

Appendix A2 - Assets, Regeneration and Growth Committee Commissioning plan 2015-2020

NOTE: The Assets, Regeneration and Growth (ARG) Commissioning Plan will be considered at the ARG meeting on 15 December 2014. The Committee agreed its overarching outcomes and approach to delivering savings at its meeting on 8 September, and these are reflected below. Consultation on the ARG Commissioning Plan will commence on 17 December subject to the approval of ARG Committee.

1. Organisational Narrative

1. The Context for the development of this plan.

Public services in England during the decade 2010-2020 face an unprecedented challenge as the country deals with the impact of the financial crisis of 2008, alongside the opportunities and challenges that come from our changing and ageing population.

Despite a growing economy, the UK budget deficit is forecast to be £75bn at the 2015 General Election, with cuts set to continue to the end of the decade no matter who is in Government. At the same time, demand on local services continues to increase, driven by a growing population, particularly the number of young and older residents. We therefore must plan for the fact that austerity will affect all parts of the public sector to the end of the decade and that we will not be able to meet increasingly levels of demand from simply doing more of what we are currently doing.

The public too, does not expect simply more of the same. Expectations of local services are increasing, advances in customer services and technology provides the ability to interact with services 24/7. Local residents as a result expect better services and more prompt responses from the Council. However satisfaction with the Council and local services remains relatively high in Barnet, and over recent years resident satisfaction with a number of local services has increases, despite these challenges.

In thinking about how the Council lives within its means, the Council needs to recognise that residents are also facing wider financial pressures, from high energy bills, increasing housing costs, continued wage restraint, and benefit reforms, so the ability of many households to absorb the impact of reductions from public sector funding through increased financial contributions is constrained.

We can however expect over the duration of this plan that significant opportunities will flow from Barnet being part of a growing and arguably booming London economy. Unemployment levels have fallen by a third in the last year, the number of 16-18 year old 'NEETs' in Barnet is, at 2.3%, the fourth lowest in England and fewer Barnet residents are claiming out-of-work benefits than the London average.

This plan needs to ensure that all residents of Barnet can benefit from the opportunities of growth, whether through new employment opportunities, increased investment in infrastructure such as roads and schools, or enjoying new neighbourhoods and places in which all people can live and age well.

2. Barnet Council's Overarching Approach to meeting the 2020 Challenge

The Council's Corporate Plan sets the framework for each of the Commissioning Committees five year commissioning plans. Whether the plans are covering services for vulnerable residents or about universal services such as the environment and waste there are a number of core and shared principles which underpin the commissioning outcomes.

The first is a focus on fairness.

Fairness for the Council is about striking the right balance between fairness towards the more frequent users of services and fairness to the wider taxpayer and making sure all residents from our diverse communities - young, old, disabled, and unemployed benefit from the opportunities of growth.

The Council must 'get the basics right' so people can get on with their lives – disposing of waste, keeping streets clean, allowing people to transact in more convenient ways, resolving issues promptly in the most cost effective way.

We must shift our approach to earlier intervention and demand management Managing the rising demand on services requires a step change in the Council's approach to early intervention and prevention. Across the public sector, we need to work with residents to prevent problems rather than treating the symptoms when they materialise.

The second is a focus on responsibility.

Continue to drive out efficiencies to deliver more with less... The Council will drive out efficiencies through a continued focus on workforce productivity; bearing down on contract and procurement costs and using assets more effectively. All parts of the system need to play their part in helping to achieve better outcomes with reduced resources.

Change its relationships with residents, with residents working with the Council to reduce the impact of funding cuts to servicesIn certain circumstances, residents will also need to take on more personal and community responsibility for keeping Barnet a great place particularly if there is not a legal requirement for the Council to provide services. In some cases users will be required to pay more for certain services as the Council prioritises the resources it has available.

The third is a focus on opportunity.

Prioritise regeneration, growth and maximising income – Regeneration revitalises communities and provides residents and businesses with places to live and work. Growing the local tax base and generating more income through growth and other sources makes the Council less reliant on government funding; helps offsets the impact of service cuts and allows the Council to invest in the future infrastructure of the Borough.

Redesign service and deliver them differently through a range of models and providers ... The Council has no pre-determined view about how services should be designed and delivered. The Council will work with providers from across the public, private and voluntary sectors to provide services which are more integrated, through a range of models most appropriate to the service and the outcomes that we want to

achieve.

Planning ahead is crucial... The Council dealt with the first wave of austerity by planning ahead and focusing in the longer-term, thus avoid short-term cuts - the Council is continuing this approach by extending its plans to 2020.

2. Committee Outcomes

Priority	Key Outcomes
Regeneration	<ul style="list-style-type: none">• Regeneration schemes are delivered to a high standard, maximising benefits to the community.• New communities at Brent Cross Cricklewood and Colindale are desirable and attractive places to live, work and spend time, which set the standard for future development across London.• Regeneration and growth schemes are supported by appropriate, high quality infrastructure.
Economy	<ul style="list-style-type: none">• Barnet is established as the best place in London to be a small business. In particular:<ul style="list-style-type: none">- Business customers find it easy to deal with the Council- Barnet is a good place to do business, with good quality public realm and infrastructure that meets business' needs- Businesses can access the workforce they need; and entrepreneurs have the skills for success- Small and local businesses are able to access Council contracts- Business support in Barnet is effective, with businesses accessing the advice and guidance that they need.
Town Centres	<ul style="list-style-type: none">• Key town centres are thriving, with reduced numbers of vacant units.• Residents and local businesses and residents play an active role in shaping their High Street as a place to live, work, shop and spend leisure time.

Assets	<ul style="list-style-type: none"> • The Council’s asset portfolio should be managed and considered as a whole rather than considering assets in isolation; • That the asset management plan should drive a reduction in use of space to achieve savings; • That the asset management plan should reduce running costs and increase energy efficiency; • That the plan should maximise letting income, but this should be balanced against community or social value; • That efficiency should be achieved by sharing assets across the public sector; • That the Council’s assets are used to support longer term regeneration and growth; and • That Community assets are used transparently to support a range of activities that contribute to delivery of the Council’s corporate objectives.
Housing growth	<ul style="list-style-type: none"> • New developments meet housing need, and contribute to Barnet’s reputation as a desirable place to live. • Developments on Council land meet housing need and maximise benefits to the Council.

Challenges

1.1 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. These are summarised below.

Ensuring quality and community benefit from regeneration and growth

1.2 Regeneration schemes at Dollis Valley, Grahame Park (Stage A), Granville Road, Stonegrove Spur Road and West Hendon, and the growth scheme at Mill Hill East, are already under contract and, with the exception of Granville Road, have planning permission in place. The scope for the Committee to commission revised outcomes in relation to these schemes is therefore comparatively limited.

1.3 However, the Committee has a major opportunity to shape the new communities at Brent Cross Cricklewood and Colindale. On 9 July the Committee agreed its requirements for the Brent Cross South development, and it will no doubt want to maintain oversight of how these requirements are being interpreted as the scheme is developed. In Colindale, private sector developments will be shaped through the planning system in accordance with the existing Colindale Area Action Plan, but the Committee will have a role in guiding placemaking through development of the Supplementary Planning Document to support Grahame Park Stage B.

1.4 When the existing schemes get nearer to completion, the Committee will want to consider how it shapes the next wave of regeneration. There are a number of factors and constraints that may shape thinking about the future:

- The London Plan and Local Development Framework
- Pressures on town centres (see below)
- Analysis of deprivation, housing stock condition, and other pressures on communities
- Availability of land
- The Council's general principle that schemes should be broadly self-funding over their lifetime (though many require cashflow support)

Creating the environment for businesses to thrive

- 1.5 The Committee considered a draft approach to growing the economy at the 8 September meeting. *Entrepreneurial Barnet* proposes adopting the aim of making Barnet the best place in London to be a small business, and sets out the ways in which the Council and other public service partners will go about delivering this aim. Consultation on *Entrepreneurial Barnet* closed on 20 November. Feedback was broadly positive, with all respondents supporting the aim of making Barnet “the best place in London to be a small business”. More detailed analysis of the responses, together with a final draft for approval, will be presented to Assets Regeneration and Growth Committee on 15 December.

Supporting our Town Centres

- 1.6 *Entrepreneurial Barnet* also addresses the pressures being faced by Town Centres across the country, including in Barnet. It describes how the Council could work in partnership with local communities to support town centres to thrive; and the different approaches the Council proposes to take in these different types of centres. Area committees have made recommendations as to which Town Centres should be regarded as main centres, and which perform more local roles, for consideration at ARG Committee on 15 December.

Delivering a fit for purpose Civic Estate

- 1.7 The Council is driving a significant reduction in the cost of office accommodation over the next few years. Part of this reduction in office accommodation cost is included within the CSG contractually guaranteed savings (£125m), but further initiatives to reduce office accommodation costs will contribute to the savings target set for this committee. Consultation closed on 17 November on the Strategic Asset Management Plan, which sets out the Council's medium term approach to managing assets, including the opportunities to deliver savings through reducing the cost of office accommodation. The results of the consultation, and a draft Plan for approval will be put to 15 December ARG.

Ensuring that buildings and land are managed effectively

- 1.8 Good strategic asset management will drive a number of benefits for the Council. It will ensure that office, operational and community asset utilisation

is maximised, that costs are minimised, and that buildings are fit for purpose to deliver services. The Strategic Asset Management Plan explains how this approach will be implemented.

Delivering new developments on Council land

- 1.9 At its meeting on 9 July 2014, the ARG Committee agreed the principles that should govern a pipeline of developments on its own sites. The Committee wanted to ensure that such developments delivered both high quality outcomes and value for money the Council and the community; and in particular that development should support Council services in meeting their objectives (for example around improving housing choice for older people, or meeting homelessness obligations). ARG Committee on 8 September agreed that, subject to consultation, a first tranche of sites should be taken forward to achieve planning consent.

Delivering savings

- 1.10 Policy and Resources Committee on 10 June 2014 established a savings target of £10.1m for Assets, Regeneration and Growth Committee. This was split into two categories: Promoting growth and raising income (£5.4m); and improving organisational efficiency (£4.7m).

Income and growth

- 1.11 Modelling undertaken in 2013 considered the implications of the contracted regeneration and growth schemes for recurring for recurring income streams (notably Council Tax base and Business Rate Growth) and non-recurring income streams (notably New Homes Bonus and Community Infrastructure Levy).
- 1.12 ARG Committee in September noted an income figure of £5.4m. Earlier than projected delivery of some development schemes, along with the Committee's decision to adopt a development pipeline on Council land, have increased the projected income to £5.9m.

Organisational efficiency

- 1.13 A significant saving on office accommodation costs has already been factored into the current Medium Term Financial Strategy through the CSG contract. This will be delivered through a reduction in space requirement at North London Business Park (NLBP) through enabling the Council to exercise a break clause on NLBP 4 in October 2015. Over and above this, it is currently estimated that further savings can be made through additional office accommodation rationalisation including relocating the Council's offices to Grahame Park by 2017 and exiting from Barnet House and NLBP 2. It is also estimated that additional income can be generated from the Council's wider commercial estate. These opportunities total £2m per annum.

- 1.14 Contractual savings have been identified in respect of the remit of this committee. These are in respect of removing duplication in the supply chain within the Re contract (£750k), savings on highways maintenance from the set-up of the London-wide London Highways Alliance Contract (£550k), savings of £200k per annum from using alternative surfaces to paving stones for highways repairs, and reviewing contracting activity in grounds maintenance (50k).
- 1.15 Improvements in the timeliness of interventions to address highways repairs will drive a reduction in insurance claims for the Council. This is estimated to save £150k per annum.
- 1.16 Through the process of developing proposals to inform the Priorities and Spending Review report, it was identified that £500k per annum of regeneration related expenditure could be charged to capital projects. This will create a saving in the Council's revenue budget which will contribute to this Committee's saving target.
- 1.17 Subject to the adoption of the Strategic Asset Management Plan by the Committee on 15 December, and implementation of the proposed development pipeline, these savings can be delivered within existing policy frameworks.