

	<h2 style="text-align: center;">Environment Committee</h2> <h3 style="text-align: center;">18 November 2014</h3>
Title	Business Planning
Report of	Strategic Director for Growth and Environment
Wards	All
Status	Public
Enclosures	Appendix A – Call for Evidence Executive Summary Appendix B – Savings Targets Appendix C – Environment Committee Commissioning Plan Appendix D – The Case for an Effective Long term Highways Funding Plan
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Summary

The Environment Committee has agreed to develop a five-year Commissioning Plan, and indicative proposals for achieving savings of £5.9m by 2019/20. This report contains a proposed five-year Commissioning Plan for the Environment Committee as set out at Appendix A. The Commissioning Plan sets out the strategic priorities, commissioning intentions and indicative budget proposals of the Environment Committee up to 2019/20 and will inform the consideration of the Council's Medium Term Financial Strategy to be considered by Policy and Resources Committee on 2 December 2014. In addition to the priorities and commissioning intentions, the Commissioning Plan sets out the proposed revenue budgets up to 2019/20 for each of the main service areas within the remit of the Committee and the suggested outcomes by which progress will be measured. The budget projections within the Commissioning Plan contain indicative figures through to 2020. These budgets will be formally agreed each year, after appropriate consultation and equality impact assessments, as part of Council budget setting, and therefore could be subject to change.

Recommendations

That the Environment Committee:

- Approves the 5 year Commissioning Plan (Appendix A), subject to consultation. The Commissioning Plan sets out the strategic priorities, commissioning intentions, outcome measures, revenue budgets and capital requirements for recommendation to the council's Policy and Resources Committee on 2nd December 2014.
- Approves the indicative savings proposals set out in Appendix B for recommendation to Policy and Resources Committee on 2nd December 2014, as the Committee's £5.9m initial contribution to the overall £72m savings challenge facing the Council by 2019/20.
- Agrees to public consultation on the Commissioning Plan commencing immediately following Policy and Resources Committee on 2nd December 2014, before final Commissioning Plans are agreed by Policy and Resources on 17 February 2015.
- Approves the capital investment proposals set out in paragraph 5.1 for recommendation to Policy and Resources Committee on 2nd December 2014.

1. WHY THIS REPORT IS NEEDED

- 1.1 On 12 June 2014 the Environment Committee agreed to complete a Commissioning Plan and savings proposals by December 2014 and noted the savings target allocated by the Policy and Resources Committee of £5.9m. This report seeks to support the Committee in addressing this task. It:
- sets out a suggested 5 year Commissioning Plan for the Committee, including strategic priorities, commissioning intentions and indicative budget proposals of the Environment Committee up to 2019/20 which will inform the consideration of the Council's Medium Term Financial Strategy to be considered by Policy and Resources Committee on 2 December 2014.
 - identifies the major challenges for which this Committee will need to make commissioning decisions over the coming five years; and
 - summarises progress towards putting measures in place to deliver the £5.9m savings target, and suggests that the Housing and Environment Lead Commissioner be authorised to take these forward to Policy and Resources Committee.

Outcomes

- 1.2 There are a number of sources that can inform the commissioning priorities of the Committee, including: Previous consultations with residents on issues within the remit of the Committee through a variety of sources; its terms of reference; the Corporate Plan; other Council plans and strategies notably Government policy; and research and best practice. The suggested list below also draws on new highways plans and policies currently being consulted upon and the draft Parking Policy.

Priority	Key Outcomes
<p>Outsourced parking service contributing towards the £5.9m savings by 2019/20 whilst improving performance and overall quality of the service and delivering our aims to: -</p> <ul style="list-style-type: none"> • keep traffic moving, • make roads safer, • reduce air pollution, • ensure as much as possible that there are adequate parking places available on the high street and • that residents can park as near as possible to their homes. 	<p>Barnet is delivering an excellent parking service and in particular:</p> <ul style="list-style-type: none"> • <i>Parking Policy agreed by Committee</i> • <i>Has a new Parking Database with improved customer experience with online permit and PCN transactions</i> • <i>Full borough survey of all signs, lines and bays to eradicate all TMO errors and mapped into Parkmap/Traffweb GIS map system</i> • <i>Traffweb customer portal for GIS map showing all Traffic management orders online and including smart phone friendly and consultation functionality.</i> • <i>Customer service Code of Conduct review of our approach to enforcement including all non-statutory correspondence for PCN's</i> • <i>Transparent Contract Management by Publishing Contract Performance information</i> • <i>My account for parking transactions and information dashboard interfaced with the parking permit and PCN database</i>
<p>Waste and recycling service is contributing towards the £5.9m savings by 2019/20 whilst improving performance and overall quality.</p>	<p>Barnet is delivering an excellent waste and recycling service and in particular:</p> <ul style="list-style-type: none"> • <i>Develop a new waste strategy</i> • <i>Develop new waste collections offer to deliver improved recycling including garden waste recycling</i> • <i>Options analysis and delivery plan for revised Trade Waste offer</i> • <i>Review and implement (in partnership with NLWA) new transparent arrangements for re-charging the cost of disposal & treatment of recyclables and residual waste.</i> • <i>Determine and implement options for revised HWRC operations</i> • <i>Develop and implement waste minimisation and resident engagement plan</i> • <i>Develop alternative delivery model options for waste and recycling services</i>

Priority	Key Outcomes
<p>Parks and green spaces service contributing towards the £5.9m savings by 2019/20 whilst improving performance and overall quality.</p>	<p>Barnet is delivering an excellent Parks and green spaces service and in particular:</p> <ul style="list-style-type: none"> • <i>Develop a Parks & Open Spaces Strategy</i> • <i>Develop asset management and parks investment strategy</i> • <i>Complete relevant masterplans for identified priority parks</i> • <i>Complete sports pitches assessment</i> • <i>Draft revised Events policy for Parks</i> • <i>Develop alternative delivery model options for grounds maintenance services</i> • <i>Consider other alternative delivery models for Parks and Green Infrastructure</i>
<p>Street cleansing service contributing towards the £5.9m savings by 2019/20 whilst improving performance and overall quality.</p>	<p>Barnet is delivering an excellent Street cleansing service and in particular:</p> <ul style="list-style-type: none"> • <i>Develop new Borough Cleanliness Strategy (BCS)</i> • <i>Refresh enforcement policy to support delivery of the BCS</i> • <i>Develop and implement a new Target Operating Model for street cleansing services</i> • <i>Develop alternative delivery model options for street cleansing services</i>
<p>Outsourced Cemetery and crematoria service contributing towards the £3.9m per annum savings whilst improving performance and overall quality.</p>	<p>Barnet is delivering an excellent Cemetery and crematoria service and in particular:</p> <ul style="list-style-type: none"> • <i>Achieve the Gold Standard of the Charter for the Bereaved, which sets out standards of facilities and services</i> • <i>Achieve Green Flag status for the cemetery, which sets out standards for public open spaces</i> • <i>Establish a 'Friends of Hendon Cemetery' group to encourage community involvement with the facility.</i> • <i>Use available statutory provisions to commence the reclamation and re-use of unused graves and graves over 75 years to maximise the longevity of the cemetery beyond approximately 5 more years (2 for Muslim burial) and maintain burial space for residents wishing to be buried at Hendon.</i> • <i>Explore the options for a new cemetery and green burial site in Barnet to respond to rapidly decreasing available burial space in the borough and customer requirements for sustainable alternatives to traditional burial.</i> • <i>Explore options for bringing the disused and fire damaged 'superintendents house' back into use to provide a modern, fit for purpose office and</i>

Priority	Key Outcomes
	<p><i>reception facility and café and function facility.</i></p> <ul style="list-style-type: none"> • <i>Review the Cemetery rules and regulations to bring them up to date and to ensure that the highest standards are maintained.</i> • <i>Introduce a memorial safety policy to ensure the safety of users of the site.</i>
Outsourced Highways service contributing to £3.9m per annum savings whilst improving performance and overall quality.	<p>Barnet is delivering an excellent Highways service and in particular:</p> <ul style="list-style-type: none"> • <i>Annual Local Implementation Programme (LIP) with TfL</i> • <i>Annual Planned Maintenance Programme – Carriageways and Footways</i> • <i>Streetworks and London Permits Scheme (LoPS)</i> • <i>Highway Safety Inspection and Repairs Programme</i> • <i>Delivery of the strategic approach to highways by creating a documented strategic approach:</i> <ul style="list-style-type: none"> ○ <i>Traffic Management Act Network Management Plan</i> ○ <i>Network Recovery Plan</i> ○ <i>Operational Network Hierarchy</i> ○ <i>Developer's Design Guide</i>
Outsourced regulatory services contributing to £3.9m per annum savings whilst improving performance and overall quality.	<p>Barnet is delivering an excellent regulatory service and in particular:</p> <ul style="list-style-type: none"> • <i>Undertaking projects agreed with the Director of Public Health, that are within the remit of Environmental Health and Trading Standards that support the objectives of the Health & Wellbeing Strategy.</i> • <i>Contributing to the production of the Joint Strategic Needs Assessment.</i> • <i>Responding to service requests, carrying out investigations and taking appropriate actions where necessary to resolve issues.</i> • <i>Carrying out planned and proactive inspection and where appropriate and necessary, undertaking enforcement action to resolve issues.</i> • <i>Providing sufficient resources for Trading Standards and Licensing to enable a proportionate and appropriate response to the trading standards and licensing issues that are of a concern to residents and to protect consumers and the wider business community, particularly from rogue traders.</i>
Efficiency and holding providers to account	<p>Many of the services within the remit of this committee are delivered through contractual relationships. It is important to ensure that these</p>

Priority	Key Outcomes
	<p>providers are held to account to deliver what is required at the cost expected in particular:</p> <ul style="list-style-type: none"> • <i>Ensuring appropriate and effective governance processes are in place</i> • <i>Regular performance monitoring reports are provided to the Performance & Contract Monitoring Committee</i>

Challenges

- 1.3 There are a range of strategic challenges that need to be addressed in the Commissioning Plan to ensure that the Council uses the levers at its disposal to deliver outcomes such as those described above. The Committee has already begun the process of addressing these challenges and will need to take decisions in key areas over the coming months. The main challenges are summarised below.

An Increasing Population

- 1.4 With about 364,500 residents in 2014, Barnet is already the second most populous London Borough, and is set to see more growth, being projected to reach approximately 400,000 people by 2023, and 420,000 by 2033.
- 1.5 This growth is accompanied by rising expectations from residents about the quality, speed and level of tailoring of services to meet individual needs and preferences, in line with wider national trends.
- 1.6 Increased demand for Environmental services is already evident, with greater demands for highways investment and demographic growth impacting on universal services like waste collection and facilities provided in parks and open spaces.

Increasing Expectations

- 1.7 As residents expectations rise a key challenge for Barnet will be to minimise waste by encouraging residents to change their behaviour regarding waste disposal.

The impact of Growth and Regeneration

- 1.8 Capacity for 27,000 new homes to be built between 2010 and 2025/26 has been identified in Barnet, and these will be delivered through our growth and regeneration plans. The challenge will be to ensure that efficient and effective services will be available to these new residents especially waste collection and recycling.
- 1.9 Services need to be developed as part of that growth to ensure that new housing has the supporting infrastructure whether that is roads and pavements, parks or other green spaces.

Delivering savings

- 1.10 The Council has undertaken detailed modelling – factoring future demand for services from demographic change and continued reductions in funding from Government – which shows further savings of £72m will be required over the period 2016/17 to 2019/20. This means that significant reductions in expenditure will be required, with services provided in a more cost effective way to maintain quality and customer satisfaction.
- 1.11 Policy and Resources Committee on 12 June 2014 established a savings target of £5.9 million for Environment Committee to as a contribution to the overall £72m savings requirement.

2. REASONS FOR RECOMMENDATIONS

- 2.1 This report proposes a 5 year Commissioning Plan (appendix C) for the Environment Committee. It sets out how the Committee can deliver revenue savings to deliver the target savings set by the Council's Policy and Resources Committee on 10 June 2014. It also sets out the capital requirements of the Committee. Subject to agreement by Environment Committee the Commissioning Plan and the proposals contained within the plan, will be considered by the Policy and Resources Committee on 2 December 2014 to develop the council's medium term financial strategy.

3. ALTERNATIVE OPTIONS CONSIDERED AND NOT RECOMMENDED

- 3.1 This report sets out a range of options across the Committee's remit to meet the budget challenge. This includes proposals for workforce savings, as well as generating greater income from new business. Alternatives to this could include cuts to services the Council provides, but these are not included in this report.

4. POST DECISION IMPLEMENTATION

- 4.1 If this report is agreed, these budget proposals will be incorporated into the Council's draft budget proposals for 2015-20, which will be considered by policy and resources committee on the 2nd December. The commissioning plan will form the basis of the Environment Committees future strategic work programme including future business cases to deliver savings.

5. IMPLICATIONS OF DECISION

- 5.1 **Resources (Finance & Value for Money, Procurement, Staffing, IT, Property, Sustainability)**
 - 5.1.1 In addition to continued austerity, demographic change and the resulting pressure on services poses a significant challenge to the Council. The organisation is facing significant budget reductions at the same time as the population is increasing, particularly in the young and very old population

cohorts. Given that nearly two thirds of the Council's budget is spent on Adult Social Care and Children's Services, this poses a particular challenge as these services are predominantly 'demand led'.

Revenue

- 5.1.2 The revenue budget proposals included in the commissioning plan (appendix C) will enable the committee to meet its £5.9m savings target as set out by policy and resources committee in June.
- 5.1.3 The budget projections within these commissioning plans contain indicative figures through to 2020. These budgets will be formally agreed each year, after appropriate consultation and equality impact assessments, as part of Council budget setting, and therefore could be subject to change.

Capital

- 5.1.4 Policy and Resources Committee on the 21st July 2014 agreed the process for theme Committees to review the capital programme and the development of capital programme priorities for the period 2015-20, which will come back to Policy and Resources committee in December 2014 to form the basis of a draft budget.
- 5.1.5 As part of that process, Policy and Resources Committee allocated £60 million of capital investment to be reviewed and prioritised by the Environment Committee including any amendments and additions.

Committee	Capital requirement for 2015-20	Proposed Budget Envelope (£m)
Environment	Investment in roads and pavements Replacement bins, parks equipment, vehicles	A budget envelope of up to £60m over the period 2015-20 has been set aside in the MTFS for environmental priorities. This should include a longer term approach to highways investment planning to be worked up by Re.

- 5.1.6 Highways and environmental requirements are funded mainly through capital receipts and borrowing.

Highways Capital

- 5.1.7 Highways are the council's most valuable asset with a network valuation of £1.3billion. They are vital to the economic, social and environmental wellbeing of Borough as well as general image and perceptions. They provide access for business and communities, as well as contribute to the area's local character and the electorate's quality of life. Highways really do matter to people. Public opinion surveys continually highlight dissatisfaction with the condition of local roads and the way they are managed.

5.1.8 Asset management promotes better use of limited resources and delivers efficient and effective highway maintenance. It takes a long-term view of how highways may be managed, focusing on outcomes by ensuring that funds are spent on activities that prevent expensive short-term repairs. This makes the best use of public money whilst minimising the risk involved in investing in highway maintenance.

5.1.9 The highways service has undertaken a detailed analysis of the asset management requirements of the Council's highways network (see appendix D). This forms the context for the investment plans laid out below within the capital budget envelope provided by the Policy and Resources committee.

5.1.10 To prevent ineffective public expenditure the Council's Asset Management Plan requires an annual programme of works that resurfaces carriageways every 20 years (5% of the total carriageway area) and re-slabs/resurfaces footways every 33 years (3% of the total footway area). This level of annual resurfacing treatment is required each and every year in perpetuity.

5.1.11 To achieve this level requires an annual planned maintenance programme/budget as follows :-

Category	Total Area	% Requiring treatment each year	Unit Costs	Required Budget
Roads	5 million sq m	5% (250,000 sq m)	£26/sq m	£6,500,000
Pavements	3.5 million sq m	3% (105,000 sq m)	£65/sq m	£6,825,000
Total Annual Budget Required				£13,325,000

5.1.12 Current capital funding at £3m per annum allows the resurfacing of approximately 50,000 square metres of carriageway and 25,000 square metres of footways each year; at this rate of resurfacing we can expect roads to be resurfaced every 100 years and footways every 140 years.

5.1.13 The current annual level of planned maintenance expenditure does not match the level needed to match the natural rate of deterioration so the backlog is increasing year on year. The current backlog is valued at £97.3m. In addition, the level of reactive maintenance, at £1.5-£2m/annum also remains unnecessarily high in order to be compliant with the LBB Safety Defect Policy which underpins the Section 58 Insurance Claim defence.

5.1.14 Based on the above assessments and a maximum available capital budget allocation of £50.36m engineers in Re have proposed the following profile of spend over the PSR period. The front loading of investment will prevent further deterioration and additional costly reactive revenue expenditure.

Proposal	Proposal £'000	2015/16 £'000	2016/17 £'000	2017/18 £'000	2018/19 £'000	2019/20 £'000
Borough wide highways maintenance programme Inc. Borough wide signs and lines programme	50,635	15,000	13,000	8,000	8,000	6,365
TOTAL Highways and Transport £	£50,365					

Street Scene Capital

5.1.15 As part of the street scene transformation programme a review has been undertaken of capital requirements for the street scene service which identifies the following requirements for capital investment. These requirements do not assume a removal of the need for investment through outsourcing of services.

5.1.16 The 2015/2020 capital programme for Street Scene below allows for the following:

- The commencement in 2019/20 of the fleet replacement programme for refuse collection vehicles originally purchased by the authority to service the new waste collection arrangement introduced in October 2013.
- An additional capital sum for the replacement of min-buses used to transport SEN and Adult Care passengers to schools and day care centres respectively, in addition to the routine replacement of street cleansing vehicles
- The upgrade of up to 5 parks play areas and multi-sports courts per year, identified on a needs basis.

	Proposal £'000	2015/16 £'000	2016/17 £'000	2017/18 £'000	2018/19 £'000	2019/20 £'000
Bin renewals	625	125	125	125	125	125
Green spaces & Streets Vehicles (street sweeping, grass cutting etc.)	3,110	1,360	100	750	100	800
Parks Infrastructure	3,900	780	780	780	780	780
Refuse collection vehicle renewals	2,000					2,000
TOTAL Street scene £	9,635					

5.1.17 The above figures do not include any identified future investment needs in parks and open spaces that result from the preparation of a new strategy for Parks & Open Spaces, due to report to Environment Committee in summer 2015.

5.1.18 The capital projections within the commissioning plan for street scene contain the indicative figures shown above through to 2020. These capital items will be formally agreed each year, subject to the business case process for street scene transformation after appropriate consultation and equality impact

assessments, as part of Council capital programme setting, and therefore may be subject to change. For example, the outsourcing of an area of service such as waste collection may reduce or remove the need for capital investment in the RCV fleet.

5.2 Legal and Constitutional References

5.2.1 All proposals emerging from the business planning process will be considered in terms of the Council's legal powers and obligations (including, specifically, the public sector equality duty under the Equality Act 2010) and, where appropriate, mechanisms will be put into place to ensure compliance with legal obligations and duties and to mitigate any other legal risks as far as possible.

5.2.2 Constitution, Part 3, Responsibility for Functions, Section 3 – sets out the terms of reference of the Environment Committee which includes:

- Street Scene including pavements and all classes of roads
- Parking provision and enforcement
- Road Safety
- Street Lighting
- Transport and traffic management including agreement of London Transport Strategy - Local Implementation Plan
- Refuse and recycling
- Street Cleaning
- Waste Minimisation
- Waterways
- Allotments
- Parks and Open Spaces
- Fleet Management
- Trees
- Cemetery and crematorium and Mortuary
- Trading Standards
- Contaminated land and all statutory nuisances.
- Flood Risk Management (scrutiny aspect)
- Council highways functions (including highways use and regulation, access to the countryside, arrangements and extinguishment of public rights of way) which are limited to
 - creating, stopping up and diverting footpaths and
bridleways
 - asserting and protecting public rights to use highways
 - removing things deposited on highways which cause
nuisance
- Gaming, entertainment, food and miscellaneous licensing in so far as not otherwise the responsibility of the Licensing Committee or the Licensing Sub-Committee, and Health and Safety regulation (otherwise than as an employer).

5.3 Risk Management

- 5.3.1 The Council has taken steps to improve its risk management processes by integrating the management of financial and other risks facing the organisation. Risk management information is reported quarterly to Performance and Contract Management Committee and is reflected, as appropriate, throughout the annual business planning process.

5.4 Equalities and Diversity

- 5.4.1 Equality and diversity issues are a mandatory consideration in the decision making of the Council. This requires elected Members to satisfy themselves that equality considerations are integrated into day to day business and that all proposals emerging from the finance and business planning process have properly taken into consideration what impact, if any, there is on any protected group and what mitigating factors can be put in train.
- 5.4.2 The projected increase in the borough's population and changes in the demographic profile will be key factors that need to be considered when determining both the corporate strategy and service responses. Both of these need to also reflect the aspirations and contributions of current residents
- 5.4.3 Similarly, all human resources implications will be managed in accordance with the Council's Managing Organisational Change policy that supports the Council's Human Resources Strategy and meets statutory equalities duties and current employment legislation.
- 5.4.4 A number of savings and income generation proposals have been included in Appendix B to this report. As set out in Appendix B, they result from a combination of greater efficiency in use of Council assets, income generated through a range of new business, reducing demand for services and service redesign. It is not considered that there will be an adverse equalities impact as a result of implementation of these proposals. These proposals will be subject to formal consultation following the publication of the draft budget, and this position will be reviewed when the budget is then set in 2015.

5.5 Consultation and Engagement

- 5.5.1 As proposals are developed in response to the challenges raised in this paper, an appropriate consultation and engagement plan will be developed and implemented. The work will be informed by the extensive consultation work that has been carried out already as part of the Priorities and Spending Review process. If approved, these proposals will form part of the draft budget report to Policy and Resources Committee in December 2014. All of the proposals in this report will then be subject to formal consultation before the budget and medium term financial strategy is agreed in February 2015 by Policy and Resources Committee, and Full Council in March 2015.
- 5.5.2 Over the last 12 months the council has been reviewing its priorities and spending. To help inform the council's future long term spending plans the council commissioned the Office for Public Management (OPM), an

independent research organisation, to run a comprehensive series of residents engagement activities to understand their priorities for the local area and look at how residents and organisations can support services going forward.

5.5.3 The engagement followed two phases:

Phase 1:

5.5.4 A series of resident workshops, service user and businesses focus groups last autumn.

5.5.5 The [findings](#)¹ provide a rich evidence base of residents' priorities, what residents value most, their ideas for generating income, and how local people can work together. As a result the council has been able to identify [broad themes](#)² based on residents' views and involvement which will be used to help focus the council's future long term spending plans.

Phase 2:

5.5.6 Between March and June 2014 OPM ran an online call for evidence to hear views of organisations, businesses and individual residents on the future of Barnet, how the council can ensure that public services best meet the needs of the borough, how the council can change and how organisations and individuals can play a part in meeting Barnet's challenges during this time.

5.5.7 OPM has analysed the responses to the call for evidence on the council's behalf. Evidence was sought on two main topic areas:

- Ideas on the future of public services in Barnet, and how organisations and individuals can play a role in providing some of these services.
- Ideas on how the council could be more entrepreneurial and generate more income.

5.5.8 A summary of the findings can be found in Appendix A and the full report is available at http://engage.barnet.gov.uk/consultation-team/call-forevidence/consult_view

6. BACKGROUND PAPERS

6.1 Relevant previous decisions are indicated in the table below.

Item	Decision	Link
Policy and Resources Committee 10 June	Decision Item 6 - Corporate Plan and Medium Term	https://barnetintranet.moderngov.co.uk/ieListDocuments.aspx?CId=692&MId=7856&Ver=4

¹ http://engage.barnet.gov.uk/consultation-team/call-for-evidence/user_uploads/phase-1--barnet-challenge-opm-summary-report.pdf

² http://engage.barnet.gov.uk/consultation-team/call-for-evidence/user_uploads/key-themes-identified-from-the-first-phase-of-consultation.pdf

Item	Decision	Link
2014	Financial Strategy 2015/2016 to 2019/2020	
Environment Committee 12 June 2014	Decision Item 5 - Business planning – corporate plan and medium term financial strategy 2015-20	https://barnetintranet.moderngov.co.uk/ieListDocuments.aspx?CId=695&MId=7878&Ver=4
Policy and Resources Committee 21 July 2014	Decision Item 6 - Finance and Business Planning – Capital programme and review of reserves	http://barnet.moderngov.co.uk/documents/s16150/Finance%20and%20Business%20Planning%20Capital%20programme%20and%20review%20of%20reserves.pdf