

# London Borough of Barnet

## Council

20 December 2005

### 2006-07 Draft Budget

	£m
2005/06 Council Tax Requirement *	134.172
Pay Awards, Inflation & Full Year Effects	8.156
Loss of Specific Grants	4.625
Budget Efficiencies	(6.248)
Budget Increases	5.670
Budget Reductions	(2.580)
	<hr/>
	143.795
Government Formula Grant (provisional settlement)	(5.204)
	<hr/>
2006/07 Council Tax Requirement	138.591
	<hr/>
<b>2006/07 Council Tax Increase</b>	<b>3.29%</b>

The draft budget currently assumes no contribution to balances. This will need to be reviewed once the Chief Finance Officer has finalised guidance to Council on this matter which he is required to do under the Local Government Act 2003.

\*Note : The 2005/06 service budgets are shown at the back of the Headlines.

## Adult Social Services

£

### Budget Efficiencies

**Autism Services** (50,000)

The development of a locally based service for people with autism that will enable the decommissioning of an out of borough service with a consequential reduction in travel time and costs.

**Learning Disability Re provision** (60,000)

Review of business plan with Notting Hill Housing Trust to contain construction costs of the re provided services.

**Remodelling Business Processes -back office services** (200,000)

The establishment of a programme that will look at all key social care functions with a view to streamlining and integrating relevant business processes to achieve a reduction in the duplication of effort across the service, improving performance and service delivery as well as identifying opportunities to redefine roles and responsibilities.

**Younger Adults - Transport Best Value Review** (50,000)

Reduction in required vehicle capacity to reflect remodelled services

**Younger Adults - Flightways Resource Centre.** (65,000)

Inproving efficiency whilst maintaining current levels of service.

---

**(425,000)**

---

## Adult Social Services

£

### Budget Increases

#### **Contractual obligations**

126,000

The Council is in a number of contractual arrangements where the annual contract price increase is greater than the 2.5% assumed in the budget process.

#### **Learning disability high cost placements**

839,000

Increasing demand for high cost support for service users with complex needs

---

**965,000**

---

### Budget Reductions

#### **Contract Reductions**

(80,000)

Review of contracts

#### **HIV/AIDS**

(45,000)

To reduce expenditure towards level of Government support

---

**(125,000)**

---

<b>Borough Solicitor</b>
--------------------------

£

**Budget Efficiencies**

**Admin support saving**

(60,000)

Review of administrative and support arrangement within reconstituted  
Law and Probity service

**Legal**

(40,000)

Savings in miscellaneous non-essential expenditure.

---

**(100,000)**

---

**Budget Increases**

**May 2006 Elections**

550,000

Provision for cost of 2006 Local Elections.

---

**550,000**

---

## Central Expenses

£

### Budget Increases

#### **Audit & Inspection fees**

100,000

Adjustment to reflect the level of ongoing external audit activity. The work programme will be reviewed with the External Auditor over the coming weeks, with a view to achieving savings in the audit fee during next year.

#### **Electricity Bulk Purchase**

212,000

Increase in budget to provide for bulk purchase contract where market conditions have increased prices above inflation. Central contingency provision.

**312,000**

### Budget Reductions

#### **Coroners court - retendered contract**

(109,000)

The 2005/06 budget had assumed an increase in the transportation contract for the jurisdiction, The actual contract cost has been contained within the previous budget resulting in no increase in the levy paid by the Authority.

#### **Arts Depot LADS**

(70,000)

Liquidated and ascertained damages arising from the late completion of the building.

**(179,000)**

## Children & Families

£

### Budget Efficiencies

#### Savings on external placements

(750,000)

This represents the continuing impact of the C&F 'invest to save' programme and is entirely dependent on the achievement of a continuing reduction in the number of children in the care of the council and increase in the proportion of looked after children placed with Barnet's own foster carers.

(750,000)

### Budget Increases

#### ESCR/ICS

60,000

The introduction of Electronic Social Care Records and the Integrated Children's System during 2006/07 is a central government requirement. The former applies across Adults and Children's Social Services and is being seen corporately as the pilot programme for the introduction of the 'paper light' office across the Council. The latter builds on SWIFT and will support the implementation of the Children Act (2004) requirements to implement a Common Assessment Framework across the children's workforce.

60,000

### Budget Reductions

#### Curtis Centre

(100,000)

Options around generating income by selling places to neighbouring authorities or entering into a partnership arrangement are being pursued

(100,000)

## Education

£

### Budget Efficiencies

**Library reminders and reservation notices** (5,000)

Use e-mail to send library overdue reminders and reservation notices when online self reservation system introduced

**Replace Libraries Network** (50,000)

Replace the BT Metro VPN managed network in libraries with a new network managed by Prime and reduce ongoing network services in libraries

**Cultural Services Management Restructure** (112,000)

Deletion of post of Head of Cultural Services + Executive Assistant

**Service restructuring and reduction in establishment** (60,000)

This proposal will flatten the management structure of the library service with a reduced number of posts and re-allocating responsibilities and roles to remaining managers.

**Reorganisation of Children & Family Day Centres as Children Centres from 2007.** (250,000)

The DFES has set Barnet a target to establish 17 Children's Centres by 2007. The strategy for achieving this will involve the re-designation of Children & Family Centres. This will involve a period of de-investing in the existing centres (i.e. 05-07) and then re-investing in the new centres

## Education

<b>Home to school transport (not special education)</b>	£ (200,000)
---	----------------

The Mayor of London is providing free travel for young people under the age of 16. While there remains some administration costs the funding for transport can be saved.

---

**(677,000)**

---

### Budget Increases

#### **Teachers Pay Reform Grant**

Fall out of Teachers Pay Reform Grant support for central LEA staff - DFES have recognised error in providing funding within schools budget. Error has been corrected in settlement.

53,000

---

**53,000**

---

### Budget Reductions

#### **Schools library resources service**

Reduction in expenditure on resources.

(5,000)

#### **Reduce opening hours at East Finchley Library from town centre to community libraries with related changes to staffing structures**

This will involve lunch time closure and one evening.

(57,000)

#### **Saving from closure of South Friern library during rebuild**

The running costs associated with this library will be saved while it is closed. During the closure, access to alternative library facilities will be made available.

(64,000)



## Education

	£
<b>Harmonisation of Summer Playschemes.</b>	(135,000)
<p>Harmonise charges for summer and after school play schemes to the same level across all schemes and cease remaining free places. Reduce the number of directly provided summer play schemes or reprovision through increased use of grant for school based play schemes.</p>	
<b>Delete post for monitoring school cleaning</b>	(35,000)
<p>Delete one post</p>	
<b>Restructure SEN performance team</b>	(50,000)
<p>Restructure SEN performance team - reduction of 1 post</p>	
<b>Reduce educational psychologist post</b>	(50,000)
<p>Delete one educational psychologist post.</p>	
<b>Reduction in budget for action to support schools causing concern</b>	(69,000)
<p>To achieve the Council's priority to provide a first class education service, the service is targeting efforts and resources on improving schools causing concern, most particularly those already designated as such by OFSTED or in danger of slipping into this category. The proposal reduces the uncommitted budget available to support schools causing concern.</p>	
<b>Reduction on Media Fund for library stock purchase.</b>	(200,000)
<p>The Media budget is used to purchase materials on a range of formats for library stock and subscriptions to electronic information resources. The range of materials will continue to be bought across the network of libraries.</p>	
	<b>(665,000)</b>

## Education

£

### Schools Budget

The provisional allocation of Dedicated Schools Grant (DSG) is £175.385m compared to an equivalent of £163.159 in 2005/06. The allocation for 2006/07 will not be finalised until May/June 2006, well into the next financial year, and will be based on the January pupil count. The provisional figure for 2006/07 is known to be too high as DfES are using old pupil numbers and have made an incorrect assumption about a new VA school.

The split of the Schools Budget between centrally managed services and responsibilities devolved to schools has yet to be determined, in consultation with the Schools Forum. The percentage increase in the centrally managed budget cannot exceed the percentage increase for the devolved budget without the consent of the Schools Forum.

In addition to the DSG, the council will receive standards fund grant. Not all the allocations have been received. There are some changes, for example, a reduced allocation for support of vulnerable children which is now incorporated into the children's grant.

## Environmental Services

£

### Budget Efficiencies

#### **Environmental Services Admin Review**

(252,000)

Reduction in Administrative Assistant posts as a result of efficiencies from the introduction of the new core systems and improved business processes.

#### **Care & Repair - service review**

(20,000)

Control of costs and increased recovery of fee income.

#### **Allotments - review cost recovery**

(16,000)

Allotment service to be self-financing by balancing rental income to infrastructure expenditure and running costs.

#### **Green Spaces - restructuring**

(175,000)

Restructuring to combine the role of the Grounds Maintenance and Greenspaces Teams and remove duplication, provide clear lines of responsibility and give staff both individual and shared ownership for delivering the total Greenspace service.

#### **Golf Courses - rental income**

(18,000)

Net income from leasing the Council's three golf courses to private sector management.

#### **Street Enforcement Service - restructuring**

(850,000)

Restructuring to streamline and focus the service on core functions linked to Corporate Plan priorities including trade waste compliance, graffiti, fly tipping, problem vehicles and BV199 monitoring.

#### **Abandoned Vehicles - procurement efficiencies**

(20,000)

Reduced costs of vehicle removal/management following joint procurement with Enfield and Waltham Forest.

## Environmental Services

£

**Environmental Services - reorganisation**

(284,000)

Reorganisation of services within Environment theme under two rather than three service heads.

**(1,635,000)**

**Budget Reductions**

**Environmental Health - Residential Services**

(37,000)

Reduction of Technical Officer post and increased recovery of works in default costs

**Cemetery & Crematorium - income**

(50,000)

Increase in fees and charges for burials, cremations and incidental services

**Street Cleansing: change flytipping target**

(30,000)

Respecification of the fly tipping removal target to 24 hours in line with former BVPI target.

**Block cleansing**

(225,000)

Reconfiguration of the block cleansing to support waste prevention.

**(342,000)**

# Highways

£

## Budget Efficiencies

<b>Highways general</b>	(90,000)
Staffing efficiency reduction (3 staff).	
	<b><u>(90,000)</u></b>

## Budget Increases

<b>Parking income</b>	1,000,000
Re-alignment of base for parking income.	
<b>PFI Street Lighting (Forward Plan item)</b>	30,000
Increased provision for PFI contract	
	<b><u>1,030,000</u></b>

## Budget Reductions

<b>War Memorials / Redundant Churchyards</b>	(10,000)
Re-profiling of planned works through to 2007/08.	
<b>Drainage / Water Courses</b>	(70,000)
Reduced maintenance provision following Environment Agency re-designation of watercourses and contract efficiencies.	
<b>Surveys and Traffic Management</b>	(25,000)
Census and condition surveys and traffic management costs will be charged direct to projects.	
<b>National Roads and Street Works Act</b>	(10,000)
More focused monitoring of Utilities works to achieve greater delivery of income.	

<b>Highways</b>
-----------------

<b>Private Works</b>	50,000
----------------------	--------

Reduction in activity levels on Private Street Works.

<b>Cross-overs</b>	(60,000)
--------------------	----------

Increased income from greater activity in cross-over provision.

<b>Reduce planned highways maintenance</b>	(600,000)
--	-----------

One year only reduced highways maintenance programme.

<b><u>(725,000)</u></b>
-------------------------

## Housing

£

### Budget Efficiencies

#### **Reduction in temporary accommodation**

(500,000)

Reduction in temporary accommodation (TA) budget due to continuing impact of rolling up Housing Association Leasing Scheme management fees in rents. This will arise from contractual arrangements now in place for HALS procurement.

#### **Further reduction in Temporary Accommodation - subject to modelling exercise**

(250,000)

Accurate projections of the costs and income associated with varying volumes of different types of temporary accommodation have been very difficult to achieve. Work is currently being undertaken to verify the reliability of this further reduction using modelling techniques.

#### **Deletion of Housing Communications and Marketing Officer**

(17,000)

This post supports the corporate communications team from within the service and manages all the external publicity for the service – leaflets, the web-page and e-government, production of strategy documents, information in reception areas, developing other customer information channels etc, as well as the housing conference and similar events and all other external relations. It also deals with all external accreditation bids and related issues. The work will be picked up by other officers.

---

**(767,000)**

---

## Housing

£

### Budget Increases

**Housing Benefits - payments**

760,000

Based on 2004/05 outturn and 2005/06 monitoring this updates the base budget position. An element of benefits payments are linked to temporary accommodation costs and finalising the modelling position may alter the forecast amount.

760,000

### Budget Reductions

**Reduce grant to Threshold/BHAC**

(47,000)

Threshold are contracted to provide independent housing advice services at the Barnet Housing Aid Centre to single homeless people and others in housing need. Currently there is a £214k grants budget within the Housing service and a further £95k is provided from Supporting People funding. The Housing funding supports 5 housing advisers. It is proposed to reduce the grant.

**Deletion of Empty Homes Officer**

(15,000)

The Council employs an Empty Homes Officer who is responsible for bringing empty private sector homes back into use and for BVPI 64. This has been 50% funded by Genesis Housing Group and 50% through rental stream from the Council's Private Sector Leasing scheme. Genesis have advised us that they are no longer able to contribute to this post. It is therefore proposed to delete the post.

**Deletion of 2 Temporary Accommodation Officers**

(43,000)

There is a heavy burden of administration associated with over 2000 households in temporary accommodation. However the introduction of SAP and the move away from nightly-purchased TA to leasing and other options will simplify this. Two TA Officer posts will therefore be deleted.



## Housing

£

**Reduction of 1 FTE post in Development team to half-time**

(15,000)

The Housing Development team has three FTE staff. Since returning from maternity leave one of these has been working part-time. It is proposed to reflect this arrangement in the establishment and reduce the team to 2.5 FTE.

(10,000)

**Withdrawal of Housing General Fund Support to Community Centres**

Community Centre funding will be comprehensively reviewed. It is questionable whether community centres as currently managed within Barnet offer a modern, popular facility. Analysis of the spend and of the activities supported, and therefore the impact on other Services, in the Centres has begun. Part of the cost is the management fee paid to Barnet Homes and this, along with some other costs, could not be eliminated quickly enough to achieve full budget savings in 2006/07, hence this is the first stage of a two year reduction.

**Further savings to be found (in lieu of withdrawal of support to Comm. Centres)**

(50,000)

50% of the total Community Centres budget has been earmarked for saving, but there is a risk that the review may not succeed in eliminating direct costs in the first year. In this eventuality savings from elsewhere in the Housing budget will be identified.

---

**(180,000)**

---

## Planning

£

### Budget Efficiencies

**Reduction in transport and postage budget** (7,000)

More efficient use of transport and postage to realise savings

**Part-time policy planner - hold in abeyance** (15,000)

Re-allocation of policy duties to free up one part time planner post

**Reduction of Administration Assistant** (23,000)

Planning Business Support reductions in administration & improved efficiencies

**(45,000)**

### Budget Reductions

**Increase income from pre-planning advice, S.106 costs recovery & income activities.** (30,000)

Additional income can be generated from increased advice service & S.106

**Section 106 funded post** (34,000)

One planner post salary involved in S.106 monitoring to be substituted by S.106 funding

**Customer care & technical officer committee support reductions** (10,000)

Planning Advice evening surgeries ceased and reductions in committee related planning staff technical support

**(74,000)**

<b>Public Offices</b>
-----------------------

£

**Budget Increases**

**Accommodation Strategy**

250,000

Net additional Office Accommodation space within NLBP. Cabinet Resources Committee agreed increased costs.

**Public offices - contract cleaning**

150,000

Increases in corporate cleaning contract for public offices, over and above inflation budget provision, and re-aligning budgets for Building 4 NLBP and Barnet House

**400,000**

**Budget Reductions**

**Facilities Management**

(150,000)

Reduction of Office Accommodation and associated costs.

**(150,000)**

## Resources

£

### Budget Efficiencies

#### **Resources Restructure**

(836,000)

Revised staffing and management arrangements in Human Resources, Payroll, Information Systems, Customer Care, Procurement and Performance and Strategy. Reduction of approximately 12 posts resulting from the benefits of the Modernizing our Infrastructure and Modernizing Core Systems projects and the benefits of a new structure. This figure also includes the full year effect of efficiencies in the Accountancy budget. The restructuring process was outlined in a report to General Functions Committee in November 2005

#### **IT telephony**

(100,000)

Realise reduction in revenue costs of telephony through the integration capabilities that come from the introduction of new technology under the Modernising Our Infrastructure project

#### **Hardware maintenance**

(30,000)

Cost of maintaining legacy technology reduces through replacement under the Modernising Our Infrastructure project.

#### **IS Support Saving**

(75,000)

Savings from improved contract or alternative provision of desktop support

#### **MCS systems decommissioning**

(100,000)

Savings from reductions in systems needed as a result of MCS implementation

<b>Resources</b>
------------------

£

**MCS Benefits realisation** (250,000)

Review and change ways that services throughout the Council work so that the standard and efficient processes within the SAP ICT solution are fully exploited.

**Print Efficiencies** (50,000)

Review of corporate print production arrangements, development of a new print production strategy and implementation of the strategy.

**Improved Rent Recovery** (20,000)

Rent reviews, reduction of rent arrears and void periods is anticipated to meet the additional budgetary target.

**Efficiencies within Leisure Partnership budget** (50,000)

Savings within total budget for Leisure services relating to both GLL contract costs and maintenance costs that the Council remains responsible for.

**(1,511,000)**

**Budget Increases**

**Procurement savings** 1,400,000

The £1.4m savings have been achieved, but retained as in service efficiencies and not returned to the centre.

**Council Tax instalments** 140,000

The council will be offering the payment of council tax by 11 instead of 10 instalments, for those agreeing to pay by direct debit. In 2006/07 around £170m in council tax will be collected and it is estimated that take-up of the 11 instalment option will affect £100m of this, resulting in a cashflow cost of £140,000.

**1,540,000**

<b>Resources</b>
------------------

£

**Budget Reductions**

**Grants budget reduction**

(40,000)

A reduction in the grants budget, which may require some prioritisation of grants awarded during the year. The proposed grants budget for 2006/07 is £1.32m.

---

**(40,000)**

---

<b>Strategic Development</b>
------------------------------

£

**Budget Efficiencies**

**Reduction in staffing**

(45,000)

Delete one vacant post.

**(45,000)**

## Strategic Directors and Corporate Support

£

### Budget Efficiencies

#### **Communications reorganisation**

(20,000)

Reduced publication costs through more efficient delivery through use of electronic sources

#### **Reorganisation of complaints**

(110,000)

Disbanding the Complaints Team and devolution of responsibility for complaints handling

#### **Reduced consultation costs**

(40,000)

Delete borough-wide consultation mail out.

#### **Delete CPO Communications Officer**

(33,000)

The post is currently vacant and not needed in a smaller CPO team

**(203,000)**



<b>Significant Full Year Effects</b>
--------------------------------------

£

<b>Clarity on NLBP lease commitments</b>	581,000
Building 4 (half year FYE of rental after initial lease period)	
<b>Green Waste - Grant fallout London Recycling Fund</b>	248,000
Cabinet Resources 28 July 2004. Green waste report.	
<b>ECT contract</b>	465,000
Agreed Cabinet Resources month 6 monitoring	
<b>Street Lighting</b>	340,000
Re-instate one-off 05/06 cut in 06/07	
<b>Customer Care - ongoing revenue cost of restructure</b>	150,000
Barnet House reception project. Additional staff requirements arising from project subject to capital works. DPR Barnet House remodelling of reception 6.	
<b>CCTV (05/06 and 06/07)</b>	60,000
Cabinet 26 September 2005 - net of efficiencies	
	<b><u>1,844,000</u></b>

## 2005/06 GENERAL FUND BUDGET

The following figures are provided to help readers to understand the budget headline figures and the service budgets they form part of. The Council has restructured several of its services during 2005/06 including Cultural Services which has been largely amalgamated into Education. These changes will be fully reflected in the 2006/07 budget figures presented to Council in March 2006.

	Net Budget * £
Adult Services	70,257,120
Borough Solicitor	2,793,430
Borough Treasurer (incorporated in Resources)	8,126,130
Central Expenses	12,585,680
Children & Families	25,993,880
Cultural Services (mainly transferred to Education)	12,408,280
Education	193,725,580
Environmental Services	23,916,140
Highways & Design	5,456,470
Housing	5,167,290
Human Resources (incorporated in Resources)	1,299,150
Information Systems (incorporated in Resources)	6,118,540
Planning	680,080
Property & Valuation (Incorporated in Resources)	11,860
Public Offices	3,729,120
Resources	87,550
Strategic Development	407,600
Strategic Directors & Corporate Support	2,338,330
<b>Total Service Expenditure</b>	<b>375,102,230</b>
Net Reserves, Balances, Formula Grant and Collection Fund Adjustments	(240,930,170)
<b>2005/06 Council Tax Requirement (as Council Headline Summary)</b>	<b>134,172,060</b>

\* The Net Budget is expenditure less specific government grants and local income from fees and charges

## Housing Revenue Account

£

### Budget Increases

**Additional Costs of SLAs with the Council** 500,000

Costs have yet to be finalised, but it is expected that the HRA will have to bear a substantial increase in the charges

**Loss of Dwelling Rent Income** 300,000

As dwellings are sold through RTB the income base continues to decline.

**Reduction in non-dwelling rents** 120,000

Budget reduced to reflect actual levels of income achieved 2004/05 and currently

**Loss of Subsidy** 205,000

Based on the draft subsidy determination, for which the consultation period closed on 12 December, the amount to be paid over to the ODPM will increase substantially. This should be mitigated to some extent by a rent increase compensation amount. Rents are to be capped at 5%, whilst the rent income element of subsidy is 8%.

**Increased Cost of Capital Financing** 1,543,000

Additional financing costs, consequent upon increased capital spending. This is offset within the housing subsidy calculation

**Increased cost of Pensions** 41,000

Effect of increased employers contributions on HRA

**Reduced Supporting People Income** 15,000

Effect of reduced allocation of Supporting People funding

**2,724,000**

## Housing Revenue Account

£

### Budget Efficiencies / Reductions

**Increase in Leaseholder Income** (200,000)

This reflects the actual levels of income achieved for the current and last year

**Reduction in cost of Rent Rebate Subsidy Limitation** (175,000)

Reduction in budget provision based on 2004/05 outturn and current performance

**Increased Contribution from Balances** (1,069,000)

The 2005/06 budget was drawn up assuming that a contribution to balances of £635k would be made. For 2006/07 balances of £434k must be made available to meet spending needs.

**Net Effect of Inflation on HRA** (1,291,000)

The rent increase itself can be no more than 5% and this provides a greater amount of income to the HRA than is absorbed through the effects of inflation on items of expenditure.

**(2,735,000)**