

BUDGET BOOK 2019/20



Encouraging civic pride



Enabling social responsibility



Growing the borough

**One borough: one community:
London's growth opportunity**

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Message from Claire Symonds, Chief Finance Officer

Local Government as a whole faces unprecedented financial challenges with year on year cuts to the funding from central government while the demand for services is rising. Councils can respond to this level of challenge in a variety of ways that reflect the scale of their ambition for their residents. Barking and Dagenham has chosen to take a bold, new and ambitious approach based on investing in services, maximising economic growth and the consequent opportunities and transforming the way the council runs.

Under the government's policy of austerity, funding for public services has been reducing steadily since 2010/11 with Local Government funding being particularly deeply reduced – by around 40% over this period. This has been a challenge for the whole sector but especially for those authorities who serve communities with higher levels of need and those which were more dependent on central government funding due to their lower tax base.

Barking and Dagenham is such a Council – we are a fast growing borough with a young population and many of our citizens face a range of challenges and disadvantages that mean that they may need help and support from the Council at some point. In many cases population growth is a direct driver of demand for services - for example, recent evidence from the National Audit Office (NAO) regarding children's social care spend, found that growth in child populations equate to similar levels of increases in referrals to children's social care.

We are also a borough that is ambitious and sees the opportunities that are there for a place that can rightly be called "London's Growth Opportunity." We have therefore responded to the challenge of austerity not merely with a range of ever deeper budget cuts, but with a medium term strategy that is based on transforming the Council and maximising housing, business and economic growth.

This includes the creation of an investment portfolio, the establishment of subsidiary companies to deliver services more efficiently and generate additional income and the redesign of all Council services into a New Kind of Council.

The Council's Medium Term Financial Strategy for 2017/18 to 2020/21 was established and approved in February 2017. This set out the overall strategy for the period including a savings and income programme of £48m over the four years. This was updated in February 2018 which made a number of corrections and adjustments and added a further £9.646m of saving. We are creating a new kind of council and are using our balance sheet to help us to do so. This budget is balance sheet led, it is putting our balance sheet to work to generate financial returns to the Council and benefits for the community. Our approach, as set out in the Council's Investment and Acquisition Strategy, includes our ability to use cash balances and new borrowing to invest in housing and other regeneration opportunities that deliver significant financial revenue returns together with medium to long term capital growth. We have developed a rolling programme of land acquisition, development, disposal, re-financing and reinvestment, managed in such a way as to manage down the overall cost of capital to the Council and maximise financial returns. And we have also taken advantage of the full use of the Governments recent agreed Flexible Use of Capital Receipts dispensation to help fund

the one-off revenue costs of change projects in the Council that deliver on-going revenue savings.

It is why this budget and associated MTFS have demonstrated how a creative and flexible organisation can achieve our organisations visions and make them a reality, despite the challenges that are continually facing local government in general and our authority in particular.

Finance Contacts

If you have any queries in relation to the budget book, please contact one of the following officers:

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Financial Regulations

The Council’s Financial Regulations including Financial Planning (section 2) and Budget Management (section 3) can be found on the following link (Part 4, Chapter 2):

<https://modgovapp.barking-dagenham.gov.uk/ieListDocuments.aspx?CId=626&MId=10108&Ver=4&Info=1>

Development of the 2019/20 Budget

An investment led strategy

The Medium Financial Strategy reflects the priorities, ambition and agreed strategies of the Council. It aims to bring alive the Council's vision: "One Borough; One Community; London's Growth Opportunity" and the four corporate priorities that support this vision:

- Encourage civic pride;
- Enabling social responsibility;
- Growing the borough;
- A well-run organisation.

The Council's approach for the future aims to break with the tradition of previous budget rounds. In place of service cuts and salami slicing, our plans pivot around investment in our borough and investment in changing how our Council operates. In particular:

- Investing in our borough to deliver investment returns and much need infrastructure (e.g. houses and schools);
- Investing in new and reformed services that:
 - Help to manage demand by supporting people to overcome the root cause of the problems that they face and support them to live more sustainable and independent lives
 - Are more commercial and better able to generate income so that services are preserved and jobs protected.
- Investing in service improvements where we know we can perform better if we modernise what we do;
- Investing in changing the way we work.

This budget and MTFS signals a reverse to that trend, putting our balance sheet to work to generate financial returns to the Council and benefits for the community.

Medium Term Financial Plan 2019/20 to 2020/21

Table 1: MTFS 2019/20 to 2020/21

	MTFS 2019/20	MTFS 2020/21
LBBB Net General Fund Base Budget	148.159	148.820
Pressures		
Current Budget Pressures	10.456	12.922
Savings		
Current Savings	-9.795	-13.718
Total Expenditure	148.820	148.024
Funding		
Retained Business Rates Pilot (Formula Grant-Baseline Funding Level)	-77.064	-72.408
Retained Business Rates Pilot (Surplus)	-2.097	0.000
Council Tax based 0% increase in Council tax	-59.992	-61.500
Specific Grant	-7.873	-1.059
	-	
	147.026	-134.967
Budget Gap before increase in Council Tax and use of Reserves	1.794	13.057
Use of General Reserves	0.000	0.000
Council Tax Increase at 2.99%	-1.794	-2.418
Budget Gap	0.000	10.639

As per government legislation the Council has set a balanced budget for 2019/20.

There will be no drawdown from reserves in 2019/20

100% Business Rates Pilot

2018/19 was seen as a historical year for the way London authorities are traditionally funded i.e. through the revenue support grant, top-up grant and the retained business rates for which an authority collects.

From April 2018 London authorities were part of a 100% business rates retention pilot which swapped the revenue support grant for a greater share of retained business rates. London was able to keep 100% of any business rates growth and would pay no levy. The financial benefit to London was estimated to be £189.5m subject to the projected growth rate of 6% per annum being achieved. The pilot was intended to be for one year. But due to the success and a willingness from authorities to carry on, the pilot has been extended to 2019/20. However, London authorities are now only able to retain 75% of any business rates growth and would pay no levy.

Table 1: Financial Benefit from London Pooling

	Benefit £'m
Boroughs	179.596
GLA	-0.535
Strategic Investment Pot	61.837
Incentives Pot	26.502
Population Pot	61.837
London Pool	329.237

Financial Implications

The net one-off financial gain in 2019/20 from participating in the pool is estimated to be £329.237m for all London Boroughs and the Greater London Authority. On current estimates the choice of distribution would give Barking & Dagenham, a one-off financial benefit of £2.1m

The financial gains are based on estimates using forecasts from London Boroughs and therefore the figures are largely illustrative, and a lower set of figures is entirely possible.

Risk of Rates Falling

In the event that London's business rates income fell, the pool will have a higher "safety net" threshold – 97% rather than 92.5% of the overall baseline funding level in which the government would step in and provide support. There is also the 'no detriment guarantee'

which states that no authority would be worse off than the current level of rates retained through the existing business rates system.

Budget Challenges

As a result of the deep cuts to our government funding, local authority budgets are under severe pressure. In our case this pressure is deepened by the real needs of our growing population. We have one of the fastest growing populations – for example Barking and Dagenham’s population increased by more than one-quarter (26%) between 2001 and 2016 from 163,900 to 206,500 residents: an increase of 42,500 people. This is a greater percentage change than England (12%) or London (23%).

Barking and Dagenham has a young population, with the highest proportion of 0–19s in the UK (32%). More than one in four (26%) residents is aged 0–14, compared with 18% across England and 25% in London, and this proportion has increased from 22% in 2001. In addition, the population is also more diverse and mobile than many areas of the country and indeed than traditionally was the case here. The ethnic make-up of the borough has also changed since the 2001 Census. The proportion of the population who are White British has decreased from 81% in 2001 to 49% in 2011. This is projected to continue to decrease to 38% in 2017. These characteristics can bring benefits and add to the vibrancy and creativity of the borough, but they also can make it more challenging for the Council to meet the needs of the changing community.

In addition, it must be acknowledged that many of our residents live in more challenging circumstances than we would want for them. People in our borough die earlier, have poorer health, and lower levels of education and skills than in most other London boroughs. Barking and Dagenham remains among the most deprived areas in the country. In 2015, the relative deprivation of the borough (Index of Multiple Deprivation) increased from a rank of 20th to 11th in the country and from 7th to 3rd in London compared with 2010 index. In 2016, 67.3% of working-age residents (ages 16–64) were in employment, compared with 74.2% in England and 73.7% across London. These are the statistics that reveal the underlying reality for some of our residents: too many people are insufficiently skilled, too many are in low paid work and too many struggle to find suitable accommodation to live in. These and similar factors both drive the level of demand for services and also make it all the more important that the Council is ambitious to improve the lives of its residents.

There are particular challenges in Care and Support. Although the proportion of pension age residents is still relatively low, this is forecast to start to increase from 2020 onwards. However, the numbers of disabled people are increasing even now. This includes both people who become disabled in adulthood as a result of poor health or accidents and young people with severe disabilities from birth or infancy. The age profile of Personal Independence Payments (PIP) claimants suggests that Barking and Dagenham women suffer an earlier burden of chronic disease than women nationally. Our Care and Support services will work to support them to live full and active lives in the community, but this is resulting in increased demand for services.

In addition, the child population is increasing which is leading to more demand for services including social care services to safeguard and support the most vulnerable children. Nationally Children's Social Care services are under pressure and where sufficient investment is not made this can result in poor performance. This results in greater costs in the longer term as shown by the experience of authorities who are judged as failing by Ofsted who have faced additional costs in the millions to put right previous under investment. For these reasons we have been anxious to ensure that growth funding is provided for Care and Support.

Reduction in government grants

The reduced Revenue support grant for 2018/19 has been rolled into the new business rates retention system and the Council now will receive retained business rates income only. In addition, a number of other important grants received by councils have been reduced. This includes the Public Health grant which has reduced by £0.5m. The Housing Benefit Administration grant has also been reduced following the introduction of Universal Credit. Also, the additional funding provided by the New Homes Bonus to support increases in population and encourage house building has also been reduced in line with changes announced by the Government in 2017/18.

Increase in Council Tax Base

Whilst it is welcome that the Borough is increasing its tax base as this generally means additional income, it also places pressures on council services such as waste collection, education, and social services.

A large proportion of new residents moving into the Borough face high levels of deprivation therefore will qualify for council tax support; this reduces the income the Council can receive which means additional budgetary pressure.

East London Waste Authority

East London Waste Authority (ELWA) Each year the Council receives a levy from ELWA in respect of its waste disposal and landfill costs. The levy for the authority in 2019/20 has increased by 3.3% to £12.535m. Current indications are that the levy will increase year on year especially as the Council increases its Council property base.

Funding 2019/20

Net Budget Requirement

The Council has a net budget requirement for 2019/20 of £148.820 million. This is funded from by a mixture of business rates, specific grant and council tax as shown in the summary table below.

Funding Source	Confirmed Funding 2019/20
New Homes Bonus Grant	3,007
LCTS Administration Grant	289
HB Administration Grant	915
Homelessness Reduction Act Grant	318
Winter Pressures Grant	913
Social Care Grant	1,560
Government Funding	7,873
Council Tax Precept	61,786
Retained NNDR Income	79,161
Local Funding	140,947
Total Funding	148,820

Council Tax Requirement 2019/20

The Government's limit on council tax increases before a local referendum would be required has recently changed to 2.99% from 2%.

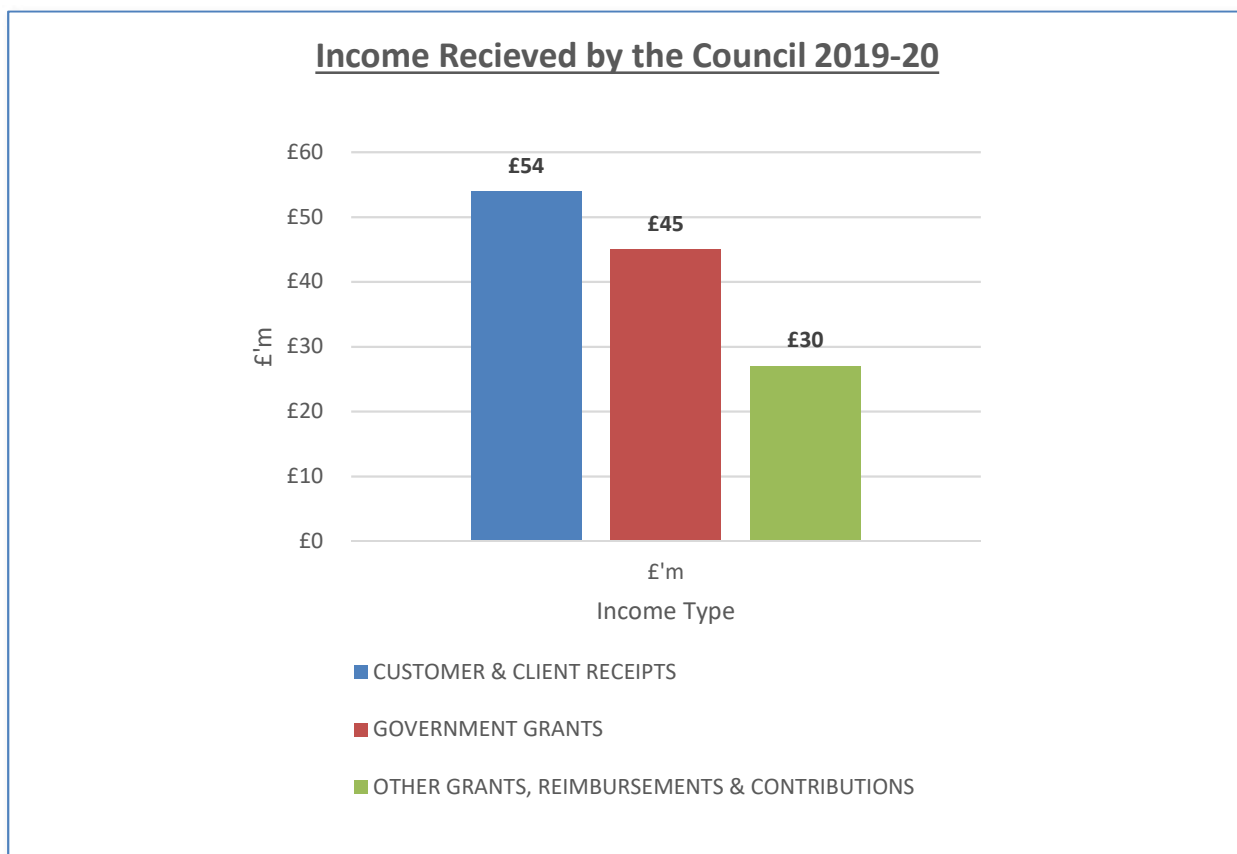
Assembly agreed to increase Council Tax by 2.99% (£35.87) which is the Local Authority Precept Increase and no increases for the Adult Social Care Precept. This increase takes the level of Council Tax from £1,199.63 to £1,235.50 for a band D property.

The Greater London Authority is proposing to increase their Council Tax by 8.9% (£26.28) for a Band D property, changing the charge from £294.23 (2018/19) to £320.51 in 2019/20. The combined amount payable will therefore be £1,556.01 for 2019/20, compared to £1,493.85 in 2018/19. This is a total change of £62.15 for the Council Tax bill for 2019/20.

Gross Income 2019/20

In addition to the funding above the Council also receives other income, as shown on the graph/table below. This income goes towards funding the Council's gross expenditure, and the resultant net budget requirement is then funded by Government grant and Council Tax as described above. This income is achieved and spent by each Council department for specific purposes. This includes grants and fees and charges in respect of individual services

delivered and outcomes achieved. The graph below summarises the different income streams from which the council receives funding. Each year, the fees and charges are reviewed and reported to Cabinet in advance of the financial year following a benchmarking and market testing exercise by each directorate.



Within the Central Expenses service block the council also receives £119m as part of the housing benefit subsidy.

Ring Fenced Funding

All of the funding and income described above goes towards funding the Authority's General Fund services. In addition to this the Council receives two other main sources of ring-fenced funding, i.e. the Dedicated Schools Grant (DSG) and Housing Revenue Account (HRA) funding, the total amounts of which are shown in the table below. This funding is not allowed to fund general services, although the General Fund can recharge and draw down either funding stream in respect of services provided for it (in a similar way as it would do to any other external organisation).

Ring-fenced Income	2019/20 £'000
DSG after Academy recoupment	221,870
HRA	104,909
Total	326,779

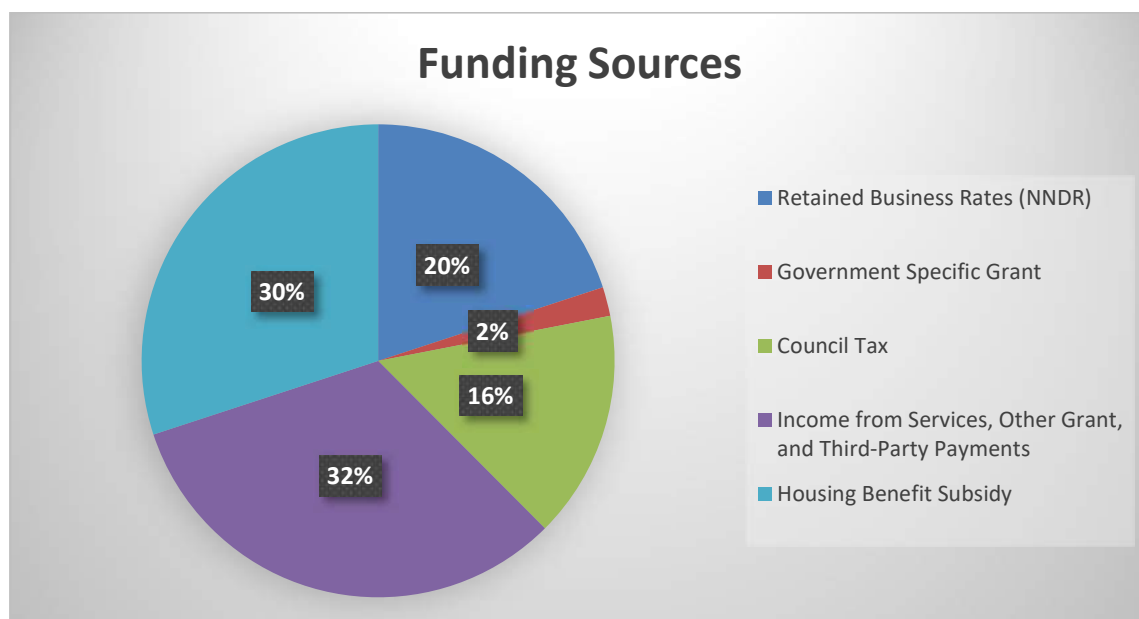
The Council receives its DSG allocation from the Department for Education (DfE) based on the number of pupils educated in schools and nurseries across the borough. The funding received must be allocated directly to schools, although the Council retains an element to fund some services that are run on behalf of schools. The DSG grant allocation is adjusted to account for any maintained Schools converting to Academies. The HRA income is what the Council receives in rents from its Council tenants, and it is used to fund the housing stock, such as building maintenance.

Total Funding and Income

This table illustrates the total funding and income which is financing the total gross expenditure of £397.03 million as set out below.

Funding and Income	£'000
Retained Business Rates (NNDR)	79,161
Government Specific Grant	7,873
Council Tax	61,786
Income from Services, Other Grant, and Third-Party Payments	128,618
Housing Benefit Subsidy	119,129
	396,567

Pie Chart: Total Income. The following pie chart presents the Council's total income (as per the table above) in a graphical format, to depict the relative proportions of each main funding source.



Expenditure for 2019/20

The net budget of £148.820 million is allocated by each Strategic Function of the Council as follows:

Strategic Function	Original Budget 18-19*
CARE & SUPPORT	72,291,508
CENTRAL	967,207
COMMUNITY SOLUTIONS	12,131,890
CONTRACTED SERVICES	5,385,050
CORE	9,194,260
EDUCATION, YOUTH & CHILDCARE	20,973,310
INCLUSIVE GROWTH	220,090
LAW, GOVERNANCE & HR	(2,012,236)
MY PLACE	17,704,851
POLICY AND PARTICIPATION	2,668,740
SDI COMMISSIONING	9,295,340
TOTAL GENERAL FUND BUDGET*	148,820,010

*The figures in the table are inclusive of overheads and capital charges which are not classed as controllable service expenditure.

The net budget of £148.820 million is allocated by each Business Unit of the Council as follows:

Service Business Unit	Original Budget 19-20*
DISABILITIES	18,403,488
ADULT'S CARE & SUPPORT	19,473,560
CHILDREN'S CARE & SUPPORT	34,414,460
CENTRAL EXPENSES	893,007
SPARE	74,200
INTERVENTION SERVICES	2,142,400
TRIAGE SERVICES	2,729,980
SUPPORT SERVICES	2,473,890
UNIVERSAL SERVICES	4,804,390
COMMUNITY SOLUTIONS	-1,163,040
WORK & SKILLS	1,144,270
ELEVATE CONTRACT	5,385,050
STRATEGIC LEADERSHIP	227,610
FINANCE	6,052,560
ELEVATE CLIENT TEAM	5,715,820
INNOVATION AND INVESTMENT	-3,169,000
TRANSFORMATION	367,270
EDUCATION, YOUTH & CHILDCARE	20,973,310
INCLUSIVE GROWTH	108,550
COMMISSIONING - BE FIRST	111,540
ELHP	0
LAW & GOVERNANCE	549,820
ENFORCEMENT	-2,562,056
MY PLACE	9,287,363
PUBLIC REALM	8,417,488
CULTURE & RECREATION	2,003,360
STRATEGY & PROGRAMMES	665,380
ADULTS COMMISSIONING	5,755,640
PUBLIC HEALTH	-700,000
LEISURE	-203,290
CHILDREN'S COMMISSIONING	4,442,990
TOTAL GENERAL FUND BUDGET*	148,820,010

*The figures in the table are inclusive of overheads and capital charges which are not classed as controllable service expenditure

Levies 2019/20

The amount the Council pays to levying bodies has increased by 3% overall. This is shown in the table below:

LEVIES	2017/18 (£)	2018/19 (£)	Change %
East London Waste Authority	12,138,000	12,535,000	3%
Environment Agency	110,715	113,849	3%
London Pension Fund Authority	170,761	171,827	1%
Lee Valley	117,960	118,836	1%
TOTAL LEVIES	12,537,436	12,939,512	3%

Reserves (All reserves)

The General Fund Balances currently stands at £17.03m as at the end of 31st March 2019 (was £19.3m as at the end of 31st March 2018).

£15m is currently the minimum recommended level of balances for the General Fund Balance. This recommendation will be kept under review in the light of our changing financial context. The minimum levels of reserves are assessed annually at a local level. This assessment is based upon strategic, operational, and financial risks facing the authority. It is the responsibility of the Chief Financial Officer to ensure that the reserves are at an adequate level as per section 114 of the Local Government Finance Act 1988. The levels of reserves and their suitability are kept under constant review as the shape and size of the council changes. Any changes would be recommended to Cabinet. The current assessment of the minimum level of reserves is adequate and no change needs to be made.

There was an overspend of £2.881m in 2018/19. To balance this, we drew down the amount from the budget support reserve as well as the £2.791m which was approved during the February Budget Assembly to balance the budget. The risks associated with those areas over overspending in 2018/19 have been mitigated by allowing for budget growth in the latest MTFS.

Forecast Position of Earmarked Reserves at start of 2019/20

	Opening Balance (01.04.18)	Transfer to	Transfer from	Closing Balance (31.03.19)
General Fund Balances	(17,030,171)			(17,030,171)
Earmarked Reserve Balances (Schools/DSG)				
DEDICATED SCHOOL GRANTS RESERVE	(6,334,657)	(213,847)		(6,548,504)
LOCAL MANAGEMENT OF SCHOOLS (LMS) RESERVE	(7,939,887)		1,997,884	(5,942,003)
Earmarked Reserve Balances				
ABBEY MRP2	(953,479)			(953,479)
B&D RESIDE LIMITED	(673,893)		1,000,732	326,839
B&D RESIDE LIMITED		(326,839)		(326,839)
B&D RESIDE ABBEY RODING LLP	(1,289,810)		1,289,810	0
DEDICATED SCHOOL GRANTS RESERVE	887,548			887,548
PFI RESERVE	(4,928,733)			(4,928,733)
DEPARTMENTAL RESERVE	(552,000)			(552,000)
CORPORATE RESTRUCTURING - REDUNDANCIES RESERVE	(735,000)			(735,000)
INSURANCE FUND - LIABILITY RESERVE	(1,639,009)			(1,639,009)
BUDGET SUPPORT RESERVE	(12,624,545)	(6,289,278)	6,618,497	(12,295,326)
EDUCATION, YOUTH & CHILDCARE RESERVE	(1,249,800)	(889,937)	1,239,000	(900,737)
ELECTIONS RESERVE	(222,582)	(180,000)	105,828	(296,755)
LEP HOUSING RENTAL RESERVES	(866,315)		661,644	(204,670)
IT RESERVE	(1,000,000)	(214,000)		(1,214,000)
BUTLER COURT (REFURBISHMENT)	(89,323)			(89,323)
JO RICHARDSON AND EASTBURY PFI	(7,037,927)	(660,900)		(7,698,827)
PUBLIC HEALTH RESERVE	(232,705)	(329,803)		(562,508)
LEGAL TRADING RESERVE	(814,716)			(814,716)
COLLECTION FUND EQUALISATION RESERVE	(1,144,379)	(3,402,630)	1,044,000	(3,503,009)
LIFECYCLE RESERVE	(621,735)	(209,748)		(831,483)
PROPERTY RESERVE - RESIDE	(41,705)		164,732	123,027
SKILLS & LEARNING PROGRAMME RESERVE	(858,500)	(234,629)		(1,093,129)
ADULT SOCIAL CARE RESERVE	(2,526,924)		2,526,924	0
VAT MARKET REPAYMENT	(171,898)		3,641	(168,257)
PARKING RESERVE	0	(65,000)		(65,000)
INVESTMENT RESERVE	0	(4,333,448)		(4,333,448)
TREWERN OUTDOOR CENTRE RESERVE	0		(80,800)	(80,800)
GRANTS - DEPARTMENT FOR EDUCATION	(38,700)			(38,700)
YOS - HEALTH & JUSTICE (FROM COG)	0	(74,222)		(74,222)
LEAVING CARE SERVICE (NEET FUNDING - RE CMF GRANT)	0	(141,094)		(141,094)
CAPITAL INVESTMENT RESERVE	(3,575,842)			(3,575,842)
TOTAL EARMARKED RESERVES EXCLUDING LMS/DSG	(43,001,971)	(17,351,528)	14,574,007	(45,779,492)

Treasury Management

Treasury Management Strategy

The Council's Treasury Management Strategy has three main streams:

- Investment Strategy – relating to the management of the Council's cash balances.
- Borrowing Strategy – relating to the financing of the Council's capital programme;
- Minimum Revenue Provision (MRP) Strategy – relating to charging to the General Fund an MRP considered to be prudent.

The Council's cash position

At the financial year end (31st March) the level of the Council's cash balances have been as follows:

2018/19 - £320m
2017/18 - £248m
2016/17 - £233m
2015/16 - £227m
2014/15 - £218m

These balances have been made up of various sources of cash, such as capital grants, s106 funding, reserves, capital receipts through the sale of assets and loans. The increase in the cash value for 2018/19 includes £159.6m borrowed from the Public Works Loan Board to fund regeneration within the borough. All cash flow monitoring and investing are carried out by an in-house treasury section.

Changes to Investment Strategy

The Council's investments are managed on the following principles, in order of priority:

1. Security – how safe is the Council's investment
2. Liquidity – can the Council access its money when it needs to?
3. Yield – rate of return on the Council's investment

On the basis of these principles, the following actions will be followed:

- Maintain increased investment limits for major UK banks due to limited number of counterparties;
- Monitor counterparty risk using Link Asset Management's model which combines views from the Credit Rating Agencies with three other factors/considerations. This will ensure views taken are balanced; and
- Not to use derivative products due to potential instability in the financial markets at this moment in time and their being consequently unsuitable.

Borrowing Strategy

The Council is allowed to borrow funds from the capital markets for two purposes:

- i. Short term temporary borrowing for day to day cash flow purposes to ensure liquidity.
- ii. Long term borrowing to finance the capital programme where the Council can demonstrate the borrowing is affordable.

The Council's borrowing as at 31 March 2019 can be split into the following elements:

- i. General Fund External Long Terms loans from the PWLB, Local Authority and private banks - £475.7m;
- ii. General Fund External Short Terms loans from the Local Authorities - £91m;
- iii. HRA PWLB and Private Bank Loans - £276m; and
- iv. PFI/finance lease liabilities - £131m.

Capital Strategy

For several years the Council has invested in property as part of its regeneration strategy. In 2015, the Growth Commission Report – “No-one left behind: in pursuit of growth for the benefit of everyone” - recommended the establishment of a Borough-wide regeneration vehicle that would be an early statement of the Council's intent to increase the pace of regeneration of the borough.

Subsequently Be First was set up, with the aim of delivering long-term strategic regeneration objectives, including enhancing economic growth and prosperity for the people of Barking and Dagenham. In addition, Be First has been charged with delivering significant financial benefits to the council by bringing forward returns in New Homes Bonus and Council Tax and by delivering dividends to the Council.

In 2017 the Council established a revised Investment and Acquisitions Strategy, which includes 44 schemes. In February 2018, Cabinet agreed the Be First Business Plan (BFBP) which outlines an overall funding commitment of £787m over the five-year period.

Revenue Budget

Revenue spending funds the day-to-day provision and delivery of services and running costs, including salaries. It is financed from the council tax, government grant, business rates and other income.

The process of setting and monitoring budgets ensures that resources are used for their intended purposes. Regular and timely budget monitoring of variances against targets enables over and under spends to be identified promptly and possible changes in resource requirements to be highlighted.

The following pages show the budgets for each cost centre grouped under the CIPFA Service Reporting Code of Practice headings. The CIPFA standard is used as listed below.

Expenditure:

Employee related costs

These include the cost of employee expenses, both direct and indirect, to the authority. Examples include:

Direct expenses - Salaries, employer's national insurance and pension contributions and agency staff.

Indirect expenses - Relocation and interview expenses, training and severance expenses.

Premises related costs

These include expenses directly related to the running of premises and land.

Examples of this type of expenditure are: Energy costs, rents, rates, water services, fixtures and fittings, cleaning and grounds maintenance of the Council's various buildings.

Transport related costs

Transport costs include all costs associated with the provision, hire and use of transport. Examples of transport costs are lease car costs, public transport and car allowances (payments made to staff in relation to travel expenses).

Supplies and Services

These include all direct supplies and service expenses such as equipment, materials, uniforms, printing and stationery, subscriptions and general office expenses.

Contractor Payments

These are payments to an external provider in return for the provision of a service, examples include; contractor payments for Waste Collection and Street Cleansing.

Benefit payments

These are Housing Benefits.

Establishment costs and overheads

This group includes staff recharges and central overheads.

Capital financing costs

These provide a record of the revenue impact of capital items in the revenue accounts of the authority.

Income:**Fees, charges and sale of goods**

This group includes all income from fees, charges and sale of goods, examples include; licence fees, car parking pay & display tickets, car parking permits, planning application fees, building regulation fees, course fees, sale of equipment, stock and publications.

Grants and contributions

This group includes all income from grants and contributions.

Benefits subsidy

This group includes all benefits subsidy for Housing Benefits.

Income recharges

This group includes all income received by the service from recharges to internal users.

Capital financing income

This group includes all income received towards capital schemes. Income towards specific services that is received as part of the Revenue Support Grant is only shown on the 'Summary' and not on the individual budget pages.

Capital Programme

Capital expenditure is generally spending on purchasing, upgrading and improving assets such as land and buildings. The community receives benefit from capital expenditure over a long period of time. The expenditure is financed from grants, capital receipts, contributions from partner organisations, revenue contribution and borrowing.

The Council's approved capital programme is the inclusion of projects infers authority to spend that budget to deliver the project. The approved capital budget is £222m for 2018-19.

To ensure that all projects are properly managed and controlled the Council operates regular budget monitoring

**BUDGETS BY STRATEGIC COMMISSIONER AND NEW
SERVICE BLOCKS 2019/20**

CARE & SUPPORT

CARE AND SUPPORT BUDGETS 2019/20

	Annual Budget ADULT'S CARE &	Annual Budget CHILDREN'S CARE &	Annual Budget DISABILITIES	Annual Budget
CIPFA Summary				
CUSTOMER & CLIENT	(4,976,000)	(1,500,000)	(1,129,500)	(7,605,500)
GOVERNMENT GRANTS	(9,762,500)	(1,264,000)	(214,700)	(11,241,200)
OTHER GRANTS, RECHARGES INCOME	(12,321,500) (326,600)	(494,000)	(672,400) (591,400)	(13,487,900) (918,000)
1 - Gross Controllable	(27,386,600)	(3,258,000)	(2,608,000)	(33,252,600)
EMPLOYEE EXPENSES	7,442,940	15,143,320	5,629,338	28,215,598
PREMISES RELATED	68,300	78,300	123,880	270,480
SUPPLIES AND SERVICES	210,500	1,020,580	288,120	1,519,200
THIRD PARTY PAYMENTS	27,216,250	19,721,980	5,929,080	52,867,310
TRANSFER PAYMENTS	9,120,500	71,000	4,992,750	14,184,250
TRANSPORT RELATED	430,000	261,400	3,155,600	3,847,000
2 - Gross Controllable	44,488,490	36,296,580	20,118,768	100,903,838
RECHARGES INCOME				
3 - Gross Non-				
DEPRECIATION AND	919,670	159,580	182,420	1,261,670
SUPPORT SERVICES	1,452,000	1,216,300	710,300	3,378,600
4 - Gross Non-	2,371,670	1,375,880	892,720	4,640,270
Grand Total	19,473,560	34,414,460	18,403,488	72,291,508

CENTRAL

CENTRAL BUDGETS 2019/20

	Annual Budget	
	CENTRAL	Annual Budget
	EXPENSES	
CIPFA Summary		
CUSTOMER & CLIENT RECEIPTS	(1,542,000)	(1,542,000)
GOVERNMENT GRANTS	(120,064,490)	(120,064,490)
INCOME	(2,955,680)	(2,955,680)
OTHER GRANTS, REIMBURSEMENTS &	(7,291,200)	(7,291,200)
RECHARGES INCOME	(685,000)	(685,000)
1 - Gross Controllable Income Total	(132,538,370)	(132,538,370)
EMPLOYEE EXPENSES	4,569,400	4,569,400
PREMISES RELATED EXPENDITURE	(558,500)	(558,500)
SUPPLIES AND SERVICES	8,804,427	8,804,427
THIRD PARTY PAYMENTS	1,604,360	1,604,360
TRANSFER PAYMENTS	124,353,650	124,353,650
2 - Gross Controllable Expenditure	138,773,337	138,773,337
SUPPORT SERVICES	2,557,280	2,557,280
4 - Gross Non-Controllable	2,557,280	2,557,280
FINANCING AND INVESTMENT INCOME	4,825,670	4,825,670
OTHER OPERATING EXPENDITURE	13,155,900	13,155,900
TAXATION AND NON-SPECIFIC GRANT	750,000	750,000
5 - Below the line - CIES Total	18,731,570	18,731,570
ADJUSTMENTS BETWEEN ACCOUNTING	(26,631,310)	(26,631,310)
6 - Below the line - MIRS Total	(26,631,310)	(26,631,310)
TRANSFERS TO/FROM EARMARKED	500	500
71005D Total	500	500
Grand Total	893,007	893,007

COMMUNITY SOLUTIONS

COMMUNITY SOLUTIONS BUDGET 2019/20

	Annual Budget	Annual Budget	Annual Budget	Annual Budget	Annual Budget	Annual Budget
	COMMUNITY SOLUTIONS	INTERVENTIONS	SUPPORT SERVICES	TRIAGE SERVICES	UNIVERSAL SERVICES	WORK & SKILLS
	ON SERVICES					
CIPFA Summary						
CUSTOMER & CLIENT RECEIPTS	(15,487,600)	(72,000)	(1,040,294)	(802,074)	(17,401,968)	
GOVERNMENT GRANTS	(4,577,800)	(58,250)	(3,000)	(1,665,290)	(6,304,340)	
OTHER GRANTS, REIMBURSEMENTS & RECHARGES INCOME	(275,000)	(3,574,770)	(286,800)	(875,400)	(1,162,200)	
1 - Gross Controllable Income Total	(20,340,400)	(3,705,020)	(1,512,764)	(3,542,764)	(29,246,958)	
EMPLOYEE EXPENSES	3,310,730	2,696,050	3,148,462	2,660,840	13,049,702	
PREMISES RELATED EXPENDITURE	582,400		1,292,172	205,840	2,080,412	
SUPPLIES AND SERVICES	282,200	877,370	666,440	255,725	1,293,825	
THIRD PARTY PAYMENTS	5,600	17,820,500	678,540	541,920	19,421,960	
TRANSFER PAYMENTS		130,000	96,400		130,000	
TRANSPORT RELATED EXPENDITURE	5,400		23,500	4,100	33,000	
2 - Gross Controllable Expenditure Total	(1,481,870)	21,995,830	3,852,420	2,747,120	5,226,974	3,668,425
RECHARGES INCOME			(440,300)		(440,300)	
3 - Gross Non-Controllable Income Total			(440,300)		(440,300)	
DEPRECIATION AND IMPAIRMENT LOSSES	11,330	183,910	884,680	218,780	3,704,510	
SUPPORT SERVICES	307,500	303,060	720,000	666,800	1,945,310	
4 - Gross Non-Controllable Expenditure	318,830	486,970	2,224,890	1,604,680	5,649,820	
FINANCING AND INVESTMENT INCOME AND						
5 - Below the line - CIES Total						
ADJUSTMENTS BETWEEN ACCOUNTING BASIS & TRANSFERS TO/FROM EARMARKED RESERVES				234,629	234,629	
6 - Below the line - MIRS Total	(1,163,040)	2,142,400	2,372,290	2,729,980	4,878,590	12,206,090
Grand Total						

CONTRACTED SERVICES

CONTRACTED SERVICES BUDGET 2019/20

	Annual Budget ELEVATE CONTRACT	Annual Budget
CIPFA Summary		
CUSTOMER & CLIENT RECEIPTS	(1,177,520)	(1,177,520)
GOVERNMENT GRANTS	(200,000)	(200,000)
OTHER GRANTS, REIMBURSEMENTS & RECHARGES INCOME	(4,433,030)	(4,433,030)
1 - Gross Controllable Income Total	(5,810,550)	(5,810,550)
EMPLOYEE EXPENSES		
PREMISES RELATED EXPENDITURE		
SUPPLIES AND SERVICES	200,200	200,200
THIRD PARTY PAYMENTS	16,508,750	16,508,750
TRANSFER PAYMENTS		
TRANSPORT RELATED EXPENDITURE		
2 - Gross Controllable Expenditure Total	16,708,950	16,708,950
RECHARGES INCOME	(8,729,350)	(8,729,350)
3 - Gross Non-Controllable Income Total	(8,729,350)	(8,729,350)
DEPRECIATION AND IMPAIRMENT LOSSES	446,130	446,130
SUPPORT SERVICES	2,769,870	2,769,870
4 - Gross Non-Controllable Expenditure	3,216,000	3,216,000
FINANCING AND INVESTMENT INCOME AND		
5 - Below the line - CIES Total		
ADJUSTMENTS BETWEEN ACCOUNTING BASIS & TRANSFERS TO/FROM EARMARKED RESERVES		
6 - Below the line - MIRS Total		
Grand Total	5,385,050	5,385,050

CORE SERVICES

CORE BUDGET 2019/20

	Annual Budget ELEVATE CLIENT TEAM	Annual Budget FINANCE	Annual Budget INNOVATION AND INVESTMENT	Annual Budget STRATEGIC LEADERSHI P	Annual Budget TRANSFO RMATION	Annual Budget
CIPFA Summary						
CUSTOMER & CLIENT RECEIPTS	(289,400)					(289,400)
GOVERNMENT GRANTS	(386,600)					(386,600)
OTHER GRANTS, RECHARGES INCOME	(285,190)	(1,730,580)	(1,368,000)	(36,750)	(133,100)	(1,368,000)
1 - Gross Controllable	(961,190)	(1,730,580)	(1,445,810)	(36,750)	(133,100)	(4,307,430)
EMPLOYEE EXPENSES	990,660	3,709,940	110,960	954,510	500,350	6,266,420
PREMISES RELATED	36,980			1,000		37,980
SUPPLIES AND SERVICES	1,206,600	651,100		30,700		1,888,400
THIRD PARTY PAYMENTS	200,600	695,600	(1,529,500)	10,400		(622,900)
TRANSPORT RELATED	5,642,800	18,700		5,700		5,667,200
2 - Gross Controllable	8,077,640	5,075,340	(1,418,540)	1,002,310	500,350	13,237,100
RECHARGES INCOME	(1,708,620)	(2,714,141)	(328,450)	(870,690)	(258,450)	(5,880,351)
3 - Gross Non-Controllable	(1,708,620)	(2,714,141)	(328,450)	(870,690)	(258,450)	(5,880,351)
DEPRECIATION AND SUPPORT SERVICES	46,700	38,690		42,610		128,000
	261,290	5,383,251	23,800	90,130	258,470	6,016,941
4 - Gross Non-Controllable	307,990	5,421,941	23,800	132,740	258,470	6,144,941
Grand Total	5,715,820	6,052,560	(3,169,000)	227,610	367,270	9,194,260

EDUCATION, YOUTH AND CHILDCARE

EDUCATION, YOUTH AND CHILDCARE BUDGET 2019/20

	Annual Budget EDUCATION, YOUTH & CHILDCARE	Annual Budget
CIPFA Summary		
CUSTOMER & CLIENT RECEIPTS	(1,140,001)	(1,140,001)
GOVERNMENT GRANTS	(8,051,333)	(8,051,333)
INCOME	(151,000)	(151,000)
OTHER GRANTS,	(229,000)	(229,000)
RECHARGES INCOME	(4,075,097)	(4,075,097)
1 - Gross Controllable	(13,646,431)	(13,646,431)
EMPLOYEE EXPENSES	3,903,395	3,903,395
PREMISES RELATED	10,881,920	10,881,920
SUPPLIES AND SERVICES	1,190,916	1,190,916
THIRD PARTY PAYMENTS	223,710	223,710
TRANSPORT RELATED	75,670	75,670
2 - Gross Controllable	16,275,611	16,275,611
DEPRECIATION AND	17,036,410	17,036,410
SUPPORT SERVICES	1,914,720	1,914,720
4 - Gross Non-Controllable	18,951,130	18,951,130
TRANSFERS TO/FROM	(607,000)	(607,000)
6 - Below the line - MIRS	(607,000)	(607,000)
Grand Total	20,973,310	20,973,310

LAW & GOVERNANCE

L&G BUDGET 2019/20

	Annual Budget ENFORCEMENT	Annual Budget LAW & GOVERNANCE	Annual Budget
CIPFA Summary			
CUSTOMER & CLIENT RECEIPTS	(12,392,445)	(300,000)	(12,692,445)
GOVERNMENT GRANTS		(62,900)	(62,900)
OTHER GRANTS, REIMBURSEMENTS & CONTRIBUTIONS	(216,330)	(203,000)	(419,330)
RECHARGES INCOME	(981,580)	(2,247,810)	(3,229,390)
1 - Gross Controllable Income Total	(13,590,355)	(2,813,710)	(16,404,065)
EMPLOYEE EXPENSES	7,471,564	7,107,440	14,579,004
PREMISES RELATED EXPENDITURE	261,657	171,500	433,157
SUPPLIES AND SERVICES	1,355,899	476,500	1,832,399
THIRD PARTY PAYMENTS	904,727		904,727
TRANSPORT RELATED EXPENDITURE	103,292	22,000	125,292
2 - Gross Controllable Expenditure Total	10,097,139	7,777,440	17,874,579
RECHARGES INCOME	(325,210)	(5,910,360)	(6,235,570)
3 - Gross Non-Controllable Income Total	(325,210)	(5,910,360)	(6,235,570)
DEPRECIATION AND IMPAIRMENT LOSSES	159,890	107,480	267,370
SUPPORT SERVICES	1,096,480	1,388,970	2,485,450
4 - Gross Non-Controllable Expenditure Total	1,256,370	1,496,450	2,752,820
Grand Total	(2,562,056)	549,820	(2,012,236)

INCLUSIVE GROWTH

INCLUSIVE GROWTH BUDGET 2019/20

	Annual Budget COMMISSIONING - BE FIRST	Annual Budget INCLUSIVE GROWTH	Annual Budget
CIPFA Summary			
CUSTOMER & CLIENT RECEIPTS		(422,060)	(422,060)
GOVERNMENT GRANTS OTHER GRANTS, REIMBURSEMENTS & CONTRIBUTIONS			
RECHARGES INCOME		(769,810)	(769,810)
1 - Gross Controllable Income Total		(1,191,870)	(1,191,870)
EMPLOYEE EXPENSES		1,052,460	1,052,460
PREMISES RELATED EXPENDITURE			
SUPPLIES AND SERVICES		3,000	3,000
THIRD PARTY PAYMENTS			
TRANSFER PAYMENTS			
TRANSPORT RELATED EXPENDITURE			
2 - Gross Controllable Expenditure Total		1,055,460	1,055,460
RECHARGES INCOME		(1,126,960)	(1,126,960)
3 - Gross Non- Controllable Income Total		(1,126,960)	(1,126,960)
DEPRECIATION AND IMPAIRMENT LOSSES	111,540	1,430	112,970
SUPPORT SERVICES		1,370,490	1,370,490
4 - Gross Non- Controllable Expenditure Total	111,540	1,371,920	1,483,460
Grand Total	111,540	108,550	220,090

POLICY & PARTICIPATION

POLICY & PARTICIPATION BUDGET 2019/20

	Annual Budget CULTURE & RECREATION	Annual Budget STRATEGY & PROGRAMMES	Annual Budget
CIPFA Summary			
CUSTOMER & CLIENT RECEIPTS	(259,300)	(372,900)	(632,200)
GOVERNMENT GRANTS		(60,000)	(60,000)
OTHER GRANTS, REIMBURSEMENTS & CONTRIBUTIONS	(453,000)		(453,000)
RECHARGES INCOME		(555,100)	(555,100)
1 - Gross Controllable Income Total	(712,300)	(988,000)	(1,700,300)
EMPLOYEE EXPENSES	1,456,950	2,065,780	3,522,730
PREMISES RELATED EXPENDITURE	240,100	27,000	267,100
SUPPLIES AND SERVICES	559,600	846,450	1,406,050
THIRD PARTY PAYMENTS	102,300	100,000	202,300
TRANSPORT RELATED EXPENDITURE	62,000	3,650	65,650
2 - Gross Controllable Expenditure Total	2,420,950	3,042,880	5,463,830
RECHARGES INCOME		(1,685,480)	(1,685,480)
3 - Gross Non-Controllable Income Total		(1,685,480)	(1,685,480)
DEPRECIATION AND IMPAIRMENT LOSSES	294,710		294,710
SUPPORT SERVICES		295,980	295,980
4 - Gross Non-Controllable Expenditure Total	294,710	295,980	590,690
Grand Total	2,003,360	665,380	2,668,740

SDI COMMISSIONING

SDI COMMISSIONING BUDGET 2019/20

	Annual Budget ADULTS COMMISSIONING	Annual Budget CHILDREN'S COMMISSIONING	Annual Budget LEISURE	Annual Budget PUBLIC HEALTH	Annual Budget
CIPFA Summary					
CUSTOMER & CLIENT RECEIPTS			(84,340)		(84,340)
GOVERNMENT GRANTS	(331,000)	(321,760)		(16,655,000)	(17,307,760)
OTHER GRANTS, RECHARGES INCOME	(44,170) (746,570)	(81,500) (121,000)	(1,151,800)		(1,277,470) (867,570)
1 - Gross Controllable	(1,121,740)	(524,260)	(1,236,140)	(16,655,000)	(19,537,140)
EMPLOYEE EXPENSES	1,479,180	3,424,300	90,470	3,229,500	8,223,450
PREMISES RELATED			33,600		33,600
SUPPLIES AND SERVICES	254,500	754,450	8,000	203,500	1,220,450
THIRD PARTY PAYMENTS	4,588,200	281,300	6,900	12,459,000	17,335,400
TRANSPORT RELATED	1,900	11,400			13,300
2 - Gross Controllable	6,323,780	4,471,450	138,970	15,892,000	26,826,200
DEPRECIATION AND SUPPORT SERVICES	553,600	495,800	893,880	63,000	1,112,400
4 - Gross Non-Controllable	553,600	495,800	893,880	63,000	2,006,280
Grand Total	5,755,640	4,442,990	(203,290)	(700,000)	9,295,340

MY PLACE

MY PLACE BUDGET 2019/20

	Annual Budget MY PLACE	Annual Budget PUBLIC REALM	Annual Budget
CIPFA Summary			
CUSTOMER & CLIENT RECEIPTS	(7,245,360)	(3,478,160)	(10,723,520)
GOVERNMENT GRANTS		(13,900)	(13,900)
OTHER GRANTS, REIMBURSEMENTS & RECHARGES INCOME	(10,400)	(1,274,890)	(1,285,290)
	(3,077,640)	(8,473,190)	(11,550,830)
1 - Gross Controllable Income Total	(10,333,400)	(13,240,140)	(23,573,540)
EMPLOYEE EXPENSES	16,802,392	15,160,020	31,962,412
PREMISES RELATED EXPENDITURE	11,191,492	774,168	11,965,660
SUPPLIES AND SERVICES	875,630	2,120,760	2,996,390
THIRD PARTY PAYMENTS	5,046,795	3,234,000	8,280,795
TRANSFER PAYMENTS			
TRANSPORT RELATED EXPENDITURE	247,400	3,177,190	3,424,590
2 - Gross Controllable Expenditure Total	34,163,709	24,466,138	58,629,847
RECHARGES INCOME	(4,451,730)	(5,626,800)	(10,078,530)
3 - Gross Non-Controllable Income Total	(4,451,730)	(5,626,800)	(10,078,530)
DEPRECIATION AND IMPAIRMENT LOSSES	10,530,400	845,520	11,375,920
SUPPORT SERVICES	(20,621,616)	1,972,770	(18,648,846)
4 - Gross Non-Controllable Expenditure	(10,091,216)	2,818,290	(7,272,926)
FINANCING AND INVESTMENT INCOME AND			
5 - Below the line - CIES Total			
ADJUSTMENTS BETWEEN ACCOUNTING BASIS & TRANSFERS TO/FROM EARMARKED RESERVES			
6 - Below the line - MIRS Total			
Grand Total	9,287,363	8,417,488	17,704,851

CAPITAL PROGRAMME 2019/20

The proposed capital programme of £223m, summarised by Strategic Functions, is shown below. These budgets will still be subject to change, roll-forwards and re-profiling.

Strategic Function	Capital Budget £'000
HRA	69,227
Care & Support	400
Enforcement	911
Core	2,107
Education, Youth & Childcare	41,641
Policy & Participation	1,900
Inclusive Growth	4,216
My Place	8,563
SDI Commissioning	480
Investment & Acquisition Strategy	93,360
Transformation	400
Total	223,205

CAPITAL PROGRAMME FINANCING 2019/20

The proposed funding for the capital programme is shown below. These budgets will still be subject to change, roll-forwards and re-profiling.

Funding Type	£'000
HRA/MRR	63,727
Grant	38,530
Borrowing	120,548
Revenue	400
Total	223,205