

London Borough of Barnet Efficiency Plan

Strategic context

The Barnet Corporate Plan 2015, updated in 2016, sets out the objectives of the Council and is based on the principles of **fairness, opportunity & responsibility**, with a strong commitment to partnership working to commission joined up, affordable, quality services to meet the 2020 vision of:

- More involved and resilient communities
- Health and Social Care services will be personalised and integrated, with more people supported to live longer in their own homes
- Public Health will be integrated as a priority theme across all services
- Barnet's schools will be amongst the best in the country, with enough places for all, and with all children achieving the best they can
- Barnet's children and young people will receive a great start in life
- There will be a broad offer of skills and employment programmes for all ages
- Barnet's local environment will be clean and attractive, with well-maintained roads and pavements, flowing traffic, increased recycling and less waste sent to landfill
- Barnet's parks and green spaces will be amongst the best in London
- Barnet will be amongst the safest places in London, with high levels of community cohesion, and residents feeling safe
- Residents will see a responsible approach to regeneration, with thousands of new homes built and job opportunities created
- Customer services will be intuitive and flexible, with increased user satisfaction
- Barnet will continue to be recognised as a transparent and open council
- And, for staff, the council will offer a more flexible and modern workplace.

Commissioning Council

Barnet changed its operating model to deliver its new approach - becoming a 'Commissioning Council' with a mixed economy, eg local providers (public, private, VCS) bringing in new skills to achieve the best results.

Two key arrangements have emerged through this approach:

Guaranteed savings of £126m over 10 years through a deal with private sector to provide our back office services:

- **Customer & Support Group (CSG)** - unique package of services designed for synergy and savings
- Partnership with Capita, with up front investment to improve services will save **£126m over 10 years**
- **New standards of customer service** to achieve savings and make it easier for customers to transact – e.g. web-based '**Single Customer Account**'
- **Co-design of services** with users and improved customer insight

Growth of £39m in 'visible' planning and regulatory services – in partnership with private sector:

- **Developmental and Regulatory Services (DRS)** - new to the market, so scope for growth
- Saving of **£39m over 10 years**, including growth of a guaranteed £33m
- **Investment in services** - real time data via handheld devices and investment in customer facing web
- A **Joint Venture**, so the Barnet taxpayer benefits from success with a strong incentive to grow the business

The past five years have been challenging for all local authorities; the combination of reduced public spending and increasing demand meant that Barnet needed to save £75 million between 2011 and 2015, just over a quarter of its budget. As far as possible, the council sought to meet this challenge through savings to the 'back office' and non-front line services. During this time of significant challenge, the council has seen levels of resident satisfaction remain high both in terms of satisfaction with the council as well as with a range of local services. According to the Autumn 2015 Residents' Perception Survey, 88 per cent of residents are happy with Barnet as a place to live, and 74 per cent are satisfied with how the council runs things. This is part of an upwards trend in satisfaction since 2012.

Between 2016 and 2020, a further £81.1 million of savings need to be made as a result of increasing demand on services – driven largely by a growing population and changing demographic – and continued reductions in central Government funding.

However, in spite of these challenges, there are significant opportunities for Barnet. As funding from central Government is likely to reduce to zero, the council will need to generate its income through local and regional sources of funding – Council Tax, Business Rates, fees and charges and the commercialisation of some of our services, where appropriate. Whilst challenging, this also provides all authorities with an opportunity as the further devolution of funding means that, increasingly, councils will become masters of their own destinies.

A copy of the council's corporate plan 2015-16 and the addendum at April 2016 supports the submission of this plan.

Medium Term Financial Strategy

The MTFS to 2020 into account national economic factors such as forecasts to Government spending and inflation, along with local factors which will have an impact on the council's budget such as population change, housing and development and other demand pressures on services.

Given the uncertainty with local government funding beyond 2020 due to the changes in Revenue Support Grant and Business Rates, the current MTFS is not extended beyond this period. It is intended that the council will conduct another 'Priorities and Spending Review' (PSR) – as it did between 2013/14 to fully revise the MTFS through to 2023 and present options to the new administration after the May 2018 local elections. The PSR will begin again next summer.

Savings plans to close the £80.1 million gap (2016-20) were agreed by Full Council in March 2016, with £5million to be funded by reserves in 2019/20. Funding savings from reserves is not sustainable in the long term, however, the chief financial officer recognises that the council tax base beyond 2020 is expected to increase, based on projected council tax receipts from new housing in the west of the borough and therefore the use of reserves is projected to be necessary for one year only.

A copy of the council's medium term financial strategy supports the submission of this plan.

Transformation Programme

The council has embarked on its transformation programme that will deliver the key changes, complex projects, and key savings required by the Corporate Plan, based on delivery of the council's strategic objectives.

The Council has an established model for ensuring projects are developed and delivered in an effective way, with business cases and recommendations presented to Committees at set points. This approach, reviewing projects at set gateways, testing and refining business cases, is intended to ensure that the Council delivers the desired benefits and outcomes, with appropriate funding in place.

This programme will deliver individual project savings totalling £62.8 from 2015 – 2020 at a cost of £22.4, with a cumulative savings impact of £171m over the five year period

A copy of the council's transformation programme supports the submission of this efficiency plan.

Monitoring the Efficiency Plan

The Efficiency Plan will be published in accordance with the DCLG guidance and will be monitored as part of any review and update of the Medium Term Financial Strategy.

There is a caveat to this Efficiency Plan, in that the local elections in Barnet will be held in May 2018 and this could impact on the medium term financial strategy.