

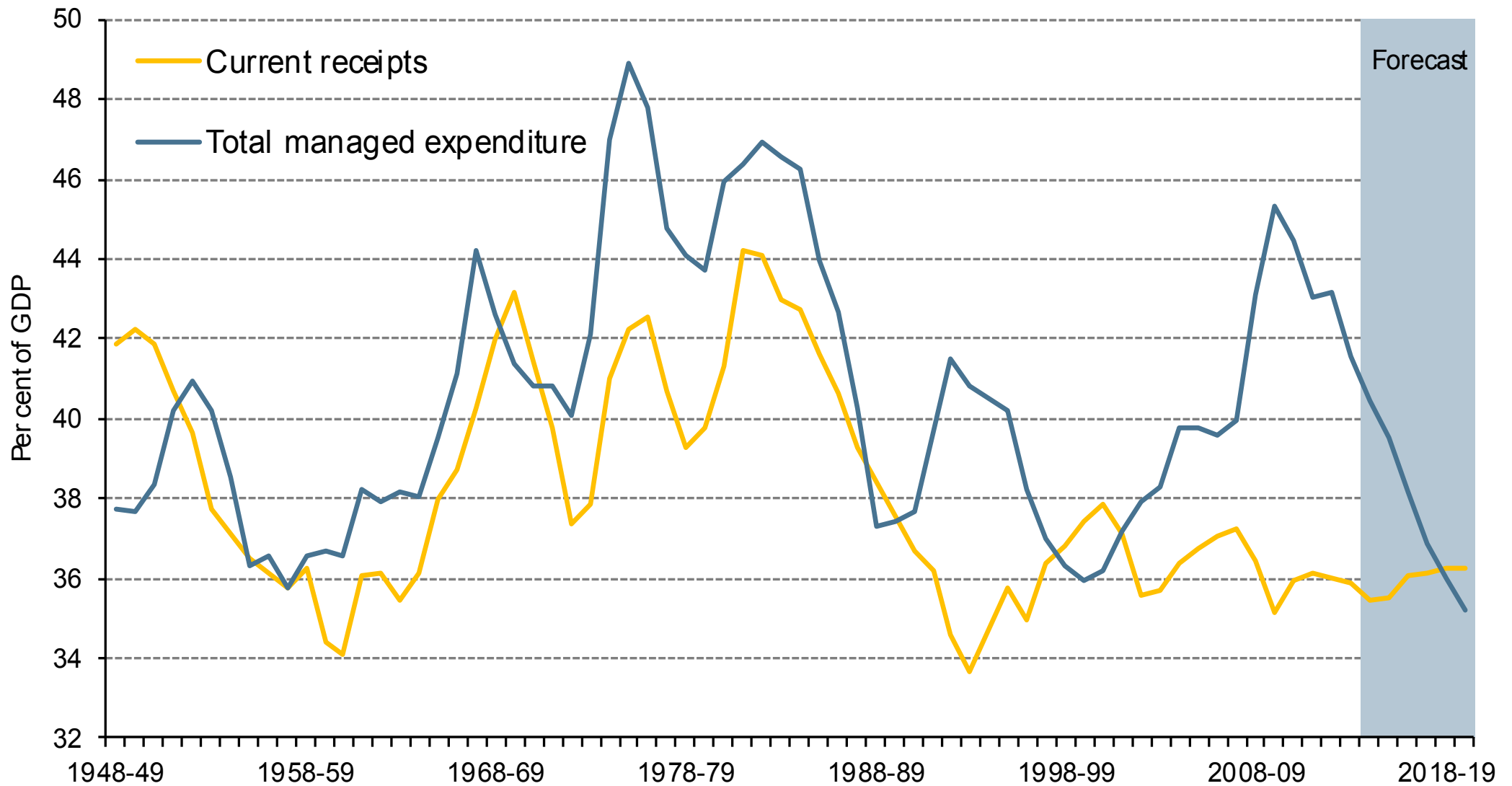
# **THE PROPOSED BUDGET 2016-17**

**Scrutiny & Strategic Overview Committee**  
**15<sup>th</sup> December 2015**

# Austerity – the impact so far

*Richard Simpson*

# Balancing the National Budget

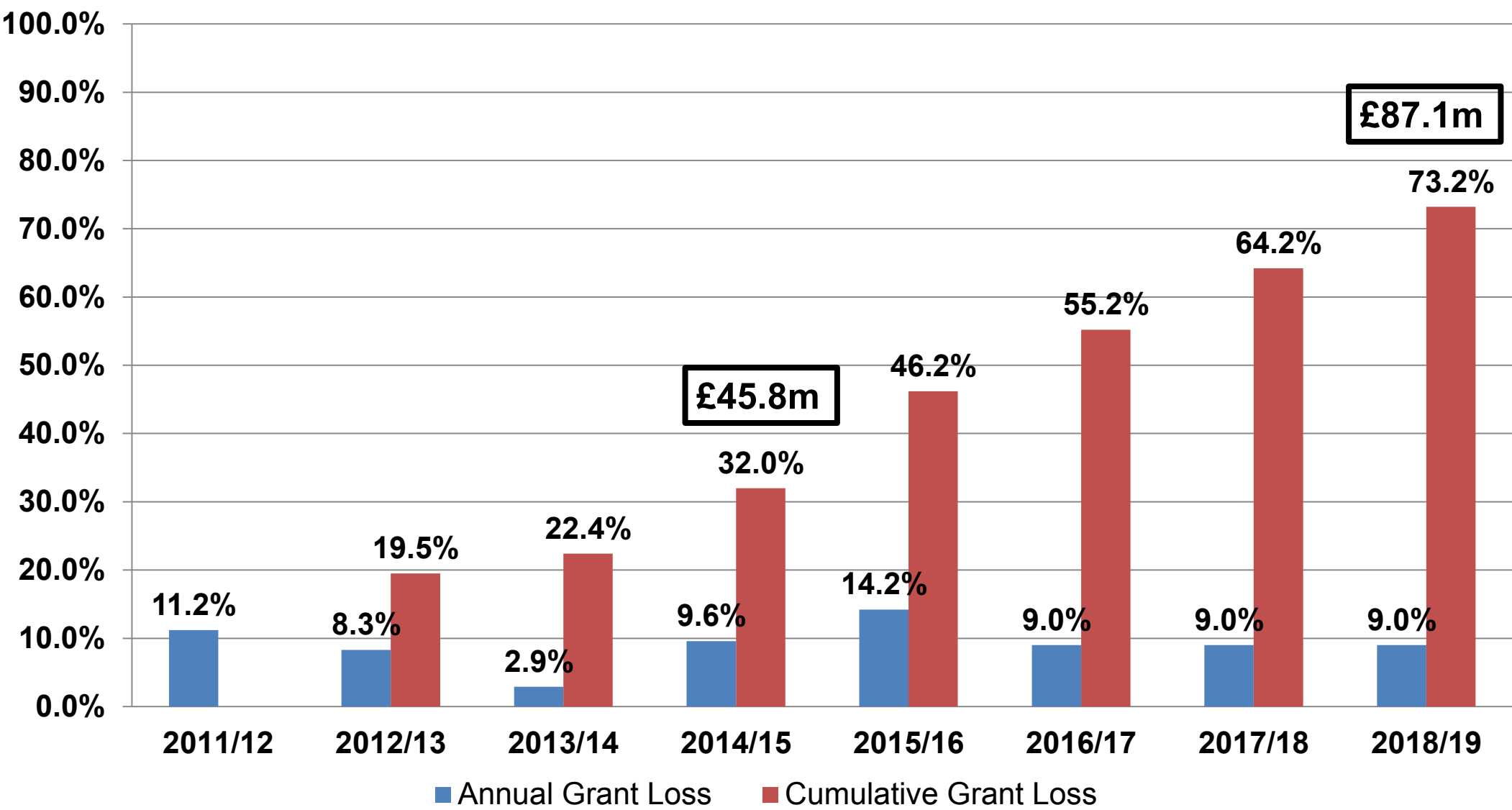


Source: ONS, OBR

# Impact on Government Departments

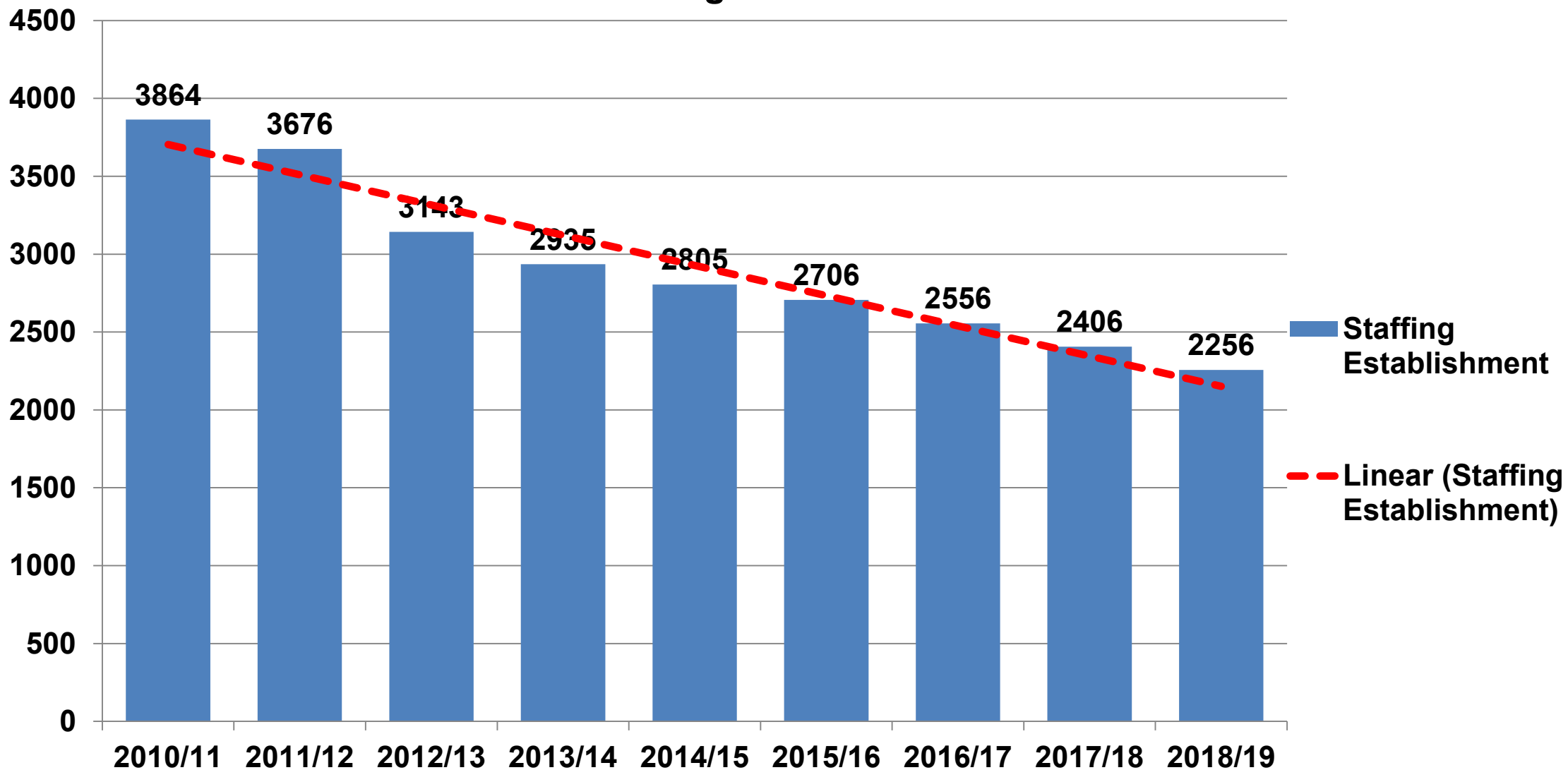
	2015/16	2016/17	2017/18	2018/19	2019/20	%
	£bn	£bn	£bn	£bn	£bn	Change
Defence	27.2	27.8	28.5	29.2	30.0	10%
Home Office	10.3	10.7	10.6	10.6	10.6	3%
Health	111.6	115.6	118.7	121.3	124.1	11%
Work and Pensions	5.8	6.1	6.3	5.9	5.4	-7%
Education	53.6	54.4	55.5	56.4	57.1	7%
Business, Innovation & Skills	12.9	13.4	12.3	11.7	11.5	-11%
Justice	6.2	6.5	6.3	5.8	5.6	-10%
DCLG Local Government DEL	11.5	9.6	7.4	6.1	5.4	-53%

# Grant loss for Croydon



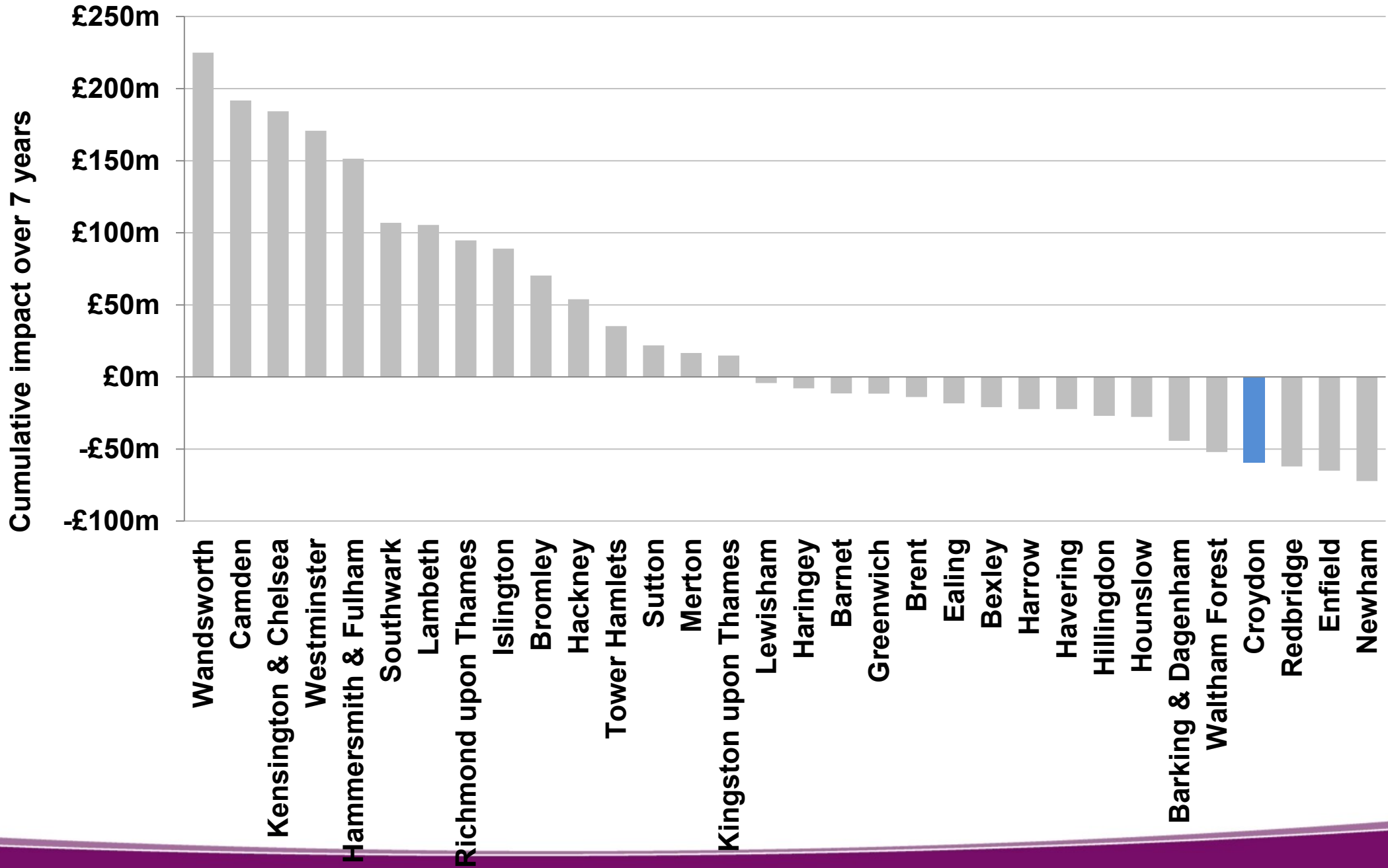
# Staffing Impact

Staffing Establishment



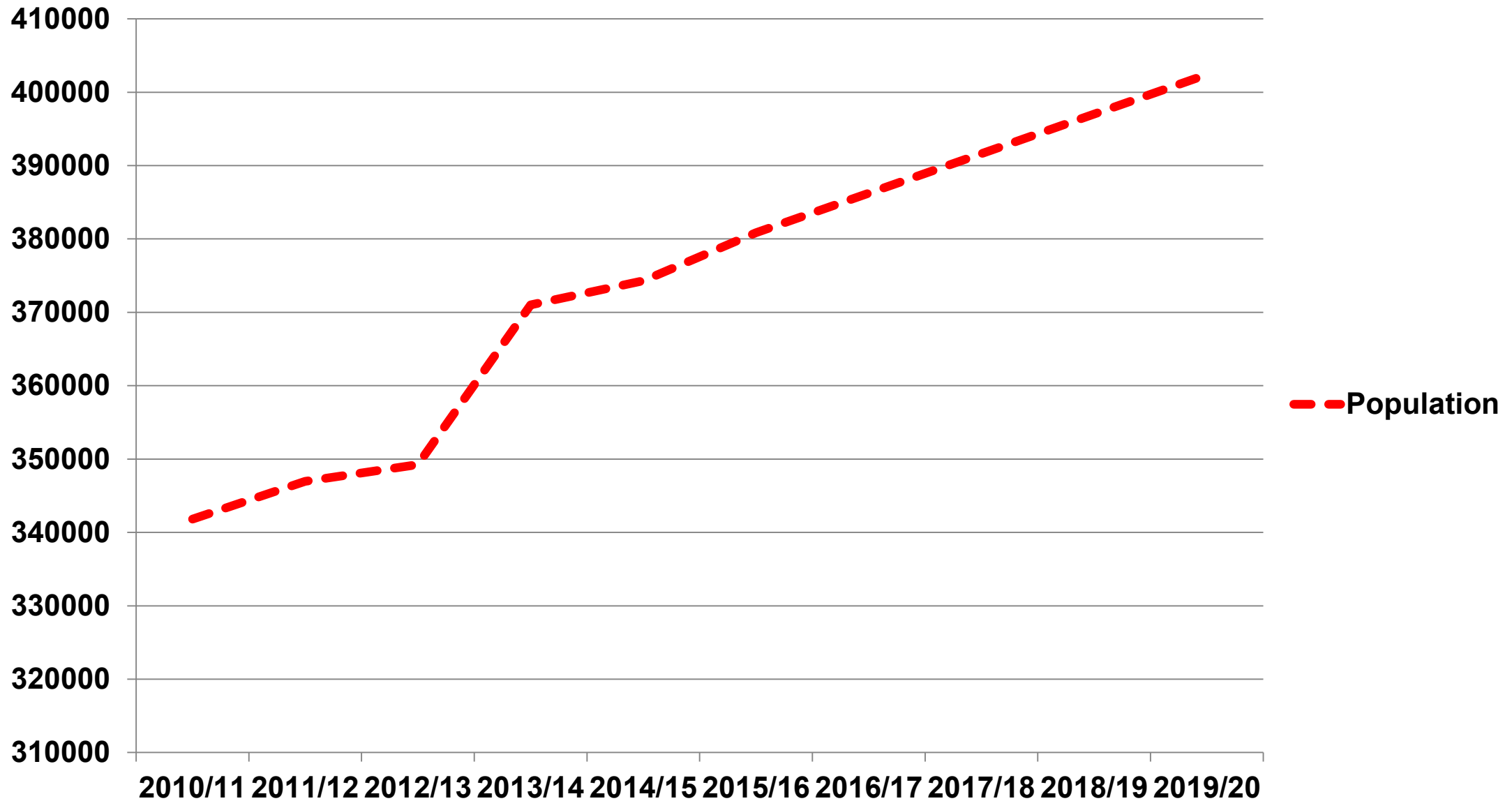
# Damping of Need in London

Cumulative gain / loss due to damping, 2013/14 to 2020/21



# Population Projections 2019/20

## Population





# Settlement Update/Comprehensive Spending Review

*Richard Simpson*

# CSR Summary for Local Government

## Funding announcements:

- A reduction of £6.1bn or 53% in cash funding between 2015/16 (£11.5bn) and 2019/20 (£5.4bn)
- Additional funding for Social Care
  - A 2% council tax 'precept'
  - £1.5bn added to BCF by 2019/20
- Reform to New Homes Bonus
  - Potential move to 4 years and changes to percentage shares
- Public Health Grant reduced by 3.9% p/a real terms
- £600m reduction in Education Services Grant
- Proceeds from asset sales to fund revenue costs of reform

# CSR Summary for Local Government

## Structural finance announcements

- We are “in the middle of a revolution in funding for local government” (IFS)
- Changes to local government finance system to rebalance support (consultation)
- New structure to New Homes Bonus (consultation)
- By end Parliament, 100% retention of all business rates (consultation)
  - End to RSG and other grants (e.g. Public Health)
  - New responsibilities (e.g. HB admin)
- New national funding formula for schools (consultation)

# Financial Strategy 2017/20

	2017/18 £m's	2018/19 £m's	2019/20 £m's	Total £m's
Grant Loss	15.0	12.0	6.0	33.0
Inflation	2.5	3.5	3.5	9.5
Pensions	0.7	0.7	0.7	2.1
Interest costs	1.3	1.3	1.3	3.9
<b>Funding Gap</b>	<b>19.5</b>	<b>17.5</b>	<b>11.5</b>	<b>48.5</b>
Savings identified to date	(14.2)	(1.1)	0.0	(15.3)
Remaining gap	5.3	16.4	11.5	33.2

# Growth Pressures

Issue	Amount £m's
<b>Learning Disability</b> – includes increase demand and complexity and legislation changes	2.8
<b>Older People</b> – Domiciliary care	3.0
<b>Temporary Accommodation</b>	0.5
<b>SEN Transport</b>	1.0

# Budgetary Risks

Issue	Mitigations
<b>Demand areas of People department</b>	<p>A number of elements of work are underway to manage this more effectively this include;</p> <p>Top 50 Families review Adult Social Care transformation programme Demand Management programme</p>
<b>UASC grant</b>	<p>We remain in dialogue with the Home Office on the ongoing level of funding Croydon require to meet national policy in relation to UASC</p>
<b>Major transformation programmes</b>	<p>There are a number of council wide projects that require the appropriate leadership and resource to deliver. These are being managed via the ELT.</p>

# Strategic Savings

Savings Options 2016/17	Amount £m's
Green Garden waste	1.6
Asset Management	1.5
Parking	1.0
Digital and Enabling	0.85
Recovery of monies from CCG/CUH	0.75
ICT Contract	0.55
EIB Loan	0.50
Eyes and Ears	0.48
FM Contract	0.45
In House Bailiff service	0.30

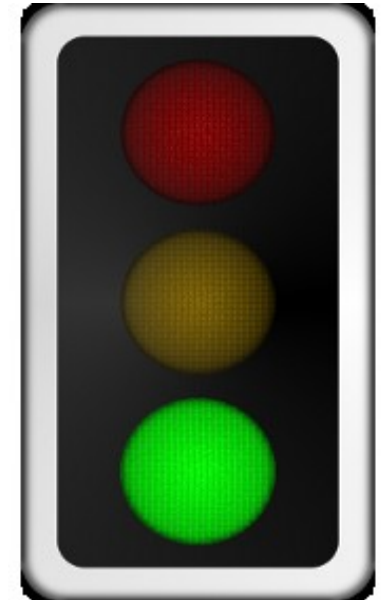
# The Council of the Future?

*Nathan Elvery*



# Strong foundations to build on...

- **75%** satisfaction with Croydon as a place to live
- **72%** identify strongly with Croydon as a place
- **72%** thought their area would either stay the same or improve in next five years
- **64%** of residents are proud of Croydon
- **64%** of residents thought their area had either stayed the same or improved in the last five years
- **60%** of residents are satisfied with the council
- **60%** of residents think the council keeps them informed about what it does



# With some things to improve...

- **56%** of residents said they were keen to get more involved in their local community (although 45% said they don't have time)
- **54%** of residents trusts the council to take decisions in their interests

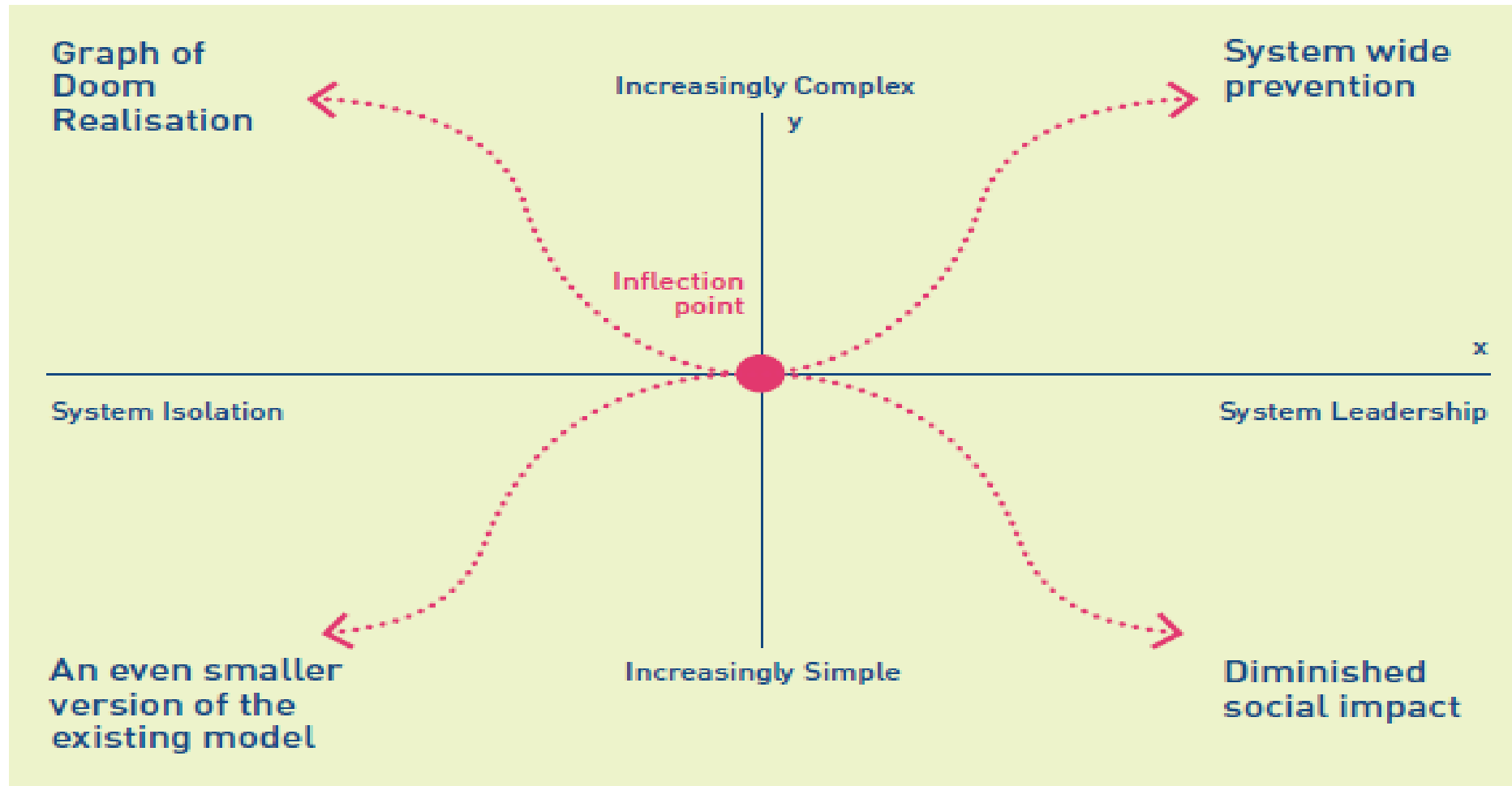


# And things we must work even harder on...

- **44%** of residents think Croydon is a clean place to live
- **41%** of residents agree they can influence decisions affecting their local area
- **32%** of residents noticed an improvement in cleanliness in the 12 months to June 2015



# Strategic Directions For LA's



x = position of LA within local systems  
y = nature of social problems LA exists to resolve

