

	<h2>Policy & Resources Committee</h2> <h3>5th October 2016</h3>
<p style="text-align: right;">Title</p>	<p>Business Planning 2017-20 Efficiency Plan</p>
<p style="text-align: right;">Report of</p>	<p>Interim Chief Executive Director of Resources</p>
<p style="text-align: right;">Wards</p>	<p>All</p>
<p style="text-align: right;">Status</p>	<p>Public</p>
<p style="text-align: right;">Urgent</p>	<p>No</p>
<p style="text-align: right;">Key</p>	<p>No</p>
<p style="text-align: right;">Enclosures</p>	<p>Appendix 1 – Efficiency Plan Appendix 2 – Medium Term Financial Strategy Appendix 3 – Transformation Programme</p>
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<h2>Summary</h2>
<p>This paper sets out the council’s Efficiency Plan which requires submission to the Department for Communities and Local Government (DCLG) by 14th October 2016.</p>

<h2>Recommendations</h2>
<p>The report recommends that the Committee:</p> <ol style="list-style-type: none"> Approves the ‘Efficiency Plan’ for submission to the Department for Communities and Local Government (DCLG) in order to secure a minimum funding guarantee.

1. WHY THIS REPORT IS NEEDED

1.1 Executive Summary

- 1.1.1 In June 2016, the council reviewed the Medium Term Financial Strategy (MTFS) covering the period 2017 – 2020. The MTFS for this period had a budget gap of £61.5 million, with savings identified to meet this.
- 1.1.2 The report included information on the proposed multi-year settlement deal and the requirement to submit to DCLG an 'Efficiency Plan'.
- 1.1.3 Local authorities have taken the biggest hit in terms of central government cuts since 2010. The scale of reduction, along with a degree of volatility around the phasing/ timing of these cuts to different authority types, can make it very difficult for authorities to plan their spending priorities strategically.
- 1.1.4 The government's response to these concerns from the sector has been an offer a guaranteed minimum grant envelope, paid to councils for a 4-year period from April 2016 covering Revenue Support Grant, transitional funding and Rural Services Delivery Grant. This, the Secretary of State said, should increase local authority certainty and confidence and would be a key step towards supporting councils to strengthen financial management and work collaboratively with local partners when considering the way local services are provided in future.
- 1.1.5 To take advantage of this offer each authority needs to submit an efficiency plan. The Secretary of State has not issued guidance on what an efficiency plan should contain.
- 1.1.6 DCLG recognise that every council in the country is different. Each will have its own vision, policies, opportunities and challenges and each will be at a different stage in its journey to financial sustainability. Therefore, no two efficiency plans are likely to focus on the same things; have common aims or include the same reports.
- 1.1.7 An efficiency plan need not be any more than an 'abridged version' of key/existing public documents already put together by a council, such as the Corporate Plan, the Medium Term Financial Strategy (MTFS), appendix 2 and the Transformation Programme, appendix 3.
- 1.1.8 Barnet, due to its forward planning, has a Corporate Plan and MTFS that stretches to 2020. These documents have been used as foundations for drawing up the Efficiency Plan.
- 1.1.9 This Efficiency Plan has to be submitted to DCLG by 14th October 2016

2. REASONS FOR RECOMMENDATIONS

- 2.1 Local Government as a whole, not just Barnet, continues to face significant reductions in funding and demand for services, as set out in the strategic context. These require continual longer term robust financial planning and the

recommendations in this report support the plan to ensure that adequate budget provision is allocated to the council's service areas.

3. ALTERNATIVE OPTIONS CONSIDERED AND NOT RECOMMENDED

- 3.1 Not to submit an efficiency plan and refuse to accept the four-year settlement was considered and not recommended due to the fact that the certainty around the offer of a four year guaranteed settlement is welcomed by Barnet.

4. POST DECISION IMPLEMENTATION

- 4.1 Following approval of the recommendation, the efficiency plan will be submitted to the DCLG by the 14th October 2016.

5. IMPLICATIONS OF DECISION

5.1 Corporate Priorities and Performance

- 5.1.1 The Councils Corporate Plan to 2020 sets out the vision and strategy for the next five years based on the core principles of fairness, responsibility and opportunity has been a key component in the development of the Efficiency Plan.

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

- 5.2.1 The four-year settlement provided a minimum funding level to base the development of the Medium Term Financial Strategy to 2020.

5.3 Social Value

- 5.3.1 None applicable to this report, however the council has to take into account the requirements of the Public Services (Social Value) Act 2012 to try to maximise the social and local economic value it derives from its procurement spend.

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 Council Constitution, responsibility for functions Annex A sets out the terms of reference of the Policy and Resources Committee including

(1) To be the principal means by which advice on strategic policy and plans is given and co-ordinated and to recommend to full council, as necessary, on strategic issues. This is to include:

- Consider for approval the Corporate Plan

- Council's Capital and Revenue budget setting (subject to full council) and Medium Term Financial Strategy
- Ensuring effective Use of Resources and Value for Money

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. The acceptance of a four year guaranteed settlement reduces the risk of financial uncertainty.

5.6 Equalities and Diversity

5.6.1 None applicable to this report, but the council has to consider the requirements of the Equality Act 2010 and The Public Sector Equality Duty and be satisfied that equality impact considerations have been fully taken into account in developing all the proposals which emerge from the finance and business planning process, and considered together with any mitigating factors.

5.7 Consultation and Engagement

5.7.1 None applicable to this report.

5.8 Insight

5.8.1 Not applicable.

6. BACKGROUND PAPERS

- 6.1 Council, 1 March 2016, agenda item 11.1, Business Planning 2016-2010
<http://barnet.moderngov.co.uk/ieListDocuments.aspx?CId=162&MId=8343&Ver=4>
- 6.2 Policy and Resources Committee, 28th June 2016, agenda item 8 Business Planning 2017 – 2020
<http://barnet.moderngov.co.uk/documents/s32762/Report.pdf>
- 6.3 Council website, approved Corporate Plan 2015/16 and 2016/17 Addendum to the Corporate Plan. <https://www.barnet.gov.uk/citizen-home/council-and-democracy/policy-and-performance/corporate-plan-and-performance>