

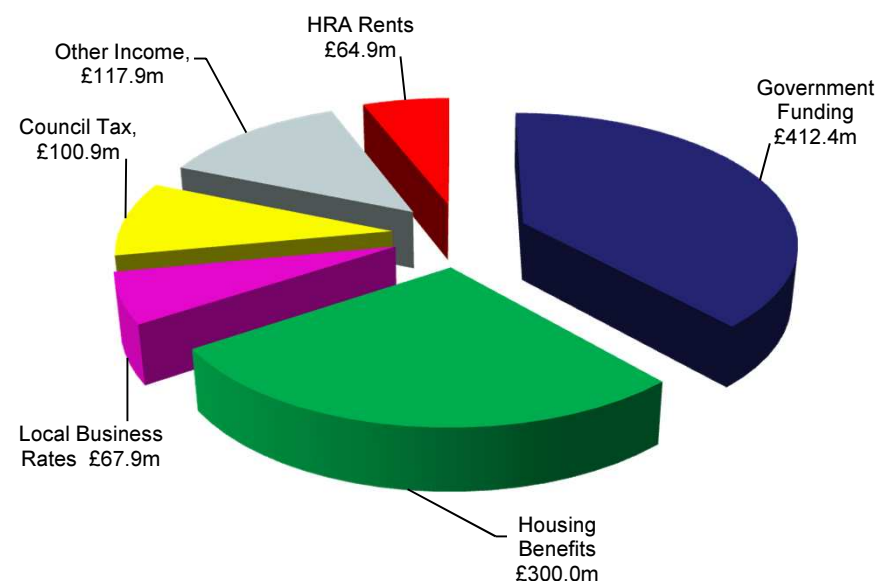
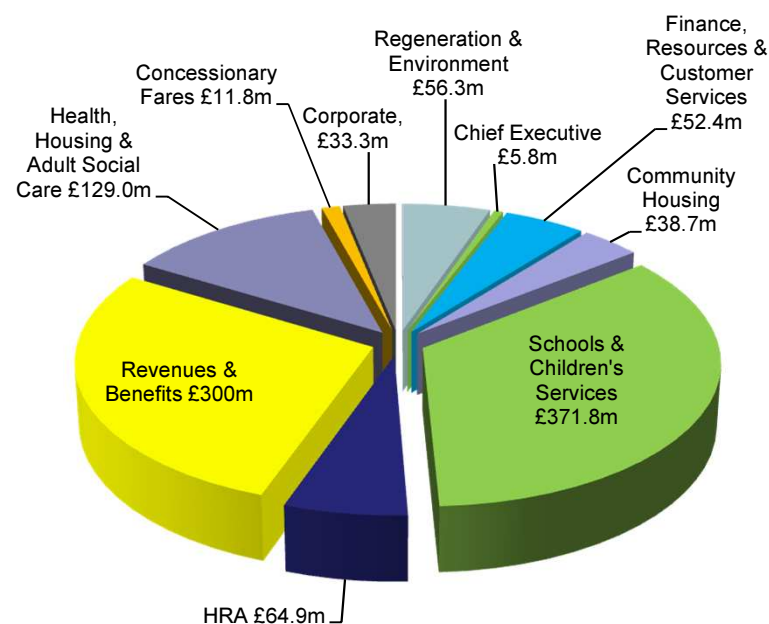
Budget Consultation Health and Wellbeing Board

2016/17

Agenda

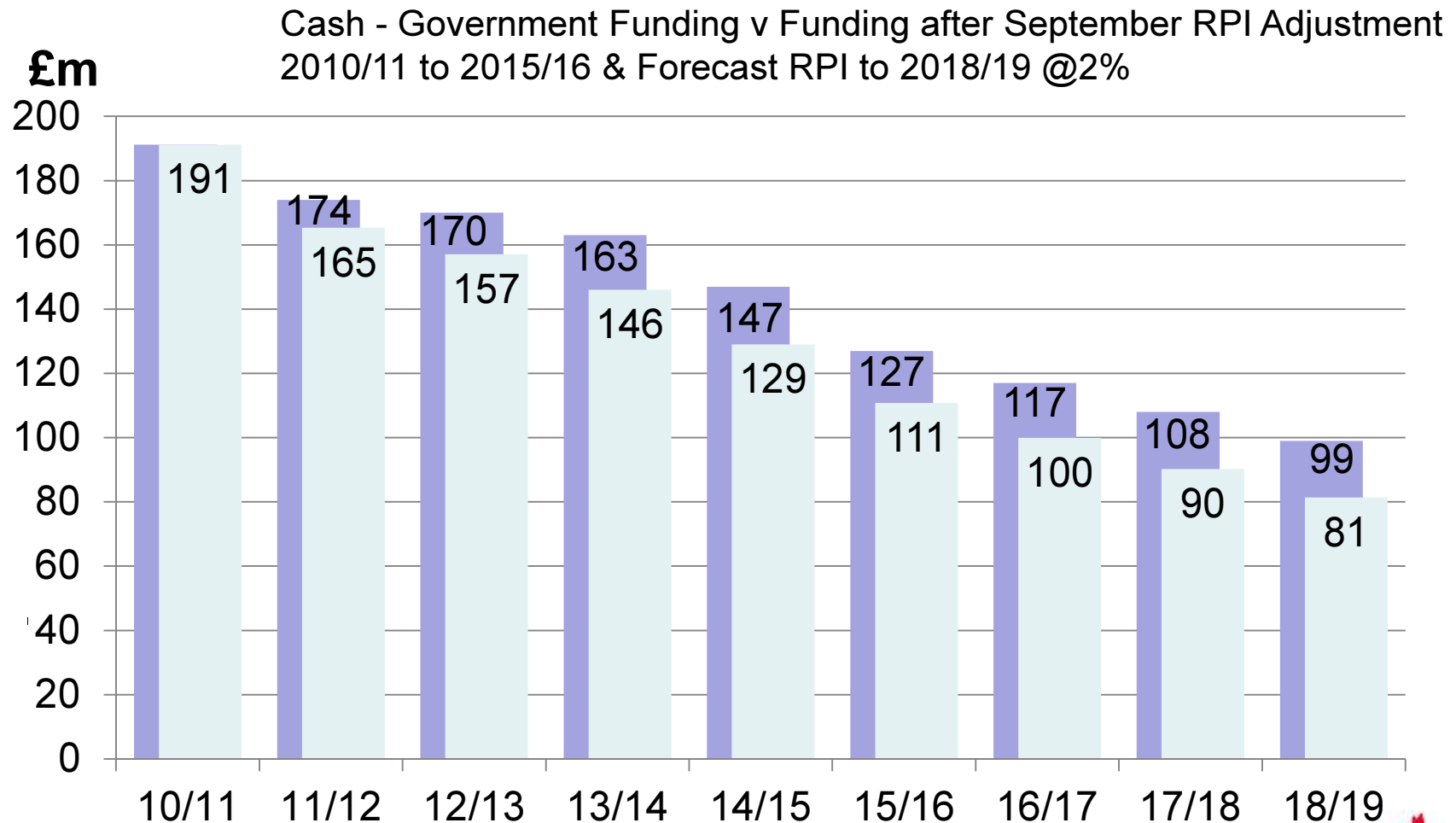
- Where the Council's money comes from and where it is spent
- Our approach to financial management
- Pressures and risks
- Budget Gap
- Council Services included in the consultation
- Council Tax information
- Questions

Council Spend and Income 2015/16 (£m's)



Gross Expenditure £1.064bn or
£1,064,000,000

Government Core Funding Reductions 2010/11 to 2018/19



Note: Figures excludes the specific grants of Dedicated Schools Grant, Public Health Grant and New Homes Bonus

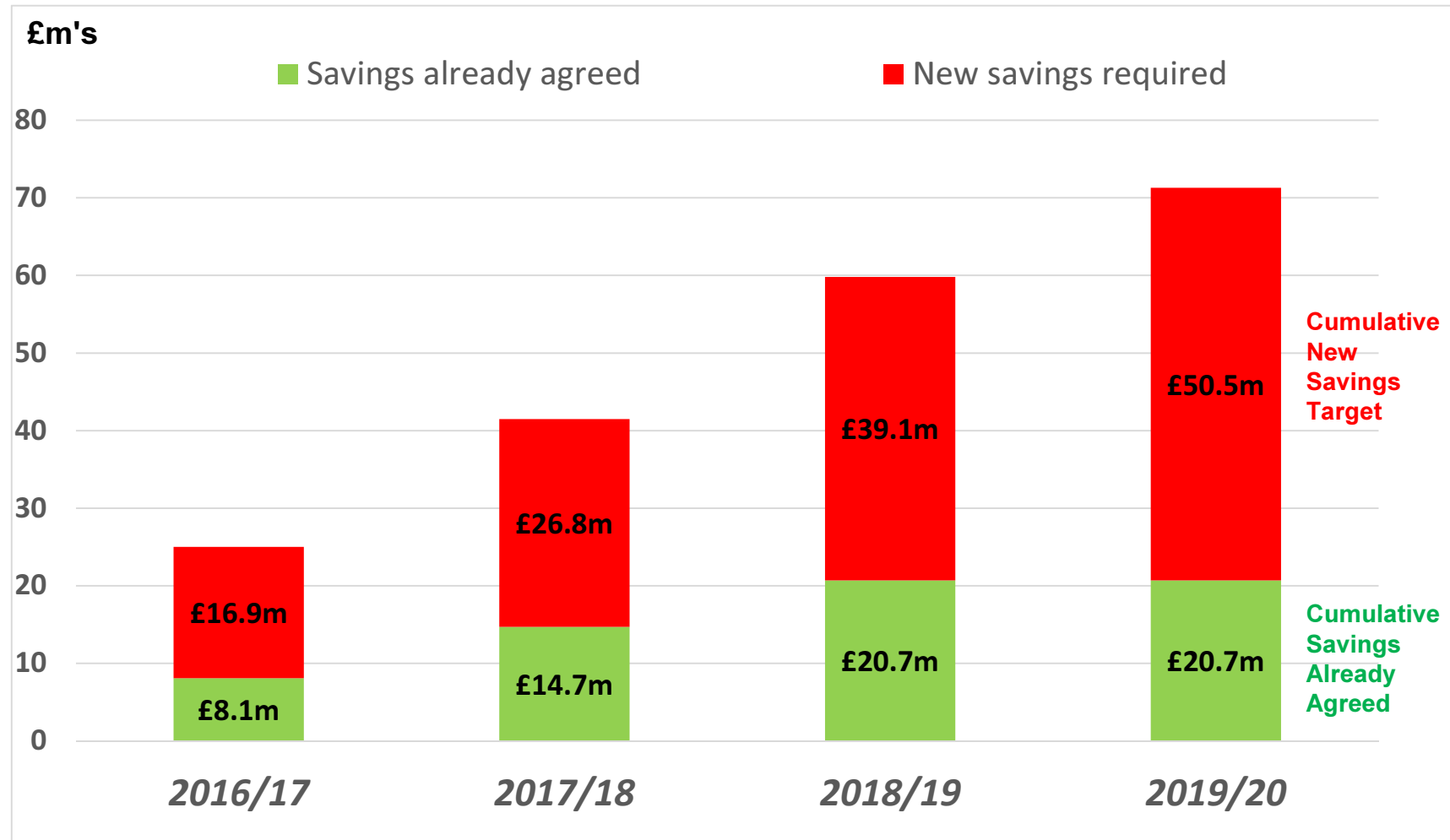
Our Approach to Financial Management

- Medium Term Financial Plan:
 - Looks four years ahead
 - Gives as much stability and certainty as possible
 - Brings together all the Council's day to day finances
 - Aiming to put in place a plan to deliver a balanced budget for a four year period
- Firm control on finances:
 - Helps to focus on choices which need to be made
 - Enables delivery of services with minimum interruption

Pressures and Risks

- Spending Review 2015 & Financial Settlement – further Central Government spending cuts.
- Care Act 2014 – potential increase in care costs and additional responsibilities for the Council which are not fully funded.
- Demographics – increase in demand for Council services due to population growth as well as an ageing population
- Borrowing – increases in costs for new borrowing for capital investment (e.g. schools, roads and public realm).
- Inflation / pay – increased cost of running services.
- Upturn in property market – increase in the level of rents paid to landlords for temporary accommodation but not funded by Government under new welfare arrangements.

Cumulative Savings Targets over the Period of the Financial Plan



Note that Budget Pressures over the period 2016/17 to 2019/20 total £71.2m. Saving of £20.7m have already been made from Enfield 2017 (back office savings) and the full year savings effect of prior year decisions, and these are being implemented. Therefore the remaining Savings Target is £50.5m to be met from new savings.

Government Spending Review 2015

25th November 2015

- Government's public spending plans for next four years to 2019/20
- High level so will not know full details for Enfield until the Local Government Finance Settlement in December
- Core central government funding to local government will fall by 24%*
- Including forecasts of other income raised locally by councils, the overall position is a 6.7% reduction*
- Councils to retain 100% of their business rates income (only 50% at the moment) but more work needs to be done to determine the impact of this and the funding reductions on Enfield's current financial plans and saving targets.

* Source: Local Government Association real term percentage over four years to 2019/20

Service areas included in consultation

Savings are being considered from all service areas including:

- Adult Social Care
- Health & Housing
- Services for Children & Young People
- Environment & Regulatory Services
- Neighbourhood & Street Scene
- Regeneration
- Parks, Open Spaces, Leisure & Culture

Summary of Council Tax Options

Options	Potential Saving	Potential Saving	Potential Saving	Potential Saving
	2016-17	2017-18	2018-19	2019-20
	£m	£m	£m	£m
Council tax Increases: Council tax has been frozen since 2010/11 The Council's financial plan currently assumes a council tax increase of 1% in 2016/17 and this is included in figures shown in slide 7 (Budget Gap). Higher increases would generate additional savings as follows: Increasing Council Tax by 1.99% each year would bring in an additional : Increasing Council Tax by 3%* each year would bring in an additional :	1.0	2.0	3.0	4.0
	1.5	3.5	5.5	7.5

*To increase Council tax above 1.99% currently requires a referendum of the local electorate at an estimated cost of £500k. This option includes the cost of the referendum. Lead in time to organise a referendum make it unlikely to be a viable option for 2016/17 unless done retrospectively which incurs a risk of a no vote which would result in re-billing and the associated costs.

Questions?

Budget Consultation (1)

- What are your thoughts on whether the Council should consider raising the level of Council Tax in order to protect services?
- If the Council were to increase Council Tax, by how much do you think it is reasonable for the authority to increase it in order to protect some services?

Budget Consultation (2)

- What are your thoughts on whether the Council should introduce or increase charges for some of the services it provides?
- What other options should the Council explore to help make the anticipated savings of £50mil. by 2019/20?