

Councilbudget

Proposed council budget and spending priorities

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Cash is tight...

Over the last few years, Barnet Council has adopted a three-year financial strategy – 'Medium Term Financial Strategy' (MTFS) – that allows us to both prepare services for reduced budgets and prioritise how taxpayers' money is spent.

The council's spending for the coming year will again be cut next year in line with a reduction in the finance provided by central government. However, the council is proposing to freeze Council Tax again to protect family budgets. This will be the fourth year of frozen Council Tax, even though inflation has increased by a total of 11.5 per cent during that time.

Excluding the money provided for benefits and schools (which the council administers), the council has already faced a cut of 26 per cent in its funding from central government during the period of the current spending review (2011 – 15).

These figures are governed by the decisions that central government took in its spending review of 2010 as it sought to lower the deficit.

Cut in our funding from central government of:

26%

We need to make savings in our budget of

£72.5m

(2011 – 15)

And getting tighter...

In the light of recent statements from the Chancellor, we are expecting funding to local government across England to be cut again in 2015 – 16 and are planning how the council could cope with a cut in central government funding of around 10 per cent. That will mean the amount available to spend on services would be reduced by over £90 million between 2011 and 2016.

All of these decisions of course take place in a climate where there is a growing demand for many council services.

But some good news

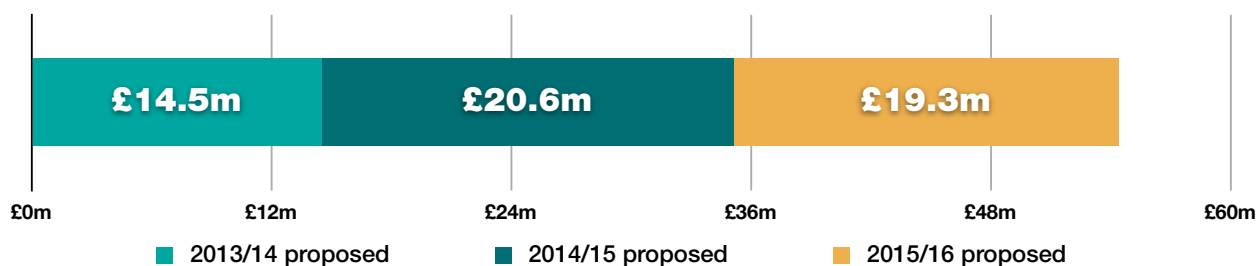
However, the news is not all gloom, and Barnet is better placed than many other councils to cope with the reduction in central government funding. Regeneration schemes already planned (with outline planning permission) in the west of the borough will potentially provide a gentle rise in the overall Council Tax take over the coming decade.

The council's One Barnet change programme is set to reduce the back office costs of the council substantially to the point where 90 per cent will come from efficiency savings rather than from reduction in services.

90%

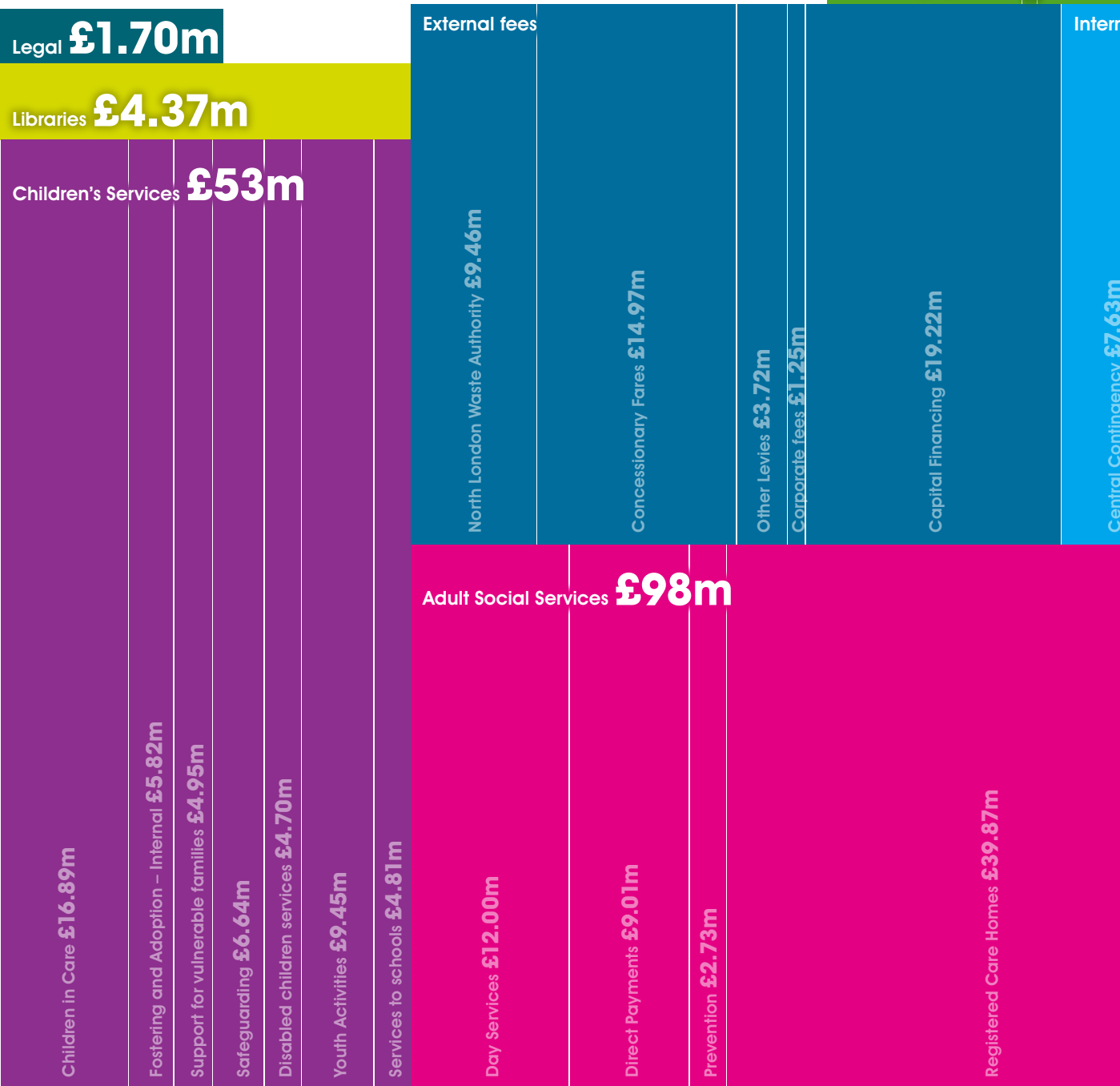
savings from greater efficiency

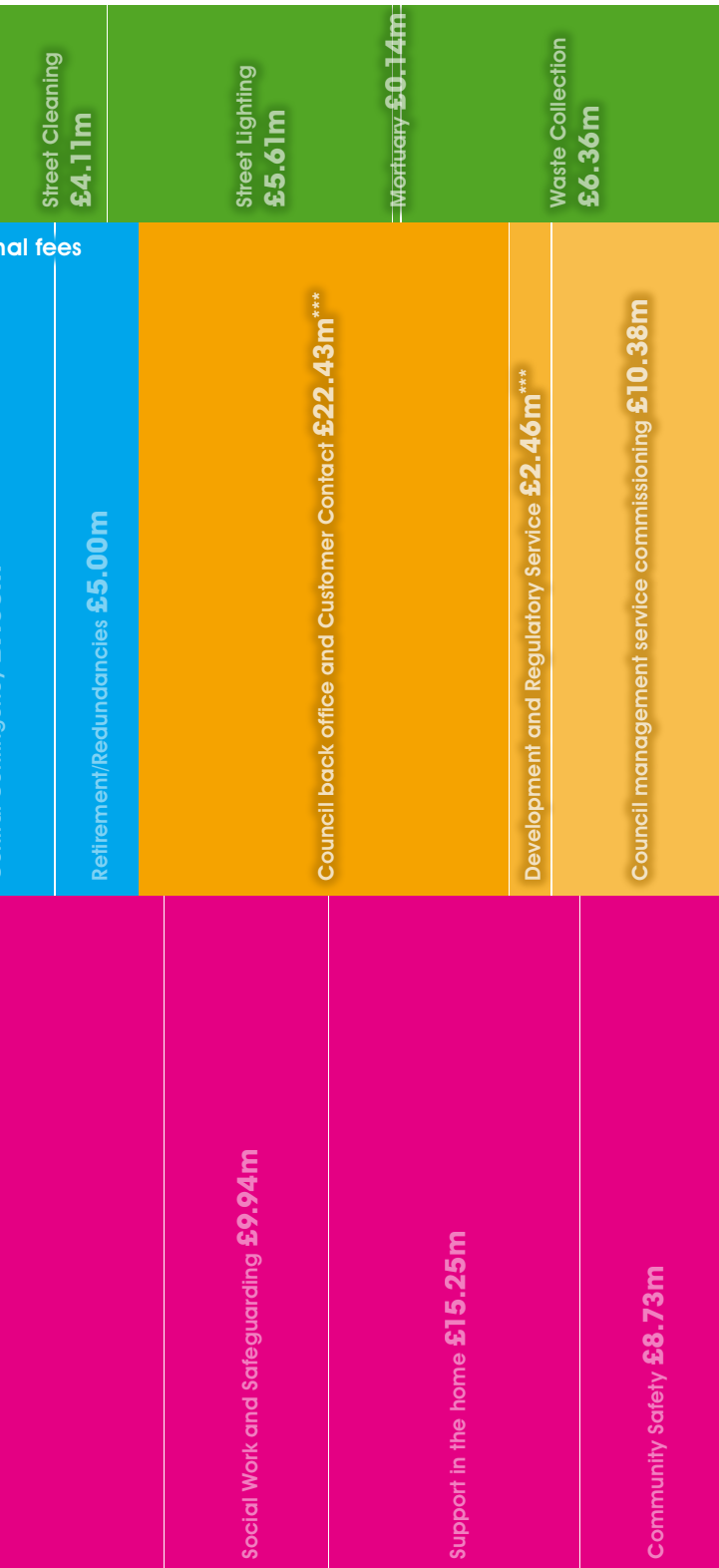
MTFS – planned savings over the next three years



Proposed expenditure for 2013/14

Over the next three years each service will have to make additional savings of around 20 per cent.





Placing some services with the private sector

Lower back office costs

The council is planning to contract many back office services to a private sector supplier. This will mean that services such as payroll, HR, information technology and the call centre will be provided by a single company. The council is expecting savings of around £125 million in these services over the next decade.

Planning and regulatory services

The council is looking at how the administration of planning and other environmental services can be run by a private sector partner. Planning committees will continue to take decisions and councillors on those committees would still be able to 'call in' any planning applications.

Changing the way services run

The currently privatised recycling collection will be brought in-house and combined with the council's household waste collection service. The new service will work with the private sector customer services provider to encourage residents to recycle more household waste.

Joint services with other councils

The council has already merged its legal service with Harrow Council to reduce costs and increase the amount of in-house expertise available. This will mean less use of expensive private lawyers.

New ways of working

Several services for adults, and housing advice, are now provided by Your Choice Barnet, a wholly council-owned company. This new model allows greater flexibility in services and allows the company to trade its successful services.

* Parking **-£1.10m** and Transport **-£0.13m**

** Highways and pavement maintenance

***Net figure after income

The council's priorities

The council's budget cannot simply be driven by the need to save money. We need to have a clear idea of where we spend what money we have.

Last year, residents asked that we support the local economy, particularly supporting young people to get into work.

Over the past few months, the council has invested £1m to support local businesses and young people into employment plus an extra £3.5m in roads and pavements. The impact of the council's Growth Strategy is beginning to bear fruit, with the rates of 16 – 17 year olds in education, employment and training amongst the highest in London at 95%.



The council plans to build on this approach by focusing on creating the right environment for growth across the borough. Economic growth, managed in a responsible way, is essential for ensuring that Barnet remains a place where people want to live and where opportunities exist for all.

There will be a continuing need for the council and its partners to support families and individuals that need it. This is reflected in the council's revised Corporate Plan, as is the continuing priority that residents are satisfied with their local environment.

+£3.5m



Proposed strategic objectives

Barnet Council will work to:

- create the right environment to promote responsible growth, development and success across the borough
- support families and individuals that need it – promoting independence, learning and wellbeing
- improve the satisfaction of residents and businesses with the London Borough of Barnet as a place to live, work and study.

You can find greater detail of the council's proposed budget and corporate priorities and give your views at: engage.barnet.gov.uk

