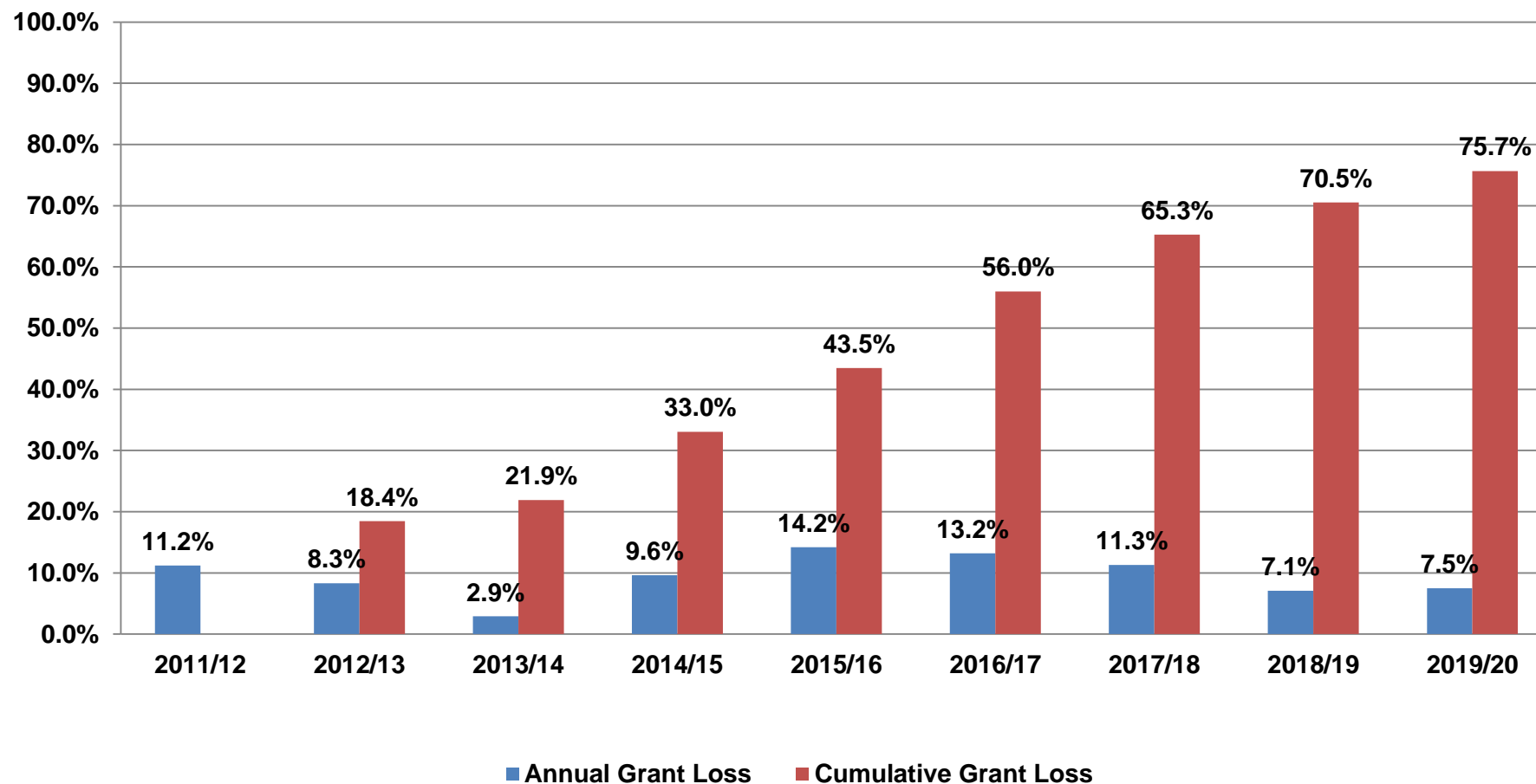


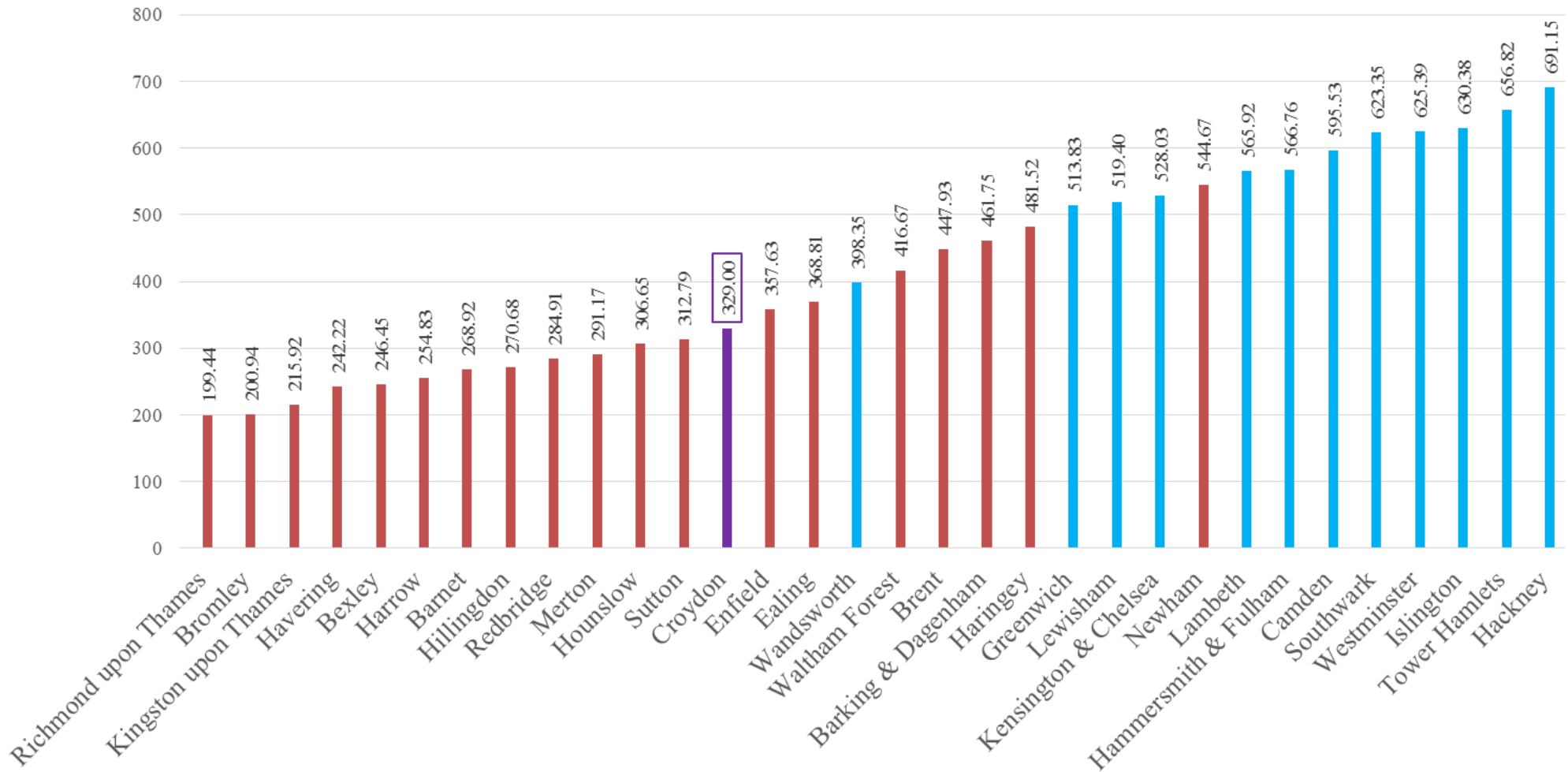
Budget 2018/20 - Update

*Scrutiny Committee –
12/12/17*

Croydon's Grant Reductions 2011/20



Funding Per Head (London)



Based on Authorities core spending power/population

Croydon Funding Per head £329.00

Spending Power for Croydon

	2015-16 £m	2016-17 £m	2017-18 £m	2018-19 £m	2019-20 £m
Settlement Funding Assessment	132.0	114.6	101.7	94.7	87.8
Council Tax	133.4	140.7	147.9	155.5	163.5
Adult Social Care Council Tax Precept	-	2.8	5.9	9.3	13.2
Improved Better Care Fund	-	-	-	3.1	6.3
Transition Grant	-	0.4	0.4	-	-
2017/18 Adult Social Care Sup. Grant	-	-	1.4	-	-
New Homes Bonus	9.9	11.9	8.7	6.5	6.2
Core Spending Power	275.3	270.4	266.0	269.1	277.0
Population	380,368				399,552
Core Funding Per head	£723.77				£693.28
Core Spending Power real terms		266.5	252.0	245.4	244.8
Core Funding Per head real terms	£723.77				£612.66

Where we spend our money?

Resources
/ CEO
£41.8m

Streets
inc Waste
£34.1m

Housing
&
Gateway
£12.3m

Freedom
Pass
scheme
£15.6m

SEN &
SEN
Transport
£16.6m

Pension
Deficit
£8.1m

Children's
£40.6m

Interest &
MRP
£27.2m

Adults
£85.9m

INCOME SOURCES

**Council
Tax
£158.711m**

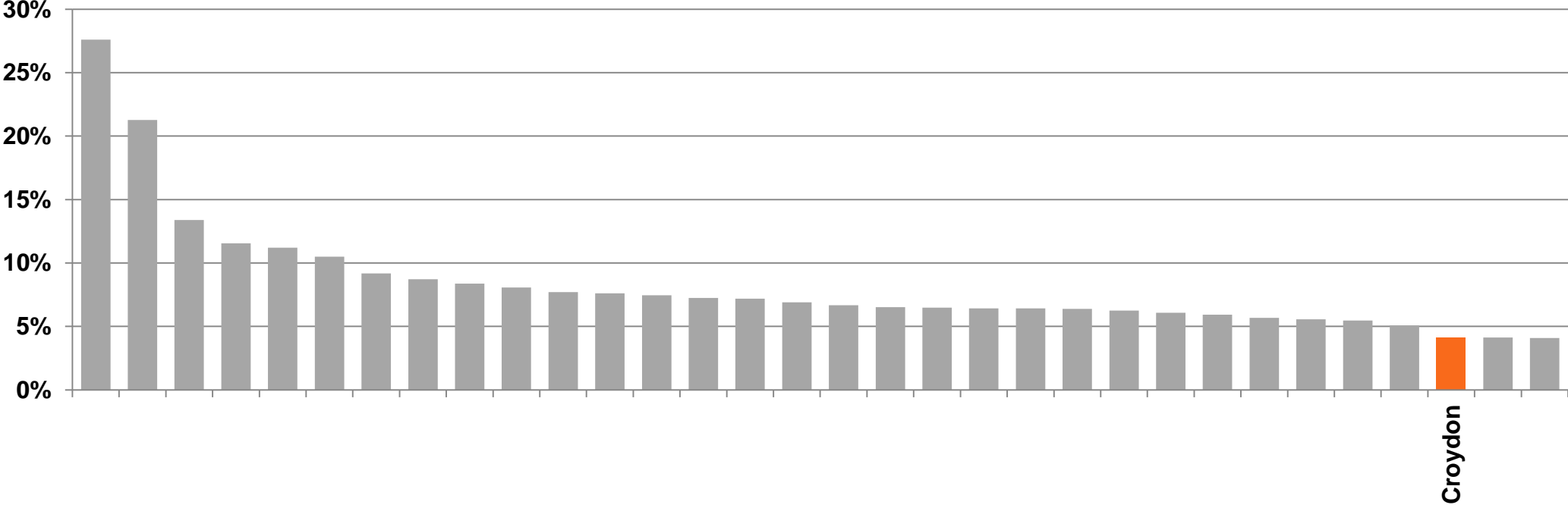
**Grants
£80.85m**

**Business
Rates
£35.306m**

Usable Reserves

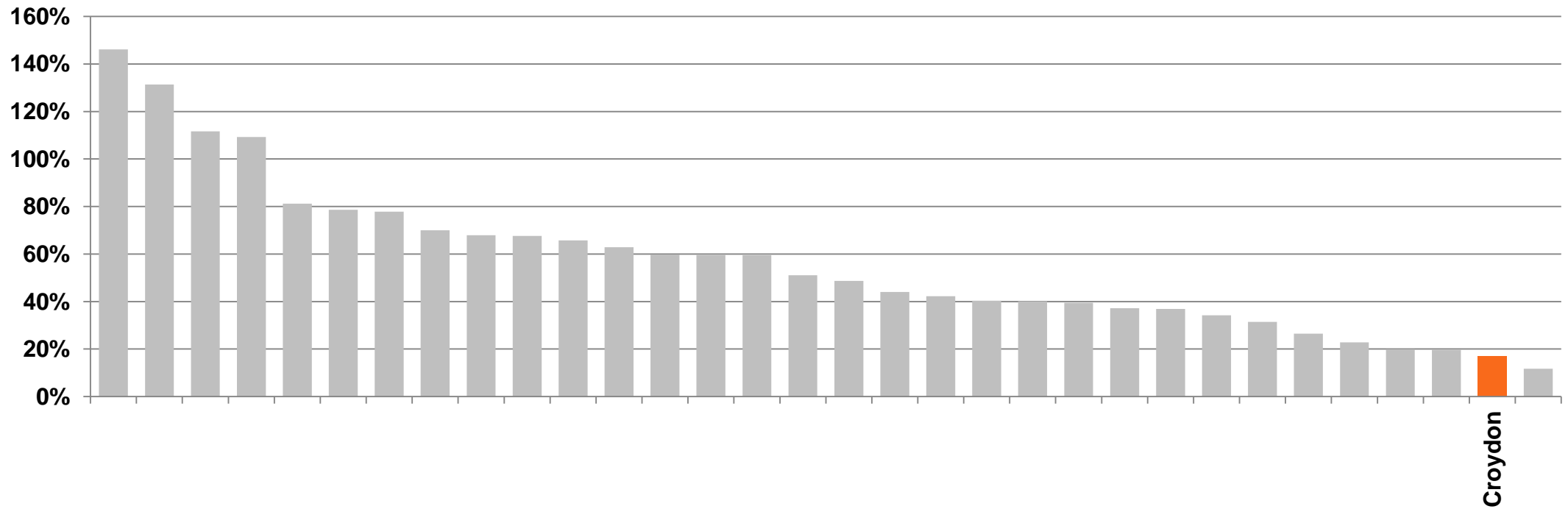
Unallocated reserves are typically equivalent to 4-8% of NBR – with higher variation for total reserves

2017-18 unallocated reserves as % of net budget requirement



Usable Reserves

2017-18 reserves as % of net budget requirement



Budget Update

Key Points

- HRA borrowing cap may increase in 19/20 in areas of high demand
- Empty properties allowed to have 100% council tax premium
- London 100% business rates retention pilot confirmed
- Business Rates -switch from RPI to CPI brought forward to 18/19
- Some Universal Credit changes

No mention of

- Children's Social Care
- Adults Social Care
- Change to funding formula
- Local housing allowance changes
- Funding for fire safety works
- Funding for high needs

Context/Challenges

- Funding cuts
- Significant population and need increase
- Chronic underfunding of adults and children's social care
- Underfunding of health services in Croydon, notably mental health
- Ofsted funding
- Welfare reform
- UASC underfunding of gateway authority and failure of Home Office, including Immigration Act
- Housing issues (borrowing cap, fire safety)
- Lack of funding for new schools and increasing SEN costs
- Unfunded pay pressures

Financial Position – 2017/18 – Q2

Department	Quarter 2 Forecast Variance	Quarter 1 Forecast Variance
	£'000s	£'000s
People	4,694	1,906
Place	0	(255)
Resources	396	1,994
Chief Executives	750	450
Council wide recruitment freeze–some exceptions	(2,000)	0
Departmental Overspend	3,840	4,095
Corporate Items	(3,043)	(3,046)
Projected Over-spend before exceptional Items	797	1,049
Exceptional Items	4,300	2,700
Total Projected Over-spend	5,097	3,749

Actions

- Recruitment freeze
- Review of UASC costs and NRPF
- Range of actions in the People department (supported housing, CHC, SEN, Think Family)
- Options to accelerate 18/19 savings

Growth Pressures

Adults & All Age Disability Service	£m
25-65 Disability Demand	1.552
Mental Health Demand	0.438
CWD Care Packages	1.000
SEND Staffing	1.000
SEND post 19	0.175
Out of Hospital Business Case	2.000
Deprivation Of Liberty	0.236
Implications of new HMRC rules - Sleeping in nights workers	0.500
Adults Total Pressures	6.901

Children's	£m
Children's Total Pressures	10.000

Main Savings Options 2018/19

Major Savings 2018/19	£m
Waste – SLWP	5.000
Adults – Staffing Restructure	1.000
0-25 Disability Services – Transformation	0.750
ICT	1.435
Assets – Estate Management	0.362
SEN Transport Savings	0.650
Total	9.197