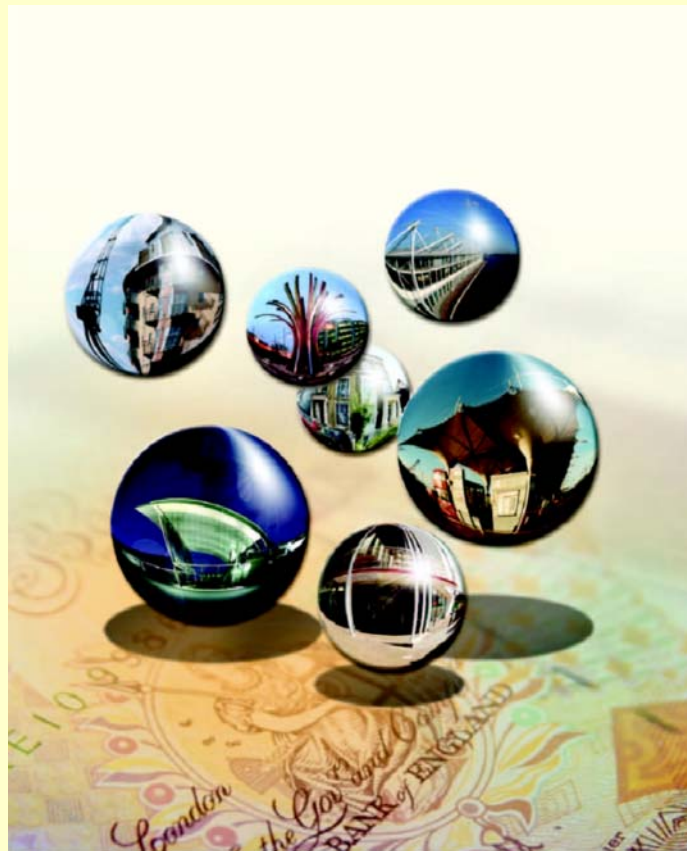




Budget Book 2006/2007



Budget Book
Financial Year 2006/2007

Approved by Newham Council
February 2006

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Introduction to the Budget



INTRODUCTION TO THE BUDGET

On 20th February 2006 the Council approved the Mayor's final proposals for the 2006/2007 Budget and Council Tax. A summary of the General Fund budget is set out below. Band D Council Tax was set at £873.91, an increase of 1.94%.

GENERAL FUND BUDGET SUMMARY	2005/2006		2006/2007		% of Total
	£000	£000	£000	£000	
Service Area Budgets					
Crime and ASB	1,632		3,363		1.3%
Public Realm	35,158		38,624		15.5%
Housing and Public Protection	n/a		4,020		1.6%
Housing and Customer Services	13,704		n/a		n/a
Public Protection	5,277		n/a		n/a
Benefits and Customer Services	n/a		15,191		6.1%
Education including Schools	244,448		n/a		n/a
Culture and Community	20,463		23,133		9.3%
Children and Young People	n/a		98,181		29.3%
Adults Social Care	n/a		71,419		28.6%
Social Services	114,266		n/a		n/a
Resources	6,194		6,707		2.7%
Regeneration and Development	4,947		5,967		2.4%
Corporate and Strategic Management	8,186		7,501		3.0%
		454,275		274,106	
Central Budgets					
Interest on Cash Balances	-4,573		-5,272		-2.1%
Levies	511		546		0.2%
Capital Financing Costs	28,334		24,135		9.7%
Less Capital Charges	-38,822		-44,170		-17.7%
Other Central Budgets	2,877		4,903		2.0%
		-11,673		-19,858	
Use of Balances		-2,000		-4,329	-1.7%
Budget		440,602		249,919	100.0%

There have been a number of major changes in the way that local services are funded and delivered, most noticeably the introduction by Government of the Direct Schools Grant (DSG) that funds activities within schools previously funded as part of the Council's overall budget. This accounts for the significant difference in the total budget as presented above. Further details can be found later in the Budget Book.

MOVING TO EXCELLENCE

The Council has embarked upon an ambitious programme entitled "Moving to Excellence" (MtE). This has two main themes. The first is how the Council should be organised in order to deliver effective services and achieve the Newham Vision, including its leadership and management framework. To achieve those objectives the Council is also focusing on the cultural change needed i.e. how staff do their work, and this is the second theme of the MtE programme.

In 2005/2006 the MtE programme saw a number of changes that resulted in the realignment and refocusing of services and service management. This began at the top with the Newham Executive Board, which is now made up of the Chief Executive and Executive Directors with responsibilities for groups of related services rather than the traditional departmental approach. Services have been realigned to reflect the priorities of local people, to respond to national priorities and to achieve value for money in service delivery. The changes introduced through MtE began with the formation of Crime and Anti-Social Behaviour, Public Realm, and Resources service areas. They have since involved the formation of the new Children's and Young People Service, the bringing together of Adults services with Culture and Community, the realignment of the Housing, Customer Services and Public Protection service areas, and the bringing together of Planning and Regeneration services. These changes are reflected in the budget summary above.

CORPORATE AND SERVICE PLANNING FRAMEWORK

The Council's planning framework has undergone significant change over the past 12 months. The Council is a major contributor and partner in the borough's Community Plan, which sets out the aims and aspirations for Newham "the place" i.e. "by 2010 Newham will be a place where people choose to live and work". This plan identified 6 key themes that the Council has addressed in its own Corporate Plan. This has 6 key aims that the Council feels are essential to achieving that Vision, which are that Newham will be a place

- Where health and well being and the quality of housing continues to improve, where people are active, have greater independence and where the most vulnerable are supported
- Which is attractive, clean and well maintained
- Which is safer and where people feel safer
- Where young people are healthy, educated, safe, have high aspirations for employment and good self-esteem
- Where the diversity of its people is celebrated, where people live harmoniously, respect each other and play a full part in the life of their community
- Which is thriving economically and socially and where all people share in the growing prosperity

These are the outcomes that the Council is seeking to achieve through its Corporate Plan, which is supported by a Delivery Plan and individual service plans. Between them these provide a statement of the direction that the Council is moving in and the actions it will be taking over the next 5 years. Underpinning all of this is the MtE programme. In addition to this the Council is required to produce a range of statutory plans that cover individual services, the most recent example being the Children's and Young People Plan (CYPP).

BUDGET AND DELIVERY PLAN

The Council's approach to corporate and service planning has been linked to its budget planning process, and in February 2006 the 2006/2007 Budget and Medium Term Strategy were agreed alongside the Delivery Plan. This was to ensure that the budget could respond to changes in the need for resources as set out in the Delivery Plan.

A significant number of projects and activities that are key to the Delivery Plan are currently funded through the Neighbourhood Renewal Fund (NRF). This source of funding is currently due to reduce in 2007/2008 and end in 2008/2009. Delivery of the Corporate Plan outcomes however is likely to demand that many of these activities continue beyond 2007/2008. Thus the Council's mainstream budget needed to acknowledge this and provide scope for the continuation of such projects. This has been achieved, at least in part, through linking the Delivery Plan and Budget Strategy processes.

CONCLUSION

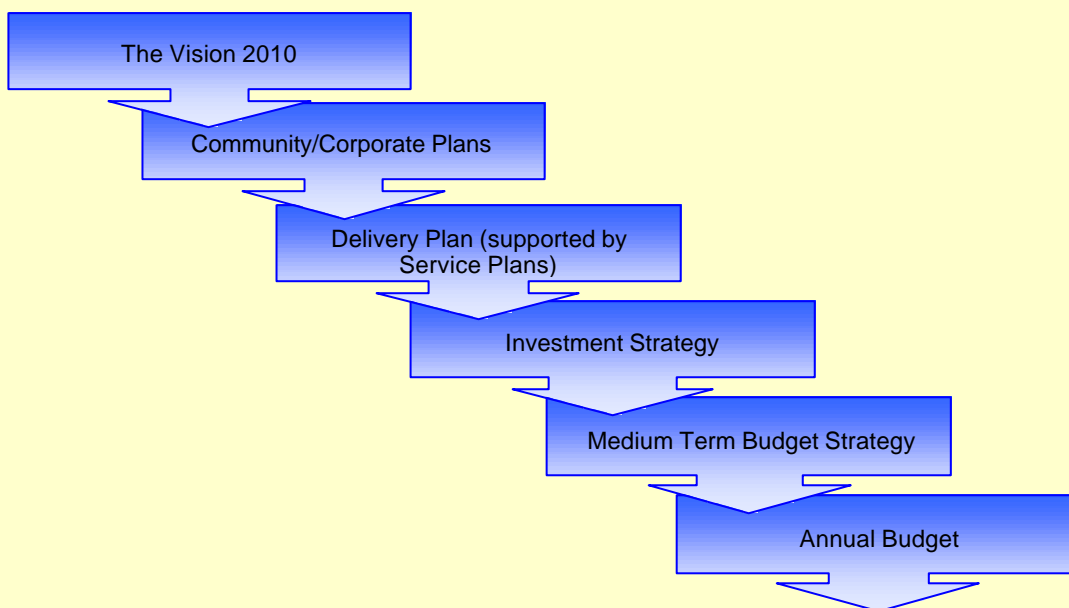
As a result of the above changes and improvements the revised service delivery areas for the 2006/2007 Budget are set out below:

- Crime and Anti-Social Behaviour
- Public Realm
- Housing and Public Protection
- Benefits and Customer Services
- Culture and Community
- Children's and Young People (incorporating the schools element of education and Children's Social Services)
- Adult Social Care
- Resources
- Regeneration and Development
- Corporate and Strategic Management (former Chief Executive's Department)

MEDIUM TERM STRATEGY

The Council has continued to adopt a medium term approach to its budget strategy. While the budget and Council Tax are annual statements, they are the products of an ongoing three-year planning process.

The diagram below shows in simple terms how all the pieces fit together to give Newham a framework that combines the ambition contained within the Corporate Plan and the realism needed with budgets.



This 'top down' approach ensures that spending decisions are related to strategies enabling resources to be targeted at areas of need and invested in the future of the borough and its residents.

The medium term approach provides a much greater degree of certainty about each year's budget.

BUDGET STRATEGY

In proposing a budget for 2006/2007, the Mayor and Council have addressed a series of demands and pressures within overall constraints imposed through the annual grant settlement and the need to keep Council Tax rises within reasonable limits. Once again the Government made known its expectations on Council Tax increases, and again held out the possibility of Council Tax "capping".

A key feature of the Council's approach to resource management has been the delivery of cost savings and efficiencies, and this has been a major factor for 2006/2007 with a programme of measures amounting to over £7.5m being agreed.

Commentary on the 2006/2007 Budget

There are two main financial plans - the Capital Investment Programme, and the Medium Term Budget Strategy that focuses on revenue expenditure.

As mentioned above, the Budget Strategy seeks to maintain a balance between the need to support achievement of the Corporate Plan outcomes (through the Delivery Plan), deliver quality services and improve performance in certain key areas, and to restrict the increase in local Council Tax.

The Council's financial planning process is a continuous one that constantly updates and forecasts future needs and resources. We use a 'rolling programme' i.e. as one year passes another one is added so that we always look at a minimum three-year plan. This process allows us to produce an annual budget at any stage of the year. However, there are external influences and factors, such as the annual Grant Settlement, which needs to be confirmed before we can say that the annual budget and Council Tax levy are finalised.

The Council approved the Budget and Council Tax for 2006/2007 on 20th February 2006. The issues and factors that led to the approval are set out below:

- 2005/2006 budget position
- Grant Settlement for 2006/2007
- Delivery of Corporate Plan outcomes (including NRF funding)
- Moving to Excellence programme
- Pay and price increases
- Service Budgets - local service activity levels and demand pressures
- Scope and need for budget savings
- Scope for use of balances
- Impact on Council Tax
- Future outlook and Medium Term Strategy

2005/2006 Budget Position

The latest forecast for 2005/2006 is an underspend in the region of £5m. Variations within service area budgets have been mainly due to increased demands upon services. However, these have been successfully managed within the Council's overall Budget Framework due to the prudent approach adopted by the Council in setting the 2005/2006 budget. This has ensured that the Council's financial stability has been maintained. Where such variations were considered likely to continue beyond 2005/2006 they have been reflected in the 2006/2007 budget and medium term budget strategy. This enables service budgets to be matched with activity and demand levels and to be based on reasonable expectations of income in order to provide a firm foundation upon which the Council could base its future budget strategy.

2006/2007 Formula Grant Settlement

From 2006/2007 funding for schools has switched from Formula Grant to the ring-fenced Dedicated Schools Grant (DSG). In addition to this the government has also introduced a new system to distribute Formula Grant. Much of the basis for grant distribution remains similar to the previous Formula Spending Shares (FSS) system, i.e. a large slice of money being distributed according to authorities' relative needs; an equalisation element to take into account an authorities' potential local income from Council Tax; and a mechanism of protecting local authorities from detrimental changes to their grant allocation (the floor damping system). However, there has been a move away from the notional spending and tax elements of the FSS system to a system based on cash amounts of grant (for a fuller explanation see Formula Grant and the Budget for 2006/2007).

Finally it saw the Government move toward a three-year medium term approach by introducing a two-year grant settlement for local government. This means that the announcement made in December 2005 covers the two remaining years of the 2004 Spending Review (i.e. 2006/2007 and 2007/2008).

The final Settlement figures were confirmed at the end of January 2004. The Formula Grant for Newham in 2006/2007 is £187.570 million. Further details of the Grant Settlement can be found on page 107.

Corporate Plan and Moving to Excellence (including NRF)

The significance of the Corporate Plan has already been considered above. The Budget was agreed alongside the Delivery Plan. Many of the activities and projects that will help achieve the Delivery Plan are currently funded through the NRF Programme. That programme is currently due to end after 2007/2008. NRF resources are being phased out in anticipation of this, with existing approved projects receiving 100% grant in 2006/2007, 50% in 2007/2008 and nil from 2008/2009. Thereafter the relevant agencies (including the Council) will need to take over the funding of their projects and activities if they wish them to continue.

This approach is known as "mainstreaming" and the full cost to the Council were it to provide 100% funding from 2008/2009 would be £12m per annum (£6m in 2007/2008). This clearly presents a major challenge for the Council's budget strategy. It has addressed this by agreeing to a major review of all of its existing NRF funded projects over the next year in order to identify those that clearly support the delivery of Corporate Plan outcomes, and establish priorities within those projects. Also it has taken a strategic approach to making resources available for mainstreaming by providing funds within the 2006/2007 and future annual revenue budgets and setting aside funding anticipated from its Local Public Service Agreement (LPSA Reward Grant).

The table below demonstrates the approach taken by the Council, including relevant capital funding decisions.

Themed Resource Allocation £000 Corporate Plan Outcomes	Capital	Revenue		
		2006/2007	2007/2008	2008/2009
1. "Attractive, clean and well maintained"				
• "Refresh" programme within libraries, community centres, local service centres, parks, streets etc.	2,000			
• Funding improved future maintenance standards		150	150	150
• Communications – ownership and responsibility campaigns		500		
• Developing future strategies and solutions for asset management and replacement	500			
• Recycling schemes and promotion campaign		500		
2. "Safe and feeling safer"				
• Largely funded through NRF and base budget. Consider in NRF mainstreaming				
3. "Young People"				
• Largely funded through NRF and base budget but provide resources to support ICT modernisation programme.	1,500			
4. "Diversity, harmony, respect and participation"				
• Significant NRF funding. Consider in NRF mainstreaming.				
• Extension of Disability Discrimination Act (DDA) programme to improve accessibility of Council services and participation in community life	2,000			
5. "Sharing in Prosperity"				
• Significant NRF funding. Consider in NRF mainstreaming.				
6. "Health, Wellbeing and Independence"				
• Completion of Adults ICT modernisation	1,400			
• Extension of Assistive Technology (NEAT)	<u>3,000</u>	<u>300</u>	<u>300</u>	<u>300</u>
	10,400	1,450	450	450
7. NRF Mainstreaming Strategy – Build capacity within base budget to enable mainstreaming of NRF funded projects following review and prioritisation.		<u>1,564</u>	<u>3,300</u>	<u>4,300</u>
		3,014	3,750	4,750

Pay and Prices

The 2006/2007 budget was based on 2.95% for pay increases and 2% for price increases and income targets. As a rule of thumb, each additional 1% increase in pay and prices will cost £1.2m (excluding teaching staff) and £250k respectively.

Service Budgets

Children's and Young People

A Dedicated Schools Grant (DSG) has been introduced from 2006/2007, meaning that Formula Grant will fund only non-schools education costs. The amount of DSG is based on the 2005/2006 budget increased in line with the Government's Spending Review increase. Certain separate specific grants have now been consolidated within the DSG. Newham's position on DSG is set out below. The Newham Dedicated Schools Budget has been set at the level of the Dedicated Schools Grant, which is £216.271m and £232.237m for 2006/2007 and 2007/2008 respectively.

DSG increase % per pupil	2006/2007	2007/2008
National	6.8	6.7
London	7.2	7.1
Newham	7.1	7.4

An additional £1.2m has been provided to reflect further demands for Children's Services e.g. forecasts of additional children coming into care, and £400k provided toward the cost of additional capacity needed within the new service to respond to the national and local agenda for "children's services".

A £1m allowance has been made for additional costs associated with the support of Unaccompanied Asylum Seeking Children (UASC) over and above the prevailing grant thresholds. Government has recently announced additional "special circumstances" grant funding toward such costs but this has been on a one year only basis so we have taken a prudent view within the budget.

Adults Social Care

Client numbers are expected to continue to increase throughout 2006/2007, with the anticipated impact in the region of £3.4m. However, service efficiency savings can reduce this by £1.3m. Further efficiency savings are expected to contribute over £1m toward the Council's overall budget savings targets. The Council is also investing capital resources to develop assistive technology that will help older people continue to live independently in their own homes – increasing peoples' independence is one of the key aims in the Council's Corporate Plan.

Public Realm

This budget includes the East London Waste Authority Levy (ELWA Levy), which has increased by 2.2% in 2006/2007. However, due to a decrease in the amount of waste collected from Newham there has actually been a reduction in the Council's levy for 2006/2007 of £44k. Making Newham a cleaner place is one of the Corporate Plan outcomes and the Council's commitment to cleaner streets has led to a significant investment of additional resources in its Public Realm services of over £1.2m in 2006/2007 compared to the 2005/2006 budget.

Housing and Public Protection

Local Space

In response to the continuing demand for temporary housing accommodation, Newham Council created Local Space, a Registered Social Landlord (RSL) to ensure an on-going supply of suitable quality temporary accommodation initially over a 25 year period.

In order to provide Local Space with equity, 450 properties (equivalent to £50m) were transferred from the Council's Housing Revenue Account in February 2006. The Housing Corporation will provide a £25m grant, and a further £200m finance will be borrowed from a bank. This will enable Local Space to grow its portfolio by a further 1,000 properties over a 24 month period. These properties will be leased to the Council, with potential to increase the quality of temporary accommodation provided to clients and provide much more stable rents than could be achieved through existing arrangements. Thus Local Space offers a long term value for money option in provision of temporary accommodation.

Housing Benefit and Customer Services

The Council is committed to providing high quality responsive services to local residents, many of whom use the Benefits service and most of whom access Council services through its Local Service Centres and Contact Centre. A major review of the Benefits and Customer Services is being undertaken, along with Council Tax, and will be concluded during 2006/2007. However, the budgets for these services have been increased by £800k in 2006/2007 in order to provide capacity for the service to meet the increasing demands upon it.

Crime and Anti-Social Behaviour

The Council is committed to making Newham a safer place – this is one of the 6 Corporate Plan outcomes. Additional funding of over £800k has been provided in 2006/2007 in order to support the level of service activity needed to help deliver this outcome.

Budget Savings

Ability to make budget savings is a key factor in managing the budget. Savings from completed Best Value and related reviews have been reflected in the base budget since 1999/2000, and these now amount to over £8m per annum. For 2006/2007 the Council has set out a further programme of savings amounting to £4m. In keeping with the medium term approach, the budget strategy contains targets for further savings to be generated in future years. These will be largely through the Business Efficiency programme and through the implementation of Invest to Save schemes funded through the Capital Investment Programme. The table below provides further detail.

Budget Savings	2006/2007	2007/2008	2008/2009
Target Areas	£000	£000	£000
Corporate Procurement :			
Temporary Agency Workers (MAST)	1,500	2,000	2,000
Other Procurement Initiatives	250	500	750
Process Review:			
Council Tax and Benefits	250	500	750
Other "Process" Reviews	100	500	1,000
Business Efficiency:			
Service Automation and ICT	250	500	1,000
Support Services and Business Support	500	750	1,000
Service Review Targets:			
Children and Young People	500	750	1,000
Adults, Culture and Community	500	1,000	1,500
Public Realm	0	500	1,000
Other Service Areas	150	250	500
Other Review Areas:			
To be determined through the Mayor's Budget Review Framework	0	750	1,500
Total	4,000	8,000	12,000

Gershon

Budget savings is an area where Council will be judged in the CPA, largely within the context of the Gershon efficiency targets. The Government has set a target for efficiency gains over the three years 2005/2006 to 2007/2008. The Council is required to publish an annual efficiency statement each year showing progress against the target. The gains must be 50% "cashable" which means resources are released for use on priorities. The remaining 50% may be "non-cashable" which means improvement in performance or quality but not necessarily resulting in the freeing up of resources.

The table below compares the budget strategy against the efficiency targets.

Efficiency target and revenue savings	2005/2006	2006/2007	2007/2008	2008/2009
	£000	£000	£000	£000
Government Efficiency Target	7,887	12,748	19,122	19,122
Cashable element of target	3,944	6,374	9,561	9,561
Cashable gains in the base (estimate*)	4,000	4,000	4,000	4,000
Corporate procurement initiatives		1,750	2,500	2,750
Process reviews		350	1,000	1,750
Business efficiency		750	1,250	2,000
Service targets		1,150	2,500	4,000
	4,000	8,000	12,000	18,000

* to be verified in the 2005/2006 outturn efficiency statement

The table above shows that the budget strategy is expected to achieve efficiency gains that exceed the target for cashable gains.

Balances

The Executive Director of Resources has a statutory duty to report to Council on the adequacy of its balances. The minimum level applied in Newham is 5% of the budget together with provision for any known commitments that cannot currently be quantified and the Council's share of costs under the Government's "Bellwin Scheme" of emergency that would apply in the event of the storms and floods that have affected other parts of the country in the recent past.

The current forecast of General Fund balances for 1st April 2006 is £36m of which £28.5m is required as the minimum level of balances as assessed above. This means that a maximum of £7.5m would be available towards supporting the budget strategy and the Corporate Delivery Plan. Proposals for the use of this money are shown below.

Proposed use of Balances	2006/2007	2007/2008
	£m	£m
Collection Fund Deficit and 2006 Elections	2.329	0
Supporting the Overall Budget Strategy	2.000	2.000
Supporting the achievement of the Corporate Delivery Plan	1.000	0
Total	5.329	2.000

Impact on Council Tax Levels

One of the Mayor's 7 key tasks is to keep any increases in the local element of Council Tax to reasonable levels that people can afford. Recent budget strategies have been successful in achieving this aim.

As mentioned earlier the annual Formula Grant Settlement resulted in an allocation for the Council of £187.570m. In setting a budget the Mayor has had to balance the needs of the borough against the constraints of available funding. This, of course, includes any increases in the level of council tax and the impact upon local people and especially those who are on low incomes but who do not qualify for housing benefit.

The Budget proposed by the Mayor was £249.919m, this gives a local Council Tax at Band D of £873.91, an increase of 1.94% that is well below the Government limit of 5%. It is also lower than the average for London of 2.02%, the average for Outer London of 2.79%, and is the lowest ever rate of increase in Newham's Council Tax.

There has been a steady improvement in Council Tax collection over the years, rising from 92.5% in 1996 to the current 97%. This has come through an earlier Best Value review of the service, together with the subsequent Corporate Debt and Credit Management Project. The collection rate represents the amount of Council Tax that should be collected over a three-year period e.g. 97% of the tax for 2006/2007 will be collected by the end of 2008/2009.

Newham's Council Tax continues to be amongst the lowest in London. At Band D it is the 8th lowest in London. Despite their obvious resource advantage through the Area Cost Adjustment there are 6 inner London boroughs that levy a higher Band D tax than Newham. However, the average Newham property is in Band C, and the average amount *actually paid* per household is the third lowest in London after Westminster and Wandsworth.

Future Outlook and Medium Term Strategy

The Council continues to adopt a medium term approach to its budget and Council Tax. It maintains a three-year budget forecast that is regularly updated to reflect latest information concerning a whole range of factors. Whilst many of these are external to the Council, the main driver is the achievement of the Newham Vision and the Corporate Plan outcomes that support it. Major physical and social regeneration programmes such as in Canning Town, and the success of the 2012 Olympic bid will also have a major impact. The Council's budget and investment strategies will need to support all of these.

A major external influence is the way that Government supports local authority expenditure, and changes to the national framework in which local services are delivered e.g. the implementation of Direct Schools Grant and "Children's Services". This year has seen a number of significant changes in local government finance such as mentioned previously. The Grant Settlement for 2006/2007 is the first of a two-year settlement prior to the implementation of three-year settlements that will run in tandem with the Spending Reviews. No changes in the formula will be actioned until 2008/2009 at the earliest, however, the Local Government Minister, Phil Woolas, has pledged a review of the current funding system and in particular has recognised that Newham has "real concerns" relating to the Area Cost Adjustment,

Neighbourhood Renewal Fund (NRF) funding is due to finish at the end of the 2007/2008 and the Mayor has previously indicated that longer-term service improvements enabled through NRF should be part of the council's future base budget proposals. The impact upon the Council and the way in which it is addressing this has been explained in preceding sections of the budget book.

2006 has also seen the introduction of the Local Authority Business Growth Incentive scheme (LABGI) which will enable Council's to retain a proportion of the increase in business rate yield in their area. This scheme currently has a three year life.

Finally as part of its approach on equality within the workforce the Council is addressing equal pay through its approach to Single Status. This is likely to have resource implications over the medium term, and once again the budget strategy needs to address such issues.

Budget Analysis

A summary of the budget changes between 2005/2006 and 2006/2007 is given in the table below. Further details for each service area are provided in the subsequent sections of the book.

Summary of Budget Changes	£000	£000
2005/2006 Budget		440,602
Service Demands and Budget Pressures from 2005/06	1,500	
Additional Service Demands 2006/07	<u>4,400</u>	5,900
Committed Budget Increases		2,600
Budget and Efficiency Savings		-4,000
Changes in Funding Arrangements (net)		-198,400
Capital Financing Costs (net)		-4,600
Pay and Price Increases		7,700
Meeting Corporate Plan Outcomes and New Service Growth		1,000
Change in use of Balances and Capitalisation		-1,330
Other Changes		447
2006/07 Budget at cash prices		249,919

How the money is spent and where it comes from

The table below shows the main areas of revenue expenditure within the Council's General Fund services.

	£m	%		£m	%
Employees	309.2	30.6	Revenue Support Grant	30.3	3.0
Premises	151.7	12.1	Business Rates	157.2	15.6
Transport and Highways	16.2	1.6	Other Grants (including the DSG)	601.9	59.6
Supplies and Services	206.3	20.4	Rents, Fees and Charges	147.2	14.6
Grants and Benefits	277.3	27.5	Council Taxpayers	62.3	6.2
Support Services	49.0	4.9	Investment Income	5.3	0.5
Capital Financing	24.1	2.4	Use of Balances	4.3	0.5
Other (including Levies)	4.7	0.5			
	1,008.5	100.0		1,008.5	100.0

Table includes the Dedicated Schools Budgets and Dedicated Schools Grants

Council Tax

The previous sections showed how the Council set its budget for 2006/2007 at £249.919m. At the same meeting, the Council also set its Council Tax for the year. The table below shows how this is calculated.

	£000	£000
Council Budget		249,919
Less		
Revenue Support Grant	-30,349	
Business Rates	-157,221	-187,570
Newham's Council Tax Requirement		62,349
Add		
Greater London Authority (GLA) Precept		20,590
Total Tax Requirement		82,939
Divided by the taxbase of 71,344 equals:		
Council Tax at Band D for 2006/2007		£1,162.52

The GLA Precept for 2006/2007 is £288.61 at Band D, compared to £254.62 in 2005/2006 an increase of 13.35% of which £20.00 or 7.85% is a financial contribution towards the 2012 Olympic Games. This leads to an overall Band D council tax of £1,162.52, an increase of £50.61 or 4.55%.

Taxbase

Council Tax is a tax on property, with each property being placed into a valuation band considered to be representative of its market value when the tax was first introduced in 1993/1994. There are 8 bands, A-H, with band D being known as the average.

A 25% deduction is made for every dwelling occupied by only one person (single person discount). The total is then expressed in terms of band D equivalents using the following formula; band A is 6/9 x band D, band B is 7/9 x band D and so on.

The number of band D properties is then multiplied by a factor known as the collection rate, to reflect the Council's view of the likely level of collection. For 2006/2007, Newham has assumed a 97% collection rate. This gives a taxbase of 71,344 i.e. 73,550 x 97% Further details are shown in the table below.

Band	No dwellings	Net Total after discounts	Band D Equivalents
A	4,506	3,732	2,478
B	28,646	24,350	19,056
C	43,599	39,444	35,275
D	14,080	12,965	13,208
E	2,411	2,231	2,818
F	448	416	600
G	46	44	89
H	22	13	26
Total	93,758	83,198	73,550

Collection Fund

The Collection Fund is a separate account required by law into which Council Tax and Business Rates are paid and from which they are distributed as shown in the table below.

2005/2006				2006/2007		
Council Tax	Business Rates	Total		Council Tax	Business Rates	Total
£000	£000	£000	Income	£000	£000	£000
81,638	63,436	145,074	Amount Due	84,632	68,935	153,567
			Less			
-2,449	-634	-3,083	Provision for losses	-1,692	-620	-2,312
79,189	62,802	141,991	Sum Distributed	82,940	68,315	151,255
61,055	352	61,407	Distributed to Newham	62,349	350	62,699
18,134		18,134	GLA	20,591		20,591
	62,450	62,450	Business Rate Pool		67,965	67,965
79,189	62,802	141,991	Total Distributed	82,940	68,315	151,255

How to Read the Budget Book

Revenue Expenditure

This relates to day-to-day spending on items such as staff salaries, heating and lighting and supplies. Each Council service area draws up its own budget for the year within an approved framework. The budget sets out how much the service area expects to spend on different services throughout the financial year starting on April 1st 2006 and finishing on March 31st 2007.

The budget for each service area, together with central budget items, constitute the Council's General Fund expenditure. This expenditure is paid for by Government grants, business rates and fees and charges to service users. The balance comes from Council Tax.

The exception is expenditure on Council Housing. The Government requires this to be kept separate from the rest of the Council spending. This expenditure is managed through the Housing Revenue Account. Further details can be found on page 72.

Other Housing functions, like expenditure on homelessness and renovation grants, are included under Housing and Public Protection on page 63.

The budget in detail

This book sets out the budget for each service area in three ways:

- Summary by Cost Centre
- Subjective Analysis
- Cost Centre details

The budgets are shown for the financial year 2005/2006 and 2006/2007. They are shown at cash prices, in other words they include the provision for salary and cost increases during the year.

Summary by Cost Centre

Each service area's budget is broken down into Cost Centres. Different Cost Centres cover the various services provided by a service area, e.g Day Centres for Older People in the case of Adult Social Care. Each Cost Centre has a letter followed by two digits, e.g A33.

The sections of this book covering Cost Centres relate to front-line services and associated management and administrative support. Cost Centres operated as trading accounts are not shown in detail but are included as a single line entry within the relevant summary pages, reflecting their net trading position.

Net expenditure on each cost centre is shown for each of the two years 2005/2006 and 2006/2007.

Subjective Analysis

This goes into further detail about the different types of expenditure and income of the various service areas.

Types of expenditure are:

- **Employee costs** - covers spending on wages/salaries for different groups of staff as well as indirect employee costs such as recruitment
- **Premises-related costs** - covers maintenance, energy costs, rent, rates, insurance and costs such as cleaning
- **Transport and highways** - covers car allowances and the cost of the Council's vehicles and highway maintenance
- **Supplies and services** - covers equipment such as protective clothing, printing, stationery, computing, telephone and catering costs

- **Third party payments and miscellaneous** - covers any service that a service area buys in from outside the Council
- **Support Service Framework and central charges** - covers services that the various service areas buy in internally within the Council including secretarial and administration support
- **Grants, benefits and services to clients** - covers items such as pupil awards, Housing Benefit and Council Tax Benefit and grants to voluntary organisations
- **Financing charges** - capital charges are made in respect of all assets and owned by the Council, including a charge for depreciation and interest. They are different from capital financing costs which are no longer charged to individual budgets but treated as a 'central item'. Lease rentals are payable on computers and other equipment and vehicles used by the Council but not owned by the Council.

Together, all of the above adds up to Gross Expenditure for a particular service area.

The service area also receives income which comes under the following headings:

- **Grants** - covers particular items such as Student Awards or Housing Benefit. The general grant, known as the Formula Grant, is dealt with in a different way (see page 107)
- **Fees and charges for Council services** - such as leisure facilities
- **Support services framework and central income** - this relates to service areas such as resources where most services provide support to other service areas such as Education and Social Services. Examples are Accounting, Legal and Information Technology.

Gross Expenditure minus income is equal to Net Expenditure. It is the Net Expenditure figure which is shown in the Summary by Cost Centre.

Capital Expenditure

This is the long term expenditure on items such as the purchase of land, the construction of schools, roads and leisure centres or major repairs to existing facilities.

This is funded from Government grants, receipts from the sale of Council land or property and long-term borrowing. Similar to a mortgage, long term borrowing is repaid over a number of years - typically 25 years. Annual repayments made on money borrowed in this way, known as Capital Financing Costs, count as Revenue Expenditure.

Details of the Council's Capital Programme for 2006/2007 start on page 103.



INTRODUCTION

HOUSING BENEFIT ADMINISTRATION

The Council administers approximately 41,000 claims from residents each year for assistance with their housing costs, both rent and Council Tax, paying over an estimated £200 million in benefits, the majority of which is reimbursed by the Government. Over the last year trained benefits staff have been deployed in Local Service Centres and the Homeless Persons Unit to enhance the service to the public.

Achievements

- During 2005 the Benefit Fraud Inspectorate (BFI) carried out an assessment of Newham's Housing and Council Tax Benefits Service as part of the Comprehensive Performance Assessment (CPA) process. The Council was awarded 3 out of 4 CPA points for the Service.
- The service reduced the time taken to process new claims for Housing and Council Tax Benefit from an average of 51 days in April 2005 to an average of 39 days in December 2005.

In 2006/2007 the service will

- Implement a new IT system
- Continue to work towards further reducing processing times

CUSTOMER SERVICES

Customer Services contains the Language Shop, Contact Centre and eight Local Service Centres (LSCs). The Customer Service Strategy is now complete and offers residents a wide and expanding range of options for assessing Council Services.

Contact Centre

The residents of Newham can contact the Council through a single point of entry by dialling 020 8430 2000. Customers will be greeted warmly by the Contact Centre who will aim to resolve their enquiry.

A full range of services are handled by Contact Centre staff including

- Council Tax
- Housing Benefit
- Social Services
- Parking payments and enquiries
- Housing
- Education (including free school meals and admissions)
- Building Control
- Public Realm (including waste collection, abandoned vehicles and special collections)
- The Nationality Checking Service
- Payments
- Land Registry
- The Council Switchboard

The Contact Centre has also handled enquiries for the Olympic bid, the General Election, The Big Sunday and Electoral Services.

During the first half of 2006, the Contact Centre will handle enquiries on behalf of Crime & ASB, Planning & Development Control and Pest Control.

The Contact Centre operates 12 hours a day from 8am to 8pm on Monday to Friday and also from 9am to 1pm on a Saturday. As well as handling telephone enquiries, the Contact Centre responds to requests by post, fax, e-mails and digital TV.

In 2004/2005 a total of 1,370,313 calls and 10,352 e-mails were received, and for the first six months of 2005/2006 a total of 756,388 calls and 6,428 written enquiries have been received.

Local Service Centres

All centres are located at key shopping areas in the borough to provide easy access to all Council services under one roof. Our highly trained Customer Services Officers are ready to provide customers with on-the-spot information, comprehensive advice and solutions to all their enquiries relating to Council services, from Housing and Council Tax Benefits to applying for a Freedom Pass or a Blue Badge. The Local Service Centres are open from 9am to 5pm weekdays, with the exception of Docklands LSC and two centres are open on Saturday mornings. In 2004/2005 the total numbers of visits made to the LSCs amounted to 649,971, and in the first six months of 2005/2006 a total of 360,974 visits have been made.

Achievements

- The Contact Centre was awarded the Charter Mark in 2005 demonstrating the high level of service offered to the public of Newham
- Two LSCs, Canning Town and Beckton have been “refreshed” during 2005/2006 to improve customer and staff experience when using the offices and make progress towards full compliance with the latest legislation on disabled access

In 2006/2007 Customer Services will:

- Implement a new telephone system ensuring an improved service to the public and a reduction in costs.
- Continue to learn from our customers and train our staff accordingly
- Plan to “refresh” two further Local Service Centres
- Look to improve services provided to residents under the Moving to Excellence Strategy
- Expand its portfolios of services to residents

STAFFING

The funded staffing levels expressed as full time equivalents are

	Total
Customer Services	
Newham Language Shop	14.4
Beckton Globe	12
Contact Centre	108.1
Canning Town LSC	17
Forest Gate LSC	14.8
Manor Park LSC	14
East Ham LSC	17.2
Green Street LSC	12
Stratford LSC	20.4
Docklands LSC	6
Subtotal	235.8
Housing Benefits Administration	
Housing Benefits Administration	176.3
Subtotal	176.3
TOTAL	412.1

Changes in the 2006/2007 Budget

	£000	£000
2005/2006 Budget at Cash Prices		12,804
Budget Pressures		800
Additional Service Demands		500
Budget and Efficiency Savings		-250
Other Changes		
Termination of PCHA contract	1,111	
LSC reduced opening hours	-125	
Vanguard savings	-175	
DHP transfer	-232	
Other	431	1,010
Pay and Price Increases		327
2006/2007 Budget at Cash Prices		15,191

Benefits and Customer Services

Cost Centre Summary

	2005/2006 Budget £000	2006/2007 Budget £000
E29 Language Shop	243	344
P70 Beckton Globe - Local Service Centre	485	439
P72 Local Service Strategy	380	0
P73 Contact Centre	2,230	2,762
P74 Canning Town Local Service Centre	537	583
P75 Forest Gate Local Service Centre	651	594
P76 Manor Park Local Service Centre	564	539
P77 East Ham Local Service Centre	452	652
P78 Green Street Local Service Centre	327	374
P79 Stratford Local Service Centre	697	595
P80 Docklands Local Service Centre	463	510
U72 HB Subsidy	1,586	2,995
U78 Housing Benefit Admin	4,189	4,804
TOTAL NET BUDGET	12,804	15,191

Benefits and Customer Services

Subjective Analysis

	2005/2006 Budget £000	2006/2007 Budget £000
Officers	10,949	11,429
Other Officers	176	78
Manual Workers	3	3
Operational Workers	0	0
Indirect Employee Expenses	97	106
Other Staff Costs - Agency	441	1,432
Employee Costs	11,666	13,048
Structural Works & Repairs	47	40
Decorations	0	0
Plumbing & Electrical	4	8
Other R & M Works	0	0
Grounds Maintenance	0	0
Energy Costs	95	102
Fixtures & Fittings	0	0
Rent, Rates Water & Insurance	327	373
Cleaning & Domestic Suppliers	95	106
Other Premise Costs	274	208
Premise Costs	841	837
Hire of Transport	23	24
Vehicle Running Costs	0	0
Car Allowances	2	2
Public Transport Fares	3	3
Transport and Highways	28	29
Equipment Purchase & Repair	96	84
Consumable Materials	0	0
Clothing, Uniforms & Laundry	37	37
Printing, Stationery, Office Expenses	285	312
Computing Costs	114	115
Communication Costs	572	603
Catering Services Contractor	14	14
Other Supplies & Services	305	301
Expenses & Allowances	8	8
Subscriptions, Contributions & Miscellaneous	2,216	954
Supplies and Services	3,648	2,428
Third Party Payments	0	0
Third Party Payments - Contractors	103	111
Third Party Payments - Voluntary Agencies	10	15
Services Provided by Other LBN	12	0
Provisions	0	0
Third Party Payments and Miscellaneous	125	126

Benefits and Customer Services

Subjective Analysis (continued)

	2005/2006 Budget £000	2006/2007 Budget £000
Grants to Voluntary Organisations	0	0
Other Grants	0	0
Housing Benefits	221,127	254,436
Housing Clients	0	0
Grants, Benefits and Services to Clients	221,127	254,436
Support Services Charges - Resources	234	329
Support Services Charges	257	356
Finance Charges	1,020	1,112
Computer Services Charges	275	606
Support Service Charges - Other	0	24
Other Central Charges	41	57
Support Services	1	1
Charges to Clients	233	288
Internal Charges	583	421
SSF and Central Charges	2,644	3,192
Capital Charges	490	462
Financing Charges	490	462
TOTAL EXPENDITURE	240,568	274,556
SLA - Interpreting/Translation Income	-124	-124
Contact Centre Charges	-193	-193
Charges by DSO's	60	-60
Internal Income	-247	-236
Government Grants	-3,959	-4,334
Reimbursement & Contributions	-219,935	-251,647
Charges to Other Committees	-1,410	-1,444
Sales, Fees & Charges	-89	-92
NRF Income	-760	-782
Miscellaneous Income	-1,107	-454
TOTAL INCOME	-227,764	-259,366
TOTAL NET BUDGET	12,804	15,191

Benefits & Customer Services

2006/2007 Budget Summary

	Employee Costs	Premise Costs	Transport & Highways	Supplies & Services	Third Party Payments & Misc	Grants Benefits & Services to Clients	SSF & Central Charges	Financing Charges	SSF & Central Income	Income	Total
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
E29 Language Shop	443	1	2	955	0	0	162	0	-124	-1,095	344
P70 Beckton Globe - Local Service Centre	313	3	0	8	0	0	256	0	0	-141	439
P73 Contact Centre	2,632	44	0	18	24	0	517	147	-429	-190	2,763
P74 Canning Town Local Service Centre	530	69	0	11	0	0	89	49	0	-165	583
P75 Forest Gate Local Service Centre	486	10	0	12	0	0	154	70	0	-138	594
P76 Manor Park Local Service Centre	512	55	0	4	0	0	87	38	0	-157	539
P77 East Ham Local Service Centre	529	26	0	11	0	0	178	18	0	-109	653
P78 Green Street Local Service Centre	292	72	0	9	0	0	52	24	0	-75	374
P79 Stratford Local Service Centre	636	77	0	-1	0	0	94	52	-60	-203	595
P80 Docklands Local Service Centre	253	156	0	86	0	0	42	18	0	-45	510
U72 HB Subsidy	0	0	0	656	0	254,433	0	0	0	-252,094	2,995
U78 Housing Benefit Admin	6,422	324	27	659	102	0	1,559	46	0	-4,337	4,802
TOTAL NET BUDGET	13,048	837	29	2,428	126	254,433	3,190	462	-613	-258,749	15,191



INTRODUCTION

Children and Young People

The Children and Young People's Service was established in January 2006 as part of the Council's restructuring of services to better meet the requirements of the Children's Act 2004. It is divided into three main service areas:

- Learning and Schools
- Children, Young People and Families
- Lifelong Learning and Economic Well Being

The new service incorporates the former Education Service together with the children's social care services previously delivered by Social Services.

Learning and Schools

Children and Young People's Services have only recently been re-organised. The Learning and Schools Service brings together all the statutory learning provision for pupils and young people, both within and beyond schools, as well as providing general support for schools and their Governing Bodies. The focus of this area is to raise achievements for all pupils and ensure that their learning experiences are enjoyable as well as accessible to all.

The service comprises the following areas:

- School Organisation which supports the operation of schools as well as carrying out various local authority legal responsibilities with regard to schools.
- Learning Support provides a range of specialist support services supporting vulnerable children and young people.
- The Primary and Secondary areas that fulfil the local authority's statutory role to monitor, challenge and intervene in schools when required. In addition, these teams provide curriculum and assessment support as well as delivering a range of national and local programmes to raise standards.
- Continuing Professional Development offers a comprehensive range of professional development courses and general support for the children's workforce, including professionals working within early years, social care, health and education fields.
- Capital Strategy and School Planning where overall asset management, pupil forecasting and delivery of associated services such as cleaning and catering lie. In addition, the Learning & Schools Service is responsible for the delivery of the Building Schools for the Future initiative which is designed to bring about transformational change in its secondary schools.

Children, Young People and Families

This area provides a comprehensive range of services direct to vulnerable children and young people and their families. These are children and young people who need additional services and support in order to achieve their potential. They include children and young people who may be at risk from abuse or neglect, disabled or young offenders. Commissioning of services is carried out in partnership with the Primary Care Trust.

The service is managed within five areas:

- Integrated Services
- Fieldwork Services
- Youth Offending Services
- Provider Services
- Commissioning

Lifelong Learning and Economic Well-Being

This area provides a range of support for young people and adults, develops links between schools, business and regeneration, and leads on the development of a 14 - 19 Strategy for the borough. The Newham Youth and Community Education Service (NewCEYS) includes the Youth Service, two residential centres at Debden and Fairplay House, summer and Saturday schools, community facilities and adult education programmes. Extended Services includes Early Years Provision and Childcare Services. The Newham Education Business Partnership promotes collaboration between business, schools and the community.

The service is managed within three areas:

- Young People and Lifelong Learning
- Economic Well-Being
- Extended Services

Funding of the Children and Young People's Services

The government has introduced fundamental changes to the funding of the Schools Budget now subsumed within the new Children and Young People's Services budget. These arrangements not only form the statutory basis for the funding of schools, but also have significant implications for the authority's budget.

The key change is the creation and ring-fencing of the Dedicated Schools Grant (DSG) which is hypothecated against defined spending on pupils and schools (The Dedicated Schools Budget). The general government grant received by the Council has been reduced to reflect the change of resources into this new specific grant. Other changes include the consolidation of other former Education grants, such as Teachers Pay Grant, into the DSG and the removal of the need to provide match-funding for most Standards Funds from the Council's resources.

Additional Funding Streams

The CYPS also benefits from other funding streams including those from the Learning and Skills Council for adult and post 16 education and for some 14 - 19 developments, the expanded Sure Start grant for early years and the Neighbourhood Renewal Fund for youth facilities. Standards Funds are now largely provided as 100% grants outside the DSG.

STAFFING

The funded staffing levels expressed as full time equivalents are:

DIRECT SERVICES	Teachers	Officers	Total
Nursery Schools Delegated	34	102	136
Primary Schools Delegated	1,399	1,327	2,726
Secondary Schools Delegated	1,180	648	1,828
Special Schools Delegated	30	54	84
Total Schools Delegated	2,643	2,131	4,774
Executive Director and Support			
Executive Director and Support	0	4	4
Total Executive Director and Support	0	4	4
Learning and Schools			
School Improvement	4	14	18
Curriculum Support and Consultancy	8	14	22
Management and Governing Body Support	0	9	9
Information Technology Support	0	32	32
Personnel Services	0	24	24
School Support Services	0	13	13
Support Services	2	0	2
Credon Centre	0	7	7
South West Education Action Zone	1	1	2
School Meals	0	3	3
Rathbone PRU	2	29	31
Awards	0	11	11
Pupil and Student Services	0	12	12
Manor Park Education Action Zone	1	8	9
Excellence in Cities	2	1	3
Learning Support	21	23	44
Tunmarsh Centre	0	1	1
City Learning Centre	0	3	3
Behaviour Support and Tuition Service	30	16	46
Visually Impaired Service	6	22	28
Deaf and Partially Hearing Service	8	8	16
Language and Communication Difficulties	0	11	11
Inclusive Education Development	4	4	8
Capital Strategy and School Planning	0	14	14
Standards Fund Grants	21	6	27
Total Learning and Schools	110	286	396
Children, Young People & Families			
Out Borough Schools	0	1	1
Home to School Transport	0	1	1
Youth Offenders Team	1	1	2
Access and Inclusion Management	0	1	1
Debden House	0	9	9
Education Psychology Service	0	15	15
Special Education Assessment	0	13	13
Behaviour Improvement Project	4	1	5

STAFFING (continued)

	Teachers	Officers	Total
Education Welfare Service	0	22	22
Customer Relations	0	4	4
Training and Development	0	10	10
Destitute Families	0	3	3
Emergency Duty Team	0	8	8
Children in Need	0	81	81
Children Looked After	0	58	58
Assessment Services	0	55	55
Placement Services	0	58	58
Young Offenders	0	13	13
Family Assessment Service - Amber Project	0	17	17
Family Day Assessment Centre	0	19	19
Stay and Play and DCYPS	0	41	41
Children and Families Consultation Service	0	7	7
Children's Planning and Reviewing Service	0	21	21
Children's Commissioning	0	6	6
Asylum Seekers	0	23	23
Children and Families Performance Team	0	2	2
Children and Families Directorate	0	2	2
Standards Fund Grants	4	2	6
Total Children, Young People & Families	9	494	503
Lifelong Learning & Economic Wellbeing			
Outdoor Education Centre (Debden House)	0	12	12
Education Business Partnership	0	7	7
Early Years Administration and Advice	0	8	8
Childcare Grant	3	14	17
Community Education	0	87	87
Voluntary Projects	0	7	7
Beckton Globe	0	0	0
New Deal for Young Unemployed	0	36	36
Learning Community	0	6	6
Economic Wellbeing	0	2	2
Total Lifelong Learning & Economic Wellbeing	3	179	182
Business Support			
Business Support	0	1	1
Research and Policy	0	9	9
Total Business Support	0	10	10
TOTAL	2,765	3,104	5,869

Children and Young People
Changes in the 2006/2007 Budget

	£000	£000
2005/2006 Budget at Cash Prices		291,777
Additional Service Demands		
Growth in School Budgets	23,422	
Government Priorities (not delegated)	692	
Placement and Care Packages	1,150	
LEA Priorities within Direct Schools Budgets	700	
Budget Strategy Items	645	26,609
Budget and Efficiency Savings		
Service Efficiency Savings	-500	
Business Efficiency & Corporate Budget Reviews	-75	-575
Service Transfers		
Domestic Violence & Welfare Rights to Resources, Crime and ASB	-388	
Reduction of Legal Services to Resources	-35	
Transfer SEN Awards to Adults Social Care	-21	-444
Changes in Funding Arrangements		
Introduction of Dedicated Schools Grant	-215,945	
Funding of Specific Childcare Grants to Formula Grants	1,200	
Consolidation of Teachers Pay Grants into the DSG	-4,723	
Consolidation of Authority Match Funding into the DSG	-6,407	-225,875
Other Changes		
Capital Financing	3,180	
SSF	-1,022	
Other Miscellaneous	273	4,475
Pay and Price Increases		2,214
2006/2007 Budget at Cash Prices		98,181

Children and Young People

Cost Centre Summary

	2005/2006 Budget £000	2006/2007 Budget £000
Schools		
C15 Nursery Education Centres	1,623	1,886
C16 Nursery Schools Delegated	2,266	2,350
C07 Primary Schools Delegated	92,793	105,450
C09 Secondary Schools Delegated	70,539	80,671
C17 Special Schools Delegated	2,897	3,164
Total Schools Delegated	170,118	193,521
Executive Director and Support		
C70 Executive Director and Support	-94	111
C79 Strategic Management	2,664	2,947
Total Executive Director and Support	2,570	3,058
Learning and Schools		
C02 School Improvement	1,720	2,119
C03 Curriculum Support and Consultancy	512	599
C04 Management and Governing Body Support	43	14
C05 Information Technology Support	569	781
C06 Personnel Services	311	424
C08 Primary Schools Central Budget	19,227	15,502
C11 Secondary Schools Central Budget	9,279	9,401
C12 School Support Services	258	13
C13 Special Schools Central Budget	793	664
C18 Support Services	53	282
C19 Nursery Schools Central Budget	382	593
C21 Outdoor Education Centre	112	120
C22 Newham Music Trust	129	105
C28 Credon Centre	45	55
C30 South West Education Action Zone	222	127
C35 School Meals	375	394
C41 Rathbone PRU	1,713	2,535
C45 Awards	678	738
C47 Pupil and Student Services	763	623
C54 City Learning Centre	48	38
C59 Manor Park Education Action Zone	126	51
C61 Learning Support	136	130
C62 Tunmarsh Centre	303	1,759
C63 City Learning Centre	40	321
C64 Behaviour Support and Tuition Service	1,475	2,238
C65 Visually Impaired Service	688	871
C66 Deaf and Partially Hearing Service	561	644
C68 Language and Communication Difficulties	390	452
C69 Inclusive Education Development	291	326
C73 Capital Strategy and School Planning	3,573	2,967
Total Learning and Schools	44,815	44,886

Children and Young People

Cost Centre Summary (continued)

	2005/2006 Budget £000	2006/2007 Budget £000
Children, Young People & Families		
A95 Children and Families Directorate	352	129
A01 Customer Relations (Complaints)	0	0
A02 Training and Development	-733	0
A03 Information Systems Support	0	0
A04 Administration, Business and Financial Support	-871	0
A91 Children and Families Performance Team	0	0
A08 Destitute Families	1,201	1,168
A09 Emergency Duty Team	453	488
A11 Children in Need	5,417	4,829
A12 Children Looked After	2,977	2,680
A13 Assessment Services	1,834	2,417
A14 Placement Services	2,557	1,928
A15 Young Offenders	765	871
A20 Family Assessment Service - Amber Project	910	834
A22 Children's Care Packages	690	1,000
A23 Children's Private/Voluntary Residential Placements	11,153	9,462
A24 Family Placements	13,234	13,983
A25 Section 24 Leaving Care	382	725
A26 Family Day Assessment Centre	1,091	1,005
A27 Stay and Play, Disabled Children's Service	1,409	1,856
A28 Children and Families Consultation Service	324	285
A29 Children's Planning and Reviewing Centre	1,350	1,225
A72 Children's Commissioning	308	299
A73 Domestic Violence	597	0
A74 Specialist Disability	417	0
A97 Voluntary Sector Grants	257	293
A79 Asylum Service	1,098	709
A98 Service Strategy	157	110
A89 Children's MSS	0	4,029
C31 SEN Purchasing	1,206	1,133
C32 Out Borough Schools	3,207	3,637
C33 Home to School Transport	2,900	2,833
C38 Youth Offenders Team	150	155
C39 Access and Inclusion Management	217	129
C49 Education Psychology Service	807	824
C55 Special Education Assessment	687	673
C56 Behaviour Improvement Project	0	12
C57 Education Welfare Service	846	872
Total Children, Young People & Families	57,349	60,593
Lifelong Learning & Economic Wellbeing		
C20 Education Business Partnership	215	242
C23 Early Years Grants	511	1,675
C24 Early Years Administration and Advice	448	598
C25 Childcare Grant	1,058	23
C46 Debden House	130	136
C50 Community Education	3,252	3,223
C51 Voluntary Projects	673	669
C52 Beckton Globe	147	126
C75 Childcare Centres	0	0

Children and Young People

Cost Centre Summary (continued)

	2005/2006 Budget £000	2006/2007 Budget £000
C84 Learning Community	942	954
C97 14-16 Development	0	336
Total Lifelong Learning & Economic Wellbeing	7,376	7,982
Business Support		
C10 Sixth Form College	1	1
C43 Residual Costs of FE College	294	289
C60 Education Specific Grants	7,380	-215,107
C71 Finance and Contracts	21	64
C72 Purchasing	546	565
C76 Research and Policy	437	466
C98 Business Support	0	80
C99 Reprioritisation Reserve	870	1,783
Total Business Support	9,549	-211,859
TOTAL NET BUDGET	291,777	98,181

Children and Young People

Subjective Analysis

	2005/2006 Budget £000	2006/2007 Budget £000
Teaching Staff	117,841	129,522
Teaching Related Staff	6,629	5,931
Officers	58,133	61,512
Supervisory & Learning Support Assistants	8,196	9,053
Indirect Employee Expenses	6,095	6,695
Employee Costs	196,894	212,713
Repairs and Maintenance - Structural Works	6,131	6,841
Repairs and Maintenance - Decorations	1,540	1,559
Grounds Maintenance	276	308
Energy Costs	1,565	1,718
Fixtures and Fittings	934	1,032
Rent, Rates, Water and Insurance	4,556	5,088
Cleaning and Domestic Supplies	3,809	4,229
Other Premises Costs	1,509	1,496
Premise Costs	20,320	22,271
Hire of Transport	3,127	2,869
Vehicle Running Costs	29	30
Car Allowances	116	102
Public Transport Fares	981	899
Transport and Highways	4,253	3,900
Capitation, Equipment and Materials	8,549	9,596
Printing, Stationery and Office Expenses	2,420	2,690
Computing Costs	2,803	3,354
Communication Costs	793	881
Catering Costs	7,021	7,992
Other Supplies and Services	3,356	3,783
Subscriptions, Contributions and Miscellaneous	3,238	3,236
Supplies and Services	28,180	31,532
Third Party Payments - Other Local Authorities	3,109	0
Third Party Payments - Contractors	100	209
Third Party Payments - Voluntary Agencies	17,205	22,333
Third Party Payments - Joint Authorities	36	37
Services Provided by other LBN Committees	44	45
Third Party Payments -Other	6,905	11,080
Third Party Payments and Miscellaneous	27,399	33,704
Grants to Organisations	3,476	3,532
Other Grants (including pupils and students)	5,071	4,630
Social Services Clients	17,430	5,873
Children's Act 1989 - Section 17	1,145	1,126
Standards Fund	26,960	31,386
Grants, Benefits and Services to Clients	54,082	46,547

Children and Young People
Subjective Analysis (continued)

	2005/2006 Budget £000	2006/2007 Budget £000
Support Services Charges	3,742	6,476
Finance Charges	1,110	1,367
Computer Service Charges	1,430	1,744
Other Central Charges	12,169	14,120
SSF and Central Charges	18,451	23,707
Capital Charges	23,009	26,156
Financing Charges	23,009	26,156
TOTAL EXPENDITURE	372,588	400,530
SSF & Central Income	-10,554	-13,098
Dedicated Schools Grant	0	-215,945
Government Grants	-57,630	-62,535
Reimbursements and Contributions	-4,043	-3,452
Sales, Fees and Charges	-8,584	-7,319
Other Income	-70,257	-289,251
TOTAL INCOME	-80,811	-302,349
TOTAL NET BUDGET	291,777	98,181

Children and Young People

2006/2007 Budget Summary

	Employee Costs	Premise Costs	Transport & Highways	Supplies & Services	Third Party Payments & Misc	Grants Benefits & Services to Clients	SSF & Central Charges	Financing Charges	SSF & Central Income	Income	Total
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
C15 Nursery Education Centres	1,937	213	1	248	0	0	34	0	0	-547	1,886
C16 Nursery Schools Delegated	1,915	210	1	245	0	0	34	0	0	-55	2,350
C07 Primary Schools Delegated	86,476	9,496	57	11,054	0	0	1,521	0	0	-3,155	105,449
C09 Secondary Schools Delegated	68,318	7,503	46	8,733	0	0	1,202	0	0	-5,129	80,673
C17 Special Schools Delegated	2,899	318	2	370	0	0	51	0	0	-477	3,163
Total Schools Delegated Budget	161,545	17,740	107	20,650	0	0	2,842	0	0	-9,363	193,521
C70 Executive Director and Support	245	0	0	168	0	0	246	0	-548	0	111
C79 Strategic Management	0	0	0	0	0	0	2,947	0	0	0	2,947
Total Executive Director and Support	245	0	0	168	0	0	3,193	0	-548	0	3,058
C02 School Improvement	1,134	0	7	590	0	281	133	0	0	-26	2,119
C03 Curriculum Support and Consultancy	901	101	9	121	0	0	153	0	-233	-453	599
C04 Management and Governing Body Support	319	10	0	35	0	0	93	0	-376	-67	14
C05 Information Technology Support	1,143	0	9	108	0	0	81	1,175	-1,245	-490	781
C06 Personnel Services	950	0	2	42	0	0	758	0	-407	-921	424
C08 Primary Schools Central Budget	1,854	0	0	0	0	0	0	13,669	0	-21	15,502
C11 Secondary Schools Central Budget	878	0	0	0	0	0	0	8,537	0	-14	9,401
C12 School Support Services	437	20	38	89	0	0	468	0	-996	-43	13
C13 Special Schools Central Budget	228	0	0	0	0	0	0	436	0	0	664
C18 Support Services	124	28	3	35	0	0	70	22	0	0	282
C19 Nursery Schools Central Budget	0	0	0	0	0	0	0	593	0	0	593
C21 Outdoor Education Centre	446	86	96	92	0	0	11	22	0	-633	120
C22 Newham Music Trust	0	3	0	0	0	80	4	52	0	-34	105
C28 Credon Centre	248	221	0	175	0	0	0	76	-213	-452	55
C30 South West Education Action Zone	127	0	0	0	0	0	0	0	0	0	127
C35 School Meals	138	142	1	4,956	0	10	0	0	0	-4,853	394

Children and Young People

2006/2007 Budget Summary (continued)

	Employee Costs	Premise Costs	Transport & Highways	Supplies & Services	Third Party Payments & Misc	Grants Benefits & Services to Clients	SSF & Central Charges	Financing Charges	SSF & Central Income	Income	Total
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
C41 Rathbone PRU	1,444	124	1	963	0	0	38	0	0	-35	2,535
C45 Awards	326	0	0	0	0	395	119	0	0	-102	738
C47 Pupil and Student Services	372	0	71	89	0	0	91	0	0	0	623
C54 City Learning Centre	0	0	0	0	0	0	1	37	0	0	38
C59 Manor Park Education Action Zone	49	0	0	0	0	0	2	0	0	0	51
C61 Excellence in Cities	115	0	0	0	0	0	15	0	0	0	130
C62 Learning Support	1,720	0	0	0	0	0	39	0	0	0	1,759
C63 Tunmarsh Centre	30	151	13	129	0	0	2	0	0	-4	321
C64 Behaviour Support and Tuition Service	2,112	21	13	70	0	0	31	2	0	-11	2,238
C65 Visually Impaired Service	868	0	0	0	0	0	3	0	0	0	871
C66 Deaf and Partially Hearing Service	641	0	0	0	0	0	3	0	0	0	644
C68 Language and Communication Difficulties	471	0	0	0	0	0	2	0	0	-21	452
C69 Inclusive Education Development	368	0	0	0	0	0	1	0	0	-43	326
C73 Capital Strategy and School Planning	657	2,130	1	24	0	0	527	0	0	-372	2,967
Total Learning and Schools	18,100	3,037	264	7,518	0	766	2,645	24,621	-3,470	-8,595	44,886
A01 Customer Relations (Complaints)	170	0	0	16	0	0	38	0	-223	0	0
A02 Training & Development	858	0	2	9	0	0	1,514	0	-1,145	-1,239	0
A03 Information Systems Support	0	8	0	276	0	0	989	485	-1,757	0	0
A08 Destitute Families	115	0	0	2	0	1,051	0	0	0	0	1,168
A09 Emergency Duty Team	436	0	1	9	0	11	32	0	0	0	488
A11 Children In Need	3,902	0	28	72	0	53	1,234	0	0	-458	4,829
A12 Children Looked After	2,460	57	22	75	0	63	3	0	0	0	2,680
A13 Assessment Services	2,343	0	9	55	0	11	0	0	0	0	2,417
A14 Placement Services	2,576	5	12	272	26	7	78	5	0	-1,050	1,928
A15 Young Offenders	494	0	18	65	166	0	182	7	0	-60	871
A20 Family Assessment Service - Amber	642	80	2	73	0	1	35	0	0	0	834
A22 Children's Care Packages	0	0	0	0	337	864	0	0	0	-200	1,000

Children and Young People

2006/2007 Budget Summary (continued)

	Employee Costs	Premise Costs	Transport & Highways	Supplies & Services	Third Party Payments & Misc	Grants Benefits & Services to Clients	SSF & Central Charges	Financing Charges	SSF & Central Income	Income	Total
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
A23 Children's P&V Residential Placements	0	7	0	0	10,257	0	1	0	0	-804	9,462
A24 Family Placements	0	0	524	161	13,677	1	0	0	0	-380	13,983
A25 Section 24 Leaving Care	0	0	0	0	0	725	0	0	0	0	725
A26 Hamfrith Family Day Assessment	664	33	2	33	0	221	46	6	0	0	1,005
A27 Stay And Play & DCYPS	1,634	30	15	52	209	15	132	46	0	-276	1,856
A28 Children & Families Consultation	296	0	2	118	866	0	0	0	0	-998	285
A29 Children's Planning & Reviewing Service	958	0	6	226	0	0	35	0	0	0	1,226
A72 Children's Commissioning	304	0	2	67	190	274	64	0	0	-601	299
A79 Asylum Service	1,010	43	10	196	1,845	4,035	303	49	0	-6,783	709
A89 Childrens MSS	0	0	0	0	0	0	3,957	0	72	0	4,029
A91 Children and Families Performance Team	66	0	0	2	0	0	109	0	-177	0	0
A94 Childrens Services Training	549	0	0	0	0	0	0	0	-549	0	0
A95 Children and Families Director	215	1	1	134	0	0	14	0	-235	0	129
A97 Childrens Services Vol Sector Grants	0	0	0	0	0	293	0	0	0	0	293
A98 Childrens Service Strategy	0	0	0	0	0	0	110	0	0	0	110
C31 SEN Purchasing	983	0	0	77	38	0	35	0	0	0	1,133
C32 Out Borough Schools	56	0	0	0	2,722	1,695	46	0	0	-882	3,637
C33 Home to School Transport	29	0	2,785	0	0	0	19	0	0	0	2,833
C38 Youth Offenders Team	98	0	0	0	57	0	0	0	0	0	155
C39 Access and Inclusion Management	102	0	1	0	0	0	26	0	0	0	129
C49 Education Psychology Service	818	0	9	8	0	0	192	0	0	-203	824
C55 Special Education Assessment	514	0	2	1	0	0	156	0	0	0	673
C56 Behaviour Improvement Project	0	0	0	0	0	0	12	0	0	0	12
C57 Education Welfare Service	678	8	7	9	0	0	229	0	0	-59	872
Total Children, Young People & Families	23,411	273	3,461	2,019	30,389	9,319	11,475	596	-6816	-13,534	60,593

Children and Young People

2006/2007 Budget Summary (continued)

	Employee Costs	Premise Costs	Transport & Highways	Supplies & Services	Third Party Payments & Misc	Grants Benefits & Services to Clients	SSF & Central Charges	Financing Charges	SSF & Central Income	Income	Total
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
C20 Education Business Partnership	0	0	0	0	0	168	74	0	0	0	242
C23 Early Years Grants	0	2	0	28	2	1,637	6	0	0	0	1,675
C24 Early Years Administration and Advice	407	43	0	0	0	0	63	85	0	0	598
C25 Childcare Grant	264	80	0	228	0	2,488	0	0	0	-3,037	23
C46 Outdoor Education Centre (Debden House)	385	82	11	90	0	0	8	40	0	-480	136
C50 Community Education	4,814	714	48	492	0	112	610	296	0	-3,863	3,223
C51 Voluntary Projects	227	0	0	0	2	400	35	5	0	0	669
C52 Beckton Globe	110	289	0	7	1	0	11	322	0	-614	126
C75 Childcare Centres	0	0	0	0	3,061	0	0	0	0	-3,061	0
C84 Learning Community	560	11	9	36	0	302	36	0	0	0	954
C97 14-16 Development	87	0	0	0	249	0	0	0	0	0	336
Total Lifelong Learning & Economic Wellbeing	6,854	1,221	68	881	3,315	5,107	843	748	0	-11,055	7,982
C10 Sixth Form College	0	0	0	0	0	0	1	181	0	-181	1
C43 Residual Costs of FE College	288	0	0	0	0	0	1	0	0	0	289
C60 Education Specific Grants	0	0	0	0	31,386	0	30	0	0	-246,523	-215,107
C71 Finance and Contracts	0	0	0	30	0	0	1,418	0	-1,384	0	64
C72 Purchasing	0	0	0	215	0	0	984	10	-644	0	565
C76 Research and Policy	412	0	0	26	0	0	187	0	-159	0	466
C98 Business Support	77	0	0	0	0	0	80	0	-77	0	80
C99 Reprioritisation Reserve	1,783	0	0	0	0	0	0	0	0	0	1,783
Total Business Support	2,560	0	0	271	31,386	0	2,701	191	-2,264	-246,704	-211,859
Total Non Schools	51,170	4,531	3,793	10,857	65,090	15,192	20,857	26,156	-13,098	-279,888	-95,340
TOTAL NET BUDGET	51,800	4,534	3,793	10,881	65,090	15,192	20,864	26,156	-13,098	-289,251	98,181

Corporate and Strategic Management



INTRODUCTION

This area covers the central support to the Mayor, Members, Chief Executive and Newham Executive Board in the strategic leadership and management of the Council.

The Chief Executive's Office

The office provides administrative support to the Chief Executive. In addition it includes support to the Moving to Excellence programme and high level input in supporting the Mayor, Members, the Chief Executive and Newham's Executive Board in the strategic management of the Council.

Corporate Strategy

The service area provides strategic support to the Mayor, Members, the Chief Executive and Newham's Executive Board in areas of policy and strategy development, research and understanding needs in Newham. Management and analysis of the Newham Household Panel Survey is a major focus of work, along with the Annual Residents' Survey and other ways of measuring public opinion and perception.

The service supports the development of effective strategic partnerships between local service provider, and in particular with the Local NHS partners. A new focus of work for 2006/2007 will be the Local Area Agreement.

Communications

The Communications service provides professional public relations and marketing advice and support to the Council. This includes developing PR strategies, media relations, event management, design and publishing. It also works with other organisations in Newham in marketing the borough as a whole.

The Mayoral Office

This section provides support and advice to the elected Mayor. The office provides a full PA support function to the Mayor, including diary management, casework, research and general advice.

Member Services

Member Services provides support to all areas of the Council's activity in relation to corporate governance. Member Services is responsible for the effective operation of governance arrangements under the modernising local government agenda, both strategically and on a day to day basis and provides support services and development opportunities for Members in their diverse roles.

Within Member Services there are two teams. The Cabinet/Statutory Team is responsible for the day to day management of the Council's political decision making bodies, Quasi-judicial bodies, partnership bodies and Civic Ambassadorial role. The Ward Support Team is responsible for providing a range of services to Members including casework, developing the capacity of Members to undertake their varied roles and developing new ways to support Members in their representational role.

STAFFING

The funded staffing levels expressed as full time equivalents are:

	Total
DIRECT SERVICES	
Communication	22.9
Newham Magazine	4.0
Mayoral Office	10.0
Members Support Services	23.6
Chief Executive's Office	4.0
Corporate Strategy	13.4
TOTAL	77.9

Changes in the 2006/2007 Budget

	£000	£000
2005/2006 Budget at Cash Prices		8,186
Budget and Efficiency Savings		
Business Efficiency Review	-7	
Service Reviews	-40	-47
Service Transfers		
PA Post from Culture & Community	27	
Community Forum Posts to Culture & Community	-64	
Social Services Welfare Benefit Team to Social Regeneration Unit (SRU)	115	
Culture & Community to Newham 2012	176	
SRU to Culture & Community	-880	
Newham 2012 to Culture & Community	-92	-718
Other Changes		
Moving to Excellence	102	
Base Line Adjustments	326	
Capital Financing	12	
Insurance	-2	
Corporate Subscriptions	-2	
SSF	-509	-73
Pay and Price Increases		153
2006/2007 Budget at Cash Prices		7,501

Corporate and Strategic Management

Cost Centre Summary

	2005/2006 Budget	2006/2007 Budget
	£000	£000
DIRECT SERVICES		
E03 Communications	769	0
E07 Newham Magazine	186	363
E15 Member Expenses	1,850	1,924
E16 Mayoral Office	418	571
E40 Members Support Services	1,109	1,125
E76 Corporate & Democratic Management	1,813	2,054
P01 Chief Executive's Office	280	430
P03 Corporate Strategy	863	906
P05 Social Regeneration Unit	770	0
P08 Corporate Parenting	128	128
TOTAL NET BUDGET	8,186	7,501

Corporate and Strategic Management

Subjective Analysis

	2005/2006 Budget £000	2006/2007 Budget £000
Officers	3,135	2,940
Other Officers	597	726
Indirect Employee Expenses	106	103
Other Staff Costs - Agency	3	3
Employee Costs	3,841	3,772
Other Premises Costs	2	3
Premise Costs	2	3
Hire of Transport	40	41
Car Allowances	1	2
Public Transport Fares	3	3
Transport and Highways	44	46
Equipment, Purchase & Repair	48	44
Printing, Stationery, Office Expenses	411	385
Computing Costs	12	22
Communications Costs	59	56
Catering Costs	36	37
Other Supplies & Services	572	581
Expenses & Allowances	1,309	1,374
Subscriptions, Contributions & Miscellaneous	890	868
Supplies & Services	3,337	3,367
Third Party Payments - Contractors, Voluntary Agencies	1	2
Third Party Payments & Miscellaneous	1	2
Grants to Voluntary Organisations	898	885
Grants, Benefits and Services To Clients	898	885
Support Services Charges	625	896
Finance Charges	259	349
Computer Services Charges	250	262
Other Central Charges	525	578
Internal Support Charges	477	258
SSF & Central Charges	2,136	2,343
Capital Charges	66	78
Financing Charges	66	78
TOTAL EXPENDITURE	10,325	10,496

Corporate and Strategic Management

Subjective Analysis (continued)

	2005/2006 Budget £000	2006/2007 Budget £000
SSF Income - General & Legal	-454	-1,333
SSF Income - Personnel & Corporate	-534	-534
Other Charges & Central Reallocations	-646	-648
Charges to Capital, Agency & Funds	-59	-59
SSF & Central Income	-1,693	-2,574
Charges to Other Service Areas	-124	-120
Sales, Fees & Charges	-300	-269
Miscellaneous Income	-22	-32
Income	-446	-421
TOTAL INCOME	-2,139	-2,995
TOTAL NET BUDGET	8,186	7,501

Corporate and Strategic Management

2006/2007 Budget Summary

	Employee Costs	Premise Costs	Transport & Highways	Supplies & Services	Third Party Payments & Misc	Grants Benefits & Services to Clients	SSF & Central Charges	Financing Charges	SSF & Central Income	Income	Total
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
E03 Communications	1,071	0	4	77	0	0	162	6	-1,274	-46	0
E07 Newham Magazine	165	0	0	530	0	0	17	0	-36	-313	363
E15 Members Expenses	50	0	38	1,486	0	0	306	44	0	0	1,924
E16 Mayoral Office	430	1	0	53	0	0	87	0	0	0	571
E40 Members Support Services	920	1	2	92	0	0	172	0	-23	-39	1,125
E76 Corporate & Democratic Management	0	0	0	945	0	885	1,352	28	-1,156	0	2,054
P01 Chief Executive's Office	383	0	0	-9	2	0	54	0	0	0	430
P03 Corporate Strategy	753	1	2	68	0	0	190	0	-85	-23	906
P08 Corporate Parenting	0	0	0	125	0	0	3	0	0	0	128
TOTAL NET BUDGET	3,772	3	46	3,367	2	885	2,343	78	-2,574	-421	7,501



INTRODUCTION

The Crime and Anti-Social Behaviour Service was established during 2004 when a number of service areas from across the Council were brought together to ensure better joined up working and improved delivery of our response to Crime, Anti-Social Behaviour (CASB) and Emergency Planning. The teams that make up the Service are as follows:

- Newham Parks Constabulary
- Community Warden Service
- ASB Intelligence Team
- ASB Investigations Team (formerly Housing Enforcement Team)
- Emergency Planning
- CCTV Control Centre
- Street Scene Enforcement Team
- Corporate Community Safety Unit
- Community Partnership Team (formerly the Respect Project)
- Domestic Violence Unit (formerly in Social Services)

The Service operates a patrolling/response capability, delivering pro-active and re-active support to those suffering the effects of crime and anti-social behaviour, and an investigative arm securing evidence and intelligence in respect of ongoing and complicated crime and anti-social behaviour.

Patrols Service (Newham Parks Constabulary & Community Warden Service)

A patrolling service of 37 Parks Constabulary officers and 10 Community Wardens delivers 'high visibility' patrols to areas identified through intelligence as ASB 'hot spots'. In addition they patrol Newham's Parks and open spaces as well as providing an urgent (but not an emergency) response to all ASB complaints 7 days a week, 52 weeks a year.

ASB Intelligence Unit

The ASB Intelligence Unit is made of ASB co-ordinators, Assessment Officers, Crime Analysts, Community Partnership Team Officers and ASB Youth Intervention Officers. The role of the Unit is the initial management, response and investigation of reported ASB incidents. It gathers and analyses relevant information from a variety of sources to establish the possible presence of anti social behaviour.

ASB Investigations Team

The investigations team undertake detailed investigations into ongoing ASB, collating evidence secured to bring injunctions and/or Anti-Social Behaviour Orders against identified perpetrators. They are linking closely with Registered Social Landlords (RSLs) and Private Landlords to ensure effective outcomes are delivered to residents across the whole of Newham and not just those living in Council housing stock. The team is also responsible for the management of the Victim Support contract administered by East Thames Housing on behalf of the Borough.

Emergency Planning

The Emergency Planning Officer is responsible for the maintenance of the Borough's Emergency Planning responsibilities under the Civil Contingencies Act.

CCTV Control Centre

The Control Centre provides a 24/7 service handling calls for assistance on our dedicated ASB free-phone number and ensuring an appropriate and effective response is delivered. In addition they monitor over 500 Closed Circuit Television (CCTV) cameras keeping a watchful eye over the streets and estates of Newham. The control centre also coordinates emergency planning operations, out of hours emergencies and monitors alarms for Council owned property.

Street Scene Enforcement Team

The Street Scene Enforcement Team is responsible for securing compliance with a wide range of environmental legislation. They have ensured that Newham has led the way in dealing with nuisance vehicles over recent years, with vehicles reported as abandoned now generally removed within 24 hours of being reported. In addition to these vehicles the team specifically target fly-tipping, fly-posting, unlicensed street trading and all other forms of street scene and highways enforcement.

Corporate Community Safety Unit

A small team that supports the Crime & Disorder Reduction Partnership and helps to ensure that the work of all the services in this area is directed at achieving the outcomes sought by the Partnership.

Domestic Violence Unit

This team works with victims of Domestic Violence and Hate Crime and aims to work with the Police and other partners to bring perpetrators to justice and to support the victims.

STAFFING

The funded staffing levels expressed as full time equivalents are:

	Total
Street Scene Enforcement	13
Parks Constabulary	29
Management & Support	9
Community Safety	4
Investigations Team	10
Domestic Violence (formerly Social Services)	7
Emergency Planning	1
Control Room	32
TOTAL	105

Crime and ASB

Changes in the 2006/2007 Budget

	£000	£000
2005/2006 Budget at Cash Prices		1,632
Budget Pressures		550
Additional Service Demands		315
Budget and Efficiency Savings		-30
Service Transfers		397
Changes in Funding Arrangements		178
Other Changes		
Other	284	
Capital Financing	-1	283
Pay and Price Increases		38
2006/2007 Budget at Cash Prices		3,363

Crime and ASB

Cost Centre Summary

	2005/2006 Budget £000	2006/2007 Budget £000
DIRECT SERVICES		
H80 Untaxed Vehicles	0	526
H81 Street Scene enforcement	527	499
H82 Parks Constabulary	513	389
H84 Management and Support	304	0
H85 Abandoned vehicles	88	0
H86 Community Safety Unit	197	221
H87 Investigations*	0	225
H88 Domestic Violence Unit**	0	309
T04 Emergency Services	68	180
T07 Control Room/CCTV	-44	1,060
T08 Security - Ancillary Services	-21	-46
TOTAL NET BUDGET	1,632	3,363

* Investigations Team transferred from Housing and Customer Services

** Domestic Violence Unit transferred from Social Services

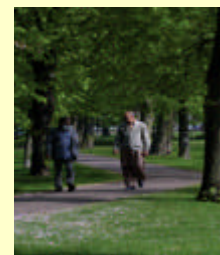
Crime and ASB
Subjective Analysis

	2005/2006 Budget £000	2006/2007 Budget £000
Officers	3,336	4,529
Other Staff Costs	63	64
Employee Costs	3,399	4,593
Repairs and Maintenance	64	89
Energy Costs	5	6
Rent, Rates, Water & Insurance	20	24
Other Premise Costs	51	71
Premise Costs	140	190
Vehicles	110	113
Car Allowances	3	6
Transport and Highways	113	119
Equipment	200	64
Printing, Stationery, etc.	16	19
Computing Costs	11	28
Communication Costs	39	41
Other Supplies & Services	604	845
Supplies & Services	870	997
Agency & Contractor Payments	1,361	1,841
Third Party Payments & Miscellaneous	1,361	1,841
Section 17 Grants	0	15
Grants, Benefits & Services to Clients	0	15
Support Services Charges	108	391
Finance Charges	31	50
ICT Charges	56	57
Other Central Charges	8	9
Internal Support Charges	258	1,339
SSF & Central Charges	461	1,846
Capital Charges	219	218
Financing Charges	219	218
TOTAL EXPENDITURE	6,563	9,819
Grants/External Funding	-583	-726
Internal Income	-3,851	-5,501
Sales, Fees & Charges	-497	-229
TOTAL INCOME	-4,931	-6,456
TOTAL NET BUDGET	1,632	3,363

**Crime and ASB
2006/2007 Budget Summary**

	Employee Costs	Premise Costs	Transport & Highways	Supplies & Services	Third Party Payments & Misc	Grants Benefits & Services to Clients	SSF & Central Charges	Financing Charges	SSF & Central Income	Income	Total
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
H80 Untaxed Vehicles	20	73	0	5	565	0	220	0	0	-357	526
H81 Street Scene Enforcement	595	0	12	22	0	0	251	12	0	-393	499
H82 Parks Constabulary	1,356	0	82	22	123	0	338	0	0	-1,532	389
H84 Management and Support	521	0	8	52	0	0	241	5	0	-827	0
H85 Abandoned Vehicles	0	0	0	0	0	0	0	0	0	0	0
H86 Community Safety Unit	120	0	0	486	0	0	109	0	0	-494	221
H87 Investigations	423	47	1	226	24	0	174	0	0	-670	225
H88 Domestic Violence Unit	248	0	2	14	0	15	30	0	0	0	309
T04 Emergency Services	48	0	8	101	0	0	23	0	0	0	180
T07 Control Room/CCTV	1,262	70	1	69	106	0	443	201	0	-1,092	1,060
T08 Security - Ancillary Services	0	0	5	0	1,023	0	17	0	0	-1,091	-46
TOTAL NET BUDGET	4,593	190	119	997	1,841	15	1,846	218	0	-6,456	3,363

Culture and Community & Adults Social Services



INTRODUCTION - Culture and Community

CULTURE

Culture aims to create and provide the best possible range of cultural, leisure and recreational opportunities for the people of Newham, that are inclusive, flexible, high quality and receptive to the changing needs of the community. Culture promotes health, learning, employment, training, volunteering and wellbeing in the community.

Leisure centres, community centres, festivals, parks and community sports and fitness activities are not only places to have fun, they also contribute to the health and well-being of the community. Libraries and Heritage Services provide opportunities for learning, personal development whether to boost examination results, or just for enjoyment.

Culture activities not only support cultural awareness, health and personal development in the borough but help combat crime and anti-social behaviour by offering residents chances for constructive activities.

Festivals and Celebrations

This team produces a year-long programme of festivals, shows, performance and events for all ages and cultures. The programme provides people living and working in Newham with affordable, accessible, high quality and diverse events including literature, music, arts, funfairs, circuses and exhibitions.

Healthy Living and Sport

This team is responsible for the implementation of Newham's Healthy Living and Sport strategy Going for Gold and has worked closely with the leisure centre operators, GLL, in refurbishing Newham's four leisure centres, which now attract in excess of 1.5 million visits a year.

Healthy Living and Sport aim to help people achieve their goals, whether these are general health and fitness, weight loss, sport specific training, education, social or relaxation. The service manages sports and coach education courses, regular sports sessions for young people, competitions and events throughout Newham as well as working with schools and clubs to both improve facilities and develop links between schools and sports clubs. The service is also responsible for managing the Royal Victoria Dock Watersports Centre, which runs courses for sailing and canoeing.

Heritage

This service collects, preserves, promotes and interprets the rich diversity of the heritage of Newham and its people, making it accessible to all.

School visits and events and activities for families and community groups are also a key part of the service delivery. Heritage manages The Newham Story, an exciting project that includes a community web portal. This helps local residents to learn how the Borough has developed and changed over the last 100 years as well as providing a means of adding their own stories and experiences to The Newham Story. A key aim of The Newham Story is to ensure that all the communities of Newham have a voice in contributing their story.

Libraries

Newham's extensive library service was visited by nearly 2 million people last year, who in turn borrowed over 1.5 million items. It has been particularly successful in attracting use by black and ethnic minority communities with over 70% of active borrowers coming from minority groups. The ten libraries and mobile library service stock more than 360,000 books, videos, DVDs, tapes and maps. All libraries have free access to the Internet and CD ROMs. The service also organises events and activities to support lifelong learning and children's clubs and workshops.

Parks Service

Newham's parks and open spaces attract an estimated 3 million visitors a year and provide a valuable 'green lung' in a built-up urban environment. Opportunities for passive and active recreation include children's playgrounds, activity areas and games courts for young people, sports pitches, a city farm, nature reserves, lakes and water features, wooded areas and formal planting. Newham's parks host a number of events during the year, including the popular 'Under the Stars' spectacular and provide volunteering opportunities through partnerships.

COMMUNITY SERVICES

Community Services is about empowering communities, fostering democracy, tackling inequality and improving services to make people's lives better. Community Services work with a range of partners from within the Council, public authorities, the voluntary, community and faith sector and work towards everyone in the borough having the same chances in life.

Community Participation Unit

The team fosters the active involvement of all Newham's communities to ensure individuals feel connected to the development of a socially and economically thriving borough.

The team works with a wide range of key stakeholders both within the Council and with the 10 Community Forums, ensuring that the objectives of the Local Strategic Partnership and Council are influenced by Newham's many and diverse communities.

Community Support Unit

This team works with local communities to help build capacity into the Council's network of 29 Community Centres, as well as working with other providers of community space. The team is also responsible for providing an efficient and effective grant service across the borough, including fostering relations with other providers.

A final key responsibility is to develop partnership working across the not-for-profit sector.

Social Regeneration Unit

The unit works to reduce social exclusion and maximise the incomes of people in Newham. Part of this work involves raising awareness of what benefits they can claim whether they are unemployed or working. The unit does not provide a direct service to the public but provides a support and development role to the network of advice providers in Newham.

Business Improvement and Performance Unit

This team is responsible for the provision and utilisation of information, performance and project management systems, communication and research support, business and office management services for both Culture and Community Services.

The team is also responsible for managing the delivery of the Culture and Community Services Neighbourhood Renewal Fund programme.

STAFFING - Culture & Community

The funded staffing levels expressed as full time equivalents are:

	Total
Management Strategy and Support	14
Healthy Living and Sport	24
Children's Services	9
Libraries	114
Festivals and Celebrations	4
Old Town Hall	8
Heritage	11
Parks and Conservation Service	21
TOTAL - CULTURE	205
Community Participation and Support	14
Social Regeneration	15
Newham 2012	1
TOTAL - COMMUNITY	30
TOTAL CULTURE AND COMMUNITY	235

Culture and Community

Changes in the 2006/2007 Budget

	£000
2005/2006 Budget at Cash Prices	20,463
Budget Pressures	455
Additional Service Demands	5
Budget and Efficiency Savings	-62
Service Transfers	839
Other Changes	
Capital Financing	1,080
Pay and Prices Increase	353
2006/2007 Budget at Cash Prices	23,133

Culture and Community

Cost Centre Summary

	2005/2006 Budget £000	2006/2007 Budget £000
DIRECT SERVICES		
G01 Corporate And Democratic Core	98	101
G14 Contingency	88	213
G20 Strategic Policy & Projects	84	52
G21 Sport	435	439
G22 Physical Activity	113	115
G25 Royal Victoria Docks Watersports	172	182
G32 Play Service	1,767	1,662
G33 Out Of School Hours Childcare	0	5
G39 Facilities	4,027	4,207
G41 Libraries	5,850	6,400
G42 Stratford Circus	226	288
G43 Festivals & Celebrations	205	203
G44 Community Centres	211	264
G46 Old Town Hall - Stratford	280	638
G47 Upton Community Centre	122	165
G51 North Woolwich Old Station Museum	113	112
G52 Education & Outreach	42	44
G54 St Marks	3	3
G56 Stock Street	34	34
G57 Heritage Support Services	291	296
G58 Archives & Local Studies	0	70
G59 Old Dispensary	117	122
G60 Voluntary Sector	2,097	2,139
G61 Katherine Road Community Centre	93	94
G65 Community Participation	344	422
G66 Community Support	596	602
G71 Newham City Farm	389	382
G72 East Ham Nature Reserve	152	148
G73 Parks & Open Spaces Engagement	348	230
G74 Parks & Open Spaces Delivery	759	792
G75 Greenspace Service Management	1,407	1,716
P05 Social Regeneration	0	899
P12 Olympics	0	94
TOTAL NET BUDGET	20,463	23,133

Culture and Community

Subjective Analysis

	2005/2006 Budget	2006/2007 Budget
	£000	£000
Officers	7,385	7,733
Manual Employees	163	141
Other Staff Costs	364	451
Employee Costs	7,912	8,325
Repairs and Maintenance	748	473
Grounds Maintenance	151	107
Energy Costs	248	279
Rent Rates Water and Insurance	1,339	1,482
Other Premises Costs	190	262
Premise Costs	2,676	2,603
Vehicles	46	56
Car Allowance and Fares	23	14
Transport and Highways	69	70
Equipment	738	707
Printing and Stationery	82	88
Computing Costs	59	98
Communication Costs	85	81
Catering Costs	135	134
Other Supplies and Services	866	1,602
Supplies and Services	1,965	2,710
Leisure Management Contract	490	397
Third Party Payments	490	397
Grants to Voluntary Organisations	3,487	3,462
Grants, Benefits and Services to Clients	3,487	3,462
Support Services Charges	799	759
Finance Charges	333	565
ICT Charges	338	448
Other Central Charges	144	421
Internal Support Charges	2,103	1,936
SSF and Central Charges	3,717	4,129
Capital Charges	4,287	5,368
Financing Charges	4,287	5,368
TOTAL EXPENDITURE	24,603	27,064
Internal Support Charges	-2,103	-2,090
Grants/ External Funding	-615	-635
Internal Income	-328	-154
Rental Income	-28	-28
Sales, Fees and Charges	-1,066	-1,024
TOTAL INCOME	-4,140	-3,931
TOTAL NET BUDGET	20,463	23,133

Culture and Community

2006/2007 Budget Summary

	Employee Costs	Premise Costs	Transport & Highways	Supplies & Services	Third Party Payments & Misc	Grants Benefits & Services to Clients	SSF & Central Charges	Financing Charges	SSF & Central Income	Income	Total
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
G01 Corporate and Democratic Core	0	0	0	0	0	0	101	0	0	0	101
G10 Directorate	432	2	0	-9	0	0	583	0	-947	-61	0
G13 Business and Office Management	114	1	0	73	0	0	116	0	-304	0	0
G14 Contingency	0	0	0	213	0	0	0	0	0	0	213
G20 Strategic Policy & Projects	266	0	2	144	0	0	412	13	-785	0	52
G21 Sport	210	0	1	57	0	0	171	0	0	0	439
G22 Physical Activity	251	0	1	8	0	0	18	0	0	-163	115
G23 NDC Funded Projects	67	0	0	74	0	0	0	0	0	-141	0
G25 Royal Victoria Docks Watersports	165	54	3	6	0	0	36	0	0	-82	182
G32 Play Service	256	1	2	37	0	1,089	284	34	0	-41	1,662
G33 Out of School Hours Childcare	75	0	0	8	0	0	0	0	0	-78	5
G39 Facilities	180	845	2	12	397	0	168	2,613	0	-10	4,207
G41 Libraries	3,217	816	34	754	0	0	1,088	817	-55	-271	6,400
G42 Stratford Circus	0	55	0	0	0	233	0	0	0	0	288
G43 Festivals & Celebrations	159	0	1	279	0	0	119	0	0	-355	203
G44 Community Centres	0	231	0	36	0	0	5	92	0	-100	264
G46 Old Town Hall - Stratford	197	218	0	171	0	0	116	326	0	-390	638
G47 Upton Community Centre	95	49	0	7	0	0	0	106	0	-92	165
G51 North Woolwich Old Station Museum	77	29	0	6	0	0	0	0	0	0	112
G52 Education & Outreach	37	0	0	7	0	0	0	0	0	0	44
G54 St Marks	0	0	0	0	0	0	0	3	0	0	3

Culture and Community

2006/2007 Budget Summary (continued)

	Employee Costs	Premise Costs	Transport & Highways	Supplies & Services	Third Party Payments & Misc	Grants Benefits & Services to Clients	SSF & Central Charges	Financing Charges	SSF & Central Income	Income	Total
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
G56 Stock Street	15	12	0	4	0	0	0	3	0	0	34
G57 Heritage Support Services	100	11	1	37	0	0	123	35	0	-11	296
G58 Archives & Local Studies	68	0	0	2	0	0	0	0	0	0	70
G59 Old Dispensary	89	20	0	4	0	0	0	9	0	0	122
G60 Voluntary Sector	0	0	0	0	0	2,139	0	0	0	0	2,139
G61 Katherine Road Community Centre	44	22	0	13	0	0	24	8	0	-17	94
G65 Community Participation	304	1	2	20	0	0	95	0	0	0	422
G66 Community Support	367	3	2	25	0	1	104	104	0	-4	602
G71 Newham City Farm	207	32	10	32	0	0	113	0	0	-12	382
G72 East Ham Nature Reserve	77	18	0	8	0	0	47	0	0	-2	148
G73 Parks & Open Spaces Engagement	121	1	5	13	0	0	90	0	0	0	230
G74 Parks & Open Spaces Delivery	190	50	2	440	0	0	110	0	0	0	792
G75 Greenspace Service Management	199	132	1	90	0	0	98	1,205	0	-10	1,715
P05 Social Regeneration Unit	657	0	1	139	0	0	103	0	0	0	900
P12 Olympic Facilitation	89	0	0	0	0	0	5	0	0	0	94
TOTAL NET BUDGET	8,325	2,603	70	2,710	397	3,462	4,129	5,368	-2,091	-1,840	23,133

INTRODUCTION - Adults Social Care

Adult Social Care services focus on and support the most vulnerable adults in the community and assist them to retain their independence. This is done by the assessment of the needs of individual adults leading to the commissioning or direct provision of services within the community; and residential and nursing care provision, when this becomes necessary to meet their needs. The service does not function in isolation but works with a wide range of agencies and groups, most notably with partners in health. Key themes for this work include:

- Increasing intensive home support
- Decreasing the use of residential and nursing care services
- Providing appropriate supported living services in the community
- Working in partnership to develop intermediate care services and avoid unnecessary hospital admissions and delayed transfers of care
- Developing partnerships with other agencies to meet particular service needs
- Providing culturally responsive and appropriate services
- Integrated commissioning
- Increasing take up of telecare to enable people to remain safe in their homes

Adult services are commissioned and delivered both directly and through a number of partnership arrangements. Partners include Newham Primary Care Trust, East London and City Mental Health Trust, Newham Health Care Trust, other Council service areas and independent sector groups and agencies. The service arrangements are linked to service user groups as follows:

- Older people
- Learning disabilities
- Physical disabilities
- Mental health
- HIV/AIDS
- Substance misuse
- Asylum services

The Council has a number of in-house services and these include:

- Home support
- Residential care for older people
- Day services for older people
- Group homes for adults with learning disabilities
- Day opportunities for people with learning disabilities
- Day opportunities for people with mental health support needs
- Resource centre for people with disabilities
- Transport to day centres

A range of other services are commissioned and purchased from the independent and other statutory sectors including concessionary travel arrangements.

The key developments over the past year have been the continued improvement in and the strengthened partnerships with health agencies. We have Section 31 arrangements in place for both the Integrated Community and Equipment Store as well as the Learning Disabilities Development Fund.

STAFFING

The funded staffing levels expressed as full time equivalents are:

	Total
Adult Services Directorate	9
Payments Administration	16
Locality Administration and Site Costs	15
Performance Team	6
Integrated Commissioning Adults	18
Contracts and Policy	18
Management and Support Services	82
Assessment and Care Management	98
LBN Residential Care Homes	87
LBN Day Centres	52
LBN Home Support	182
Older People	419
Assessment and Care Management	24
LBN Community Support	36
LBN Day Opportunities	61
Learning Disabilities	121
Assessment and Care Management	63
LBN Greenhill Centre	25
Integrated Community Equipment Services (ICES)	6
Physical & Sensory Disabilities	94
Mental Health - Day Opportunities	12
Mental Health - Other Support Services	55
Mental Health Support Needs	67
Drug Action Team	20
Substance Misuse Services	7
Other Adult Services	27
TOTAL	810

Adults Social Care

Changes in the 2006/2007 Budget

	£000	£000
2005/2006 Budget at Cash Prices		66,937
Additional Service Demands		
Budget Growth - Changes in Client Numbers		2,218
Budget and Efficiency Savings		
Service Efficiency Savings		-1,137
Service Transfers		
SEN from Children and Young People		21
Changes In Funding Arrangements		
Funding of Specific Grants to Formula Grants		1,100
Other Changes		
Changes in SSF and Central Charges	-94	
Capital Financing	169	
National Non - Domestic Rates	-4	71
Pay and Price Increases		2,209
2006/2007 Budget at Cash Prices		71,419

Adults Social Care

Cost Centre Summary

	2005/2006 Budget	2006/2007 Budget
	£000	£000
A00 Social Services Directorate	575	0
A02 Social Services Training & Development	733	0
A04 Finance - Payment Administration	871	0
A05 Head Office - Broadway House	0	0
A06 Locality Administration & Site Costs	0	0
A10 Integrated Commissioning - Adults	710	675
A16 Older People Assessment & Care Management	3,665	5,382
A17 Physical Disability Assessment & Care Management	2,894	3,167
A18 Learning Disabilities Assessment & Care Management	1,000	1,845
A30 LBN Residential Care Homes	2,656	2,588
A32 Older People Care Packages & Placements	12,143	11,571
A33 LBN Day Centres	3,224	3,084
A37 LBN Home Support	5,496	4,866
A42 LBN Community Support	869	1,303
A45 Learning Disabilities Care Packages & Placements	7,947	10,721
A48 LBN - Learning Disabilities Day Opportunities	2,918	2,941
A49 Learning Disabilities Day Care Placements	1,757	0
A51 Other Employment / Blind Homeworkers	29	0
A53 Physical Disabilities Placements & Care Packages	3,615	3,966
A56 Greenhill Centre	1,144	1,147
A64 Mental Health Care Packages & Placements	3,570	3,975
A67 Mental Health - Day Opportunities	685	775
A68 Mental Health Support Care (Grant Supported)	1,967	2,137
A70 Drug Action Team	0	257
A71 Substance Misuse Services	1,020	1,046
A74 Specialist Disability	-56	0
A75 Integrated Community Equipment Services	568	738
A76 Voluntary Sector Grants	380	0
A77 Taxi-Card and Concessionary Fares	6,300	6,655
A80 Social Services Service Strategy	256	0
A81 Contracts and Policy	0	0
A85 Adult Service Strategy	0	416
A88 Savings and Growth to be allocated	0	1,026
A90 Performance Team	0	0
A92 Voluntary Sector Grants	0	325
A93 Training and Development	0	0
A96 Directorate	0	812
TOTAL NET BUDGET	66,937	71,419

Adults Social Care

Subjective Analysis

	2005/2006 Budget £000	2006/2007 Budget £000
Officers	17,776	19,502
Chief Officers	333	355
Manual Workers	1,121	1,315
Operational Workers	3,782	4,025
Indirect Employee Expenses	1,505	1,109
Other Staff Costs - Agency	379	435
Employee Costs	24,896	26,741
Structural Works & Repairs	191	145
Decorations	157	162
Plumbing & Electrical	26	19
Grounds Maintenance	11	23
Energy Costs	123	151
Fixtures & Fittings	20	20
Rent, Rates Water & Insurance	736	781
Cleaning & Domestic Suppliers	115	160
Other Premise Costs	73	98
Premise Costs	1,452	1,559
Hire of Transport	1,567	322
Car Allowances	93	55
Public Transport Fares	6,287	6,704
Transport and Highways	7,947	7,081
Equipment Purchase & Repair	154	164
Consumable Materials	56	69
Clothing, Uniforms & Laundry	70	39
Printing, Stationery, Office Expenses	165	176
Computing Costs	49	60
Communication Costs	165	161
Catering Costs	125	199
Other Supplies & Services	343	499
Expenses & Allowances	33	23
Subscriptions, Contributions & Miscellaneous	686	1,442
Supplies and Services	1,846	2,832
Third Party Payments - Other Local Authorities	15	0
Third Party Payments - Contractors	9,653	10,666
Third Party Payments - Voluntary Agencies	33,454	38,607
Third Party Payments - Joint Authorities	204	0
Services Provided by Other LBN Service Areas	43	44
Third Party Payments - Other	103	0
Third Party Payments and Miscellaneous	43,472	49,317
Grants to Voluntary Organisations	1,783	1,679
Other Grants	87	37
Social Services Clients	527	459
Children's Act 1989 - Section 17	568	588
Grants, Benefits and Services to Clients	2,965	2,763

Adults Social Care

Subjective Analysis (continued)

	2005/2006 Budget £000	2006/2007 Budget £000
Support Services Charges	1,694	1,266
Finance Charges	830	1,649
Computer Services Charges	143	143
Other Central Charges	306	28
Internal Support Charges	5,579	8,243
SSF and Central Charges	8,552	11,329
Capital Charges	422	615
Financing Charges	422	615
TOTAL EXPENDITURE	91,552	102,236
Internal Income	-7,204	-7,936
Government Grants	-8,116	-9,700
Reimbursement & Contributions	-4,198	-7,573
Rental Income	-8	-22
Sales, Fees & Charges	-5,080	-5,449
Miscellaneous Income	-9	-137
TOTAL INCOME	-24,615	-30,817
TOTAL NET BUDGET	66,937	71,419

Adult Social Care

2006/2007 Budget Summary

	Employee Costs	Premise Costs	Transport & Highways	Supplies & Services	Third Party Payments & Misc	Grants Benefits & Services to Clients	SSF & Central Charges	Financing Charges	SSF & Central Income	Income	Total
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
A04 Payments Administration	443	1	2	13	0	0	1,886	0	-2,345	0	0
A05 Head Office - Broadway House	63	5	28	77	44	0	511	0	-728	0	0
A06 Locality Administration & Site Costs	452	673	4	75	0	0	603	39	-1,846	0	0
A10 Integrated Commissioning Adults	852	29	2	69	110	0	170	0	0	-558	674
A16 Older People Assessment & Care Management	3,663	2	18	62	0	0	2,052	0	0	-418	5,379
A17 Physical Disability Assessment & Care Management	2,453	2	6	39	0	0	836	0	0	-169	3,167
A18 Learning Disabilities Assessment & Care Management	1,095	3	13	61	0	0	936	0	0	-263	1,845
A30 LBN - Residential Care Homes	2,317	197	16	154	0	3	131	93	0	-321	2,590
A32 Older People Care Packages and Placements	11	0	0	0	21,109	0	0	0	0	-9,549	11,571
A33 LBN - Day Centres	1,327	136	4	123	0	901	785	18	0	-209	3,085
A37 LBN - Home Support	3,984	20	23	77	809	0	278	0	-18	-306	4,867
A42 LBN Community Support	1,462	29	3	32	0	0	108	0	0	-331	1,303
A45 Learning Disabilities - Care Packages & Placements	0	4	0	0	12,494	0	0	50	0	-1,828	10,720
A48 Learning Disabilities - Day Opportunities	1,658	110	185	42	229	11	591	240	0	-123	2,943
A53 Physical Disability - Care Packages & Placements	0	0	0	0	5,500	0	0	0	0	-1,533	3,967
A56 Greenhill Centre	549	46	41	38	0	4	367	136	0	-32	1,149
A64 Mental Health Care Packages & Placements	0	0	0	0	4,458	0	0	2	0	-485	3,974
A67 Mental Health - Day Opportunities	451	15	6	69	0	308	54	0	0	-128	775
A68 Mental Health Support Care (Grant Supported)	2,191	91	15	97	232	144	587	37	0	-1,258	2,136
A70 Drug Action Team	915	65	13	223	1,608	81	205	0	0	-2,853	257
A71 Substance Misuse Services	299	0	5	4	1,894	0	78	0	0	-1,234	1,046
A75 Integrated Community Equipment Services	347	127	36	11	0	957	66	0	0	-805	739
A77 Taxi-Card and Concessionary Fares	0	0	6,649	5	0	0	0	0	0	0	6,654
A81 Contracts and Policy	836	0	10	40	0	34	302	0	-1,221	0	0
A85 Service Strategy	0	0	0	0	0	0	416	0	0	0	416
A88 Savings and Growth to be allocated	0	0	0	1,025	0	0	0	0	0	0	1,025
A90 Performance Team	243	0	0	10	0	0	160	0	-413	0	0
A92 Voluntary Sector Grants	0	0	0	5	0	320	0	0	0	0	325
A93 Training	595	0	0	0	0	0	0	0	-595	0	0
A96 Directorate	535	3	2	481	830	0	208	0	-769	-478	812
TOTAL NET BUDGET	26,741	1,559	7,081	2,832	49,317	2,763	11,329	615	-7,936	-22,881	71,419

Housing and Public Protection



INTRODUCTION

The strategic housing function is carried out by the Housing and Public Protection Service Area (H&PP). This new operational service area comprises of six distinctive divisions. These are;

- Partnerships - responsible for developing and maintaining links with housing association and housing providers
- The Regeneration Team - responsible for delivering large scales capital programmes (such as the PFI in Canning Town and Forest Gate SRB in Forest Gate and regeneration schemes), as well as grant allocation within the private sector
- Strategy, Performance and Clienting - responsible for housing strategy development and performance monitoring, clienting and reviewing key renewal and regeneration activity. The future location of support on policy and performance is under review to conclude in August 2005.
- Public Protection - provides a responsive, customer based front line service to protect the public health and well-being of people who live, work and visit Newham. The service ensures the health and safety of homes, workplaces, shops, food outlets and places of entertainment and safeguards the environment including the air quality of the borough.
- Housing Needs - which incorporates the Homelessness, Allocations (including the CBL)
- Supporting People - provide funding and enabling function to agencies involved in housing related support for vulnerable residents

Together these service areas contribute to delivering the Newham Vision and Mayoral Priorities within the constraints of Central Governments directives. Primarily responsible for delivering services from the general fund the work of the new service area is targeted at private sector improvements, the expansion of choice based allocation the reduction of homelessness within the borough. Another key priority for us is to work closely with partner organisations, such as Housing Associations, to deliver more affordable housing and savings on fuel efficiency.

Another important focus of our work is on ensuring that the services we deliver link seamlessly with corporate activity in meeting the needs and aspirations of Newham's diverse community. Crucial to this will be our response to the large scale regeneration planned for the Thames Gateway development area.

Finance, information systems and human resources functions previously contained within this division have transferred to Executive Resources under the Back Office Efficiency Review.

Achievements

- The Canning Town PFI contract was signed in June 2005. This is the only Housing PFI in London and secures DHS funding for over 1,000 Council houses in the south of the borough.
- We established Local Space as an RSL in October 2005. Local Space is an innovative solution to acquiring high quality housing for use as temporary accommodation.
- Our CBL scheme consortium expanded to include local Authority areas in south, west and north London
- Our Supporting People strategy was awarded 'fit for purpose' by the Audit Commission
- We revised our Race Equality Scheme in line with the new Commission of Race Equality guidance (September 2005) and evidenced the Audit Commissions Equality Standard level 4 requirements in October 2005

- We successfully merged the Housing & Public Protection services areas
- We appointed a sub regional Private sector lead officer to co-ordinate over £4m worth of funding over the next two years
- Following a review of our homelessness services we have established a new Housing Options team incorporating the Housing Advice Centre and the HPU functions
- We produced a Private sector strategy agreed by the Mayor and Cabinet in October 2005
- We were the only authority in the country to meet the Government deadlines for licensing 24 hour drinking premises in November 2005
- Newham Homes (the ALMO) was established on the 1st of December 2005

In 2006/2007 Housing & Public Protection will:

- Continue to support the Council's goals for Achieving Excellence in meeting the CPA requirements
- Continue the work of regenerating the borough through the PFI schemes, New Deal for Communities and Canning Town Wider Regeneration
- Provide effective clienting of the ALMO
- Continue to work towards meeting level five of the Equality Standard.

STAFFING

The funded staffing levels expressed as full time equivalents are:

	Total	
	Officer	Manual
Business & Social Enterprise		
Home Improvement Agency	17	0
Subtotal	17	0
Housing Development and Partnerships		
Sub Regional Projects	1	0
Partnerships	8	0
Supporting People	6	0
Subtotal	15	0
Housing Needs		
Temporary Accommodation	34.0	0
Housing Options	74.9	0
Subtotal	108.9	0.0
Newco		
The Mill	2.8	11
Newco Products Ltd	10.8	2.9
Kitchens	3.2	17
Windows	4.0	19.6
Employment & Training	2.0	3
Newco Ltd	4.1	0
Subtotal	26.9	53.5
Public Protection		
Licensing & Registration	8	0
Asbestos	6	0
Environmental Health	66.9	0
Pest Control	5	0
Mortuary	4	0
Cemetery	2	4
Animal Welfare	3	0
Ancillary Services	1	0
Block Control Team	9	0
Public Health	0.5	0
Trading Standards and Consumer Protection	15	0
Subtotal	120.4	4.0
Strategy & Performance		
Senior Managers (HGF)	3	0
Subtotal	3	0
TOTAL	291.2	57.5

Housing and Public Protection

Changes in the 2006/2007 Budget

	£000	£000
2005/2006 Budget at Cash Prices		6,162
Budget Pressures		
Environmental Health	200	
Private Sector Leasing	-1,765	-1,565
Budget and Efficiency Savings		
MAST savings		-150
Service Transfers		
Health and Safety to Resources	176	
Alert Contract	-124	52
Other Changes		
Termination of PCHA Contract	-1,111	
Restructure	-98	
Write Down of Recharge	-130	
DHP Transfer	232	
Senior Management Recharge to HRA	48	
Other	199	-860
Pay and Price increases		
		381
2006/2007 Budget at Cash Prices		4,020

Housing and Public Protection

Cost Centre Summary

	2005/2006 Budget £000	2006/2007 Budget £000
H21 Licensing	263	232
H27 Private Sector Housing	0	916
H29 Asbestos	150	288
H30 Environmental Health	3,278	2,947
H31 Pest Control	132	0
H32 Mortuary	121	125
H33 Cemetery	141	139
H34 Animal Welfare	144	153
H35 Coroner's Service	150	150
H36 Ancillary Services	3	-52
H37 Block Control	38	223
H39 Public Health	0	75
H40 Trading Standards & Consumer Protection	842	907
U01 The Mill	0	264
U02 Newco Products Ltd	0	-117
U03 Newco Kitchens	0	-282
U04 Newco PVCU Windows	0	126
U05 Newco Employment & Training	0	-11
U06 Newco Ltd	0	-159
U21 Directorate	116	161
U22 Finance & Central Services	1,023	961
U23 Human Resources	648	583
U25 Housing Training Unit	23	23
U28 Newham Warm Zone	80	80
U34 Procurement	336	1,493
U35 Homeless - Leasing	-8,958	-11,360
U36 Local Space	101	102
U40 Homeless Persons Unit - Admin	3,947	0
U41 Improvement Agency	10	614
U44 Grants to Voluntary Organisations	71	74
U47 Newco Subsidy	195	231
U51 Improvements Grants	650	3
U60 Homeless Persons Unit - B&B	1,117	-289
U61 Housing Advice	848	4,603
U63 HPU - B&B Initiative	240	240
U82 Housing Partnerships	434	547
U86 Supporting People	-34	32
U92 Rents Services HGF	54	0
TOTAL NET BUDGET	6,162	4,020

Housing and Public Protection

Subjective Analysis

	2005/2006 Budget £000	2006/2007 Budget £000
Officers	8,502	10,552
Other Officers	93	389
Manual Workers	0	929
Operational Workers	82	130
Indirect Employee Expenses	826	756
Other Staff Costs - Agency	122	121
Employee Costs	9,625	12,877
Structural Works & Repairs	1,611	2,973
Decorations	214	0
Plumbing & Electrical	114	313
Other R & M Works	52	138
Grounds Maintenance	9	9
Energy Costs	28	65
Fixtures & Fittings	128	354
Rent, Rates Water & Insurance	47,748	84,789
Cleaning & Domestic Suppliers	33	42
Other Premise Costs	121	133
Premise Costs	50,058	88,816
Hire of Transport	84	124
Car Allowances	44	46
Public Transport Fares	12	13
Transport and Highways	140	183
Equipment Purchase & Repair	138	163
Consumable Materials	0	1,764
Clothing, Uniforms & Laundry	7	8
Printing, Stationery, Office Expenses	83	167
Computing Costs	20	99
Communication Costs	129	166
Catering Services Contractor	2	4
Other Supplies & Services	747	790
Expenses & Allowances	23	49
Subscriptions, Contributions & Miscellaneous	42	-81
Supplies and Services	1,189	3,128
Third Party Payments	345	345
Third Party Payments - Contractors	13,317	16,596
Services Provided by Other LBN	0	2
Provisions	3,852	6,411
Third Party Payments and Miscellaneous	17,514	23,355

Housing and Public Protection
Subjective Analysis(continued)

	2005/2006 Budget	2006/2007 Budget
	£000	£000
Grants to Voluntary Organisations	101	93
Other Grants	0	-217
Housing Benefits	0	217
Housing Clients	474	483
Grants, Benefits and Services to Clients	575	576
Support Services Charges - Resources	1,038	1,128
Support Services Charges	217	374
Finance Charges	415	652
Computer Services Charges	182	551
Support Service Charges - Other	1,503	24
Other Central Charges	29	22
Support Services	12	12
Internal Charges	1,651	2,801
SSF and Central Charges	5,047	5,564
Capital Charges	76	230
Financing Charges	76	230
TOTAL EXPENDITURE	84,224	134,728
Supporting People Recharge to HRA	-1,553	-51
Charges to Capital, Agency and Funds	-48	-48
Internal Income	-348	-2,092
Homelessness Grants Programme	-200,393	-197
Supporting People Grant	188,560	-11,521
Reimbursement & Contributions	-105	-169
Charges to Other Services	-399	-384
Rental Income	-63,124	-111,290
Sales, Fees & Charges	-160	-4,406
Sales, Fees & Charges - Licencing Income	-389	-400
Miscellaneous Income	-104	-150
TOTAL INCOME	-78,062	-130,708
TOTAL NET BUDGET	6,162	4,020

Housing and Public Protection

2006/2007 Budget Summary

	Employee Costs	Premise Costs	Transport & Highways	Supplies & Services	Third Party Payments & Misc	Grants Benefits & Services to Clients	SSF & Central Charges	Financing Charges	SSF & Central Income	Income	Total
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
H21 Licensing	338	0	5	3	0	0	46	0	0	-161	232
H27 Private Sector Housing	681	6	3	22	25	0	192	4	0	-17	916
H29 Asbestos	205	0	0	0	0	0	72	0	0	-5	272
H30 Environmental Health	2,106	0	4	11	82	0	614	13	0	-55	2,776
H31 Pest Control	0	21	9	156	0	0	0	0	0	0	186
H32 Mortuary	75	0	0	0	0	0	25	25	0	-31	93
H33 Cemetery	125	22	0	9	0	0	32	3	0	-73	118
H34 Animal Welfare	94	36	0	17	0	0	42	0	0	-15	174
H35 Coroner's Service	0	2	17	12	150	0	0	0	0	0	182
H36 Ancillary Services	5	0	0	0	0	0	5	0	-100	0	-90
H37 Block Control	426	23	0	15	0	0	145	0	0	-467	141
H39 Public Health	67	0	61	59	0	0	8	0	0	0	195
H40 Trading Standards & Consumer Protection	644	0	0	0	0	0	232	0	0	-18	858
U01 The Mill	391	2	11	36	0	0	182	0	0	-500	121
U02 Newco Products Ltd	355	0	0	192	0	0	464	149	-1,125	0	35
U03 Newco Kitchens	454	3	34	3	0	0	447	0	0	-2,000	-1,059
U04 Newco PVCU Windows	416	0	0	817	15	0	487	0	0	-1,503	232
U05 Newco Employment & Training	212	0	1	712	0	0	151	0	0	-407	668
U06 Newco Ltd	97	3	1	30	0	0	64	0	-506	0	-311
U21 Directorate	200	83	1	101	0	19	21	0	-95	0	330
U22 Finance & Central Services	0	0	0	16	0	0	474	31	-44	0	477
U23 Human Resources	583	0	0	500	0	0	0	0	0	0	1,083
U25 Housing Training Unit	15	0	0	0	0	0	8	0	0	0	23
U28 Newham Warm Zone	0	0	0	18	62	0	0	0	0	0	80
U34 Procurement	1,092	37	6	152	5	0	201	0	0	0	1,493
U35 Homeless - Leasing	0	82,503	0	0	10,764	0	104	0	0	-104,731	-11,360
U36 Local Space	31	0	0	35	35	0	1	0	0	0	102
U40 Homeless Persons Unit - Admin	0	0	0	0	0	0	0	0	0	0	0

Housing and Public Protection

2006/2007 Budget Summary (continued)

	Employee Costs	Premise Costs	Transport & Highways	Supplies & Services	Third Party Payments & Misc	Grants Benefits & Services to Clients	SSF & Central Charges	Financing Charges	SSF & Central Income	Income	Total
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
U41 Improvement Agency	755	0	4	18	0	0	293	0	-272	-184	614
U44 Grants to Voluntary Organisations	0	0	0	0	0	74	0	0	0	0	74
U47 Newco Subsidy	4	0	0	30	195	0	2	0	0	0	231
U51 Improvements Grants	51	0	0	0	0	0	0	0	-48	0	3
U60 Homeless Persons Unit - B & B	0	5,893	0	0	615	0	0	0	0	-6,797	-289
U61 Housing Advice	2,755	178	22	37	0	483	1,157	5	0	-33	4,603
U63 HPU - B&B Initiative	0	0	0	0	240	0	0	0	0	0	240
U82 Housing Partnerships	448	1	2	39	7	0	50	0	0	0	547
U86 Supporting People	255	2	1	88	11,159	0	47	0	0	-11,521	32
U92 Rents Services HGF	0	0	0	0	0	0	0	0	0	0	0
TOTAL NET BUDGET	12,877	88,816	183	3,128	23,355	576	5,564	230	-2,191	-128,517	4,020



INTRODUCTION

Over the last 18 months we have undertaken a comprehensive options appraisal process to decide on the future management of Council Housing here in Newham. The outcome of that process resulted in an overwhelming decision by residents to create an Arms Length Management Organisation (ALMO) to take on the 'landlord' function on behalf of the Council and deliver its Decent Homes commitment by 2010. These include repairs, estate servicing, leasehold services and many more. The establishment of an ALMO for managing Council housing has created the opportunity to restructure the Housing service in line with the Moving to Excellence programme. This review of the housing function has led to the creation of the new Housing & Public Protection Service area.

Newham Homes (the ALMO) has taken on the management of 19,222 tenanted Council dwellings, 5,600 leasehold (HIP return 2005) and just under 4,000 garages. This division of housing services has created the need to revise funding arrangements within the Housing Revenue Account (HRA), which is now split between Housing management functions and a strategic housing role.

The establishment of Newham Homes will secure £250m worth of funding over the next five years to cover the cost of meeting the DHS in Council housing. Currently we have approximately 10,000 dwellings, which fail to meet the standard. The funding is subject to the awarding of an Audit Commission two star Housing Management Inspection result. The HMI will be taking place in June 2006. Currently the ALMO is implementing its delivery plan, which is closely linked with their preparation for inspection programme.

Achievements

- Newham Homes (the ALMO) was established on the 1st of December 2005.

In 2006/2007 the Housing Revenue Account will:

- Continue work towards meeting the Decent Homes Standard
- Work with Newham Homes to prepare for Inspection
- Continue contributing to the overall CPA score and Moving to Excellence programme of the Council

STAFFING

The funded staffing levels expressed in the full time equivalents are:

	Total	
	Officer	Manual
Business and Social Enterprise		
Business and Social Enterprise	8	0
Subtotal	8	0
Housing Development and Partnerships		
PFI Client	3	0
Canning Town Wider regeneration	4	0
Estate Regeneration	7	0
Subtotal	14	0
Housing Needs		
Homeless Hostels	2	3.2
Lettings Agency	26	0
Quality Review Team	7	0
Choice Based Lettings	4	0
Subtotal	39	3.2
Strategy and Performance		
Housing Offices	1	0
Integrated Housing Management IT Team	1.5	0
Senior Managers	2	0
Support and Central Services	2	0
Workplace Nursery	10	0.6
Policy & Performance	16.5	0
Subtotal	33	0.6
Community Housing		
Rents Services	2	0
Subtotal	2	0
TOTAL	96	3.8

Housing Revenue Account

Changes in the 2006/2007 Budget

	£000	£000
2005/2006 Budget at Cash Prices		1,000
Additional Costs		
PFI Unitary Payment	800	
Bad Debt Provision	500	1,300
Efficiency Savings		
PFI/Stock Loss Savings	-80	
Business Efficiency Savings	-812	-892
Budget strategy measures		
Subsidy Decrease	1,783	
Recharges Review	150	
Rent Income	-1,225	708
Pay and Price Increases		866
2006/2007 Budget at Cash Prices		2,982

Housing Revenue Account

Cost Centre Summary

	2005/2006 Budget £000	2006/2007 Budget £000
J00 HRA Operations & Appropriations	42,642	41,727
J15 Essex Outboroughs	-1,383	-1,451
J16 Carpenters Road (Delegated)	0	0
J17 Interim Customer Services	214	208
J20 IsyS Project Team	183	210
J21 Directorate	247	30
J22* Post Room, H&S, ALMO Project	7,364	27,924
J23 Human Resources	1,694	533
J24 Housing IT Team	1,382	499
J25 Housing Training Unit	428	139
J26 Right to Buy	0	-857
J27 Leaseholder Services	-2,007	-2,455
J29 PFI Client	423	332
J30 Canning Town Wider Regeneration	246	256
J41 Newham Network	77	-654
J46 Commercial Rents	-1,404	-1,400
J48 Community Centres	125	47
J50 Subsidy	-25,845	-23,567
J55 Repairs Operation Centre	689	0
J56 Mechanical & Electrical Repairs	6,068	6,178
J57 Voids	1,349	1,028
J58 Disrepair	373	300
J61 HPU - Hostels	-153	-153
J66 Workplace Nursery	162	221
J72 Leaseback/Shortlife/Ledger Transfer	1,602	1,602
J73 General Rent Income	-60,568	-58,399
J75 Canning Town PFI	2,700	-21
J77 CTR Triangle TMO Management Fee	-437	-406
J78 Carpenters TMO Management Fee	-764	-850
J80 Renewal Services	559	291
J81 Lettings Agency	1,426	1,526
J82 Quality & Review Team	201	168
J83 Choice Based Lettings	238	227
J84 New Deal for Communities	0	287
J85 Policy & Performance	1,108	712
J88 Community Housing	4,069	1,966
J89 Tenant Involvement Unit	629	217
J90 Public Realm (HRA Estate Services)	6,890	0
J91 Responsive Repairs	8,092	6,657
J92 Rents & Enforcement	2,134	59
J93 Sheltered Housing	247	-149
TOTAL NET BUDGET	1,000	2,982

* J22 includes the management fee for Newham Homes (£24,694K). This fee is the transfer of existing 2005/2006 HRA budgets at 2006/2007 prices.

Housing Revenue Account

Subjective Analysis

	2005/2006 Budget £000	2006/2007 Budget £000
Officers	12,540	3,620
Senior Officers	312	166
Manual Workers	4,706	61
Operational Workers	0	12
Indirect Employee Expenses	1,486	444
Other Staff Costs - Agency	123	57
Employee Costs	19,167	4,360
Structural Works & Repairs	4,772	4,119
Decorations	1,697	1,832
Plumbing & Electrical	7,033	6,891
Other R & M Works	1,082	1,656
Grounds Maintenance	453	19
Energy Costs	1,404	1,496
Fixtures & Fittings	20	20
Rent, Rates Water & Insurance	2,940	3,050
Cleaning & Domestic Suppliers	117	73
Other Premise Costs	669	303
Premise Costs	20,187	19,459
Hire of Transport	119	3
Car Allowances	37	7
Public Transport Fares	9	4
Transport and Highways	165	14
Equipment Purchase & Repair	140	73
Consumable Materials	88	34
Clothing, Uniforms & Laundry	19	1
Printing, Stationery, Office Expenses	431	398
Computing Costs	575	259
Communication Costs	463	152
Other Supplies & Services	1,975	1,550
Expenses & Allowances	56	18
Subscriptions, & Contributions	506	144
Supplies and Services	4,253	2,629
Third Party Payments - Contractors	4,652	29,779
Services Provided by Other LBN	1,241	660
Provisions	1,350	1,746
Third Party Payments and Miscellaneous	7,243	32,185

Housing Revenue Account

Subjective Analysis (continued)

	2005/2006 Budget £000	2006/2007 Budget £000
Grants to Voluntary Organisations Housing Clients	157 200	169 206
Grants, Benefits and Services to Clients	357	375
Support Services Charges - Resources	1,896	723
Support Services Charges	1,493	882
Finance Charges	1,617	1,162
Computer Services Charges	1,371	372
Supporting People/Transitional Charges	1,070	0
Other Central Charges	127	81
Support Services	712	240
Charges to Clients	1,775	664
Internal Charges	419	14
SSF and Central Charges	10,480	4,138
Capital Charges	69,929	55,803
Item 8 Debit etc	-26,942	-13,586
Financing Charges	42,987	42,217
TOTAL EXPENDITURE	104,839	105,377
Interest on HRA Balances	-300	-489
Supporting People Income	-774	-822
Other Charges & Central Reallocations	-38	0
Charges to Capital, Agency & Funds	-1,269	-1,092
Internal Income	-1,214	-502
Government Grants	-27,326	-24,226
Reimbursement & Contributions	-41	0
Rental Income	-67,831	-69,056
Sales, Fees & Charges - Community Alarms	-10	-10
Sales, Fees & Charges - Housing Associations	-528	-508
Sales, Fees & Charges - Leaseholders	-4,317	-5,159
Miscellaneous Income	-191	-531
TOTAL INCOME	-103,839	-102,395
TOTAL NET BUDGET	1,000	2,982

Housing Revenue Account

2006/2007 Budget Summary

	Employee Costs	Premise Costs	Transport & Highways	Supplies & Services	Third Party Payments & Misc	Grants Benefits & Services to Clients	SSF & Central Charges	Financing Charges	SSF & Central Income	Income	Total
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
J00 HRA Operations & Appropriations	0	0	0	0	0	0	0	42216	-4890	0	41,727
J15 Essex Outboroughs	0	0	0	0	0	0	0	0	0	-1,451	-1,451
J17 Interim Customer Services	41	167	0	0	0	0	0	0	0	0	208
J20 iSYS Project Team	133	0	0	19	0	0	58	0	0	0	210
J21 Directorate	197	7	0	20	0	0	0	0	-194	0	30
J22 Post Room, H&S, ALMO Project	84	26	1	207	24,695	0	3,031	1	-136	2	27,911
J23 Human Resources	447	0	0	0	0	0	86	0	0	0	533
J24 Housing IT Team	0	0	0	189	0	0	381	0	-71	0	499
J25 Housing Training Unit	5	0	0	4	19	0	110	0	0	0	138
J26 Right to Buy	0	0	0	0	0	0	0	0	-843	-14	-857
J27 Leaseholder Services	0	0	0	1,212	803	0	0	0	0	-4,470	-2,455
J29 PFI Client	148	2	0	112	0	0	69	0	0	0	331
J30 Canning Town Wider Regeneration	182	1	0	73	0	0	0	0	0	0	256
J41 Newham Network	0	0	0	0	0	0	0	0	-240	-414	-654
J46 Commercial Rents	0	65	0	0	6	0	195	0	0	-1,666	-1,400
J48 Community Centres	0	47	0	0	0	0	0	0	0	0	47
J50 Subsidy	0	0	0	0	659	0	0	0	0	-24,226	-23,567
J56 Mechanical & Electrical Repairs	0	6,061	0	0	117	0	0	0	0	0	6,178
J57 Voids	0	1,025	0	0	0	0	3	0	0	0	1,028
J58 Disrepair	0	0	0	0	300	0	0	0	0	0	300
J61 HPU - Hostels	106	127	1	16	1	0	3	0	-197	-210	-153
J66 Workplace Nursery	283	15	1	27	0	0	0	0	0	-105	221
J72 Leaseback/Shortlife/Ledger Transfer	0	2,193	0	0	0	0	0	0	0	-592	1,601
J73 General Rent Income	0	0	0	0	650	0	0	0	0	-59,049	-58,399
J75 Canning Town PFI	0	35	0	0	3,511	0	0	0	-45	-3,521	-20
J77 CTR Triangle TMO Management Fee	0	0	0	50	292	0	0	0	0	-749	-407
J78 Carpenters TMO Management Fee	0	0	0	0	971	0	0	0	0	-1,821	-850

Housing Revenue Account

2006/2007 Budget Summary (continued)

	Employee Costs	Premise Costs	Transport & Highways	Supplies & Services	Third Party Payments & Misc	Grants Benefits & Services to Clients	SSF & Central Charges	Financing Charges	SSF & Central Income	Income	Total
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
J80 Renewal Services	256	0	1	13	0	0	61	0	-40	0	291
J81 Lettings Agency	976	337	5	19	5	150	39	0	0	0	1,531
J82 Quality & Review Team	225	0	1	1	0	0	0	0	-60	0	167
J83 Choice Based Lettings	172	0	2	443	0	0	22	0	0	-412	227
J84 Estate Regeneration	321	0	1	8	0	0	25	0	-250	0	105
J85 Policy & Performance	709	2	1	73	66	0	55	0	0	0	906
J88 Community Housing	0	1,890	0	17	64	11	0	0	0	-16	1,966
J89 Tenant Involvement Unit	0	20	0	6	22	169	0	0	0	0	217
J90 Public Realm (HRA Estate Services)	0	0	0	0	0	0	0	0	0	0	0
J91 Responsive Repairs	0	6,657	0	0	0	0	0	0	0	0	6,657
J92 Rents & Enforcement	75	639	0	72	3	45	0	0	0	-776	58
J93 Sheltered Housing	0	143	0	48	1	0	0	0	-340	0	-148
TOTAL NET BUDGET	4,360	19,459	14	2,629	32,185	375	4,138	42,217	-2,905	-99,490	2,982



INTRODUCTION

The London Borough of Newham will be the hub of the 2012 Olympic Games and Paralympic Games. The Olympic Park, with the key venues, the International Press and Media Centre and the Olympic Village will be built in Newham.

It is the responsibility of the London Development Agency (LDA), the London Organising Committee for the Olympic Games (LOCOG) and the soon-to-be created Olympic Delivery Agency (ODA) to deliver the 2012 Olympic Games and Paralympic Games.

The Newham 2012 team has been established to ensure that Newham is well-placed to ensure that the 2012 Games act as the platform for creating a longer-term legacy within the borough.

The aim is to ensure that the London 2012 Olympic and Paralympic Games are remembered not just for providing the best ever sporting and cultural festival, but also for bringing the best ever legacy for the host community.

Specifically the objective of this team is to maximise the benefits to local people through ensuring that the 2012 Olympic Games and Paralympic Games:

- improve the prosperity of Newham's people;
- improve Newham's environment;
- ensure a physical legacy which benefits local people;
- raise the opportunities and aspirations of Newham's young people ;
- improve the health and well-being of Newham's people;
- promote sport in Newham;
- engage Newham's communities in culture and creative industries;
- enhance Newham's image as a place to live, work and visit; and
- provide Newham's people with a voice.

The function of the Newham 2012 Unit is to:

- act as the conduit or interface between organising bodies and local people
- monitor the work of the organising bodies to ensure the interests and needs of Newham are taken into consideration
- act as a strategic influencer across the 2012 delivery programme
- do the necessary 'joining up' across the Council, the LSP partners, the five Olympic boroughs, London and the UK
- generate excitement as well as engagement of local people
- Exploit the opportunities to build a legacy.

Plans for 2006/2007

To work with the GLA, LDA and the Interim/Olympic Delivery Agency to progress business and other relocations and to progress the park design to enable timely construction of the Olympic Park and build in legacy features. To achieve the best possible Olympic legacy facilities, new jobs and improved public transport facilities for Newham's residents as an integral part of the Olympic development. To complete detailed planning work with the other four host Olympic boroughs so that construction work can start according to programme.



INTRODUCTION

The Public Realm Service brings together all activities that can impact on public areas such as streets, green space, housing estates and all the public spaces in between. Public Realm covers repairing the roads and street furniture, controlling traffic and parking, looking after the green spaces and trees, maintaining public toilets, keeping public areas clean and safe from bad weather as well as collecting waste and recyclables.

The scope of what we provide and maintain includes amongst other things:

- 22 parks, 45 open green spaces and 20,000 street trees
- 375 km of roads and pavements and over 19,000 public lights
- Caretaking services for 26,000 Council tenants and leaseholders and porter/concierge services for 40 blocks
- 9 off-street car parks and 12,000 on street managed parking spaces.
- Over 100 bridges and other highway structures.
- Passenger transport services for over 750 vulnerable clients
- Domestic refuse collection from over 96,000 households and 2,450 businesses.
- Over 30,000 special collections of bulky domestic refuse a year
- Collection, management and disposal of 140,000 tonnes of waste
- 105 local recycling centres.
- Supervise and regulate 9,000 sets of road works carried out by utility companies on our streets.

The Council's Vision

The Council's vision is about rebuilding East London and fostering a prosperous community in which people enjoy a better quality of life, safe and attractive neighbourhoods, good housing and local services, with local people empowered to take responsibility not only for themselves but for one another.


'..by 2010, Newham will be a major business location and a place where people will choose to live, work and stay.'

When asked, our customers have repeatedly said that Newham's public realm is one of their main concerns. Furthermore, the quality of the public realm is vital if we are to be successful in reaching the Council's vision and creating a borough where people want to live, work and stay.

The state of our streets and public spaces affects how we all think about the area and like anywhere else up and down the Country Newham has its problems. In surveys local people say that they want to see less litter, less dumped rubbish and a cleaner, well-managed, greener and safer public realm.

We have been working to improve our standards and deliver the services residents and businesses want and deserve for Newham.

Where appropriate we have moved towards an area management approach for public realm services based around five distinct geographical areas. This will help us deal with environmental issues locally, getting to know the needs of the local community and providing services in a way that makes sense to our customers and gets resources to where they are most needed.



We realise that we alone cannot achieve this change in Newham's environment. Engaging the co-operation and support of residents and businesses is essential to achieving the vision.

Working together for a clean, well managed, green and safe public realm

Public Realm has a role working with our customers and partners as to what they can expect of us, what is expected of them and what part they have to play in improving Newham's environment.

Together, and with our colleagues dealing with crime and anti-social behaviour and with the Police, we will change the behaviour of the small minority of people whose actions damage the public realm - our streets, green spaces and parks and housing estates - by dumping rubbish, dropping litter, dog fouling, graffiti, flyposting, noise nuisance, vandalism and more.

STAFFING

The funded staffing levels expressed as full time equivalents are:

	Total
DIRECT SERVICES	
Street Cleansing	211
Refuse & Recycling	102
School Crossing Patrols	19
Estate Services	233
Greenspace Contracted Activities	9
Total Direct Services	574
Trading & Support Services	323
TOTAL	897

Public Realm

Changes in the 2006/2007 Budget

	£000
2005/2006 Budget at Cash Prices	35,158
Budget Pressures	1,000
Committed Growth	200
Budget & Efficiency Savings	-264
Service Transfers	93
Other Changes	1,075
Capital Financing	684
Pay and Price Increases	678
2006/2007 Budget at Cash Prices	38,624

Public Realm

Cost Centre Summary

	2005/2006 Budget £000	2006/2007 Budget £000
DIRECT SERVICES		
T01 Recycling	683	784
T21 Trade Refuse	109	87
T24 Street Cleansing	6,995	8,647
T25 Refuse Collection	4,402	4,512
T40 Estate Services	0	0
T57 Moving Traffic Offences	-450	-584
T59 Network Management	795	789
T62 Bus Lane Enforcement	-890	-428
T64 Traffic, Transportation and Safety	589	590
T65 Borough Roads	11,626	11,711
T66 Off-Street Car Parking	-155	-303
T67 On-Street Car Parking	-720	-682
T69 School Crossing Patrols	427	443
T84 Conveniences	210	213
T85 Street Trading *	-93	0
T88 Greenspace Contracted Activities	2,109	2,979
T89 Refuse Disposal - ELWA	9,766	9,866
Total Before Trading & Support Services	35,403	38,624
Net Balance on Trading & Support Services	-245	0
TOTAL NET BUDGET	35,158	38,624

* in Resources for 2006/2007

Public Realm

Subjective Analysis

	2005/2006 Budget £000	2006/2007 Budget £000
Officers	1,304	1,758
Manual Employees	7,408	13,177
Other Staff Costs	1,356	1,481
Employee Costs	10,068	16,416
Repairs & Maintenance	270	326
Grounds Maintenance	2,039	2,783
Energy Costs	685	729
Rent, Rates, Water & Insurance	205	244
Other Premise Costs	832	1,223
Premise Related Expenditure	4,031	5,305
Vehicles	2,660	2,848
Car Allowances & Fares	25	28
Highways Maintenance	1,966	2,008
Transport and Highways	4,651	4,884
Equipment	607	942
Printing, Stationery, etc.	9	15
Computing Costs	6	3
Communication Costs	92	124
Other Supplies & Services	219	1,693
Supplies & Services	933	2,777
ELWA & Other Levies	10,242	10,342
Agency & Contractor Payments	3,737	4,751
Third Party Payments & Levies	13,979	15,093
Support Services Charges	2,122	1,136
Internal Support Charges	7,220	8,031
SSF & Central Charges	9,342	9,167
Capital Charges	7,112	7,804
Financing Charges	7,112	7,804
GROSS EXPENDITURE	50,116	61,446
Internal Income	-1,889	-9,783
Rental Income	-52	-52
Sales, Fees & Charges	-12,772	-12,987
INCOME	-14,713	-22,822
Total before Trading & Support Services	35,403	38,624
Net Balance on Trading & Support Services	-245	0
TOTAL NET BUDGET	35,158	38,624

Public Realm

2006/2007 Budget Summary

	Employee Costs	Premise Costs	Transport & Highways	Supplies & Services	Third Party Payments & Misc	Grants Benefits & Services to Clients	SSF & Central Charges	Financing Charges	SSF & Central Income	Income	Total
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
T01 Recycling	287	5	8	534	514	0	74	59	0	-697	784
T21 Trade Refuse Account	171	0	6	74	572	0	120	0	0	-856	87
T24 Street Cleansing	6,473	26	947	1,174	142	0	697	38	0	-850	8,647
T25 Refuse Collection	2,747	0	1,794	140	0	0	517	39	0	-725	4,512
T40 Estate Services	5,693	975	113	214	0	0	870	0	-43	-7,822	0
T57 Moving Traffic	0	66	0	16	171	0	539	0	0	-1,376	-584
T59 Network Management	5	0	63	19	321	0	636	0	0	-255	789
T62 Bus Lane Enforcement	0	123	0	15	164	0	633	0	0	-1,363	-428
T64 Traffic, Transportation & Safety	0	0	44	66	0	0	480	0	0	0	590
T65 Borough Roads	401	719	1,901		155	0	1,130	7,496	0	-91	11,711
T66 Off-Street Car Parking	0	356	0	28	355	0	234	89	0	-1,365	-303
T67 On-Street Car Parking	0	180	0	478	2,700	0	3,058	65	0	-7,163	-682
T69 School Crossing Patrols	341	0	2	12	0	0	88	0	0	0	443
T84 Conveniences	18	34	0	1	133	0	9	18	0	0	213
T88 Greenspace Contracted Activities	280	2,821	6	6	0	0	82	0	0	-216	2,979
T89 Refuse Disposal	0	0	0	0	9,866	0	0	0	0	0	9,866
	16,416	5,305	4,884	2,777	15,093	0	9,167	7,804	-43	-22,779	38,624
Net Balance on Trading & Support Services											0
TOTAL NET BUDGET											38,624

Regeneration and Development



INTRODUCTION

Regeneration and Development

The Regeneration and Development Service Area leads on physical and economic regeneration of the borough, land use and transport planning. It also provides the Council's development control, land charges and building control services.

Plans for 2006/2007

To work with the GLA, LDA and the Interim/Olympic Delivery Agency to progress business and other relocations and to progress the park design to enable timely construction of the Olympic Park and build in legacy features. To achieve the best possible Olympic legacy facilities, new jobs and improved transport facilities for Newham's residents as an integral part of the Olympic development. To complete detailed planning work with the other 4 host Olympic boroughs so that construction work can start according to programme.

Focus on regeneration of the Stratford City, Stratford Town Centre, Canning Town, Royal Docks, Lower Lea Valley, East Beckton, Thames Gateway Bridge, Cross Rail and DLR developments.

STAFFING

The funded staffing levels expressed as full time equivalents are:

	Total
DIRECT SERVICES	
Development Control	34.85
Regeneration and Development Management A/C	6
Business & Employment	15.6
Land Charges	6
Development Projects	14
Land Use & Transportation	20.4
Building Control	22
Environment Strategy	1
Graphics	3
TOTAL	122.85

Regeneration and Development
Changes in the 2006/2007 Budget

	£000
2005/2006 Budget at Cash Prices	4,947
Additional Service Demands	222
Committed Growth	500
Budget & Efficiency Savings	-3
Service Transfers	
Newham 2012 to Culture and Community	148
Other Changes	
HP/Microsoft Contract	31
Pay and Prices Increases	122
2006/2007 Budget at Cash Prices	5,967

Regeneration and Development
Cost Centre Summary

	2005/2006 Budget	2006/2007 Budget
	£000	£000
DIRECT SERVICES		
Development Control	1,041	1,604
Stratford City - Planning	150	155
Regeneration and Development Management A/C	297	510
Business Employment	1,231	1,263
Land Charges	-666	-694
Development Projects	881	905
Land Use & Transportation	1,273	1,305
Building Control	672	698
Environment Strategy	68	70
Graphics	0	151
TOTAL NET BUDGET	4,947	5,967

Regeneration and Development

Subjective Analysis

	2005/2006 Budget £000	2006/2007 Budget £000
Officers	5,081	6,034
Other Staff	431	222
Employee Costs	5,512	6,256
Repairs & Maintenance	3	3
Other Premise Costs	8	8
Premise Costs	11	11
Car Allowances	12	12
Highways	46	46
Transport and Highways	58	58
Equipment	44	43
Printing, Stationery Etc	78	90
Computing Costs	42	41
Communication Costs	43	44
Other Supplies & Services	596	602
Supplies & Services	803	820
Support Services Charges	738	892
Finance Charges	100	166
ICT Charges	117	155
Other Central Charges	22	17
Internal Support Charges	198	1,665
SSF & Central Charges	1,175	2,895
Capital Charges	3	12
Financing Charges	3	12
TOTAL EXPENDITURE	7,562	10,052
Government Grants	-224	-224
Internal Income	-93	-93
Sales, Fees & Charges	-2,298	-3,768
TOTAL INCOME	-2,615	-4,085
TOTAL NET BUDGET	4,947	5,967

Regeneration and Development

2006/2007 Budget Summary

	Employee Costs	Premise Costs	Transport & Highways	Supplies & Services	Third Party Payments & Misc	Grants Benefits & Services to Clients	SSF & Central Charges	Financing Charges	SSF & Central Income	Income	Total
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
H10 Development Control	2,019	4	0	103	0	0	425	0	-224	-723	1604
H11 Stratford City - Planning	155	0	0	0	0	0	0	0	0	0	155
H13 Regeneration and Development Management A/C	450	0	0	326	0	0	1,111	10	-1,387	0	510
H16 Business Employment	826	2	1	171	0	0	300	0	-37	0	1263
H17 Land Charges	193	0	0	42	0	0	79	2	0	-1,010	-694
H18 Development Projects	578	1	1	57	0	0	268	0	0	0	905
H19 Land Use & Transportation	875	3	46	21	0	0	419	0	-56	-3	1305
H20 Building Control	990	0	10	72	0	0	257	0	0	-631	698
H51 Environment Strategy	43	1	0	14	0	0	12	0	0	0	70
T54 Graphics	127	0	0	14	0	0	24	0	0	-14	151
TOTAL NET BUDGET	6,256	11	58	820	0	0	2,895	12	-1,704	-2,381	5967



INTRODUCTION

The services within this area are predominately support services, with a number of direct services.

FINANCE

The Executive Director of Resources is termed as the 'responsible officer' under Section 151 of the Local Government Act 1972 and Section 114 of the Local Government Finance Act 1988, for leading the Council's Budget Strategy and ensuring the effective co-ordination and management of the Council's finances.

Strategic Finance and Corporate Finance and Accounting

Strategic Finance and Corporate Finance and Accounting provides a comprehensive accounting, budget, financial planning and control service. The core functions within this service include:

- developing and maintaining the corporate financial management processes for budget preparation, budgetary and financial control and final accounts
- ensuring that services work within those corporate processes, complying with all relevant statutory, professional and local requirements
- developing, maintaining and monitoring the Council's Medium Term Budget Strategy, Investment Strategy and Capital Programme
- fulfilling the Council's accountable body role in managing external funding and associated grant claims
- providing a Treasury Management function
- providing an Insurance service
- providing advice and support on all elements of finance to members and services.
- to provide a VAT advisory service and manage the Council's tax arrangements.
- the Financial Systems section is responsible for maintaining the Council's financial management, ordering and payments system.
- supporting service projects

Carrying out the above functions in conjunction with Service Finance enables the Executive Director of Resources to discharge his responsibilities under Section 151 of the Local Government Act 1972.

Service Finance

Service Finance delivers a comprehensive accounting, budgeting, financial planning and control service as well as advice and support to the whole of the Council. It contributes to delivering the Council's vision, values and strategic objectives by developing and implementing a clear framework for financial resource management and practice in relation to policy, project management and the deployment of resources.

Audit, Risk Management and Fraud

This section provides a full range of services, internal audit, risk management and counter fraud work including Housing & Council Tax Benefit fraud as well as other frauds. The service also has a role in raising fraud awareness across the Council and actively publicises action taken against fraudsters to act as a deterrent to others. Each area has an operational plan that is reviewed by the Audit Board.

Strategic Procurement Unit

The Strategic Procurement Unit is responsible for reviewing the Procurement Strategy and overseeing its implementation. The Unit gives procurement advice to managers and is responsible for embedding the Procurement Code of Practice.

Revenues

Revenues are responsible for the billing, administration, collection and enforcement of Council Tax, Business Rates and Sundry Debtors. They are also responsible for the enforcement of Commercial Rent debts. The Corporate Debt Recovery Team promote and assist more effective debt collection across all income areas. There are approximately 100,000 Council Tax accounts, 6,500 Business Rate Accounts and 26,000 Sundry Debtors accounts to administer each year.

Payroll and Pensions

Manages payment of salaries, wages, mileage allowances and pensions. The service covers approximately 11,500 staff and 6,500 pensioners. On-line computerised payroll, personnel and pensions systems cover all employees and pensioners. Pensions administration has been provided by the London Pensions Fund Authority (LPFA) since February 1st 2001.

Payment of Suppliers

Approximately 358,000 creditor payments are made each year on behalf of client service areas. The Payments Section is also responsible for the set up and administration of the Purchase Card Scheme. The cards are similar to credit cards but are used with authorised suppliers up to a small credit limit on any one purchase.

LEGAL

Registrar of Births, Deaths and Marriages

Newham Registrars Office registers births, deaths, civil partnerships and marriages and issues certificates to the public. It conducts civil marriages and citizenship ceremonies in accordance with statutory requirements and also offers a Nationality Checking Service for those seeking citizenship and other discretionary civil ceremonies such as naming ceremonies, commitment ceremonies and renewal of vows.

Legal Services

Provides a full range of legal advice and representation to all Council Services. The Head of Legal Services is the Council's Monitoring Officer and provides support to the Standards Committee.

Electoral Services

Provides the full statutory provisions of electoral services in respect of the maintenance and publications of the electoral register. Also conducts elections in the area for the purposes of local, general, European and London elections or statutory referenda.

Information Governance

Provides advice and assistance to all Council Services on Freedom of Information, Data Protection, Caldicott and records management.

INFORMATION & COMMUNICATIONS TECHNOLOGY

The Information and Communications Technology (ICT) Service is responsible for the provision and support of computing and communications systems. These include the development of corporate ICT strategy, operation, support and maintenance of computer systems, corporate telecommunications networks and the development, enhancement and maintenance of computer software, in accordance with the approved ICT Strategy. The hub of the operation is the ICT Support Centre and a Programme Office provides Portfolio, Programme and Project Management services with administrative support. Associated services, such as ICT Training, are provided. ICT is also responsible for printing and reprographics services and the East Ham Post Room/Document Management facilities.

BUSINESS IMPROVEMENT

The area currently consists of three units

- Performance Intelligence
- Performance Improvement
- Overview and Scrutiny

Each area operates under its own Head and with its own staffing structure. The main overall aim of the service area is to improve the quality of life of local people by supporting the Council in its drive towards excellent public services.

Performance Intelligence

Performance Intelligence gathers performance data from across the Council and provides accurate and timely monitoring, analysis, information and explanation of performance. It therefore contributes to the business improvement agenda by ensuring the Council is informed about whether, how and over what time period, its priorities are being met.

Performance Improvement

Performance Improvement supports the organisation in improving services through

- Management consultancy
- Direct support to improve services where required
- Project and programme management
- System reviews

Overview and Scrutiny

Overview and Scrutiny is a statutory function. The key roles are

- Contributing to policy review and development
- Holding the Executive to account

Overview and Scrutiny contributes to the area's central aim by supporting Members in conducting service reviews, responding to the Mayor's budget and policy.

HUMAN RESOURCES

This service consists of the centralised Human Resources services for the Council not including Education. This service manages recruitment, employee relations, industrial relations, Human Resources strategy and operations, learning and organisational development, workforce information systems, occupational health, Corporate Health and Safety, organisational development and change management and diversity and talent.

PROPERTY AND DESIGN CONSULTANCY

Property and Design Consultancy is responsible for asset management, property design, surveying, facilities management and maintenance services for the whole Council. It also operates as a 'one stop'; multi-disciplinary Consultancy Service for all building types including public buildings, housing, schools and other Council owned property. It operates as a trading centre to provide services primarily to in-house providers, including schools. In addition the Consultancy sometimes undertakes commissions from other public and partner organisations.

In particular the Property Services arm of the Property and Design Consultancy is required to maximise value from the Council's land and property and to deliver improvements in the built and developing urban environment. It also manages the Council's extensive portfolio of commercial property, street markets and a range of workshops/studios.

The Design Services section of the Property and Design Consultancy is a 'one stop', multi-disciplinary Consultancy for the design, build, repair and maintenance of all building types including public buildings, housing, schools and other Council owned property. In addition it provides facilities management services in its various forms, plus mechanical, electrical and energy conservation advice to services.

STAFFING

The funded staffing levels expressed as full time equivalents are:

	Total
DIRECT SERVICES	
Registrars	11
Electoral Services	4
Overview Scrutiny	9
Council Tax	42
NNDR	8
Executive Director of Resources Office	11
Total Direct Services	85
Trading and Support Services	597
TOTAL	682

Resources

Changes in the 2006/2007 Budget

		£000
2005/2006 Budget at Cash Prices		6,194
Additional Service Demands		
Electoral Registration		100
Committed Growth		
Corporate Training	100	
Election 2006	600	700
Budget and Efficiency Savings		
Business Efficiency Reviews	-100	
Service Reviews	-30	
Business Efficiency - Stationery etc.	-29	
Business Efficiency - Computer Consumables	-3	
Business Efficiency - Vanguard Review	-75	
MAST Savings	-150	-387
Service Transfers		
Transfer Savings to Children and Young People	35	
Public Realm including Depot Charges	-93	
Graphics to Regeneration	-148	
Health & Safety from Housing and Public Protection	-176	-382
Other Changes		
Transfer Savings to HRA	50	
Corrections	135	
Base Line Adjustments	537	
NNDR	56	
Capital Financing	229	
Insurance	38	
HP charges to Corporate & Strategic Management	-23	
Removal of HR Charge	36	
Adjustment for Employers Superannuation	161	
SSF	-911	308
Pay and Price Increases		174
2006/2007 Budget at Cash Prices		6,707

Resources

Cost Centre Summary

	2005/2006 Budget	2006/2007 Budget
	£000	£000
E41 Registrar of Births, Deaths and Marriages	293	303
E43 Electoral Services	397	509
E44 Election Expenses	15	616
E47 Overview and Scrutiny Support Services	568	587
E77 Unallocable Central Overheads	283	291
F02 Council Tax	1619	1598
F03 NNDR	138	150
F30 Resources and Finance Management	440	448
Net Budget - Direct Services	3,753	4,502
Net Budget - Trading and Support Service	2,441	2,205
TOTAL NET BUDGET	6,194	6,707

Resources

Subjective Analysis

	2005/2006 Budget	2006/2007 Budget
	£000	£000
Officers	3,171	3,242
Other Officers	440	590
Indirect Employee Expenses	359	366
Other Staff Costs - Agency	30	336
Employee Costs	4,000	4,534
Structural Works & Repairs	17	27
Grounds Maintenance	3	3
Energy Costs	8	9
Rent, Rates, Water & Insurance	11	13
Cleaning and Domestic Supplies	10	10
Other Premise Costs	10	71
Premise Related Expenditure	59	133
Hire of Transport	1	16
Car Allowances	2	2
Public Transport Fares	1	1
Transport	4	19
Equipment Purchase & Repair	10	14
Printing, Stationery, Office Expenses	50	95
Computing Costs	80	80
Communication Costs	180	209
Catering Costs	1	2
Other Supplies and Services	2	30
Expenses & Allowances	4	4
Subscriptions, Contributions & Miscellaneous	162	107
Supplies & Services	489	541
Third Party Payments - Contractors	23	31
Third Party Payments & Miscellaneous	23	31
Support Service Charges - Resources	293	347
Support Service Charges - Finance	268	315
Support Service Charges - ICT	159	185
Support Service Charges - Other	3	3
Other Central Charges	3	3
Internal Support Charges	366	320
SSF & Central Charges	1,092	1,173
Capital Charges	53	68
Capital Financing	76	76
Financing Charges	129	144
TOTAL EXPENDITURE	5,796	6,575

Resources

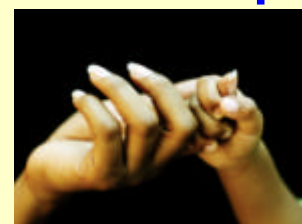
Subjective Analysis (continued)

	2005/2006 Budget	2006/2007 Budget
	£000	£000
SSF Income	0	0
Non-Contract Abatement & Charges Income	-25	-25
Internal Support Charges	-404	-380
SSF & Central Income	-429	-405
Government Grants	-419	-349
Charges to other Service Areas	0	-67
Sales, Fees & Charges	-522	-294
Miscellaneous Income	-673	-958
Income	-1,614	-1,668
TOTAL INCOME	-2,043	-2,073
Net Budget - Direct Services	3,753	4,502
Net Budget - Trading & Support Services	2,441	2,205
TOTAL NET BUDGET	6,194	6,707

Resources

2006/2007 Budget Summary

	Employee Costs	Premise Costs	Transport & Highways	Supplies & Services	Third Party Payments & Misc	Grants Benefits & Services to Clients	SSF & Central Charges	Financing Charges	SSF & Central Income	Income	Total
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
E41 Registrar of Births, Deaths and Marriages	496	71	0	54	0	0	165	16	0	-499	303
E43 Electoral Services	320	0	0	91	0	0	135	0	-19	-18	509
E44 Election Expenses	306	60	15	219	0	0	16	0	0	0	616
E47 Overview and Scrutiny Support Services	417	1	1	97	0	0	71	0	0	0	587
E77 Unallocable Central Overheads	276	0	0	0	0	0	1	76	0	-62	291
F02 Council Tax	1,530	0	2	145	22	0	512	52	-35	-630	1,598
F03 NNDR	335	0	1	37	9	0	202	0	0	-434	150
F30 Resources and Finance Management	855	0	0	-101	0	0	71	0	-351	-26	448
	4,534	132	19	542	31	0	1,173	144	-405	-1,668	4,502
Net Budget Trading and Support Services	29,201	5,811	104	7,454	707	0	12,193	3,370	-46,889	-9,746	2,205
TOTAL NET BUDGET	33,736	5,943	123	7,996	738	0	13,366	3,514	-47,294	-11,415	6,707



THE BUDGET STRATEGY AND OUR PARTNERS

Background

Developing best practice in local authority financial management is that medium-term budget strategies should be arrived at taking into consideration partners and other stakeholders. Clearly, our wider consultation with stakeholders informs the Council's prioritisation processes, which in turn feeds into the medium-term budget strategy. However, more specifically it might be useful to consider the resources relating to key partnerships. These are very significant. The examples below give details of funding streams that should see in excess of £32 million over and above the Council's own revenue and capital resources.

In Newham the Local Strategic Partnership (LSP) has particular significance due to the level of funding that is available through the Neighbourhood Renewal Fund to support shared priorities. We also have Single Regeneration Budget (SRB) and New Deal for Communities (NDC) funding where partnership boards, made up from a range of stakeholders, allocate resources.

Health is a major service provider in the area and naturally has to work along side social care activities of the Council. The policy framework for the delivery of Adult Health and Social Care has made it clear since 1999 that integrated Health and Social Care is the vision that Government has for the delivery of services. Judgements on the performance of Councils with Social Care Responsibilities are made on the basis of the outcomes and service benefits of such integration.

The LSP, SRB/NDC and Health are cases that expanded upon below. However, across the Council, there will be many other examples where we work with our partners. These include housing and RSLs, the East London Waste Authority, the Olympics, Canning Town Regeneration, the Microsoft partnership, European Union, Sure Start, the Schools Forum and Public Finance Initiative projects (eg. schools and housing).

Neighbourhood Renewal Fund (NRF)

The allocation of resources to schemes and projects is made through the Local Strategic Partnership. The use of these resources helps deliver the Council's priorities and therefore their availability is a consideration in formulation the medium-term budget strategy.

The current proposals for the allocation of NRF are:

Neighbourhood Renewal Fund Total NRF confirmed for two year period at £38.8m. Allocation to projects subject to approval by LSP Exec in March.

	2006/2007			2007/2008			Comments
	Capital £000	Revenue £000	Total £000	Capital £000	Revenue £000	Total £000	
Provision for NRF 2004/2006 over-profiling	250	750	1000	0	0	0	
Local Strategic Partnership Support & NRF Management	0	1,500	1,500	0	1,500	1,500	
Employment programmes	0	2,000	2,000	0	2,500	2,500	Includes £1.2m to match ESF Co-financing to be administered by ALG
Newham Household Panel Survey	0	320	320	0	320	320	
Olympic & Paralympic Legacy	0	6,000	6,000	0	6,000	6,000	

Partnerships (continued)

NRF Continued	2006/2007			2007/2008			Comments
	Capital	Revenue	Total	Capital	Revenue	Total	
	£000	£000	£000	£000	£000	£000	
Transitional Funding:	Subject to approval by LSP Exec in March 06						
A better environment for all	0	810	810	0	405	405	
Building an active and inclusive community	0	2,117	2,117	0	1,058	1,058	
Investing in young people	0	2,200	2,200	0	1,100	1,100	
Making Newham Safer	0	4,670	4,670	0	2,335	2,335	
Narrowing the health gap	0	1,853	1,853	0	927	927	
NIMS	0	150	150	0	75	75	
NRF Programme Total	250	22,370	22,620	0	16,220	16,220	

Single Regeneration Budget and New Deal for Communities

Partnership boards allocate SRB and NDC funding. Whereas NRF has a borough wide impact the SRB and NDC schemes are area based. However, they still have an impact on delivering the Council's priorities and the work through these partnerships is a consideration in the way that Council outcomes are achieved and resources deployed.

Access to Excellence Single Regeneration Budget (SRB)	2006/2007			2007/2008			Comments
	Capital	Revenue	Total	Capital	Revenue	Total	
	£000	£000	£000	£000	£000	£000	
	Draft Delivery plan not ready so detail not yet available. Programme ends 06/07						
Creating Employment - Major Development							
Creating Employment - Business Growth							
Access to Employment - Strategic Networks							
Access to Employment - Pathways							
Management & Monitoring							
Pathways							
A2E SRB Programme Total	2,166	1,956	4,122	0	0	0	

West Ham & Plaistow New Deal for Communities (NDC)	2006/2007			2007/2008			Comments
	Capital	Revenue	Total	Capital	Revenue	Total	
	£000	£000	£000	£000	£000	£000	
	Draft Delivery Plan 2006/2007 received but subject to change. Figures for 2007/2008 estimated and likely to change						
Economy Theme	10	659	669				
Education Theme	2	144	146				
Health Theme	0	200	200				
Youth Theme	14	58	72				
Crime Theme	0	158	158				
Environment & Social Networks	2,681	512	3,193				
Project Development	50	0	50				
Administration	0	619	619				
NDC Programme Total	2,757	2,350	5,107	2,067	1,631	3,698	

Partnerships (continued)

Pooled Budgets under Section 31 of the Health Act 1999

Section 31 of the Health Act 1999 has introduced powers for NHS bodies, such as Primary Care Trusts and NHS Trusts to exercise various prescribed health related functions of local authorities (such as social services, housing, transport, leisure and library services) and for local authorities to exercise various prescribed NHS functions. This may include:

- enabling the Partners to delegate the commissioning of designated services to one Partner to act as the lead organisation; and
- enabling structures to integrate the provision of designated services; and
- to enable the Partners to join together to establish and maintain Pooled Funds out of which payment may be made towards expenditure on agreed projects for designated services.

Currently Newham has 8 Section 31 agreements as follows:

- Care and Nursing Homes (integrated Commissioning)
- Mental Health - Older People
- Mental Health - Adults
- Learning Disabilities Team
- Learning Development Disabilities Fund
- Integrated Community Equipment Team
- Substance Misuse Teams
- Home Rehabilitation

Currently we have two pooled budget areas. These are:

A. The Integrated Community Equipment Budget:

	£000
LBN Transport	26
LBN Education	60
LBN Housing	20
Health	547
LBN Adults Social Services	802
	1,455

B. The Learning Development Disabled Fund: where the funding is through a grant made to the PCT which has to be managed through a formal pooled Section 31 agreement with the Council. The current budget is £250,000.

The future service model for adults (Council Social Care and Newham Primary Care Trust services to older people and physically disabled people) envisages further integration (Cabinet Report 26th January 2006). The related budgets could amount to £85 million of which the Council expenditure is £39 million. The arrangements will be developed through Section 31 agreements.

Capital Investment Programme



INTRODUCTION

This section sets out the Council's capital investment plans for 2006/2007, representing major investment in housing, schools, leisure facilities, roads etc in the Borough.

The overall aim of capital investment is to support the achievement of the Vision for Newham and the delivery of Community and Corporate Plan outcomes.

New Investment Proposals for 2006/2007

Inevitably the need for investment is greater than the resources available. In Newham, capital investment resources are allocated to priorities through the Council's Budget Framework process. The Mayor presents proposals for approval by Council.

The key priorities in 2006/2007 are:

- Delivering Community and Corporate Plan outcomes (via the Delivery Plan)
- Achieving value for money and efficiency gains
- Service improvement
- Addressing residents' concerns

For 2006/2007 the Council approved the Mayor's proposals for the investment of a further £67m as the latest stage in the Council's Capital Investment Strategy 2006/2007 to 2010/2011. Specific areas of investment include the following:

- Housing stock to reach Government Decent Homes Standard by 2010/2011, the fulfilment of landlord obligations, and the achieving of the Corporate Regeneration Strategies
- Improve the condition of school buildings
- Improvements in the efficiency of Council systems, processes and service delivery arrangements
- Mainstreaming of Neighbourhood Renewal Funding (NRF)

Investment Area	£000
Housing	35,184
Education (including School Buildings)	4,744
Efficiency Projects	3,000
Corporate Plan Outcomes	14,693
NRF Mainstreaming Provision	9,164

Capital Investment Strategy 2006/2011

The Council's overall capital investment programme for 2006/2007 amounts to £113m, which includes existing commitments, and new investment proposals (see above). This will form part of a five year Capital Investment Strategy that describes how the Council uses its capital resources to deliver its priorities, the approach it takes with its partners, and the process it uses to manage complex capital programmes and projects. It also looks ahead and provides a forecast of the needs for future capital investment and the ways in which this can be funded. The original Strategy was submitted to The Government Office for London (GOL), and assessed as 'Good', this being the highest assessment rating that could be given. The latest Capital Investment Strategy, covering the period 2006/2007 to 2010/2011, will be submitted to the Mayor in May/June 2006 for final approval.

In addition to the £113m, the Council has been successful in bidding for Government funding for 'Building Schools for the Future' (BSF). The BSF programme is planned to provide up to £263m investment in school buildings of which £250m will be funded from BSF in the form of PFI, supported borrowing, or specific grant. The Council has successfully delivered two 'quick win' projects to the value of £7.6m. The balance of funding

is subject to the approval of an outline business case by a Government Project Review Group. The business case is due to be submitted in April 2006.

The Council's capacity for capital investment depends upon its success in generating resources. It does this in a number of ways. It receives an annual "allowance" from Government known as Supported Capital Expenditure. This can include permission to borrow to finance capital works or capital grant toward the cost of such works. The Council is able to use these resources in a way that addresses local circumstances and issues, all managed in accordance with the Prudential Code of Practice. Further resources may be received by way of grants and contributions earmarked (ring-fenced) toward specific capital schemes.

The Council is also able to generate additional capital resources through the sale of land and property. However, as each year passes and more Council assets are sold, the potential for raising resources in this way diminishes. Finally, the Council has been very successful in securing resources for schemes through bidding for Regeneration monies such as the Single Regeneration Budget, New Deal for Communities and the Neighbourhood Renewal Fund.

Gateway Review and Capital Programme Management

Although Newham has a large capital programme, the need for investment is always greater than the resources available. Difficult decisions therefore have to be taken on what schemes can be funded. The Council uses a "Gateway" process to assess the initial "business case" for proposed projects to ensure that they represent value for money and that resources are invested toward achieving the Council's overall aims. It also assesses the costs, risks and challenges, and also offers solutions to help manage these.

Having allocated resources to individual schemes and programmes the Council manages its capital programme through a continuous process that:

- identifies risks and provides solutions
- forecasts spend and resources
- monitors the actual performance against forecasts.
- Identifies resources available for further investment

Information is provided below on the Council's capital programme for 2006/2007. Details are given on those schemes where major expenditure will be incurred in both the Housing and Non Housing programmes.

Summary of Expenditure and Resources 2006/2007	Non Housing £000	Housing £000	Total £000
Expenditure			
Housing		63,139	63,139
Regeneration & Development	11,912		11,912
Corporate & Strategic Management	8,074		8,074
Children & Young People	16,338		16,338
Public Realm	8,148		8,148
Culture & Community	1,605		1,605
Adult Services	3,203		3,203
Customer Services	429		429
TOTAL EXPENDITURE	49,709	63,139	112,848
Resources			
Supported Capital Expenditure (Revenue)	13,306	44,469	57,775
Supported Capital Expenditure (Capital)	770		770
Prudential Borrowing	12,132		12,132
Major Repairs Allowance		14,935	14,935
Government Grants-Regeneration	5,172		5,172
Other Grants and Contributions	13,253	3,255	16,508
Capital Receipts	3,525	480	4,005
Revenue/Reserves	1,551		1,551
TOTAL RESOURCES	49,709	63,139	112,848

NON HOUSING CAPITAL PROGRAMME	2006/2007 £000	Forecast £000
Regeneration & Development		
Access to Excellence Single Regeneration Budget	2,165	
New Deal for Communities	2,756	
Neighbourhood Renewal Fund	814	
Heritage Economic Regeneration Scheme	161	
Strategic Land Acquisition and Site Assembly	3,016	
Canning Town and Custom House Project	3,000	11,912
Corporate and Strategic Management		
Efficiency Projects	1,521	
Attractive, Clean & Well Maintained ('Refresh' Programme within Libraries, community centres, local service centres, parks, streets etc)	1,000	
Disability Discrimination Act (DDA) Access Works	1,831	
Land & Property Disposals	450	
Commercial Property Fund	2,287	
Climate Control Levy (CCL) Improvement Works	250	
Back Office	363	
Other	372	8,074
Children & Young People		
School Building Improvements (including DFES Modernisation & New Pupil Places, and Planned Maintenance Programmes)	4,964	
Schools Access Initiative	783	
BSF Implementation Costs	1,019	
ICT Modernisation Programme	750	
Children's Centres	4,348	
Newham Young Peoples College	1,280	
Cumberland/Woodside Sports Facilities	203	
Woodside PFI	420	
Shaftesbury School Improvement Package	2,052	
Other Education Schemes	519	16,338
Public Realm		
Borough Principal Roads	1,001	
Local Safety Schemes (including 20mph zones)	635	
School Travel Plans	486	
London Bus Priority Network	1,743	
Beckton Bus/DLR Interchange	912	
Roding Valley Way	200	
Improving Local Travel Environment	484	
Cycling Schemes	295	
Attractive, Clean & Well Maintained		
- Strategies & Solutions for Asset Management & Replacement	250	
- Communications Campaigns	500	
- Recycling Schemes & Promotion Campaign	500	
- Improved Future Maintenance Standards	150	
Other	992	8,148
Culture & Community		
Drew Road/St. Johns Centre	940	
Canning Town Recreation Ground	334	
Other	331	1,605

NON HOUSING CAPITAL PROGRAMME	2005/2006 £000	Forecast £000
Adults Services		
ICT Modernisation	1,400	
Extension of Assistive Technology (NEAT)	1,800	
Other	3	3,203
Customer Services		
Local Service Centres	179	
Telephone System Replacement	250	429
NON HOUSING CAPITAL PROGRAMME TOTAL		49,709

HOUSING CAPITAL PROGRAMME	2005/2006 £000	Forecast £000
Newham Homes (Forecast shown includes £24m of resources which will be available subject to the ALMO achieving 2* Status)	49,184	
Regeneration	12,775	
Total Housing Revenue Account		61,959
Total Housing General Fund		1,180
HOUSING CAPITAL PROGRAMME TOTAL		63,139

The detailed Housing Capital Programme 2006/2007 is yet to be submitted to the Mayor. It is intended that this will be submitted by 31st March 2006.

Formula Grant and the Budget 2006/2007



INTRODUCTION

This section explains the relationship between the Government's view of what we could spend, what we plan to spend in our budget, how much money we get from the Government in terms of Formula Grant, and how this sets the level of Council Tax.

The New Formula Grant Distribution System

From 2006/2007 funding for schools has switched from Formula Grant to the ring-fenced Dedicated Schools Grant (DSG). In addition to this major change the government has also introduced a new system to distribute Formula Grant. Much of the basis for grant distribution remains similar to the previous Formula Spending Shares (FSS) system, i.e. a large slice of money being distributed according to authorities' relative needs; an equalisation element to take into account an authorities' potential local income; and a mechanism of protecting local authorities from detrimental changes to their grant allocation (the floor damping system).

A significant change to the system is that the Government has decided to move away from the notional spending and tax elements of the FSS system which, according to the Government, has been open to "misinterpretation" and to move to a system based on cash amounts of grant.

Three-Year Settlements

The Grant Settlement for 2006/2007 is the first of a two-year settlement prior to the implementation of three-year settlements that will run in tandem with the Spending Reviews.

The Four Block Model

The new system is called the Four-Block Model. Under this new system the distribution of Formula Grant is wholly determined by:

- A relative needs block, worked out through a Relative Needs Formula (RNF). The RNFs are the equivalent of Formula Spending Shares (FSS) in the previous system. The RNFs are split into the same service blocks as in the FSS, these being,
 - Education
 - Personal Social Services
 - Highways Maintenance
 - Environmental, Protective and Cultural Services
 - Capital Financing

The formula for each service block is based on a per client basis with top-ups to take into account local circumstances such as deprivation and area costs. RNFs are supposed to reflect the relative needs of individual authorities in providing services. They are not intended to measure the actual amount needed by an authority to provide services but simply to recognise the various factors which affect local authority costs locally. They do not relate to any actual monetary amount of grant that a Council needs for providing services for its residents.

- A relative resource amount, to take account of different authority's capacity to raise income from Council Tax. This is a negative amount and is intended to take into account the fact that areas that can raise more income locally (Council Tax) require less support from the Government. It does this by looking at authorities' Council taxbase data that is used to establish a minimum potential level of local income. Negative Relative Resource Amounts are then generated above the minimum, relative to Council tax base per head.

- A central allocation amount allocated on a per capita basis. After determining the Relative Needs and Relative Resources there is an amount of money left in the overall grant for distribution to local authorities. This is shared out on a per head basis.
- A floor-damping block that ensures that all authorities receives a minimum grant increase. Following the calculations in the previous three blocks each authority will have a grant amount allocated to it. However, the Government has set a guaranteed minimum increase in grant (compared to the previous year on a like-for-like basis). As the entire Formula Grant comes from a finite pot the cost of funding the floor must be met from this pot. This means that grant increases above the floor are scaled back in order to pay for the floor guarantee. The level of floors and damping are shown below.

		Newham
2005/2006		
Floor		4.00%
Scaling Down		-11.37%
2006/2007		
Floor		2.00%
Number of authorities affected		70
Scaling Down		-86.61%
Number of authorities affected		80

Despite the Government's efforts to produce a Formula Grant distribution system that is clearer, simpler and more transparent, the new four-block system is even less transparent than the previous FSS system and harder to explain to key stakeholders in that it is no longer possible to see the total the Government is prepared to support through grant and how much of this is assumed to be financed by Council Tax.

Capping

The Government retain what they term "reserve powers" as set out in the Local Government Act 1999 and these allow the Government to instruct Councils to set a lower budget requirement if it considers the budget requirement and Council Tax to have gone up too much. For 2006/2007 and 2007/2008 the Government has stated that Councils should not increase the local element of Council Tax by more than 5% in either year.

Specific Effect upon Newham

Adjusted 2005/2006 Formula Grant	Formula Grant 2006/2007	Change	Change	Formula Grant 2007/2008	Change from 2006/2007	Change from 2006/2007
£m	£m	£m	%	£m	£m	%
181.096	187.570	6.474	3.6	195.067	7.497	4.0

Council Tax

For 2006/2007 the Council has set a budget of £249.919m. This leads to a local element Band D Council Tax of £873.91. This represents an increase of 1.94%, well below the 5% capping limit set by the Government. However, the GLA has set a Band D precept of £288.61, an increase of 13.35% of which £20.00 or 7.85% is a financial contribution towards the 2012 Olympic Games. This leads to an overall Band D Council tax of £1,162.52, an increase of £50.61 or 4.55%.

Formula Grant and Council Tax

2005/2006 Budget £000		2006/2007 Budget £000	2006/2007 Budget £000
442,602	Budget before use of balances and Collection Fund adjustment <i>less</i>	252,519	
-2,000	Use of balances to support Council Tax	-4,329	
386	Collection Fund Deficit	1,729	
-386	Discounts	0	
440,602	Budget Requirements		249,919
-296,020	Revenue Support Grant	-30,349	
-83,527	National Non-Domestic Rate	-157,221	
-379,547			-185,841
61,055	Newham's Council Tax Requirement		62,349
73,422	Tax Base	73,550	
-2,203	Non collection allowance @ 3.0% (2005/2006 also at 3%)	-2,206	
71,219	Tax Base		71,344
£857.29	LBN Council Tax @ Band D	873.91	£873.91
£254.62	GLA Precept		£288.61
£1,111.91	Total Band D Council Tax		£1,162.52

Newham - An Inner London Borough?

For a number of years, the Council has made the case to be treated as an Inner London borough which would have generally increased Newham's SSA/FSS. Not only has Newham's case been constantly rejected but changes to the Area Cost Adjustment (ACA) for 2003/2004 have exacerbated the feeling of injustice felt by Newham. London is now split into three distinct ACA areas;

- Inner London;
- West, North West and South West London (or Outer London West); and
- Rest of London

Newham has been placed in the third tier and is now designated as "rest of London". This fact along with the ACA being extended to other parts of the country has led to Newham actually having a lower ACA ranking than prior to 2003/2004.

Newham's has campaigned for many years to be recognised as an inner London borough and secure a fairer deal on Government funding and this has resulted in the Government recognising that Newham has "real concerns" about the ACA. In February 2006 the Government pledged to review the funding formula used to allocate resources to local authorities and the issue of the geography of the ACA will be form part of that review. Any changes that may arise from the review would be implemented in 2008/2009 at the earliest.

Glossary of Financial Terms

Accountancy Code

The way that costs are recorded within the general ledger. The coding structure enables costs to be grouped according to function and type of expenditure.

Accounting Period

The timescale during which accounts are prepared. Local authority accounts have an overall accounting period of one year from 1st April to 31st March. However, the year is broken down into months for monitoring purposes. April is referred to as period 1, May as period 2 and so on.

Accounting Standards

A set of rules explaining how accounts are to be kept. By law, local authorities must follow 'proper accounting practices', which are set out in Acts of Parliament and in professional codes and statements of recommended practice.

Accruals

An accounting principle where expenditure and income are taken into account in the year in which they are incurred rather than when invoices are actually paid and/or monies received.

Actuals

Short for 'actual expenditure'. The term is usually used to denote the final amount spent against a particular budget or by a service for the year. Also referred to as the Out-turn.

Acquisitions

The Council spends funds from the capital programme to buy assets such as land and buildings. Often this is because a compulsory purchase order has been made so that the land can be used for development.

Agency Services

Services provided by or for another local authority or public body where the cost of carrying out the service is reimbursed.

Aggregate External Finance

Central government revenue support. It comprises revenue support grant (RSG), National Non-Domestic Rates (NNDR) (in the case of net AEF). It also includes certain specific grants (in the case of gross AEF).

Approved Capital Programme

All projects in the capital programme, which have been approved by the Council.

Approved Investments

The investment of money that is not required for the time being. Local authorities are only allowed to place surplus funds in certain 'approved' institutions. For instance, an authority is not allowed to speculate on the stock market.

Area Cost Adjustment (ACA)

The scaling factor applied to the Formula Grant calculation to reflect higher costs (mostly pay) in some Council areas.

Arms Length Management Organisations (ALMOs)

An ALMO is a not-for-profit housing management company that is wholly owned and controlled by a local authority. The aims of an arms length management organisation is to ensure that Councils invest their housing resources efficiently, economically and strategically to provide decent homes for tenants.

Asset Management Plan

This plan is prepared to assist the Council in managing its property assets effectively and to contribute towards the vision of making Newham a major business location and a place where people choose to live and work. The plan sets the framework for how to manage assets and outlines the key actions the Council needs to take during the coming year.

Asset Register

A record of Council assets including land and buildings, housing, infrastructure, vehicles, equipment, etc. This is maintained for the purpose of calculating capital charges that are made to service revenue accounts. It is updated annually to reflect new acquisitions, disposals, revaluations and depreciation.

Audit Commission

The body responsible for the appointment of external auditors to local authorities, co-ordinating audits throughout the country, setting standards and carrying out Comprehensive Performance Assessments (CPAs).

Balances

The amount of money left over at the end of the year after allowing for all expenditure and income that has taken place. These are also known as financial reserves.

Base Budget

In broad terms this represents the budget that would be required to continue to provide services at their current level. Base budgets for 2006/2007 were prepared in June and were used to establish cash limits for each service area. The budgets were then reviewed in detail to bring spending requirements within the agreed cash limit.

Base Budget Review

This is the process that turns the initial base into the final base budget. It involves working out the detailed spending requirements for each area of service and moving budgets accordingly within the agreed cash limit.

Best Value

There is a statutory duty on local authorities (and some other public bodies) to make arrangements to achieve continuous improvements in the way their functions are carried out.

Best Value Accounting Code of Practice (BVACOP)

BVACOP sets the financial reporting guidelines for local authorities under the best value regime. It supplements the principles and practice set out in the Code of Practice on Local Authority Accounting (SORP), by establishing practice for consistent reporting below the statement of accounts level. BVACOP provides guidance in three key areas:

- The definition of total cost
- Trading accounts and in-house trading
- Service Expenditure Analysis (SEA)

Billing Authority

Those local authorities responsible for collecting Council Tax i.e. London Boroughs and Districts.

Budget Forecast

An initial assessment of what next year's budgets will look like. The assessment is prepared and updated by Financial Services on a regular basis throughout the year to give members an early indication of the issues that will have to be faced during the budget. Also included are projections for two further years to provide a Medium Term Strategy - see 'Medium Term Strategy'.

Budget Head

An individual budget against which costs are charged.

Budget Monitoring

The comparison of the amount spent to date against the approved budget to see if any under or over spending is occurring. This process enables service areas to take corrective action in the event of any deviations and control their budgets.

Budget Reduction

A reduction in the amount of money that can be spent on a particular service.

Budget requirement

Budget requirement is the amount the Council estimates as its planned spending, after deducting any funding from reserves and any income it expects to raise (other than from the Council tax and general funding from the government). General funding from the government is Revenue Support Grant, redistributed business rates and some specific and special grants. The budget requirement is set before the beginning of the financial year.

Capital Charges

In accordance with arrangements for Capital Accounting, capital financing costs are no longer charged to individual revenue accounts, but have been replaced by 'Capital Charges'. These charges will relate to all capital assets i.e. land and buildings over £25,000 in value, and vehicles, equipment, etc. over £10,000, used by individual services. Capital financing costs relate only to assets financed by borrowing and leasing.

Capital Expenditure

Expenditure on the purchase, construction and enhancement of Council assets such as houses, offices, schools, roads etc. Expenditure can only be treated as 'capital' if it meets the statutory definitions and is in accordance with accounting practice and regulations.

Capital Grants

Monies received by service areas from Government and other statutory bodies towards the Council's capital expenditure. The main sources include the Major Repairs Allowance, Single Regeneration Budget (SRB), Neighbourhood Renewal Fund (NRF), New Deal for Communities (NDC), Transport for London, Standards Fund and London Development Agency (LDA) monies.

Capitalisation

Costs are capitalised to the extent that they create or improve any tangible fixed asset with a useful economic life greater than one year. The local authority statement of recommended practice (SORP) requires capitalisation and depreciation of tangible fixed assets.

Capital Receipts

Monies received from the sale of the Council's assets. These receipts are used to pay for additional capital expenditure. See Pooling Arrangements.

Capital Strategy

This document sets out the five-year plan that demonstrates how capital investment will support the achievement of the Council's 'Vision'. It is submitted to the Government Office for London (GOL) in July each year. The current strategy covers the years 2006/2011.

Cash Budgets/Cash Prices

The actual amount of money that can be spent during the year after allowing for pay awards and inflation. The budget is expressed as 'cash prices'.

Cash Limit

An upper limit on the amount of money that can be spent. This can either apply to an overall budget or individual elements within it. The use of cash limits is an integral part of the budget process.

Central Support Services

The costs of central support services such as legal and finance are reallocated to other service areas so as to provide a more accurate picture of how much those services cost in their totality. In the case of the housing revenue account and trading accounts, the law requires the reallocation of such costs.

Children's Fund

Part of the Government's strategy to tackle child poverty and social exclusion. This primarily targets 5-13 year olds at risk of social exclusion. The objective of the fund is to provide additional resources over and above mainstream statutory, specific programmes and specific earmarked funding streams.

Glossary of Financial Terms

CIPFA

Is the Chartered Institute of Public Finance and Accountancy, which in common with other Chartered Accountancy Bodies promotes best practice by issuing guidelines and Codes of Practice. CIPFA has particular expertise in the field of Public Sector and Local Government Finance.

Collection Fund

A separate account kept by every billing authority into which Council Tax and Business Rates are paid.

Collection Rate

The amount of Council Tax likely to be collected expressed as a percentage of the total amount due. For 2006/2007 the Council's collection rate is estimated at 97%

Consultation

A process the Council uses in reaching a decision. Individuals can be consulted in three main capacities:

- As consumers, when they are asked for their views about particular services that they either deliver or might use.
- As taxpayers, when consultation focuses on the balance between the level of services provided and their cost; and
- As citizens, when consultation focuses on what people think about policy questions, such as the type of development that might take place in their community.

Local businesses can be consulted as service users, as business ratepayers and as organisations with a wider interest in the community.

Contingency for Pay and Price Increases

The base budget is initially prepared at pay and price levels applicable in the current year. A sum of money is then set aside centrally to reflect the cost of pay awards and price increases likely to take place in the 'budget year'. This contingency is allocated to individual service areas after the overall budget is approved to provide them with cash budgets.

Corporate and Democratic Core (CDC)

Under CIPFA Codes of Practice, local authorities are required to identify separately the costs of being a publicly accountable body. These are known as the Corporate and Democratic Core, which is split between Democratic Representation and Management (DRM) and Corporate Management (CM). DRM includes all costs relating to members' allowances and expenses, the costs associated with officer time spent on appropriate advice and subscriptions to the local authority associations. CM concerns activities and costs which provide the infrastructure and the information, which is required for public accountability.

Cost Centre

An individual function or service area for which a specific budget is prepared and the costs are separately identifiable e.g. libraries, housing advice.

Cost Centre Management

A form of financial control where for every cost centre an officer is identified as the designated budget holder. That officer is then responsible for monitoring and controlling spending on the cost centre.

Cost Increase Factor

The indices used to uplift the budget from one price base to another. Different percentages are used for each category of expenditure and income e.g. salaries, fuel costs.

Council Tax

A local charge set by the Council and the precepting authority in order to collect sufficient revenue to provide Services. Council tax is based on the value of the property and the number of residents. The Valuation Office assesses the properties in each district area and assigns each property to one of eight valuation bands; A to H. The Council tax is set on the basis of the number of band D equivalent properties. Tax levels for dwellings in other bands are set relative to the Band D baseline.

Council Tax Benefit

Reductions in the amount of Council Tax people have to pay based on their income and personal circumstances.

Dedicated Schools Budget (DSB)

A dedicated Schools Budget is guaranteed by national government and delivered through local authorities. DSBs are guaranteed three-year budgets for every school from 2006, geared to pupil numbers. Every school is guaranteed a minimum per pupil increase each year. The DSB will give head-teachers and governors the ability to plan better for the future.

De Minimus

Projects costing below £25,000 (£10,000 for vehicles) are not considered to be 'large' enough to be called capital, and must therefore be met from revenue. The same term is used for assets considered 'too small' for inclusion in the Asset Register.

Depreciation

A provision made in the accounts to reflect the value of assets used during the year. For example a vehicle purchased for £10,000 with a life of five years would depreciate on a straight-line basis at the rate of £2,000 p.a. Depreciation forms part of the 'capital charge' made to service revenue accounts.

Disposals

Sale of Council assets - see Capital Receipts.

Education Action Zone (EAZ)

Education Action Zones allow local partnerships to develop new and imaginative approaches to raising standards in disadvantaged urban and rural areas. Each EAZ includes a cluster of two or three secondary schools with their supporting primaries working in partnership with LEAs, parents, business and other representatives from the local community.

Glossary of Financial Terms

Employee Overheads

Costs which are automatically incurred by the Council when staff are employed. These comprise of the Employer's National Insurance and pension contributions and are often expressed as a percentage addition or overhead on pay.

Environmental Works

Work to improve the landscape (e.g. paving, clearing derelict spaces).

Excellence in Cities Achievement Zones (EiCAZ)

Excellence in Cities Achievement Zones are different from statutory action zones in that they are groups of schools working together in partnership to improve the education standards in their area. They are part of the Standards Fund Excellence in Cities programme and are funded from the Excellence in Cities grant.

External Auditors

The Auditor appointed by the Audit Commission to carry out an audit of the Council's accounts. Currently the Council's auditors are PricewaterhouseCoopers, who have statutory responsibilities in relation to:

- Showing the accounts are 'presented fairly'
- Good corporate governance
- Best Value Performance Plans
- Overall duties relating to public accountability

Fees

Projects require fees to pay for the design, costing and supervision of schemes. These are part of the cost of the scheme and are included in the capital programme.

Financial Code of Practice

A set of rules about how service areas should monitor, control and report on their budgets. The Code of Practice also contains rules on the investment of trading surpluses and is approved each year by the Council.

Full-year Effects

New items of expenditure or savings are often implemented part way through a financial year. When this happens, only part of the additional costs or savings will occur in the first year. The full year effects are the additional costs or savings that arise in the following year.

Gearing Effect

As RSG and NNDR are fixed, any increase in Council spending has to be met from Council Tax. Council Tax only accounts for 24.42% of the Council's budget requirement, thus a 1% increase in the latter would result in a 4.1% increase in Council Tax. This is known as the 'gearing effect'.

General Fund (GF)

The Council's main revenue account that covers the net cost of all services other than the provision of Council housing for rent.

General Ledger

The Council's computerised financial accounting system.

Gershon Efficiencies

Central government commissioned Sir Peter Gershon to review and assess how the public sector could exploit opportunities for efficiency gains, so that resources could be released for front-line public service delivery. As a result, all Councils have been set a year on year efficiency target by the government of 2.5% a year, until 2007/08. From 2005 the scoring system used to establish Council's CPA ratings will take account of Gershon efficiency gains actually achieved.

Greater London Authority (GLA)

A strategic authority for London, created on 1 July 2000. (see preceptor).

Growth

Expenditure on any item which is not included in the approved budget. The term is usually used to refer to new initiatives and service developments.

Historic Cost

The actual amount of money paid for a particular item. Assets such as buildings that have been bought in the past will often have a current value that is much greater than their historic cost. However, other items tend to lose their value over time. This is known as depreciation. Generally speaking, Council assets are now shown at market value.

Housing Benefit

Rent rebates to Council tenants and rent allowances to private sector tenants.

Housing General Fund (HGF)

That part of the Housing service's budget which does not relate to the Council's landlord functions. This includes the costs of homelessness and rent allowances. These services appear within the General Fund Budget.

Housing Revenue Account (HRA)

A statutory account that contains all expenditure and income on the provision of Council housing for rent. The HRA must be kept entirely separate from the General Fund and the account must balance i.e. income must equal expenditure. Local authorities are not allowed to make up any deficit on the HRA from the General Fund.

Housing Subsidy

The grant paid by Central Government to local authorities to subsidise the cost of Council housing. The grant is paid into the Housing Revenue Account.

Incremental Budget

An approach to budgeting which starts with the current year's budget and makes adjustments for price changes, growth and savings. This is the opposite of zero-based budgeting where you prepare the budget from scratch.

Glossary of Financial Terms

Indirect Employee Expenses

Employee overheads and other costs incurred by employing staff apart from pay (e.g. training costs or employee insurance).

Initial Base Budget

The starting point in the budget process. The initial base for next year is the current year's approved budget adjusted for the full year effect of growth, savings etc. The initial base provides a cash limit for each service area.

Interest on Cash Balances

The interest earned on monies that are not required for the time being.

Investment Strategy

The Council has adopted a three-year strategy for the redirection of annual revenue resources and the one-off investment of reserves into strategies aimed at achieving the Council's vision for Newham.

Leases

Contracts granting the use of fixed assets, such as building and computers, for a specified time in exchange for rent. The owner is called the lessor and the user is referred to as the lessee.

Leasing Charges

The annual rental payments on items such as vehicles and computers which have been leased by the Council and are charged to revenue.

Levies

Payments to London-wide bodies such as the Lee Valley Regional Park Authority. The cost of these bodies is borne by local authorities in the area concerned, based on their Council Tax base and is met from the General Fund

Local Authority Business Growth Incentives (LABGIs)

Local Authority Business Growth Incentives should enable authorities to benefit from increases in non-domestic (business) rate revenues. They aim to introduce incentives to encourage economic development partnerships with businesses at both local and regional level.

Major Repairs Allowance (MRA)

Introduced from 2001/2002 under Resource Accounting in the Housing Revenue Account (HRA) The main housing subsidy for local authorities, based on the cost of maintaining Council homes.

Management and Support Services (MSS)

Proper accounting regulations require that Support Service Costs are charged to all direct services, which benefit from that support. The same is true for Service Management. These charges are called Management and Support Service Charges.

Medium Term Strategy

The Council has adopted a 'medium term' approach to its budget that enables it to plan ahead over a three-year period. In this way, it is able to consider the impact of any decisions and investments over the medium term rather than concentrating on just one year. This approach enables budget and investment strategies to be linked to the Vision for the borough and key aims and objectives, all of which extend over a number of years.

Minimum Revenue Provision

The minimum amount that the Council must charge to the revenue accounts in the year, in respect of the repayment of principal of borrowing for capital purposes. The minimum provision is expressed as a percentage of the Council's total outstanding debt (4% for non-HRA debt - the 2% Housing debt provision was no longer required after 31st March 2004). In the accounts, the minimum provision is included within capital financing charges.

Multiplier (Rate in the £)

The rates payable by businesses are calculated by multiplying the rateable value of the property by a multiplier (rate in the £), expressed in pence. Due to legislation changes effective from 1st April 2005, there will be two multipliers for the year 2006/2007. The National Multiplier is 43.3p and the Small Business Multiplier is 42.6p (for those who qualify). The rates payable on a particular property next year are the rateable value x either 0.433 or 0.426 (as appropriate).

NDR Pool

Business rates are collected by local authorities and paid over to the Government. They are then redistributed on the basis of relevant population. The NDR pool is the fund operated by the Government into which all business rates are effectively paid and then from which they are redistributed to local authorities.

Neighbourhood Renewal Fund (NRF)

Government funding which aims to enable the most deprived authorities, in collaboration with their Local Strategic Partnership (LSP), to improve services. NRF monies can be spent in any way that provides help to tackle deprivation. Due to finish at the end of 2007/2008.

New Deal for Communities (NDC)

A key programme in the Government's strategy to tackle multiple deprivation in the most deprived neighbourhoods in the country, giving less wealthy communities the resources to tackle their problems in an intensive and co-ordinated way. The aim is to bridge the gap between these neighbourhoods and the rest of England. All the NDC partnerships are tackling five key themes: poor job prospects, high levels of crime, educational under achievement, poor health and problems with housing and the physical environment.

Glossary of Financial Terms

Non-Domestic Rates (NDR)

The rates paid by businesses. The amount paid is based on rateable value set by the Inland Revenue multiplied by a rate in the £ set by the Government which is the same throughout the country. The rates are collected by local authorities and paid over to the Government. They are then redistributed on the basis of resident population. Also referred to as National Non-Domestic Rates or NNDR.

November Prices

A costing of the budget at the prices ruling in the November prior to the financial year in question. This type of costing is based on constant prices and therefore a separate provision has to be made for anticipated pay awards and price increases occurring during the year. Many authorities, including Newham, now use 'cash prices'.

Oncosts

The same as 'overheads' but usually expressed as a percentage of direct costs.

Out-turn

The same as 'actuals'.

Out-turn Budget

Another term for the 'cash budget'.

Overheads

Any costs to the Council, which do not relate directly to the provision of a service.

Partnerships

An agreement relationship or contract between organisations, whereby the parties agree to work together with the aim of enabling the service providers to give the client a more effective service.

Part Year Effects

Growth and budget reductions are often implemented part way through a year. When this happens the full cost or savings will not be realised until the following financial year. The part year effects are the additional expenditure or savings, which occur in the year of implementation. Also see 'full year effects'.

Policy and Procedural Rules

The capital programme has strict rules that are a combination of legislation and Council policy. All spending is subject to the Council's budget rules and financial regulations.

Pooling Arrangements (Capital Receipts)

Since the 1st April 2004, 75% of "Right To Buy" capital receipts have to be paid to the ODPM, the remaining element can be used to finance capital expenditure. A proportion of other housing receipts must also be paid over unless it is intended to use the receipts for affordable housing or regeneration projects.

Preceptor

The Greater London Authority (GLA) is the only preceptor in London. The GLA calculates its total spending needs for the year and sets its own Council Tax in the same way as a London Borough. Each Billing Authority then collects the tax for them.

Price Base

The basis on which costs are shown in the budget. Budgets can either be expressed at constant prices (usually November) i.e. the prices ruling at a particular point in time, or at cash/outturn prices. Budgets prepared at cash prices include an allowance for assumed pay and price increases during the period covered by the budget. Budgets shown in this book are at cash prices.

Priority-Base Budgeting

See zero-based budgeting.

Private Finance Initiative (PFI)

A scheme where the local authority enters into public-private partnership (PPP) with the private sector to purchase a service associated with an asset such as a school or leisure centre. The Council will not buy the asset but instead pays for use of the asset held by the private sector organisation.

Problem Budget

A situation where expenditure is, or is projected to be, in excess of the budget available or an income budget is being under-achieved.

Provision for Losses on Collection

Local authorities are required to make an allowance for income, which is unlikely to be collected. A provision for losses has to be taken into account when calculating the Council Tax levy - see 'collection rate'.

Prudential Code

This system came into effect from the 1st April 2004. It allows all Local Authorities to determine their own borrowing levels to finance projects, thus allowing more flexibility in establishing the most cost effective way of funding a project. The Council has to demonstrate that borrowing undertaken under the Prudential Code framework is affordable in the long term.

Public-Private Partnership (PPP)

A joint venture where the private sector partner agrees to provide a service to a public sector organisation. (see PFI)

Public Service Agreements (PSA)

An arrangement where a local authority agrees with the Government to deliver stretching outcomes in key areas of activity (exceeding performances required under best value obligations) reflecting a mix of national and local priorities, in return for financial incentives and greater freedoms in terms of service delivery.

Glossary of Financial Terms

Rateable Value

The value of a property for rating purposes. The Inland Revenue sets rateable values. The rates payable by an individual business are calculated by multiplying the rateable value of the property by the rate in the £ set by the Government.

Recharges

A change from one account to another to reflect the cost of a service provided. They are included under the heading of 'support services'.

Recharges to Capital

The salaries of architects and other technical staff working on capital schemes, the costs of which are charged initially to the revenue budget but are then reallocated to the relevant schemes within the capital programme. Also known as 'fees'.

Reserves

The amounts held by way of balances and funds that are free from specific liabilities or commitments. The Council is able to earmark some of its reserves towards specific projects, whilst leaving some free to act as a working balance.

Resource Accounting

The Government introduced a form of resource accounting relating to the Housing Revenue Account (HRA) from 1st April 2001 as part of its financial framework for local authority housing. The aims of the framework include encouraging more efficient use of housing assets, increasing the transparency of the HRA and achieving consistency and comparability between all authorities' revenue accounts.

Resource Equalisation

The way in which the formula grant system takes into account a Council's relative ability to raise Council Tax.

Revenue Contribution to Capital Outlay

The use of revenue monies to pay for capital expenditure - also known as RCCO and Direct Revenue Financing (DRF).

Revenue Expenditure

Expenditure on day to day items such as salaries, wages and running costs. These items are paid for from service income, RSG, NDR and Council Tax. Under the Local Government Finance Act all expenditure is deemed to be revenue unless it is specifically classified as capital.

Revenue Support Grant (RSG)

The main grant payable to support local authorities revenue expenditure. A local authority's RSG entitlement is intended to make up the difference between expenditure and income from the NDR pool and Council Tax. Revenue Support grant is distributed as part of Formula Grant.

Right to Buy

The Council is legally required to sell Council homes to tenants, at a discount, where the tenant wishes to buy their home. The money received from the sale is a capital receipt of which only 25% can be spent on capital expenditure. The remaining 75% must be paid over to the ODPM under pooling arrangements.

Ring-fencing

This term is usually applied to the Housing Revenue Account and describes the requirement that all expenditure on the provision of housing for rent must be met from HRA income. Local authorities are no longer allowed to make a contribution to the HRA from the General Fund. In Newham, a similar arrangement is applied to the Housing capital programme. The Dedicated Schools Grant is also an example of Ring-fencing.

Section 114 Responsibilities

Section 114 of the Local Government Finance Act 1988 gives the Chief Financial Officer specific personal statutory duties to make reports to the Council if an item of spending is, or could be, unlawful and/or the Council has or is about to spend in excess of its resources.

Section 151 Responsibilities

Section 151 of the Local Government Act 1972 (as amended) sets down responsibilities on the Council concerning the appointment of a Chief Financial Officer and the management of its financial affairs.

Service Area Support

A service provided for other service areas within the Council rather than directly to the public. Examples include payroll, computing, central personnel and legal services.

Service Area Support Costs

The cost of service area management, administration and support services. Under Accountancy Codes of Practice, these are reallocated to each service area to show the full cost of each function.

Service Level Agreements (SLAs)

Written contracts for internal services to be provided by one service area (the provider) to another (the client or user). They set out the service to be provided, the duration, the price and conditions of service and are agreed before the financial year begins.

Service Strategy and Regulation (SSR)

Under CIPFA codes of practice, local authorities are required to identify separately the costs of Service Strategy and Regulation. Service Strategy refers to the management task of Service Policy rather than operational management. Regulation refers to the costs involved in the management of the local authority's own staff, or of other third parties in order to maintain the standard of service provided to the public.

Settlements (Revenue and Capital)

Formula grant system moving onto a three-year revenue and capital settlements basis for Councils in England. Three-year settlements will support partnership working and greater flexibility at the local level to deliver the most from available resources to enhance services to local people.

Single Regeneration Budget (SRB)

A Government programme that combined all the 'regeneration' initiatives, which previously operated as separate programmes. The number of SRB programmes have reduced as they have reached the end of their agreed lifetimes. There is still one programme running which will bring in significant regeneration funding until 2007/2008.

Slippage

This is where projects do not begin on time or are held up, resulting in expenditure being different than originally planned.

Specific Grants

A grant receivable from a Government Department that relates to expenditure incurred on providing a particular service e.g. Education Standards Fund.

Standards Fund

The Standards Fund is the Government's main grant for targeting funds towards national Education priorities to be delivered by LEAs and schools. It includes major initiatives such as the literacy and numeracy strategies, e.g. Excellence in Cities, National Grid for Learning and New Deal capital for schools.

Statement of Recommended Practice (SORP)

Statements of recommended practice are guidance on accounting practices for specialised industries or sectors. The Council is subject to the requirements of the CIPFA code of practice on Local authority accounting in the united kingdom and the annually published statements of recommended practice.

Statutory Account

Any account which the Council is, by law, required to keep.

Subjective Analysis

A classification of the budget according to the nature of the expenditure or income incurred (e.g. employee costs, premises costs, transport costs, fees and charges, grants to voluntary sector etc).

Supported Capital Expenditure (SCE)

This is Capital expenditure funded by Government, either as a one-off capital grant (called SCE (Capital)) or as part of the annual RSG settlement to cover annual financing costs of monies borrowed, this is know as SCE (Revenue). Service Income

Income received by the Council, which relates directly to a service provided. The main examples are fees, charges and specific grants.

Support Service Framework (SSF)

This was introduced in 1997 to replace the former 'internal market'. It sets out the arrangements between service providers and service users for the provision of support services within the SSF. The SSF Code of Practice and Handbook can be consulted for further details.

Tenant Management Organisation (TMO)

An organisation set up by tenants to take over certain housing management responsibilities from the housing authority. TMOs have taken the opportunity offered by regulations to run their local housing services such as:

- Collecting rents and service charges;
- Organising repairs and maintenance; and
- Making sure that buildings are kept clean and tidy

The Council will still own the homes and be the landlord but the TMO becomes a partner with the Council in providing services to the local community and Council representatives can be invited on to the committee.

Trading Account

The profit and loss accounts of a trading activity. All support services operate on a trading account basis.

Transfer Payments

A payment to a person or organisation that does not result in a reciprocal benefit or service being provided to the Council. The main examples are mandatory student awards and housing benefit. In most cases the cost of transfer payment is either fully or partially reimbursed by Central Government.

Turnover

This term has two entirely different meanings:

- The value of work carried out by a trading organisation
- The rates at which staff change within the Council's employment.

This is usually expressed as a percentage; e.g. if there are 50 staff in a service and 10 leave during the course of the year, the annual turnover is 20%. This should be allowed for when preparing a staffing budget as high turnover will usually result in vacancies occurring between the time that staff leave and new appointments are made.

Ultra Vires

This literally means 'beyond the powers'. Local authorities are only allowed to do things for which they have specific legal powers. If they spend money on anything else, this is illegal and is referred to as being 'ultra vires'.

Variable Costs

Costs that vary directly according to the level of service provided.

Virement

The process by which one budget is increased and another budget reduced by the same amount to reflect a change in spending priorities, (i.e. a switch of resources between budget heads).

Volume Change

Changes in the amount of a service provided. This is in contrast to price changes, where the level of service remains the same but the cost either increases or decreases.

Wellbeing Powers

Local authorities now have powers to incur expenditure that will benefit the general wellbeing of the communities they serve.

Write-offs

Income is recorded in the Council's accounts on the basis of amounts due. When money owing to the Council cannot be collected, the income is already shown in the accounts and has to be reduced or written off.

Zero-base Budgeting

An approach to budgeting in which you start with a blank piece of paper and then work out the key spending priorities and how much they cost. This approach, which is also referred to as priority-base budgeting, is the opposite of incremental budgeting in which you take existing expenditure as the starting point.

**London Borough of Newham
Budget 2006/2007**

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