

	<h2 style="text-align: center;">Assets, Regeneration and Growth Committee</h2> <p style="text-align: center;">15 December 2014</p>
Title	Business Planning
Report of	Deputy Chief Operating Officer Enterprise and Regeneration Lead Commissioner
Wards	All
Status	Public
Enclosures	Appendix A – Assets, Regeneration and Growth Committee Commissioning Plan
Officer Contact Details	John Hooton, john.hooton@barnet.gov.uk , 020 8359 2460 Cath Shaw, cath.shaw@barnet.gov.uk , 020 8359 4716

Summary

At its meeting on 8 September 2014 Assets, Regeneration and Growth Committee agreed a set of outcomes that it would focus on delivering over the coming years. This report provides additional detail in relation to these outcomes along with associated financial information. The forward work programme of the committee focuses on delivering the outcomes set out here. The detailed Commissioning Plan proposed for adoption by the committee is set out in Appendix A.

Recommendations

That the Committee:

- approves the Commissioning Plan (Appendix A), subject to consultation.

1. WHY THIS REPORT IS NEEDED

- 1.1 On 8 September 2014 the Committee considered a set of high level commissioning outcomes and agreed to complete a more detailed Commissioning Plan and budget proposals by December 2014. This report seeks to support the Committee in addressing this task. It:

- sets out suggested outcomes for the Commissioning Plan and the Corporate Plan in further detail, and;
- identifies the key work programmes and strategic challenges which the Committee will need to make commissioning decisions on over the coming five years.

Table 1: 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 is managed and considered as a whole rather than considering assets in isolation. • The Strategic Asset Management Plan (SAMP) drives a reduction in use of space to achieve savings. • The SAMP drives reduced running costs and increase energy efficiency. • The SAMP maximises letting income, balanced against community or social value. • Efficiency is achieved by sharing assets across the public sector. • The Council's assets are used to support longer term regeneration and growth. • Community assets are used transparently to support a range of activities that contribute to delivery of the Council's corporate objectives.

Priority	Key Outcomes
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

- 1.2 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

- 1.3 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.
- 1.4 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 place making through development of the Supplementary Planning Document to support Grahame Park Stage B.
- 1.5 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

- 1.6 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, is being presented to Assets Regeneration and Growth Committee on 15 December.

Supporting our Town Centres

- 1.7 *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

- 1.8 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

- 1.9 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

- 1.10 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

- 1.11 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). At its meeting on 8 September the Committee agreed to revise the balance of savings, increasing the amount from growth and income to £5.9m, and reducing that from efficiency savings to £4.2m.

Income and growth

- 1.12 Modelling undertaken in 2013 considered the implications of the contracted regeneration and growth schemes 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).

Organisational efficiency

- 1.13 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 (£800k), savings on highways maintenance from the set-up of the London-wide London Highways Alliance Contract (£550k), savings of £200k per annum from using tarmac as opposed to paving stones for highways repairs, and reviewing contracting activity in grounds maintenance (50k).
- 1.14 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.
- 1.15 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.
- 1.16 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.

2. REASONS FOR RECOMMENDATIONS

- 2.1 Unlike some other committees, the savings allocated to Assets, Regeneration and Growth Committee arise from either existing contracts or operational efficiencies, and there is thus less of a need for strategic input from the Committee to deliver business planning targets. The Committee will have a number of strategic commissioning challenges and areas that it wishes to

shape over the coming months and years, but in general the financial impacts of these on the Council will be felt beyond 2020.

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 finding different ways of delivering improved outcomes for residents, 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 outcomes will be incorporated into the corporate plan due to be considered at the same meeting. The commissioning plan will form the basis of the Housing Committees future strategic work programme including future business cases to deliver savings within the HRA.

IMPLICATIONS OF DECISION

4.2 Resources (Finance & Value for Money, Procurement, Staffing, IT, Property, Sustainability)

- 4.2.1 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'.

4.2 Legal and Constitutional References

- 4.2.6 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.
- 4.2.7 Council Constitution, Responsibility for Functions, Annex A – The Assets, Regeneration and Growth Committee has responsibility for:

- Develop and oversee a Regeneration Strategy
- Develop strategies which maximise the financial opportunities of growth- e.g. New Homes Bonus, localisation of business rates
- Promote skills and enterprise and approve a Skills Enterprise and

Employment Strategy

- Engagement with the business community and measures to support local business
- Oversee major regeneration schemes including those of key social housing estates
- Town Centre regeneration programmes
- Asset Management – all matters relating to land and buildings owned, rented or proposed to be acquired or disposed of by the Council

4.3 Risk Management

4.3.6 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 the Performance and Contract Management Committee and is reflected, as appropriate, throughout the annual business planning process.

4.4 Equalities and Diversity

4.4.6 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.

4.4.7 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

4.4.8 A number of savings and income generation proposals have been included in Appendix A to this report. 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.

4.4.9 The proposals and priorities within the commissioning plan have been developed to minimise the impact on the most vulnerable, in particular vulnerable households at risk of homelessness. The equalities impact will be reviewed as proposals are developed in more detail and based on consultation findings, with equality impact assessments being undertaken to inform the final consideration of the Commissioning Plans by the Policy and Resources Committee in February.

4.4.10 The Commissioning Plan 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.

4.4.11 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.

4.5 Consultation and Engagement

Consultation and Engagement

- 4.5.6 Public consultation will commence on all Committee Commissioning Plans following Policy and Resources Committee on 2nd December 2014, before final Commissioning Plans are agreed by Policy and Resources Committee on 17 February 2015.
- 4.5.7 Full public consultation will take place on individual proposals to deliver the savings identified before final decisions are taken by the Committee and savings plans are formalised in the Council's annual budget. Future consultation and engagement will be informed by the consultation work that has already been carried out as part of the Priorities and Spending Review process during which a comprehensive series of residents engagement activities took place in order to understand their priorities for the local area and look at how residents and organisations can support services going forward.
- 4.5.8 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.

- 4.5.9 The engagement followed two phases:

Phase 1:

- 4.5.10 A series of resident workshops, service user and businesses focus groups last autumn.
- 4.5.11 The findings¹ 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 themes² based on residents' views and involvement which will be used to help focus the council's future long term spending plans.

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

Phase 2:

4.5.12 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.

4.5.13 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.

4.5.14 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-for-evidence/consult-view>

5 BACKGROUND PAPERS

5.2 Relevant previous decisions are indicated in the table below.

Item	Decision	Link
Cabinet 12 March 2010	Decision item 8 - approved the existing Housing Strategy	http://barnet.moderngov.co.uk/Data/Cabinet/201004121900/Agenda/Document%207.pdf
Cabinet 14 September 2011	Decision item 8 - approved Barnet's approach to social housing reform	http://barnet.moderngov.co.uk/Data/Cabinet/201109141900/Agenda/Document%204.pdf
Cabinet Resources Committee 24 June 2013	Decision Item 6 - Local Authority New Housing Programme	http://barnet.moderngov.co.uk/documents/s9244/CRC%20LA%20New%20Build%20public.pdf
Assets, Regeneration & Growth Committee 9 July 2014	Decision Item 11 - Strategic Asset Management Plan principles for consultation	http://barnet.moderngov.co.uk/documents/s16064/Strategic%20Asset%20Management%20Plan%20principles%20for%20consultation.pdf
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
Policy and Resources Committee 21 July 2014	Decision Item 10 - Funding for an Extra Care Housing Scheme at Moreton Close,	http://barnet.moderngov.co.uk/documents/s16154/Funding%20for%20an%20Extra%20Care%20Housing%20Scheme%20at%20Moreton%20Close.pdf

Item	Decision	Link
	NW7 and Advance Acquisitions of Leasehold properties on Regeneration Estates	<u>0Close%20NW7%20and%20Advance%20Acquisitions%20of%20Leasehold.pdf</u>
Assets, Regeneration & Growth Committee 8 September 2014	Decision Item 12 - Barnet Development Pipeline	<u>http://barnet.moderngov.co.uk/documents/s17356/Development%20Pipeline%20-%20Report.pdf</u>
Assets, Regeneration & Growth Committee 8 September 2014	Agree consultation on Entrepreneurial Barnet proposals	<u>http://barnet.moderngov.co.uk/mgChooseDocPack.aspx?ID=7885</u>
Assets, Regeneration & Growth Committee 8 September 2014	Agree Strategic Asset management Plan draft for consultation	<u>http://barnet.moderngov.co.uk/mgChooseDocPack.aspx?ID=7885</u>