

Barnet Budget: consultation

It's your money: how do you think we should spend it?

Barnet Council, like many other organisations, needs to make difficult decisions about its budget for the next financial year (2010/11). We get less financial support from central Government than nearly all other London Boroughs and since half of our funding (not including the direct schools grant) comes from this source, this has a significant impact on the amount of money we have to spend on local services. As with many residents, the income of the council has been affected by the recession – activities like land sales and large scale developments have brought in much less money in the last year than they have previously.

We carry out a wide range of activities – from maintaining parks and pavements, to helping keep children and vulnerable adults safe. Many activities are statutory – we have to do them by law. Others are discretionary (that is, we chose to do them). We have some choice over the level of service we provide in both of these categories.

We invited residents to attend **Leader Listens** and **Residents' Forums** in November and December to discuss what priorities we should be taking into account in making Budget proposals. We have also had an **online budget simulator**. A total of 430 residents have accessed this tool since it went live. Around half used the tool to set their preferred budgets. The areas where residents wanted to reduce budgets the most were:

- Democratic Services (9.93%)
- Council website (7.03%)
- Planning (6.84%)
- Mobile CCTV unit (6.65%)
- Planning, Housing and Regeneration Directorate (6.30%).

Several participants commented that not enough detailed information about the budget was provided with the tool. Others commented that they would have liked the option to increase some budgets at the expense of others. This second phase of consultation is intended to respond to that issue by offering significantly greater detail and includes questions on whether residents would like to see increases in some areas.

In December we published a **graphic representation** of the Council's budget, showing the main areas of expenditure and providing further information about the sources of our budget.

The Cabinet agreed a set of **budget headlines** on 12 January. These set out the savings the Cabinet are proposing to make for the financial year 2010/11 to ensure that we can balance the budget. We would like to consult you on the extent to which these proposals fit with your priorities.

This consultation therefore sets out the proposals we are making and seeks your feedback ahead of the Council meeting on 2 March 2010 which will agree the Budget and Council Tax.

Pressures on the budget

The services that we provide to Barnet residents are affected by a number of things that we cannot directly influence. For instance, the number of residents aged over 80 is increasing. Since these older residents often need more support from us than younger adults, this increase puts pressure on the Adult Social Services budget that may require savings elsewhere. Changes in the way that funding is allocated from central Government may also put more pressure on us to find savings. Even if we were to change nothing about how our services are provided going forward, the cost of providing those same services would still increase because of new pressures like those explained above.

In February 2009 our Financial Forward Plan (the document that sets out our medium term financial plans) forecast that, based on a council tax increase of 2.5%, we would need to make £12.5 million savings for the financial year 2010/11 compared to the existing year, to take account of budget pressures and the need to finance our borrowing. The budget headlines propose that there be no rise in council tax in the coming year (April 2010 to March 2011). The proposals for doing that are explained within the online survey.

In proposing a 'council tax freeze' we have been fortunate in working in a financial environment of low inflation. This is unlikely to continue, and given the significant strain on public finances generally, we expect to need to make further savings in future years. Against this backdrop it is very important that we continue to develop a new version of our financial plan for the medium term (the next five years) to prepare for this. We will use responses to this consultation document to help us with that work.

Residents often ask why we need to make budget savings just to stand still. This is partly because the increasing number of older people and children need more services, and partly because new issues arise which often have funding implications. For instance, this year central Government is requiring us to spend more money on the Freedom Pass scheme, and we are proposing to increase spending on childrens' social workers to meet the increase in workload following the death of Baby Peter in another London borough.