

Explanatory Note

Barnet Liberal Democrats propose a referendum on raising Council Tax above the current threshold. They have prepared the following pages as an aid to understanding the potential effect of their proposals.

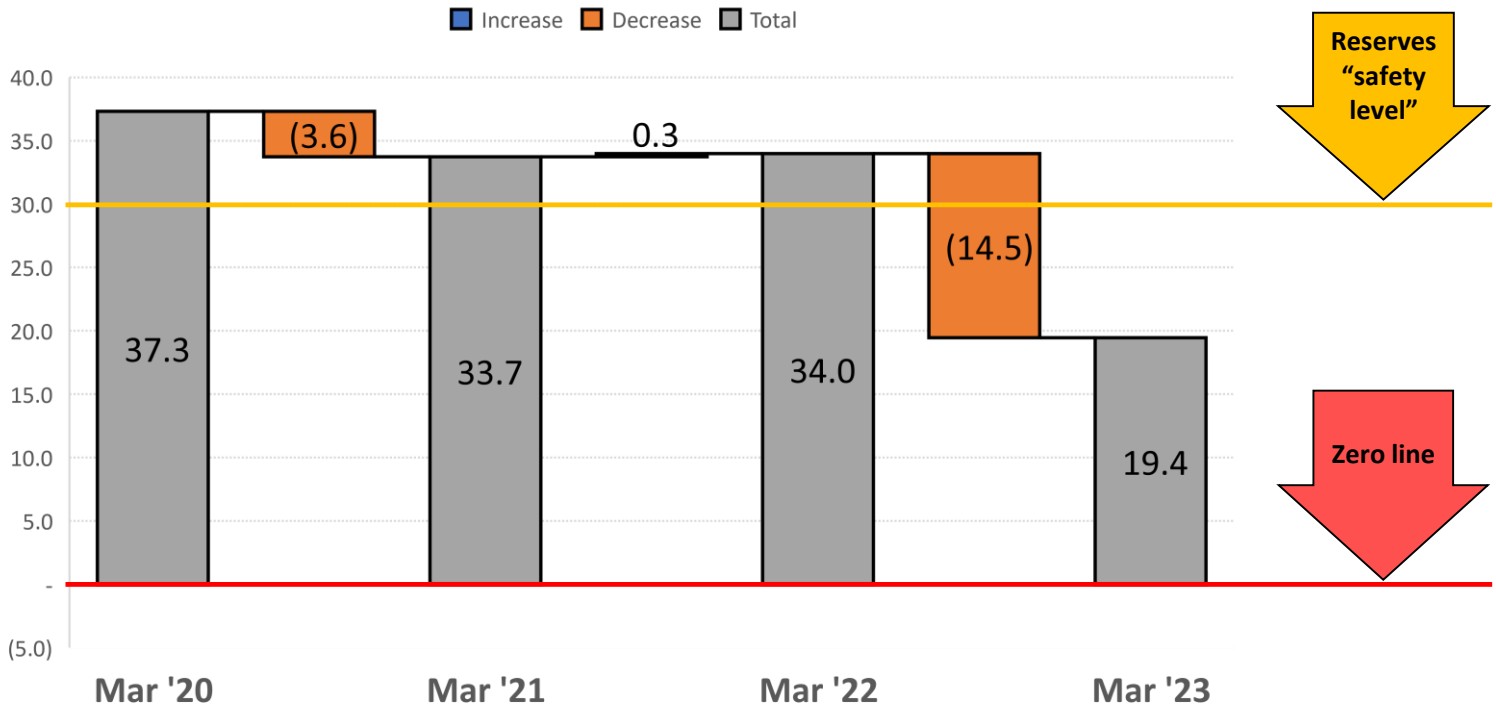
The Barnet Liberal Democrat Group believes that the Council's financial position has reached a point where it is necessary for a wholesale review of both future cost pressures and potential future cost savings plans. All savings that are proposed must be rigorously and objectively analysed for achievability. At the conclusion of this review, the appropriate level of council taxes should be determined and a referendum held.

In our illustrative example on the following pages, the increases in Council Tax and Social Precept that the Conservative Group has planned for 2022-24 are brought forward, to the financial year ended March 2022. An Emergency Reserve is then set up to help the council manage its austerity-driven revenue shortfall.

These calculations have not been audited by council officers. They are illustrative and do not form part of the Liberal Democrat amendment.

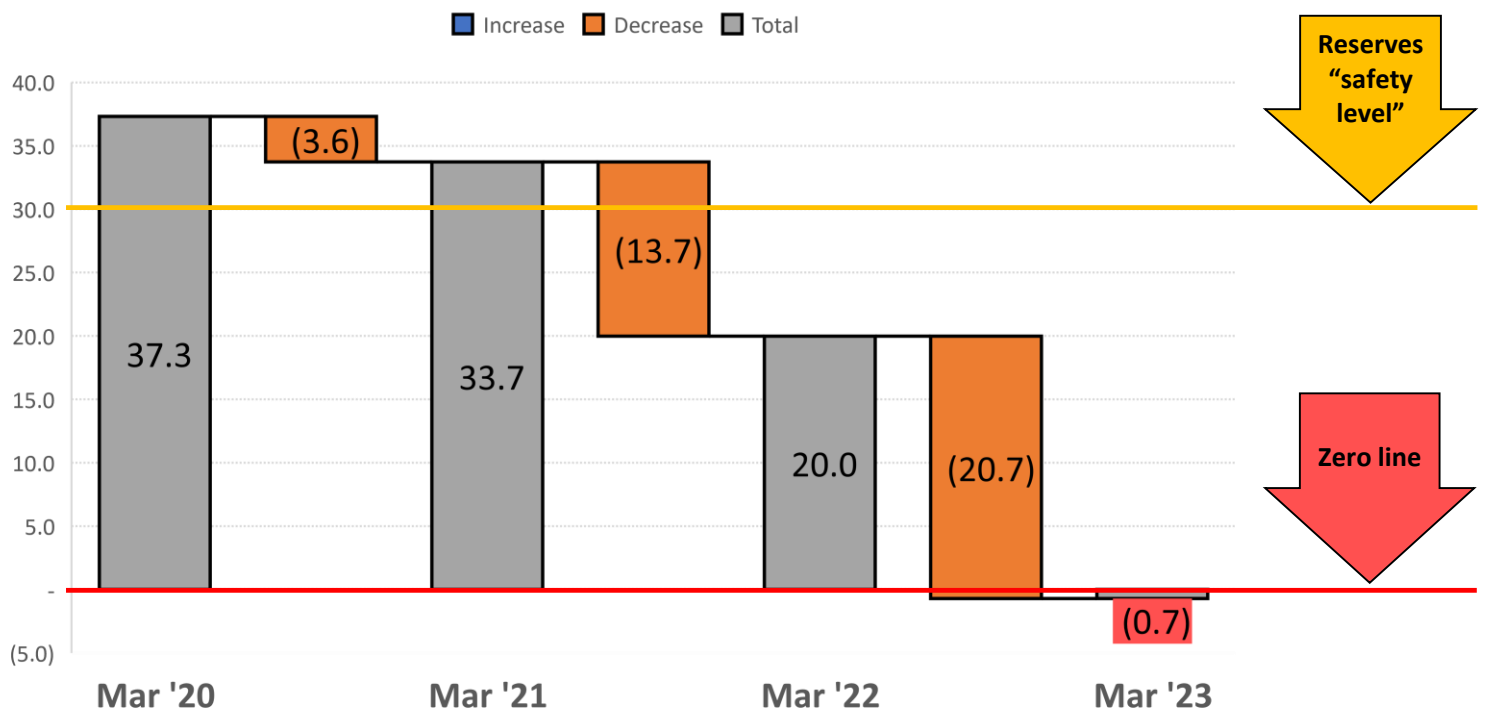
Barnet Liberal Democrats will tackle budget pressures effectively

Movement in earmarked non-ringfenced revenue reserves, projection
Liberal Democrat Emergency Budget plan



Without radical action, Conservative (and Labour) plans will put Barnet on course for an unsustainable collapse in reserves – well before the next election

Movement in earmarked non-ringfenced revenue reserves, projection
Conservative/Labour plan



Barnet Liberal Democrats: 2020/21 Budget and Illustrative MTFS

£m	YE Mar 21	YE Mar 22	YE Mar 23	YE Mar 24	YE Mar 25
Summary					
Resources vs Expenditure (Summary)					
Resources	309.2	331.4	334.5	337.4	347.9
Expenditure	309.2	329.8	347.7	363.6	386.9
Net Surplus/(Deficit)	0.0	1.6	(13.2)	(26.2)	(38.9)
Funded from reserves	-	(1.6)	1.6	-	-
Net Surplus/(Deficit) after reserves	0.0	-	(11.6)	(26.2)	(38.9)
Budget					
Forecast Expenditure					
Base Expenditure Budget	300.5	309.2	329.8	347.7	363.6
Inflation - Pay	2.5	2.6	2.6	2.7	2.8
Inflation - Non Pay	3.4	3.7	3.8	3.8	3.9
Capital Financing Costs	(2.0)	1.5	0.8	(0.8)	-
Public Health	-	-	-	-	-
North London Waste Authority levy	1.0	1.0	1.0	1.0	1.0
Pension deficit recovery contributions	0.5	0.5	0.5	0.5	0.5
Statutory / Cost Drivers Sub Total	5.4	9.2	8.7	7.3	8.2
Council Tax Referendum	0.6	-	-	-	-
Contingency - general risks	3.2	6.6	6.2	5.7	8.0
Transfer to smoothing reserve	-	-	-	-	-
Service Pressures and Growth - MTFS	16.3	9.6	8.6	7.8	7.9
Council Tax Support Discretionary Relief	-	1.4	-	-	-
Concessionary Fares / Other Levies	-	-	-	-	-
Service Expenses sub total	20.2	17.6	14.8	13.5	15.9
IBCF & Adult Social Care grant	-	-	-	-	-
Public Health Grant increase	0.5	-	-	-	-
London Crime Prevention Fund	-	-	-	-	-
Flexible Homelessness Support Grant	0.0	-	-	-	-
Special Educational Needs & Disability	-	-	-	-	-
Independent Living Fund	-	-	-	-	-
Grant Income grossed up	0.5	-	-	-	-
Total Forecast Expenditure (prior to 2020 savings/additions)	326.5	336.0	353.3	368.5	387.8
Forecast Resources					
Business Rates (inc. S31 Grants)	40.1	33.4	34.0	34.7	34.7
Collection Fund Smoothing Reserve Implementation	-	-	-	-	-
Business Rates Top Up / (Tariff)	19.8	26.7	27.3	27.8	27.8
RSG	6.3	3.8	3.8	3.8	3.8
London net pooling benefit with no SIP	0.5	-	-	-	-
New Formula Grant Subtotal	66.6	64.0	65.2	66.3	66.3
CT Income	184.7	209.7	215.7	217.4	223.5
SC Precept	3.6	3.8	-	-	4.4
Council Tax Income	188.3	213.5	215.7	217.4	227.9
CT Collection Fund Contribution	-	-	-	-	-
PFI Credit	2.2	2.2	2.2	2.2	2.2
New Homes Bonus	10.1	10.1	10.1	10.1	10.1
Housing and CT Benefit Admin	1.8	1.6	1.3	1.3	1.3
Public Health	17.2	17.2	17.2	17.2	17.2
London Crime Prevention Fund	0.1	-	-	-	-
Flexible Homelessness Support Grant	4.3	4.3	4.3	4.3	4.3
Special Educational Needs & Disability Grant	-	-	-	-	-
Social Care (ASC and CSC)	7.8	7.8	7.8	7.8	7.8
ASC Grant / IBCF	9.3	9.3	9.3	9.3	9.3
Independent Living Fund	1.3	1.3	1.3	1.3	1.3
Other funding subtotal	54.3	53.9	53.7	53.7	53.7
Total Income from Grant and Council Tax	309.2	331.4	334.5	337.4	347.9
Budget gap before 2020 savings	(17.3)	(4.6)	(18.8)	(31.1)	(39.9)
Savings Proposals identified (Green & Amber)	17.3	6.3	5.5	4.8	0.9
Proposed savings	17.3	6.3	5.5	4.8	0.9
Budget gap after 2020 savings	0.0	1.6	(13.2)	(26.2)	(38.9)
Contributions (to)/from reserves					
Emergency Reserve to Manage Austerity	-	(1.6)	1.6	-	-
Collection Fund Smoothing Reserve Implementation	-	-	-	-	-
Reserve to Fund discretionary relief for CTRS	-	-	-	-	-
Reserve to fund increased investment in Streetscene	-	-	-	-	-
Specific reserves contribution	-	-	-	-	-
Total reserves (increases)/drawdowns	-	(1.6)	1.6	-	-
Total funding surplus/(deficit)	0.0	(0.0)	(11.6)	(26.2)	(38.9)
Incremental gap	0.0	(0.0)	(11.6)	(14.6)	(12.7)
Council Tax					
Council tax requirement	188.3	213.5	215.7	217.4	227.9
Council tax base (household Band D #s for CT)	147,813	149,130	150,636	151,858	153,090
LBB CT ex-GLA	£ 1,273.77	£ 1,431.72	£ 1,431.72	£ 1,431.72	£ 1,488.85
LBB CT ex-GLA, calculated check	£ 1,273.77	£ 1,431.72	£ 1,431.72	£ 1,431.72	£ 1,488.85
%age increase	1.99%	10.40%	-	-	1.99%
LBB precept delta	£ 24.38	£ 132.47	£ -	£ -	£ 28.49
%age increase	2.00%	2.00%	-	-	2.00%
Social Care precept delta	£ 24.50	£ 25.48	£ -	£ -	£ 28.63