

	<p style="text-align: center;">Assets, Regeneration & Growth Committee</p> <p style="text-align: center;">28th November 2016</p>
<p style="text-align: right;">Title</p>	<p>Business Planning 2017/18 to 2019/20</p>
<p style="text-align: right;">Report of</p>	<p>Commissioning Director for Growth & Development</p>
<p style="text-align: right;">Wards</p>	<p>All</p>
<p style="text-align: right;">Status</p>	<p>Public</p>
<p style="text-align: right;">Urgent</p>	<p>No</p>
<p style="text-align: right;">Key</p>	<p>Yes</p>
<p style="text-align: right;">Enclosures</p>	<p>Appendix A – ARG Committee Revenue Savings Programme</p>
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Summary

A Business Planning report was considered by Policy and Resources Committee on the 28 June 2016 outlining the council's updated Medium Term Financial Strategy (MTFS) to 2020. The paper set out the proposed revenue and capital budget amendments for 2016/17 as well as setting out the previously agreed savings requirements across Theme Committees for the period 2017-20.

This report sets out the strategic priorities and indicative budget proposals for the Assets, Regeneration and Growth Committee up to 2019/20.

Theme Committees are asked to confirm delivery of savings against plans agreed at the March 2016 Council meeting. The overall targets for Theme Committees remains the same

and any proposals that are not either unachievable or will not deliver on their original estimate will need to be supplemented by bringing forward new proposals to meet the gap.

The savings target for the Assets, Regeneration and Growth Committee from 2017 – 2020 is £12.1m, an increase of £0.5m above the original £11.6m target, due to a partial saving transfer from the Children's, Education, Libraries and Safeguarding Committee (CELS). The services plans presented in this report have been reviewed and adjusted either by re-profiling where plans were developing, reducing targets on original estimates or removing lines where savings were deemed unachievable. Key changes are as follows (the details of which can be found in Appendix A):

- Re-profiled savings include Accommodation Strategy (E1) moving the savings from 2017/18 £2m, to 2018/19 £0.5m and 2019/20 £1.5m. Increase in Council Tax income(G1) by £1m over the savings period and this is now re-profiled as 2017/18 £4.6m, 2018/19 £4.5m and 2019/20 £0.4m
- Removed Development Opportunity saving of £1m from 2017/18.
- Partial saving transfer from CELS Committee Rental Opportunities (G2) £0.5m profiled as follows: 2017/18 £0.4m and 2019/20 £0.1m

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

Recommendations

- 1. That the Assets, Regeneration and Growth Committee agree to the savings programme set out in Appendix A for recommendation to Policy and Resources Committee.**
- 2. That the ARG Committee agrees to the public consultation on the priorities and revised savings proposals contained within this report commencing immediately following the Policy and Resources Committee on the 1st December 2016, before the Policy and Resources Committee are asked to approve the final priorities and savings proposals on 23rd February 2017.**

1. WHY THIS REPORT IS NEEDED

- 1.1** 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' to protect our 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. The latest Residents' Perception Survey indicates that 89 per cent of residents are satisfied with Barnet as a place to live and 77 per cent feeling that the council is doing a good job.
- 1.2** With financial pressure on the council set to continue, the next four years will continue to present challenges however, there will also be some significant opportunities.

Savings plans to close the £80.1 million gap (2016-20) were agreed by Full Council in March 2016, with £5 million 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.

- 1.3 However, in spite of these challenges, there are significant opportunities for Barnet, with a focus on protecting vital services by managing demand and directing resource to those most in need. Successful demand management relies on an understanding of the types of demand that are arising, and how we can reprofile this demand to deliver positive outcomes. Many of our service transformation programmes have demand management at their core to ensure that this objective is met. There is also an increased focus on building community resilience; helping residents to help themselves so that they are equipped to do more for their communities and become less dependent on services.
- 1.4 As funding from central Government reduces 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 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. The council is also placing an increased focus on investment in infrastructure and is continuing with its ambitious growth and regeneration plans, which will create over 27,000 new homes and 30,000 new jobs in the borough. Our regeneration programme will also generate more than £11m in recurrent income by 2025 and £50m in one off income by 2020, which is to be invested in the borough's infrastructure.
- 1.5 Theme Committees are asked to confirm delivery of savings against plans agreed at the March 2016 Council meeting. The overall targets for Theme Committees remains the same and any proposals that are not either unachievable or will not deliver on their original estimate will need to be supplemented by bringing forward new proposals to meet the gap.
- 1.6 Whilst there have been minor changes to how the overall savings targets will be achieved between 2017 – 2020, officers consider the service priorities remain unchanged.
- 1.7 The council's Corporate Plan sets the framework for each of the Theme Committees' five year commissioning plans and there are a number of core and shared principles which underpin the commissioning outcomes. These include:
 - A focus on fairness
 - A focus on responsibility
 - A focus on opportunity
 - Planning ahead

The table below sets out how these principles have been applied to the commissioning priorities of:

- Responsible growth and regeneration
- Managing demand for services

- Transforming local services
- More resilient communities

<p><u>Fairness</u></p>	<p>Fairness for the Council is about striking the right balance between fairness towards more frequent users of services and to the wider taxpayer.</p> <p>Managing demand for services</p> <p>Since 2010, we've successfully met a 25% budget gap largely through efficiency savings and delivering services differently; in order to meet a further 25% budget gap to 2020, we'll focus on doing more to manage demand for local services.</p> <p>This will require a step change in the council's approach to early intervention and prevention, Working across the public sector and with residents to prevent problems rather than just treating the symptoms.</p>	<p>Fairness for Assets, Regeneration and Growth Committee is about ensuring that the council's approach to regeneration supports people who live and work in the areas of greatest need in Barnet while enabling the wider population to benefit from the opportunities of growth. This includes:</p> <p>Investing in roads and public transport, local cycle and pedestrian networks to improve access for those who live in Regeneration areas and the surrounding communities.</p> <p>Using regeneration to create cohesive communities that meet the needs of all who live there.</p> <p>Ensuring regeneration programmes support delivery of wider outcomes such as education and health and wellbeing.</p> <p>Providing new and replacement leisure, community, health and education facilities alongside new and improved open spaces for all residents to use.</p> <p>Maintaining the built and natural environment of the borough and town centres to ensure Barnet is a great place to live and work.</p> <p>Offering targeted support to ensure residents can work and benefit from growth using developer contributions and a multi-agency approach</p>
<p><u>Responsibility</u></p>	<p>More resilient communities</p> <p>As the Council does less in some areas, residents will need to do more. We're working with residents to increase self-sufficiency,</p>	<p>Barnet's approach to supporting town centres encourages residents and local businesses to play an active role in shaping their local area with a tailored offer of support to different town centres.</p>

	<p>reduce reliance on statutory services, and tailor services to the needs of communities. In doing so, the Council will change its relationships with residents, with residents becoming more resilient and doing more to keep Barnet a great place. All parts of the public service system must play their part in helping to achieve priority outcomes with reduced resources.</p> <p>The Council will continue to take responsibility for getting the basics right as we approach the challenges ahead. This means doing the things our residents expect, such as maintaining an attractive environment;</p> <p>Emptying the bins; keeping the streets clean; and making it as easier to make transactions such as paying Council Tax or requesting a parking permit online</p> <p>We will also invest in the infrastructure of the borough to ensure Barnet continues to be a great place to live and work – that means investment in transport; housing; jobs; school places; leisure centres and community facilities</p>	<p>The council's approach to supporting local businesses involves signposting to existing business support networks and services in the borough.</p> <p>The council's approach to community hubs makes the most of the local expertise, capacity and leadership of local community groups</p> <p>Through the regeneration programme, Community Participation Strategy and Entrepreneurial Barnet strategy, the council is working closely with its public sector partners and local communities to deliver better outcomes for Barnet</p>
<u>Opportunity</u>	<p>The Council will capitalise on the opportunities of a growing economy by prioritising regeneration, growth and maximising income</p> <p>Responsible growth and Regeneration is essential for</p>	<p>Making the most of the opportunities arising from regeneration and economic growth is at the centre of the council's approach to Assets, Regeneration and Growth. This includes:</p> <p>Generating new jobs – 30,000 new jobs will be created in Barnet by 2030</p>

	<p>the borough – by revitalising communities and providing new homes and jobs whilst protecting the things residents love about Barnet such as its open spaces. It is also necessary to generate more money to spend on local services as the money received directly from Government reduces to zero</p> <p>As we continue to deal with budget reductions to 2020, we will explore the opportunity this presents to transform local services and redesign them, delivering differently and better. We will focus on making services more integrated and intuitive for the user, and more efficient to deliver for the Council and the wider public Sector</p> <p>As we focus on how to transform services, we will take the opportunity to make them as efficient as possible to drive out savings</p>	<p>Delivering new homes – 27,000 new homes will be built through the growth and regeneration programme and by building new homes on council land as part of the Development Pipeline Programme.</p> <p>Providing residents and businesses with tools and support to prosper and grow, supporting young people and unemployed residents into work.</p> <p>Making Barnet the best place in London to be a small business, ensuring businesses can deal with the council easily, access council contracts and have the support they need to grow.</p> <p>Securing external investment in town centres to make them attractive places to live and work.</p> <p>Working with partners to develop the labour market to ensure the skills and behaviours of the workforce meet Employers' needs.</p> <p>Targeted support to find work and ensure that all residents benefit from growth.</p> <p>Making best use of council assets to ensure they are used efficiently, offer value for money</p>
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1.8 **Revenue**

1.8.1 The savings target for Assets, Regeneration and Growth Committee from 2017 – 2020 is £12.1m, an increase of £0.5m above the original target due to a partial saving transfer from the Children's, Education, Libraries and Safeguarding Committee (CELS). A breakdown of the proposals is listed below:

- Accommodation Strategy (E1) - £2m saving. Re-profiled from 2017/18 £2m, to 2018/19 £0.5m and 2019/20 £1.5m
- Increase in Council Tax income (G1) - £9.5m saving. This has increased by £1m compared to the prior target. The new re-profile is 2017/18 £4.6m, 2018/19 £4.5m and 2019/20 £0.4m. The income is generated from the creation of new homes.
- Development Opportunities of £1m has been removed and replaced by the additional Council Tax income
- Rental Opportunity (G2) - £0.5m saving through surplus space at Libraries, this is a partial transfer from the CELS Committee

Appendix A sets out the savings proposals for ARG committee through to 2020 in detail.

2. **REASONS FOR RECOMMENDATIONS**

2.1 This report sets out the indicative proposals for how the Committee will achieve the revenue savings to deliver target savings confirmed by the Council's Policy and Resources Committee on 28 June 2016 and which accord with the priorities of the ARG Committee set out in paragraph 1.6.

3. **POST DECISION IMPLEMENTATION**

3.1 These proposals will be considered by the Policy and Resources Committee on 1 December 2016 and will form part of the delivery of the Council's Medium Term Financial Strategy. Implementation will follow consultation and the outcome of the final Business Planning report to Policy and Resources Committee in February 2017.

4. **IMPLICATIONS OF DECISION**

4.1 **Corporate Priorities and Performance**

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

- Of opportunity, where people can further their quality of life
- Where people are helped to help themselves, recognising that

- prevention is better than cure
- Where responsibility is shared, fairly
- Where services are delivered efficiently to get value for money for the taxpayer.

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

- 4.2.1 Appendix A identifies the areas where it is proposed to deliver savings to meet the financial challenges facing the Council and is in line with the overall target savings set by the Policy and Resources Committee on 28 June 2016

4.3 Social Value

- 4.3.1 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 providers can bring in delivering our services such as where apprenticeships are provided.

- 4.3.2 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.

4.4 Legal and Constitutional References

- 4.4.1 All proposals emerging from the business planning process will need to be considered in terms of the Council's legal powers and obligations (including, specifically, the public sector equality duty under the Equality Act 2010). All proposals are already or will be subject to separate detailed project plans and reports to committee. The detailed legal implications of these proposals are included in those reports which will have to be considered by the Committee when making the individual decisions.

- 4.4.2 The Committee is approving these proposals for referral to the Policy and Resources Committee. These proposals will be referred to Council so that Council can approve the budget envelope and set the Council Tax. There will be contingencies within the budget envelope so that decision makers have some flexibility should any decisions have detrimental equalities impacts that cannot be mitigated.

- 4.4.3 The Terms of Reference of the ARG Committee are set out in the Council's Constitution, Part 15, and Responsibility for Functions.

The responsibilities of the ARG Committee:

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

<http://barnet.moderngov.co.uk/documents/s18093/15aResponsibilityforF>

4.5 Risk Management

- 4.5.1 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 the council's internal officer Delivery Board and to the relevant Committees and is reflected, as appropriate, throughout the annual business planning process.
- 4.5.2 Risks associated with each individual saving proposal will be outlined within the individual Committee report as each proposal is brought forward for the Committee to consider.

4.6 Equalities and Diversity

- 4.6.1 Equality and diversity issues are a mandatory consideration in the decision-making of the council. This requires elected Members to satisfy themselves that equality considerations are integrated into day to day business and that all proposals emerging from the finance and business planning process have properly taken into consideration what impact, if any, there is on any protected group and what mitigating factors can be put in train.
- 4.6.2 The public sector equality duty is set out in s149 of the Equality Act 2010:

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

- (a) Eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under this Act;
- (b) Advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it; and
- (c) Foster good relations between persons who share a relevant protected characteristic and persons who do not share it.

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

- (a) Remove or minimise disadvantages suffered by persons who share a relevant protected characteristic that are connected to that characteristic;
- (b) Take steps to meet the needs of persons who share a relevant protected characteristic that are different from the needs of persons who do not share it; and
- (c) Encourage persons who share a relevant protected characteristic to participate in public life or in any other activity in which participation by such persons is disproportionately low.

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

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

- (a) Tackle prejudice, and
- (b) Promote understanding.

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

The relevant protected characteristics are:

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

- 4.6.3 As individual savings proposals for 2017/18 are brought forward for consideration by the ARG Committee, each will be accompanied by an assessment of the equalities considerations, setting out any potential impact of the proposal and mitigating action. The equalities impact of all other proposals for later years will be reviewed as proposals develop and will inform the final consideration of the savings proposals by the Policy and Resources Committee on 23rd February 2017. The relevant protected characteristics are set out above.
- 4.6.4 Where there are changes, it is inevitable that there is likely to be an impact on individuals in different ways. However at each stage of the process, the council will conduct full EIA to ensure that where some current and future clients are impacted, proper measures are considered to minimise the effect as far as possible. Those affected by any changes resulting from any of the proposals will be fully engaged.
- 4.6.5 The revenue savings sheet shown as Appendix A currently indicates that an initial assessment has been undertaken for the Accommodation Strategy (E1) saving. The equalities impact will be kept under review on implementation of the Colindale business case and locality strategy. As the full impact of this change is understood, the council will undertake work with those affected and consider options available to them to help mitigate any

adverse impact. Where necessary proposals will not be implemented or agreed until members have fully considered the equality impacts and responses to any consultation.

4.6.6 Increase in Council Tax (Regeneration and Development) (G1) is not expected to have an adverse equities impact. Rental Opportunity (G2) does not require an equalities impact assessment as no impact is anticipated on staff or residents.

4.6.7 All human resources implications will be managed in accordance with the Council's Managing Organisational Change policy that supports the Council's Human Resources Strategy and meets statutory equalities duties and current employment legislation.

4.6.8 Equalities impact will be kept under review where any community groups are impacted, however it is anticipated that in accordance with the community asset strategy, as long as community benefit is provided, a commensurate subsidy in rent will be calculated and therefore no adverse impact is anticipated.

4.7 Consultation and Engagement

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

- where there is a statutory requirement in the relevant legislative framework;
- where the practice has been to consult or where a policy document states the council will consult then the council must comply with its own practice or policy;
- exceptionally, where the matter is so important that there is a legitimate expectation of consultation and
- where consultation is required to complete an equalities impact assessment.

4.7.2 Regardless of whether the council has a duty to consult, if it chooses to consult, such consultation must be carried out fairly. In general, a consultation can only be considered as proper consultation if:

- comments are genuinely invited at the formative stage;
- The consultation documents include sufficient reasons for the proposal to allow those being consulted to be properly informed and to give an informed response;
- there is adequate time given to the consultees to consider the proposals;
- there is a mechanism for feeding back the comments and those comments are conscientiously taken into account by the decision maker / decision making body when making a final decision;
- the degree of specificity with which, in fairness, the public authority should conduct its consultation exercise may be influenced by the identity of those whom it is consulting and;
- The consultation is clear on the reasons why extent to which alternatives and discarded options have been discarded. are required to be consulted on.

- 4.7.3 Public consultation on the overall budget for 2017/18 will commence on 5th December 2016 following the Policy and Resources Committee on 1st December 2016 before the final savings are recommended to Full Council on the 7th March 2017.
- 4.7.4 The public consultation will give residents an opportunity to comment on the 2017/18 overall budget and ARG Committee's individual proposals to deliver the 2017/18 savings identified in this report, before final decisions are formalised in the council's annual budget.
- 4.7.5 In terms of service specific consultations, the council has a duty to consult with residents and service users in a number of different situations including where proposals to significantly vary, reduce or withdraw services. Consultation is also needed in other circumstances, for example to identify the impact of proposals or to assist with complying with the council's equality duties.
- Where appropriate, separate service specific consultations have already taken place or are currently taking place for the 2017/18 savings.

5. BACKGROUND PAPERS

5.1.1 Relevant previous decisions are indicated in the table below.

Item	Decision	Link
Policy and Resources Committee 10 June 2014	Decision Item 6 – Corporate Plan and Medium Term Financial Strategy 2015/16 to 2019/20	http://barnet.moderngov.co.uk/documents/s15265/Finance%20and%20Business%20Planning%20Corporate%20Plan%20and%20Medium%20Term%20Financial%20Strategy%20201516%20to%20201920.pdf
Assets, Regeneration and Growth 15 December 2014	Decision Item 10 – Commissioning Plan	http://barnet.moderngov.co.uk/documents/s19860/ARG%20Business_Planning%20-%20Publish.pdf
Policy and Resources Committee 9 July 2015	Decision Item 10 – Business Planning 2015/16 – 2019/20	http://barnet.moderngov.co.uk/documents/s24579/Supplementary%20Information.pdf
Assets, Regeneration and Growth 30 November 2015	Decision Item 15 – Business Planning 2016 - 2020	http://barnet.moderngov.co.uk/documents/s27691/Business%20Planning.pdf
Policy and Resources Committee 16 December 2015	Decision Item 7 – Business Planning – Medium Term Financial Strategy 2016-2020	http://barnet.moderngov.co.uk/documents/s28174/Business%20Planning%20Medium%20Term%20Fin

		ancial%20Strategy%202016-20.pdf
Council 1 March 2016	Report of Policy and Resources Committee – Business Planning 2016 – 2020	http://barnet.moderngov.co.uk/documents/s30002/Report%20to%20Council%20-%20Business%20Plannin%202016-20.pdf
Assets, Regeneration and Growth 17 March 2016	Decision Item 12 – Updated Commissioning Plan	http://barnet.moderngov.co.uk/documents/s30539/Commissioning%20Plan%20201617%20Addendum.pdf