

	<h2>Policy and Resources Committee</h2> <h3>16 February 2016</h3>
<b>Title</b>	<b>Business Planning 2016-20</b>
<b>Report of</b>	Chief Executive Chief Operating Officer
<b>Wards</b>	All
<b>Status</b>	Public
<b>Urgent</b>	No
<b>Key</b>	Yes
<b>Enclosures</b>	<p>Appendix A – Medium Term Financial Strategy  Appendix B1 – Detailed Revenue Budgets, Savings, Pressures and Council Tax Schedules  Appendix B2 – Theme Committee Revenue Budgets, Savings and Pressures  Appendix C1 – Theme Committee Capital programme  Appendix C2 – Capital Programme by Delivery Unit  Appendix D – Housing Revenue Account  Appendix E – Dedicated Schools Grant  Appendix F – Fees and Charges  Appendix G – Interim Consultation report  Appendix H – Cumulative and Individual Equality Impact Assessments  Appendix I – Treasury Management Strategy  Appendix J – Transformation Programme  Appendix K – Reserves and Balances Policy  Appendix L – Write Offs  Appendix M – Corporate Risk Register</p>
<b>Officer Contact Details</b>	<p>Anisa Darr, Director of Resources,  <a href="mailto:Anisa.Darr@barnet.gov.uk">Anisa.Darr@barnet.gov.uk</a>  Stephen Evans, Director of Strategy and Communications,  <a href="mailto:Stephen.evans@barnet.gov.uk">Stephen.evans@barnet.gov.uk</a>  Patricia Phillipson, Interim Head of Finance,  <a href="mailto:Patricia.phillipson@barnet.gov.uk">Patricia.phillipson@barnet.gov.uk</a></p>

## **Summary**

On 17 December 2015 Department for Communities and Local Government (CLG) published the provisional local government finance settlement which set out the individual authority grant allocations. This report revises the Medium Term Financial Strategy (MTFS) in line with the publication, sets out the savings proposals, capital programme for the period 2016-20 and Council Tax for 2016/17.

## **Recommendations**

**The report recommends that the Committee:**

- 1.1 Consider the issues that have, so far, emerged from the consultation when making their decisions. Consultation closed on 12 February, however due to the timings of compiling and publishing this report, the consultation report in Appendix G is presented as an interim report, reflecting responses received as of 3 February 2016. A final consultation report will be reported to Council on 1 March, to inform final decisions on the council's budget. The committee make the decisions below also being mindful of the equalities impact assessments including the cumulative equalities impact assessments;**
- 1.2 Recommend to Council for approval the MTFS attached as Appendix A and the detailed revenue budgets in Appendices B1 and B2. The MTFS sets out all of the budget changes over the period 2016-20, 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.**
- 1.3 Recommend to Council that the budget for 2016/17 is prepared on the basis of no increase to council tax in 2016/17, other than for the increase set out below in 1.4 – subject to the results of the current consultation;**
- 1.4 Recommend to Council applying the social care precept at 1.7% in 2016/17 – to help fund care for the elderly – subject to the results of the current consultation;**
- 1.5 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 135,324 (band D equivalents) as the Council Tax base for the year 2016/17 [item T in the formula in Section 31B (1) of the Local Government Finance Act 1992, as amended (the "Act")];**
- 1.6 Recommend to Council for approval, the following amounts calculated for the year 2016/17 in accordance with Sections 31(A) and (B), 34, 35 and 36 of the Act:**
  - a) £956,469,590 being the aggregate of the amounts which the council estimates for the items set out in Section 31A(2) (a) to (f) of the Act;**
  - b) £804,761,913 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) £151,707,677 being the amount by which the aggregate at 1.6(a) above exceeds the aggregate at 1.6(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) £1,121.07 being the amount at 1.6(c) above (item R), divided by Item T (Item 1.5 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;

**London Borough of Barnet Valuation Bands (£)**

A	B	C	D	E	F	G	H
747.38	871.94	996.51	1121.07	1370.20	1619.32	1868.45	2242.14

Being the amounts given by multiplying the amounts at 1.6(d) above by the number which, in proportion set out in Section 5(1) of the Act, is applicable to dwellings listen 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;

- 1.7 Recommend to Council, on the advice of the Chief Finance Officer, that it determines that the council's basic amount of Council Tax for 2016/17 as set out in 1.6(d) above is not excessive in accordance with the principles approved under section 52ZB and 52ZC of the Local Government Finance Act 1992, set out in the Referendums relating to draft Council Tax increases (Principles) Report (England) 2016/17 subject to any changes to that Report which at the time of publication of this report was still in draft;

- 1.8 Note that for the year 2016/17 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 Valuation Bands (£)**

A	B	C	D	E	F	G	H
184.00	214.67	245.33	276.00	337.33	398.67	460.00	552.00

- 1.9 Recommend that having calculated the aggregate in each case of the amounts at 1.6(d) with the amounts at 1.8, the council, in accordance with Section 30(2) of the Local Government Finance Act 1992, sets the following amounts as the amounts of Council Tax for the year 2016/17 for each of the categories dwellings shown below:

**Council Tax for Area (£)**

A	B	C	D	E	F	G	H
931.38	1086.61	1241.84	1397.07	1707.53	2017.99	2328.45	2794.14

- 1.10 Recommend to Council for approval the Barnet Council Tax Support Scheme, adopted in January 2015, remain unchanged except for uprating in line with Department for Work and Pension changes for housing benefit.

- 1.11 Notes that the working age non-dependent (ND) charges be uprated as set out in paragraph 1.6.14

- 1.12 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 1.9 above within a period of 21 days following the Council's decision;

- 1.13 Recommend to Council for approval the capital programme as set out in Appendix C1 and C2, and that the Chief Officers be authorised to take all necessary actions for implementation;
- 1.14 Recommend to Council that the Chief Finance Officer be authorised to adjust capital project budgets and financing in 2016/17 throughout the capital programme after the 2015/16 accounts are closed and the amount of slippage and budget carry forward required are known.
- 1.15 Recommend to Council the approval of the Treasury Management Strategy for 2016/17 as set out in Appendix I;
- 1.16 Approve the following in relation to the Housing Revenue Account:
- a) The proposed rent decrease by 1% for council dwelling as set out in paragraph 1.9.3 to take effect from 1 April 2016;
  - b) The proposed increase to service charges for council dwelling as set out in paragraph 1.9.9 to take effect from 1 April 2016;
  - c) The proposed rent increase of 2% for council garages as set out in paragraph 1.9.9 to take effect from 1 April 2016,
- 1.17 Approve the Housing Revenue Account estimates for 2016/17 as set out in Appendix D;
- 1.18 Note the submission of the Authority Proforma Tool in relation to the Dedicated Schools Budget as set out in Appendix E;
- 1.19 Approve the Assurance fees and charges in Appendix F, whilst noting the Adults, Children's and Environment fees and charges that were approved at their relevant Theme Committee as detailed in Appendix F;
- 1.20 Note the summary equality impact assessment (EIA) and cumulative assessment set out in section 5.6. Appendix H provides the cumulative impact and individual Delivery Unit assessments where significant changes to service delivery are proposed. As EIAs and cumulative EIA are assessed to take account of responses to the budget consultation will be reported to Council of 1 March 2016 to inform the final decision on next year's budget;
- 1.21 Recommend to Council approval of the reserves and balances policy as set out in Appendix K and indicative amounts as set out in para 1.11 and the Chief Finance Officer's assessment of adequacy of reserves in section 1.11. The Committee recommend to Council that CFO authorised to adjust balances in 2016/17 after 2015/16 accounts are closed and the amount of balances carry forward required are known;
- 1.22 Approve budget movements as set out in para 1.12;
- 1.23 Approve the transformation programme as detailed in Appendix J and

**additional funding as set out in para 1.13;**

**1.24 Recommend to Council to approve the write offs as detailed in Appendix L and summarised in para 1.12.8;**

**1.25 Note the corporate risk register and recommend it to Council as set out in Appendix M.**

## **1. WHY THIS REPORT IS NEEDED**

### **1.1 Executive Summary**

1.1.1 On 17 December 2015, Department for Communities and Local Government (CLG) published the provisional local government finance settlement which set the individual authority grant allocations. There are changes to the way the Revenue Support Grant (RSG) has been calculated including factoring in the level of council tax each borough can raise. This change means that grant allocations have been increased for boroughs with lower council tax base and doesn't take population or the increase in deprivation in outer London boroughs into consideration. Where Barnet has a large council tax base, it also has the largest population in London, and this isn't taken into account. The change in RSG calculation was not well communicated, impacts negatively on Barnet and does not take into account historic underfunding of outer London boroughs or the demographic changes in London over the last decade.

1.1.2 Barnet has had 32% cut to grant in 2016/17 which is £5.5m worse than the projection we would have had without the changes to the RSG. In order to mitigate the impact of this on the savings target, collection fund surplus income (£2m), increased income from New Homes Bonus (£2m) and reduction in contingency (£1.5m) has been used.

1.1.3 The council's budget gap, therefore, remains consistent with the overall position presented to Policy and Resources Committee in December 2015. The budget gap for the period 2016-20 is estimated to be £81.1m.

1.1.4 Social care precept is new for 2016/17 and allows councils to raise money through council tax to be spent exclusively on adult social care. There are demographic pressures and pressures from increased referrals from the NHS in Adults social care. If the social care precept was applied, the income, along with more funding from the Better Care Fund, would be used to mitigate the impact of this.

1.1.5 This report sets out the savings proposals developed by Theme Committees, in line with commissioning priorities, to close this budget gap. It also sets out interim consultation responses, equality impact assessments and capital investment proposals required to ensure Barnet is able to support the growth needed.

### **1.2 Strategic context**

1.2.1 The past five years have been a period of significant challenges for the council, but ones we have risen to, having successfully saved £75 million

while limiting the impact on front line services and maintaining resident satisfaction. The latest Residents' Perception Survey indicates that 88 per cent of residents are satisfied with Barnet as a place to live and nearly 80 per cent feeling that the council is doing a good job. With financial pressure on the council set to continue, the next 5 years will continue to present challenges but, crucially, there will be some significant opportunities.

### **The Government's 2015 Spending Review – continued reductions to the Local Government core grant**

1.2.2 On 25 November, the Chancellor announced the Spending Review and Autumn Statement, which reiterated the Government's commitment to eliminate the budget deficit – achieving a £10 billion surplus by 2019/20 – and reduce national debt.

1.2.3 Local Government, along with budgets such as transport, skills, and universities, remain unprotected, meaning that reductions are even more pronounced. The Chancellor announced £4.1bn cuts to Local Government core funding – comprising business rates and the Revenue Support Grant – by 2020. London Councils estimate that this represents a 30 per cent reduction in real terms when changes in funding for the New Homes Bonus and Better Care Fund are factored in.

### **Continued restrictions to increasing Council Tax**

1.2.4 The existing 2% limit imposed on increases to general Council Tax, before triggering a local referendum, remains in place. This reduces the flexibility for councils to use Council Tax as a means of reducing the gap.

### **The ability for councils to introduce a 2% per year adult social care precept from 2016/17 to fund care for the elderly**

1.2.5 Recognising the pressure of social care budgets, the Spending Review did provide councils with a new power to introduce a 'social care precept' of 2% per year to help fund care for the elderly. The precept is additional to the 2% limit for general Council Tax increases, meaning that councils are now able to increase Council Tax by up to 4% a year, although half would need to be spent exclusively on adult social care. The social precept is discussed further in para 1.6.3.

### **Changes to the retention of business rates**

1.2.6 The Spending Review also announced changes to business rates retention that would see Local Government retain 100% of business rates collected by 2020. The details of how this will be baselined and how the system will work have not been outlined, so it difficult to determine the potential impact on Barnet at this stage. Although greater flexibility in relation to business rates is welcome, as a lever to stimulate local business growth, the devil will be in the detail. It is not yet clear whether there will be a cap on retained business rates or whether a degree of redistribution across Local Authority areas will occur.

1.2.7 It is also likely that the Government will place additional responsibilities on councils in return for allowing a greater level of business rates. One of the additional responsibilities we are aware of at this stage is Housing Benefit for pensioners.

## **Housing**

1.2.8 The Chancellor also set out the Government's intention for social housing rent to be capped at the relevant Local Housing Allowance rate. Current estimates quantify the impact of the Housing Benefit changes in Barnet to be minimal. However, detailed modelling will be undertaken as further details emerge.

1.2.9 In addition, the Government will consult on reforms to the New Homes Bonus, including reducing the length of payments from 6 years to 4 years and a preferred option to reduce the overall total by £800m (roughly 50%). Details will be set out in the local government finance settlement consultation, which will include proposals to introduce a floor to ensure that no authority loses out disproportionately.

## **Barnet's strategy – Capital investment in infrastructure to ensure that Barnet remains a place where people want to live and work**

1.2.10 The Spending Review makes clear that, for Local Government, there will continue to be significant pressure on resources, which will mean that Barnet, like all councils will have to reduce its day to day spending. However, as we focus on reducing the council's running costs, we must continue to use capital resources effectively to invest in the borough's essential infrastructure including housing, transport, school places, leisure centres and community facilities.

1.2.11 The council's regeneration programme will see £6bn of private sector investment over the next 25 years, which will create around 20,000 new homes and up to 30,000 new jobs. It will also generate £11m of additional recurrent income for the council by 2020, with one-off income of £50m to be reinvested in infrastructure.

1.2.12 The Treasury has made 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 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.

1.2.13 The council, via Barnet Homes, is also investing in an additional 50 Extra Care Housing units by 2017/18, and is considering plans to provide 100 specialist homes linked to health and care support and community facilities by 2020 including 50 for sale. The council will continue to invest in this way, to reduce the ongoing cost of social care.

1.2.14 The council will further invest in school places, building on the £116m invested over the past 5 years. Investment in school expansion, both in terms of funding and provision of land, has contributed to the creation of over 7,500 new school places over the last six years.

1.2.15 The council is also investing in new community centres at Grahame Park, Colindale and Stonegrove Spur Road, as well as two new leisure centres located in New Barnet and Cophall. These facilities will help to ensure that

Barnet's growing population can stay healthy and build strong community cohesion.

## **Barnet's strategy – Maximising the revenues we generate locally through growth and investment**

### Housing and regeneration

1.2.16 Growth is an essential part of the council's strategy, as we become less reliant on Government funding and which requires us to generate more of our income locally. Residents from Barnet 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 to bear down on Council Tax bills. As well as the significant financial benefits outlined, housing development is also a necessity as the population of Barnet, already the highest in London, continues to grow, driven by a high birth rate, high in-migration and low out-migration, and people living longer.

### Employment and skills

1.2.17 Most residents will benefit from the opportunities that a growing national and local economy will bring, but some will require targeted support – such as help to get a job – so they do not miss out. Barnet's Welfare Reform Task Force and Burnt Oak Opportunity Support Team (BOOST) are examples of initiatives that have already demonstrated significant benefits for residents, by providing a 'one stop shop' approach which brings together multi agencies under one roof. The results have been impressive, with the Task Force having engaged with 96 per cent of Barnet residents affected by the Benefit Cap and helping 35 per cent into work. Since its launch in June 2015, 200 residents have signed up to work with the BOOST team in Burnt Oak, with over 100 helped into employment and, crucially, achieving high retention rates. In total, over 830 people have been helped to get a job through council-led employment initiatives.

1.2.18 Not only does the model of co-located, multi-agency teams provide a better service for residents, it also generates efficiencies across the public sector with analysis showing an economic benefit of £3 for every £1 invested in the Task Force. The model of co-located teams is something that the council will look to roll out for other services in locations across the borough.

## **Barnet's strategy – Transforming the way we design and deliver services**

1.2.19 For every service, the council will consider the case for different ways to deliver our priority outcomes. For example, in adult social care, a greater number of elderly residents will be provided with social care support within their own homes, which will allow individuals to access support services and technologies that are right for them. This will save money by reducing demand for high cost residential accommodation.

1.2.20 In children's social care, proposals to increase the size and effectiveness of the in-house foster care service are designed to save money by helping a greater number of children and young people to move from residential to foster care placements. Intervening earlier will prevent placements from breaking down, increasing the likelihood that children will remain in stable placements for longer.



1.2.21 Environmental services will be transformed through the use of new technology to improve the efficiency of street cleansing services and make it easier for residents to report problems. At the same time, increased monitoring and enforcement of littering, fly tipping and other offences, particularly in town centres, will help to reduce the need for street cleansing services.

### **Barnet's strategy – Promoting community participation and resilience**

1.2.22 To ensure Barnet continues to thrive, and building on local community spirit, the council will work to build stronger relationships with residents and communities. The aim is to ensure that residents and community groups become more independent and resilient and less reliant on public services.

1.2.23 If we succeed, residents and community groups will be able to deliver more, and take on more responsibility for their local areas in places where there is clear potential for community groups to support and complement the council's role. Engaging users in the design and delivery of services will also help to ensure they are better matched to local need and ultimately more successful.

1.2.24 The council has developed a wider ranging Community Participation Strategy in order to achieve its ambitions to support resilient communities where residents participate more in local activities. The strategy covers multiple work streams, including:

- **Community Assets Strategy** – setting out how we will use over 140 of our community buildings to achieve outcomes and lever support from residents and the voluntary and community sector;
- **Developing a comprehensive VCS database** – of 1,400 local voluntary and community sector organisations, so residents can find local support and reduce demand on statutory services; and
- **A resident volunteering brokering service** – to put more residents who want to volunteer – in areas such as parks and adult social care in contact with local volunteering opportunities.

### **Barnet's strategy – Managing demand for services**

1.2.25 Pressure on the council's budget is not only a consequence of declining funding from Government – increasingly it is driven by rising demand for services due to changing demographics.

1.2.26 Between 2010 and 2015, the council successfully met a 25% budget gap largely through efficiency savings and delivering services differently. This helped to limit the impact on frontline services, which might help explain high levels of resident satisfaction. Moving forward, although the council will continue to focus on becoming more efficient, it will be increasingly difficult to manage a further 25% budget gap through supply side reforms alone.

1.2.27 As a consequence, the focus of the council's savings plans for 2015 to 2020 place a greater emphasis on ways to reduce demand on services - through the community doing more; intervening earlier to treat the cause, not the problem – including tackling the 'Toxic Trio' of domestic violence, drug and alcohol abuse and mental ill health, which are the most prevalent causes of poor outcomes for Barnet families – and influencing residents to change their behaviour, for example by recycling more.

### **1.3 Refreshing the council's Corporate Plan performance indicators for 2016/17**

1.3.1 In April 2015, Full Council approved a five-year Corporate Plan covering the period 2015 to 2020. Each year, the council will publish an addendum to the five-year plan that sets out revised performance indicators for the year ahead. It will also set out the key activities planned for the year ahead, set against the council's priorities of growth, transformation, demand management and community resilience.

1.3.3 Performance indicators – which are used to track progress – have been refreshed and will be presented to theme committees through March 2016 before coming back to Council at the next meeting.

### **1.4 Medium Term Financial Strategy**

1.4.1 Appendix A sets out the Medium Term Financial Strategy from 2016/17 to 2019/20, taking into account national economic factors such as assumed government funding cuts and inflation, along with local factors such as housing trajectory and population and demand pressures on services. The headline figure is a budget gap of £81.1m for 2016-20.

1.4.2 The assumptions within the budget envelope 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 latest demographic projections from the GLA and specific data from Protecting Older People Population Information System (POPPI) and Projecting Adults Needs and Service Information (PANSI). An assumption has also been included for increase in costs relating to complexity of cases in SEN and LD;
- **Inflation (pay):** the Local Government pay award has been confirmed as 1% increase for the next 4 years;
- **Inflation (non-pay):** figures of 2% for inflation have been used to estimate the increase in non-pay costs;
- **North London Waste Authority (NLWA) levy:** figures for the NLWA levy are based on the latest information from the NLWA;
- **Capital financing costs:** no further provision has been added since the budget was agreed in March by full Council as the current budget provision is considered to be sufficient based on current capital needs. This may be revised after the capital needs analysis exercise has been completed;
- **Contingency:** A provision has been added from 17/18 to cover general risks;
- **Homelessness:** £500k in a specific contingency in 2016/17 to deal with the pressures in supply and demand side costs in relation to temporary accommodation;
- **Concessionary fares:** increases have been projected in line with demographic changes of the 60+ population in Barnet;
- **Business rates:** The council, along with other London boroughs, have noticed a decrease in business rates due to an increase in successful appeals against rateable values; therefore a decrease in the baseline has been factored in to reflect this;

- **Revenue Support Grant (RSG):** the assumption for reduction in RSG prudently reflects the Government's aspiration to have a budget surplus by 2019/20;
- **Public Health Grant:** it has been confirmed that the ring-fence on public health spending will be maintained in 2016/17 and 2017/18 with a 3.9% average saving per annum over the next 5 years. To be prudent, a reduction of 5% has been modelled in the MTFS. It has been confirmed that funding of public health expenditure is one of the responsibilities local government will have to take on as a result of further localisation of business rates, however it is not clear which year this will be implemented from and further consultation is expected. For now, the MTFS assumes this will be implemented after the current parliament ends;
- **Education Services Grant:** the Autumn Statement 2015 announced a £600m reduction in this budget. We have assumed a 10% year on year reduction in this grant into the MTFS;
- **Council Tax:** the proposal subject to consultation and the Equalities Impact Assessment is that there is no increase in general council tax for 2016/17, with an increase of 2% per annum beyond that.
- **Social care precept:** the proposal subject to consultation and the Equalities Impact Assessment is that the precept is applied at 1.7% for 2016/17.

1.4.3 There are a number of known pressures that we can confidently quantify and include in the MTFS, as presented above; these include inflationary pressures on pay and contracts, demographic increases and the impact on service provision and concessionary fares. However, there are other risks and pressures that haven't materialised yet and therefore inclusion of the pressure at this stage in the MTFS would further increase the savings target. These include:

- The impact of the social care market, specifically care homes and home care, not being viable and the impact on the local authority being able to discharge of its statutory and safeguarding responsibilities;
- North London Waste Authority's (NLWA) proposed procurement of a new waste disposal facility, or upgrade of the current facility, will adversely impact the budget position for the council. Alternative delivery models for waste disposal, including the potential for the borough to exit the NLWA and procure its own contract for waste disposal;
- The costs of disposal of residual waste is more expensive compared to recycling and therefore if recycling rates continue to plateau or decline and / or the savings identified are not realised, it may become necessary to go to alternate weekly collection;
- Family services have seen increased referrals and assessments and increased demand for special guardianship orders and resident's orders. If these increases continue to rise, this could lead to a significant pressure in the Family Services budget.
- The proposal to reduce New Homes Bonus (NHB) payments from 6 to 4 years in the Chancellor's budget on 25 November 2015 poses a potential risk of funding the infrastructure projects in our capital programme. A reduction in NHB payments could lead to an increase in our borrowing, which would have an adverse impact on revenue by way of interest and associated borrowing costs.

## 1.5 Savings proposals

1.5.1 The proposed budget for 2016/17 reflects a budget gap of £15.582m, with savings proposals to reach a balanced position. These savings are set out in detail in Appendix B1 and B2.

	2016/17 £000
Budget Gap before savings and pressures	15,582
Identified Pressures	3,972
Proposed Savings	(19,554)
<b>Budget Gap after savings</b>	<b>0</b>

1.5.2 The 2016/17 savings targets by Theme Committee are as below. These are set out in detail at **Appendix B2**.

Theme Committee	2016-17 £000
Adults & Safeguarding	(3,383)
Assets, Regeneration & Growth	(2,253)
Children, Education, Libraries & Safeguarding	(2,071)
Community Leadership	(9)
Environment	(4,021)
Health and Wellbeing Board	
Policy & Resources	(7,817)
<b>Total</b>	<b>(19,554)</b>

1.5.3 The combined savings targets from 2016 through to 2020 are set out below:

Theme Committee	2016-17 £000	2017-18 £000	2018-19 £000	2019-20 £000	Total £000
Adults & Safeguarding	(3,383)	(5,412)	(5,161)	(4,497)	(18,453)
Assets, Regeneration & Growth	(2,253)	(6,362)	(5,132)	(48)	(13,795)
Children, Education, Libraries & Safeguarding	(2,071)	(4,062)	(2,596)	(5,818)	(14,547)
Community Leadership	(9)	0	0	(243)	(252)
Environment	(4,021)	(2,315)	(2,165)	(2,080)	(10,581)
Health and Wellbeing Board					£0
Policy & Resources	(7,817)	(3,720)	(4,389)	(2,544)	(18,470)

Policy & Resources Reserves				(5,000)	(5,000)
<b>Total</b>	<b>(19,554)</b>	<b>(21,871)</b>	<b>(19,443)</b>	<b>(20,230)</b>	<b>(81,098)</b>

### **Adults and Safeguarding**

1.5.4 Adults and Safeguarding Committee has a total savings target of £18.5m. The main proposals contributing to this gap are:

- Improving information, advice and support offer so that individuals and their families take greater responsibility for their own and their family member's care and support;
- Develop alternative housing and support options to reduce the need for higher cost placements;
- To utilise new technologies to enable people to continue to live safely in their own homes;
- Increase the proportion of working age adults known to adults social care into employment;
- To integrate health and social care services to improve the experience of receiving care and support and reduce duplication;
- Increase the productivity of the adult social workforce to be able to meet the needs of a growing population within available resources.

### **Assets, Regeneration and Growth**

1.5.5 Assets, Regeneration and Growth Committee has a total savings target of £13.8m. This is mainly achieved through:

- Efficiency savings in the civic and community asset estate by implementing the Office Accommodation Strategy and Community Asset Strategy;
- Additional income council tax and business rates from increasing the base through regeneration and development opportunities.

### **Children's, Education, Libraries and Safeguarding**

1.5.6 Children's, Education, Libraries and Safeguarding Committee has a total savings target of £14.5m. The main savings proposals are made of:

- Reshape early intervention and prevention services to provide effective, targeted interventions which reduce the need for higher cost interventions;
- Developing new models of social work practice and intervention which reduce the need for higher cost placements and the number of adolescents in residential care;
- To utilise new technology and community capacity to create a sustainable library offer for Barnet;
- To integrate health, care and education services to improve the experience of receiving care and support for disabled children and their families and reduce duplication;
- Increase the productivity of the children's service to be able to meet the needs of a growing population within available resources

### **Community Leadership**

1.5.7 Community Leadership Committee has a total savings target of £0.3m. The main savings proposal is made of:

- Reducing expenditure associated with CCTV once the capital contribution towards investment has been paid off.

## **Environment**

1.5.8 Environment Committee has a total savings target of £10.6m. The savings proposals are made of:

- Delivering a sustainable waste and recycling service which increases recycling rates, minimises the tonnage collected and sustains resident satisfaction;
- Securing greater value from Barnet's extensive green and open spaces and parks service through increased income and greater utilisation levels;
- Better utilising the council's regulatory powers to keep Barnet clean, green and safe;
- Increasing the efficiency and productivity of commissioned services.

## **Policy and Resources**

1.5.9 Policy and Resources Committee has a total savings target of £18.4m. The savings proposals comprise of:

- Increasing the efficiency and productivity of commissioned services;
- Reducing costs associated with workforce and exploring option of shared service;
- Achieving efficiency through reduction in the costs associated with borrowing;
- Increasing revenue income through review of council tax support payments (already implemented).

1.5.10 The 'ring fenced' budgets are listed below:

### **Better Care Fund (BCF)**

1.5.11 Government has confirmed that the BCF will continue and increase (nationally by £1.5 billion) in 2016/17. The 2015/16 Barnet BCF allocation is £23.4m and is used to fund health services, social care services, major adaptations through the Disabled Facilities Grant and make investments into the development of integrated services.

1.5.12 Prior to the BCF, the council received section 256 monies for the funding of social care services which benefited health with a value of £6.6m. The section 256 monies were consolidated into the BCF in 2015/16. Adults Social Care services currently receives £4.2m of funding through the BCF for the protection of social care with the balance of the £6.6m being spent on health and social care integration projects.

1.5.13 The monies within Barnet's BCF form a pooled budget under section 75 of the NHS Act 2006 overseen by the Barnet Health and Wellbeing Board. The section 75 agreement allows for resources to be easily transferred between health and social care in order to meet the objectives of the pooled fund.

1.5.14 The success of the BCF and therefore the pooled budget is measured through the achievement of a reduction in emergency hospital admissions and initiatives with the BCF are targeting resources on preventing admissions to

hospital through 7 day social work service, rapid response services and enablement.

1.5.15 Given the additional demand pressures that adult social care is facing as a result of more people receiving care outside of hospital (there has been an average increase of 22% per year in referrals to hospital social work teams since 2012) and reduced winter pressures funding (88% reduction from funding levels in 2012), the council has engaged with the CCG to ensure that £6.6m of the BCF will be available for the protection of adult social care services referred to in para 1.5.11. The additional funding will be used to address the underlying deficit of adult social care referred to in paras 1.6.3 and 1.6.4.

1.5.16 Council officers engaged with Barnet CCG on the options for 2016/17 to achieve an additional £2.4m for the protection of adult social care through the BCF. This discussion is progressing well and has achieved officer agreement and a draft version of this will be submitted to the CCG's finance board for sign off ahead of April 2016.

#### **Dedicated Schools Budget (DSG)**

1.5.17 Details of the way in which the Schools' Budget has been put together is shown in Appendix E, which also includes a table showing a summary breakdown of the Schools' Budget.

1.5.18 The council is required to submit to the Department for Education (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. This is included in the appendix.

1.5.19 The key factors are as follows:

- The government's minimum funding guarantee for schools remains the same as in 2015/16 (-1.5%). This means that the maximum reduction in per pupil funding for any school is 1.5%.
- In the autumn all schools and academies were consulted on options to change the School Funding Formula that would involve no or little extra cost to the budget. The option supported by most respondents and the Schools Forum, and subsequently agreed by CELS, increases the age weighted pupil unit (AWPU) by £10 per annum and also changes the amount capped schools can gain. Schools would keep 15% of all gains per pupil in the funding formula.
- The government released new Index of Multiple Deprivation figures in December, which showed the IDACI (Income Deprivation Affecting Children Index) figures were lower for all Barnet schools (and in London generally) than in the previous year. This does not affect the DSG funding to the LA, as that does not relate to IDACI, but it does affect the distribution of funding to schools in Barnet because IDACI figures are a factor in our local school funding formula. Without a change in the formula, the amount distributed for deprivation factors would fall significantly, because many Barnet postcodes fell into IDACI bands we did not fund. To avoid a significant reduction in the amount distributed according to deprivation measures, the formula has been changed so that

funding distributed in relation to IDACI bands is now based on bands 3 to 5 rather than 4 to 6. For similar reasons Free School Meal eligibility in primary schools appears to have fallen, possibly due to the introduction of universal infant free school meals. The IDACI and FSM funding rates have also been increased to ensure the same amount of funding is distributed via deprivation factors as in 2015/16 and thus avoid significant reductions in funding for individual schools. As there would still be big losses among schools which gain, the cap was also raised to 20% without reducing the overall funding envelope.

- All academies and free schools are now treated equally in that their pupils are used to determine the Schools Block of the DSG, and the local authority calculates and submits their funding on the authority proforma tool (APT) so the money can be recouped from the DSG.
- Local authorities are responsible for pupil growth at all schools, except in the first year of opening a new free school. £3.6m has been included in the budget for the growth fund to pay for new year groups opening in academies and free schools as well as expansions at maintained schools.
- The same early years funding formula and rates as 2015/16 will be applied in 2016/17.

1.5.20 The funding rates proposed for the 2016/17 financial year are thus as follows:

	Primary Rate £	Secondary Rate £
Age Weighted Pupil Unit	3,325.75	4,772.86
Free School Meals (Ever 6)	1,423.56	505.00
Lump sum per school	122,000.00	122,000.00
Deprivation: IDACI 4	350.00	1,045.00
Deprivation: IDACI 5	2,100.00	5,225.00
Deprivation: IDACI 6	4,200.00	10,450.00
English as Additional Language 2	530.00	1,378.00
Mobility	422.90	618.53

## Housing

1.5.21 Housing Committee has savings that deliver benefits to the Housing Revenue Account (HRA) business plan. These total £2.6m and comprise of the proposals below:

- Reduction in management and repairs costs due to forecast stock losses through estate regeneration and Right to Buy sales;
- Enhancing the value of contract arrangements, reduced accommodation costs and new ways of effective use of IT;
- Stopping 'non-essential' works and re-prioritisation of certain types of non-urgent repairs.

## Public Health



1.5.22 Public Health funding has sustained an in-year cut of 6.2% (£1.048m) in 2015/16 as a contribution towards the national deficit. The Spending Review and Autumn Statement 2015 has confirmed that the ring-fence on public health spending will continue in 2016/17 and 2017/18, however funding is expected to reduce by an average of 3.9% per annum over the next 5 years. As part of the additional responsibilities that local government will need to take on as a result of further localisation of business rates – funding of public health expenditure has been confirmed. However, it is not clear which year this will be implemented from and a government consultation is expected. Therefore for now, the MTFS assumes this will be implemented after the current parliament ends.

1.5.23 In anticipation of a funding reduction the Public Health budgets have been modelled on a prudent 5% reduction. The programme of procurement in 2016/17 and beyond will in the main be a collaborative approach to the commissioning of sexual health services across London and is assumed to deliver efficiencies and contain growth, from April 2018. The proposals follow the strategic direction established for Public Health spend in 2014/15 with budget allocated to ensure delivery of priority outcomes. Decreases in spend in core Public Health service areas have been achieved via efficiencies and contract re-procurement.

1.5.24 Spend on the wider determinants of health, notably in Early Years, is increased. As a result, investment of £200k per annum (until March 2018) into Adult Social Care Prevention and £250k per annum (until March 2019) for CAMHS has been assumed. These investments will mitigate the impact of savings that will be delivered.

1.5.25 Commissioning intentions and the budget for 2016/17 are due to be presented to Health and Wellbeing Board at its meeting in March 2016.

## **1.6 Council Tax**

1.6.1 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 for general council tax is 2%. In effect this means that general Council Tax increases are capped at 2% for 2016/17.

1.6.2 The detailed council tax base schedule is included in Appendix B. Under delegated powers, the Chief Finance Officer has determined the 2016/17 tax base to be 135,324 (Band D equivalents) – the calculations are set out below:

Council Taxbase	2015/2016	2016/2017
	Band D Equivalents	Band D Equivalents
Total properties (per Valuation List)	166,725	168,206
Exemptions	(2,648)	(2,454)
Disabled reductions	(115)	(112)
Discounts (10%, 25% & 50%)	(31,571)	(28,938)
Adjustments	1,677	605
Aggregate Relevant Amounts	134,068	137,307
Non-Collection (1.5% both years)	(1,998)	(2,060)
Contributions in lieu from MoD	81	77
	132,151	135,324

### Adult Social Care Precept

- 1.6.3 The Chancellor's budget announcement on 25 November 2015 allowed the flexibility of applying a precept of up to 2% annually from 2016/17 in order to mitigate the impact of the pressures on care for the elderly. The current underlying pressure in Adult social care is estimated to be at least £5.4m for 2016/17, which includes risks around increasing demand, new statutory requirements and increased referrals from the NHS.
- 1.6.4 Applying the new precept at the maximum amount for 2016/17 will allow for £3m of the pressure to be funded from this, with the remainder of the pressure being funded from further allocation of Better Care Fund and Winter Pressures money through negotiations with the CCG as detailed in para1.5.11. The precept would result in annual increases in Council Tax for householders ranging from £12.67 (£0.24 per week) for Band A to £38.01 (£0.73 per week) for Band H.
- 1.6.5 The Localism Act requires Council approval of the Council Tax requirement (including settlement funding assessment) in place of budget requirement (excluding settlement funding assessment).
- 1.6.6 If the Social Care Precept is applied, the council tax for Barnet will be as per the table below:

BUDGET	2015/2016 Original	2015/2016 Current	2016/2017 Original
	£	£	£
<b>Total Service Expenditure</b>	<b>276,465,365</b>	<b>277,965,365</b>	<b>271,782,521</b>
Contribution to / (from) Specific Reserves	6,461,288	6,461,288	10,735,156
<b>NET EXPENDITURE</b>	<b>282,926,653</b>	<b>284,426,653</b>	<b>282,517,677</b>
Other Grants	(32,038,000)	(33,538,000)	(38,829,000)
<b>BUDGET REQUIREMENT</b>	<b>250,888,653</b>	<b>250,888,653</b>	<b>243,688,677</b>
Business Rates Retention	(35,191,000)	(35,191,000)	(35,484,000)
Business rates top-up	(18,114,000)	(18,114,000)	(18,265,000)
<b>BUSINESS RATES INCOME</b>	<b>(53,305,000)</b>	<b>(53,305,000)</b>	<b>(53,749,000)</b>
RSG	(50,444,000)	(50,444,000)	(36,849,000)
Collection Fund Adjustments	(1,500,000)	(1,500,000)	(3,636,000)
Additional income from Council Tax			2,253,000
<b>BARNET'S ELEMENT OF COUNCIL TAX REQUIREMENT</b>	<b>145,639,653</b>	<b>145,639,653</b>	<b>151,707,677</b>
Council Tax Base			
<b>BASIC AMOUNT OF TAX</b>	<b>1,102.07</b>	<b>1,102.07</b>	<b>1,121.07</b>
<b>GLA TAX</b>	<b>295.00</b>	<b>295.00</b>	<b>276.00</b>
<b>TOTAL COUNCIL TAX (BAND D EQUIVALENT)</b>	<b>1,397.07</b>	<b>1,397.07</b>	<b>1,397.07</b>

1.6.7 The provisional GLA precept is £37,349,424 making the total estimated demand on the collection fund and Council Tax requirement £189,057,101.

<b>London Borough of Barnet</b>	<b>£149,136,521</b>
<b>Social Care Precept</b>	<b>£2,571,156</b>
<b>Barnet's Council Tax Requirement</b>	<b>£151,707,677</b>
<b>Greater London Authority</b>	<b>£37,349,424</b>
<b>Total Requirement for Council Tax</b>	<b>£189,057,101</b>

1.6.8 The levels of council tax for each category of dwelling will be:

Council Tax Band	Barnet	GLA	Aggregate
A	747.38	184.00	931.38
B	871.94	214.67	1,086.61
C	996.51	245.33	1,241.84
D	1,121.07	276.00	1,397.07
E	1,370.20	337.33	1,707.53
F	1,619.32	398.67	2,017.99
G	1,868.45	460.00	2,328.45
H	2,242.14	552.00	2,794.14

1.6.9 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.

## Council Tax Support Scheme

1.6.10 On 13 January 2015, following a consultation, The Council, adopted a revised Local Council Tax Reduction Scheme called Council Tax Support. The scheme had the following features:

- Contribution of 20% for working age claimants unless in a protected group;
- Continued protection from the impact of the minimum contribution for war pensioners;
- War pension income disregarded from both the working age scheme and the pension credit age scheme;

1.6.11 The working age Non-dependant (ND) charges be updated as follows:

Description	Deduction
Gross income greater than or equal to £195.00 per week from any source unless the non-dependant is receiving an income in category 3)	£11.45 per week
Gross income less than or equal to £194.99 per week unless the non-dependant is receiving an income in category 3)	£5.00 per week
In receipt of Income Support, Income based Jobseekers Allowance, Income related Employment and Support Allowance, State Pension Credit or Universal Credit where the award is calculated on the basis that the recipient has no earned income	Nil

## 1.7 Capital Investment Programme

1.7.1 Investing in the future is a key strand of the council's response to the scale of the challenge facing Local Government from funding reductions and increasing demand. Barnet will not be able to support the growth needed to ensure the council's financial independence without investment for the future. The capital programme doesn't only support the growth agenda but also includes a number of additions that enable the achievement of the revenue savings proposals.

1.7.2 The current capital programme totals £761m up to 2020, funded from a combination of capital receipts, borrowing, revenue and external grant contributions. The MTFs includes provision for future capital expenditure on council priorities through to 2020.

1.7.3 A summary of the capital programme by Theme Committee is as below. The detail is set out in Appendix C1 & C2.

Theme Committee	2015-16 £'000	2016-17 £'000	2017-18 £'000	2018-19 £'000	2019-20 £'000	Total £'000
Adults & Safeguarding	4,450	5,886	15,914			26,250

<b>Theme Committee</b>	<b>2015-16 £'000</b>	<b>2016-17 £'000</b>	<b>2017-18 £'000</b>	<b>2018-19 £'000</b>	<b>2019-20 £'000</b>	<b>Total £'000</b>
Assets, Regeneration & Growth	42,124	55,747	50,180	22,380	5,700	<b>176,131</b>
Children, Education, Libraries & Safeguarding	47,550	68,853	31,262	43,462	31,875	<b>223,002</b>
Community Leadership		208				<b>208</b>
Environment	24,599	31,331	11,697	10,871	9,230	<b>87,728</b>
Housing	5,993	6,249	4,334	3,868	3,867	<b>24,311</b>
Policy & Resources	29,751	22,531	3,249	1,000	1,000	<b>57,531</b>
Housing Revenue Account	41,070	48,097	36,984	22,487	17,132	<b>165,770</b>
<b>Total</b>	<b>195,537</b>	<b>238,902</b>	<b>153,620</b>	<b>104,068</b>	<b>68,804</b>	<b>760,931</b>

1.7.4 There are a number of capital additions at different stages of development and approval, which may have a significant up front borrowing requirement. The costs of these are still being worked up and therefore at this stage these have not been added to the capital programme from 2016/17 but these are estimated to be:

- Brent Cross Thameslink station: estimated to be in the region of £215m; and will enable the regeneration of Brent Cross south side. £97m of this will be funded by central government grant (re-confirmed at Spending Review and Autumn Statement 2015) and ring-fenced increased business rates generated in the area (Barnet and GLA share);
- Development Pipeline Tranche 1: estimated to be in the region of £85m (2016-20); this mixed tenure development will generate capital receipts in excess of the investment which will enable us to continue investing in other projects across the borough;
- Development Pipeline Tranche 3: estimated to be in the region of £60m (2016-20); this affordable housing for rent development is intended to pay back the investment within 30 years and provide much needed social rents in the borough.

1.7.5 In the period up to 2020, there are a number of non-HRA projects and programmes including office building at Colindale, Thameslink station, secondary school builds and investment in roads and pavements that require significant capital funding. The Treasury Management team has undertaken work to review the current strategy with specific regard to the borrowing strategy and reviewing capital financing requirement, cash balances, other capital proceeds, cashflow and phasing of new borrowing requirements. This forms part of the Treasury Management Strategy, in order to utilise cash balances as much as possible and reduce the need to take out new external borrowing.

## **1.8 Treasury Management Strategy**

1.8.1 The Treasury Management Strategy is included in Appendix I. The main recommended revisions to the Treasury Management Strategy are:

- Further diversification of financial instruments into more secure /higher yield asset classes in consultation with the Council's investment advisor
- Increasing limit of investments over one year/non specified investments to a maximum of £150 million

1.8.2 There is also the proposal to lend up to £65 million to Barnet Homes Open Door but this will be treated as a policy decision rather than as part of the TMS i.e. it is a one off decision.

## **1.9 Housing Revenue Account**

1.9.1 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 2015 the HRA balances were £14.9m, and forecast to be £8.3m at 31 March 2016.

1.9.2 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**

1.9.3 Council rents will fall by 1% a year for the next four years from April 2016, following which they are expected to increase by Consumer Prices Index (CPI) + 1%. This is required by the Welfare Reform and Work Bill that is currently progressing through Parliament.

1.9.4 When a dwelling is re-let to a new tenant then the rent will be reset at the formula rent level, minus 1% for four years from April 2016 as required by the Government policy for social rents.

1.9.5 Where a dwelling rent is already above formula rent levels at the point it becomes empty, there will be no adjustment to the rent when the property is re-let.

1.9.6 Once a property has been let, the rent will reduce by 1% a year at the start of the following financial year for the current tenant up to and including 2019/2020.

1.9.7 New homes being delivered on the Council's land will be subject to affordable rents set at 65% of average private sector market rents or the Local Housing Allowance (LHA) whichever is lower. In line with Government Policy, the affordable rent that applies at the end of each financial year will be reduced by

1% at the start of the next financial year for the current tenant up to and including 2019/2020.

1.9.8 The average weekly rent on a 52 week basis will be £101.84. This has decreased from an existing weekly average rent of £102.87.

### Service Charges and Garages

1.9.9 The table below outlines the changes that are recommended to take effect from 1 April 2016:

	2015/16	2016/17	Increase	% Increase
Grounds Maintenance	£1.85	£2.71	£0.86	46.3%
Lighting	£1.14	£1.16	£0.02	2%
Heating - Grahame Park	1 Bed- £11.96	1 Bed- £12.20	1 Bed- £0.24	2%
	2 Bed - £16.59	2 Bed - £16.92	2 Bed - £0.33	
	3 Bed - £17.91	3 Bed - £18.27	3 Bed - £0.36	
Heating – excluding Grahame Park	2%			
Digital Television	£0.82	£0.84	£0.02	2%
Weekly Caretaking	£6.48	£6.61	£0.13	2%
Caretaking Plus	£8.36	£8.53	£0.17	2%
Quarterly Caretaking	£1.31	£1.34	£0.03	2%
Enhanced Housing Management and Alarm Service (sheltered housing)	2%			
Garages	2%			

1.9.10 Service charges and garage rents have been reviewed to ensure that costs are being recovered.

1.9.11 Grounds maintenance fees will increase by 46.3 %, an increase of £0.86 per week. This is due to the fact that a review of charges and recharges has shown that more can be charged to reflect the actual costs of running the service.

1.9.12 All other housing related service charges and the rents for garages will be increased by 2%.

### HRA Summary and working balance

1.9.13 Total expenditure for 2016/17 is estimated at £59m, including charges for financing HRA debt.

1.9.14 The HRA for 2016/17 shows a contribution to balances of £1.2m. The estimated HRA balance as at 31 March 2017 is £9.5m.

### **1.10 Robustness of the budget and assurance from Chief Finance Officer**

1.10.1 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 K.

#### **Robustness of Estimates**

1.10.2 The financial planning process for 2016/17 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.

1.10.3 The draft local government finance settlement for Barnet in 2016/17 has resulted in an additional £5.5m of grant reduction. The impact on the MTFs has been mitigated by using collection fund surplus, additional new homes bonus received and reducing general contingency.

1.10.4 The reduction of funding in contingency means that if the social care precept is not applied, additional savings options will need to be developed of at least £3m (on-going) to ensure there is a balanced and sustainable budget going forward.

1.10.5 The financial planning process has been managed at officer level through the Delivery Unit Board and Commissioning Group Management Team meetings. 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. This has happened alongside budget challenge sessions with members of Performance and Contract Management Committee and Policy and Resources Committee.

1.10.6 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.

1.10.7 At Member level, the Theme Committees have considered the financial planning process and made recommendations to the Policy and Resource Committee. The savings will then be referred to Council and agreed in March.

#### **Robustness of Budget Setting Process**

1.10.8 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 Budget Management**





Housing revenue account	32.8	32.8	32.8	32.8	32.8	32.8
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## 1.12 2015/16 Revenue Budget management

1.12.1 The general fund forecast outturn for quarter 3 is an overspend of £2.6m. This represents a 0.95% variance against a budget of £277.9m. In order to manage expenditure and income within agreed budgets, Directors are tasked with developing recovery plans to identify all significant pressures to ensure mitigations are identified.

1.12.2 The Delivery Units with significant overspends are listed below with a summary of their main pressures:

- Adults and Communities: forecast overspend of £2.2m at quarter 3, driven by increased demand for services funded from care budgets, particularly clients with dementia; clients transitioning into learning disabilities from children's services with increasingly complex needs and correspondingly expensive packages of care; and self-funders whose funds have depleted.
- Family Services: forecast overspend of £0.96m at quarter 3, driven by increased demand for residential care, special guardianship orders and resident's orders, preparing for independence and family assessments. The overspend also relates to the use of agency staff due to the national shortage of social workers.
- Housing: forecast overspend of £.4m at quarter 3, driven primarily because of a reduction in availability of lower cost units on regeneration estates, along with other economic factors resulting in increased demand for more expensive short term accommodation.

1.12.3 Recovery plans for forecast in-year overspends are monitored by Performance and Contract Management Committee through the year. Specific risks in the MTFS in para 1.4.2 takes the pressures above into consideration, however relevant Directors will need to ensure existing overspends are being addressed in order to ensure delivery of future savings proposals are not at risk.

### Transfers from contingency and reserves

1.12.4 Allocate £584k (on-going) from contingency to fund the revenue pressure from temporary accommodation in Housing Needs and Resources.

1.12.5 Allocate £1.4m (one-off) from contingency to fund the continued pressure on Adults and Communities budget from increased referrals, an increase in clients with complex needs and self-funders with depleted funds.

### Transfers to reflect budget changes

1.12.6 The Summers Lane Civic Amenities and Recycling Centre (CARC) transferred to the control of the North London Waste Authority (NLWA). The associated costs for the management of the Summers Lane CARC will in future be charged to the council through the NLWA waste levy. As a result an on-going budget virement of £764k is required from Street Scene to Commissioning Group.

1.12.7 Insurance budgets need to be re-aligned across all delivery units to capture the total cost of running the service. This virement will be on a one-off basis as per the table below:

Service Area	£
Adults and Communities	(23,420)
Assurance	(6,030)
Births Deaths & Marriages	(750)
Children's Education & Skills	(14,990)
Children's Family Services	(59,200)
Commissioning	(13,760)
Customer Support Group	(97,720)
Housing Needs Resources	(140)
Parking & Infrastructure	(1,570)
Regional Enterprise	(3,850)
Streetscene	38,400
Central Expenses	183,030
<b>Grand Total</b>	<b>(0)</b>

### **Debt Write off**

1.12.8 The following write offs over £5k, be referred to Full Council. The full detail is included in Appendix L;

- Sundry Debt write offs totalling £0.306m
- Council Tax write offs totalling £0.131m
- Non-Domestic Rates write offs totalling £1.001m
- Housing Rents write offs totalling £0.285m
- Housing Leaseholder write offs totalling £0.038m

### **1.13 Transformation Programme**

1.13.1 Delivery of the outcomes set through the Corporate Plan and the savings required by the MTFs will continue to be achieved by the transformation programme, established in December 2014. At the heart of this approach is an invest-to-save model, aiming to achieve cumulative benefits of £171m by 2020.

1.13.2 The Council has delivered major changes already through the transformation programme, including:

- A new innovative partnership with Cambridge Education for a range of education services (due to commence in April 2016);
- A new pilot multi-agency employment support team in Burnt Oak called BOOST;
- A new, integrated service for 0-25 year olds with learning disabilities;
- New proposed strategies for Open Spaces and Waste & Recycling services which are now out for public consultation;
- Transferred staff out of North London Business Park Building 4;
- Identified two sites on Copthall and Victoria Recreation Ground for new leisure centres.

1.13.3 The transformation programme will continue to be the key mechanism for delivering the Council's MTFs savings and wider desired outcomes, providing the additional skilled capacity and delivery arrangements, beyond current

business as usual operations, which will be required. In total, the programme now aims to achieve £62.8m budget savings, including £22m new areas of savings from when the programme was first established. Cumulatively this would mean £171m of savings delivered by the end of 2019/20.

1.13.4 A number of new projects will need to be established, or existing projects re-scoped, in order to deliver these new savings areas. These include:

- Supporting people to find work and improve their employment opportunities, focusing on social care clients and young people at risk of being not in employment, education or training
- Safely reducing the number of children in care by working with social workers and other children's services professionals to embed new social care best practice frameworks & approaches used for targeted intervention and managing demand, such as Signs of Safety, Pause and No Wrong Door
- Improving how residents and businesses access council services by improving the website, moving to online services, redesigning key processes, developing the right face-to-face service points, and providing greater ability to manage demand
- Increasing the independence of social care clients, through additional capacity to improve the review and support planning process including the use of equipment and technology
- Putting in place the most appropriate delivery models for adults social care, children's services and street scene services
- Improving the provision of alternative education services (where pupils engage in timetabled, educational activities away from school and school staff) for Barnet schools within a new Multi-Academy Trust which integrates existing services within suitable accommodation
- Delivering service reforms to early years, youth, adoption, and CAMHS services
- Reinforcing a culture that rewards high performance and drives up productivity by implementing new pay, grading and contractual arrangements to ensure a better overall package in terms of basic pay.

1.13.5 The Council will continue to use its established model for ensuring projects are developed and delivered in an effective way, with business cases and recommendations presented to Committees at set points - with a strong focus on ensuring that the costs are proportionate with the benefits of delivering the project. Larger, more complex projects are subject to internal audit and, where required, external gateway reviews. Progress against relevant programmes and projects will continue to be reported to Performance and Contract Monitoring Committee each quarter.

1.13.6 The Council has put in place a Transformation Reserve to enable successful delivery of required changes. There are some underspends in specific areas that can be used to fund some of the new areas of spend as shown in the table below. After use of these underspends, the total additional funding required from 2016/17 onwards for future projects is £4.3m which will be transferred to the transformation reserve from the service development reserve.

## **2. REASONS FOR RECOMMENDATIONS**

- 2.1 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 legislative changes.

## **3. ALTERNATIVE OPTIONS CONSIDERED AND NOT RECOMMENDED**

- 3.1 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. Alternatives to this could include more significant cuts to services the council provides, but these are not included in this report.

## **4 POST DECISION IMPLEMENTATION**

- 4.1 Following approval of these recommendations, these budget proposals and council tax requirement will be considered by Council on 1 March 2016.

## **5. IMPLICATIONS OF DECISION**

### **5.1 Corporate Priorities and Performance**

- 5.1.1 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.

### **5.2 Resources (Finance & Value for Money, Procurement, Staffing, IT, Property, Sustainability)**

- 5.2.1 The revenue budget proposals will enable the council to meet its savings target as set out in the MTFS. These budgets will be formally agreed each year, after appropriate consultation and equality impact assessments, as part of the council budget setting process. For this reason, the proposals are subject to change annually.

5.2.2 The budget proposals in this report will have an impact on staff. A number of budget proposals will result in a reduction in posts in the organisation. For 2016/17, this impact will be discussed at General Functions Committee and is summarised below:

Delivery Unit	Full Time Equivalents (FTE)
Adults and Communities	47.5
Family Services	0
Street Scene	12
Commissioning Group	0
<b>Total</b>	<b>59.5</b>

### 5.3 Social Value

5.3.1 In taking forward the proposals due regard will be paid to the Social Value Act. The Social Value Act will be a useful tool in ensuring that our activities are embedded in prevention and early intervention. We will seek to look for added value that providers can bring in delivering our services, such as where apprenticeships are provided.

5.3.2 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.

### 5.4 Legal and Constitutional References

5.4.1 Section 151 of the Local Government Act 1972 states that: “without prejudice to section 111, every local authority shall make arrangements for the proper administration of their financial affairs and shall secure that one of their officers has responsibility for the administration of those affairs”. Section 111 of the Local Government Act 1972, relates to the subsidiary powers of local authorities.

5.4.2 Section 28 of the Local Government Act 2003 (the Act) imposes a statutory duty on a billing or major precepting authority to monitor, during the financial year, its income and expenditure against the budget calculations. If the monitoring establishes that the budgetary situation has deteriorated, the authority must take such action as it considers necessary to deal with the situation. Definition as to whether there is deterioration in an authority’s financial position is set out in sub-section 28(4) of the Act.

5.4.3 All proposals emerging from the review of the budget setting 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.

5.4.4 Constitution Responsibilities for Functions Annex A sets out the terms of the Policy and Resources Committee, which include:

- To be the principal means by which advice on strategic policy and plans is given and co-ordinated on strategic issues such as the Council's Capital and Revenue Budget setting, Medium Term Financial Strategy and ensuring effective Use of Resources and Value for Money.
- To be responsible for the overall strategic direction of the Council including strategic partnerships, Treasury Management Strategy and internal transformation programmes.
- To consider and take any necessary action on proposals for new legislation, Bills before Parliament, Acts of Parliament and other proceedings before Parliament affecting or likely to affect the interests of the Borough or its inhabitants generally, where not the specific concern of any other committee(s). The promotion of Bills and Provisional and Statutory Orders in Parliament shall be dealt with by the council.

5.4.5 As a matter of public law the duty to consult with regards to proposals to vary reduce or withdraw services will arise in 4 circumstance:

- 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.

5.4.6 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 allows 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, and the extent to which alternatives and discarded options, have been considered.

5.4.7 Barnet 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.

- 5.4.8 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
- 5.4.9 Decision makers should have due regard to the Public Sector Equality Duty when making their decisions. If negative equality impacts are found then decision makers may – or may not – decide to change their decisions after balancing all of the factors, including but not limited to equality considerations. The equalities duties are ongoing duties – they are not duties to secure a particular outcome. The equalities duties should be taken into account before a decision is made. It is important that decision makers have regard to the statutory requirements on them and make decisions in light of all available material. This will include the results of consultation and other comments that residents and organisations make on the proposals.
- 5.4.10 Full equality impact assessments have been prepared for the Policy and Resources Committee for those savings that will make up the budget for 2016/17 taking into account the results of the public consultation before the budget is referred to Council. Where proposals are at early stages then the equality impact assessment will be completed prior to decisions being made.

## **5.5 Risk Management**

- 5.5.1 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 Committees and is reflected, as appropriate, throughout the annual business planning process.
- 5.5.2 In December 2015, the Government confirmed spending totals for Councils for 2016/17 and indicative figures from 2017-20. Ahead of this the Spending Review and Autumn Statement 2015 has confirmed that the deficit elimination and debt reduction programme is set to continue until the end of the decade. For this reason, it is important that the Council continues to be prudent with its use of reserves and contingency to mitigate future cuts.
- 5.5.3 The challenges set out in this report require fundamental change in the way Council services are delivered, which impacts on the human resources of the organisation and related policies and practices. This process will be managed in conjunction with Trade Unions and staff.
- 5.5.4 The future savings proposals are significantly challenging and dependent on a range of factors often outside of the control of the service and with longer lead in times. The achievement of savings predicated on reducing demand through improved preventative work and social work practice should lead to better outcomes. However the relationship between early intervention/prevention and reduced demand on social care is not always linear and is subject to a range of both controllable and uncontrollable variables. There is therefore a risk that the savings set out may not be deliverable as the Council must always ensure that safeguarding of adults, children and young people remains paramount.



5.5.5 The corporate risk register as at quarter 3 is included in Appendix M.

## **5.6 Equalities and Diversity**

5.6.1 The Equality Act 2010 and The Public Sector Equality Duty, require elected Members to satisfy themselves that equality impact considerations have been fully taken into account in developing the proposals which emerge from the finance and business planning process, and considered together with any mitigating factors. As part of the Council's approach to strengthening how due regard is paid to equalities in decision making, the Council will consider the equality impact of each proposal in the budget year in question and develop Equality Impact Assessments (EIAs) as appropriate.

5.6.2 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 other groups who may be vulnerable including carers, (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.

5.6.3 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.

5.6.4 To meet the requirement for members outlined above equality impact assessments will be published to support 2016/17 savings proposals. A Cumulative Equalities Impact assessment of the proposed 2016/17 budget savings is attached at Appendix H to this paper. This document is scheduled for publication on 8th February 2016 for Policy and Resources Committee on 16th February. At this stage, whilst the document represents a near final cumulative EIA, and the analyses of the equality impacts of proposals are not expected to change, it must be kept in mind that the paper is published ahead of the closure of the Council's public consultation of the budget proposals on 12th February 2016. Therefore both the cumulative and individual EIAs may require updating after this to take account of consultation feedback and prior to final endorsement of the budget at the Council meeting on 1st March 2016.

5.6.5 The council has carried out 13 EIAs for 14 individual budget savings proposals for 2016/17 and these are published with a cumulative assessment

of the equalities impact. One of the EIAs covers two proposals. 8 of the 13 EIAs are showing either significant or minimal positive impact, 2 are showing a neutral impact and 3 are showing a negative impact.

5.6.6 The minimal negative equalities impacts identified in cumulative EIA of the council's budget proposals arise from two proposals - Home Meals (ASC) and Libraries (CELS) and affect five protected groups. These are:

- Age: Over 85's (Home meals, ASC);
- Ethnicity: Jewish and other minority groups (Home meals, ASC);
- Age: 16-18 years (Libraries, CELS);
- Women – pregnancy and maternity (Libraries, CELS);
- People with disabilities (Libraries, CELS).

5.6.7 Mitigations are fully detailed in the cumulative EIA which also notes a regrettable continuing cumulative negative impact for young people. According to the Equality and Human Rights Commission; prospects for young people in the UK have worsened over the past five years<sup>1</sup>. - taking into consideration Barnet's commitment to fairness and the wider economic context.

5.6.8 Environment are showing **impact not known** for five new budget saving proposals from (Parks and Green spaces, street scene, waste collection and fees and charges). This is because the proposals are at an early stage and during 2016 it is planned to develop a strategy for waste and recycling and proposals for Parks and Open Spaces, both of which affect all residents in the borough, to deliver services which reflect the needs of the diversity of Barnet residents. Consultations have been launched to assist those strategic reviews and to inform further years' budget savings from 2017 and the EIAs will be developed as those proposals take shape and prior to decision making on those proposals in committee.

5.6.9 Adults' proposals for supporting people in the community, independence of young people, personal assistants, support for working age adults, provision of wheelchair housing and Homeshare are all assessed as positive showing positive impacts for older people, vulnerable people, people with learning, mental health and other disabilities. Positive impacts are identified for children and young people in the strategy for Looked after Children, Early Years proposals are expected to have a minimum positive impact on the protected characteristics and in particular they anticipate improved access to information and services for pregnancy and maternity. The alternative delivery model for Education and skills indicates a neutral impact for the protected characteristics and anticipates benefits for staff transferring. On balance therefore, the equalities analysis of the business planning process has identified that, as the council makes hard decisions, they are aware of the need to mitigate negative impacts, for the protected characteristics and to design new services with this in mind.

5.6.10 All human resources implications of the budget savings proposals will be managed in accordance with the Council's Managing Organisational Change

<sup>1</sup> <http://www.equalityhumanrights.com/about-us/our-work/key-projects/britain-fairer-0>

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

## 5.7 Consultation and Engagement

### Preliminary consultation

5.7.1 The Council has already undertaken a range of consultation and engagement to inform the Council's development of the Corporate Plan strategic priorities and 5 year Commissioning priorities and plans, along with indicative savings proposals to inform the MTF5. 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.

5.7.2 Last year formal consultation took place on the Strategic Plan to 2020. The results of which were presented to Policy and Resources Committee in February 2015 and Full Council in March 2015, before signing off the final Strategic Plan and MTF5 to 2020.

5.7.3 The Strategic Plan consultation was designed to consult on the combined package of the Corporate Plan; Commissioning Priorities; and budget to 2020.

The consultation 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.

5.7.4 The table below outlines the phases of engagement to date:

Phase	Date	Summary
Phase 1: Setting out the challenge	Summer 2013	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	October 2013 - June 2014	<ul style="list-style-type: none"> <li>• Engagement through Citizen's Panel Workshops which focused on stakeholder priorities and how they would want the Council to approach the Priorities and Spending Review</li> <li>• An open 'Call for Evidence' asking residents to feedback ideas on the future of public services in Barnet.</li> </ul>
Phase 3:	Summer 2015	• Focus on developing

Engagement through Committees		commissioning priorities and MTFS proposals for each of the 6 committees • Engagement through Committee meetings and working groups
Phase 4: Strategic Plan to 2020 Consultation	December 2014 – 2015	• A series of 6 workshops with a cross section of residents recruited from the Citizens Panel and Youth Board, plus two workshops with users <sup>2</sup> of council services. • An online survey

### **Formal consultation on 2016/17 budget**

5.7.5 The preliminary consultation and engagement has informed the development of the Council's 2016/17 budget proposals to be put forward for consultation.

5.7.6 To allow for an eight-week budget consultation, a general budget consultation began after Policy and Resources Committee on 18 December 2015 and will be concluded on 12 February 2016.

5.7.7 This report outlines the headline interim findings as of 3 February 2016. The interim consultation findings will be updated and re-published on 16 February 2016 for Policy and Resources Committee to consider on the night, together with Appendix B.

5.7.8 The final consultation findings and full report will be taken to Council on 1 March 2016.

### **General consultation on 2016/17 budget**

#### **Method**

5.7.9 The 2016/17 general budget consultation focused on the overall size and individual components of the 2016/17 budget in general terms. In particular, the consultation invited views on the:

- Overall budget and saving proposals;
- the savings being made within each Theme Committee;
- the proposal not to increase general Council Tax;
- and whether or not the council should introduce the 2% 'Adult Social Care Precept' Council Tax increase.

5.7.10 The general consultation was published on Engage Barnet with detailed background information about the Council's budget setting process and the financial challenges the council faces.

5.7.11 Respondent's views were gathered via online survey. Paper copies and an easy read version of the consultation were also made available on request.

5.7.12 As part of the Council's statutory duty to consult with National Non Domestic Rate (NNDR) Payers, letters were sent out to all the council's NNDR payers inviting them to take part in the consultation.

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<sup>2</sup> One "service user" workshop was for a cross section of residents who are users of non-universal services from across the Council. The second workshop was for adults with learning disabilities.

5.7.13 The consultation was widely promoted via the Council's Residents' magazine, Barnet First; Barnet Online; local press; Twitter; Face book; Area Forums; and posters in libraries and other public places.

5.7.14 Super-users, i.e. users of non-universal services, have also been invited to take part in the consultation through Community Barnet; Communities Together Network, Youth Board, and Delivery Unit newsletters/circulars and super user mailing lists.

5.7.15 To ensure the views of a representative sample of the borough's population were captured on the proposal not to increase Council Tax and whether or not the council should introduce the 2% 'Adult Social Care Precept' Council Tax increase a separate questionnaire was sent to the Citizens' Panel.

#### **Headline Interim findings:**

5.7.16 As at the 3 February, a total of 345 questionnaires have been completed, 43 by the general public via the open online web survey, and 302 by the Citizens' Panel.

#### **Overall Budget and Savings for 2016/17**

5.7.17 Respondents were asked if they had any comments to make on how the 2016/17 proposed savings had been allocated across the Theme Committees.

5.7.18 Of the 43 respondents, 23 completed this question.

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

5.7.20 The types of responses were varied with no clear majority. The most frequently mentioned responses are outlined below:

Four respondents indicated they agreed with the overall approach, citing:

- *I agree with proposals (2);*
- *Well thought out I think they are well thought out and the most vulnerable will be looked after ;*
- *The Theme Committee approach to identify effective saving is more effective than standard percentage slicing across all areas of Council spend.*

Five respondents asked for further clarity on the savings and approach:

- *Are savings based on services being commissioned or being in-house?*
- *How well are commissioned services being delivered?*
- *What savings are based on cutting services?*
- *What is the new model of social work practice?*
- *Do not understand 'Community Leadership' committee or its purpose.*

Three respondents felt that further efficiency savings could be made, citing:

- *Cut processes rather than services*

- *Review corporate support contracts due in 2016 and look at profit margins*
- *Value for money is required rather than reducing budgets*

### **Theme Committee Saving Proposals 2016/17**

5.7.21 Respondents were asked the following questions on the saving proposals within each Themed Committee for 2016/17:

- Do you have any comments to make about the savings being proposed within this Committee's budget for 2016/17?
- Overall, to what extent do you agree or disagree with the savings that have been proposed within this Committee's budget for 2016/17?
- If you disagree, please give reasons for your answer:
- If you disagree, do you have any alternative suggestions for where the council could make these savings or generate income?

5.7.22 This interim report provides the headline findings on the extent of which respondents agreed or disagreed with the savings proposed within each committee. Further analysis on the open ended questions will be provided in the final report.

Theme Committee	Consultation Findings
Policy and Resources	Opinion was mixed on the saving proposals within this committee, with no clear majority agreeing or disagreeing - 10 out of 24 respondents agreed, 11 out of 24 disagreed. One respondent indicated they Neither agree nor disagree and two indicated Don't know/Not sure.
Adults and Safeguarding	More respondents disagreed with the proposed savings within the Adults and Safeguarding Committee's - 16 out of 25 respondents disagreed compared to 7 out of 25 who agreed. One respondent indicated they Neither agree nor disagree and one indicated Don't know/Not sure.
Children, Education, Libraries and Safeguarding	Opinion was mixed on the proposed savings within the Children, Education, Libraries and Safeguarding Committee, with more respondents disagreeing - 14 out of 24 respondents disagreed compared to 8 out of 24 who agreed. One respondent indicated they Neither agree nor disagree and one indicated Don't know/Not sure.
Environment	Opinion was mixed on the proposed savings within the this committee - 11 out of 23 respondents agreed compared to 10 out of 23 who disagreed. Two respondents indicated they Neither agree nor disagree.
Assets, Regeneration and Growth	Opinion was slightly more mixed on the saving proposals within this committee, with no clear majority agreeing or disagreeing - 7 out of 19 respondents agreed compared to 6 out of 19 who disagreed. Four respondents indicated they

	Neither agree nor disagree and two indicated Don't know/Not sure.
Community Leadership	The majority of respondents agreed with the budget proposals within this committee - 10 out of 15 respondents agreed and 5 out of 15 disagreed.
Housing	Slightly more respondents disagreed with the proposed savings within the Adults and Safeguarding Committee's - 3 out of 6 disagreed. Three respondents indicated they Neither agree nor disagree.

## Council Tax

5.7.23 As at 3 February 2016, 345 respondents have completed the questions on Council Tax, 43 from the general public questionnaire, and 302 by the Citizens' Panel.

5.7.24 The findings to these questions will be reported on separately, in terms of the responses from the general public consultation to all residents and the Citizens' Panel responses. This is to allow for comparisons to be made with the larger representative sample of the Citizens Panel and the much smaller response to the general public questionnaire. As the general public questionnaire has only received a total response of 43, when considering the general public findings account should be taken of the small sample size.

5.7.25 Key findings are summarised below:

### The Council's proposal not to increase general Council Tax in 2016/17

5.7.26 Respondents were asked how much they agreed with the council's proposals not to increase the proportion of Council Tax bills which can be spent on general local services.

- 302 Citizens' Panel members and 33 from the general public answered this question.

5.7.27 Full analysis on the equality monitoring questions will be done in the final report.

- The table over the page shows that almost three fifths of the Citizens' Panel (56 per cent) agreed with the council's proposal not to increase general Council Tax in 2016/17. A further third disagreed (32 per cent), and 12 per cent said they did not know or were not sure.
- In contrast, just over half of those responding to the general public consultation, disagreed with the councils proposal not to increase council tax in 2016/17 (52 per cent, 17 out of 33). A third agreed (36 per cent, 12 out of 33 respondents) and 12 per cent (4 out of 33) said they were not sure or did not know.

Do you agree with the council's plans not to increase the proportion of Council Tax bills which can be spent on general local services?	Citizens' Panel		General Public	
	%	Number	%	Number

Yes	56%	169	36%	12
No	32%	96	52%	12
Don't know/Not sure	12%	36	12%	3
Total	100%	302	100%	27

### Reasons given by those who agreed with the proposal not to increase general Council Tax in 2016/17

5.7.28 Of those who indicated they agreed with the proposal 49 per cent of Citizens' Panel and 25 per cent (3 out of 12 respondents) of the general public respondents did not give a reason for their response. Of the respondents who did give a reason, the top five most frequently cited reasons were:

- **'Barnet council tax is very high already / Enough is being charged'**. Nine per cent of Citizens' Panel respondents who agreed cited this as a reason for why they supported the proposal not to increase general Council Tax. None of the general public consultation respondents gave this reason.
- **'Earnings/ Incomes have not increased in reality / Many people struggle already / I cannot afford it Good for pensioners / those on low income/ on fixed income.** Seven per cent of the Citizens' Panel who agreed mentioned this as a reason for their support. None of the general public consultation respondents gave this reason.
- **'Services: Seem to be coping with the cuts / Assume council confident services will be maintained'** Five per cent of the Citizens' Panel gave this as a reason for their support. 25 per cent (4 out of 12) of the general public consultation also gave this reason.
- **'Services: Social Care / Adult Care/ services for the vulnerable need an increase in funding'** Five per cent of the Citizens' Panel cited this as a reason for why they agreed with the proposal not to increase general Council Tax. As before none of the general public consultation respondents gave this reason.
- **'Council workers are inefficient / waste money / Council needs to manage itself better/ Can make more savings on overheads'** Four per cent of the Citizens' Panel cited this as a reason for why they supported the proposal not to increase general Council Tax. Again none of the general public consultation respondents gave this reason.

### Reasons given by those who did not agree with the proposal not to increase general Council Tax in 2016/17

5.7.29 Of those who indicated they agreed with the proposal 36 per cent of Citizens' Panel and 24 per cent (3 out of 17 respondents) of the general public respondents did not give a reason for their response. Of the respondents who did give a reason, the top five most frequently cited reasons were:

- **'Services: Services generally need increase in funding.** 27 per cent of Citizens' Panel respondents who disagreed cited this as a reason for why they did not support the proposal not to increase general Council Tax. 4 out of 17 of the general public consultation respondents gave this reason.



- **‘Services: Social Care / Adult Care/ services for the vulnerable need an increase in funding’** 7 per cent of the Citizens’ Panel mentioned this as a reason why they disagreed. 1 out of 17 of the general public consultation also gave this reason.
- **‘Services: If not increased concern that level of services would decrease/ Services should be protected/ An increase is necessary Services’** 7 per cent of the Citizens’ Panel gave this as a reason for why they did not support the proposal. 3 out of 17 of the general public consultation also gave this reason.
- **‘People need to understand they have to pay for services’** 7 per cent of the Citizens’ Panel cited this as a reason for why they did not support the proposal not to increase general Council Tax. 1 out of 17 of the general public consultation also gave this reason.
- **‘Services: Maintenance of roads and pavements already low’** 6 per cent of the Citizens’ Panel cited this as a reason for why they disagreed with the proposal. As before none of the general public consultation respondents gave this reason.

### **Residents views on increasing Council Tax by 2% in 2016/17 via a ‘social care precept’**

5.7.30 Respondents were asked if they think that the Council should increase Council Tax by 2% in 2016/17 via the ‘social care precept’.

- 302 Citizens’ Panel members and 33 from the general public answered this question.

5.7.31 Full analysis on the equality monitoring questions will be done on the Citizen Panel data in the final report.

- The results of the Citizens’ Panel and the general public consultation are very similar in that nearly three fifths of each sample think the Council should increase Council Tax by 2% via the ‘social care precept’ next year.
- The table below shows that almost three fifths of the Citizens' Panel (56 per cent) think the Council’s should increase Council Tax by 2% via the ‘social care precept’ A further third disagreed (33 per cent), and 11 per cent said they did not know or they were not sure.
- Similarly, nearly three fifths of those responding to the general public consultation think the council’s should increase Council Tax by 2% via the ‘social care precept’ (55 per cent, 18 out of 33). However, a further fifth think the council's should not increase Council Tax by 2% via the ‘social care precept’ (45 per cent, 15 out of 33 respondents). No respondents said they were not sure or did not know.

Do you think that the council should increase Council Tax by 2% in 2016/17 via a ‘social care precept’	Citizens’ Panel		General Public	
	%	Number	%	Number
Yes	56%	170	55%	18
No	33%	100	45%	15
Don't know/Not sure	11%	30	0%	0

Total	100%	302	100%	33
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### Reasons why respondents think the council should increase Council Tax by 2% in 2016/17 via a 'social care precept'

5.7.32 Of those who indicated they agreed with this increase in Council Tax, 44 per cent of Citizens' Panel and 33 per cent (6 out of 18 respondents) of the general public respondents did not give a reason for their response. Of the respondents who did give a reason, the top five most frequently cited reasons were:

- **'Adult social care needs further funding / Care for the elderly and vulnerable needs more attention/Agree this is required'**. 31 per cent of Citizens' Panel respondents cited this as a reason why they think the council's should increase Council Tax by 2 per cent via the 'social care precept'. 4 out of 18 of the general public consultation also gave this reason.
- **'2% / £22 would be manageable / affordable by all/most people'** 15 per cent of Citizens' Panel respondents cited this as a reason for why they support an increase in Council Tax by 2% via the 'social care precept'. 7 out of 18 of the general public consultation also gave this reason.
- **'The population is ageing. More resources are required for them./ Barnet has a large population of older adults'** 12 per cent of the Citizens' Panel gave this as a reason for their support. 1 out of 18 of the general public consultation also gave this reason.
- **'If Council Tax is not increased concern that level of services would decrease/ Service should be protected'** 6 per cent of the Citizens' Panel cited this as a reason why they think the council's should increase Council Tax by 2% via the 'social care precept'. 1 out of 18 of the general public consultation also gave this reason.

### Reasons why respondents do not think the council should increase Council Tax by 2% in 2016/17 via a 'social care precept'

5.7.33 Of those who indicated they do not think the Council's should not increase Council Tax by 2 per cent via the 'social care precept' 42 per cent of Citizens' Panel and 27 per cent (6 out of 18 respondents) of the general public respondents did not give a reason for their response. Of the respondents who did give a reason, the top five most frequently cited reasons were:

- **'Barnet council tax is very high already / Enough is being charged'** 8 per cent of Citizens' Panel respondents cited this as a reason why they do not think the Council's should increase Council Tax by 2% via the 'social care precept' 4 out of 15 of the general public consultation also gave this reason.
- **'Make savings in other department areas to help this one'** 5 per cent of Citizens' Panel respondents cited this as a reason why they do not support an increase in Council Tax by 2% via the 'social care precept'. None of the general public consultation respondents gave this reason.
- **'Families should be more responsible and look after their elderly family members'** 5 per cent of the Citizens' Panel gave this as a reason why they do not want a 2 per cent 'social care' Council Tax increase. None of the general public consultation respondents gave this reason.

- ***‘Earnings/ Incomes have not increased in reality / Many people struggle already’*** 4 per cent of the Citizens’ Panel cited this as a reason why they do not think the Council’s should increase Council Tax by 2% via the ‘social care precept’. 3 out of 15 of the general public consultation also gave this reason.
- ***‘Suspicion/doubt that this additional taxation would be properly targeted towards the elderly’*** 4 per cent of the Citizens’ Panel cited this as a reason as a reason why they do not want a 2 per cent ‘social care’ Council Tax increase. None of the general public consultation respondents gave this reason.

### **Service Specific Budget Consultations 2016/17**

5.7.34 In terms of service specific consultations the Council has a duty to consult with service users where there are proposals to vary, reduce or withdraw services. Where appropriate separate service specific consultations have already taken place for the 2016/17 savings, and the outcome of these consultations have been reported into committee decision making process. However, there are two further service specific consultations which are currently being consulted on:

- Recycling and Waste Strategy – 18 January – 13 March 2016
- Parks and Open Spaces Strategy –18 January – March 2016

5.7.35 A further consultation on the Playing Pitch Strategy will take place in May 2016.

### **5.8 Insight**

5.8.1 The Adults and Safeguarding and Children’s, Education, Libraries and Safeguarding proposals have been developed using the Joint Strategic Needs Assessment (JSNA) which outlines the current and projected needs of the borough’s population.

5.8.2 All the proposals have used evidence of best practice and guidance (such as NICE guidance), where available and relevant, to develop their initiatives.

## **6 BACKGROUND PAPERS**

<b>Item</b>	<b>Decision</b>	<b>Link</b>
Policy and Resources Committee 16 December 2015	Decision item 7 – Business Planning	<a href="http://barnet.moderngov.co.uk/ie/ListDocuments.aspx?CId=692&amp;MId=8349&amp;Ver=4">http://barnet.moderngov.co.uk/ie/ListDocuments.aspx?CId=692&amp;MId=8349&amp;Ver=4</a>
Assets, Regeneration and Growth Committee 30 November 2015	Decision Item 15 – Business Planning	<a href="http://barnet.moderngov.co.uk/ie/ListDocuments.aspx?CId=696&amp;MId=8311&amp;Ver=4">http://barnet.moderngov.co.uk/ie/ListDocuments.aspx?CId=696&amp;MId=8311&amp;Ver=4</a>
Children’s Education, Libraries and Safeguarding Committee 18 November 2015	Decision Item 8 – Annual Business Planning	<a href="http://barnet.moderngov.co.uk/ie/ListDocuments.aspx?CId=697&amp;MId=8259&amp;Ver=4">http://barnet.moderngov.co.uk/ie/ListDocuments.aspx?CId=697&amp;MId=8259&amp;Ver=4</a>
Adults & Safeguarding	Decision Item 7 – Business Planning	<a href="http://barnet.moderngov.co.uk/ie/ListDocuments.aspx?CId=698&amp;MId=8349&amp;Ver=4">http://barnet.moderngov.co.uk/ie/ListDocuments.aspx?CId=698&amp;MId=8349&amp;Ver=4</a>

Committee 12 November 2015	2016/17	<a href="#">MId=8362&amp;Ver=4</a>
Environment Committee 10 November 2015	Decision Item 7 – Business Planning	<a href="http://barnet.moderngov.co.uk/ie/ListDocuments.aspx?CId=695&amp;MId=8334&amp;Ver=4">http://barnet.moderngov.co.uk/ie/ListDocuments.aspx?CId=695&amp;MId=8334&amp;Ver=4</a>
Housing Committee 19 October 2015	Decision Item 11 – Housing Revenue Account (HRA) Business Plan	<a href="http://barnet.moderngov.co.uk/ie/ListDocuments.aspx?CId=699&amp;MId=8268&amp;Ver=4">http://barnet.moderngov.co.uk/ie/ListDocuments.aspx?CId=699&amp;MId=8268&amp;Ver=4</a>
Policy and Resources Committee 9 July 2015	Decision Item 10 - Business Planning – 2015/16- 2019/20	<a href="http://barnet.moderngov.co.uk/documents/s24390/Finance%20and%20Business%20Planning%20Medium%20Term%20Financial%20Strategy%20201617%20to%20201920.pdf">http://barnet.moderngov.co.uk/documents/s24390/Finance%20and%20Business%20Planning%20Medium%20Term%20Financial%20Strategy%20201617%20to%20201920.pdf</a>