

	<p>Assets, Regeneration and Growth Committee</p> <p>30 November 2015</p>
<p style="text-align: right;">Title</p>	<p>Business Planning</p>
<p style="text-align: right;">Report of</p>	<p>Commissioning Director for Growth and Development Chief Operating Officer</p>
<p style="text-align: right;">Wards</p>	<p>All</p>
<p style="text-align: right;">Status</p>	<p>Public</p>
<p style="text-align: right;">Urgent</p>	<p>No</p>
<p style="text-align: right;">Key</p>	<p>Yes</p>
<p style="text-align: right;">Enclosures</p>	<p>Appendix A – Revenue Savings Programme Appendix B – Capital Programme</p>
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<p>Summary</p>
<p>On 15 December 2014, the Assets, Regeneration and Growth Committee approved a five-year Commissioning Plan, and indicative proposals for achieving savings of £10.1m by 2019/20. The Commissioning Plan set out the strategic priorities, commissioning intentions and indicative budget proposals of the Assets, Regeneration and Growth Committee up to 2019/20.</p> <p>A Business Planning report was agreed by Policy and Resources Committee on 9 July 2015 outlining the future financial challenge facing the Council, and the process whereby Theme Committees will consider the response to this challenge, including the setting of additional savings targets for each committee.</p> <p>The financial position of the Authority has changed and the following report sets out a revised savings programme that will inform the consideration of the Council’s Medium Term Financial Strategy to be considered by Policy and Resources Committee on 16 December 2015. The target saving for the Assets, Regeneration and Growth Committee from 2016-20 is currently £13.8m. Additional savings proposals have been developed to meet this savings target which accord with the ARG Commissioning plan which continues to provide the outcomes by which progress will be measured. This report therefore sets out the</p>

strategic priorities, indicative budget and capital programme proposals up to 2019/20.

The budget projections through to 2020 are indicative figures. The budget will be formally agreed each year, after appropriate consultation and equality impact assessments, as part of Council budget setting, and therefore could be subject to change.

Recommendations

This report is recommending to Assets, Regeneration and Growth Committee to:

- 1. Note the financial target of £10.1m set by Policy and Resources Committee in June 2014;**
- 2. Note the additional financial target of £3.7m;**
- 3. Recommend the savings programme as set out in Appendix A to Policy and Resources Committee;**
- 4. Recommend the capital investment priorities set out in Appendix B to Policy and Resources Committee;**
- 5. That ARG Committee agrees to public consultation on the priorities and revised savings proposals contained within this report commencing immediately following the Policy and Resources Committee on 16 December 2015, before the Policy and Resources committee are asked to approve the final priorities and savings proposals on 16 February 2016.**

1. WHY THIS REPORT IS NEEDED

1.1 Following the General Election in May, the Finance and Business Planning report to Policy and Resources (P&R) Committee in July 2015, updated the assumptions in the Medium Term Financial Strategy (MTFS) and presented a revised budget gap for 2016-20, estimated at £29.4m beyond the proposals previously set out in the MTFS. This represents an increase of £7.5m on the assumptions presented to Council in March 2015. This is mainly a result of an anticipated reduction in funding that Barnet will receive from Government.

1.2 In response to the scale of the challenge facing Local Government from public spending reductions and increasing demand, Barnet's response to the financial challenge is predicated around:

1) Maximising the revenues we generate locally through growth and investment

Growth is an essential part of the council's strategy as we become less reliant on Government funding and generate more of our income locally. Residents will continue to share in the benefits of growth, with increasing housing development leading to an increase in the tax base and, subsequently, helping the council maintain lower Council Tax bills. The Adults and Safeguarding Committee's Commissioning Plan identifies that this growth should create the conditions within which people with disabilities and older people can live and age well.

2) Targeted help to those that need it – a focus on employment

The council's ambition is to support the local economy by making Barnet the best place in London to be a small business. The strategy for achieving this focuses on the council making itself easier to do business with further initiatives – shaped by the local business community including a focus on enhanced support for town centres.

Most residents will benefit from the opportunities that growth brings, but some will require additional support so they do not miss out. A clear priority for the council is to continue to work effectively with other parts of the local public sector to help residents get a job. Barnet has a good track record in this area, with the integrated Welfare Report Task Force – located in Barnet House – successfully engaging with 96% of Barnet residents impacted by the Benefit Cap and helping 36% into work. By combining resources with Barnet Homes, Jobcentre advisers and health advisers, not only does the model provide a better service for residents, it also reduces bureaucracy for the agencies involved. The council is rolling out this model more widely, and increasing employment opportunities for people known to adult social care is a key priority within the Adults and Safeguarding Commissioning Plan.

3) Investing in the future

Barnet will not be able to support the growth needed to ensure the council's financial independence without investment for the future. The council's regeneration programme will see £6bn of private sector investment over the next 25 years to ensure the borough remains an attractive place to live and do business. This will create around 20,000 new homes and up to 30,000 new jobs across the borough and generate £11m of additional recurrent income for the council by 2020 and one-off income of £50m to be reinvested in infrastructure. The Treasury has made significant financial commitments to support our regeneration plans at Grahame Park and Brent Cross Cricklewood, including £97 million to fund a new Thameslink station. The council intends to hold a stake in these future regeneration plans, for example as part of the joint venture developing Brent Cross. This will help the sustainability of the council's finances not just through to 2020, but beyond.

4) Managing demand on services

At the same time as continuing supply-side reforms over the next 5 years - making changes to the way services are designed in order to drive efficiencies – the council will also need to oversee a step-change in its approach to managing the demand on services wherever possible, through early intervention and tackling the causes of problems rather than treating the symptoms. The council is already involved in significant early intervention and demand management activities such as putting in measures which allow people to remain in a home of their own, instead of residential care through joining up health and social care services. However, in response to a growing population and further funding reductions, the council's approach to demand management will be an increasingly important part of its strategy and all services will need to look at what else further can be done to make progress.

- 1.3 Whilst the overall budget challenge has increased, officers consider that the service priorities should remain largely unchanged, and that key outcomes and priorities that have informed the commissioning plans are set out below.

Outcomes

- Regeneration schemes are delivered to a high standard, maximising benefits to the community
- New communities at Brent Cross Cricklewood and Colindale are desirable and attractive places to live, work and spend time, which set the standard for future development across London
- Regeneration and growth schemes are supported by appropriate, high quality infrastructure.
- Barnet is established as the best place in London to be a small business. In particular:
 - Business customers find it easy to deal with the Council -Barnet is a good place to do business, with good quality public realm and infrastructure that meets business' needs
 - Businesses can access the workforce they need; and entrepreneurs have the skills for success
 - Small and local businesses are able to access Council contracts -Business support in Barnet is effective, with businesses accessing the advice and guidance that they need.
- Key town centres are thriving, with reduced numbers of vacant units
- Residents and local businesses and residents play an active role in shaping their High Street as a place to live, work, shop and spend leisure time.
- The Council's asset portfolio is managed and considered as a whole rather than considering assets in isolation
- The Strategic Asset Management Plan (SAMP) drives a reduction in use of space to achieve savings.
- The SAMP drives reduced running costs and increase energy efficiency
- The SAMP maximises letting income, balanced against community or social value.
- Efficiency is achieved by sharing assets across the public sector.
- The Council's assets are used to support longer term regeneration and growth.
- Community assets are used transparently to support a range of activities that contribute to delivery of the Council's corporate objectives.

Priorities

- Regeneration – Ensuring that all regeneration is maximising benefits to the community as a whole
- Economy – Barnet is best place in London to be a small business
- Town Centres – Shaping High Streets as a place to maintain daily activities
- Assets – The Council maintains the best efficient use of its assets
- Housing Growth – Maintain the desirability to live in Barnet and the maximisation of benefits

- 1.4 The Assets, Regeneration and Growth Committee has been allocated a total savings target of £13.8m for the period 2016/17 to 2019/20 as part of the medium term financial plan. The Committee approved a savings package of £10.1 million on the 15 December 2014. A revised savings plan is attached at

Appendix A that is focused on achieving to overall savings target that has been set for the committee.

- 1.5 These savings comprise of:
- Accommodation Strategy – Generation of income on the commercial portfolio and savings linked by the move in office accommodation to Colindale
 - Increase in Council Tax & Business Rates – Regeneration above the Councils baseline will generate further income as supported by the Councils in-house model
 - Development Opportunities - A number of development opportunities are being considered that are not included in the current regeneration programme, which could create additional capital receipts that would reduce the Council's future borrowing requirements

Capital Programme

- 1.6 The current ARG capital programme totals £91.1m up to 2020, funded from a combination of capital receipts, borrowing, revenue and external grant contributions. This includes the capital investment as follows:
- Brent Cross – Funding for land acquisition £51m
 - Thameslink Station £3.7m
 - Town centres programme £5m
 - Grahame Park Regeneration £9.2m
 - Colindale - Lanacre Ave/Aerodrome Road Junction £5.8m
 - Colindale - Grahame park decant programme £9.6m
 - West Hendon Highway Improvement £3.4m
 - General Fund Regeneration £2.5m

These capital investments are key enablers to the increase in council tax and business rate income in the borough as set out in Appendix A.

- 1.7 The main changes to the capital programme are as follows:
- Corporate Office Accommodation, Colindale HQ and Children's Centre £50m
 - Additions to existing regeneration schemes £22.8m
- 1.8 Appendix B sets out the additions and deletions to the capital programme for the Assets, Regeneration and Growth Committee through to 2020.
- 1.9 There are a number of significant capital additions on the horizon, that are at different stages of approval and development. The two main programmes are the Brent Cross Thameslink station and Development Pipeline Tranche 1 and 3. The costs of these are still being worked up and therefore these have not been added to the capital programme yet but these are estimated to be:
- Brent Cross Thameslink station, estimated to be £215m, and will enable the regeneration of Brent Cross south side. This will be funded by central government grant and increased business rates

(Barnet and GLA share);

- Development Pipeline Tranche 1 & 3, estimated to be £155m; and will generate capital receipts in excess of the investment which will enable us to continue investing in other projects across the borough.

2 REASONS FOR RECOMMENDATIONS

- 2.1 This report sets out the indicative proposals for how the Committee will achieve the revenue savings to deliver target savings set by the council's Policy and Resources Committee on 9th July 2015 and which accord with the priorities of the Assets, Regeneration and Growth Committee set out in paragraph 1.3.

3 POST DECISION IMPLEMENTATION

- 3.1 These proposals will be considered by the Policy and Resources committee on 16 December 2015 and will form part of the delivery of the Council's Medium Term Financial Strategy.

4 IMPLICATIONS OF DECISION

4.1 Corporate Priorities and Performance

- 4.1.1 The Council's Corporate Plan for 2015-20 sets the vision and strategy for the next five years based on the core principles of **fairness, responsibility and opportunity**, to make sure Barnet is a place:

- Of opportunity, where people can further their quality of life
- Where people are helped to help themselves, recognising that prevention is better than cure
- Where responsibility is shared, fairly
- Where services are delivered efficiently to get value for money for the taxpayer

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

- 4.2.1 In addition to continued austerity, demographic change and the resulting pressure on services poses a significant challenge to the Council. The organisation is facing significant budget reductions at the same time as the population is increasing, particularly in the young and very old population cohorts. Given that nearly two thirds of the Council's budget is spent on Adult Social Care and Children's Services, this poses a particular challenge as these services are predominantly 'demand led'.
- 4.2.2 There will also be costs related to infrastructure development. The annual allocation of New Homes Bonus funding is allocated to the infrastructure reserve as a contribution towards these costs.
- 4.2.3 The budget proposals included in this report will enable the committee to meet its savings target as set out by policy and resources committee in July.

4.3 Social Value

4.3.1 The Public Services (Social Value) Act 2013 requires people who commission public services to think about how they can also secure wider social, economic and environmental benefits. Before commencing a procurement process, commissioners should think about whether the services they are going to buy, or the way they are going to buy them, could secure these benefits for their area or stakeholders.

4.4 Legal and Constitutional References

4.4.1 All proposals emerging from the business planning process will need to be considered in terms of the Council's legal powers and obligations (including, specifically, the public sector equality duty under the Equality Act 2010 – please see 4.5 below) and, where appropriate, mechanisms put into place to ensure compliance with legal obligations and duties and to mitigate any other legal risks as far as possible. The proposals are already or will be subject to separate detailed project plans and reports to committee. The detailed legal implications of these proposals are included in these reports.

4.4.2 The Council Constitution under Responsibility for Functions Annex A sets out the terms of reference for the Assets, Regeneration and Growth Committee which has responsibility for “Asset Management – all matters relating to land and buildings owned, rented or proposed to be acquired or disposed of by the Council. Responsibilities of this committee.

The Management of Asset, Property and Land Rules, Appendix 1, Table A sets out the authorisation thresholds and requires the disposal of an asset to be authorised by the Assets Growth and regeneration committee.

4.3.2 The Terms of Reference of the Assets, Regeneration and Growth Committee are set out in the Council's Constitution, Part 15, and Responsibility for Functions.

The responsibilities of the Assets, Regeneration and Growth Committee specifically include:

To submit to the Policy and Resources Committee proposals relating to the Committee's budget for the following year in accordance with the budget timetable.

<http://barnet.moderngov.co.uk/documents/s18093/15aResponsibilityforFunctionsAnnexA.doc.pdf>

Further, the terms of reference of the Assets, Regeneration and Growth Committee includes the following:

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

Employment Strategy (having regard to the views of the Lead Member for Children's Services on relevant matters)

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

4.4 Risk Management

4.4.1 The Council has taken steps to improve its risk management processes by integrating the management of financial and other risks facing the organisation. Risk management information is reported quarterly to the council's internal officer Delivery Board and to the relevant Committees and is reflected, as appropriate, throughout the annual business planning process.

4.4.2 Risks associated with each individual saving proposal will be outlined within the individual Committee report as each proposal is brought forward for the Committee to consider.

4.5 Equalities and Diversity

4.5.1 The general duty on public bodies is set out in section 149 of the Equality Act 2010. This provides that 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.

4.5.2 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.

4.5.3 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.

4.5.4 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.

4.5.5 Compliance with the duties in the Act 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 the Act.

4.5.6 The relevant protected characteristics are:

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

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

4.5.7 Equality and diversity issues are a mandatory consideration in the decision making of the council. This requires elected Members to satisfy themselves that equality considerations are integrated into day to day business and that all proposals emerging from the finance and business planning process have properly taken into consideration what impact, if any, there is on any protected group and what mitigating factors can be put in train. The council, through its members, will have to satisfy itself that these requirements have been adhered to in formulating the proposals referred to in this report.

4.5.8 The projected increase in the borough's population and changes in the demographic profile will be key factors that need to be considered when determining both the corporate strategy and service responses. Both of these need to also reflect the aspirations and contributions of current residents

4.5.9 A number of savings and income generation proposals have been included in Appendix A to this report. As set out in Appendix A, they result from a combination of greater efficiency in use of Council assets and income generated through additional Council Tax and Business Rates. Where necessary proposals will not be agreed or implemented until members have considered the equality impacts and responses to consultation. These proposals will be subject to formal consultation following the publication of the draft budget, and this position will be reviewed when the budget is then set in 2016.

4.5.10 Similarly, all human resources implications will be managed in accordance

with the Council's Managing Organisational Change policy that supports the Council's Human Resources Strategy and meets statutory equalities duties and current employment legislation.

4.6 Consultation and Engagement

4.6.1 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.

4.6.2 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 extent to which alternatives and discarded options have been discarded.

4.6.3 Public consultation on the overall budget for 16/17 will commence following Policy and Resources Committee on 16th December 2015 before the final savings are recommended to Full Council on the 3rd March 2016.

4.6.4 The public consultation will give residents an opportunity to comment on the 16/17 overall budget and Assets, Regen and Growth Committees individual proposals to deliver the 16/17 savings identified in this report, before final decisions are formalised in the council's annual budget.

4.6.5 In terms of service specific consultations, the council has a duty to consult with residents and service users 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.

5 BACKGROUND PAPERS

5.1 Relevant previous decisions are indicated in the table below.

Item	Decision	Link
Policy and Resources Committee 9 July 2015	Decision Item 10 - Business Planning – 2015/16- 2019/20	http://barnet.moderngov.co.uk/documents/s24390/Finance%20and%20Business%20Planning%20Medium%20Term%20Financial%20Strategy%20201617%20to%20201920.pdf
Assets, Regeneration and Growth 15 December 2014	Item 10 – Business Planning	http://barnet.moderngov.co.uk/ieListDocuments.aspx?CId=696&MId=7886&Ver=4
Policy and Resources Committee 10 June 2014	Decision Item 6 - Corporate Plan and Medium Term Financial Strategy 2015/2016 to 2019/2020	https://barnetintranet.moderngov.co.uk/ieListDocuments.aspx?CId=692&MId=7856&Ver=4