

**BUDGET 2006/2007 - 2008/09
COMMITTED GROWTH**

Item Ref. No:
GRO/SS/01

TITLE OF ITEM: Growth in Commissioning Budget (Section 23)

DIRECTORATE: Social Services

SERVICE AREA: Children's Services

LEAD OFFICER: Dave Hill

FINANCIAL INFORMATION:

	Current Budget	Bid		
	2005/2006 £000	2006/2007 £000	2007/2008 £000	2008/2009 £000
General Fund	11,500	650	1,000	1,000
HRH				
Other				
TOTAL	11,500	650	1,000	1,000

DESCRIPTION:

In line with previous well established work on demography there will be further growth in the number of children in the local population.

Tower Hamlets has one of the fastest rising child populations in the country. For some years it has had the highest growth. This is bound to feed through into pressure on the commissioning budget. Increases in the number of children in the local population means increase in numbers of children with whom the service works.

This must also be seen within a national context of a still rising number of children looked after (CLA)

During last year's budget round, the expectation for demographic growth impact on the commissioning budget was revised down to 18 additional CLA. This has proved to be an accurate reflection of the increased demand. Again this year this growth bid is based on an assumption of 18 extra children. (9 full year cost and 9 half year cost using 2003-4 unit costs)

This budget increase also includes the full year effect of the budget growth agreed for 2005-6.

Full year effect for growth agreed 2004-5 £300K

Additional unavoidable demand led growth for 2005-6 £350K

Is this ? Inescapable Growth:

Demand-led:

Transfer of Specific Grants to FSS:

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1.	JUSTIFICATION & RISK:
Why is this expenditure inescapable and what are the consequences/ risks if funding is not approved? If it is demand-led provide details of the increase in client numbers and the basis of any projections.	
<p>The rising number of children in the local population is certain to increase pressure on the commissioning budget. A prediction based on solely on demographic growth would actually indicate an increase of 27-30 children pro rata to the growth in the whole population.</p> <p>The rate of actual increase is very uneven with spurts and troughs of activity. The average across the last 5 years is 18. Currently there are no other known risk factors that would indicate an increased figure.</p> <p>The local authority has no alternative than to look after children who meet the legal criteria. The department continues to develop alternatives to care through preventative family support. However absence of growth would result in the overspending of this budget.</p>	
2	VALUE FOR MONEY/EFFICIENCY
Provide evidence that the proposed expenditure will offer value for money. Where the expenditure is additional to existing budgetary provision for this service, evidence should also be provided of the value for money of the base provision. Evidence should be drawn from BVPIs, unit costs comparisons, benchmarking exercises or audit/ inspection judgements	
<p>The unit costs for children looked after continue to fall. They have fallen from £825 per child per week in 2001-2 to £736 in 2003-4.</p> <p>The newer intake of children coming into the system will require a range of placements. Some of these will be older children and some will require placements at the more expensive end of the spectrum.</p> <p>The department continues to work to manage the unit costs of placements downwards. An important part of this is to increase its recruitment of foster carers and adopters. In house family placements as well as meeting children's needs to stay in touch with their local family and friends networks also represent a significant saving to the authority over those placements from independent providers. Each additional in house foster placement represents a saving of £25K annually to the authority.</p> <p>For this reason the recruitment of our own foster carers continues to be a high priority.</p> <p>Maximum effort and resources have been put into services that prevent children coming into the Council's care. In relative terms the number of CLA is very low, when compared to almost all London Authorities and in particular the 'family group' of comparator authorities for Tower Hamlets.</p> <p>Following increases approved in last years budget there is no need for extra social work staff in this year's budget round.</p>	
Does this proposal contribute to stretched Gershon efficiency targets? Provide information to justify this and an indication of how the improvement efficiency will be measured?	
Yes	<input type="checkbox"/>
No	<input checked="" type="checkbox"/>

**BUDGET 2006/2007 - 2008/09
COMMITTED GROWTH**

Item Ref. No:
GRO/SS/02

TITLE OF ITEM: Private Fostering				
DIRECTORATE: Social Services				
SERVICE AREA: Children's Services			LEAD OFFICER: Dave Hill	
FINANCIAL INFORMATION:				
	Current Budget	Bid		
	2005/2006 £000	2006/2007 £000	2007/2008 £000	2008/2009 £000
General Fund	85	82	82	82
HRH				
Other				
TOTAL	85	82	82	82
DESCRIPTION: Initial work to meet Private Fostering Requirements				
<p>Unavoidable new responsibilities placed on the authority by legislation</p> <p>Section 44 Children Act 2004 and replacement regulations (the Children (Private Arrangement for Fostering) Regulations 2005) place four new key requirements on local authorities</p> <ol style="list-style-type: none"> 1. Improve the receipt of notifications of private fostering arrangements 2. Ascertaining the suitability of private foster carers and their households 3. Monitoring arrangements through visits and written records 4. Awareness raising in the community and with other agencies <p>These are quite separate arrangements from the council's own public fostering services. They are governed by different regulations and guidance. This relates to arrangements made in the first instance without reference to local authorities. Following the report of the Climbie enquiry there is now a requirement for local authorities to provide oversight of these arrangements and to take a more proactive approach to identifying arrangements in their area.</p> <p>Money has previously been allocated from the safeguarding grant that the government gave in response to the Climbie report. This paid for two social workers and a publicity budget. Guidance from DFES has subsequently been issued during this financial year. The expectations in this would require meeting 30 national minimum standards that we will be inspected on including the level of visiting outlined below in 1.</p> <p>The initial minimal awareness raising has already identified 25 cases in the Bangladeshi community. We believe that other communities in the borough will have considerable numbers of private fostering arrangements also. Even with low awareness headteachers in particular locally are indicating that they are aware of considerable numbers of private fostering arrangements not known to this service. This is in line with the view of government and research in this area that indicates a large well of currently untapped demand</p>				

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All local authorities are statutorily required to publicise and raise awareness of the private fostering requirements with all partner agencies and community groups and faith organisations. We anticipate that once we commence this our numbers will soar.

Other professionals will be key to identifying where these arrangements exist. Spreading awareness amongst those staff such as health visitors, teachers, housing staff is very important, as they are all likely to pick up these arrangements and are required to bring them to authority's attention.

Whilst it is already clear that there is significant demand further will be completed during the year to quantify the levels of demand and to assess the correct levels of services to meet this demand.

This growth bid is for two additional social workers over and above the two social workers currently in post to implement the regulations and do the development work involved - staffing costs of £82K

Is this ?:

Inescapable Growth:

Demand-led:

Transfer of Specific Grants to FSS:

1. JUSTIFICATION & RISK:

Why is this expenditure inescapable and what are the consequences/ risks if funding is not approved? If it is demand-led provide details of the increase in client numbers and the basis of any projections.

Recently introduced legislation places new requirements on local authorities.

- These include an obligation on those parties making private fostering arrangements to notify the local authority.
- Each arrangement will need an assessment of the suitability of arrangements by the local authority.
- There will also have to be visits 6 weekly in the first year and 12 weekly thereafter for the duration of the arrangement.

The management of the private fostering arrangements have to be reviewed and overseen. The authority will establish a new private fostering panel to approve the private fostering arrangements and to oversee this work.

In addition support must be provided to children where as a result of the private fostering assessment they are deemed to be children in need.

Failure to comply with the regulations is an offence.

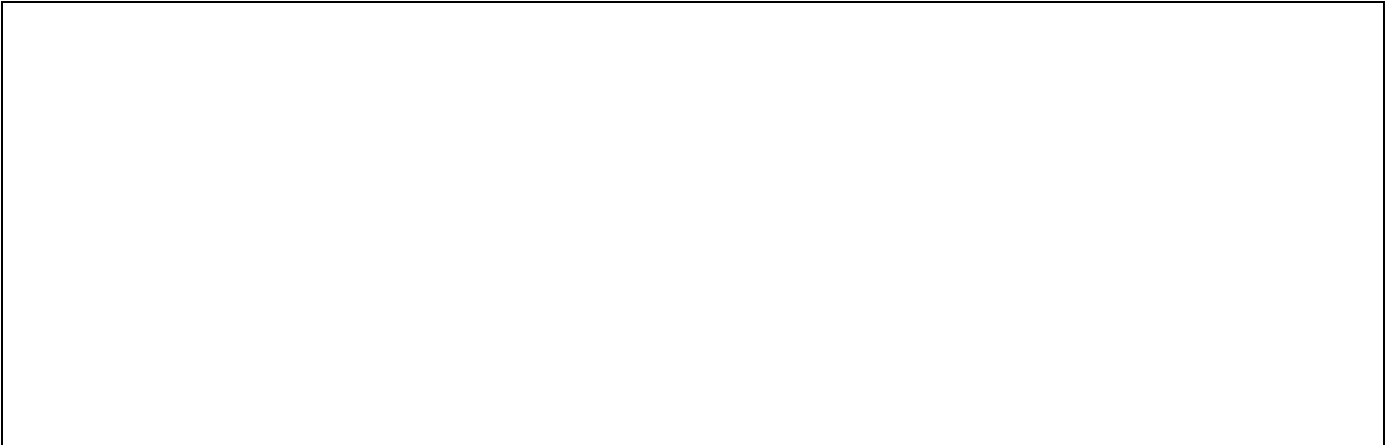
To date and without publicity there has already been identified a significant demand in Tower Hamlets in the area of private fostering.

Future years expenditure: - many practitioners think that this area of work is likely to mushroom because there are large numbers of children placed by private arrangement. What is not known is how many of these arrangements will prove unsatisfactory. Many practitioners in this area had serious concerns even prior to Climbe about the unregulated nature of all these arrangements.

Councils will be inspected on how they have raised levels of awareness of this issue and the new requirements in local communities.

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2	VALUE FOR MONEY/EFFICIENCY
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Provide evidence that the proposed expenditure will offer value for money. Where the expenditure is additional to existing budgetary provision for this service, evidence should also be provided of the value for money of the base provision. Evidence should be drawn from BVPIs, unit costs comparisons, benchmarking exercises or audit/ inspection judgements

Required by legislation

This is the minimum initial funding.

A value for money review will be done after six months to assess the demand and the work done and to develop appropriate proposals to deal with the requirements in the most cost effective way.

Does this proposal contribute to stretched Gershon efficiency targets? Provide information to justify this and an indication of how the improvement efficiency will be measured?

Yes

No

X

**BUDGET 2006/2007 - 2008/09
COMMITTED GROWTH**

Item Ref. No:
GRO/SS/03

TITLE OF ITEM: Reviewing Short Breaks

DIRECTORATE: Social Services

SERVICE AREA: Children's Services

LEAD OFFICER: Dave Hill

FINANCIAL INFORMATION:

	Current Budget	Bid		
	2005/2006 £000	2006/2007 £000	2007/2008 £000	2008/2009 £000
General Fund	0	52	52	52
HRH				
Other				
TOTAL	0	52	52	52

DESCRIPTION: Independent Reviewing of children who have regular short breaks - new requirement

Unavoidable growth- New Legal Requirement

DFES has issued new guidance issued in April 2005 concerning children who are looked after on a regular basis for short breaks. They are required to have their reviews chaired by an independent reviewing officer. This now brings them into line with all other children looked after.

Up until now these arrangements have not been reviewed except by social workers and their managers. These arrangements will not satisfy the new legal requirements.

The pattern for reviewing follows the same pattern as for children looked after - four weeks after placement then after three months and six monthly thereafter.

There are currently 45 children in this grouping of whom disabled children are largest single cohort although the guidance applies to all children.

The proposal is for one Independent Reviewing Officer to chair reviews of children subject to short breaks

Is this ? : Inescapable Growth: Demand-led: Transfer of Specific Grants to FSS:

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Item Ref. No: GRO/SS/03

1.	JUSTIFICATION & RISK:
Why is this expenditure inescapable and what are the consequences/ risks if funding is not approved? If it is demand-led provide details of the increase in client numbers and the basis of any projections.	
<p>New DFES guidance which specifies that reviews of short breaks must be undertaken by an independent reviewing officer</p> <p>This brings them under the Independent Reviewing Guidance under Adoption Act 2002 for the first time.</p>	
2	VALUE FOR MONEY/EFFICIENCY
Provide evidence that the proposed expenditure will offer value for money. Where the expenditure is additional to existing budgetary provision for this service, evidence should also be provided of the value for money of the base provision. Evidence should be drawn from BVPIs, unit costs comparisons, benchmarking exercises or audit/ inspection judgements	
New legislative requirement	
Does this proposal contribute to stretched Gershon efficiency targets? Provide information to justify this and an indication of how the improvement efficiency will be measured?	
Yes	<input type="checkbox"/>
No	<input checked="" type="checkbox"/>

**BUDGET 2006/2007 - 2008/09
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Item Ref. No:
GRO/SS/04

TITLE OF ITEM:	Home Care: expanded role and duties as part of Single Status implementation		
DIRECTORATE:	Social Services		
SERVICE AREA:	Adults Division	LEAD OFFICER:	Christine Oates

FINANCIAL INFORMATION:

	Current Budget	Bid		
	2005/2006 £000	2006/2007 £000	2007/2008 £000	2008/2009 £000
General Fund	4,510	55	55	55
HRH				
Other				
TOTAL	4,510	55	55	55

DESCRIPTION:

As part of the proposed Single Status agreement, a new job description has been agreed for the Council's home carers, who will benefit from a significant increase in pay, under which they will carry out an enhanced role and duties. These duties include the administration of medication and the promotion of rehabilitation. To enable and support staff to carry out these new duties, a Nurse Advisor and a Senior Grade Occupational Therapist post, and associated training costs, are currently funded through a Neighbourhood Renewal Strategy project, which has £175k NRS funding to 31.3.06. This bid seeks funding to mainstream the Senior OT post and training costs. The PCT have indicated in principle that they will pick up the funding of the Nurse Advisor or the provision of an equivalent level of support in an alternative way. These posts are essential to support the implementation of the enhanced role. Pick up funding is not sought for the balance of the NRS funding.

Is this ? Inescapable
Growth:

Demand-led:

Transfer of Specific
Grants to FSS:

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GRO/SS/04

1. JUSTIFICATION & RISK:

Why is this expenditure inescapable and what are the consequences/ risks if funding is not approved? If it is demand-led provide details of the increase in client numbers and the basis of any projections.

As part of the proposed Single Status agreement, a new job description has been agreed with the trade unions for home carers. Under this job description, home carers will in future assume responsibility for the administration of medication, within agreed parameters, whereas their current job description restricts their role to prompting service users to take their medication only. The new job description also includes responsibilities for bowel care, including the administration of suppositories, and for gastrostomy feeding. In order to ensure that staff are properly trained and supported in taking on these new duties, it is necessary to employ a Nurse Adviser within the service, to provide ongoing training and support.

This expanded role will reduce duplication and multiple visits for service users, as home carers will be able to undertake some duties previously carried out by the District Nursing service.

The new job description also requires home carers to undertake active rehabilitative work, enabling people to maintain their independence for longer. Additional Occupational Therapy support is required in order to ensure that staff are properly trained and supported in taking on these new duties. The OT post which will be funded if this bid is successful will be responsible for the assessment of the user, the analysis of potential to increase functional abilities and thus independence within the community, the planning and evaluation of the rehabilitation programme, and the training, supervision and support of the home carer who is working with the user.

In total, the NRS funding amounts to £176k. It has funded two nursing posts, an Occupational Therapist, additional home care hours, administrative and running costs, and a significant amount of start up training.

Pick up funding is not sought for the full amount, as the project will by March 2006 have established much of the infrastructure for the ongoing delivery of an enhanced home care service. The total costs of this bid are therefore:

- Senior Grade Occupational Therapist: £45k
- Training and running costs: £10k

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2	VALUE FOR MONEY/EFFICIENCY
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Provide evidence that the proposed expenditure will offer value for money. Where the expenditure is additional to existing budgetary provision for this service, evidence should also be provided of the value for money of the base provision. Evidence should be drawn from BVPIs, unit costs comparisons, benchmarking exercises or audit/inspection judgements

This small investment will support a radical enhancement of the home care role, providing a modernised service to approximately 1000 users of the in house home care service, maximising their independence and reducing the need for multiple professional visits. It will support improvement in a number of Social Services PAF performance indicators: the number of service users receiving intensive home care, intensive home care as a proportion of all intensive social care, and rates of admission into long term residential or nursing care.

In December 2005, the service was inspected by the Commission for Social Care Inspection It was assessed as meeting all 26 standards inspected, with 'outstanding performance' in meeting service users needs. In the national survey of home care service users undertaken in 2002/3, Tower Hamlets had the highest user satisfaction rates in London. The survey will be repeated in 2005/6.

In 2004/5, unit costs for home care (in house and externally contracted) were, for the first time, in the top band of performance as defined by the Commission for Social Care Inspection. Also for the first time in 2004/5, the unit cost of in house home care was lower than the unit cost of externally contracted home care.

Does this proposal contribute to stretched Gershon efficiency targets? Provide information to justify this and an indication of how the improvement efficiency will be measured?

Yes

No

The investment proposed in this submission is expected to deliver non-cashable efficiencies by delivering more appropriate and higher quality services for a marginal overall increase in cost. The efficiency gain will be measured against the performance indicators described above.

**BUDGET 2006/2007 - 2008/09
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Item Ref. No:
GRO/SS/05

TITLE OF ITEM: Home Care – increase in demand				
DIRECTORATE: Social Services				
SERVICE AREA: Adults Division			LEAD OFFICER: Christine Oates	
FINANCIAL INFORMATION:				
	Current Budget	Bid		
	2005/2006 £000	2006/2007 £000	2007/2008 £000	2008/2009 £000
	4,510	760	760	760
	General Fund			
	HRH			
Other				
TOTAL	4,510	760	760	760
DESCRIPTION:				
Additional funding is sought to meet increased demand for complex and intensive home care packages.				
Is this ?: Inescapable <input type="checkbox"/> Demand-led: <input checked="" type="checkbox"/> Transfer of Specific Grants to FSS: <input type="checkbox"/> Growth:				
1. JUSTIFICATION & RISK:				
Why is this expenditure inescapable and what are the consequences/ risks if funding is not approved? If it is demand-led provide details of the increase in client numbers and the basis of any projections.				
<p>Demand for services from the in house home care service has risen sharply. There was a 13.3% increase in the number of hours provided in the first quarter of 05/06, compared to the first quarter of 04/05. This increase is driven, not by an increase in client numbers (which in fact fell over this period), but by an increase in the average size of care packages – from 8.2 hours a week in June 2004 to 10.2 hours a week in June 2005. There is a growing demand for complex care packages to maintain frail and dependent people in the community has continued to rise, often involving two carers. Care packages involving over 40 hours of care a week are now commonplace.</p> <p>The in house service is the provider of choice for most service users. Over time, increased costs in the in house service should be to some extent offset by less use of the independent sector for routine domestic care and fewer admissions to residential care. This effect has not yet however made itself felt. These savings should in 2006/7 compensate for any increased costs over and above the cost pressures already experienced. In addition, action has already</p>				

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been taken to seek to dampen down further growth. This bid does not therefore project further growth. However, growth of £760k is required to absorb the cost pressure which is already impacting on the budget.

The costing of the bid incorporates assumptions valid at the time of writing about the impact of an anticipated Single Status agreement.

2	VALUE FOR MONEY/EFFICIENCY
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Provide evidence that the proposed expenditure will offer value for money. Where the expenditure is additional to existing budgetary provision for this service, evidence should also be provided of the value for money of the base provision. Evidence should be drawn from BVPIs, unit costs comparisons, benchmarking exercises or audit/inspection judgements

In 2004/5, unit costs for home care (in house and externally contracted) were, for the first time, in the top band of performance as defined by the Commission for Social Care Inspection. Also for the first time in 2004/5, the unit cost of in house home care was lower than the unit cost of externally contracted home care. In December 2005, the service was inspected by the Commission for Social Care Inspection It was assessed as meeting all 26 standards inspected, with 'outstanding performance' in meeting service users needs

The service delivers top band performance on both the home care related performance indicators within the PAF framework – the numbers of people receiving intensive home care, and intensive home care as a proportion of all intensive social care. In the national survey of home care service users undertaken in 2002/3, Tower Hamlets had the highest user satisfaction rates in London. The survey will be repeated in 2005/6.

Does this proposal contribute to stretched Gershon efficiency targets? Provide information to justify this and an indication of how the improvement efficiency will be measured?

Yes

No

**BUDGET 2006/2007 - 2008/09
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Item Ref. No:
GRO/SS/06

TITLE OF ITEM:		Learning Disabilities Commissioning Budget		
DIRECTORATE:		Social Services		
SERVICE AREA:		Adults Division – Learning Disabilities	LEAD OFFICER: Clive Turner	
FINANCIAL INFORMATION:				
	Current Budget	Bid		
	2005/2006 £000	2006/2007 £000	2007/2008 £000	2008/2009 £000
General Fund	12,540	1,986	2,836	3,694
HRH				
Other				
TOTAL	12,540	1,986	2,806	3,664
DESCRIPTION:				
Increase in care and support costs due to underlying demographic pressures.				
Is this ?: Inescapable <input type="checkbox"/> Demand-led: <input checked="" type="checkbox"/> Transfer of Specific Grants to FSS: <input type="checkbox"/>				
1. JUSTIFICATION & RISK:				
Why is this expenditure inescapable and what are the consequences/ risks if funding is not approved? If it is demand-led provide details of the increase in client numbers and the basis of any projections.				
<p>There are two components to this growth bid. The first relates to an unanticipated cost pressure in this year's budget, which at the end of Month 4 projected overspend of 1.1m. £650k of this relates to existing service users, distributed across increased spend on residential care, day care, and Direct Payments. £450k relates to not yet committed but unavoidable expenditure on young people to transfer later this year from children's to adults services.</p> <p>Urgent action has been taken to restrict expenditure but it is still anticipated that there will be an overspend of £800k at the year end, which, if not funded, will roll forward into next year.</p> <p>The second factor is the increased number of young people with severe learning disability transferring from children's to adults services. The number of service users supported by the Learning Disabilities Commissioning Budget increases year on year, as young people who have previously been supported by children's services in education and social care move into</p>				

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also increases. The full impact on the budget in any given year is dependent on whether the young person continues in a full time specialist college placement until they are 19, and the full impact for any cohort in transition can therefore be spread across three financial years.

For the last few years the numbers in transition have been consistently running at 18 to 20 people a year, but during 2005/6, 32 young people will transfer to community care services. There is no clear reason for this 'bulge', and it is not repeated in the cohorts coming up behind. The cost of these additional young people in transition is offset by the numbers of people who die each year but because of the age profile in the borough this is significantly lower at between 3 and 5 a year.

Because the change in responsibility is usually mid year the full effect of this one year bulge in the number of young people in transition will not impact until the financial year 2006/7. In addition to the full year effect in 2006/7 of the 32 people currently in transition, there will also be part year effects next year of the young people who will turn 18 during that year, currently in school years 11 and 12. Young people currently in Years 9 and 10 will generate part year effects in 2007/8 and 2008/9. The effect of the combined pressures is demand led growth in 2006/7 of 1,186k, in 2007/8 of a further 820k and in 2008/9 of a further 858k

An analysis of the costs as they are anticipated to impact on the financial years concerned is outlined below. Young people with learning disabilities may remain at school until the age of 19 ('Year 14' in educational terms). The age at which funding responsibility transfers to adult services varies according to the circumstances of the young person. For some young people, full responsibility transfers at age 18. However, for others who remain at school till 19, full responsibility will not transfer until they leave school. However, some costs (e.g. for holiday time care) will fall to adult services between the 18th and 19th birthdays. The 2005 / 6 budget includes some funding for young people who will be 18 or more during this year (spread across current school years 12 to 14). The 2006/7 and beyond costs for these years shown in the table below are for the additional costs for those young people only, avoiding double counting.

The estimated impact of the growth in numbers is as follows

Current year	numbers in transition	cost 2006/7 (1000s)	cost 2007/8 (1000s)	cost 2008/9 (1000s)
Overspend 2005/6		800	800	800
year 13/14	32	646	646	646
year 12/13	18	462	580	580
year 11/12	18	128	703	838
year 10/11	19		147	750
year 9/10	estimate 18			150
less estimated reduction in costs due to deaths		-50	-70	-100
	Total	1986	2806	3664

The estimated costs are based on detailed tracking undertaken by the Community Learning Disability Service, in conjunction with the Education Directorate, identifying people from age 14 who may have ongoing community care needs in adulthood. Predicted costs are likely to be _____

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more accurate for 2006/7 and 2007/8 than for 2008/9, as staff are of course able to better estimate the adult needs of the young people the closer they are to 18 years of age. .

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Provide evidence that the proposed expenditure will offer value for money. Where the expenditure is additional to existing budgetary provision for this service, evidence should also be provided of the value for money of the base provision. Evidence should be drawn from BVPIs, unit costs comparisons, benchmarking exercises or audit/inspection judgements

Increased costs are in line with national and regional projections. The London Learning Disabilities Strategic Framework published by the Department of Health in Spring 2001 identified cost pressures in all London Boroughs as a result of

- The increase in the numbers of people with complex disability,
- Higher expectations and standards
- The technologies of supporting people resulting in longer life and the survival of people with more complex needs.

The DoH quantified these cost pressures in 2001 as between 500 and 700k per Borough with a greater impact on more deprived Boroughs. 'Pressures on Learning Disability Services', a report commissioned by the Association Of Directors of Social Services and published in October 2005, confirmed ongoing year on year 'large growth' in local authority spending on people with learning disabilities across the country.

The unit cost of residential and nursing care for people with learning disabilities, with effect from 2004/5, is no longer a published PAF indicator, and direct comparison of Tower Hamlets' performance with other authorities is not possible. However, on the basis of the previous bandings issued by the Commission for Social Care Inspection, the Tower Hamlets figure for 2004/5 of £937 per week would be in the top band of performance. The cost of intensive social care for all adult user groups is a published indicator, although the comparative information will not be available until later in the year. Again Tower Hamlets is within the top band of performance as defined by CSCI, and the unit cost only increased by 2% between 2003/4 and 2004/5, against a national Personal Social Services inflation rate of over 5%.

Does this proposal contribute to stretched Gershon efficiency targets? Provide information to justify this and an indication of how the improvement efficiency will be measured?

Yes

No

The increase in demand will be managed within existing staffing resources.

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Item Ref. No:
GRO/SS/07

TITLE OF ITEM:	Cost pressures in residential and nursing home care for Adults Mental health			
DIRECTORATE:	Social Services			
SERVICE AREA:	Adults Commissioning –Mental health	LEAD OFFICER:	Cheryl Spencer	
FINANCIAL INFORMATION:				
	Current Budget	Bid		
	2005/2006 £000	2006/2007 £000	2007/2008 £000	2008/2009 £000
General Fund	3100	676	676	676
HRH				
Other				
TOTAL	3100	676	676	676
DESCRIPTION:				
Additional funding is sought to meet demand for residential and nursing home placements for adults with mental health needs				
Is this ?: Inescapable <input type="checkbox"/> Demand-led: <input checked="" type="checkbox"/> Transfer of Specific Grants to FSS: <input type="checkbox"/>				
1. JUSTIFICATION & RISK:				
Why is this expenditure inescapable and what are the consequences/ risks if funding is not approved? If it is demand-led provide details of the increase in client numbers and the basis of any projections.				
<p>There has been a very significant rise in both the number and the average cost of admissions to residential or nursing home care of adults of working age with mental health problems.</p> <p>During 2003/04 there were 26 new placements into residential or nursing care, at an average cost of £637 per week. Of these, 38% cost £500 a week or less; 35% cost between £501-£800 a week; 8% cost between £801 and £1000 a week; and 19% cost over £1000 a week.</p> <p>During 2004/05 there were 34 new placements, at an average cost of £1,070 a week. There were no placements under £500 a week. 41% cost between £501 and £800 a week; 27% between £801 and £1000 a week; and 32% cost over £1000 a week.</p> <p>Cost pressures continue to intensify. In the first quarter of 2005/6 there were 9 new placements, of which 30% cost over £1000 a week.</p>				

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The full year effect of this increase in activity and cost has generated an underlying cost pressure on the mental health commissioning budget which would, if grant carried forward from 2004/5 were not available to meet some of the deficit, lead to a projected overspend for 2005/6 of £1.176m.

Since 2001, the NHS has been unwilling to enter into any joint funding arrangements for mental health care, although a Government circular issued in 2001 made clear that such arrangements should be considered where care packages were meeting both health and social care needs. Following the agreement of revised NHS Continuing Care criteria agreed by the Strategic Health Authority in May 2005, The East London and City Mental Health Trust has agreed to an initial contribution £500k towards this budget, and a robust process for considering appropriate cases for joint funding in the future. This reduces the underlying overspend to £676k.

The overspend in 2005/6 will be reduced by the allocation of £500k of carried forward grant to this budget for 2005/6. However, this funding is non-recurrent, and it would not be possible to avoid an equivalent overspend in 2006/7 without growth in the budget.

Net numbers in residential care at any one time has in fact until very recently remained fairly stable at around 100 people, as the number of people leaving residential care has broadly balanced the number of new admissions. The placements ending have largely been lower cost, lower support placements from which it has been possible to successfully reintegrate people into the community. The new placements have nearly all been for people with very high level needs, often with a dual diagnosis of mental disorder and substance misuse, or forensic histories. These pressures continue. The net number in placement has recently increased, as of 21.10.05, to 107.

There have also been significant changes in the residential and nursing care market over the past four years. Since the introduction of the Supporting People Initiative and the new National Care Standards (2003) the number of mental health residential care places available locally in the lower price bracket, usually provided by the voluntary sector, has fallen. Within Tower Hamlets this led to the closure of 32 places in 2003, leaving only 13 mental health residential care beds within borough and no nursing care. Much of the lower cost residential provision converted (de-registered) to supported housing schemes. People with medium mental health care needs who may formerly have been placed in residential care are now accommodated within these schemes.

Where growth in the market has occurred, this has been for more intensive specialised provision within the private sector. The requirement for higher qualified and specially trained staff and increased staffing ratios to residents have led to significantly greater costs for the commissioners of care.

**BUDGET 2006/2007 - 2008/09
COMMITTED GROWTH**

Item Ref. No:
GRO/SS/07

BUDGET 2006/2007 - 2008/09 COMMITTED GROWTH
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Item Ref. No: GRO/SS/07

2	VALUE FOR MONEY/EFFICIENCY
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Provide evidence that the proposed expenditure will offer value for money. Where the expenditure is additional to existing budgetary provision for this service, evidence should also be provided of the value for money of the base provision. Evidence should be drawn from BVPIs, unit costs comparisons, benchmarking exercises or audit/inspection judgements

Residential care is now a service focused more effectively on people with the highest levels of need. It is anticipated that current work between the Supporting People team and Social Services will continue to improve the capacity, quality and effectiveness of schemes to support people in the community, and in particular will develop the capacity to manage people with multiple needs and progress access to general needs housing with support schemes. In the medium term this should reduce pressure on the residential care budget. All proposed admissions to residential or nursing home care are rigorously scrutinised by a multi-agency Panel.

The unit cost of residential and nursing care for people with mental health problems, with effect from 2004/5, is no longer a published PAF indicator, and direct comparison of Tower Hamlets' performance with other authorities is not possible. The cost of intensive social care for all adult user groups is a published indicator, although the comparative information will not be available until later in the year. Tower Hamlets is within the top band of performance as defined by the Commission for Social Care Inspection, and the unit cost only increased by 2% between 2003/4 and 2004/5, against a national Personal Social Services inflation rate of over 5%.

Does this proposal contribute to stretched Gershon efficiency targets? Provide information to justify this and an indication of how the improvement efficiency will be measured?

Yes

No

**BUDGET 2006/2007 - 2008/09
COMMITTED GROWTH**

**Item Ref. No:
GRO/SS/08**

TITLE OF ITEM:		Single Assessment Process for Older People			
DIRECTORATE:		Social Services			
SERVICE AREA:		Strategic Services	LEAD OFFICER: Sally Holland/ Andrew Shirras		
FINANCIAL INFORMATION:					
	Current Budget		Bid		
	2005/2006 £000		2006/2007 £000	2007/2008 £000	2008/2009 £000
	General Fund		74	74	74
	HRH				
	Other 47 (IIM) 50 (NRF) 86 (Access)				
TOTAL		183k	74	74	74
DESCRIPTION:					
<p>The Department of Health are implementing a long term programme of change within health and social care which will produce greater integration of services. One of the outcomes from this will be the implementation of the Single Assessment Process for Older People (as set out in LAC (2002) 1) under the National Service Framework for Older People.</p> <p>SAP is a common model of assessment for older people, regardless of which organisation is assessing their needs. The development of SAP is being funded by one-off grants during 05/06 (the Social Services Improving Information Management Grant, the NRF and the Adults Social Services Access Grant). These grants will not be available for the operationalisation of this new process.</p> <p>SAP will require an IT infrastructure that facilitates the exchange of client information between Social Services and partner organisations in health. The NHS is implementing a new computer system for all clinical and care recording, called Connecting for Health, a programme that runs until 2010. As part of this programme, the NHS is offering a technical solution for the electronic exchange of SAP data between agencies in a secure way that is integrated with the new NHS system. This system is being provided free by the NHS to Tower Hamlets Social Services. Commercial system suppliers of SAP IT solutions sell these for between £100-200k.</p> <p>This growth bid is for two Single Assessment Process co-ordinators. These new roles are needed for the administration and information governance of the new system. Until 2010 some care records will arrive with Social Services from health partners in paper form. A new member of staff will be required to scan this documentation, store it securely and ensure it is passed to the appropriate teams. A further member of staff will be required for the on-going co-ordination of training, to monitor the flow of assessments between different teams to ensure timely service interventions and to produce performance information</p>					
<p>Is this ? Inescapable Growth: <input type="checkbox"/> Demand-led: <input type="checkbox"/> Transfer of Specific Grants to FSS: <input type="checkbox"/></p>					

BUDGET 2006/2007 - 2008/09 COMMITTED GROWTH
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Item Ref. No: GRO/SS/08

1.	JUSTIFICATION & RISK:
Why is this expenditure inescapable and what are the consequences/ risks if funding is not approved? If it is demand-led provide details of the increase in client numbers and the basis of any projections.	
See Above	
2	VALUE FOR MONEY/EFFICIENCY
Provide evidence that the proposed expenditure will offer value for money. Where the expenditure is additional to existing budgetary provision for this service, evidence should also be provided of the value for money of the base provision. Evidence should be drawn from BVPIs, unit costs comparisons, benchmarking exercises or audit/ inspection judgements	
SAP will result in a reduction in the time taken between assessment, referral and service delivery.	
This is because the administration of the electronic interchange of assessments will speed up the process of information flows between organisations as it will replace paper based flows of information. It will also allow us to capture service user information once and use it many times.	
The SAP IT system has been provided free of charge to Tower Hamlets Social Services by Connecting for Health (the NHS national IT programme). This represents an estimated saving of at least £100k.	
Does this proposal contribute to stretched Gershon efficiency targets? Provide information to justify this and an indication of how the improvement efficiency will be measured?	
Yes	No
<input type="checkbox"/>	<input type="checkbox"/>
SAP will produce non-cashable efficiency savings across several public sector organisations. A reduction in re-assessments by front line staff will be the direct result from a single assessment taking place. There will also be benefits to the service user because they do not have to undergo several assessments.	

**BUDGET 2006/2007 - 2008/09
COMMITTED GROWTH**

Item Ref. No:
GRO/SS/09

TITLE OF ITEM:		Child Protection Cases				
DIRECTORATE:		Social services				
SERVICE AREA:		Children's Services	LEAD OFFICER: Dave Hill			
FINANCIAL INFORMATION:						
	Current Budget		Bid			
	2005/2006 £000		2006/2007 £000	2007/2008 £000	2008/2009 £000	
	General Fund		0	150	150	150
	HRH					
	Other					
TOTAL		150	150	150	150	
DESCRIPTION:		Increased legal costs				
<p>The increase in legal costs result from higher levels of expenditure on counsel and agency staff in order to deal with greater numbers of Social Services child protection cases and the need for greater proactive input by lawyers following the introduction of the requirements contained in the Judicial Management of Cases Protocol.</p>						
Is this ? Inescapable Growth:		<input checked="" type="checkbox"/>	Demand-led:		<input checked="" type="checkbox"/>	
			Transfer of Specific Grants to FSS:		<input type="checkbox"/>	
1.	JUSTIFICATION & RISK:					
<p>Why is this expenditure inescapable and what are the consequences/ risks if funding is not approved? If it is demand-led provide details of the increase in client numbers and the basis of any projections.</p>						

**BUDGET 2006/2007 - 2008/09
COMMITTED GROWTH****Item Ref. No:
GRO/SS/09**

The latest figures from the Inner London and City Family Proceedings Court show an increase in care cases for Tower Hamlets from 118 (Jan - Dec 2003) to 156 (Jan - Dec 2004). This is a 24% increase in the volume of work. In the calendar year 03/04 the Council was one of the lowest issuing authorities for care cases but we have now jumped to third highest issuing authority in London after Lewisham and Southwark.

The introduction of the Judicial Management of Cases Protocol in November 2003 has also increased the number of court hearings required for most care cases resulting in increased legal costs for advocates meetings and case management conferences. The Council must comply with the Protocol when taking court proceedings.

BUDGET 2006/2007 - 2008/09 COMMITTED GROWTH
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Item Ref. No: GRO/SS/09

2	VALUE FOR MONEY/EFFICIENCY
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Provide evidence that the proposed expenditure will offer value for money. Where the expenditure is additional to existing budgetary provision for this service, evidence should also be provided of the value for money of the base provision. Evidence should be drawn from BVPIs, unit costs comparisons, benchmarking exercises or audit/ inspection judgements

Counsel's fees are already subject to annual tendering for fix fee agreements wherever possible. A specific exercise seeking tenders in respect of child care cases from counsel's chambers is being undertaken. Agency staff are also obtained at preferential rates from preferred provider agencies selected in conjunction with benchmarking partners.

Does this proposal contribute to stretched Gershon efficiency targets? Provide information to justify this and an indication of how the improvement efficiency will be measured?
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Yes

No

**BUDGET 2006/2007 - 2008/09
COMMITTED GROWTH**

**Item Ref. No:
GRO/SS/10**

TITLE OF ITEM:		Disabled Children - Section 17 Growth in Care Packages			
DIRECTORATE:		Social Services			
SERVICE AREA:		Children	LEAD OFFICER: Ann Goldsmith		
FINANCIAL INFORMATION:					
		Current Budget	Bid		
		2005/2006 £000	2006/2007 £000	2007/2008 £000	2008/2009 £000
	General Fund	120	200	250	250
	HRH				
	Other				
TOTAL	120	200	250	250	
DESCRIPTION:					
<p>The above growth bid reflects an increase in expenditure to the families of children with disabilities. The expenditure relates to children with complex care needs with a high level of dependency. There are many other children with disabilities for whom the council offers no direct support or only on a one off basis.</p> <p>There has been an increase in the numbers of children requiring support and the length of time this support is required for. This has led growth in expenditure from this budget. Among the main reasons are: -</p> <ol style="list-style-type: none"> 1. Children with disabilities are living longer. Better medical care and treatment has extended life expectancy 2. More children are being supported at home; there has been movement away from institutional support. 3. A growth in expectations. Families are more aware of their needs and more able to voice them <p>Currently the council provides 97 packages of 52 week support to children with disabilities and their families. These are listed below to provide evidence of the range of the payments.</p> <p>48 children receive packages of care under £5,000</p> <p>31 -£5 -10,000 9 - £10 -15,000 3 - £15-20,000 1 - £25 - 30,000 1 - £30- 35,000 1 - £35-40,000 1 - £40-45,000</p> <p>There are 2 other more expensive packages one of £80,000 and one of £74,000</p> <p>Some of these costs represent the child's needs for qualified medical support.</p> <p>There was an increase of 4 additional packages in one month in October 2005</p> <p>In the same month there were in addition 15 payments that represented either short or fixed term packages or one off payments</p> <p>Currently there are 354 children with disabilities with cases open (12% of all children with cases open in Social Services). Of these 159 - 45%are Bangladeshi. 73% are Black or from an ethnic minority.</p> <p>104 - 29% are early years i.e. pre school age .27 of the children are aged 0-1</p> <p>26 Children with disabilities currently receive respite care This is an increase on last year's figures where only three were receiving respite care at the same time of the year.</p> <p>The impact of the integration of services in this area has both channelled demand and raised expectations. The council has achieved the status of serving all children well by ensuring that its services are available by need.</p>					

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BUDGET 2006/2007 - 2008/09 COMMITTED GROWTH
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Item Ref. No: GRO/SS/10

from the criteria. The council has also cut back on providing escorts. Family members or someone known to the family are now expected to escort the child. Wherever possible children are being directed to inclusive rather than specialist play facilities. 2.5 health care assistant posts have been commissioned through the PCT to reduce expenditure on agency staff. (Agencies charge for a minimum half a day regardless of the actual time needed)

The integrated services for children with disability are looking to revise its commissioning strategy to better manage and predict expenditure.

However it is important to target services to support families to care for their own children. This improves the quality of the child's life and the carers. It is also cost efficient from the council's point of view as the alternative costs are higher.

In particular one growing group are families where parents have a disability and need support where their own children have a disability.

Is this ? Inescapable Growth:

Demand-led:

Transfer of Specific Grants to FSS:

1. JUSTIFICATION & RISK:

Why is this expenditure inescapable and what are the consequences/ risks if funding is not approved? If it is demand-led provide details of the increase in client numbers and the basis of any projections.

The numbers of children with disabilities on the child protection register has fallen due to the integrated services proactive approach to supporting children in their families. In October 2005 there was 1 child only with disabilities on the register. In February 2005 there had been 6.

Any lowering of these payments risks children being unable to be cared for at home. They would then become looked after by the council. The cost of children's placements for disabled children tends to be high because of requirements for medical support and expertise and the levels of supervision required.

2 VALUE FOR MONEY/EFFICIENCY

Provide evidence that the proposed expenditure will offer value for money. Where the expenditure is additional to existing budgetary provision for this service, evidence should also be provided of the value for money of the base provision. Evidence should be drawn from BVPIs, unit costs comparisons, benchmarking exercises or audit/ inspection judgements

The efficiency savings offered up under the Section 23 budget show that unit costs of the placement of children's have fallen (although the numbers of children looked after is rising because of the rise in the numbers of children in the population). This is in part due to efforts to keep children in their own families. In particular in relation to children with disabilities this means offering meaningful support in terms of packages of care and aids and adaptations.

It must always be remembered that squeezing this budget can cause additional higher costs if children are unable to remain at home.

The costs of these packages of support are lower on average, than the costs of looked after children.

Does this proposal contribute to stretched Gershon efficiency targets? Provide information to justify this and an indication of how the improvement efficiency will be measured?

Yes

No

**BUDGET 2006/2007 - 2008/09
COMMITTED GROWTH**

Item Ref. No:
GRO/SS/11

TITLE OF ITEM:		Safeguarding Children grant		
DIRECTORATE:		Social Services		
SERVICE AREA:		Adults Social Services	LEAD OFFICER: Val Ketelle	
FINANCIAL INFORMATION:				
	Current Budget		Bid	
	2005/2006 £000	2006/2007 £000	2007/2008 £000	2008/2009 £000
	General Fund			
	HRH			
	Other- General Fund Grant	1503	1533	1533
TOTAL	1503	1533	1533	1533
DESCRIPTION:				
<p>Safeguarding Children Specific Formula Grant in 2005/6 £90m was provided as a Specific Formula Grant for the purposes of supporting councils in improving their services to safeguard children, including responding to the recommendations made in Lord Laming's report of the inquiry into the events leading up to the death of Victoria Climbié and the Joint Chief Inspectors' Report "Safeguarding Children", the establishment of Local Safeguarding Children Boards and increasing the focus on Private Fostering. These allocations were made in line with the Children's FSS formula.</p> <p>DFES claim that resources were transferred into base expenditure, but this is not trackable in ODPM analysis.</p> <p>This is a National Issue with a significant local impact.</p> <p>Is this ?: Inescapable Growth: <input checked="" type="checkbox"/> Demand-led: <input type="checkbox"/> Transfer of Specific Grants to FSS: <input checked="" type="checkbox"/></p>				
1.	JUSTIFICATION & RISK:			
<p>Why is this expenditure inescapable and what are the consequences/ risks if funding is not approved? If it is demand-led provide details of the increase in client numbers and the basis of any projections.</p> <p>At a National Conference it was announced that resources were transferring into the base budget. Without this funding there would be a budget gap. The safeguarding grant distribution in 05/06 varies between the Authorities with Social Services responsibilities but the top ten authorities affected are:-</p>				

BUDGET 2006/2007 - 2008/09 COMMITTED GROWTH
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Item Ref. No: GRO/SS/11

Birmingham	£3m
Lancashire	£1.6m
Essex	£1.6 m
Southwark	£1.5m
Lambeth	£1.5m
LBTH	£1.5m
Hackney	£1.4m
Manchester	£1.4m
Hampshire	£1.3m
Liverpool	£1.3m

DFES claim that resources were transferred into base expenditure, but this is not trackable in ODPM analysis. This is a National Issue with a significant local impact.

2	VALUE FOR MONEY/EFFICIENCY
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Provide evidence that the proposed expenditure will offer value for money. Where the expenditure is additional to existing budgetary provision for this service, evidence should also be provided of the value for money of the base provision. Evidence should be drawn from BVPIs, unit costs comparisons, benchmarking exercises or audit/ inspection judgements

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Does this proposal contribute to stretched Gershon efficiency targets? Provide information to justify this and an indication of how the improvement efficiency will be measured?

Yes

No

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The proposal should lead to administration efficiency savings within the Department of Health

BUDGET 2006/2007 - 2008/09 COMMITTED GROWTH
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Item Ref. No: GRO/EC/01

TITLE OF ITEM: Transportation, Treatment and Disposal of Waste				
DIRECTORATE: Environment & Culture				
SERVICE AREA: Street Management			LEAD OFFICER: John Palmer	
FINANCIAL INFORMATION:				
	Current Budget	Bid		
	2005/2006 £000	2006/2007 £000	2007/2008 £000	2008/2009 £000
	6,000	573	1,187	1,356
	General Fund			
	HRA			
Other				
TOTAL	6,000	573	1,187	1,356
DESCRIPTION:				
<p>Cabinet at their meeting in May 2005 agreed the award of a 15-year contract for Transportation, Treatment and Disposal of Waste (subject to satisfactory planning agreements). The new contract will provide significant benefits to the Authority specifically in relation to Landfill Diversion of biodegradable municipal waste via the use of an autoclave facility, this will ensure that the Council is not subject to Landfill Allowance Trading Scheme penalties and will assist in increasing the recycling performance of the Authority.</p> <p>The benefits received via the new contract however will necessitate additional budget allocation for each year of the contract. For 2006/2007 additional funding of £573k will be required reflecting the increased cost of waste treatment, increasing by a further £614k in 2007/2008 and then reducing to an average of £150k per annum for the remainder of the contract.</p>				
<p>Is this ? Inescapable Growth: <input checked="" type="checkbox"/> Demand-led: <input type="checkbox"/> Transfer of Specific Grants to FSS: <input type="checkbox"/></p>				
1. JUSTIFICATION & RISK:				
<p>Why is this expenditure inescapable and what are the consequences/ risks if funding is not approved? If it is demand-led provide details of the increase in client numbers and the basis of any projections.</p>				
<p>The additional cost requirements as summarised above were detailed in the report to Cabinet on the 11th May 2005 which confirmed the significant investment being made by the preferred bidder in treatment and transportation for the disposal of waste, and confirmed the inescapable nature of the increased cost requirement.</p> <p>Following the Cabinet decision and ongoing negotiations with the preferred bidder, the Council has now entered into a contract with Cleanaway Ltd for the provision of transportation and treatment for the disposal of waste.</p>				

BUDGET 2006/2007 - 2008/09 COMMITTED GROWTH
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Item Ref. No: GRO/EC/01

2	VALUE FOR MONEY/EFFICIENCY
Provide evidence that the proposed expenditure will offer value for money. Where the expenditure is additional to existing budgetary provision for this service, evidence should also be provided of the value for money of the base provision. Evidence should be drawn from BVPIs, unit costs comparisons, benchmarking exercises or audit/ inspection judgements	
<p>Market research was undertaken to compare the prices proposed with the last and final offer submission with prices generally operating within the waste disposal market. This research clearly showed that the offer provided to LBTH represented good value for money.</p>	
Does this proposal contribute to stretched Gershon efficiency targets? Provide information to justify this and an indication of how the improvement efficiency will be measured?	
Yes	<input type="checkbox"/>
No	<input checked="" type="checkbox"/>

**BUDGET 2006/2007 - 2008/09
COMMITTED GROWTH**

Item Ref. No:
GRO/EC/02

TITLE OF ITEM:		Parks Maintenance Contracts			
DIRECTORATE:		Environment & Culture			
SERVICE AREA:		Parks & Play Services	LEAD OFFICER: Geoff Smith		
FINANCIAL INFORMATION:					
		Current Budget	Bid		
		2005/2006 £000	2006/2007 £000	2007/2008 £000	2008/2009 £000
	General Fund	1,400	150	300	300
	HRA	404			
	Other				
TOTAL	1,804	150	300	300	
DESCRIPTION:					
<p>This is a precautionary bid for additional resources based on the most recent information relating to tendering exercises for Horticultural Maintenance Contracts.</p> <p>A new round of procurement for parks maintenance services will be completed by September 2006. This will include services for maintenance of grounds, water areas, parks buildings, cleansing, security services and tree care. When the last contract was let in 1999 the market was considerably more competitive than it is currently.</p> <p>Cost comparisons taken from the Inner London Benchmarking Group indicate that in authorities where new contracts have recently been let, the price per hectare per annum for horticultural maintenance works is significantly higher than the current costs within Tower Hamlets. It is anticipated that the new contract rates, submitted in relation to the current procurement process, will reflect the industry increases.</p> <p>Without additional resources, existing specified standards will have to be reduced to bring contract expenditure within budget. This will have a direct impact on the quality of the parks maintenance including key items such as; cleanliness, frequency of pruning of trees and shrubs, provision of seasonal flower bed displays and provision of sports pitches. User satisfaction levels are very likely to fall. Public satisfaction with the Borough's parks and open spaces is improving (up 6% compared to 2004) but remains low compared to other London Boroughs (9% below the London average).</p>					
<p>Is this ? Inescapable Growth: <input checked="" type="checkbox"/> Demand-led: <input type="checkbox"/> Transfer of Specific Grants to FSS: <input type="checkbox"/></p>					
1. JUSTIFICATION & RISK:					
<p>Why is this expenditure inescapable and what are the consequences/ risks if funding is not approved? If it is demand-led provide details of the increase in client numbers and the basis of any projections.</p> <p>Failure to provide increased funding will result in the need to reduce the standards of maintenance required through the contract specification. This is likely to have a direct impact on the overall quality of maintenance and a poorer standard of appearance across the Borough's parks and open spaces.</p> <p>A further consequence of reduced maintenance provision is likely to be a fall in public satisfaction (BVPI 119), the key performance indicator for parks.</p>					

BUDGET 2006/2007 - 2008/09 COMMITTED GROWTH
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Item Ref. No: GRO/EC/02

2	VALUE FOR MONEY/EFFICIENCY
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Provide evidence that the proposed expenditure will offer value for money. Where the expenditure is additional to existing budgetary provision for this service, evidence should also be provided of the value for money of the base provision. Evidence should be drawn from BVPIs, unit costs comparisons, benchmarking exercises or audit/ inspection judgements

The procurement process currently underway in relation to the provision of grounds maintenance services will specifically address key questions in relation to value for money. As part of the procurement strategy all options including aspects of contract packaging, length of contract and delivery methods are being considered to ensure the Authority attracts value for money tenders.

The Parks Service has launched a new annual borough-wide satisfaction survey which provides detailed, site specific feedback on aspects of usage, maintenance, provision of services and facilities. The first results of this were received in October 2005 and informed the development of the Borough's Open Space Strategy.

Contractors will be required to demonstrate, through the tendering process, how they will implement and maintain robust systems for quality assurance, performance management, and efficient service delivery. The contractor selection process will consider how contractors aim to build in the necessary flexibility to adapt methodologies in response to the priorities identified through the public consultation processes.

Value for Money will continue to be monitored through comparison studies with other member authorities of the London Parks Benchmarking Group.

Does this proposal contribute to stretched Gershon efficiency targets? Provide information to justify this and an indication of how the improvement efficiency will be measured?

Yes

No

This proposal is based on the need to maintain service standards against a general increase in market prices for horticultural services. However, some improved efficiency can be achieved through the new contract arrangements. The focus on quality of provision, performance measurement and responsiveness to user concerns should help to improve satisfaction levels as measured against BVPI 119 for public satisfaction with parks and open spaces.

BUDGET 2006/2007 - 2008/09 COMMITTED GROWTH
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TITLE OF ITEM:		Implementation of the Idea Store Strategy – Canary Wharf			
DIRECTORATE:		Environment and Culture and Education			
SERVICE AREA:		Idea Stores	LEAD OFFICER:		Lesli Good
FINANCIAL INFORMATION:					
	Current Budget	Bid			
	2005/2006 £000	2006/2007 £000	2007/2008 £000	2008/2009 £000	
	General Fund	460	252	252	252
	HRA				
	Other				
TOTAL	460	252	252	252	
DESCRIPTION:					
<p>This is a joint bid from Environment & Culture and Education for Idea Store Canary Wharf Implementation of the Idea Store strategy is predicated on growth being made available to meet the incremental staffing and running costs associated with each new store on its opening. Additional costs are required to meet the publicised opening hours of the Idea Stores (7 days per week operation which match the hours of retail in each locality), staff cover, building repairs and maintenance required as a result of heavy public use to maintain the facilities to a high standard. The growth bid is to support the continued delivery of libraries, learning and information services in Canary Wharf from 2006/07. Idea Store Canary Wharf opens in March 2006.</p> <p>The growth is required to provide the growth for full year revenue costs for the Idea Store Canary Wharf The growth for each Idea Store is calculated on a financial model which outlines the expenditure requirements of the service as follows:</p> <ul style="list-style-type: none"> • Salaries – frontline staff (numbers increased to deliver additional opening hours in the Idea Store as opposed to the library and learning facilities that are replaced) • Premises – running costs and provision for planned maintenance to ensure that the stores' high quality environments are maintained in the face of heavy usage (for which there was minimal allowance in library and learning centre budgets) and at the same quality as the retail benchmarks which underpin the Idea Stores strategy • Supplies and services – library stock, learning and curriculum materials, publicity and promotion costs and sundries • Recharges – to support directorate and corporate central costs • Asset rentals – higher than in older, less valuable buildings • Income – from library fines, hire of AV items, course fees and grants <p>The model has been tested and proved through experience at Idea Stores Bow and Chrisp Street and through modelling of demand-led costs based on course enrolment projections. The growth requirement for each Idea Store is therefore identified as follows:</p> <ul style="list-style-type: none"> • Costs – modelled as a function of either area (m square) or demand (course enrolments) as appropriate with provision for IT refresh and planned maintenance, although not at the level equivalent to rates in the retail sector which is an underpinning quality benchmark for Idea Stores • Existing budgets – libraries and lifelong learning budgets for the libraries and learning centres to be replaced by the Idea Store <p>Costs – Existing budgets = Growth Requirement</p>					
Is this ?:	Inescapable Growth:	X	Demand-led:		Transfer of Specific Grants to FSS:

BUDGET 2006/2007 - 2008/09
COMMITTED GROWTH

1.	JUSTIFICATION & RISK:
Why is this expenditure inescapable and what are the consequences/ risks if funding is not approved? If it is demand-led provide details of the increase in client numbers and the basis of any projections.	
<p>If funding is not approved the Idea Stores service would have to make significant savings in the projected expenditure through either:</p> <ul style="list-style-type: none"> • significantly reducing the opening hours of and Canary Wharf within the first year of opening • reduce the opening hours of Idea Stores Chrisp Street and Bow • closing one or more of the libraries and lifelong learning service points in advance of opening a new Idea Store facility which is counter to the Idea Stores strategy • reducing spending on stock and curriculum delivery <p>The impact on increasing and widening participation in libraries and learning would be negative. Visitor numbers and learner enrolments would fall as a result of the impact on service delivery in the Idea Stores.</p> <ul style="list-style-type: none"> • the increase in the stock fund has resulted in improvements in the quantity and quality of the stock in the Idea Stores, contributing directly to the increase in issues and visitors that have been experienced in Idea Store Bow and Chrisp Street. Any reduction in the projected spend on the stock fund would result in a reduction in the quality and quantity of the stock fund and a reduction in issues and visitors • reduced opening hours in Canary Wharf would place pressure on the delivery of learning in the stores with the possibility that the Council, Tower Hamlets College and London Metropolitan University would not be able to deliver the contracted learning hours. This would have knock on negative impact on the income for learning delivery from the LSC, thereby undermining the financial sustainability of the Idea Stores given that the service is currently planning for a shortfall in LSC income over the next three years due to LSC budget reductions • if the opening hours in Canary Wharf were reduced to a level whereby the key learning partners, Tower Hamlets College and London Metropolitan University were not able to deliver the level of activity projected through our partnership agreements it is possible that they may seek to negotiate longer leases in both stores than the current agreement thereby reducing the flexibility and sustainability of the service in the long term to seek new partners who can bring service improvements and income to the network • the Idea Stores strategy would be unsustainable as it will no longer be able to deliver opening hours that matched the retail provision in key shopping areas in the borough 	
2	VALUE FOR MONEY/EFFICIENCY
Provide evidence that the proposed expenditure will offer value for money. Where the expenditure is additional to existing budgetary provision for this service, evidence should also be provided of the value for money of the base provision. Evidence should be drawn from BVPIs, unit costs comparisons, benchmarking exercises or audit/ inspection judgements	
<p>Consultation to inform the Idea Store strategy demonstrated that local people valued library and learning services, but did not use them because they perceived them to be underfunded, out of date and irrelevant. Limited opening hours during the week were a key disincentive to use. Low take-up of these services prior to the implementation of the strategy therefore meant that poor value for money was provided.</p> <p>Idea Stores build on existing combined library and learning revenue budgets for stock, staff and premises, but growth is required to enable the new facilities to be open longer hours during the week, meeting one of the evidenced needs of customers. Current revenue budgets (including the part year growth drawn down for Whitechapel and Canary Wharf in 2005/06) are sufficient only to open the 2 new stores for 4 days per week. In particular, Sunday and Wednesday opening would not be possible.</p> <p>The experience of Idea Store Bow has demonstrated the need to pro-actively repair and maintain the building, furniture and equipment to ensure that the Idea Stores retain the high quality image which has been benchmarked against the best in the retail sector. The purchasing power of the stock fund must be maintained to keep pace with the increasing cost of books as new stock is a key ingredient in building and retaining a new and broadened customer base.</p>	

BUDGET 2006/2007 - 2008/09 COMMITTED GROWTH
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Does this proposal contribute to stretched Gershon efficiency targets? Provide information to justify this and an indication of how the improvement efficiency will be measured?

Yes

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No

The Idea Stores strategy brings major improvements in the quality of library and learning services to each area of the borough that is reflected in an increase in visits, issues of books, enrolment on adult education classes and user satisfaction.

The non-cashable efficiencies are projected on the basis of the increased number of visits to Idea Stores (over the projected baseline for libraries) generated as a result of the implementation of the Idea Store strategy across the network.

Increased usage can be predicted based on the experience with Idea Store Bow (opened 2002) and Idea Store Chrisp St (opened 2004). Please note these savings are those projected for the entire Idea Store network.

2005/06

Visits - 1,609,342

Cost (inc cap charge) – 8,037,755

Cost/visit – 4.99

2006/07

Visits – 1,941,586

Cost (inc cap charge) – 8,467,686

Cost/visit – 4.36

Efficiency gain – 1,229,440

2007/08

Visits – 2,104,256

Cost (inc cap charge) – 8,961,231

Cost/visit – 4.26

Efficiency gain – 215,895

Notes:

1. Cost per library visit is a standard indicator, measured against annual cost of library service including capital charges.
2. The cost per visit is calculated using the library specific element of the Idea Stores budget and so does not take account of any savings predicted (cashable or otherwise) by the learning service for this period.

The development of an overall Idea Stores budget from the currently separate budgets held by Environment and Culture and Education is at an early stage. Until the overall Idea Stores budget is confirmed projections should be treated with some caution.

BUDGET 2006/2007 - 2008/09 COMMITTED GROWTH
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Item Ref. No: GRO/COR/01

TITLE OF ITEM: Pensions				
DIRECTORATE: Corporate				
SERVICE AREA: Director of Resources			LEAD OFFICER: Martin Smith	
FINANCIAL INFORMATION:				
	Current Budget	Bid		
	2005/2006 £000	2006/2007 £000	2007/2008 £000	2008/2009 £000
	General Fund	1,300	2,600	3,900
	HRA			
	Other			
TOTAL	9,398	1,300	2,600	3,900
DESCRIPTION:				
<p>The Pension Fund is subject to triennial valuation, the last of which took place in 2004. This revealed the need for additional employer's contributions to the Fund of £1.3m per year. This applies for the next two financial years, after which a further revaluation will take place (during 2007/08). For planning purposes it is currently assumed that this will reach similar conclusions to the last revaluation.</p> <p>The main areas funded by these contributions are liabilities resulting from increased life expectancy and anticipated medium-term returns from investment of the Fund. The growth outlined here includes elements relating to employer's contributions for existing staff, for which service budgets will be adjusted, and elements of backfunding for scheme members' past service.</p> <p>The postponement of changes to the terms of the scheme which were due to be introduced in April 2005 (primarily the expected abolition of the 'Rule of 85') do not directly impact on these figures. Actuaries made assumptions in valuing the Fund in 2004 which did not depend upon these reforms going ahead. However any changes emerging from the ongoing debate about further reform to the scheme would need to be reflected in the 2007 revaluation.</p>				
<p>Is this ?:</p> <p>Inescapable Growth: <input checked="" type="checkbox"/> Demand-led: <input type="checkbox"/> Transfer of Specific Grants to FSS: <input type="checkbox"/></p>				
1. JUSTIFICATION & RISK:				
<p>Why is this expenditure inescapable and what are the consequences/ risks if funding is not approved? If it is demand-led provide details of the increase in client numbers and the basis of any projections.</p>				
<p>It is the Council's responsibility to ensure that the Pension Scheme is funded in the long term.</p>				

BUDGET 2006/2007 - 2008/09 COMMITTED GROWTH
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Item Ref. No: GRO/COR/01

2	VALUE FOR MONEY/EFFICIENCY
<p>Provide evidence that the proposed expenditure will offer value for money. Where the expenditure is additional to existing budgetary provision for this service, evidence should also be provided of the value for money of the base provision. Evidence should be drawn from BVPIs, unit costs comparisons, benchmarking exercises or audit/ inspection judgements</p>	
<p>The Pension Scheme is an element of the remuneration package of local government employees. There is an argument that the existence of the scheme aids recruitment and retention of staff to local government and thus affects value for money.</p>	
<p>Does this proposal contribute to stretched Gershon efficiency targets? Provide information to justify this and an indication of how the improvement efficiency will be measured?</p>	
Yes	<input type="checkbox"/>
No	<input checked="" type="checkbox"/>

BUDGET 2006/2007 - 2008/09 COMMITTED GROWTH
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Item Ref. No: GRO/COR/02

TITLE OF ITEM: Council Elections																														
DIRECTORATE: Chief Executives																														
SERVICE AREA: Legal Services	LEAD OFFICER: Graham White																													
FINANCIAL INFORMATION:																														
	<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 25%;"></th> <th style="width: 25%;">Current Budget</th> <th colspan="2" style="width: 50%;">Bid</th> </tr> <tr> <th></th> <th style="text-align: center;">2005/2006 £000</th> <th style="text-align: center;">2006/2007 £000</th> <th style="text-align: center;">2007/2008 £000</th> <th style="text-align: center;">2008/2009 £000</th> </tr> </thead> <tbody> <tr> <td>General Fund</td> <td style="text-align: center;">0</td> <td style="text-align: center;">240</td> <td style="text-align: center;">0</td> <td style="text-align: center;">0</td> </tr> <tr> <td>HRH</td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>Other</td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>TOTAL</td> <td style="text-align: center;">0</td> <td style="text-align: center;">240</td> <td style="text-align: center;">0</td> <td style="text-align: center;">0</td> </tr> </tbody> </table>		Current Budget	Bid			2005/2006 £000	2006/2007 £000	2007/2008 £000	2008/2009 £000	General Fund	0	240	0	0	HRH					Other					TOTAL	0	240	0	0
	Current Budget	Bid																												
	2005/2006 £000	2006/2007 £000	2007/2008 £000	2008/2009 £000																										
General Fund	0	240	0	0																										
HRH																														
Other																														
TOTAL	0	240	0	0																										
DESCRIPTION:																														
Type: inescapable as the elections are a statutory requirement																														
Is this ? Inescapable Growth: <input checked="" type="checkbox"/> Y Demand-led: <input type="checkbox"/> Transfer of Specific Grants to FSS: <input type="checkbox"/>																														
1.	JUSTIFICATION & RISK:																													
Why is this expenditure inescapable and what are the consequences/ risks if funding is not approved? If it is demand-led provide details of the increase in client numbers and the basis of any projections.																														
<p>The 2006 Council Elections will take place on 4th May 2006 and a single year Growth Bid is required to finance the process.</p> <p>The Council is required to appoint a Returning Officer and provide sufficient resources for her or him to efficiently organise the Election. No specific grant is payable unlike Parliamentary and European Elections which are government funded. The costs of organising Elections have increased substantially in recent years and although the final costs of the 2005 Parliamentary Elections are not yet available they are likely to be in the region of £240,000.</p> <p>The main reason why costs have increased is the rise in postal voting which increases staffing, stationery and postage costs. There have also been various proposals from government and the Electoral Commission to strengthen the electoral process which will have financial implications but at the time of writing it is not clear if these will be implemented before next years Election.</p>																														

BUDGET 2006/2007 - 2008/09 COMMITTED GROWTH
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Item Ref. No: GRO/COR/02

2	VALUE FOR MONEY/EFFICIENCY
Provide evidence that the proposed expenditure will offer value for money. Where the expenditure is additional to existing budgetary provision for this service, evidence should also be provided of the value for money of the base provision. Evidence should be drawn from BVPIs, unit costs comparisons, benchmarking exercises or audit/ inspection judgements	
<p>The costs of organising an election are controlled in the case of national elections by the government. The GLA publishes guidance on costs and fees for elections in London and successive Returning Officers have always followed these. There is little scope for making savings in the process as most charges and fees are subject to long standing agreements. However where possible alternative arrangements are pursued providing they do not result in a reduction in service.</p>	
Does this proposal contribute to stretched Gershon efficiency targets? Provide information to justify this and an indication of how the improvement efficiency will be measured?	
Yes	<input type="checkbox"/>
No	<input checked="" type="checkbox"/>

**BUDGET 2006/2007 - 2008/09
COMMITTED GROWTH**

Item Ref. No:
GRO/COR/03

TITLE OF ITEM: Best Value Satisfaction Survey				
DIRECTORATE: Corporate				
SERVICE AREA: Research and Scrutiny			LEAD OFFICER: Michael Keating	
FINANCIAL INFORMATION:				
	Current Budget		Bid	
	2005/2006 £000	2006/2007 £000	2007/2008 £000	2008/2009 £000
		60	0	0
	General Fund			
	HRH			
Other				
TOTAL	0	60	0	0
DESCRIPTION:				
<p>The Best Value Satisfaction Survey is conducted every three years (the last time was in 2003/04). The Audit Commission uses the survey as the key indicator of residents' satisfaction.</p> <p>The survey, along with the Annual Residents Survey, provides baseline and trend information on satisfaction about a range of services and about public services in general including how well services listen to and respond to local people's views. These surveys will continue to provide core performance information, and the Council is committed to improved performance against it.</p>				
<p>Is this ?:</p> <p>Inescapable Growth: <input checked="" type="checkbox"/> Demand-led: <input type="checkbox"/> Transfer of Specific Grants to FSS: <input type="checkbox"/></p>				
1.	JUSTIFICATION & RISK:			
<p>Why is this expenditure inescapable and what are the consequences/ risks if funding is not approved? If it is demand-led provide details of the increase in client numbers and the basis of any projections.</p> <p>The Best Value Satisfaction Survey is a statutory requirement.</p>				
2	VALUE FOR MONEY/EFFICIENCY			
<p>Provide evidence that the proposed expenditure will offer value for money. Where the expenditure is additional to existing budgetary provision for this service, evidence should also be provided of the value for money of the base provision. Evidence should be drawn from BVPIs, unit costs comparisons, benchmarking exercises or audit/ inspection judgements</p> <p>The results of the Satisfaction Survey are a fundamental part of all CPA related assessments to measure value for money, efficiency and satisfaction.</p>				
<p>Does this proposal contribute to stretched Gershon efficiency targets? Provide information to justify this and an indication of how the improvement efficiency will be measured?</p> <p align="center">Yes <input checked="" type="checkbox"/> No <input type="checkbox"/></p>				
Satisfaction is kev to the measurement of improvement efficiencv.				

BUDGET 2006/2007 - 2008/09 COMMITTED GROWTH
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Item Ref. No: GRO/COR/04

TITLE OF ITEM: Implementation of the Idea Store Strategy – Whitechapel Idea Store				
DIRECTORATE: Corporate				
SERVICE AREA: Idea Stores			LEAD OFFICER: Lesli Good	
FINANCIAL INFORMATION:				
	Current Budget	Bid		
	2005/2006 £000	2006/2007 £000	2007/2008 £000	2008/2009 £000
	1,748	463	463	463
	General Fund			
	HRH			
Other				
TOTAL	1,748	463	463	463
DESCRIPTION:				
<p>The growth is required to deliver full year revenue costs for the Idea Store Whitechapel opened September 2005.</p> <p>Implementation of the Idea Store strategy is predicated on growth being made available to meet the incremental staffing and running costs associated with each new store on its opening. Additional costs are required to meet the publicised opening hours of the Idea Stores (7 days per week operation which match the hours of retail in each locality), staff cover, building repairs and maintenance required as a result of heavy public use to maintain the facilities to a high standard. The growth bid is to support the continued delivery of libraries, learning and information services in Idea Store Whitechapel from 2006/07.</p>				
<p>Is this ?:</p> <p>Inescapable Growth: <input checked="" type="checkbox"/> Demand-led: <input type="checkbox"/> Transfer of Specific Grants to FSS: <input type="checkbox"/></p>				
1. JUSTIFICATION & RISK:				
Why is this expenditure inescapable and what are the consequences/ risks if funding is not approved? If it is demand-led provide details of the increase in client numbers and the basis of any projections.				
<p>If funding is not approved the Idea Stores service would have to make significant savings in the projected expenditure through either:</p> <ul style="list-style-type: none"> • significantly reducing the opening hours of Idea Stores Whitechapel within the first year of opening • reducing spending on stock and curriculum delivery <p>The impact on increasing and widening participation in libraries and learning would be negative. Visitor numbers and learner enrolments would fall as a result of the impact on service delivery in the Idea Stores.</p> <ul style="list-style-type: none"> • the increase in the stock fund has resulted in improvements in the quantity and quality of the stock in the Idea Stores, contributing directly to the increase in issues and visitors that have been experienced in Idea Store Bow and Chrisp Street any reduction in the projected spend on the stock fund would result in a reduction in the quality and quantity of the stock fund and a reduction in issues and visitors 				

BUDGET 2006/2007 - 2008/09 COMMITTED GROWTH
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Item Ref. No: GRO/COR/04

- reduced opening hours in Idea Store Whitechapel would place pressure on the delivery of learning in the store with the possibility that the lifelong learning service, Tower Hamlets College and Metropolitan University would not be able to deliver the contracted learning hours. This would have knock on negative impact on the income for learning delivery from the LSC, thereby undermining the financial sustainability of the Idea Stores given that the service is currently planning for a shortfall in LSC income over the next three years due to LSC budget reductions
- if the opening hours in Idea Stores Whitechapel were reduced to a level whereby the key learning partners, Tower Hamlets College and Metropolitan University were not able to deliver the level of activity projected through our partnership agreements it is possible that they may seek to negotiate longer leases in both stores than the current agreement thereby reducing the flexibility and sustainability of the service in the long term to seek new partners who can bring service improvements and income to the network
- the Idea Stores strategy would be unsustainable as it will no longer be able to deliver opening hours that matched the retail provision in key shopping areas in the borough

2	VALUE FOR MONEY/EFFICIENCY
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Provide evidence that the proposed expenditure will offer value for money. Where the expenditure is additional to existing budgetary provision for this service, evidence should also be provided of the value for money of the base provision. Evidence should be drawn from BVPIs, unit costs comparisons, benchmarking exercises or audit/ inspection judgements

Consultation to inform the Idea Store strategy demonstrated that local people valued library and learning services, but did not use them because they perceived them to be underfunded, out of date and irrelevant. Limited opening hours during the week were a key disincentive to use. Low take-up of these services prior to the implementation of the strategy therefore meant that poor value for money was provided.

Idea Stores build on existing combined library and learning revenue budgets for stock, staff and premises, but growth is required to enable the new facilities to be open longer hours during the week, meeting one of the evidenced needs of customers. Current revenue budgets (including the part year growth drawn down for Whitechapel and Canary Wharf in 2005/06) are sufficient only to open the 2 new stores for 4 days per week. In particular, Sunday and Wednesday opening would not be possible.

The experience of Idea Store Bow has demonstrated the need to pro-actively repair and maintain the building, furniture and equipment to ensure that the Idea Stores retain the high quality image which has been benchmarked against the best in the retail sector.

The purchasing power of the stock fund must be maintained to keep pace with the increasing cost of books as new stock is a key ingredient in building and retaining a new and broadened customer base.

BUDGET 2006/2007 - 2008/09 COMMITTED GROWTH
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Item Ref. No: GRO/COR/04

Does this proposal contribute to stretched Gershon efficiency targets? Provide information to justify this and an indication of how the improvement efficiency will be measured?

Yes

No

The Idea Stores strategy brings major improvements in the quality of library and learning services to each area of the borough that is reflected in an increase in visits, issues of books, enrolment on lifelong learning classes and user satisfaction.

The non-cashable efficiencies are projected on the basis of the increased number of visits to Idea Stores (over the projected baseline for libraries) generated as a result of the implementation of the Idea Store strategy across the network.

Increased usage can be predicted based on the experience with Idea Store Bow (opened 2002) and Idea Store Chrisp St (opened 2004).

2005/06

Visits - 1,609,342

Cost (inc cap charge) – 8,037,755

Cost/visit – 4.99

2006/07

Visits – 1,941,586

Cost (inc cap charge) – 8,467,686

Cost/visit – 4.36

Efficiency gain – 1,229,440

2007/08

Visits – 2,104,256

Cost (inc cap charge) – 8,961,231

Cost/visit – 4.26

Efficiency gain – 215,895

Notes:

3. Cost per library visit is a standard indicator, measured against annual cost of library service including capital charges.
 4. The cost per visit is calculated using the library specific element of the Idea Stores budget and so does not take account of any savings predicted (cashable or otherwise) by lifelong learning for this period.
- The integration of an overall Idea Stores budget from the currently separate budgets held by libraries and lifelong learning is at a very early stage. Until the overall integrated Idea Stores budget is confirmed projections should be treated with some caution.

**BUDGET 2006/2007 - 2008/09
COMMITTED GROWTH**

**Item Ref. No:
GRO/COR/05**

TITLE OF ITEM:		Provision for former ILEA Debt		
DIRECTORATE:		Corporate		
SERVICE AREA:		Director of Resources	LEAD OFFICER: Martin Smith	
FINANCIAL INFORMATION:				
	Current Budget	Bid		
	2005/2006 £000	2006/2007 £000	2007/2008 £000	2008/2009 £000
	N/A	1,600	1,600	1,600
	General Fund			
	HRA			
Other				
TOTAL	N/A			
DESCRIPTION:				
Provision for the repayment of former Inner London Education Authority debt transferred to the Council in 1992, the legislative framework for which has recently changed.				
Is this ?: Inescapable Growth: <input checked="" type="checkbox"/> Demand-led: <input type="checkbox"/> Transfer of Specific Grants to FSS: <input type="checkbox"/>				
1. JUSTIFICATION & RISK:				
Why is this expenditure inescapable and what are the consequences/ risks if funding is not approved? If it is demand-led provide details of the increase in client numbers and the basis of any projections.				
<p>The Inner London Education Authority was abolished in 1990 and its responsibilities in relation to schools were transferred to the twelve Inner London Boroughs, including Tower Hamlets. Debt formerly entered into by ILEA was subsequently transferred to the Council in 1992.</p> <p>Legislation requires local authorities to set aside an amount equivalent to 4% of outstanding debt as a minimum charge to revenue accounts for debt repayment. However at the time of the ILEA debt transfer, the legislation was incomplete. It did not require authorities to increase their provision for debt repayment in response to the transfer of ILEA debt. Increasing the revenue provision would have meant an increase in Council Tax or reduction in other budgets at that time. Avoiding the charge meant a marginal increase in the Council's debt exposure which was covered by the availability of cash balances. Not being compelled to make the additional charges at that stage, Tower Hamlets evidently decided not to do so.</p> <p>In 2003, elements of the capital accounting legislation were repealed and replaced with the prudential code, which allows authorities to borrow up to a locally agreed limit as long as it is affordable, prudent and sustainable. This new legislation does not specifically change the position in relation to former ILEA debt, but it does draw more attention to the way authorities account for the provision of debt.</p> <p>In conducting the audit of accounts for 2004/05, which is the first year of the code, therefore, the Audit Commission has identified for the first time that ILEA debt has not been provided for in Tower Hamlets accounts. The auditors have therefore drawn the Council's attention to this issue and is requiring the authority to make provision. Discussions have been held with the auditor to confirm that the authority has no option but to make this provision, and subsequently to ascertain the best way of doing this within current legislation and accounting requirements while minimising the financial impact.</p> <p>The growth bid provides for the backlog of debt repayment provision for the period 1992-2005 to be charged to the accounts over a five year period and for the remaining debt to be provided for at 4% a year.</p>				

BUDGET 2006/2007 - 2008/09 COMMITTED GROWTH
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Item Ref. No: GRO/COR/05

These amounts will be set aside on the Council's balance sheet to offset the repayment of debt and they will not be available to meet other expenditure.

Charges for 2004/05 and 2005/06 have been or will be met from existing revenue balances. This committed growth bid will ensure that the budget is increased in 2006/07 to cover the additional charges without further diminishing balances.

2	VALUE FOR MONEY/EFFICIENCY
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Provide evidence that the proposed expenditure will offer value for money. Where the expenditure is additional to existing budgetary provision for this service, evidence should also be provided of the value for money of the base provision. Evidence should be drawn from BVPIs, unit costs comparisons, benchmarking exercises or audit/ inspection judgements

The charges will ensure that the authority satisfies its auditors that its accounts present fairly the financial position of the authority.

Does this proposal contribute to stretched Gershon efficiency targets? Provide information to justify this and an indication of how the improvement efficiency will be measured?

Yes

No

X