

ANALYSIS OF GROWTH DUE TO DEMAND, PRICE AND LOSS OF INCOME ('INESCAPABLE' GROWTH)

Service	Item	2008/09	2009/10	2010/11	2011/12	Comments
		£'000	£'000	£'000	£'000	
	Demand led growth					
E&C	Adoption of new open space.	38				The Council is proposing to adopt a number of new open spaces. The maintenance costs for these sites are not provided for in the Parks Service budget.
E&C	Town Centre CCTV.	15	15	15		The capital programme includes £135k per year to be spent on new CCTV installation. Revenue operating, maintenance and replacement costs are needed for the new cameras to be viable.
E&C	Street lighting maintenance costs	35				Costs of maintaining streetlights additional to the PFI for which capital has been given and spent in previous years.
E&C	Human Tissue Authority - Licence to operate public mortuary	9				The Human Tissue Act has resulted in need for public mortuaries to be licensed by the Human Tissue Authority for the storage of bodies, making of a post-mortem and removal and storage of body parts. The licence needs to be reviewed on an annual basis.
E&C	Street Lighting - post Core Investment Programme (CIP) reconciliation	140				The Street Lighting PFI Contract provides for a reconciliation to take place at the end of the Core Investment Programme (CIP), to assess the actual number of new lighting installations compared with the estimated number at the beginning of the PFI Contract. There is an element of contractor's risk, but if total installations exceed that point, then the Unitary Payment has to be recalculated. There has been a significant increase in the number of new illuminated columns, bollards and signs over the 6 year CIP completion period partly due to new developments and traffic schemes. The exact amount is currently being calculated but the Council's consultants estimate it at £140k per annum.
E&C	Libraries - Budget Shortfall	300				Members decided to fund the 2007/08 budget shortfall of £300k as a one-off pending consideration of the library strategy. This is now required as a growth item for 2008/9 and beyond.
H&CC	Middlesex House and Lancelot Road	323	309	248	25	General Fund costs as properties fall out of the HRA, in line with agreed Middlesex House financial model

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H&CC	Adult Care - Demand Pressures	5,686	4,827			<p>There are underlying pressures on the adult care budget, principally related to demand but also resulting from price pressures as well as the overstatement of income, which are contributing to the current year's overspend and need to be addressed as part of the 2008/09 budget process. Demand for learning and physical disability services is increasing each year with the transfer of young people from Children and Families who require residential, homecare and day care services. In addition there are increasing pressures on care management costs and overheads due to these transitions</p> <p>Demand for learning disability services also comes from a number of areas including the discharge from Kingsbury Hospital of clients not previously receiving a service. The growing vulnerability of people with learning disabilities during the year and therefore the need for services or more expensive services. Ageing or ill carers who can no longer care for their children due to their own vulnerability and clients who are diagnosed as being mentally ill, sectioned and then discharged into the community who have substantial social care needs.</p> <p>There is also the potential impact of PCT transfers, £4.097m was included in 2007/08 to enable the Council to meet potential costs. Further costs will come through in 2008/09 and in particular the transfer of continuing care cases where it is demonstrated that the PCT no longer has responsibility. The overall cost of transfers is still subject to negotiation.</p> <p>There are also price pressures particularly around Older People's Services nursing home fees, the Council has worked with other west London Boroughs to seek to limit annual inflationary increases with some success but the average increase still likely to be above 2% in 2008/09. In addition in 2008/09 Older Peoples Services will lose PCT Challenge funding for the hospital discharge team. A programme of service transformation which will better meet the needs of its clients has been underway within Adult Social Care during 2007/08. This is generating savings in 2007/08 and will generate further savings in 2008/09 and future years which will be used to offset some of the growth pressures in Adult Social Care. Additional grants received as part of 2008/09 settlement are also being used to offset the need for growth.</p>
	Total demand led growth	6,546	5,151	263	25	

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	Price Led Growth					
E&C	Waste Contract Inflation	166				The Waste Services Contract has a new formula for the annual price increase based on a formula agreed during procurement. Whilst this exceeds the standard 2% budget inflation rate, it is less than the previous Baxter Index. It is not possible at this time of year to calculate the increase, as the relevant Indices will not be available until later in the year but the largest element, 70%, relates to the NJC pay award. Each 1% in excess of the 2% assumed will add £143K based on the current contract value of £14.3m. The currently assumed inflation rate is 3.16%.
E&C	Street Lighting - increase in energy costs.	85				The Council's current agreement for the provision of Street Lighting Energy comes to an end on 31 May 2008. A new agreement will be in place from 1 June 2008 and will be procured towards the end of 2007-08 by DWL as required under the Council's Street Lighting PFI Contract. The amount included here is based on the best estimates provided to us by DWL who have in turn researched current prices and trends.
	Total price led growth	251	0	0	0	

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	Loss of income					
E&C	Funding of Waste Services Contract - Loss of Waste Performance & Efficiency Grant Income	317				The Waste Performance and Efficiency Grant will stop coming to the council in 2008/09. The items the council have previously funded with the grant will have to be funded from the revenue budget. This was highlighted in the Report to Full Council that approved the award of the Waste Services Contract where it was stated that "...the Environment & Culture budget will be amended accordingly for future years."
E&C	Smoking ban	60				Enforcement of the workplace smoking ban, and in particular the ban in cafes, pubs and restaurants, falls to Environmental Health. Government grant was given for the start up costs and £60k identified and bid for in 2007-08 as the ongoing cost of the enforcement activity. In the 2007-08 budget settlement the start up grant was given up as a saving in exchange for the resources required for permanent enforcement. The start up costs have been contained within £60k and existing resources.
H&CC	HRA/General Fund Recharges	0	395		20	Impact of potential stock transfer at South Kilburn involving 1,534 dwellings.
H&CC	Temporary Accommodation - Housing Benefit	1,926				Reduction of Housing Benefit cap by 10% in 2008/09 following a 5% reduction in 2007/08.
Central	Warden Service - Additional Police Community Support Officers	0	320			In line with the Executive decision of 12 March 2007 to pay for the appointment of PCSOs rather than have street wardens, £80k is required in 2008-09 and will be met from the additional WNF monies in 2008/09 and will replace NRF funding for Harlesden officers. £320k is still required the following year when the Metropolitan Police "half price" deal expires.
F&CR	Housing Benefit Administration Grant	130				The Department of Work and Pensions have reduced this grant by 2.5% in cash terms nationally. The reduction in Brent is slightly less - 1.3% - and the growth is the difference between the 1.3% cash cut and the 2% inflation growth assumed in the council's budget.
	Total growth due to loss of income	2,433	715	0	20	
	GRAND TOTAL - DEMAND, PRICE AND LOSS OF INCOME LED GROWTH	9,230	5,866	263	45	