



Changing Kingston - Choosing Our Future

A Medium Term Plan for the Royal Borough of
Kingston upon Thames 2007 – 2011
(Including Budget and Council Tax for 2007/08)

March 2007



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NOTE: This is an up-dated version of the document which was published as a draft on 29 January 2007. Changes have been made to the relevant parts of Chapters 8 and 9 to reflect the decisions taken by the Council, on 28 February 2007, in setting the Budget and Council Tax for 2007/08. More up to date Budget Monitoring information for the year 2006/07 has also been included.

Leader's Foreword

The future is different from the past – it holds great opportunities but also great challenges

At the same time as there are great opportunities, there are also great challenges ahead:

- Opportunity in the shape of the new Local Government White Paper that delivers what the Council has been pressing for, namely more freedom to deliver, with partners, a shared vision for our community, and a greater say for our communities in shaping services;
- Challenge due to tightening financial pressures as we move 'from generous helpings to a strict diet'. Government spending rose from 37.4% of GDP in 1999/2000 to 43.1% in 2006/07, but the next Comprehensive Spending Review in 2007 will see a significant tightening of public spending for the next three years, and even more ambitious efficiency targets. This will hit Kingston particularly hard because of the way we are disadvantaged by the current funding system and see revenue raised locally being shifted to other parts of the country.

For localism to be a reality, local areas need to have more choice about the revenue raised locally – but is Government prepared to grasp the nettle?

Potentially the Lyons Review provides the missing piece of the jigsaw – if Government really wants to devolve further to local areas and increase community engagement, then allowing more accountable local choice about the revenue raised locally and how it is used is a critical step. But the publication of the Lyons Review has again been postponed and, even if the council tax system is fast becoming unsustainable as a method of funding local government, the Government may be reluctant to risk major changes.

To deal with the challenge we need a fundamentally different approach to our service and financial planning

So now is the right time, in the first year of the new Council, to embark on Changing Kingston - Choosing Our Future, which is a fundamentally different approach to our service and financial planning, more corporate and more medium-term.

The scale of the challenge – savings of £22m plus over 4 years – will involve some very difficult choices

The picture looking forward is one where we and our partners will need to achieve the greatest possible impact for every public sector pound spent. And although we have a good record of producing efficiency savings from within a low resource base, the scale of savings required over the next four years will require us to go beyond what we have done in the past. The challenge requires us to make some very difficult choices about how we can align resources and priorities over the next four years.

What we are aiming to do is to map out where we want to be in 2011, and to set a direction for the steps that will take us there year by year. This first year's budget should be seen in the context of our four year journey, so that the budget decisions we are taking for 2007/08 are linked to the positive choices we are making about the future.

By 2011 RBK will be employing fewer staff and those reductions will need to be carefully planned and phased over the four years to minimise costs and the loss of key skills and talent.

The decisions required will challenge past certainties about the level and range of services we provide – but our ambition is a positive one – to protect residents' top priorities

In facing up to this challenge we need to recognise that we are planning for a future that will be different from the past. Given the scale of the reductions required, we will have to challenge some past certainties about the level and range of services we provide in Kingston. Equally, we must not lose sight of the significant opportunities that these changes can offer. Our ambition is to reshape services so they will meet our top priorities, within the resources available. It is not just about working smarter and more efficiently, but also about doing some things better. Reshaping services is about wanting to make a positive difference to the way we and our partners interact with residents, through early intervention, more user driven design of services, making access easier and service delivery more seamless and cost effective.

We must map out where we want to be in 2011 - this first year's budget should be seen in the context of our four year journey

Although there will be some stark choices about reducing some services in order to protect others, we believe that over four years we can get the balance right. At the recent budget consultation event, it was clear that when residents understand the budget position they are prepared to prioritise services in order to limit increases in Council Tax. It is therefore important that we present changes in a four-year context as part of a positive strategy to balance our budget, even though some specific changes may be unpopular.

We must articulate our positive ambitions for 2011, providing services that are fit for purpose for the future and that meet our residents' top priorities within the level of resources that will be available to us. Change will involve, as it always does, difficult choices but they will be driven by a vision of the future that is about keeping our focus on what matters most, and the principles set out here for shaping our services.

**Councillor Derek Osbourne
Leader of the Council**

1. Introduction

As the Leader's Foreword sets out, the period covered by this Plan combines outstanding opportunity with a financial challenge of a greater scale than we have faced for years.

Our task is to plan for the future in a way which makes the most of our opportunities, sustains our strengths and meets our residents' priorities within the resources that are going to be available. All this means thinking clearly with our partners about what our ambitions for Kingston in 2011 are, and what we are going to do to achieve them. Given the scale of the financial challenge we need to question the assumptions and orthodoxies of the past. Changing Kingston – Choosing our Future is a key part of that process. We need to be clear about where we are coming from, what strengths we can draw on, what opportunities are ahead and how we can use them to best effect to achieve our ambitions for Kingston.

Our Strengths

Kingston is a high performing council, and to date the only council in the country whose children and young people's services have been judged "outstanding" and whose overall level of achievement across all the shared priorities has received the top grade of "performing strongly". The recent Corporate Assessment highlights key factors in our success including our role as a respected, strong and creative community leader and well established and effective partnership working that delivers better outcomes for our communities.

In the current jargon Councils are recognised as 'place-shapers'; we can, if we seize the opportunities, bring partners, business and residents together to realise a vision of Kingston which will sustain the Royal Borough into the future. Kingston is well placed to take the opportunities held out by the White Paper Strong and Prosperous Communities – in many ways you could think it was written about us. However our strategy needs to take full account of the resources available to us. Hence the new approach represented by Changing Kingston - Choosing our Future.

Fundamentals of Our Approach

We have long been clear that the fundamentals of our success are having a clear sense of direction, which is well communicated and widely shared, coupled with the quality and commitment of our staff. Changing Kingston – Choosing Our Future rests on the notion that if we are clear about where we want to be in 2011, we give ourselves the best possible chance of sustaining our strengths and our capacity for innovation within the financial resources that will be available to us in the future. Managing our ambitious programme in a phased and planned way, combined with continuing expenditure restraint, will give us the headroom and flexibility to implement change while sustaining our sense of direction. Energy dissipated by unnecessary organisational uncertainty undermines our ability to focus on the outcomes we wish to produce for our residents and should be avoided. That is why we have set out the Shaping and Supporting Principles which will guide the way in which we evolve as an organisation over the period of this Plan. Our focus is on the outcomes we are seeking to achieve in 2011 based on prevention, personalisation, local settings, customer first and working in partnership.

Our Ambitions

At the forefront of our ambitions are sustaining and building on our outstanding education and social care services for children and young people; our environmental and transport achievements; the success of safer neighbourhoods; and initiatives to provide healthier communities and improved services for older people. This Plan is the vital first step on a four year journey. It sets the aspirations in our Community Plan and our Policy Programme within the context of national priorities and forecasts of resources available over the next four years. Besides setting out budget proposals for 2007/08 we are also setting out our savings targets for the next three years. These future targets are based on a detailed analysis of future plans and resources but will of course be subject to development.

The Scale of the Financial Challenge

We face a tightening of the national economic situation, and this will be reflected in the funding we receive from Government. So there is a huge challenge ahead about how we continue to improve outcomes in those areas that matter most to our residents while at the same time making significant cash savings in each of the next four years. Moreover we know that other parts of the local public sector, especially the Primary Care Trust, are also experiencing significant reductions in funding, which will make the position harder.

This Plan identifies the need to make total cash savings of approximately £22m over the four year period. We have a history of producing efficiency savings from within a low resource base, and we will continue this policy. But productivity gains alone will not bridge this gap. That is why we have produced Changing Kingston – Choosing Our Future.

Our Evolution

Our culture will change as we evolve as an organisation. Over recent years, with our increasing emphasis on partnership working, organisational boundaries whether internal or external, have become more and more permeable. The traditional Directorates around which services have been organised will become less relevant, a move reflected in the recent change to Strategic Directors. The logic of partnership working and an emphasis on 'customer first' is to think of services not around Directorates but as an organisation with a front, middle and back, planning and delivering in tandem with our partners. Our recent changes in governance are designed around this.

Customer First

A key part of our Customer First programme is the Contact Centres. We are establishing a single organisational approach which we will progressively achieve through a programme of linked initiatives. The programme of re-engineering business processes and the cultural change which will go along with this will help shift us from thinking about RBK as a vertically aligned hierarchal organisation into one which sees itself horizontally in terms of how it delivers to our customers.

Our Organisational Shape

We must similarly, over the period of this Plan, take the opportunity to review how we provide the internal infrastructure which enables us to achieve our goals whether it is in terms of finance, human resources, policy, performance or

information and communications technology. The objective again will be to achieve a single organisational approach which helps us deliver our agenda within a culture and style which is appropriate to the future, and at less cost.

One of the supporting principles for Changing Kingston – Choosing Our Future is to ensure that our organisational shape is appropriate to what we are trying to achieve and what we can afford. There are direct and significant staffing implications to bringing down our expenditure by £22million over the life of this Plan. The principles set out in this document will enable us to manage the impact effectively but we have to face the fact that the scale is greater than what we have done for years. The measures we have already mentioned like expenditure restraint and a planned progressive approach will help us mitigate the effects. However, we will need also to think creatively about initiatives like flexible retirement; a way to retain productive skills (albeit for reduced hours) which will bring down the payroll bill.

We have an obligation as an organisation alongside other cost reduction measures (Members and staff would expect it of us) to squeeze and reduce senior managerial costs. The first year of the Plan (Section 9 – 2007/08) contains proposals for so doing and this will continue over the life of the Plan.

Performing Well

Organisations which are performing well have placed, in recent years, an increasing emphasis on leadership rather than management – establishing a sense of direction and a workforce empowered to reach it. The Corporate Assessment recognised our achievement in this regard and our capacity to manage our performance. These are qualities that will stand us in good stead for the future.

Setting out a clear service and financial strategy for the next four years provides a firm basis for our future planning. We will now use the momentum we have built up to take forward the various work streams that will deliver the changes we seek. These will include an on-going process of benchmarking our services against others to ensure that we are getting value for money and that performance and spend reflect our priorities; it will include investigating the potential for shared services and new strategic partnerships; it will involve a major exercise to match our assets against our future service needs and priorities in order to produce the synergies we need, not just within the Council but across our partnerships.

Meeting the Challenge

The time ahead represents a considerable challenge. Drawing on the strengths we have built up, we have the skills and qualities to meet it well – provided we keep a clear focus on what matters most.

Bruce McDonald
Chief Executive

2. About Kingston

The Royal Borough of Kingston-upon-Thames is the smallest of the 32 London Boroughs (excluding the Corporation of London) with a population of just over 150,000 and an annual budget of around £107m net expenditure. Kingston is a relatively affluent borough with higher than average rates of economic activity. However, there are pockets of deprivation and its population is more diverse than many expect – with around 15% from black and minority ethnic groups, and the largest Korean community in Europe.

People come to Kingston to work and live, to learn, do business and shop. But people's expectations change over time and we need to keep changing to meet those expectations. The Council with its partners works to articulate and deliver the vision which will grow and share prosperity into the future.

We have a record of getting big decisions about Kingston's future right. Taking the traffic out of Clarence Street in the early 1990's was fundamental to our retail strength, and the Charter Quay development in 2001 turned the town to face the river enhancing quality of life and Kingston's attraction as a destination of choice. In December 2004 our business rate payers voted for the first Business Improvement District in the country, and we are now looking to deliver our K+20 vision for Kingston town centre.

Kingston has been historically a high tax, low spend local authority, but one which has delivered many high quality services. In particular its education and social care services are amongst the best in the country. When the results of the first Comprehensive Performance Assessment (CPA) were published in 2002, RBK was rated as 'excellent' and has received either an 'excellent' or 'good' rating each year since. We are currently rated 3* under the new CPA arrangements. In 2004/05 around six out of ten Best Value Performance Indicators (BVPIs) were in the upper quartile of performance and 7 out of ten of them had shown improvement on the previous year.

The Council has a strong track record of delivering high quality services on a low budget, both through achieving year on year savings and through innovation and change in service delivery. The Council's overall corporate framework sets out six key aims for the borough:

- working in partnership;
- caring for the environment;
- putting people first;
- enhancing quality of life;
- investing in children and young people; and
- delivering improvement.

These have been supported by the Council's policy programme which sets out the key actions for the Council to deliver in order to work towards these aims. Following the 2006 election, the Council has set out its policy programme for the next four years – four years which, given the challenges and opportunities outlined in this strategy, are fundamental to the continued success and improvement of RBK, Kingston and its citizens.

Demographics of RBK

Population
<ul style="list-style-type: none"> • ONS 2004 Mid-year estimate of population 151,800. • Population estimate for 2006: <ul style="list-style-type: none"> – 152,400 (GLA) – 156,000 (ONS) – 63,200 households (GLA)
Households
<ul style="list-style-type: none"> • Average household size 2.34 – smaller than outer London average. • Household projections suggest that the average household size will continue to decline with total population increasing by 6.7% between 2001 and 2016, but households increasing by 10.9%. • 17% of households 16+ living alone – 10% non-pensioners, 7% pensioners. • c35% of pensioners live alone. • c50% 16+ living in a couple. • c4% of lone parent households. • c10% of households with children under 5.
Life Expectancy
<ul style="list-style-type: none"> • Life expectancy above London average for both men and women. • Above average rates of economic activity for men and women (highest in London for men 30-49).

The Future
<p>Population projections predict a steady increase in population in both London and Kingston over the next ten years.</p> <ul style="list-style-type: none"> • ONS and GLA use different projection methods, but over the period 2006 – 2010 they provide a broadly similar picture. • Increases in the number of: <ul style="list-style-type: none"> – children under 5 of around 5% – 60-74 yr olds of around 10%, • but decreases in the numbers of: <ul style="list-style-type: none"> – those aged over 75, of between 1%-5%.

Population Projections – growth 2001 – 2016		
	London	Kingston
0-15	9%	8%
16-29	4%	9%
30-49	20%	16%
50-59	25%	14%
60+	3%	3%
Households	14%	11%
Source GLA 2005 Round Interim Demographic Projections		

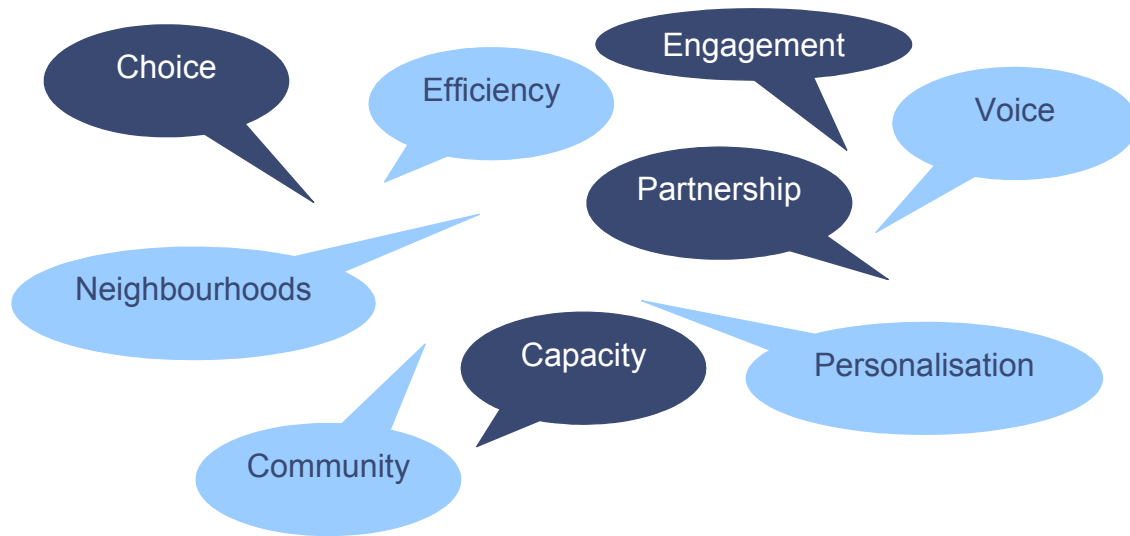
RBK - Performing Well

The Council recently underwent two major inspections and our Corporate Assessment and Joint Area Review results gave us a rounded insight into our current performance. The inspectors say that Kingston Council consistently performs well and have awarded us with the highest rating in the country ('Outstanding') for children's services.

Summary of assessment scores

Headline questions	Theme	Score*
What is the Council, together with its partners, trying to achieve?	Ambition	3
	Prioritisation	3
What is the capacity of the Council, including its work with partners, to deliver what it is trying to achieve?	Capacity	3
	Performance management	3
What has been achieved?	Achievement	4
Overall corporate assessment score**		3
*Key to scores		
1 – below minimum requirements – inadequate performance		
2 – at only minimum requirements – adequate performance		
3 – consistently above minimum requirements – performing well		
4 – well above minimum requirements – performing strongly		

3. The Changing National Context



Public Sector Reform

Reform of the public sector has been at the heart of the Government's agenda since it was first elected in 1997. In March 2002, the Prime Minister set out his four key principles for public service reform, which have since been seen in a wide number of public service reform initiatives.

The four principles are:

- **national standards** for things that matter most to *people*, to ensure that *citizens* have the right to high quality services wherever they live;
- **devolution and delegation** to the front line, giving local leaders responsibility and accountability and the opportunity to design services around the needs of local *people*;
- **flexibility** for public organisations and staff to meet the aspirations of *users*; and
- **more choice** for service *users*.

The Government's aim is to put *people* at the centre of public services, to shift the emphasis from supplier to user.

Over the same period local government has been one of the Government's main areas of focus for reform. Councils, members and officers have been subject to a number of key changes in the prevailing local government environment created by shifts in central government approaches and a succession of new initiatives.

- the **early 90s** had seen the introduction of **CCT** and a focus on **costs**;
- this was replaced in the **late 90s** with **Best Value** and a focus which was more in **quality** of services;

- the **early 00s** saw the introduction of **CPA** and more of a focus on **corporate capacity**;
- in the **mid 00s** we are now in a period dominated by **Local Area Agreements (LAA) & Local Public Service Agreements (LPSA)** and a focus on **partnership working**;
- but the emerging agenda for the late **00s** is moving towards **New Localism** and an emphasis on **community capacity**.

Modern and Effective Public Services

The Treasury analysis of opportunities and challenges, published on the 27 November 2006, says that the priority for successive spending reviews since the 1998 Comprehensive Spending Review (CSR) has been to address the legacy of underinvestment in public services and deal with areas of unacceptable performance *"despite the progress made, this remains a long-term challenge, although the priority now is to step up reform of public services to meet new demands from an older population with higher expectations, engaging the public on their rights and responsibilities as service users, and harnessing technology to improve efficiency and responsiveness"*.

This highlights the government's vision of improving services by a combination of individual responsibility and community action, supported by more responsive local and national government:

"Individuals can show responsibility in taking steps to ensure their own fitness and well-being, upgrading skills, and acting with greater environmental care. Communities can be involved in or help run services: for example in ensuring their children get the best start at school as they have done in children's' centres established under the Sure Start programme. The state can play a key enabling role, providing investment and acting as catalyst and coordinator".

The 2007 Comprehensive Spending Review will therefore continue reform of public services based on three key principles:

- Embedding value for money across the public sector, to ensure that record levels of investment are translated into continued improvements in outcomes and service quality, and to release the resources needed to meet new priorities. The government intends to continue with Gershon efficiency savings and will pursue *"even more ambitious"* targets.
- Focusing on key cross-government priorities, through a strengthened performance management framework which galvanises departments to work together in tackling long-term challenges.
- Responding to the needs of users, by shifting accountability of services to the communities and citizens they serve, and by exploiting new technologies and delivery mechanisms to make services more accessible and convenient for consumers.

Strong and Prosperous Communities

The long awaited Local Government White Paper was published in October 2006 and set out what the government described as “an ambitious programme to empower citizens and communities; create stronger and more visible leadership; and put in place a new framework within which local authorities and their partners can work”.

The main themes of the White Paper can be described as:

- Giving local communities a greater say in, and more power to influence, the way in which services are delivered
- Establishing local authorities as leaders of “places”, working collaboratively with a wider range of partners
- Making local authorities more directly accountable and responsive to the communities in which they serve
- Streamlining the performance regime that affects local authorities and their partners, to make it less bureaucratic and burdensome for those affected by it – but better targeted on things that matter.

Key proposals particularly relevant to London Boroughs include:

- **A new performance framework** that will cut the number of national performance indicators to 200, and targets to around 35 and replace CPA with new assessment arrangements with a reduced and risk-based role for inspection
- **An enhanced role for councils as strategic leaders and place-shapers** through stronger Local Strategic Partnerships and next generation Local Area Agreements with wider scope and importance, and a duty to cooperate between councils and local partners..
- **Stronger political leadership** by requiring all councils to opt for a directly-elected Mayor, directly elected Executive or indirectly-elected Leader for a four year term.
- **A strengthened role for front-line councillors** including powers to respond to community calls for action on local issues and greater freedom to speak up on planning and licensing issues affecting their wards.
- **A wider and stronger role for scrutiny** including the power to require evidence from all local service providers and a duty on them to have regard to scrutiny recommendations.
- **Devolution** of powers, including removing the requirement for Secretary of State’s consent to bye-laws and the creation of parish councils.
- **Community cohesion** – councils encouraged to put integration and cohesion at the heart of community strategies and LAAs.

In December 2006 the Local Government and Public Involvement in Health Bill was introduced into Parliament, picking up most of the White Paper proposals that require legislative change. Subject to the usual Parliamentary process it is envisaged that the Bill will be enacted by the summer.

A very significant omission from both the Bill and the White Paper is the outcome of the review undertaken by Sir Michael Lyons into the form and finance of local government, all of which could clearly have significant implications for the Council's medium term planning process. The publication of the Lyons Report is now expected by the end of the current financial year.

Rising Demand, Expectation and Costs

The communities that local government serves are dynamic and new challenges arise constantly for local councils to respond to. Work by the Local Government Association (LGA) in 2006 set out some of the key issues that will be facing local councils over the coming years. **[This is a national analysis – for a more local assessment of those trends that most affect Kingston see Chapter 5.]**

Caring for the Vulnerable in our Communities

Recent years have seen a steadily growing number of people needing support from local authority social care services – in fact the increase in the numbers of adults needing such support has grown at TWICE the rate expected from demographic trends. Not only have there been increases in the numbers of adults needing supporting but the amount of care that people need is also increasing.

Our ageing population means that we now have many more people over the age of 85 who need support, either at home or in residential care, and more of them are now developing mental health problems which require intensive support.

Local authorities are now also providing more services to more children who need support. Advances in medical science mean that many more children with complex disabilities are living longer, often into adulthood, and requiring more intensive and complex support. Consequently their families also require more support.

There has also, rightly, been a move away from supporting children in residential care, instead placing children in foster care. However, it is becoming more and more difficult to find foster carers and there is an increasing need to provide financial and other support to those carers to ensure the children receive the very best care.

Against this picture of rising demand the costs of providing services have also risen at a greater rate than inflation and they are predicted to continue to rise. All of this has meant that between 1999 and 2005 spending by local councils on supporting vulnerable adults increased by almost 75%, a significantly greater increase than the retail price index increase over that period. The costs of looking after children at the end of that same period across local government in England was £10bn, and was rising at 10% per year.

Managing Waste

Local authorities deal with over 30m tonnes of waste every year, spending over £3bn annually in doing so. The amount of waste generated by households has been steadily increasing by around 3% each year and the increasing complexity of the treatment arrangement for waste being disposed of (including fridges, TVs, computers, vehicles etc) means that it is also becoming more expensive to deal with it.

National and European targets around recycling also mean that councils are having to find new ways to deal with the waste they collect, and how they collect it. National targets are to increase recycling levels to 30% by 2010 and to 33% by 2011. That means councils have to make more kerbside collections of different types of materials, more frequently.

Targets have also been set to reduce the amount of waste that goes into landfill and there are significant fines for Councils unable to meet those targets - £150 per tonne. The Government's aim is to reduce the 1999 level of landfill by 75% by 2010. At the same time the costs of incineration, and of landfill itself, have increased significantly.

Cleaner, Greener, Safer

The environment and streetscene is an increasingly important issue for many communities and people rightly expect where they live to be clean, green and safe. Over recent years there has unfortunately been an increase in 'environmental crime' with more abandoned cars, more graffiti, more fly-tipping and more fast food litter on town centre streets.

The costs of keeping streets clean to meet people's rising expectations about their environment have almost doubled in the last eight years.

People also want to feel safe in their homes and on the streets where they live and the rise in crime and anti-social behaviour has meant that local councils are having to do more and to work in close partnership with the police and others to tackle these issues.

The LGA predicted that the costs of meeting the challenge of clean, green and safe local environments will increase by over £500m between 2006 and 2008.

Highways and Transport

Historic under funding for maintaining the country's roads and pavements means that local councils spent more than £2bn on highway maintenance in 2005. But to address the backlog of maintenance that exists, spending will have to increase by around 5% each year.

However, in recent years whilst there has been a typical inflation rate of around 5% government funding for highways maintenance has only increased at

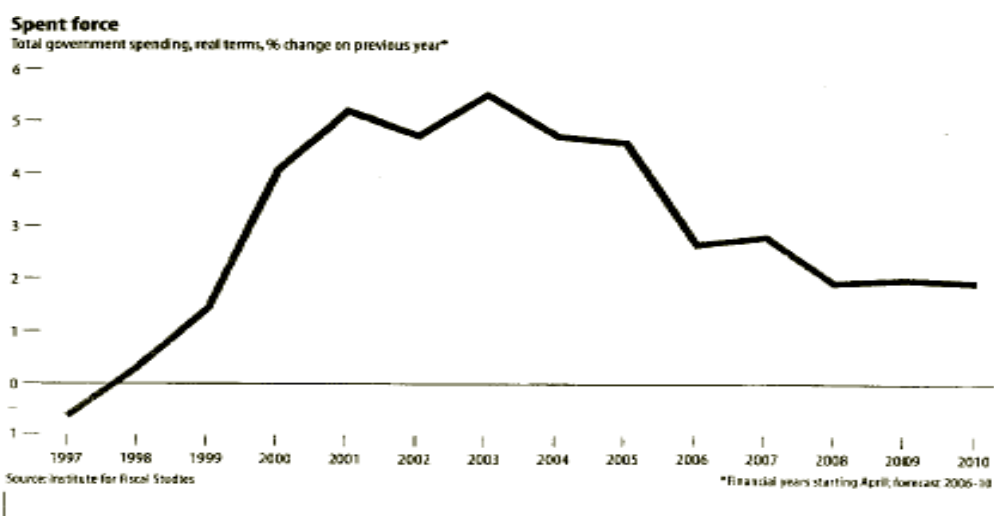
around 2.5%. But many parts of the construction sector have seen prices increases above average inflation with labour and supervision costs growing at around 7% per annum, plant and vehicles at 6% and gas and fuel costs at over 40%. Energy costs for streetlighting have also grown significantly over recent years.

Figures announced in the Government's spending review (see below for more details) for the period 2005 – 2007 suggest that there will be no increases in funding for expenditure on highways maintenance. Another spending review announcement is due next year, but there is no reason to think this will provide any additional funding in this area.

From Generous Helpings to a Strict Diet

After its election in 1997, the Government initially followed the spending plans of its predecessor for the period to 1999/2000. This meant that for that period there were small real term increases in Public Sector spending. The next two spending review periods saw significant increases, such that Government spending rose from 37.4% of GDP in 1999/2000 to 43.1% in 2006/07.

The next Comprehensive Spending Review in 2007 (SR07) is likely to see a significant tightening of public spending over the coming three years. The chart below illustrates this shift, charting the real terms increase in Government spending year on year from 1997 to 2010.



Pre-Budget Report 2006

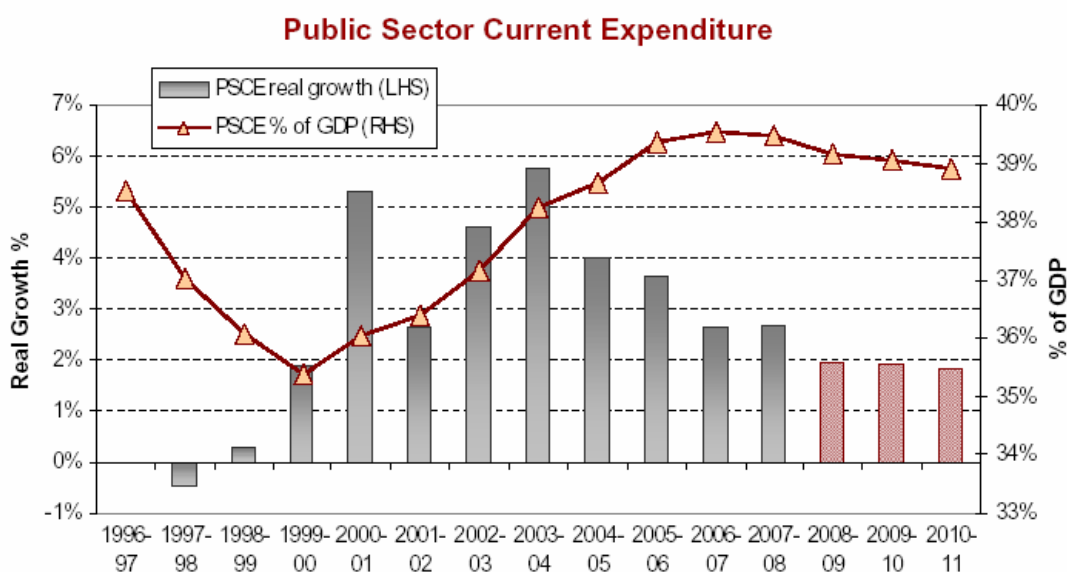
The Pre-Budget report was published by the Chancellor of the Exchequer on 6 December 2006. This details the Government's plans for 2007/08.

The key messages from this report for local authorities are:

- targets for efficiency savings of 3% per year across central and local government;
- increases in capital investment in education;
- increases in grants for schools.

Comprehensive Spending Review 2007 (SR07)

The Government's detailed spending plans will next be published in 2007. Existing spending limits set out for 2007/08 in the last year of SR 2004 will continue to be adhered to. Spending Review 2007 (SR 2007) will cover the period 2008/09, 2009/10 and 2010/11. It is anticipated that SR 2007 will reflect the predicted worsening of the economic situation in the country, and that increases in Formula grant will be below that of previous spending reviews. The following graph shows the Treasury's predictions of current public expenditure shown as proportion of Gross Domestic Product (GDP) for 2007/08 onwards.



Local Government Finance Settlement 2007/08

The Government announced the settlement on 18 January 2007. It is the second year of a two year settlement and the figures are the same as those announced in December 2005. The main points are:

- a headline increase of 4.9% in Aggregate External Finance (compared with 4.5% for 2006/07) – this includes various specific grants;
- an increase of 3.7% in formula grant (ie Revenue Support Grant plus Non-Domestic Rates);
- no changes in methodology on data;
- a “grant/floor” of 2.7% for authorities with Education and Social Services responsibilities;
- a desire to see average Council Tax increases of below 5%, with the clear threat of capping in the event of higher increases.

The Government has commissioned Sir Michael Lyons to produce a report into the role, functions and funding of local government. In the Pre-budget Report on 6 December 2006, the Chancellor of the Exchequer announced that this report will now be published in March 2007.

It is clear that, as with the former rating system in the 1980's, Council Taxes are not a buoyant source of tax revenue, and have reached a level above which it will be difficult to sustain significant increase. Lyons will therefore consider alternative sources of revenue (eg re-localisation of non-domestic rates, local income tax, charges for specific services) and also whether further changes in functions/grant funding are appropriate.

Any significant changes arising from the Lyons Review will be taken into account when this Plan is updated.

4. Kingston's Plans and Objectives

If 2005/06 was a year of renewal, 2006/07 is a year of implementation. As we begin this next phase of our journey, it is timely to think of where we will be in 2011, and how our plans fit together. If you look at our eight Community Plan Themes, six Strategic Aims, and twelve Key Objectives, you see a strong and consistent strategic direction.

Where will we be in 2011? Four headline messages sum it up best:

Kingston in 2011

- National reputation as best place to live and work
- Residents confident about future – a place where things happen
- Residents consider services which matter most are high quality
- Outstanding reputation for innovation, engagement, and designing services with users (co-production of public value)

The scale of the challenge against an outlook of tightening resources requires a mould-breaking journey. The revised governance arrangements we have put in place will help us manage the journey. We have worked hard as a Council to think about our future, considering not only what is happening locally but also the wider national challenges for local government. This work on strategic context has led to Changing Kingston – Choosing our Future; the process through which we will make the choices about what matters most for the future.

The ambitions we have expressed to reach our destination in 2011 are stretching. Of course, our ambitions are not limited to 2011. We are already planning for 2016 and beyond – K + 20 is one example. We are a Council which is performing well and ambitious to be recognised nationally as the best place to live and work. We are well placed, with our partners, to shape the Kingston of the future, and our Members and staff share that ambition, and have the skills and commitment to achieve it.

In this chapter we set out how the Council's priorities and plans fit together to ensure that we can deliver our Policy Programme over the next three years.

Kingston's Community Plan

With our partners, we are committed to achieving a vision for Kingston which is rooted in what our residents tell us matters most and will make Kingston the best place to live and work.



Making a Difference Together

Our Community Plan 2005 is organised around eight themes:

- ✓ Environment –
An environmentally conscious community and a sustainable Borough
- ✓ Community Safety –
The safest place in Greater London
- ✓ Health and Social Care –
Improving the overall health of the wider Kingston community
- ✓ Education and Life Long Learning –
A well-educated community that puts children, young people and families at its heart
- ✓ Local Economy -
A diversified and balanced economy
- ✓ Culture and Recreation –
A regional Entertainment and Cultural Centre and a focus for Tourism and Recreation
- ✓ Housing –
Well maintained, sustainable housing
- ✓ Transport –
A sustainable transport system that is accessible to all

Our Strategic Aims

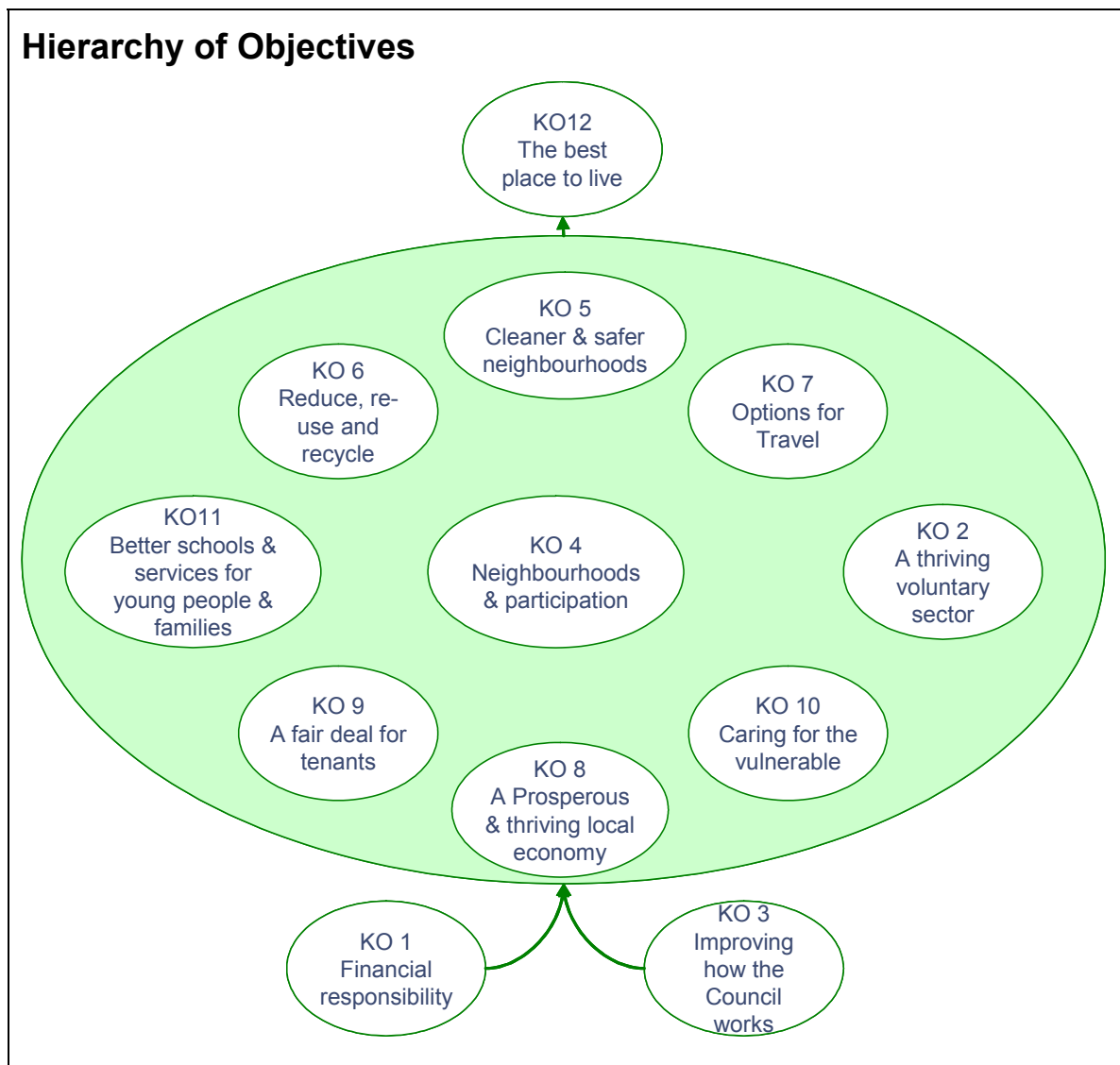
Our **Corporate Commitment** is to help create the best opportunities, services and environment for the people of the Borough of Kingston. We aim to achieve this, and fulfil the vision set out in the **Community Plan**, through our **Policy Programme** which is organised around six **Strategic Aims**:

- ✓ Working in Partnership – ‘A strategic and campaigning council’
- ✓ Investing in Children and Young People – ‘To sustain a prosperous and inclusive community’
- ✓ Caring for the Environment – ‘Putting the environment at the heart of everything we do’
- ✓ Enhancing Quality of Life – ‘Improve the quality of life of our residents – whether or not the council runs the service’
- ✓ Putting People First – ‘We are proud of our diverse borough and value every resident’
- ✓ Delivering Improvement – ‘Quality services that offer the best value for money’

Our Policy Programme

The Council has worked quickly, as we did in 2002, to turn the Administration's Manifesto into the Policy Programme. Under our six Strategic Aims, we now have twelve Key Objectives (rather than twenty-three as before), giving a sharper focus on what matters most. The Policy Programme was approved by Council on 10 October.

The twelve key objectives are a mix of both high level aspirations for the borough and communities of Kingston, and specific issues of importance to our residents and the Council.



Our **Policy Programme** is outward looking; four of our Strategic Aims (Investing in Children & Young People, Caring for the Environment, Enhancing Quality of Life and Putting People First) and eight of our Key Objectives (KOs 5,6,7,8,9,10,11 & 12) focus on the outcomes we are going to produce for our residents.

But we also know that we must continue to ensure that we run the Council effectively and efficiently to ensure that we can maximise the resources we have available to deliver our objectives. Two of our Strategic Aims (Working in Partnership and Delivering Improvement), and four of our Key Objectives (KOs 1,2,3 & 4), focus on the way in which we work to deliver those outcomes.

The Policy Programme was produced over the Summer to help provide sharper focus on delivering the priorities of the new Council during 2006/07 and to provide a starting point for the medium term service and financial planning exercise - to help provide the policy framework for the choices we need to make for the future. It was recognised that once we had determined our medium-term approach we would need to review and revise the Policy Programme to reflect the detailed choices we had made about our priorities and budgets for 2007-11.

A summary of the current Policy Programme is set out at **Appendix 1** at the end of this Plan. This is in the form of a “Route Map” showing the destinations we wish to reach by 2011 and how our Policy Programme Key Objectives and other main strategies support that journey. The diagram on the following page shows how our plans fit together.

2005 was a year of renewal when we used the stimulus of external challenge (Investors in People re-accreditation, Staff Survey, Residents’ Survey and Constitutional Review) to prepare for the challenges of the period ahead. 2006 was a year of implementing the actions arising from that work including changes to our governance arrangements.

As a member of the Innovation Forum, we were active in arguing for more local freedom for local partners to deliver a local vision – which resulted in Local Area Agreements. We have designed our work with partners around a consistent approach. Our partnership work is led by the Community Leadership Strategy Group (which will meet at least twice a year with the Executive).

Delivery is overseen by the Partnership Delivery Board, and organised through four Delivery Groups. The Delivery Groups reflect the structure of the Local Area Agreement and the twelve LAA outcome areas fit within them:

- Children & Young People.
- Safer and Stronger Communities.
- Adult Health and Wellbeing.
- Sustainable Communities.

Our new community leadership governance arrangements are shown diagrammatically at **Appendix 2** (also at the end of this Plan).

Internally, we are committed to developing and sharing more widely a comprehensive picture of our opportunities, challenges and priorities. To support the Executive and the Corporate Development Team in achieving this we have established the Strategy Board which has been responsible for working with the Council’s Executive to develop this Medium Term Strategy.

Kingston's Hierarchy of Plans

Community Plan - a vision for Kingston which is rooted in what our residents tell us matters most and will make Kingston the best place to live and work.

Eight themes:

- Environment
- Community Safety
- Health and Social Care
- Education and Life Long Learning
- Local Economy
- Culture and Recreation
- Housing
- Transport



Council's Strategic Aims

- Working in Partnership
- Investing in Children and Young People
- Caring for the Environment
- Enhancing Quality of Life
- Putting People First
- Delivering Improvement



Our Policy Programme 2006 – 2010 – how Kingston Council will contribute to the themes of the Community Plan. 12 objectives

- Prosperous and thriving local economy
- The best place to live
- Options for travel
- Caring for the vulnerable
- A thriving Voluntary Sector
- Financial responsibility
- Cleaner and safer neighbourhoods
- Reduce, Re-use and Recycle
- A fair deal for tenants
- Better Schools & Services for Young People & Families
- Neighbourhoods and participation
- Improving how the Council works



Changing Kingston, Choosing our Future: Medium Term Plan 2007 – 2010 – how we will use our resources to provide services to deliver our policy programme.

Five shaping principles:

- Prevention;
- Personalisation, choice and control;
- Local settings;
- Customer focus;
- Working with our partners;
- Supporting principles:
- Efficiency savings
- Maximising income
- *Raising eligibility criteria*
- *Doing some things less / not at all*
- Fit for purpose organisation / squeezing management costs
- Recycling assets



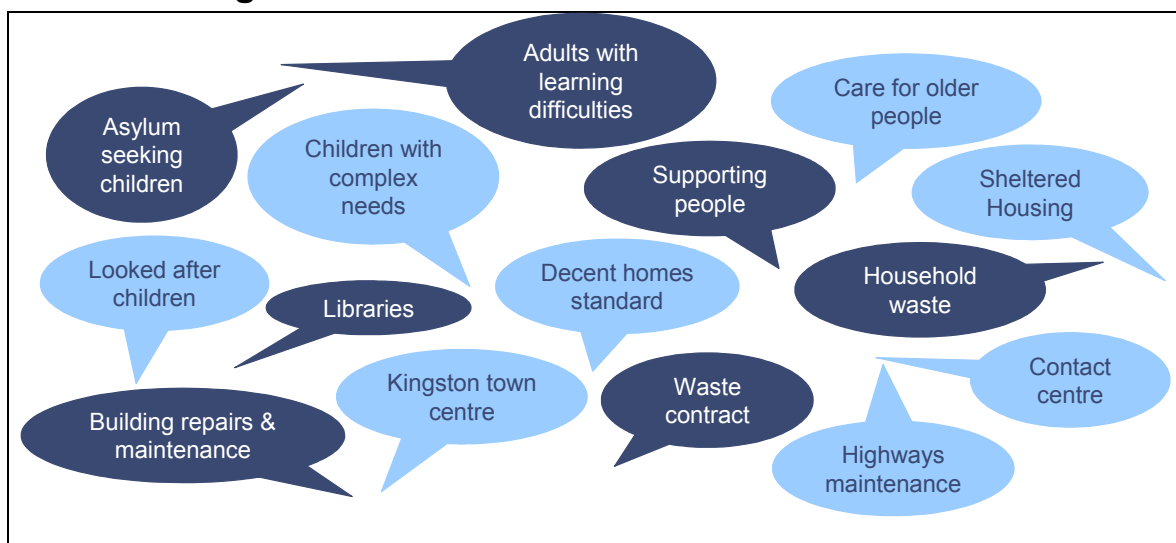
Annual Service Plans – how we are going to deliver our services



Best Value Performance Annual Plan – how we are performing

5. Delivering Our Plans

The Challenge Ahead



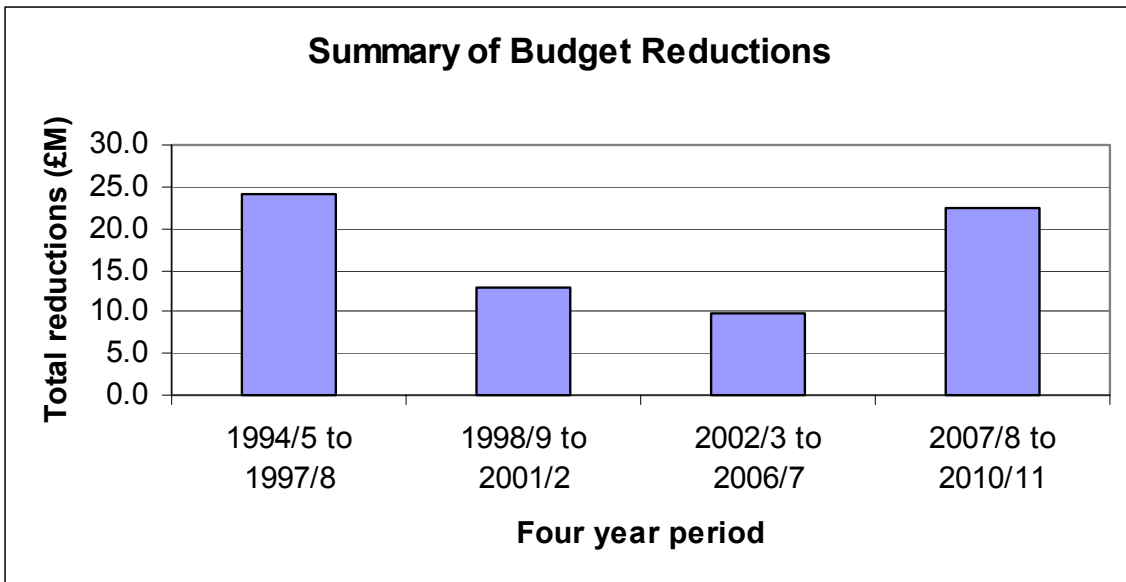
Kingston has a history of delivering high quality services to its residents and we are committed to continuing to do so, but the scale of the challenges facing the Council and its communities over the coming years is significant.

The national picture, rising demand, expectations and costs is one the Council too can recognise. Against this picture is an increasingly constrained government grant which means that the Council now faces a tough challenge to meet the high standards we set ourselves and our communities expect from us.

As a consequence of the current grant funding arrangements, although Kingston is a relatively low spending authority (our expenditure per head is the tenth lowest in London) our band D Council Tax is the highest in London. This paradox occurs because Council Tax meets 68% of Kingston's revenue expenditure, compared with the London average of 42%.

The Audit Commission states that Kingston is "a high performing Council with relatively low costs and has an embedded value for money culture".

We have a long history of operating an efficient council ensuring that we maximise the amount of our resources which can be devoted to front-line services. Our track record on securing savings demonstrates our commitment to running a lean and efficient organisation and we will continue to seek out those savings where possible. However, it is clear that the challenge ahead of us will require more than just efficiency savings.



Spending Pressures

Kingston Council is faced with a number of expenditure pressures which need to be addressed in our financial planning. These include:

- the increasing expectations of our residents with regard to the services we provide;
- increasing numbers of older people, including some with complex needs;
- increasing numbers of adults aged under 65 with physical and/or learning disabilities or mental health problems;
- increasing numbers of children with disabilities;
- an increasing proportion of the children in the Council's care who have complex needs;
- increased costs arising from UK and European Union legislation which require Councils to reduce the amounts of waste sent to landfill, despite growing volumes of waste being produced by households. This means that alternatives to landfill have to be sought.

Despite these rising costs, our grant increase from central government will be at the minimum "floor" level. This provides only 1.9% more in cash terms for 2007/08 than we received in 2006/07. Given the outlook for the Comprehensive Spending Review, it is unlikely that future settlements will be significantly higher.

Our ability to raise funds through higher Council Taxes is limited partly by the Government (through capping) and partly because of the already high level of Council Tax in RBK.

Our Shaping Principles

To achieve the Kingston of 2011 Kingston Council will need to change. It will need to become a new organisation with a new approach to delivering services for its communities.

We set out below, five Shaping Principles which underpin how we will deliver our services in the future in order to deliver our vision of 2011 and to help us address the challenges we have described earlier.

- **Prevention** – we will invest now in those services which will reduce the need for more intensive and expensive services later.
- **Personalisation, choice and control** – we will tailor our services to meet individuals' and communities' needs and aspirations and allow them greater control over the services they receive and how they receive them;
- **Local settings** – we will deliver services as close to the users as we can, at home or in local neighbourhoods will be our preferred approach.
- **Customer focus** – we will put the customer first in all we do and align our organisation to our customers rather than to our services.
- **Working with partners** – we will work closely with a full range of partners, voluntary, public and private in order to ensure that the most effective and efficient services are provided.

In addition to these high level principles we will also:

- **Maximise efficiency savings** – continue to seek to be as efficient as we can be in delivering our services, minimising bureaucracy, duplication and waste.
- **Maximise income** – ensure that we make the most of the opportunities to raise income from the services we deliver, but not prevent those who need our services from accessing them.
- **Ensure that those who most need our services can access them** – and ensure that services are provided by the Council, or others, for all.
- **Focus on what is most important** to our residents and service users.
- **Ensure that the Council is a fit for purpose organisation** and reduce where practical management and administration costs.
- **Make the most of the buildings and other assets** that we have to ensure they support delivery of our objectives.

The Work to Reshape Kingston's Services

There are a number of key workstreams that will be vital to achieving the changes and financial targets mapped out in this Plan. These workstreams will be taken forward jointly by the Executive and the officer Strategy Board. All will impact on every part of the Council and all will demand a concerted corporate approach. Many will extend beyond the Council and involve the engagement of key partners, as part of our

journey towards an increasingly integrated partnership approach which brings partners together with a shared focus on meeting the needs of our citizens and communities.

Setting out a clear service and financial strategy for the next four years provides a firm basis and clear goals for this work. We can now use this momentum to take forward the various work streams that will deliver the changes we need to make. These will include an on-going process of benchmarking our services against others to ensure that we are getting value for money and that performance and spend reflect our priorities; it will include investigating the potential for shared services and new strategic partnerships; it will involve a major exercise to match our assets against our future service needs and priorities in order to produce the synergies we need, not just within the Council but within our partnerships; and we will need to ensure the shape and size of our organisation reflects future needs.

6. The Medium Term Financial Scenario

The four year financial forecast is set out at Table 6.1 overleaf.

The main reasons for increases in the budget are:

- the 2006/07 budget included significant one-off use of specific grants and reserves to reduce the Council's net expenditure. These are not available for 2007/08 and so the budget has to be increased by £1.3 million;
- the full year effects of previous commitments (capital programme expenditure and some revenue items) need to be provided for in future years;
- the costs of pay and price inflation, including some items where costs are rising faster than general prices (eg energy costs, social care placements);
- the increased costs of meeting contractual commitments and employers' pension contributions;
- the withdrawal of some specific government grants means that this income needs to be replaced in the budget;
- growth in the number of adults with learning disabilities;
- growth in the number and cost of caring for children with complex needs;
- new legislation in respect of waste disposal and in the income from land charges.

These increases, and the fact that Government grant increases are at the minimum (floor) level, mean that if the Council Tax increase is to be kept to within the likely capping limit (5% in 2007/08, falling to 3.5% in 2010/11) then planned reductions in the budget totalling £21.7 million over the four year period will need to be identified.

Clearly, reductions on this scale will not be achieved through efficiency savings alone. It will be necessary to reconfigure many services, reducing some and ceasing others.

In addition, there are a number of significant risks which may have a further adverse impact. These include:

- the difficult financial position of our local NHS partners (the Primary Care Trust's deficit of £20 million is proportionally one of the highest in London);
- continued growth in numbers of people who require high cost social care services (both children and adults);
- following procurement exercises for the implementation of measures to divert waste from landfill, the cost of these measures may be higher than currently estimated, also the Government may increase landfill tax by more than £3 per tonne in future;
- the outcome of the Lyons Review and its impact on local tax and funding arrangements.

MEDIUM TERM FINANCIAL FORECAST - 2007/08 to 2010/11
Budget & Council Tax Forecasts

	<u>2007/08</u>		<u>2008/09</u>		<u>2009/10</u>		<u>2010/11</u>	
	£m	£m	£m	£m	£m	£m	£m	£m
1 Base Budget								
a Original for previous year (excl. Levies)		102.9		107.1		110.9		114.5
b One off measures 2006/07		1.3		0.0		0.0		0.0
c Effect of Capital Programme	1.2		1.0		1.0		1.0	
Full year effect of previous years' growth / savings	<u>0.2</u>		<u>-0.1</u>		<u>0.0</u>		<u>0.0</u>	
		1.4		0.9		1.0		1.0
d Cost increases (non schools)								
Inflation Pay, prices & landfill tax	4.1		3.8		3.5		3.5	
Pensions & contractual commitments	<u>1.1</u>		<u>1.2</u>		<u>1.2</u>		<u>1.2</u>	
		5.2		5.0		4.7		4.7
2 Changes in Functions & Grants		0.3		0.7		0.0		0.0
3 Growth pressures								
a previous RBK decisions	0.4		0.0		0.0		0.0	
b demographic	0.8		0.9		0.3		0.3	
c Legislation / Government changes	0.3		1.4		1.9		1.0	
d Other	<u>0.2</u>		<u>0.5</u>		<u>1.4</u>		<u>1.1</u>	
		1.7		2.8		3.6		2.4
4 One-off measures to reduce 2007/08 budget		-2.4		2.4		0.0		0.0
5 Planned Savings - required to reduce council tax increase to forecast level in future years		-3.3		-8.0		-5.7		-4.7
6 Net RBK Expenditure		<u>107.1</u>		<u>110.9</u>		<u>114.5</u>		<u>117.9</u>
7 Levies		0.5		0.5		0.5		0.6
8 Net RBK Budget		<u>107.6</u>		<u>111.4</u>		<u>115.0</u>		<u>118.5</u>
9 Grant Income (Final settlement 2007/08)		-33.2		-33.9		-34.5		-35.2
10 Collection Fund surplus		-0.1		0.0		0.0		0.0
11 Council Tax Requirement		<u>74.3</u>		<u>77.5</u>		<u>80.5</u>		<u>83.3</u>
12 Council Tax forecast (RBK element only) £		1,218		1,273		1,324		1,370
 Increase on previous year		4.99%		4.50%		4.00%		3.50%
13 Budget increase on previous year		4.13%		3.63%		3.39%		3.05%

TABLE 6.1

7. Service Plans and Priorities

7.1 Community Services

National Agenda & Key Policy Drivers

All Community Care services must be provided and commissioned within the regulatory framework of the Commission for Social Care Inspection (CSCI). The CSCI is the single, independent inspectorate for social care in England. It brings together the inspection, regulation and review of all social care services into one organisation.

The Government White Paper, “Our Health, our Care, our Say: A New Direction for Community Services” was published in January 2006. The White Paper sets the policy direction for Health and Social Care for Adults. This has significant implications for many services commissioned, planned and delivered by RBK to local residents – including community care services, voluntary services, housing, adult leisure and learning and social inclusion and equality. The major themes are:

- Offering people more choice
- Moving care away from hospitals and closer to home
- Improved access to health care
- Improved Support to people with long-term conditions
- Improving commissioning
- Shifting resources to prevention

The Government is looking at 7 outcomes for adults, against which performance is likely to be measured. These are:

- Improved health and well-being
- Improved quality of life
- Making a positive contribution
- Choice and control
- Freedom from discrimination
- Economic well-being
- Personal dignity

The White Paper will not result in major legislation. There will be a number of different means to deliver the changes, including some legislative action. There will also be statutory guidance from the Department of Health and revised performance targets.

RBK is already working towards many of the goals of the White Paper and this helps to reinforce our strategic direction. We have already appointed a Joint Director of Public Health for Kingston, reflecting the importance of the preventative agenda and the responsibility to promote health improvement. We have joint teams with the PCT for older people, we have a joint long-term conditions strategy and we are already working hard on the personalisation agenda with Direct Payments and personalised budgets.

However there will be other challenges, such as improving commissioning and working more closely with GP commissioners.

Mental Health is a key Government priority. The Mental Health Bill is a fundamental part of the strategy to improve the provision of mental health services and make them more focused on the needs of the individual. Government plans to amend the 1983 Act to achieve the following:

- Introduce supervised treatment in the community for patients following an initial period of detention and treatment in hospital. This will help ensure that patients comply with treatment and enable action to be taken to prevent relapse and readmission to hospital.
- Expand the skill base of professionals who are responsible for the treatment of patients treated without their consent.
- Improve patient safeguards by taking order-making powers with regard to the Mental Health Review Tribunal.
- Reflect a widespread consensus and will introduce a new, simplified single definition of mental disorder throughout the Act.
- Replace the so-called 'treatability' test with a test that appropriate treatment must be available. This will ensure patients are not brought under compulsory powers unless appropriate treatment is available.

The Mental Capacity Act 2005 becomes law on 1st April 2007 – this provides a statutory framework to empower and protect vulnerable people who may not be able to make their own decisions. It makes it clear who can take decisions in which situations and how they should go about this. It enables people to plan ahead for a time when they may lose capacity.

The White Paper Valuing People: A New Strategy for Learning Disability for the 21st Century was published on 20 March 2001. It sets out an ambitious and challenging programme of action for improving services. The proposals in the White Paper are based on four key principles: civil rights, independence, choice and inclusion. Valuing People takes a life-long approach, beginning with an integrated approach to services for disabled children and their families and then providing new opportunities for a full and purposeful adult life. It has cross-Government backing and its proposals are intended to result in improvements in education, social services, health, employment, housing and support for people with learning disabilities and their families and carers.

The Department for Communities and Local Government has set out two key targets for local authority Housing services over the next few years. The first is to halve the number of homeless households in temporary accommodation by

2010. This presents significant challenges in areas like Kingston, where there is a shortage of affordable housing. For the ring-fenced Housing Revenue Account there is a requirement to bring all social housing up to the Decent Homes Standard by 2010. RBK decided to meet the Standard by boosting its capital programme over five years to 2010. The cost of the works would be funded by prudential borrowing, which in turn is being financed by efficiency savings and redirecting resources from within the Housing Revenue Account.

Local Objectives & Priorities

- To perform a variety of statutory functions under relevant legislation, the most significant of which is Community Care legislation. The law states that we must assess service users' needs and then arrange services and/or care to meet those needs.
- Delivering priority services while keeping within budget. We are not allowed to refuse to provide or commission services simply because we have run out of money. This means that it is not always possible to fulfil legal obligations towards service users and contain spend within budget.
- To support vulnerable and disabled adults to live independent fulfilled lives. We aim to promote greater independence for our service users and make best use of resources through expanding the use of direct payments, home care and supported housing as alternatives to residential care home placements.
- To develop more personalised and individual packages of care. We are using the "In control" model to personalise services for people with learning disabilities. This priority also links closely to the Government's emphasis on individual budgets in the White Paper "Our health, our care, our say".
- Developing integrated models of care with the NHS. Building on our successful track record of joint working with NHS partners, we aim to further reduce duplication and provide a more seamless experience for service users.
- Modernising Day Services. As part of a move to a less buildings-based service model, "high end" care and respite services would be commissioned or provided by RBK. Services that reduce isolation and have a lower care element would be provided outside RBK's eligibility criteria and subject to direct access. Greater use would be made of mainstream facilities and direct payments. This change in the way services are provided is linked to the introduction of new healthy living and prevention centres such as Age Concern's Bradbury Centre and the Council's new centre in Devon Way.

Local Pressures & Risks

The impact of Kingston Primary Care Trust's (KPCT) financial situation presents a risk to the local health and social care economy. The impact on RBK in 2006/07 is still uncertain, although the strength of local partnership working between RBK and KPCT has meant that we have so far avoided the sort of problems being experienced elsewhere. However, the size of KPCT's deficit means that there is no guarantee that there will not be some direct adverse impact on RBK in the future. As well as any direct impact on RBK, there may also be an unquantifiable indirect impact arising from the reduced bed capacity

in the local NHS system. This will mean that there are more people with complex health problems being treated at home and consequently likely to make greater use of RBK's Community Care services.

There are on-going demographic pressures from a growing number of younger adults with severe learning disabilities. The Local Government Association and the Association of Directors of Social Services have identified this as an area of national concern. Children are now surviving into adulthood with major disabilities and complex needs. Adults are living longer and surviving into older age. The capacity of family carers to care for the extent and diversity of needs is limited. In recent years there has been significant increase in the number of people in residential care, nursing care and private hospitals and in the costs of specialist services for people with high dependency, complex needs and challenging behaviour.

There is always a risk of statutory demand-led spending pressures, such as increases in the number of frail older people requiring nursing home care, or people with mental health problems requiring residential care or increases in the number of homeless families. These are challenging to contain in the face of limited and constrained resources.

For the ring-fenced Housing Revenue Account, there is a risk from pressure on the Decent Homes Programme. There is a potential need for additional prudential borrowing, risk of further deterioration of the HRA Subsidy position, and absence of resources to meet repairs other than Decent Homes works.

Medium Term Revenue Plan

Community Services	2007/08	2008/09	2009/10	2010/11
	£m	£m	£m	£m
Base Budget	45.6	47.1	45.9	46.0
Unavoidable Growth	2.2	1.6	1.8	1.8
Demand-led growth	0.3	0.3	0.3	0.3
Planned growth/investment	0.0	0.0	0.0	0.0
Planned Savings	-1.0	-3.1	-2.0	-1.5
Final Budget	47.1	45.9	46.0	46.6

7.2 Learning and Children's Services

CHILDREN'S SERVICES

National Agenda & Key Policy Drivers

There are a number of new responsibilities placed on local authorities regarding the integration of services for children and young people and improvements to their health, safety and well being, educational achievements, participation, engagement and economic well being. It is an ambitious agenda of integration across our health, education and social care services and work in closer partnership with the Police and other agencies. It involves major changes in working practices and the development of new services.

Our key priorities are to develop preventative services and integrate the provision we make for disabled children, early years education and childcare for 0-5 year olds, youth support services and extended services delivered through clusters of schools.

Specific priorities are to improve outcomes and provide better support for:

- Children who are disabled and have learning difficulties, and those with complex health needs
- Looked after children and unaccompanied asylum seeking children and young people
- Vulnerable children at risk
- Under-achieving groups of pupils in schools
- Children aged 0 to 5 who need a better start in life
- Children and young people who are at risk of offending or who are already young offenders
- 14-19 year olds who are at risk of dropping out and who may already have dropped out of education, employment or training
- Vulnerable parents and carers who need support to care for their children

The statutory Children and Young People's Plan sets out more fully the Priorities and commitments agreed by the Council from 2006 to 2010.

The Plan reflects three Strategic Priorities for local services:

- To close the achievement gaps and tackle inequalities by focusing prevention and early intervention strategies more effectively
- To reduce vulnerability and risks for children and families by strengthening front line holistic services in extended schools and children's centres
- To improve health and well being outcomes for disabled children, and other vulnerable groups, by integrating our services and pooling resources.

The Children and Young People's Trust is charged with implementing the Plan and funding its priorities. The Children's Act 2004 places a statutory duty on the local authority to undertake the lead partner role in co-ordinating and promoting local children's trust arrangements to deliver the 'Every Child Matters' agenda. This requires partners to pool resources and to invest in earlier intervention and preventative services to ensure that all children and young people get the best opportunities and are supported to succeed. Over time this should reduce the need for more costly statutory services.

Extended Services. Schools are recognised as being at the core of the new service delivery as the key universal children's service. There is also a major shift to ensure that school buildings are used as a wider community resource. The government has a fifteen year investment plan to improve primary and secondary school buildings nationally to ensure that the built environment is appropriate to deliver the curriculum, and by combining with other capital funding to provide opportunities to develop community resources. This is an opportunity to create more multi-purpose integrated settings in each local area, where a range of services for children, young people and adults can be provided on a single site.

Care Matters. More recent national policy developments include the Green Paper 'Care Matters' which aims to ensure an increased focus on maximising the life chances of children and young people who are taken into care.

Youth Matters. There is also the need to deliver targeted Youth Support Services in response to the 'Youth Matters' Green Paper and to integrate the work of Connexions into local delivery.

Childcare Strategy. The 10-year national childcare strategy requires the local authority to oversee the provision of flexible and affordable childcare to meet the needs of parents and carers in the local area.

Local Objectives and Priorities

The local priorities are underpinned by some key service developments planned for 2006-2010:

- Integrated, co-located service for disabled children bringing together social care, medical, clinical, therapy and information services
- Integrated Youth Support Services providing a range of targeted support to young people to improve health, advice and guidance, youth offending, participation, educational achievement and involvement in positive activities
- 7 Children's Centres across the authority providing integrated education, childcare, health and family support services for children aged 0-5 and their families
- Clusters of schools delivering a wide range of extended services with effective front line early intervention and support for children, young people and families

Local Pressures and Risks

There are limited pump-priming resources available to develop the new preventative services whilst continuing to provide the current levels of statutory services. This requires Kingston to continue to identify cost effective and innovative approaches to improve services. We are already containing growth by developing more local family based provision e.g.

- Special Educational Needs Strategy – increasing local special school and mainstream school provision to reduce out-borough placements
- Family support – increasing flexibility and support available for families resulting in fewer looked after children (10% reduction against national trend of an increase) and more disabled children (300) being supported to stay at home and out of residential care
- Vulnerable children - developing earlier intervention & preventative services to provide co-ordinated package of support earlier to families (ASKK Plus) with limited additional resources. This is helping to reduce risk among vulnerable families.

There is however the need for further investment in services for Disabled Children due to the increasing numbers of children with ASD and complex health needs.

A particular risk factor for the authority at the moment is the uncertainty around existing specific grant funding for children's services. The government has allocated significant funding to develop services locally (Children's Centres, extended services, 10-year childcare strategy, raising standards in schools). These grants total £4.2m in 2007-08, of which £2.5m is committed on staffing costs but there are no details yet regarding the future funding arrangements for these initiatives in 2008-09 onwards.

A further pressure results from the requirement for local authorities to lead on developing appropriate arrangements to discharge the responsibilities of the Children's Trust. This includes developing new systems across the Council's Children's Services and Health and other partners:

- joint commissioning arrangements and pooled budgets
- clarity about health funding for children's community health services
- new governance arrangements
- integrating ICT systems and information sharing arrangement protocols
- integrated performance management systems
- integrated training and development plans for the local Children's workforce (schools, health, voluntary sector, contracted staff, social care, education etc).

CULTURAL SERVICES

National Agenda & Key Policy Drivers

Key national policy drivers for Cultural Services which impact on local priorities include the Olympics 2012 and the need for Kingston to fully engage in this major event; government targets to improve participation and volunteering in sports and other cultural activities; major initiatives to improve health and reduce obesity; the requirement to address the national skills shortage through adult and community learning and library services; and expectations that all local communities will have easy access to learning and library facilities and that these will contribute to key targets for children and family learning.

All of the above national policy drivers also contribute in a major way to achieving better outcomes for children and young people and improved support for parents and carers.

Specific priorities are to:

- Ensure Kingston Theatre opens and provides an appropriate educational and community programme.
- Ensure K+20 provides a central community and cultural venue for Kingston.
- Review Leisure Centres to ensure they provide appropriate opportunities for physical and leisure activities for the whole community, and especially for targeted groups.
- Review the Library Strategy to ensure Kingston has fit for purpose library and learning centres in each local area.
- Meet the Local Area Agreement targets for increasing participation and volunteering in sports activities and targets to improve health and reduce obesity.
- Ensure that all young people have at least 2 hours physical activity each week.
- Contribute to services available through a new Environment Centre.
- Develop an International Youth Drama Festival
- Continue to promote the Readers' Festival and extend literacy and family learning for adults, children and young people.
- Continue to improve achievement and participation through Adult and Community Learning.
- Ensure the Heritage and Arts service continues to contribute to educational and cultural opportunities for children, young people and adults.

Local Objectives and Priorities

- Develop Kingston as a national and international cultural and visitor centre by embedding culture in K+20; opening Kingston Theatre and harnessing the cultural impact of the Olympics.
- Ensure Kingston is a centre for creative skills through involvement with the South London Innovation Centre and by maximising the skills impact of Rose Theatre and the University performing arts and design courses.
- Improve participation in physical exercise through engagement with Olympics; and projects to meet Government targets for reducing obesity and increasing participation. This includes further improvement of the school sports partnership and leisure opportunities for those with disabilities.
- Establish Kingston as a centre for drama through the educational and community programmes provided by the Rose Theatre and the development of an International Youth Festival.
- Develop environmental awareness through a new Environment Centre; the Hogsmill corridor and the riverside as venues for walking and for sensitive development as sports hubs and for appreciation of the local environment.
- Improve volunteering in cultural activities to support a healthy voluntary sector which in turn will help to foster the growth of professional and commercial cultural activity.
- Develop Kingston's residents' sense of their local heritage and community identity, appreciation of the local built environment, and increasing use of local artefacts to reflect Kingston's creative spirit.
- Further develop reading and literacy as the foundation of a cultured community including the development of the Readers' Festival, reader development in libraries including Bookstart, and family literacy through extended school clusters.
- Improve participation and achievement for adults by ensuring Adult and Community Learning programmes meet the skills needs of individuals and the local economy.

Local Pressures and Risks

There are relatively low levels of funding to achieve some of the key priorities for cultural services. Many services are provided almost entirely on the basis of external grant funding. Some of the objectives require the Council to make decisions about asset management and create new community multi-purpose settings. Reviews of the Library Strategy and leisure provision will require a consideration of the suitability of current settings. Many services are highly dependant on user and grant income, and joint planning with partners and external agencies is key to achieving service improvements.

Medium Term Revenue Plan

Learning & Children's Services	2007/08	2008/09	2009/10	2010/11
	£m	£m	£m	£m
Base Budget	37.3	38.8	38.7	38.8
Unavoidable Growth	1.4	1.4	1.1	1.1
Demand-led growth	0.6	0.6	0.0	0.0
Planned growth/investment	0.2	0.0	0.0	0.0
Planned Savings	-0.7	-2.1	-1.0	-1.0
Final Budget	38.8	38.7	38.8	38.9

7.3 Environmental Services

National Agenda and Key Policy Drivers

The recent Local Government White Paper, with its focus on prosperous and sustainable communities, provides some key challenges for local authorities including-

- The emphasis on 'place' as an important driver of economic growth and prosperity; and on the local authority's role as 'place-shaper';
- The aspiration that the spatial planning system should be further reformed so that it can deliver better for the economy and the Government's sustainable development goals;
- The key role councils need to play in achieving the major increase in new homes to meet demographic change and affordability pressures;
- The pivotal role of local government in achieving sustainable development and mitigating and adapting to climate change; and the impact this has on how we discharge our responsibilities for waste, local transport, housing, fuel poverty, building control and so on.
- Rising public expectations over the quality of the local environment – people expect higher service standards and more choice, influence, accountability and responsiveness over the services they receive.

In our local context specific priorities are-

- Using K+20 to ensure that Kingston Town Centre can build on its historic strengths to promote physical, social and economic regeneration and the foundations for a prosperous and sustainable future;
- To continue to raise service standards and residents' satisfaction with the quality of the street scene in town centres and residential areas;
- To promote a more sustainable transport system that is accessible to all, in particular by reducing congestion and achieving modal shift away from car usage;
- To reduce waste by working with residents to build a more environmentally conscious community and by maximising the opportunities to reduce, re-use and recycle;
- To promote customer first by improving access to the Council and its services and being more responsive and accountable to our residents and customers – this is a particular challenge for the universal services that are provided to all residents, especially where there are major changes planned to service delivery as will happen with our waste services from September 2008.

Local Objectives and Priorities

- To build upon the recent improvements in terms of environment performance and to sustain the improvement momentum, particularly in terms of the customer experience;
- To re-think and reorganise the range of environment activities to meet the challenges created by the national agenda, at the same time as adjusting to the substantial challenge created by the four year financial prognosis for the Directorate;
- To take all steps necessary to establish an effective partnership with other Boroughs (Merton, Sutton, and Croydon) to enable new Borough wide waste collection, treatment and disposal arrangements to be in place by September 2008 (bearing in mind that there will be a range of changes which will affect every household in the Borough);
- To undertake a review and reorganisation process (including the scheduled business process review) to establish a Directorate wide multi media Contact Centre in 2008 (which will create larger front office / smaller back office activities) in time to support the launch of the new Waste arrangements;
- To establish the multi media Contact Centre in a way which will enable it to be absorbed into the Council wide initiative sometime after April 2009;
- Streamline the senior management and support arrangements in the Directorate to help meet the challenges created by the financial prognosis, at the same time as adjusting the range of environment activities, in some case expanding activities (as is the case with waste), and in others reducing them (as will be required for Planning and Development and Highways and Transport);
- To develop a transitional management process which will enable the Directorate to be phased out and be absorbed into the Council's new organisational shape (by April 2009);

Local Pressures and Risks

- **Reducing the Budget by such a large amount** The Directorate is considering how to reduce the baseline by £5.8 million over the four year period – something which amounts to approximately 37% of controllable expenditure (the Directorate is locked into a range of long term, fixed price contracts). Because of this, and the nature of the expenditure, the bulk of these savings will need to be achieved through staffing reductions and reduced activities. For example, it is anticipated that the staffing levels will need to reduce by around 50 staff on a phased basis over the next four years

This creates a considerable range of risks because of the extent of the challenge.

- **Parking** If the Hammerson's project continues in line with current aspirations the Council will need to adjust to an anticipated decrease in income over three of the next four years. There is currently no revenue provision to cover this shortfall.
- **Waste** The Council is treading new ground when considering the issues created by the need for new Waste arrangements from September 2008 (for example, the challenge created by the four Borough partnership concept is complex and daunting). A range of financial assumptions have been made to indicate that at the moment the growth pressures amount to 10% less than was originally calculated. This new assumption carries some risk in that other factors (unknown at the moment) could adversely affect this assumption in the future.
- **Planning Delivery Grant** The non replacement of the Central Government grant (which is being phased out) could adversely affect Development Control performance.
- **The Directorate's Business Process Review (BPR)** Although endeavours have been made to ensure the calculations concerning eventual savings are prudent, they have been made in advance of the BPR being undertaken. Current assumptions concerning volumes of work, and potential for savings, could prove optimistic with an adverse affect which will require adjustment.
- **The Contact Centre initiative** Current performance assumptions (and those concerning savings' potential) anticipate that the new Contact Centre will operate to a higher performance / lower cost formula, requiring appropriate investment (in terms of accommodation, technology and staff training and development). If the investment element is not as required there is a risk that the formula could be adversely affected.
- **Talent** The extent of the challenge created by the ongoing savings' requirement of the Directorate over the next four years should not be underestimated, with the subsequent risk that the pressures could lead to a talent drain. The Directorate has vigorous staff engagement in place to counter this risk, but it remains nonetheless.

Medium Term Revenue Plan

Environmental Services	2007/08	2008/09	2009/10	2010/11
	£m	£m	£m	£m
Base Budget	28.0	28.5	30.9	33.4
Unavoidable Growth	1.4	1.8	1.1	1.1
Demand-led growth	0.0	0.0	0.0	0.0
Planned growth/investment	0.0	1.9	3.2	2.0
Planned Savings	-0.9	-1.3	-1.8	-1.4
Final Budget	28.5	30.9	33.4	35.1

7.4 Central Services

National Agenda and Key Policy Drivers

The policy context is provided by the recent Local Government White Paper which highlights a number of key themes that are relevant to the whole Council and have big implications for many of the activities covered by Central Services:

- Responsive services and empowered communities – there is an expectation that councils will involve and consult service users more fully and provide better information about service standards in their local area; in particular councils are encouraged to develop neighbourhood charters setting out local standards and priorities.
- Accountable and responsive local government – leadership is seen as the single most significant driver of change and improvement in local authorities and the Government is proposing changes to councils' executive arrangements which they see as strengthening visible leadership and accountability; overview and scrutiny is also to be strengthened to facilitate public scrutiny of other local public services providers.
- Local Government as strategic leader and place-shaper – communities need strategic leadership to bring together local partners to improve services and local quality of life; in addition to confirming the duty to prepare a Sustainable Community Strategy, councils are now required, in consultation with local partners, to prepare a delivery plan for the strategy – the Local Area Agreement.
- A new performance framework – the White Paper sets out a radical simplification towards one unified performance framework for all public services in a local area, built around the Local Area Agreement and a single set of about 200 outcome-based indicators. Comprehensive Area Assessment will replace CPA, and much current assessment activity, such as Joint Area Reviews and Corporate Assessments, will cease.
- Efficiency – transforming local services – ambitious efficiency targets will be required as part of the 2007 Comprehensive Spending Review, and individual councils will in turn be required to meet more challenging annual efficiency targets.
- Community cohesion – the promotion of community cohesion is seen as a key challenge for local areas, through strong local leadership, greater resident participation and an enhanced role for community groups, including through engagement with the Voluntary and Community Sector.

In addition, the Lyons Enquiry is currently reviewing local government functions, funding and finance, and is due to report during 2007. Potential changes to the council tax system and/or other aspects of the council funding regime could have a significant impact on the funding climate within the period covered by this Plan.

Local Objectives and Priorities

Over the next four years Central Services will need to respond to significant changes in the way the Council is organised and how it operates; this will reflect both the national agenda summarised above and our local vision about what the council will be delivering in 2011, and the specific improved outcomes we are targeting for the next four years. Key challenges will include-

- Implementing this medium-term Plan - managing the changes required over the next four years so that the targets and principles of this medium-term Plan are met and residents' priorities realised within the resources available. While we will continue to lobby Government for a fairer funding system, we must at the same time ensure we use our limited resources to maximum effect – to do this we will need to be more innovative, more efficient and make the most of our strong network of local partnerships.
- Re-moulding our organisation to keep it fit for purpose in a changing world – form should follow function and as we progressively challenge our assumptions about the level and range of services we provide, so we will need to challenge assumptions about the organisation needed to deliver them. New technology will also facilitate big changes in the way we work and we will need to investigate the benefits this could deliver. By 2011 we will be employing fewer staff and those reductions will need to be carefully planned and phased over the four years to minimise the loss of key skills and talent.
- Improving customer access and responsiveness – one important driver that will change how we are organised is the move towards a more customer-centred model – 'Customer First'.
- Exploring the scope for shared services – we will be actively investigating opportunities to deliver services in partnership with others, internally across the organisation, and with other local authorities and public sector partners. This will build on the more strategic approach to procurement and partnership that we have developed over the last few years. We believe there is potential for this to make a significant contribution to the efficiency savings required in future years.
- Managing our assets more efficiently – this will be a fundamental part of delivering this medium-term plan. We now have a much better understanding of the Council's operational and non-operational assets and this will need to be closely aligned with our vision about our future service priorities and operational needs in order to produce the synergies and cost efficiency benefits we will need to achieve.
- Maximising our potential through community leadership and partnership – we need to fully embed our new governance arrangements for community leadership and so ensure that our main partnerships share a common vision and common ambitions about how we are shaping Kingston for the future. Delivering those ambitions will also require us to further strengthen our performance management arrangements – see below."
- Performance Management – although our recent Corporate Assessment found that we were "performing well" on performance management, this also featured prominently as an area for future improvement. The new Comprehensive Area Assessment that will replace the CPA places increasing reliance on the quality of councils' own performance monitoring.

We will need to ensure improved standards and greater consistency over data quality, the setting of SMART and outcome-focused targets and how data is shared across the Council. Improvements are needed not only in the Council's own arrangements but also through better integration of performance management across our main partnerships. This is vital to equip us to meet the challenges of the new national performance framework, which will focus on the performance of the local public sector as a whole.

- Implementing the second phase of the Constitutional Review. Decisions have yet to be taken on this by the Council and, in consequence, no specific financial provision has been made in this Plan.
- Last but not least we will continue to support voluntary and community-based organisations in building capacity within our communities.

Local Pressures and Risks

- The already high level of Council Tax means that the ability of those residents whose incomes are modest and fixed, but too high to qualify for benefits to pay increased council taxes means that we will need to limit increases as far as possible.
- Government grant (which meets about 32% of our net expenditure) is likely to increase by less than inflation for the foreseeable future. This will constrain our ability to maintain and improve services.
- Interest rates – the Council has substantial cash investments on the money market. A significant fall in interest rates would reduce the income received from this source.
- Local Land Charges – following a ruling by the Office of Fair Trading and to coincide with the requirement for potential vendors to include search information in Home Information Packs the Council will have to operate its Land Charges account on a “break-even” basis. This is a service which is currently operated efficiently and produces a net revenue surplus. This will reduce the income RBK collects from this service in 2007/08 and subsequently.
- Local Housing Allowance – the DWP plans to implement the local housing allowance as a successor to housing benefits. This means that, in future, payments of housing benefit will be based upon a “local reference rent” rather than on the rent actually paid by claimants. This is likely to increase correspondence and complaints to the housing benefits service as claimants adjust to the change.

Medium Term Revenue Plan

Central Services	2007/08	2008/09	2009/10	2010/11
	£m	£m	£m	£m
Base Budget	-6.8	-4.9	-4.3	-3.0
Unavoidable Growth	1.3	0.8	0.8	0.7
Demand-led growth	0.0	0.0	0.0	0.0
Planned growth/investment (see note)	1.3	1.0	1.0	1.0
Planned Savings	-0.7	-1.2	-0.5	-0.5
Final Budget	-4.9	-4.3	-3.0	-1.8

Note: planned growth is the revenue cost of the Council's capital programme.

8. Investing In The Future

Background

This section of the plan outlines the way in which the Council plans to ensure that it continues to have the necessary infrastructure to deliver services to our residents in the long term. This is achieved by investing through the Capital Programme.

The Capital Programme is financed mainly by one of the following:

- borrowing;
- capital receipts (from sale of surplus assets);
- grants (from central Government or Transport for London) for specific projects;

Most new capital expenditure is met from borrowing. Under the Local Government Act 2003, the “Prudential Code” enables the Council to judge what is “affordable”, taking into account the cost of interest and principal repayments which are met from the revenue budget.

The Council has a substantial approved capital programme – this is detailed in the separate enclosure circulated with this document. This programme has been reviewed and rephased to take account of progress and spending on individual capital projects.

The existing approved programme provides for a wide range of projects including:

- a significant programme of improvements to the Council’s highways, footways and street scene assets;
- the recently opened Hook Centre;
- a replacement accommodation for Older People;
- a substantial programme of improvements to the Council’s school buildings.

New Capital Projects

The revenue budget for 2007/08 includes an increased sum of £1.2 million to meet the existing approved capital programme and approximately £4.5 million of new capital projects in 2007/08 which will be met from the Council’s own resources (ie Prudential Borrowing). All new capital proposals have been subject to a formal appraisal process and a rigorous assessment of priorities undertaken. The new projects for 2007/08 have been included in the approved Capital Programme from 2007/08 onwards. They are detailed in **Annex 8.1**.

The new projects added to the programme include:

- the start of a programme to replace outdated street lighting columns with modern, more energy efficient lights;
- investment required for new arrangements to meet the demanding targets for waste recycling and reduction in the amount of waste sent to landfill;
- capitalised repairs to ensure that the Council's buildings continue to be fit for purpose;
- the technology necessary to introduce new customer contact arrangements;
- refurbishment and redevelopment of the Swallow Park site (which will be partly funded by Government);
- provision of a new burial area in Kingston Cemetery to ensure that this facility continues to be available in future years.

More detail about the projects and funding is included below.

Capitalised Repairs

In order to ensure that the land and buildings used to deliver services continue to be fit for that purpose, an annual assessment of the repairs and maintenance requirements is made. Larger projects which occur on a cyclical basis (eg roof renewals, replacement windows) would generally be met from the capitalised repairs programme.

The highest priority projects are Category A capitalised repairs as those are works which need to be done on the grounds of legislation or health and safety. The agreed programme is a result of close scrutiny of all the capitalised repairs bids by a corporate officer group and includes only those which are urgently needed. These total £1.218 million for 2007/08 and £0.844 million for 2008/09 (see **Annex 8.2** for details) and are additional to those capitalised repairs which were already included in the approved programme.

Specifically Funded Projects

There are also a number of new Capital Projects which can be funded from specific resources (including Government Grants). These specifically funded projects are detailed in **Annex 8.3** and are in addition to those projects already included in the approved programme.

Learning and Children's Services

The current approved Capital Programme includes several large Education projects. Two targeted capital schemes (80% grant funded), namely Hollyfield and Malden Manor schools, are significantly overspent by £1.1 million and £0.3 million respectively. It is planned that this overspend can be met by capital reserves and Government capital grants which would otherwise have been available for other (new) Education capital projects. Otherwise the additional costs would have to be met from unplanned Prudential Borrowing. The rebuild

of Chessington Community College has been included at £24.1 million and met wholly from Government Grant. Latest forecasts of costs suggests a £2.8 million higher figure and discussions are continuing with DfES to secure further funding for the project.

Local Improvement Plan 2007/08

The Council has been allocated £3.496 million through Transport for London (TfL) to meet the cost of transport improvements. This is directly funded by grant from TfL and has to be spent in accordance with the programme agreed by TfL. A summary of the approved programme is included in **Annex 8.3**.

2007 / 2008 NEW CAPITAL PROJECTS TO BE MET FROM PRUDENTIAL BORROWING

	2007/08 £000	2008/09 £000	2009/10 £000	Future Years £000	Total £000	Comments
<u>CHILDREN & LEARNING SERVICES</u>						
1	20				20	The Service needs to renew its Management Information System. The Current system, produced by the National Youth Agency is being withdrawn in 2007/ 08. A system is required that will collect and report data required to be submitted to the DfES on an annual basis, and that can be used to inform service
2	521				521	Additional items added to original project specification.
<u>COMMUNITY SERVICES</u>						
3		989			989	Mandatory Grants, Net of Grant
4	129				129	25% Matched Funding required for refurbishment and redevelopment of Swallow Park Travellers site, including provision of new pads to alleviate overcrowding. Total cost of project £514,235 75% Government Grant Funding available.
5	98				98	New Initiative & Improvements 2007/08
<u>ENVIRONMENTAL SERVICES</u>						
6	500	1,000	1,000	3,500	6,000	Extension of existing zones
7	340				340	Revenue Savings 2007/08 only
8	1,413	7,052	9,982		18,447	New Waste Management arrangements
9	250				250	Accommodation & computer system development
10	8	200	62		270	Riverside Improvements and provision of new moorings to increase river activity, Thames Side
<u>ALL SERVICES</u>						
11	1,218	844	52		2,114	Category A Repairs
TOTAL NEW PROJECTS TO BE MET FROM BORROWING						
	4,497	10,085	11,096	3,500	29,178	

CAPITAL PROGRAMME - CAPITALISED REPAIRS CATEGORY A PROJECTS - 2007/2008 AND 2008/2009

Site	Project Description	2007/08 Bids £	2008/09 Bids £	2009/10 Bids £	Total Bids £
CENTRAL SERVICES - GUILDHALL COMPLEX					
Guildhall	Refurbish Timber Windows in the Inner Well Areas - Phase 2	68,000			68,000
	Upgrade Emergency Lighting - Phase 1	16,000			16,000
	Refurbish Members Toilets	24,000			24,000
	Upgrade radio fire alarm panels and system (& battery replacement)	13,000			13,000
	Refurbish men's Toilets 2nd and 3rd Floor - Phase 1		14,000		14,000
Guildhall 1	Install inverter drives to supply / extract fans	15,000			15,000
Guildhall 2	Ceiling Renewals - Phase 2	89,000			89,000
	Upgrade Emergency Lighting - Phase 2 (final)	18,000			18,000
	Upgrade supply fans to improve efficiency of ventilation system	20,000			20,000
	Essential safety works to air handling system (& clean of ductwork)	31,000			31,000
	Replacement of worn out carpets - Phase 6		23,000		23,000
	Upgrade unserviceable distribution boards roof plant room		34,000		34,000
	North Block insulation to underside of grd floor to reduce heat loss		12,000		12,000
		294,000	83,000	0	377,000
ADULT EDUCATION, CHILDREN AND FAMILIES					
North Kingston Centre	External Refurbishment		17,000		17,000
	Install CCTV System to deter vandalism		14,000		14,000
King Charles Centre	Overhaul all guttering & downpipes to all ext elevations	17,000			17,000
	Renew fire doors and windows adjacent to Refectory	11,000			11,000
Dukes Centre Chessington Sports Centre	Essential remedial works to heating system	10,000			10,000
	Essential renewal of tank base, valley boards and box gutter	11,000			11,000
	Renewal of heating & hot water boiler plant & associated controls		120,000		120,000
Beaconsfield Family Centre	Essential and energy saving works to heating controls	15,000			15,000
	Access improvements to rear of Child Interview Suite		16,000		16,000
		64,000	167,000	0	231,000
LEISURE SERVICES					
Kingston Museum	External refurbishment (inc crittal windows, soffits, fascias and woodwork)	30,000	30,000		60,000
Kingfisher	Renewal of anti-slip floor finishes to kitchen (H & S)	12,000			12,000
	Upgrade LG floor external double fire exit doors (H & S)	10,000			10,000
	Essential renewal of structural wall in health suite (H & S)	10,000			10,000
	Replace Ozone Generator with UV system		54,000		54,000
	1 new complete boiler and 1 new boiler shell (burner fixed 06)	40,000	45,000		85,000
	Replacement cold water tank with sectional plastic	23,000			23,000
	Replace defective control valves to AHU's - Phase 1	12,000			12,000
	Replace defective valves on heating installation in plant room - Ph 1	12,000			12,000
	Replace obsolete Depatrol dosing unit	13,000			13,000
	Refurbish male and female toilets (dryside)		32,000	32,000	64,000
	Refurbishment of male and female changing and shower facilities		20,000	20,000	40,000
Kingsmeadow	Replace and upgrade lighting column hoist	12,000			12,000
	Window renewal to café and reception and door renewal to café		32,000		32,000
	Re-paint worn out athletic track lines	14,000			14,000
Malden Centre	Refurbish soffits and fascias	27,000	30,000		57,000
	Replace Ozone Generator with UV system	63,000			63,000
	Upgrade control panel serving pool plant	17,000			17,000
	Upgrade obsolete Depatrol dosing unit	13,000			13,000

	Refurbish ground floor creche toilet		30,000		30,000
	Refurbish poolside showers (Health and Safety)	17,000			17,000
	Renewal of Poolside Windows		45,000		45,000
Hawker Centre	Essential renewal of perimeter fencing around tennis courts	50,000			50,000
	Renewal of bowls green perimeter paving (Health & Safety)	22,000			22,000
Tolworth Rec Cen	Replacement cold water tank with sectional plastic (H & S)	20,000			20,000
	Refurbishment of the dance studio floor		20,000		20,000
		417,000	338,000	52,000	807,000
CEMETERIES, CREMATORIUM AND REGISTRY					
Surbiton Cemetery	Remove asbestos roof sheeting and renew with decra tiles	10,000			10,000
	Refurbish mess room	12,000			12,000
	External refurbishment of Lodge	10,000			10,000
Kingston Cemetery	Make good service road from Upper Bonner Hill Road	12,000			12,000
	Provision of safe parking area adjacent to main office	14,000			14,000
Kingston Crematorium	Upgrade defective fan housing and ext flue coverings to cremators	31,000			31,000
	Replacement and upgrading of heating in the main chapel	10,000			10,000
Registry Office	Refurbishment of staff toilets	15,000			15,000
		114,000	0	0	114,000
SOCIAL SERVICES					
All smaller Social Services Buildings	Remedial works to domestic water supplies as identified by water specialist during Legionella inspections	12,000			12,000
Hobkirk Resource Centre	Upgrade heating master controls	17,000			17,000
	Upgrade fire precaution works to comply with fire regs	12,000			12,000
Murray Resource Centre	Installation of remote sensor thermostatic valves throughout	12,000			12,000
Crescent Res Centre	Upgrade office lighting (inc emergency lighting)	17,000			17,000
Causeway Centre	Upgrade office and workshop lighting (inc door hold device)	15,000			15,000
Fircroft	Refurbishment and upgrade of ground floor toilet	20,000			20,000
Coombe Oak House 2	Kitchen Refurbishment	14,000			14,000
		119,000	0	0	119,000
CAR PARKS					
Bittoms Car Park	Apply protective coating to all structural steel, supporting cross beams & internal steel - Ph 2		50,000		50,000
Blagdon Road MSCP	Install safety storage unit for Parking Services stationary and consumables		23,000		23,000
Cattle Market CP	Anti slip tiles for the rotunda stairwell circulation areas (H & S)	48,000			48,000
Cattle Market CP	Redecorate staircases - Phase 1		50,000		50,000
		48,000	123,000	0	171,000
PARKS					
Kingston Town					
Latchmere Rec Grd	Essential refurbishment of creche (windows, door and frame)	10,000			10,000
Maldens and Coombe					
Manor Park Rec	Upgrade main doors to pavilion with steel vandal resistant doors and upgrade guttering.	17,000			17,000
South of the Borough					
Sir Francis Barker Rec	External refurbishment of pavilion	14,000			14,000
		41,000	0	0	41,000
LIBRARIES					
Kingston Town					
Kingston Central Library	Install vinyl flooring in entrance and computer areas (H & S)	20,000			20,000
	Upgrade ground floor staff toilets to improve public access	23,000			23,000

Tudor Drive Library & Hall *	Essential fire protection works to heater cupboard and renewal of heater		27,000		27,000
	Concrete repairs to exposed portal frame uprights		12,000		12,000
	Maldens and Coombe				
New Malden Library	Install A/C units in IT suite to prevent equipment failure		23,000		23,000
	Surbiton				
Surbiton Library	Renew cold water storage tanks & modify pipework.		12,000		12,000
	Renew spalled & cracked concrete panels & decorate (Comm Lib)		10,000		10,000
Tolworth Library	Renew floor covering throughout (Health and Safety)		10,000		10,000
	Upgrade Comfort Cooling System		12,000		12,000
			98,000	51,000	0
	YOUTH CENTRES				
	Kingston Town				
Barnfield Yth Cen	Renew pitched roof and repair roof gutters		29,000		29,000
Searchlight Yth Cen	Essential fire protection works to heater cupboard and renewal of heater		23,000		23,000
	South of the Borough				
Chessington YC *	Essential electrical repairs		10,000		10,000
	Essential external refurbishment		20,000		20,000
			23,000	59,000	0
	OTHER NEIGHBOURHOOD PROPERTIES				
	KINGSTON TOWN				
Market House	Essential upgrade of toilets and associated damp proofing works		25,000		25,000
	External Repairs to Stonework		23,000		23,000
			0	23,000	0
			1,218,000	844,000	52,000
	TOTAL CATEGORY A PROJECTS				2,114,000

* The future use of these buildings is under review. This is dependent on the decisions at Budget Council 28th February 2007

2007 / 2008 NEW CAPITAL PROJECTS TO BE MET FROM SPECIFIC FUNDING

	2007/08 £000	2008/09 £000	2009/10 £000	Future Years £000	Total £000	Comments
<u>COMMUNITY SERVICES</u>						
1		229			229	Mandatory Grants - Government Grant Funding
2	386				386	75% Government Grant Total cost £514,235k
<u>ENVIRONMENTAL SERVICES</u>						
3	Local Improvement Plan 2007/08					2007/08 Bid Confirmed 2008/09 and 2009/10 Commitment
	Infrastructure					
	296				296	
	159				159	
	Road Safety					
	260				260	
	345				345	
	70				70	
	Walking & Cycling					
	230	112	105		447	
	110				110	
	545	900	1,390		2,835	
	95	60			155	
	200	735			935	
	Area Based Schemes					
	400	500			900	
	35				35	
	Travel Demand Management					
	308	65	20		393	
	43	14	14		71	
	150				150	
	20				20	
	230				230	
	3,496	2,386	1,529	0	7,411	

CAR PARKS**Executive 23rd January 2007**

4	Review of CPZ - Surbiton, Oakhill and Riverside Areas	42				42	On Street Parking Account
5	Bittoms MSCP - Remedial Works to Floor Slabs - Contribution	75				75	On Street Parking Account
6	Drapers MSCP - Refurbishment / Waterproofing of Roof Level Parking Area	20	130			150	On Street Parking Account
7	CCTV Monitoring at Blagdon Road & The Bittoms MSCPs - New System at Blagdon Road, upgrade at The Bittoms	75				75	On Street Parking Account
8	Conversion to Pay of Foot Equipment to accept Credit/ Debit Card payment	60				60	On Street Parking Account
		272	130	0	0	402	
9	Park Services Depots - Quadron Contract	230				230	Contribution from Quadron plus Parks revenue funding
10	College Roundabout - Installation of Art Work	28				28	Additional sponsorship offsets revenue maintenance costs / Contribution from Hammerson
	Total	4,412	2,745	1,529	0	8,686	

9. Detailed Budget and Council Tax for 2007/08

This section of the Plan looks at the detailed Budget and Council Tax for 2007/08. This represents the first stage towards implementing the Council's four year plan, and should be viewed in the context of the ambitions, shaping principles and overall financial targets that are referred to in preceding sections of this document.

Background

At its meeting on 1 March 2006, the Council approved the Budget and Council Tax for 2006/07. The meeting also published indicative Council Tax and Budget figures for 2007/08, which were in line with the Medium Term Financial Strategy approved by the Executive on 27 September 2005.

Following the approval of the Policy Programme by the Executive on 25 July 2006 and the Council on 10 October 2006, work to develop and update the Medium Term Service and Financial Strategy has been proceeding. The Executive considered a report on this subject on 7 November 2006.

This document sets out the four year strategy, together with the detailed Budget and Council Tax for 2007/08. It was approved by the Council on 28 February 2007.

Consultation

The Executive approved the budget consultation process on 7 November 2006.

For the last few years we have used a questionnaire survey to consult residents about budget preferences and about the balance between spending and council tax. However this year's budget process was more challenging and involved making some difficult choices about spending priorities for the next four years. We therefore agreed that we should use a different approach to budget consultation that enabled residents to take a more informed view of the budget choices facing the Council. Accordingly the Council commissioned Ipsos MORI to undertake a community discussion day involving a cross section of residents from across the Borough. This took place on Saturday 13 January 2007. A full report on the consultation can be found on the RBK website at www.kingston.gov.uk/budget_2007-2008

In addition, the December edition of the "Livin Kingston" residents' magazine contained an explanation of the financial outlook and invited the views of residents. 15 responses were received.

The statutory consultation meeting with non-domestic ratepayers was held on Tuesday, 6 February 2007.

Revenue Support Grant (RSG) Settlement 2007/08

The final RSG Settlement was announced on 18 January 2007. The 2007/08 settlement is the second year of a two year settlement and there are no changes from the figures announced with the 2006/07 settlement in December 2005. The distribution formula and the data used in the 2006/07 settlement are those used for 2007/08.

The Council made representations about the proposed settlement, in the form of a letter sent by the Strategic Director of Finance on 5 January 2007. Ministers did not offer meetings to hear representations from individual Councils this year.

RBK's grant for 2007/08 is £33.192 million. This represents a "cash" increase of only £628,000 (1.9%) of the grant received in 2006/07. After technical adjustments to the 2006/07 "baseline position", the Government calculates the increase to be a minimum "floor level" increase of 2.7%.

Schools Budget

The DfES have confirmed that the Dedicated Schools Grant levels for 2007/08 announced in December 2005 will still apply. In Kingston this provides an increase of 6.3% per pupil in 2007/08. This increase in funding continues and increases the funding for a number of new initiatives such as personalised learning in primary and secondary schools, practical learning options at Key Stage 4, additional funding for workforce reforms and an extension of free early years provision for three and four year olds in the non-maintained sector.

A Schools Funding Consultation Booklet was circulated to Chairs of Governors and Headteachers on 5 January. Subsequently a Funding Workshop was held for the same parties to set the authority's proposals in context and to allow an opportunity for schools' reactions to be gauged. A formal consultation process was also held.

2007/08 is the second year of the first multi-year funding period. The DfES's expectation is that there should be as little disturbance as possible to the initial budget plans for 2007/08 approved a year ago and to the schools' funding formula. The total delegated to schools is to increase by at least the minimum funding guarantee (MFG) required by the DfES. This provides 3.7% per pupil in all schools.

Sixth form funding allocations for secondary schools were issued by the Learning and Skills Council in December 2006. These confirmed that qualification rates will increase in line with the minimum funding guarantee for secondary schools, i.e. 3.7% in 2007/08.

The key issues concerning the Schools Budget, which are set out in the Schools Funding Consultation Booklet are:

- Continuation of and increases in the contribution to 'combined services' to support the Every Child Matters agenda through the Family Advice & Support Service (CAMHS Tier 2) and the Supporting Families Service; and
- Continuation of support for SEN 'Invest to Save' Borrowing (Capital investment).

There were a number of decisions taken as part of the budget process which affect the level of funding that each school receives in 2007/08:

- The amount of the Dedicated Schools Grant to be delegated to schools and the amount to be retained by the Local Authority (LA) to fund centrally provided services such as Pupil Referral Units, out-borough SEN and nursery provision in the private and voluntary sector;
- Proposed changes to the local funding formula used to allocate funding between Kingston schools;
- Any contribution towards the cost of developing 'combined services' that help support the Every Child Matters agenda;
- The basis of allocating individual Standard Fund Grants to schools.

Responses to the consultation were considered by the Schools Forum on 30 January. The views and recommendations of the Schools Forum were taken into account by the Council in approving the Schools Budget for 2007/08.

Budget Monitoring 2006/07

The position at month 10 (31 January 2007) was reported to the Executive on 20 March 2007. It indicates that, although significant overspending pressures in some demand and needs-led statutory services (residential care for adults, home to school transport, housing benefit) are continuing, a combination of expenditure and recruitment restraint, together with some one-off items, has eliminated the potential overspending. An underspending of £451,000 is forecast.

The demographic and other trends which have led to these budget pressures will continue into 2007/08 and beyond. Consequently, the base budget has been increased to reflect these.

RBK Base Budget for 2007/08

The base budget forecast reflects the 2006/07 budget adjusted to 2007/08 levels, incorporating:

- The effect of known and forecast pay awards from the appropriate settlement dates;
- Inflation on non-pay expenditure of 2% (except in the case of those contracts and other payments where indexation is made in line with indices other than the retail prices index);

- Inflation on discretionary income of 2%;
- Contractual increments;
- The full year effect of those 2006/07 budget changes and supplementary estimates for which only a part year's provision was made in 2006/07;
- Revenue effects of the capital programme;
- The effect of the actuarial review of the Council's Superannuation Fund as at 31 March 2004 and the consequent increase in employer's contributions to the Fund;
- The increase in the rate of Landfill tax of £3 per tonne from 1 April 2007.

Detailed estimates (in the separate enclosure) reflect the above changes. They are summarised at **Annex 9.1**.

Inflation Provision

Pay Awards – detailed estimates contain provision for pay awards in 2006 of 2.5% from the appropriate settlement dates. Whilst the settlement for the main (non-teaching) group of staff has not yet been agreed this is consistent with settlements reached elsewhere in the public sector.

Non-pay inflation – detailed estimates are based upon an average assumption of 2% increases for both costs and discretionary income. This takes into account the fact that known cost increases for some contracts are based upon specific indices (rather than the general retail prices index) and that some placement costs (eg Social Services residential care and Children's Services care packages) are linked to earnings. Specific provision has been made in respect of known contractual increases and other items such as National Non-Domestic Rates. The latest published RPI (all items except mortgage interest) increased by 3.8% in the year to December 2006.

Budget Changes for 2007/08

All year on year changes, other than those identified above, are separately identified in detailed estimates and summarised at **Annex 9.2**. A reconciliation between the original estimates for 2006/07 and the proposed estimates for 2007/08 is shown at **Annex 9.3**.

Budget Growth

In the light of the overall budgetary position and the outlook for future years, growth has been limited to those items which are considered essential or which are needed to meet inescapable commitments. The main categories of growth are:

- Previous RBK decisions – it is necessary to provide for additional costs arising from these as follows:
 - The Hook Centre opened on 20 January 2007. The full year additional cost of this facility is £236,000;
 - On 3 October 2006, the Executive approved resources to support the Scrutiny Panel - £54,000 in 2007/08;
 - On 7 November 2006, the Executive approved the continuation of the Community Action Partnership. This increases the budget by £35,000;
 - On 23 January 2007, the Executive approved increased expenditure on Voluntary Sector Grants of £50,000. This will be partly funded by reducing Neighbourhood grants to reflect current and previous years' expenditure on these grants.
- Demographic growth – it is necessary to provide for increasing numbers of high cost placements in respect of:
 - Adults with Learning Disabilities (£300,000)
 - Looked After Children (£163,000)
 - Children with Disabilities (£400,000)

These are cautious estimates which reflect known individuals who will require care and support in these client groups.

- Government Action – the Government has introduced changes in the way that Councils are required to calculate fees for Local Land Charge searches. These changes are likely to reduce the Council's net income from these fees by £300,000.
- The Government has decided to cease or reduce a number of specific grants and to transfer the funding into RSG. The costs of the activities previously funded from specific grant remain with RBK. The impact of the RSG Settlement (see above) means that the increase in RSG for Kingston does not match the specific grant which is removed.
- Local pressures – the budget also needs to be increased to address the following:
 - The shortfall in the budget for Libraries in 2006/07, which could otherwise only be eliminated through a reduction in opening hours or in expenditure on books and media (£90,000);
 - The 2006/07 budget assumed a contribution of £100,000 from the ring fenced Bus Lane Enforcement account towards the cost of concessionary fares. Based upon the current position, it is necessary to revise that contribution to £80,000, a reduction of £20,000.
 - the new contract for Guildhall Security which adds £15,000 to the base budget.

Budget Reductions

To offset the above growth and to reduce the Council Tax increase as far as possible, a number of budget reductions have been agreed. In identifying possible reductions, efficiency savings and increases in income were identified where possible. However, the size of the budget gap means that there are inevitably some changes and reductions in services. The budget reductions are detailed in **Annex 9.2**.

HR Implications and Organisational Change

As RBK responds to its priorities in the context of this strategy, the shape of the organisation will change to ensure that RBK has a structure, which is fit for purpose. Talented staff are essential for delivery of this ambitious agenda but there will be a need for a reduction in overall staffing numbers, particularly where possible by the squeezing and reduction of managerial costs. The detailed proposals for reducing the budget for 2007/08 included a reduction of 75 jobs. Natural wastage, agreed reductions in hours, and flexible retirement is being used where possible to reduce the number of individuals affected by the proposals. Every effort is being made, in accordance with RBK's staffing reductions policy, to avoid compulsory redundancy by attempting to identify suitable alternative employment opportunities for staff. The application of recruitment restraint during 2006/07 has provided some flexibility to achieve successful redeployments.

In the event of redundancies the associated costs will be met from the Invest to Save Reserve, as they will result in an ongoing budget reduction.

Repairs and Maintenance of Buildings

The Revenue and Capital budgets required for the repairs and maintenance of the Council's buildings are assessed annually. The initial assessment and categorisation of bids is carried out by the Council's property consultants (NPS) in conjunction with the relevant service officers. The information contained within the Asset Management Plan and condition surveys is used to guide the process.

The Council's Revenue and Capital Repairs and Maintenance budgets for the last few years have allowed for only responsive and planned category A work to be carried out and that policy has continued for 2007/08. A close scrutiny of the Category A repairs bids for 2007/08 was carried out by a corporate officer group, with the aim of recommending only those items which are urgently needed. As anticipated, this has resulted in a reduction in the revenue requirement for 2007/08 by capitalising some larger schemes and rephasing a number of others.

It should be noted that by continuing the policy followed over the last few years of approving only responsive and category A repairs, no other planned

maintenance work will be undertaken on buildings in 2007/08. This will lead to a continuing deterioration in the fabric of some of the buildings, with more work being categorised as category A rather than category B or C in future years.

Capital Programme/Prudential Borrowing

Under Part 1 of the Local Government Act 2003, the prudential capital finance system was introduced with effect from 1 April 2004. The system is regulated by adherence to the CIPFA Prudential Code for Capital Finance in Local Authorities and effectively means that the Council's Capital Programme is limited only by the affordability of the impact upon the revenue of the borrowing and increased running costs.

The Code requires the Council to calculate a series of indicators and limits, which are based on its existing and proposed Capital Programme and corresponding financing costs, prospective borrowing and investments and current treasury management strategy. In setting these indicators and limits, the Council has to pay particular regard to the affordability, sustainability and prudence of the proposals over the forthcoming years.

The 2007/08 revenue budget includes an increased amount of £1.2 million to meet the increased revenue costs (principal and interest repayments on borrowing) of the existing approved Capital Programme and a sum of approximately £4.5 million of new capital projects for 2007/08 from the Council's own resources, as set out in Chapter 8 of this document. The calculation of the required Prudential Indicators and Limits are based on these figures and are detailed in **Annex 9.7** (Capital Financing and Borrowing Limits).

Revenue Budget Risk Analysis

To provide assurance that the budget for 2007/08 is robust and the level of revenue reserve is adequate, the Strategic Director of Finance has carried out a financial risk analysis of the Council's budget, building upon the approach used in previous years. This is detailed at **Annex 9.4**.

The risk analysis indicates that the Council faces some significant potential budget risks during 2007/08. In the context of these, advice as to the required level of reserves and balances is included.

Reserves and Balances

The forecast General Fund Balance at 31 March 2007 is £3.662 million, as detailed at **Annex 9.5**. This assumes that there will be no overspending or underspending in 2006/07.

The Council requires a minimum level of reserves to meet, for example, unforeseen expenditure which cannot be offset by savings. The Strategic

Director of Finance has advised that the Council should, as a minimum, have the equivalent of 3.5% of net revenue expenditure in reserves. This takes account of the revised arrangements for funding schools' expenditure.

The level of reserves is taken into account in the calculation of the Council's "prudential" borrowing limits required by the Code of Practice. Details of these calculations are included in **Annex 9.7**.

A detailed assessment of the financial risks contained in the proposed budget is attached at **Annex 9.4**. This indicates that the worst case scenario is that the Council's exposure to risks of overspending exceeds £5.6 million. This is because in demand-led services, particularly adults and children's social services, individual cases can be very expensive.

However, not all of these risks will crystallise in one year. Consequently, a level of reserves in the region of 3.5% of net revenue expenditure would suffice. The Strategic Director of Finance advises that it would not be appropriate to reduce reserves below that figure. The forecast balance is slightly less than 3.5% of proposed expenditure in 2007/08. The Strategic Director of Finance advises that the current year's budget monitoring position should enable that position to be rectified by 31 March 2007.

Earmarked Reserves

The Council has a number of 'Earmarked Revenue Reserves'. These are monies which have been set aside from revenue in past years and earmarked for specific purposes. The estimated value of these reserves is approximately £18.4 million at 31 March 2007. **Annex 9.6** provides details of these reserves and the purposes for which the sums have been earmarked.

The budget for 2007/08 requires that a number of sums will be used from earmarked reserves to support revenue expenditure. These are as follows:

	£000
On-Street Parking Account	1,147
Bus Lane Enforcement Account	80
Insurance Fund	160
Revenue Earmarked for Capital Reserve	1,925
	<hr/>
	3,312
	<hr/>

The detailed forecasts for the On Street Parking Account and the Bus Lane Enforcement Account (**Annex 9.6**) indicate that the surpluses on those accounts will fall and, consequently, it will be necessary to reduce the amount of revenue expenditure met from these reserves in future years. The position with the Insurance Fund is similar and the Medium Term Plan includes measures to cease contributions from the Fund by 2010/11.

The budget for 2007/08 also requires that £1.925 million will be transferred from the Revenue Earmarked for Capital Reserve, in order to reduce the Council's net expenditure and council tax. This is a one-off measure which it will not be possible to repeat in 2008/09.

Levies

In addition to its own expenditure, RBK's budget includes its share of the requirements of the levying bodies. These total approximately £0.5 million for 2007/08. The levying bodies are:

- Environment Agency – Thames Region
- London Pension Fund Authority
- Lee Valley Regional Park Authority
- Wimbledon and Putney Commons Conservators (Special Levy).

Collection Fund

In accordance with the Local Government Finance Acts 1988 and 1992, the Council maintains a Collection Fund. This is used to account for the actual amounts of council tax collected, as opposed to the budgeted amounts used in setting the tax for the year.

Council Tax collection – RBK is required to estimate the position on its council tax account at the end of the financial year in January of each year. Any necessary adjustments are required to be included in the calculation of the following year's council tax. In calculating the council tax base for 2006/07 a collection rate of 97.75% has been estimated. On the basis of the position at 15 January 2007, a surplus of £124,000 will be available at 31 March 2007. This has to be shared between RBK and the GLA in proportion to the respective band D council taxes set by each for 2006/07. On this basis, RBK's share of the surplus is £100,000. This amount was taken into the RBK council tax calculation for 2007/08. The GLA took its share into account in setting the precept for 2007/08, together with the figures provided by the other London Boroughs.

Community Charge collection – on 3 March 1998, the Council resolved to cease active pursuit of residual community charge debts from 31 March 1998. There have been no further receipts of community charge monies in 2005/06 or 2006/07.

Council Tax Base

The council tax base is the amount RBK would raise from a council tax of £1 per band D equivalent property.

The Council set the taxbase for 2007/08 on 9 January 2007. The figure of 60,981 band D equivalents was used to set the 2007/08 council tax.

GLA Precept

As well as its own services, RBK is responsible for collecting the council tax for services provided by the Greater London Authority (GLA). The precept for the GLA's services is shared between London Boroughs according to the council tax base.

For 2007/08, the Mayor for London set a net GLA budget of £3,061.8 million as follows:

	<u>Budget</u>	<u>Increase</u>
	£m	%
Greater London Authority	125.6	2.9
Transport for London	12.0	-
London Development Agency	-	-
London Fire and Emergency Planning Authority	391.5	3.7
Metropolitan Police	2,532.7	4.7
	<u>3,061.8</u>	4.2

The band D precept is £303.88. This represents an increase of 5.3% on 2006/07 and (as in 2006/07) includes a contribution of £20 per household on the band D council tax towards the funding of the 2012 Olympic and Paralympic Games.

Council Tax for 2007/08

The council tax for 2007/08 takes into account RBK's net expenditure (including levies) plus the GLA precept. RBK's net expenditure totals £107.6 million as follows:

	£m	£m
Base budget (ie 2006/07 plus inflation, contractual increments, pension costs and full year effects)		109.576
Effect of capital programme and interest receipts (net)		1.195
Levies		0.510
		<u>111.281</u>
Budget growth (annex 9.2)	1.979	
Budget reductions (annex 9.2)	-3.280	
	<u></u>	-1.301
Less: One-off reductions		
Use of Capital Reserve and LPSA Grant		-2.375
Net expenditure		<u>107.605</u>

The position is shown in more detail at **Annex 9.1**.

RBK's budget (after adjusting for changes in functions) has increased by approximately 4.1%. The RBK element of the council tax is £1,218.12, an increase of 4.99%.

In setting a budget at this level, the Council is mindful of the possibility of council tax capping and the need to ensure that the increases in the budget and council tax are such as to minimise this risk for RBK. The criteria used by the Government in 2006/07 were budget increases of more than 6% and council tax increases of more than 5%. The tone of the Minister's announcement indicates that these criteria are likely to be similar for 2007/08. However, the government will not make any announcement of the criteria to be applied until all Councils have set their budgets and council tax for 2007/08.

The percentage increase in the council tax paid for each valuation band will be the same as for Band D. However, the amounts paid by individual taxpayers will vary according to their entitlement to discounts or to council tax benefits.

DETAILED BUDGET & COUNCIL TAX FOR 2007/08

List of Annexes

- 9.1. Summary of Revenue Budgets
- 9.2. Budget Changes – Growth and Reductions
- 9.3. Reconciliation of Original Budget 2006/07 to Budget 2007/08
- 9.4 Revenue Budget Risk Analysis
- 9.5. Forecast General Fund Balance at 31 March 2007
- 9.6. Earmarked Revenue Reserves
- 9.7. Prudential Indicators

Note: Figures above exclude support services re-charges.

SUMMARY OF REVENUE BUDGETS & COUNCIL TAX REQUIREMENTS - 2007 / 2008

NET EXPENDITURE	(A) <u>2006/2007</u> <u>Adjusted</u> <u>Budget</u>	(B) <u>2007/2008</u> <u>Base</u> <u>Budget</u>	(C) <u>2007/2008</u> <u>Budget</u> <u>Changes</u>	(D) <u>2007/2008</u> <u>Approved</u> <u>Budget</u>
	£000	£000	£000	£000
Strategic Directorates				
Central Services	-6,975.1	-5,130.4	-821.0	-5,951.4
Community Services	45,682.5	47,968.7	-527.2	47,441.5
Environmental Services	24,713.9	26,052.8	-700.0	25,352.8
Learning and Children Services	33,951.8	35,273.2	44.2	35,317.4
Neighbourhood Committees				
Kingston Town	1,981.6	1,991.4	22.7	2014.1
Maldens and Coombe	1,732.1	1,807.4	26.1	1,833.5
South of the Borough	1,311.5	1,289.2	173.3	1,462.5
Surbiton	1,454.6	1,518.7	30.9	1,549.6
TOTAL NET EXPENDITURE	<u>103,852.9</u>	<u>110,771.0</u>	<u>-1,751.0</u>	<u>109,020.0</u>
add: Levies	449.0	480.0	0	480.0
Use of Capital Reserve	0	0	-1,925.0	-1,925.0
TOTAL RBK BUDGET REQUIREMENT	<u><u>104,301.9</u></u>	<u><u>111,251.0</u></u>	<u><u>-3,676.0</u></u>	<u><u>107,575.0</u></u>
Less: Collection Fund Surplus				-100.0
Less: RSG and NNDR - Final Settlement				-33,192.0
RBK COUNCIL TAX REQUIREMENT				<u><u>74,283.0</u></u>

MEDIUM TERM SERVICE and FINANCIAL PLAN 2007/08 to 2010/11
Summary of Planned and Expected Budget Growth

Ref.	Description	Executive Portfolio	Year on Year change			
			2007/08	2008/09	2009/10	2010/11
			£000	£000	£000	£000
	Previous RBK decisions					
1	Hook Centre - the new facility opened in January 2007. It is necessary to provide for the full year cost of the new facility.	N'hood / Health & Comm.	236	-	-	-
2	Scrutiny Panel - additional resources to support the Panel's work were approved by the Executive on 3 October 2006.	Leader	54	-	-	-
3	Community Action Partnership - on 7 November 2006 the Executive approved the extension of the Partnership's work.	Hsg. & Adult Servs.	35	-	-	-
4	Voluntary Sector Grants - the Executive approved a net increase in the Grants budget on 23 January 2007. This will be partly funded by reducing the budget for Neighbourhood grants to reflect the current and previous level of spending on those grants.	Health & Comm./ Neighbourhoods	42	-	-	-
	Demographic Growth					
	The effect of increases in the number of service users and the complexity of cases			-	-	-
5	- Adults with Learning Disabilities	Hsg. & Adult Servs.	300	300	300	300
6	- Looked After Children	Children & Y P	163	-	-	-
7	- Children with Disabilities	Children & Y P	400	568	-	-
	Legislation					
8	Local Land Charges - the Government has introduced new regulations which will reduce the Council's income from search fees	Leader	300	-	-	-
9	Waste Management - new regulations requiring alternatives to Landfill, and the expiry of existing contracts will mean a significant increase in costs in future years	Sust. & Biodiversity	-	1,350	1,890	990

MEDIUM TERM SERVICE and FINANCIAL PLAN 2007/08 to 2010/11

Summary of Planned and Expected Budget Growth

Ref.	Description	Executive Portfolio	Year on Year change			
			2007/08	2008/09	2009/10	2010/11
			£000	£000	£000	£000
	Government Grants					
	The Government has announced plans to cease or reduce a number of specific grants, transferring the funding (nationally) into Revenue Support Grant. The Council still has to meet the costs of these activities.					
10	- IAS Standards Fund	Children & Y P	54	-	-	-
11	- DeFRA Waste Grant	Sust. & Biodiversity	150	-	-	-
12	- Social Services Grants	Health & Comm. /Hsg & Adult Serv./ Children & YP	80	-	-	-
13	- Children's Fund Grant	Children & Y P	-	236	-	-
14	- Planning Grant	Transp't Pl.& Regen.	-	460	-	-
	Other Pressures					
15	Guildhall Security - the contract was re-tendered during 2006. The new contract requires a small increase in costs.	Leader	15	-	-	-
16	Libraries - the budget for libraries is insufficient to maintain existing services.	N'hood	90	-	-	-
17	Bus Lane Enforcement Account - the estimated net surplus on this account is less than previously forecast. Therefore, the budgeted contribution towards the cost of concessionary fares is reduced.	Transp't Pl.& Regen.	20	30	-	-
18	Highways Maintenance - the Council has been funding a significant programme of improvements from capital. To maintain the roads in this improved state will require a significant increase in the budget.	Transp't Pl.& Regen.	-	250	650	650
19	Insurance Fund - the Fund's surplus provision for historical claims has been used to support revenue spending. As the surplus is spent, it will be necessary to replace this funding source.	Leader	-	60	50	50
20	A number of contracts expire in 2009 - it is likely that the cost of renewing these may increase.	Leader	-	-	100	-
21	Car Parking income - as the K+20 redevelopment progresses, some existing car parking spaces (and hence income) will be lost.	Transp't Pl.& Regen.	-	200	600	350
	Total - Growth		1,939	3,454	3,590	2,340

MEDIUM TERM SERVICE and FINANCIAL PLAN 2007/08 to 2010/11
Summary of Planned Budget Changes

Ref.	Description	Executive Portfolio	Year on Year change				Staffing Change 2007/08 (FTE)
			2007/08	2008/09	2009/10	2010/11	
			£000	£000	£000	£000	
1	Central Services Finance Directorate						
a	Savings from new banking contract which starts on 1 April 2007.	Leader	-25				
b	Review and streamlining of functions to reduce costs. This involves a restructuring of some activities, plus supplies and services savings.	Leader	-253				-6.5
2	Non-Operational Property - Increased income due to rent reviews.	Leader	-35				
3	Connexions Service - transfer of Service to Boroughs - One-off fee for transfer work in 2007/08.	Leader	-30	30			-1
4	Democratic Services & Partnership Review and streamlining of functions to reduce costs. This involves a restructuring of some activities, plus supplies and services savings.	Leader / Health & Comm. / Transp't. Pl. & Regen.	-96				-1.3
5	Human Resources Cease participation in National Graduates Training scheme.	Leader	-60				-2
6	Legal Services Review and streamlining of functions to reduce costs. This involves a restructuring of some activities, plus supplies and services savings.	Leader	-56				0
7	Strategic Services						
a	Information & Communications - restructuring plus some supplies and services savings, and income from sale of advertising space in Livin Kingston.	Leader	-90				-2
b	Facilities - restructuring plus some supplies and services savings.	Leader	-30				-1
c	ICT development budget	Leader	-50				
8	Future years' savings		-	-1,230	-500	-500	?
	Total - Central Services		-725	-1,200	-500	-500	-13.8

MEDIUM TERM SERVICE and FINANCIAL PLAN 2007/08 to 2010/11
Summary of Planned Budget Changes

Ref.	Description	Executive Portfolio	Year on Year change				Staffing Change 2007/08 (FTE)
			2007/08	2008/09	2009/10	2010/11	
			£000	£000	£000	£000	
9	<u>Community Services</u> <u>Community Care</u>						
a	Older People's Day Care Review. Part of a modernisation strategy to move to a less buildings-based model. Consolidate all higher level day care onto a single site managed by RBK.	Hsg. & Adult Servs.	-150	-150			-13.1
b	Targeting and Prevention in Adult Social Services. By providing greater focus on targeting of adult social care eligibility criteria, the cost of non-residential services (eg Home Care) could be reduced over time. This change would only apply to new service users.	Hsg. & Adult Servs.	-100	-100	-100	-100	
c	Information & Advice Service. As a result of the successful partnership with the Pensions Service, there is now scope to review the level of service provided across all local providers to reduce duplication.	Hsg. & Adult Servs.	-60	-20			
d	Reflect various successful spending restraint measures in the base budget	Hsg. & Adult Servs./ Health & Comm.	-122				
e	Restructures of various Social Work teams to provide services at lower cost	Hsg. & Adult Servs./ Health & Comm.	-220	-16			-6.3
f	Crescent and Causeway. Restructuring, efficiencies and externalisation of catering	Hsg. & Adult Servs.	-69				
g	In-house residential homes for older people - increase budget for income to reflect actual income from fees in current and previous years.	Hsg. & Adult Servs.	-50				
h	Review of low level day care for older people to reduce costs while providing more direct access, choice, variety and healthy living options	Hsg. & Adult Servs.	-24				
10	<u>Environmental Health</u>						
a	Restructure to meet statutory obligations at lower cost	Health & Comm.	-15				-0.5
b	Additional income from Licensing	Health & Comm.	-24				
c	Cease Surbiton Cemetery patrol - net saving	Health & Comm.	-6				
11	<u>Trading Standards</u>						
	Restructure to meet statutory obligations at lower cost	Transp't Pl.& Regen.	-31				-0.9

12	Other Services					
a	Reduce net cost of PLS rents in excess of the HB Cap	Leader	-60			
b	Restructure of reception functions	Hsg. & Adult Servs.	-27			-1
c	Supplies & services efficiencies	Hsg. & Adult Servs. / Transp't, Pl. & Regen.	-37			
13	Future years' savings		-	-2,814	-1,900	-1,400
	Total - Community Services		-995	-3,100	-2,000	-1,500
						-21.82

MEDIUM TERM SERVICE and FINANCIAL PLAN 2007/08 to 2010/11
Summary of Planned Budget Changes

Ref.	Description	Executive Portfolio	Year on Year change				Staffing Change 2007/08 (FTE)
			2007/08	2008/09	2009/10	2010/11	
			£000	£000	£000	£000	
14	<u>Environmental Services</u> DMT and Support Streamline the Directorate's senior management and senior management support arrangements	Transp't Pl.& Regen.	-230	-230	0	0	-7
15	Capitalise Highways Planned Maintenance One off measure	Transp't Pl.& Regen. / N'hood	-340	340	0	0	
16	Contact Centre and Client Arrangements Undertake a review and reorganisation process to establish the Directorate wide multi media Contact Centre by early 2008, creating larger front office and smaller back office activities	Transp't Pl. & Regen./ Sust. & Biodiversity	0	-650	0	0	?
17	Waste Management Reduce base budget for waste disposal in line with lower growth forecast	Sust. & Biodiversity	-200	0	0	0	
18	Review of Income Increase income targets following review of all income areas across the Directorate	Transp't Pl.& Regen.	-50	0	0	0	
19	Environmental Education Programme An increase in the DEFRA Grant in 2007/08 and its use to support the Environmental Education programme allows a one off reduction in the base budget. The future of the grant and its use is uncertain however additional resources will be required for Environmental Education in the lead up to the launch of the new waste arrangements in September 2008.	Sust. & Biodiversity	-50	50	0	0	
20	Planning The Government has announced that Planning Delivery Grant will cease in 2007/08. When that happens, It will be necessary to reduce expenditure currently funded from that grant.	Transp't Pl.& Regen.	0	-360	-100	0	?
21	Future years' savings		0	-450	-1,690	-1,390	??
	Total		-870	-1,300	-1,790	-1,390	-7

MEDIUM TERM SERVICE and FINANCIAL PLAN 2007/08 to 2010/11
Summary of Planned Budget Changes

Ref.	Description	Executive Portfolio	Year on Year change				Staffing Change 2007/08 (FTE)
			2007/08	2008/09	2009/10	2010/11	
			£000	£000	£000	£000	
22	Learning & Children's Services Learning & School Effectiveness	-					
a	Restructuring of services (Student Support, Inspection & Advisory Service, Educational Psychologists and Support for Learning)	Children & Y P	-46	-10			-3.0
b	Increased income targets and reductions in supplies & services	Children & Y P	-52				
c	Deletion of Clothing Grants	Children & Y P	-15				
23	Youth, Inclusion & Participation						
a	Restructuring of services (Youth Service and YIP Social Work)	Children & Y P	-54				-1.8
b	Increased income targets and reductions in supplies & services	Children & Y P	-20				
c	Closure and disposal of Chessington Youth and Community Centre	N'hood	-31	-50			-1.0
24	Children's Services & Safeguarding Reprovision of Berradene Residential Home linked with introduction of salaried foster carers to provide capacity in RBK and reduce use of expensive out-Borough provision	Children & Y P / Leader	-289	-139	-50		-5.7
25	Lifelong Learning & Leisure Review of Library provision:						
a	Reduce Strategic Libraries budget	N'hood	-20				-2.4
b	reduce opening hours at one branch library (one afternoon per week at Surbiton)	N'hood	-14				-0.6
c	introduce charges for internet use in Libraries, and for entry to the Museum	Leader / N'hood	-7				
26	Resources & Strategic Management						
a	Restructuring of services - reducing support available to senior management team, service managers and Children's Trust arrangements	Children & Y P	-82	-50	-28		-3.8
b	Reduction in social care training	Children & Y P	-20				
27	Future years' savings		-	-1,850	-922	-1,000	?
	Total - Learning & Children's Services		-650	-2,099	-1,000	-1,000	-18.3

RECONCILIATION OF ORIGINAL BUDGET 2006/2007 TO BUDGET 2007/2008

	£000	£000
Original Budget 2006/2007 (inc Levies)		103,320
<u>Inflation</u>		
Pay awards	1,832	
Non pay items	1,846	
Concessionary Fares	335	
Levies	31	
	<hr/>	4,044
<u>Other Staff Costs</u>		
Contractual Increments	709	
Pensions Actuarial Review	417	
	<hr/>	1,126
<u>Other Cost Increases and Variations</u>		
RSG Amending Reports for 2003/04 and 2004/05	- 102	
Reversal of General Fund Balance contribution	800	
LPSA Grant - Tranche 1	600	
Financing Capital Programme	1,195	
Landfill Tax Increases	190	
RBK Election	- 110	
Full Year Effect of 2005/06 and 2006/07 Items	188	
	<hr/>	2,761
Detailed Base Budget 2007/2008 (inc Levies)		111,251
Budget Changes (Annex 9.2)		
Planned and Expected Budget Growth		1,939
<u>Planned Budget Reductions</u>		
Central Services	- 725	
Community Services	- 995	
Environmental Services	- 870	
Learning and Children's Services	- 650	
	<hr/>	- 3,240
One Off Measures in 2007/08		
LPSA 1 Reward Grant - Tranche 2		- 450
Use of Capital Reserve		- 1,925
Proposed Net Budget Requirement 2007/2008 (inc Levies)		<u>107,575</u>

REVENUE BUDGET RISK ANALYSIS

This analysis has been prepared in line with guidance issued by CIPFA to meet the requirements of the Local Government Act 2003.

1. Inflation

The adequacy of the budget provision for pay and price inflation is discussed in the main report.

- **Pay Inflation** - the budget assumes that awards for all staff groups will be 2.5% from the various dates. The cost of teachers' pay is now met almost entirely from Dedicated Schools Grant, so any variation from 2.5% for that staff group will not impact significantly on the General Fund. However, should the award for non-teaching staff exceed the 2.5% allowed for, then this will create a budget pressure. An award of 0.5% more than budgeted (ie 3% in total) would add approximately £360,000 to the Council's expenditure.
- **Non-pay inflation** - estimates contain a realistic provision for non-pay inflation, based upon an average of 2%. Individual estimates have been adjusted to take account of variations from (above and below) 2% which were known or predicted at the time estimates were prepared. Significant specific variations which have come to light subsequently are detailed below.
- **Residential Care** – the cost increase applied to residential placements in the independent sector is based upon the December Retail Prices Index (RPIx). The figure published on 16 January 2007 for this index is 3.8%. This means that, after taking into account income from service users, a budget pressure of £300,000 exists in respect of this item. The placements budget is volatile and demand-led and officers will seek to manage the position in the year.

2. Demands-led and Need-led Budgets

RBK has a number of large, demand or needs-led budgets for statutory services. Some of these are volatile, as Members will recall from budget monitoring reports in recent years. The main ones are:

	<u>Possible Risk</u>	
	<u>Level</u>	<u>£m</u>
<ul style="list-style-type: none"> ▪ Highways Winter Maintenance – budget covers only a small number of call outs. The cost of a full call-out varies according to the time of day etc. Budget risk for additional 15 full call-outs. Based on recent winters, risk level is assessed as low. 	(low)	0.060

	<u>Possible Risk</u>	
	<u>Level</u>	<u>£m</u>
<ul style="list-style-type: none"> ▪ Waste Management – budget for 2007/08 is £4.209 million. A rise in the rate of growth of 3% would add approximately £126,000 to the cost. 	(med)	0.126
<ul style="list-style-type: none"> ▪ Landfill Allowance Trading Scheme – the Government’s LATS came into effect on 1 April 2005. The scheme is designed to divert biodegradable waste from landfill by limiting the amount of biodegradable waste that each Waste Disposal Authority can send to landfill. The Government has set a maximum tonnage per annum for each waste disposal authority. This allowance reduces over each year with allowances currently set to 2020. The Council’s LATS allowance for 2007/08 is 39,922 tonnes, a reduction of 3,088 tonnes from 2006/07. The additional risk to the Council of this reduced allowance in 2007/08 is £463,000 unless additional biodegradable waste is diverted from landfill. 	(med)	0.463
<ul style="list-style-type: none"> ▪ Residential Care for Older People (external placements) – net budget for 2007/08 is £4.763 million. Increase of 5% in demand would cost £0.238 million. Based on recent trends in numbers, the risk is medium. 	(med)	0.238
<ul style="list-style-type: none"> ▪ Residential Care (Adults aged 18 to 64) (external placements) – net budget for 2007/08 is £7.129 million. Increase in demand of 5% would cost £0.356 million. Some individual placements can be very expensive, hence risk considered high. 	(high)	0.356
<ul style="list-style-type: none"> ▪ Domiciliary care – net budgets for 2007/08 are £4.785 million. Increase in demand of 3% would cost £0.144 million. Some individual cases are expensive and demand in recent years has increased. Based on recent trends in numbers, risk is medium 	(med)	0.144
<ul style="list-style-type: none"> ▪ Homelessness - Bed and Breakfast - 2007/08 net budget is £0.066. Budget can be volatile, but risk is lowered because of success in preventative work and use of alternative provision (eg private leasing; tenant finder; hostels). Potential exposure 	(med)	0.100
<ul style="list-style-type: none"> ▪ Housing and council tax benefits – 2007/08 budgeted gross spend £53.8 million is offset by budgeted Government subsidy receipts of £52.8 million. Effect of a 1% variation in subsidy recovery. Following recent improvements in subsidy recovery and 	(low)	0.528

	<u>Possible Risk</u>	
	<u>Level</u>	<u>£m</u>
changes in subsidy arrangements, risk is assessed as low. However, changes in arrangements for notifying changes in circumstances have led to increased level of overpayment – risk is high	(high)	0.200
<ul style="list-style-type: none"> ▪ SEN Home to School Transport - 2007/08 budget is £2.140 million. Individual placements can be expensive. Effect of 5% variation. Due to the recent effective SEN strategy risk is assessed as medium. 	(med)	0.107
<ul style="list-style-type: none"> ▪ Social Services (Children) - external placements. 2007/08 budget is £1.963 million. Individual placements can be very expensive. Effect of one or two additional looked after children at that level. 	(high)	0.200
<ul style="list-style-type: none"> ▪ Warren Park – renegotiation of contract with NCH. 2007/08 budget is £1.397 million. Currently assessing potential gap between overall levels of need for service and capacity to met this at Warren Park. Any shortfall in local provision may result in out-borough expensive residential placements. Effect of two additional placements at that level. 	(high)	0.300
<ul style="list-style-type: none"> ▪ Unaccompanied Asylum Seeking Children – 2007/08 net budget is £0.350 million. Service is funded by grant based on numbers and age of children being supported. If there are fewer children than estimated grant will reduce (and threshold may not be reached) but service core costs will remain. Also risk that grant arrangements are unknown for 2007/08. 	(high)	0.100
Total		<u>2.922</u>

3. RBK also has a large number of income budgets whose achievement could be due to factors outside of the Council’s control. The main ones are:

	<u>Possible Risk</u>	
	<u>Level</u>	<u>£m</u>
<ul style="list-style-type: none"> ▪ Local Land Charges (2007/08 budget £0.585 million). The growth in personal searches (which attract a lower fee) means that the income in 2006/07 is significantly below the budget. The budget for 2007/08 has been adjusted to reflect changes in regulations, but risk of under-recovery is medium. 	(med)	0.100

▪ Off street car parking – 2007/08 budget for income is £4.192 million.		
Effect of a 5% reduction in income	(low)	0.210
▪ On street parking account – the budgeted surplus from this account for 2007/08 is £1.008 million. This is based on a projected income of £4.026 million.		
Effect of a 5% reduction in income	(med)	0.200
▪ Development Control Charges (2007/08 budget is £545,000). Effect of 5% fall in demand	(low)	0.027
▪ Building Control Fees (2007/08 budget is £632,000)		
Effect of 5% fall in demand	(low)	0.032
▪ Markets and Street Trading (2007/08 budget is £425,000). Effect of 5% fall	(med)	0.021
▪ Social Services – income from charges for Residential Care – 2007/08 budget is £4.064 million.		
Effect of a 2% variation in clients' liability for charges	(low)	0.081
▪ Private Leasing Scheme – 2006/07 budget for rental income is £7.467 million. A reduction in recovery rate of 2% would cost	(low)	0.150
Total		0.821

4. Planning Delivery Grant (PDG)

The Council currently receives PDG from the Government. The grant is based on planning performance. For 2006/07, the grant was £460,800. The 2007/08 grant will be awarded in three tranches, of which only the first has so far been announced. This amounted to just over £50,000. Any reductions from the grant received in 2006/07 will create a budget pressure. Risk of possible reduction of £100,000 considered medium.

5. Interest and Capital Financing

The budget for 2007/08 includes expenditure of £8.0 million on interest payments and income of £5.2 million from interest earned on investments. Most of the Council's external borrowing is at long-term fixed rates of interest, so exposure to rising interest rates is limited to new borrowing and replacement of maturing debt which occurs during the year. The Treasury Management team monitor interest rates so as to protect the Council's position by taking out new loans at the most advantageous times. There is, nevertheless, an exposure to risk linked to the amount of variable interest borrowing outstanding (£0.5 million) and to the estimated borrowing requirement of £24 million, of say, a 1% variation in interest rates, ie £0.250 million.

On the income side, use of fixed interest investments for up to 364 days has reduced the Council's exposure to a fall in interest rates. However, the residual risk attached to a 1% fall is £0.7 million.

As these risks move in opposite directions, the net exposure is £0.450 million for 1% fall in interest rates. Given the fact that currently interest rates are subject to fluctuations, that most economic experts expect this to continue, and the budget includes a forecast of rate changes, this risk is considered medium.

6. Health Service Funding

It is possible that additional pressures could fall on Community Care budgets as a result of funding changes in the local health economy. Kingston PCT is projecting a financial deficit of £22 million in 2006/07 and is planning to make significant budget savings in 2007/08 as part of its Recovery Plan. Many of RBK's services are commissioned and delivered in partnership with the PCT. Community Care will continue to work closely with the NHS, but it is possible that some of these changes will have an impact on RBK's costs.

7. Schools Budget Issues

The funding arrangements for the Schools Budget provides a ring-fenced grant to fund all Schools Budget services. The Dedicated Schools Grant (DSG) therefore covers both central pupil-related budgets and the total to be distributed to individual schools by Kingston's funding formula. Whilst it is not permissible (subject to certain exceptions specified in Regulations) for DSG to be spent outside the Schools Budget, it remains permissible for LAs to spend other resources on topping-up the Schools Budget. In the light of the wider LA budgetary outlook, it is not proposed to make any such contribution in 2007/08 and the budget proposals assume that all costs on these services will be contained within the level of the grant.

The multi-year budget arrangements provide for the total DSG underspend or overspend to be carried forward to the next financial year. In the event of an overspend, this will need to be met from within the headroom of the next year's settlement. There is a low level risk that, in the event of a substantial overspend on central pupil-related budgets such as Special Educational Needs, there would be insufficient headroom within the Schools Budget to fund both the previous year's overspend, set a realistic budget, including growth for the new provision and meet the cost of the minimum funding guarantee for individual schools. In such a circumstance, there could be a requirement that the Local Authority top-up the level of the Dedicated Schools Grant. This low level risk could hypothetically exist from 2008/09.

8. Summary

From the above analysis, it is possible to construct a matrix summarising the Council's exposure to budget risks as follows:

	<u>Risk Level</u>			<u>Total</u> £m
	<u>Low</u> £m	<u>Medium</u> £m	<u>High</u> £m	
Pay Awards	0.360	-	-	0.360
Residential Care	-	0.300	-	0.300

Demand-led	0.588	1.178	1.156	2.922
Income	0.500	0.321	-	0.821
Planning Delivery Grant	-	0.100	-	0.100
Interest	-	0.450	-	0.450
Health Funding	-	0.300	-	0.300
Schools Budget	0.300	-	-	0.300
Total	<u>1.748</u>	<u>2.649</u>	<u>1.156</u>	<u>5.553</u>
Weighting	0.3	0.5	0.8	
Risk x weighting (£m)	0.524	1.325	0.925	2.774

Effectively, the Council's likely exposure to budget risk in 2007/08 is £2.8 million. This could be as high as £5.6 million, but this is considered unlikely given the low level of risk attached to some of the items, and also because of the strength of the Council's budget monitoring systems

9. Conclusion

Taking into account the above analysis, the Strategic Director of Finance advises that the Council's current strategy for a level of balances equivalent to 3.5% of net expenditure (excluding schools) is sustainable. Given potential risks contained in the proposed budget, together with the impact of any use of reserves on the Council's medium term financial position, the Strategic Director of Finance advises that he cannot recommend any planned reduction in the level of balances as part of the 2007/08 budget. The forecast General Fund Balance is slightly less than the recommended 3.5%. However, the current year's budget monitoring position could enable this to be addressed by 31 March 2007.

FORECAST GENERAL FUND BALANCE

	£000
Balance at 1 April 2006	4,746
Less: Neighbourhood Committee underspendings carried forward from 2005/06 to spend in 2006/07	-284
Less: Budgeted use of balances 2006/07	<u>-800</u>
Forecast balance at 31 March 2007	3,662
Budgeted contribution to/from balances 2007/08	-
Forecast balance at 31 March 2008	<u>3,662</u>

Note:

This forecast assumes that in both 2006/07 and 2007/08, expenditure will be in line with the approved budget.

EARMARKED REVENUE RESERVES

The Local Government Act 2003 requires the Council to consider the level and planned use of its earmarked revenue reserves as part of its budget setting process.

RBK's major earmarked revenue reserves are summarised in the table on the following page. The use to which it is intended will be applied is as follows:

- (i) **Schools' Delegated Funds** – these are the sums which are held by schools as a result of underspendings on their delegated budgets. They are available only to the individual school in each case. The schools draw upon these reserves to fund either one-off projects or to meet ongoing revenue expenditure.
- (ii) **Adult Education Reserves** – this consists of two separate reserves. One contains funds received from the LSC and will be used over the next three years to offset any shortfall in income due to increased fees to users. The second is a renewals fund for IT and other equipment within the service and will be utilised on a planned basis.
- (iii) **Insurance Fund** – whilst the Council purchases insurance externally for major risks, there are some risks where it is not cost-effective to do so. In these cases, “premiums” are charged to the service and are used to meet those “claims” which are not recovered from our external insurers. The Fund is reviewed annually and any surplus provision in respect of past claims is transferred to revenue.
- (iv) **Renewals and Repairs Fund** – this Fund is used to finance the replacement of the Council-owned vehicles and equipment which are used to deliver services, as and when those vehicles need replacing. Contributions to meet the cost of the replacements are made to the Fund from the appropriate service revenue account.
- (v) **Capital Reserve Fund** – this reserve is earmarked to finance expenditure on projects included within the approved capital programme. The draft budget strategy assumes that £1.925 million from this reserve will be used to support revenue expenditure in 2007/08.
- (vi) **Kingston Bridge Fund** – these monies were inherited from the former Greater London Council in 1986, following the abolition of the authority. The Fund may only be used for specific purposes connected within the Bridge.
- (vii) **On-Street Car Parking Account and Bus Lane Enforcement Reserve** – the Council is required to keep separate accounts for the costs and income related to these activities. The legislation prescribes the use to which any surplus may be put. In the budget for 2007/08, £1.227 million from these accounts will be used to fund revenue expenditure within the prescribed categories. Full details of the forecast surplus on the accounts and allocation thereof was reported to the Executive on 13 February 2007.

- (viii) **National Insurance Reserve** - the Inland Revenue has served “notices” on RBK for payment of National Insurance contributions in cases where RBK may have failed to comply with regulations regarding individuals with more than one part time job. RBK has appealed against the notices, but the Director of Finance advised that it was appropriate to create a reserve in case the appeal tribunal finds against the Council.
- (ix) **Borough ‘gold zones’** – this was created from an underspend in 2004/05 and is expected to be used in 2006/07.
- (x) **Corporate Assessment Reserve** – this reserve was created from underspending in 2005/06 and used to meet the significant one-off costs arising from the Corporate Assessment in 2006/07.
- (xi) **Borough Elections Reserve** – to avoid a significant one-off cost in the year of a whole Council election, this reserve is used to provide for the cost of elections over the four year term between elections. The next whole Council election will be held in May 2010.
- (xii) **Invest to Save Reserve** – this reserve was created from underspendings in 2005/06 and will be used to defray one-off costs necessary to deliver ongoing revenue savings as part of the Council’s medium term strategy.
- (xiii) **Waste Management – LATS Reserve** – the Government has introduced the Landfill Allowances Trading Scheme (LATS) from 2005/06. Under this scheme, the Council is given an annual “allowance”, which is the maximum amount of biodegradable municipal waste which the Council is permitted to send to landfill. The allowance decreases annually. From underspendings in 2005/06, this reserve was created to safeguard the Council’s future position in case it should be necessary to purchase “permits” under this scheme.

SUMMARY OF MAJOR EARMARKED REVENUE RESERVES

	<u>Balance</u> <u>at</u> <u>1/4/05</u> <u>£000</u>	<u>Actual</u> <u>Movement</u> <u>2005/06</u> <u>£000</u>	<u>Balance</u> <u>at</u> <u>1/4/06</u> <u>£000</u>	<u>Estimated</u> <u>Movement</u> <u>2006/07</u> <u>£000</u>	<u>Balance</u> <u>at</u> <u>1/4/07</u> <u>£000</u>	<u>Estimated</u> <u>Movement</u> <u>2007/08</u> <u>£000</u>	<u>Balance</u> <u>at</u> <u>1/4/08</u> <u>£000</u>	<u>Estimated</u> <u>Movement</u> <u>2008/09</u> <u>£000</u>	<u>Balance</u> <u>at</u> <u>1/4/09</u> <u>£000</u>
Schools Delegated Funds	5,190	950	6,140	-140	6,000	-200	5,800	-200	5,600
Adult Education Reserves	469	83	552	-52	500	-50	450	-50	400
Insurance Fund	3,685	-29	3,656	-360	3,296	-260	3,036	-150	2,886
Repairs and Renewals Fund	1,968	322	2,290	-340	1,950	-1,150	800	-100	700
Capital Reserve - General	3,257	1,849	5,106	-1,106	4,000	-2,925	1,075	0	1,075
Kingston Bridge Fund	638	9	647	32	679	34	713	36	749
On Street Parking Account and Bus Lane Enforcement Reserve	674	38	749	-154	595	-562	33	-33	0
National Insurance Reserve	500	0	500	-100	400	-300	100	-100	0
Borough 'Gold Zones'	120	-1	119	-119	0	0	0	0	0
Corporate Assessment Reserve	0	200	200	-200	0	0	0	0	0
Borough Elections Reserve	0	60	60	0	60	41	101	42	143
Invest to Save Reserve	0	1000	1,000	-200	800	-600	200	-200	0
Waste Management - LATS Reserve	0	368	368	-268	100	-100	0	0	0
	<u>16,501</u>	<u>4,849</u>	<u>21,387</u>	<u>-3,007</u>	<u>18,380</u>	<u>-6,072</u>	<u>12,308</u>	<u>-755</u>	<u>11,553</u>

PRUDENTIAL SYSTEM FOR CAPITAL FINANCE - PRUDENTIAL INDICATORS

	<u>2005/06</u> <u>Actual</u> £000	<u>2006/07</u> <u>Budget</u> £000	<u>2006/07</u> <u>Latest</u> £000	<u>2007/08</u> <u>Budget</u> £000	<u>2008/09</u> <u>Budget</u> £000	<u>2009/10</u> <u>Budget</u> £000
Capital Expenditure						
General Fund	31,896	40,023	39,811	52,006	33,665	21,375
Housing Revenue Account	6,330	7,386	8,837	7,363	6,720	6,068
	<u>38,226</u>	<u>47,409</u>	<u>48,648</u>	<u>59,369</u>	<u>40,385</u>	<u>27,443</u>
Net Revenue Stream						
General Fund	167,472	103,320	103,600	107,600	111,400	115,000
Housing Revenue Account	22,886	24,260	23,927	25,355	26,500	27,600
	<u>190,358</u>	<u>127,580</u>	<u>127,527</u>	<u>132,955</u>	<u>137,900</u>	<u>142,600</u>
Capital Financing Costs						
General Fund	5,358	7,591	6,550	7,687	8,937	10,106
Housing Revenue Account	328	370	776	1,093	1,311	1,483
	<u>5,686</u>	<u>7,961</u>	<u>7,326</u>	<u>8,780</u>	<u>10,248</u>	<u>11,589</u>
Ratio of Capital Financing Costs to Net Revenue Stream						
General Fund	3.20%	7.35%	6.32%	7.14%	8.02%	8.79%
Housing Revenue Account	1.43%	1.53%	3.24%	4.31%	4.95%	5.37%
Impact of Capital Investment on Council Tax and Housing Rents						
<u>General Fund</u>						
Effect on Band D Council Tax (£)				£ 1.08	£ 14.51	£ 26.19
Effect on Band D Council Tax (%)				0.09%	1.25%	2.26%
<u>Housing Revenue Account</u>						
Effect on Average Weekly Rent (£)				£ 1.01	£ 1.62	£ 2.05
Effect on Average Weekly Rent (%)				1.31%	2.11%	2.67%
	<u>Budget</u> <u>1 April 06</u>	<u>Actual</u> <u>1 April 06</u>	<u>Budget</u> <u>1 April 07</u>	<u>Budget</u> <u>1 April 08</u>	<u>Budget</u> <u>1 April 09</u>	<u>Budget</u> <u>1 April 10</u>
Capital Financing Requirement						
General Fund	94,760	93,552	110,915	127,351	142,962	153,122
Housing Revenue Account	6,405	7,745	11,585	13,999	15,858	17,069
Overall	<u>101,165</u>	<u>101,297</u>	<u>122,500</u>	<u>141,350</u>	<u>158,820</u>	<u>170,191</u>
Gross External Debt	152,700	150,500	149,500	149,300	145,200	143,000
Net External Borrowing						
Gross External Debt	152,700	150,500	149,500	149,300	145,200	143,000
Investments	90,000cr	104,100cr	90,000cr	90,000cr	90,000cr	90,000cr
Net Borrowing	<u>62,700</u>	<u>46,400</u>	<u>59,500</u>	<u>59,300</u>	<u>55,200</u>	<u>53,000</u>
Net Borrowing and CFR Comparison						
Overall CFR	101,165	101,297	122,500	141,350	158,820	170,191
Net Borrowing	62,700	46,400	59,500	59,300	55,200	53,000
	<u>38,465</u>	<u>54,897</u>	<u>63,000</u>	<u>82,050</u>	<u>103,620</u>	<u>117,191</u>
	<u>2005/06</u> <u>Actual</u>	<u>2006/07</u> <u>Budget</u>	<u>2006/07</u> <u>Latest</u>	<u>2007/08</u> <u>Budget</u>	<u>2008/09</u> <u>Budget</u>	<u>2009/10</u> <u>Budget</u>
Forecast Operational Boundary	169,000	197,000	194,000	196,000	200,000	200,000
Forecast Authorised Limit	177,000	209,000	200,000	210,000	213,000	215,000

KINGSTON 2011+ - A ROUTE MAP

Destination	Key Activities	How will we get there?
<ul style="list-style-type: none"> • A national reputation as the best place to live and work. • Residents are confident about the future – a place where things happen. 		
<ul style="list-style-type: none"> • The Best Place to Live – ‘building a sustainable and cohesive community’ KO 12 • Neighbourhoods and Participation – ‘empowering residents in shaping services’ KO 4 • Improving How the Council Works – ‘partnership and innovation’ KO 3 		
<p>Kingston attracts investment and people wishing to live and work here. The public are confident about the ability of public service providers to plan and work together to meet their needs; services are perceived as Kingston’s and not those of separate agencies. Local people are confident about the future and recognise Kingston as a place where things happen. The Council is a community leader as well as a respected champion of the community.</p>	Customer First - improve access to the Council so that it responds as a single organisation to those making contact.	Policy Programme
	Community leadership and engagement through re-focused neighbourhoods.	Community Plan Policy Programme
	Complete and implement constitutional review devolving more power to Neighbourhoods.	Policy Programme Prof. Steve Leach
	Implement neighbourhood charters and community plans and rationalise future budgets for Neighbourhoods.	Policy Programme Strategy Board (PWC)
	Ensure children and young people engage in decision-making and contribute to the development of services.	Youth Council Children and Young People’s Plan
	Implement strategy to deliver a redesigned borough library service.	Strategy Board (PWC)
	Implement a strategy for the long-term rationalisation of the Councils’ assets.	Strategy Board (PWC)

Destination	Key Activities	How will we get there?
<ul style="list-style-type: none"> • A national reputation as the best place to live and work. • Residents are confident about the future – a place where things happen. 		
<ul style="list-style-type: none"> • A Thriving Local Economy – ‘designing a prosperous future together’ KO 8 		
<p>Residents recognise that Kingston town centre is building upon its unique riverside, historic core and high quality shopping to promote physical, social and economic regeneration in order to diversify our economic base.</p>	<p>Raise awareness of K+20 and develop models and delivery mechanisms for implementation.</p>	<p>Community Plan Policy Programme After Dark Strategy UDP to LDF Kingston Town Centre Area Action Plan Cultural Strategy Kingston First LIP</p>
	<p>Identify sites for development of business premises.</p>	
	<p>Put the ‘Thames’ back into Kingston.</p>	
	<p>Enhance the quality and range of attractions for visitors and businesses.</p>	
	<p>Implement the BID - improving cleanliness, security marketing etc. Renew for five more years in 2009.</p>	
	<p>Increase the availability of affordable housing.</p>	
<p>The Rose Theatre in Kingston has seen several seasons of successful and profitable productions attracting national critical acclaim. The Kingston University MFA is a nationally recognised source for theatrical talent.</p>	<p>Fit out and open the Rose Theatre.</p>	<p>Policy Programme Theatre Trust</p>
	<p>Support the University and local groups in using the theatre.</p>	<p>Policy Programme Cultural Strategy</p>
<ul style="list-style-type: none"> • Cleaner and Safer Neighbourhoods – ‘the safest borough in Greater London’ KO 5 		

Destination	Key Activities	How will we get there?
<ul style="list-style-type: none"> • A national reputation as the best place to live and work. • Residents are confident about the future – a place where things happen. 		
The night-time environment in Kingston and other town centres is prosperous, safe and offers a mix of entertainment for a wide range of people.	<p>Reduce anti-social behaviour and youth offending.</p> <p>Reducing the fear of crime.</p> <p>Improve safety and perceptions of safety after dark.</p> <p>Reduce violent crime and street crime and drug-related crime.</p> <p>Improve funding for CCTV.</p> <p>Support further Police Safer Neighbourhood Teams.</p> <p>Deliver joint ventures with businesses to make the town cleaner and safer.</p> <p>Combat environmental crime – particularly graffiti and abandoned cars.</p>	<p>Policy Programme Kingston First Trading Standards Team Plan Youth Justice Plan Crime and Disorder Reduction Strategy After Dark Strategy</p>
Residents express satisfaction about the cleanliness of streets in town centres and residential areas.	<p>Joint working with contractors to continually improve standards.</p>	<p>Resident satisfaction Consistently exceed minimum standards</p>
Residents and visitors recognise that local district centres are developing to safeguard a sustainable future.	<p>Co-ordinated development initiatives for District Centres.</p>	<p>Complete Tolworth Broadway revitalisation by 2009 Policy Programme</p>

Destination	Key Activities	How will we get there?
<ul style="list-style-type: none"> • A national reputation as the best place to live and work. • Residents are confident about the future – a place where things happen. 		
<ul style="list-style-type: none"> • Sustainable Travel – ‘a sustainable transport system accessible to all’ KO 7 		
Residents notice improvements to peak time traffic congestion and parking problems and significant numbers of residents are changing the way they travel in response to the Green Travel campaign. The roads in the borough are safer.	Reduce congestion on the road network.	LIP Community Plan
	Influence reduction in travel demand through Green travel Plans.	LIP Non-car share of work and school trips – down to 45% by 2011 Air Quality Action Plan
	Allocate more road space to efficient users to make car usage less attractive.	LIP Increase usage by pedestrians, cyclists and buses – car usage down 5% by 2011
	Improve conditions for cycling and walking.	LAA – cycle lanes 6% of network by 2011
	Devise strategy to fund future highway maintenance to acceptable standards.	Strategy Board (PWC)
	Reduce road casualties, particularly for vulnerable users.	LIP and LAA – 50% reduction by 2010

Destination	Key Activities	How will we get there?	
<ul style="list-style-type: none"> • Residents consider services which matter most are high quality. • An outstanding reputation for innovation, engagement, and designing services with users. 			
<ul style="list-style-type: none"> • Reduce, Re-use and Recycle – ‘an environmentally conscious community and a sustainable borough’ KO6 			
<p>Local people are changing the way they think and act about disposing of waste and recycling in response to our campaigns and services. Our ecological footprint is smaller than it was in 2006.</p>	<p>Increase the amount of waste recycled.</p>	<p>Recycle/compost 35% by 2010 and 47% by 2020 Recover value from 45% of municipal waste by 2010</p>	
	<p>Implement the Waste Strategy.</p>	<p>Waste strategy</p>	
	<p>Procure new disposal and collection services that will rationalise the impact of extra costs of disposal, investment and LATS.</p>	<p>Contracts re-let by 2008 Strategy Board (PWC)</p>	
	<p>Expand the door to door recycling collection.</p>	<p>30% cardboard and biodegradable waste. Waste Strategy</p>	
	<p>Reduce fuel poverty and conserve energy.</p>	<p>Community Plan</p>	
	<p>Enhance local biodiversity.</p>	<p>Community Plan UDP</p>	

Destination	Key Activities	How will we get there?	
<ul style="list-style-type: none"> Residents consider services which matter most are high quality. An outstanding reputation for innovation, engagement, and designing services with users. 			
<ul style="list-style-type: none"> A Fair deal for Tenants – ‘improving conditions for all people across all tenures’ KO 9 			
Tenants are confident that sustainable long-term improvements to their housing are consistent with their Tenants’ Charter.	Increase tenant satisfaction.	Housing Strategy	
	Meet the decent homes standard and resolve capital investment pressures.	Housing Strategy Strategy Board (PWC)	
‘Homeless’ people recognise that the Council is offering good standard housing.	Reduce the number of children living in sub-standard homes.	LAA Housing Strategy	
	Reduce the average stay in B and B Reduce the number of families in temporary accommodation.		
	Implement strategy to meet long-term sheltered housing needs.	Housing Strategy Strategy Board (PWC)	

Destination	Key Activities	How will we get there?	
<ul style="list-style-type: none"> • Residents consider services which matter most are high quality. • An outstanding reputation for innovation, engagement, and designing services with users. 			
<ul style="list-style-type: none"> • A Healthy Borough Caring for the Vulnerable – ‘a regional centre for health care’ KO 10 			
Residents are healthier and live longer as a result of our services and campaigns.	Promote active lifestyles for adults.	Community Plan LAA	
	Reduce obesity, alcohol misuse, and smoking and improve sexual health.	Choosing Health Alcohol and Obesity Strategies	
	Implement new models of day services to increase choice and reduce social isolation.	Policy Programme Supporting People Strategy	
	Increase user-choice and control by enhancing the direct payments scheme and promoting personalised budgets.	Policy Programme	
	Increase access to service information.	Policy Programme	
	Integrate more services with partners at the front-line.	Policy Programme	
	Operate services for older people that take account of increased numbers aged 65+	Strategy Board (PWC)	
	Ensure that the long-term recovery of the PCT provides the best health solutions for borough residents.	Strategy Board (PWC)	

Destination	Key Activities	How will we get there?	
<ul style="list-style-type: none"> Residents consider services which matter most are high quality. An outstanding reputation for innovation, engagement, and designing services with users. 			
<ul style="list-style-type: none"> Better Schools and Services for Young People and Families – ‘a learning community’ KO 11 			
Residents recognise that Education in Kingston exceeds previous high standards and provides excellent opportunities for all.	Improve educational achievements and recreational activities for children and young people.	Children and Young People’s Plan	
	Increase the number of young people in education, employment and training and that they live in decent homes free from low income	Children and Young People’s Plan	
Parents and residents appreciate community access to school buildings and the stability and long-term improvement of the education system through investment in new facilities.	Implement the schools building programme.	Rebuild Chessington CC by 2008 Refurbish all Secondary Schools by 2016 Refurbish half Primary Schools by 2023	
	Deliver the extended schools programme.	Half of schools open 6am-8pm by 2008 Seven new children’s centres for those under five by 2008 Children’s’ Centre Strategic Plan Schools Cluster Services Strategy Childcare Strategy	

Destination	Key Activities	How will we get there?	
<ul style="list-style-type: none"> • A mould-breaking journey. • We face rising expectations and no diminishing ones, policy priorities must be framed through effective governance and within the context of our medium and long-term financial challenges. The way we manage our journey is as important as the destination we set ourselves. • Our aspirations will focus throughout on the co-production of public value. 			
<ul style="list-style-type: none"> • Financial Responsibility – ‘a secure future for generations to come’ KO 1 • A Thriving Voluntary Sector – ‘building capacity within the community’ KO 2 			
Residents are confident about the Council’s ability to provide community leadership, work effectively with partners, provide value for money, a financially secure future and the right workforce to deliver services.	Develop and implement a medium/long-term financial plan to secure investment for service priorities.	Strategy Board (PWC)	
	Minimise council tax increases.	Policy Programme	
	Rationalise the pressures arising from waste, asylum seeking children, community care.	Strategy Board (PWC)	
	Lobby for an increase in RSG.	Policy Programme	
	Recruit and retain the best possible staff.	Workforce Plan	
	Implement community leadership and governance arrangements	Constitutional Review	

GOVERNANCE ARRANGEMENTS FOR COMMUNITY LEADERSHIP WORK – RELATIONSHIP WITH COUNCIL GOVERNANCE ARRANGEMENTS

