
REVENUE BUDGET 2007/08

***Presented to the Council
7th March 2007***

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THE ROYAL BOROUGH OF KENSINGTON AND CHELSEA

REVENUE BUDGET 2007/08

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ROYAL BOROUGH OF KENSINGTON AND CHELSEA

Meeting of the Council – 7 March 2007

Item 6 – Submissions from the Cabinet

The following budget, plans and strategies were considered by the Cabinet at its meeting on 22 February 2007 and are now submitted to full Council for approval and adoption in accordance with Standing Order 20.

1. CABINET BUSINESS PLAN 2007/08 - 2009/10

- 1.1 The attached Cabinet Business Plan for the period 2007/08 to 2009/10 sets out the Cabinet's views on the context in which the Council must operate, the spending pressures and changes in external finance it faces, and the proposed budget and service priorities. It incorporates the views made by Overview and Scrutiny Committees and other consultees on an earlier draft, together with some last minute suggestions made by Members, residents, businesses and partners which were tabled at our meeting.

Recommendation

- 1.2 The Council is RECOMMENDED to adopt the Cabinet Business Plan 2007/08 - 2009/10 as the Business Plan for the Council and approve its publication before 31 March.

2. REVENUE BUDGET AND COUNCIL TAX 2007/08

- 2.1 The proposals for this year's budget are based on the Local Government Finance Settlement, the Cabinet Business Plan proposals for discussion, approved by Cabinet on 15 January 2007, and the Business Group revenue estimates considered by Overview and Scrutiny Committees during January 2007.
- 2.2 In making its budget recommendations, the Council will need to take into account the following:
- The Council's strategic objectives, including the Borough aims and the Community Strategy;
 - The overall resource position and Government guidelines on Council Tax increases;
 - The outcome of consultation exercises with the public and other service stakeholders;
 - The background of the 2006/07 financial position;
 - The potential for improvements in cost effectiveness and the Government's current target for efficiency savings each year;

- The robustness of the estimates and budgetary risks;
- The position on contingencies and reserves;
- Implications for Council Taxpayers;
- Medium term budget prospects.

Medium term budget prospects

2.3 The Local Government Finance Settlement 2007/08 was issued on 18 January 2007. The key points were:

- The Royal Borough's grant allocation is confirmed at £96.5 million, as proposed at this time last year. This is a cash increase of £4.5 million.

Table 1 Formula Grant	£m
2006/07 Formula Grant	92.0
Baseline Adjustments	-0.6
Adjusted 2006/07 Formula Grant	91.4
Grant Change £m	5.1
2007/08 Formula Grant	96.5
Grant Change %	5.6%
Cash Grant Change £m	4.5
Cash Grant Change %	4.9%

- The Royal Borough has the second highest percentage grant increase in London. The Council is now contributing £5.9 million to the cost of the grant floor protection for other local authorities. London overall had a below average grant settlement for 2007/08, with 20 Councils receiving only the minimum 'floor' increase of 2.7 per cent.
- The calculation of the Royal Borough's grant allocation is shown below.

Table 2 2007/08 Formula Grant Breakdown	£m
A basic amount of £168 for every resident	34.3
A top-up for relatively high local services needs	118.5
A deduction for the relatively high local tax resources	-50.5
A deduction for our contribution to the grant floor safety net for other authorities	-5.9
Total Formula Grant	96.5
Which consists of:	
Our share of Business Rate (allocated on a per head basis)	82.6
Our share of Revenue Support Grant (balancing figure)	13.9

- The grant increase is largely driven by the population estimates produced by the Office for National Statistics, which extrapolate

past trends. The methodology underpinning these estimates is being reviewed and this creates significant uncertainty for future year grant allocations.

- The Council is protected from losses to Formula Grant of about £19 million from the formula for Children’s and Younger Adults Personal Social Services (PSS). **Table 3** below shows a rough estimate of the impact of removing this damping, all other things being equal. Without this damping the Royal Borough would receive only the minimum grant increase of 2.7 per cent. The formula change remains a concern for the long term if the safety net is removed.

Table 3 Grant System Damping	
	2007/08
	£m
System Grant With PSS Damping	102.4
Less Floor Damping Block	-5.9
Grant With SS Damping	96.5
System Grant Without PSS Damping	83.1
Add Floor Damping Block	10.7
Grant Without SS Damping	93.9
Formula Grant Difference: no protection	-19.3
Grant Difference with floor protection	-2.7

- The Government has confirmed its intention to cap authorities whose Council Tax increases are regarded as excessive:

“...we expect again to see the council tax increase in England below 5 per cent. As in previous years, we are prepared to take capping action to deal with excessive increases”¹

2.4 The Royal Borough responded to the provisional local government finance settlement consultation. The key points made in the response were to:

- welcome grant predictability and stability and the confirmation of three year grant allocations in the future
- welcome the continuing confirmation of the funding floor but regretting that the level set is inadequate to meet spending pressures
- reconfirm our strong opposition to the implementation of the new Children’s and Adults Personal Social Services formulae and press for continuation of damping of the impact
- state our concerns with respect to grant baseline adjustments which are not transparent or clearly explained.

¹ 18 January 2007 Communities and Local Government press release:
<http://www.communities.gov.uk/index.asp?id=1002882&PressNoticeID=2335>

- restate our strong opposition to the threat and use of reserve powers to limit budget and Council Tax increases.
- 2.5 For the fifth year the Royal Borough has used budget consultation to inform service priorities and the level of Council Tax to be set for 2007/08 and beyond. The consultation results were reported to Cabinet on 15 January 2007.
- 2.6 The Council consulted the Residents' Panel to seek views on budget priorities. The large majority of residents, 79 per cent, agreed with the Council's plan to freeze the Council Tax for the second year running. 60 per cent of residents in the sample believed that the Council offers value for money.
- 2.7 When asked about budget priorities, residents generally wanted to see services maintained at current levels, but priorities for increased spending were identified. These were community safety, services for children and families, social care for older people and mental health, and waste management. The spending priorities accord well with the Council's proposals to increase spending on children's services and schools (the latter funded from government grant), to fund local Police and Community Safety Officers and to protect older people's services. Residents were willing to see spending on central services reduced.
- 2.8 Spending and savings proposals are detailed in the Cabinet Business Plan and have also been open to comment by local interest groups and Overview and Scrutiny Committees (OSC). The majority of the savings and growth proposals were also published in the November Cabinet report on medium term planning. Overall, services that are protected, budget growth and savings broadly correspond with the options preferred by residents.

BUDGET PROPOSALS

- 2.9 The proposed revenue budget for 2007/08 totals £494 million, offset by £106 million from fees, charges and other income and £220 million from specific Government grants to services. The budget requirement to be met from Government Formula Grant and from Council Tax is £168 million. Some background on the total budget and on Council Tax figures is given in the Revenue Budget Book with further information in the Council's digest of financial information – 'Vital Finances'².

² This can be found at:

<http://www.rbkc.gov.uk/yourcouncil/councilfinances/vitalfinances.asp>

2.10 The budget includes the following for 2007/08:

- Confirmation of the second year of a freeze in the Borough's element of Council Tax for 2007/08. This should maintain the Council's position as one of the lowest Council Tax rates in the country
- Growth in spending worth £3.5 million, of which £1.2 million is funded internally by Business Groups
- £6.2 million of pay and price inflation, partially met by the £4.5 million increase in government grant
- An increase in funding for schools of 6.2 per cent per pupil, met from ring fenced grant
- Savings and extra income totalling £3.5 million
- £2 million previously contributing to reserves has been redirected to support higher spending and to keep down Council Tax
- An ambitious capital investment programme, supported through an affordable level of revenue contributions
- Maintaining a strong balance sheet.

2.11 Service highlights from the budget include:

- £319,000 for transport of pupils with a Special Educational Need
- £240,000 to improve services for children with a disability, of which £100,000 is new funding
- £105,000 extra funding for maintaining museums and the arts
- £430,000 to protect services for older people provided jointly with the Primary Care Trust
- 130 Police Community Support Officers patrolling the borough, 76 funded by the Borough. The Metropolitan Police have reduced the cost of employing a Police Community Support Officer by £13,000 each, so the Council is now able to consider paying for other activities such as new neighbourhood safety posts and assistance with crime detection.
- £180,000 to pay for area-based initiatives, to respond to local issues in six Borough wards. This is £60k higher than was included in the draft budget reported to OSC.

2.12 Other amendments since preparing the budget for OSC include £170k for Adult Social Services in respect of pay harmonisation for manual workers under a national scheme. A further £200k will be absorbed by efficiency within the service. £130k has also been added for the Election Administration Act 2006, of which £25k is a recurring additional contribution to the election cost-smoothing reserve. Grants

for Planning Delivery (£65k), children's services (£330k) and smoke-free legislation (£203k) have been received and at the moment the corresponding expenditure budgets are being held centrally pending allocation. The grants are not ring fenced. On-street parking income now reflects current income levels and takes account of the expected London-wide increase in penalty charges.

- 2.13 The Council will benefit from £3.2 million of Reward Grant from achieving stretched targets in the Local Public Service Agreement, which ran from 2003/04 to 2005/06. The first tranche of £1.6 million will be received in 2006/07 and is being held as 'Excellence for All' funding. This is already being recycled into a £3 million improvement programme through the Local Area Agreement. This will be delivered with our Local Strategic Partnership over the next three years.
- 2.14 In late February we expect to hear whether we will receive an allocation from the national Local Authority Business Growth Incentive scheme for 2006/07. This shares with local councils the benefit of the tax yield from an upward trend in business rateable value locally. The national scheme has been trebled in size since 2005/06.
- 2.15 Detailed service budgets for operating expenditure are set out in the Revenue Budget Book and in **Tables 4 and 5** alongside centrally held budgets such as contributions to provisions and reserves.
- 2.16 A national change in accounting practice means that in 2007/08 services will no longer be charged with a notional interest cost for their use of capital assets. In the table below the 2006/07 figures have been adjusted to put the two years on a comparable basis.

Table 4	2006/07	2007/08
	£m	£m
Family and Children's Services	44.611	45.394
Housing, Health and Adult Social Care	59.022	62.011
Planning and Conservation	5.525	5.549
Transport, Environment and Leisure Services	15.872	17.583
Corporate Services	17.209	18.139
Total Service Costs	142.240	148.676
Charges for Capital Assets and Financing	1.952	3.565
Pension Fund Liabilities 1	6.566	5.972
Contingencies and Provisions	2.889	3.245
Interest 2	-6.700	-8.200
Levies	3.417	3.501
Revenue Reserves	8.961	5.981
Capital Reserves	5.545	5.500
Total Spending	164.870	168.240

Notes:

1 This represents the amount agreed with the actuary as required to repay the Royal Borough's share of Pension Fund deficit over 13 years. The figure is revalued every three years and will be changed for 2008/09.

2 Interest has increased due to higher levels of cash balances and investment returns above budget.

2.17 The main reasons for the change from the 2006/07 budget are summarised in **Table 5**. Further details are given in the Revenue Budget Book.

Table 5	£m	£m
2006/07 Budget (including Garden Square Levies)		164.870
Pay and Price Inflation		6.184
Corporately Funded Growth	2.343	
Business Group Internally Funded Growth	1.151	
Growth		3.494
Savings		-3.522
One-Off Budgets Dropping Out		-0.820
Financing and Other Budget Changes		-1.966
Total Budget Changes		3.370
Total 2007/08 Budget Requirement		168.240
Less Formula Grant		-96.518
Add Collection Fund balance		0.248
Council Tax 2007/08		71.970
Taxbase		97,328
Band D Council Tax including Garden Square Levies		£739.45
Band D Council Tax		£727.27
Increase £ at Band D		£0
Increase % at Band D		0%

Details of growth, savings and one-off budgets dropping out are shown in **Appendix D**

2.18 The budget proposals identify £3.5 million of efficiency and other savings. £1.2 million has been recycled by Business Groups to fund

local priorities and £2.3 million has been corporately funded – giving total growth of £3.5 million. The changes are listed in the Revenue Budget Book and in the Cabinet Business Plan. Savings are informed by a review of likely areas of underspending in 2006/07 as well as savings initiatives such as procurement reviews that have been undertaken during the past year. Particular areas of underspending reviewed include:

- Police Community Support Officers – where recruitment levels have improved, and the price has been renegotiated.
- Benefits, where administration and other grants have reduced, and the impact of rent rises will be absorbed within existing budgets.
- Current land charges additional income has been vired to assist a shortfall in halls lettings income, although fresh halls marketing impetus should also help to address this.
- Income from temporary housing has been redirected to initiatives to prevent homelessness, although the budget also reflects a reduction in government subsidy.
- Parking income reflects a review of current levels being achieved, together with an increase in the London-wide charge for penalty notices. The budget has had to take account of the congestion charge impact, which is hard to call at this time.

2.19 The real terms General Fund growth and savings by Business Group are summarised in **Table 6** below. As far as possible front line services have been protected and savings sought from management and administration. Cashable savings in 2007/08 are not expected to meet the Treasury guideline of 1.25 per cent. However the Council should exceed the cumulative target for the three year period to the end of 2007/08.

Table 6	Locally Funded Growth	Savings	Subtotal	Centrally Funded Growth	Total
	£m	£m	£m	£m	£m
Family and Children's Services	0.180	-0.726	-0.546	0.580	0.034
Housing, Health and Adult Social Care	0.158	-0.587	-0.429	0.623	0.194
Planning and Conservation	0.100	-0.220	-0.120	0.000	-0.120
Transport, Environment and Leisure	0.170	-0.875	-0.705	0.270	-0.435
Corporate Services	0.543	-1.114	-0.571	0.870	0.299
Total General Fund	1.151	-3.522	-2.371	2.343	-0.028

2.20 Changes in levies from external bodies are set out in **Table 7**.

Table 7	2006/07	2007/08	Change
	£m	£m	%
London Boroughs Grants	0.657	0.693	5.5%
Environment Agency	0.112	0.179	59.8%
London Pensions Fund Authority	1.525	1.443	-5.4%
Garden Square Levies	1.085	1.186	9.3%
Total	3.379	3.501	3.6%

BUDGETARY RISKS

- 2.21 This year's budget needs to be set in the context of an assessment of the future year's risks.

Grant risks

- 2.22 Specific grants for 2007/08 have been closely in line with expectations, although a number are set at lower levels than previously. Grants can sometimes be changed mid-year, as has happened with Asylum Grants in the past, and has been suggested in relation to temporary accommodation subsidy. The Revenue Budget Book lists the grants included in the budget.

Demand risks

- 2.23 Significant progress has been made in managing the children's and adults' social care budgets that have overspent in previous years. However it is not always possible to control fluctuations in numbers of high cost placements, such as children referred by the courts to secure accommodation. The cost of special educational needs transport has grown rapidly in the past year, and this will be reviewed during 2007/08.
- 2.24 There are risks to income from demand changes, particularly in areas such as land charges, hall lettings, building control and planning income, which are sensitive to the economic cycle. There are financial and environmental benefits from bringing commercial waste collection back in-house but, this also exposes the Council to income risks previously taken by the Council's waste contractor. The most significant income risk remains the extension of the congestion charge which is tentatively estimated to have approximately £4 million full-year impact.
- 2.25 Cost increases arising from pay and prices changes are covered in-year from the annual contingency budget e.g. continued uncertainty over the impact of the next pay round; catch-up changes arising on the re-tendering of contracts and uncertainty over interest rates. Pay awards are assumed at 2.5 per cent, higher than the Chancellor's guideline of two per cent, but below the current level of

inflation, with the Retail Price Index running at 4.4 per cent in December 2006.

Service Risks

- 2.26 As part of its routine risk management, the Council's Management Board regularly reviews 'unplanned service risks' as a corporate exercise. Scanning the horizon in this way is part of the Council's risk mitigation process, but the budget also includes a contribution (£625k) to address in-year problems. As an example, the Government has recently published a consultation on Home Information Packs that could lead to changes in the basis of charging for land charge searches.

CONTINGENCIES AND RESERVES

Contingencies and Central Provisions

- 2.27 The budget contains contingency provision for uncertainties and central provisions where it is not possible at this stage to identify specific Business Group budgets to which to allocate expenditure. The amounts for 2006/07 and estimate for 2007/08 are shown in **Table 8**.

Table 8	2006/07	2007/08
	£m	£m
Contingencies		
General Contingency (includes pay and prices)	2.600	2.600
Licensing appeals	0.200	0.200
Planning costs	0.050	0.050
Total Contingencies	2.850	2.850
Centrally held budgets		
Unallocated Grant - net expenditure	0.039	0.395
Total Centrally held	0.039	0.395
Total Contingencies and Centrally held	2.889	3.245

Reserves

- 2.28 The budget contains central provisions, contingencies and earmarked reserves that help to ensure that risks do not de-stabilise service provision during the year.
- 2.29 The Council's financial environment is constantly changing, as are the demands on services and the needs of the Borough. The Council continuously reformulates its priorities in response to these issues.
- 2.30 Reserves therefore remain an important part of the Council's financial strategy. They are held to create long-term budgetary stability. They enable the Council to manage change without undue impact on the Council Tax and are a key element of its strong

financial standing and resilience in the face of risks to its income sources.

- 2.31 The Council therefore holds revenue reserves in order to mitigate future risks, such as increased demand and costs; to help absorb the costs of future liabilities, such as insurance or pensions; and to enable the Council to resource policy developments and initiatives without a disruptive impact on Council Tax. Some expenditure, e.g. building maintenance, is managed through reserves to avoid the impact of lumpy spending patterns. At the same time, the Council relies on interest earned through holding reserves to support its general spending plans.
- 2.32 A full list of reserves, projected over the next three years, is given in the Revenue Budget Book together with a statement of the Council's formal policy on reserves.
- 2.33 Capital reserves represent a large part of the total. They play a crucial role in funding the Council's capital investment programme, and renewing assets while avoiding expensive borrowing costs. The planned use of the Capital Expenditure and Car Parking reserve to meet capital investment is set out in the Capital report on this agenda.
- 2.34 **Table 9** shows budgeted revenue movements on reserves.

Table 9	2006/07	2007/08
	£m	£m
Pensions Reserve	-0.074	
Specific Grant Loss Reserve	0.660	
Demand Growth Reserve	1.350	
Service Risks Reserve	0.625	0.625
Local Initiatives Reserve	-0.075	
Economic Development Reserve	-0.100	
Better City Life Reserve	0.600	0.600
Severance Reserve	0.500	0.500
Business Group Specific Reserves	0.649	0.600
Sub Total	4.135	2.325
Car Parking Reserve (Revenue)	4.826	3.656
Total Revenue Reserve Movements	8.961	5.981
Capital Expenditure Reserve	5.545	5.500
Total Reserve Movements	14.506	11.481

- 2.35 The use of the Car Parking Reserve is governed by legislation, but surpluses held in the reserve can be used to help pay for highway maintenance and improvements, public transport services, off-street parking, spending in support of the Mayor of London's Transport Strategy, and environmental improvements including parks, open spaces and the street scene.

2.36 The amount of the reserve planned to be released in 2007/08 is £18 million and forecast future year releases are shown in **Table 10**. The potential use that could be made, within the extended freedoms, is £34 million as detailed in the Revenue Budget Book. However, the reserve continues to be used with great caution while we await the impact of the Congestion Charge zone expansion.

Table 10	Forecast 2006/07 £m	Forecast 2007/08 £m	Forecast 2008/09 £m	Forecast 2009/10 £m
Balance Brought Forward	36.3	36.6	33.4	26.8
Add surplus from On-Street Car Parking	22.5	21.5	21.4	21.1
Less Funding of Revenue Expenditure	-17.4	-17.9	-18.4	-19.0
Less Funding of Capital Expenditure	-4.8	-6.8	-9.6	-6.4
Total Movement	0.3	-3.2	-6.6	-4.3
Balance Carried Forward	36.6	33.4	26.8	22.5

Note: Figures may not sum exactly due to rounding.

Capital funding for 2008/09 and 2009/10 includes £2.7 million in each year for the continuation of the programme of York Stone Paving which is only included in the capital programme if funds are sufficient.

Working Balance

2.37 The Council's working balance at the end of 2005/06 was £13.2 million, 2.3 per cent of the gross cost of services and eight per cent of the net budget requirement. Based on the indicative out-turn for 2006/07 it is expected that the reserve can continue to be maintained at a constant proportion of the budget i.e. £13.5 million.

2.38 Business Groups are reviewing the carry forward budgets remaining unused from 2004/05 on the basis that they will be released back to the General Fund after two years if unspent, unless exceptional circumstances apply.

2.39 The Cabinet is requested to confirm for the Council's budgetary framework, that the minimum level of working balance should be £10 million. This means that Council approval is required to reduce the working balance below that level.

Robustness of the budget

2.40 The Executive Director for Finance, Information Systems and Property is required formally to advise on the robustness of the budget figures used to calculate the Council Tax, and on the adequacy of reserves. I am satisfied that the Budget calculations are robust and that the budget takes account of liabilities and financial risks, but in particular assumes that we will not rely on withdrawals from reserves to meet recurrent revenue commitments. I consider that current levels of unallocated reserves are strong, and contribute to the Royal Borough's sound financial position, taken

into account in both the Standard & Poor's AAA credit rating and our reconfirmed external auditor's level 4 assessment of financial standing as part of the Comprehensive Performance Assessment (this is the highest rating).

ROYAL BOROUGH COUNCIL TAX

- 2.41 The budget proposals outlined above and summarised in the Revenue Budget Book produce a Council Tax freeze - a Band D figure for the Royal borough's element of the tax of £727.27, excluding Garden Squares.
- 2.42 Just over half of the budget requirement comes from local taxes, with 43 per cent coming from Government Formula Grant. This means that varying spending by one per cent increases the Council Tax by 2.3 per cent. Varying spending plans by £1 million would add £10 (1.4 per cent) to the Band D Council Tax.
- 2.43 **Table 11** below shows the proposed tax calculation for the Royal Borough's own expenditure, excluding Garden Squares and the Greater London Authority precept. This also takes into account an estimated £248k shortfall on the collection of Council Tax for past years. There will be an additional payment for properties where the Garden Square also makes a levy.

Table 11 Royal Borough Council Tax		£m
Budget requirement 2007/08		168.240
Less Garden Square Levies		-1.186
Add Council Tax Collection Deficit		0.248
	Subtotal	167.302
Funded by Formula Grant		-96.518
Leaving Funding Required from Council Tax		70.784
Divided by Band D Equivalent Taxbase		97,328
= Council Tax at Band D 2007/08		£727.27
Council Tax at Band D 2006/07		£727.27
Increase £		£0
Increase %		0%

- 2.44 The Council agreed the tax base of **97,328** on the 24 January 2007. At the same time the tax bases for the Garden Squares were agreed. However the tax base for four of the Garden Squares has subsequently been revised following notification of changes since the tax bases were set:

Collingham Gardens	increased from 189 to 190
Iverna Court	increased from 237 to 240
Nevern Square	increased from 329 to 334
Stanley Crescent	increased from 191 to 193 .

The Royal Borough Council Tax for each Band is detailed in the Revenue Budget Book.

TOTAL COUNCIL TAX

- 2.45 The Greater London Authority has finalised its 2007/08 precept, the amount it is asking the Borough to collect on its behalf, at the London Assembly meeting on the 14 February 2007. **Table 12** shows the consultation Band D Council Tax figure for 2007/08.

Table 12	2006/07	2007/08	Change
	£	£	%
Metropolitan Police	210.82	223.60	6.1
London Fire and Emergency Planning	45.63	47.12	3.3
Transport for London	4.16	4.13	-0.7
Greater London Authority*	29.32	30.00	2.3
+Deficit/-Surplus on Collection Funds	-1.32	-0.97	-26.5
Total GLA Precept Band D	288.61	303.88	5.3

* Includes £20 funding for the Olympic and Paralympic Games

- 2.46 The estimated total Council Tax increase (excluding Garden Square levies) is shown in **Table 13**.

Table 13	2006/07	2007/08	Change
		£	%
The Royal Borough	727.27	727.27	0.0%
Greater London Authority Precept	288.61	303.88	5.3%
Total Council Tax Band D	1,015.88	1,031.15	1.5%

- 2.47 Royal Borough and total Council Tax rates for each Band are shown in the **Table 14**. The table shows the percentage of dwellings falling under each band, and that Band G is the most common. For properties in areas covered by Garden Square levies the amounts for each band are detailed in the Revenue Budget Book.

Table 14	Royal Borough	Greater London Authority	Total	% of Dwellings in Band
Band	£	£	£	%
A	484.85	202.59	687.44	1%
B	565.65	236.35	802.00	4%
C	646.46	270.12	916.58	10%
D	727.27	303.88	1,031.15	16%
E	888.89	371.41	1,260.30	15%
F	1,050.50	438.94	1,489.44	14%
G	1,212.12	506.47	1,718.59	23%
H	1,454.54	607.76	2,062.30	17%

MEDIUM TERM FINANCIAL PLAN

2.48 The medium term financial plan extends the financial planning horizon to 2009/10. It is based on the following elements:

- A review of significant external changes likely to impact
- A framework of medium term financial planning principles
- And a projection of the Council's spending and resources.

External drivers

2.49 The Government's Comprehensive Spending Review 2007 (CSR 2007) will set out the proposals for public expenditure for 2008/09 to 2010/11. The Pre-Budget report in December 2006 provided early warning of a target of three per cent cashable efficiency gains for public services. This could translate into roughly £5 million a year for the Royal Borough. This is considerably greater than the level of service budget reductions planned in the current budget.

2.50 CSR 2007 will set spending and grant totals for local government for three years ahead and correspondingly the Council will be expected to formulate three-year spending and tax plans. Minimum funding guarantees and damping arrangement formally expire at the end of 2007/08. The Council's government grant allocation is at risk from three factors – the potential unravelling of internal damping for adverse formulae changes, negative changes to key data such as resident population estimates and a lower funding floor for future years' settlements. Technically the Government could review population and grant retrospectively, through Grant Amendments, but this is considered unlikely.

2.51 The Council also relies on £48 million of specific grants excluding Benefits Grant and Dedicated Schools Grant. This poses a risk where grants may be discontinued or where distribution mechanisms change, e.g. Supporting People Grant for assisted housing which continues to fall annually. Some specific grant allocations are currently protected by damping to Children's and Adults Personal formulae and are therefore at risk in future years. The Council can influence the level of its specific grant only at the margin, and a large portion of its core resourcing is therefore outside its direct control.

2.52. The Revenue Budget Book lists the grants that are built into the Council's budget plans for 2007/08. There are no guaranteed future year allocations until the next round of funding announcements in autumn 2007 after the summer 2007 CSR. Given the pending review of the population estimates, it is possible that the Council will return to minimum annual grant increases, and will see a grant

standstill. As we found at the time of the last Census, our grant entitlement is particularly sensitive to shifts in the population estimate. This reinforces the need for the Council to maintain flexibility in its own budgeting.

- 2.53 The absence of Government forward planning guidelines beyond 2007/08 makes it difficult to predict how other damping arrangements will be carried forward, especially the impact of the formula changes for social services children and young adults, which together lock in around £19 million of potential grant losses in damping arrangements.
- 2.54 Schools minimum funding guarantees also expire in 2008/09. The Department for Education and Skills is in the process of reviewing the Dedicated Schools Grant distribution formulae and this poses a potential threat to the current allocation.
- 2.55 Other budget risks include:
- The Landfill Allowances Trading Scheme. Due to the delay in granting planning permission for an incinerator, the Western Riverside Waste Authority is likely to face a shortfall in its Allowances compared with the amount of waste it takes to landfill. The potential impact for the Council is up to £3 million a year from 2009/10, which will be time limited if the incinerator is approved.
 - The capital programme will eventually run down interest income as the capital expenditure reserve is depleted. However, voluntary debt payments previously set aside should enable the Council to absorb the impact of the new capital programme over the next three years.
 - The Government is planning to review the threshold for temporary accommodation subsidy, and is likely to reduce current levels of income in this service area.
 - A further Pension Fund Revaluation will come into effect in 2008/09 and it is possible that increasing longevity will increase liabilities. Employees will also be making increased pension contributions from 2008/09.
- 2.56 Over the medium term radical changes in local government funding are possible, driven by the Government's response to the Lyons Inquiry (reporting spring 2007) and the recent Local Government White Paper. It is also possible that Local Area Agreements including statutory targets will play a greater role in channelling grant allocations than hitherto.

MEDIUM TERM FINANCIAL PRINCIPLES

- 2.57 The Borough's residents expect Council services of a high standard. The challenge is to meet this expectation within affordable limits. The Council therefore ensures that it plans for the future and makes provision for both known and likely increases in its costs. The Council's financial planning is guided by medium term financial principles, and these are unchanged from 2006/07. These are set out in the Cabinet Business Plan, and reproduced in the Revenue Budget Book.

THE COUNCIL'S RESOURCES AND PLANS

Spending projection

- 2.58 **Table 15** projects the budget requirement over the next three years. These figures are for illustration and will vary as new information emerges during the planning period. Assumptions include:
- cost increases due to inflation of 2.5 per cent. There is some limited additional headroom for potential market increases. The Grounds Maintenance contract will impact further in 2008/09.
 - an illustrative £3.5 million cashable savings (although this is unlikely to meet the potential new government cashable efficiency target of three per cent).
 - an illustrative £2.5 million growth estimate from new demands, policy initiatives and commitments.
 - specific grant changes are financially neutral, with losses matched by spending reductions.
 - pension costs do not increase significantly and that immediate impacts can be absorbed by using the balance of the Pensions reserve created to cushion the impact of change.
 - budget sharing with the Primary Care Trust (PCT) is profiled as planned with the 2007/08 additional contribution dropping out.
 - extra financing costs of capital investment are absorbed for the next three years.

- losses in specific grants are matched by expenditure reductions. This could require some hard choices, for example, free recycling bags have been funded from waste performance grant.
- no increase in Formula Grant – i.e. the council is held at the grant floor. If not at the floor the estimated grant increase would be two per cent - £1.9 million. This would reduce the Council Tax projection by 2.7 per cent.

2.59 The projection focuses on the budget requirement. **Table 15** does not take specific account of future policy growth where commitments have not yet been made. There may be additional funding from a further year of the Local Authority Business Growth Incentive scheme grant payable in 2007/08.

Table 15	2007/08	2008/09	2009/10
	£m	£m	£m
Starting Budget including Garden Squares	164.9	168.2	171.7
Cost Increases	6.2	6.3	6.5
Growth	3.5	2.5	2.5
Less Savings	-3.5	-3.5	-3.5
One-off budgets dropping out	-0.8	-0.3	-0.5
Financing Changes and Other	-2.1	-1.5	-0.5
Budget Requirement	168.2	171.7	176.2
Less Formula Grant	-96.5	-96.5	-96.5
Collection Fund Balance	0.2	0.0	0.0
Projected Council Tax	71.9	75.2	79.7
Tax Base	97,328	97,820	98,300
Projected Council Tax Increase	0%	4%	5%

Reserves

- 2.60 Reserves play a pivotal role in the medium term planning for financial sustainability. Details of projected reserve balances and movements are shown in the Revenue Budget Book. The biggest reserves are the Capital Expenditure Reserve and the Car Parking Reserve both of which will play a large part in financing the Council's ambitious capital investment plans.
- 2.61 Over the next three years, the Council expects to rely heavily on the Capital Expenditure Reserve to fund some £47 million of investment, with a further £23 million to be drawn from the Car Parking Reserve for capital investment. Release of reserves will be at a measured pace as the Council's revenue budget currently relies on the interest generated on cash balances.
- 2.62 The Council is also planning to release other reserves held to meet future liabilities, such as the annual reduction in Supporting People Grant.

Conclusion

- 2.63 The Council faces external risks to its resource base and continuing pressures and risks from demand led budgets. It will strive to deliver demonstrably high standards of service to residents, responding to community issues. It takes a medium term approach to its finances. Its financial position is soundly based and the Council will continue its aim to deliver a relatively low Council Tax.

LEGAL IMPLICATIONS

- 2.64 The Council is required to set a balanced budget. The Chief Finance Officer is also required, under the Local Government Act 2003, Part 2, Section 25, to report on the robustness of the estimates made for the purpose of calculating the Council Tax and the adequacy of reserves. These requirements are met as set out in the report.

EQUALITIES IMPLICATIONS

- 2.65 Assessments of the equalities implications for budget items are included in the Service Budget Reports submitted to Overview and Scrutiny Committees or will be included in more detail in relevant key decision reports.

2.66 RECOMMENDATIONS

- (i) The Council is recommended:

(a) **To approve** the revenue estimates for 2007/08 as submitted in the Revenue Budget Book 2007/08;

(b) **To agree** that the General Fund Working Balance should not be reduced below £10 million in 2007/08 within the budgetary framework;

- (ii) **To approve** the revised Band D equivalent tax bases in respect of:

Collingham Gardens	(190)
Iverna Court	(240)
Nevern Square	(334)
Stanley Crescent	(193)

- (iii) **To note** that at the Council meeting on 24th January 2007 it calculated the following amounts for the year 2007/08 in accordance with regulations made under Sections 33(5) and 34(4) of the Local Government Finance Act 1992:

- (a) **97,328** 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
 - (b) the amounts as set out in column three of the table on page xi of the Revenue Budget Book being the amounts calculated by the Council, in accordance with regulation 6 of the Regulations as the amounts of its Council Tax base for the year for dwellings in those parts of its area to which one or more special items relate. This already takes into account the amendment at resolution (ii) above.
- (iv) **To agree** that the following amounts be now calculated by the Council for the year 2007/08 in accordance with Sections 32 to 36 of the Local Government Finance Act 1992 (the Act):-
- (a) **£168,239,883** being the amount by which the aggregate of the amounts which the Council estimates for the items set out in Section 32 (2) (a) to (e) of the Act; exceeds the aggregate of the amounts which the Council estimates for the items set out in Section 32 (3) (a) to (c) of the Act; calculated by the Council in accordance with Section 32(4) of the Act as its budget requirement for the year.
 - (b) **£96,270,693** being the aggregate of the sums which the Council estimates will be payable for the year into its General Fund in respect of Formula Grant, reduced by the amount of the sum that the Council 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 any sums relating to the difference between amounts in respect of community charges credited and charged to the revenue account for any earlier financial year, and any sums pursuant to the direction that is contained in the Collection Fund (Council Tax

Benefit)(England) Directions 2001.

- (c) £739.45 being the amount at (iv)(a) above less the amount at (iv)(b) above, all divided by the amount at (iii)(a) 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;
- (d) £1,185,853 being the aggregate amount of all special items referred to in Section 34(1) of the Act and listed in column four of the table on page xi of the Revenue Budget Book;
- (e) £727.27 being the amount at (iv)(c) above less the result given by dividing the amount at (iv)(d) above by the amount at (iii)(a) 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;
- (f) the amount as set out in the table on page xi of the Revenue Budget Book opposite each garden square listed in column two, being the amount given by adding to the amount at (iv)(e) above the amount of the special item or items set out in column four relating to dwellings in each of the garden squares divided in each case by the amount set out in column three, 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 those parts of its area to which one or more special items relate; and
- (g) the amounts as set out in page xii of the Revenue Budget Book being the amounts given by multiplying the amounts at (iv)(e) and (iv)(f) 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 the 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.

- (v) **To note** that for the year 2007/08 the Greater London Authority has stated the following amounts in precepts issued to the Council in respect of the functional bodies under its control, in accordance with Section 40 of the Local Government Finance Act 1992, for each of the categories of dwellings shown below:

VALUATION BAND	Greater London Authority Council Tax
	£
A	202.59
B	236.35
C	270.12
D	303.88
E	371.41
F	438.94
G	506.47
H	607.76

- (vi) Having calculated the aggregate in each case of the amounts at (iv)(g) and (v) above, in accordance with Section 30(2) of the Local Government Finance Act 1992, to agree to set the following amounts as the total Council Tax for 2007/08 for each of the categories of dwellings shown below:

VALUATION BAND	Total Council Tax (Not in Garden Squares)
	£
A	687.44
B	802.00
C	916.58
D	1031.15
E	1260.30
F	1,489.44
G	1,718.59
H	2,062.30

with the amounts shown in the table at page xiii of the Revenue Budget Book set as the amounts of Council Tax for those dwellings where special Garden levies apply.

FOR DECISION

Background papers

Budget files

Local Government Finance Settlement files (grant notifications for 2007/08). Details can be found at:

<http://www.local.odpm.gov.uk/finance/0708/grant.htm>

Council Tax Consultation 2007/08 – report to Cabinet 15 January 2007

Council Tax Base 2007/08 – approved by Council 24 January 2007

Vital Finances – digest of financial material. This can be found at:

<http://www.rbkc.gov.uk/yourcouncil/councilfinances/vitalfinances.asp>

Officer Contact

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REVENUE BUDGET SUMMARY

DESCRIPTION	Budget 2006/07	Budget 2007/08	% Change
Service Budgets	£'000	£'000	
Family and Children's Services	51,003	45,394	
Housing, Health and Adult Social Care	59,798	62,011	
Planning and Conservation	5,545	5,549	
Transport, Environment and Leisure Services	18,365	17,583	
Corporate Services	21,296	18,139	
Service Budgets Total	156,007	148,676	
Contingency and central budgets	2,889	3,245	
Net Cost of Services	158,896	151,921	
Transfer to/from Asset Mgt Revenue A/c	(9,894)	3,450	
Pension Fund Liabilities	6,566	5,972	
Interest and Investment Income	(6,700)	(8,200)	
Net Operating Expenditure	148,868	153,143	2.9%
Transfers to(+)/ from(-) reserves:-			
Capital Financing Account (incl MRP)	(1,921)	115	
Transfer to Capital Reserves	5,545	5,500	
Transfer to Revenue Reserves	8,961	5,981	
TOTAL EXCLUDING LEVIES	161,453	164,739	2.0%
Levies			
London Boroughs Grants Committee	657	693	5.5%
Environment Agency	112	179	59.8%
London Pensions Fund Authority	1,525	1,443	-5.4%
Garden Squares	1,085	1,186	9.3%
Total Levies	3,379	3,501	3.6%
Formula Grant Adjustments - prior years	38		
TOTAL ROYAL BOROUGH EXPENDITURE INCL LEVIES	164,870	168,240	2.0%
EXTERNAL FINANCE:-			
Formula Grant	(91,975)	(96,518)	4.9%
Collection Fund Surplus - Council Tax	(1,318)	248	
Total External Finance / Collection Fund	(93,293)	(96,270)	3.2%
TOTAL RBKC COUNCIL TAX REQUIREMENT	71,577	71,970	0.5%
PRECEPTS:-			
Greater London Authority	27,974	29,576	5.7%
TOTAL LOCAL TAX REQUIREMENT	95,332	101,546	6.5%
TAX BASE - BAND D EQUIVALENTS	96,927	97,328	0.4%
COUNCIL TAX - BAND D	£	£	
Royal Borough (excluding Gardens)	727.27	727.27	
Greater London Authority	288.61	303.88	5.3%
TOTAL BASIC COUNCIL TAX - BAND D	1,015.88	1,031.15	1.5%
Royal Borough (average including Gardens)	738.47	739.45	0.1%
Greater London Authority	288.61	303.88	5.3%
TOTAL BASIC COUNCIL TAX - BAND D	1,027.08	1,043.33	1.6%

BUSINESS GROUP BUDGET SUMMARY

SUBJECTIVE ANALYSIS	2006/07 Budget £'000	2007/08 Budget £'000
EXPENDITURE		
Employee Related Expenses	105,521	109,848
Premises Related Expenses	14,629	15,399
Transport Related Expenses	742	766
Supplies and Services	37,866	36,919
Third Party Payments	125,570	127,108
Transfer Payments	110,878	112,771
Capital Charges (1)	21,617	7,999
Schools Delegated Budgets (3)	52,977	55,493
TOTAL EXPENDITURE	469,799	466,303
LESS INCOME		
Government Grants	214,775	219,744
Other Grants, Reimbursements and Contributions	20,004	20,701
Customer and Client Receipts		
- Sales, Fees and Charges	74,024	71,514
- Rents	4,944	5,645
Interest	45	23
TOTAL INCOME	313,792	317,627
NET EXPENDITURE	156,007	148,676

BUSINESS GROUP SUMMARY	2006/07 Budget			2007/08 Budget		
	Gross Expenditure £'000	Income £'000	Net £'000	Gross Expenditure £'000	Income £'000	Net £'000
Family and Children's Services	145,942	94,939	51,003	145,223	99,829	45,394
Housing, Health and Adult Social Care	103,606	43,808	59,798	105,528	43,517	62,011
Planning and Conservation	7,846	2,301	5,545	7,674	2,125	5,549
Transport, Environment and Leisure Services	70,689	52,324	18,365	69,796	52,213	17,583
Corporate Services	196,015	174,719	21,296	190,975	172,836	18,139
Total Business Group Expenditure	524,098	368,091	156,007	519,196	370,520	148,676

Notes:-

- (1) Capital Charges original 2006/07 budgets included a notional interest charge applied to net current replacement cost but a change to the accounting standards has removed this element.
- (2) Gross expenditure from Business Groups includes some double counting in inter charges between Business Groups. This is eliminated in Table 2.
- (3) School budgets include employee and other expenses.

GOVERNMENT GRANTS BUDGET

This table shows the latest specific grant allocations and budgets for 2006/07 and 2007/08. Allocations for 2008/09 and beyond will not be confirmed before the Government's next Comprehensive Spending Review is issued in summer 2007.

Grant	Original Budget 2006/07	Budget 2007/08
Family and Children's Services		
Asylum Seekers Support	953	851
Carers	184	179
Child and Adolescent Mental Health Service	896	685
Children's Fund	290	284
Children's Services	894	1,230
Connexions	1,317	1,279
Dedicated Schools Grant	56,977	60,272
Children and Young Persons Unit	93	0
Information Sharing Index	0	152
Learning and Skills Council (Sixth Forms)	5,454	5,741
Human Resources Development Strategy	117	114
National Training Strategy	252	245
Schools Standards	1,399	1,399
Standards Funds	8,452	7,483
Sure Start (General) and Transformation Fund	1,381	2,327
Sure Start (Local)	1,318	1,095
Teenage Pregnancy Local Implementation	91	91
Youth Opportunities Fund	0	131
Young People's Substance Misuse	53	65
Total Family and Children's Services	80,121	83,623
Transport, Environment and Leisure Services		
Waste Performance and Efficiency Grant (Revenue)	264	277
Total Transport, Environment and Leisure Services	264	277
Housing, Health and Adult Social Care		
Access and Systems Capacity Grant	1,972	2,216
AIDS/HIV Support	325	294
Carers	734	714
Commission for Social Care Inspection	4	4
Delayed Discharge	404	421
Homelessness	875	900
Human Resources Development Strategy	137	133
Climate Change	-	12
Improving Information Management	143	139
Individual Budget Pilots	200	150
Mental Capacity Act	-	67
Mental Health	843	793
National Training Strategy	296	288
Preserved Rights	1,061	997
Preventative Technology	126	213
Renovation (Housing General Fund)	150	210
Supporting People	11,613	11,394
Young People's Substance Misuse	258	258
Total Housing, Health and Adult Social Care	19,141	19,203

Planning and Conservation		
Planning Delivery Grant	469	183
Total Planning and Conservation	469	183

Corporate Services		
Community Safety Related	1,921	1,928
Housing and Council Tax Benefit	109,937	111,567
Housing Benefits Administration	2,348	2,348
London Development Agency	56	-
National Non Domestic Rates Cost of Collection	600	615
Total Corporate Services	114,862	116,458

TOTAL ALL BUSINESS GROUPS	214,857	219,744
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Excluding Housing and Council Tax Benefit and DSG	47,943	47,905
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The list does not include the following grant allocations which were officially notified after Business Group budgets were drafted:

- Local Authority Business Growth Incentive (LABGI) Scheme grant £6.7 million (2006/07 allocation)
- Local Public Service Agreement Performance Reward grant £3.2 million (half capital and half revenue grant, allocated 50 per cent in 2006/07 and 50 per cent in 2007/08)
- Unringfenced funding to support the implementation of smokefree legislation £244k (£41k 2006/07 allocation and £203k 2007/08 allocation) □□
- Enforcement of trading standards grant £24k (2007/08 allocation)

RESERVES AND BALANCES AND RESERVES POLICY

Reserves are an important part of the Council's financial strategy and are held to create long-term budgetary stability. They enable the Council to manage change without undue impact on the Council Tax and are a key element of its strong financial standing and resilience. Several of the Council's key sources of funding face an uncertain future and the Council therefore holds earmarked reserves and a working balance in order to mitigate future risks, such as increased demand and costs and to help absorb the costs of future liabilities. Earmarked reserves are reviewed annually as part of the budget process, to determine whether the original purpose for the creation of the reserve still exists and whether or not the reserves should be released in full or in part. Particular attention is paid in the annual review to those reserves whose balances have not moved over a three year period.

There are a number of larger earmarked reserves of strategic importance that have been given additional scrutiny and examined over a longer future timescale. Other than the Car Parking Reserve none are being used to support recurring expenditure.

- **Capital Expenditure Reserve** – projections of the use and balances on this reserve are contained in paragraph 6.9 of the report to the Cabinet on the 22 February 2007 entitled *Capital Programme 2007/08 – 2009/10*
- **Car Parking Reserve** – Originally the reserve could only be used to fund expenditure on statutorily defined purposes directly related to transport. The Traffic Management Act 2004 extended the powers to include highways maintenance and environmental improvements. The maximum eligible expenditure for funding in 2007/08 is shown in the table below.

Service / Purpose	2007/08 Budget £'000
Revenue	
Special needs transport, school permits and youth transport	1,824
Social Services: concessionary fares, taxicard, welfare transport	6,438
Street tree maintenance and replacement	395
Transportation, highways services, waste management, leisure services	23,030
Community transport	134
Total Revenue	31,821
Less Contribution from Car Parking Reserve (Revenue)	-17,818
Balance met from within Council Tax Budget	14,003
Capital	
Eligible schemes	6,811
Less Contribution from Car Parking Reserve (Capital)	-6,811
Balance	0

The Reserves Policy is set out below. The table that follows provides details of the purpose of each earmarked reserve, the forecast additions to and withdrawals from the reserves, and the projected balance at the end of the next three years. The balances may be reduced as required to meet future plans and liabilities not yet known.

RESERVES POLICY

Strategic context

1. The Council's financial environment is perpetually changing, as are the demands on services and the needs of the borough. The Council is constantly reformulating its priorities in response to these issues. At the same time we are aware of national spending plans that project lower growth over the next few years, and of risks to our own funding streams.
2. Reserves play an important part in the Council's medium term financial strategy and are held to create long-term budgetary stability. They enable the Council to manage change without undue impact on the Council Tax and are a key element of its strong financial standing and resilience.
3. The Council therefore holds reserves in order to mitigate future risks, such as increased demand and costs; to help absorb the costs of future liabilities; and to enable the Council to resource policy developments and initiatives without a disruptive impact on Council Tax.
4. Capital reserves play a crucial role in funding the Council's capital investment programme and avoiding expensive borrowing costs. At the same time, the Council relies on interest earned through holding reserves to support its general spending plans. The Capital Expenditure Reserve is used to create future capacity to meet future capital investment.
5. Reserves are one-off money. The Council aims to avoid using reserves to meet ongoing financial commitments other than as part of a sustainable budget plan.

Purposes

6. Reserves are therefore held for the following purposes, some of which may overlap:
 - Providing a working balance e.g. Housing Revenue Account, general reserve.
 - Smoothing the impact of uneven expenditure profiles between years, e.g. local elections, structural building maintenance, carrying forward expenditure between years.
 - Holding funds for future spending plans, e.g. capital reserve, and for the renewal of operational assets, e.g. repairs and renewal and IT renewal. Meeting future costs and liabilities so as to cushion the effect on services e.g. the Pensions Reserve, the Supporting People Reserve (reduction in grant for supported housing), and the Insurance Reserve, for self-funded liabilities arising from insurance claims.
 - To provide resilience against future risks, e.g. the demand reserve, and the capacity to manage risk.
 - To create policy capacity in a context of forecast declining future external resources, e.g. Better City Life.
7. All earmarked reserves are held for a specific purpose. This, together with a summary on the movement on each reserve, is published annually, to

accompany the annual Statement of Accounts. A proposal to vary the use of a reserve is subject to normal virement limits.

8. The use of some reserves is limited by regulation. The Collection Fund balance must be set against tax levels, not applied to expenditure. Reserves established through the Housing Revenue Account can only be applied within that account. Schools reserves are generally ring-fenced, although there are certain regulatory exceptions.

Management

9. The Executive Director for Finance, Information Systems and Property reports annually on the adequacy of the reserves, as part of the Council tax setting and budget report.
10. The approval of the Cabinet Member for Finance and Property is required to the release of reserves (unless already agreed by Council or Cabinet), under the Council's constitution (Part Four D - Financial Procedure Rule 2.07).
11. The following matters apply to individual reserves:
 - the General Fund working balance will not fall below £10 million, within the Council's budgetary framework, i.e. without the approval of Council. Its expected normal value is 6 per cent of the net budget requirement (adjusted for Dedicated Schools Grant).
 - the Capital Expenditure Reserve is applied to meet future investment plans and is available either to fund investment directly or to support other financing costs. The reserve can also be used for preliminary costs of capital schemes e.g. feasibility.
 - the Car Parking Reserve will be applied to purposes for which there are specific statutory powers. This is broadly defined as transport and environmental improvements (the latter as defined in the Traffic Management Act 2004). This is subject to review if further regulations are issued under the Act relating to the powers to apply parking surpluses.
 - the revenue and capital expenditure plans in the budget for 2007/08 to 2009/10 envisage that the Capital Expenditure Reserve will not fall below £15 million and the Car Parking Reserve would not fall below £20 million by the end of 2009/10, so as to arrange an orderly impact on the Council's revenue resources, given the use of interest generated to support the level of the Council Tax, and so as to be able to fund pipeline capital schemes.
 - the pensions reserve is available to smooth the impact of triennial valuations for the Council Tax whilst enabling the Council to meet liabilities.

**RESERVES AND BALANCES FORECAST
(31 MARCH EACH YEAR)**

Reserves and Balances	Purpose	2007 £'000	2008 £'000	2009 £'000	2010 £'000
Capital Expenditure	To fund capital expenditure	57,302	44,502	37,702	23,002
Car Parking	On-street parking surpluses for use on transport, highways and environmental improvements	36,649	33,449	26,849	22,549
Insurance	Meets future self-insurance liabilities	6,171	6,171	6,171	6,171
Strategic Regeneration	Funding for strategic regeneration	5,632	5,582	5,582	5,582
Pension Fund Revaluation	To meet employer's contribution increases	5,376	5,376	0	0
Demand Growth	Meets volatile growth pressures	5,297	5,297	5,297	5,297
Local Initiatives	For locally determined projects	4,933	4,933	4,933	4,933
Repairs and Renewals	Provides for replacement of equipment	3,538	3,676	3,676	3,676
Specific Grant Loss	Safeguard against adverse changes in specific grant regimes	2,910	2,910	2,910	2,910
Supporting People	Phase in impact of reducing government grant allocations	2,135	1,560	399	0
Chelsea Academy Co-Sponsorship	Funding for the new school held until paid over to government	2,000	2,000	2,000	2,000
Service Risks	To mitigate unplanned service problems	1,875	1,075	1,075	1,075
Excellence All Round	Funding for new initiatives linked to delivery of the Local Area Agreement	1,611	2,155	1,098	1,098
Severance	To meet costs arising from job losses	1,368	1,868	1,868	1,868
Better City Life	Resources for new local policy priorities	1,294	1,300	1,300	1,300
Value Added Tax (VAT) Liability	Meet potential future liabilities	1,070	1,070	1,070	1,070

Reserves and Balances	Purpose	2007 £'000	2008 £'000	2009 £'000	2010 £'000
Corporate Information Systems (IS) Initiatives	To replace office systems	851	212	117	117
Cost Reduction	Funding for invest to save opportunities	693	669	1,000	1,000
Building Alterations	For special repairs and maintenance work	358	278	128	128
Manresa Road Dilapidations	To modify the listed premises for new leaseholders	351	0	0	0
General Services Building Maintenance	Evens out the cost of the annual maintainance programme	260	113	0	0
Property Strategy Fund	Feasibility studies and condition surveys for capital planning	250	199	0	0
Risk Management	Pump priming for initiatives	219	219	219	219
West Chelsea Initiative	Rent income to be spent in South West Chelsea	172	125	125	125
Economic Development	For investment in economic development and regeneration initiatives	129	169	169	169
Public Art	Purchase and installation of public art in the Borough	102	102	102	102
Bridge Repairs	For periodic repairs required to the bridges	96	61	61	61
Community Safety	Funding Community Safety initiatives in the Borough	82	69	19	0
Street Trading Account	Under or overspends on street trading	61	61	61	61
Canalside House	For major repairs and equipment replacement	53	53	53	53
Local Elections	To smooth the cost of local government elections every four years	50	125	200	275
Strategic Communications	Provides a campaigning, lobbying and communications capacity	44	44	0	0
Mortuary	Contribution to prospective capital works on Horseferry Road Mortuary (jointly with Westminster)	26	26	26	26

Reserves and Balances	Purpose	2007 £'000	2008 £'000	2009 £'000	2010 £'000
Southern Row	Contributions to tenants to fund major works	20	20	20	20
Legal Advice To Schools	Self explanatory	18	18	18	18
Private Health Care Liabilities	For variances on the private healthcare contract	14	14	14	14
Brighten Up the Borough	Funding of environmental projects in the Borough	6	6	6	6
Colville Learning Support	To provide additional funds for the Colville Learning Support Group	3	3	3	3
Budget Carry Forward	Earmarked under-spending from previous years	890	850	350	100
Subtotal General Fund Reserves		143,909	126,360	104,621	85,028
General Fund Working Balance	Non-earmarked funds held	13,500	13,700	14,000	14,300
Total General Fund		157,409	140,060	118,621	99,328
HRA Major Repairs	For investment in the housing stock	12,812	4,005	321	952
HRA Working Balance	Non-earmarked funds held	4,341	7,137	5,154	3,235
HRA Lancaster West Estate Management Board	Grant earmarked under management agreement	457	409	409	409
HRA Controlled Repairs	To fund committed repairs projects	96	96	0	0
HRA Information Technology	To fund continuing information technology development	27	0	0	0
HRA Allocations	Housing related initiatives	13	0	0	0
Total Housing Revenue Account		17,746	11,647	5,884	4,596
Schools Reserves	Balances held by schools	5,144	5,144	5,144	5,144
Collection Fund Balance	A statutory account to hold balances on collection of Council Tax	-344	0	0	0
Total Reserves and Balances		179,955	156,851	129,649	109,068

GARDEN SQUARE LEVIES

ROYAL BOROUGH COUNCIL TAX - GARDEN SQUARES				
KENSINGTON IMPROVEMENT ACT 1851				
(1)	(2)	(3)	(4)	(5)
CODE	GARDEN SQUARE	BAND D EQUIVALENTS	GARDEN LEVY	GARDEN TAX BAND D
			£	£
900	Addison Gardens	119	35,000	294.12
901	Arundel Gardens/Ladbroke Gardens	249	35,500	142.57
902	Avondale Park Gardens	27	1,000	37.04
904	Barkston Gardens	250	28,000	112.00
906	Bina Gardens (West)	185	19,500	105.41
907	Bolton Gardens	112	26,000	232.14
908	Bramham Gardens	388	34,000	87.63
909	Brompton Square	187	14,500	77.54
912	Campden Hill Square	83	20,000	240.96
913	Campden House Court	228	20,425	89.58
914	Clarendon Rd/Lansdowne Rd	49	12,500	255.10
915	Collingham Gardens	190	23,000	121.05
916	Cornwall Gardens	658	54,000	82.07
917	Courtfield Gardens (East)	223	19,000	85.20
918	Courtfield Gardens (West)	455	65,000	142.86
921	Earls Court Square	294	18,500	62.93
922	Edwardes Square	238	46,500	195.38
925	Gledhow Gardens	266	34,000	127.82
928	Hereford Square	77	15,000	194.81
929	Holland Rd/Russell Rd	189	17,500	92.59
930	Hornton St/Holland St	109	10,000	91.74
933	Iverna Court	240	12,000	50.00
936	Kensington Square	110	12,000	109.09
939	Lexham Gardens	302	26,000	86.09
942	Moreton & Cresswell Gardens	112	16,400	146.43
944	Nevern Square	334	34,000	101.80
945	Norland Square	166	24,000	144.58
948	Ovington Square	220	17,500	79.55
951	Pembridge Square	235	39,600	168.51
952	Philbeach Gardens	309	39,000	126.21
955	Royal Crescent	177	37,000	209.04
958	St James's Gardens	155	18,000	116.13
959	Stanley Crescent	193	25,000	129.53
960	Stanley Gardens (North)	125	26,000	208.00
961	Stanley Gardens (South)	168	44,880	267.14
962	Sunningdale Gardens	30	2,500	83.33
965	Wetherby Gardens	361	55,600	154.02

ROYAL BOROUGH COUNCIL TAX - GARDEN SQUARES				
TOWN GARDENS PROTECTION ACT 1863				
CODE	GARDEN SQUARE	BAND D EQUIVALENTS	GARDEN LEVY	GARDEN TAX BAND D
			£	£
975	Arundel Gardens/Elgin Crescent	267	30,000	112.36
977	Blenheim Crescent/Elgin Crescent	248	37,500	151.21
978	Emperor's Gate	224	4,480	20.00
979	Ladbroke Grove	56	2,800	50.00
980	Lansdowne Rd/Elgin Crescent	136	20,165	148.27
981	Lansdowne Rd/Lansdowne Crescent	179	42,000	234.64
982	Lansdowne Walk / Lansdowne Rd (Hanover)	156	25,503	163.48
984	Montpelier Gardens	109	38,500	353.21
986	Notting Hill	39	6,500	166.67
			1,185,853	

ROYAL BOROUGH OF KENSINGTON AND CHELSEA COUNCIL TAX

	ROYAL BOROUGH COUNCIL TAX - BY BAND							
	A	B	C	D	E	F	G	H
PROPERTIES NOT IN GARDEN SQUARES	£ 484.85	£ 565.65	£ 646.46	£ 727.27	£ 888.89	£ 1050.50	£ 1212.12	£ 1454.54

KENSINGTON IMPROVEMENT ACT 1851		ROYAL BOROUGH COUNCIL TAX - GARDEN SQUARES BY BAND							
CODE	GARDEN SQUARE	A	B	C	D	E	F	G	H
		£	£	£	£	£	£	£	£
900	Addison Gardens	680.93	794.41	907.90	1,021.39	1,248.37	1,475.34	1,702.32	2,042.78
901	Arundel Gardens/Ladbroke Gardens	579.89	676.54	773.19	869.84	1,063.14	1,256.44	1,449.73	1,739.68
902	Avondale Park Gardens	509.54	594.46	679.39	764.31	934.16	1,104.00	1,273.85	1,528.62
904	Barkston Gardens	559.51	652.77	746.02	839.27	1,025.77	1,212.28	1,398.78	1,678.54
906	Bina Gardens (West)	555.12	647.64	740.16	832.68	1,017.72	1,202.76	1,387.80	1,665.36
907	Bolton Gardens	639.61	746.21	852.81	959.41	1,172.61	1,385.81	1,599.02	1,918.82
908	Bramham Gardens	543.27	633.81	724.36	814.90	995.99	1,177.08	1,358.17	1,629.80
909	Brompton Square	536.54	625.96	715.39	804.81	983.66	1,162.50	1,341.35	1,609.62
912	Campden Hill Square	645.49	753.07	860.65	968.23	1,183.39	1,398.55	1,613.72	1,936.46
913	Campden House Court	544.57	635.33	726.09	816.85	998.37	1,179.89	1,361.42	1,633.70
914	Clarendon Rd/Lansdowne Rd	654.91	764.07	873.22	982.37	1,200.67	1,418.98	1,637.28	1,964.74
915	Collingham Gardens	565.55	659.80	754.06	848.32	1,036.84	1,225.35	1,413.87	1,696.64
916	Cornwall Gardens	539.56	629.49	719.41	809.34	989.19	1,169.05	1,348.90	1,618.68
917	Courtfield Gardens (East)	541.65	631.92	722.20	812.47	993.02	1,173.57	1,354.12	1,624.94
918	Courtfield Gardens (West)	580.09	676.77	773.45	870.13	1,063.49	1,256.85	1,450.22	1,740.26
921	Earls Court Square	526.80	614.60	702.40	790.20	965.80	1,141.40	1,317.00	1,580.40
922	Edwardes Square	615.10	717.62	820.13	922.65	1,127.68	1,332.72	1,537.75	1,845.30
925	Gledhow Gardens	570.06	665.07	760.08	855.09	1,045.11	1,235.13	1,425.15	1,710.18
928	Hereford Square	614.72	717.17	819.63	922.08	1,126.99	1,331.89	1,536.80	1,844.16
929	Holland Rd/Russell Rd	546.57	637.67	728.76	819.86	1,002.05	1,184.24	1,366.43	1,639.72
930	Horton St/Holland St	546.01	637.01	728.01	819.01	1,001.01	1,183.01	1,365.02	1,638.02
933	Iverna Court	518.18	604.54	690.91	777.27	950.00	1,122.72	1,295.45	1,554.54
936	Kensington Square	557.57	650.50	743.43	836.36	1,022.22	1,208.08	1,393.93	1,672.72
939	Lexham Gardens	542.24	632.61	722.99	813.36	994.11	1,174.85	1,355.60	1,626.72
942	Moreton & Cresswell Gardens	582.47	679.54	776.62	873.70	1,067.86	1,262.01	1,456.17	1,747.40
944	Nevern Square	552.71	644.83	736.95	829.07	1,013.31	1,197.55	1,381.78	1,658.14
945	Norland Square	581.23	678.11	774.98	871.85	1,065.59	1,259.34	1,453.08	1,743.70
948	Ovington Square	537.88	627.53	717.17	806.82	986.11	1,165.41	1,344.70	1,613.64
951	Pembridge Square	597.19	696.72	796.25	895.78	1,094.84	1,293.90	1,492.97	1,791.56
952	Philbeach Gardens	568.99	663.82	758.65	853.48	1,043.14	1,232.80	1,422.47	1,706.96
955	Royal Crescent	624.21	728.24	832.28	936.31	1,144.38	1,352.45	1,560.52	1,872.62
958	St James'S Gardens	562.27	655.98	749.69	843.40	1,030.82	1,218.24	1,405.67	1,686.80
959	Stanley Crescent	571.20	666.40	761.60	856.80	1,047.20	1,237.60	1,428.00	1,713.60
960	Stanley Gardens (North)	623.51	727.43	831.35	935.27	1,143.11	1,350.95	1,558.78	1,870.54
961	Stanley Gardens (South)	662.94	773.43	883.92	994.41	1,215.39	1,436.37	1,657.35	1,988.82
962	Sunningdale Gardens	540.40	630.47	720.53	810.60	990.73	1,170.87	1,351.00	1,621.20
965	Wetherby Gardens	587.53	685.45	783.37	881.29	1,077.13	1,272.97	1,468.82	1,762.58

TOWN GARDENS PROTECTION ACT 1863		ROYAL BOROUGH COUNCIL TAX - GARDEN SQUARES BY BAND							
CODE	GARDEN SQUARE	A	B	C	D	E	F	G	H
		£	£	£	£	£	£	£	£
975	Arundel Gardens/Elgin Crescent	559.75	653.05	746.34	839.63	1,026.21	1,212.80	1,399.38	1,679.26
977	Blenheim Crescent/Elgin Crescent	585.65	683.26	780.87	878.48	1,073.70	1,268.92	1,464.13	1,756.96
978	Emperor's Gate	498.18	581.21	664.24	747.27	913.33	1,079.39	1,245.45	1,494.54
979	Ladbroke Grove	518.18	604.54	690.91	777.27	950.00	1,122.72	1,295.45	1,554.54
980	Lansdowne Rd/Elgin Crescent	583.69	680.98	778.26	875.54	1,070.10	1,264.67	1,459.23	1,751.08
981	Lansdowne Rd/Lansdowne Crescent	641.27	748.15	855.03	961.91	1,175.67	1,389.43	1,603.18	1,923.82
982	Lansdowne Walk / Lansdowne Rd (Hanover)	593.83	692.81	791.78	890.75	1,088.69	1,286.64	1,484.58	1,781.50
984	Montpelier Gardens	720.32	840.37	960.43	1,080.48	1,320.59	1,560.69	1,800.80	2,160.96
986	Notting Hill	595.96	695.29	794.61	893.94	1,092.59	1,291.25	1,489.90	1,787.88

TOTAL COUNCIL TAX INCLUDING GREATER LONDON AUTHORITY PRECEPT

	TOTAL COUNCIL TAX - BY BAND							
	A	B	C	D	E	F	G	H
PROPERTIES NOT IN GARDEN SQUARES	£ 687.44	£ 802.00	£ 916.58	£ 1031.15	£ 1260.30	£ 1489.44	£ 1718.59	£ 2062.30

KENSINGTON IMPROVEMENT ACT 1851		TOTAL COUNCIL TAX - GARDEN SQUARES BY BAND							
CODE	GARDEN SQUARE	A	B	C	D	E	F	G	H
		£	£	£	£	£	£	£	£
900	Addison Gardens	883.52	1030.76	1178.02	1325.27	1619.78	1914.28	2208.79	2650.54
901	Arundel Gardens/Ladbroke Gardens	782.48	912.89	1043.31	1173.72	1434.55	1695.38	1956.20	2347.44
902	Avondale Park Gardens	712.13	830.81	949.51	1068.19	1305.57	1542.94	1780.32	2136.38
904	Barkston Gardens	762.10	889.12	1016.14	1143.15	1397.18	1651.22	1905.25	2286.30
906	Bina Gardens (West)	757.71	883.99	1010.28	1136.56	1389.13	1641.70	1894.27	2273.12
907	Bolton Gardens	842.20	982.56	1122.93	1263.29	1544.02	1824.75	2105.49	2526.58
908	Bramham Gardens	745.86	870.16	994.48	1118.78	1367.40	1616.02	1864.64	2237.56
909	Brompton Square	739.13	862.31	985.51	1108.69	1355.07	1601.44	1847.82	2217.38
912	Campden Hill Square	848.08	989.42	1130.77	1272.11	1554.80	1837.49	2120.19	2544.22
913	Campden House Court	747.16	871.68	996.21	1120.73	1369.78	1618.83	1867.89	2241.46
914	Clarendon Rd/Lansdowne Rd	857.50	1000.42	1143.34	1286.25	1572.08	1857.92	2143.75	2572.50
915	Collingham Gardens	768.14	896.15	1024.18	1152.20	1408.25	1664.29	1920.34	2304.40
916	Cornwall Gardens	742.15	865.84	989.53	1113.22	1360.60	1607.99	1855.37	2226.44
917	Courtfield Gardens (East)	744.24	868.27	992.32	1116.35	1364.43	1612.51	1860.59	2232.70
918	Courtfield Gardens (West)	782.68	913.12	1043.57	1174.01	1434.90	1695.79	1956.69	2348.02
921	Earls Court Square	729.39	850.95	972.52	1094.08	1337.21	1580.34	1823.47	2188.16
922	Edwardes Square	817.69	953.97	1090.25	1226.53	1499.09	1771.66	2044.22	2453.06
925	Gledhow Gardens	772.65	901.42	1030.20	1158.97	1416.52	1674.07	1931.62	2317.94
928	Hereford Square	817.31	953.52	1089.75	1225.96	1498.40	1770.83	2043.27	2451.92
929	Holland Rd/Russell Rd	749.16	874.02	998.88	1123.74	1373.46	1623.18	1872.90	2247.48
930	Horton St/Holland St	748.60	873.36	998.13	1122.89	1372.42	1621.95	1871.49	2245.78
933	Iverna Court	720.77	840.89	961.03	1081.15	1321.41	1561.66	1801.92	2162.30
936	Kensington Square	760.16	886.85	1013.55	1140.24	1393.63	1647.02	1900.40	2280.48
939	Lexham Gardens	744.83	868.96	993.11	1117.24	1365.52	1613.79	1862.07	2234.48
942	Moreton & Cresswell Gardens	785.06	915.89	1046.74	1177.58	1439.27	1700.95	1962.64	2355.16
944	Nevern Square	755.30	881.18	1007.07	1132.95	1384.72	1636.49	1888.25	2265.90
945	Norland Square	783.82	914.46	1045.10	1175.73	1437.00	1698.28	1959.55	2351.46
948	Ovington Square	740.47	863.88	987.29	1110.70	1357.52	1604.35	1851.17	2221.40
951	Pembridge Square	799.78	933.07	1066.37	1199.66	1466.25	1732.84	1999.44	2399.32
952	Philbeach Gardens	771.58	900.17	1028.77	1157.36	1414.55	1671.74	1928.94	2314.72
955	Royal Crescent	826.80	964.59	1102.40	1240.19	1515.79	1791.39	2066.99	2480.38
958	St James'S Gardens	764.86	892.33	1019.81	1147.28	1402.23	1657.18	1912.14	2294.56
959	Stanley Crescent	773.79	902.75	1031.72	1160.68	1418.61	1676.54	1934.47	2321.36
960	Stanley Gardens (North)	826.10	963.78	1101.47	1239.15	1514.52	1789.89	2065.25	2478.30
961	Stanley Gardens (South)	865.53	1009.78	1154.04	1298.29	1586.80	1875.31	2163.82	2596.58
962	Sunningdale Gardens	742.99	866.82	990.65	1114.48	1362.14	1609.81	1857.47	2228.96
965	Wetherby Gardens	790.12	921.80	1053.49	1185.17	1448.54	1711.91	1975.29	2370.34

TOWN GARDENS PROTECTION ACT 1863		TOTAL COUNCIL TAX - GARDEN SQUARES BY BAND							
CODE	GARDEN SQUARE	A	B	C	D	E	F	G	H
		£	£	£	£	£	£	£	£
975	Arundel Gardens/Elgin Crescent	762.34	889.40	1016.46	1143.51	1397.62	1651.74	1905.85	2287.02
977	Blenheim Crescent/Elgin Crescent	788.24	919.61	1050.99	1182.36	1445.11	1707.86	1970.60	2364.72
978	Emperor's Gate	700.77	817.56	934.36	1051.15	1284.74	1518.33	1751.92	2102.30
979	Ladbroke Grove	720.77	840.89	961.03	1081.15	1321.41	1561.66	1801.92	2162.30
980	Lansdowne Rd/Elgin Crescent	786.28	917.33	1048.38	1179.42	1441.51	1703.61	1965.70	2358.84
981	Lansdowne Rd/Lansdowne Crescent	843.86	984.50	1125.15	1265.79	1547.08	1828.37	2109.65	2531.58
982	Lansdowne Walk / Lansdowne Rd (Hanover)	796.42	929.16	1061.90	1194.63	1460.10	1725.58	1991.05	2389.26
984	Montpelier Gardens	922.91	1076.72	1230.55	1384.36	1692.00	1999.63	2307.27	2768.72
986	Notting Hill	798.55	931.64	1064.73	1197.82	1464.00	1730.19	1996.37	2395.64

THE COUNCIL'S MEDIUM TERM FINANCIAL STRATEGY

The following is an extract from the Cabinet Business Plan

The medium term strategy remains consistent with previous years. Residents demand a high standard of Council services. The challenge is to deliver this expectation, within affordable limits and in the face of financial constraints. The Council therefore ensures that it plans for the future and makes proper provision for both known and likely increases in future costs.

An emphasis on sound finances

The Council's budgetary strategy focuses on:

- maintaining Council tax in the bottom quartile for London, subject to the distortions of the grant system;
- improving cost effectiveness, efficiency and income generation;
- managing and mitigating future budget risks, such as the loss of specific grants and increased demand led expenditure, by forward planning;
- monitoring income and expenditure and making adequate contingencies and provisions;
- redirecting resources from lower priorities to higher priorities;
- protecting services by funding the costs of inflation;
- using external financing and cost sharing opportunities where possible;
- a focus on how the Council procures goods and services to achieve good value;
- planning for the medium term, taking into account the uncertainty of future Government grants over the long term; and
- lobbying for the interests of the residents of the borough on issues of strategic importance for the finances of the Council.

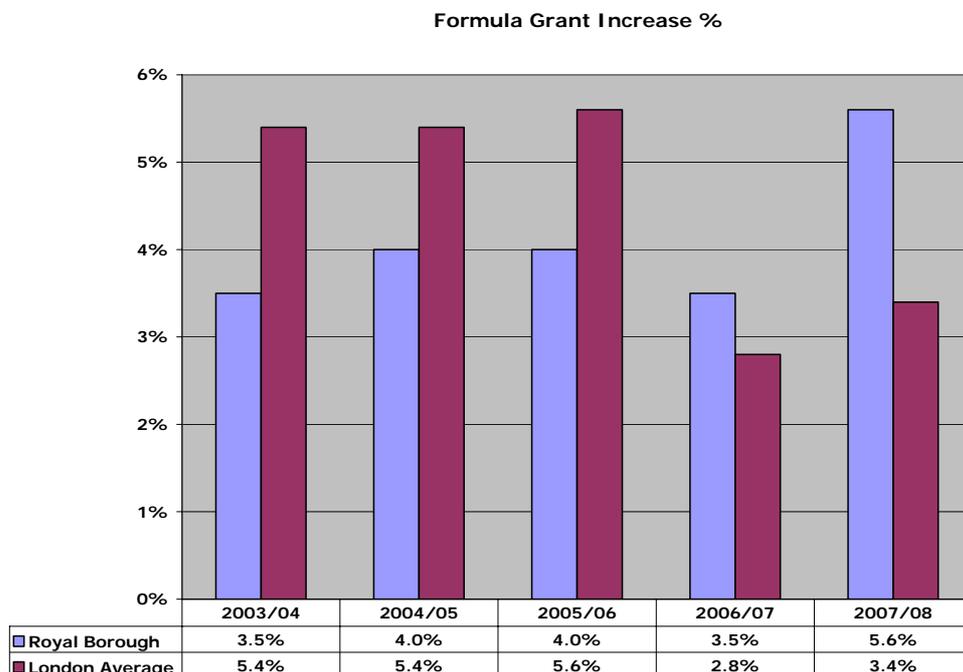
The Council has also established a framework of medium term financial management principles, aimed at maintaining its strong financial base. In summary, the Council will:

- maintain strong corporate governance, including an effective approach to risk management;
- retain efficient Council Tax collection systems;
- combat fraud and employ well trained anti-fraud staff;

- conduct close monitoring of the budgetary position throughout the year, supported by the overview and scrutiny process;
- maintain financial and budgetary resilience by holding:
 - not less than £10 million in working balances;
 - earmarked reserves to mitigate future liabilities and risks to funding sources that could affect the revenue budget and destabilise service provision;
 - reserves to meet the costs of the capital investment programme over the next three years; and
- maintain the Council's 'AAA' (highest) Standard & Poors credit rating, an external validation of our financial standing.

BACKGROUND FINANCIAL INFORMATION

Grant Increases Five Year Trend

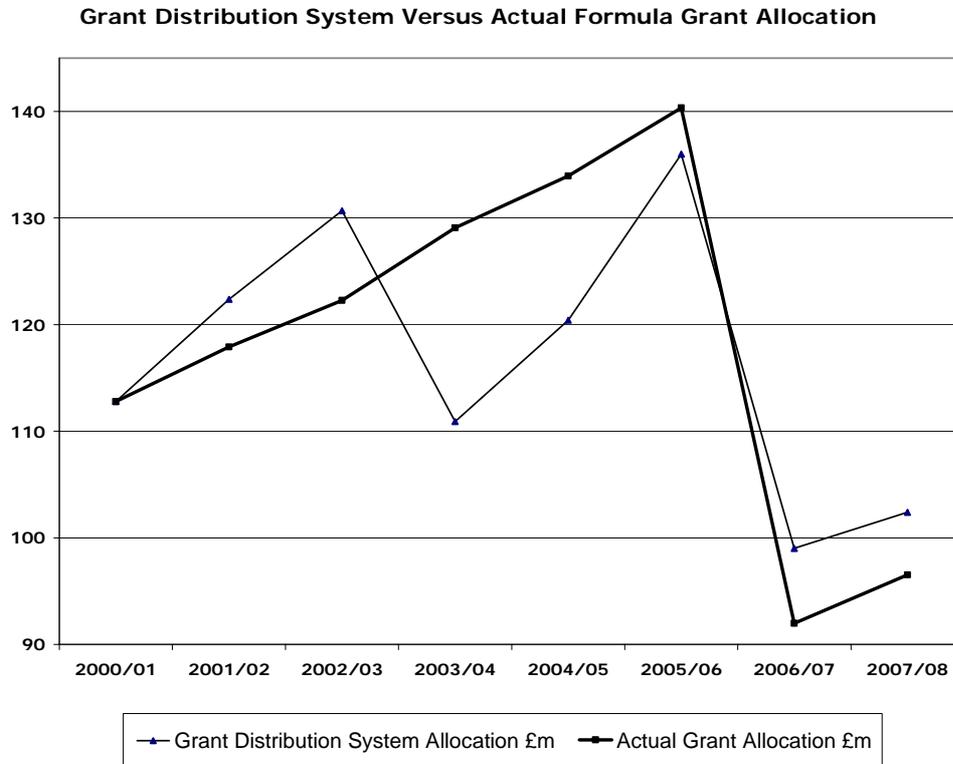


Royal Borough Grant 'Damping'

Since 2001/02 the amount of Formula Grant the Council receives has been subject to damping arrangements, to reduce annual fluctuations from formula and other changes, e.g. resident population estimates. The table shows how the actual grant and the unconstrained 'system' result differ.

Royal Borough Grant 'Damping'				
Year	Grant Distribution System Allocation £m	Actual Grant Allocation £m	Difference £m	Status
2000/01	112.8	112.8	0.0	
2001/02	122.4	117.9	-4.5	Ceiling
2002/03	130.7	122.3	-8.4	Ceiling
2003/04	110.9	129.1	18.2	Floor
2004/05	120.4	133.9	13.5	Floor
2005/06	136.0	140.3	4.3	Floor
2006/07	99.0	92.0	-7.0	Scaled
2007/08	102.4	96.5	-5.9	Scaled

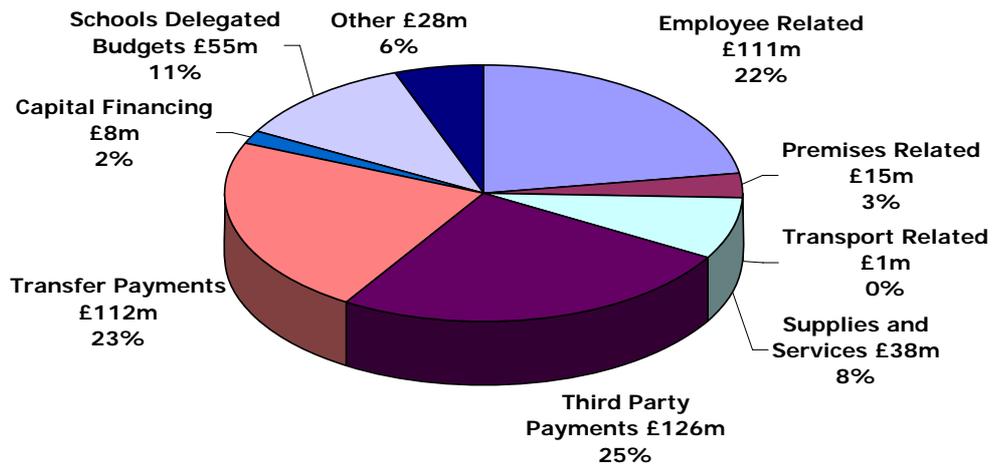
The graph below shows the volatility of the grant distribution system underneath actual ('damped') grant allocations. The large drop in 2006/07 is the result of the £53 million transfer of schools budget funding into Dedicated Schools Grant.



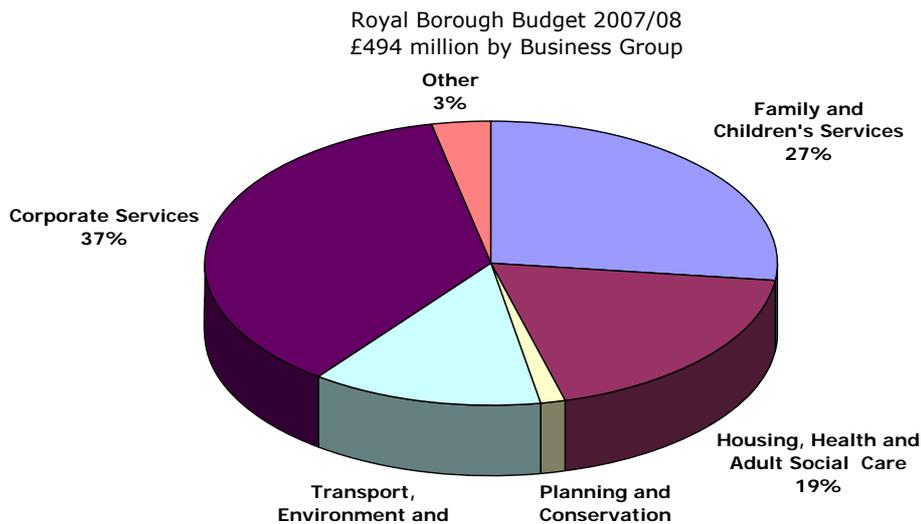
Royal Borough Budgets

The charts below show the type of expenditure in the budget and how this is funded – the total for 2007/08 is £494 million gross.

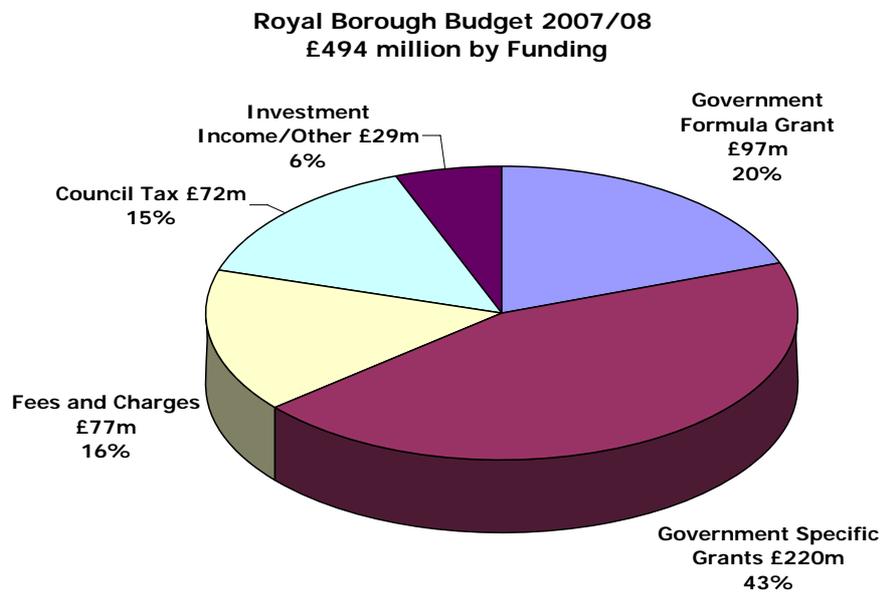
Royal Borough Budgets 2007/08
£494 million by Subjective



The chart below shows how the gross spending of £494 million is split between the Business Groups and other budgets. The rest includes contingencies and provisions held centrally, levies and reserve contributions.



The final pie chart shows how the borough's expenditure is funded.



EXPLANATORY FOREWORD

1. Price Base

Revenue estimates are budgeted at out-turn prices to include the estimated inflation to the end of 2007/08.

2. Inflation

This includes increases in income such as fees and charges and inflation on expenditure, including the effects of pay awards and interest rate changes from the 2006/07 budget.

3. Central Support Services and Departmental Admin Recharges

The cost of all central departments, administrative buildings and central services are fully charged to service cost centres. In addition departmental administration is also allocated to services in most cases. The basis of allocation for the main services are as follows:-

<u>Department</u>	<u>Basis of Charge (Main Services)</u>
Finance	Various – time apportioned or usage related charges
Information Systems	Numbers of PC's / mailboxes
Personnel / Payroll	Number of employees / payslips
Legal Services	Time recorded charges
Property Services	Time recorded charges
Admin Buildings	Floor area occupied
Printing	Number of copies
General Services Management and Maintenance	Time Based Apportionment

4. Salaries

Salary budgets are prepared on the basis of a total cash limit for each department rather than on the basis of actual salaries although the allocation of the salary cash limit to different services will normally reflect current staffing levels/grades.

5. Information Systems

Budgets for Information Systems (ISD) charges for maintenance and support budgets have been re-centralised from service department budgets and now appear as recharges to Business Groups rather than third party payments, thus aligning spend and budget management within ISD.

6. Capital Charges

Capital Charges are calculated in accordance with CIPFA's capital accounting requirements, which in the 2007/08 budgets represent a provision for depreciation based on the expected life of assets, up to a maximum of 50 years. The original 2006/07 budget was based on an additional notional interest charge applied to net current replacement cost but a change to the accounting standards has removed this element. The capital charges are offset by a credit elsewhere in the Council's revenue accounts and therefore changes in capital charges do not impact on the Council Tax budget.

7. Revenue Budget Changes

Changes arising from the Cabinet Business Plan are set out at the back of the detailed budgets. The Summary of Changes statement includes references to individual items.

FAMILY AND CHILDREN'S SERVICES
REVENUE BUDGET 2007/2008

FAMILY AND CHILDREN'S SERVICES REVENUE BUDGET
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FAMILY AND CHILDREN'S SERVICES
Subjective Summary

Item	Notes	2006/07 Budget	2007/08 Budget
		£,000	£,000
EXPENDITURE			
Employee Related Expenses		32,895	34,820
Premises Related Expenses		2,864	3,154
Transport Related Expenses		278	296
Schools Delegated Budgets (1)		52,977	55,493
Supplies & Services (2)		18,522	18,323
Third Party Payments		18,553	19,072
Transfer Payments		38	39
Departmental recharges		3,770	3,930
Charges from other BGs		998	809
Central Support Services		6,107	6,830
Capital Charges		8,865	2,340
Transfer Rent Charges		75	117
TOTAL EXPENDITURE		145,942	145,223
INCOME			
Government Grants		23,143	23,350
Dedicated School's Grant (3)		56,977	60,272
Other Grants & Contributions		1,206	1,859
Customer & Client Receipts			
Sales (4)		131	133
Fees & Charges		5,015	5,502
Rents (Other)		182	183
Buy-back of Delegated Services		3,798	3,869
Recharges to Other Revenue A/Cs			
Departmental		3,770	3,930
Charges to other BGs		717	731
TOTAL INCOME		94,939	99,829
NET EXPENDITURE		51,003	45,394

FAMILY AND CHILDREN'S SERVICES Service Summary

2006/07 Budget			Service	2007/08 Budget			Outputs	Head of Service
Exp	Income	Net		Exp	Income	Net		
£'000	£'000	£'000		£'000	£'000	£'000		
			Cabinet Member for Family & Children's Services					
			Education Services					
213	0	213	Corporate & Democratic Core	239	0	239		FCS
			Individual Schools Funds					
1,840	0	1,840	Delegated individual nursery school budgets	1,884	0	1,884	4 School's in the Borough with 229 places.	FCS
29,256	0	29,256	Delegated individual primary school budgets	30,940	0	30,940	28 School's in the Borough with 7,000 places.	FCS
18,731	2,869	15,862	Delegated individual secondary school budgets	19,277	3,080	16,197	4 School's in the Borough with 3,536 places.	FCS
3,150	794	2,356	Delegated individual special school budgets	3,392	84	3,308	2 School's, 1 in the Borough with 135 places.	FCS
7,911	7,909	2	Grants devolved to schools	6,832	6,832	0		FCS
60,888	11,572	49,316	Total	62,325	9,996	52,329		
			LEA Centrally Held School Funds					
8,402	680	7,722	Schools strategic management	3,406	697	2,709		FCS
3,779	2,119	1,660	Non-delegated schools grants	4,460	2,135	2,325		FCS
2,417	787	1,630	Facilitating school improvement	2,214	911	1,303		FCS
7,953	1,280	6,673	Supporting special education needs	8,755	2,257	6,498		FCS
3,382	2,156	1,226	Assuring access to schools	3,514	2,209	1,305		FCS
25,933	7,022	18,911	Total	22,349	8,209	14,140		
	56,977	-56,977	Dedicated School Grant	0	60,272	-60,272		
1,941	3,251	-1,310	Inter-authority recoupment	2,142	3,414	-1,272		FCS
			Non-School Funding					
3,679	662	3,017	Strategic Management of non-school services	3,627	667	2,960		FCS
3,371	1,421	1,950	Pre-school education	4,879	2,898	1,981		FCS
1,427	1,305	122	Adult education	1,316	1,195	121		FCS
2,184	1,646	538	Community education	2,164	1,677	487		FCS
355	38	317	Support for students	352	39	313		FCS
4,930	2,098	2,832	Children & young people services	4,857	2,203	2,654		FCS
1,313	0	1,313	Grants to Voluntary Organisations	1,362	0	1,362		FCS
211	200	11	Training & Employment	173	170	3		FCS
17,470	7,370	10,100	Total	18,730	8,849	9,881		
106,445	86,192	20,253	Total Education Services Spending	105,785	90,740	15,045		FCS

FAMILY AND CHILDREN'S SERVICES Service Summary

2006/07 Budget			Service	2007/08 Budget			Outputs	Head of Service
Exp	Income	Net		Exp	Income	Net		
£'000	£'000	£'000		£'000	£'000	£'000		
			Cabinet Member for Family & Children's Services					
			Family Services					
5,295	5,295	0	Management & Support Services (Recharged)	5,010	5,010	0		FCS
32	0	32	Corporate & Democratic Core	31	0	31		FCS
174	0	174	Service Strategy	46	0	46		FCS
			Services for Children & Families					
8,001	626	7,375	Commissioning & Social Work	7,772	429	7,343		FCS
9,275	1,148	8,127	Children Looked After	9,209	1,486	7,723	160 Looked After Children Supported	FCS
6,594	1,778	4,816	Family Support Services	7,007	1,695	5,312	5 Family Centres and support to voluntary bodies	FCS
865	298	567	Youth Justice	1,072	397	675		FCS
3,155	601	2,554	Other Family Services	3,636	836	2,800	110 care leavers supported	FCS
27,890	4,451	23,439	Total	28,696	4,843	23,853		
			Asylum					
1,417	953	464	Asylum Service Budget	1,123	851	272		FCS
-4,709	-4,709	0	Adjustment for Recharged Services Income	-4,373	-4,373	0		FCS
30,099	5,990	24,109	Total Family Services	30,533	6,331	24,202		
			Cultural & Related Services					
46	0	46	Corporate & Democratic Core	44	0	44		FCS
			Culture & Heritage					
2,042	2,009	33	Libraries Management & Support Services	2,140	2,110	30		FCS
6,660	545	6,115	Libraries Services	6,109	467	5,642	Central Library & 5 Branch Libraries.	FCS
110	0	110	Archives & Heritage	81	0	81		FCS
540	203	337	Sports Development & Community Recreation	531	181	350		FCS
9,352	2,757	6,595	Total	8,861	2,758	6,103		
9,398	2,757	6,641	Total Cultural & Related Services	8,905	2,758	6,147		
145,942	94,939	51,003	Total Cabinet Member for Family & Children's Services	145,223	99,829	45,394		

FAMILY AND CHILDREN'S SERVICES

SUMMARY OF CHANGES	Budget 2007/08
	£'000
ORIGINAL BUDGET 2006/07	51,003
o PAY & PRICES CHANGES	
Pay awards	662
Price Variations - Expenditure	879
Price Variations - Income	-136
Total Pay & Prices Increases	1,405
o CENTRAL SUPPORT SERVICES CHANGES	552
o TRANSFERS TO/ FROM OTHER COMMITTEES	-521
o CAPITAL CHARGES VARIATIONS	-6,525
SUB TOTAL	45,914
o FINANCIAL PLAN (See Appendix for details)	
Local Growth	
Services for children with disabilities	140
Implementation of Adoption Inspection recommendations	40
Total Local Growth	180
Planned Growth	
Services for children with disabilities	100
Increased cost of speech and language therapy	21
Special Educational Needs Transport	319
Family Services Demand pressures, e.g. Hillingdon judgement	140
Total Planned Growth	580
Total Growth	760
Planned Reductions	
Savings from rehousing social work teams	-85
Reduced Area Child Protection Scheme budget (not needed for service delivery)	-7
Savings from reducing numbers of Looked After Children	-100
Deleted schools based social work post	-35
Reduced budget for training and development of school staff	-162
Reduced community learning costs e.g. rationalised support and management services	-102
Savings from new library stock procurement contract	-25
Local Area Agreement funding for the Healthy Schools Programme	-10
Restructured Employments Project Team	-8
Revised play centre fees	-45
Rationalised Policy, Performance and Resources Section	-84
Rationalisation of support to the voluntary sector	-63
- Reduce staffing in Language Development Service	-15
- Savings In funding provided for Newly Qualified teachers	-45
- One off increase in 06/07 in the libraries materials fund	-100
- One off increase in 06/07 of youth budgets to renew equipment	-100
- One off increase in 06/07 for developing school admission arrangements	-40
Total Planned Reductions	-1,026
o OTHER CHANGES	
Adjustment to reflect current service pension liability	151
Net increase of grant funding in 2007/08 funded from unallocated grants in 06/07	-330
Reduction in match funding for Standards Funds	-75
Total Other Changes	-254
TOTAL BUDGET	45,394

EDUCATION SERVICES – CORPORATE AND DEMOCRATIC CORE		
COST CENTRES E7109 and E9002		
Cabinet Member for Education and Libraries	Budget 2006/2007	Budget 2007/2008
	£'000	£'000
EXPENDITURE		
Supplies and Services (1)	0	27
Total Direct Expenditure	0	27
Recharges from other services	213	212
TOTAL EXPENDITURE	213	239
NET EXPENDITURE	213	239
DESCRIPTION OF SERVICE		
<p>In accordance with the revised guidelines set out in the CIPFA code of practice on Best Value Accounting, costs relating to the Corporate and Democratic Core have been identified separately.</p> <p>The costs include those relating to officer time spent on advice and support activities to Councillors including the preparation of Key Decisions and other reports, as well as officer time spent on producing information for members of the public, Best Value Performance Plans and Statements of account where these are not related to the direct management of the service. It now includes expenditure on Town Twinning activities.</p>		
MAJOR VARIATIONS (EXCLUDING RECHARGES)		
<ul style="list-style-type: none"> • Pay and prices increases of £520 have been applied to this budget. <p>(1) £26,070 has been transferred from Corporate Services for Town Twinning Activities with Cannes.</p>		

DELEGATED INDIVIDUAL NURSERY SCHOOL BUDGETS		
COST CENTRES E1002, E1004, E1006, E1007, E2111 and E2109		
Cabinet Member for Education and Libraries	Budget 2006/2007 £'000	Budget 2007/2008 £'000
EXPENDITURE		
Schools' Delegated Budgets	1,840	1,884
Total Direct Expenditure	1,840	1,884
TOTAL EXPENDITURE	1,840	1,884
NET EXPENDITURE	1,840	1,884
DESCRIPTION OF SERVICE		
<p>The Royal Borough maintains 4 community nursery schools.</p> <p>These schools currently provide education for some 229 (217 fte) pupils less than 5 years of age at September 2006.</p> <p>The 4 nursery schools have delegated budgets under the Fair Funding scheme.</p>		
MAJOR VARIATIONS (EXCLUDING RECHARGES)		
<ul style="list-style-type: none"> • The increase shown above are estimates at this stage which will be finalised once the final Dedicated Schools Grant has been announced. • The figures above are based on the requirements of the Minimum Funding Guarantee. 		

DELEGATED INDIVIDUAL PRIMARY SCHOOL BUDGETS

COST CENTRES E2201– E2294, E2809 and E2811

Cabinet Member for Education and Libraries	Budget 2006/2007 £'000	Budget 2007/2008 £'000
EXPENDITURE		
Schools' Delegated Budgets	29,256	30,940
Total Direct Expenditure	29,256	30,940
TOTAL EXPENDITURE	29,256	30,940
NET EXPENDITURE	29,256	30,940

DESCRIPTION OF SERVICE

The Royal Borough is responsible for the revenue funding for 26 primary schools, 12 of which are community, 7 are Roman Catholic voluntary aided schools and 7 are Church of England voluntary aided schools.

At September 2006, 7,000 (6,987 fte) pupils aged between 3 + and 11 years were being educated in maintained primary schools, which include 21 nursery classes.

All primary schools have delegated budgets under the Fair Funding scheme.

MAJOR VARIATIONS (EXCLUDING RECHARGES)

- The increase shown above are estimates at this stage which will be finalised once the final Dedicated Schools Grant has been announced.
- The figures above are based on the requirements of the Minimum Funding Guarantee.

DELEGATED INDIVIDUAL SECONDARY SCHOOL BUDGETS		
COST CENTRES E2312- E2399		
Cabinet Member for Education and Libraries	Budget 2006/2007 £'000	Budget 2007/2008 £'000
EXPENDITURE		
Schools' Delegated Budgets	18,731	19,277
Total Direct Expenditure	18,731	19,277
TOTAL EXPENDITURE	18,731	19,277
INCOME		
Government Grants - Learning and Skills Council (1)	2,869	3,080
TOTAL INCOME	2,869	3,080
NET EXPENDITURE	15,862	16,197
DESCRIPTION OF SERVICE		
<p>The Royal Borough is responsible for one community secondary school and three Roman Catholic voluntary aided secondary schools, providing education to 3,526 pupils aged between 11 and 19 years (September 2006). Two of the schools have sixth forms, totalling 516 pupils, for which funding is provided through a grant from the Learning and Skills Council.</p> <p>All secondary schools have delegated budgets under the Fair Funding scheme.</p>		
MAJOR VARIATIONS (EXCLUDING RECHARGES)		
<ul style="list-style-type: none"> The increase shown above are estimates at this stage which will be finalised once the final Dedicated Schools Grant has been announced. The figures above are based on the requirements of the Minimum Funding Guarantee. <p>(1) The LSC Funding has increased in line with 6th form pupil projections and a 3.7% per pupil increase.</p>		

DELEGATED INDIVIDUAL SPECIAL SCHOOL BUDGETS		
COST CENTRES E2413 and E2431 – E2434		
Cabinet Member for Education and Libraries	Budget 2006/2007 £'000	Budget 2007/2008 £'000
EXPENDITURE		
Schools' Delegated Budgets	3,150	3,392
Total Direct Expenditure	3,150	3,392
TOTAL EXPENDITURE	3,150	3,392
INCOME		
Govt Grants - Learning and Skills Council (1)	794	84
TOTAL INCOME	794	84
NET EXPENDITURE	2,356	3,308
DESCRIPTION OF SERVICE		
<p>The Royal Borough has responsibility for two special schools: Chelsea Children's Hospital School and Parkwood Hall, a residential and day school located near Swanley in Kent. The latter provides for boys and girls with learning difficulties aged between 8 and 19 years, and has a roll of 67 pupils (September 2006 roll).</p> <p>Both Parkwood Hall and Chelsea Children's Hospital School are allocated delegated budgets in accordance with the LEA's Fair Funding scheme.</p> <p>Both of these facilities provide places for pupils from other Boroughs the costs of which are recouped from those Boroughs.</p>		
MAJOR VARIATIONS (EXCLUDING RECHARGES)		
<ul style="list-style-type: none"> • The increase shown above are estimates at this stage which will be finalised once the final Dedicated Schools Grant has been announced. • The figures above are based on the requirements of the Minimum Funding Guarantee. <p>(1) The LSC grant has been increased by the guideline of 3.7%. [The six form funding relating to Independent Schools, totalling £711,000 has been transferred to Supporting Special Education Needs</p>		

GRANTS TO BE DEVOLVED TO SCHOOLS		
COST CENTRES E3001 – E3040		
Cabinet Member for Education and Libraries	Budget 2006/2007 £'000	Budget 2007/2008 £'000
EXPENDITURE		
Funds Devolved to Schools (1,2)	7,909	6,832
Total Direct Expenditure	7,909	6,832
Central Support Services Recharges	2	0
TOTAL EXPENDITURE	7,911	6,832
INCOME		
Government Grants - Standards Fund (1)	6,510	5,433
- School Standards Grant (1)	1,399	1,399
TOTAL INCOME	7,909	6,832
NET EXPENDITURE	2	0
DESCRIPTION OF SERVICE		
This budget shows the Council's contribution to Standards Fund Revenue Grants that are delegated to schools.		
MAJOR VARIATIONS (EXCLUDING RECHARGES)		
<p>(1) The Standards Fund has reduced by £1,077m as some elements, such as part of the "Excellence in the Cities" Grant, are now paid directly to third party organisations.</p> <p>(2) The School Standards Grant income and expenditure budgets will be devolved to schools once the actual amounts per schools have been agreed following the January pupil count. The figures shown are estimates and will be finalised in line with actual January pupil numbers.</p>		

SCHOOLS STRATEGIC MANAGEMENT		
COST CENTRES E2507 – E2509, E2511 - E2512, E2610, E2810, E3010 and E9601		
Cabinet Member for Education and Libraries	Budget 2006/2007 £'000	Budget 2007/2008 £'000
EXPENDITURE		
Employees	667	694
Premises	18	22
Transport Related Expenditure	1	1
Supplies and Services (1)	565	587
Transport Assistance to Pupils (2)	120	110
Third Party Payments (3)	92	70
Total Direct Expenditure	1,463	1,484
Central Support Services Recharges (3)	222	264
Departmental Recharges	14	12
Capital Charges (4)	6,703	1,646
TOTAL EXPENDITURE	8,402	3,406
INCOME		
Charges For Service Level Agreements	592	607
Fees, Charges and Other Income	72	74
Recharges to Other Services	16	16
TOTAL INCOME	680	697
NET EXPENDITURE	7,722	2,709
DESCRIPTION OF SERVICE		
This budget provides for: -		
<ul style="list-style-type: none"> • The administration of the Schools Forum. • The administration of exclusions. • Centrally retained costs of IT support for the Royal Borough's schools. • Support for Governing Bodies • Capital Charges for all schools projects. 		
MAJOR VARIATIONS (EXCLUDING RECHARGES)		
<ul style="list-style-type: none"> • Pay and prices increases of £26,320 have been applied to this budget. <p>(1) The increase in Supply and Services costs relate to the anticipated rising costs of fuel prices and increased NNDR charges.</p> <p>(2) £12,400 has been transferred to Community Education for contribution towards salaries.</p> <p>(3) The ISD costs have been charged as part of central support recharge in 2007/08; previously this was shown as part of Third Party Payments.</p> <p>(4) A change in accounting standards has removed the interest element from Capital Charges.</p>		

NON DELEGATED SCHOOL RELATED GRANTS		
COST CENTRES E3500 – E3541		
Cabinet Member for Education and Libraries	Budget 2006/2007 £'000	Budget 2007/2008 £'000
EXPENDITURE		
Employees (1)	901	862
Premises	12	12
Supplies and Services (3,4)	2,557	3,259
Third Party Payments (5)	129	118
Total Direct Expenditure	3,599	4,251
Central Support Services Recharges (5)	157	203
Capital Charges (6)	23	6
TOTAL EXPENDITURE	3,779	4,460
INCOME		
Government Grants – Standards Fund (2)	1,942	2,050
- Government Office for London (1)	53	0
- Teacher Training Agency (1)	40	0
Fees, Charges and Other Income	84	85
TOTAL INCOME	2,119	2,135
NET EXPENDITURE	1,660	2,325
DESCRIPTION OF SERVICE		
<p>This budget provides support for Government Grants (mainly match funding of Standards Funds) and includes expenditure retained by the LEA to support schools, pupils and school based staff.</p>		
MAJOR VARIATIONS (EXCLUDING RECHARGES)		
<p>(1) The Grant income funding two seconded posts has ceased. The matching decrease in expenditure is reflected in the employees' costs. (2) Standard Fund increased by £108,000 because of higher allocation in 2007/08. (3)Supplies and Services area includes unallocated Dedicated Schools Grant given for the growth in pupil numbers projected by the DfES. If the growth materialises, the grant will be allocated to the relevant schools, otherwise the grant will be returned to the DfES. (4) Supplies and Services include a budget of £86,400 transferred from Facilitating School Improvement to support extended schools inclusion. (5) The ISD costs have been charged as part of central support recharge in 2007/08; previously this was shown as part of third party payment. These have been off set by a growth item if £21,000 added to third party payments for the increased cost of the Speech and Language Therapy service. (6) A change in accounting standards has removed the interest element from Capital charges.</p>		

FACILITATING SCHOOL IMPROVEMENT		
COST CENTRES E3901 – E3910		
Cabinet Member for Education and Libraries	Budget 2006/2007 £'000	Budget 2007/2008 £'000
EXPENDITURE		
Employees	1,052	1,072
Premises Related Expenditure (1)	316	340
Transport	5	5
Supplies and Services (2,3)	535	284
Third Party Payments (4)	132	107
Total Direct Expenditure	2,040	1,808
Central Support Services Recharges	166	214
Departmental Recharges (6)	36	150
Capital Charges (5)	175	42
TOTAL EXPENDITURE	2,417	2,214
INCOME		
Charges for Service Level Agreements	62	64
Fees, Charges and Other Income	580	595
Rents	20	20
Recharges to other Services (6)	125	232
TOTAL INCOME	787	911
NET EXPENDITURE	1,630	1,303
DESCRIPTION OF SERVICE		
<p>This budget contains funding relating to:</p> <ul style="list-style-type: none"> • The residual running costs of the Professional Development Centre (PDC), after recharges have been made to services using the Centre. • Training budgets for aspects of Continuing Professional Development. • Training budgets for non-delegated school in-service training and Business group staff. • The Inspection and Advisory Service. • Provision for the Language Development Service Team. 		
MAJOR VARIATIONS (EXCLUDING RECHARGES)		
<ul style="list-style-type: none"> • Pay and prices increases of £20,480 have been applied to this budget. <p>(1) The increase in premises costs relate to anticipated higher cost of fuel prices and NNDR charges. (2) A Financial Plan reduction of £162,000 relating to a reduced budget for training and development of school staff. (3) A Contribution of £86,400 and £9,100 has been transferred to budgets for Non Delegated School related Grants and Grants To Be Devolved to Schools. (4) The ISD costs have been charged as part of central support recharge in 07/08; previously this was shown as part of third party payment. (5) A change in accounting standards has removed the interest element from Capital Charges. (6) The higher recharges of £107,450 reflects the increased occupied floor spaces at the PDC.</p>		

SUPPORTING SPECIAL EDUCATION NEEDS		
COST CENTRES E5001, E5002, E5602 – E5609 and E5611 – E5616		
Cabinet Member for Education and Libraries	Budget 2006/2007 £'000	Budget 2007/2008 £'000
EXPENDITURE		
Employees (1)	3,560	3,831
Premises Related Expenditure (2)	81	100
Transport Related Expenditure	16	17
SEN Transport Contract (3,4)	1,152	1,584
Supplies and Services	348	376
Payments to Independent Providers	2,323	2,374
Third Party Payments (5)	34	27
Total Direct Expenditure	7,514	8,309
Central Support Services Recharges (5)	303	362
Departmental Recharges	49	42
Capital Charges	87	42
TOTAL EXPENDITURE	7,953	8,755
INCOME		
Govt Grants - Learning and Skills Council (6)	268	1,244
Fees, Charges and Other Income	64	65
Charges for Service Level Agreements	948	948
TOTAL INCOME	1,280	2,257
NET EXPENDITURE	6,673	6,498
DESCRIPTION OF SERVICE		
<p>This budget provides for 5 main areas of SEN support:</p> <ul style="list-style-type: none"> • The Education Psychology Service. • The Pupil Support Service, which provides support through the Pupil Referral Unit. • The transport service providing home-to-school transport for pupils with Special Educational Needs. • The costs of providing specialist equipment and advice in relation to SEN. • Payments to independent providers of special education. 		
MAJOR VARIATIONS (EXCLUDING RECHARGES)		
<p>(1) This budget includes growth of £250,000 funded by an increase in the Dedicated Schools Grant to cover increases in pupil's requiring support through the Pupil Support Service.</p> <p>(2) The increase in premises costs relate to anticipated higher cost of fuel prices and NNDR charges.</p> <p>(3) A Financial Plan growth item of £319,000 has been added to meet the increased demand on services provided by Special Needs Transport.</p> <p>(4) Super inflation of £90,000 is also added to the budget for increased costs for Special Needs Transport.</p> <p>(5) The ISD costs have been charged as part of central support recharge in 2007/08; previously this was shown as part of third party payment.</p> <p>(6) The Learning and Skills Council Grant has been increased by £976,470 by a £711,000 transfer from an amount previously allocated to Delegated Individual Special Schools Budgets and an inflation increase of 3.7% on the grant.</p>		

ASSURING ACCESS TO SCHOOLS		
COST CENTRES E5500, E5529 – E5529 - E5532, E5550 and E9511		
Cabinet Member for Education and Libraries	Budget 2006/2007 £'000	Budget 2007/2008 £'000
EXPENDITURE		
Employees (1)	1,076	1,055
Premises Related Expenditure	20	21
Transport Related Expenditure	13	14
Supplies and Services	157	170
Payments to Contractors (2)	1,913	2,019
Total Direct Expenditure	3,179	3,279
Central Support Services Recharges	184	218
Departmental Recharges	19	17
TOTAL EXPENDITURE	3,382	3,514
INCOME		
Charges for Service Level Agreements	2,115	2,168
Fees, Charges and Other Client Income	36	36
Recharges to other services	5	5
TOTAL INCOME	2,156	2,209
NET EXPENDITURE	1,226	1,305
DESCRIPTION OF SERVICE		
<p>This budget includes the cost of the Education Welfare Service, the Planning and Provision of School Places team and the School Meals Management contract. Under the Fair Funding framework the School Meals budgets were delegated to primary and secondary schools from April 2000 and to nursery schools from 1st April 2004.</p>		
MAJOR VARIATIONS (EXCLUDING RECHARGES)		
<ul style="list-style-type: none"> Pay and prices increases of £21,490 have been applied to this budget. <p>(1) A growth item of £40,000 for one year only in 06/07 for developing schools admissions arrangement to fulfil government requirement has been returned.</p> <p>(2) There is a £90,000 growth item included in the budget for increased schools meals cost due to new legislative requirements, funded by increases in the Dedicated Schools Grant.</p>		

INTER AUTHORITY RECOUPMENT		
COST CENTRES E5000, E5003 – E5004		
Cabinet Member for Education and Libraries	Budget 2006/2007 £'000	Budget 2007/2008 £'000
EXPENDITURE		
Payments to Other LEAs (1)	1,935	2,135
Total Direct Expenditure	1,935	2,135
Central Support Services Recharges	6	7
TOTAL EXPENDITURE	1,941	2,142
INCOME		
Recharges to other LEAs	3,251	3,414
TOTAL INCOME	3,251	3,414
NET EXPENDITURE	(1,310)	(1,272)
DESCRIPTION OF SERVICE		
<p>This budget provides for the cost of resident pupils with statements of Special Education Needs based in other Local Authorities in accordance with the provision specified in individual statements. It also provides for the income recoverable from other Local Authorities arising from charges for pupils with statements being educated in Royal Borough Schools.</p>		
MAJOR VARIATIONS (EXCLUDING RECHARGES)		
<p>(1) The small increase reflects inflation with the volume of cases being presumed to remain constant.</p>		

STRATEGIC MANAGEMENT NON-SCHOOL SERVICES		
COST CENTRES E9001, E9003, E9003, E9101 – E9110 and E9701		
Cabinet Member for Education and Libraries	Budget 2006/2007 £'000	Budget 2007/2008 £'000
EXPENDITURE		
Employees (2)	2,219	2,376
Premises Related Expenditure	8	5
Transport Related Expenditure	11	11
Supplies and Services (1)	278	128
Third Party Payments (3)	57	17
Total Direct Expenditure	2,573	2,537
Central Support Services Recharges (3)	917	1,051
Capital Charges (4)	189	39
TOTAL EXPENDITURE	3,679	3,627
INCOME		
Government Grants - Connexions	12	12
Service Level Agreement charges	81	83
Fees and charges to other organisations	122	124
Recharges to other services	447	448
TOTAL INCOME	662	667
NET EXPENDITURE	3,017	2,960
DESCRIPTION OF SERVICE		
<p>The Strategic Management Services sections provide a range of support and advisory services across the Business Group. Several of the services operate under Service Level Agreements with schools for part of their activities.</p>		
MAJOR VARIATIONS (EXCLUDING RECHARGES)		
<ul style="list-style-type: none"> • Pay and price increases of £76,040 have been applied to this budget. <p>(1) £92,000 savings have been included for rationalising the Policy, Performance service and other support services.</p> <p>(2) £100,750 for salaries, from the Housing, Health and Adult Social Care Business Group have been added due to continuing Business Group realignment.</p> <p>(3) ISD costs have been charged as part of Central Support Services Recharges in 2007/08. Previously they formed part of Third Party Payments.</p> <p>(4) A change in accounting standards has removed the interest element from capital charges.</p>		

PRE SCHOOL EDUCATION		
COST CENTRES E1000, E1001, E1041, E1044, E1045, E1051 and E1055		
Cabinet Member for Family and Children's Services	Budget 2006/2007 £'000	Budget 2007/2008 £'000
EXPENDITURE		
Employees (1)	690	1,040
Premises Related Expenditure (1)	7	16
Transport Related Expenditure	2	4
Supplies and Services (1)	630	1,919
Grant Payments to private providers (2)	1,605	1,659
Contracted Services (1)	200	36
Total Direct Expenditure	3,134	4,674
Central Support Services Recharges	81	102
Departmental Recharges	90	98
Capital Charges (3)	66	5
TOTAL EXPENDITURE	3,371	4,879
INCOME		
Government Grants		
- Sure Start Grant (1)	1,409	2,307
Other Grants and Contributions	12	591
-London Dev. Agency (1)		
TOTAL INCOME	1,421	2,898
NET EXPENDITURE	1,950	1,981
DESCRIPTION OF SERVICE		
This budget includes all grants relating to non-maintained early years education and childcare in private and voluntary sector settings.		
MAJOR VARIATIONS (EXCLUDING RECHARGES)		
<p>(1) Increased Sure Start and London Development Agency Grant has been reflected in increased expenditure throughout the service.</p> <p>(2) £56,850 has been added to the budget in line with the increased funding provided within the Dedicated School Grant to fund the increased number of hours to be provided for each child.</p> <p>(3) A change in accounting standards has removed the interest element from capital charges.</p>		

ADULT EDUCATION		
COST CENTRES E7240 - E7274 and E7340 - E7374		
Cabinet Member for Education and Libraries	Budget 2006/2007 £'000	Budget 2007/2008 £'000
EXPENDITURE		
Employees	119	125
Supplies and Services	99	63
Third Party Payments	276	302
Payments to Kensington and Chelsea College (1)	670	566
Total Direct Expenditure	1,164	1,056
Central Support Services Recharges	24	28
Departmental Recharges	141	141
Capital Charges (2)	98	91
TOTAL EXPENDITURE	1,427	1,316
INCOME		
Government Grants - Learning and Skills Council (1)	1,305	1,195
TOTAL INCOME	1,305	1,195
NET EXPENDITURE	122	121
DESCRIPTION OF SERVICE		
<p>The Royal Borough is funded by the London Central Learning and Skills Council to provide adult and community learning, which is secured through contracts with Kensington and Chelsea College and voluntary organisations.</p> <p>Also included in this service is the annual funding for Family Literacy, Language and Numeracy (FLLN) and Neighbourhood Learning in Deprived Communities (NLDC)</p> <p>The provision aims to widen adult participation in learning as part of the broader strategy of lifelong learning. It also funds provision at Kensington and Chelsea College, through London Central Learning and Skills Council funding.</p>		
MAJOR VARIATIONS (EXCLUDING RECHARGES)		
<p>(1) The reduction in the Learning and Skills Council payments has mainly been reflected in the reduced amount to Kensington and Chelsea College.</p> <p>(2) A change in accounting standards has removed the interest element from capital charges.</p>		

COMMUNITY EDUCATION		
COST CENTRES E7110 – E7150 and E6270		
Cabinet Member for Education and Libraries Cabinet Member for Family and Children’s Services	Budget 2006/2007 £'000	Budget 2007/2008 £'000
EXPENDITURE		
Employees	1,200	1,175
Premises Related Expenditure (1)	295	309
Transport Related Expenditure	18	20
Supplies and Services (2)	251	278
Third Party Payments (3)	20	4
Total Direct Expenditure	1,784	1,786
Central Support Services Recharges (3)	166	192
Departmental Recharges	169	167
Capital Charges (4)	65	19
TOTAL EXPENDITURE	2,184	2,164
INCOME		
Government Grants - Learning and Skills	54	74
- Young Peoples Substance Misuse Planning Grant	25	25
- Connexions	102	101
- Department of Health	91	91
Other Grants and Contributions		
- LCEBA (London Central Education Business Alliance)	13	15
Fees, Charges and Other Client Income	3	3
Service Charges (1)	99	113
Recharges to Other Services	1,259	1,255
TOTAL INCOME	1,646	1,677
NET EXPENDITURE	538	487
DESCRIPTION OF SERVICE		
<p>The administration and training costs for the range of Community Learning services are included in this budget(including the Director for Community Learning and the Senior Management Team of Service Managers). The costs are recharged to the various service delivery budgets within Community Learning. The Community Learning Directorate takes responsibility for the direction of policies and overall management and integration of services for Study Support and Supplementary Schools, Substance Misuse and Health Education and the Duke of Edinburgh Award. The Community Learning administration function is located at 125 Freston Rd (3rd floor). This budget includes the costs of this building and the Carlyle Building, which are both fully recharged to users of the sites.</p>		
MAJOR VARIATIONS (EXCLUDING RECHARGES)		
<ul style="list-style-type: none"> • Pay and prices increases of £35,500 have been applied to this budget. • £88,000 savings have been included for the rationalisation of support services, study support and extended schools functions, improved management & staffing efficiencies, efficiency savings on building costs and the utilisation of LAA funding to cover part of the Health Schools Programme. <p>(1) Increased building costs for higher fuel charges have been offset by additional service charges levelled.</p> <p>(2) Increased expenditure of £15,290 has been included for new and increased Standards Funds.</p> <p>(3) ISD costs have been charged as part of Central Support Services Recharges in 2007/08. Previously they formed part of Third Party Payments.</p> <p>(4) A change in accounting standards has removed the interest element from capital charges.</p>		

CHILDREN AND YOUNG PEOPLE SERVICES		
COST CENTRES E6000 - E6043 and E6200 – E6266		
Cabinet Member for Family and Children's Services	Budget 2006/2007 £'000	Budget 2007/2008 £'000
EXPENDITURE		
Employees (1,5)	2,656	2,724
Premises Related Expenditure	147	157
Transport Related Expenditure (5)	42	49
Supplies and Services (1,2,5)	857	633
Third Party Payments (3)	80	156
Total Direct Expenditure	3,782	3,719
Central Support Services Recharges (3)	363	399
Departmental Recharges	660	646
Capital Charges (4)	125	93
TOTAL EXPENDITURE	4,930	4,857
INCOME		
Government Grants		
- Connexions (5)	1,203	1,166
- DfES – Youth Opportunities Fund (5)	0	131
- Young Peoples Substance Misuse Planning Grant (5)	28	0
- Learning and Skills Council (5)	26	0
- Children's Fund (5)	290	284
Other Grants and Contributions - Youth Justice Board	123	125
- London South Bank University	20	20
- London Development Agency (5)	0	39
- NHS (5)	25	10
Fees, Charges and Other Client Income	375	419
Rent	8	9
TOTAL INCOME	2,098	2,203
NET EXPENDITURE	2,832	2,654
DESCRIPTION OF SERVICE		
<p>This service facilitates, resources and co-ordinates a wide range of responsive and accessible provision focused on children and young people. In so doing, it aims to nurture children and young people in order that they may develop into caring adults. Provision includes youth clubs, specialist projects, play centres, adventure playgrounds, detached work and other special initiatives.</p> <p>The Royal Borough also acts as lead Authority for the Central London Connexions Partnership.</p>		

MAJOR VARIATIONS (EXCLUDING RECHARGES)

- Pay and prices increases of £88,520 have been applied to this budget.
 - £65,000 savings have been included for improved management and staffing efficiencies and a revision of Play Centre charges.
- (1) £50,000 has been transferred to Children and Families Services for information sharing and common assessment framework.
 - (2) A growth item of £100,000 for one year only in 06/07, to renew equipment in Youth Service has been returned.
 - (3) ISD costs have been charged as part of Central Support Services Recharges in 2007/08. Previously they formed part of Third Party Payments.
 - (4) A change in accounting standards has removed the interest element from capital charges.
 - (5) A net increase in grant contributions to the service has been matched by an increase in expenditure.

GRANTS TO VOLUNTARY ORGANISATIONS – COMMUNITY LEARNING		
COST CENTRES E6300 –E6607		
Cabinet Member for Education and Libraries Cabinet Member for Family and Children’s Services	Budget 2006/2007 £’000	Budget 2007/2008 £’000
EXPENDITURE		
Employees	1,121	1,147
Premises Related Expenditure (1)	0	21
Transport Related Expenditure	11	11
Running Costs	148	152
Total Direct Expenditure	1,280	1,331
Capital Charges	33	31
TOTAL EXPENDITURE	1,313	1,362
NET EXPENDITURE	1,313	1,362
DESCRIPTION OF SERVICE		
<p>The Royal Borough works in partnership with voluntary organisations to provide learning and youth service through the Partners in Learning Programme.</p>		
MAJOR VARIATIONS (EXCLUDING RECHARGES)		
<ul style="list-style-type: none"> • Pay and prices increases of £30,800 have been applied to this budget. <p>(1) £20,710 has been transferred from Corporate Services for property related expenditure, to reflect the true value of rent-free accommodation currently given to Voluntary Organisations.</p>		

TRAINING AND EMPLOYMENT		
COST CENTRES E7500 and E7650		
Cabinet Member for Education and Libraries	Budget 2006/2007 £'000	Budget 2007/2008 £'000
EXPENDITURE		
Employees (1)	126	123
Premises Related Expenditure (1)	15	10
Transport Related Expenditure (1)	1	4
Third Party Payments (1)	24	0
Total Direct Expenditure	166	137
Central Support Services Recharges	45	36
TOTAL EXPENDITURE	211	173
INCOME		
Government Grants – Learning and Skills Council (1)	100	25
Other Grants and contributions - Job Centre Plus (1)	100	0
- London Development Agency (1)	0	145
TOTAL INCOME	200	170
NET EXPENDITURE	11	3
DESCRIPTION OF SERVICE		
<p>This budget covers: The Employment Project team, which works with local businesses, training providers and unemployed adults. The team manages and runs training and other employment related programmes, develops local initiatives to assist unemployed people and secures external funding and other resources to enable these initiatives to operate. This team operates on a fully self-financing basis. The team also works with local organisations to assist in the development of other related activities.</p> <p>There are still some residual costs included in this budget, related Training for Skills.</p>		
MAJOR VARIATIONS (EXCLUDING RECHARGES)		
<ul style="list-style-type: none"> Pay and prices increases of £140 have been applied to this budget. <p>(1) A reduction in the grant contributions for the Employment Projects team has been matched by a reduction in expenditure.</p>		

FAMILY SERVICES' MANAGEMENT AND SUPPORT SERVICES		
COST CENTRES S1000, S1003, S1004, S1010, - S1012, S1400 – S1401, S1403, S1600 – S1601, S1695, S1800 – S1802 and S2100		
Cabinet Member for Family and Children's Services	Budget 2006/2007 £'000	Budget 2007/2008 £'000
EXPENDITURE		
Employees	2,288	2,176
Premises Related Expenditure	198	120
Transport Related Expenditure	40	41
Supplies and Services	213	250
Third Party Payments	84	17
Total Direct Expenditure	2,823	2,604
Central Support Services	1,232	1,432
Business Group Support Recharges	202	202
Other Departmental Recharges	823	712
Capital Charges	215	60
TOTAL EXPENDITURE	5,295	5,010
INCOME		
Government Grants	0	40
Rents	58	58
Other Departmental Recharges	528	539
TOTAL INCOME	586	637
NET EXPENDITURE (FULLY RECHARGED)	4,709	4,373
DESCRIPTION OF SERVICE		
<p>Family Services' Management and Support Services comprises functions which support the direct provision of Children's Social Care and Asylum services to the public. These functions are required under the CIPFA Best Value Accounting Code of Practice to be fully recharged to client-related services, to Service Strategy or to the Corporate and Democratic Core. It comprises the costs of senior management, administration, and voluntary organisation liaison. Administration covers a range of support activities based at Kensington Town Hall, in area offices, and in Council and National Health Service establishments. It includes the provision of advice, information and reception services and public information services for Social Care services for both Children and Families and Adults.</p>		
MAJOR VARIATIONS (EXCLUDING RECHARGES)		
<ul style="list-style-type: none"> Pay and price increases have added £103,000 to the budget. <p>Financial Plan reductions of £85,000 relating to office costs for social work teams have been included in the budget.</p> <ul style="list-style-type: none"> Government grants of £40,000 for administration and support staff have been included. A change in accounting standards has removed the interest element from capital charges. 		

CHILDREN AND FAMILIES		
COST CENTRES S1001 – S1002, S1005 – S1006, S105 – S1210, S1402, S1410 – S1583, S1602 – S1640, S1721 – S1752, S1805 – S1900 and S2105 – S2390		
Cabinet Member for Family and Children's Services	Budget 2006/2007 £'000	Budget 2007/2008 £'000
EXPENDITURE		
Employees	11,239	12,404
Premises Related Expenditure	1,117	1,358
Transport Related Expenditure	48	49
Supplies and Services	1,671	1,141
Third Party Payments	8,208	8,411
Total Direct Expenditure	22,283	23,363
Central Support Services Recharges	1,044	1,064
Departmental Recharges	4,418	4,228
Capital Charges	145	41
TOTAL EXPENDITURE	27,890	28,696
INCOME		
Government Grants	3,593	3,700
Other Grants and Contributions	687	736
Fees, Charges and Other Client Income	136	372
Rents	35	35
TOTAL INCOME	4,451	4,843
NET EXPENDITURE	23,439	23,853
DESCRIPTION OF SERVICE		
<p>The Council has duties, under the Children Act 1989, to provide social care services to children in need.</p> <p>This heading covers four broad types of services:</p> <ul style="list-style-type: none"> • Services for looked after children and young people leaving care, including two general purpose children's homes, one leaving care hostel, residential care in the independent sector, family placements (fostering and adoption) and support for care leavers • Services for children with disabilities, including a respite care home and residential and day care placements • Family support services, including five family centres run by the Council, a range of day care services provided by the voluntary sector and financial assistance in emergencies • Services for young people who offend 		

MAJOR VARIATIONS (EXCLUDING RECHARGES)

- Pay and price increases have added £663,000 to the budget.
- Financial Plan growth of £420,000 has been added to the budget. This includes £240,000 increase for Services for children with disabilities, £140,000 for Family Services demand pressure and £40,000 for the implementation of adoption inspection recommendations.
- Financial Plan reductions amount to £205,000. This comprises £100,000 from savings from reduced numbers of looked after children, £63,000 from rationalisation of support to the voluntary sector, £35,000 from deleted schools based social work post and £7,000 from reduced Area Child Protection Committee budget (not needed for service delivery).
- Fee income has been increased by £236,000 to reflect income expected from other Local Authorities for children placed with our fostering and adoption services and income from parents for childcare places at Children's Centres.
- There has been a movement in the analysis of costs funded in full by the Sure Start locality grant with an increase in staff costs and a reduction in Supplies and Services of £456,000.
- A change in accounting standards has removed the interest element from capital charges.

SERVICES FOR ASYLUM SEEKERS		
COST CENTRES S1813 – S1818 and S2012		
Cabinet Member for Family and Children's Services	Budget 2006/2007 £'000	Budget 2007/2008 £'000
EXPENDITURE		
Employees	224	187
Third Party Payments	789	743
Total Direct Expenditure	1,013	930
Central Support Services Recharges	145	28
Departmental Recharges	259	165
TOTAL EXPENDITURE	1,417	1,123
INCOME		
Government Grants	953	851
TOTAL INCOME	953	851
NET EXPENDITURE	464	272
DESCRIPTION OF SERVICE		
<p>The above table comprises the budget provision for supporting unaccompanied asylum seeking children.</p> <p>The budget provision assumes a reduction in the numbers of cases supported in line with current trends.</p> <p>The costs of places in the Council's own homes are excluded but represent an opportunity cost.</p>		
MAJOR VARIATIONS (EXCLUDING RECHARGES)		
<p>The reductions in expenditure and Government Grants are due to the fall in the number of supported unaccompanied asylum seeking children.</p>		

CULTURAL AND RELATED SERVICES - MANAGEMENT AND SUPPORT SERVICES		
COST CENTRES L0001, L0101- L0113 and L0201		
Cabinet Member for Education and Libraries	Budget 2006/2007 £'000	Budget 2007/2008 £'000
EXPENDITURE		
Employees (1)	987	1,082
Transport Related Expenditure	5	8
Supplies and Services (2)	676	567
Third Party Payments (3)	95	81
Total Direct Expenditure	1,763	1,738
Central Support Services Recharges (3)	164	328
Departmental Recharges	1	1
Capital Charges (4)	114	73
TOTAL EXPENDITURE	2,042	2,140
INCOME		
Fees, Charges and Other Client Income	20	26
Recharges to Other Services	1,989	2,084
TOTAL INCOME	2,009	2,110
NET EXPENDITURE	33	30
DESCRIPTION OF SERVICE		
<p>These budgets cover the Libraries central management and support sections and include:</p> <ul style="list-style-type: none"> • Senior management posts responsible for the overall control of the Libraries and Arts Service. • Bibliographical Services - acquisition, cataloguing and classification of all books and other materials added to stock and operation of the inter-lending service in co-operation with other library systems. • Administrative Services - including general supplies, stationery and stores, orders and payments, telephonist, transport, portering and other administrative support. • Development and Technical Services - development initiatives, project management, performance monitoring, and maintenance and development of Information and Communications Technology (ICT) in Libraries. • Provision for books and other materials for the Libraries service. • The Records Management Service - organises and maintains the archives for the working files of the Council's Business Groups and provides day-to-day access and retrieval for staff. 		
MAJOR VARIATIONS (EXCLUDING RECHARGES)		
<ul style="list-style-type: none"> • Pay and prices increases of £45,760 have been applied to this budget. • £27,000 savings have been included for increased discounts on library stock through new consortia arrangements and efficiency savings on supplies and services. <p>(1) £67,030 for salaries has been transferred from Libraries Services, due to a re-organisation of duties within the whole library service.</p> <p>(2) A growth item of £100,000 for one year only in 06/07, for book purchases has been returned.</p> <p>(3) ISD costs have been charged as part of Central Support Services Recharges in 2007/08. Previously they formed part of Third Party Payments.</p> <p>(4) A change in accounting standards has removed the interest element from capital charges.</p>		

LIBRARIES SERVICES		
COST CENTRES L0211-L0281		
Cabinet Member for Education and Libraries	Budget 2006/2007 £'000	Budget 2007/2008 £'000
EXPENDITURE		
Employees (1,5)	2,271	2,244
Premises Related Expenditure (2)	614	645
Transport Related Expenditure (5)	3	2
Supplies and Services (5)	100	85
Third Party Payments (3,5)	55	43
Total Direct Expenditure	3,043	3,019
Central Support Services Recharges (3)	800	806
Departmental Recharges	1,921	2,017
Capital Charges (4)	896	267
TOTAL EXPENDITURE	6,660	6,109
INCOME		
Government Grants – SureStart (5)	40	20
Other Grants and Contributions-London D. Agency(5)	26	0
Fees, Charges and Other Client Income	302	303
Rent	60	60
Recharges to Other Services	117	84
	545	467
NET EXPENDITURE	6,115	5,642
DESCRIPTION OF SERVICE		
This budget covers the following: --		
<ul style="list-style-type: none"> • Central Library - This provides back-up services to all other libraries. The main services are as follows: - The First Stop Information, Adult Lending, Children's, Music and Audio/Visual and Local Studies Libraries. • Chelsea Library - Based in Chelsea Old Town Hall, Chelsea Library provides a comprehensive range of services including, book and A/V lending, quick reference, children's and access to Internet and other ICT. • North Kensington Library - The main library for the north of the Borough. Has the same range of services as Chelsea plus the Learning Space and Boost Basic Skills centre. • Notting Hill Gate Library - Part time library provides a basic lending service for adults and children, with small quick reference, cassette and video collections. • Brompton Library - Lending services for adults and children, small quick reference section, Learning Space on the first floor provides ICT based study facilities for parents and children. A Toy Library Service is offered as well as videos and sound recordings for loan. • Kensal Library - Part time library serves the Kensal New Town area, providing a lending service for adults and children. The library is the base for Community Services and the Boost Basic Skills Centre. • Community Library Service - This service takes the Library Service to housebound residents and to library collections in community gathering places and Residential Homes. • 		
MAJOR VARIATIONS (EXCLUDING RECHARGES)		
<ul style="list-style-type: none"> • Pay and prices increases of £109,680 have been applied to this budget. • £2,000 savings have been included for efficiency savings on supplies and services. <p>(1) £67,030 for salaries has been transferred to Libraries Management and Support Services, due to a re- organisation of duties within the whole library service.</p> <p>(2) The increase in premises costs relate to the anticipated rising costs of fuel prices and increased NNDR charges.</p> <p>(3) ISD costs have been charged as part of Central Support Services Recharges in 2007/08. Previously they formed part of Third Party Payments.</p> <p>(4) A change in accounting standards has removed the interest element from capital charges.</p> <p>(5) A net decrease in grant contributions to the service has been matched by a decrease in expenditure.</p>		

ARCHIVES AND HERITAGE		
COST CENTRES L0314 – L0315		
Cabinet Member for Education and Libraries	Budget 2006/2007 £'000	Budget 2007/2008 £'000
EXPENDITURE		
Central Support Services Recharges	0	7
Departmental Recharges (1)	110	74
TOTAL EXPENDITURE	110	81
NET EXPENDITURE	110	81
DESCRIPTION OF SERVICE		
<p>In accordance with the revised guidelines set out in the CIPFA code of practice on Best Value Accounting, costs relating to the Archives and Heritage functions have been identified separately.</p> <p>The costs include those relating to Libraries and Arts officer time and accommodation spent on these activities. They are initially shown under the relevant service heading and then recharged to these services based on the assessment of the Section Manager.</p>		
MAJOR VARIATIONS (EXCLUDING RECHARGES)		
<p>(1) The decrease in recharges relate to a decrease of the Capital Charges included in the Central Library charges notionally recharged to this service.</p>		

SPORTS DEVELOPMENT AND COMMUNITY RECREATION		
COST CENTRES E7190 – E7204		
Cabinet Member for Education and Libraries	Budget 2006/2007 £'000	Budget 2007/2008 £'000
EXPENDITURE		
Employees (1)	339	328
Premises Related Expenditure	16	19
Transport Related Expenditure	7	7
Supplies and Services	53	48
Third Party Payments (2)	2	0
Total Direct Expenditure	417	402
Central Support Services Recharges (2)	40	44
Departmental Recharges	80	82
Capital Charges	3	3
TOTAL EXPENDITURE	540	531
INCOME		
Other Grants and Contributions–Sport England	173	173
-New Opportunities Fund (1)	22	0
Fees, Charges and Other Client Income	8	8
TOTAL INCOME	203	181
NET EXPENDITURE	337	350
DESCRIPTION OF SERVICE		
This service is responsible for the direction of policies and overall management and integration of the Sports Development team for children and young people.		
MAJOR VARIATIONS (EXCLUDING RECHARGES)		
<ul style="list-style-type: none"> Pay and prices increases of £8,580 have been applied to this budget. (1) A net decrease in grant contributions to the service has been matched by a decrease in expenditure. (2) ISD costs have been charged as part of Central Support Services Recharges in 2007/08. Previously they formed part of Third Party Payments. 		

FAMILY AND CHILDREN'S SERVICES

REVENUE CHANGES – GROWTH AND SAVINGS

Ref No.	Department	Description	Details	2007/08 £'000	2008/09 £'000	2009/10 £'000
Local Growth						
1	FCS – Family Services	Services for children with disabilities	This initiative is compliant with the recommendations arising from the review of services for disabled children which itself was conducted in response to the "Every Child Matters" agenda	140		
2	FCS – Family Services	Implementation of Adoption Inspection recommendations	This is a recommendation arising from the 2006 Adoption Inspection	40		
Total Local Growth				180		
Corporately Funded Growth						
1	FCS – Family Services	Services for children with disabilities	This initiative is compliant with the recommendations arising from the review of services for disabled children which itself was conducted in response to the "Every Child Matters" agenda	100		
2	FCS – LEA Centrally Held Schools Funds	Increased cost of speech and language therapy	The Mainstream Speech and Language Therapy service has been the subject of a three-year SLA between RBKC and Kensington and Chelsea PCT. It is currently being renewed and it is anticipated that the cost will increase by £21k due to ongoing remodelling of the NHS workforce.	21		

FAMILY AND CHILDREN'S SERVICES

Ref No.	Department	Description	Details	2007/08 £'000	2008/09 £'000	2009/10 £'000
3	FCS – LEA Centrally Held Schools Funds	Special Educational Needs Transport	SEN transport is required in law for those statemented pupils unable to access school places without it. Each vehicle must have a driver and an escort to ensure the safety and well-being of the pupils. A shortage of suitable specialist placements in this area and more widely means that more children are attending more schools at greater distances from home. The mix of schools used includes Local Authority as well as independent provision. This service is currently going through a tendering process and this budget increase is based on using the lowest tender received and maximising routing efficiencies. The inflationary costs of the new tenders amounts to £90k on top of the £319k put forward here.	319		
4	FCS – Children's Social Care	Family services demand pressure, e.g. Hillingdon judgement	This is to cover the following 3 pressures: 1. A reduction in the Supporting People grant, 2. Additional costs and numbers supported arising from the Hillingdon Judgement, 3. Increased support costs (which we continue to pay for the majority of care leavers who are not and have never been eligible for SP funding) as providers have adjusted these upwards.	140		
Total Corporately Funded Growth				580		

FAMILY AND CHILDREN'S SERVICES

Ref No.	Department	Description	Details	2007/08 £'000	2008/09 £'000	2009/10 £'000
Savings						
1	FCS – Family Services	Savings from re-housing social work teams	House World's End and Grenfell Tower Social work teams in Chelsea Old Town Hall and Westway respectively, and provide surgeries or mobile service to the previous locality, freeing up office accommodation.	-85		
2	FCS – Family Services	Reduced Area Child Protection Committee budget (not needed for service delivery)	ACPC no longer exists and this budget is therefore not required. The Council has put new funding into the Local Safeguarding Children Board and this budget is now in surplus to requirements	-7		
3	FCS – Family Services	Savings from reduced numbers of looked after children	The numbers of looked after children have reduced during the last financial year (05/06) so that profiling of the parenting budget for 06/07 and 07/08 suggests that further savings of £100,000 can be found	-100		
4	FCS – Family Services	Deleted schools based social work post	Deletion of schools social work post in Holland Park School	-35		
5	FCS – Family Services	Rationalisation of support to the voluntary sector	The Children's Centre initiative has demonstrated that there is an over provision of child care, particularly in the North of the borough. We have historically funded the voluntary sector at £300,000 per annum to provide child care, but no longer consider this to be effective targeting of funding. We suggest that funding of childcare is reduced by £63,000	-63		

FAMILY AND CHILDREN'S SERVICES

Ref No.	Department	Description	Details	2007/08 £'000	2008/09 £'000	2009/10 £'000
6	FCS – LEA Centrally Held Schools Funds	Reduced budget for training and development of school staff	NQT (Newly Qualified Teachers) Training. It was decided last year to reduce the central funding that the LA paid to schools for the training of their newly qualified teachers. This money is now allocated from central government as part of their DSG and so this additional funding from the LA was identified as duplicating central funding. This creates a saving from the EDP budget of £72,000 for a NQT induction adviser. This role has previously been undertaken by an external consultant. It will now be undertaken by the School Improvement Adviser team and so costs are being absorbed into the School Improvement Service budget. This is a more efficient way of monitoring the progress of NQTs and any associated admin function will be absorbed either in the School Improvement Service admin team, or by the Recruitment and Retention manager. This will provide a saving of £10,000. £35,000 will be found from the Access and Inclusion budget, which is achievable through general efficiencies. Other savings can be made in the ICT, Governors and Early Years training budgets	-162		

FAMILY AND CHILDREN'S SERVICES

Ref No.	Department	Description	Details	2007/08 £'000	2008/09 £'000	2009/10 £'000
7	FCS – Community Learning	Reduced community learning costs e.g. rationalised support and management services	None	-102		
8	FCS –Community Learning	Savings from new library stock procurement contract	None	-25		
9	FCS –Community Learning	Local Area Agreement funding for the Healthy Schools Programme	None	-10		
10	FCS –Community Learning	Restructured Employments Project Team	None	-8		
11	FCS –Community Learning	Revised play centre fees	None	-45		
12	FCS – Non School Education Funding	Rationalised Policy, Performance and Support Services	None	-84		
Total Savings				-726		
Business Group Total				34		

***HOUSING, HEALTH AND ADULT SOCIAL
CARE***

REVENUE BUDGET 2007/2008

HOUSING, HEALTH AND ADULT SOCIAL CARE REVENUE BUDGET

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**HOUSING, HEALTH AND ADULT SOCIAL CARE
Subjective Summary**

Item	Notes	2006/07 Budget	2007/08 Budget
		£,000	£,000
EXPENDITURE			
Employee Related Expenses	1	26,654	27,329
Premises Related Expenses		1,496	1,382
Transport Related Expenses		146	141
Supplies & Services		4,159	3,815
Third Party Payments	2	62,454	64,757
Recharges from:			
Other Business Group Charges		892	972
Business Group Support		0	0
Inter Business Group			
Central Departments		5,864	5,943
Capital Financing Charges	3	1,941	1,189
TOTAL EXPENDITURE		103,606	105,528
INCOME			
Government Grants	4	19,141	19,203
Other Grants, Reimbursements & Contributions		18,346	18,273
Customer & Client Receipts			
Fees & Charges		4,517	4,404
Rents (Other)		59	126
Interest		40	18
Recharges to Other Revenue A/Cs			
Departmental		0	0
Other Business Groups		1,705	1,493
TOTAL INCOME		43,808	43,517
NET EXPENDITURE		59,798	62,011

HOUSING, HEALTH AND ADULT SOCIAL CARE Service Summary

2006/07 Budget			Service	2007/08 Budget			Outputs	Head of Service
Exp	Income	Net		Exp	Income	Net		
£'000	£'000	£'000		£'000	£'000	£'000		
116	0	116	Corporate and Democratic Core - Adults	123	0	123		ASC
267	0	267	Adult Social Care Service Strategy	254	0	254		ASC
			Services for Older People					
5,686	412	5,274	Assessment and Care Management	5,822	329	5,493		ASC
2,557	624	1,933	Nursing	3,203	753	2,450	135 older people in supported in homes	ASC
9,910	2,905	7,005	Residential	8,900	2,306	6,594	212 older people supported in homes	ASC
686	103	583	Supported Accommodation	824	103	721	53 older people in supported accommodation	ASC
7,890	2,555	5,335	Home Care	7,957	2,540	5,417	1,252 older people receiving home care	ASC
3,206	754	2,452	Day Care	3,062	705	2,357	178 older people attending day centres	ASC
512	180	332	Meals	429	175	254	317 older people receiving meals at home	ASC
2,392	917	1,475	Other Services	3,073	1,196	1,877		ASC
32,839	8,450	24,389		33,270	8,107	25,163		
			Services for People with a Physical Disability or Sensory Impairment					
2,108	39	2,069	Assessment and Care Management	2,275	38	2,237		ASC
979	294	685	Residential	1,019	298	721	29 people supported in residential homes	ASC
1,560	60	1,500	Home Care	1,681	68	1,613	221 people receiving home care	ASC
155	0	155	Day Care	128	0	128	8 people attending day centres	ASC
639	0	639	Equipment and Adaptations	648	0	648	164 people in receipt of community equipment	ASC
512	235	277	Other Services	529	236	293		ASC
5,953	628	5,325		6,280	640	5,640		
			Services for People with Learning Disabilities					
844	134	710	Assessment and Care Management	876	135	741		ASC
6,929	4,662	2,267	Residential	8,015	4,941	3,074	130 people in residential and supported care	ASC
406	0	406	Supported Accommodation	422	0	422	18 people in supported accommodation	
373	0	373	Home Care	387	0	387	37 people receiving home care	ASC
2,688	215	2,473	Day Care	1,985	215	1,770	39 people attending day centres	ASC
545	113	432	Other Services	561	95	466		ASC
11,785	5,124	6,661		12,246	5,386	6,860		

HOUSING, HEALTH AND ADULT SOCIAL CARE Service Summary

2006/07 Budget			Service	2007/08 Budget			Outputs	Head of Service
Exp	Income	Net		Exp	Income	Net		
2,240	464	1,776	Services for Adults with Mental Health Needs					
			Assessment and Care Management	2,243	288	1,955		ASC
2,245	1,197	1,048	Residential	2,105	1,012	1,093	80 people supported in residential and supported care	ASC
569	45	524	Supported Accommodation	593	46	547	27 people in supported accommodation	
550	267	283	Home Care	642	269	373	53 people receiving home care	ASC
2,472	451	2,021	Day Care	2,466	452	2,014	217 people attending day centres	ASC
1,073	175	898	Other Services	1,075	179	896		ASC
9,149	2,599	6,550		9,124	2,246	6,878		
			Services for Other Adults					
1,849	874	975	Substance Misuse	2,028	982	1,046	420 substance misusers supported	ASC
788	420	368	HIV/AIDS	747	369	378	60 people with HIV/AIDS supported	ASC
2,637	1,294	1,343		2,775	1,351	1,424		
45	0	45	Supported Employment	47	0	47	3 attending employment workshops	ASC
			Public Transport					
4,684	0	4,684	Concessionary Fares	4,963	0	4,963	21,463 people in receipt of Freedom Passes	ASC
878	0	878	Taxicard	933	0	933	2,026 membership of the Taxicard service	ASC
5,562	0	5,562		5,896	0	5,896		
98	428	-330	Miscellaneous Adult Social Care	0	428	-428		ASC
6,567	6,567	0	Adults' Management and Support Services	6,471	6,471	0		ASC
-6,221	-6,221	0	Adjustment for Internal Recharges	-6,185	-6,185	0		
68,797	18,869	49,928	Adult Social Care Total	70,301	18,444	51,857		
			Housing Services					
124	0	124	Corporate and Democratic Core - Housing	160	0	160		HS
412	0	412	Housing Strategy	396	0	396		HS
12,350	11,509	841	Homelessness and Housing Advice	12,948	12,042	906	1,038 in temporary accommodation	HS
1,269	127	1,142	Registered Social Landlords and Housing Advances	1,268	103	1,165	150 new homes through Let's Start	HS
11,984	11,613	371	Supporting People	11,772	11,394	378	3,468 people in Supporting People services	HS
26,139	23,249	2,890	Housing Services Total	26,544	23,539	3,005		

HOUSING, HEALTH AND ADULT SOCIAL CARE Service Summary

2006/07 Budget			Service	2007/08 Budget			Outputs	Head of Service
Exp	Income	Net		Exp	Income	Net		
			Environmental Health					
1,220	171	1,049	Food and Training	1,301	185	1,116	1,500 inspections; 3,600 candidates trained	EH
505	4	501	Trading Standards	538	4	534	3,472 enforcement activities	EH
674	18	656	Environmental Quality	717	21	696	Includes 5 air quality monitoring stations	EH
727	2	725	Health and Safety	737	3	734	1,200 inspections	EH
897	207	690	Mortuary, Coroners and Pest Control	932	212	720	4,500 pest control inspections/visits	EH
1,510	5	1,505	Noise and Nuisance	1,528	5	1,523	10,000 service requests	EH
2,030	176	1,854	Housing Private Sector	2,085	259	1,826	1,200 residential inspections and 70 dwellings improved	
7,563	583	6,980	Environmental Health Total	7,838	689	7,149		
			EXECUTIVE FUNCTIONS					
3,900	3,900	0	Executive Group	3,650	3,650	0		HHASC
1,015	1,015	0	Housing Management and Support Services	1,217	1,217	0		HS
1,837	1,837	0	Environmental Health Management and Support Services	1,919	1,919	0		EH
-5,645	-5,645	0	Adjustment for Internal Recharges	-5,941	-5,941	0		
1,107	1,107	0	Executive Functions Total	845	845	0		
103,606	43,808	59,798	Housing, Health and Adult Social Care Total	105,528	43,517	62,011		

HOUSING, HEALTH AND ADULT SOCIAL CARE

SUMMARY OF CHANGES	Budget 2007/08
	£'000
ORIGINAL BUDGET 2006/07	59,798
o TECHNICAL CHANGES	
Adjustment to reflect current service pension liability	191
o PAY & PRICES CHANGES	
Pay awards	619
Price Variations - Expenditure	2,017
Price Variations - Income	-598
Total Pay & Prices Increase	2,038
o CENTRAL SUPPORT SERVICES CHARGES (CSS)	-60
o VARIATION IN CHARGES TO/FROM OTHER BUSINESS GROUPS	449
o TRANSFERS TO/FROM OTHER SERVICES	
Virement to Families and Children mainly due to the realignment of functions	-156
Virement to Corporate Services from the recentralisation of devolved budgets	-326
A charge from TELS for the Out of Hours Service (previously within CSS)	57
Other	-5
Increase in IT budgets reflecting a one year transfer to the Capital IT Reserve	45
	-385
o CAPITAL CHARGES VARIATIONS	-789
SUB TOTAL	61,242
o FINANCIAL PLAN REVENUE CHANGES	
<u>Centrally Funded Growth</u>	
Fallout of use of Local Initiatives Reserve	-75
Single Status	170
Reprofiling of PCT funding	320
Withdrawal of PCT funding	110
Scores on the Doors Initiative	23
	548
<u>Local Growth</u>	
HSE Partnership Work	6
Operations to detect illegal sales	20
Food and Health and Safety Training	30
Contaminated Land Investigations	10
Employment of nurses at Thamesbrook	62
Shop Mobility scooter loan scheme	30
	158

HOUSING, HEALTH AND ADULT SOCIAL CARE

SUMMARY OF CHANGES	Budget 2007/08
<u>Planned Reductions</u>	
Food and Health and Safety Training	-10
Let's Rent	-6
Use of e-mails instead of letters	-6
Environmental Health Employee Budgets	-10
Increase in income from HMO Licensing	-10
Private Sector Housing and Energy	-10
Charge on value of SHG to RSL's	-22
Increase in Home Care charges	-100
Review of Voluntary Sector Funding - Adults Services	-75
Savings following the closure of Tavistock	-100
OREMI Advice and Information Worker	-12
The Grove Mental Health Service	-5
Review of administrative costs in the Learning Disability Service	-9
Efficiency savings in Learning Disability Services	-20
Travel costs for people with Learning Disabilities	-5
Older People's Assessment Service	-67
Ellesmere commercial income	-80
Older People's Day Services	-40
	-587
 TOTAL FINANCIAL PLAN REVENUE CHANGES	 119
 o OTHER CHANGES	
Increase in Older People's budgets from the rental income from Ellesmere House	650
 TOTAL FORWARD BUDGET	 62,011

CORPORATE AND DEMOCRATIC CORE		
Cabinet Member for Housing Services, Adult Social Care, Public Health and Environmental Health	Budget	Budget
	2006/2007	2007/2008
	£'000	£'000
EXPENDITURE		
Departmental Recharges	240	283
TOTAL EXPENDITURE	240	283
INCOME		
TOTAL INCOME	0	0
NET EXPENDITURE	240	283
DESCRIPTION OF SERVICE		
<p>In accordance with the Best Value Accounting Code of Practice, the Corporate and Democratic Core comprises the costs of Democratic Representation and Management, and Corporate Management.</p> <p>CIPFA describes Democratic Representation and Management as '...including all aspects of members' activities in that capacity, including corporate, programme and service policy making and more general activities relating to governance and the representation of local interest.'</p> <p>Corporate Management is described as '... those activities and costs which provide the infrastructure which allows services to be provided, whether by the authority or not, and the information which is required for public accountability.'</p>		
MAJOR VARIATIONS		
<p>The variation is due to a change in departmental recharges.</p>		

THE EXECUTIVE GROUP		
Cabinet Member for Housing Services, Adult Social Care, Public Health and Environmental Health	Budget	Budget
	2006/2007	2007/2008
	£'000	£'000
EXPENDITURE		
Employees	2,544	2,473
Transport Related Expenditure	11	6
Supplies and Services	319	251
Third Party Payments	79	32
Total Direct Expenditure	2,953	2,762
Central Support Services Recharges	947	888
TOTAL EXPENDITURE	3,900	3,650
INCOME		
Government Grants	0	0
Other Grants and Contributions	33	0
Recharges to Other Services	3,867	3,650
TOTAL INCOME	3,900	3,650
NET EXPENDITURE FULLY RECHARGED	0	0
DESCRIPTION OF SERVICE		
<p>The Executive Group is made up of the following sections:</p> <ul style="list-style-type: none"> • Executive Director and Personal Assistant • Resource Management • Policy and Performance <p>The Executive Group is fully recharged to Adult Social Care, Environmental Health, the Department of Housing and Strategic Development, Housing Strategy, the Housing Revenue Account and the Corporate and Democratic Core and other Business Groups.</p>		
MAJOR VARIATIONS		
<ul style="list-style-type: none"> • Pay and Price increases have added £11,000 to the budget. • A transfer to Families and Children's Services, as part of the Business Group re-alignment process, has reduced the budget by £171,000. • A transfer to Adult Social Care has reduced the budget by £111,000. This includes the devolution of some budgets to individual services and a transfer of the temporary budget provision back to the Ellesmere budget. • A transfer from Transport, Environmental and Leisure Services, as part of the Business Group re-alignment process, has increased the budget by £33,000. • Growth funding of £33,000 was agreed as part of the Financial Plan process following a reduction in PCT funding within their recovery plan. • A transfer of £25,000 to Corporate Services reflecting the re-centralisation of devolved IT budgets. 		

HOUSING MANAGEMENT AND SUPPORT SERVICES		
Cabinet Member for Housing Services, Adult Social Care, Public Health and Environmental Health	Budget	Budget
	2006/2007	2007/2008
	£'000	£'000
EXPENDITURE		
Employees	430	456
Transport Related Expenditure	6	6
Supplies and Services	143	146
Third Party Payments	76	77
Total Direct Expenditure	655	685
Central Support Services Recharges	158	194
Departmental Recharges	202	338
TOTAL EXPENDITURE	1,015	1,217
INCOME		
Other Grants, Reimbursements and Contributions	0	0
Recharges to Other Services	1,015	1,217
TOTAL INCOME	1,015	1,217
NET EXPENDITURE FULLY RECHARGED	0	0
DESCRIPTION OF SERVICE		
<p>This heading includes the salaries and associated costs of the strategic and support service functions within the Department of Housing and Strategic Development (HSD). These comprise:-</p> <ul style="list-style-type: none"> • Strategic, operational planning and joint planning and liaison with other agencies • Client side of the HRA • Research, information and evaluation • Regeneration programme co-ordination <p>Costs are fully recharged to Adult Social Care, Housing Needs, Enabling, Housing Strategy, the Housing Revenue Account, the Corporate and Democratic Core and other Business Groups. The department also provides the following services, which are shown on separate budget sheets:</p> <ul style="list-style-type: none"> • Development of housing initiatives with housing associations and the private sector (see RSLs and Housing Advances). • Direct services to people in housing need (see Homelessness and Housing Advice) • Development of the housing strategy (see Housing Strategy). 		
MAJOR VARIATIONS		
<ul style="list-style-type: none"> • Pay and Price increases have added £2,000 to the budget. • The 2006/07 budget included growth funding of £75,000 for consultancy costs for the Right to Buy scheme. This additional funding was for one year only and the budget has now been reduced as part of the Financial Plan process. • A virement of £75,000 has been agreed to fund project management work within the Housing Department. • Departmental Recharges have increased as a result of changes in time allocations. 		

ADULT SOCIAL CARE MANAGEMENT AND SUPPORT SERVICES		
Cabinet Member for Housing Services, Adult Social Care, Public Health and Environmental Health	Budget	Budget
	2006/2007	2007/2008
	£'000	£'000
EXPENDITURE		
Employees	2,064	2,185
Premises Related Expenditure	164	169
Transport Related Expenditure	20	20
Supplies and Services	353	414
Third Party Payments	252	111
Total Direct Expenditure	2,853	2,899
Central Support Services Recharges	1,108	1,116
Business Group Support Recharges	2,000	1,860
Other Departmental Recharges	528	538
Capital Charges	78	58
TOTAL EXPENDITURE	6,567	6,471
INCOME		
Other Grants and Contributions	4	4
Recharges to Other Departments	345	285
Recharges to Other Services	6,218	6,182
TOTAL INCOME	6,567	6,471
NET EXPENDITURE FULLY RECHARGED	0	0
DESCRIPTION OF SERVICE		
<p>Adult Social Care Management and Support Services comprises services which support the direct provision of services to the public and which are required under the CIPFA Best Value Accounting Code of Practice to be fully recharged to client-related services, to Service Strategy or to the Corporate and Democratic Core.</p> <p>It comprises the cost of senior management, administration, and voluntary organisation liaison. Administration covers a range of support activities based at Kensington Town Hall, the area offices, and National Health Service establishments, including the provision of advice, information and reception services and public information services. It also includes the costs of central support services and the Executive Group attributable to Adult Social Care functions.</p> <p>The cost of Management and Support Services is fully re-allocated to client groups, Service Strategy or to Corporate and Democratic Core.</p>		
MAJOR VARIATIONS		
<ul style="list-style-type: none"> • Pay and price increases have added £134,000 to the budget. • A Financial Plan reduction of £9,000 relating to administrative budgets has been included. • A transfer of £143,000 to Corporate Services reflecting the re-centralisation of devolved budgets. 		

ADULT SOCIAL CARE SERVICE STRATEGY		
Cabinet Member for Housing Services, Adult Social Care, Public Health and Environmental Health	Budget	Budget
	2006/2007	2007/2008
	£'000	£'000
EXPENDITURE		
Departmental Recharges	267	254
TOTAL EXPENDITURE	267	254
INCOME		
TOTAL INCOME	0	0
NET EXPENDITURE	267	254
DESCRIPTION OF SERVICE		
<p>Adult Social Care Service Strategy comprises the cost of the strategic management of the authority. It is defined by the CIPFA Best Value Accounting Code of Practice as consisting of two services:</p> <p>Strategic Management: The director and her immediate staff. The director is expected to contribute the majority of the strategic input to liaison with outside bodies and to plans such as the Community Care Plan.</p> <p>Complaints Procedures include the cost of the complaints procedures required by the NHS and Community Care Act 1990.</p> <p>Both components of Service Strategy consist of recharges from the Executive Group, covering the relevant staff.</p>		
MAJOR VARIATIONS		
<p>The variation is due to a change in departmental recharges.</p>		

SERVICES FOR OLDER PEOPLE		
Cabinet Member for Housing Services, Adult Social Care, Public Health and Environmental Health	Budget	Budget
	2006/2007	2007/2008
	£'000	£'000
EXPENDITURE		
Employees	8,287	7,478
Premises Related Expenditure	899	756
Transport Related Expenditure	19	17
Supplies and Services	1,267	1,028
Third Party Payments	17,649	19,889
Total Direct Expenditure	28,121	29,168
Central Support Services Recharges	801	837
Departmental Recharges	3,087	3,038
Capital Charges	830	227
TOTAL EXPENDITURE	32,839	33,270
INCOME		
Government Grants	2,909	3,107
Other Grants and Contributions	2,076	1,672
Fees, Charges and Other Client Income	3,325	3,107
Rents		80
Recharges to Other Services	140	141
TOTAL INCOME	8,450	8,107
NET EXPENDITURE	24,389	25,163
DESCRIPTION OF SERVICE		
<p>The Council provides, or funds other agencies to provide, a range of services to older people with social care needs. These include:</p> <ul style="list-style-type: none"> • Three Council-run residential homes (one currently closed) , together with the Burgess Field sheltered scheme • Placements in independent sector residential and nursing homes • Home care • Home meals • Direct payments • Day care in two Council centres and voluntary sector provision • The Westway Centre elderly persons integrated care scheme, provided jointly with the Health service • Grant and contractual support to a range of services provided by the voluntary sector 		
MAJOR VARIATIONS		
<ul style="list-style-type: none"> • Pay and prices increases have added £475,000 to the budget • It has been assumed that the Edenham Home for Older People will be closed by 1st April 2007. The budget provision for running the home is now included within Third Party Payments. • Budgets have been increased by £228,000 as part of the Financial Plan process. This includes £220,000 to fund super inflation costs on placements and home care packages and £148,000 towards the costs of Single Status partly offset by additional income from increasing home care charges and rental income from letting out the retail unit at Ellesmere House. • The operator of Ellesmere House will pay a rent to the Council for use of the building. This rent is being held within Corporate Services budgets but the associated spending power of £650,000 has been included within the Older People's service. • The increase in Government grants includes unallocated grants for 2007/08 amounting to £161,000 which were recently announced by the Department of Health. • PCT funding towards Older People's services has reduced by £380,000. 		

SERVICES FOR PEOPLE WITH A PHYSICAL DISABILITY OR SENSORY IMPAIRMENT		
Cabinet Member for Housing Services, Adult Social Care, Public Health and Environmental Health	Budget	Budget
	2006/2007	2007/2008
	£'000	£'000
EXPENDITURE		
Employees	1,519	1,568
Premises Related Expenditure	1	1
Transport Related Expenditure	10	10
Supplies and Services	32	33
Third Party Payments	3,433	3,619
Total Direct Expenditure	4,995	5,231
Central Support Services Recharges	176	244
Departmental Recharges	782	805
TOTAL EXPENDITURE	5,953	6,280
INCOME		
Government Grants	418	418
Other Grants and Contributions	62	63
Fees, Charges and Other Client Income	123	134
Recharges to Other Services	25	25
TOTAL INCOME	628	640
NET EXPENDITURE	5,325	5,640
DESCRIPTION OF SERVICE		
<p>The Council provides, or funds other agencies to provide, a range of services to people with physical and sensory disabilities. These include:</p> <ul style="list-style-type: none"> • Residential and nursing care • Home based care • Direct payments • Day services • Financial support to a number of voluntary organisations. • Services under the Chronically Sick and Disabled Persons Act (1970) - telephones, alarms, equipment and aids and adaptations 		
MAJOR VARIATIONS		
<ul style="list-style-type: none"> • Pay and prices have added £107,000 to the budget • Financial Plan growth of £42,000 towards the costs of super inflation on placements and home care packages has been included. 		

SERVICES FOR PEOPLE WITH LEARNING DISABILITIES		
Cabinet Member for Housing Services, Adult Social Care, Public Health and Environmental Health	Budget	Budget
	2006/2007	2007/2008
	£'000	£'000
EXPENDITURE		
Employees	2,065	2,121
Premises Related Expenditure	125	137
Transport Related Expenditure	23	23
Supplies and Services	107	94
Third Party Payments	8,205	8,684
Total Direct Expenditure	10,525	11,059
Central Support Services Recharges	283	275
Departmental Recharges	846	871
Capital Charges	131	41
TOTAL EXPENDITURE	11,785	12,246
INCOME		
Government Grants	1,097	1,097
Other Grants and Contributions	3,587	3,839
Fees, Charges and Other Client Income	377	400
Rents	59	46
Recharges to Other Services	4	4
TOTAL INCOME	5,124	5,386
NET EXPENDITURE	6,661	6,860
DESCRIPTION OF SERVICE		
<p>The Council provides, or funds other agencies to provide, a range of services to people with learning disabilities. These include:</p> <ul style="list-style-type: none"> • Residential care, at Piper House and by the use of Private and Voluntary hostels. • Day activities are provided at SCOPE and a work agency places people in open employment. • Financial support is provided to a number of voluntary organisations. 		
MAJOR VARIATIONS		
<ul style="list-style-type: none"> • Pay and prices increases have added £143,000 to the budget • Financial Plan growth of £92,000 has been added to the budget. This includes £92,000 towards the costs of super inflation on placements and home care packages and £22,000 towards the costs of Single Status partly offset by £20,000 in efficiency savings within the Learning Disability service. • Expenditure funded by the PCT has increased by £250,000. 		

SERVICES FOR ADULTS WITH MENTAL HEALTH NEEDS		
Cabinet Member for Housing Services, Adult Social Care, Public Health and Environmental Health	Budget	Budget
	2006/2007	2007/2008
	£'000	£'000
EXPENDITURE		
Employees	2,275	2,260
Premises Related Expenditure	278	289
Transport Related Expenditure	8	8
Supplies and Services	170	96
Third Party Payments	5,169	5,311
Total Direct Expenditure	7,900	7,964
Central Support Services Recharges	265	262
Departmental Recharges	937	886
Capital Charges	47	12
TOTAL EXPENDITURE	9,149	9,124
INCOME		
Government Grants	1,009	1,027
Other Grants and Contributions	1,492	1,118
Fees, Charges and Other Client Income	98	101
TOTAL INCOME	2,599	2,246
NET EXPENDITURE	6,550	6,878
DESCRIPTION OF SERVICE		
<p>The Council provides, or funds other agencies to provide, a range of services to people with mental health problems. These include:</p> <ul style="list-style-type: none"> • Day care in the Council's four centres and in the independent sector • Community Support Team, providing practical help to people in their homes • Joint Homelessness Team - a support service for homeless people with mental health problems 		
MAJOR VARIATIONS		
<ul style="list-style-type: none"> • Pay and prices increases have added £145,000 to the budget • Financial Plan growth of £159,000 has been added to the budget. This includes £249,000 relating to the reprofiling of PCT funding, £49,000 towards the costs of super inflation on placements and home care packages partly offset by savings of £100,000 following the closure of Tavistock. • Government funding of £67,000 has been made available in 2007/08 towards the costs of implementing the Mental Capacity Act. 		

SERVICES FOR OTHER ADULTS		
Cabinet Member for Housing Services, Adult Social Care, Public Health and Environmental Health	Budget	Budget
	2006/2007	2007/2008
	£'000	£'000
EXPENDITURE		
Employees	828	873
Transport Related Expenditure	2	2
Supplies and Services	21	23
Third Party Payments	1,467	1,532
Total Direct Expenditure	2,318	2,430
Central Support Services Recharges	94	113
Departmental Recharges	225	232
TOTAL EXPENDITURE	2,637	2,775
INCOME		
Government Grants	722	691
Other Grants and Contributions	457	540
Fees, Charges and Other Client Income	115	120
TOTAL INCOME	1,294	1,351
NET EXPENDITURE	1,343	1,424
DESCRIPTION OF SERVICE		
This includes services to people who are substance misusers and services to people with HIV/AIDS.		
MAJOR VARIATIONS		
<ul style="list-style-type: none"> • Pay and prices have added £40,000 to the budget • Financial Plan growth of £20,000 has been added towards the costs of super inflation on placements and home care packages. • The Aids Support Grant reduced by £31,000 which reflects the change in the case load supported in Kensington and Chelsea compared to the national position. • The PCT has provided additional funding of £75,000 towards the cost of criminal justice cases. 		

SUPPORTED EMPLOYMENT		
Cabinet Member for Housing Services, Adult Social Care, Public Health and Environmental Health	Budget	Budget
	2006/2007	2007/2008
	£'000	£'000
EXPENDITURE		
Third Party Payments	44	46
Total Direct Expenditure	44	46
Departmental Recharges	1	1
TOTAL EXPENDITURE	45	47
INCOME		
TOTAL INCOME	0	0
NET EXPENDITURE	45	47
DESCRIPTION OF SERVICE		
This includes supported employment activities to all adult client groups e.g. sheltered workshops.		
MAJOR VARIATIONS		
<ul style="list-style-type: none"> • Pay and prices have added £1,000 to the budget 		

PUBLIC TRANSPORT		
Cabinet Member for Housing Services, Adult Social Care, Public Health and Environmental Health	Budget	Budget
	2006/2007	2006/2007
	£'000	£'000
EXPENDITURE		
Employees	151	155
Transport Related Expenditure	4	4
Supplies and Services	9	9
Third Party Payments	5,062	5,380
Total Direct Expenditure	5,226	5,548
Central Support Services Recharges	37	40
Departmental Recharges	299	308
TOTAL EXPENDITURE	5,562	5,896
TOTAL INCOME	0	0
NET EXPENDITURE	5,562	5,896
DESCRIPTION OF SERVICE		
This comprises the London wide concessionary fares scheme and the Taxicard scheme, funded from the Car Parking Reserve Account.		
MAJOR VARIATIONS		
<ul style="list-style-type: none"> • Pay and prices increases have added £106,000 to the budget. • Financial Plan growth of £217,000 has been added which comprises £30,000 towards the Shop Mobility Scooter Scheme and £187,000 towards the super inflation costs of the concessionary fares scheme based on the London wide agreement with Transport for London. 		

MISCELLANEOUS ADULT SOCIAL CARE		
Cabinet Member for Housing Services, Adult Social Care, Public Health and Environmental Health	Budget	Budget
	2006/2007	2006/2007
	£'000	£'000
EXPENDITURE		
Employees	0	0
Premises Related Expenses	0	0
Supplies and Services	85	0
Third Party Payments	0	0
Total Direct Expenditure	85	0
Capital Charges	13	0
TOTAL EXPENDITURE	98	0
INCOME		
Government Grants	348	348
Other Grants and Contributions	80	80
TOTAL INCOME	428	428
NET EXPENDITURE	-330	-428
DESCRIPTION OF SERVICE		
<p>This budget heading covers a number of items which cannot be allocated to specific client groups. These are:</p> <ul style="list-style-type: none"> • Various provisions and contingencies which have not been allocated to specific client groups • Financial Plan savings to be found 		
MAJOR VARIATIONS		
<ul style="list-style-type: none"> • The original budget included unallocated funding of £85,000 which has now been transferred to the Older People's budget. 		

HOUSING STRATEGY		
Cabinet Member for Housing Services, Adult Social Care, Public Health and Environmental Health Deputy Leader and Cabinet Member for Planning Policy, Housing Policy and Transportation	Budget	Budget
	2006/2007	2007/2008
	£'000	£'000
EXPENDITURE		
Supplies and Services	3	4
Total Direct Expenditure	3	4
Departmental Recharges	409	392
TOTAL EXPENDITURE	412	396
INCOME	0	0
TOTAL INCOME	0	0
NET EXPENDITURE	412	396
DESCRIPTION OF SERVICE		
<p>Housing Strategy is the mandatory heading in CIPFA's Best Value Accounting Code of Practice used to show the following costs:</p> <ul style="list-style-type: none"> • The review of housing needs. • The preparation of the Council's Housing Strategy. • Strategic housing planning and allocation of resources. • Bids for various government initiatives <p>In practice, the cost of Housing Strategy is made up of recharges from the Executive Group and Department of Housing and Strategic Development. Since it is independent of direct service provision, its cost is not reallocated to housing functions.</p>		
MAJOR VARIATIONS		
<ul style="list-style-type: none"> • A decrease in the departmental recharges arises from a change to the time allocations within the Executive Group. 		

HOMELESSNESS AND HOUSING ADVICE (HOUSING NEEDS)		
Cabinet Member for Housing Services, Adult Social Care, Public Health and Environmental Health	Budget	Budget
	2006/2007	2007/2008
	£'000	£'000
EXPENDITURE		
Employees	1,876	2,993
Premises Related Expenditure	6	6
Transport Related Expenditure	0	0
Supplies and Services	649	562
Third Party Payments	8,742	8,110
Total Direct Expenditure	11,273	11,671
Central Support Services Recharges	562	611
Departmental Recharges	515	666
TOTAL EXPENDITURE	12,350	12,948
INCOME		
Government Grants	875	900
Other Grants, Reimbursements and Contributions	10,550	10,984
Customer and Client Receipts	0	0
Recharges to Other Services	84	158
TOTAL INCOME	11,509	12,042
NET EXPENDITURE	841	906
DESCRIPTION OF SERVICE		
<p>This service includes the CIPFA accounting code of practice categories of homelessness, housing advice and other Council property:-</p> <ul style="list-style-type: none"> • Management of the Town Hall housing reception service • Maintenance of the Council's Housing Register for housing need applicants • Assessment of housing applications and the placement of homeless people in temporary accommodation pending investigation of applications • Nomination of households for rehousing in both the Council's and housing associations' stock • Resettlement of people with mental health problems or with AIDS/HIV in both Council and housing association properties • The Royal Borough's contribution to the management costs of the travellers' site • Implementation of the statutory Housing Register • Housing advice and tenancy relations. 		
MAJOR VARIATIONS		
<ul style="list-style-type: none"> • Pay and Price increases have added £36,000 to the budget. • Following virements in 2006/07 for homelessness, a further budget virement of £1,200,000 was agreed for one year only, to fund homelessness prevention work. Of this £625,000 has been transferred to Registered Social Landlords and the balance has remained within Housing Needs. • Financial Plan growth of £60,000 has been added to the budget as a consequence of PCT withdrawal of funding within their recovery plan. 		

REGISTERED SOCIAL LANDLORDS AND HOUSING ADVANCES (ENABLING)		
Cabinet Member for Housing Services, Adult Social Care, Public Health and Environmental Health Deputy Leader and Cabinet Member for Planning Policy, Housing Policy and Transportation	Budget	Budget
	2006/2007	2007/2008
	£'000	£'000
EXPENDITURE		
Employees	316	289
Transport Related Expenditure	1	1
Supplies and Services	596	729
Third Party Payments	5	5
Total Direct Expenditure	918	1,024
Central Support Services Recharges	125	123
Departmental Recharges	211	121
Capital Charges	15	0
TOTAL EXPENDITURE	1,269	1,268
INCOME		
Government Grants	0	0
Fees, Charges and Other Client Income	75	73
Interest	40	18
Recharges to other Services	12	12
TOTAL INCOME	127	103
NET EXPENDITURE	1,142	1,165
DESCRIPTION OF SERVICE		
<p>This heading covers the CIPFA accounting code of practice categories of registered social landlords (RSLs) and housing advances:</p> <ul style="list-style-type: none"> • The Council's work with housing associations and the Housing Corporation to provide homes for families in housing need and to maintain the homes of existing association tenants. The Council also maintains loans with associations. These comprise "residual loans" which are long-term mortgages. • 'Let's Rent' private sector housing initiatives • The administration of mortgages for Right-to-Buy and other individuals. 		
MAJOR VARIATIONS		
<ul style="list-style-type: none"> • Pay and Price increase have added £13,000 to the budget. • A one year virement for homelessness prevention work was included in the 2006/07 budget. Another one year virement of £625,000 for similar work has been included in the 2007/08 budget. • Financial Plan savings of £22,000 have been included which will arise from an administration charge on the value of Social Housing Grant available to RSL's in the borough. 		

SUPPORTING PEOPLE		
Cabinet Member for Housing Services, Adult Social Care, Public Health and Environmental Health	Budget	Budget
	2006/2007	2007/2008
	£'000	£'000
EXPENDITURE		
Employees	202	204
Supplies and Services	70	71
Third Party Payments	11,660	11,441
Total Direct Expenditure	11,932	11,716
Central Support Services Recharges	52	56
TOTAL EXPENDITURE	11,984	11,772
INCOME		
Government Grants	11,613	11,394
TOTAL INCOME	11,613	11,394
NET EXPENDITURE	371	378
DESCRIPTION OF SERVICE		
<p>From 1 April 2003, the funding arrangements to enable vulnerable people live independently in the community were replaced by a single budget administered by local authorities. The Supporting People grant is used to commission a wide range of housing support. Older people, sheltered accommodation and people with special needs are included in the scheme.</p>		
MAJOR VARIATIONS		
<ul style="list-style-type: none"> • There has been a reduction of £219,000 in the level of grant funding from the DCLG. 		

ENVIRONMENTAL HEALTH - MANAGEMENT AND SUPPORT SERVICES		
Cabinet Member for Housing Services, Adult Social Care, Public Health and Environmental Health	Budget	Budget
	2006/2007	2007/2008
	£'000	£'000
EXPENDITURE		
Employees	552	559
Premises Related Expenditure	2	2
Transport Related Expenditure	2	2
Supplies and Services	140	137
Third Party Payments	101	0
Total Direct Expenditure	797	700
Central Support Services Recharges	465	499
Departmental Recharges	140	279
Other Departmental Recharges	364	375
Capital Financing Charges	71	66
TOTAL EXPENDITURE	1,837	1,919
INCOME		
Fees and Charges	2	2
Recharges to other services	1,835	1,917
TOTAL INCOME	1,837	1,919
NET EXPENDITURE FULLY RECHARGED	0	0
DESCRIPTION OF SERVICE		
<p>The salaries of the managers, their personal assistants and support services staff are shown here with their associated running costs.</p> <p>The Support Services section carries out a wide variety of functions on behalf of the Department as a whole. In addition to traditional administrative support functions, such as service of statutory notices, typing and file handling, the section includes a Business Systems Unit with a brief to sustain and develop information technology and management information systems upon which the Department and other parts of the Council such as the Licensing Team, Environmental Health Line and The Customer Liaison Service increasingly depends.</p>		
MAJOR VARIATIONS		
<ul style="list-style-type: none"> • Pay and price increases have added £30,000 to the budget in 2007/2008. • IT Budgets totalling £100,000 have been transferred to Corporate Services following a decision to recentralise the devolved budgets. • Departmental Recharges have increased as a result of changes in time allocations. • Other Departmental Recharges have increased due to an increase in the recharge for the Environmental Health Line service. 		

ENVIRONMENTAL HEALTH - FOOD AND TRAINING		
Cabinet Member for Housing Services, Adult Social Care, Public Health and Environmental Health	Budget	Budget
	2006/2007	2007/2008
	£'000	£'000
EXPENDITURE		
Employees	650	716
Premises related expenditure	20	20
Transport Related Expenditure	7	7
Supplies and services	59	68
Third party payment	93	92
Total Direct Expenditure	829	903
Central Support Services Recharges	123	113
Departmental Recharges	268	285
TOTAL EXPENDITURE	1,220	1,301
INCOME		
Fees and Charges	168	182
Recharge to Corporate and Democratic Core	3	3
TOTAL INCOME	171	185
NET EXPENDITURE	1,049	1,116
DESCRIPTION OF SERVICE		
<p>Food Safety All food premises in the Borough are inspected at a frequency determined by risk to ensure good hygiene and food standards and for Health and Safety at work. The Food Safety Act provides for controls over unhygienic premises, registration of all food establishments and a risk assessment scheme for all premises. Establishments are also inspected with a view to granting butcher licences where appropriate. Samples of food are taken for analysis, both as a matter of routine and following a complaint. The Public Analyst examines the samples for purity and composition. Food poisoning incidents are investigated, food hazard warnings are responded to and special attention is paid to high-risk premises such as hospital kitchens. Complaints about labelling food quality are also investigated. There are approximately 1,800 food premises in the Royal Borough.</p> <p>Where there are serious food safety risks, premises may be closed and criminal prosecutions mounted.</p> <p>In 2005/06 there were 930 complaints and requests for service that required a response and 1,494 inspections undertaken by the Food Team.</p> <p>The Environmental Health training function is undertaken by the Food Team's services. This involves the provision of direct and contracted training on food hygiene and safety matters to catering workers and managers, and the development of internet based approaches to training. Approximately 3,600 candidates are trained per annum.</p>		
MAJOR VARIATIONS		
<ul style="list-style-type: none"> • Pay and price increases have added £25,000 to the budget in 2007/2008. • Two additional posts were agreed as part of the Financial plan process – one for the Scores on the Doors initiative (£20,000 part time post), and one to provide more training courses (£25,000). It is assumed that additional income of £10,000 will be achieved following the provision of additional courses. 		

ENVIRONMENTAL HEALTH - TRADING STANDARDS		
Cabinet Member for Housing Services, Adult Social Care, Public Health and Environmental Health	Budget	Budget
	2006/2007	2007/2008
	£'000	£'000
EXPENDITURE		
Employees	282	311
Transport Related Expenditure	1	1
Supplies and Services	19	20
Third Party Payments	1	0
Total Direct Expenditure	303	332
Central Support Services Recharges	64	60
Departmental Recharges	138	146
TOTAL EXPENDITURE	505	538
INCOME		
Fees and Charges	1	1
Recharge to Corporate and Democratic Core	3	3
TOTAL INCOME	4	4
NET EXPENDITURE	501	534
DESCRIPTION OF SERVICE		
<p>The Trading Standards Service provides the following services:</p> <p>Enforcement of legislation controlling weights and measures, trade descriptions, consumer safety, consumer credit, prices, hallmarking and textile labelling. This requires routine visits to trade premises and also the investigation of complaints. Tasks include testing of weighing and measuring equipment, checking weights and descriptions of goods and examining advertisements, labels and price displays. Test transactions are carried out to see if the correct weight is sold and if goods and services are correctly priced as described, and safe.</p> <p>Advising members of the public and local businesses on Trading Standards matters.</p> <p>Weighing road vehicles to check whether laden weights exceed legal limits.</p> <p>Testing new and repaired weighing and measuring equipment before use in trade.</p> <p>Seizure of counterfeit goods and enforcement of the Video Recordings Act.</p>		
MAJOR VARIATIONS		
<ul style="list-style-type: none"> • Pay and price increases have added £12,000 to the budget in 2007/2008. • As part of the Financial Plan process, salaries have increased by £20,000 for operations to detect illegal sales of knives, solvents, tobacco, alcohol and spray paints. 		

ENVIRONMENTAL HEALTH - ENVIRONMENTAL QUALITY		
Cabinet Member for Housing Services, Adult Social Care, Public Health and Environmental Health	Budget	Budget
	2006/2007	2007/2008
	£'000	£'000
EXPENDITURE		
Employees	360	371
Transport Related Expenditure	2	3
Supplies and Services	51	53
Third party payments	19	27
Total Direct Expenditure	432	454
Central Support Services Recharges	73	80
Departmental Recharges	169	183
TOTAL EXPENDITURE	674	717
INCOME		
Recharge to Corporate and Democratic Core	18	21
TOTAL INCOME	18	21
NET EXPENDITURE	656	696
DESCRIPTION OF SERVICE		
<p>The services provided include managing public consultation on environmental issues, air quality monitoring and the development of proposals to improve air quality. In addition, research and policy work is carried out on a wide range of environmental issues including contaminated land, electro-magnetic radiation, transport noise and vibration studies and environmental impact assessments.</p>		
MAJOR VARIATIONS		
<ul style="list-style-type: none"> • Pay and price increases have added £16,000 to the budget in 2007/2008. • As part of the Financial Plan process, £10,000 has been added to third party payments for contaminated land investigations. 		

ENVIRONMENTAL HEALTH - HEALTH AND SAFETY		
Cabinet Member for Housing Services, Adult Social Care, Public Health and Environmental Health	Budget	Budget
	2006/2007	2007/2008
	£'000	£'000
EXPENDITURE		
Employees	429	444
Transport Related Expenditure	3	3
Supplies and services	5	10
Third party payments	10	9
Total Direct Expenditure	447	466
Central Support Services Recharges	87	61
Departmental Recharges	193	210
TOTAL EXPENDITURE	727	737
INCOME		
Recharge to Corporate and Democratic Core	2	3
TOTAL INCOME	2	3
NET EXPENDITURE	725	734
DESCRIPTION OF SERVICE		
<p>Health and Safety In the region of 5,200 commercial premises have been inspected to ensure that the health, safety and welfare of employees and members of the public are protected. The Council takes an approach based on risk assessed, priority planned inspections. Officers look not only at the obvious danger points such as machinery or trip hazards, but also at occupational health problems such as dermatitis. Documentary evidence is sought to ensure that the management of the premises has put proper health and safety policies in place and has evaluated any risks inherent in the business. Officers check to make sure managers understand their responsibilities and that the legislation and Codes of Practice laid down by the Government and the Health and Safety Commission are complied with. Enforcement action is taken by service of notices and prosecution where appropriate.</p> <p>The service investigates reports of accidents in workplaces in the Royal Borough. It deals with formal notifications about the proposed removal of asbestos, and maintains a rigorous inspection programme of wet cooling towers.</p> <p>Where necessary, full criminal investigations into health and safety offences are mounted and prosecutions taken.</p> <p>In 2005/06 there were 302 accident notifications, 432 other complaints and requests for service which required a response and 1,214 inspections undertaken by the Health and Safety Team.</p>		
MAJOR VARIATIONS		
<ul style="list-style-type: none"> • Pay and price increases have added £18,000 to the budget in 2007/2008. • As part of the Financial Plan process, funding of £6,000 for HSE Partnership Work has been added to fund a number of local initiatives. 		

ENVIRONMENTAL HEALTH – MORTUARY, CORONERS AND PEST CONTROL SERVICES		
Cabinet Member for Housing Services, Adult Social Care, Public Health and Environmental Health	Budget	Budget
	2006/2007	2007/2008
	£'000	£'000
EXPENDITURE		
Employees	295	304
Transport Related Expenditure	2	2
Supplies and services	20	21
Third party payments	362	369
Total Direct Expenditure	679	696
Central Support Services Recharges	50	62
Departmental Recharges	163	169
Capital Financing Charges	5	5
TOTAL EXPENDITURE	897	932
INCOME		
Fees and Charges	207	212
TOTAL INCOME	207	212
NET EXPENDITURE	690	720
DESCRIPTION OF SERVICE		
<p>This comprises the Royal Borough's contribution towards the provision of a mortuary and Coroners' Court service.</p> <p>The Pest Control service provides a team of officers to control rats, mice and insect pests including cleansing filthy or verminous premises or articles, disinfection, and the collection of clinical waste.</p>		
MAJOR VARIATIONS		
<ul style="list-style-type: none"> • Pay and price increases have added £9,000 to the budget in 2007/2008. 		

ENVIRONMENTAL HEALTH - NOISE AND NUISANCE		
Cabinet Member for Housing Services, Adult Social Care, Public Health and Environmental Health	Budget	Budget
	2006/2007	2007/2008
	£'000	£'000
EXPENDITURE		
Employees	862	890
Transport Related Expenditure	23	23
Supplies and services	20	21
Third party payments	24	23
Total Direct Expenditure	929	957
Central Support Services Recharges	226	165
Other Departmental Recharges		51
Departmental Recharges	355	355
TOTAL EXPENDITURE	1,510	1,528
INCOME		
Establishment Charges - Public Health Act	5	5
TOTAL INCOME	5	5
NET EXPENDITURE	1,505	1,523
DESCRIPTION OF SERVICE		
<p>The services provided include the abatement of environmental pollution, which can take many forms including contamination of the atmosphere by smoke or fumes, noise pollution, and pollution arising from deposits that may be directly or potentially hazardous.</p> <p>The Department responds to over 10,000 complaints annually of noise disturbance. These include construction site noise, neighbour noise, party noise, burglar alarms and noise from commercial premises. Enforcement action is taken by the serving of notices and prosecutions where appropriate.</p> <p>The majority of noise complaints are received out of office hours. The complaint burden is also very seasonal, with more complaints received in summer than winter. In the past it has proved difficult to match public demand for immediate action on these complaints with the supply of staff. Consequently the Department has launched a Noise and Nuisance Service working on shifts throughout the year. (This has evolved from the previous Out of Hours Service which, when launched in 1985, was the first twenty four hour noise complaint service in the country).</p> <p>This service also deals with noise complaints about major construction and transport problems within the Borough and works with Planning and Conservation on some types of planning applications.</p> <p>As well as dealing with noise complaints, the Service deals with vibration and a wide variety of "nuisance" problems, such as drainage defects, fumes and bonfires.</p> <p>In 2005/06 there were 5,622 complaints and requests for service that required a response</p>		
MAJOR VARIATIONS		
<ul style="list-style-type: none"> • Pay and price increases have added £37,000 to the budget in 2007/2008. • Other Departmental Recharges relate to the Out of Hours service operated by Transport, Environment and Leisure Services which was previously charged as part of the Central Support Services Recharges. 		

ENVIRONMENTAL HEALTH - HOUSING PRIVATE SECTOR		
Cabinet Member for Housing Services, Adult Social Care, Public Health and Environmental Health Deputy Leader and Cabinet Member for Planning Policy, Housing Policy and Transportation	Budget	Budget
	2006/2007	2007/2008
	£'000	£'000
EXPENDITURE		
Employees	668	680
Premises related expenditure	1	1
Transport Related Expenditure	2	2
Supplies and Services	20	26
Third Party Payments	2	
Total Direct Expenditure	693	709
Central Support Services Recharges	168	151
Departmental Recharges	419	445
Capital Financing Charges	750	780
TOTAL EXPENDITURE	2,030	2,085
INCOME		
Fees and charges	26	37
Government Grants	150	222
TOTAL INCOME	176	259
NET EXPENDITURE	1,854	1,826
DESCRIPTION OF SERVICE		
<p>Housing Conditions Enforcement action is taken to alleviate poor housing conditions in the private sector, with the aim of improving the housing stock. Action is taken in relation to disrepair, absence of proper means of escape in case of fire, overcrowding, lack of amenities, or poor management. Notices are served requiring the execution of works or the closure of unfit houses. The Council has the power to prosecute, make control orders and/or compulsory purchase orders, and execute works in default as the need arises. The team is developing an affordable warmth strategy aimed at reducing fuel poverty amongst Borough residents.</p> <p>Grants The Renovation Grants Scheme targets scarce resources to those properties and persons in greatest need. All grants are means tested and are mandatory or discretionary. The present policy is to approve mandatory and disabled facilities grants together with certain discretionary grants for owner-occupiers and tenants. Generally this entails bringing homes up to standard in terms of fire safety, repair, amenities, energy efficiency and where possible, home security.</p> <p>Hotels and Hostels There are approximately 350 hotels and hostels in the Royal Borough and they are inspected so as to ensure they are in good repair, standards of management are maintained, food hygiene requirements are complied with and that health and fire safety standards are met. Priority is given to those premises used to accommodate homeless families and single persons on income support. Fire precautions and means of escape in case of fire are particularly important in these premises owing to the vulnerable nature of the occupants.</p>		
MAJOR VARIATIONS		
<ul style="list-style-type: none"> • Pay and price increases have added £31,000 to the budget in 2007/2008. • As part of the Financial Plan process, savings of £10,000 have been achieved from regrading a post. • As part of the Financial Plan process, savings of £10,000 relating to the licensing of Houses in Multiple Occupation has been included. • Government grant funding of £12,000 has been made available in 2007/08 as part of the Climate Challenge fund. • Capital financing charges have increased by £30,000 reflecting an increase in the Renovation grant programme. Additional government grants of £60,000 are available to fund this programme. 		

HOUSING REVENUE ACCOUNT		
	Budget 2006/2007	Budget 2007/2008
	£'000	£'000
EXPENDITURE		
Employees	0	0
Premises Related Expenditure	16,476	16,490
Transport Related Expenditure	0	0
Supplies & Services	1,069	1,169
Agency & Contracted Services	11,844	12,122
Housing Benefit & Other Transfer Payments	27	16
Total Direct Expenditure	29,416	29,797
Central Support Services Recharges	584	653
Departmental Recharges	431	495
Contribution to Working Balance	2,593	2,796
Capital Financing Costs	19,282	19,738
Contingency	0	0
TOTAL EXPENDITURE	52,306	53,479
INCOME		
Government Grants	7,976	7,266
Other Grants & Contributions	0	0
Fees, Charges & Other Client Income	14,289	15,327
Rent – Dwellings	29,166	29,929
Interest	875	957
Recharges to Other Services	0	0
TOTAL INCOME	52,306	53,479
NET EXPENDITURE FULLY RECHARGED	0	0
DESCRIPTION OF SERVICE		
<p>The Housing Revenue Account (HRA) contains all the income and expenditure on goods and services relating to the provision, management and maintenance of the Council's properties and tenancies. By law, the HRA must be balanced with no contributions to or from the General Fund. Since April 1996 responsibility for management and maintenance has been delegated to the RBKC Tenant Management Organisation, and it is now responsible for most budgets. The Council retains responsibility for a limited range of budget headings which are inappropriate for delegation. For 2007/08 rents have again been set in line with the government's rent restructuring formula.</p>		
MAJOR VARIATIONS		
<ul style="list-style-type: none"> • The TMO's base management fee is unchanged from 2006/2007. There is a one-off contribution, largely towards employer pension contributions. • An increase of £456,000 in capital financing costs. This is due to the increase in the capital programme. • A decrease of £710,000 in government grants. This is due to a net decrease in housing subsidy relating to an increase in notional rent income partly offset by an increase in management and maintenance allowances to take account of rebasing for rent restructuring. • An increase in Fees, Charges and Other Income largely due to an increase in Commercial Rents and Tenant Service charges. 		

HOUSING, HEALTH AND ADULT SOCIAL SERVICES

REVENUE CHANGES – GROWTH AND SAVINGS

Ref No.	Department	Description	Details	2007/08 £'000	2008/09 £'000	2009/10 £'000
Local Growth						
1	Environmental Health	HSE Partnership Work	HSE Partnership work - holding events in RBKC. Anticipates HSE ceasing to pump-prime their strategy to get local authorities to deliver their priorities in terms of training and awareness	6	0	0
2	Environmental Health	Operations to detect illegal sales	Operations to detect illegal sales of knives, solvents, tobacco, alcohol and spray paints. Increase current programme of operations.	20	0	0
3	Environmental Health	In-house food and Health and Safety training	Expand in-house food and Health and Safety training. Admin post and set up costs	30	-5	0
4	Environmental Health	Contaminated Land Investigations	Contaminated land investigations requiring soil sampling/analysis and consultants' advice.	10	0	0
5	Adult Social Care	Cost of new requirement to pay nursing staff at NHS rates	Unavoidable costs of employing nurses at Thamesbrook in line with the pay NHS nurses are receiving through Agenda for Change	62	0	0
6	Adult Social Care	Additional funding for the Shop mobility scooter loan scheme	Part funding for the running costs of the scheme if additional funding from TfL is not forthcoming. Review to be carried out.	30	0	0
Total Local Growth				158	-5	0

HOUSING, HEALTH AND ADULT SOCIAL SERVICES

Ref No.	Department	Description	Details	2007/08 £'000	2008/09 £'000	2009/10 £'000
Corporately Funded Growth						
7	Housing	Fallout of use of Local Initiatives Reserve for consultancy for RBKC Right to Buy Scheme		-75	0	0
8	Adult Social Care	Super-inflation on concessionary fares	London-wide agreement with TfL that cost of concessionary fares will go up 6% for 2007/8. This bid is for the cost over standard inflation of 2%. Concessionary fares are funded from Car Park Reserve.	187	0	0
9	Adult Social Care	Super-inflation on adults placement costs	Early analysis suggests inflation likely to be 4% on placements. This bid is for 2% over standard inflation of 2%	424	0	0
10	Adult Social Care	Super-inflation on energy costs	Inflation is estimated to be 80% for gas. This bid is for the cost over standard inflation of 2% (ie. 78%). It relates to the cost of energy at Adult Social Care establishments.	48	0	0
11	Adult Social Care	Single Status	The estimated costs of job regradings for staff working in residential homes and day centres, as part of the work to harmonise terms and conditions as part of Single Status.	170	0	

HOUSING, HEALTH AND ADULT SOCIAL SERVICES

Ref No.	Department	Description	Details	2007/08 £'000	2008/09 £'000	2009/10 £'000
12	Adult Social Care/Housing	PCT Interim Support	The PCT has been required to find an additional £7.6 million savings in year. One area in which it proposed making savings was in Section 28a and Section 31 funding. Cabinet have agreed, in order to avoid withdrawing funding from projects it wishes to support longer term, that the Council meets a proportion of the agreement costs in the short term. The PCT will repay these costs in later years.	320	-320	-483
13	Adult Social Care/Housing	Replacement PCT funding	As part of the PCT's recovery plan, funding is being withdrawn from s31/s28a projects.	110	0	0
14	Environmental Health	Scores on the Doors Initiative	Scores on the Doors Initiative - scheme publicising the hygiene status of restaurants and other food premises. Running costs of database plus 0.5 post.	23	0	0
Total Corporately Funded Growth				1,207	-320	-483
Savings						
15	Environmental Health	Expand in-house food and Health and Safety training	Estimated untapped demand for training provision.	-10	-10	-10
16	Environmental Health	Lets Rent	Removal of EH contribution to Lets Rent initiative	-6	0	0
17	Environmental Health	Reduced EH service costs	Use emails instead of letters, reduce salaries budget, regrade post	-26	0	0
18	Environmental Health	Increased income from HMO licensing	Scope to set fees so as to recover admin and overhead costs	-10	0	0

HOUSING, HEALTH AND ADULT SOCIAL SERVICES

Ref No.	Department	Description	Details	2007/08 £'000	2008/09 £'000	2009/10 £'000
19	Housing	Administration charge for Social Housing Grant to RSLs in Borough	Levy 1% administration charge on value of SHG to RSLs in Borough. 3 or 4 yr income stream.	-22	0	0
20	Adult Social Care	Increased home care charges	The Royal Borough has a history of low charges for Community Care services. Charges are now well below those in other London authorities. Service users receive an highly subsidised service. There is scope for "catching up" with similar London authorities.	-100	-100	0
21	Adult Social Care	Review of voluntary sector funding	Adult Social Care spends over £1.5 million with the Voluntary Sector in the form of grants and SLAs. A full review of spending will be undertaken to reduce spend in 07/08.	-75	0	0
22	Adult Social Care	Savings from closure of Tavistock Hostel	Tavistock Hostel has closed. A further saving of £100k can be made against the budget, leaving £73k to meet costs of new forensic step-down service.	-100	0	0
23	Adult Social Care	Reduced mental health budgets	Deletion of vacant post at Oreimi and reduced provision of tutor-led groups at the Grove.	-17	0	0
24	Adult Social Care	Reduced learning disability budgets	Efficiency savings, reduction in admin, reduced travel costs for clients	-34	0	0
25	Adult Social Care	Rationalisation of the assessment service for older people	Review of Older People's social work team shows reduction of 2 posts possible.	-67	0	0

HOUSING, HEALTH AND ADULT SOCIAL SERVICES

Ref No.	Department	Description	Details	2007/08 £'000	2008/09 £'000	2009/10 £'000
26	Adult Social Care	Commercial income from the retail unit at the reopened Ellesmere Residential and Day Centre for Older People	Income from Retail Unit rent	-80	0	0
27	Adult Social Care	Savings from the review of older people's day care services	Strategic review of day care and commissioning strategy concluded that there was an over provision of building based services. Also that demographics, changing aspirations and the impact of individual budgets would decrease demand for services. Proposed closure of Edenham Day Centre with work managed within the other 5 day centres. There will be investment to ensure staffing levels and networks of care can be managed.	-40	0	0
Total Savings				-587	-110	-10
Business Group Total				778	-435	-493

PLANNING AND CONSERVATION
REVENUE BUDGET 2007/2008

**PLANNING AND CONSERVATION
REVENUE BUDGET**

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PLANNING AND CONSERVATION Subjective Summary

Item	Notes	2006/07 Budget £'000	2007/08 Budget £'000
EXPENDITURE			
Employee Related Expenses		3,476	3,502
Transport Related Expenses		83	96
Supplies and Services	1	498	430
Third Party Payments	2	529	520
Central Departments	3	1,496	1,330
Departmental Recharges		1,721	1,766
Capital Charges		43	30
TOTAL EXPENDITURE		7,846	7,674
INCOME			
Government Grants	4	388	183
Other Grants, Reimbursements and Contributions			
Customer and Client Receipts Fees and Charges	5	1,720	1,749
Other		20	20
Recharges to Other Accounts		173	173
TOTAL INCOME		2,301	2,125
NET EXPENDITURE		5,545	5,549

Notes

- 1 Insurance costs for tree root damage have reduced by £55,000 through efficiencies achieved by the management of self-insured risks
- 2 A key recommendation of the Royal Borough review of IT required a simplification of charges and this led to a re-centralisation of ISD support and maintenance costs, reducing the budget by £56,000
- 3 Central Support Services recharges have decreased by £99,000 with the removal of capital interest charges on administrative buildings
- 4 Variable phasing of spending of Planning Delivery Grant
- 5 Planning Application fees income had been increased by £30,000 to meet budget reduction targets in the Cabinet Business Plan 2007/08

PLANNING AND CONSERVATION Service Summary

2006/07 Budget			Service Summary	2007/08 Budget			Outputs	Head of Service
Exp £'000	Income £'000	Net £'000		Exp £'000	Income £'000	Net £'000		
			Cabinet Member for Planning Policy, Housing Policy and Transportation					
1,877	1,106	771	Building Control	1,854	1,107	747	1,500 Building Regulations applications	BC
3,129	1,081	2,048	Planning Services Development Control, Planning Information Office, Land Charges	3,103	905	2,198	3,200 Planning Applications; 1,200 enforcement cases; 7,000 land charges searches	HDC
876	111	765	Policy	795	110	685	Production of the LDF	PP
842	3	839	Design and Conservation	821	3	818	1,000 planning application observations	PP
762	0	762	Arboriculture	751		751	8,000 street trees managed	PP
7,486	2,301	5,185	Total Cabinet Member for Planning Policy, Housing Policy and Transportation	7,324	2,125	5,199		
360	0	360	Corporate and Democratic Core	350		350		
7,846	2,301	5,545	TOTAL PLANNING AND CONSERVATION	7,674	2,125	5,549		
			SUPPORT FUNCTIONS					
320	3	317	Executive	263	3	260		EDPC
412	68	344	Technical Support	368	68	300		HOBS
519	13	506	Central Support	596		596		HOBS
362	0	362	Development Control Support	412		412		HOBS
165	0	165	Forward Planning Support	171		171		HOBS
1,777	84	1,693	FULLY RECHARGED	1,810	71	1,739		

PLANNING AND CONSERVATION

SUMMARY OF CHANGES	Ref.	Budget 2007/08
ORIGINAL BUDGET 2006/07		£'000 5,545
o PAY AND PRICES CHANGES		
Pay Awards		108
Price Variations - Expenditure		71
Total Pay and Prices Increase		179
o CENTRAL SUPPORT SERVICES CHANGES		-144
o TRANSFER TO/FROM OTHER BUSINESS GROUPS		
Transfer from Corporate Services for half Group Finance Manager Post		38
Transfer to Corporate Services for re-centralisation of Core Training		-3
Transfer to Corporate Services for re-centralisation of ISD Support		-85
Total Transfers to/from other Business Groups		-50
o CAPITAL CHARGES VARIATIONS		-13
SUB TOTAL		5,517
o CABINET BUSINESS PLAN		
Planned Growth		
Replacement of Planning Delivery Grant funding	1	100
Total Planned Growth		100
Budget Reductions		
Increased Planning Application fees Income	3	-30
Savings from management and staffing rationalisation	2,4,5	-135
Insurance Cost reduction	6	-55
Total Budget Reductions		-220
o OTHER CHANGES		
Planning Delivery Grant notified for 2007/08		-65
Planning Delivery Grant notified for 2006/07 falling out		188
Adjustment to Reflect Current Service Pension Liability		29
Total Other Changes		152
BUDGET 2007/08 Planning and Conservation		5,549

SERVICE MANAGEMENT AND SUPPORT SERVICES		
EXECUTIVE DIRECTOR AND SUPPORT SERVICES		
BUSINESS UNITS T0500, T0300, T0120, T0130 and T0260		
Cabinet Member for Planning Policy, Housing Policy and Transportation	Budget	Budget
	2006/2007	2007/2008
	£'000	£'000
EXPENDITURE		
Salaries	929	935
Other Employee Costs	33	45
Travelling/Parking/Vehicle Expenses	7	8
Staff Training	18	16
Computer Equipment and Consumables	27	27
Scanning of Archived Planning Files	32	33
Acolaid Maintenance and Developments	18	19
Scanning new planning applications for the Internet	68	68
IT Support Costs	53	0
General Office Expenses	44	44
Total Direct Expenditure	1,229	1,195
Central Support Services Recharges	403	470
Departmental Support Services Recharges	144	145
TOTAL EXPENDITURE	1,776	1,810
INCOME		
Employees Contributions to Car Leasing	3	3
Planning Delivery Grant	81	68
Corporate and Democratic Core Activities	189	177
TOTAL INCOME	273	248
NET EXPENDITURE (FULLY RECHARGED)	1,503	1,562
DESCRIPTION OF SERVICE		
This includes the cost of support services, which are provided for all sections in the Planning Services Department.		
The support services included are the Executive Director and Personal Assistant, Central Support (Post and Filing, Document Imaging, Street Naming and Numbering), Technical Support (IT development, software support, systems administration), Planning Support (Development Control) and Planning Support (Forward Planning) together with department wide budgets for general office costs.		
The Head of Business Support represents the Business Group on a number of corporate working parties and coordinates work on corporate initiatives such as IIP, CPA and service delivery planning.		
MAJOR VARIATIONS		
Pay and price increases have added £41,100 to the budget for 2007/2008.		
There is an adjustment of £7,000 to reflect current service pension liability.		
The re-centralisation of ISD support budgets following the Royal Borough review of IT has reduced the budget by £53,000.		
£68,000 Planning Delivery Grant received in 2006/07 was approved to be spent in 2007/08 on the contract to scan current planning applications for viewing on the internet.		

BUILDING CONTROL		
BUSINESS UNITS T0400 and T0410		
Cabinet Member for Planning Policy, Housing Policy and Transportation	Budget	Budget
	2006/2007	2007/2008
	£'000	£'000
EXPENDITURE		
Salaries	1,201	1,212
Staff Training	6	7
Car Leasing Costs	27	19
Travelling/Parking/Congestion Charges	23	42
Town Hall Officer Car Park Passes	16	11
General Office Expenses	114	83
Consultants	54	65
IT Support Costs	15	0
Dangerous Structures Expenditure	20	20
Total Direct Expenditure	1,476	1,459
Central Support Services Recharges	327	326
Executive Director Recharge	74	69
TOTAL EXPENDITURE	1,877	1,854
INCOME		
Building Regulations Fees	1,060	1,060
Other Fees	26	28
Dangerous Structures Reimbursement	20	20
TOTAL INCOME	1,106	1,108
NET EXPENDITURE	771	746
DESCRIPTION OF SERVICE		
<p>The department deals with some 1,500 applications/building notices per annum made to the Council under Building Control legislation which covers a variety of activities, including erection, extension or alteration of a building, fire precautions, alterations to drainage, ventilation, underpinning foundations, sound and thermal insulation and access for the disabled. Building Control Surveyors vet and approve submitted plans and make site inspections at certain key stages of the construction process to ensure compliance with the regulations.</p> <p>The department also deals with the licensing of special and temporary structures, and generally gives advice about fire precaution and building control matters. Senior staff members are on call to provide a twenty-four hour service in respect of Dangerous Structures. The cost of works carried out to secure these structures is fully reimbursable.</p>		
MAJOR VARIATIONS		
<p>Pay and price increase have added £45,000 for 2007/08.</p> <p>One vacant surveyor post has been deleted giving a saving of £45,000 to meet the budget reduction target required in the Cabinet Business Plan 2007/08 (Reference 4).</p> <p>The extension of the Congestion Charge zone will negatively impact on the efficiency of surveyors and it has been agreed that the Council will reimburse the charge on those days that surveyors are required to use their cars. The estimated annual cost is £19,000 which has been funded from within existing resources by re-directing funds from other office costs.</p>		

DEVELOPMENT CONTROL, PLANNING INFORMATION OFFICE AND LAND CHARGES		
BUSINESS UNITS T0100, T0110 and T0310		
Cabinet Member for Planning Policy, Housing Policy and Transportation	Budget	Budget
	2006/2007	2007/2008
	£'000	£'000
EXPENDITURE		
Salaries	1,289	1,324
Other Employee Costs	35	46
Staff Training	9	9
Travelling Expenses	6	6
IT Support Costs	8	0
Consultants	30	31
Advertising Costs	35	36
Postage Costs	37	38
General Office Expenses	11	12
Total Direct Expenditure	1,460	1,502
Central Support Services Recharges	875	744
Departmental Support Services Recharges	788	857
TOTAL EXPENDITURE	3,123	3,103
INCOME		
Planning Applications Fees	560	590
Planning Information Office Copying Charges	5	11
Land Charges Income	56	56
Planning Delivery Grant	288	83
Corporate and Democratic Core Activities	166	165
TOTAL INCOME	1,075	905
NET EXPENDITURE	1,863	2,198
DESCRIPTION OF SERVICE		
<p>This service is responsible for implementing the Council's planning policies through the exercise of its development control powers. In 2006/2007 3,200 planning applications are estimated to be considered. Related functions include the enforcement of planning control, appeals against the Council's planning decisions, liaison with residents' and amenity groups and the maintenance of property based records of planning decisions and planning constraints.</p> <p>The Planning Information Office continues to offer a wide range of advice and information relating to Planning Control and Policy, Conservation Areas, Listed Buildings and Trees. This will be re-located to the new Reception during 2007/08.</p> <p>The Land Charges section is responsible for processing searches related to Planning matters and the clearance of associated queries.</p>		
MAJOR VARIATIONS		
<p>Pay and price increases have added £73,100 to the budget for 2007/08</p> <p>£100,000 Planning Delivery Grant has been removed from the budget following the identification of other savings to meet last year's Cabinet Business Plan savings target (Ref 1).</p> <p>Planning Delivery Grant of £18,000 was allocated from 2006/07 to fund a Senior Planning for six months.</p> <p>Notification of the Development Control element of Planning Delivery Grant for 2007/08 has already been received and £64,800 has been included but the spending plans will be approved at a later date. A £30,000 increase in Planning Application fees also part of the Cabinet Business Plan (Ref 3).</p>		

POLICY TEAM AND GRAPHICS		
BUSINESS UNITS T0210 and T0240		
Cabinet Member for Planning Policy, Housing Policy and Transportation	Budget	Budget
	2006/2007	2007/2008
	£'000	£'000
EXPENDITURE		
Salaries	416	365
Other Employee Costs	8	17
General Office Expenses	9	6
Preparation of Local Development Framework	100	100
IT Support Costs	4	0
Total Direct Expenditure	537	488
Central Support Services Recharges	124	115
Departmental Support Services Recharge	215	191
TOTAL EXPENDITURE	876	794
INCOME		
Sales of Development Plans	3	1
Graphic Design Charges to other Council Departments	4	4
Planning Delivery Grant	100	100
Corporate and Democratic Core Activities	4	4
TOTAL INCOME	111	109
NET EXPENDITURE	765	685
DESCRIPTION OF SERVICE		
<p>The Policy Team is responsible for the development and review of statutory planning policies. These are currently set out in the Unitary Development Plan, which was formally adopted by the Council in May 2002. On commencement of the Planning and Compulsory Purchase Act, 2004, the Policy Team began the preparation of the Council's Local Development Framework Documents, which will replace the Unitary Development Plan in 2008.</p> <p>The Policy Team also co-ordinates the preparation of planning briefs, supplementary planning documents and research (such as the Housing Needs Assessment).</p> <p>A Graphic Designer provides a service to all sections in Planning and Conservation and some work is also undertaken for other departments in the Council.</p>		
MAJOR VARIATIONS		
<p>Pay and price increases have added £18,350 to the budget for 2007/08</p> <p>There is an adjustment of £4,500 to reflect current service pension liability.</p> <p>The Access Officer post has been deleted following training of all Development Control officers to gain expertise on this aspect of developments submitted for Council planning approval. Half a post has been identified for deletion with the re-distribution of census, IT support and mapping duties. This gives a combined saving of £52,000 (Ref 2).</p> <p>Costs associated with the ongoing preparation of the Local Development Framework have been budgeted at £100,000 for 2007/08, which is fully funded from Planning Delivery Grant.</p>		

DESIGN AND CONSERVATION		
BUSINESS UNIT T0230		
Cabinet Member for Planning Policy, Housing Policy and Transportation	Budget	Budget
	2006/2007	2007/2008
	£'000	£'000
EXPENDITURE		
Salaries	377	390
Other Employee Expenses	9	15
Travelling Expenses	2	2
Brighten Up The Borough Fund	16	16
Consultants	16	16
Graffiti Initiative – Contractor costs	71	72
General Offices Expenses	8	7
Total Direct Expenditure	499	518
Central Support Services Recharges	79	67
Departmental Support Services Recharge	222	206
Capital Charges	42	30
TOTAL EXPENDITURE	842	821
INCOME		
Corporate and Democratic Core Activities	3	3
TOTAL INCOME	3	3
NET EXPENDITURE	839	818
DESCRIPTION OF SERVICE		
<p>The Design and Conservation team is responsible for the implementation and review of the Council's Conservation, Urban Design and Historic Building policies through design advice; the preparation of Conservation Area Policy Statements in consultation with local amenity groups; grant aid to Historic Building restoration, townscape enhancement schemes and implementing the programme to bring derelict buildings back into beneficial use and the preparation of three supplementary planning documents as part of the Council's Local Development Framework.</p> <p>The team is also responsible for the Brighten up the Borough Fund and a townscape improvement programme seeking the removal of graffiti and visual clutter.</p>		
MAJOR VARIATIONS		
<p>Pay and prices increases have added £18,600 to the budget for 2007/08.</p> <p>Capital charges have decreased by £12,000 following the introduction of new accounting arrangements removing notional interest as part of the charges.</p>		

ARBORICULTURE		
BUSINESS UNIT T0250		
Cabinet Member for Planning Policy, Housing Policy and Transportation	Budget	Budget
	2006/2007	2007/2008
	£'000	£'000
EXPENDITURE		
Salaries	115	130
Other Employee Expenses	2	3
General Office Expenses	4	4
Tree Root Insurance Costs	287	232
Street Tree Planting	22	22
Street Tree Maintenance	181	190
Total Direct Expenditure	611	581
Central Support Services Recharges	90	77
Departmental Support Services Recharge	61	93
TOTAL EXPENDITURE	762	751
TOTAL INCOME	0	0
NET EXPENDITURE	762	751
DESCRIPTION OF SERVICE		
<p>The Arboriculture service is responsible for the annual maintenance programme for around 8,000 street trees within the Royal Borough. This is on a three yearly cycle with a two year cycle for the north of the Borough to reduce the potential for trees causing subsistence problems in the clay soil areas. Planting new trees in appropriate locations is also carried out.</p> <p>The team also handles applications to do works to protected trees and advises planning officers on the effects new developments will have on trees.</p> <p>There is also a twenty-four hour emergency service as well as providing the public with Arboricultural advice.</p>		
MAJOR VARIATIONS		
<p>Pay and prices increases have added £16,300 to the budget for 2007/08.</p> <p>There is a £55,000 efficiency saving for Tree Root Insurance as a result of improved management of self-insured risks (Ref 6).</p>		

PLANNING AND CONSERVATION

REVENUE CHANGES – GROWTH AND SAVINGS

Ref No.	Department	Description	Details	2007/08 £'000	2008/09 £'000	2009/10 £'000
Local Growth						
1.	Planning Services	Reduction in Planning Delivery Grant	Replacement of Planning Delivery Grant offset by savings identified below	100		
Total Local Growth				100		
Savings						
2.	Planning Services	Staffing rationalisation	Deletion of 1.5 posts – Access Officer and Senior Planner	-52		
3.	Planning Services	Planning Applications fee income	Planning Applications fee income	-30		
4.	Building Control	Staffing rationalisation	Deletion 1 post - surveyor	-45		
5.	Support Services	Staffing rationalisation	Deletion of half a post – Group Finance Manager	-38		
6.	Planning Services	Insurance Cost Reduction	Improved management of self insured Risks	-55		
Total Savings				-220		
Business Group Total				-120		

***TRANSPORT, ENVIRONMENTAL AND
LEISURE SERVICES***

REVENUE BUDGET 2007/2008

TRANSPORT, ENVIRONMENT AND LEISURE SERVICES REVENUE BUDGET

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TRANSPORT, ENVIRONMENT AND LEISURE SERVICES
Subjective Summary

Item	Notes	2006/07 Budget	2007/08 Budget
		£'000	£'000
EXPENDITURE			
Employee Related Expenses		12,818	13,632
Premises Related Expenses		4,223	4,521
Transport Related Expenses		103	107
Supplies & Services		4,886	5,220
Third Party Payments		37,140	37,546
Transfer Payments		6	0
Central Support			
Central Departments		6,674	6,359
Other Departments		110	98
Capital Charges	1	4,729	2,313
TOTAL EXPENDITURE		70,689	69,796
INCOME			
Government Grants		264	277
Other Grants, Reimbursements & Contributions		392	396
Customer & Client Receipts			
Fees & Charges	2	50,333	50,047
Rents		926	951
Interest		1	1
Recharges to Other Revenue A/Cs			
Other Departments		408	541
TOTAL INCOME		52,324	52,213
NET EXPENDITURE		18,365	17,583

Notes

- 1 A change in accounting standards has removed the interest element from capital charges.
- 2 There is an expected drop in Parking income as a result of the implementation of the Congestion Charge Zone.

TRANSPORT, ENVIRONMENT AND LEISURE SERVICES
Service Summary

2006/07 Budget			Service	2007/08 Budget			Outputs	Head of Service
Exp	Income	Net		Exp	Income	Net		
£'000	£'000	£'000		£'000	£'000	£'000		
			Cabinet Member for Regeneration, Environmental Management and Leisure					
			Waste Management					
12,485	119	12,366	Operations - Cleansing	12,621	146	12,475	65k tonnes of refuse from 84k premises; cleansing 460km footways	WM&L
2,566	4,276	-1,710	Commercial Waste and Revenue Services	2,502	4,438	-1,936	Collection of 25k tonnes of waste from 3,200 premises	WM&L
6,947	226	6,721	Waste Disposal	7,192	210	6,982	WRWA	WM&L
2,551	274	2,277	Recycling	2,408	277	2,131	Collection of 12k tonnes from 84,000 premises	WM&L
881	881	0	Regulation of Street Trading	905	905	0	359 licensed sites	WM&L
87	165	-78	Traders Stores	83	170	-87	57 stores and 2 retail outlets	WM&L
			Leisure & Parks					
1,374	150	1,224	Sports Centres	1,020	197	823	2 Sports Centres - Kensington and Chelsea	WM&L
4,295	271	4,024	Parks and Open Spaces	4,276	282	3,994	8 main parks and 100 smaller open spaces (40.3 hectares)	WM&L
646	592	54	Cemeteries	652	648	4	2 Cemeteries - Hanwell and Gunnersbury	WM&L
			Arts and Museums					
266	0	266	Arts Development and Support	394	0	394		WM&L
1,851	1,523	328	Holland Park Theatre	2,162	1,818	344	38,000 tickets sold for 48 performances in 2006	WM&L
1,061	372	689	Museums and Galleries	622	266	356	4 facilities with 33,000 visitors in 2004/05	WM&L
1,033	455	578	Licensing	1,212	536	676	1,000 licensed premises	EDTELS
558	104	454	Notting Hill Carnival	572	115	457		WM&L
			Parking					
1,445	2,047	-602	Car Parking Off-Street	1,114	1,946	-832	2 Car Parks-Ken.Town Hall has 450 spaces and Young Street 254	PO
17,377	39,564	-22,187	Car Parking On-Street	17,269	38,743	-21,474	Approx. 40,300 live residents permits/18,500 suspensions p.a.	PO
55,423	51,019	4,404	Total Cabinet Member for Regeneration, Environmental Management and Leisure	55,004	50,697	4,307		

TRANSPORT, ENVIRONMENT AND LEISURE SERVICES
Service Summary

2006/07 Budget			Service	2007/08 Budget			Outputs	Head of Service
Exp	Income	Net		Exp	Income	Net		
			Deputy leader and Cabinet Member for Planning Policy, Housing Policy and Transportation					
			Transportation and Highways					
8,114	766	7,348	Highway Maintenance	8,063	790	7,273	208km of public highway, of which,12.5km maintained by TfL 10,500 street lights,3,500 signs/ bollards and 12,300 Parking Signs	T&H
2,395	27	2,368	Public Lighting	2,336	27	2,309		T&H
361	357	4	Rechargeables and Other Street Works	415	402	13		T&H
3,087	74	3,013	Traffic Section	2,529	72	2,457		T&H
721	30	691	Transportation and Road Safety	745	30	715	40 major Planning applications and 500 minor ones	T&H
14,678	1,254	13,424	Total Deputy leader and Cabinet Member for Planning Policy, Housing Policy and Transportation	14,088	1,321	12,767		
51	51	0	Adjustment for Recharged Services Income and Internal Recharges	195	195	0		
338	0	338	Corporate and Democratic Core	310	0	310		
199	0	199	Environmental Strategy	199	0	199		
70,689	52,324	18,365	TOTAL TRANSPORT, ENVIRONMENT AND LEISURE SERVICES	69,796	52,213	17,583		
			FULLY RECHARGED SERVICES					
1,551	5	1,546	Executive	1,596	3	1,593		EDTELS
2,855	369	2,486	Contact Centres & Business Support	3,063	501	2,562		WM&L
1,756	31	1,725	Contracts & Enforcement Support	1,763	31	1,732		WM&L
1,280	3	1,277	Transportation and Highways Administration	1,315	3	1,312		T&H
7,442	408	7,034	FULLY RECHARGED	7,737	538	7,199		

TRANSPORT, ENVIRONMENT AND LEISURE SERVICES

SUMMARY OF CHANGES	Ref.	Budget 2007/08
ORIGINAL BUDGET 2006/07		£'000 18,365
o PAY & PRICES CHANGES		
Pay		327
Price Variations - Expenditure		870
Price Variations - Income		-400
Total Pay & Price Increases		797
o CENTRAL SUPPORT SERVICES CHANGES		-472
o VARIATION IN CHARGES TO / FROM OTHER SERVICES		
Changes in Recharges to/from Other Business Groups		-148
Transfer Rent changes		-33
		-181
o TRANSFERS TO/FROM OTHER SERVICES		
Transfer to Corporate Services - Recentralisation of I.T.		-283
Transfer to Corporate Services - Core Training Budgets		-10
Transfer from Corporate Services-Disabled Badge Investigation Officer		28
Transfer from Corporate Services - Customer Liason Service		264
Transfer from Corporate Services - Grants		13
Transfer to Housing, Health and Adult Social Care		-33
Pension Funds Contribution - FRS17		89
		68
o CAPITAL CHARGES VARIATIONS		-2,416
SUB TOTAL		16,161
o RESOURCE CHANGES		
Local Growth		
Increased Licensing Staffing	1	60
Pump-Priming Funding for the Governments Business Transformation Initiative	2	50
Contractual Impact of thje Congestion Charge Zone	3	35
Increased Spending on Public Toilets	4	45
Increased Spending on World's End Place	5	15
Total Local Growth		205
Corporately Funded Growth		
Congestion Charge: Off Street	6	100
Coordinating Local Input to Olympics and Paralympics	7	30
Arts Service Development - including Museum Maintenance	8	105
Removal of Parking IT Procurement Budget	9	-699
Possible changes to the Car Clamping Service	10	235
Effect of the Congestion Charge on Pay and Display Income	11	3,200
Total Corporately Funded Growth		2,971
Planned Savings		
Increased Licensing Income	12	-70
Increased Income from the 'Too Big for the Bin' Service	13	-25
Reduced Commercial Waste Service Consultancy Budget	14	-30
Reduced Waste Management Publicity Budget	15	-10
Improved Commercial Waste Service Debt Collection	16	-50
Withdrawal of the Loss Making Part of the Commercial Waste Service	17	-61
Reduced Waste Management Budget (Not Needed for Service Delivery)	18	-50
Reduced Commercial Waste Disposal Costs	19	-110
Increased Commercial Waste Service Income	20	-10
Reduced Holland Park Water Bills due to Completion of Bore Hole	21	-10
Increased Cemeteries Income	22	-41
Increased Kensington Leisure Centre Car Park Income	23	-30
Reduced Road Maintenance Budget	24	-40
Reduced Pavement Maintenance and Street Furniture Budget	25	-40
Reduced Street Lighting Budget	26	-40
Increased Street Works Income	27	-20
Insurance Cost Reductions	28	-47
Savings from Parking Services Budgets	29	-192
Total Planned Reductions		-876
TOTAL RESOURCE CHANGES		2,300

TRANSPORT, ENVIRONMENT AND LEISURE SERVICES

SUMMARY OF CHANGES	Ref.	Budget 2007/08
<ul style="list-style-type: none"> o OTHER CHANGES Removal of one off 2006/07 budget for Eurobins Removal of Waste Management Strategy Publicity budgets Assumption that Street Trading reserve will be used to balance A/C Insurance Costs Realignment of Pay and Display Income Budget to Reflect Current Performance <li align="right">Total Other Changes 		<ul style="list-style-type: none"> <li align="right">-25 <li align="right">-10 <li align="right">48 <li align="right">9 <li align="right">-900 <li align="right">-878
FORECAST BUDGET		17,583

EXECUTIVE GROUP		
BUSINESS UNITS Y0001, Y0002, Y0008 and Y0009		
	Budget 2006/2007	Budget 2007/2008
	£'000	£'000
EXPENDITURE		
Employees	1,162	1,194
Business Group Training Expenses	39	34
Transport Related Expenditure	3	3
Consultancy, Research and Special Projects	38	39
General Office Expenses	47	35
Total Direct Expenditure	1,289	1,305
Central Support Services Recharges	262	291
TOTAL EXPENDITURE	1,551	1,596
INCOME		
Fees and Charges	5	3
TOTAL INCOME	5	3
NET EXPENDITURE FULLY RECHARGED	1,546	1,593
DESCRIPTION OF SERVICE		
<p>This comprises the Executive Director and Personal Assistant, Group Finance, and Strategy and Service Development with the associated running costs. Also included are the Business Group's training budgets and some centrally held monies under the control of the Executive Director.</p> <p>These costs are fully recharged to the departments and services.</p>		
MAJOR VARIATIONS		
<ul style="list-style-type: none"> • Pay and price increases have added £36,970 to the budget in 2007/2008. • The Employees budget has been increased by £30,000 to fund a post required for coordinating local input to the Olympics and Paralympics (Ref. No. 7). • The Employees budget has been reduced by £33,000 as a result of a transfer to Housing, Health and Adult Social Care to reflect the transfer of support responsibility for Environmental Health. • The Business Group Training budget has been reduced by £5,470 as a result of the decision of the Strategic Learning and Development Group that core training budgets are no longer devolved to business groups. • The General Office Expenses budget has been reduced by £12,640 following the transfer of a number of budgets to Corporate Services. • The remaining variations arise from the reallocation of expenditure internally between business units. 		

EXECUTIVE – ENVIRONMENTAL STRATEGY		
BUSINESS UNIT Y0006		
	Budget 2006/2007	Budget 2007/2008
	£'000	£'000
EXPENDITURE		
Departmental Recharges	199	199
TOTAL EXPENDITURE	199	199
INCOME	0	0
NET EXPENDITURE	199	199
DESCRIPTION OF SERVICE		
<p>This budget heading includes recharges from the Strategy and Service Development Division of the Executive.</p> <p>The areas of work covered include the development of the Council's Environmental Strategy and the coordination of action planning, measurement, publicity and communications. This also includes the North Kensington Environment Project that was originally supported by Neighbourhood Renewal Funding, but which is now embedded in mainstream funding. The project aim is to promote and facilitate environmental improvements to vacant land, buildings and bridges in North Kensington with the involvement of the local community.</p>		
MAJOR VARIATIONS		

EXECUTIVE - LICENSING		
BUSINESS UNIT Y0030		
Cabinet Member for Regeneration, Environmental Management and Leisure	Budget	Budget
	2006/2007	2007/2008
	£'000	£'000
EXPENDITURE		
Employees	555	633
Transport Related Expenditure	2	2
Analyst Fees	5	5
Enforcement	3	3
Running Costs	20	18
Total Direct Expenditure	585	661
Central Support Services Recharges	329	443
Other Departmental Recharges	59	45
Departmental Recharges	60	63
TOTAL EXPENDITURE	1,033	1,212
INCOME		
Licences	423	503
Recharge to Corporate and Democratic Core	32	33
TOTAL INCOME	455	536
NET EXPENDITURE	578	676
DESCRIPTION OF SERVICE		
<p>The Licensing Team provides integrated control of premises and persons requiring licences under the Licensing Act 2003 and other licences issued for "special treatments" (acupuncture, beauty parlours, etc.), explosives, fireworks, amusement arcades, etc. There has been a tenfold increase recently in the volume of applications for licences due to the enactment of the Licensing Act 2003, coupled with a demand for monitoring and enforcement. The type of premises licensed under the 2003 Act requires that enforcement activity normally has to take place during unsocial hours. There are approximately 1,000 licensed premises.</p> <p>The Licensing Team has been responsible for research into proposed changes to Gambling legislation and for lobbying government for amendments to the Gambling Act 2005. The Act received Royal Assent in late Spring 2005 and applications under the new regime will commence in early 2007.</p>		
MAJOR VARIATIONS		
<ul style="list-style-type: none"> • Pay and price increases have added £20,490 to the budget in 2007/2008. • The Employees budget has been increased by £60,000 in order to make permanent two temporary enforcement posts (Ref. No. 1). • £5,070 has been transferred to Corporate Services for I.T. expenditure. • The establishment of a Provision for Bad Debts has added £2,920 to the budget which is funded from increased income. • The income budget has been increased by £70,000 to reflect the current trend in licence applications (Ref. No. 12). • The remaining variations arise from the reallocation of expenditure internally between business units. 		

WASTE MANAGEMENT AND LEISURE – CONTACT CENTRES AND BUSINESS SUPPORT

BUSINESS UNITS Y0003, Y2000, Y2060 and Y2090

	Budget 2006/2007	Budget 2007/2008
	£'000	£'000
EXPENDITURE		
Employees	888	1,191
I.T. Expenditure	27	0
Advertising and Publicity	18	19
Consultants	13	15
Equipment and Other Running Expenses	108	108
Total Direct Expenditure	1,054	1,333
Central Support Services Recharges	1,352	1,248
Departmental Recharges	449	482
TOTAL EXPENDITURE	2,855	3,063
INCOME		
Fees and Charges	5	5
Recharges to Other Business Groups	364	496
TOTAL INCOME	369	501
NET EXPENDITURE FULLY RECHARGED	2,486	2,562

DESCRIPTION OF SERVICE

Streetline, Arts and Leisure Line, and Environmental Healthline Contact Centres.

With the exception of Environmental Healthline, these Services also provide administrative support to the Department, including reports relating to Governance, and information technology expertise. All complaints are handled through the service including the majority of performance monitoring. Direct customer services are also provided in the form of coping with the administration of abandoned vehicles, dumps, "Too Big for the Bin" service, donated benches and co-ordination of events in the parks.

Arts and Leisure Administration

This section provides support for the Arts and Leisure Services. All complaints are handled through the section including the majority of support, purchasing and performance monitoring.

The full cost of Environmental Healthline is recharged to the Housing, Health and Adult Social Care Business Group and the other costs are recharged as departmental administration over the appropriate Waste Management and Leisure business units.

MAJOR VARIATIONS

- Pay and price increases have added £74,190 to the budget in 2007/2008.
- The Employees budget has been increased by £264,150 in 2007/2008 following the transfer of responsibility for the Customer Liaison Service from Corporate Services to TELS.
- £26,920 has been transferred to Corporate Services for I.T. expenditure.
- Recharges to Other Business Groups has increased by £121,320, this being the proportion of the Customer Liaison Services charged to the Housing, Health and Adult Social Care and Family and Children's Services Business Groups from 2007/2008.
- The remaining variations arise from the reallocation of expenditure internally between business units.

WASTE MANAGEMENT AND LEISURE - CONTRACTS AND ENFORCEMENT SUPPORT		
BUSINESS UNITS Y2010 and Y2020 - Y2050		
	Budget 2006/2007	Budget 2007/2008
	£'000	£'000
EXPENDITURE		
Employees	1,094	1,129
Premises Related Expenditure	66	43
Transport Related Expenditure	60	67
Equipment and Other Running Costs	29	51
Total Direct Expenditure	1,249	1,290
Central Support Services Recharges	161	162
Departmental Recharges	285	302
Capital Charges	61	9
TOTAL EXPENDITURE	1,756	1,763
INCOME		
Fixed Penalty Fees	25	25
Other Income	6	6
TOTAL INCOME	31	31
NET EXPENDITURE FULLY RECHARGED	1,725	1,732
DESCRIPTION OF SERVICE		
<p>An officer force exists under this heading to monitor and work with the Council's cleansing contractors and to control the many offences that occur on the public highway, over which the Council has jurisdiction. These include abandoned bicycles, shopping trollies and vehicles, builders' work, dogs, litter, obstructions, and illegal street trading.</p> <p>A considerable amount of effort is directed towards the control of refuse placed on the public highway. Thousands of bags are opened every year in search of evidence about the ownership of the rubbish.</p> <p>Additionally, assistance is given to the Recycling Service to help promote the Council's Recycling initiative and to curb illegal street trading.</p> <p>These costs are recharged to the relevant business units within Waste Management and Leisure and Transportation and Highways.</p>		
MAJOR VARIATIONS		
<ul style="list-style-type: none"> • Pay and price increases have added £45,830 to the budget in 2007/2008. • A change in accounting standards has removed the interest element from Capital Charges resulting in a reduction of £47,000 in 2007/2008. • The remaining variations arise from the reallocation of expenditure internally between business units. 		

WASTE MANAGEMENT AND LEISURE - OPERATIONS – CLEANSING		
BUSINESS UNITS Y2301, Y2305, Y2310 and Y2340		
Cabinet Member for Regeneration, Environmental Management and Leisure	Budget	Budget
	2006/2007	2007/2008
	£'000	£'000
EXPENDITURE		
Public Conveniences Repairs and Maintenance	31	71
Payments to Contractors	10,311	10,549
Refuse Containers	16	16
Rents, NNDR, Utilities and Other Running Costs	58	52
Total Direct Expenditure	10,416	10,688
Central Support Services Recharges	59	58
Enforcement Recharges	1,087	1,091
Other Departmental Recharges	864	748
Capital Charges	59	36
TOTAL EXPENDITURE	12,485	12,621
INCOME		
TMO Contribution to the Animal Warden Service	9	9
Sales - "Too Big for the Bin" and Garden Sacks	70	96
Public Conveniences	40	41
TOTAL INCOME	119	146
NET EXPENDITURE	12,366	12,475
DESCRIPTION OF SERVICE		
<p>This business unit shows the costs to the Council of street cleansing, domestic refuse and public conveniences. The current contractors are S.I.T.A. (UK) Ltd. This does not include any payments to Western Riverside Waste Authority as these are shown separately under Waste Disposal.</p> <p>The domestic refuse fleet includes 15 split-back recycling vehicles for the twice-weekly service, as well as other vehicles.</p> <p>The operations also include manual street cleansing, street sweeping by hand and by footway machine, mechanical road sweeping, gully cleansing, carriageway flushing, leaf clearance in season, litter bins, snow and ice clearance and gritting during the winter, grit bin provision and maintenance, and also dump clearance. Regular checks are also made to the Public Conveniences and Autoloo sites throughout the Borough. Cleansing takes place throughout the day and night at frequencies dependent upon location and requirements under the Environmental Protection Act. Also, in compliance with the Act a system of rapid response is in operation, which can respond to justifiable complaints.</p> <p>The Animal Warden Service contract provides resources to patrol housing estates as well as the public highway.</p> <p>The costs for the "Too Big for the Bin" service and sale of garden sacks are also shown here.</p>		
MAJOR VARIATIONS		
<ul style="list-style-type: none"> • Pay and price increases have added £293,740 to the budget in 2007/2008. • The Public Conveniences budget has been increased by £45,000 in order to provide additional public facilities (Ref. No. 4). • The Payments to Contractors budget has been increased by £15,000 to provide additional cleansing at World's End Place (Ref. No. 5). • A change in accounting standards has removed the interest element from Capital Charges resulting in a reduction of £22,650 in 2007/2008. • The income budget for the "Too Big for the Bin" service has been increased by £25,000 as a result of increased service volume (Ref. No. 13). • The remaining variations arise from the reallocation of expenditure internally between business units. 		

WASTE MANAGEMENT AND LEISURE - COMMERCIAL WASTE AND REVENUE SERVICES		
BUSINESS UNITS Y2350 and Y2360		
Cabinet Member for Regeneration, Environmental Management and Leisure	Budget	Budget
	2006/2007	2007/2008
	£'000	£'000
EXPENDITURE		
Employees	342	349
Transport Related Expenditure	8	8
Refuse Containers	88	88
Purchase of Sacks	184	206
Supplies and Services	56	50
Payments to Contractors	1,196	1,193
Debt Recovery and Bad Debt Provision	218	144
Total Direct Expenditure	2,092	2,038
Central Support Services Recharges	100	114
Other Departmental Recharges	374	350
TOTAL EXPENDITURE	2,566	2,502
INCOME		
Commercial Waste Income	4,164	4,323
Private Street Works, Sponsored Litter Bins and Other Income	109	112
Recharges to Other Services	3	3
TOTAL INCOME	4,276	4,438
NET EXPENDITURE	-1,710	-1,936
DESCRIPTION OF SERVICE		
<p>The Council's Commercial Waste Portfolio is now managed in-house. This arrangement commenced in April 2005 when the new Waste Management Contract was put in place. The Council was asked to review the effectiveness of the new operation after 12 months. This was done and the decision taken to keep the service in-house but under review.</p> <p>Commercial Waste makes provisions for the collection of waste material from trading organisations and other premises, for which the Council has a right or duty to charge. Refuse containers such as paladins, skips and compactors are also hired out. Collection of waste material can occur in the morning or evening and on primary routes at night. The service operates seven days per week, 364 days per year.</p> <p>Taking control of the majority of commercial waste in the Borough helps considerably in managing how it is presented for collection and benefits the recycling initiative.</p> <p>Commercial Waste is collected as part of the main contract, which S.I.T.A. (UK) Ltd operates. Collecting commercial and domestic waste simultaneously has efficiency and economic benefits.</p> <p>Other services' costs such as sponsored litterbins, private street works and other minor income generating services are also included here.</p> <p>Payments to Western Riverside Waste Authority are not included here, but shown separately under Waste Disposal.</p>		
MAJOR VARIATIONS		
<ul style="list-style-type: none"> • Pay and price increases have added £74,320 to the expenditure budget, however income has also been increased by £152,210 resulting in a net decrease on the budget of £77,890 in 2007/2008. • There are savings of £161,000 included in 2007/2008 as follows: withdrawal of the loss making part of the service £61,000 (Ref. No. 17); reduced bad debt provision £50,000 (Ref. No. 16); consultancy £30,000 (Ref. No. 14); publicity £10,000 (Ref. No. 15); and additional income of £10,000 (Ref. No. 20). • The Payments to Contractors budget has been increased by £35,000 to cover the expected impact of the congestion charge on the SITA contract (Ref. No. 3) • £3,080 has been transferred to Corporate Services for I.T. expenditure. • The remaining variations arise from the reallocation of expenditure internally between business units. 		

WASTE MANAGEMENT AND LEISURE - WASTE DISPOSAL		
BUSINESS UNIT Y2100		
Cabinet Member for Regeneration, Environmental Management and Leisure	Budget	Budget
	2006/2007	2007/2008
	£'000	£'000
EXPENDITURE		
Payments to WRWA for Commercial Waste, including Landfill Tax	1,081	1,038
WRWA Levy for Domestic Waste, including Landfill Tax	5,850	6,127
Hazardous Waste	5	5
Total Direct Expenditure	6,936	7,170
Central Support Services Recharges	11	22
TOTAL EXPENDITURE	6,947	7,192
INCOME		
Recharges to Street Trading Account	226	210
TOTAL INCOME	226	210
NET EXPENDITURE	6,721	6,982
DESCRIPTION OF SERVICE		
<p>This Business Unit covers the costs of disposing of The Royal Borough's refuse by the Western Riverside Waste Authority (WRWA) of which The Royal Borough is a constituent member, along with Wandsworth Borough Council and the London Boroughs of Hammersmith and Fulham, and Lambeth. There is now a part levy part tonnage payment for Domestic Waste, with Commercial Waste being charged solely on a tonnage basis.</p> <p>In an effort to reduce the amount of waste disposed in Landfill sites the Government introduced a Landfill Tax on 1 October 1996. This tax will increase to £24 per tonne on 1 April 2007 and is revised annually. This has increased the cost of both Domestic and Commercial Waste disposal. Where appropriate, Commercial Waste charges have been increased to reflect this.</p> <p>The extra cost of disposal from the introduction of Landfill Trading Allowances will make landfill expensive. However providing the Belvedere waste to energy plant progresses there will only be one difficult year in 2009/2010, unless legislation changes.</p>		
MAJOR VARIATIONS		
<ul style="list-style-type: none"> • Pay and price increases have added £339,740 to the budget in 2007/2008. • The budget for Payments to WRWA for Commercial Waste has been reduced by £110,000 (Ref. No. 19). • The remaining variations arise from the reallocation of expenditure internally between business units. 		

WASTE MANAGEMENT AND LEISURE – RECYCLING		
BUSINESS UNITS Y2160, Y2170 and Y2180		
Cabinet Member for Regeneration, Environmental Management and Leisure	Budget	Budget
	2006/2007	2007/2008
	£'000	£'000
EXPENDITURE		
Employees	244	349
General Running Expenses	15	43
Advertising, Publicity and Initiatives	399	363
Payments to Contractors and Service Enhancements	1,305	1,188
Total Direct Expenditure	1,963	1,943
Central Support Services Recharges	46	52
Departmental Recharges	402	361
Capital Charges	140	52
TOTAL EXPENDITURE	2,551	2,408
INCOME		
Grants and Contributions	264	277
Sale of Recycling Sacks and Other Income	10	0
TOTAL INCOME	274	277
NET EXPENDITURE	2,277	2,131
DESCRIPTION OF SERVICE		
<p>In June 1993, the Council launched a door-to-door collection service for recycling materials for both domestic and commercial properties. The material is now dealt with by the WRWA via Cremorne Wharf and a temporary Material Reclamation Facility in East London. The WRWA's own brand new Material Reclamation Facility is unlikely to come online until 2008.</p> <p>The education function of the Recycling Service is a vital element, which was established to boost participation and maximise the amount of material collected. A team of 5 Recycling Wardens are deployed to promote participation in recycling.</p> <p>The current service contract provides for split-back vehicles and twice-weekly recycling collections borough-wide. A free distribution of orange recycling bags to all households started in April 2006 and has significantly improved our recycling performance.</p>		
MAJOR VARIATIONS		
<ul style="list-style-type: none"> • Pay and price increases have added £41,310 to the budget in 2007/2008. • The Employees budget for 2007/2008 has increased by £100,000. This covers the cost of officers required to deliver the free orange bags and was included in the Payments to Contractors budget in 2006/2007 before the decision was taken for the distribution to be done in house. • The Advertising, Publicity and Initiatives budget has been reduced by £35,000 in 2007/08: £25,000 for refuse containers approved for 2006/2007 only; £10,000 for publicity initiatives approved as part of the Waste Management Strategy for 2005/2006 and 2006/2007 only. • There is a £50,000 reduction in Payments to Contractors for 2007/2008 as a result of the removal of the Waste Diversion budget (Ref. No. 18). • A change in accounting standards has removed the interest element from Capital Charges resulting in a reduction of £87,610 in 2007/2008. • The remaining variations arise from the reallocation of expenditure internally between business units. 		

WASTE MANAGEMENT AND LEISURE - REGULATION OF STREET TRADING		
BUSINESS UNIT Y2402		
Cabinet Member for Regeneration, Environmental Management and Leisure	Budget	Budget
	2006/2007	2007/2008
	£'000	£'000
EXPENDITURE		
Employees	200	206
Premises - Market Office	14	14
Transport Related Expenditure	5	5
Payments to Cleansing Contractor	273	280
Other Running Expenses	25	28
Estimated transfer to/from St Trading Reserve	-38	10
Total Direct Expenditure	479	543
Central Support Services Recharges	35	32
Departmental Recharges	141	120
Apportionment of Waste Disposal Costs	226	210
TOTAL EXPENDITURE	881	905
INCOME		
Fees and Charges	881	905
TOTAL INCOME	881	905
NET EXPENDITURE	0	0
DESCRIPTION OF SERVICE		
<p>This business unit records the income and expenditure associated with the street trading sites managed by The Royal Borough. The account is intended to be self-balancing in the long term, with income being derived from permanent and temporary site lettings. Licensed sites comprise 72 at Golborne Road, 255 at Portobello Road and 32 isolated sites. The charges are reviewed annually and under present legislation the Council is limited to recovering specified associated costs.</p> <p>Portobello and Golborne Markets cover approximately 2.9 km (1.8 miles) of highway and, of the 313 registered traders, over 76 are food stalls and 43 are antiques stalls. Trading is permitted from 8 a.m. to 7 p.m. on Monday, Tuesday, Wednesday, Friday and Saturday and 8 a.m. to 1 p.m. on Thursday.</p> <p>Isolated sites sell newspapers, fruit and vegetables, and flowers.</p> <p>The cleansing of the market area is carried out by S.I.T.A. (UK) Ltd.</p>		
MAJOR VARIATIONS		
<ul style="list-style-type: none"> • Pay and price increases have added £21,410 to the expenditure budget, however income has also been increased by £22,040 resulting in a net decrease on the budget of £630 in 2007/2008. • A change in the formula for calculating Waste Disposal Costs apportioned to Street Trading has resulted in a reduction in 2007/2008 of £20,000. • The remaining variations arise from the reallocation of expenditure internally between business units. 		

WASTE MANAGEMENT AND LEISURE - TRADERS STORES		
BUSINESS UNIT Y2401		
Cabinet Member for Regeneration, Environmental Management and Leisure	Budget	Budget
	2006/2007	2007/2008
	£'000	£'000
EXPENDITURE		
Employees	6	6
Maintenance, Equipment and Insurance	18	26
National Non Domestic Rates and Rent	26	20
Payments to Cleansing Contractor	16	16
Total Direct Expenditure	66	68
Central Support Services Recharges	1	2
Departmental Recharges	2	9
Capital Charges	18	4
TOTAL EXPENDITURE	87	83
INCOME		
Fees and Charges	8	8
Rental Income	157	162
TOTAL INCOME	165	170
NET EXPENDITURE	-78	-87
DESCRIPTION OF SERVICE		
<p>This business unit covers the funding and recharge of street traders' stores situated at Lonsdale Mews (19 units), Munro Mews (20 units) and Haydens Place (14 units), and Dunworth Mews (4 units). Also included are the two retail outlets at Westbourne Grove and South Kensington Island.</p>		
MAJOR VARIATIONS		
<ul style="list-style-type: none"> • Pay and price increases have added £1,650 to the expenditure budget, however income has also been increased by £4,150 resulting in a net decrease on the budget of £2,500 in 2007/2008. • A change in accounting standards has removed the interest element from Capital Charges resulting in a reduction of £13,080 in 2007/2008. • The remaining variations arise from the reallocation of expenditure internally between business units. 		

WASTE MANAGEMENT AND LEISURE - NOTTING HILL CARNIVAL		
BUSINESS UNIT Y2390		
Cabinet Member for Regeneration, Environmental Management and Leisure	Budget	Budget
	2006/2007	2007/2008
	£'000	£'000
EXPENDITURE		
Employees	97	111
Supplies and Services	47	55
Third Party Payments	348	347
Total Direct Expenditure	492	513
Central Support Services Charges	43	35
Departmental Recharges	23	24
TOTAL EXPENDITURE	558	572
INCOME		
Fees, Charges and Other Client Income	104	115
TOTAL INCOME	104	115
NET EXPENDITURE	454	457
DESCRIPTION OF SERVICE		
<p>Included on this sheet are costs associated with the preparation, enforcement and supervision of the Notting Hill Carnival. The significant costs included in Third Party Payments are payments to the cleansing contractor, hire of toilets, and payment of a grant to London Notting Hill Carnival Ltd. These costs are netted off by income received from street trading licences.</p>		
MAJOR VARIATIONS		
<ul style="list-style-type: none"> • Pay and price increases have added £10,180 to the budget in 2007/2008. • The remaining variations arise from the reallocation of expenditure internally between business units. 		

WASTE MANAGEMENT AND LEISURE - SPORTS CENTRES		
BUSINESS UNIT Y2850		
Cabinet Member for Regeneration, Environmental Management and Leisure	Budget	Budget
	2006/2007	2007/2008
	£'000	£'000
EXPENDITURE		
Employees	131	135
Building and Car Park Maintenance	39	41
National Non Domestic Rates	216	224
Insurance	24	25
Sport Centre and Car Park Contractors and Service Enhancements	133	134
Supplies and Services	61	62
Total Direct Expenditure	604	621
Central Support Services Recharges	61	66
Departmental Recharges	133	141
Capital Charges	576	192
TOTAL EXPENDITURE	1,374	1,020
INCOME		
Kensington Car Park	103	135
Transfer Rents	37	52
Re-imburements	10	10
TOTAL INCOME	150	197
NET EXPENDITURE	1,224	823
DESCRIPTION OF SERVICE		
<p>This Business Unit covers the Borough's two sports centres, which are currently managed by Cannons Health and Fitness Ltd. This is a new contract, which commenced on the 1 April 2005. The sports centres contract runs for a period of 12 years with a possible break at six.</p> <p>Chelsea Sports Centre is located at Chelsea Manor Street in the Chelsea Old Town Hall complex. It includes a 25 x 9 metre swimming pool and a 4 x 9 metre learner pool. There is also a dry sports hall, fitness gym and a dance studio. Charges are reviewed annually.</p> <p>Kensington Leisure Centre is located at Walmer Road, North Kensington. The Centre includes a 33.3 x 15 metre pool and a 10 x 15 metre teaching pool. There is also a fitness gym, 3 sports halls, 2 squash courts, crèche, children's soft play area, café-bar with 6 computer terminals and an outdoor play area. Charges are reviewed annually.</p>		
MAJOR VARIATIONS		
<ul style="list-style-type: none"> • Pay and price increases have added £18,400 to the budget in 2007/2008. • A change in accounting standards has removed the interest element from Capital Charges resulting in a reduction of £384,340 in 2007/2008. • £30,000 has been added to the income budget for the Kensington Leisure Centre Car Park (Ref. No. 23). • The remaining variations arise from the reallocation of expenditure internally between business units. 		

WASTE MANAGEMENT AND LEISURE - PARKS AND OPEN SPACES		
BUSINESS UNITS Y2710 - Y2790		
Cabinet Member for Regeneration, Environmental Management and Leisure	Budget	Budget
	2006/2007	2007/2008
	£'000	£'000
EXPENDITURE		
Employees	862	889
Repairs and Maintenance	291	320
Gas, Electricity, Water, Rents and NNDR	107	107
Transport Related Expenditure	13	13
Grounds Maintenance Contractors and Service Enhancements	1,416	1,494
Contribution to Lee Valley Regional Park	287	292
Horticultural and Ecology Services	140	147
Consultants, CCTV Security and Car Park Costs	134	137
Equipment, Clothing, Office Expenses and Insurance	29	29
Total Direct Expenditure	3,279	3,428
Central Support Services Recharges	430	189
Departmental Recharges	302	531
Capital Charges	284	128
TOTAL EXPENDITURE	4,295	4,276
INCOME		
Grants, Re-imbursments and Contributions	38	38
Holland Park Car Park	94	96
Rental Income	52	52
Other Income	48	49
Recharges to Other Services	22	20
Transfer Rents	14	27
Recharge to Corporate and Democratic Core	3	0
TOTAL INCOME	271	282
NET EXPENDITURE	4,024	3,994
DESCRIPTION OF SERVICE		
<p>These business units include the maintenance and upkeep of parks and open spaces and the Council's contribution to Lee Valley Regional Park. In addition, the Parks Police and the monitoring of the Council's CCTV are included here.</p> <p>The Borough's 8 main parks cover some 34 hectares (84 acres), the main provision being Holland Park, 22.5 hectares of which approximately 10 hectares (25 acres) is woodland. In addition, approximately 100 smaller open spaces, public squares, landscaped highway verges, reservation and traffic islands are managed by this service totalling approximately 17.8 hectares making a grand total of 40.3 hectares.</p> <p>The parks and open spaces provide a diverse range of amenities for active and passive recreation including formal and informal gardens, sports facilities, children's playgrounds, wildlife areas, paddling pools, refreshment facilities and car parking. Grounds maintenance and management of sports facilities in parks is undertaken by contract from January 2003 by Quadron Services. The contract will be tendered this year and the new contract will commence from January 2008.</p> <p>During park opening hours, the Parks Police service provides a community policing service to all the parks and open spaces in the Royal Borough with constant high profile patrolling in Holland Park and a peripatetic service to the remainder.</p>		
MAJOR VARIATIONS		
<ul style="list-style-type: none"> • Pay and price increases have added £136,190 to the budget in 2007/2008. • The budget for water bills at Holland Park has been reduced by £10,000 following the completion of the bore hole (Ref. No. 21). • A change in accounting standards has removed the interest element from Capital Charges resulting in a reduction of £175,010 in 2007/2008. • The remaining variations arise from the reallocation of expenditure internally between business units. 		

WASTE MANAGEMENT AND LEISURE – CEMETERIES		
BUSINESS UNIT Y2800		
Cabinet Member for Regeneration, Environmental Management and Leisure	Budget	Budget
	2006/2007	2007/2008
	£'000	£'000
EXPENDITURE		
Employees	73	76
Repairs and Maintenance	47	48
Electricity, Water and NNDR	33	32
Equipment and General Running Costs	10	10
Grounds Maintenance and Grave Digging Contractors, and Service Enhancements	334	354
Total Direct Expenditure	497	520
Central Support Services Recharges	33	31
Departmental Recharges	86	90
Capital Charges	30	11
TOTAL EXPENDITURE	646	652
INCOME		
Sales - Burial Rights	253	275
Interment Fees and Related Charges	339	373
TOTAL INCOME	592	648
NET EXPENDITURE	54	4
DESCRIPTION OF SERVICE		
<p>The Council's cemeteries are located at Gunnersbury and Hanwell. Gunnersbury Cemetery has 19,745 grave spaces (22 acres) and Hanwell has 13,500 (19 acres). Grave digging and all grounds maintenance are undertaken by Quadron Services. Charges for sales and burials are reviewed annually. The financial policy with regard to this business unit is to aim for a zero net expenditure whilst maintaining a discount to Borough Residents.</p>		
MAJOR VARIATIONS		
<ul style="list-style-type: none"> • Pay and price increases have added £26,770 to the expenditure budget, however income has also been increased by £14,760 resulting in a net increase on the budget of £12,010 in 2007/2008. • A change in accounting standards has removed the interest element from Capital Charges resulting in a reduction of £22,660 in 2007/2008. • Income budgets have been increased by £41,000 (Ref. No. 22). • The remaining variations arise from the reallocation of expenditure internally between business units. 		

WASTE MANAGEMENT AND LEISURE - ARTS DEVELOPMENT AND SUPPORT		
BUSINESS UNITS L0301, L0307		
Cabinet Member for Regeneration, Environmental Management and Leisure	Budget	Budget
	2006/2007	2007/2008
	£'000	£'000
EXPENDITURE		
Employees	60	88
Supplies and Services	56	135
Grants	48	58
Total Direct Expenditure	164	281
Central Support Services Recharges	37	46
Departmental Recharges	65	67
TOTAL EXPENDITURE	266	394
INCOME	0	0
NET EXPENDITURE	266	394
DESCRIPTION OF SERVICE		
<p>The Arts Service aims to create, develop and support the arts infrastructure across the Royal Borough, including arts and voluntary organisations, schools, and business. Partnership and collaboration work is co-ordinated and developed across all business groups. The Arts Service administers and manages the Arts Grants Fund for the Borough.</p>		
MAJOR VARIATIONS		
<ul style="list-style-type: none"> • Pay and price increases have added £6,180 to the budget in 2007/2008. • £105,000 has been added to the budget in 2007/2008 to support Arts Service Development (Ref. No. 8). • £8,750 has been transferred to the Grants budget for the Chelsea Festival from Corporate Services. • The remaining variations arise from the reallocation of expenditure internally between business units. 		

WASTE MANAGEMENT AND LEISURE - HOLLAND PARK THEATRE		
BUSINESS UNITS L0309 – L0313		
Cabinet Member for Regeneration, Environmental Management and Leisure	Budget	Budget
	2006/2007	2007/2008
	£'000	£'000
EXPENDITURE		
Employees	344	364
Production and Infrastructure Costs	1,241	1,415
Other Expenditure	150	249
Total Direct Expenditure	1,735	2,028
Central Support Services Recharges	55	59
Departmental Recharges	58	63
Capital Financing Costs	3	12
TOTAL EXPENDITURE	1,851	2,162
INCOME		
Sales from Tickets and Programmes	1,150	1,363
Sponsorship and Corporate Hospitality	161	310
Catering Commission	36	40
Advertising, Donations, and Other Third Party Income	176	105
TOTAL INCOME	1,523	1,818
NET EXPENDITURE	328	344
DESCRIPTION OF SERVICE		
<p>This budget covers the support staff and other costs of operating the Holland Park Theatre, which runs from the beginning of June to the middle of August. For the summer of 2007, it is hoped to have a new canopy and new seating in place. The Council's revenue contribution to the theatre is under constant review with an aim to minimise it. However, income can be quite volatile depending on external support, the elements and review.</p>		
MAJOR VARIATIONS		
<ul style="list-style-type: none"> • Pay and price increases have added £38,820 to the expenditure budget, however income has also been increased by £32,840 resulting in a net increase of £5,980 in 2007/2008. • Capital Charges have increased by £10,470 in 2007/2008 relating to proposed expenditure on the new canopy; however a change in accounting standards has removed the interest element resulting in a reduction of £1,230. The net increase is £9,240. • The remaining variations arise from the reallocation of expenditure and income internally between business units. 		

WASTE MANAGEMENT AND LEISURE - MUSEUMS AND GALLERIES		
BUSINESS UNITS L0303 – L0306 and L0321		
Cabinet Member for Regeneration, Environmental Management and Leisure	Budget	Budget
	2006/2007	2007/2008
	£'000	£'000
EXPENDITURE		
Employees	329	312
Repairs and Maintenance	58	59
Gas, Electricity, Water, and NNDR	39	40
Insurance	8	18
Supplies and Services	178	93
Total Direct Expenditure	612	522
Central Support Services Recharges	66	57
Departmental Recharges	39	43
Capital Financing Costs	344	0
TOTAL EXPENDITURE	1,061	622
INCOME		
Grants and Contributions	113	0
Fees, Charges and Other Client Income	259	266
TOTAL INCOME	372	266
NET EXPENDITURE	689	356
DESCRIPTION OF SERVICE		
<p>This budget covers:</p> <p>Leighton House is a unique example of Victorian design accommodating an extensive collection of drawings and paintings by Lord Leighton. The house contains two galleries that are used for prestige shows of contemporary and Victorian art.</p> <p>Linley Sambourne House is one of the finest examples of a late Victorian house. It still retains much of its original furnishings and artefacts.</p> <p>The Orangery and Ice House offer international programmes of contemporary visual and applied arts exhibitions (April to October). The Orangery also serves as a venue for hire for events including press and product launches, social occasions and formal functions.</p>		
MAJOR VARIATIONS		
<ul style="list-style-type: none"> • Pay and price increases have added £14,280 to the expenditure budget, however income has also been increased by £6,470 resulting in a net increase of £7,810 in 2007/2008. • Expenditure of £113,350 included in 2006/2007 for the Leighton House Drawings Project (Employees £27,580; Supplies and Services £85,770), has been removed in 2007/08 as well as the matching Heritage Lottery Fund income budget of £113,350. • A change in accounting standards has removed the interest element from Capital Charges resulting in a reduction of £344,350 in 2007/2008. • The remaining variations arise from the reallocation of expenditure and income internally between business units. 		

TRANSPORTATION AND HIGHWAYS – ADMINISTRATION		
BUSINESS UNITS Y7005, Y7105 and Y7205		
	Budget 2006/2007	Budget 2007/2008
	£'000	£'000
EXPENDITURE		
Employees	492	480
Transport Related Expenditure	3	3
Stationery, Printing, Photocopying, Telephones and Post	34	34
Office Equipment and Other Minor Expenses	6	6
I.T. Expenditure	32	15
Total Direct Expenditure	567	538
Central Support Services Recharges	382	443
Departmental Recharges	331	334
TOTAL EXPENDITURE	1,280	1,315
INCOME		
Fees and Charges	3	3
TOTAL INCOME	3	3
TOTAL EXPENDITURE FULLY RECHARGED	1,277	1,312
DESCRIPTION OF SERVICE		
<p>The salaries of the managers, their personal assistants and support services staff are shown here with their associated running costs.</p> <p>These costs plus departmental-wide overheads, which cannot be specifically charged to individual business units, are fully allocated over the Department's operational functions.</p>		
MAJOR VARIATIONS		
<ul style="list-style-type: none"> • Pay and price increases have added £30,090 to the budget in 2007/2008. • A reallocation of the salary cash limit has reduced the Employees budget by £28,110. • £17,780 has been transferred to Corporate Services for I.T. expenditure. • The remaining variations arise from the reallocation of expenditure internally between business units. 		

TRANSPORTATION AND HIGHWAYS - HIGHWAY MAINTENANCE		
BUSINESS UNITS Y7210, Y7212, Y7214, Y7220, Y7222, Y7224 and Y7226		
Deputy leader and Cabinet Member for Planning Policy, Housing Policy and Transportation	Budget	Budget
	2006/2007	2007/2008
	£'000	£'000
EXPENDITURE		
Employees	557	584
Premises Related Expenditure	6	6
Transport Related Expenditure	33	34
Insurance Costs	403	357
Office Equipment, Consultants and Other Running Costs	103	111
Carriageway Repairs and Improvements	2,197	2,393
Footway Repairs and Improvements	2,678	2,931
Bridge Maintenance	85	98
Guard Railings, Bollards	72	64
Seats, Name Plates, Memorials, Anti Flyposting etc.	149	145
Total Direct Expenditure	6,283	6,723
Central Support Service Recharges	133	156
Departmental Recharges	807	768
Capital Charges	891	416
TOTAL EXPENDITURE	8,114	8,063
INCOME		
Bus Shelter Advertising, Hoardings, Banners, Road Closures and Rents	757	779
Recharges to Other Services	9	11
TOTAL INCOME	766	790
NET EXPENDITURE	7,348	7,273
DESCRIPTION OF SERVICE		
<p>There are 208 kilometres (130 miles) of public highway in The Royal Borough, of which 12.5 kilometres (8 miles) are maintained under the responsibility of TfL as part of the Greater London Authority. This business unit funds works under the following categories: -</p> <p>Programmed and non-programmed footway and carriageway works, with emphasis placed on high quality works in accordance with the Council's policy, surface water drainage, highway inspections, guard rails, bollards, statues and road markings.</p> <p>Details of maintenance and improvement programmes on footway and carriageway works are approved by the Cabinet Member each year. All work is undertaken by contractors. Also included are the inspection and maintenance of bridges, street name plates, memorials and fountains, benches and the control of advertising on banners and bus shelters, temporary road closures and supervision of traffic management schemes.</p>		
MAJOR VARIATIONS		
<ul style="list-style-type: none"> • Pay and price increases have added £532,280 to the budget in 2007/2008. • The Carriageway Maintenance budget has been reduced by £30,000 in 2007/2008 (Ref. No. 24) • The budget for Surface Water Drainage has been reduced by £10,000 in 2007/2008 (Ref. No. 24) • The Footway maintenance budget has been reduced by £15,000 in 2007/2008 (Ref. No. 25) • The Street Furniture budget has been reduced by £25,000 in 2007/2008 (Ref. No. 25) • A change in accounting standards has removed the interest element from capital charges. • Efficiency savings as a result of the management of self-insured risks has saved £46,280 on insurance (Ref. No. 28). • The remaining variations arise from the reallocation of expenditure internally between business units. 		

TRANSPORTATION AND HIGHWAYS - PUBLIC LIGHTING		
BUSINESS UNITS Y7250, Y7252, Y7254 and Y7256		
Deputy leader and Cabinet Member for Planning Policy, Housing Policy and Transportation	Budget	Budget
	2006/2007	2007/2008
	£'000	£'000
EXPENDITURE		
Employees	246	256
Energy Costs	388	472
Contract Cleaning	119	112
Transport Related Expenditure	13	14
Office Expenses - Telephones, Clothing and I.T.	19	20
Repairs, Replacements and Improvements	1,149	1,137
Total Direct Expenditure	1,934	2,011
Central Support Services Recharges	82	69
Departmental Recharges	67	64
Capital Charges	312	192
TOTAL EXPENDITURE	2,395	2,336
INCOME		
Recharge to Corporate and Democratic Core	2	2
Charges for Private Lanterns	23	24
Other Fees and Charges	2	1
TOTAL INCOME	27	27
NET EXPENDITURE	2,368	2,309
DESCRIPTION OF SERVICE		
<p>This service includes the maintenance and replacement of the street lighting columns, lanterns, illuminated and non-illuminated signs, Albert and Chelsea river bridge lighting, illuminated bollards, pedestrian crossing equipment and Pay and Display equipment.</p> <p>There is a total of approximately 13,500 lighting points maintained by this section including street lights, illuminated signs and bollards on the public highway, lighting under the Westway and private street lighting. White light is being introduced on both main roads and residential streets as a replacement for high pressure sodium, and there are now Heritage and modern styles of main road lighting unit.</p> <p>Cleaning is carried out every 6 months and lamps are changed every 3 years. The income received reflects private street lighting maintenance undertaken by the lighting section.</p> <p>Green energy has been purchased since October 2000 and all installation and maintenance of public lighting is contracted out.</p>		
MAJOR VARIATIONS		
<ul style="list-style-type: none"> • Pay and price increases have added £96,980 to the budget in 2007/2008. • The budgets for Contract Cleaning, KP Lighting and Lantern Conversions have been reduced by a total of £22,000 in 2007/2008 (Ref. No. 26) • A change in accounting standards has removed the interest element from capital charges. • The remaining variations arise from the reallocation of expenditure internally between business units. 		

TRANSPORTATION AND HIGHWAYS - RECHARGEABLE AND OTHER STREET WORKS		
BUSINESS UNITS Y7230 - Y7237		
Deputy leader and Cabinet Member for Planning Policy, Housing Policy and Transportation	Budget	Budget
	2006/2007	2007/2008
	£'000	£'000
EXPENDITURE		
Employees	201	235
Transport Related Expenditure	1	1
Consultants	33	33
General Office Expenses	12	13
Provision for Bad Debts	16	44
Total Direct Expenditure	263	326
Central Support Services Recharges	35	30
Departmental Recharges	63	59
TOTAL EXPENDITURE	361	415
INCOME		
Administration Fees on Rechargeable Works	357	402
TOTAL INCOME	357	402
NET EXPENDITURE	4	13
DESCRIPTION OF SERVICE		
<p>The expenditure and income relating to various categories of rechargeable works appear under this business unit. Rechargeable works are undertaken for a wide variety of organisations and individual charges are reviewed annually.</p> <p>a) Lamping: The Council recovers its expenditure where possible on the placement of lamps and barriers to protect the general public from obstructions on the highway.</p> <p>b) Coal plates: Members of the public who have dangerous coal plates in front of their property may either have them removed or safe ones fitted.</p> <p>c) Highway damage caused by scaffolds, skips etc. is recharged to the developer, as is the cost for providing vehicle crossovers.</p> <p>d) Damage to street furniture is recharged to perpetrators where possible.</p> <p>New Roads and Street Works Act 1991 (NRSW Act): A small team carries out inspections of reinstatement works undertaken by Utilities and maintain the Streetworks register. They also monitor trenches and carry out general inspections, which generate income if nationally agreed standards are not maintained. This Act also enables charges to be applied for over-running utility company works, and the detailed arrangements for this are changing under the new Traffic Management Act.</p>		
MAJOR VARIATIONS		
<ul style="list-style-type: none"> • Pay and price increases have added £8,530 to the budget, however income has also been increased by £8,670 resulting in a net decrease on the budget of £140 in 2007/2008. • A reallocation of the salary cash limit has increased the Employees budget by £28,170. • The Provision for Bad Debts has been increased by £27,670 to reflect current income levels; £16,310 is funded from streetworks income and £11,360 from a reallocation within the department. • It is anticipated that an additional £20,000 streetworks income is achievable (Ref. No. 27). • The remaining variations arise from the reallocation of expenditure internally between business units. 		

TRANSPORTATION AND HIGHWAYS - TRAFFIC SECTION		
BUSINESS UNIT Y7130		
Deputy leader and Cabinet Member for Planning Policy, Housing Policy and Transportation	Budget	Budget
	2006/2007	2007/2008
	£'000	£'000
EXPENDITURE		
Employees	422	395
Transport Related Expenditure	2	2
General Office Expenses	16	17
Urban Traffic Control	197	201
Traffic Management and Safety Schemes	58	59
Traffic Management Consultants	478	491
Total Direct Expenditure	1,173	1,165
Central Support Services Recharges	114	113
Departmental Recharges	124	130
Capital Charges	1,676	1,121
TOTAL EXPENDITURE	3,087	2,529
INCOME		
Fees and Charges	5	5
Recharge to Corporate and Democratic Core	69	67
TOTAL INCOME	74	72
NET EXPENDITURE	3,013	2,457
DESCRIPTION OF SERVICE		
<p>The Traffic Section leads on the Council's streetscape initiative including the development of the Council's Streetscape manual and major streetscape projects, for example, the improvements in Kensington High Street and those proposed for Sloane Square.</p> <p>This service is responsible for the development of policy documents on traffic and parking issues and investigating traffic problems and the design of traffic management schemes where appropriate.</p> <p>Staff consider and design where possible a wide range of measures aimed at securing improved highway and pedestrian facilities to reduce accidents for all categories of road user. There is close liaison with the Police, the Traffic Technology Services (TTS) and Transport for London.</p>		
MAJOR VARIATIONS		
<ul style="list-style-type: none"> • Pay and price increases have added £32,340 to the budget in 2007/2008. • A reallocation of the salary cash limit has reduced the Employees budget by £38,850. • A change in accounting standards has removed the interest element from capital charges. • The remaining variations arise from the allocation of expenditure internally between business units. 		

TRANSPORTATION AND HIGHWAYS - TRANSPORTATION AND ROAD SAFETY		
BUSINESS UNITS Y7110 and Y7120		
Deputy leader and Cabinet Member for Planning Policy, Housing Policy and Transportation	Budget	Budget
	2006/2007	2007/2008
	£'000	£'000
EXPENDITURE		
Employees	368	382
Transport Related Expenditure	3	3
Road Safety Initiatives, Campaigns and Presentations	38	39
General Office Expenses	9	9
London Wide Lorry Ban Contribution	5	5
Transportation Consultants	55	78
Total Direct Expenditure	478	516
Central Support Services Recharges	93	71
Departmental Recharges	150	158
TOTAL EXPENDITURE	721	745
INCOME		
Other Income	25	25
Recharges to Corporate and Democratic Core	5	5
TOTAL INCOME	30	30
NET EXPENDITURE	691	715
DESCRIPTION OF SERVICE		
<p>The section deals with major projects, which affect the Council, including congestion charging and the Exhibition Road Project.</p> <p>This service is responsible for transportation policy, in particular the Unitary Development Plan (UDP) chapters on Transportation and Development Standards. Staff are also engaged directly on the highway and transportation aspects of Development Control, the provision of facilities for cyclists, road safety education and training, and indirectly with all matters relating to the provision of public transport in the Borough.</p>		
MAJOR VARIATIONS		
<ul style="list-style-type: none"> • Pay and price increases have added £16,230 to the budget in 2007/2008. • £21,720 has been transferred from the Parking Consultants budget to Transportation Consultants. • The remaining variations arise from the reallocation of expenditure internally between business units. 		

TRANSPORTATION AND HIGHWAYS - CAR PARKING OFF-STREET		
BUSINESS UNIT Y8001 and Y8150		
Cabinet Member for Regeneration, Environmental Management and Leisure	Budget	Budget
	2006/2007	2007/2008
	£'000	£'000
EXPENDITURE		
Employees	93	94
Utilities - Electricity/Water/NNDR	289	298
Repairs and Maintenance	103	102
Credit/Debit Card Charges	4	4
Insurance	30	31
Management Fee-Kensington Town Hall Car Park	240	243
Total Direct Expenditure	759	772
Central Support Services Recharges	306	155
Departmental Recharges	44	48
Capital Charges	336	139
TOTAL EXPENDITURE	1,445	1,114
INCOME		
Kensington Town Hall Car Park	1,451	1,358
Young Street Car Park	396	388
Lots Road Rental Income	200	200
TOTAL INCOME	2,047	1,946
NET EXPENDITURE	-602	-832
DESCRIPTION OF SERVICE		
<p>The Council owns two car parks located at Kensington Town Hall and Young Street. Income from the Town Hall Car Park is derived from charges to the public and users within the Council. The Council approves the scale of charges, which are reviewed annually.</p> <p>The Young Street Car Park has a long term leasing arrangement and the Council receives income based on the number of spaces and a percentage of the turnover. The scale of charges is broadly in line with the Town Hall Car Park.</p>		
MAJOR VARIATIONS		
<ul style="list-style-type: none"> • Pay and price increases have added £26,950 to the budget in 2007/2008. • The Car Park Income budget has been reduced by £100,000 in anticipation of the introduction of Congestion Charging (Ref. No. 6). • A change in accounting standards has removed the interest element from capital charges. • The remaining variations arise from the reallocation of expenditure internally between business units. 		

TRANSPORTATION AND HIGHWAYS - CAR PARKING ON-STREET		
BUSINESS UNITS Y8000 and Y8100 - Y8365		
Cabinet Member for Regeneration, Environmental Management and Leisure (Mostly)	Budget 2006/2007	Budget 2007/2008
	£'000	£'000
EXPENDITURE		
Employees	4,013	4,140
Premises (Mainly Car Pound)	294	295
Transport Related Expenditure	58	58
Compliance Services Contractors.	6,302	6,436
London Councils	415	423
Meters Replacement/Repairs/Markings/CPZ Reviews	947	1,419
Supplies and Services including I.T. Expenditure	2,179	1,255
Total Direct Expenditure	14,208	14,026
Central Support Services Recharges	2,446	2,416
Departmental Recharges	698	802
Other Departmental Recharges	25	25
TOTAL EXPENDITURE	17,377	17,269
INCOME		
Pay and Display Machines	17,490	15,190
Residents Permits	4,491	4,724
Compliance Services	15,782	16,547
Parking Suspensions	1,785	2,265
Recharges to Other Services and Other Income	16	17
TOTAL INCOME	39,564	38,743
NET EXPENDITURE	-22,187	-21,474
DESCRIPTION OF SERVICE		
<p>(1) DIRECTORATE OF FINANCE, INFORMATION SYSTEMS AND PROPERTY - administers the collection of cash from the pay and display machines, Kensington Town Hall Car Park, the Lots Road Car Pound and debt collection on the suspension service.</p> <p>(2) TRANSPORTATION AND HIGHWAYS DEPARTMENT- administers: -</p> <p>(i) The addition and deletion of parking places on-street and all amendments to the Orders.</p> <p>(ii) The Orders relating to diplomatic parking, free motorcycle parking and waiting and loading restrictions.</p> <p>(iii) The control and issue of Residents' and doctors' parking permits.</p> <p>(iv) The preparation, letting and supervision of the term contracts for the maintenance of the Council's Pay and Display, and maintenance aspects of car parking on-street including carriageway markings, signs relating to the controlled parking and other waiting and loading restrictions.</p> <p>(v) The operation of the parking place suspension service.</p> <p>(vi) The Parking Enforcement Service (Compliance Service) following the introduction of the Road Traffic Act 1991 on 4 July 1994.</p> <p>(3) DIRECTORATE OF SOCIAL SERVICES - receives and vets all applications for disabled parking permits/spaces.</p>		
MAJOR VARIATIONS		
<ul style="list-style-type: none"> • Pay and price increases have reduced the budget by £746,990 in 2007/2008. (Expenditure +£365,140 and income -£1,112,130). • The Employees budget has been increased by Corporate funding of £28,000 for Disabled Badge Investigations and by £25,000 transferred from the Traffic Section for work on Parking Policy. • The I.T. Section has been reduced by 1 post leading to a saving of £30,000 from 2007/2008 (Ref. No. 29). • The Customer Services Section has been reduced by 1 post leading to a saving of £25,000 from 2007/2008 (Ref. No. 29). • The fitting of Clam Units to the Pay and Display Machines will add £158,000 to the budget in 2007/2008 (Ref. No. 29). • The Pay and Display Machine Survey and Refurbishment will add £230,000 to the budget in 2007/2008 (Ref. No. 29). • The budgets for meter bays and posts and cleaning have been reduced by £18,000 in 2007/2008 (Ref. No. 26). • A sum of £100,000 has been added to the Supplies and Services budget for Parking Initiatives in 2007/2008 (Ref. No. 29). • The budget of £699,000 for I.T. procurement falls out in 2007/2008 (Ref. No. 9). • £214,980 has been transferred to Corporate Services for I.T. expenditure. • Reduced Document Imaging costs have resulted in savings of £25,000 for the I.T. budget in 2007/2008 (Ref. No. 29). • The Pay and Display Machine income budget has been reduced by £3,200,000 in 2007/2008 in anticipation of the introduction of Congestion Charging (Ref. No. 11). It has, however, been increased by £900,000 as a budget re-alignment to reflect current performance. • The Income budget for Residents Parking Permits has been increased by £120,000 in 2007/2008 following the removal of the discount for postal applications (Ref. No. 29). • The Income budget for Compliance Services has been reduced by £235,000 in 2007/2008 to reflect possible changes to the Car Clamping Service (Ref. No. 10). • The Income budget for Suspensions has been increased by £50,000 in 2007/2008 following the phased removal of the parking bay discount applied after 90 days (Ref. No. 29). • The Income budget for Suspensions has been increased by £430,000 in 2007/2008 as a result of suspension charges being raised by £5 (Ref. No. 29). • The remaining variations arise from the reallocation of expenditure internally between business units 		

TRANSPORT, ENVIRONMENT AND LEISURE SERVICES

REVENUE CHANGES – GROWTH AND SAVINGS

Ref No.	Department	Description	Details	2007/08 £'000	2008/09 £'000	2009/10 £'000
Local Growth						
1	Executive	Increased Licensing Staffing	Last year, a recommendation was made to increase the licensing enforcement compliment. Funding was not available from within the existing salary budget for 2 posts. However licensing income exceeded budget and it was agreed to vire £60,000 to fund the two posts for 12 months on fixed term contracts and for permanent growth to be included within this year's budget process if required. The circumstances as set out in the earlier paper supporting and exemplifying this need remain true. Essentially these officers are needed to inspect licensed premises, undertake enforcement especially at night time, investigate resident complaints, and investigate premises where reviews are called for.	60		
2	Executive	Pump-Priming Funding for the Government's Business Transformation Initiative	The Government has been pump promoting business transformation to review how we deliver our services in a way that best suits our customers. Savings may accrue from any thorough review but is likely to need pump priming for a couple of years.	50		-50
3	Waste Management and Street Enforcement	Contractual Impact of the Congestion Charge Zone	Additional costs are expected from this charge for council and contractor vehicles, both fleet and ad hoc vehicles. In the cleansing contract the risk of this charge is borne by the Council, though the fleet can be registered as fleet and annual permits should be available at a reduced cost.	35		
4	Waste Management and Street Enforcement	Increased Spending on Public Toilets	The provision of conventional public conveniences is very expensive. There is demand for more, particularly in the Market Streets. This proposal is to create an initial installation budget and provide one	45	25	25

TRANSPORT, ENVIRONMENT AND LEISURE SERVICES

Ref No.	Department	Description	Details	2007/08 £'000	2008/09 £'000	2009/10 £'000
			new autoloo each year.			
5	Waste Management and Street Enforcement	Increased Spending on World's End Place	The Cabinet agreed in July 2005 to adopt the site on the completion of the capital works. The report identified additional cleaning costs requiring additional corporate funds. The cost will now be absorbed within existing overall budgets.	15		
Total Local Growth				205	25	-25
Corporately Funded Growth						
6	Parking	Congestion Charge: Off Street	This is the estimated fall in income from Off-Street parking when the Congestion Charge is introduced.	100		
7	Executive	Coordinating Local Input to Olympics and Paralympics	The Council's ambition is to ensure that residents and community organisations benefit from the games. Cllr Miss Campbell sits on the ALG Culture and Tourist Forum. There is much cross departmental and inter-agency work that will require the appointment of at least a part time coordinator.	30		
8	Arts and Leisure	Arts Service Development - including Museum Maintenance	This bid supports a package of measures over three years to meet the Council's desire to bring the arts and creative industries to the fore across the borough. It covers the Arts Service and the museums.	105	105	105
9	Parking	Removal of Parking IT Procurement Budget	The 2006/07 budget includes the one off item for the procurement of the IT system. This can now be removed.	-699		

TRANSPORT, ENVIRONMENT AND LEISURE SERVICES

Ref No.	Department	Description	Details	2007/08 £'000	2008/09 £'000	2009/10 £'000
10	Parking	Possible Changes to the Car Clamping Service	Recently there has been publicity about the use of wheel clamps. It includes potential directives to cease clamping for certain offences in Resident and P&D bays, and possible local policy change to only issue PCNs to residents who park in P&D bays during control hours. Restricting the clamping of residents' vehicles, other than those that are persistent evaders and vehicles subject to a permit fraud investigation, would potentially reduce the number of clamps from 15,000 to 11,500 p.a. Neighbouring Boroughs are also implementing similar proposals. A modest net income reduction is shown here but a more substantial change would occur if clamping was more widely curtailed.	235		
11	Parking	Effect of the Congestion Charge on Pay and Display Parking Income	The estimated loss of income from P&D and off street parking is estimated at £4 million. £700,000 of this was included in the 2006/07 budget with the balance impacting in 2007/08.	3,200		
Total Corporately Funded Growth				2,971	105	105
Planned Savings						
12	Executive	Increased Licensing Income	The budgeted income for licensing in 2006/07 is £423,000. The income forecasted for 2006/07 based on 2005/06 actual income and the subsequent trend in applications is approx £500,000. In addition, there is the prospect of additional income from Gambling Licensing although the fee structure is yet to be determined and communicated.	-70		
13	Waste Management and Street Enforcement	Increased Income from the 'Too Big for the Bin' Service	Service enhancements in the new waste management contract have increased service volume and therefore income.	-25		

TRANSPORT, ENVIRONMENT AND LEISURE SERVICES

Ref No.	Department	Description	Details	2007/08 £'000	2008/09 £'000	2009/10 £'000
14	Waste Management and Street Enforcement	Reduced Commercial Waste Service Consultancy Budget	This budget was established in the lead up to the creation of the new in-house commercial waste team, but has not been called on to the extent initially forecast.	-30		
15	Waste Management and Street Enforcement	Reduced Waste Management Publicity Budget	This budget has been under spent and can be reduced with little impact on the service.	-10		
16	Waste Management and Street Enforcement	Improved Commercial Waste Service Debt Collection	This budget was established in the lead up to the creation of the new in-house commercial waste team. The performance of the new team on debt minimisation and recovery has been outstanding. Caution is required as it may be impractical to sustain the exceptional first year performance indefinitely, especially if difficulties are encountered with new customers who previously have not paid at all for their waste. However, some reduction can be made without undue risk. Further more modest reductions are proposed in 2008/09 and 2009/10, on the assumption that systems and procedures will continue to improve.	-50	-10	-10
17	Waste Management and Street Enforcement	Withdrawal of the Loss Making Part of the Commercial Waste Service	This service consists of the collection of large volumes of containerised waste produced by a small number of customers. It was a successful business in the mid 1990s, but declined while SITA managed the portfolio. It now loses money, and does not fit the section's strategic preference to specialise in bag and small bin collection. There is a strong disincentive to expand the commercial bulky waste tonnage when there are financial risks from LATS penalties. Withdrawal from the service will need to be carefully managed to ensure full compliance with the relevant legislation, and consultation with WRWA will be required.	-61		

TRANSPORT, ENVIRONMENT AND LEISURE SERVICES

Ref No.	Department	Description	Details	2007/08 £'000	2008/09 £'000	2009/10 £'000
18	Waste Management and Street Enforcement	Reduced Waste Management Budget (Not Needed for Service Delivery)	This budget was established as part of the review of the Waste Management Strategy that occurred when the Cabinet decided to introduce free orange sack distribution. Pump priming of waste reduction schemes has taken place and they will be self sustaining in the short to medium term rendering the existing budget over provided.	-50		
19	Waste Management and Street Enforcement	Reduced Commercial Waste Disposal Costs	The Council has set this budget on the estimated tonnages advised by WRWA. In recent years the actual tonnage has been less than forecast giving the opportunity for the budget to be reduced.	-110		
20	Waste Management and Street Enforcement	Increased Commercial Waste Service Income	With planning consent now granted for the Belvedere EfW plant, some of the constraints on the expansion of the Council's commercial waste service have been lifted. Provided it makes environmental sense, it now can also make long-term financial sense to promote the Council's service offer. However, commercial waste collection is a highly competitive market, and is heavily dependent on overall economic conditions. It would not therefore be prudent to build large increases into the income budget as their delivery is not fully under the Council's control.	-10	-40	-50
21	Arts and Leisure	Reduced Holland Park Water Bills due to Completion of Bore Hole	Once the irrigation infrastructure is in place water bills should reduce when water is drawn from the bore hole.	-10		
22	Arts and Leisure	Increased Cemeteries Income	Last year the cemeteries over achieved their income target by £50,000. The income does vary from year to year and is obviously dependant on the number of interments etc. The first few months of this year seem to be following last years trends.	-41		

TRANSPORT, ENVIRONMENT AND LEISURE SERVICES

Ref No.	Department	Description	Details	2007/08 £'000	2008/09 £'000	2009/10 £'000
23	Arts and Leisure	Increased Kensington Leisure Centre Car Park Income	Income at Kensington Leisure Centre Car Park has overachieved for the past two years. The income estimate has been increased this year (as a result of a saving that was accepted last year) but there is the potential for an additional £30,000 per annum.	-30		
24	Highways and Construction	Reduced Road Maintenance Budget	A reduction in spend on surface water drainage and carriageways; including associated pedestrian crossings and lines & markings is feasible without significant effect on service delivery. There are fewer zebra crossings requiring black and white panels, and replacement lines and markings can be carried out within resurfacing works.	-40		
25	Highways and Construction	Reduced Pavement Maintenance and Street Furniture Budget	A reduction in the budget for reactive non-programmed work is proposed as there are some reductions in expenditure by the increasing reuse of existing asp (concrete) slabs during patching work rather than using new slabs. Spend on guardrails can be reduced owing to the streetscape policy to minimise street furniture. A reduction in street nameplates will slow repair and renewals work. A reduction in budget for public seats is possible as numbers of these funded from maintenance may reduce in future.	-40		
26	Highways and Construction	Reduced Street Lighting Budget	Reductions are possible under various headings of the street lighting budget. There are non-illuminated and parking signs and reductions in painting and cleaning. Lantern conversion and KP budgets are reduced. The overall effect of these examples is manageable with slightly reduced maintenance e.g. cleaning, painting, lantern conversions but a low impact on service levels.	-40		

TRANSPORT, ENVIRONMENT AND LEISURE SERVICES

Ref No.	Department	Description	Details	2007/08 £'000	2008/09 £'000	2009/10 £'000
27	Highways and Construction	Increased Street Works Income	Additional income may be possible from fees and charges under the New Roads and Street Works Act. There are major changes to the Act currently awaiting regulations from the DfT. This may reduce the potential income from over-running utility company works. There could be an increase in income from permit fees which are yet to be established, though this will require additional expenditure on more administrative and technical staff.	-20		
28	Highways and Construction	Insurance Cost Reduction	Efficiency saving as a result of the management of self-insured risks.	-47		
29	Parking	Savings from Parking Services Budgets	The components of this item are the deletion of an IT and a customer services post as a result of efficiencies. Extra income can be generated from the removal of the discount for Residents' Permits postal applications, increasing the suspension charge by £5 and phasing out the discount applied after 90 days. Some of the extra income will be used for P&D machine survey and refurbishment and the installation of Clam units.	-192	-50	-100
Total Planned Savings				-876	-100	-160
Business Group Total				2,300	30	-80

CORPORATE SERVICES
REVENUE BUDGET 2007/2008

**CORPORATE SERVICES
REVENUE BUDGET**

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CORPORATE SERVICES Subjective Summary

Item	Notes	2006/07 Budget	2007/08 Budget
		£,000	£,000
EXPENDITURE			
Employee Related Expenses		31,014	31,708
Premises Related Expenses		6,231	6,502
Transport Related Expenses		141	134
Supplies and Services		10,281	9,515
Third Party Payments	1	8,484	6,536
Transfer Payments		107	110
Cost of Benefit Payments		112,131	113,796
Central Support			
- Departmental		13	13
- Central Departments		21,375	20,568
Capital Charges	2	6,238	2,093
TOTAL EXPENDITURE		196,015	190,975
INCOME			
Government Grants		4,925	4,892
Housing and Council Tax Benefit Grant		109,937	111,567
Other Grants and Contributions		60	173
Customer and Client Receipts			
- Fees and Charges	3	12,288	9,659
- Rents		3,777	4,385
Interest		4	4
Recharges to Other Revenue A/Cs			
- Departmental		1,674	351
- Central Departments		42,054	41,805
TOTAL INCOME		174,719	172,836
NET EXPENDITURE		21,296	18,139

Notes:

- 1 Recentralisation of ISD maintenance and support budgets from service departments now appear as recharges rather than third party payments.
- 2 A recent change to the accounting standards has removed notional interest charges from Capital Charges
- 3 With the recentralisation of ISD budgets as described in 1 above, the charges income no longer is received for service departments

CORPORATE SERVICES Service Summary

2006/07 Budget			Service Summary	2007/08 Budget			Outputs	Head of Service
Exp	Income	Net		Exp	Income	Net		
£'000	£'000	£'000		£'000	£'000	£'000		
10,056	1,063	8,993	Cabinet Member for Corporate Services SUPPORT SERVICES Finance	9,384	997	8,387	Financial management, treasury, pensions, payment and income service, audit and risk management, accounting services and customer services	EDFISP
1,283	174	1,109	Property Services Personnel	1,289	174	1,115	Property advice and Valuation service Payroll and personnel service for 4,100 employees	EDFISP DPGS
5,396	499	4,897	General Services	5,566	385	5,181	Maintenance of 5 corporate buildings	DPGS
19,935	2,808	17,127	Governance	16,640	2,133	14,507	Supporting 520 meetings a year	DLA
1,531	52	1,479	Legal Services	2,069	37	2,032	Legal advice	DLA
3,046	925	2,121		3,067	925	2,142		
41,247	5,521	35,726	Total Cabinet Member for Corporate Services	38,015	4,651	33,364		
9,484	3,762	5,722	Leader of the Council Information Systems	8,269	523	7,746	System development and support, IT planning, data standards	EDFISP
576	11	565	Communications	602	11	591	Manages the Council's publicity	HC
10,060	3,773	6,287	Total Leader of the Council	8,871	534	8,337		
51,307	9,294	42,013	RECHARGED	46,886	5,185	41,701		

CORPORATE SERVICES Service Summary

2006/07 Budget			Service Summary	2007/08 Budget			Outputs	Head of Service
Exp	Income	Net		Exp	Income	Net		
			Cabinet Member for Corporate Services					
1,794	1,847	-53	Services to the Public - Land Charges, Registrars, Electoral Registration	1,694	2,105	-411	Processing 5,000 land charge searches	DPGS
195	0	195	Emergency Planning	207	0	207	Maintains the plan for civil emergencies	DPGS
648	1	647	Civic Ceremonial	590	1	589	Support for the Mayor	DLA
2,637	1,848	789	Total Cabinet Member for Corporate Services	2,491	2,106	385		
			Cabinet Member for Finance and Property					
118,415	114,134	4,281	Housing and Council Tax Benefits	119,734	115,940	3,794	Administering 21,000 Benefits claims	EDFISP
3,243	1,430	1,813	Local Taxation Administration	3,055	1,446	1,609	Administering 90,000 council tax demands	EDFISP
2,670	3,152	-482	Commercial Lettings	1,180	3,900	-2,720	Managing 310 commercial properties	EDFISP
124,328	118,716	5,612	Total Cabinet Member for Finance and Property	123,969	121,286	2,683		
			Cabinet Member for Service Improvement					
488	0	488	Service Improvement Team	485	0	485	Manages CPA process, performance improvement activities	DSSI
253	0	253	Community Relations	261	0	261	Promotes good community relations	DSSI
3,132	115	3,017	Voluntary Sector Support	3,025	118	2,907	30 voluntary organisations supported	DSSI
389	0	389	Public Consultation	427	0	427	Co-ordinates the Council's consultation exercises	DSSI
4,262	115	4,147	Total Cabinet Member for Service Improvement	4,198	118	4,080		
			Cabinet Member for Community Safety					
3,496	676	2,820	Community Safety	2,906	676	2,230	50 PCSOs, co-ordinates community safety initiatives	DSSI
3,496	676	2,820	Total Cabinet Member for Community Safety	2,906	676	2,230		DSSI

CORPORATE SERVICES Service Summary

2006/07 Budget			Service Summary	2007/08 Budget			Outputs	Head of Service
Exp	Income	Net		Exp	Income	Net		
			Cabinet Member for Regeneration, Environmental Management and Leisure					
760	485	275	Economic Regeneration	662	240	422	Co-ordinates regeneration activities, including Local Area Agreement	DSSI
935	1,302	-367	Drugs Intervention Programme	1,496	1,398	98	Co-ordinates community action against drugs	DSSI
248	0	248	Westway Development Trust	252	0	252	Schools use of Westway Sports Centre	DSSI
1,943	1,787	156	Total Cabinet Member for Regeneration, Environmental Management and Leisure	2,410	1,638	772		
1,849	63	1,786	Non Distributed Costs	1,962	0	1,962		
6,193	166	6,027	Corporate and Democratic Core	6,153	22	6,131		
196,015	132,665	63,350	TOTAL CORPORATE SERVICES (before recharges)	190,975	131,031	59,944		
	42,054	-42,054	Recharges to Services	0	41,805	-41,805		
196,015	174,719	21,296	TOTAL CORPORATE SERVICES	190,975	172,836	18,139		

CORPORATE SERVICES

SUMMARY OF CHANGES - SUPPORT SERVICES	Ref.	Budget 2007/08
		£'000
ORIGINAL BUDGET 2006/07		41,993
o COST CHANGES		
Pay awards		467
Price Variations - Expenditure		604
Price Variations - Income		-14
Extra inflation on Gas contracts for Administrative Buildings		100
Total Cost Changes	6	1,157
o CENTRAL SUPPORT SERVICES CHANGES		-211
o TRANSFERS TO/FROM OTHER SERVICES		
Transfer from business groups for re-centralisation of Core Training		65
Transfer from business groups for re-centralisation of ISD support		1,134
Transfer from HHASC of two Advice, Information and Reception posts		48
Transfer to P and C for half Group Finance Manager post		-38
Transfer to TELS for Out of Hours service		-264
Total Transfers to/from other Business Groups		945
o TRANSFERS TO/FROM NON RECHARGEABLE SERVICES		670
o CAPITAL CHARGES VARIATIONS		-2,807
SUB TOTAL		41,747
o CABINET BUSINESS PLAN		
Corporately Funded Growth		
Enhanced Members Allowance scheme - computer costs	5	28
Total Corporately Funded Growth		28
Growth Absorbed by Business Group		
Reduced external income for Information Systems	1	155
Improvements to Customer Services	2	90
Re-organisation on Governance Services - Leaders Office	3	48
Reduced income from Halls Lettings	4	200
Total Growth Absorbed by Business Group		493

CORPORATE SERVICES

SUMMARY OF CHANGES - SUPPORT SERVICES	Ref	Budget 2007/08
		£'000
Planned Reductions		
Savings from mainframe computer retirement	7	-270
Reduced software licence procurement costs	8	-40
Reduced Financial Services costs	9	-72
Reduced Governance and Legal Services costs	10	-39
Reduced Media and Communications team costs	11	-6
Reduced Personnel costs	12	-71
Saving on photocopying procurement	14	-80
Efficiency saving from the management of self-insured risks	15	-54
Total Planned Reductions		-632
o OTHER CHANGES		
Adjustment to reflect current service pension liability		137
Additional cost of Enterprise Licensing Agreement transferred from IS Initiatives Reserve		42
Temporary one year archivist post dropping out		-20
Legal Services' annual contribution into IS initiatives Reserve ceasing		10
Total Other Changes		169
SUPPORT SERVICES BUDGET 2007/08		41,805

CORPORATE SERVICES

SUMMARY OF CHANGES - CENTRAL SERVICES	Ref.	Budget 2007/08
		£'000
ORIGINAL BUDGET 2006/07		21,276
o COST CHANGES		
Pay awards		195
Price Variations - Expenditure		416
Price Variations - Income		-17
Total Cost Changes		594
o CENTRAL SUPPORT SERVICES CHANGES		-600
o TRANSFERS TO/FROM OTHER BUSINESS GROUPS		
Transfer to F and CS for Town Twinning		-26
Transfer from other Business Groups for market value of rents of commercial property where free or reduced rent is agreed		-32
Transfer to TELS for Butchers Licence fees income		3
Transfer to TELS for Brighter Kensington and Chelsea grant		-5
Transfer to TELS for Chelsea Festival grant		-9
Total Transfers to/from other Business Groups		-69
o TRANSFERS TO/FROM RECHARGEABLE SERVICES		-670
o CAPITAL CHARGES VARIATIONS		-1,333
SUB TOTAL		19,198
o CABINET BUSINESS PLAN		
Corporately Funded Growth		
Police Community Support Officers	17	280
Enhanced Members Allowance scheme	18	252
Responding to residents - Area Initiatives	19	180
Electoral Registration - additional checking	19a	105
Total Corporately Funded Growth		817
Growth Absorbed by Business Group		
Improvement in Council Tax recovery post	16	50
Total Growth Absorbed by Business Group		50

CORPORATE SERVICES

SUMMARY OF CHANGES - CENTRAL SERVICES	Ref.	Budget 2007/08
		£'000
Planned Reductions		
Increased court fee income	20	-20
Reduced Revenues Section processing and staff costs	21	-90
Reduced Governance costs (Civic Ceremonial)	23	-18
Increase in Commercial Lettings income	24	-67
Increased Land Charges income	25	-200
Reduced Policy and Partnership Unit budgets	26	-35
Increased rental income from Baseline Studios	27	-30
Reduce grant funding to Voluntary Organisations	28	-22
Total Planned Reductions		-482
o OTHER CHANGES		
Adjustment to reflect current service pension liability		62
London Council subscription for Housing service		24
Commercial Rent due from Ellesmere House		-650
One off provision for the Village Retail Commission dropping out		-100
One off provision for Children's Act implications dropping out		-150
One off funding for Local Election in 2006 dropping out		-150
PCSO's - additional Government grant for Metropolitan Police		-480
Total Other Changes		-1,444
CENTRAL SERVICES BUDGET 2007/08		18,139

FINANCE		
BUSINESS UNITS P4602 to P4640 & P4701		
Cabinet Member for Corporate Services	Budget 2006/07	Budget 2007/08
	£'000	£'000
EXPENDITURE		
Employees	4,994	5,249
Premises Related Expenditure	7	9
Transport Related Expenditure	17	19
Supplies and Services	956	811
Third Party Payments	994	436
Liability Insurance Premiums	570	524
Total Direct Expenditure	7,538	7,048
Central Support Service Charges	2,365	2,203
Capital Charges	153	133
TOTAL EXPENDITURE	10,056	9,384
INCOME		
Fees, Charges & Other Client Income	349	349
Cash Collection contract for Hammersmith and Fulham	462	482
Charges to the TMO for Finance Services	116	116
Insurance costs recovered from Schools	51	51
TOTAL INCOME	978	998
NET EXPENDITURE TO BE RECOVERED	8,993	8,386
DESCRIPTION OF SERVICE		
<p>The services included are :-</p> <p>Financial Services incorporating Corporate Services Group Finance, Financial Planning, Resource Utilisation, Procurement Strategy, Financial Systems, Corporate Finance, Treasury Management, Accountancy Control and Pensions.</p> <p>Customer Services and Revenues including Accounts Receivable, Customer Services and Cashiers. Housing Benefit and Local Taxation Administration are shown separately on pages 20 and 21.</p> <p>Internal Audit and Risk Management, including Insurance</p>		
MAJOR VARIATIONS		
<p>Pay and price increases have added £210,000 to the budget in 2007/08.</p> <p>There is a £54,000 efficiency saving as a result of the management of self-insured risks on the Employee Liabilities Insurance budget</p> <p>Various staffing efficiencies within Financial Services have been identified - the introduction of the Income Management System has reduced one post to part-time, saving £14,000, outsourcing the Pensions function is anticipated to produce net savings to the authority of £20,000 and with the merger of Planning & Conservation and Corporate Services Group Finance Teams in June 2005 one of the Group Finance Manager's posts was deleted giving Corporate Services a share of this saving of £38,000 (Ref 9).</p> <p>£90,000 has been re-directed to Customer Services from Housing Benefits administration to provide a change management/business process re-engineering resource. (Ref 2)</p>		

INFORMATION SYSTEMS		
BUSINESS UNITS P4810 to P4831		
Leader of the Council	Budget 2006/07	Budget 2007/08
	£'000	£'000
EXPENDITURE		
Employees	4,757	4,781
Transport Related Expenditure	53	44
Supplies and Services	900	976
Council-wide Telephone charges	650	650
Network/Infrastructure costs	422	412
Software Licences	307	273
Third Party Payments	405	59
Total Direct Expenditure	7,672	7,195
Central Support Service Charges	1,320	1,339
Capital Charges	492	379
TOTAL EXPENDITURE	9,484	8,913
INCOME		
Charges for Development costs on Capital projects	2,928	478
Direct charges to business groups for telephone costs	650	650
Income from external sources for commissioned work	184	39
TOTAL INCOME	3,762	1,167
NET EXPENDITURE TO BE RECOVERED	5,722	7,746
DESCRIPTION OF SERVICE		
<p>The Information Systems Division provides a comprehensive computing service to all Business Groups. The department manages Council-wide systems for E-mail, Telephone Management, Internet and Intranet, Server farm, Network Infrastructure and IT Support for the use of PCs and peripherals. ISD Strategic Development includes strategic management of the Council's IT infrastructure, setting standards and monitoring performance.</p> <p>Other services provided are – Data Protection, IT Training, Development and maintenance of key application systems and the Business Improvement team co-ordinates the implementation of e-government and quality initiatives.</p>		
MAJOR VARIATIONS		
<p>Pay and price increases have added £189,000 to the budget in 2007/08</p> <p>A new records retention post has been established at a cost of £50,000 through re-directed savings (Ref 1).</p> <p>The decommissioning of the Mainframe in June 2006 has enabled savings to be made on staffing of £120,000 (Ref 7) and running costs of £150,000 (Ref 7).</p> <p>There has been a reduction in the software licence fee costs as a result of the Microsoft Enterprise Agreement saving £40,000 (Ref 8).</p> <p>With the re-centralisation of IT support budgets from business groups, the net cost of this service has now increased as there is no offsetting income being received from business groups.</p> <p>Income budgets for external work to the value of £105,000 have been removed as the income was not being achieved. (Ref 1) This has been offset by savings within the department.</p>		

PROPERTY SERVICES		
BUSINESS UNIT P4001		
Cabinet Member for Corporate Services	Budget 2006/07	Budget 2007/08
	£'000	£'000
EXPENDITURE		
Employees	992	1,023
Premises Related Expenditure	5	5
Town Hall Car Park passes and travel allowances	3	3
Supplies and Services	76	73
Third Party Payments	13	8
Total Direct Expenditure	1,089	1,112
Central Support Service Charges	171	170
Capital Charges	23	7
TOTAL EXPENDITURE	1,283	1,289
INCOME		
Fees for advice given to external clients	19	19
Charges to the TMO for property advice	155	155
TOTAL INCOME	174	174
NET EXPENDITURE TO BE RECOVERED	1,109	1,115
DESCRIPTION OF SERVICE		
<p>The Department has four operational areas:-</p> <p>Acquisitions and disposals which includes the Councils current property requirements and the Right To Buy Scheme.</p> <p>Management of the Commercial Property Portfolio which includes property that the Council itself leases. (note Commercial Property income and expenses are shown elsewhere on page 35).</p> <p>General valuation advice which includes day to day property advice to all the Business Groups, including the annual property review</p> <p>Strategic Property Management including the preparation of the Corporate Asset Management Plan.</p>		
MAJOR VARIATIONS		
<p>Pay and price increases have added £30,000 to the budget in 2007/08.</p>		

PERSONNEL SERVICES		
BUSINESS UNITS P0401, P0403 and P4402 to P4423		
Cabinet Member for Corporate Services	Budget 2006/07	Budget 2007/08
	£'000	£'000
EXPENDITURE		
Employees	2,845	2,810
Premises Related Expenditure	4	4
Transport Related Expenditure	6	5
Supplies and Services	251	288
Third Party Payments	180	158
Learning and Development Training	265	270
Private Health Insurance Contract	182	186
Occupational Health Scheme Contract	190	190
Payroll/Personnel Contract (Resourcelink)	183	190
Total Direct Expenditure	4,106	4,101
Central Support Service Charges	1,189	1,381
Capital Charges	101	84
TOTAL EXPENDITURE	5,396	5,566
INCOME		
Fees, Charges and Other Client Income	205	91
Charges to the TMO	63	63
Costs recovered from Schools	231	231
TOTAL INCOME	499	385
NET EXPENDITURE TO BE RECOVERED	4,897	5,181
DESCRIPTION OF SERVICE		
The centralised personnel department has three teams, each headed by a Personnel Manager.		
Recruitment and staff development team sets corporate policies and standards, manages contracts for recruitment advertising and temporary staff, provides core training and specific training for the Business Groups as requested. The team also runs the Council's training centre and manages the business administration trainee scheme.		
Employee relations provides managers and staff with advice and guidance and leads on job evaluation and performance management. The corporate health and safety team also fall into this category.		
Policy, systems and payroll function ensures compliance with legislation and developing employment policy and ResourceLink (the payroll / personnel system) other personnel IT systems and Intranet material. This team also produces corporate management information relating to the workforce.		
MAJOR VARIATIONS		
Pay and price increases have added £134,000 to the budget in 2007/08.		
Reduced cost of the Occupational Health Contract will save £17,000 (Ref 12 - part).		
A reduction in staffing budgets across the department has produced savings of £24,000 (Ref 12 - part)		
The Recruitment section's operating costs have been reduced by £10,000 (Ref 12 - part).		
Minor running costs of Learning and Development have been reduced for 2007/08 by £5,000 (Ref 4).		
The need for developments on the Council's personnel and payroll system (Resourcelink) has diminished enabling the budget to be cut by £15,000 in 2007/08 (Ref 12 - part).		
Core Training budgets have been re-centralised and charged out as a recharge. This has resulted in a loss of income to Personnel of £87,000.		

GENERAL SERVICES		
BUSINESS UNITS P0503 to P1813 and P2401 to P2404		
Cabinet Member for Corporate Services	Budget 2006/07	Budget 2007/08
	£'000	£'000
EXPENDITURE		
Employees	2,825	2,655
Administrative Buildings Maintenance	1,538	1,569
Lease costs of Young Street and Allen Street	317	317
Premises Related Expenditure	542	560
Energy costs (gas and electricity)	1,127	1,227
Business Rates for Administrative Buildings	2,115	2,205
Transport Related Expenditure	27	27
Supplies and Services	1,319	1,266
Third Party Payments	379	337
Total Direct Expenditure	10,189	10,163
Central Support Service Charges	6,187	5,873
Capital Charges	3,559	915
TOTAL EXPENDITURE	19,935	16,951
INCOME		
Fees, Charges and Other Client Income	657	531
Charges to the TMO	249	249
Hall Lettings Income	1,389	1,139
Rent for Allen Street	173	173
Charge to Parking Service for running costs of Town Hall Car Park	340	351
TOTAL INCOME	2,808	2,443
NET EXPENDITURE TO BE RECOVERED	17,127	14,508
DESCRIPTION OF SERVICE		
<p>The services included are - the Head of General Services and administration team, together with associated running costs, the Contracts section, Central Services comprising management of building maintenance, printing services and post and messenger services, all recharged on a cost per unit basis.</p> <p>The administrative buildings are Kensington Town Hall, Council Offices Pembroke Road, Chelsea Old Town Hall, 2 Allen Street and 19/27 Young Street. The Public Letting accommodation at Kensington Town Hall comprises the Great Hall, Small Hall, foyer areas (3), serveries (2) and 5 committee rooms for Council and Commercial use (7 additional meeting rooms are provided for departmental use). The accommodation at Chelsea Old Town Hall comprises a Main Hall, a Small Hall and the Cadogan Suite.</p>		
MAJOR VARIATIONS		
<p>Pay and price increases have added £308,000 to the budget in 2007/08</p> <p>The building maintenance reserve is being wound down and the annual contribution from revenue is similarly reducing so in 2007/08 this will result in reduced expenditure of £55,000 (Ref 13).</p> <p>The London Consortium contract for high volume photocopying has saved £80,000 (Ref 14).</p> <p>Halls Lettings income budget has been partially brought into line with current levels with an additional £200,000 (Ref 25) transferred from Land Charges income and £50,000 Registrars income.</p>		

GOVERNANCE SERVICES		
BUSINESS UNITS P4201 to P4209		
Cabinet Member for Corporate Services	Budget 2006/07	Budget 2007/08
	£'000	£'000
EXPENDITURE		
Employees	693	843
Supplies and Services	63	141
Third Party Payments	19	0
Overview and Scrutiny Committees' research costs	83	75
Licensing Act Administration costs	200	195
Total Direct Expenditure	1,058	1,254
Central Support Service Charges	473	816
TOTAL EXPENDITURE	1,531	2,070
INCOME		
Fees, Charges and Other Client Income	14	14
Contributions from Metropolitan Police Authority for Police and Community Consultative Group	38	24
TOTAL INCOME	52	38
NET EXPENDITURE TO BE RECOVERED	1,479	2,032
DESCRIPTION OF SERVICE		
<p>The service is headed by the Director of Law and Administration.</p> <p>The Governance Services Division facilitates effective and efficient decision-making and robust corporate governance systems.</p> <p>The service is divided into two teams, Executive (Cabinet), which includes servicing a wide range of formal and informal meetings, supporting key councillors and administering the Forward Plan and Key Decision processes and acting as custodian of the Constitution. In addition, the division's staff work closely with colleagues across the Council on a wide range of policy boards, on scrutiny development and on other corporate projects and working parties. Staff also service the local Police & Community Consultative Group, the local strategic partnership and health/housing partnership forums and run the Borough Film Office.</p>		
MAJOR VARIATIONS		
<p>Pay and price increases have added £48,000 to the budget in 2007/08</p> <p>A reduction in the general administration costs for the administration of the Licensing Committee has produced a saving of £10,000 (Ref 10 - part).</p> <p>The Leader's PA and Members' Secretary will transfer from General Services to Governance Services with effect from April 2007 which has led to an increase of £503,000 including support services.</p> <p>In addition there is a local growth bid of £48,000 to establish a Head of Leader's Office post (Ref 3).</p>		

LEGAL SERVICES		
BUSINESS UNITS P4331-P4341		
Cabinet Member for Corporate Services	Budget 2006/07	Budget 2007/08
	£'000	£'000
EXPENDITURE		
Employees	2,065	2,102
Transport Related Expenditure	3	3
Supplies and Services	114	126
Third Party Payments	15	3
Legal Disbursements	166	170
Instructing Counsel fees	205	210
Total Direct Expenditure	2,568	2,614
Central Support Service Charges	478	450
Capital Charges	0	3
TOTAL EXPENDITURE	3,046	3,067
INCOME		
Court Costs and income from Business Groups	131	131
Legal Costs Awarded to the Council	139	139
Charges to the TMO for advice	633	633
Charges to Schools for advice	22	22
TOTAL INCOME	925	925
NET EXPENDITURE TO BE RECOVERED	2,121	2,142
DESCRIPTION OF SERVICE		
<p>Legal Services is headed by the Director of Law & Administration and comprises two legal teams (Litigation and Land) led by the Chief Solicitor, each managed by a Principal Solicitor. There is also a Business Support Team managed by the Business Manager.</p> <p>The Litigation team comprises three sections: General Litigation, Civil Litigation and Social Services. The General and Civil Litigation sections represent the Council in Court, dealing with civil litigation in the County Court and High Court and with criminal litigation in the Magistrates Court and the Crown Court. The Social Services section deals with applications for care and supervision orders in respect of children, community care issues, mental health and education supervision orders.</p> <p>The Land team comprises two sections: Property & Planning and Corporate Law & Contracts. The Property & Planning section provides legal services in relation to Property (including both commercial and residential sales and purchases), Planning, Highways and Licensing. The Corporate Law & Contracts section offers advice on a wide range of issues including governance, regulation of investigatory powers, human rights, data protection, freedom of information, education and employment law and deals with all procurement and contract advice and disputes.</p> <p>The Business Support team provides administrative, secretarial, IT and budgetary support to the lawyers.</p>		
MAJOR VARIATIONS		
<p>Pay and price increases have added £73,000 to the budget in 2007/08.</p> <p>The deletion of one Legal Officer post dedicated to debt recovery will result in a saving of £29,000 (Ref 10 - part).</p>		

MEDIA AND COMMUNICATIONS		
BUSINESS UNIT P5101		
Leader of the Council	Budget 2006/07	Budget 2007/08
	£'000	£'000
EXPENDITURE		
Employees	309	352
Supplies and Services	75	71
Publications costs	89	84
Third Party Payments	3	0
Total Direct Expenditure	476	507
Central Support Service Charges	100	95
TOTAL EXPENDITURE	576	602
INCOME		
Fees, Charges and Other Client Income	11	11
TOTAL INCOME	11	11
NET EXPENDITURE TO BE RECOVERED	565	591
DESCRIPTION OF SERVICE		
<p>The Media and Communications Office aims to inform Royal Borough audiences of the services provided by the Council, achieve the widest possible understanding of the Council's achievements and any challenges that might threaten those achievements, help the Council to influence debate on issues that will affect Kensington and Chelsea, manage the news agenda efficiently and effectively and protect and enhance the Royal Borough's corporate identity.</p> <p>The Media and Communications Office undertakes the following core activities;</p> <ul style="list-style-type: none"> • Creating publicity material to support and inform about major corporate developments. • Nurturing media contacts to maximise print and broadcast opportunities for key Council issues. • Publishing the Royal Borough Newspaper, Staff Room and RBKC Partner Direct on a quarterly basis. • Organising launch events for major corporate initiatives and providing advice to other parts of the Council when they wish to organise a launch. • Issuing press releases and statements. • Responding to general enquiries about Council activity that come into the news desk. • Planned media, publicity and support to sustain key campaign priorities. • Brand guardianship and securing photography. <p>In addition there can be other bespoke communications projects to assist the promotion of Council activities.</p>		
MAJOR VARIATIONS		
<p>Pay and price increases have added £13,000 to the budget in 2007/08</p> <p>Negotiations to bundle a number of items into one contract for core Council publications will save £6,000 (Ref 11).</p> <p>A part-time post has been added to meet the requirements of the Electoral Administration Act 2006 relating to the promotion and advertising of local elections (Ref 19a).</p>		

HOUSING AND COUNCIL TAX BENEFITS		
BUSINESS UNITS P5902 to P5915		
Cabinet Member for Corporate Services	Budget 2006/07	Budget 2007/08
	£'000	£'000
EXPENDITURE		
Employees	3,264	3,309
Transport Related Expenditure	3	3
Bad Debt Provision	500	676
Post, Printing and other office consumables	270	348
Contingency for fluctuations in subsidy payments	359	324
Third Party Payments	106	0
Housing and Council Tax Benefit Payments	112,131	113,796
Total Direct Expenditure	116,633	118,456
Central Support Service Charges	1,584	1,187
Capital Charges	198	91
TOTAL EXPENDITURE	118,415	119,734
INCOME		
Housing Benefit Administration Grant	2,349	2,349
Recovery of Overpaid Benefits	1,848	2,024
Housing and Council Tax Benefit Subsidy	109,937	111,567
TOTAL INCOME	114,134	115,940
NET EXPENDITURE	4,281	3,794
DESCRIPTION OF SERVICE		
<p>The Council has a statutory responsibility to administer Housing Benefit and Council Tax Benefit.</p> <p>The work consists of the receipt, verification, assessment and maintenance of benefit claims, recovery of overpaid benefit, the prevention, detection and punishment of fraud and claiming subsidy from the Department of Work and Pensions.</p>		
MAJOR VARIATIONS		
<p>Pay and price increases have added £130,000 to the budget in 2007/08</p> <p>With the introduction of the new IT system it has been possible to reduce the number of posts responsible for processing benefit claims giving a saving of £90,000 (Ref 21).</p> <p>An in depth Council-wide review of the Council's provision for bad debts has resulted in an additional £150,000 being assessed to meet the ongoing debt on recovering overpayments. This has been funded from the additional income from recovery of overpayments.</p>		

LOCAL TAXATION ADMINISTRATION		
BUSINESS UNITS P5801 and P5810		
Cabinet Member for Corporate Services	Budget 2006/07	Budget 2007/08
	£'000	£'000
EXPENDITURE		
Employees	1,219	1,309
Transport Related Expenditure	2	2
Supplies and Services	420	429
Business Rates Contract	482	482
Third Party Payments	170	43
Business Rates Discretionary Rate Relief	107	110
Total Direct Expenditure	2,400	2,375
Central Support Service Charges	842	679
TOTAL EXPENDITURE	3,242	3,054
INCOME		
Business Rates Cost of Collection Allowance	600	615
Court Costs recovered	771	791
Income from Bailiffs	33	34
Other Income	5	5
TOTAL INCOME	1,409	1,445
NET EXPENDITURE	1,833	1,609
DESCRIPTION OF SERVICE		
<p>Council Tax and National Non-Domestic Rates (NNDR - Business Rates) are administered by the Revenues Division. The services provided are the</p> <ul style="list-style-type: none"> • management and monitoring of the outsourced Business Rates contract • ensuring the correct billing and collection of income from the Royal Borough's 7,990 commercial properties • determining the liability of Council Tax payers for the Council Tax • the collection and recovery of Council Tax from 85,600 properties. 		
MAJOR VARIATIONS		
<p>Pay and price increases have added £48,000 to the budget in 2007/08.</p> <p>Increased court fees from Revenues cases are estimated to produce £20,000 more income (Ref 20).</p> <p>A Council Tax Recovery Manager post is to be introduced £50,000 (Ref 16) on a self financing basis with the intention being that the activities undertaken will improve the collection rate of Council Tax (£50,000 Ref 22).</p>		

COMMERCIAL LETTINGS		
BUSINESS UNITS P5720 to P5723		
Cabinet Member for Finance and Property	Budget 2006/07	Budget 2007/08
	£'000	£'000
EXPENDITURE		
Premises Related Expenditure	257	272
Supplies and Services	87	82
Third Party Payments	39	40
Total Direct Expenditure	383	394
Central Support Service Charges	690	316
Capital Charges	1,597	470
TOTAL EXPENDITURE	2,670	1,180
INCOME		
Miscellaneous income	15	15
Commercial Property Rents	3,137	3,885
TOTAL INCOME	3,152	3,900
NET EXPENDITURE	-482	-2,720
DESCRIPTION OF SERVICE		
<p>This covers the Council's commercial property portfolio which has over 310 properties.</p>		
MAJOR VARIATIONS		
<p>Pay and price increases have added £28,000 to the budget in 2007/08</p> <p>£67,000 has been added to commercial property rents reflecting current level of income being received (Ref 24). In addition, £650,000 from the rent of Ellesmere House has been included which offsets expenditure of a similar amount in the Social Care budget.</p>		

GENERAL SERVICES – SERVICES TO THE PUBLIC		
BUSINESS UNITS P2001 to P2105		
Cabinet Member for Corporate Services	Budget 2006/07	Budget 2007/08
	£'000	£'000
EXPENDITURE		
Employees	821	880
Premises Related Expenditure	27	13
Transport Related Expenditure	2	2
Supplies and Services	255	188
Third Party Payments	20	0
Total Direct Expenditure	1,125	1,083
Central Support Service Charges	669	611
TOTAL EXPENDITURE	1,794	1,694
INCOME		
Land Charges Income	1,323	1,530
Citizenship Ceremonies	71	112
Civil Partnership Ceremonies	10	29
Other Registrars fees	443	434
TOTAL INCOME	1,847	2,105
NET EXPENDITURE	-53	-411
DESCRIPTION OF SERVICE		
<p>The Electoral Registration section compiles and updates the Register of Electors, including conducting an annual canvass of all premises in the Borough. Temporary assistance is employed on the annual canvass and preparation of the Register. It also organises and conducts all elections and by-elections. .</p> <p>The Land Charges section maintains the Local Land Charges Register and provides a prompt response to search applications, for which the current turnaround target is within a maximum of five working days.</p> <p>The Register Office, located at Chelsea Old Town Hall, provides a registration service for births and deaths, marriages, Civil Partnerships and Citizenship ceremonies. The service is open Monday to Saturday with late night opening on Tuesday and Thursday to 7.00 p.m. There are also a number of other venues throughout the Royal Borough which have been approved for civil marriage ceremonies in accordance with the "Marriages (Approved Premises) Regulations 1995 and the Civil Partnership Act 2004."</p>		
MAJOR VARIATIONS		
<p>Pay and price increases have added £17,000 to the budget in 2007/08</p> <p>The recent trend in Land Charges income is above the current budget and so for 2007/08 £200,000 has been added to better reflect what will be achieved. (Ref 25)</p> <p>Income from Civil Partnership and Citizenship ceremonies has elevated the total income generated by this service by £50,000 which has been used to offset the continuing loss of Halls Lettings income.</p> <p>An extra £60,000 has been added for postage and printing expenses and £30,000 for a new post to meet the requirements of the new Electoral Registration Act 2006. (Ref 19b)</p>		

GENERAL SERVICES - EMERGENCY PLANNING		
BUSINESS UNIT P2601		
Cabinet Member for Corporate Services	Budget 2006/07	Budget 2007/08
	£'000	£'000
EXPENDITURE		
Employees	124	127
Transport Related Expenditure	1	1
Supplies and Services	15	15
Third Party Payments	25	26
Total Direct Expenditure	165	169
Central Support Service Charges	30	38
TOTAL EXPENDITURE	195	207
INCOME		
TOTAL INCOME	0	0
NET EXPENDITURE	195	207
DESCRIPTION OF SERVICE		
<p>This service maintains and updates the Council's plan for response to civil emergencies and co-ordinates responses when requested to do so by the Police or other similar agencies.</p> <p>The Council's Business Continuity Plan is also maintained and updated.</p>		
MAJOR VARIATIONS		
<p>Pay and price increases have added £5,000 to the budget in 2007/08</p>		

CIVIC CEREMONIAL		
BUSINESS UNITS P2501		
Cabinet Member for Corporate Services	Budget 2006/07	Budget 2007/08
	£'000	£'000
EXPENDITURE		
Employees	245	234
Premises Related Expenditure	6	6
Transport Related Expenditure	12	12
Supplies and Services	100	103
Third Party Payments	29	2
Total Direct Expenditure	392	357
Central Support Service Charges	251	230
Capital Charges	5	2
TOTAL EXPENDITURE	648	589
INCOME	1	1
TOTAL INCOME	1	1
NET EXPENDITURE	647	588
DESCRIPTION OF SERVICE		
<p>The service is headed by the Director of Law and Administration.</p> <p>The service comprises the Civic Officer and Secretary to the Mayor, Assistant Secretary to the Mayor, Personal Assistant to the Mayoralty, Mace-bearer, Deputy Mace-bearer and Chauffeur.</p>		
MAJOR VARIATIONS		
<p>Pay and price increases have added £15,000 to the budget in 2007/08</p> <p>The deletion of one full time chauffeur post and creation of a temporary part-time post will enable a saving to be made of £18,000 (Ref 23).</p>		

COMMUNITY RELATIONS, SERVICE IMPROVEMENT and PUBLIC CONSULTATION		
BUSINESS UNIT P5743, P5744, P5745 and P5756		
Cabinet Member for Service Improvement	Budget 2006/07	Budget 2007/08
	£'000	£'000
EXPENDITURE		
Employees	665	686
Supplies and Services	114	128
Consultation Consultants	60	73
Total Direct Expenditure	839	887
Central Support Service Charges	290	286
TOTAL EXPENDITURE	1,129	1,173
INCOME	0	0
NET EXPENDITURE	1,129	1,173
DESCRIPTION OF SERVICE		
<p>Community Relations – promotion of good community relations and elimination of racial and religious discrimination, including providing advice, assistance and support to the diverse communities within the Royal Borough, the Council, voluntary and statutory organisations and others.</p> <p>Service Improvement Team manages the Council’s improvement programme which includes</p> <ul style="list-style-type: none"> • the Vital Improvements and Vital Signs reports • the Comprehensive Performance Assessment • Royal Borough Reviews. <p>The team also co-ordinates the Council’s business planning process and oversees the work on equalities.</p> <p>Consultation – co-ordinating the Council’s consultation programme with local residents and other stakeholders which includes managing the Council’s Residents Panel and Resident Reviewers Panel.</p>		
MAJOR VARIATIONS		
<p>Pay and price increases have added £27,000 to the budget in 2007/08</p>		

VOLUNTARY SECTOR SUPPORT		
BUSINESS UNITS P5710, P5711, P5747, P5760 and P6101		
Cabinet Member for Service Improvement	Budget 2006/07	Budget 2007/08
	£'000	£'000
EXPENDITURE		
Employees	128	135
Premises Related Expenditure	63	66
Market rents for Voluntary Organisations in Council properties	130	148
Supplies and Services	14	11
Grants to Voluntary Organisations	2,289	2,290
Grant to Portobello Business Centre	120	108
Total Direct Expenditure	2,744	2,758
Central Support Service Charges	279	257
Capital Charges	109	9
TOTAL EXPENDITURE	3,132	3,024
INCOME		
Fees, Charges and Other Client Income	30	30
Rent received from organisations occupying Canalside House	85	88
TOTAL INCOME	115	118
NET EXPENDITURE	3,017	2,906
DESCRIPTION OF SERVICE		
<p>The Policy and Partnership Unit manages a funding programme for voluntary organisations which aims to promote community cohesion. It funds independent information and advice services and community activities. The unit also leads on promoting a joint voluntary sector approach across the Council.</p>		
MAJOR VARIATIONS		
<p>Pay and price increases have added £67,000 to the budget in 2007/08.</p> <p>There is a reduction of £22,000 in total grant available for the Voluntary Sector (Ref 28).</p>		

ECONOMIC REGENERATION and WESTWAY DEVELOPMENT TRUST		
BUSINESS UNITS P5201, P5713, P5749, P5762 and P5763		
Cabinet Member for Regeneration, Environmental Management and Leisure	Budget	Budget
	2006/07	2007/08
	£'000	£'000
EXPENDITURE		
Employees	194	186
Premises Related Expenditure	54	63
Supplies and Services	62	51
Cremorne Gardens income funding local initiatives	325	40
Ex ILEA grant to Westway Development Trust for use of the Westway Sports Centre	202	206
Third Party Payments	19	6
Pilot scheme for Area Initiatives	0	180
Local Area Agreement projects	615	984
Total Direct Expenditure	1,471	1,716
Central Support Service Charges	151	182
Capital Charges	1	1
TOTAL EXPENDITURE	1,623	1,899
INCOME		
Local Area Agreement Delivery Fund	615	984
Rent for Cremorne Gardens temporary lease	325	40
Rent from Business Units	104	200
TOTAL INCOME	1,044	1,224
NET EXPENDITURE	579	675
DESCRIPTION OF SERVICE		
<p>Economic Development and Neighbourhood Renewal – to promote the economic, environmental and social well-being of residents of the Royal Borough. New team has been created to develop re-generation opportunities in the Borough. A pilot programme of area initiatives for improvements to four wards a year.</p> <p>The newly negotiated Local Area Agreement involves a number of projects over a three year period to improve on Government targeted outcomes.</p> <p>Westway Development Trust was established to develop the land under Westway in North Kensington for Community use which has taken the form of commercial, industrial and recreational projects. The Management Committee consists of representatives of the local community, including Councillors.</p>		
MAJOR VARIATIONS		
<p>Pay and price increases have added £13,000 to the budget in 2007/08</p> <p>Increased rental income from Baseline Studios of £30,000 (Ref 27).</p> <p>A pilot scheme for Area Initiatives has been included, providing six wards a year £30,000 each to make improvements that are identified by residents through their ward councillors (Ref 19).</p>		

COMMUNITY SAFETY and DRUGS INTERVENTION PROGRAMME		
BUSINESS UNITS P5741, P5748, P5751, P5765, P5768, P5769 and P5772		
Cabinet Member for Community Safety	Budget 2006/07	Budget 2007/08
	£'000	£'000
EXPENDITURE		
Employees	267	274
Supplies and Services	30	30
Police Community Support Officers	2,001	1,802
Grant funded projects	1,826	1,927
Total Direct Expenditure	4,124	4,033
Central Support Service Charges	306	369
TOTAL EXPENDITURE	4,430	4,402
INCOME		
Community Safety Grants	57	57
Safer and Stronger Communities Fund	338	338
Metropolitan Police Authority Partnership Fund	50	50
Basic Command Unit	232	232
Drug Action Team (DCLG)	96	96
Drugs Intervention Programme (Home Office)	1,205	1,302
TOTAL INCOME	1,978	2,075
NET EXPENDITURE	2,452	2,327
DESCRIPTION OF SERVICE		
<p>Community Safety works to reduce crime and disorder and the misuse of drugs within the Royal Borough. This is achieved by regular analysis of crime data and working in partnership with local police and voluntary agencies. The team work to a 3 year community safety cycle, of audits and developing local strategies. Yearly programmes of actions are commissioned, monitored and evaluated which address reducing crime and the perceptions of crime within the borough.</p> <p>The Council's contribution to the costs of Police Community Support Officers (PCSOs) employed by the Metropolitan Police Authority (MPA) provides a service in all wards.</p> <p>Drugs Intervention Programme is a managed project in Kensington and Chelsea which ensures offenders with drug problems receive the appropriate treatment programme</p>		
MAJOR VARIATIONS		
<p>Pay and price increases have added £55,000 to the budget in 2007/08</p> <p>An additional £280,000 has been included to complete the funding for seventy six PCSOs (Ref 17) which is the Council's current target number. However the new two year contract with the MPA from 1st April 2007 has resulted in a reduction in the overall cost of PCSOs following an increased grant contribution from the Government towards PCSOs which the MPA has passed on to the Council giving a saving of £480,000.</p>		

CORPORATE SERVICES

SUPPORT SERVICES REVENUE CHANGES – GROWTH AND SAVINGS

Ref No.	Department	Description	Details	2007/08 £'000	2008/09 £'000	2009/10 £'000
Local Growth						
1	Information Systems	Reduced external income	Record Retention post introduced and reduced external income	155		
2	Revenues	Customer service processes	Change Management/ Business Process Re-engineering Resource	90		
3	Law and Administration	Leader's office reorganisation	Creation of Head of Leader's Office and support post for additional ALG responsibilities	48		
4	Personnel and General Services	Reduced income from Halls Lettings	Brings the Hall Lettings income budget better in line with current trend	200		
Total Local Growth				493		
Corporately Funded Growth						
5	Law and Administration	Enhanced Members Allowance Scheme – computer costs	Provision for computer costs under the revised Member Expenses scheme	28		
6	Personnel and General Services	Super inflation bid for gas supply	Gas contract will increase by 67%	100		
Total Corporately Funded Growth				128		
Savings						
7	Information Systems	Savings from mainframe computer retirement	Reduction in three posts and running costs associated with the mainframe	-270		
8	Information Systems	Reduced software licence procurement costs	Reduction in licence fee costs as a result of the Microsoft Enterprise Agreement	-40		

CORPORATE SERVICES

Ref No.	Department	Description	Details	2007/08 £'000	2008/09 £'000	2009/10 £'000
9	Finance	Reduced Financial Services costs	Deletion of Group Finance Manager post, part time post and saving on outsourcing of the Pension section	-72		
10	Law and Administration	Reduced Governance and Legal Services costs	Reduction in general administration costs for Licensing Committee and deletion of one Legal Officer post	-39		
11	Media and Communications	Reduced Media and Communications team costs	New procurement/charging arrangements	-6		
12	Personnel and General Services	Reduced Personnel costs	Reduction in Occupational Health and contract, ResourceLink developments and general operating costs	-71		
13	Personnel and General Services	Reduced building maintenance budget	Reduction in contribution to rolling five year maintenance programme	-55		
14	Personnel and General Services	Saving on photocopying procurement	Saving on high volume photocopying contract	-80		
15	Finance	Insurance cost reductions	Improved management of self insured risks	-54		
Total Savings				-687		
Support Services Total				-66		

CORPORATE SERVICES

CENTRAL SERVICES REVENUE CHANGES – GROWTH AND SAVINGS

Ref No.	Department	Description	Details	2007/08 £'000	2008/09 £'000	2009/10 £'000
Local Growth						
16	Revenues	Council Tax recovery post	Recovery Post to improve Council tax collection	50		
Total Local Growth				50		
Corporately Funded Growth						
17	Policy and Partnerships	Police Community Support Officers	Remaining funding needed to meet target number of seventy six PCSO's	280		
18	Law and Administration	Enhanced Members Allowance Scheme	Additional funding for the revised scheme of Members and Co-optees allowances	252		
19	Policy and Partnerships	Responding to Residents – area initiatives	New pilot for locally identified ward improvements. Six wards targeted each year	180		
19a	Personnel and General Services/ Media and Communications	Electoral Services	Printing, postage costs and one and a half posts associated with the Electoral Administration Act 2006	105		
Total Corporately Funded Growth				817		
Savings						
20	Revenues	Increased Court fee income	Increased court fees achieved from passing on costs in Revenues cases	-20		
21	Revenues	Reduced Revenues section processing and staff costs	Reduction in processing staff costs following introduction of the new IT system	-90		
22	Revenues	Improved Council Tax collection	Improved recovery of Council Tax collection	-50		

CORPORATE SERVICES

Ref No.	Department	Description	Details	2007/08 £'000	2008/09 £'000	2009/10 £'000
23	Law and Administration	Staff savings in Civic Ceremonial	Deletion of a full time chauffeur post and creation of a temporary part-time post	-18		
24	Property Services	Improved income from commercial lettings	Improved income from commercial lettings	-67		
25	Personnel and General Services	Increased Land Charges income	Land Charges income budget brought in line with current forecasts	-200		
26	Policy and Partnerships	Reduced policy and Partnerships Unit budgets	Reduction in provision for Royal Borough Review consultants, OSC research and grant to Portobello Business Centre	-35		
27	Policy and Partnerships	Increased rental income from Baseline Studios	Increased rental income of Baseline Studios	-30		
28	Policy and Partnerships	Reduced grant funding to Voluntary Organisations	Reduced grant funding to Voluntary Organisations	-22		
Total Savings				-532		
Central Services Total				335		