefore been set at £19.650 million, which is £2.522 million (14.73%) more than the 2011/12 level when allowing for stock changes.

5. The result of these factors is that net allowances have increased from £28.788 million in 2011/12 to £30.986 million in 2012/13. This comparison excludes capital charges and mortgage interest assumptions as comparison with 2011/12 is not possible with the details given in the self-financing settlement. The overall estimated negative subsidy payment in 2011/12 is £25.717 million.
6. Although housing benefit on Council rents and associated government subsidy are now accounted for within the General Fund, the HRA continues to bear the cost (known as rent rebate subsidy limitation) where housing benefit is paid on rents above the government's "limit rent". The cost of subsidy limitation (£4.454 million in 2011/12) is paid over by the HRA to the General Fund to make good the shortfall in housing benefit subsidy against actual housing benefits granted. Wandsworth's limit rent for 2011/12 was £105.16. In parallel with the guideline rent the limit rent is adjusted first by 6.1% representing assumed inflation of 5.6% plus a 0.5% real-terms increase. The adjusted figure is then increased by one quarter of the difference between this adjusted limit rent and the assumed formula rent referred to in paragraph 4(a) above. The resulting limit rent for 2012/13 is £113.26 representing an increase of £7.83 or 7.7% over 2011/12. The difference of £0.50 in the increase in the guideline rent not covered by increase in the limit rent will add £321,000 to HRA costs in 2012/13. The limit rent will continue to be calculated by the CLG each year, despite the demise of the HRA subsidy regime, to inform the rent rebate subsidy limitation calculation and therefore the cost of benefits to be borne by the HRA.

HRA Estimates and Business Plan

7. The table below sets out the estimated position on the HRA, including the capital Major Repairs Reserve, from 2011/12 to 2014/15, reflecting current policies, the Government's self-financing settlement and the approved capital programme before additions as presented to the Housing Overview and Scrutiny Committee in January. The 2011/12 estimates allow for approved budget variations and other known changes in the current year. The 2012/13 estimates reflect estimated outturn prices for that year assuming no inflation on pay, inflation on running costs is assumed at 2.70% and the average investment interest rate to be 0.64%. The additional cost of anticipated inflation during 2012/13 is estimated to be £1.874 million. The financial effect of a 1% variation in the level of pay and prices in 2012/13 is estimated to be £720,200. Future years' estimates of the HRA and capital Major Repairs Reserve are at outturn prices. Average rent increases to match those anticipated in government guideline rents are assumed for 2013/14 and 2014/15, reflecting the HRA business plan, but no increase is yet included for 2012/13.
8. The table below shows that reserves before decisions on rents and additions to the capital programme would rise to £178.154 million at 31st March 2015, on the assumptions outlined in paragraph 7 above. The 30-year HRA business plan reported previously in November 2011 (Paper No. 11-814) provided an overview of HRA trends for the coming years, including self-financing, though it involves a raft of assumptions that could give different results if varied. That business plan now updated but assuming no rent increase shows that a decision to increase rents by less than the increase assumed in the self-financing settlement will require a higher level or longer period of borrowing, therefore increasing overall the debt costs borne by the HRA and reducing future available resources.

COUNCIL HOUSING

Council Housing Budget Framework – Pre Decisions

	<u>Original</u> <u>Budget</u> <u>2011/12</u> £'000	<u>Revised</u> <u>Budget</u> <u>2011/12</u> £'000	<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>EXPENDITURE</u>					
<u>REVENUE</u>					
Supervision, Management and Maintenance					
Repairs & Maintenance	25,485	25,418	25,633	26,210	27,406
General Management	30,085	30,087	30,404	31,115	31,845
Special Services	13,250	12,791	13,883	14,166	14,456
Rent Rebates	4,204	4,454	-	-	-
Capital Financing Costs	1,854	1,996	48,097	47,798	47,499
Other Expenses	994	1,338	1,276	4,865	5,063
HRA Subsidy Payable	43,544	43,263	-	-	-
Depreciation	-	418	20,068	20,535	21,016
	(119,416)	(119,765)	(139,361)	(144,689)	(147,285)
<u>CAPITAL</u>					
Repairs and Improvements	25,561	24,342	27,294	16,838	4,037
Purchase of Properties	50	100	50	-	-
Purchase of Vehicles	-	15	-	-	-
Portable Discounts	750	1,000	750	-	-
Roehampton Regeneration Project & Wider Non-Derogation Leases	100	100	100	100	100
	(26,461)	(25,557)	(28,194)	(16,938)	(4,137)
	145,877	145,322	167,555	161,627	151,422
<u>INCOME</u>					
<u>REVENUE</u>					
Gross Rents – Dwellings	99,836	99,836	99,011	103,169	107,489
Gross Rents – Non-Dwellings	3,540	3,649	3,766	3,860	3,957
Mortgage Interest	14	12	7	6	5
Leaseholder Service Charges	12,680	12,928	13,190	13,516	13,854
Other Income	11,165	11,251	11,061	11,289	11,543
	(127,235)	(127,676)	(127,035)	(131,840)	(136,848)
<u>CAPITAL</u>					
Contribution to Major Repairs Reserve	17,128	17,546	20,068	20,535	21,016
Capital Receipts	2,750	11,754	1,500	1,500	1,200
Capital Reimbursements	1,865	1,760	1,860	-	-
Leaseholder Major Works Charges	3,058	3,004	2,665	3,355	2,993
	(24,801)	(34,064)	(26,093)	(25,390)	(25,209)
	152,036	161,740	153,128	157,230	162,057
Total reserves at beginning of year	169,223	169,223	185,875	171,682	167,519
Appropriation from Insurance Reserve	234	234	234	234	-
Total reserves at end of year	175,616	185,875	171,682	167,519	178,154

Proposals for Expenditure

9. **Management and Maintenance.** The self-financing settlement includes an assumed allowance for the management and revenue maintenance of properties in 2012/13 of £2,713 per dwelling. The latest estimates indicate actual management and maintenance unit costs of £3,112 after adjusting for service charges. The difference is equivalent to £6.925 million. Expenditure and notional allowances at broadly these levels have 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 business plan. An increase in expenditure of £100,000 per annum would reduce the estimated overall reserves after 30 years by £5.8 million when taking into account the loss of interest on this additional expenditure. Increased expenditure may also have an impact on the borrowing sum and term that would be viable under self-financing.

10. Major Works. The HRA estimates have been based on the current cash flows for the approved capital programme adjusted for slippage. On existing policies, the finance for the HRA capital programme comes from:-

- (a) Previously the subsidy system included a formula-based Major Repairs Allowance as a proxy for depreciation, introduced in 2001/02, at a sum of £17.128 million for 2011/12. The MRA has been put into the capital Major Repairs Reserve and used to fund capital works. Under self-financing, a revenue charge for depreciation will continue to be put into the Major Repairs 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. This depreciation proxy contributes £19.650 million in 2012/13 to fund capital works;
- (b) Usable non-right-to-buy housing capital receipts applied to affordable housing, estimated at £1.5 million for 2012/13 (compared to £11.754 million in 2011/12, which includes the financial effects of the current annual sales policy); and
- (c) the HRA and Housing Major Repairs Reserve mentioned in paragraph 8 above, insofar as these are available.

11. Capital Additions. In accordance with the HRA business plan, the Director of Housing proposed additions to the capital programme. The resulting capital programme is shown in summary and detail in Appendix D to this section. The additional cost to the HRA is estimated at £29.920 million of which £5.944 million would be chargeable to leaseholders. The actual amount recharged to leaseholders in their service charge bills is subject to consultation and will depend on the incidence of spending on these major works on different housing properties.

Proposals for Income

12. Duty to Review Rents. 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, inflation on prices and income, the eligibility of tenants for housing benefit, and private sector rents.

13. Rent Levels. The current average weekly rent excluding tenant service charges for the Council's 17,220 dwellings is £112.38 per week excluding service charges. The government's guideline rent for 2011/12 is £102.94 per week. With the £8.33 increase, the 2012/13 rent level assumed by the government in the self-financing settlement is therefore £111.27. Average rents in other London boroughs, for which information is available, currently range from £78.91 to £104.57 but are expected to increase generally in April. The Rent Officer currently sets, for housing benefit purposes, Local Housing Allowances for the level of rent allowance payments to be made to tenants in the private rented sector. In Wandsworth these currently range from £80.31 per week

COUNCIL HOUSING

for a bedsit to £400 for 4 or more bedrooms. The average weekly rent in the private sector upon which housing benefit has been assessed has increased from £180.39 in December 2010 to £184.33 in December 2011, but is still significantly higher than the average rent charged to Council tenants.

14. Rent Increases. Each 10 pence average rent increase is estimated to yield £89,000 additional rent in 2012/13 but give rise to additional rebate entitlement of £65,000 producing net income of £24,000. Around 68% of tenants are entitled to rebate and will be fully compensated for any rent increase. The average increase in rent nationally which has been assumed for the purpose of HRA subsidy is 7.04% or an increase of £8.33 per dwelling /week in Wandsworth, equivalent to a 8.1% increase in guideline rent. The guideline rent increase is set to cover inflation plus an annual half percent real terms increase, together with an equal step towards the Government's higher formula rent target. This last stage varies for each authority so the percentage guideline rent increase is similarly variable. To restore the previous year's relationship between rents and prices would require a rent increase of £6.07 per dwelling/week (+5.4%) and to restore that between rents and earnings would require an increase of £2.26 per dwelling/week (+2.1%).
15. Rent Distribution. 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. The table below shows how full implementation of the latest valuations would move the pattern of council rents closer to that of private rents:-

AVERAGE RENTS AS INDEX NUMBERS IN RELATION TO 2-BEDROOM AVERAGE

	<u>Index Numbers for Current Council Rents</u>	<u>Index Numbers for Proposed Council Rents</u>	<u>Index Numbers for Private Rents 2004</u>
1 Bedroom	80.1	80.2	77.5
2 Bedroom	100.0	100.0	100.0
3 Bedroom	131.4	131.2	132.2
4+ Bedroom	155.1	155.4	162.6

16. 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, from the original target of 2011/12, and reflected in a corresponding adjustment to HRA subsidy. The 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%.

COUNCIL HOUSING

The former ODPM originally deferred decisions on an interim review of rent restructuring which recognised that the policy was “causing excessive compression of the rent differences between properties of different sizes” although Ministers subsequently implemented the review proposals in full from 2006/07 onwards, with some increase in ‘rent caps’ for larger properties. The 2012/13 formula rent of £110.70 has been uplifted by 0.5% in real terms and then increased by 5.6%, reflecting September’s RPI, to produce a target formula rent in 2012/13 of £117.45.

17. Members had previously been advised that the Government’s preferred 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.
18. 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. In such limited circumstances it has been agreed that the Director of Finance, in conjunction with the Director of Housing, be authorised to harmonise rents at the lower level. 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. The table below summarises the effects of an average £8.33 increase. The 68% of tenants in receipt of Housing Benefit will see a corresponding adjustment to their entitlement while they remain on benefit.

Summary of distribution of net Rent Increase
with average of £8.33 per week, no decreases and no individual increases
exceeding 8%

<u>Bedrooms</u>	<u>Average Increase</u>		<u>Total</u>
	£	%	<u>Dwellings</u>
Bedsit	4.10	6.04	987
1	5.85	6.36	4,548
2	8.36	7.35	6,442
3	10.84	7.25	4,174
4	12.61	7.28	993
5+	15.42	7.03	76
Total	8.33	7.04	17,220

19. Non-Dwelling Property and Communal Heating Charges. Non-dwelling property charge increases, representing 6.6% inflation uplift, and a 20% overall increase in communal heating and hot water charges, have been approved and have been reflected in the increased income levels for 2012/13.
20. Service Charges. 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. In setting the rents for 2010/11 a further unpooling of service charges relating to garden maintenance, aerials, entrycall and estate cleaning was undertaken and implemented. 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 the property rent.

COUNCIL HOUSING

21. Only the service charge for health and safety functions within sheltered accommodation introduced in 2011/12, sits outside of the rent calculation. This additional charge is a flat rate for all sheltered housing tenants and reflects the additional health and safety functions undertaken in sheltered accommodation which exceed those required in the general housing stock and attracts Housing Benefit. Those not in receipt of benefits have to fund the additional charge from their own resources. Government policy is that service charges to an individual should not increase by more than RPI + 0.5% each year. This would suggest a 6.1% increase to the current £1.68 per week charge to sheltered tenants creating a revised weekly service charge, covered by benefit where appropriate, of £1.78 per week.
22. A report to the Adult Care and Health Overview and Scrutiny Committee considered the future funding of Supporting People services and proposes the market testing of sheltered housing support. As a result, the Director of Housing plans to review the Housing Department's in-house sheltered housing service. Pending the outcome of the market testing exercise to be undertaken by the Adult Social Services Department, it will be necessary to temporarily suspend the charge levied on sheltered housing tenants for individual support, so as to avoid an inequitable two-tier charging regime. Those sheltered tenants in receipt of housing benefit currently have their support charge met in full by Supporting People funding, whereas those not on benefits in the main pay for this support from their own resources. As the Supporting People funding is to cease at the end of 2011/12 pending market testing, and in order to protect those on benefits from having to meet the charge from their own resources, a temporary suspension of the charge, likely to be for one year, to all sheltered tenants is proposed.
23. However, it is not proposed to reduce the sheltered housing service pending the outcome of the Adult Social Services review although, to ensure any funding shortfall can be met from the Housing Revenue Account, there will need to be a move towards a more enhanced housing management service and away from a service that provides tailored support to the individual tenant.

HRA Budget Framework

24. The table in paragraph 8 covers the number of years that the Council considered appropriate for the HRA budget framework, when adopting the current constitution in September 2001, but rolls it forward for another year. Appendix B to these pages sets out a framework that reflects the proposals approved by the Housing Overview and Scrutiny Committee in January 2012 and all subsequent budget virements and budget variations subsequently approved by the Executive within the framework period.
25. The 30-year HRA business plan provides an overview of HRA trends for the coming years and the latest forecast of reserves is shown graphically at Appendix C to this section. The plan involves a raft of assumptions that could give different results if varied but currently assumes guideline rent increases after 2012/13 and takes into account latest estimates of revenue spend and capital spending 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

26. 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 2nd April 2012, making an average increase of £8.33 per dwelling/week, but subject to no decreases (except in c) below) and a maximum limit on increases of 8% 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 the limited circumstances outlined in paragraph 18;
- d) that in addition to the rent increase the service charge for additional health and safety functions undertaken in sheltered accommodation be increased by 6.1% to £1.78 per week with effect from Monday 2nd April 2012;
- e) that with effect from Monday 2nd April 2012 and as detailed in paragraph 22 the service charge for the support element of the sheltered housing service be suspended temporarily following a loss of Supporting People funding and pending a review of the sheltered wardens service; and,
- f) that the estimates shown in Appendix B to the report for the HRA for the financial years 2011/12 to 2014/15 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 2015 should not be forecast by the Director of Finance to reduce by more than £10 million;

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 2012/13

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 2012/13 were contained within papers considered by the Executive on 30th January 2012, subsequently endorsed by the Council on 8th February 2012 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 2012/13 are as follows:

<u>HOUSING REVENUE ACCOUNT INCOME AND EXPENDITURE ACCOUNT</u>	<u>£'000</u>
Expenditure	
Repairs and maintenance	(25,633)
Supervision and management	(46,266)
Rents, rates, taxes and other charges	(415)
Rent Rebate Subsidy Limitation	(4,578)
Depreciation and impairment of non-current assets	(20,068)
Movement in allowance for bad debts	(906)
Total Expenditure	<u>(97,866)</u>
Income	
Dwelling rents	106,383
Non-dwelling rents	3,766
Charges for services and facilities	23,467
Total Income	<u>133,616</u>
Net Cost of HRA Services as Included in the Comprehensive Income and Expenditure Statement	35,750
HRA Services Share of Corporate and Democratic Core	(1,542)
Net Income from HRA Services	34,208
HRA Share of the Operating Income and Expenditure Included in the Comprehensive Income and Expenditure Account	
Gain or (loss) on sale of HRA non-current assets	-
Interest payable and similar charges	(49,097)
Interest and investment income	800
Pensions interest cost and expected return on pension assets	(52)
Capital grants and contributions receivable	4,625
Other income/(expenditure)	-
Surplus for the year on HRA Services	(9,516)

COUNCIL HOUSING

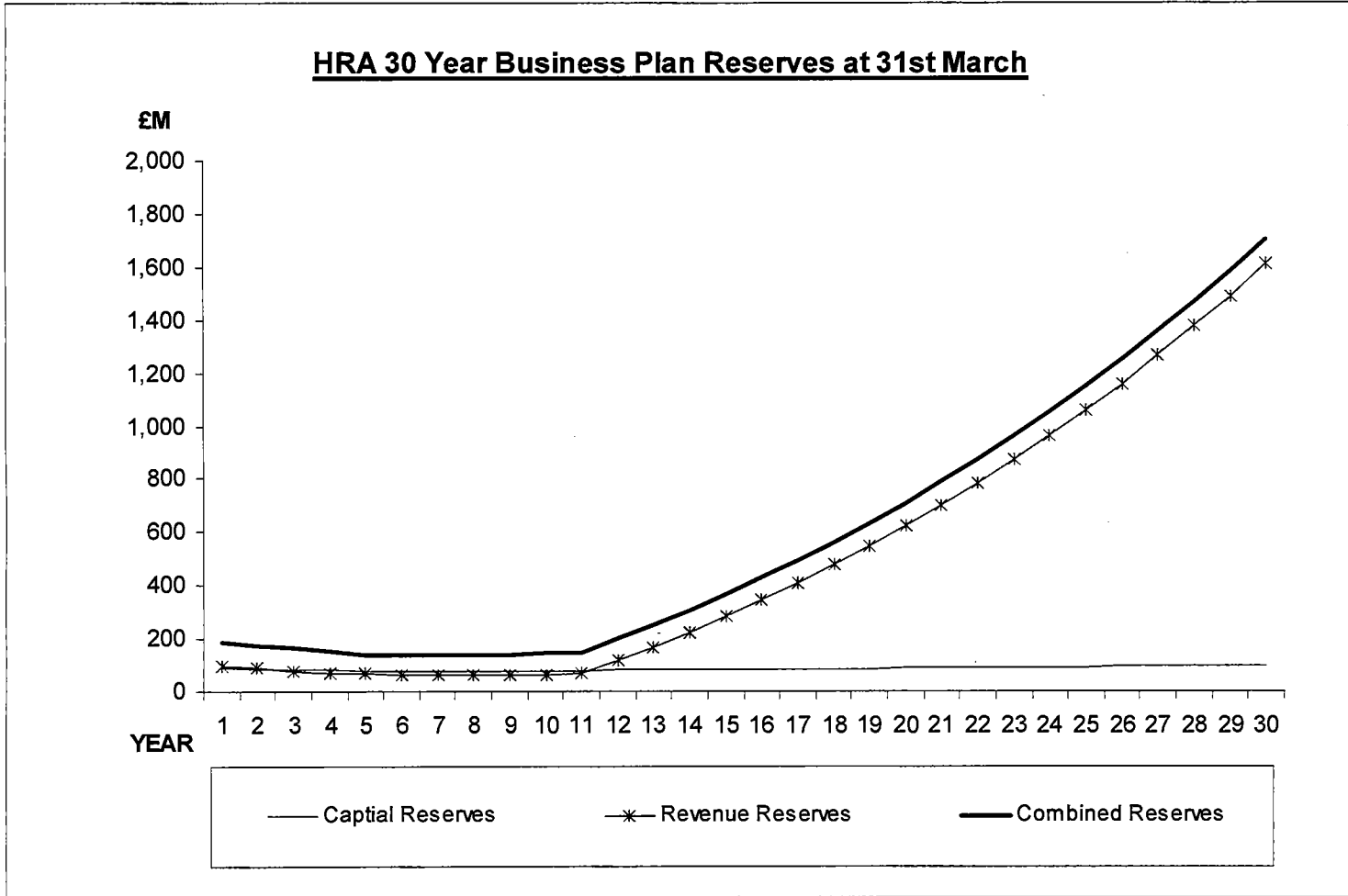
<u>STATEMENT OF MOVEMENT ON THE HOUSING REVENUE</u>	<u>£'000</u>
<u>ACCOUNT BALANCE</u>	
Balance on the HRA at the end of previous year	98,846
Surplus or (deficit) for the year on the HRA Income and Expenditure Statement	(9,516)
HRA share of contributions to or from the pensions reserve	1
Gain or loss on sale of HRA non-current assets	-
Difference between any other item of income and expenditure determined in accordance with the Code and determined in accordance with statutory HRA requirements	(4,625)
Revenue funded by capital under statute	3,515
Adjustments between accounting basis and funding basis under Statute	(1,109)
Net increase before transfers to or from reserves	(10,625)
Transfer to the Capital Adjustment Account	1,000
Transfers from Insurance Reserve	234
Decrease in the year on the HRA	(9,391)
Balance on the HRA at the end of 2012/13	89,455

COUNCIL HOUSING

APPENDIX B

Approved Council Housing Budget Framework

	<u>Original</u> <u>Budget</u> <u>2011/12</u> £'000	<u>Revised</u> <u>Budget</u> <u>2011/12</u> £'000	<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>EXPENDITURE</u>					
<u>REVENUE</u>					
Supervision, Management and Maintenance					
Repairs & Maintenance	25,485	25,418	25,633	26,210	27,406
General Management	30,085	30,087	30,404	31,115	31,845
Special Services	13,250	12,791	13,940	14,166	14,456
Rent Rebates	4,204	4,454	4,578	4,894	5,188
Capital Financing Costs	1,854	1,996	48,097	47,798	47,499
Other Expenses	994	1,338	1,320	5,045	5,245
HRA Subsidy Payable	43,544	43,263	-	-	-
Depreciation	-	418	20,068	20,535	21,016
	(119,416)	(119,765)	(144,040)	(149,763)	(152,655)
<u>CAPITAL</u>					
Repairs and Improvements	25,561	24,342	27,394	25,855	18,503
Purchase of Properties	50	100	50	50	-
Purchase of Vehicles	-	15	-	-	-
Portable Discounts	750	1,000	750	750	-
Roehampton Regeneration Project & Wider Non-Derogation Leases	100	100	100	100	100
	(26,461)	(25,557)	(28,294)	(26,755)	(18,603)
	145,877	145,322	172,334	176,518	171,258
<u>INCOME</u>					
<u>REVENUE</u>					
Gross Rents – Dwellings	99,836	99,836	106,383	110,507	114,795
Gross Rents – Non-Dwellings	3,540	3,649	3,766	3,860	3,957
Mortgage Interest	14	12	7	6	5
Leaseholder Service Charges	12,680	12,928	13,217	13,516	13,854
Other Income	11,165	11,251	11,070	11,282	11,518
	(127,235)	(127,676)	(134,443)	(139,171)	(144,129)
<u>CAPITAL</u>					
Government Major Repairs Allowance	17,128	17,546	20,068	20,535	21,016
Capital Receipts	2,750	11,754	1,500	1,500	1,200
Capital Reimbursements	1,865	1,760	1,960	-	-
Leaseholder Major Works Charges	3,058	3,004	2,665	3,355	2,993
	(24,801)	(34,064)	(26,193)	(25,390)	(25,209)
	152,036	161,740	160,636	164,561	169,338
Total reserves at beginning of year	169,223	169,223	185,875	174,441	162,688
Appropriation from Insurance Reserve	234	234	234	234	234
Total reserves at end of year	175,616	185,875	174,441	162,688	160,768



COUNCIL HOUSING

APPENDIX D

CAPITAL PROGRAMME

	<u>2011/12</u>	<u>2012/13</u>	<u>2013/14</u>
	£'000	£'000	£'000
<u>SUMMARY</u>			
REPAIRS AND IMPROVEMENTS TO DWELLINGS (details on pages 149 to 164)			
Major Refurbishment of Estates	10,368	12,624	14,013
Re-Lifting	434	980	1,291
Re-Wiring	637	1,329	876
Heating Improvements	1,999	2,043	2,831
Heating Repairs	1,416	2,772	2,585
Special Repairs	905	1,200	1,005
Sheltered Housing	1,096	474	652
Adaptations for the Disabled	1,750	1,550	1,550
Entrycall/CCTV	1,765	709	372
Environmental/Estate Improvements	150	100	100
Hidden Homes	3,822	3,613	580
	<hr/>	<hr/>	<hr/>
	24,342	27,394	25,855
PORTABLE DISCOUNTS	1,000	750	750
PURCHASE OF PROPERTIES	100	50	50
PURCHASE OF VEHICLE	15	-	-
ROEHAMPTON REGENERATION PROJECT AND WIDER NON-DEROGATION LEASE ISSUES	100	100	100
TOTAL	<hr/>	<hr/>	<hr/>
	25,557	28,294	26,755

COUNCIL HOUSING

MAJOR REFURBISHMENT OF ESTATES

	<u>2011/12</u>	<u>2012/13</u>	<u>2013/14</u>
	£'000	£'000	£'000
ACKROYDON WEST ESTATE (West Hill)			
Chilworth Court 1-15, 16-55 - Roof Renewals	167	9	-
ALDRINGTON SOUTH ESTATE (Furzedown)			
Grierson House, Shenstone House & Tyers House - Window Renewals	650	52	-
Roof Renewals	-	-	50
ALTON ESTATE (Roehampton)			
Provision for Laverstoke Gardens - Environmental Improvements	5	410	57
Tangley Grove - Communal Access Roads	7	-	-
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	71	-	-
Blocks D28-35, L1, 2, 3 : Sherfield Gardens & Portswood Place - Roof Renewals - Phase 3	503	17	-
Danebury Avenue 1-29, 31-115 - Roof Renewals - Phase 4	-	-	50
Danebury Cottages - Roof Renewals	-	-	47
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	-	73	360
ANDERSON HOUSE (Tooting)			
Window Renewals	420	32	-
ANN KERR COURT (East Putney)			
Window Renewals/Communal Area Decorations	6	-	-
ANTRIM HOUSE (Shaftesbury)			
Window Renewals	-	200	10
ARGYLE ESTATE (West Hill)			
Thursley Gardens 1-7, 8-25, 26a, 26-42	1	-	-
Pitched Roof Renewals - Phase 1	-	-	50
ARNDALE ESTATE (Southfields)			
Environmental Improvements - Phase 3a	35	-	-
ASHBURTON CHARTFIELD ESTATE (East Putney)			
Whole Estate excluding 34 Westleigh Avenue, 29a Mildmay House & 1a Mullens House	3	197	1,388
ASHBURTON SOUTH ESTATE (West Putney)			
Tildesley Road 2-100 - Roof Renewals	-	-	160
Boyd Court, Cortis Road, Cortis Terrace, Tildesley Road 89-201 (o) & Westleigh Avenue 63-125 (o), 135-165 (o) - Window Renewals - Phase 1	240	2,129	98
Carslake 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	-	328	1,540
Hayward Gardens 1-268 & Pullman Gardens 1-27 - Window Renewals - Phase 3	-	-	100

COUNCIL HOUSING

MAJOR REFURBISHMENT OF ESTATES

	<u>2011/12</u> £'000	<u>2012/13</u> £'000	<u>2013/14</u> £'000
ASHLEY CRESCENT ESTATE (Shaftesbury) Roof Renewals	83	709	20
BADRIC COURT (St Mary's Park) Window Renewals	167	-	-
Roof Renewals	-	-	50
BATTERSEA HIGH STREET ESTATE (St Mary's Park) Tankroom Overhaul and Replacement	-	39	41
Clancy Court, Coles Court, Humphrey Court, Lindsay Court, Meecham Court & Pritchard Court - Window Renewals	-	-	62
BELLAMY HOUSE ESTATE (Tooting) Window Renewals	334	16	-
CAREY GARDENS ESTATE (Queenstown) Window Renewals	17	-	-
CARLTON DRIVE (East Putney) No 24 and 25 - Roof Renewals	-	-	110
CLARENCE LANE (Roehampton) Window Renewals	-	764	18
CONVENT CO-OP (Fairfield) Ericsson Close 2-38 (e), 3-110 (o) & Chesterton Close 1-11 - Roof Renewals and Balcony Asphalt	170	332	-
CORNFORD GROVE (Infill) (Bedford) Window Renewals	6	-	-
EASTWOOD ESTATE (West Putney) Clipstone House - Roof and Window Renewals	-	-	70
EDGECOMBE HALL ESTATE (West Hill) Augustus Road 45-55 & Manningtree Close 25 - Window Renewals	32	-	-
ENDLESHAM COURT (Nightingale) Roof Renewal	-	38	6
HARLING COURT (Latchmere) Window Renewals	168	9	-
LARCH CLOSE ESTATE (Bedford) Window Renewals	250	40	-

COUNCIL HOUSING

MAJOR REFURBISHMENT OF ESTATES

	<u>2011/12</u>	<u>2012/13</u>	<u>2013/14</u>
	£'000	£'000	£'000
LATCHMERE ESTATE (Latchmere)			
Dampness Eradication - Tenanted Units Only (decency works)	1	-	-
LENNOX ESTATE (Roehampton)			
Window Renewals - Phase 1	1	-	-
Burke Close, Dowdeswell Close & Rockingham Close (flatted units)			
- Entrycall Installations	-4	-	-
LONGSTAFF CRESCENT, LONGSTAFF ROAD, BUCKHOLD ROAD & MAPLETON ROAD (Southfields)			
Window Renewals - Houses	-9	-	-
LONGSTAFF ESTATE (West Putney)			
Hooper House, Lebanon Road 10-24 only, Luscombe House & Woodhams House - Window Renewals (link decorations)	333	98	-
MAGDALEN PARK ESTATE (Wandsworth Common)			
Pitched Roof Renewals - Phase 1	-	-	67
MORRIS GARDENS ESTATE (Southfields)			
Roof and Window Renewals	-	-	120
PENRITH STREET (Furzedown)			
Penrith Street 10-24 (flats), 26 (house) - Window Renewals	6	-	-
PRIORY COURT (Roehampton)			
Window Renewals	13	-	-
PUTNEY VALE ESTATE (Roehampton)			
Window Renewals - Phase 2 (link decorations)	110	-	-
Newlands Community Centre	100	44	-
RANELAGH ESTATE (Thamesfield)			
Construction of Under 11's Play Area	1	-	-
RYDE VALE ESTATE (Bedford)			
Homemead & Hitherlands - Window Renewals	-	62	651
SAVONA ESTATE (Queenstown)			
Battersea Park Road 77-99 & 103-125 - Full Refurbishment	674	27	-
Thessaly Road - Rebuild 178-192 and Refurbish Remainder (link hidden homes)	116	-	-
Ascalon House, Seldon House, Thessaly House 1-65 & Wenham House			
- Window Renewals (link decorations)	40	1,506	73
SHERINGHAM COURT (Earlsfield)			
Roof Renewal (link decorations)	-	18	23

COUNCIL HOUSING

MAJOR REFURBISHMENT OF ESTATES

	<u>2011/12</u> £'000	<u>2012/13</u> £'000	<u>2013/14</u> £'000
SOMERSET ESTATE (St Mary's Park)			
Window Renewals	-	138	1,137
SOUTHLANDS ESTATE (St Mary's Park)			
Window Renewals (link decorations)	8	-	-
STORMONT ROAD ESTATE (Shaftesbury)			
Gowrie Road 77-99 (o) - Roof Renewal	1	-	-
SURREY LANE ESTATE (St Mary's Park)			
Window Renewals - Phase 1	-	110	980
Window Renewals - Phase 2	-	-	80
THE PLATT ESTATE (Thamesfield)			
Lockyer House & Lilburne Court - Window Renewals	27	-	-
TOOTING GROVE ESTATE (Tooting)			
Environmental Improvements/Remote Gardens	6	-	-
TOTTERDOWN FIELDS ESTATE (Tooting/Graveney)			
Window Renewals - Phase 3	41	-	-
TOWN HALL ESTATE (Shaftesbury)			
Window Renewals	-	88	212
VICTORIA DRIVE ESTATE (West Hill)			
Victoria Drive 101, Flats A-H - Window Renewals	1	-	-
WAYLAND ROAD ESTATE (Latchmere)			
Cavity Wall Tray Replacement	27	-	-
WENDELSWORTH ESTATE (Fairfield)			
Culver Court & Linstone Court - Roof Renewals	47	213	10
WINSTANLEY ESTATE (Latchmere)			
Sporle Court - Window Renewals	-	125	620
YORK ROAD ESTATE (Latchmere)			
Penge House & Pennethorne House - Refurbishment including			
Rewire/Mains Distribution Boards - Phase 1	80	1,500	3,493
Chesterton House and Holcroft House - Refurbishment - Phase 2	-	-	200

COUNCIL HOUSING

MAJOR REFURBISHMENT OF ESTATES

	<u>2011/12</u>	<u>2012/13</u>	<u>2013/14</u>
	£'000	£'000	£'000
<u>Capital Conversion Window Renewal</u>			
Fitzhugh Estate (Wandsworth Common)	20	1,312	10
McCarthy Court (St Mary's Park)	634	10	-
Winstanley Estate (Latchmere) - Clark Lawrence, Shaw Court & Sendall Court	542	20	-
<u>Boroughwide</u>			
Digital Systems - Phase 7	23	-	-
Digital Systems - Phase 8	640	304	-
Digital Systems - Phase 9	-	371	650
Digital Systems - Phase 10	-	-	100
Secure Front Doors - Phase 8	2	-	-
Secure Front Entrance Doors - Phase 9	-	-	200
<u>Kitchens and Bathrooms - Programme</u>			
Area One Off	33	-	-
Phase 1			
Ethelburga Estate (St Mary's Park)	182	-	-
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)	2,426	101	-
Phase 3			
William Willison Estate (West Hill)	860	1,183	-
Phase 4			
William Willison Estate (West Hill)	-	-	100
<u>Conversion Fund from External Decorations to Window Renewal Project</u>	-	-	1,000
<u>C.O.S.T.A. Self-Containment</u>			
Nightingale Square (Nightingale)	50	-	-
Arndale - Tooting Grove - Remote Garden	1	-	-
TOTAL MAJOR REFURBISHMENT OF ESTATES	10,368	12,624	14,013

COUNCIL HOUSING

RE-LIFTING

	<u>2011/12</u>	<u>2012/13</u>	<u>2013/14</u>
	£'000	£'000	£'000
Ackroydon Estate (West Hill) - Ashtead Court, Eastwick Court, Mynterne Court, Swanton Court 58-87 & Tymperley Court - Phase 1 West	160	-	-
Ackroydon Estate (West Hill) - Chilworth Court 16-55, Duncombe House & Oatlands Court - Phase 2 East	3	303	13
Alton Estate (Roehampton) - Phase 6 (E blocks)	1	-	-
Ashburton South Estate (West Putney)			
- Hayward Gardens	-	33	227
- Innes Gardens 23-52, 53-64, 65-94, 95-116	13	-	-
- Tildesley Road 263-387 (o), 411-513 (o)	3	345	28
- Tildesley Road 21-79 (o), 22-100 (e), 203-261 (o)	-	31	666
- Carslake Road and Cortis Road - Partial Lift Refurbishment	-	-	40
- Innes Gardens - Partial Lift Refurbishment	-	-	35
Balham Hill Estate (Balham) - Phase 2	-	43	184
Doddington Estate (Queenstown) - Bank Court	-	17	67
Edgecombe Hall Estate (West Hill) - Whitlock Drive 2-154	72	2	-
Edgecombe Hall Estate (West Hill) - Edgecombe House & William Harvey House	2	111	5
Falcon Estate (Latchmere) - Eden House, Ridley House & Temple House	-	95	6
Longstaff Estate (East Putney)	63	-	-
Ranelagh Estate (Thamesfield) - Huntingford House - Partial Lift Refurbishment	-	-	20
Savona Estate (Queenstown) - Ascalon House, Thessaly House & Wenham House	93	-	-
Somerset Estate (St Mary's Park) - Selworthy House & Sparkford House	12	-	-
Tyneham Close Estate (Shaftesbury)	5	-	-
Wendelsworth Estate (Fairfield) - Merstone House, Shorwell House, Totland House and Whitecliff House	7	-	-
TOTAL RE-LIFTING	<u>434</u>	<u>980</u>	<u>1,291</u>

COUNCIL HOUSING

RE-WIRING

	<u>2011/12</u>	<u>2012/13</u>	<u>2013/14</u>
	£'000	£'000	£'000
Alton Estate (Roehampton) - E Blocks : Chilcombe House, Crondall House, Farnborough House, Kimpton House, Rushmere House & Somborne House - Mains Renewal	23	-	-
Alverton Court (Fairfield) - Mains Renewal	11	2	-
Argyle Esher Estate (West Hill) - Bisley House - Communal Rewires	-	56	1
Badric Court (St Mary's Park) - Rewires and Communals	-	49	259
Doddington Estate (Queenstown) - Arthur Court, Cromwell House, Lucas Court, Palmerston House, St George House & Youngs Court - Renewal of Communal Mains	165	29	-
Edwyn Trayfoot Lodge (Latchmere) - Fire Alarms/Emergency Lighting	38	32	-
Ethelburga Estate (St Mary's Park) - Jagger House 1-24, Maskelyne Close 1-42,43-72, Rosenau Road 30-76 & Watford Close 1-69, 2-52	-	-	85
Fitzhugh Estate (Wandsworth Common) - Distribution Boards	-	106	5
Harwood Court (West Putney) - Lateral Mains	21	-	-
Ranelagh Estate (Thamesfield) - Distribution Boards	1	-	-
Savona Estate (Queenstown) - Ascalon House 1-30, Seldon House 1-68, Thessaly House 1-65 & Wenham House 1-88	-	-	85
Streathbourne Road 111-117 (Bedford), Hafer Road 4-8 (Northcote) & Lavender Sweep 68-72 (Shaftesbury) - Electric Renewals	10	-	-
The Alders (Furzedown) - Rewires and Communals	2	28	119
York Road Estate (Latchmere) - Chesterton House, Holcroft House, Inkster House, Penge House, Pennethorne House & Scholey House - Mains, Distribution Boards and Rewires	-	823	122
Individual Rewires	200	200	200
Community and Clubrooms - Fire Alarms, Emergency Lighting and Electrical Renewals	166	4	-
TOTAL RE-WIRING	637	1,329	876

COUNCIL HOUSING

HEATING IMPROVEMENTS

	<u>2011/12</u>	<u>2012/13</u>	<u>2013/14</u>
	£'000	£'000	£'000
Individual Installations	200	200	200
Aboyne Estate (Earlsfield)	1	-	-
Ackroydon East Estate (West Hill)	-	-	700
All Saints Co-Op - Lurline Gardens (Queenstown)	-	300	-
Ashburton South Estate (West Putney) - Cortis Road & Cortis Terrace - Phase 2	22	-	-
Ashburton South Estate (West Putney) - Hayward Gardens - Phase 3	686	121	-
Ashburton South Estate (West Putney) - Carslake Road - Phase 4	-	331	190
Ashburton South Estate (West Putney) - Other	-	-	1,000
Ashley Crescent (Shaftesbury)	-	195	210
Faylands Estate (Furzedown)	-	185	18
Kambala Estate (Latchmere) - Phase 1	1	-	-
Kambala Estate (Latchmere) - Phase 2	14	-	-
William Willison Estate (West Hill) - Replacement Electric Systems	1,075	192	-
William Willison Estate (West Hill) - Phase 2	-	519	513
TOTAL HEATING IMPROVEMENTS	1,999	2,043	2,831

COUNCIL HOUSING

HEATING REPAIRS

	<u>2011/12</u>	<u>2012/13</u>	<u>2013/14</u>
	£'000	£'000	£'000
Arndale Estate (Southfields) - Eliot Court & Wentworth Court - Supply Network	-	124	586
Doddington Estate (Queenstown) - St George House & Arthur Court - New Boiler House - Phase 1	329	-	-
Doddington Estate (Queenstown) - Bolton Court, Falkener Court, Kennard House, Landseer House, Russell Court & Voltaire Court - Phase 2	790	121	-
Doddington Estate (Queenstown) - Cromwell House, Lucas Court, Palmerston House & Youngs Court - Phase 3	74	1,636	43
Doddington Estate (Queenstown) - Lucas Court & Palmerston House - Phase 4	-	347	1,047
Doddington Estate (Queenstown) - Connor Court & Turpin House - Phase 5	-	-	886
Maysoule Road (Latchmere) - Abandon Communal System	150	263	-
McCarthy Court (St Mary's Park) - Abandon Communal System	4	281	23
<u>Energy Efficiency Measures</u>			
Energy Efficiency Allowance - Loft Insulation	69	-	-
TOTAL HEATING REPAIRS	<u>1,416</u>	<u>2,772</u>	<u>2,585</u>

COUNCIL HOUSING

SPECIAL REPAIRS

	<u>2011/12</u>	<u>2012/13</u>	<u>2013/14</u>
	£'000	£'000	£'000
Abbot House (Balham) - Roof Renewal	-	170	5
Acquired Properties - Roofs, Decorations & Damp Proofing	350	350	350
Andrew Reed House (West Hill) - Water Pressure Improvements	3	-	-
Burns Road (Latchmere) - Structural Works to Internal Ground Floor	3	-	-
Carslake Road 99a (West Putney) - Refurbishment of Existing Bedsit to One Bed Unit	17	-	-
Diprose Lodge (Tooting) - Lighting Upgrade	3	65	-
Hyacinth Estate - Roofs (link decorations)	20	80	-
Nimrod Road 210-212 (Furzedown) - Conversion to 6 Bed Property	1	-	-
Phelps House (Thamesfield) - Roof Renewal	1	-	-
Queenstown Road 85/87 (Queenstown) - C.O.S.T.A. Feasibility and Refurbishment	9	-	-
Extensions/Conversions			
- Mere Close 15 (West Hill)	1	-	-
- Ravenet Court 13 (Queenstown)	12	-	-
- The Footpath 15 (West Putney)	26	-	-
Surrey Lane (St Mary's Park) - Car Park Following Demolition	30	-	-
Petersfield Rise Garages (Roehampton) - Demolition of Garages	21	-	-
Asbestos Removal	20	50	50
Asbestos Surveys/Removal - Contingency	3	-	-
Housing Condition Re-Survey	81	60	-
Minor Environmental Schemes	300	300	300
Provision for Future Years	-	125	300
Various Final Accounts	4	-	-
TOTAL SPECIAL REPAIRS	<u>905</u>	<u>1,200</u>	<u>1,005</u>

COUNCIL HOUSING

SHELTERED HOUSING

	<u>2011/12</u>	<u>2012/13</u>	<u>2013/14</u>
	£'000	£'000	£'000
<u>Major Conversions</u>			
Abyssinia Close (Northcote) - Lift Refurbishment	27	83	4
Carey Gardens (Queenstown) - Installation of Overhead Showers - Phase 1	200	45	-
Cowick Road (Tooting) - Extension/Clubroom	1	-	-
Doris Emmerton Court (Latchmere) - Lift Refurbishment	-	-	50
Glenthorpe 1-18, 36-71 (West Putney) - Window Renewals	1	-	-
Haven Lodge (Latchmere)	4	-	-
Ivor Mayor Lodge (Balham) - Including Lift Refurbishment	1	-	-
Lennox and Alton Estate (Roehampton) - Overhead Showers - Phase 3	-	-	150
Nursery Close (East Putney)	50	-	-
Rambler Close (Furzedown) - Lift Installation	1	-	-
Sclater Road Estate (West Putney) - Grosse Way 1-34			
- Communal Window Renewals	10	-	-
Stoughton Close, Greatham Walk and Hyacinth Road (Roehampton)			
- Central Heating Replacement	-	-	250
Washington Court (Graveney)	2	-	-
<u>Boroughwide Sheltered Schemes</u>			
Introduction of Blending Valves - Contract 1	270	70	-
Introduction of Blending Valves - Contract 2	248	68	-
Automatic Opening Main Doors	25	79	-
Communal Boiler Replacements			
- Fontley Way 1-35 (Roehampton) & Hepplestone Close 1-32 (West Putney)	121	9	-
- Burke Close 1-27 (Roehampton) & Dowdeswell Close 6-40 (Roehampton)	135	4	-
Installation of Overhead Showers - Phase 2	-	116	198
TOTAL SHELTERED HOUSING	1,096	474	652

COUNCIL HOUSING

ADAPTATIONS FOR THE DISABLED

	<u>2011/12</u>	<u>2012/13</u>	<u>2013/14</u>
	£'000	£'000	£'000
Conversion of Vacant Properties	1,050	850	750
Future Years Provision	700	700	800
TOTAL ADAPTATIONS FOR THE DISABLED	<u>1,750</u>	<u>1,550</u>	<u>1,550</u>

COUNCIL HOUSING

ENTRYCALL/CCTV

	<u>2011/12</u>	<u>2012/13</u>	<u>2013/14</u>
	£'000	£'000	£'000
<u>Controlled Entry</u>			
Alton Estate (Roehampton) - Danebury Avenue 3-29	-	35	-
Alton Estate (Roehampton) - Witley Point	-	11	23
Copeland House (Tooting) - Replacement System	4	-	-
Doddington Estate (Queenstown) - Replacement System - Phase 2	26	-	-
Downholme (East Putney) - Replacement System	-	14	24
Eastwood North Estate (West Putney) - Installation of New Entrycall	50	1	-
Eastwood South Estate (West Putney) - Installation of New Entrycall	6	-	-
Harling Court (Latchmere) - Entrycall Installations	-	100	-
Lavender Hill 160 (Shaftesbury) - Replacement System	-	25	-
Lochinvar Estate (Balham) - Replacement System	-	18	50
Morris Gardens (Southfields) - Entrycall Installation	-	46	105
Newlands Estate (Bedford) - Barringer Square - Replacement System	-	14	12
Patmore Estate West (Queenstown) - Refurbishment of Entrycall	36	-	-
Patmore Estate East (Queenstown) - Refurbishment of Entrycall - Phase 2	6	205	6
Pavillion Chambers (Northcote) & Lavenham Court - Refurbishment of Entrycall	-	14	8
Phelps House (Thamesfield) - Replacement System	14	1	-
Rollo Estate (Queenstown) - Replacement of Entrycall	91	-	-
Ryde Vale Estate (Bedford) - Renewal of Door Entry Systems	-	-	20
Sheridan House (Latchmere) - Replacement System	-	14	21
St James Close 9-38 (Nightingale) - Replacement System	-	38	4
Sunlea Lodge - Replacement System	-	14	-
The Alders (Furzedown) - Entrycall Renewal	-	-	20
The Platt Estate (Thamesfield) - Lockyer House - Replacement System	78	-	-
William Willison Estate (West Hill) - Door Entry Renewals	-	-	10
Winstanley Estate (Latchmere) - 3 Towers - Replacement System	-	22	69

COUNCIL HOUSING

ENTRYCALL/CCTV

	<u>2011/12</u>	<u>2012/13</u>	<u>2013/14</u>
	£'000	£'000	£'000
<u>CCTV - Expansion and Modernisation</u>			
Ackroydon East Estate (West Hill) - Montfort Shopping Parade CCTV	75	-	-
Aldrington South Estate (Furzedown)	92	4	-
Allbrook House (Roehampton)	-	94	-
Alton Estate (Roehampton) - Danebury Avenue 31-115			
- CCTV on Entrycall Doors	6	-	-
Ashburton South (West Putney) - Scheme 1	163	9	-
Ashburton South (West Putney) - Scheme 2	152	9	-
Burtop Road (Earlsfield)	108	4	-
Doddington Estate (Queenstown)	66	2	-
Falcon Road Estate (Latchmere) - New CCTV System	3	-	-
Fayland Estate (Furzedown)	72	2	-
Henry Prince Estate (Earlsfield) - Additional Cameras	103	-	-
Kambala Estate (Latchmere)	191	2	-
Keevil Drive 146-256 (West Hill)	2	-	-
Melody Road (Wandsworth Common)	54	1	-
Newlands Estate (Bedford) - New Connection to Hubs - Barringer Square	3	-	-
Patmore Estate (Queenstown) - Transmission Links to Control Room	7	-	-
Rollo Estate (Queenstown) - New CCTV System	10	-	-
Ryde Vale Estate (Bedford)	1	-	-
The Alders Estate (Furzedown)	100	2	-
Sheltered - Boroughwide - Upgrade Digital Recording Facilities	35	1	-
Renewal of CCTV Cameras and Equipment	209	7	-
CCTV Modernisation/Digitalisation	2	-	-
TOTAL ENTRYCALL/CCTV	1,765	709	372

COUNCIL HOUSING**ENVIRONMENTAL/ESTATE IMPROVEMENTS**

	<u>2011/12</u>	<u>2012/13</u>	<u>2013/14</u>
	£'000	£'000	£'000
Future 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>2011/12</u>	<u>2012/13</u>	<u>2013/14</u>
	£'000	£'000	£'000
<u>Phases 5, 6 & 7</u>			
Clipstone House (West Putney)	7	-	-
Doddington Estate (Queenstown) - Feasibility	586	80	-
Hazelhurst Estate (Tooting)	1	-	-
Rollo Estate (Queenstown) - Creation of 38 Additional Units (New Build)	2,531	3,284	200
Smithwood Close 122 (West Hill)	-	69	-
William Willison Estate (West Hill) - Castlecombe Drive - Penthouse	372	32	-
William Harvey Clinic - Ashburton Estate	318	18	-
Boroughwide Provision for New Homes	7	-	-
Provision for New Additions (Contract 3)	-	105	380
Ongoing Feasibilities	-	25	-
TOTAL HIDDEN HOMES	3,822	3,613	580

SECTION 6
GENERAL CAPITAL BUDGETS

This section includes the review of the financing of the Council's General Capital Programme 2011/12 to 2013/14, approved by the Executive on 1st March 2012.

Capital Financial Controllers:

Adult Care and Health:

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) realisation of investments of usable capital receipts and reserves;
 - (d) borrowing; and
 - (e) 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 £2.5 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 £138 million. The most significant are Government grants for education schemes totalling around £126 million. Other major sources of funds are Transport for London grant of £7.6 million, and renovation grants of £2.7 million.

Realisation of Investments

7. 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 21 to 28). The Council's Treasury Management Strategy for 2012/13 shows total investments expected to be around £216 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.
8. The Council had usable capital receipts in hand amounting to £35.3 million at the start of 2011/12. Forecast capital receipts include the estimates of sales of Council dwellings, based on existing policies, of 21 in 2011/12, 45 in 2012/13 and 45 in 2013/14, and the sale of hidden homes to Notting Hill Trust Housing Association estimated at £1.1 million in 2011/12. Also included are estimates relating to sales of sites already identified as surplus, amounting to £7.3 million in 2011/12, £40.4 million in 2012/13, and £11.9 million in 2013/14. The estimates for total receipts are shown in the table in the General Capital Budget Framework on the next page.
9. 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

10. The table below compares the estimated capital grants and receipts with the capital payments to be financed. The £35.3 million usable receipts at the start of 2011/12, after decreasing to £24.5 million by the end of 2011/12, will then increase to £45.1 million at the end of 2012/13 and then reduce slightly to £40.1 million at the end of 2013/14.

	<u>2011/12</u>	<u>2012/13</u>	<u>2013/14</u>
	£'m	£'m	£'m
Usable Capital Receipts at start of year	35.3	24.5	45.1
Add: Grants and reimbursements	50.3	63.2	25.0
Add: Renewals Fund	2.5	0.8	0.5
Add: New capital receipts (net of adjustment)	15.9	50.8	22.4
Less: Capital receipts paid to Government	-0.4	-1.9	-1.8
Less: Capital receipts for affordable housing	-11.2	-19.1	-14.2
Less: Total General Capital Payments (after slippage)	-67.9	-73.2	-36.9
Usable Capital Receipts at end of year	<u>24.5</u>	<u>45.1</u>	<u>40.1</u>

11. The table in paragraph 10 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 31 March 2014, it is proposed that the discretion be limited to a net figure of about £10 million. The additional full year annual impact of such a reduction would be equivalent to about £0.90 on band D council tax.

Revenue Effects

12. 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.

13. 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 10 have a full annual impact of £378,000 equivalent to £2.98 band D council tax.

SUMMARY OF GENERAL CAPITAL PROGRAMME 2011/12 - 2013/14

	<u>2011/12</u>	<u>2012/13</u>	<u>2013/14</u>
	£'000	£'000	£'000
<u>ADULT CARE AND HEALTH</u>			
Adult Care and Health	1,442	647	73
	<hr/>	<hr/>	<hr/>
	1,442	647	73

EDUCATION AND CHILDREN'S SERVICES

Secondary Education	30,633	43,962	17,432
Primary Education	15,265	13,409	9,589
Special Schools	137	1,206	350
Other Education Funded Schemes	3,112	1,350	466
Other Services	685	773	137
	<hr/>	<hr/>	<hr/>
	49,832	60,700	27,974

ENVIRONMENT, CULTURE AND COMMUNITY SAFETY

Leisure Centres and Sports Services	620	215	-
Community Centres	-	-	62
Parks and Open Spaces	50	30	484
Environmental Services	56	-	-
Town Centres	25	-	-
Crime Reduction Strategy	46	-	-
	<hr/>	<hr/>	<hr/>
	797	245	546

SUMMARY OF GENERAL CAPITAL PROGRAMME 2011/12 - 2013/14

	<u>2011/12</u>	<u>2012/13</u>	<u>2013/14</u>
	£'000	£'000	£'000
<u>FINANCE AND CORPORATE RESOURCES</u>			
Administrative Buildings	1,153	1,380	1,194
IT Services	1,621	720	465
Property Services	6,944	825	25
	<u>9,718</u>	<u>2,925</u>	<u>1,684</u>
 <u>HOUSING</u>			
Loans to Leaseholders	50	50	150
Renovation Grants	1,281	1,088	369
	<u>1,331</u>	<u>1,138</u>	<u>519</u>
 <u>STRATEGIC PLANNING AND TRANSPORTATION</u>			
Highways Services	6,469	6,787	2,550
Purchase of Equipment and Vehicles	166	-	-
Planning Services	148	50	-
Economic Development	490	705	1,062
	<u>7,273</u>	<u>7,542</u>	<u>3,612</u>
 TOTAL CAPITAL PROGRAMME	 <u><u>70,393</u></u>	 <u><u>73,197</u></u>	 <u><u>34,408</u></u>

ADULT CARE AND HEALTH

CAPITAL SCHEMES

	<u>2011/12</u> £'000	<u>2012/13</u> £'000	<u>2013/14</u> £'000
<u>ADULT CARE AND HEALTH</u>			
Adaptations for the Disabled	120	120	-
Better Days Programme	-	53	-
Electronic Monitoring of Homecare	-	40	-
Gwyneth Morgan Day Centre (Fairfield) - Renewal of Boiler Plant	-	39	-
Inner Park Road (West Hill) - Remodelling	930	24	-
Randall Close Day Centre (St Mary's Park) - Replacement Windows	-	-	73
86 Thurleigh Road (Balham) - Remodelling	392	371	-
TOTAL ADULT CARE AND HEALTH SERVICES	1,442	647	73

EDUCATION AND CHILDREN'S SERVICES

CAPITAL SCHEMES

	<u>2011/12</u>	<u>2012/13</u>	<u>2013/14</u>
	£'000	£'000	£'000
<u>SECONDARY EDUCATION</u>			
Building Schools for the Future (BSF)			
- Burntwood (Earlsfield)	17,019	13,379	10,907
- Southfields (Southfields)	7,068	16,031	6,127
BSF IT and Infrastructure			
- Burntwood (Earlsfield)	773	2,076	-
- Southfields (Southfields)	639	1,718	-
Bolingbroke Academy (Northgate)	2,070	10,297	398
Bolingbroke - Asbestos Removal	95	-	-
Elliott (West Putney)			
- Initial Development Costs	2,500	-	-
- Major Remodelling	11	461	-
Southfields Community College (Southfields)			
- City Learning IT Equipment	107	-	-
- Project Development Cost Extension to Swimming Pool	331	-	-
Various Final Accounts	20	-	-
TOTAL SECONDARY EDUCATION	30,633	43,962	17,432

PRIMARY EDUCATION

ROOF CLADDING AND WINDOWS

Alderbrook (Balham) - Replacement Windows	22	114	-
Broadwater (Tooting) - New Windows - Phase 1	170	20	-
Broadwater (Tooting) - New Windows - Phase 2	10	259	-
Eardley (Furzedown) - Replacement Windows	20	58	-
Earlsfield (Earlsfield) - Replacement Windows	12	347	-
Fircroft (Tooting) - Replacement Windows	9	230	-
Franciscan (Graveney) - Replacement Windows	10	276	-
Honeywell (Northcote) - Replacement Windows	32	-	-
Hotham (Thamesfield) - Replacement Windows	23	-	-
Ravenstone (Bedford) - New Windows	30	195	-
Sellincourt (Graveney) - Replacement Windows	10	-	-
Shaftesbury Park (Shaftesbury) - Replacement Windows	12	347	-
Southmead (West Hill) - Renew Roof Coverings	14	367	-
Swaffield (Wandsworth Common) - Replacement Windows	10	268	-
Wix (Shaftesbury) - Windows	109	-	-
	493	2,481	-

EDUCATION AND CHILDREN'S SERVICES

CAPITAL SCHEMES

	<u>2011/12</u> £'000	<u>2012/13</u> £'000	<u>2013/14</u> £'000
ADDITIONAL PLACES			
BASIC NEEDS SAFETY VALVE			
Alderbrook (Balham)	134	1,140	-
Eardley (Furzedown)	50	256	-
Fircroft (Tooting)	208	-	-
Granard (West Putney)	44	-	-
Heathmere (Roehampton)	-	20	-
Hillbrook (Tooting)	20	-	-
Penwortham (Furzedown)	50	-	-
Hospital Site Purchase and Construction of Primary School (Putney)	5,213	647	2,245
Riversdale (Southfields)	209	-	-
Sacred Heart (Latchmere) - Temporary	195	-	-
Sacred Heart Roehampton (West Putney) - Early Years Primary Places	50	-	-
Smallwood (Tooting)	30	-	-
Southmead (West Hill)	-	20	-
Swaffield (Wandsworth Common)	84	11	-
West Hill (Southfields)	15	-	-
	<hr/> 6,302	2,094	2,245

BASIC NEEDS

Beatrix Potter (Wandsworth Common)	1,000	772	326
Belleville (Northcote) - Consultant Fees/Equipment	2,150	56	-
Belleville/Francis Barber (Sacred Heart)	30	30	-
Brandlehow (Thamesfield)	342	-	-
Hotham (Thamesfield)	2,000	385	-
Sacred Heart - Main Scheme	200	2,120	737
St Michaels CE (East Putney)	2,000	1,825	-
St Michaels/Sheringdale (East Putney) - Temporary Classroom	10	20	-
Trinity St Marys (Nightingale) - Internal Works	2	-	-
	<hr/> 7,734	5,208	1,063

EDUCATION AND CHILDREN'S SERVICES

CAPITAL SCHEMES

	<u>2011/12</u> £'000	<u>2012/13</u> £'000	<u>2013/14</u> £'000
OTHER PRIMARY SCHEMES			
Alderbrook (Balham) - Replace Fire Alarm Installation	2	58	-
Asbestos Removal - Block Allocation	20	99	-
Brandlehow (Balham) - Additional Classrooms	-	60	550
Chesterton (Latchmere)			
- Replace Fire Alarm Installation	2	50	-
- New Build	-	164	197
Falconbrook (Latchmere) - Replace Fire Alarm Installation	2	62	-
Granard (West Putney) - Remodelling/Refurbishment	-	30	94
Heathmere School (Roehampton) - Rebuild Flank Wall	64	-	-
Hillbrook (Tooting) - New Build and Internal Alterations	-	250	1,200
John Burns (Shaftesbury) - Kitchen Refurbishment	6	180	-
Riversdale (Southfields) - New Building	-	100	900
Sacred Heart RC Battersea (Latchmere) - ASD Base	430	215	9
Shaftesbury Park (Shaftesbury)			
- Replacement Kitchen	10	-	-
- Replace Fire Alarm Installation	1	45	-
- New Nursery Building	-	-	50
Sir James Barrie (Queenstown) - Electrics	-	470	-
Smallwood Nursery (Tooting)			
- New Building	15	-	-
- Kitchen Refurbishment	10	226	-
- Internal Alterations and Partial Window Replacement	-	40	372
Southmead School (West Hill)			
- Electrics	-	522	-
- Refurbish Kitchen	10	123	-
- Alterations and Refurbishment	-	15	237
Swaffield (Wandsworth Common)			
- Improvements to Dining Area/Kitchen	15	-	-
- External Works	-	46	-
Westbridge (St Mary's Park) - Kitchen	9	-	-
West Hill (Southfields)			
- Early Years Resource Base	120	88	-
- Remodelling Classroom	-	40	718
Free School Tooting	-	342	1,954
Temporary Accommodation on School Sites	-	401	-
Various Final Accounts	20	-	-
	<hr/> 736	<hr/> 3,626	<hr/> 6,281
TOTAL PRIMARY EDUCATION	<hr/> 15,265	<hr/> 13,409	<hr/> 9,589

EDUCATION AND CHILDREN'S SERVICES

CAPITAL SCHEMES

	<u>2011/12</u> £'000	<u>2012/13</u> £'000	<u>2013/14</u> £'000
<u>SPECIAL SCHOOLS</u>			
Elsley School - Demolition Works	22	-	-
Garratt Park (Earlsfield) - Extension to Dining Area	9	-	-
Greenmead/Paddock (West Putney) - Sensory Garden, Playgrounds and Other External Spaces	26	-	-
Paddock Nursery Extension - Early Years Review - Phase 2	6	-	-
Relocation of Elsley School to Nightingale School (Wandsworth Common) - Remodelling	54	1,206	350
Various Final Accounts	20	-	-
TOTAL SPECIAL SCHOOLS	137	1,206	350
<u>OTHER EDUCATION FUNDED SCHEMES</u>			
Access Works (Boroughwide)	19	60	-
Aiming High for Disabled Children - Oakdene Extension	10	-	-
- Other Works	9	-	-
Fontley Way One O'Clock Club ICC - Phase 3	170	-	-
Learning Resource Centre - Relocation	-	70	-
166 Roehampton Lane - Eastwood Nursery Relocation	20	-	-
Thessaly Community Centre ICC - Phase 3	22	-	-
1 Siward Road (Earlsfield) - Specialist Equipment	20	-	-
Smallwood Children's Centre (Tooting)	15	-	-
Seed Challenge Programme (Boroughwide)	12	94	-
Schools Devolved Capital up to 2010/11	2,773	1,063	466
Security (Boroughwide)	10	63	-
Various Final Accounts	32	-	-
TOTAL OTHER EDUCATION FUNDED SCHEMES	3,112	1,350	466
TOTAL EDUCATION	49,147	59,927	27,837

EDUCATION AND CHILDREN'S SERVICES

CAPITAL SCHEMES

	<u>2011/12</u> £'000	<u>2012/13</u> £'000	<u>2013/14</u> £'000
<u>OTHER SERVICES</u>			
Ashburton Youth Club - New Roof Covering	-	66	-
10 Falcon Grove (Latchmere) - Replace Heating	-	-	125
Kimber Road Skate Park	-	150	-
Oakdene (Graveney) - Lift	3	67	-
Refurbish Youth Facilities DEVAS	238	275	12
Tooting Hub Youth Facility Expansion	120	-	-
Tooting Triangle/Natural Play Area	213	-	-
York Gardens Adventure Playground	-	150	-
Conversion/Extension Foster Carers' Properties	90	65	-
Various Final Accounts	21	-	-
TOTAL OTHER SERVICES	<u>685</u>	<u>773</u>	<u>137</u>
TOTAL EDUCATION AND CHILDREN'S SERVICES	<u>49,832</u>	<u>60,700</u>	<u>27,974</u>

ENVIRONMENT, CULTURE AND COMMUNITY SAFETY

CAPITAL SCHEMES

	<u>2011/12</u> £'000	<u>2012/13</u> £'000	<u>2013/14</u> £'000
<u>LEISURE CENTRES AND SPORTS SERVICES</u>			
All Weather Pitch Replacement	356	-	-
Barn Elms Rowing Facilities	25	-	-
Battersea Park (Queenstown) - Cricket Pitch	3	-	-
Civic Suite (Fairfield) - Replacement Heating System	60	215	-
Furzedown Recreation Centre (Furzedown) - Replace Tennis Court Surface	12	-	-
Tooting Bec Athletic Track (Furzedown) - Hammer Cage, Long Jump and Athletics	152	-	-
Tooting Leisure Centre (Tooting) - Replacement of Boilers	12	-	-
TOTAL LEISURE CENTRES AND SPORTS SERVICES	620	215	-
<u>COMMUNITY CENTRES</u>			
York Gardens Community Centre (Latchmere) - New Boiler	-	-	62
TOTAL COMMUNITY CENTRES	-	-	62
<u>PARKS AND OPEN SPACES</u>			
Battersea Park (Queenstown) - Access Barriers	50	-	-
- Resurface Roads and Paths	-	-	250
- Resurface Tennis Courts	-	-	234
St Mary's Church Boundary Wall (St Mary's Park) - Essential Repairs	-	30	-
TOTAL PARKS AND OPEN SPACES	50	30	484
<u>ENVIRONMENTAL SERVICES</u>			
Air Quality Grant	25	-	-
Energy Conservation Schemes - Putney Bridge Road Motor Controls	15	-	-
- Tooting Lido Motor Controls	16	-	-
TOTAL ENVIRONMENTAL SERVICES	56	-	-
<u>TOWN CENTRES</u>			
Battersea Greening Project	15	-	-
Clapham Junction (Northcote) - Streetscape Scheme	10	-	-
TOTAL TOWN CENTRES	25	-	-

ENVIRONMENT, CULTURE AND COMMUNITY SAFETY

CAPITAL SCHEMES

	<u>2011/12</u> £'000	<u>2012/13</u> £'000	<u>2013/14</u> £'000
COMMUNITY SAFETY			
<u>CRIME REDUCTION STRATEGY</u>			
Rear Alleyway Improvement Works	46	-	-
TOTAL CRIME REDUCTION STRATEGY	<u>46</u>	<u>-</u>	<u>-</u>
TOTAL ENVIRONMENT, CULTURE AND COMMUNITY SAFETY	<u><u>797</u></u>	<u><u>245</u></u>	<u><u>546</u></u>

FINANCE AND CORPORATE RESOURCES

CAPITAL SCHEMES

	<u>2011/12</u> £'000	<u>2012/13</u> £'000	<u>2013/14</u> £'000
<u>ADMINISTRATIVE BUILDINGS</u>			
Town Hall (Fairfield)			
- Install Chair Lift in Centre Courtyard	24	105	3
- Lift Renewal	100	-	-
- Roof Renewal and Photovoltaic Installation	700	159	-
Town Hall Extension (Fairfield)			
- Roof	183	-	-
- Renew Window Pivots and Upgrade to Double Glazing	-	-	360
7 Ram Street (Fairfield) - Replace Heating and Hot Water System	-	-	34
Reed House - Photovoltaic Installation	145	10	-
Various Buildings			
- Disabled Access	1	-	-
Welbeck House (Fairfield)			
- Office Accommodation Strategy	-	916	368
- Heating	-	190	20
- Rewire	-	-	409
TOTAL ADMINISTRATIVE BUILDINGS	1,153	1,380	1,194
<u>IT SERVICES</u>			
Document Image and Workflow Systems in the Council Tax and Benefits System	34	-	-
HR Payroll System	57	103	15
ICT Infrastructure	1,530	450	450
Self Service Portal for Council Tax and Parking Permits	-	167	-
TOTAL IT SERVICES	1,621	720	465
<u>PROPERTY SERVICES</u>			
Acquisition of Depot and Offices - Watergate Wharf, SW18	4,258	-	-
Bolingbroke Site (Northgate) - Doctors Surgery	1,592	-	-
Demolition of 60 Oldridge Road	49	-	-
Demolition of Old School Building at Eltringham Depot	220	-	-
Professional Centre	800	800	-
Works to Land and Property Prior to Sale	25	25	25
TOTAL PROPERTY SERVICES	6,944	825	25
TOTAL FINANCE AND CORPORATE RESOURCES	9,718	2,925	1,684

HOUSING

CAPITAL SCHEMES

	<u>2011/12</u> £'000	<u>2012/13</u> £'000	<u>2013/14</u> £'000
<u>HOUSING (non-HRA)</u>			
Loans to Leaseholders	50	50	150
Renovation Grants			
- Empty Property Grants	435	550	369
- Coldbuster Grants	339	-	-
- Disabled Facilities Grants	507	538	-
	<u>1,281</u>	<u>1,088</u>	<u>369</u>
TOTAL HOUSING	<u><u>1,331</u></u>	<u><u>1,138</u></u>	<u><u>519</u></u>

STRATEGIC PLANNING AND TRANSPORTATION

CAPITAL SCHEMES

	<u>2011/12</u> £'000	<u>2012/13</u> £'000	<u>2013/14</u> £'000
<u>HIGHWAYS SERVICES</u>			
<u>WBC Funded Schemes</u>			
Blocked Gullies	50	50	50
Capitalised Repairs			
- Carriageways	1,230	2,000	2,000
- Footways	759	500	500
Clapham Junction Exemplar	400	-	-
Provision of New Trees on the Public Highway	20	-	-
Street Lighting Installation of Electronic Ballasts	104	103	-
Town Centre Streetscape Projects	24	-	-
Traffic Management Schemes	151	-	-
	<hr/> 2,738	2,653	2,550
<u>Transport for London Funded Schemes</u>			
Corridors/Neighbourhoods -			
Battersea High Street/Battersea Square - Feasibility Study	20	133	-
Bus Stop Accessibility Programme	20	28	-
Casualty Reduction Schemes - Investigations and Remedial Measures	-	48	-
Clapham Junction Exemplar	960	1,384	-
Cycle Parking Programme	30	28	-
Cycle Scheme - Missing Links	85	95	-
Grant Road Bus Stand - Redesign & Capacity Enhancement	100	-	-
Greenway Schemes	70	67	-
Guardrail and Street Clutter Review/Removal	25	24	-
Legible London - Tooting Town Centre	150	95	-
Local Shopping Street Improvement	-	333	-
Longmead Road Bus Stand Reviews	-	95	-
Neighbourhood Schemes - Traffic Movement Proposals	400	380	-
Old York Road Corridor	100	190	-
Pier Information and Signage - Support/Develop Riverbus Service	-	33	-
Putney Embankment - Feasibility Study	20	133	-
Putney Station Access	30	-	-
Safe Routes to Schools - Investigation and Implementation	-	47	-
Safer Underpasses & Alleyways - Security Measures	35	33	-
Stewarts Road - Development of Proposals to Improve Access	-	48	-
Street Trees - Addition of Trees Across the Borough	-	24	-
Traffic Management - Improve Traffic Flow, Road Safety and Accessibility	450	475	-
Wandsworth Common Station - Pedestrian Access Improvements	50	-	-
	<hr/> 2,545	3,693	-

STRATEGIC PLANNING AND TRANSPORTATION

CAPITAL SCHEMES

	<u>2011/12</u> £'000	<u>2012/13</u> £'000	<u>2013/14</u> £'000
Smarter Travel -			
Car Clubs	70	-	-
Safer Routes to Schools	90	-	-
	<hr/>		
	160	-	-
Principal Road Maintenance -			
Buckhold Road	51	-	-
Garratt Lane - Summerstown to Penwith Road	-	123	-
Putney Bridge Road - Armoury Way to Northfields	89	85	-
Putney Bridge Road - Northfields - St Georges Close	28	-	-
Putney High Street - Putney Bridge Road to Putney Bridge	66	-	-
St John's Hill - Brighton Yard to Plough Road	-	86	-
	<hr/>		
	234	294	-
Earlsfield Station	400	-	-
Mayor's Transport Strategy - Flexible Funding	100	100	-
Funds to Complement Section 106	-	47	-
	<hr/>		
	500	147	-
<u>Section 106 Agreements under the Town & Country Planning Act 1990</u>			
Hardwicks Way 1-9 and 2-6	30	-	-
Merton Road 249-251	76	-	-
Putney Bridge Road 118	19	-	-
South Thames College Putney Hill	97	-	-
The Plough Public House, St John's Hill	20	-	-
Other Schemes	50	-	-
	<hr/>		
	292	-	-
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TOTAL HIGHWAYS SERVICES	6,469	6,787	2,550

STRATEGIC PLANNING AND TRANSPORTATION

CAPITAL SCHEMES

	<u>2011/12</u> £'000	<u>2012/13</u> £'000	<u>2013/14</u> £'000
<u>PURCHASE OF EQUIPMENT AND VEHICLES</u>			
Forest Computer System	144	-	-
Mobile Enforcement Vehicle (CCTV)	22	-	-
TOTAL PURCHASE OF EQUIPMENT AND VEHICLES	<u>166</u>	<u>-</u>	<u>-</u>
<u>PLANNING SERVICES</u>			
Conservation/Enhancement Grants	148	50	-
TOTAL PLANNING SERVICES	<u>148</u>	<u>50</u>	<u>-</u>
<u>ECONOMIC DEVELOPMENT</u>			
Balham Improvement Scheme	-	305	1,062
Business Improvement Scheme - Stewarts Road (Queenstown)	50	-	-
Stewarts Road - Phase 2	50	-	-
Town Centre Improvement Schemes (Streetscape Projects)	390	400	-
TOTAL ECONOMIC DEVELOPMENT	<u>490</u>	<u>705</u>	<u>1,062</u>
TOTAL STRATEGIC PLANNING AND TRANSPORTATION	<u>7,273</u>	<u>7,542</u>	<u>3,612</u>

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 2011 the Pension Fund was valued at £811.3 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 0.54% 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
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Accounting and Investments: Pension Fund Controller	Peter Harris	020-8871 8887
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Administration and Policy: Pensions Manager	Colette Hollands	020-8871 6510
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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 2011/12 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 2011/12, proposed budget for 2012/13 and projected budget for 2013/14 and 2014/15 are shown on the next page:

PENSION FUND AND ENHANCED PENSION FUND

	<u>2011/12</u> <u>Original</u> £'000	<u>2011/12</u> <u>Estimated</u> <u>Outturn</u> £'000	<u>2011/12</u> <u>Variation</u> %	<u>2012/13</u> £'000	<u>2013/14</u> £'000	<u>2014/15</u> £'000
Contributions						
Contributions Receivable						
Employees	7,983	8,184	3%	7,938	7,700	7,700
Employers Normal	22,000	22,672	3%	21,992	21,332	21,332
Employers Additional	1,425	640	-55%	1,425	1,425	450
Transfer In	3,927	4,890	25%	3,927	3,927	3,927
Benefits Payable						
Pensions	-19,988	-20,339	2%	-21,620	-22,982	-24,430
PIA	-8,079	-8,460	5%	-9,458	-9,873	-10,311
Lump Sum Benefits						
Retirement Benefits	-10,805	-8,563	-21%	-9,102	-9,676	-10,286
Death Benefits	-976	-801	-18%	-801	-801	-801
Transfers Out	-3,323	-4,677	41%	-3,323	-3,323	-3,323
Establishment	-562	-580	3%	-580	-580	-580
Net Additions/Withdrawals from Dealing with Members						
	-8,398	-7,034	-16%	-9,603	-12,851	-16,321
Returns on Investments						
Investment Income	24,530	21,074	-14%	22,307	23,612	24,993
Investment Management Expenses	-1,453	-1,547	6%	-1,652	-1,763	-1,882
Custody	-80	-80	0%	-80	-80	-80
Legal & Consultancy	-50	-50	0%	-50	-50	-50
Total	14,549	12,363	-15%	10,922	8,868	6,660

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