

	<p align="center">Policy and Resources Committee</p> <p align="center">17 February 2015</p>
<p align="center">Title</p>	<p align="center">Business Planning 2015/16 - 2019/20</p>
<p align="center">Report of</p>	<p>Chief Executive Interim Chief Operating Officer Strategic Director of Commissioning</p>
<p align="center">Wards</p>	<p>All</p>
<p align="center">Status</p>	<p>Public</p>
<p align="center">Enclosures</p>	<p>Appendix A – Write Offs Appendix B – Interim Consultation report Appendix C – Medium Term Financial Strategy Appendix D1 – Detailed Revenue Budgets, Savings, Pressures and Council Tax Schedules Appendix D2 – Theme Committee Revenue Budgets, Savings and Pressures Appendix E1 – Theme Committee Capital programme Appendix E2 – Capital Programme by Delivery Unit Appendix F – Treasury Management Strategy Appendix G – Housing Revenue Account Appendix H – Cumulative and Individual Equality Impact Assessments Appendix I – Reserves and Balances Policy Appendix J – Corporate Risk Register Appendix K - Dedicated Schools Grant</p>
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Summary

This report sets out the Corporate Plan objectives, budget, Council Tax and Medium Term Financial Strategy (MTFS) for the period 2015/16 to 2019/20.

Recommendations

That Policy and Resources Committee:

- 1. Consider the issues that have emerged so far from the consultation outcomes when making their decisions. Consultation closed on 11 February. Due to the timings of compiling this report, the consultation report appended at Appendix B is presented as an interim report. A final consultation report will be reported to Full Council on 3 March, to inform final decisions on the council's budget;**
- 2. Recommend to Council for approval the MTFS attached at Appendix C and the Detailed Revenue Budgets at Appendix D1 and D2. The MTFS sets out all of the budget changes over the period from 2015/16 to 2019/20, including assumptions around inflation, changes to levies, pressures, savings and grant funding. It is the model around which the council's financial strategy is based. It should be noted that the budget has been prepared on the basis of a Council Tax freeze in 2015/16. Overall the 2015/16 budget requirement totals £250,888,653.**
- 3. Note that the Chief Finance Officer under his delegated powers in accordance with para 4.3.2 of the Financial Regulations has calculated the amount of 132,151 (band D equivalents) as the Council Tax base for the year 2015/16 [item T in the formula in Section 31B (3) of the Local Government Finance Act 1992, as amended (the "Act")];**
- 4. Note that the Council Tax requirement for the Council's own purposes for 15/16 (excluding precepts) is £145,639,653.**
- 5. Recommend to Council for approval the following amounts be now calculated for the year 2015/16 in accordance with Sections 31(A) and (B), 34, 35 and 36 of the Act:**
 - a) £889,167,167 being the aggregate of the amounts which the council estimates for the items set out in the Section 31A(2) (a) to (f) of the Act taking into account all precepts issued to it by precepting authorities.**
 - b) £743,527,514 being the aggregate of the amounts which the council estimated for the items set out in Section 31A(3) (a) to (d) of the Act.**
 - c) £145,639,653 being the amount by which the aggregate at 5 (a) above exceeds the aggregate at 5(b) above, calculated by the council in accordance with Section 31A(4) of the Act as its Council Tax requirement for the year (Item R in the formula section 31A(4) of the Act).**
 - d) £1,102.07 being the amount at 5(c) above (item R), all divided by Item T (Item 4 above), calculated by the council, in accordance with Section 31B(1) of the Act, as the basic amount of its Council Tax for the year (excluding precepts).**
 - e) The Chief Finance Officer recommends that the council's basic amount of Council Tax for 2015/16 is not excessive in accordance with the principles approved under section 52ZB and 52ZC of the Local Government Finance Act 1992, and the Referendums Relating to Council Tax Increases (Principles) Report (England) 2015/2016. £1,102.07 being the amount at 4 above divided by the amount at 3 above, calculated by the council, as the basic amount of its Council Tax for the year 2015/16;**

London Borough of Barnet Valuations Bands (£)

A	B	C	D	E	F	G	H
734.71	857.16	979.62	<u>1,102.07</u>	1,346.97	1,591.88	1,836.78	2,204.14

Being the amounts given by multiplying the amounts at 6(d) above by the number which, in proportion set out in Section 5(1) of the Act, is applicable to dwellings listed in valuation band D, calculated by the council, in accordance with Section 36(1) of the Act, as the amounts to be taken into account for the year in respect of categories of dwellings listed in different valuation bands

6. Note that for the year 2015/16 the Greater London Authority has provisionally indicated that the following amounts in precepts will be issued to the council, in accordance with Section 40 of the Local Government Finance Act 1992, for each of the categories of the dwellings shown below:

Greater London Authority Valuations Bands (£)

A	B	C	D	E	F	G	H
196.67	229.44	262.22	<u>295.00</u>	360.56	426.11	491.67	590.00

7. That having calculated the aggregate in each case of the amounts at 6(d) and 7 above, the council, in accordance with Section 30(2) of the Local Government Finance Act 1992, hereby sets the following amounts as the amounts of Council Tax for the year 2015/16 for each of the categories dwellings shown below:

Council Tax for Area (£)

A	B	C	D	E	F	G	H
931.38	1,086.60	1,241.84	<u>1,397.07</u>	1,707.53	2,017.99	2,328.45	2,794.14

8. Recommend to Council that in accordance with Section 38(2) of the Act the Chief Executive be instructed to place a notice in the local press of the amounts set under recommendation 8 above within a period of 21 days following the Council's decision.
9. Recommend to Council for approval the capital programme as set out in Appendix E and addition in para 2.6.3, and that the Chief Officers be authorised to take all necessary actions for implementation. That Committee recommend to Council that the Chief Finance Officer be authorised to adjust capital project budgets in 2015/16 throughout the capital programme after the 2014/15 accounts are closed and the amounts of slippage and budget carry forward required are known.
10. Recommend to Council that the Chief Finance Officer be authorised to adjust capital project budgets in 2015/16 throughout the capital programme after the 2014/15 accounts are closed and the amounts of slippage and budget carry forward required are known.
11. Recommend to Council for approval the Treasury Management Strategy for 2015/16 as set out in Appendix F.
12. Approve the following
- The proposed rent increase of CPI plus 1% for council dwellings as set out in paragraph 2.8.6 to take effect from 1 April 2015;
 - The proposed increase to service charges for council dwelling as set out in paragraph 2.8.7 to take effect from 1 April 2015;
 - The proposed rent increase of 2% for council garages as set out in

paragraph 2.8.10 to take effect from 1 April 2015,
13. Approve the Housing Revenue Account estimates for 2015/16 as set out in Appendix G.
14. Note the Equality Impact Assessment and cumulative assessment included in Appendix H. A summary is set out in section 9 of this report. The appendix provides the cumulative impact and individual Delivery Unit assessments where significant changes to service delivery are proposed.
15. Recommend to Council to approve the Reserves and Balances Policy as set out in Appendix I and the Chief Finance Officer's assessment of adequacy of reserves in section 2.10. This states that the minimum level of General Fund balances should be £15m after taking account of all matters set out in the Chief Finance Officer's report on reserves and balances.
16. Recommend to Council to note the Corporate Risk Register as set out in Appendix J.
17. Recommend to Council from reserves and budgetary movement as set out in paragraph 2.2.1, 2.2.2 and saving amendments in paragraph 2.2.4.
18. Recommend to Council to approve the write offs in Appendix A.
19. Note the Submission of the Authority Proforma Tool

1 WHY THIS REPORT IS NEEDED

1.1 Executive Summary

- 1.1.1. In March 2014, the Council agreed its MTFs, which set a two year budget for the period 2014/15 – 2015/16. In December 2014, Council agreed budget proposals for 2015/16 for consultation. This report provides feedback on the consultation on budget proposals for 2015/16 and recommends budget proposals to 2015/16 – 2019/20 for approval. Consultation closed on 11 February after a period of 8 weeks. It should be noted that, due to the timings of compiling this report, the consultation report in Appendix B is presented as an interim report. A final, updated consultation report will be presented to Full Council on 3 March, where final decisions on the council's budget are taken;
- 1.1.2. The council's strategic context is set out in section 1.2. The strategic objectives form the basis of the Corporate Plans and drive the allocation of resources.
- 1.1.3. The total budget gap is £15.749m for 2015/16. The budget gap has been updated to reflect recent announcements.
- 1.1.4. Savings of £17.269m and pressures of £1.520m have been identified to enable a balanced budget to be set.

1.1.5. This report also sets out the expected budget gap of £73.5m for 2016-2020 and the budget savings agreed by each Theme Committee and Full Council. These savings total £51.6m, leaving a remaining gap of £21.9m. The remaining gap will be allocated in the new financial year to Theme Committees so they may develop further proposals which will be subject to further consultation and an Equalities Impact Assessment.

1.1.6. The budget proposals within this report are predicted on a Council Tax freeze for 2015/16 and 2016/17.

1.2 STRATEGIC CONTEXT

Barnet Council and the wider public sector continue to face significant financial challenges

- Despite significant reductions to Government spending since 2010 and a return to economic growth, the financial environment for the council, the wider public sector, and residents continues to be challenging. The position can be summarised as follows:
 - **Further spending cuts to come:** Despite nearly £100 billion of spending cuts since 2010, the UK budget deficit still stands at around £90 billion meaning that austerity will continue.
 - **Increasing pressure on services:** Increasing demand on services is driven by a growing and changing population. Barnet's population increased by 12% from 2001 to 2011 and will increase by a further 5% over the next 5 years, with health and social services in particular facing acute challenges due to rapid growth in young and older cohorts.
 - **Wider financial pressure on households:** From energy bills, housing costs, wage restraint, and benefit reforms.
 - **Increasing public expectations:** With residents expecting better services and more prompt responses.

This means that the council must plan for the fact that spending reductions will affect all parts of the public sector to the end of the decade and that increasingly levels of demand will not be met from simply doing more of what it is currently doing.

The impact on the council's finances – past and future

- In Barnet, the impact of austerity has translated to the council needing to save or generate £75.8m over the period 2011 – 2015, equivalent to 26% of the council's budget. Looking ahead, based on assumptions about future public spending and rising demand, the council is forecasting the need for further savings of £73.5 million in the latter half of the decade. In real terms, by the end of the decade, **the council's total spending power will be nearly half of what it was at the start.**

- Knowing that the council continues to face significant financial challenges in the years ahead, it has a responsibility to develop and agree a plan for meeting the challenge. The proposed MTF5 is that plan.

Opportunities ahead – Barnet is a successful borough as part of a successful, thriving London

- Despite austerity, the economy is now growing, particularly in London. This creates opportunities for the council; for residents; and for business. In Barnet, the benefits are already being seen through reduced unemployment – particularly 16-18 year olds – and more people on benefits moving into work. The benefits of growth are being felt through regeneration in areas such as Colindale and Grahame Park and with the major redevelopment of Brent Cross and Cricklewood due to start soon, providing new homes, space for businesses, thousands of new jobs.
- Most people will benefit from the success of living in Barnet and use only universal services. For these residents, the council's role is to 'get the basics right' and maintain the environment for a thriving borough - disposing of waste; keeping streets clean; providing excellent customer service; allowing people to transact in more convenient ways; resolving issues promptly and ensuring the borough has the infrastructure to continue its success - good schools, education, training, jobs, housing and transport.
- The council will work to ensure that all residents of Barnet can benefit from the opportunities of growth, whether that is through increased employment levels of disabled people or through developing new neighbourhoods in which people can live and age well.
- However, some residents will need targeted support to allow them to benefit from this success. As such, the council will continue to work with other parts of the public sector to identify those residents at risk of missing out and provide the right interventions at the right time. The recent success of the joint Benefit Cap Task Force – which brings together the council, Barnet Homes and Job Centre Plus – is an example of what is possible. The Task force has engaged with over 90% of residents impacted by the Benefit Cap and has supported over a third into work and off the Benefit Cap. The council is also piloting a multi-agency Jobs Team in Burnt Oak to support people into work in an area of the borough where unemployment rates are higher. Helping people to help themselves will reduce dependence on services and on the ever diminishing resources available.

Barnet's approach to meeting the challenge

- The majority of savings made to date have been through back office efficiencies. The council has focused on cutting bureaucracy by cutting the number of senior managers and the Chief Executive's pay; cutting Member allowances; and cutting spending on the back office – which now cost £6m less a year. This has meant that the council has avoided short-term, in year cuts seen in other areas and has created headroom to reinvest – in infrastructure, regeneration, school places. The council has also been able to keep Council Tax under control - freezing it since 2010 and cutting it this financial year. Despite the challenges, 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 increased since 2010 when austerity began to bite.
- As the council focuses on the challenges ahead, it does so from a firm position. Its commissioning approach, which focuses on the quality and value for money of services – and how they contribute to the council's priority outcomes – rather than a rigid view on how services should be delivered and by whom, provides the flexibility and capability to respond.

Barnet Council's overarching approach - developing a Corporate Plan to 2020

- Each one of the Council's Theme Committees has developed a 5 year Commissioning Plan over the last 6 months, setting out the outcomes and priorities the Committee will focus on as it seeks to meet the challenge. These Commissioning Plans have been based on consultation to date – including recent Resident Perception Surveys and consultation in relation to the Priorities & Spending Review (PSR), which asked residents what they care about as the Council approaches the challenge and ideas about how savings could be made or services reformed. Final Commissioning Plans – which will reflect the outcomes of the 8 week budget consultation– will be signed off by individual Theme Committees in March and April 2015.
- The council's Corporate Plan sets the overall framework for each of the Committee's individual 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**. These are set out below, based on consultation feedback received from residents through the PSR process.

The first is a focus on fairness

- In meeting the challenge, there are no easy decisions. The council will seek to **strike the right balance** between fairness towards meeting the needs of more frequent and targeted users of services meeting the needs of the wider taxpayer and making sure all residents from our diverse communities - young, old, disabled, and unemployed - share in the opportunities of growth, whilst adhering to its statutory equalities duties.

- 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.
- Managing the rising demand on services requires a step change in the council's approach to **early intervention, prevention and demand management**. Across the public sector, the council and its partners will need to work with residents to prevent problems rather than treating the symptoms when they materialise.

The second is a focus on responsibility

- The council has a responsibility to ensure that certain services continue to be provided but, given the scale of the financial challenge, it will do so in different ways.
- The council also has a responsibility to set out its plan for dealing with the financial challenges to the end of the decade. The MTF5 is that plan. In doing so, the council will continue to drive out **efficiencies** and seek **value for money** across the system, to achieve better outcomes with fewer resources. This includes a focus on workforce productivity; bearing down on contract and procurement costs; and using assets more effectively.
- The council will **change its relationships with residents**, by working with local people to ensure services better meet their needs and to reduce the impact of funding cuts. In 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 council will seek to create a **stronger link between personal behaviour and cost**, with those whose chosen behaviour increases the cost burden on wider taxpayers charged more e.g. taking action against individuals and businesses who increase council costs through littering or fly-tipping.

The third is a focus on opportunity

- The council will prioritise **regeneration, growth and income maximisation**. Regeneration revitalises communities and provides residents and businesses with places to live and work.
- There is a **trade-off between the amount of income the council is able to generate and the level of savings it needs to make**. Growing the local tax base and generating more income makes the council less reliant on Government funding and helps to offset the impact of service cuts.

- Income maximisation through growth and regeneration also generates resources for investment in future infrastructure - roads and transport infrastructure, housing and schools.
- The council will **redesign services** and **deliver them differently through a range of models and providers**. The commissioning council approach means that it does not have a rigid view about how services should be designed and delivered – its concern is primarily with service quality and value for money for the taxpayer. The council will continue to develop a mixed economy of providers from across the public, private and voluntary sectors through a variety of delivery models - in-house, outsourced, Joint Ventures, Social Enterprises, Mutual – that are appropriate to the service.
- This approach - based around **Fairness, Responsibility and Opportunity** – will be articulated in the council’s new **Corporate Plan to 2020**. **The final Corporate Plan will include measures and targets and will be presented to Full Council in April 2015.**
- The Council has consulted on the high-level strategic priorities which flow from the approach articulated above, and inform development of the more detailed plan. **The council’s proposed high-level strategic priorities, which have been consulted on, are set out in the table below. Preliminary views from the consultation are set out in Section 10.19 – 10.29:**

Barnet Council, working with local, regional and national partners, will strive to make sure the Barnet is the place:	
1	Of opportunity, where people can further their quality of life.
2	Where responsibility is shared, fairly.
3	Where people are helped to help themselves, recognising that prevention is better than cure.
4	Where services are delivered efficiently to get value for money for the taxpayer.

2 MEDIUM TERM FINANCIAL STRATEGY

2.1 Funding from Government, Council Tax and other assumptions

- 2.1.1 **Appendix C** sets out the indicative MTFs for Barnet Council through to 2020, taking into account the national economic context such as Government spending cuts and inflation, along with local factors such as population and demand pressures. The budget gap facing the council includes assumptions about levels of expected Government grant, future levels of business rates and changes to the Council Tax base, along with a range of other assumptions about pay and non-pay inflation, future levies and other risks.

2.1.2 The Government has already announced indicative funding levels for 2015/16 and these have been included in the MTFS. Beyond that point, it is possible to model further cuts to Government grant through to the end of the decade, based on budget announcements and Office for Budget Responsibility (OBR) reports. Within this report it is broadly assumed that Government grants will continue to reduce from 2016 to 2020 at the same level as they did between 2011 and 2015. These assumptions on Government grant, along with assumptions on growth in population, inflation and a range of other factors, are used to inform the MTFS and budget gap and will be kept under review following further announcements and changes in the macro-economic picture. In detail, these assumptions are as follows:

- **Demographic pressures** – an assumption has been made in the budget envelope for future demographic pressures specifically for Adults and Children’s Social Care costs. This is based on data provided by the Greater London Authority.
- **Inflation (pay)**: in line with the Local Government pay award for 2013/14, a 1% increase in pay is assumed for each year from 2015 to 2020;
- **Inflation (non-pay)**: figures of 1.8% from the Office for Budget Responsibility (OBR) for inflation have been used to estimate the increase in non-pay costs;
- **North London Waste Authority levy**: figures for the NWLA levy are based on the latest information from the NLWA for the period from 2015-2020;
- **Capital financing costs**: no provision has been added for 2015/16 as the current budget provision is considered to be sufficient, but a provision has been added each year beyond that point;
- **Council Tax Support**: a provision has already been set aside for risks associated with Council Tax support, and this is considered to be sufficient for future years and the scheme has been revised to a 20% contribution as per Council’s decision in January 2015;
- **Concessionary fares**: increases have been projected in line with demographic changes of 60+ in Barnet;
- **Care Act**: a staged introduction of the Care Act has caused a financial pressure for 2015/16 for the assessment of carers which is above the funding made available by Government. This additional pressure is reflected in the MTFS. The new burdens money for future years has not yet been published, so no provision has yet been included in the MTFS for Care Act implementation in 2016/17;
- Future allocations of **New Homes Bonus** are projected in line with known developments in the borough, and is reserved for infrastructure purposes;
- **Business rates**: there has been no growth assumed in business rates. An increase in yield has been estimated in line with inflation;
- **Business rates top up grant**: the business rates top up grant is assumed to increase in line with inflation;
- **Revenue Support Grant**: the assumption for the reduction in RSG is such that the reduction in the total quantum of retained business rates and RSG is approximately £10m per annum until 2018/19 when the RSG is decreased by an additional £500k. This total reduction is to prudently reflect the Autumn Statement 2014;

- **Council Tax:** The proposal subject to consultation and the Equalities Impact Assessment is that a Council Tax freeze is factored into the Medium Term Financial Strategy for 2015/16 and 2016/17, with an increase of 2% per annum beyond that point. The Council Tax baseline takes into account current developments and regenerations schemes where developers are in place. It does not take into account schemes that are proposed, but where developers are not yet in place;
- **Education Support and Council Tax & Housing benefit administration grants** have been assumed to reduce by 10% in line with previous reductions of specific grants; and
- The **PFI credit** is fixed and no change has been factored in.

2.2 Budgets 2014 to 2020

2014/15 Out-Turn Position

2.2.1 The quarter 3 forecast outturn general fund expenditure (after reserve movements) is £287.984m, which is an adverse variance of £1.572m (0.5%) against the revised budget of £286.412m.

The main headline pressures are as follows:-

- The over spends for the Barnet Group of £1.049m represents 24.7% of the delivery unit net budget (£4.254m). The variance is due to Temporary accommodation pressures that have resulted due to increasing number of clients and high inflation rates for emergency accommodation during 2014. An additional request from contingency to manage this pressure has been requested below in para 2.2.2.
- Adults and Communities services have a pressure which is due to a case law change around Deprivation of Liberties. An additional request for funding to manage this has been requested below in para 2.2.2. The overspend after this draw down from reserves will be £0.857m which is 0.9% of their budget.
- The pressures in the SPA and Temporary Accommodation will be reviewed through 2015/16 to develop mitigating actions to fund the shortfall. There will be sufficient funding in contingency to cover the risks and remaining shortfall.

Budget decisions

2.2.2 This report is primarily concerned with the new Corporate Plan, Commissioning Plans and indicative MTFs the period from 1st April 2015 through to 2020 as follows. However, as part of the regular decision making process around on-going financial management, this report proposes that Policy and Resources Committee agree as follows:

- Allocate £584k (one off) from contingency to fund the revenue pressure of the Housing Needs and Resources.
- Allocate £500k for the Deprivation of Liberties service pressure in 14/15 from the risk reserve and this has been included in the MTFs as a £555k pressure for future years.

- Approve an ongoing virement for £0.338m is requested to realign Directorates budgets to meet the insurance charges for 2014/15 made to Central expenses as per the table below.

	£'s
Adults and Communities	(69,510.42)
Assurance	3,197.68
Commissioning	42,985.25
Customer Support Group	131,849.36
Education & Skills	11,715.02
Family Services	79,353.90
Parking & Infrastructure	(43,541.94)
Regional Enterprise	8,575.60
Streetscene	(498,410.65)
The Barnet Group	(4,759.96)
Total	(338,546.17)

- That Policy and Resources committee agree the write offs as set out in **Appendix A** to this report.

2015/16 budget proposals

2.2.3 The proposed budget for 2015/16 reflects a budget gap of £17.269m, with savings proposals to reach a balanced position. These savings are set out in detail at **Appendix D**

	2015/16 £000
Budget Gap before savings and pressures	15,749
Identified Pressures	1,520
Proposed Savings	(17,269)
Budget Gap after savings	0

2.2.4 The 2015/16 savings by Theme Committee are as below. These are set out in detail at **Appendix D**.

Theme Committee	Total £'000
Adults & Safeguarding	(8,424)
Assets, Regeneration & Growth	(300)
Children, Education, Libraries & Safeguarding	(3,394)
Environment	(1,851)
Housing	(300)
Policy & Resources	(3,000)
Total	(17,269)

2016/17 – 2019/20 budget proposals – savings and pressures

2.2.5 Successfully meeting the financial challenges ahead requires careful planning. Knowing that Barnet continues to face severe budgetary constraint, the council has carried out a Priorities & Spending Review (PSR) - a detailed, 12 month process of analysis, engagement and ideas generation. The PSR commenced in summer 2013 and concluded in June 2014, with the ambition of understanding the level of financial challenge facing the council and its local strategic partners up to 2020 and developing options for Committees to consider closing the budget gap.

2.2.6 The PSR represents a considered, rational process for developing a range of options for meeting the projected budget gap of £73.5 million between 2016 and 2020. The fundamental driver of the PSR was to ensure that decisions taken by Committees about how to allocate budgets across different parts of the council – and the decisions required to live within those budgets – were taken on the basis of a bottom up process informed by engagement and consultation rather than allocating budgets and taking decisions in an arbitrary, top down way.

2.2.7 The headline figure is a budget gap of further £73.5m for 2016-20. This means that the council will need to find recurrent baseline savings of £73.5m a year by 2019/20. There are savings proposals that have been agreed of £51.6m as listed in **Appendix D**. This leaves a remaining gap of £21.9m which will still need to be identified as below.

	2016/17 £000	2017/18 £000	2018/19 £000	2019/20 £000	Total £'000
Budget Gap before savings and pressures	18,427	14,741	13,194	12,677	59,039
Proposed Pressures	3,992	3,583	3,382	3,593	14,550
Proposed Savings	(20,603)	(12,269)	(10,677)	(8,109)	(51,658)
Budget Gap after savings	1,816	6,055	5,899	8,161	21,931

2.2.8 Indicative savings proposals have been agreed by council. The combined position for 2016 through to 2020, is set out below:

Theme Committee	2016-17 £'000	2017-18 £'000	2018-19 £'000	2019-20 £'000	Total £'000
Adults & Safeguarding	(2,656)	(3,514)	(3,199)	(3,238)	(12,607)
Assets, Regeneration & Growth	(4,635)	(3,553)	(1,417)	(472)	(10,077)
Children, Education, Libraries & Safeguarding	(3,795)	(2,195)	(1,973)	(1,912)	(9,875)
Community Leadership	(9)			(843)	(852)
Environment	(3,560)	(1,410)	(800)	(100)	(5,870)
Health and Wellbeing Board					
Policy & Resources	(5,948)	(1,596)	(3,289)	(1,544)	(12,377)
Total	(20,603)	(12,268)	(10,678)	(8,109)	(51,658)

2.2.9 In addition to the savings above, savings of £4.2m over the period of 2015-2020 have been agreed by the Housing Committee and Council in December 2014 which will reduce the costs of services within the Housing Revenue Account.

2.2.10 An allowance has been included within the budget envelope for demographic growth in line with population projections for Adults and Communities and Children's Services. A small additional pressure is included for additional Street Scene costs arising from population growth.

2.2.11 The total pressures for each delivery unit are summarised below:

	2015/16 £m	2016/17 £m	2017/18 £m	2018/19 £m	2019/20 £m
Adult and Communities	0.8	1.68	2.018	2.014	2.375
Children's Services	0.72	1.952	1.565	1.368	1.218
Street Scene	0	0.36			
Total	1.52	3.992	3.583	3.382	3.593

2.3 Emerging risks over the next two years

2.3.1 There are a number of risks to the council's financial position as a result of changes in demographics, changes to legislation and other factors. The council holds reserves and contingency balances to address future risks and concerns. These risks will be kept under review as they materialise.

- **Welfare Reform:** The Government's Welfare Reform programme is continuing to be rolled out across the country. Universal Credit will begin to be rolled out in Barnet from 2 March. Although the initial roll out is limited to less complex single person claimants, the wider roll out of UC to families with complex needs in the future is likely to require more intensive support and potentially have an impact on housing and social care services (in Adults and Communities and Children's Services). The council is in close discussion with the Government to put in place appropriate local support arrangements and agree funding.
- **Social care funding reform and Care and Support Bill:** An introduction of a cap on contributions towards care costs will be introduced in 2016/17. This is likely to increase the pressure on the service. There will be additional funding for social care to local authorities however; at this stage it is unclear if this will meet the likely pressure;
- **Temporary Accommodation Costs:** The cost of temporary accommodation above the Local Housing Allowance has had an impact on the budgets of the council and this could continue to increase unless alternative strategies are agreed. The council allocated £1.5m into contingency in 2013 for temporary accommodation pressures. This will be kept under review in 2015/16 to see how these pressures are being managed.

- **Children's Placement Costs:** Due to recent legislation changes within Children's services means that young adults will continue with foster carers until 21 and children who are placed with families now have to receive allowances that are the same rate as foster carers. These will increase the financial pressure on services.
- **Building Costs** As the economy has improved there has been an increased demand for building contractors which in turn has led to an increase in costs and materials. Also as councils in London are building more this has meant that framework agreements at times have reached full capacity. There has been an increase in capital financing made available to cover the additional costs of construction inflation.

2.3.2 No additional budgetary provision has been made for these risk items in the MTFS at this stage. However, the council's approach to contingency will need to continue to be cautious in the event that any of these risks materialise.

2.4 Dedicated Schools Grant (DSG) and Schools Budget 2015/16

2.4.1 The total draft Schools' Budget for 2015/16 is £305m, of which about £91m is recouped by the Education Funding Agency (EFA) to pay the budget shares to Academies and Free Schools based in Barnet. The Schools Budget is funded from the Dedicated Schools Grant, post-16 allocations from the EFA and any underspend carried forward from the School's Budget in previous years.

2.4.2 The vast majority of this funding is passed on to schools and early years settings through the operation of the School Funding Formula and the Early Years Single Funding Formula. Most of the remainder is used to pay for places and top-up funding for pupils with special educational needs in maintained schools and Academies, non-maintained and independent schools and colleges.

2.4.3 Details of the way in which the School's Budget has been put together are shown in Appendix K, which also includes a table showing a summary breakdown of the School's Budget.

2.4.4 The draft School's Budget is a balanced budget following various adjustments described in Appendix K. Funding per pupil and for children in early years setting has been set at the same rate as in 2014/15, apart from a minor adjustment relating to the distribution of the 2012/13 DSG underspend carried forward to 2014/15.

Submission of the Authority Proforma Tool

2.4.5 The council is required to submit to the DfE annually a completed Authority Proforma Tool (the APT) which shows all the detailed assumptions underpinning the proposals for allocating budgets to schools and early years' providers in the following year.

The key factors are as follows:

- The same school and early years funding formulae and rates as 2014-15 with the exception of the £23 per pupil distribution of the 2012-13 underspend. This was included on a one-off basis in the 2014-15 AWPU as was the additional £0.02p/hour for nursery children
- The minimum funding guarantee for schools remains the same as in 2014/15 (-1.5%).
- The cap on gains for schools remains the same as in 2014/15 at +0.5%.

2.4.6 The funding rates proposed for the 2015/16 financial year are thus as follows:

	Primary Rate £	Secondary Rate £
Age Weighted Pupil Unit	3,316	4,763
Free School Meals (Ever 6)	1384	1375
Lump sum per school	122000	122000
Deprivation: IDACI 4	215	247
Deprivation: IDACI 5	717	819
Deprivation: IDACI 6	4205	2917
English as Additional Language 2	530	1378
Mobility	423	619

2.5 Council Tax

2.5.1 As part of the Localism Act the Government has introduced new arrangements for Council Tax setting. These include provisions for a referendum on excessive Council Tax increases. The Government has indicated that the level that it considers excessive is 2%. In effect this means that the Council Tax increases are capped at 2% for 2015/16. The council's budget is based on a Council Tax freeze for 2015/16 and 2016/17 and then a 2% increase in the following years until 2019/20.

2.5.2 The detailed Council Tax base schedule is included in Appendix D. Under delegated powers, the Chief Finance Officer has determined the 2015/16 tax base to be 132,151 (Band D Equivalents) – the calculations are set out below:

Council Taxbase	2014/2015	2015/2016	
	Band D Equivalents	Band D Equivalents	Income
Total properties (per Valuation List)	165,611	166,725	232,926,671
Exemptions	(2,622)	(2,648)	(3,699,436)
Disabled reductions	(119)	(115)	(160,663)
Discounts (10%, 25% & 50%)	(32,831)	(31,571)	(44,106,834)
Adjustments	299	1,677	2,342,639
Aggregate Relevant Amounts	130,338	134,068	187,302,377
Non-Collection (1.5% both years)	(1,956)	(1,998)	(2,791,342)
Contributions in lieu from MoD	81	81	113,163
	128,463	132,151	184,624,198

2.5.3 The Localism Act requires Council approval of the Council Tax requirement (including settlement funding assessment) in place of budget requirement (excluding settlement funding assessment).

2.5.4 The calculation of the Council Tax for Barnet is set out below:

BUDGET	2014/2015	2014/2015	2015/2016
	Original	Current	Original
	£	£	£
Total Service Expenditure	286,412,080	286,412,080	276,465,365
Contribution to / (from) Specific Reserves	8,418,138	8,418,138	6,461,288
NET EXPENDITURE	294,830,218	294,830,218	282,926,653
Other Grants	(34,255,000)	(34,255,000)	(32,038,000)
BUDGET REQUIREMENT	260,575,218	260,575,218	250,888,653
Business Rates Retention	(34,500,000)	(34,500,000)	(35,191,000)
Business rates top-up	(17,800,000)	(17,800,000)	(18,114,000)
BUSINESS RATES INCOME	(52,300,000)	(52,300,000)	(53,305,000)
RSG	(65,200,000)	(65,200,000)	(50,444,000)
Collection Fund Adjustments	(1,500,000)	(1,500,000)	(1,500,000)
BARNET'S ELEMENT OF COUNCIL TAX REQUIREMENT	141,575,218	141,575,218	145,639,653
Council Tax Base			
BASIC AMOUNT OF TAX	1,102.07	1,102.07	1,102.07
GLA TAX	299.00	299.00	295.00
TOTAL COUNCIL TAX (BAND D EQUIVALENT)	1,401.07	1,401.07	1,397.07

2.5.5 The provisional GLA precept is £38,984,545 making the total estimated demand on the collection fund and Council Tax requirement £184,624,198.

London Borough of Barnet	£145,639,653
Greater London Authority	£ 38,984,545
Total Requirement for Council Tax	£184,624,198

2.5.6 The council is required to set levels of Council Tax for each category of dwelling. As there are no special items within Barnet's or the GLA's budgets affecting part of the borough, there are only eight amounts of tax to set, as set out below:

Council Tax Band	Barnet	GLA	Aggregate
	£	£	£
A	734.71	196.67	931.38
B	857.16	229.44	1,086.60
C	979.62	262.22	1,241.84
D	1,102.07	295.00	1,397.07
E	1,346.97	360.56	1,707.53
F	1,591.88	426.11	2,017.99
G	1,836.78	491.67	2,328.45
H	2,204.14	590.00	2,794.14

2.5.7 Individual Council Tax bills will reflect occupancy status with discounts for low occupancy (one or no adults) and exemptions for specific circumstances. In addition, some residents will be eligible for Council Tax support.

2.6 Capital programme 2015-2020

2.6.1 The MTFs includes provision for future capital expenditure on council priorities through to 2020. These draft budget proposals include capital investment plans through to 2020 to ensure that Barnet continues to have the infrastructure it needs to be successful. So for example, provision needs to be made to ensure that sufficient school places exist in Barnet through to 2020. Roads and pavements investment is also important; this is a key concern for residents as demonstrated by recent residents' perception surveys. The council also needs to ensure that sufficient provision is made for rolling programmes of upgrades to buildings, equipment, IT and other investment that supports the delivery of services.

2.6.2 The current programme for each theme committee is as below:

Theme Committee	2014-15 £'000	2015-16 £'000	2016-17 £'000	2017-18 £'000	2018-19 £'000	2019-20 £'000	Total £'000
Adults & Safeguarding	1,756	2,321	315				4,392
Assets, Regeneration & Growth	14,683	17,428	19,250	19,195	2,100	100	72,756
Children, Education, Libraries & Safeguarding	32,509	53,930	41,398	16,775	25,400	25,400	195,411
Environment	16,808	28,420	16,450	9,100	8,450	7,525	86,753
Community Leadership	814						814
Housing	2,006	7,893	3,050	2,500	2,550	2,600	20,599
Policy & Resources	2,210	26,468	1,805	1,000	1,000	1,000	33,483
Total	70,786	136,459	82,268	48,570	39,500	36,625	414,207

2.6.3 Since the programme was agreed by Council in December 2014 there have been the following additional capital requests:

- £23.2m of additional capital funding will be required for the Sports and Physical Activities Programme. This will be funded by borrowing funded by income and from the Community Infrastructure Levy over the period of 2015/16 to 2017/18;
- £1.575m of capital was requested on the 27th of January 2015 as part of the implementation of the new parking policy that was presented and agreed by the Environment Committee;
- In the October 2014 Children's Education and Learning Committee a paper was put forward for the Early Learning Review and it stated that there would be capital demands but needed confirmation of the amounts required. The project team have now confirmed that there is a capital need of £331k.

2.6.4 The capital programme is funded in a number of different ways, but is summarised as follows:

a) The Education Capital Programme is funded by a combination of council allocated resources and government grant;

b) The Housing Capital Programme is funded from available resources within the housing revenue account, brought together into the housing investment plan;

c) Infrastructure needs and requirements are funded by the council through the infrastructure reserve, which includes New Homes Bonus and Community Infrastructure Levy contributions; and

d) Other corporate, highways and environmental requirements which are funded mainly through capital receipts and borrowing.

2.7 Treasury Management Strategy

2.7.1 The Treasury Management Strategy is included at Appendix F. The main recommended revisions to the Treasury Management Strategy are as follows:

- Maximum deposits limit for non-specified deposits, (more than one year), increased to £100 million and £50 million for more than two years.
- Further diversification of financial instruments into more secure /higher yield asset classes in consultation with the council's investment advisor.
- Decisions in respect of investments over two years will be taken in consultation with the council's investment advisor and approved by the Chief Finance Officer.
- Following a competitive tender the Royal Bank of Scotland will be managing the council bank contract and overnight investment with RBS will be permitted.
- The prudential indicators have been updated to reflect the Council's capital programme and future borrowing requirement; and
- The strategy has been updated to reflect the latest forecast for interest rates. Base rate is expected to remain at 0.5% for most of 2015/16 and therefore the assumptions in the budget strategy for interest receipts remain the same.

2.7.2 Policy and Resources Committee are asked to note the Treasury Management Strategy as set out in Appendix F which will go to Council for approval.

2.8 Housing Revenue Account

- 2.8.1 The Local Government and Housing Act 1989 requires the Housing Revenue Account (HRA) to be maintained as a ring-fenced account. Any surpluses generated from the HRA can be used to support the account when it fails to break even. One budget can be set so that there is a drawing on balances, but it is not permissible for an overall HRA budget deficit to be set. It is for the Council to determine what level of balances should be maintained. The quarter 3 monitoring position indicated that at 31 March 2014 the HRA balances were £14.8m, and forecast to be £11.5m at 31 March 2015.
- 2.8.2 The in-year Housing Revenue Account (HRA) is showing a £0.068m increased surplus due to increases in collection rates. However, £3.3m of balances will be used to fund the Capital Programme. Hence, the council's Housing Revenue Account balances are forecast to be £11.553m, which will be factored into the 30-year business plan.
- 2.8.3 The principal items of expenditure within the HRA are management and maintenance costs, together with charges for capital expenditure (depreciation and interest). This is substantially met by rent and service charge income from dwellings, garages and commercial premises.

Council dwelling rents

- 2.8.4 Although the Government recommends that local authorities continue to follow the national policy for rent setting, it has confirmed that this is only guidance and that councils are free to set rents that reflect local priorities and needs.
- 2.8.5 The economic situation and welfare changes, such as Council Tax benefit and housing benefit, mean that many lower income households in council homes are facing financial pressures. The council could increase council dwelling rents by CPI plus 1.5% at September 2014 as proposed in the draft Housing Commissioning Plan. This would provide an additional annual income of £276k. However, for council dwelling rents in 2015/16 it has been decided to follow the current government guidance for council dwelling rents which is CPI at September 2014 (1.2%) plus 1%.
- 2.8.6 The average weekly rent on a 52 week basis will be £103.27. This has increased from an existing weekly average rent of £100.93.

Service charges and garages

- 2.8.7 Service charges have been reviewed by Barnet Homes and the following changes are recommended to take effect from 1 April 2015:

	2014/15	2015/16	Increase	% Increase
Grounds Maintenance	£1.81	£1.85	£0.04	2%
Lighting	£1.12	£1.14	£0.02	2%
Heating - Grahame Park	1 Bed- £11.73 2 Bed - £16.26 3 Bed - £17.56	1 Bed- £11.96 2 Bed - £16.59 3 Bed - £17.91	1 Bed- £0.23 2 Bed - £0.33 3 Bed - £0.35	2%
Heating – excluding Grahame Park	2%			
Digital Television	£0.80	£0.82	£0.02	2%
Weekly Caretaking	£6.35	£6.48	£0.13	2%
Caretaking Plus	£8.20	£8.36	£0.16	2%
Quarterly Caretaking	£1.28	£1.31	£0.03	2%
Enhanced Housing Management and Alarm Service (sheltered housing)	2%			
Garages	2%			

2.8.8 Proposed increase for Grounds Maintenance, Lighting and Caretaking reflect the actual cost of providing these services.

2.8.9 Proposed increased for Heating and Digital Television are in line with inflation.

2.8.10 It is proposed that council garages' rents are increased by 2% in line with inflation.

HRA Summary and Working Balance

2.8.11 Total expenditure for 2015/16 is estimated at £72m, including charges for financing HRA debt.

2.8.12 The HRA for 2015/16 shows a contribution to balances of £8m. The estimated HRA balance as at 31 March 2016 is £25m.

2.9 Robustness of the budget and assurance from Chief Financial Officer

2.9.1 The Chief Finance Officer is required under section 25 of the Local Government Act 2003 to report to the council on the robustness of the estimates and adequacy of reserves. The council's reserves and balance policy is attached at appendix J.

Robustness of Estimates

2.9.2 The financial planning process for 2015/16 is in light of confirmation of further cuts from central Government. This has posed a significant challenge for all authorities to balance budgets with significant reductions in government support. Barnet Council has met this challenge through its Priorities and Spending Review which considered plans up to 2020 in order to develop a balanced budget.

2.9.3 The financial planning process has been managed at officer level through the Business Planning Group. These Director level groups have overseen the process for financial planning, including medium-term resource projections, the strategic context for the borough, and the quantification of new pressures on resources, and the identification of potential budget savings.

2.9.4 Extensive consultation has taken place in respect of the budget proposals in general, and also in respect of specific planned changes. Consultation feedback has been taken into consideration as final proposals to the council have been formulated.

2.9.5 At Member level, the Theme Committees have considered the financial planning process and made recommendations to the Policy and Resource Committee. The savings were then referred to Council and agreed in December 2014.

Robustness of the budget process

2.9.6 The process that has been undertaken to set the budget has included engagement of officers from service departments throughout the year, regular reporting to Theme Committees and Council, consultation with the public, along with due consideration of statutory duties, particularly in respect of equalities. For these reasons, it can be confirmed that the budget setting process has been robust;

Effectiveness of Risk Management

2.9.7 Risk management processes have continued to improve during 2014/15. The corporate risk register is attached at Appendix J, and service and corporate risks have been taken into account in budget-setting and in considering the adequacy of reserves.

Effectiveness of Budget Management

2.9.8 The council has robust arrangements for managing budgets and performance. Close attention will continue to be paid to the implementation of agreed savings, with regular reporting to the Performance and Contract Management Committee.

2.10 Review of reserves and contingency

2.10.1 Policy and Resources Committee in July 2014 agreed that a review of reserves and contingency which was presented back to Committee on 2 December.

2.10.2 Ultimately, it is the role of the Section 151 officer to recommend a level of reserves within the council's budget. However, it is important that members understand the level of reserves that the council holds, and ensure that the reserves policy fits in line with the organisational strategy.

2.10.3 The council holds general non ring-fenced and not earmarked annual reserves of £15m to deal with any in year and unplanned pressures. This is equivalent to 5% of annual expenditure and this amount is in line with Audit and Regulatory good practice.

2.10.4 Corporate earmarked reserves have been set aside by the council for a variety of purposes. Principally these are for unforeseen risks. The council could, should it wish, change the basis of the allocation of these reserves. Any such change would be made by council in setting the budget and would be on the advice of the Chief Finance Officer.

2.10.5 The infrastructure reserve holds New Homes Bonus, the Community Infrastructure Levy and the council's share of profits from the Inglis Consortium. The council is not legally bound to spend this money on infrastructure, but there is an expectation that it is used for this purpose, and the council has a significant infrastructure burden across the borough which it must service.

2.10.6 Ring fenced reserves include money that is ring fenced by statute and can only be used for their designated purpose (such as schools and public health balances), funding held to service a long term PFI contract, and also funding held on behalf of other organisations such as the North London Sub Region.

3. REASONS FOR RECOMMENDATIONS

3.1 The council is legally obliged to set a budget each year which must balance service expenditure against available resources. It is also a key element of effective financial management for the council to put together a financial forward plan to ensure that it is well placed to meet future challenges, particularly in the context of cuts to local authority funding, demographic increases and legislation changes.

4. ALTERNATIVE OPTIONS CONSIDERED AND NOT RECOMMENDED

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

5 POST DECISION IMPLEMENTATION

- 5.1 If this report is agreed, these budget proposals will be considered by Full Council on 3 March 2015.

6. IMPLICATIONS OF DECISION

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

- 6.1.1 In addition to continued spending reductions, demographic change and the resulting pressure on services pose 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'.

6.2 Revenue

- 6.2.1 The MTFs (**Appendix C**) sets out the £90.8m savings target for the council for 2015-16 to 2019/20 based on a number of assumptions listed above.

- 6.2.2 The revenue budget proposals plan (**Appendix D**) will enable the council to meet its £90.8m savings target as set out in the MTFs (**Appendix C**). 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.

6.3 Capital

- 6.3.1 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 2015-2020.

- 6.3.2 As part of that process, Policy and Resources Committee allocated funding for capital investment to be reviewed and prioritised by the Theme Committee including any amendments and additions.

- 6.3.3 The allocation of the additional Capital which was agreed by Committees is attached (**Appendix E**). This was then approved by Council in December 2014.

6.4 Staffing

6.4.1 The budget proposals in this report will have an impact on staffing across the organisation. A number of budget proposals will result in a reduction in posts in the organisation. For 2015/16, this impact is set out in **Appendix D** to the report, and is summarised as follows

	FTE reduction	Redundancies
Adults and Communities	6	
Family Services	28	28
Street Scene	29	
Commissioning Group	4	4
Total	67	32

6.4.2 The savings in Adults and Communities relate to a review of back office support in the Delivery Unit. The savings in Family Services relate to the cross-service restructure which is currently in progress an equality impact assessment will be available and will be considered before the final decision is made on this restructure. The savings in the Commissioning Group relate to review which is currently in progress. Savings in the Street Scene Delivery Unit relate to changes in the delivery of street cleansing, waste route optimisation and the internalisation of the fleet.

6.4.3 In addition to the above, an options appraisal for the future delivery of Education and Skills services is currently being undertaken, the preferred option which could result in staff TUPE to another provider. Future budget savings for 2016 onwards will be reviewed for the impact on staffing at the appropriate time following public consultation and committee decisions.

6.4.4 For 2015/16, consultation with staff took place in accordance with the council's HR policies and is being led by the respective delivery units. A report on the full impact of budget proposals on staff, which will trigger staff consultation on the budget package as a whole, went to General Functions Committee in December. The committee referred the matter to Full Council and this was considered in December.

6.4.5 The council will seek to mitigate redundancies through the redeployment process and a reduction in agency usage. Any substantial changes are subject to consultation as set out in the council's Managing Organisational Change Policy and will be subject to consultation with Staff and Trade Unions and equality impact assessments before implementation.

7 Legal and Constitutional References

- 7.1 All proposals emerging from the business planning process must be considered in terms of the council's legal powers and obligations, including its overarching statutory duties such as the Public Sector Equality Duty.
- 7.2 Constitution Responsibilities for Functions Annex A sets out the terms of the Policy and Resources Committee.
- 7.3 Any decision made should be made after appropriate consultation and consideration of equality impacts.
- 7.4 Decision makers should have due regard to the public sector duty when making their decisions. If negative equality impacts are found then decision makers may decide to make other decisions after balancing all of the factors. The equalities duties are continuing duties they are not duties to secure a particular outcome. Consideration of the duties should precede the decision. It is important that decision makers have regard to the statutory grounds in the light of all available material this will include the result of the consultation and other comments that residents and organisations make on the proposals.

7.5 Consultation

- 7.5.1 As a matter of public law the duty to consult with regards to proposals to vary, reduce or withdraw services will arise in 4 circumstances:
- Where there is a statutory requirement in the relevant legislative framework;
 - Where the practice has been to consult or where a policy document states the council will consult then the council must comply with its own practice or policy;
 - Exceptionally, where the matter is so important that there is a legitimate expectation of consultation and
 - Where consultation is required to complete an equalities impact assessment.
- 7.5.2 Regardless of whether the council has a duty to consult, if it chooses to consult, such consultation must be carried out fairly. In general, a consultation can only be considered as proper consultation if:
- Comments are genuinely invited at the formative stage;
 - The consultation documents include sufficient reasons for the proposal to allow those being consulted to be properly informed and to give an informed response;
 - There is adequate time given to the consultees to consider the proposals;
 - There is a mechanism for feeding back the comments and those comments are conscientiously taken into account by the decision maker / decision making body when making a final decision.
 - The degree of specificity with which, in fairness, the public authority should conduct its consultation exercise may be influenced by the identity of those whom it is consulting and

- The consultation is clear on the reasons why alternatives and discarded options have been discarded.

7.5.3 Finally there will be staff consultation about these proposals in compliance with s188 of the Trade Union & Labour Relations (Consolidation) Act 1992. The council may be required to publish a statutory notice to the Secretary of State and undertake consultation should we reach the minimum thresholds for potential redundancies resulting from these proposals.

7.6 Public Sector Equality Duty

7.6.1 The general duty on public bodies is set out in section 149 of the Act.

7.6.2 A public authority must, in the exercise of its functions, have due regard to the need to:

(a) Eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under this Act;

(b) Advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it; and

(c) Foster good relations between persons who share a relevant protected characteristic and persons who do not share it.

7.6.3 Having due regard to the need to advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it involves having due regard, in particular, to the need to:

(a) Remove or minimise disadvantages suffered by persons who share a relevant protected characteristic that are connected to that characteristic;

(b) Take steps to meet the needs of persons who share a relevant protected characteristic that are different from the needs of persons who do not share it; and

(c) Encourage persons who share a relevant protected characteristic to participate in public life or in any other activity in which participation by such persons is disproportionately low.

7.6.4 The steps involved in meeting the needs of disabled persons that are different from the needs of persons who are not disabled include, in particular, steps to take account of disabled persons' disabilities.

7.6.5 Having due regard to the need to foster good relations between persons who share a relevant protected characteristic and persons who do not share it involves having due regard, in particular, the need to:

(a) Tackle prejudice, and

(b) Promote understanding.

7.6.6 Compliance with the duties in this section may involve treating some persons more favourably than others but that is not to be taken as permitting conduct that would otherwise be prohibited by or under this Act.

7.6.7 The relevant protected characteristics are:

- Age;
- Disability;
- Gender reassignment;
- Pregnancy and maternity;
- Race;
- Religion or belief;
- Sex; and
- Sexual orientation.

7.6.8 It also covers marriage and civil partnership with regard to eliminating discrimination.

7.6.9 Through the process of finalising the budget and Corporate Plan, the council will need to satisfy itself that these requirements have been adhered to in formulating the proposals referred to in this report.

8 Risk Management

8.1 Some savings and efficiencies for the 2015/16 budget and MTFS to 2020 will have a negative impact on some groups of residents this will be exacerbated when combined with the impact of welfare reform and increasing cost of living. The council has put in place support for people who will be affected by Welfare Reform, in particular measures to support people into work and to stay in work, and through funding support such as Discretionary Housing and Crisis Fund payments. In addition, the council has also sought to bear down on overall Council Tax since 2010. Further analysis of budget proposals will be undertaken following the budget consultation to consider the cumulative impact of changes and to draw this to the attention of decision makers

8.2 As the council continues to transform and reduce expenditure, there is a continuing risk of challenge. Any decision (for example reductions to service budgets or service redesign) is potentially open to challenge. Whilst no public body is immune from challenge the risk can be significantly reduced by adopting best business planning practice, an inclusive approach to engagement, a clear understanding of the impact of proposed changes, consideration of mitigations and monitoring of outcomes. To mitigate the risk and to provide a robust response in the event of any challenge, it is important to demonstrate that the council has complied with all relevant statutory duties in budget planning and that processes have been conducted in a consistent, rigorous and open minded way, carried out a full consultation and taken the consultation results into consideration before making the final decisions.

8.3 The Government has already announced indicative local government funding allocations for 2015/16, and it is clear that future funding reductions will continue beyond that point. Current modelling suggests that this is likely to equate to further annual reductions of between £15m and £20m to the

council's budget. For this reason, it is important that the council continues to be prudent with its use of reserves and contingency to militate against future cuts.

9 Equalities and Diversity

- 9.1 The Equality Act 2010 and The Public Sector Equality Duty outlined in statute (See paragraph 7.4 of this paper on legal issues) require elected Members to satisfy themselves that equality impact considerations have been fully taken into account in all proposals emerging from the finance and business planning process, together with any mitigating factors.
- 9.2 The council's aim – particularly during these financially challenging times – is to make sure that all residents from our diverse communities benefit from the opportunities of growth and to ensure that the decisions taken do not disproportionately impact on people who may experience disadvantage. This includes groups with protected characteristics across the borough.
- 9.3 As with last year the council has considered the 9 characteristics protected by Equality Act 2010. In addition, as in previous years, the council has sought to assess the impact on carers, (including adult and young carers), people currently out of work and those on low income and particular geographic areas of disadvantage – groups who are not defined as a protected characteristic under the 2010 Equality Act but who may nevertheless experience additional barriers to equal life chances. This is in line with the council commitment to fairness as discussed at Policy and Resources Committee on 10 June 2014, when Members advised that Committees 'should be mindful of fairness and in particular, of disadvantaged communities when making their recommendations on savings proposals. These groups were also highlighted in last year's assessment of cumulative equalities impact of our proposals.
- 9.4 Barnet aims to provide equality of access and opportunity so that all our citizens can make equal choices and have fair life chances in Barnet. Our commitment to fairness is set out in our Equal Opportunities Policy and our Strategic Equalities Objective - that citizens will be treated equally, with understanding and respect; have equal opportunity with other citizens; and receive quality services provided to Best Value principles. This is reflected in our Corporate Plan, Theme Committee Commissioning Plans and Corporate Strategies.
- 9.5 The council has taken account of growing diversity in the demographic makeup of the borough's population, including growth in both young and older people, in determining both the corporate strategy and service responses in this paper so that the aspirations and contributions of current residents are reflected. The council also aims to consider the needs of all tax payers and to strike the right balance between fairness towards the more frequent users of services and fairness to the wider taxpayer, making sure that all residents from our diverse communities can access and benefit from local services and the opportunities of growth in the borough

- 9.6 Since January 2014, in response to organisation change in the council, including the set-up of the Customer and Support Group and Re, the Developmental and Regulatory Services, the council has taken action to strengthen the approach to Equalities. The action takes account of changes to the constitution, ensures that roles and responsibilities are clear and allows the council to take a common and rigorous approach to equalities across internal and external Delivery Units and partners. The Council's Equality Policy was refreshed in January 2014 and the council's Commissioning Group continues to work with Delivery Units to ensure that the council takes a consistent approach to assessing the equalities impact of their proposals including any cumulative impact on any particular group and any mitigating actions that can be put in place and to refine equality assessments as proposals develop. The Commissioning Group has provided advice and guidance to Delivery Units, through workshops and updates to intranet and internet sites. An equalities briefing was organised for Members and the council published an Annual Report for Equalities in June 2014
- 9.7 As in previous years, the approach of the 2015/16 proposals has been to make savings as far as possible through efficiencies and to target limited financial resources to the services that deliver the best outcomes for residents.
- 9.8 This paper is published ahead of the close of consultation for 2015/16 savings and MTFs savings to 2020. At this stage of the budget planning process Delivery Units have conducted their equalities impact of 2015/16 proposals (subject to comments through consultation). It appears that no equalities issues affecting the protected characteristics set out in the 2010 Equality Act have been raised by respondents to the consultation in relation to 2015/16 proposals. Some comment has been made about the proposal to reduce Council Tax support (on the impact of people on benefits, low wage and lone parent families). The consultation feedback reflects what is said in the EIA for reduction in Council Tax support which for these reasons shows an anticipated minimum negative impact. Therefore it has not been deemed necessary to revise equality analyses in response to consultation feedback at this stage and this will be kept under review as proposals develop.
- 9.9 To meet the requirement for members outlined at paragraph 7.4 equality impact assessments are published with this paper to support 2015/16 savings proposals. These are attached at Appendix H together with the cumulative assessment of the equalities impact. Appendix H to this paper outlines the Cumulative Equalities Impact assessment of the proposed 2015/16 budget savings. This is based on the consultation findings received at the time of writing and will be finalised following the closure of consultation on 11 February 2015.
- 9.10 In meeting the financial challenge, the council will seek to strike the right balance between the needs of the more frequent users of services and the needs of the wider taxpayer, and making sure that all residents from our diverse communities – the young, old, disabled and unemployed – benefit from the opportunities of growth. This year officers have complemented the usual processes of Equality Impact Assessment by starting a process to

illustrate which resident groups (described as Barnet customer segments who share key characteristics, such as age, occupation and income) will feel the impact of the range of budget proposals.

- 9.11 As the MTFS proposals are developed over the coming year the aim is to incorporate an illustration of which resident groups are more likely to feel the impact of budget proposals in future cumulative impact assessments. This is in addition to the analysis of impact on the 9 protected characteristics as required by the 2010 Equality Act.

2015/16 Budget Savings Proposals

- 9.12 15 EIAs have been completed for all 2015/16 savings and to support the cumulative equalities impact. 10 EIAs are showing a positive impact. Street Scene have completed 1 EIA for the options affecting street cleansing which is currently indicating no impact on residents. Some Street Scene savings are predicated on a review of terms and conditions. Work on this project has not been completed. The decision will be subject to an equality impact assessment and a separate committee decision prior to any changes being made 1 EIA for a back office reorganisation in Adults is showing impact not known. 3 EIAs are currently showing minimum negative impact. These are for short term floating support (Adults), SEN transport proposals (Children's) and the proposal to reduce Council Tax support.
- 9.13 The 'people' services - Children's Services and Adults and Communities – have conducted 13 EIAs on proposals that will impact residents. Adults and Social Care have conducted 10 EIAs. 4 are showing significant positive impacts from support for independent living for younger adults with disabilities, people who live outside the borough to settle in their chosen area, changes to the Front Door contact with the council. Eligibility, Assessment and Support Planning Process and Procedures and shared funding arrangements with the Mental Health Trust. 4 are showing minimal positive impact – an improved offer to carers, the community offer, working with leisure services to reduce dependency on specialist day care provision and changes to procurement and care services; 1 is showing impact not known -back office staff reductions, savings from renegotiation of existing contracts and 1 is showing minimal negative impacts from changes to the model for Floating Support. It is expected that the proposals for floating support will have a minimum negative impact on people with disabilities, pregnancy and maternity and older people and this will be kept under review.
- 9.14 The Children's Service has conducted 3 EIAs. 2, for early years and Education and Skills which support 2015/16 savings proposals are each showing a minimal positive impact from a model that aims to deliver improved outcomes. These have been updated for this paper and show no change in that assessment. This will be kept under review and the impact of the various options will be shared with decision makers as the proposals develop.
- 9.15 Savings line E1 for, Education Libraries and Safeguarding Committee shows that 15/16 savings propose changes to SEN transport arrangements for children. This is currently shown as an efficiency saving. Early indications

assess a minimal negative impact overall for service users and their carers. This is a cautious assessment which balances that no impact is anticipated on the majority of 865 service users because in the vast majority of cases arrangements will continue as before. This will be discussed on an individual basis with 148 service users affected by the proposed changes and the outcomes will take full account of their skills and abilities for independent travel to promote choice and independence wherever possible. For this reason the initial assessment of impact is minimal negative. The equality impact will be reviewed prior to any changes being implemented and where possible impacts mitigated. Prior to implementation a further report will be put before the committee with an updated equality assessment.

- 9.16 Mitigations for negative impacts are listed in equality Action Plans for relevant proposals.
- 9.17 The paper also highlights the council's aim is that all Barnet residents will be treated equally and share in the benefit and opportunities of growth. The Themed Committee MTFS strategies will promote sustainability and independence in all aspects of council activities and services and encourage residents to share responsibility and to be involved in delivering better outcomes which promote equal access to all council services and equal opportunities for fair life chances.
- 9.18 Delivery Units have gathered data to analyse the impact by protected characteristic and included equalities action plans to mitigate any negative impact.

Negative impacts have been identified for the following protected groups as indicated below:

- Age -Children and young people with disabilities - SEN Transport
- Some children and families (particularly large families) and lone parents – Council Tax.
- Age - older people –Floating support
- Disability - mental health Floating support and Council Tax support.
- Women – Council Tax support.
- Pregnancy and maternity- Floating support and Council TaxCouncil Tax.
- Race and ethnicity- Floating support.

Positive impacts have also been identified for all of these groups.

- 9.19 The council recognises that austerity is likely to have a continuing impact of on people with low incomes and the importance of mitigating this wherever possible. This is taken into account in Committee Commissioning Plans and priorities which have sought to identify mitigations; in particular through the work to prepare locally for welfare reforms and the focus on getting people into and back into work. The cumulative equalities impact assessment therefore notes a regrettable continuing cumulative minimal negative impact for particular groups with low earnings. See paragraph 53 of the cumulative assessment.

- 9.20 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. This includes completing internal staff focused Equality Impact Assessments at the appropriate time in all restructures.
- 9.21 The council and its partners will continue to comply with the statutory requirement set out in Public Sector Equalities Duty to pay due regard to Equalities. We will share the findings of the cumulative equalities impact assessment with all our partners.

10 CONSULTATION AND ENGAGEMENT

- 10.1 Budget proposals for 2015/16 and the indicative MTFs to 2020 have been subject to formal consultation which closed on 11 February.
- 10.2 This report provides the interim headline findings. A full report will be presented to Full Council on the 3rd March 2015
- 10.3 Individual proposals for future years included in the MTFs will be subject where necessary to full consultation and Equalities Impact Assessments at the appropriate time before they are cast into the annual budgets.
- 10.4 The council is committed to involving residents, businesses and service users in shaping the borough and the services they receive. Consultation and engagement is one of the key ways the council interacts with and involves local communities and residents, providing them with opportunities to:
- Gain greater awareness and understanding of what the council does
 - Voice their views and understand how they can get involved
 - Feed in their views to the democratic decision making process.
- 10.5 The consultation aimed to set a new approach to business planning and engagement by consulting on the combined package of the Corporate Plan; Commissioning Priorities; and budget. In particular it aimed to;
- Create a stronger link between strategy, priorities and resources
 - Place a stronger emphasis on commissioning as a driver of the business planning process.
 - Focus on how the council will use its resources to achieve its Commissioning Plans.

Preliminary consultation

- 10.6 The council has already undertaken a range of consultation to inform the council's development of the Corporate Plan strategic priorities and 5 year Commissioning Plans, along with indicative savings proposals to inform the MTFs, setting the scene for upcoming consultation.
- 10.7 The preliminary consultation was designed to;

- a. Inform the Priorities and Spending Review by gathering insight to explore where savings and income generation can be made across the council
- b. Understand residents' views of council priorities and valued services
- c. Gain an in-depth understanding of stakeholders' priorities and how they would want the council to approach the budget and allocation of resources over the next five years.

10.8 The table below outlines the phases of the preliminary engagement;

Phase	Date	Summary
Phase 1: Setting out the challenge	<i>Summer 2013</i>	The council forecast that its budget would reduce by a further £72m between 2016/17 and 2019/20, setting the scene for the PSR consultation
Phase 2: PSR consultation to inform development of options	<i>October 2013 - June 2014</i>	<ul style="list-style-type: none"> • Engagement through Citizens' Panel Workshops which focused on stakeholder priorities and how they would want the council to approach the Priorities and Spending Review • An open 'Call for Evidence' asking residents to feedback ideas on the future of public services in Barnet.
Phase 3: Engagement through Committees	Engagement through Committees	<ul style="list-style-type: none"> • Focus on developing Commissioning Plans and MTFS proposals for each of the six committees • Engagement through Committee meetings.

10.9 Consultation through this period has included staff briefings with 1,400 staff engaged through over 20 briefings during September 2014.

Formal consultation

Approach

10.10 The preliminary engagement has informed the development of the council's budget proposals, to be put forward for consultation.

This phase was split into three strands:

- General budget consultation on the 2015/16 budget
- Service specific 2015/16 proposals that have not yet been consulted on: SEN home to school transport.
- The council's 'Strategic Plan': Corporate Plan Priorities, and Theme Committee Commissioning Plans, and the overall MTFS from 2015 - 2020.

10.11 To allow for an 8 week budget consultation, consultation began after Full Council on 17 December 2014 and concluded on 11 February 2015. An

interim consultation report is attached Appendix B – the final report will be presented to Full Council on 3 March 2015.

- 10.12 All three strands were published on <http://engage.barnet.gov.uk/> which gave detailed background information about the council budget 2015/16 and the council commissioning priorities to 2020 (promoted as the Strategic Plan to 2020). Collection of respondents views were fed back via open online self-completion questionnaires and paper copies were made available on request. The consultations were widely promoted via the council's Residents' magazine, Barnet First, a press release, social media, Community Barnet, Communities Together Network, the Youth Board and various service user group newsletters and partnership boards.
- 10.13 Also as part of the council's statutory duty to consult with National Non Domestic Rate Payers (NNDRs), letters were sent out to all the council's NNDRs inviting them to take part in the online consultation.
- 10.14 In terms of the SEN home to school transport consultation, letters were also sent out to all parents or carers of children who use SEN home to school transport, explaining the proposals and inviting them to take part in the consultation.
- 10.15 The Strategic Plan consultation also ran a series of themed workshops with a cross section of residents recruited from the Citizens' Panel and Youth Board, plus two workshops with super users of council services.
- 10.16 The council commissioned 'Research for Today' to facilitate the workshops using a quantitative trade-off approach called 'Simalto'. This meant that residents would undertake an interactive exercise which allowed them to prioritise services in the context of the wider services offered. Residents were not presented with the councils proposals but were given a grid which included a range of hypothetical examples as a tool to establish resident's priorities and present them with a scenario of how they might make trade-offs across different areas of the council's budget.
- 10.17 At the time of writing, a total of 282 people have taken part in the various consultation strands: 52 in relation to the online General Budget Consultation for 2015/16; 19 to the Strategic Plan (2016-2020) Online Consultation; 64 to the SEN Transport online consultation; and 147 through the consultative workshops.
- 10.18 Full details of how many have participated to each strand at the time of writing this report are outlined below:

Method	Respondents/participants	Number
Online consultation on general budget consultation on the 2015/16 budget	Residents only, no NNDR have responded (Businesses)	52
Online consultation on Strategic Plan 2016 to 2020	Residents only, no NNDR (Businesses)	19

Service specific consultation on 2015/16 proposals: SEN Home to Schools Transport	Predominantly parents who use SEN Transport	64
Themed Workshop: Children's, Education, Libraries and Safeguarding Committee	A cross section of residents selected from the Citizens' Panel	18
Environment, Housing and Assets, Regeneration and Growth Committees	A cross section of residents selected from the Citizens' Panel	22
Adults and Safeguarding committee	A cross section of residents selected from the Citizens' Panel	19
All Committees	A cross section of residents selected from the Citizens' Panel and Youth Board members	44
All Committees	A cross section of service users	44
All Committees	Residents with learning difficulties	Still to do

A summary of the interim headline findings are outlined below:

Strategic Plan to 2020 Consultation Findings

10.19 Face to face consultative workshops

The interim report covers all feedback from the first two theme Committee sessions; Children's, Education, Libraries and Safeguarding Committee and Environment, Housing and Assets, Regeneration and Growth Committees. It also includes summary feedback from the third Theme Committee workshop on Adults and Safeguarding and Community Leadership and the event covering all Committees, where information has been compiled.

10.20 Key findings of face workshops

It was clear from the residents who took part in the workshops that most respondents thought that services supporting vulnerable adults and children were the most important use of the council budget. In contrast, the majority of those discussing environmental services thought the council could spend less on these areas and could potentially enhance funding for services which supported adults and children in need.

A key theme through the workshops was a focus on prioritising prevention services to reduce the cost to the council in the long term and improve the outcomes for those supported. This was felt to be both just, and a good use of resources.

Through taking part in the workshops residents understood the difficult decisions the council had to make. This can be summarised by the following quotation;

"I'm glad I'm not making the decisions. This simple exercise actually shows there's only so much money and if you spend it on one thing, you can't spend it on another"

Whilst certain services were not prioritised, this was often not because residents did not think the service was valuable, but because in context there was other services which they felt should be given priority. This was largely the case with the library service in all groups, although the service has passionate proponents.

It should be noted that the workshops were attended by a comparatively small number of residents. Although this gives a reasonable guide to residents' priorities, the small sample means that the results of the workshops should most usefully be viewed within the context of the overall consultation.

10.21 Children's, Education, Libraries and Safeguarding

The workshop which focused on the remit of this committee saw residents prioritise services that supported the most vulnerable as well as prevention services, as summed up in the quote below;

"Prevention is better than cure. I think the more one can support those families to get through the year, the better the outcome, the less will be required from the council."

Increasing current support (with demographic growth) for children with mental health was clearly a high priority for respondents, as was protecting the caseload of child protection social workers.

Maintaining the current service for libraries, children's centres and education support were the least popular.

This resident optimum score was relatively similar to the council's current plans, although residents felt by making a small reduction to the looked after children service more money could be used to fund education support, transport for the disabled and mental health support.

10.22 Environment, Housing and Assets, Regeneration and Growth

The highest priority for residents was for emergency accommodation for the homeless and street lighting followed by residential street cleaning, protecting Summer's lane recycling centre and highways repairs.

Residents, on balance, prioritised residential street cleaning over town centres, whilst the main reason for prioritising street lighting was to protect safety. Residents saw the commercial benefit of increasing the number of events in parks but would be worried if a lot of access to parks was not available to the general public.

In order to protect the above services residents preferred to increase the number of events in parks to make income, charge for green waste and have their residual rubbish collected fortnightly.

Rubbish and recycling collection invited heated debate and depended on family size and commitment to recycling. Although on balance the view was that a fortnightly rubbish collection was good idea and would increase

recycling levels, there would still need to be a weekly collection of the brown and blue recycling bins.

10.23 Adults and Safeguarding and Community Leadership Committee

Initial results show that, as with children's services, residents prioritised prevention services such as prevention support for adults with learning disabilities, short term support for adults with mental health issues and increasing the support to carers to help people live longer in the community.

Mental health support was prioritised, whilst residential care for people with learning disabilities and homecare for the elderly was not prioritised as strongly. This does not mean that people did not feel these services were important, but that when they had to choose between priorities these services did not come first in most instances.

Due to the timing of this report, feedback from this Committee is based on initial results only.

10.24 The council's Commissioning operating model

At the end of the workshops residents were asked their views on the council Commissioning Model;

The council has no rigid view on who delivers services as long as they are of high quality and value for money, services could be delivered by the council, a private or voluntary sector organisation, with each service judged on an individual basis.

The majority of residents felt that the principle of the statement was hard to refute. However there was scepticism about the involvement of private companies in the delivery of some services, especially care services. The following comments sum up the debate;

"It's all right by me as long as it's done properly with proper controls and transparency"

"It's easy to say but not so easy to deliver"

"I think that's completely unrealistic. In principle, in theory, if it's done to the same quality, yesbut that's not what happens."

The majority of issues raised focused on ensuring the contractor kept to their contractual commitment and the council had sufficient power to monitor and enforce the contract quality. It is clear the council has much to do to demonstrate how it ensures quality and transparency in contract management.

10.25 Council Tax

At the end of each of the workshops, once residents had a good understanding of the decisions the council had to make in regard to spending,

residents were asked whether they would prefer to cut, freeze or increase Council Tax.

As part of the first three Theme Committee workshops, an average of 57% preferred a Council Tax rise, 31% preferred Council Tax to be frozen and 13% a Council Tax cut (55 residents). In the 4th cross council event the response was very similar, with 58% preferring a Council Tax increase, 36% preferring to keep Council Tax frozen and 7% a Council Tax cut (45 residents).

The key reason for choosing an increase in Council Tax was that they felt that it was value for money to pay slightly more per resident but minimise cuts to services. Those that chose to freeze or reduce Council Tax felt that Barnet Council Tax was higher than some neighbouring boroughs and/or was high enough already..

There was particular scepticism amongst a small group as to whether residents could be expected to pay more when some services were being reduced.

Strategic Plan 2016 to 2020 preliminary findings from online questionnaire

In total 19 questionnaires have been submitted at the time of writing (17 online and two paper copies).

Due to the small sample size the results should be treated with caution. Also, due to the low completion rate of the diversity monitoring questions no analysis has been done on these at this stage.

10.26 The council's overall Strategic Priorities to 2020

The council has consulted on its proposed strategic priorities to 2020, as set out in Section 1.2 of this report. These priorities will form the basis of the council's revised Corporate Plan to 2020, which will be presented to Council in April. The majority of respondents (eight out of ten who answered this question) agree with all the overarching strategic priorities. The most popular being 'of opportunity, where people can further their quality of life'. The least popular was 'where people are helped to help themselves, recognising that prevention is better than cure'.

Respondents were asked if they felt any priorities had been missed. 5 out of 19 respondents indicated the following priorities had been missed, of whom three left comments

- *To consider what Barnet residents want*
- *Setting targets and actions in protecting the environment and preventing loss of life and health caused by unhealthy lifestyle and climate change.*
- *Not just opportunity but equality of opportunity*

10.27 The council's Commissioning operating model

Respondents were asked how much they supported the council's commissioning approach, which focuses on service quality and value for money rather than a rigid view of how services should be delivered.

In contrast to the workshops, respondents to the online survey appear to be more negative about the commissioning approach, with 8 out of the 11 respondents being strongly opposed to this approach. Only 2 out of 11 respondents tended to support this commissioning model.

How much do you support or oppose the council's commissioning approach, which focuses on service quality and value for money rather than a rigid view of how services should be delivered?		
Answer Options	Per cent	Total
Strongly support	0.0%	0
Tend to support	18.2%	2
Tend to oppose	0.0%	0
Strongly oppose	72.7%	8
Don't know/not sure	9.1%	1
<i>answered question</i>		11

10.28 Council Tax

Respondents were asked to what extent they agree or disagree with the council's proposal to freeze Council Tax in 2015/16 and 2016/17 and increase it by 2% in 2017/18, 2018/19, and 2019/20.

Opinion was mixed on these proposals with no clear majority agreeing or disagreeing. However, it must be noted in terms of the response to the General Budget Consultation for 2015/16, respondents were much more likely to be against a freeze on Council Tax next year.

To what extent do you agree or disagree that the council should freeze Council Tax in 2016/17, and then increase Council Tax by two per cent a year from 2017/18 to 2019/20?							
	Strongly agree	Tend to agree	Neither agree nor disagree	Tend to disagree	Strongly disagree	Don't know / not sure	Number
The council should freeze Council Tax in 2016/17	4	0	1	1	4	0	10
The council should increase Council Tax by two per cent in 2017/18 and in 2018/19	2	1	2	3	1	0	10
The council should increase Council Tax by two per cent in 2019/20	3	1	2	1	2	0	10
<i>answered question</i>							10

10.29 **Committee Commissioning Priorities, outcomes and savings to 2020**

A series of questions were asked on each of the Committees commissioning priorities, outcomes and savings they had identified in order to achieve their priorities.

Less than ten respondents have completed this series of questions to date. Full analysis will be provided in the final report.

10.30 **Online Survey on the General budget consultation 2015/16**

The 2015/16 budget consultation focused on the overall size and individual components of the 2015/16 budget in general terms.

Residents were invited to give their views through an online survey. Also as part of the council's statutory duty to consult with National Non Domestic Rate Payers (NNDRs), letters were sent out to all the council's NNDRs inviting them to take part in the online consultation.

Response to the survey

In total 52 questionnaires have been submitted via the online survey. No paper copies have been received.

Despite writing to all NNDR payers no responses have been received from businesses based in Barnet.

29% of the sample (15 out of 52 respondents) chose not to answer this question. It should also be noted that only around 32 respondents went on to answer the diversity monitoring questions

Due to the small sample size the results should be treated with caution. Also, due to the low completion of the diversity monitoring questions no analysis has been done on this set of question at this stage.

10.31 **Preliminary findings on General Budget consultation 2015/16**

Council's overall approach to business planning and budget setting

Respondents were asked how much they agree or disagree with the council's proposed business plan in terms of balance between efficiency savings, income generation and cuts to services.

Two thirds of respondents (65 % 31 out of 48 respondents) disagree with councils approach in terms of balance between efficiency savings, income generation and cuts to services.

Only 10 % (5 out of 48 respondents) agree that the council has got the right balance and just over a quarter (25 %, 11 out of 48) are neutral or said they did not know.

The Council's proposal to freeze Council Tax next year

The majority of respondents disagree (72%, 36 out of 48 respondents) with the proposal to freeze Council Tax in 2016/17. One fifth of respondents agreed (20%, 10 out of 48 respondents), and the remainder neither agree nor disagree (6%) or said they did not know (2%).

The most frequently cited reason was that respondents felt it was wrong to freeze Council Tax if it led to cut in council services. This was frequently mentioned in reference to maintaining the Library service, followed by protecting services for the most vulnerable.

Proposed Committee Savings

A series of open ended questions were also on each of the Committees proposed efficiency and income generation proposals. A full analysis of these will be provided in the full report.

10.32 Preliminary findings of service specific 2015/16 budget consultation,

In terms of service specific consultations the council has a duty to consult with services in a number of different situations including where proposals to significantly vary, reduce or withdraw services. Consultation is also needed in other circumstances, for example to identify the impact of proposals or to assist with complying with the council's equality duties. In regard to the 2015/16 budget there was one specific service consultation on Education and Skills: Special educational needs home to school transport savings.

Education and Skills: Special Educational Needs home to school transport savings.

Summary of key findings:

The council plans to make the £500,000 savings from its home to school transport budget through a mixture of efficiencies, placing more children locally so that transport is not required and working with parents to better plan the arrangements for their child's journeys to school.

A project has been established to find efficiencies in the way services are provided, such as how bus routes are planned, which services are run directly by the council and which are delivered by other providers. This consultation does not cover that work, as these efficiencies will not directly impact the nature of the service to users, but focuses instead on working more closely with parents to plan transport needs, resulting in, for example, an increase in the number of pupils who can travel independently and tailoring the assistance required more closely to individual needs.

Parents were informed that the council believes it can contribute to the required savings by careful application of existing policies and through a closer dialogue with parents and carers.

Respondents were asked how much they agree or disagree with various elements of the approach.

The most popular part of the council's approach to help make the necessary SEN savings was *'Parents should be able to explain their child's individual needs and transport preferences before individual travel plans are completed'* (97% of residents agree with this). This was followed by *'Every child and young person's travel plan should be reviewed annually with an opportunity for parents and young people to take part'* (72%),

Just over half (56%) agreed with *'The need for escorts to support travel should be considered on a case by case basis'*. A quarter disagreed (24%) and the remainder were neutral (21%).

There was much less support for *'All families should be offered the opportunity to arrange their children's transport through a personal budget'* with only a third (36%) agreed with this. Even fewer agree with *'where possible parents should be encouraged and supported to be travel escorts for their child'* only 16% agree with this.

Analysis of the open ended and diversity monitoring questions will be included in the final report.

Voluntary and Community Sector Consultation Workshops

Two further consultation workshops have been commissioned with Community Barnet to help understand how the voluntary and community sector can support the council's commissioning priorities to 2020. There will be a particular focus on how the sector can increase volunteering in the borough. The results of these will be fed through to each Theme Committee to help inform their commissioning priorities.

There will also be further consultation on individual savings proposals outlined as part of the MTFs when they are cast into budgets in future years, before final decisions are taken. Consultation will be used to identify the impact of proposals in-depth and to assist with complying with the council's equality duties.

10.33 Staff Consultation

There will be staff consultation about these proposals in compliance with s188 of the Trade Union & Labour Relations (Consolidation) Act 1992. This collective and individual staff consultation took place following GFC on the 3rd December and the deletion of posts was approved.

11 BACKGROUND PAPERS

Relevant previous decisions are indicated in the table below.

Item	Decision	Link
Corporate Plan priorities and Medium Term Financial Strategy 2015-16 – June 2014	To approve 5 year Commissioning Plan and, proposals for meeting financial targets set out in the Medium Term Financial Strategy (MTFS)	http://barnet.moderngov.co.uk/ieDecisionDetails.aspx?AllId=7360
Finance and Business Planning – Capital Programme and Review of Reserves	Agree the process for theme Committees to review the capital programme and the development of capital programme priorities for the period 2015-20. Agree the process for the review revenue reserves which will come back to this committee in December 2014	http://barnet.moderngov.co.uk/ieDecisionDetails.aspx?AllId=8075
Business Planning Report 2015/16 to 2019/20	Agreed by Council 16 Dec 2014	http://barnet.moderngov.co.uk/documents/s19877/Policy%20and%20Resources%20Committee%20-%20Referral%20Report%20to%20Council.pdf
Education and Skills – Future Delivery of Services	Children, Education, Libraries and Safeguarding Committee note that the draft outline business case will be referred to the Policy and Resources Committee for approval of the consideration to set up a separate legal entity to deliver education and skills services	http://barnet.moderngov.co.uk/ieDecisionDetails.aspx?AllId=7861